



# 2022 FINANCIAL STATEMENTS & APPENDED NOTES

For the Year Ended December 31, 2022



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**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



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Richard Cotton  
Executive Director



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Elizabeth M. McCarthy  
Chief Financial Officer



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Daniel G. McCarron  
Comptroller

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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



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

## **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 which 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.

**Management’s Discussion and Analysis (Unaudited)**  
**(continued)**

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.

<b>Unaudited Monthly Activity Volumes for the Month of December</b>			
<b>(In thousands)</b>	<b>December 2022*</b>	<b>December 2019</b>	<b>December 2022 Volumes as a % of December 2019 Volumes</b>
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.

<b>Unaudited Annual Activity Volumes (2019-2022)</b>					
<b>(In thousands)</b>	<b>2022*</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2022 Volumes as % of 2019 Volumes</b>
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

## **Management's Discussion and Analysis (Unaudited)** **(continued)**

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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 reevaluation 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



## **Management’s Discussion and Analysis (Unaudited) (continued)**

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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

**Management’s Discussion and Analysis (Unaudited)**  
**(continued)**

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)		
<b>ASSETS</b>			
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
<b>Total assets</b>	<b>61,522,308</b>	<b>60,390,093</b>	<b>48,687,393</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
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
<b>Total deferred outflows of resources</b>	<b>1,668,163</b>	<b>1,256,727</b>	<b>775,556</b>
<b>LIABILITIES</b>			
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
<b>Total liabilities</b>	<b>40,795,403</b>	<b>39,092,973</b>	<b>32,976,801</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
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	-
<b>Total deferred inflows of resources</b>	<b>6,345,216</b>	<b>6,932,493</b>	<b>578,038</b>
<b>NET POSITION</b>			
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
<b>Net position, December 31<sup>st</sup></b>	<b>\$ 16,049,852</b>	<b>\$ 15,621,354</b>	<b>\$ 15,908,110</b>

\* 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.



## Management's Discussion and Analysis (Unaudited) (continued)

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### 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 ten-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 twelve-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.

**Management's Discussion and Analysis (Unaudited)**  
**(continued)**

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**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.

**Management's Discussion and Analysis (Unaudited)**  
**(continued)**

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**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 ten-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 twelve-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.

**Management's Discussion and Analysis (Unaudited)**  
**(continued)**

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**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.

**Management’s Discussion and Analysis (Unaudited)**  
**(continued)**

**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:

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

**Management’s Discussion and Analysis (Unaudited)**  
**(continued)**

**Gross Operating Revenues**

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

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

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

	<b>2022***</b>	2021 (Restated)***	2020
		(In thousands)	
Aviation	<b>\$ 3,223,841</b>	\$ 2,507,776	\$2,032,359
Tunnels, Bridges & Terminals	<b>1,879,336</b>	1,796,696	1,542,081
Port Department	<b>396,977</b>	386,622	327,665
World Trade Center	<b>331,699</b>	299,533	328,455
PATH*	<b>124,003</b>	85,998	82,110
Other**	<b>21,500</b>	18,617	21,404
<b>Total</b>	<b>\$ 5,977,356</b>	\$ 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 non-recurring receipt of \$32 million for unused construction contingencies at LGA Airport’s Terminal B; and, *d.*) the non-recurring 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



## Management's Discussion and Analysis (Unaudited) (continued)

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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.

**Management’s Discussion and Analysis (Unaudited)**  
**(continued)**

**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
<b>Total</b>	<b>\$ 3,125,523</b>	<b>\$ 2,769,308</b>	<b>\$ 3,263,009</b>

\* 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
<b>Total</b>	<b>\$ 3,125,523</b>	<b>\$ 2,769,308</b>	<b>\$ 3,263,009</b>

\* 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.



**Management's Discussion and Analysis (Unaudited)**  
**(continued)**

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**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 which 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.

**Management's Discussion and Analysis (Unaudited)**  
**(continued)**

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**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*.

**Management’s Discussion and Analysis (Unaudited)**  
**(continued)**

**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	<b>\$ 155,704</b>	\$ 151,200
Port Department	<b>8,434</b>	8,434
Other*	<b>8,340</b>	7,418
PATH	<b>161</b>	207
Tunnels, Bridges & Terminals	<b>137</b>	137
<b>Total</b>	<b>\$ 172,776</b>	\$ 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*	<b>\$ 696,130</b>	\$ 595,609	\$ 566,703
World Trade Center	<b>373,944</b>	356,659	342,059
Tunnels, Bridges & Terminals	<b>307,961</b>	302,754	279,167
PATH**	<b>228,069</b>	227,911	214,513
Port Department	<b>88,697</b>	96,523	101,553
Other***	<b>41,115</b>	49,633	62,489
<b>Total</b>	<b>\$ 1,735,916</b>	\$ 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.

**Management’s Discussion and Analysis (Unaudited)**  
**(continued)**

**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 is comprised of 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:

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

**Management’s Discussion and Analysis (Unaudited)**  
**(continued)**

**Non-Operating Revenues and Expenses**

A summary of non-operating revenues and expenses follows:

	<b>2022</b>	2021 (Restated)	2020
		(In thousands)	
Financial income	\$ 55,000	\$ 54,223	\$ 63,555
Net (decrease)/increase in fair value of investments	<b>(138,167)</b>	(67,767)	18,406
Interest expense in connection with bonds and other asset financings, net*	<b>(1,076,995)</b>	(1,086,163)	(946,603)
Interest income, as lessor**	<b>140,978</b>	140,611	-
Interest expense, as lessee**	<b>(220,654)</b>	(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	<b>160,290</b>	256,609	489,228
<b>Non-operating expenses, net</b>	<b>\$ (1,079,548)</b>	\$ (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**, comprised of 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.

## Management's Discussion and Analysis (Unaudited) (continued)

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### 2021 vs. 2020

**Financial income**, comprised of 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.

**Management’s Discussion and Analysis (Unaudited)**  
**(continued)**

**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:

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

\* 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.



**Management’s Discussion and Analysis (Unaudited)**  
**(continued)**

**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%
<b>Total</b>	<b>\$ 1,968,742</b>	

\* 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.

<b>DEBT OBLIGATION</b>	<b>S&amp;P</b>	<b>Fitch Ratings</b>	<b>Moody’s Investors Service</b>
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”.



## Management's Discussion and Analysis (Unaudited) (continued)

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- 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>.

**Management’s Discussion and Analysis (Unaudited)**  
**(continued)**

**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)		
<b>Financial position</b>			
Total assets	\$ 1,508,099	\$ 1,987,015	\$ 1,906,735
Total liabilities	40,221	19,329	974
<b>Net position, December 31</b>	<b>\$ 1,467,878</b>	<b>\$ 1,967,686</b>	<b>\$ 1,905,761</b>

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
<b>Net position – December 31</b>	<b>\$ 1,467,878</b>	<b>\$ 1,967,686</b>	<b>\$ 1,905,761</b>

\* 2020 contributions are comprised of 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 was comprised of \$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.

**Management's Discussion and Analysis (Unaudited)**  
**(continued)**

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**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 was comprised of \$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)

December 31, 2021

**Statements of Net Position**

**December 31, 2022** (Restated)

(In thousands)

	December 31, 2022	(Restated)
<b>ASSETS</b>		
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
<b>Total current assets</b>	<b>3,443,302</b>	<b>2,589,251</b>
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 Facilities, net	1,135,986	1,034,390
	40,276,773	40,168,584
<b>Total noncurrent assets</b>	<b>58,079,006</b>	<b>57,800,842</b>
<b>Total assets</b>	<b>61,522,308</b>	<b>60,390,093</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Loss on debt refundings	49,769	57,497
Pension related amounts	774,172	1,059,884
OPEB related amounts	844,222	139,346
<b>Total deferred outflows of resources</b>	<b>1,668,163</b>	<b>1,256,727</b>
<b>LIABILITIES</b>		
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
<b>Total current liabilities</b>	<b>4,081,460</b>	<b>3,041,087</b>
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
<b>Total noncurrent liabilities</b>	<b>36,713,943</b>	<b>36,051,886</b>
<b>Total liabilities</b>	<b>40,795,403</b>	<b>39,092,973</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
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
<b>Total deferred inflows of resources</b>	<b>6,345,216</b>	<b>6,932,493</b>
<b>NET POSITION</b>	<b>\$ 16,049,852</b>	<b>\$ 15,621,354</b>
<b>Net position is comprised of:</b>		
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)
<b>NET POSITION</b>	<b>\$ 16,049,852</b>	<b>\$ 15,621,354</b>

See Notes to Financial Statements.

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**  
(Enterprise Fund)

<b>Statements of Revenues, Expenses and Changes in Net Position</b>	<b>Year ended December 31,</b> 2021	
	<b>2022</b>	(Restated)
	(In thousands)	
<b>Gross operating revenues:</b>		
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
<b>Total gross operating revenues</b>	<b>5,977,356</b>	<b>5,095,242</b>
<b>Operating expenses:</b>		
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
<b>Total operating expenses before depreciation, amortization and other operating expenses</b>	<b>3,125,523</b>	<b>2,769,308</b>
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)
<b>Income from operations</b>	<b>943,141</b>	<b>529,449</b>
<b>Non-operating revenues and (expenses):</b>		
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
<b>Non-operating expenses, net</b>	<b>(1,079,548)</b>	<b>(923,742)</b>
<b>Loss before capital contributions and passenger facility charges</b>	<b>(136,407)</b>	<b>(394,293)</b>
<b>Capital contributions and Passenger Facility Charges:</b>		
Contributions in aid of construction	290,491	273,179
Passenger facility charges	274,414	159,854
<b>Total capital contributions and passenger facility charges</b>	<b>564,905</b>	<b>433,033</b>
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)
<b>Net position, December 31</b>	<b>\$ 16,049,852</b>	<b>\$ 15,621,354</b>

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**  
(Enterprise Fund)

<b>Statements of Cash Flows</b>	<b>Year ended December 31,</b> 2021	
	<b>2022</b>	(Restated)
	(In thousands)	
<b>1. Cash flows from operating activities:</b>		
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
<b>Cash flows from noncapital financing activities:</b>		
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
<b>Cash flows from capital and related financing activities:</b>		
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)
<b>Cash flows from investing activities:</b>		
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

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**  
**(Enterprise Fund)**

<b>Statements of Cash Flows (continued)</b>	<b>Year ended December 31,</b>	
	<b>2022</b>	<b>2021</b> <b>(Restated)</b>
	<b>(In thousands)</b>	
<b>2. Reconciliation of income from operations to net cash provided by operating activities:</b>		
Income from operations	<b>\$ 943,141</b>	<b>\$ 529,449</b>
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	<b>1,840,457</b>	<b>1,466,648</b>
Net cash provided by operating activities	<b>\$ 2,783,598</b>	<b>\$ 1,996,097</b>

**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 towards 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.

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**  
**RETIREE HEALTH BENEFITS TRUST**  
**(Fiduciary Fund)**

<b>Statements of Fiduciary Net Position</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
	(In thousands)	
<b>ASSETS</b>		
Cash and cash equivalents	\$ <u>104,958</u>	\$ <u>86,759</u>
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	<u>33,078</u>	<u>16,570</u>
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	<u>1,370,063</u>	<u>1,883,686</u>
Total assets	<u>1,508,099</u>	<u>1,987,015</u>
<b>LIABILITIES</b>		
Payable:		
Due to broker for investments purchased	40,221	19,329
Total liabilities	<u>40,221</u>	<u>19,329</u>
Net position restricted for other postemployment benefits	\$ <u>1,467,878</u>	\$ <u>1,967,686</u>



**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**  
**RETIREE HEALTH BENEFITS TRUST**  
**(Fiduciary Fund)**

<b>Statements of Changes in Fiduciary Net Position</b>	<b>Year ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	(In thousands)	
<b>Additions:</b>		
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	<u>(310,021)</u>	<u>235,963</u>
Total (deductions)/additions	<u>(310,021)</u>	<u>235,963</u>
<b>Deductions:</b>		
Benefit payments**	189,699	173,920
Administrative expense	88	118
Total deductions	<u>189,787</u>	<u>174,038</u>
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	<u>\$ 1,467,878</u>	<u>\$ 1,967,686</u>

\* 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.

**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 twelve 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.

**Notes to Financial Statements**  
**(continued)**

- d. Enterprise fund financial statements and schedules include the accounts of the Port Authority and its blended component units, including:

<b>Port Authority Blended Component Units*</b>	<b>Establishment or Acquisition Date</b>
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*).

**Notes to Financial Statements**  
**(continued)**

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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 3 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 are primarily comprised of 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 is comprised of:
  - *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*.

**Notes to Financial Statements**  
**(continued)**

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- 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.

**Notes to Financial Statements**  
**(continued)**

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- 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 twelve 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:



**Notes to Financial Statements**  
(continued)

**Statement of Net Position**

	<b>December 31, 2021 Published</b>	<b>December 31, 2021 Restated</b>	<b>Change</b>
	(In thousands)		
<b>ASSETS</b>			
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
<b>LIABILITIES</b>			
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)
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases, as lessor	-	(5,354,698)	(5,354,698)
Total deferred inflows of resources	(1,577,795)	(6,932,493)	(5,354,698)
<b>NET POSITION</b>	<b>\$ 15,898,103</b>	<b>\$ 15,621,354</b>	<b>\$ (276,749)</b>
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)
<b>NET POSITION</b>	<b>\$ 15,898,103</b>	<b>\$ 15,621,354</b>	<b>\$ (276,749)</b>

\*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.

**Notes to Financial Statements**  
(continued)

*Statement of Revenues, Expenses and Changes in Net Position*

	<b>December 31, 2021 Published</b>	<b>December 31, 2021 Restated</b>	<b>Change</b>
	(In thousands)		
<b>Gross operating revenues:</b>			
Rentals	\$ 1,612,971	\$ 1,565,609	\$ (47,362)
Total gross operating revenues	5,142,604	5,095,242	(47,362)
<b>Operating expenses:</b>			
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
<b>Non-operating revenues and (expenses):</b>			
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
<b>(Decrease)/increase in net position</b>	<b>\$ (10,007)</b>	<b>\$ 38,740</b>	<b>48,747</b>
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*

	<b>December 31, 2021 Published</b>	<b>December 31, 2021 Restated</b>	<b>Change</b>
	(In thousands)		
<b>Cash flows from operating activities:</b>			
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
<b>Cash flows from capital and related financing activities:</b>			
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)

**Notes to Financial Statements**  
(continued)

	<b>December 31, 2021 Published</b>	<b>December 31, 2021 Restated</b>	<b>Change</b>
	(In thousands)		
<b>Reconciliation of income from operations to net cash provided by operating activities:</b>			
Income from operations	\$ 407,294	\$ 529,449	<u>\$ 122,155</u>
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)	-	<u>9,260</u>
Total adjustments	1,549,955	1,466,648	<u>(83,307)</u>
Net cash provided by operating activities	\$ 1,957,249	\$ 1,996,097	<u><u>\$ 38,848</u></u>

- 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 which follow the Required Supplementary Information section of this report, 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

**Notes to Financial Statements**  
**(continued)**

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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 non-current liabilities*, respectively. Advance payments are amortized on a straight-line basis over the term of the lease agreement.

**Notes to Financial Statements**  
**(continued)**

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**

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

**Notes to Financial Statements**  
**(continued)**

**Statements of Revenues, Expenses and Changes in Net Position to Schedule A – Revenues and Reserves**

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

\* 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.



**Notes to Financial Statements**  
**(continued)**

**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
<b>Total capital assets not being depreciated</b>	<b>6,943,270</b>	<b>1,763,311</b>	<b>(1,960,648)</b>	<b>-</b>	<b>-</b>	<b>6,745,933</b>
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
<b>Total other capital assets being depreciated</b>	<b>54,334,068</b>	<b>-</b>	<b>1,960,648</b>	<b>-</b>	<b>(785,350)</b>	<b>55,509,366</b>
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)
<b>Total accumulated depreciation</b>	<b>(21,108,754)</b>	<b>-</b>	<b>-</b>	<b>(1,655,122)</b>	<b>785,350</b>	<b>(21,978,526)</b>
<b>Facilities, net</b>	<b>\$ 40,168,584</b>	<b>\$ 1,763,311</b>	<b>\$ -</b>	<b>\$ (1,655,122)</b>	<b>\$ -</b>	<b>\$ 40,276,773</b>

  

	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
<b>Total capital assets not being depreciated</b>	<b>6,705,396</b>	<b>1,922,951</b>	<b>(1,672,891)</b>	<b>-</b>	<b>(12,186)</b>	<b>6,943,270</b>
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
<b>Total other capital assets being depreciated</b>	<b>52,982,160</b>	<b>-</b>	<b>1,672,891</b>	<b>-</b>	<b>(320,983)</b>	<b>54,334,068</b>
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)
<b>Total accumulated depreciation</b>	<b>(19,874,746)</b>	<b>-</b>	<b>-</b>	<b>(1,554,991)</b>	<b>320,983</b>	<b>(21,108,754)</b>
<b>Facilities, net</b>	<b>\$ 39,812,810</b>	<b>\$ 1,922,951</b>	<b>\$ -</b>	<b>\$ (1,554,991)</b>	<b>\$ (12,186)</b>	<b>\$ 40,168,584</b>

\* 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.

**Notes to Financial Statements**  
**(continued)**

**Note C – Cash and Investments**

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

Cash	December 31,			
	Port		2022	2021
	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
<b>Total cash</b>	<b>283,190</b>	<b>58,059</b>	<b>341,249</b>	<b>422,511</b>
Less restricted cash	21,656	58,059	79,715	78,749
<b>Unrestricted cash</b>	<b>\$ 261,534</b>	<b>\$ -</b>	<b>\$ 261,534</b>	<b>\$ 343,762</b>

Investments, at fair value*	Fair Value Hierarchy Levels**	December 31,			Total
		Port Authority†	PAICE	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
<b>Total investments</b>		<b>4,467,077</b>	<b>97,902</b>	<b>4,564,979</b>	<b>3,371,318</b>
Less current investments		1,662,797	11,219	1,674,016	686,677
<b>Noncurrent investments</b>		<b>\$ 2,804,280</b>	<b>\$ 86,683</b>	<b>\$ 2,890,963</b>	<b>\$ 2,684,641</b>

\* 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.

## Notes to Financial Statements (continued)

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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

**Notes to Financial Statements**  
**(continued)**

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:

<b>Port Authority Investment Type</b>	<b>2022</b>		<b>2021</b>	
	<b>Fair Value</b>	<b>Weighted Average Maturity</b>	<b>Fair Value</b>	<b>Weighted Average Maturity</b>
	(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*	<u>\$ 4,453,847</u>		<u>\$ 3,294,654</u>	
Investment weighted average maturity		<b>438</b>		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 is comprised of 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.

**Notes to Financial Statements**  
**(continued)**

PAICE’s investment policies consists 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 comprised of 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 (In thousands)	Weighted Average Maturity (In days)	Fair Value (In thousands)	Weighted Average Maturity (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*	<u>\$ 97,441</u>		<u>\$ 66,704</u>	
Investment weighted average maturity		<b>2,306</b>		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 is comprised of 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:

	<u>Range</u>
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



**Notes to Financial Statements**  
(continued)

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
<b>Total investments</b>		<b>\$ 1,370,063</b>	<b>\$ 1,883,686</b>
<b>Total cash, cash equivalents and investments</b>		<b>\$ 1,475,021</b>	<b>\$ 1,970,445</b>

\* 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.



**Notes to Financial Statements**  
(continued)

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

<b>Ratings**</b>	<b>Corporate and foreign bonds</b>	<b>Municipal bonds</b>	<b>Mortgage and Asset-backed securities</b>	<b>Bonds funds</b>	<b>Total</b>
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
<b>Total</b>	<b>\$ 148,262</b>	<b>\$ 38,655</b>	<b>\$ 71,266</b>	<b>\$ 10,041</b>	<b>\$ 268,224</b>

\* 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):

<b>Ratings **</b>	<b>Corporate and foreign bonds</b>	<b>Municipal bonds</b>	<b>Mortgage and Asset-backed securities</b>	<b>Bonds funds</b>	<b>Total</b>
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
<b>Total</b>	<b>\$224,842</b>	<b>\$51,876</b>	<b>\$122,380</b>	<b>\$17,854</b>	<b>\$416,952</b>

\* 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



**Notes to Financial Statements**  
**(continued)**

**Note D - Outstanding Financing Obligations**

**Outstanding bonds and other asset financing obligations**

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

	<b>December 31, 2021</b>		
	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
	(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
	<b>\$ 1,086,167</b>	<b>\$ 27,884,327</b>	<b>\$ 28,970,494</b>

**Notes to Financial Statements**  
**(continued)**

**A. Consolidated Bonds and Consolidated Notes**

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

	<b>Dec. 31, 2020</b>	<b>Issued</b>	<b>Refunded/ Retired</b>	<b>Dec. 31, 2021</b>
(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
<b>Consolidated Bonds and Consolidated Notes - cost</b>	<b>\$ 25,065,831</b>	<b>\$ 3,047,021</b>	<b>\$ 2,064,846</b>	<b>\$ 26,048,006</b>

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:

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

## Notes to Financial Statements (continued)

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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

**Notes to Financial Statements**  
**(continued)**

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.

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

\* 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.

	<b>Dec. 31, 2020</b>	<b>Issued</b>	<b>Repaid</b>	<b>Dec. 31, 2021</b>
	(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
	<b>\$ 557,325</b>	<b>\$ 1,921,025</b>	<b>\$ 1,904,350</b>	<b>\$ 574,000</b>

\* 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 fifteen 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 \$750,000,000, 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* –

**Notes to Financial Statements**  
**(continued)**

*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).

	<b>Dec. 31, 2021</b>	<b>Issued</b>	<b>Refunded/ Repaid</b>	<b>Dec. 31, 2022</b>
		(In thousands)		
Agreements 1989 -1995*	\$ 19,900	\$ -	\$ -	<b>\$ 19,900</b>
Agreements 1989 -1998	24,700	-	-	<b>24,700</b>
	<b>\$ 44,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,600</b>

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

	<b>Dec. 31, 2020</b>	<b>Issued</b>	<b>Refunded/ Repaid</b>	<b>Dec. 31, 2021</b>
		(In thousands)		
Agreements 1989 -1995*	\$ 44,900	\$ -	\$ 25,000	\$ 19,900
Agreements 1989 -1998	24,700	-	-	24,700
	<b>\$ 69,600</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 44,600</b>

\* 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:

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

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)*.



**Notes to Financial Statements**  
(continued)

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, \$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)*.

	Dec. 31, 2020	Accretion	Amortization	Dec. 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 is comprised of 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 twenty-four 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).

	Dec. 31, 2021	Accretion	Amortization	Dec. 31, 2022
		(In thousands)		
Obligation Outstanding	\$ 43,697	\$ -	\$ 2,705	\$ 40,992

  

	Dec. 31, 2020	Accretion	Amortization	Dec. 31, 2021
		(In thousands)		
Obligation Outstanding	\$ 46,268	\$ -	\$ 2,571	\$ 43,697

**Notes to Financial Statements**  
**(continued)**

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

<b>Year ending December 31:</b>	<b>Amortization</b>	<b>Implicit Interest</b>	<b>Total</b>
	(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
	<b>\$ 40,992</b>	<b>\$ 14,008</b>	<b>\$ 55,000</b>

**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).

**Notes to Financial Statements**  
**(continued)**

	<b>Dec. 31, 2021</b>	<b>Issued</b>	<b>Repaid/ Amortized</b>	<b>Dec. 31, 2022</b>
			(In thousands)	
Series 2021A	\$ 1,225,520	\$ -	\$ 2,200	<b>\$ 1,223,320</b>
Series 2021B	11,385	-	-	<b>11,385</b>
<b>Total Tower 4 Liberty Bonds</b>	<b>\$ 1,236,905</b>	<b>\$ -</b>	<b>\$ 2,200</b>	<b>\$ 1,234,705</b>

	<b>Dec. 31, 2020</b>	<b>Issued</b>	<b>Repaid/ Amortized</b>	<b>Dec. 31, 2021</b>
			(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	-
<b>Total Tower 4 Liberty Bonds</b>	<b>\$ 1,244,413</b>	<b>\$ 1,236,905</b>	<b>\$ 1,244,413</b>	<b>\$ 1,236,905</b>

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

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

**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 thirty-fifth 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.

**Notes to Financial Statements**  
(continued)

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 thirty-five-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).

	Dec. 31, 2021	Accretion	Amortization	Dec. 31, 2022
	(In thousands)			
Goethals Bridge Replacement Developer Financing Arrangement	\$1,023,286	\$ -	\$ 1,011	<b>\$1,022,275</b>

	Dec. 31, 2020	Accretion	Amortization	Dec. 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	<b>\$ 60,392</b>
2024	2,844	58,454	<b>61,298</b>
2025	4,106	58,111	<b>62,217</b>
2026	5,290	57,860	<b>63,150</b>
2027	6,558	57,540	<b>64,098</b>
2028-2032	54,715	280,485	<b>335,200</b>
2033-2037	102,190	258,916	<b>361,106</b>
2038-2042	167,204	221,809	<b>389,013</b>
2043-2047	255,848	163,230	<b>419,078</b>
2048-2052	375,990	75,478	<b>451,468</b>
2053	45,555	1,291	<b>46,846</b>
<b>Total</b>	<b>\$ 1,022,275</b>	<b>\$ 1,291,591</b>	<b>\$ 2,313,866</b>

\* 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 which 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”), established 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

## Notes to Financial Statements (continued)

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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.

## Notes to Financial Statements (continued)

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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.



**Notes to Financial Statements**  
**(continued)**

**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:

<b>Dec. 31, 2021</b>	<b>Additions</b>	<b>Amortization</b>	<b>Dec. 31, 2022</b>
	(In thousands)		
\$ 4,696,296	\$ 69,520	\$ 193,083	<b>\$ 4,572,733</b>
<b>Jan. 1, 2021</b>	<b>Additions</b>	<b>Amortization</b>	<b>Dec. 31, 2021</b>
	(In thousands)		
\$ 4,852,520	\$ 3,028	\$ 159,252	\$ 4,696,296

**Notes to Financial Statements**  
**(continued)**

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

<b>Dec. 31, 2021</b>	<b>Additions</b>	<b>Amortization</b>	<b>Dec. 31, 2022</b>
	(In thousands)		
\$ 5,354,698	\$ 69,520	\$ 266,108	\$ 5,158,110

  

<b>Jan. 1, 2021</b>	<b>Additions</b>	<b>Amortization</b>	<b>Dec. 31, 2021</b>
	(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:

<b>Year ending December 31:</b>	<b>Amortization</b>	<b>Interest</b>	<b>Total</b>
		(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
<b>Total</b>	<b>\$ 5,356,157</b>	<b>\$ 12,136,014</b>	<b>\$ 17,492,171</b>

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

**Notes to Financial Statements**  
**(continued)**

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
\$ 872,072	\$ 411,110	\$ 808,402	\$ 240,276

(In thousands)

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
<b>Total</b>	<b>\$ 15,773,009</b>

*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.

**Notes to Financial Statements**  
**(continued)**

*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:

<b>Dec. 31, 2021</b>	<b>Additions</b>		<b>Amortization</b>	<b>Dec. 31, 2022</b>
		(In thousands)		
\$ 6,576,858	\$ 15,139		\$ 94,185	<b>\$ 6,497,812</b>
<b>Jan. 1, 2021</b>	<b>Additions</b>		<b>Amortization</b>	<b>Dec. 31, 2021</b>
		(In thousands)		
\$ 6,654,594	\$ -		\$ 77,736	\$ 6,576,858

A summary of changes in the lease assets follows:

<b>Dec. 31, 2021</b>	<b>Additions</b>		<b>Amortization</b>	<b>Dec. 31, 2022</b>
		(In thousands)		
\$ 7,263,008	\$ 15,139		\$ 172,776	<b>\$ 7,105,371</b>
<b>Jan. 1, 2021</b>	<b>Additions</b>		<b>Amortization</b>	<b>Dec. 31, 2021</b>
		(In thousands)		
\$ 7,430,404	\$ -		\$ 167,396	\$ 7,263,008

**Notes to Financial Statements**  
**(continued)**

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

<b>Year ending December 31:</b>	<b>Amortization</b>	<b>Interest</b>	<b>Total</b>
		(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
<b>Total</b>	<b>\$ 6,497,812</b>	<b>\$ 5,761,459</b>	<b>\$ 12,259,271</b>

*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*.

**Notes to Financial Statements**  
**(continued)**

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 Dec. 31:	WTC Tower 4 Net Lease		WTC Tower 4 Port Authority Space Leaseback		Net Receivable	
	Amortization	Interest	Amortization	Interest	Amortization	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
<b>Total</b>	<b>\$ 2,055,420</b>	<b>\$ 9,755,422</b>	<b>\$ 783,424</b>	<b>\$ 299,286</b>	<b>\$ 1,271,996</b>	<b>\$ 9,456,136</b>

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

	2022			2021		
	WTC Tower 4 lease	WTC Tower 4 leaseback	Net	WTC Tower 4 lease	WTC Tower 4 leaseback	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

## Notes to Financial Statements (continued)

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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 is comprised of 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 towards the project's capital costs. All funds under this program have been fully allocated.



**Notes to Financial Statements**  
**(continued)**

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:

	Dec. 31, 2021	Project Expenditures	Amortization	Dec. 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
<b>Total unamortized costs of regional programs</b>	<b>\$ 32,846</b>	<b>\$ -</b>	<b>\$ 17,939</b>	<b>\$ 14,907</b>

**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 these 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

**Notes to Financial Statements**  
**(continued)**

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:

Tier	ERS Membership		PFRS Membership	
	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 ten 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

## Notes to Financial Statements (continued)

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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 ten 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>.

**Notes to Financial Statements**  
**(continued)**

**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
<b>Total Net Pension (Asset)/Liability</b>	<b>\$ (68,312)</b>	<b>\$ 171,649</b>

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
<b>Total Pension Expense</b>	<b>\$ 66,027</b>	<b>\$ 149,957</b>

**Notes to Financial Statements**  
**(continued)**

**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:

<b>Deferred Outflows of Resources</b>	<b>ERS</b>	<b>December 31, 2022</b>	
		<b>PFRS</b>	<b>Total</b>
		(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
<b>Subtotal - Deferred Outflows of Resources</b>	<b>232,062</b>	<b>377,868</b>	<b>609,930</b>
Port Authority contributions subsequent to the measurement date*	55,306	92,716	148,022
<b>Total Deferred Outflows of Resources</b>	<b>\$ 287,368</b>	<b>\$ 470,584</b>	<b>\$ 757,952</b>

\* 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.

<b>Deferred Inflows of Resources</b>	<b>ERS</b>	<b>December 31, 2022</b>	
		<b>PFRS</b>	<b>Total</b>
		(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
<b>Total Deferred Inflows of Resources</b>	<b>\$ 419,469</b>	<b>\$ 449,157</b>	<b>\$ 868,626</b>

**Notes to Financial Statements**  
**(continued)**

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)
<b>Total</b>	<b>\$ (187,407)</b>	<b>\$ (71,289)</b>	<b>\$ (258,696)</b>

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
<b>Subtotal - Deferred Outflows of Resources</b>	<b>356,796</b>	<b>518,510</b>	<b>875,306</b>
Port Authority contributions subsequent to the measurement date*	71,150	91,287	162,437
<b>Total Deferred Outflows of Resources</b>	<b>\$ 427,946</b>	<b>\$ 609,797</b>	<b>\$ 1,037,743</b>

\* 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
<b>Total Deferred Inflows of Resources</b>	<b>\$ 481,878</b>	<b>\$ 509,365</b>	<b>\$ 991,243</b>

**Notes to Financial Statements**  
**(continued)**

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**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:

<b>ERS</b>	<b>2022</b>	<b>2021</b>
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%

<b>PFRS</b>	<b>2022</b>	<b>2021</b>
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.



**Notes to Financial Statements**  
**(continued)**

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:

<b>Asset Class</b>	<b>2022*</b>		<b>2021*</b>	
	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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%
<b>Total</b>	<b>100%</b>		<b>100%</b>	

\* 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.

**Notes to Financial Statements**  
**(continued)**

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.

	<b>1% Decrease (4.9%)</b>	<b><u>2022</u> Discount Rate (5.9%)</b>	<b>1% Increase (6.9%)</b>
(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)
<b>Total</b>	<b>\$ 863,695</b>	<b>\$ (68,312)</b>	<b>\$ (843,459)</b>

	<b>1% Decrease (4.9%)</b>	<b><u>2021</u> Discount Rate (5.9%)</b>	<b>1% Increase (6.9%)</b>
(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)
<b>Total</b>	<b>\$1,182,954</b>	<b>\$ 171,649</b>	<b>\$ (708,767)</b>

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):

	<b>2022</b>	<b>2021</b>
(In thousands)		
Employer Contributions	\$ 3,293	\$ 3,282
Employee Contributions	2,449	2,437
<b>Total</b>	<b>\$ 5,742</b>	<b>\$ 5,719</b>

**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:

<b>Railroad Retirement Tier I</b>	<b>Employee Tax Rate</b>	<b>Employee Taxes</b>	<b>Employer Tax Rate</b>	<b>Employer Taxes</b>	<b>Total Taxes</b>
(\$ In thousands)					
<b>2022</b>	<b>7.65%</b>	<b>\$ 11,191</b>	<b>7.65%</b>	<b>\$ 11,191</b>	<b>\$ 22,382</b>
2021	7.65%	\$ 9,329	7.65%	\$ 9,329	\$ 18,658
<b>Railroad Retirement Tier II</b>	<b>Employee Tax Rate</b>	<b>Employee Taxes</b>	<b>Employer Tax Rate</b>	<b>Employer Taxes</b>	<b>Total Taxes</b>
(\$ In thousands)					
<b>2022</b>	<b>4.9%</b>	<b>\$ 5,620</b>	<b>13.1%</b>	<b>\$ 15,025</b>	<b>\$ 20,645</b>
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](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 comprised of 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

**Notes to Financial Statements**  
**(continued)**

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:

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

**Notes to Financial Statements**  
**(continued)**

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

Pension expense related to the Plan totaled:

	2022	2021
	(In thousands)	
Pension Expense	<b>\$ 11,949</b>	\$ 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:

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

<b>Deferred Inflows of Resources</b>	2022	2021
	(In thousands)	
Differences between actual and expected experience	<b>\$ -</b>	\$ 217
Changes in actuarial assumptions	<b>1,988</b>	5,416
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,988</b>	\$ 5,633

**Notes to Financial Statements**  
**(continued)**

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
<b>Total</b>	<b>\$ 10,158</b>

**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:

	<u>2022</u>	<u>2021</u>
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:

	<b>2022</b>	2021
Retired PATH Exempt Employees (or their beneficiaries)	<b>118</b>	115
Active PATH Exempt Employees	<b>101</b>	103
Terminated but vested employees who are not currently receiving benefits	<b>16</b>	17
<b>Total participants</b>	<b>235</b>	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 which equaled 2.06% as of the January 1, 2022 measurement date and 2.12% as of the January 1, 2021 measurement date.

**Notes to Financial Statements**  
**(continued)**

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.

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

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

**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 health care, 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 1st consisted of the following:

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

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.



**Notes to Financial Statements**  
**(continued)**

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.

<b>Net OPEB Liability – 2022 and 2021</b>	<b>Total OPEB Liability (a)</b>	<b>The Trust Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
		(In thousands)	
<b>Balance at December 31, 2021</b>	\$ 3,028,876	\$ 1,967,686	<b>\$ 1,061,190</b>
<b>Changes Increase/(Decrease) for the year:</b>			
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)	-
Contributions-employer	-	-	-
Net investment income	-	(310,021)	310,021
Administrative expenses	-	(88)	88
<b>(Decrease)/Increase</b>	<b>721,542</b>	<b>(499,808)</b>	<b>1,221,350</b>
<b>Balance at December 31, 2022</b>	<b>\$ 3,750,418</b>	<b>\$ 1,467,878</b>	<b>\$ 2,282,540</b>

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

**Notes to Financial Statements**  
**(continued)**

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

\* 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:

	<u>2022</u>			<u>2021</u>		
	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	<b>\$2,807,919</b>	<b>\$2,282,540</b>	<b>\$1,854,091</b>	\$1,480,951	\$1,061,190	\$720,156

**Notes to Financial Statements**  
**(continued)**

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:

	<b>1%</b>	<b>2022 Healthcare Cost Trend Rate</b>	<b>1%</b>	1%	<b>2021 Healthcare Cost Trend Rate</b>	1%
	<b>Decrease</b>		<b>Increase</b>	Decrease		<b>Increase</b>
	(In thousands)					
Net OPEB Liability	<b>\$1,850,232</b>	<b>\$2,282,540</b>	<b>\$2,822,657</b>	\$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:

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

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

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

**Notes to Financial Statements**  
**(continued)**

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:

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

**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.

**Notes to Financial Statements**  
**(continued)**

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.

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

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

**Notes to Financial Statements**  
**(continued)**

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

	Dec. 31, 2021	Additions	Deductions	Dec. 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
<b>Total other amounts receivable, net</b>	<b>\$ 198,304</b>	<b>\$ 105,003</b>	<b>\$ 42,444</b>	<b>\$ 260,863</b>

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

	Dec. 31, 2021	Additions	Deductions	Dec. 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
<b>Total Liabilities</b>	<b>\$ 327,048</b>	<b>\$ 63,913</b>	<b>\$ 74,194</b>	<b>\$ 316,767</b>
Less: Current worker's compensation liability	16,944	-	-	17,509
<b>Total other non-current liabilities</b>	<b>\$ 310,104</b>			<b>\$ 299,258</b>

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, comprised of 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, comprised of: (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 towards 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.

## Notes to Financial Statements (continued)

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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

## **Notes to Financial Statements** **(continued)**

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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 which 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 towards 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<sup>1</sup> 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<sup>1</sup> 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”)<sup>2</sup> 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<sup>1</sup>.

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<sup>1</sup> 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.

<sup>2</sup> 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.

## Notes to Financial Statements (continued)

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Terrorism insurance with respect thereto is insured through PAICE and reinsured through TRIPRA<sup>2</sup> 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<sup>2</sup> 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.

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.

**Notes to Financial Statements**  
**(continued)**

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.

	<b>Amounts</b> (In thousands)
<b>Financial Position</b>	
Total Assets	\$ 496,342
Total Liabilities	34,009
<b>Net Position, December 31, 2022</b>	<b>\$ 462,333</b>
<b>Operating Results 2022</b>	
Revenues	\$ 34,181
Expenses	5,165
<b>Change in Net Position</b>	<b>\$ 29,016</b>
Net Position at January 1, 2022	\$ 433,317
<b>Net Position at December 31, 2022</b>	<b>\$ 462,333</b>

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.



NEW YORK STATE AND LOCAL EMPLOYEES RETIREMENT SYSTEM (“ERS”)

Schedule of Proportionate Share of Net Pension (Asset) Liability\*

	2022	2021	2020
		(\$ In thousands)	
Port Authority’s proportion of the net pension liability	1.4%	1.7%	1.6%
Port Authority's proportionate share of the net pension (asset) liability	<b>\$(118,530)</b>	\$ 1,658	\$430,993
Covered payroll (April 1 – March 31)	<b>\$ 461,420</b>	\$461,634	\$536,527
Port Authority's proportionate share of the net pension liability, as a percentage of its covered payroll	<b>(25.7)%</b>	0.4%	80.3%
Plan fiduciary net position as a percentage of the total pension liability	<b>103.7%</b>	99.95%	86.4%
<b>Schedule of Employer Contributions*</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
		(\$ In thousands)	
Contractually required contribution	<b>\$55,306</b>	\$71,150	\$77,635
Contributions in relation to the contractually required contribution	<b>\$55,306</b>	\$71,150	\$77,635
Contribution deficiency (excess)	<b>\$ -</b>	\$ -	\$ -
Port Authority’s covered payroll (January 1 – December 31)	<b>\$452,650</b>	\$461,539	\$462,194
Contributions as a percentage of covered payroll	<b>12.2%</b>	15.4%	16.8%

NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”)

Schedule of Proportionate Share of Net Pension Liability\*

	2022	2021	2020
		(\$ In thousands)	
Port Authority’s proportion of the net pension liability	8.8%	9.8%	7.7%
Port Authority's proportionate share of the net pension liability	<b>\$ 50,218</b>	\$169,991	\$412,870
Covered payroll (April 1– March 31)	<b>\$349,395</b>	\$329,673	\$467,638
Port Authority's proportionate share of the net pension liability, as a percentage of its covered payroll	<b>14.4%</b>	51.6%	88.3%
Plan fiduciary net position as a percentage of the total pension liability	<b>98.7%</b>	95.8%	84.9%
<b>Schedule of Employer Contributions*</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
		(\$ In thousands)	
Contractually required contribution	<b>\$92,716</b>	\$91,287	\$123,221
Contributions in relation to the contractually required contribution	<b>\$92,716</b>	\$91,287	\$123,221
Contribution deficiency (excess)	<b>\$ -</b>	\$ -	\$ -
Port Authority’s covered payroll (January 1 – December 31)	<b>\$350,440</b>	\$340,538	\$398,506
Contributions as a percentage of covered payroll	<b>26.5%</b>	26.8%	30.9%

\*Information provided for Required Supplementary Information will be provided for ten years, as the information becomes available in subsequent years.

See accompanying independent auditors’ report.



**Required Supplementary Information (Unaudited)**

2019	2018	2017	2016	2015
1.3%	1.3%	1.3%	1.3%	1.3%
\$ 91,792	\$ 41,500	\$120,672	\$212,555	\$ 44,906
\$515,065	\$408,384	\$395,378	\$392,529	\$309,571
17.8%	10.2%	30.5%	54.2%	14.5%
96.2%	98.2%	94.7%	90.7%	97.9%
2019	2018	2017	2016	2015
\$70,582	\$56,866	\$56,743	\$57,530	\$63,072
\$70,582	\$56,866	\$56,743	\$57,530	\$63,072
\$ -	\$ -	\$ -	\$ -	\$ -
\$536,454	\$500,841	\$404,701	\$395,725	\$409,234
13.2%	11.4%	14.0%	14.5%	15.4%

2019	2018	2017	2016	2015
7.7%	7.6%	7.4%	8.0%	8.9%
\$129,920	\$ 77,081	\$152,806	\$236,004	\$ 24,490
\$271,764	\$263,292	\$256,168	\$246,060	\$248,631
47.8%	29.3%	59.7%	95.9%	9.8%
95.1%	96.9%	93.5%	90.2%	99.0%
2019	2018	2017	2016	2015
\$ 61,277	\$ 59,931	\$ 60,797	\$ 57,807	\$ 53,652
\$ 61,277	\$ 59,931	\$ 60,797	\$ 57,807	\$ 53,652
\$ -	\$ -	\$ -	\$ -	\$ -
\$393,630	\$ 262,701	\$260,867	\$253,096	\$253,597
15.6%	22.8%	23.3%	22.8%	21.2%

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)					
<b>2022</b>	<b>7.65%</b>	<b>\$ 11,191</b>	<b>7.65%</b>	<b>\$ 11,191</b>	<b>\$ 22,382</b>
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)					
<b>2022</b>	<b>4.9%</b>	<b>\$ 5,620</b>	<b>13.1%</b>	<b>\$ 15,025</b>	<b>\$ 20,645</b>
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 ten (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
<b>Total Pension Liability</b>								
	(\$ In thousands)							
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
<b>Total Pension Liability (Ending)</b>	<b>\$121,653</b>	<b>\$116,053</b>	<b>\$94,720</b>	<b>\$76,498</b>	<b>\$89,381</b>	<b>\$84,091</b>	<b>\$83,388</b>	<b>\$81,095</b>
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 ten 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 ten years, as the information becomes available in subsequent years.

See accompanying independent auditors’ report.

## 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)			
<b>Gross operating revenues:</b>				
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
<b>Total gross operating revenues</b>	<b>6,033,830</b>	<b>-</b>	<b>6,033,830</b>	<b>5,133,344</b>
<b>Operating expenses:</b>				
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
<b>Total operating expenses</b>	<b>3,486,419</b>	<b>-</b>	<b>3,486,419</b>	<b>3,106,221</b>
Amounts in connection with operating asset obligations	-	-	-	708
Net operating revenues	2,547,411	-	2,547,411	2,026,415
<b>Financial income:</b>				
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)
<b>Net revenues available for debt service and reserves</b>	<b>3,114,721</b>	<b>(87,108)</b>	<b>3,027,613</b>	<b>2,752,591</b>
<b>Debt service:</b>				
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
<b>Total debt service</b>	<b>1,551,468</b>	<b>106,423</b>	<b>1,657,891</b>	<b>1,652,982</b>
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/(decrease) 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	
	(In thousands)					
<b>ASSETS</b>						
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	
<b>Total current assets</b>	<b>1,561,620</b>	<b>622,968</b>	<b>1,084,023</b>	<b>3,268,611</b>	<b>2,382,757</b>	
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	
<b>Total noncurrent assets</b>	<b>2,035,588</b>	<b>70,664,083</b>	<b>2,804,280</b>	<b>75,503,951</b>	<b>73,284,794</b>	
<b>Total assets</b>	<b>3,597,208</b>	<b>71,287,051</b>	<b>3,888,303</b>	<b>78,772,562</b>	<b>75,667,551</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related amounts	774,172	-	-	774,172	1,059,884	
OPEB related amounts	844,222	-	-	844,222	139,346	
<b>LIABILITIES</b>						
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	
<b>Total current liabilities</b>	<b>2,712,329</b>	<b>1,553,357</b>	<b>-</b>	<b>4,265,686</b>	<b>2,985,032</b>	
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	
<b>Total noncurrent liabilities</b>	<b>3,089,589</b>	<b>25,322,678</b>	<b>-</b>	<b>28,412,267</b>	<b>27,707,578</b>	
<b>Total liabilities</b>	<b>5,801,918</b>	<b>26,876,035</b>	<b>-</b>	<b>32,677,953</b>	<b>30,692,610</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related amounts	870,614	-	-	870,614	996,876	
OPEB related amounts	197,735	-	-	197,735	477,044	
<b>NET POSITION</b>						
	\$ (1,654,665)	\$ 44,411,016	\$ 3,888,303	\$ 46,644,654	\$ 44,700,251	
<b>Net position is comprised of:</b>						
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	
<b>NET POSITION</b>	<b>\$ (1,654,665)</b>	<b>\$ 44,411,016</b>	<b>\$ 3,888,303</b>	<b>\$ 46,644,654</b>	<b>\$ 44,700,251</b>	

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
<b>Balance, December 31</b>	<b>\$ 2,551,509</b>	<b>\$ 1,336,794</b>	<b>\$ 3,888,303</b>	<b>\$ 3,408,882</b>

\*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.



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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
Revenues, Expenses and Changes in Net Position:			
Gross operating revenues:			
Tolls and fares	\$ 1,942,726	\$ 1,836,692	\$ 1,571,827
Rentals <sup>(a)(d)</sup>	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
<b>Gross operating revenues</b>	<b>5,977,356</b>	<b>5,095,242</b>	<b>4,334,074</b>
Operating expenses:			
Employee compensation, including benefits <sup>(c)</sup>	1,438,403	1,296,724	1,395,588
Contract services	1,059,209	938,408	929,520
Rental and payments in-lieu-of taxes (PILOT) <sup>(d)</sup>	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
<b>Operating expenses</b>	<b>3,125,523</b>	<b>2,769,308</b>	<b>3,263,009</b>
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 <sup>(d)</sup>	(172,776)	(167,396)	-
<b>Income/(loss) from operations <sup>(c)</sup></b>	<b>943,141</b>	<b>529,449</b>	<b>(491,386)</b>
(Loss)/income on investments (including fair value adjustment) <sup>(b)</sup>	(83,167)	(13,544)	81,961
Interest expense on bonds and other asset financing <sup>(b)</sup>	(1,109,540)	(1,152,878)	(1,011,896)
Interest income, as lessor <sup>(d)</sup>	140,978	140,611	-
Interest expense, as lessee <sup>(d)</sup>	(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
<b>Increase/(decrease) in net position December 31, <sup>(c)(d)</sup></b>	<b>\$ 428,498</b>	<b>\$ 38,740</b>	<b>\$ (559,219)</b>
Net position is comprised of			
Net investment in capital assets	\$ 14,938,081	\$ 15,406,620	\$ 14,954,997
Restricted	851,723	606,816	538,552
Unrestricted <sup>(c)(d)</sup>	260,048	(392,082)	414,561
<b>Net position December 31,</b>	<b>\$ 16,049,852</b>	<b>\$ 15,621,354</b>	<b>\$ 15,908,110</b>

- (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.
- (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."

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

**Schedule D-2 - Selected Statistical Debt Service Data (Pursuant to Port Authority bond resolutions)**

	2022	2021	2020
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
<b>Total gross operating revenues</b>	<b>6,033,830</b>	<b>5,133,344</b>	<b>4,324,814</b>
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)
<b>Total operating expenses</b>	<b>(3,486,419)</b>	<b>(3,106,221)</b>	<b>(3,263,009)</b>
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
<b>DEBT SERVICE - OPERATIONS</b>			
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
<b>APPLICATION OF RESERVES</b>			
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)
<b>RESERVE BALANCES</b>			
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
<b>FINANCING OBLIGATIONS AT DECEMBER 31 (at par value)</b>			
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
<b>Total financing obligations</b>	<b>\$ 27,813,062</b>	<b>\$ 27,111,962</b>	<b>\$ 26,363,124</b>

\* 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.

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.

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

**Schedule D-3 Selected Statistical Financial Data by Business Segment (pursuant to U.S. GAAP)**

	2022	2021 <sup>(b)</sup> (Restated)	2020	2019
<b>Gross Operating Revenues: <sup>(b)</sup></b>				
Tunnels, Bridges and Terminals	\$ 1,879,336	\$ 1,796,696	\$ 1,542,081	\$ 1,740,044
PATH	124,003	85,998	82,110	210,610
Port	396,977	386,622	327,665	322,061
Aviation	3,223,841	2,507,776	2,032,359	2,913,161
Development	21,346	18,536	21,370	24,380
World Trade Center	331,699	299,533	328,455	329,212
Other <sup>(a)</sup>	154	81	34	247
<b>Total</b>	<b>\$ 5,977,356</b>	<b>\$ 5,095,242</b>	<b>\$ 4,334,074</b>	<b>\$ 5,539,715</b>

<b>Operating Expenses: <sup>(b)</sup></b>				
Tunnels, Bridges and Terminals	\$ 569,275	\$ 524,422	\$ 552,976	\$ 553,759
PATH	481,245	466,844	447,034	457,515
Port	160,966	145,723	163,395	174,213
Aviation	1,606,263	1,345,891	1,752,439	1,886,112
Development	10,933	10,879	11,612	11,475
World Trade Center	296,135	275,268	335,014	346,535
Other <sup>(c) (f)</sup>	706	281	539	567
<b>Total</b>	<b>\$ 3,125,523</b>	<b>\$ 2,769,308</b>	<b>\$ 3,263,009</b>	<b>\$ 3,430,176</b>

<b>Capital Investment: <sup>(d)</sup></b>				
Tunnels, Bridges and Terminals	\$ 297,637	\$ 393,208	\$ 582,366	\$ 697,449
PATH (including WTC Transportation Hub)	263,945	329,314	339,882	358,166
Port	29,709	37,834	43,999	120,019
Aviation <sup>(g)</sup>	1,086,597	1,053,077	1,101,960	1,588,820
Development	-	-	1	111
World Trade Center	80,114	106,809	216,441	266,795
Other <sup>(e)</sup>	5,309	2,709	5,182	6,307
<b>Total</b>	<b>\$ 1,763,311</b>	<b>\$ 1,922,951</b>	<b>\$ 2,289,831</b>	<b>\$ 3,037,667</b>

<sup>(a)</sup> Includes Ferry Transportation, Access to the Regions Core, Moynihan Station Transportation Program, and Regional Facilities and Programs

<sup>(b)</sup> Amounts include all direct and allocated operating expenses.

<sup>(c)</sup> Includes Ferry Transportation, Access to the Regions Core, Regional Facilities and Programs, Moynihan Station Transportation Program, and administrative expenses related to PAICE.

<sup>(d)</sup> Capital investment includes contributed capital amounts and is reduced by write-offs related to capital construction.

<sup>(e)</sup> Includes Ferry Transportation, Access to the Regions Core, Regional Facilities and Programs, Moynihan Station Transportation Program, and Gateway Early Work Program.

<sup>(f)</sup> 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."

<sup>(g)</sup> Excludes LaGuardia Terminal B landlord leasehold capital investment of \$164 million in 2022, \$95 million in 2021 and \$277 million in 2020.

<sup>(h)</sup> 2021 amounts include impacts related to the adoption of GASB Statement No. 87, "Leases."



	2018	2017 (Restated)	2016	2015	2014	2013
(In thousands)						
\$	1,737,458	\$ 1,739,552	\$ 1,742,028	\$ 1,599,575	\$ 1,447,896	\$ 1,369,559
	203,800	202,880	191,261	184,560	168,668	150,604
	310,637	295,651	300,569	270,263	248,443	262,526
	2,762,279	2,682,523	2,646,213	2,537,233	2,479,106	2,321,300
	25,632	24,967	25,956	26,561	51,077	29,492
	303,995	274,029	260,655	207,634	85,942	50,087
	207	787	682	756	680	471
\$	5,344,008	\$ 5,220,389	\$ 5,167,364	\$ 4,826,582	\$ 4,481,812	\$ 4,184,039
\$	524,212	\$ 525,862	\$ 509,529	\$ 499,873	\$ 510,383	\$ 493,429
	447,552	423,384	415,251	389,276	401,273	338,926
	166,405	160,495	167,724	175,976	172,545	176,459
	1,754,801	1,693,563	1,612,470	1,557,926	1,623,190	1,466,692
	11,786	12,399	10,853	13,659	15,737	15,497
	333,848	312,242	293,864	258,748	192,789	94,312
	3,711	(19,035)	3,396	5,194	7,337	10,953
\$	3,242,315	\$ 3,108,910	\$ 3,013,087	\$ 2,900,652	\$ 2,923,254	\$ 2,596,268
\$	931,539	\$ 885,311	\$ 1,179,307	\$ 956,231	\$ 961,854	\$ 413,946
	340,635	274,429	454,031	268,428	512,415	559,104
	146,153	106,455	133,874	93,729	210,496	180,760
	989,693	772,520	584,996	791,805	715,456	468,319
	3,682	893	1,569	2,110	1,977	527
	314,472	311,122	846,597	904,787	1,674,030	1,373,328
	39,547	150,409	290	3,144	3,822	3,221
\$	2,765,721	\$ 2,501,139	\$ 3,200,664	\$ 3,020,234	\$ 4,080,050	\$ 2,999,205

Schedule E - Information on Port Authority Operations (pursuant to U.S. GAAP)

	Year ended December 31, 2022								2021
	Gross Operating Revenues <sup>(e)</sup>	Operating Expenses <sup>(a)</sup>	Depreciation & Amortization	Amortization of Lease Assets	Income/(loss) from Operations	Interest, Grants & Other Expenses <sup>(b)</sup>	Capital Contributions & PFCs	Increase/ (decrease) in Net Position	Increase/ (decrease) in Net Position
	(In thousands)								
<b>INTERSTATE TRANSPORTATION NETWORK</b>									
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
<b>PATH<sup>(c)</sup></b>									
PATH <sup>(c)</sup>	118,767	448,672	141,639	161	(471,705)	250,636	136,056	(586,285)	(573,968)
WTC Transportation Hub <sup>(c)</sup>	-	13,091	82,210	-	(95,301)	-	-	(95,301)	(93,192)
Journal Square Transportation Center <sup>(c)</sup>	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)
<b>AVIATION</b>									
LaGuardia <sup>(d)</sup>	526,006	324,079	204,518	29,436	(32,027)	117,717	76,897	(72,847)	(66,449)
JFK International <sup>(d)</sup>	1,486,100	712,677	220,838	70,022	482,563	94,274	202,872	591,161	226,693
Newark Liberty International <sup>(d)</sup>	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 <sup>(d)</sup>	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
<b>PORT</b>									
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
<b>DEVELOPMENT</b>									
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
<b>WORLD TRADE CENTER</b>									
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)
<b>LaGuardia Terminal B landlord leasehold investment</b>									
LaGuardia Terminal B landlord leasehold investment	-	-	62,855	-	(62,855)	-	-	(62,855)	(46,705)
<b>Regional Facilities and Programs</b>									
Regional Facilities and Programs	-	-	17,939	7,988	(25,927)	1,151	-	(27,078)	(37,283)
<b>Total</b>	<b>\$5,977,356</b>	<b>\$3,125,523</b>	<b>\$ 1,735,916</b>	<b>\$ 172,776</b>	<b>\$ 943,141</b>	<b>\$ 1,079,548</b>	<b>\$ 564,905</b>	<b>\$ 428,498</b>	<b>\$ 38,740</b>

(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."

**Schedule F - Information on Capital Investment in Port Authority Facilities**

	Dec. 31, 2021	Capital Investment <sup>(a)</sup>	Depreciation	Dispositions	Dec. 31, 2022
			(In thousands)		
<b>INTERSTATE TRANSPORTATION NETWORK</b>					
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
<b>AVIATION <sup>(b)</sup></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
<b>PORT</b>					
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
<b>DEVELOPMENT</b>					
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
<b>WORLD TRADE CENTER</b>					
WTC Campus <sup>(c)</sup>	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 <sup>(d)</sup>	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
<b>FACILITIES, net</b>	40,168,584	1,763,311	1,655,122	-	40,276,773
<b>LaGuardia Terminal B landlord leasehold investment</b>	1,034,390	164,451	62,855	-	1,135,986
<b>TOTAL</b>	\$ 41,202,974	\$ 1,927,762	\$ 1,717,977	\$ -	\$ 41,412,759
<b>REGIONAL FACILITIES &amp; PROGRAMS</b>	\$ 32,846	\$ -	\$ 17,939	\$ -	\$ 14,907

<sup>(a)</sup> Capital investment includes contributed capital amounts and is reduced by capital write-offs.

<sup>(b)</sup> Facility capital investment amounts include projects funded with Passenger Facility Charges.

<sup>(c)</sup> Capital investment includes campus wide infrastructure primarily related to utilities, roadways, WTC Memorial, WTC Vehicular Security Center and the WTC Chiller Plant.

<sup>(d)</sup> Includes WTC net lessee required capital contributions related to the construction of WTC Towers 3 and 4.

Schedule G - Port Authority Facility Traffic (Unaudited)\*

	2022	2021	2020	2019
<b>AUTOMOBILES</b>				
George Washington Bridge	45,594,258	45,107,088	38,784,553	47,700,000
Lincoln Tunnel	17,181,771	15,631,752	11,513,663	15,317,000
Holland Tunnel	14,299,537	13,647,628	11,061,685	15,033,000
Staten Island Bridges	33,557,483	32,118,961	27,572,632	33,636,000
<b>Subtotal Automobiles</b>	<b>110,633,049</b>	<b>106,505,429</b>	<b>88,932,533</b>	<b>111,686,000</b>
<b>BUSES</b>				
George Washington Bridge	256,445	277,876	253,278	440,000
Lincoln Tunnel	1,526,562	1,399,329	1,395,997	2,186,000
Holland Tunnel	43,961	38,187	53,052	159,000
Staten Island Bridges	156,059	142,270	104,646	167,000
<b>Subtotal Buses</b>	<b>1,983,027</b>	<b>1,857,662</b>	<b>1,806,973</b>	<b>2,952,000</b>
<b>TRUCKS</b>				
George Washington Bridge	4,103,693	3,887,376	3,704,358	3,821,000
Lincoln Tunnel	979,555	870,595	772,995	1,031,000
Holland Tunnel	365,493	335,758	324,381	443,000
Staten Island Bridges	2,652,206	2,596,494	2,287,868	2,295,000
<b>Subtotal Trucks</b>	<b>8,100,947</b>	<b>7,690,223</b>	<b>7,089,602</b>	<b>7,590,000</b>
<b>TOTAL VEHICLES</b>				
George Washington Bridge	49,954,396	49,272,340	42,742,189	51,961,000
Lincoln Tunnel	19,687,888	17,901,676	13,682,655	18,534,000
Holland Tunnel	14,708,991	14,021,573	11,439,118	15,635,000
Staten Island Bridges	36,365,748	34,857,725	29,965,146	36,098,000
<b>Subtotal Vehicles</b>	<b>120,717,023</b>	<b>116,053,314</b>	<b>97,829,108</b>	<b>122,228,000</b>
<b>TUNNELS AND BRIDGES (Eastbound Traffic)</b>				
<b>PATH</b>				
Total passengers	42,582,013	29,245,022	27,005,307	82,219,587
Passenger weekday average	137,016	90,941	90,287	284,380
<b>MARINE TERMINALS</b>				
General cargo <sup>(a)</sup> (Metric tons)	39,736,739	36,505,473	34,829,323	41,090,000
Containers (in twenty foot equivalent units)	9,493,664	8,985,929	7,585,819	7,471,131
International waterborne vehicles	444,129	458,026	469,529	570,023
Waterborne bulk commodities (in metric tons)	3,558,203	4,037,804	3,010,322	3,639,822
<b>CONTAINERS</b>				
New Jersey Marine Terminals	4,730,639	4,550,386	4,038,301	3,950,890
New York Marine Terminals	522,008	429,348	217,200	287,217
<b>Subtotal Containers</b>	<b>5,252,647</b>	<b>4,979,734</b>	<b>4,255,501</b>	<b>4,238,107</b>
<b>BUS TERMINALS</b>				
<b>BUS DEPARTURES</b>				
Port Authority Bus Terminal	865,400	840,000	835,000	1,190,000
George Washington Bridge Bus Station	105,000	105,000	103,000	166,000
PATH Journal Square Transportation Center Bus Station	289,000	289,704	291,921	482,725
<b>Total Departures</b>	<b>1,259,400</b>	<b>1,234,704</b>	<b>1,229,921</b>	<b>1,838,725</b>
<b>PLANE MOVEMENTS</b>				
John F. Kennedy International Airport	448,847	290,778	199,767	456,060
LaGuardia Airport	349,298	175,765	139,178	374,078
Newark Liberty International Airport	401,422	282,280	211,460	446,320
New York Stewart International Airport	28,197	25,951	22,513	33,222
<b>Subtotal Plane Movements</b>	<b>1,227,764</b>	<b>774,774</b>	<b>572,918</b>	<b>1,309,680</b>
<b>DOMESTIC PASSENGERS</b>				
John F. Kennedy International Airport	28,449,455	18,037,803	8,267,666	28,233,791
LaGuardia Airport	27,984,278	15,319,871	7,853,368	28,875,041
Newark Liberty International Airport	31,943,547	22,446,527	12,121,093	32,004,140
New York Stewart International Airport	244,664	135,144	97,392	366,124
<b>Subtotal Domestic Passengers</b>	<b>88,621,944</b>	<b>55,939,345</b>	<b>28,339,519</b>	<b>89,479,096</b>
<b>INTERNATIONAL PASSENGERS</b>				
John F. Kennedy International Airport	26,838,256	12,750,519	8,362,976	34,317,281
LaGuardia Airport	1,013,314	281,192	391,824	2,209,853
Newark Liberty International Airport	11,621,797	6,603,025	3,771,799	14,332,312
New York Stewart International Airport	53,287	-	-	159,591
<b>Subtotal International Passengers</b>	<b>39,526,654</b>	<b>19,634,736</b>	<b>12,526,599</b>	<b>51,019,037</b>
<b>TOTAL PASSENGERS</b>				
John F. Kennedy International Airport	55,287,711	30,788,322	16,630,642	62,551,072
LaGuardia Airport	28,997,592	15,601,063	8,245,192	31,084,894
Newark Liberty International Airport	43,565,344	29,049,552	15,892,892	46,336,452
New York Stewart International Airport	297,951	135,144	97,392	525,715
<b>Subtotal Passengers</b>	<b>128,148,598</b>	<b>75,574,081</b>	<b>40,866,118</b>	<b>140,498,133</b>
<b>CARGO-TONS</b>				
John F. Kennedy International Airport	1,532,289	1,573,598	1,152,601	1,338,415
LaGuardia Airport	6,662	6,328	5,826	6,376
Newark Liberty International Airport	749,559	791,442	695,345	825,266
New York Stewart International Airport	24,707	30,996	24,145	23,606
<b>Subtotal Cargo-tons</b>	<b>2,313,217</b>	<b>2,402,364</b>	<b>1,877,917</b>	<b>2,193,663</b>
<b>Revenue mail-tons</b>	<b>145,260</b>	<b>146,672</b>	<b>135,733</b>	<b>177,413</b>

\* Certain 2022 numbers reflect estimated data based on available year-end information and are subject to revision.

(a) International oceanborne general and bulk cargo as recorded in the New York - New Jersey Customs District.

2018	2017	2016	2015	2014	2013
47,264,000	47,594,000	47,497,000	46,361,000	45,136,000	45,364,000
15,742,000	15,841,000	15,993,000	15,706,000	15,597,000	15,580,000
14,460,000	14,247,000	14,727,000	14,763,000	14,915,000	15,511,000
32,373,000	31,430,000	30,303,000	28,883,000	28,317,000	28,997,000
109,839,000	109,112,000	108,520,000	105,713,000	103,965,000	105,452,000
448,000	442,000	440,000	429,000	426,000	429,000
2,170,000	2,161,000	2,164,000	2,165,000	2,151,000	2,128,000
168,000	179,000	191,000	199,000	209,000	220,000
186,000	180,000	177,000	176,000	172,000	171,000
2,972,000	2,962,000	2,972,000	2,969,000	2,958,000	2,948,000
3,792,000	3,684,000	3,692,000	3,666,000	3,475,000	3,609,000
1,048,000	1,037,000	1,055,000	1,061,000	1,043,000	1,038,000
443,000	446,000	447,000	447,000	446,000	427,000
2,163,000	2,153,000	2,085,000	2,091,000	2,131,000	2,214,000
7,446,000	7,320,000	7,279,000	7,265,000	7,095,000	7,288,000
51,504,000	51,720,000	51,629,000	50,456,000	49,037,000	49,402,000
18,960,000	19,039,000	19,212,000	18,932,000	18,791,000	18,746,000
15,071,000	14,872,000	15,365,000	15,409,000	15,570,000	16,158,000
34,722,000	33,763,000	32,565,000	31,150,000	30,620,000	31,382,000
120,257,000	119,394,000	118,771,000	115,947,000	114,018,000	115,688,000
81,733,402	82,812,915	78,553,560	76,541,453	73,679,425	72,748,729
280,860	283,719	269,081	258,425	250,071	244,484
37,577,000	35,450,000	32,556,203	36,781,069	35,370,355	34,059,540
7,179,788	6,710,817	6,251,953	6,371,720	5,772,303	5,467,347
573,035	577,223	505,150	477,170	393,391	452,778
3,686,686	3,975,000	3,212,603	5,050,519	5,042,690	3,732,292
3,828,434	3,599,514	3,416,144	3,427,226	3,098,049	2,895,769
267,020	246,910	186,364	236,787	244,237	274,066
4,095,454	3,846,424	3,602,508	3,664,013	3,342,286	3,169,835
1,203,000	1,199,000	1,193,000	1,179,000	1,166,000	1,155,000
171,000	172,000	172,000	170,000	168,000	167,000
479,960	478,900	478,640	478,560	470,060	469,900
1,853,960	1,849,900	1,843,640	1,827,560	1,804,060	1,791,900
455,495	448,366	448,753	439,298	423,421	406,181
371,905	369,152	369,987	358,609	360,834	370,861
453,377	438,578	431,594	413,873	396,386	413,774
32,542	34,787	37,295	37,834	36,881	38,905
1,313,319	1,290,883	1,287,629	1,249,614	1,217,522	1,229,721
28,117,337	26,961,081	27,245,463	26,806,854	25,021,432	23,913,096
27,857,697	27,474,292	27,996,763	26,684,923	25,157,202	24,953,572
31,730,735	30,330,568	27,995,353	25,693,128	23,762,627	23,716,837
366,130	307,621	275,421	281,754	309,357	320,682
88,071,899	85,073,562	83,513,000	79,466,659	74,250,618	72,904,187
33,518,898	32,518,263	31,693,184	30,079,898	28,198,994	26,541,183
2,224,430	2,087,936	1,790,006	1,752,745	1,814,893	1,727,528
14,128,785	12,891,846	12,324,428	11,805,317	11,848,060	11,299,399
324,281	141,077	-	-	-	-
50,196,394	47,639,122	45,807,618	43,637,960	41,861,947	39,568,110
61,636,235	59,479,344	58,938,647	56,886,752	53,220,426	50,454,279
30,082,127	29,562,228	29,786,769	28,437,668	26,972,095	26,681,100
45,859,520	43,222,414	40,319,781	37,498,445	35,610,687	35,016,236
690,411	448,698	275,421	281,754	309,357	320,682
138,268,293	132,712,684	129,320,618	123,104,619	116,112,565	112,472,297
1,422,160	1,394,509	1,311,191	1,332,091	1,343,855	1,321,035
5,996	6,878	7,586	7,721	7,140	6,720
848,161	822,589	746,770	405,214	666,840	663,155
22,808	20,834	18,729	15,144	15,227	17,490
2,299,125	2,244,810	2,084,276	1,760,170	2,033,062	2,008,400
154,244	153,733	140,418	126,026	112,524	158,778

