PORT AUTHORITY NY NJ

AIR LAND RAIL SEA

2023 ANNUAL REPORT

A YEAR OF MILESTONES:

Continuing to Deliver

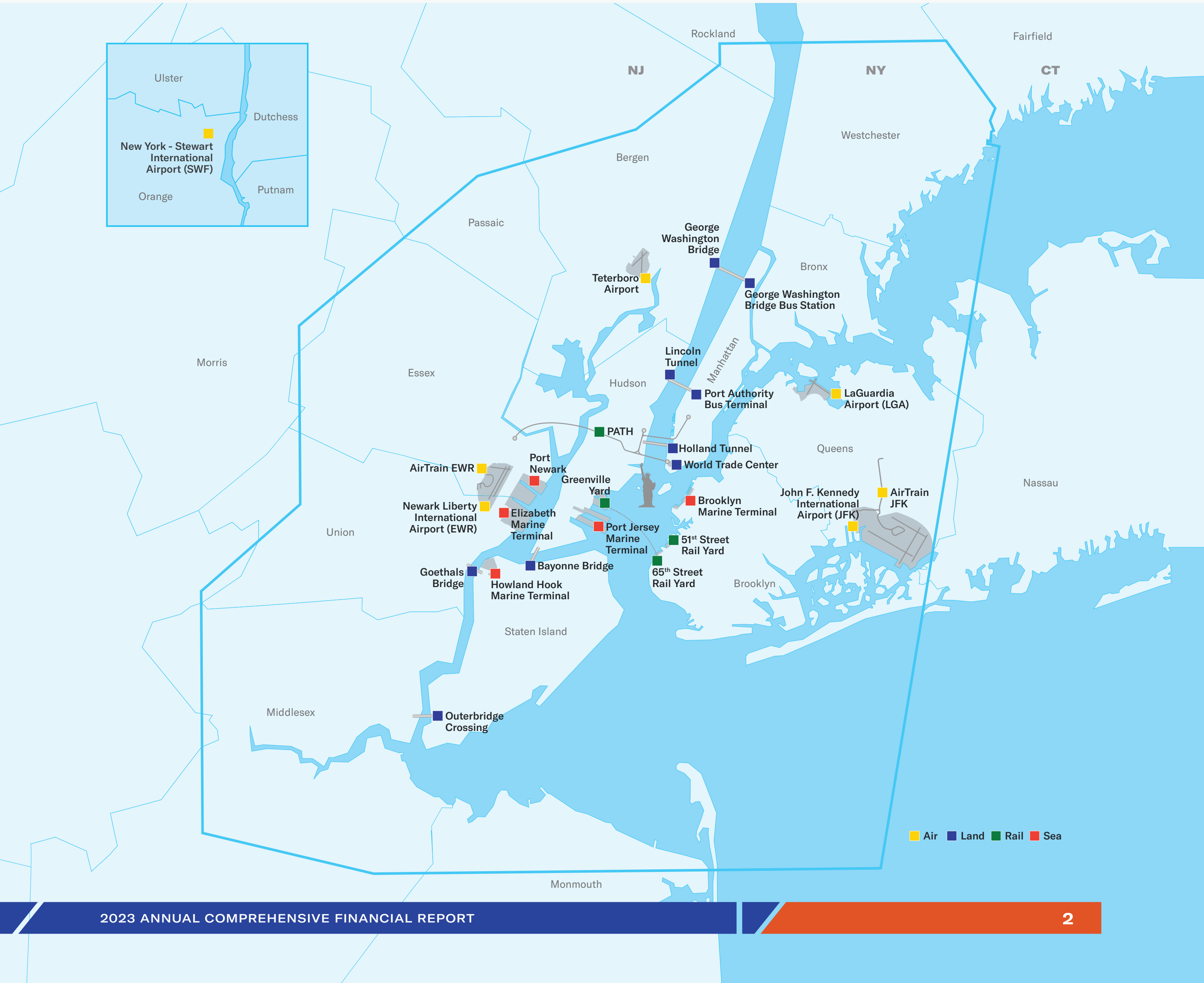
Annual Comprehensive Financial Report for the Year Ended December 31, 2023

OUR MISSION

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

Our mission is simple: to keep the region moving.

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



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Newly renovated and fully accessible pathway on the George Washington Bridge.

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL TO THE GOVERNORS

KATHY HOCHUL
Governor
State of New York

PHIL MURPHY
Governor
State of New Jersey

Dear Governors Kathy Hochul and Phil Murphy,

On behalf of the Board of Commissioners, we are pleased to present to you and the legislatures of New York and New Jersey the 2023 Annual Comprehensive Financial Report of The Port Authority of New York and New Jersey.

The theme of this year's report — "A Year of Extraordinary Milestones — Continuing to Deliver" — appropriately highlights the significant accomplishments of the Port Authority in 2023.

The Port Authority, guided by the vision of the Board of Commissioners, the dedication and commitment of its workforce, and the leadership of the 23 unions representing the majority of Port Authority employees, achieved remarkable progress in 2023 on its ambitious agenda:

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

Activity at nearly every single Port Authority facility increased in 2023 when compared to 2022, with the most dramatic increase at our three major airports, which in 2023 operated at record-breaking passenger levels.

2023: GLOBAL ACCLAIM FOR NEW AIRPORTS

2023 marked the busiest year ever at the Port Authority's three major airports, with passenger volumes surpassing pre-pandemic highs. The airports served a total of 144 million air passengers at John F. Kennedy International (JFK), Newark Liberty International (EWR), and LaGuardia (LGA) airports — 3% (nearly 4 million passengers) above the previous record of 140 million passengers set in 2019.

In 2023, the Port Authority fully opened to the public the stunning, 1 million-square-foot, new Terminal A at Newark Liberty International Airport, which was awarded the prestigious 2023 UNESCO Prix Versailles Special Prize for its exterior. Additionally, the Port Authority opened Newark Liberty's new public parking/car rental facility and continued to advance the plan to replace the outdated AirTrain Newark.

At LaGuardia, new gates opened at Delta's Terminal C, and the new Atrium Business & Conference Center also opened, which includes the restoration and installation of the iconic Richard Lippold sculpture "Orpheus and Apollo." Accolades continued for LaGuardia's new Terminal B, which was named the World's Best New Terminal by Skytrax, the leading airport rating organization, while also receiving Skytrax's highest global 5-Star Airport Terminal Rating, one of just two airport facilities in North America to be awarded a five-star rating through 2023.

At JFK, the Port Authority continued to fully and vigorously advance the historic $19 billion JFK Vision Plan, marked by the February 2023 groundbreaking on the $4.2 billion Terminal 6 as well as important construction progress at the $9.5 billion Terminal 1, and a strong start on building a new streamlined roadway network to improve vehicle circulation within the airport. In addition, Terminal 4 continued its $1.5 billion expansion and Terminal 8 announced its $125 million initiative to overhaul its concessions program. Lastly, the Agency opened a major concrete batch plant and barging operation at JFK that is enabling the use of barges rather than dump trucks to transport new construction materials into the airport and take construction waste out of it, eliminating 300,000 truck trips from community streets.

NEW, FULLY ACCESSIBLE NORTH WALK ON GWB OPENS

In 2023, the Port Authority continued progress on the $2 billion Restoring the George program at the George Washington Bridge. In another milestone, the Port Authority opened the GWB North Walk, the improved and expanded pedestrian and cycling shared-use path on the north side of the bridge. The replacement of the 296 suspender ropes and the inspection and rehabilitation of the main cables on the north side of the bridge were completed in 2022.

ANOTHER MILESTONE IN THE REDEVELOPMENT OF THE WTC CAMPUS

In 2023, the Port Authority marked another major milestone in the realization of the full vision of the World Trade Center campus with the opening of the Perelman Performing Arts Center (PAC NYC) to widespread critical acclaim, an architecturally stunning cultural center with multiple performance spaces, a restaurant, public café, and lounge. With the opening of the PAC to complement the 2022 completion of St. Nicholas Greek Orthodox Church, the core of the World Trade Center campus is now complete.

LAUNCHING NINE-CAR TRAINS AT PATH, TAPP

In 2023, PATH initiated nine-car train service during peak periods on the Newark-World Trade Center PATH line to increase capacity during morning and afternoon rush hours, an achievement made possible only by four successful station reconstructions, extensive reprogramming of PATH's ATC signal system, and the first delivery of 72 new train railcars — all components of the $1 billion, award-winning PATH Improvement Plan. Additionally, PATH launched a new tap-and-go fare payment system (Total Access PATH Payment, or "TAPP") on a pilot basis at a select number of TAPP turnstiles that allows customers to use any contactless credit/debit card or the digital wallets in their own devices at PATH turnstiles. All PATH stations will be equipped with TAPP in 2024.

SEAPORTS CONTINUED TO HANDLE STRONG CARGO VOLUMES ABOVE PRE-PANDEMIC LEVELS

In 2023, the Port of New York and New Jersey exceeded volumes of cargo handled in pre-COVID 2019 at the seaport and continued to hold its place as the second-busiest seaport in the country for loaded cargo containers. Despite high cargo volumes, the Port of New York and New Jersey avoided the congestion seen at other U.S. ports. Ships looking to call on the Port waited an average of less than one day at anchorage.

In August 2023, the Port Authority Board of Commissioners approved amended leases to allow CMA CGM, the world's third-largest carrier, to assume operations at Global Container Terminals Inc.'s container terminals at the Port Jersey-Port Authority Marine Terminal in Bayonne and at the Howland Hook Marine Terminal on Staten Island. As part of this transaction, the new operator will invest more than $600 million to fund reconstruction and rehabilitation of wharves and ship berths, upgrade cargo handling equipment, and expand yard capacity at the terminals, which will allow them to handle an additional 750,000 additional lifts per year when construction is completed.

Investments made by the Port Authority and our private partners at the seaport prepared the Port of New York and New Jersey to handle record-breaking cargo volumes and become the second-busiest port in the United States. Our ports have always been integral to the supply chain of the region and of the nation, and that foundational role was underscored during the pandemic years as we helped keep the national supply chain flowing uninterrupted while other ports were struggling to process cargo in a timely manner.

Additionally in 2023, the Port Authority broke ground on the $220 million Port Street Corridor Improvement Project, a major roadway improvement project to redesign and rebuild Port Newark's northern entrance at Port and Corbin streets.

ADVANCED COMMITMENT TO CONTRACTING WITH MWBES

In 2023, the Port Authority continued to hit record levels in contracts awarded to M/WBEs and local businesses. The LaGuardia Redevelopment Program, by end of 2023, had awarded more than $2.2 billion to M/WBE firms and nearly $1 billion to local Queens-based businesses. Under the Newark Terminal A Redevelopment Program, more than $740 million has been awarded to M/WBE firms through the end of 2023 and $448 million awarded to local New Jersey businesses. And the JFK Redevelopment Program, which was in early phases of construction in 2023, had awarded approximately $1.9 billion to M/WBEs and $726 million to local businesses by the end of 2023.

RELEASING THE NET ZERO ROADMAP

In 2023, the Port Authority took a huge leap forward to achieving its goal of net-zero emissions by 2050 by developing and releasing the Port Authority Net Zero Roadmap, a comprehensive, year-in-the-making, 80-page analysis detailing the 25-year way forward and outlining immediate steps for the Agency to achieve both its near-term emission reduction goals and its 2050 goal.

The Agency launched the era of net-zero buildings at its airports with the start of an innovative and trailblazing project at the historic Newark Building One. The decarbonization project will make the building fully carbon-neutral and will serve as a template for the decarbonization of all buildings at our airports. Also at Newark Liberty, operation began at the 5-megawatt (MW) solar project atop the public parking/car rental facility adjacent to the new Terminal A, the largest single solar rooftop project at any U.S. airport.

MOST DIVERSE PAPD ACADEMY CLASSES GRADUATE

Reflecting the Port Authority Police Department's (PAPD) commitment to the highest level of safety and security for the traveling public, in 2023, the PAPD welcomed 280 PAPD officers over two 2023 graduating classes (the 120th and 121st Academy classes) — the two most diverse classes in the department's history, including the highest number of female recruits participating in the Academy's training program in a single year. These were the first Academy classes to graduate post-COVID.

CONCLUSION

In closing, in 2023, across all Agency departments, facilities, and infrastructure, the Port Authority executed on its agenda to be a world-class operator of world-class, 21st-century transportation infrastructure, advancing its mission to keep the region moving.

We are pleased to submit to you this 2023 Annual Report.

Sincerely,

Kevin J. O'Toole
Chairman

R Cotton

Rick Cotton
Executive Director

Exterior of the completely renovated Terminal A at Newark Liberty International Airport.

LEADERSHIP OF THE PORT AUTHORITY

BOARD OF COMMISSIONERS OF THE PORT AUTHORITY

As of March 8, 2024

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

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O'Toole/Scrivo, LLC

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City of Elizabeth, New Jersey

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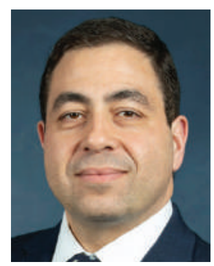
LEECIA EVE
Partner
Ichor Strategies

WINSTON C. FISHER
Partner, Fisher Brothers
CEO, AREA15



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RWJBarnabas Health

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Partner
CHA Partners, Inc.

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

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Debra Torres

CHIEF, INTER-GOVERNMENTAL AFFAIRS
Zach McCue**

CHIEF PROCUREMENT & CONTRACTING OFFICER
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CHIEF COMMUNICATIONS OFFICER
James Allen

CHIEF ENGINEER
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CHIEF HEALTH & SAFETY OFFICER
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DIRECTOR, RAIL TRANSIT/ GENERAL MANAGER, PATH
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DIRECTOR, PORT
Bethann Rooney

DIRECTOR, TUNNELS, BRIDGES & TERMINALS
Diannae Ehler

DIRECTOR, WORLD TRADE CENTER
Jolene Yeats

DIRECTOR, OPERATION SERVICES
Hanson Lee

Organizational Chart as of January 1st, 2024

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

** Zachary McCue assumed this position in January 2024

† Also has reporting line to the Board of Commissioners

NEWARK LIBERTY'S STUNNING NEW TERMINAL A OPENS TO THE PUBLIC

In January 2023, the Port Authority reached a major milestone at Newark Liberty International Airport in its ambitious goal of rebuilding all three of the region's major airports for the 21st century with the operational opening of the new, world-class, $2.7 billion Terminal A, representing the largest single investment in New Jersey in the agency's 102-year history.

The 1-million-square-foot, 33-gate terminal is also the largest design-build project in New Jersey state history, and its construction generated more than $4.6 billion in regional economic activity and created more than 2,500 jobs.

New Terminal A's extraordinary performance helped Newark Liberty set an all-time high annual record of 49.1 million passengers in 2023, a 6% increase over its previous high set in 2019.

Within its first full year of operation, the new terminal opened all 33 gates in two phases, with the final gates opening in September 2023, along with additional concessions and lounge spaces. Throughout its first year, Terminal A served 15 million passengers, more than a million passengers higher than forecast and 5 million more passengers than the old Terminal A had handled in any year of its existence — including at its peak!

New Terminal A's extraordinary performance helped Newark Liberty set an all-time high annual record of 49.1 million passengers in 2023, a 6% increase over its previous high set in 2019.

The new Terminal A set records in terms of the passengers served while collecting awards and accolades for its new design and amenities.

After less than three months of full operation, Terminal A in March 2023 was named as one of the top three finalists for the Skytrax 2023 "Best New Terminal in the World" award at the "Oscars" of the aviation industry. In November 2023, Terminal A achieved LEED Gold certification by the U.S. Green Building Council (USGBC) for Leadership in Energy and Environmental Design (LEED), the most widely used green-building rating system in the world and an international symbol of environmental responsibility.

And then, in December, Terminal A was awarded a 2023 United Nations Educational, Scientific and Cultural Organization (UNESCO) Prix Versailles Special Prize for the terminal's exterior.

Turning to the amenities, Terminal A is now host to world-class lounges, as well as food and retail offerings that include local shops with roots in the nearby cities of Newark, Elizabeth, and Jersey City. In addition to the amenities, customers' experience is enhanced inside Terminal A by an inspiring and uplifting public art program featuring dozens of local artists. Both the concessions and the art installations provide a distinct New Jersey sense of place — a signature feature of Port Authority redevelopment programs.

LARGEST SOLAR ROOFTOP PROJECT IN NATION

The new connected consolidated parking and car rental facility to Terminal A is also a model of the Port Authority's commitment to sustainability, boasting the largest single solar rooftop project at any U.S. airport. The 5-megawatt solar project generated 1 gigawatt hour of power after just two months of operation by April 2023.

Installed by ENGIE North America, a leader in energy transition, the canopy structure atop the parking garage features 12,708 solar panels covering 364,000 square feet, the equivalent of more than six football fields. The installation will generate enough energy to power approximately 833 homes for one year.

Expanding the use of solar power at the region's airports is critical to the Port Authority's goal of net-zero emissions by 2050, which is further detailed in the Sustainability section of this report.

ADVANCED PLANNING FOR NEW 21ST-CENTURY AIRTRAIN

The Port Authority continued to advance its planning and procurement process for delivering a new 21st-century AirTrain Newark to replace the aging rail system that went into operation in 1996.

In December, the Agency selected Doppelmayr, a market leader in cable-propelled transport systems, in the first phase of a multiphase procurement process to replace the existing AirTrain system with a modern, reliable 2.5-mile automated train system, a critical step in the Port Authority's wide-ranging efforts to revitalize and modernize the entirety of Newark Liberty International Airport.

Doppelmayr was selected after a rigorous review process, following a Request for Qualifications issued in December 2022 and a Request for Proposals issued in March 2023. The contract continues the Port Authority's mandate to create equitable economic opportunities at its major capital projects. To this end, Doppelmayr has committed to meet specific benchmarks around the hiring of historically disadvantaged businesses, such as minority-owned business enterprises, women-owned business enterprises, service-disabled veteran-owned business enterprises, and locally owned business enterprises.

The firm is also required to develop a locally based workforce development program, with goals to hire program participants for future work on the new system's construction and operation.

The new AirTrain system is expected to open in 2029.

Furthering its commitment to increase public transit access to Newark Liberty, in March 2023, the Board of Commissioners authorized $12 million for the planning and preliminary design of the EWR Station Access Project, creating a new multimodal facility at the AirTrain Newark Rail Link Station serving the airport. More details on this important project can be found in a separate section in this report.

The Port Authority's ongoing transformation of Newark Liberty International Airport will be developed through the work of Arup, a world-class airport master planner selected by the Agency last year. The EWR Vision Plan, which serves as a framework for future development through 2065, will incorporate plans for long-term economic growth, sustainability projects, and multimodal access to the airport for both work and travel.

MORE PRAISE FOR LAGUARDIA AIRPORT'S TERMINAL B

The $8 billion transformation of LaGuardia Airport, which is the first new airport built in the United States in 25 years, has led to global awards, accolades, and critical praise. In March 2023, LaGuardia's much-lauded Terminal B was named the World's Best New Terminal based on feedback from customers around the world in a survey conducted by Skytrax, the leading passenger survey organization, while also receiving Skytrax's highest global 5-Star Airport Terminal Rating, one of only three airports and terminals in the United States to have earned five stars for global best practices.

This recognition comes as the airport continues to break passenger records. In 2023, LaGuardia set an all-time high annual record of 32.4 million passengers, a 4% increase over its previous high set in 2019.

Additionally, in June 2023, Terminal B retained both its Leadership in Energy and Environmental Design (LEED) v4 Gold Certification from the U.S. Green Building Council and the Institute for Sustainable Infrastructure's Platinum Envision Award, affirming that commitments made during the initial design review were carried forward during the construction phase of the redevelopment project.

LEED is the most widely used rating system worldwide for green building certification, recognizing excellence in sustainable design and construction. Terminal B achieved its design-phase LEED v4 Gold certification in 2021, including the arrivals and departures hall, the eastern concourse, the eastern pedestrian bridge, and the central heating and refrigeration plant. The 2023 LEED v4 Gold certification, awarded on completion of all construction activities, also includes the western concourse and the western pedestrian bridge.

Terminal B also retained the highest level of Envision award — Platinum — following its post-construction review. Retaining Platinum through this final stage of verification using the Envision Sustainability Framework is a major achievement. Terminal B is the first project to complete a post-construction review since the launch of Envision v3 in 2019.

The Envision Award recognizes sustainability in multiple areas, including human well-being, mobility, community development, collaboration, planning, economic development, materials, energy, water, conservation, ecology, emissions, and resilience.

Terminal B is designed to achieve water savings of more than 43% as well as an 18% reduction in energy costs. Energy and greenhouse gas emission reductions are achieved through reduced window glazing area, installation of a light-colored aluminum membrane roof that reflects solar heat and reduces summer cooling loads, lower lighting power density, deployment of daylighting controls to adjust artificial lighting levels in response to sunlight, and use of solar water heaters. All of these efforts are a testament to the Port Authority's commitment to net-zero emissions by 2050, including emissions from our redevelopment projects.

CONFERENCE CENTER OPENS, ICONIC SCULPTURE RESTORED

In October 2023, the Port Authority added another gem to the crown that is "The Whole New LGA" with the opening of the new Atrium Business & Conference Center, which will allow business travelers to conduct meetings and business at the stunning, internationally praised new airport.

The Atrium Business & Conference Center includes conference rooms, business center services, pre-security seatings, and new concessions choices. Floor-to-ceiling windows on either side of the center reveal sweeping views of the Manhattan skyline and the airport's runways.

The facility is programmed and operated by MCR, the award-winning hotelier that operates the TWA Hotel at John F. Kennedy International Airport.

A focal point of the center's atrium is Richard Lippold's sculpture "Orpheus and Apollo," which was originally displayed inside Lincoln Center's Philharmonic Hall from 1962 until 2014 and removed during the reconstruction of what is now David Geffen Hall.

The Port Authority and Lincoln Center for the Performing Arts worked collaboratively to restore this iconic New York City sculpture and facilitate its installation in the Atrium Business & Conference Center, where it joins LGA's collection of critically lauded public artworks.

The restoration and installation of "Orpheus and Apollo" is a tangible sign of the Port Authority's commitment to instilling a unique sense of place at each of the agency's airports.

The Atrium Business & Conference Center is adjacent to the Departures Level of LaGuardia's award-winning Terminal B.

Along with the opening of the Atrium Business & Conference Center, additional new gates opened in 2023 at Delta's stunning new Terminal C, which opened to the public in 2022.

The new Atrium Business & Conference Center at LaGuardia Airport.

NEW MILESTONES REACHED IN HISTORIC $19 BILLION TRANSFORMATION OF JFK

In 2023, the Port Authority continued to fully and vigorously advance the historic $19 billion JFK Vision Plan, which will transform 75-year-old John F. Kennedy International Airport into a world-class 21st-century aviation gateway worthy of the region. Construction ramped up as the airport handled 62.5 million passengers, on par with 2019's robust performance.

GROUNDBREAKING ON NEW TERMINAL 6

In February 2023, the Port Authority broke ground on the $4.2 billion project to develop a new Terminal 6. Every project included in the transformation of JFK into a world-class, global gateway — including construction on a new Terminal One, expansion of Terminal 4, and modernization of Terminal 8 — is now either underway or complete.

The 1.2 million-square-foot, state-of-the-art new Terminal 6 on the airport's north side will feature 10 gates — including nine wide-body gates — and will create 4,000 jobs, including 1,800 jobs in construction.

As at LaGuardia and Newark Liberty's new Terminal A, JFK's new Terminal 6 arrivals and departures hall will feel spacious, bright, and airy thanks to floor-to-ceiling windows and high ceilings. Inspiring public art and architectural elements depicting New York landmarks will create a unique sense of place. Passengers will enjoy more than 100,000 square feet of world-class shopping and dining featuring locally based restaurateurs, craft beverage options, and a range of shopping opportunities.

State-of-the-art technology will improve the customer experience with touchless technology from check-in to gates and digital systems that will streamline the passenger journey throughout the terminal. Advanced security systems will include automated TSA security lanes, biometric-based access control systems, and a flexible design to accommodate future technology or regulatory changes.

Terminal 6 is a public-private partnership between the Port Authority and JFK Millennium Partners, a consortium that includes Vantage Airport Group, an industry-leading investor, developer, and manager of award-winning global airport projects, including LaGuardia's Terminal B; American Triple I, a certified minority-owned investor, owner, developer, and manager of infrastructure assets, which has a 30% equity stake in the project; New York real estate operating company RXR; and JetBlue Airways, the project's airline sponsor.

JFK Millennium Partners is developing the new Terminal 6 in two phases, with the first new gates expected to open in 2026 and construction completion planned for 2028. The new Terminal 6 will create an anchor for passenger travel on JFK's north side, spanning the sites of the former Terminal 6 and the existing Terminal 7. JFK Millennium Partners is managing Terminal 7 until the 50-year-old facility is demolished to make way for the second phase of construction.

STEEL RISES FOR STATE-OF-THE-ART NEW TERMINAL ONE

In 2023, construction significantly advanced on the privately financed $9.5 billion state-of-the-art new Terminal One that will anchor JFK's south side, with the first pieces of steel rising for the main structure of the terminal in July. The new Terminal One is privately financed by a consortium of labor, operating, and financial partners, including Ferrovial, Carlyle, JLC Infrastructure, and Ullico.

Designed to accommodate the growing demand for international air travel, the new Terminal One will be more than twice the size of the previous Terminal 1 and Terminal 2, feature bright and airy check-in halls and arrival spaces, advanced security technology, and a state-of-the-art baggage handling system, and include more than 300,000 square feet of world-class, locally inspired dining and retail concessions, as well as lounges, indoor green space, inspiring public art, and family-friendly amenities that will enhance the passenger experience.

The new Terminal One will also double the number of gates that currently accommodate wide-body aircraft, with 22 of the 23 new gates designed for larger aircraft that are key to international travel. And in keeping with the Port Authority's commitment to reach net-zero greenhouse gas emissions by 2050, it will include on-site renewable energy generation, electric ground support equipment, and optimized lighting and building controls.

DRAMATICALLY IMPROVING ROADWAY ACCESS TO JFK

In June, the Port Authority signed a contract to design and build new streamlined roadways and supporting infrastructure to dramatically improve access to JFK with a joint venture of Skanska, a leading global construction and development firm, and Halmar International LLC. Parsons Corporation will serve as lead designer for the project.

When completed, this project will create a contemporary and world-class ground transportation center, equipped with modern parking amenities, electrical vehicle charging stations, and a fully integrated for-hire vehicle pickup area.

MAJOR COMMERCIAL REDEVELOPMENT OF EXPANDED TERMINAL 8

In July, the Port Authority, in partnership with American Airlines and Unibail-Rodamco-Westfield (URW) Airports, announced a $125 million commercial redevelopment program for Terminal 8 that will feature a new great hall and more than 60 food and shopping concessions with an emphasis on locally owned and diverse businesses.

Following the recent completion of a $400 million expansion of Terminal 8, the

Terminal 6 construction at John F. Kennedy International Airport.

commercial redevelopment will further enhance the customer experience at the terminal with a complete redesign and expansion of the concessions program, including new dining, retail, duty-free shopping, performance space, and new digitally enabled experiences for customers.

With the expansion of the concessions program, the project will create more than 300 new concessions jobs at Terminal 8.

REDUCING ENVIRONMENTAL IMPACT ON COMMUNITY FROM JFK CONSTRUCTION

In September, the Port Authority opened a major concrete batch plant and barging operation that will enable the use of barges rather than dump trucks to bring all new construction materials to the airport and remove construction waste from it. This initiative will eliminate 300,000 truck trips from community streets.

A single barge eliminates the need for nearly 200 trucks to carry the equivalent load. Over the life of the redevelopment project, surrounding communities will be spared an estimated 1.5 million miles of truck travel — enough to circumnavigate the Earth 60 times.

The construction support facility will perform multiple functions throughout the redevelopment of JFK, including concrete production at an on-site batch plant, operation of a concrete crushing facility to recycle construction debris that will be repurposed for new construction, and a marine transport facility to move construction material to and from the airport via local waterways.

Earlier in 2023, the Port Authority awarded a contract to Melville, New York-based Modern Efficient Transport and Supply LLC (METS), an affiliate of Grace Industries LLC and a division under the Haugland Group LLC, to build and operate the on-airport construction support facility. Under the contract, METS built a marine transport facility that uses water access to JFK at Bergen Basin at the western end of the airport property.

The barges are carrying bulk materials such as sand, aggregate, steel, and other building materials to the airport and remove nonhazardous debris and soil from the construction sites at the airport, with the capacity to responsibly recycle up to 75% of certain categories of construction debris. The use of alternative fuels for marine equipment, if available, is also encouraged.

The concrete batch plant is utilizing local suppliers from the communities immediately surrounding JFK and supplying all the concrete to support construction, including for the two largest terminals and all the roads, parking garages, and other infrastructure. In addition, METS has committed to utilizing MBE firms for trucking needs at the airport and has committed to local hiring and workforce development opportunities throughout the life of the contract.

DELTA CONSOLIDATES, EXPANDS IN TERMINAL 4

Additionally, at Terminal 4, Delta consolidated its operations, opening 10 gates in Concourse A, while also expanding Concourse B in 2023 to accommodate larger aircraft, enlarge security checkpoints, and create a larger baggage claim area.

More information on the historic transformation of JFK is available at www.anewjfk.com.

Construction workers at John F. Kennedy International Airport guide a steel beam into place.

INCREASING PUBLIC TRANSIT OPTIONS CONNECTING TO MAJOR AIRPORTS

A vital part of building world-class airports is creating modern and efficient public transportation that will get passengers and the public to new Port Authority facilities. In 2023, the Agency advanced several initiatives to expand access and improve the customer experience for passengers and workers using its three major airports.

AN INTERMODAL LINK TO NEWARK LIBERTY

In March, the Board of Commissioners authorized $12 million for planning and preliminary design for the EWR Station Access Project, to develop direct, street level, and elevated access for neighboring communities in Newark to the AirTrain Newark Rail Link Station (AirTrain Station) and Newark Liberty International Airport and to the rail services available at the co-located Northeast Corridor Station (NEC Station) provided by Amtrak and NJ Transit.

Since its opening in 2001, the AirTrain Station has been inaccessible at street level from local streets and residential neighborhoods. This inaccessibility also prevented access to the NEC Station link, which serves Newark Liberty and abuts the AirTrain Station. The planning and preliminary design services will be used to develop conceptual designs for a future project to provide new at-grade and elevated facilities west of the existing AirTrain Station that will connect to the station, thereby providing new multimodal street level access to both the AirTrain and NEC stations. The new entry point will be accessed through multiple transportation modes, including buses and taxis, private vehicles, bicycles, and by foot over new sidewalks via Frelinghuysen Avenue in Newark.

Once implemented, the proposed EWR Station Access Project will improve transit access to the airport for travelers and airport employees and provide improved access to the NEC Station. Specific project benefits include: 1) improved commutation to on-airport jobs for local residents, broadening the local labor pool; 2) expansion of the airport footprint to encourage relocation of airport service businesses to less costly or more spacious premises to reduce crowding in the existing airport areas; 3) increased development at and near the airport as a result of improved transit access, increasing the value of airport property; 4) efficient and cost-effective connection of the AirTrain Station and the NEC Station for interconnection with Amtrak and NJ Transit rail service; 5) providing services to neighboring Newark communities, which have been impacted by the existing stations without the benefit of access to transit service; 6) enhancing airport sustainability by encouraging airport users to choose transit means other than private vehicles; and 7) leveraging existing transportation assets in a cost-effective way to improve local and regional access, mobility, and connectivity.

IMPROVED AND NEW, NONSTOP BUS SERVICE TO LGA

In June 2023, the Board approved $30 million in funding to plan and design improved bus service to LaGuardia Airport, marking a major step toward implementing the recommendations of an expert panel after an exhaustive analysis (“Options for Mass Transit Solutions to LGA”) of 14 mass-transit options to the airport.

The panel recommended that the Port Authority move forward in the near term with two bus options evaluated in the study: 1) substantial improvements to existing MTA Q70 LaGuardia Link bus service connecting to Jackson Heights and Woodside, and 2) new, nonstop shuttle service between the airport and the last stop on the N/W subway line at the Astoria-Ditmars Boulevard subway station serving all three terminals at LaGuardia Airport. The improved bus service is projected to benefit nearly 5 million total passengers annually.

Throughout the analysis process, the Port Authority sought and received input from dozens of elected officials, community stakeholders, advocacy groups, and the public by holding two public workshops, conducting 10 focus groups with members of the community and airport travelers, and reviewing hundreds of public comments. Community input and feedback will continue to be solicited during the design phase.

CONTACTLESS PAYMENT AT AIRTRAIN JFK

In October, AirTrain JFK began accepting fare payments using the MTA's OMNY "Tap and Go" contactless payment readers at select gates in both the Jamaica and Howard Beach stations.

The new fare payment system accepts contactless debit/credit cards, digital wallets, and OMNY cards. Fare gates that accept MetroCards will remain available and an option for customers. AirTrain remains free for travel between airport terminals, parking lots, hotel shuttles, and rental car facilities.

Contactless readers offer travelers an intuitive, hassle-free fare payment option and will greatly improve the customer experience at AirTrain JFK.

The initial installation of OMNY at the Jamaica and Howard Beach stations represented the first phase of the integration process. The number of OMNY-equipped gates will steadily increase, and OMNY "Tap and Go" contactless readers are expected to be fully integrated into all fare gates by the end of 2024.

Cash customers or those who do not have a contactless payment method still can purchase all currently available MetroCard products at MetroCard vending machines, Hudson News, or Metro News, and then use MetroCard fare gates. Unlimited and 10-trip AirTrain JFK passes also remain available.

Reduced-Fare customers who cannot use their Reduced-Fare MetroCard to swipe at AirTrain JFK gates can tap with the contactless payment device linked to their Reduced-Fare bank card or OMNY card at the AirTrain JFK's OMNY readers and pay the full AirTrain fare.

In 2023, the Agency advanced several initiatives to expand access and improve the customer experience for passengers and workers using its three major airports.

INVESTING AND TRANSFORMING THE PORT FOR THE 21ST CENTURY

In 2023, the Port of New York and New Jersey continued to show its strength as the global shipping industry returned to pre-pandemic shipping patterns. In 2023, the port handled 7.8 million TEUs (20-foot equivalent units), a 4.5% increase from pre-pandemic 2019. Equally significant, the seaport was the second-busiest port in the nation for loaded imports and exports, handling 5.3 million loaded TEUs throughout the year.

The Port of New York and New Jersey is now firmly established as the second-busiest port in the nation for loaded cargo containers, supplanting the Port of Long Beach in California, and is the busiest seaport on the East Coast.

The seaports' ability to quickly adapt to the high shipping demands of the global pandemic was in large part due to investments by the Port Authority, including in the ExpressRail network and in the raising of the Bayonne Bridge roadbed, by investments made by the Agency's partners at the seaport, and through collaborative partnerships with seaport stakeholders.

That strong commitment to investing in the future continued in 2023, with two significant milestones: 1) the approval of amended leases to allow CMA CGM (the world's third-largest ocean carrier) to invest more than $600 million and assume operations at the former Global Container Terminals Inc.'s (GCT's) container terminals at the Port Jersey-Port Authority Marine Terminal and at the Howland Hook Marine Terminal; and 2) the launching of the Port Street Corridor Improvement Project at Port Newark.

SUBSTANTIAL NEW PRIVATE-INDUSTRY INVESTMENT IN THE PORT

In the third quarter of 2023, the Port Authority Board of Commissioners approved amended leases to allow CMA CGM to assume operations at GCT's container terminals at the Port Jersey-Port Authority Marine Terminal in Bayonne and at the Howland Hook Marine Terminal on Staten Island. The updated leases include increases in rent based on container throughput, substantial facility investments to increase container capacity, and key initiatives related to sustainability and diversity, equity, and inclusion goals.

CMA CGM assumed operational control of the Howland Hook Marine Terminal following CMA CGM's acquisition of Global Container Terminals' United States assets in New York and New Jersey on August 31, 2023. CMA CGM is also expected to leverage Howland Hook's longtime ties to SUNY Maritime College in the Bronx, which has partnered with the facility for workforce training, research, and development.

The projected $600 million commitment from CMA CGM at Howland Hook and Port Jersey-Port Authority Marine Terminal will fund reconstruction and rehabilitation of wharves and ship berths, as well as upgrades to cargo handling equipment and expansion of yard capacity, allowing them to handle an additional 750,000 additional lifts per year when construction is completed.

THE PORT STREET CORRIDOR IMPROVEMENT PROJECT

In November 2023, the Port Authority announced the commencement of major construction work on the $220 million Port Street Corridor Improvement Project to redesign and rebuild Port Newark's northern entrance at Port and Corbin streets.

This redesign will feature a more efficient roadway configuration with a wider turning radius, allowing for safer trucking operations to and from the Port Newark complex. The improvements will also offer truck drivers significant time savings while they navigate the complex, enhancing efficiency and reliability across the supply chain, as well as significantly reducing carbon emissions each year.

The ramp from Port Street to Corbin Street serves approximately 3,600 vehicles during a typical peak hour, 40% of which is truck traffic. The improvements to lane capacity, turning radius, and other safety features from the Port Street Corridor Improvement Project are expected to reduce vehicular crashes by 37%.

The initiative is projected to generate 260 additional direct jobs during construction, with a priority placed on working with local, minority, and women contractors.

Additionally, the work is anticipated to generate $25 million in direct wages and $171 million in regional economic activity. The port complex will maintain full operational capacity during construction, with work scheduled to be completed in 2028.

A container vessel travels to the Port of New York and New Jersey under the raised Bayonne Bridge.

PATH LAUNCHES HISTORIC 9-CAR TRAIN SERVICE ON NEWARK-WTC LINE

In March 2023, the PATH initiated nine-car train service during a.m. and p.m. peak hours on the Newark-World Trade Center line for the first time in its 102-year history. This historic expansion of PATH service increases capacity, a key component in the Port Authority's $1 billion PATH Improvement Plan that also aims to reduce delays and enhance overall customer experience.

The implementation of Newark-World Trade Center nine-car service was made possible through the Port Authority's investment in platform and infrastructure expansion projects along the Newark- World Trade Center line to accommodate longer trains. That project underwent rigorous independent inspection and testing as part of the preparation for the March introduction of nine-car service.

The addition of a ninth rail car to trains during peak hours will increase capacity on the NWK-WTC line while providing a safer, more convenient commuting experience for customers.

Throughout 2023, PATH increased the numbers of nine-car trains in service, with additional expansion of nine-car service planned for the future. The addition of a ninth rail car to trains during peak hours will increase capacity on the NWK-WTC line while providing a safer, more convenient commuting experience for customers.

ADDING NEW RAIL CARS INTO THE SYSTEM

Another crucial component of that PATH Improvement Plan included the purchase of 72 new PATH rail cars, and the first of these new 72 cars were deployed into service in April 2023. The new high-performance rail cars will supplement the current fleet of 350 cars and will be gradually integrated into the PATH system, increasing PATH's rolling stock by 20%.

Expanding capacity is one of three components of the PATH Improvement Plan, in addition to reducing delays and enhancing customer experience through new technology and additional personnel.

The PATH Improvement Plan, which was introduced in 2019 and cited by the American Public Transportation Association (APTA) in its selection of PATH for the 2022 Outstanding Public Transportation System Achievement award for North American railroads with more than 20 million riders annually, calls for capacity increase through the acquisition of additional rail cars, expansion of station platforms to accommodate nine-car trains on the Newark-World Trade Center line versus the previous eight-car-only trains, and the utilization of a new signal system to run trains more frequently, particularly during morning and evening rush hours.

CONTACTLESS PAYMENT PILOT PROGRAM AT PATH

In December of 2023, PATH launched a real-world test of five turnstiles equipped with a new tap-and-go fare payment system, with expansions planned to occur in phases across additional PATH stations. The new modern contactless system is named "TAPP" for Total Access PATH Payment.

TAPP is an open-loop contactless payment system, which allows customers to use any contactless credit/debit card or the digital wallets in their own devices at PATH turnstiles instead of specific PATH-issued SmartLink cards or pay-per-ride MetroCards.

This pilot program allows PATH to fully test the TAPP system before rolling it out to more stations and eventually systemwide. Customers have been asking for a tap-and-go fare payment system, and this pilot program will help open up travel options to more riders and improve the customer experience, a key goal of the PATH Improvement Plan.

RIDERSHIP CONTINUED TO GROW IN 2023

Comprising 13 stations, the PATH system served 50 million passengers in 2023, as ridership steadily increased throughout the year, reaching two-thirds of its pre-pandemic ridership late in 2023. Weekend PATH ridership continued to grow robustly throughout the year, reaching almost 90% of pre-pandemic levels.

A nine-car PATH train on the WTC line.

ACCESSIBILITY DRAMATICALLY INCREASES AT GWB WITH NEW ACCESSIBLE PATHWAY

In February 2023, the Port Authority reached another milestone in its historic $2 billion Restoring the George program with the opening of the newly renovated and fully ADA accessible north walk of the George Washington Bridge, significantly improving the experience for bicyclists, pedestrians, and users with mobility challenges.

A central part of the Restoring the George program is the replacement of all the bridge's 592 suspender cables and rehabilitation of main cables. In 2021, the Agency completed the replacement of all the suspender cables on the north side of the bridge and is currently replacing all the cables on the south side. As of the end of 2023, the suspender cable replacement was approximately 70% complete.

While the Port Authority invests in and strengthens the iconic bridge for its next century of use by cars and trucks, the Agency is also enhancing the experience for the pedestrians and cyclists and drawing our communities closer together.

The replacement of the bridge's north side original steel suspender cables and associated closure of the north path created an opportunity for the Port Authority to overhaul the path, including the replacement of the 171 access steps with gentler widened accessible approach paths to allow seamless connection from adjacent streets.

The approach paths have been widened, adding more accessibility for individuals wanting to use the bridge, as well as wheelchair users. And once on the bridge, individuals will find two new viewing platforms where they can stop and enjoy the sweeping vistas of the Palisades, the Hudson River, and the GWB itself.

More than 700,000 cyclists, runners, and pedestrians cross the GWB each year, and it remains the only bike crossing between New York and Northern New Jersey. Increasingly, people are biking, running, and walking over bridges. That is why the Port Authority has invested in bike and pedestrian access at all its new or rebuilt bridges, including the Goethals and Bayonne.

When the replacement of the suspender cables on the south side of the George Washington Bridge is completed, the south walk will also open an improved, ADA accessible path, allowing for bikers and pedestrians to utilize separate walks to cross the bridge.

Work to replace the bridge's original steel suspender cables began in September 2018 with the ropes on the north side. Once the new suspender ropes were in place, a cutting-edge acoustical monitoring system that listens for breaks in the many wire strands that compose the large main cables and a dehumidification system that keeps the wire strands dry from moisture to prevent corrosion were installed on the main cables. The painstaking process of inspecting and rehabilitating the main cables on the north side was completed in 2022.

Other projects in the Restoring the George program include:

- The rehabilitation of steel main cable strands in the bridge's New York and New Jersey anchorages (completed in 2017).
- The pavement rehabilitation of the lower level's eastbound roadway on the main span and access roads (completed in 2016).

- Replacement of the Palisades Interstate Parkway helix ramp and rehabilitation of the upper-level roadway over Hudson Terrace and the New Jersey anchorage (completed in 2020).
- Rehabilitation of the Trans-Manhattan Expressway's median barrier and water system, and repair of concrete fireproofing encasement on steel columns (substantially complete).
- Rehabilitation of the 178th and 179th street ramps, bus ramps, and bus turnaround, and construction of new street-level sidewalks on Cabrini Boulevard to the New York anchorage (ongoing).
- Replacement of roadway finger joints and 32 deck panels at the two towers (complete).
- Rehabilitation of upper-level eastbound roadway pavement (ongoing).
- Rehabilitation of existing piers and abutments on the Center Avenue and Lemoine Avenue bridges (ongoing).
- Rehabilitation of lower-level steel, paint removal, and replacement of movable maintenance platforms (ongoing).
- Rehabilitation or replacement of components of the Fort Washington Avenue, Broadway, Wadsworth Avenue, St. Nicholas Avenue, Audubon Avenue, and Amsterdam Avenue bridges over the Trans-Manhattan Expressway (currently in design phase).

NEW MIDTOWN BUS TERMINAL PROJECT ADVANCES

Also in 2023, the Port Authority continued to advance the design, engineering, and environmental permitting process for the new Midtown Bus Terminal following the selection in 2022 of the world-renowned architectural firm Foster + Partners and the design firm A. Epstein and Sons International Inc. to provide architectural design services throughout the design phase and the environmental review of the proposed project.

Ribbon-cutting event with bicyclists entering the newly renovated George Washington Bridge pathway.

STUNNING PERFORMING ARTS CENTER OPENS ON WORLD TRADE CENTER CAMPUS

In September 2023, the $500 million, 129,000-square-foot Perelman Performing Arts Center (PAC) opened on the World Trade Center campus, marking a major milestone in the realization of the full vision of the revitalization of the World Trade Center.

The stunning, immediately iconic performance center was received with widespread critical acclaim. The New York Times wrote, "[It] is the most glamorous civic building to land in New York in years."

The Performing Arts Center, clad in translucent veined marble that transforms the 8-story structure into a golden-hued cube after sunset, contains three distinct theater spaces that can be reconfigured to accommodate traditional theater, music, dance, and avant-garde pieces of performance art. Additionally, there is the Lobby Stage, which hosts a variety of live performances that are free and open to the public.

In addition to the multiple performance spaces, the PAC contains a restaurant by renowned chef Marcus Samuelsson, a public café, a lounge, and an outdoor staircase and plaza that add a new public dimension to the World Trade Center campus.

Architect Joshua Ramus' performing arts center, beyond being an architectural triumph, is also an engineering triumph. The performance center was built over four underground stories of infrastructure, which created a unique construction challenge: to not only deliver a magnificent arts facility to Lower Manhattan — one that did not exist on the original World Trade Center campus — but also to do so without negatively impacting the multiple mass transit lines underneath, as well as other critical infrastructure supporting the World Trade Center campus.

Construction on PAC was completed in just four years. It was in the spring of 2019 that a 146,072-pound, 34-foot-long, 11-foot-wide beam dubbed "Big Boy" was delivered to the PAC construction site by the Port Authority. The delivery of the massive beam was the final step required before above-ground construction on the performance center could begin.

The addition of a performing arts center was part of the original 2003 master plan for the rebuilding of the World Trade Center campus developed by the Lower Manhattan Development Corporation. With the opening of PAC to complement the 2022 completion of the Saint Nicholas Greek Orthodox Church and National Shrine, the core of the World Trade Center campus is now complete.

Further, the promise outlined in the rebuild of the World Trade Center campus has now been realized. The campus contains a place to remember — the memorial — a place to learn about what happened — the museum — and now, a place to celebrate life.

The thousand-plus activations and special events that the Port Authority supported on the World Trade Center campus in 2023 attest to the energy and vitality that the WTC campus now brings to Lower Manhattan.

Perelman Performing Arts Center opens to the public.

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

In 2023, the Port Authority continued to make significant strides on its commitment to diversity, equity and inclusion, reaching milestones for awarding contracts to Minority and Women-Owned Business Enterprises (M/WBEs) at LaGuardia and Newark Liberty International airports, advancing contracts awarded under the Port Authority's small contracts procurement initiative, and continuing to collaborate with M/WBE industry leaders to reduce barriers that in the past have limited M/WBEs from pursuing contracts.

The Port Authority's major airport redevelopment programs in 2023 continued to hit record levels in contracts awarded to M/WBEs and local businesses. The LaGuardia Redevelopment Program reached the milestone of more than $2.2 billion awarded to M/WBE firms and more than $1 billion to local Queens-based businesses. Under the Newark Terminal A Redevelopment Program, more than $740 million has been awarded to M/WBE firms through the end of 2023 and $448 million awarded to local New Jersey businesses. And the JFK Redevelopment Program, which was in early phases of construction in 2023, awarded approximately $1.9 billion to M/WBEs and $726 million to local businesses throughout the year.

Under the Port Authority's Small Contracts Program in 2023, the Port Authority awarded approximately $31 million over 205 contracts to historically underutilized Minority Business Enterprises (MBEs). Overall, payments to M/WBEs composed of 35% of all payments under the Agency's core program contracts, exceeding the nation-leading goal of 30% set in 2017.

WORKING WITH M/WBE INDUSTRY LEADERS

In 2023, the Port Authority expanded its collaboration with M/WBE industry leaders to provide a continuous forum for the Port Authority to hear feedback about the experience of M/WBE firms and take action to improve that experience. This included organizing a meeting of M/WBE stakeholders to identify opportunities to leverage the combined collective strengths of the M/WBE community with the Port Authority. Stakeholders included various chambers, community economic development corporations, state agencies, and M/WBE industry stakeholders.

Additionally, the Agency continued to focus on its efforts to improve the experience of M/WBE firms seeking to certify with the Port Authority. The Agency continued to improve the time that it takes for a firm to become certified, resulting in approximately 2,420 certified/recertified vendors added to the Port Authority's certified vendor directory, approximately half of which were new vendors.

SOCIAL ACTION THROUGH DE&I

In 2023, the Port Authority announced the establishment of a permanent Workplace Equity Council (WEC). This body is dedicated to driving ongoing transformation within the Port Authority, building upon the successes of the 2020 Leadership Steering Committee (LSC) initiative. The LSC and WEC both carry a mission of improving workplace culture, with a revised commitment to a respectful workplace, enhanced procedures for Port Authority Police Department actions involving the community, and an emphasis on considering opportunities and equity for Agency employees throughout their careers.

NATIONAL AND REGIONAL RECOGNITION FOR COMMITMENT TO DE&I

In 2023, the Port Authority received a second Transport and Logistics "Salute to Diversity" honor from The Journal of Commerce, which recognizes organizations in the transportation and logistics industry that are driving forward in diversity, equity, and inclusion. The Agency also received an M/WBE Advocate award from the Regional Alliance for Small Contractors (RASC).

SECOND CHANCE HIRING PROGRAM

Additionally in 2023, the Port Authority's Second Chance Hiring initiatives continued to provide employment opportunities to individuals with a criminal justice touch point.

The Office of Second Chance Employment (OSCE) was launched as a community benefit initiative through the JFK Redevelopment Program to connect job seekers from the local community with a criminal justice touch point to job opportunities at John F. Kennedy International Airport at the onset of the pandemic in 2020. At that time, five airport tenants and five community-based organizations signed on to participate in the program. The OSCE is housed under the umbrella of the Council for Airport Opportunity (CAO). The CAO is the primary workforce agency, funded by the Port Authority and airlines, for airport job placements.

As the region recovered from the pandemic, the program was expanded to include LaGuardia and Newark Liberty International airports, and in 2023, a total of 47 placements were made between the three airports. The program has also expanded to include Port Authority direct placements at other Agency facilities. In 2023, there were 20 of these placements.

The CAO works with the Port Authority Human Capital Department to refer qualified candidates for these roles.

Second Chance Hiring initiatives provide employment opportunities to individuals with a criminal justice touch point.

PORT AUTHORITY RELEASES NET ZERO ROADMAP TO SUPPORT SUSTAINABILITY EFFORTS AGENCYWIDE

Sustainability is one of the Port Authority's top priorities. In 2018, the Port Authority became the first transportation agency in the United States to embrace the Paris Climate Agreement and set greenhouse gas emissions (GHG) goals of 80% reduction by 2050, with an interim goal of 35% reduction of operational control emissions by 2025.

In October 2021, the Agency went further, committing to achieve net-zero greenhouse gas emissions by 2050, aligning with the Biden-Harris administration's climate goals. The Port Authority also committed to a new target to reduce direct emissions by 50% by 2030.

The Port Authority is the nation's first transportation agency to adopt a net-zero target for all emissions.

In September of 2023, the Agency released its Net Zero Roadmap, an 80-page comprehensive plan composed of more than 40 actions intended to achieve both the Port Authority's near-term emission reduction goals and its 2050 goal of net-zero carbon emissions.

This groundbreaking, years-in-the-making plan paves the way for the Agency's ambitious plans to work with its wide universe of tenants, stakeholders, and contractors to achieve the 2050 goal.

The announcement of the Net Zero Roadmap took place at Newark Liberty International Airport's historic Building One, the first commercial air terminal in the United States. The former Administration Building — the symbol of cutting-edge aviation technology in the early 20th century — will become a symbol of cutting-edge sustainability technology in the early 21st century.

The historic building will be retrofitted as the Port Authority's first fossil fuel-free building and is intended to be the prototype for the rollout across the Agency's building stock. The work is expected to be completed by 2025, and the Agency intends to make its buildings fossil fuel-free by 2050.

All new buildings now prioritize sustainability in their design and construction, while the Port Authority leverages existing and future leases to encourage clean energy use among tenants.

All new buildings now prioritize sustainability in their design and construction, while the Port Authority leverages existing and future leases to encourage clean energy use among tenants.

The Port Authority also announced in 2023 that it is on track to meet its interim goals of a 35% reduction in direct emissions by 2025 and a 50% reduction by 2030, undertaking ambitious initiatives from increasingly larger solar power projects and low-carbon airport terminals to electric Port Authority vehicles, electric shuttle buses, and charging ports for customers.

The Port Authority has already reduced its direct emissions by over 20% from its baseline through significant milestones. A few of these milestones are:

AVIATION

- Installing the 5 MWdc solar array at Newark Liberty International Airport — the largest solar rooftop installation at any U.S. airport — and initiating the construction process of New York state's largest solar plus storage system, planned for John F. Kennedy International Airport.

- Announcing the creation of a construction support facility at JFK, with a commitment to minimize truck trips and pollution through the surrounding community. More on this innovative solution to reducing pollution and reducing the impact of construction on the communities surrounding the airport can be found in the JFK section of this report.

- Installing charging infrastructure at airports to support the transition to zero-emission ground support equipment by 2030.

- Supporting zero-emission taxis, for-hire vehicles, buses, rental cars, and personal vehicles at airports by adding charging equipment and creating incentives for use.

ELECTRIC VEHICLES

- The Agency's light duty nonemergency vehicle fleet will be 50% electric by 2025 through vehicles already acquired or ordered by the agency, with a further target to make the entire fleet electric by 2028; 46 airport electric buses are now in operation, the largest electric bus fleet of any U.S. airport system and 375 EV charging ports have been installed, with 600 more in progress.

- Working with the Port Authority's aviation partners, Agency airports reached an important milestone of 1,000 pieces of electric ground support equipment operating at our airports. The Port Authority will continue to work with Agency stakeholders toward transitioning to utilization of commercially available zero-emission ground support equipment by 2030 through the implementation of the 2022 Zero Emission Airside Vehicle Rule.

NEW MIDTOWN BUS TERMINAL

- The planned replacement of the Midtown Bus Terminal will fully support zero-emission operations and electric bus fleets.

SEAPORT

- Ninety-eight percent of ship-to-shore and rail-mounted-gantry cranes currently in use at the Port of New York and New Jersey's marine terminals are fully electric. All are targeted to be electric by 2026 through the Port Authority's Marine Tariff program, incentivizing electric equipment conversion by seaport tenants.

- The clean vessel program was extended, incentivizing container and cruise ships to make engine, fuel, and technology enhancements to reduce emissions.

The above is just a small representation of the Port Authority's ambitious agencywide sustainability efforts. A more comprehensive view of what the Agency has done, is doing, and remains laser-focused on completing is detailed in the Net Zero Roadmap.

HISTORIC LEVEL OF AGENCY INVESTMENT IN SECURITY, SAFETY

The Port Authority's first priority is to ensure the safety of Agency facilities and the people who move through them. In 2023, the Office of the Chief Security Officer (CSO) and the dedicated officers of the Port Authority Police Department achieved a high level of security and safety at all Port Authority facilities, allotting the agency's highest level of resources in its history toward its security agenda, including the full deployment of body-worn cameras (BWC) across the PAPD, the expanded the use of license plate readers (LPRs) at key crossings, and the dramatically upgraded Security Identification Display Area (SIDA) badging process.

FULL DEPLOYMENT OF BODY-WORN CAMERAS

In July 2023, the PAPD began the deployment of body-worn cameras and completed the rollout of cameras to all 2,000-plus officers in November. In support of the BWC program, infrastructure was installed at each Police Command and a comprehensive training program was developed consisting of classroom and practical training.

The Body-Worn Camera Unit administers the BWC program by issuing and maintaining body-worn camera equipment, sharing arrest cases with district attorneys/prosecutors, and conducting video reviews and inspections to ensure compliance.

EXPANDED USE OF LICENSE PLATE READERS

In 2023, the CSO's license plate reader (LPR) program continued to expand the Port Authority's counterterrorism, law enforcement, and revenue leakage prevention capabilities.

The CSO deployed portable LPRs at Newark Liberty International Airport and Port Newark to combat auto theft of both rental cars at the airport and new vehicles stored at ports before they are delivered. Additionally, the CSO continued to expand permanent LPR coverage at the Port Authority's Staten Island bridges to prevent toll evasion.

Also in 2023, a nine-year contract was awarded for maintenance support for existing and future LPR equipment, replacement of end-of-life equipment, and the ability to purchase new LPR equipment to support the expansion of the program.

ENHANCED BADGING PROCESS AT AIRPORTS

In 2023, several enhancements were made to the process to obtain SIDA badges, which are required for all employees who work at our airports. These improvements included changes to the Identity Management System (IDMS) and to operational procedures resulted in the significant reduction of paper and manual processes, as well as improving the overall badging process and the customer experience. This included the successful implementation of the eBadge Trusted Worker Program (TWP) at John F. Kennedy International, Newark Liberty International, and New York Stewart International airports. The TWP streamlines the application process for aviation workers requiring access to Customs Federal Inspection Services (FIS) areas. Applications can now be submitted through the Credentialing Offices at the same time as SIDA applications. The SIDA badging process, in addition to being a key component of ensuring security at our airports, is a process that hundreds of workers complete every year. In drastically improving the time and efficiency of this process, the Port Authority continues to deliver on its commitment to enhance our customers' experience, from the passengers who use the Agency's facilities to those who work there.

PAPD ACADEMY GRADUATES THE MOST DIVERSE CLASSES IN AGENCY HISTORY

Reflecting the Port Authority Police Department's commitment to the highest level of safety and security for the traveling public, in 2023, the PAPD welcomed 280 new officers over two 2023 graduating classes (the 120th and 121st Academy classes) — the two most diverse classes in the department's history — including the highest number of female recruits.

As part of their 26 weeks of training in one of the most rigorous police academies in the country, PAPD recruits studied New York and New Jersey laws and received comprehension instruction in police procedures, firearms usage, first aid, and counterterrorism techniques.

In January 2023, the first academy class graduated since the start of the COVID-19 pandemic.

The 120th Academy class included 108 college graduates, 24 women, eight military veterans, and 62 recruits with prior law enforcement experience. Building on the Port Authority's commitment to diversity, equity, and inclusion, the 120th class was the first class of PAPD recruits to receive dedicated LGBTQ+ sensitivity training taught by instructors from the academy and the nonprofit group New Jersey's LGBTQ+ Law Enforcement Liaison as part of the academy's newly updated training curriculum.

Also at the January graduation, Chief Gloria Frank was recognized for her promotion as the first female three-star chief in PAPD's history.

Among the 120th Academy class were six legacy recruits, including the son of K-9 Officer John Cortazzo, who was the first PAPD officer to die from a Sept. 11-related illness following his work in Sept. 11 recovery efforts. In addition to assigning Anthony Cortazzo his late father's badge number, the PAPD renamed its top canine training award in honor of John Cortazzo's service as a K-9 officer.

In August 2023, the Port Authority welcomed 151 new officers to the PAPD in the 121st Academy Class. Notably, the graduating class included 30 women, representing the highest number of female recruits in a PAPD class in the force's history.

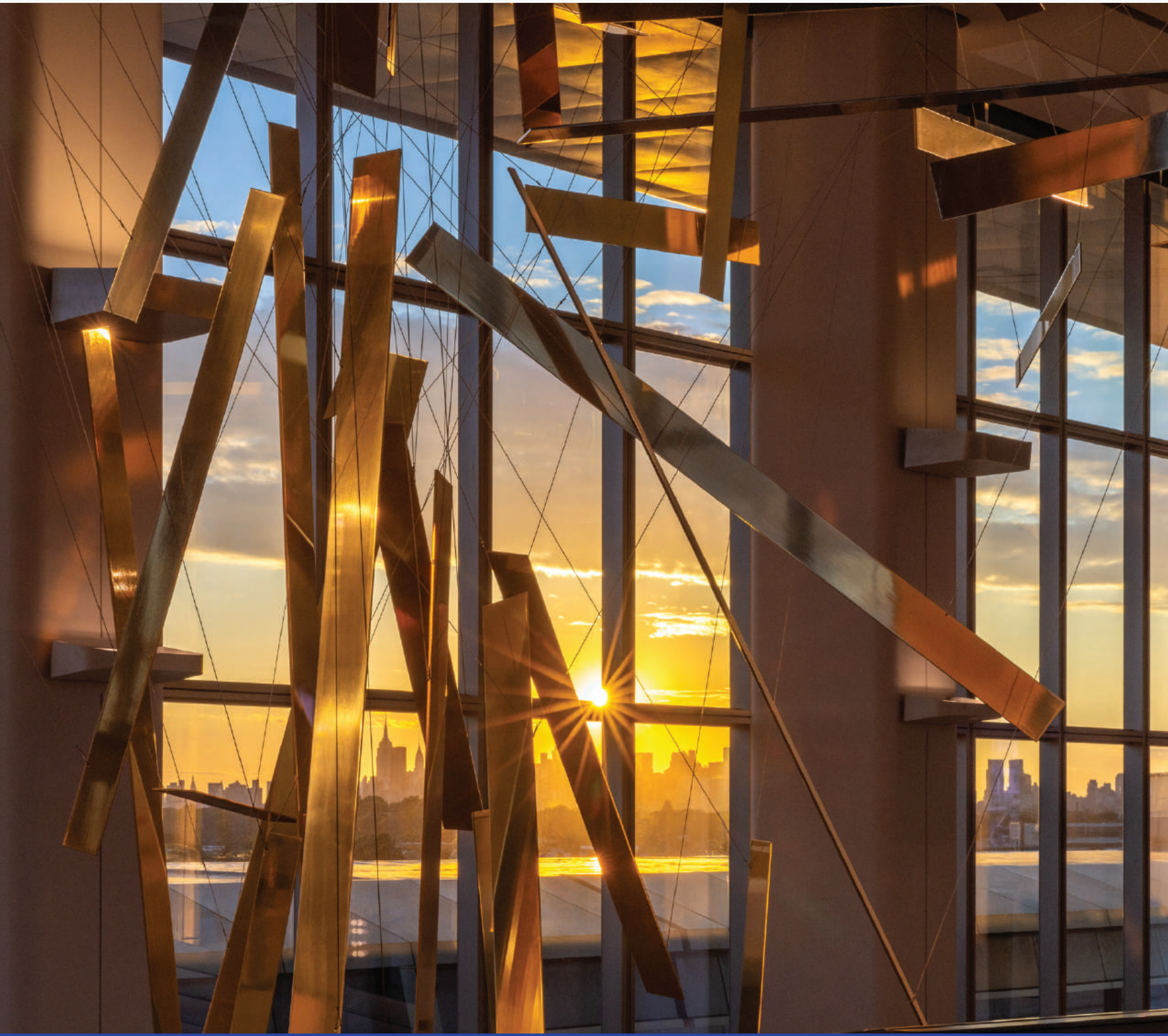
The 121st Academy class included 130 college graduates, 20 military veterans, 84 recruits with prior law enforcement experience, and 13 recruits with both military and prior law enforcement service.

Safety and security are paramount to the Port Authority's mission, and these two new classes of police officers will play a critical role in protecting the agency's widespread portfolio of infrastructure assets.

Established in 1928, the PAPD is responsible for ensuring the safety and security of the Port Authority's air, land, rail, and sea facilities, which include the New York and New Jersey airports, four bridges and two tunnels, the Midtown Bus Terminal, the PATH rail system, the Port of New York and New Jersey, and the 16-acre World Trade Center campus.

In addition to patrol officers, the PAPD is composed of a special operations division that includes a counterterrorism unit, a K-9 unit, an emergency service unit, a commercial vehicle inspection unit, and a motorcycle unit.

The restored Richard Lippold sculpture “Orpheus and Apollo” at LaGuardia Airport’s new Atrium Business & Conference Center.



FINANCIAL SECTION

The Port Authority of New York and New Jersey Basic Financial Statements and Appended Notes for the Years Ended December 31, 2023, and 2022

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

The Enterprise and Fiduciary Fund financial statements (the "Financial Statements") of the Port Authority of New York and New Jersey (including its component units, collectively referred to herein as the "Port Authority") as of and for the years ended December 31, 2023 and December 31, 2022, are enclosed. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation in the Financial Statements rests with management of the Port Authority. The Management's Discussion and Analysis ("MD&A") and Required Supplementary Information ("RSI") sections of the Financial Statements provide a narrative introduction, overview, and analysis of Port Authority financial activities and are required by the Governmental Accounting Standards Board ("GASB"). Schedules A, B, and C have been prepared in accordance with Port Authority bond resolutions and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Schedules D, E, F, and G include other statistical information presented for purposes of additional analysis and are not a required part of the Financial Statements.

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

Pursuant to Port Authority by-laws, the Port Authority's Executive Director, Comptroller, and I certified the Financial Statements on March 6, 2024. The Financial Statements certificate is presented herein.

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

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

PROFILE OF THE PORT AUTHORITY

The Port Authority is a municipal corporate instrumentality and political subdivision of the states of New York and New Jersey, established in 1921 to provide transportation, terminal, and other facilities of commerce within the Port District, an area of about 1,500 square miles in both states centered about New York Harbor. The Port Authority raises the funds necessary for the improvement, construction, or acquisition of its facilities primarily upon the basis of its own credit and has no power to pledge the credit of either state or any municipality, or to levy taxes or assessments.

The Port Authority's financial planning process integrates an annual budget process with multi-year projections. Through the capital plan and budget process, staff identifies strategic, financial, and operational risks that affect resource allocations, and sets forth an expenditure plan for the year that balances priorities across all agency facilities. Each new budget is separately considered and approved by the Board of Commissioners, although such approval does not in itself authorize specific expenditures, which are authorized from time to time by, or as contemplated by, other specific actions of the Board of Commissioners. The approved budget becomes a mechanism that facilitates the systematic review of program expenditures to ensure that they are made consistent with statutory, contractual, and other commitments of the agency, the policies and financial decisions of the Board of Commissioners, and the requirements of the by-laws of the Port Authority. Forecasting models are used to assess the agency's projected long-range financial condition, determine the financial feasibility of future capital investment, and perform financial tests to measure fiscal risk. This comprehensive approach to planning, budgeting, and forecasting enables the Port Authority to identify, track, and take corrective action with respect to the funding requirements needed to deliver the projects and services that the Port Authority provides.

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

REGIONAL ECONOMIC CONDITIONS

Regional economic conditions in the seventeen counties comprising the Port District continue to track closely with the national economy in terms of economic output and employment. Despite the lingering risk that the economy could still slip into a mild recession, the Port Authority's 2024 forecast adopts the growing industry consensus view that the Federal Reserve will bring inflation under control while still achieving modest growth of 1.0% in 2024. Consumer spending is also expected to grow at a rate of 1.2% in 2024 on the strength of continued consumer demand for spending on goods. The Port Authority forecasts that monthly job gains will slow down further as the labor market achieves greater balance and monthly growth tapers down to 75,000 jobs in 2024. This equates to an annual increase of 0.6% in 2024. The inflation growth is still expected to remain above the Federal Reserve's 2.0% target rate in the near term. The annual increase in consumer prices is now projected to be 2.7% in 2024, or 0.5% points higher than last year's estimate for the same time period. The Port Authority continuously monitors regional, national, and international economic trends to facilitate appropriate responses to any deviations to its forecasts.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port Authority for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. The Port Authority has received this award since 1984, making this the 39th consecutive year that the Port Authority Financial Statements have achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe the 2023 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for certificate.

Elizabeth M. McCarthy
Chief Financial Officer

March 6, 2024

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Port Authority of New York and New Jersey

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

CERTIFICATE WITH RESPECT TO 2023 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, 2023 and December 31, 2022 (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 6, 2024

R. Cotton

Richard Cotton
Executive Director

Elizabeth M. McCarthy
Chief Financial Officer

Daniel G. McCarron

Daniel G. McCarron
Comptroller

New York Harbor with a view of the Statue of Liberty, Bayonne Bridge, and the Port of New York and New Jersey.

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022. 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.

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.

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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, 2023 and 2022 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, 2023 and 2022 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, 2023 and 2022.

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, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 (not presented herein), and have issued our reports thereon dated March 2, 2022, March 3, 2021, March 4, 2020, March 6, 2019, March 20, 2018, March 1, 2017, March 7, 2016, and March 13, 2015, respectively, which contained unmodified opinions on the respective basic financial statements. The supplementary information included in Schedules D-1, D-2, and D-3, as listed in the table of contents, for the years ended December 31, 2021, 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 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, basic financial statements, as applicable. The information was subjected to the audit procedures applied in the audit of the 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, 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, D-2, and D-3, related to the years ended December 31, 2021, 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, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, 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 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, 2023 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, 2023, 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'

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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, 2022 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 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, 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

March 6, 2024

A post-Panamax container ship at APM Terminals in New Jersey.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Years ended December 31, 2023 and 2022

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, 2023, with selected comparative information for the years ended December 31, 2022 and December 31, 2021. 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

Activity Volume

Beginning in March 2020, Port Authority facilities experienced a significant reduction in use in response to perceived safety concerns and state and local regulation of transportation facilities to attempt to limit the spread of the disease. Since the nadir of activity volumes in April 2020, the Port Authority has seen activity volumes rising across its facilities. With the exception of the Port Authority Trans-Hudson Corporation ("PATH") transit system, activity volumes at the airports, bridges and tunnels, and marine ports have now exceeded 2019 volumes, with the airports reaching new activity records in 2023. Activity levels on the PATH transit system continue to recover more slowly and were 61% of 2019 passenger activity levels. Due to work from home trends exacerbated during the COVID-19 pandemic, the Port Authority now believes that PATH passenger activity is likely to recover to 2019 levels much more gradually. The table below provides a comparison of the total use of its airports, its bridges and tunnels, its PATH transit system, and its cargo shipping activity for the years of 2023, 2022 and 2019.

Unaudited Annual Activity Volumes

	2023*	2022	2019	2023 Volumes as % of 2022 Volumes	2023 Volumes as % of 2019 Volumes
			(In thousands)		
Total Passengers, Aviation	**144,188**	128,245	140,498	**112.4%**	102.6%
Total Vehicles, Bridges and Tunnels	**122,628**	120,717	122,228	**101.6%**	100.3%
Total Passengers, PATH	**50,468**	42,582	82,220	**118.5%**	61.4%
Total Cargo Containers (TEU), Marine Terminals	**7,810**	9,494	7,471	**82.3%**	104.5%

* 2023 facility activity information contains estimated data based on available information and is subject to revision.

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.

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. Gross Operating Revenues for the year ended December 31, 2023 of $6.6 billion are higher than in 2019 due to the activity recovery noted above as well as increased toll and fare rates and new leasing rentals related to airport redevelopment, but remain impacted by the slow recovery of PATH passenger activity.

Capital Program

During the COVID-19 pandemic, the Port Authority conducted an evaluation of 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 and is continuing to do so. Revenues lost during the COVID-19 pandemic cannot be recouped even after activity volume has recovered to pre-COVID-19 pandemic levels. Therefore, this effort is ongoing and includes an intensive reevaluation of the elements of the overall Capital Plan, and of individual projects and the timing thereof.

For the three-year period covering 2021 - 2023, annual capital spending totaled approximately $1.9 billion in 2023 and 2022 and, $2.0 billion in 2021, which is well below what the agency was forecasting for that period prior to the onset of the COVID-19 pandemic.

Federal Support

The Port Authority's airports were provided approximately $433 million to be utilized over a four-year period under the airport funding provision contained in the America Rescue Plan Act ("ARPA") 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 airport concessionaires. As of December 31, 2023, the Port Authority has drawn down approximately $317 million of its $433 million allocation, of which approximately $99 million was credited to airlines operating under cost recovery agreements. The remaining funds are expected to be drawn down through 2024.

The Port Authority of New York and New Jersey Enterprise Fund Financial Statements Comparison for the Years Ended December 31, 2023, December 31, 2022 and December 31, 2021

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

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:

	2023	2022 (Restated)	2021 (Restated)
		(In thousands)	
ASSETS			
Current assets[1]	**$ 3,380,465**	$ 3,443,302	$ 2,589,251
Noncurrent assets:			
Facilities, net	**40,444,205**	40,276,773	40,168,584
LaGuardia Terminal B landlord leasehold investment	**1,147,922**	1,135,986	1,034,390
Other noncurrent assets[1,2]	**17,474,322**	16,686,194	16,597,868
Total assets	**62,446,914**	61,542,255	60,390,093
DEFERRED OUTFLOWS OF RESOURCES			
Loss on debt refundings	**51,578**	49,769	57,497
Pension-related amounts	**517,098**	774,172	1,059,884
OPEB-related amounts	**975,122**	844,222	139,346
Total deferred outflows of resources	**1,543,798**	1,668,163	1,256,727
LIABILITIES			
Current liabilities[1,2]	**2,580,205**	4,081,460	3,041,087
Noncurrent liabilities:			
Bonds and other asset financing obligations	**27,573,527**	26,311,943	26,647,422
Other noncurrent liabilities[1,2]	**11,451,698**	10,417,713	9,404,464
Total liabilities	**41,605,430**	40,811,116	39,092,973
DEFERRED INFLOWS OF RESOURCES			
Gain on debt refundings	**195,067**	118,757	103,875
Pension-related amounts	**70,838**	870,614	996,876
OPEB-related amounts	**110,034**	197,735	477,044
Leases, as lessor[1]	**5,347,802**	5,158,110	5,354,698
Total deferred inflows of resources	**5,723,741**	6,345,216	6,932,493
NET POSITION			
Net investment in capital assets	**15,128,051**	14,942,315	15,406,620
Restricted	**719,624**	851,723	606,816
Unrestricted[1,2]	**813,866**	260,048	(392,082)
Net position, December 31st	**$ 16,661,541**	$ 16,054,086	$ 15,621,354

1 In accordance with GASB Statement No. 87 "*Leases*" ("GASB Statement No. 87"), as described in *Note A.3.p*, "*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.
2 In accordance with GASB Statement No. 96 "*Subscription-Based Information Technology Arrangements*" ("GASB Statement No. 96"), as described in *Note A.3.q*, "*Nature of the Organization and Summary of Significant Accounting Policies*," the cumulative impact of adopting GASB Statement No. 96 has been incorporated as a restatement to the Port Authority's 2022 Statement of Net Position.

2023 vs. 2022

Port Authority assets totaled $62.4 billion at December 31, 2023, an increase of $905 million from December 31, 2022. This overall increase was primarily a result of:

Facilities, net of $40.4 billion increased $167 million from December 31, 2022 due to continued capital investment in Port Authority facilities as outlined in the 2017-2026 ten-year capital plan, less annual depreciation and the write off of previously capitalized planning and design costs related to certain capital projects that will not be constructed as originally planned. 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 $1.5 billion increased $120 million from December 31, 2022 primarily due to: ***a)*** an increase in percentage rents due from tenants at John F. Kennedy International ("JFK") Airport; ***b)*** an increase in flight fees due the Port Authority due to timing differences related to the receipt of aviation fees due from the airlines; and, ***c)*** an increase in E-ZPass® tolls due from other tolling agencies. These increases were partially offset by: ***d)*** the recovery of previously deferred 2020 aviation fees as a result of COVID-19; and, ***e)*** the receipt of Federal Transit Administration ("FTA") funding for PATH Superstorm Sandy restoration and resiliency capital projects.

Lease assets (as lessee) of $6.9 billion related to lease financings containing fixed rents payable by the Port Authority and subject to GASB Statement No. 87 decreased $162 million primarily due to the continued 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 and Subscription-Based Information Technology Arrangements*.

Lease receivables (as lessor) of $4.8 billion related to lease financings containing fixed rent payments due the Port Authority and subject to GASB Statement No. 87 increased $266 million from December 31, 2022, primarily due to the execution of new and amended unregulated leases at One World Trade Center ("WTC"), Newark Liberty International ("EWR") and JFK Airports. These increases were partially offset by the application of amortization from rent payments received from tenants at One WTC and the WTC Tower 3 and 4 net lessees. For additional information related to lease receivables, see *Note G – Leasing Activities and Subscription-Based Information Technology Arrangements*.

Cash and Investment balances of $5.4 billion increased $480 million from December 31, 2022, primarily due to increased cash generated from net operating revenues activities, partially offset by a decrease in consolidated bond proceeds available for construction and unapplied PFCs.

Cash flows from operations of $2.9 billion increased $114 million when compared to the same twelve-month period of 2022 primarily due to increases in tolls and fares, activity-based rentals, aviation fees and public parking at aviation facilities, partially offset by the resumption of funding current year benefit payments for other postemployment benefits ("OPEB") from available operating funds in January 2023 and increased payments to third-party suppliers for operational and maintenance support services.

Port Authority liabilities totaled $41.6 billion at December 31, 2023, an increase of $794 million from December 31, 2022. This increase was primarily due to:

Bonds and other asset financing obligations of $29.4 billion, including amounts payable associated with Tower 4 Liberty Bonds decreased $301 million from December 31, 2022, primarily due to the scheduled retirement and refunding of outstanding Consolidated Bonds and Consolidated Notes of $2.5 billion. Partially offsetting this decrease were increases related to the issuance of $478 million of Consolidated Bonds for purposes of funding capital expenditures and $1.7 billion of Consolidated Bonds for purposes of refunding certain callable bonds to lower future debt service payments and the retirement of Consolidated Notes.

Lease liabilities (as lessee) of $6.4 billion for lease financings containing fixed-rent payables to third-parties and subject to GASB Statement No. 87 decreased $73 million from December 31, 2022, primarily due to the application of amortization from rent payments paid 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 and Subscription-Based Information Technology Arrangements*.

Accrued pension and other postemployment benefits ("OPEB") of $3.5 billion increased $1.1 billion primarily due to an increase in the Port Authority's actuarially determined net OPEB liability due to changes in certain actuarial assumptions and an increase in the Port Authority's proportionate share of the actuarially determined New York State and Local Retirement System ("NYSLRS") Net Pension Liability ("NPL") resulting from losses on NYSLRS plan investments in excess of their expected rate of return, measured at March 31, 2023.

Accounts payable of $930 million increased $16 million from December 31, 2022 primarily due to higher capital construction accruals related to aviation capital construction projects and third-party operations and maintenance support contracts at Port Authority facilities.

Accrued payroll and other employee benefits of $203 million decreased $52 million from December 31, 2022 primarily due to the payment of retroactive wage increases to represented Port Authority and PATH employees stipulated under amended labor agreements.

Accrued interest and other current liabilities of $804 million increased $79 million from December 31, 2022 primarily due to the timing of payables for: ***a)*** insurance premium payments; ***b)*** percentage rent payments due to the cities of New York and Newark; ***c)*** payments due aviation concessionaires for rent relief authorized under the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSSA") federal funding; and, ***d)*** electronic tolls due other tolling agencies.

Deferred outflows of resources totaled $1.5 billion at December 31, 2023, a decrease of $124 million from December 31, 2022. This net decrease was primarily due to the amortization of previously recognized deferred outflows resulting from changes in actuarial assumptions used in the actuarial valuation of the Port Authority's proportionate share of the NYSLRS NPL. These decreases were partially offset by an increase in 2023 deferred outflows resulting from changes in actuarial assumptions utilized in the actuarial valuation of the Port Authority's net OPEB liability. Deferred outflows of resources related to pensions and OPEB are amortized on a straight-line basis as an increase to pension and OPEB expense over a closed period of time.

Deferred inflows of resources totaled $5.7 billion at December 31, 2023, a net decrease of $621 million from December 31, 2022. This net decrease resulted from the amortization of previously recognized deferrals related to gains on NYSLRS and OPEB plan investments in excess of their expected rate of return and the scheduled amortization of lease financings containing fixed rents due the Port Authority, as lessor and subject to GASB Statement No. 87.

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. Deferred inflows of resources related to lease financings are amortized as a component of rental income on a straight-line basis over the term of the lease agreement.

2022 vs. 2021

Port Authority assets totaled $61.5 billion at December 31, 2022, an increase of $1.2 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 FTA Superstorm Sandy restoration and resiliency capital contributions at PATH; ***b)*** an increase in amounts due from the Tower 4 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 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 and Subscription-Based Information Technology Arrangements*.

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 and Subscription-Based Information Technology Arrangements*.

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.

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 and Subscription-Based Information Technology Arrangements*.

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 NYSLRS 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 retroactive 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.

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.

2023 financial results were strong and resulted in an increase in net position of $607 million, which is a substantial improvement over the change in net position in 2022 and 2021 as the agency continues to recover from the impacts of COVID-19 on the activity levels at its facilities. These strong results are primarily driven by:

Gross Operating Revenues of $6.6 billion were $586 million or 10% higher than 2022 levels primarily as a result of higher activity, cost recovery fees and terminal rental revenues at aviation facilities and higher toll revenues as a result of higher toll rates and activity.

Operating Expenses of $3.7 billion were $614 million higher than 2022 levels, with more than half of the increase, ($321 million) attributable to increased actuarially determined noncash pension and OPEB expenses as detailed below.

2023 financial results also benefited from a $271 million noncash increase in the market value of investments.

The following is a summary of the Statements of Revenues, Expenses and Changes in Net Position:

	2023	2022 (Restated)	2021 (Restated)
		(In thousands)	
Gross operating revenues[1]	**$ 6,563,287**	$ 5,977,356	$ 5,095,242
Operating expenses[1,2]	**(3,735,087)**	(3,120,919)	(2,769,308)
Depreciation and amortization[1]	**(1,917,543)**	(1,908,692)	(1,796,485)
Income from operations	**910,657**	947,745	529,449
Nonoperating revenues/(expenses), net			
Grants, in connection with operating activities and pass-through grant program payments	**99,730**	160,290	253,996
Financial income/(loss), including changes in fair value of investments	**269,373**	(83,167)	(13,544)
Interest expense in connection with bonds and other asset financings, net[2,3]	**(1,148,038)**	(1,077,365)	(1,086,163)
Interest income, as lessor[1]	**155,290**	140,978	140,611
Interest expense, as lessee[1]	**(213,973)**	(220,654)	(214,019)
Loss on disposition of assets, including lease terminations	**(2,281)**	—	(4,623)
Capital contributions and PFCs	**536,697**	564,905	433,033
Increase in net position[1,2]	**607,455**	432,732	38,740
Net position, January 1st	**16,054,086**	15,621,354	15,908,110
Cumulative effect of a change in accounting principle, January 1st	**—**	—	(325,496)
Net position, December 31st	**$ 16,661,541**	$ 16,054,086	$ 15,621,354

1 In accordance with GASB Statement No. 87, as described in *Note A.3.p, Nature of the Organization and Summary of Significant Accounting Policies*, 2021 change in net position has been restated.
2 In accordance with GASB Statement No. 96, as described in *Note A.3.q, Nature of the Organization and Summary of Significant Accounting Policies*, 2022 change in net position has been restated.
3 Includes $32.5 million, $32.5 million and $66.7 million in 2023, 2022 and 2021, respectively, related to Tower 4 Liberty Bonds debt service payments due the Port Authority from the WTC Tower 4 net lessee.

Financial results of an individual facility and business segment for 2023 can be found in *Schedule E – Information on Port Authority Operations* located in the Statistical and Other Supplemental Information section of this report.

Gross Operating Revenues

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

	2023	2022	2021 (Restated)
		(In thousands)	
Bridge and tunnel tolls	**$ 1,936,355**	$ 1,829,220	$ 1,759,244
Rentals*	**2,187,837**	1,978,706	1,565,609
Aviation fees	**1,606,056**	1,395,424	1,213,743
Parking and other	**549,780**	478,337	353,261
Utilities	**148,952**	182,163	125,937
PATH fares	**134,307**	113,506	77,448
Total	**$ 6,563,287**	$ 5,977,356	$ 5,095,242

* Includes the amortization of deferred inflows of resources related to lease financings containing fixed rents due the Port Authority, as lessor recognized under GASB Statement No. 87.

	2023* **	2022***	2021 (Restated)***
		(In thousands)	
Aviation	**$ 3,653,830**	$ 3,223,841	$ 2,507,776
Tunnels, Bridges & Terminals	**1,987,504**	1,879,336	1,796,696
Port Department	**371,279**	396,977	386,622
World Trade Center	**380,593**	331,699	299,533
PATH*	**147,947**	124,003	85,998
Other**	**22,134**	21,500	18,617
Total	**$ 6,563,287**	$ 5,977,356	$ 5,095,242

* PATH includes WTC Transportation Hub.
** Other includes Development Facilities and Ferry Transportation.
*** Includes the amortization of deferred inflows of resources related to lease financings containing fixed rents due the Port Authority, as lessor recognized under GASB Statement No. 87.

2023 vs. 2022

Gross operating revenues, excluding PFCs totaled $6.6 billion in 2023, an increase of $586 million, or 10% as compared to 2022.

Bridge and tunnel tolls of $1.9 billion increased $107 million or 6% as compared to 2022 primarily due to a Consumer Price Index ("CPI") toll rate increase of $1.00, effective in January 2023 and a 2% increase in vehicular activity at the Port Authority's six vehicular crossings, partially offset by an increase in toll violations.

Rentals, including the straight-line amortization of deferred inflows of resources related to lease financings containing fixed rents due the Port Authority, as lessor and subject to GASB Statement No. 87 totaled $2.2 billion in 2023, an increase of $209 million or 11% as compared to 2022 primarily due to: ***a)*** an increase in activity-based rental income at Aviation facilities due to increased passenger activity in 2023 compared to 2022; ***b)*** an increase in fixed rents at JFK Airport New Terminal One ("NTO") and Terminals 6 and 7 that commenced in June 2022 and December 2022, respectively; ***c)*** increased fixed rents at EWR Airport Terminal A, commencing in January 2023; and, ***d)*** an increase in fixed rent at Aviation facilities due to scheduled rent increases. These increases were partially offset by a decrease in activity-based rentals at Port Authority Marine Terminals due to decreased container activity in 2023 compared to 2022 as a result of macroeconomic trends.

Aviation fees of $1.6 billion increased $211 million, or 15% as compared to 2022, primarily due to: ***a)*** an increase in recoverable operating and maintenance expenses, security costs and capital investment placed into service in 2023 when compared to 2022; ***b)*** an increase in for-hire-vehicle ("FHV") airport access fees due to increased activity; ***c)*** an increase in AirTrain fare revenues due to increased passenger activity and a fare increase effective in March 2022; and, ***d)*** an increase in fees for the usage of the federal inspection facility at EWR Airport, Terminal B due to increased international passenger activity.

Parking and other fees of $550 million increased $71 million, or 15% as compared to 2022 primarily due to: ***a)*** increased public parking activity at Aviation facilities due to increased aviation passenger activity levels, increased parking rates and longer average stays when compared to 2022; ***b)*** the recovery of WTC site insurance premiums procured by the Port Authority from the WTC retail premises operator for the years covering 2016 through 2023; ***c)*** increased recovery of operating expenses at the cogeneration facility at JFK Airport from the operator; and, ***d)*** an increase in recoverable tenant service charges at One WTC due to higher occupancy and activity. Partially offsetting these increases is a decrease in Port Authority Marine Terminal Cargo Facility Charges ("CFCs") due to a decrease in cargo container activity in 2023 when compared to 2022 as a result of macroeconomic trends.

PATH fares of $134.3 million increased $21 million or 18.3% compared to 2022, primarily due to a 18.5% increase in PATH passenger ridership as compared to ridership levels in 2022. PATH ridership for 2023 was 61% of pre-COVID-19 passenger levels.

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 NTO and Terminal 6 lease agreements in June 2022 and December 2022, respectively, at JFK Airport; ***c)*** a nonrecurring receipt of $32 million for unused construction contingencies at LaGuardia ("LGA") Airport's Terminal B; and, ***d)*** the nonrecurring receipt of a $25 million reserve that is no longer required following the refinancing of certain John F. Kennedy International Air Terminal ("JFKIAT") Terminal 4 debt obligations.

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

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

Operating Expenditures

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

	2023	2022 (Restated)	2021 (Restated)
		(In thousands)	
Employee compensation, including benefits	**$ 1,801,019**	$ 1,438,403	$ 1,296,724
Contract services	**1,200,165**	1,054,605	938,408
Rents and payments in-lieu-of taxes ("PILOT")*	**84,878**	47,434	59,715
Materials, equipment, and other	**446,055**	336,727	289,810
Utilities	**202,970**	243,750	184,651
Total	**$ 3,735,087**	$ 3,120,919	$ 2,769,308

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

	2023* **	2022 (Restated)***	2021 (Restated)***
		(In thousands)	
Aviation	**$ 1,995,247**	$ 1,603,391	$ 1,345,891
Tunnels, Bridges & Terminals	**668,427**	568,085	524,422
PATH*	**552,255**	481,163	466,844
World Trade Center	**360,917**	295,907	275,268
Port Department	**176,769**	160,737	145,723
Other**	**(18,528)**	11,636	11,160
Total	**$ 3,735,087**	$ 3,120,919	$ 2,769,308

* 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. Operating Expenses include GASB Statement No. 87 unallocated contra rent expense amounts related to leases entered into for the purposes of providing centralized support services to Port Authority facilities.

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

2023 vs. 2022

Operating expenses totaled $3.7 billion in 2023, an increase of $614 million or 20% from 2022.

Employee compensation of $1.8 billion increased approximately $363 million from 2022 primarily due to: ***a)*** a $321 million increase in the actuarially determined pension expense resulting from losses on NYSLRS plan investments measured at March 31, 2023 and actuarially determined OPEB expense related to retirement healthcare costs resulting from changes in certain actuarial assumptions measured at December 31, 2023; ***b)*** additional headcount to address vacancies; ***c)*** general wage increases; and, ***d)*** the hiring and training of additional police officers to address attrition.

Contract services of $1.2 billion increased $146 million, or 14% as compared to 2022 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, increased costs related to EWR AirTrain state of good repair work and increased repair work at the cogeneration facility at JFK Airport. These increases were partially offset by a decrease in contracted snow and ice removal activities due to milder weather conditions in the first quarter of 2023.

Rents and payments in-lieu-of taxes ("PILOT"), excluding the straight-line amortization of lease assets recognized under GASB Statement No. 87, of $85 million increased $37 million when compared to 2022 primarily due to an increase in 2023 percentage rent payable to the City of Newark and the City of New York for the leasing of marine and air terminals resulting from increased airport revenues and an increase in PILOT payments to the city of New York for the WTC Campus as a result of higher assessed property values.

Materials, equipment, and other of $446 million increased $109 million from 2022 primarily due to: ***a)*** the write-off of certain previously capitalized planning and design costs related to capital projects that will not be constructed; ***b)*** an increase in public liability self-insured loss reserves and increased property damage and public liability insurance premiums; and, ***c)*** an increase in materials and supplies for mechanical, structural and electrical repair work at Port Authority's facilities. These increases were partially offset by a decrease in environmental pollution remediation expense provisions at Port Authority facilities.

Utilities of $203 million decreased $41 million, or 17% as compared to 2022 primarily due to a decrease in billing rates and usage at Port Authority Aviation facilities and decreased billing rates at PATH.

2022 vs. 2021

Operating expenses totaled $3.1 billion in 2022, an increase of $352 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 $116 million or 12% 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.

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 fixed rent 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.p, Nature of the Organization and Summary of Significant Accounting Policies*. For additional information related to lease liabilities see *Note G – Leasing Activities and Subscription-Based Information Technology Arrangements*.

2023 vs. 2022

Amortization of leases (as lessee) of approximately $177 million increased $4 million from 2022 due to the extension of lease agreements for corporate office space in Jersey City and Hoboken.

2022 vs. 2021

Amortization of leases (as lessee) of approximately $173 million increased $6 million from 2021 due to an increase in the scheduled 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 by the Port Authority as lessee and subject to GASB Statement No. 87 by business segment follows:

	2023	2022	2021 (Restated)
		(In thousands)	
Aviation	**$ 155,058**	$ 155,704	$ 151,200
Other*	**13,101**	8,340	7,418
Port Authority Marine Terminals	**8,434**	8,434	8,434
Tunnels, Bridges & Terminals	**162**	137	137
PATH	**—**	161	207
Total	**$ 176,755**	$ 172,776	$ 167,396

* Other includes Development, Regional Facilities and Ferry Transportation.

Depreciation and Amortization

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

	2023	2022	2021
		(In thousands)	
Aviation*	**$ 696,143**	$ 696,130	$ 595,609
World Trade Center	**376,779**	373,944	356,659
Tunnels, Bridges & Terminals	**315,240**	307,961	302,754
PATH**	**239,007**	228,069	227,911
Port Department	**84,781**	88,697	96,523
Other***	**28,838**	41,115	49,633
Total	**$ 1,740,788**	$ 1,735,916	$ 1,629,089

* Includes LGA Terminal B landlord leasehold depreciation of $62 million in 2023, $63 million in 2022, and $47 million in 2021.
** 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.

2023 vs. 2022

Depreciation and amortization of $1.7 billion related to capital infrastructure investments increased $5 million, as compared to 2022 primarily due to a year-over-year decrease related to a 2022 nonrecurring accelerated depreciation charge for the scheduled retirement of certain legacy LGA Airport Central Terminal Building ("CTB") capital assets that have been taken out of service and now replaced under the LGA Airport Redevelopment Program. This decrease was partially offset by the completion of approximately $5.4 billion of capital construction projects in 2022 and 2023. 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)*** EWR Airport Redevelopment Program; ***b)*** PATH rail car fleet expansion and overhaul program; and, ***c)*** LGA Airport Redevelopment 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)*** scheduled retirement of certain LGA Airport CTB related capital assets that have been replaced under the LGA Airport Redevelopment Program.

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; and, ***b)*** depreciation and amortization.

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

	2023	2022 (Restated)[4]	2021 (Restated)[5]
		(In thousands)	
Tunnels, Bridges & Terminals	**$ 1,003,675**	$ 1,003,153	$ 969,383
Aviation[1]	**807,382**	768,616	415,076
Port Department	**101,295**	139,109	135,942
Other[2]	**(1,277)**	(39,591)	(49,594)
World Trade Center	**(357,103)**	(338,152)	(332,394)
PATH[3]	**(643,315)**	(585,390)	(608,964)
Income	**$ 910,657**	$ 947,745	$ 529,449

1 Includes LGA Terminal B landlord leasehold depreciation of $62 million in 2023, $63 million in 2022, and $47 million in 2021.
2 Other includes Regional Facilities and Programs, Development Facilities, Access to the Regions Core, Moynihan Station Transportation Program, Ferry Transportation and Gateway Early Work Program.
3 PATH includes WTC Transportation Hub.
4 In accordance with GASB Statement No. 96 as described in *Note A.3.q*, *Nature of the Organization and Summary of Significant Accounting Policies*, the cumulative impact of adopting GASB Statement No. 96 has been incorporated as a restatement to the Port Authority's 2022 Statement of Revenues, Expenses and Changes in Net Position.
5 In accordance with GASB Statement No. 87 as described in *Note A.3.q*, *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.

2023 Income from operations of $911 million decreased $37 million from 2022 primarily due to a $321 million year-over-year increase in the actuarially determined pension and OPEB expenses. Partially offsetting these decreases were revenue increases related to increased activity volumes across most Port Authority facilities, toll rate increases effective in January 2023, and additional rentals and aviation fees at aviation facilities.

2022 Income from operations of $948 million increased $418 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.

Nonoperating Revenues and Expenses

A summary of nonoperating revenues and expenses follows:

	2023	2022 (Restated)	2021 (Restated)
		(In thousands)	
Financial income	**$ 136,290**	$ 55,000	$ 54,223
Net increase/(decrease) in fair value of investments	**133,083**	(138,167)	(67,767)
Interest expense in connection with bonds and other asset financings, net[1,3]	**(1,148,038)**	(1,077,365)	(1,086,163)
Interest income, as lessor[2]	**155,290**	140,978	140,611
Interest expense, as lessee[2]	**(213,973)**	(220,654)	(214,019)
Loss on disposition of assets, including lease terminations	**(2,281)**	—	(4,623)
Pass-through grant program payments	**(12,156)**	—	(2,613)
Grants, in connection with operating activities	**111,886**	160,290	256,609
Nonoperating expenses, net	**$ (839,899)**	$ (1,079,918)	$ (923,742)

1 Includes amounts related to Tower 4 Liberty Bonds debt service payments due the Port Authority from the WTC Tower 4 net lessee.

2 In accordance with GASB Statement No. 87 as described in *Note A.3.q*, *Nature of the Organization and Summary of Significant Accounting Policies*, 2021 Nonoperating Revenue and Expenses have been restated for comparison purposes.

3 In accordance with GASB Statement No. 96 as described in *Note A.3.q*, *Nature of the Organization and Summary of Significant Accounting Policies*, 2022 Nonoperating Revenue and Expenses have been restated for comparison purposes.

2023 vs. 2022

Financial income, comprised of interest income and the net change in fair value of investments totaled $269 million in 2023, an increase of $353 million when compared to 2022. This increase was primarily due to the recognition of unrealized gains related to increases in the fair value of United States securities held in Port Authority investment accounts in 2023 due to the fluctuation of interest rates and increased earnings from securities due to higher realized rates of return.

Interest expense in connection with bonds and other asset financings, net of $1.2 billion, increased $71 million from 2022 primarily due to increased interest payments resulting from the issuance of additional consolidated bonds for purposes of funding capital construction at higher interest rates. These increases were partially offset by decreased interest payments resulting from the refunding of certain consolidated bonds for purposes of achieving debt service savings.

Interest income (as lessor) related to lease financings containing fixed rents due the Port Authority as lessor and subject to GASB Statement No. 87 totaled $155 million in 2023, an increase of $14 million when compared to 2022. This year-over-year increase was primarily due to new and modified nonregulated space leases at One WTC and EWR and JFK airports.

Interest expense (as lessee) primarily related to lease financings that are subject to GASB Statement No. 87, of $214 million remained constant when compared to 2022.

Grants, in connection with operating activities of $112 million decreased $48 million from 2022 primarily due to a decrease in ARPA COVID-19 federal funding as a result of a decrease in eligible aviation operating expenses.

Pass-through grant program payments to subgrantees of $12 million increased $12 million when compared to 2022 due to an increase in funding for Airport Coronavirus Response Grant Program ("ACRGP") concessions funding for eligible airport concessionaires.

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***.

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) 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 TSA funding for baggage screening at LGA Airport.

Capital Contributions and Passenger Facility Charges

A summary of Capital Contributions and PFCs follows:

	2023	2022	2021
		(In thousands)	
Contributions in aid of construction	**$ 227,574**	$ 290,491	$ 273,179
PFCs	**309,123**	274,414	159,854
Total	**$ 536,697**	$ 564,905	$ 433,033

2023 vs. 2022

Contributions in aid of construction of $228 million decreased $63 million from 2022 primarily due to lower capital spending on capital projects eligible for federal funding, including: ***a)*** decreased expenses in FTA PATH Superstorm Sandy restoration and resiliency capital projects; and, ***b)*** a decrease in capital contributions from terminal operators and developers related to the redevelopment of JFK Airport. These decreases were partially offset by increases in Airport Improvement Program ("AIP") funding related to the reconstruction of certain runways at JFK and FTA funding related to flood mitigation and resiliency improvements at WTC.

PFCs of $309 million increased $35 million from 2022 due to a 13% increase in passenger activity compared to 2022. PFCs collections, in 2023 were 106% of pre-COVID-19 levels.

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.

Capital Construction Activities

Port Authority capital investment, including capital investment funded with third-party capital contributions, accrued amounts related to capital construction activities and landlord leasehold improvements in LGA Terminal B totaled $1.9 billion in 2023, $1.9 billion in 2022 and $2.0 billion in 2021.

A summary of capital investment by business segment follows:

	2023	2022	2021
		(In millions)	
Aviation*	**$ 883**	$ 1,251	$ 1,148
Tunnels, Bridges & Terminals	**510**	298	393
PATH	**361**	252	313
WTC (including WTC Transportation Hub)	**89**	92	123
Port Department	**52**	30	38
Other**	**19**	5	3
Total	**$ 1,914**	$ 1,928	$ 2,018

* Includes LGA Terminal B landlord leasehold capital investment of $74 million in 2023, $164 million in 2022, and $95 million in 2021.
** Other includes Regional Facilities and Programs, Development Facilities, Moynihan Station Transportation Program, Gateway Early Work Program, and Ferry Transportation.

Capital Funding Sources 2023*

	(In thousands)	
Consolidated bonds**	$ 963,223	50%
Port Authority Consolidated Bond Reserve Funds**	523,470	27%
Other contributions in aid of construction	269,799	14%
Passenger Facility Charges	149,887	8%
WTC Tower 3 net lessee capital contributions	1,893	<1%
Total	**$ 1,908,272**	

* 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, 2023, bonds and other asset financing obligations of the Port Authority, including the receipt of $1.2 billion associated with Tower 4 Liberty Bonds for which the Port Authority is a co-borrower/obligor totaled $27.5 billion. For additional information related to bonds and other asset financing obligations of the Port Authority see *Note D – Outstanding Financing Obligations*.

During 2023, the Port Authority issued approximately $2.3 billion of Consolidated Bonds, including $143 million in issuance premiums. Of this amount, $478 million was allocated for purposes of funding capital construction projects at Port Authority facilities, $904 million was utilized to refund outstanding Consolidated Bonds to achieve savings on future debt service payments and $930 million was used to retire Consolidated Notes Series AAA which matured on July 1, 2023.

During 2023, the Port Authority drew approximately $539 million from its revolving lines of credit authorized under the *Special Obligation Institutional Loan Program*. The proceeds were used to refund principal and interest on all outstanding commercial paper obligations as of January 24, 2023.

Credit Ratings

Listed below is a summary of credit ratings assigned to outstanding debt obligations of the Port Authority as of December 31, 2023.

Debt Obligation	**S&P**	**Fitch Ratings**	**Moody's Investors Service**
Consolidated Bonds	AA-	AA-	Aa3

Note: No revisions were made to Port Authority credit ratings in 2023.

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 and 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 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 ***a)*** for the Port Authority bridges and tunnels tolls, resulting in a $1.00 toll increase at such facilities which began in January 2023, and, ***b)*** for AirTrain fares at JFK and EWR Airports resulting in a $0.25 increase in such fares which began in March 2023. As cashless toll collection has now commenced at all of the Port Authority vehicular crossings, pursuant to the Revised Schedule, Toll by Mail and E-ZPass® toll rates across vehicle classes will be adjusted annually by the CPI inflation adjustment beginning in 2024. As a result, on January 6, 2024 Toll by Mail and E-ZPass® toll rates were increased $0.63. 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 2022, would, when applied to the single-ride fares, result in an adjustment of at least $0.25. Due to the timing of the implementation of PATH's new fare collection system, PATH fares remained unchanged in 2024. 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 all of the Agency's bridges and tunnels. 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.

Manhattan Congestion Pricing Initiative

Pursuant to a law enacted in 2019, New York State expects to assess a new toll on drivers entering Manhattan's "central business district" in an effort to reduce vehicular congestion and raise funds for future mass transit improvements ("Congestion Pricing Program"). The program will be administered by the Triborough Bridge and Tunnel Authority ("TBTA"). Under the National Environmental Protection Act ("NEPA"), the Federal Transit Administration made an environmental assessment of the Congestion Pricing Program and made a "Finding of No Significant Impact" ("FONSI") arising from its implementation. The State of New Jersey and other affected parties have raised legal claims as to the sufficiency of the NEPA process and the inadequacy of the FONSI.

Following issuance of the FONSI, an independent board made a recommendation on toll structure to the TBTA which included a basic rate and credits and exemptions for certain drivers under the Congestion Pricing Program. A public comment period on the proposed toll structure is currently underway and is expected to be completed in mid-March 2024. Following the public review period, the Metropolitan Transportation Authority ("MTA") Board has indicated it will consider the input received and then schedule a vote to adopt the Congestion Pricing Program as is or with modifications. Toll collection is anticipated by the MTA to commence in late spring 2024.

The Port Authority anticipates that imposition of a new toll like the Congestion Pricing Program will put downward pressure on the number of vehicles using its Hudson River crossings. The analysis performed by an independent expert retained by the Port Authority estimated that the proposed charging scheme currently under review by TBTA could result in a reduction in 2024 Gross Operating Revenues, annualized for a full year using the current toll rates, in the range of 0.6% to 1.3%.

As the details of the Congestion Pricing Program are clarified, including the outcome of the litigation, the Port Authority will ask its expert consultant to update its estimates.

Airport User Fees

The Port Authority recovers its costs to build, operate and maintain its three major commercial airports through various fees imposed upon the airlines which use the airports. These fees include some or all of the following: flight fees, which are imposed upon each departing aircraft for the use of Port Authority airport infrastructure, fuel fees which are charged for each gallon of fuel delivered into aircraft and ground access charges, including costs of the airtrains at JFK and EWR Airports. Charges are either assessed under formulations and methodologies embodied in contracts entered into by certain airlines ("Flight Fee Agreements") or under a rates and charges tariff promulgated by the Port Authority at each airport for the non-signatory airlines. A series of Flight Fee Agreements and the corresponding tariff expired on December 31, 2023.

The Port Authority has now promulgated new Flight Fee Agreements and a new corresponding tariff to remain in effect through 2034. The new fee arrangements include revised formulations and methodologies that are estimated to provide for higher cost recovery (and therefore higher annual revenues) to the Port Authority than the fees and charges in effect through December 31, 2023. These lower 2023 fees and charges were included in the 2024 budget approved by the Board because the new higher amounts were not promulgated until after the 2024 budget was adopted by the Board. Because the cost recovery is now expected to be higher, actual full-year 2024 Gross Operating Revenues are expected to exceed the amounts included in the 2024 budget in an amount in the range of 1% of the total budgete 2024 Gross Operating Revenues.

2024 Budget

On December 14, 2023, the Board of Commissioners approved a 2024 budget that provides for capital and operating expenditures during calendar year 2024 totaling $9.3 billion. To obtain a copy of the 2024 budget, please refer to the following link: https://www.panynj.gov/corporate/en/financial-information/budget.html.

The Port Authority of New York and New Jersey Retiree Health Benefit Trust Fiduciary Fund Financial Statements Comparison for the Years Ended December 31, 2023 and December 31, 2022

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:

	2023	2022	2021
		(In thousands)	
Financial position			
Total assets	**$ 1,673,451**	$ 1,508,099	$ 1,987,015
Total liabilities	**13,621**	40,221	19,329
Net position, December 31	**$ 1,659,830**	$ 1,467,878	$ 1,967,686

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

	2023	2022	2021
		(In thousands)	
Total contributions*	**$ 200,832**	$ —	$ —
Total net investment income/(loss)	**211,782**	(310,021)	235,963
Total deductions**	**(220,662)**	(189,787)	(174,038)
Increase/(decrease) in net position	**191,952**	(499,808)	61,925
Net position – January 1	**1,467,878**	1,967,686	1,905,761
Net position – December 31	**$ 1,659,830**	$ 1,467,878	$ 1,967,686

* The Port Authority did not make advanced funding contributions to the Trust in 2021 - 2023. 2023 contributions are comprised of OPEB benefit payments totaling $200.8 million made from available Port Authority operating funds.

** 2023 amounts include OPEB benefit payments totaling $200.8 million paid from available Port Authority operating funds. 2021 and 2022 OPEB benefits payments were paid in their entirety out of Trust funds.

2023 vs. 2022

Net position of the Trust totaled approximately $1.7 billion at December 31, 2023, an increase of approximately $192 million when compared to December 31, 2022. This year-to-year increase in the Trust's fiduciary net position was comprised of approximately $212 million in investment gains on Trust investments measured at December 31, 2023.

Trust assets totaled approximately $1.7 billion at December 31, 2023, an increase of approximately $165 million from December 31, 2022. This increase in Trust assets is primarily due to a $275 million increase in the fair value of Trust investments, partially offset by a $110 million decrease in cash and receivables.

Trust liabilities totaled approximately $14 million on December 31, 2023, a decrease of approximately $27 million from December 31, 2022. This decrease in Trust liabilities is due to decreased payables to brokers for investment purchases.

Net investment income totaled approximately $212 million in 2023, an increase of approximately $522 million from 2022, primarily due to gains on Trust investments. The money-weighted rate of return on the Trust investments was a gain of 14.52% in 2023 and a loss of (16.59)% in 2022.

2022 vs. 2021

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

Trust assets totaled approximately $1.5 billion at December 31, 2022, a decrease of approximately $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 approximate $18 million increase in cash and cash equivalents and an approximate $17 million increase in receivables.

Trust liabilities totaled approximately $40 million at December 31, 2022, an increase of approximately $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 approximately $(310) million in 2022, a decrease of approximately $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.

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

Statements of Net Position

	December 31, 2023	December 31, 2022 (Restated)
ASSETS	(In thousands)	
Current assets:		
Cash	**$ 170,410**	$ 229,235
Restricted cash	**105,843**	107,454
Investments	**1,335,243**	1,475,688
Restricted investments – PAICE	**8,356**	11,219
Restricted investments – PFC	**5,315**	187,109
Lease receivables, as lessor	**213,573**	178,076
Current receivables, net	**1,251,921**	1,050,894
Other current assets	**170,063**	146,504
Restricted receivables and other assets	**119,741**	57,123
Total current assets	**3,380,465**	3,443,302
Noncurrent assets:		
Restricted cash	**4,452**	4,560
Investments	**3,636,589**	2,804,280
Restricted investments – PAICE	**119,603**	86,683
Lease receivables, as lessor	**4,625,190**	4,394,657
Other amounts receivable, net	**164,748**	260,863
Other noncurrent assets	**734,847**	775,373
Restricted noncurrent assets – PAICE	**4,785**	4,795
Amounts receivable – Tower 4 Liberty Bonds	**1,232,505**	1,234,705
Lease assets	**6,943,174**	7,105,371
Unamortized costs for regional programs	**8,429**	14,907
Landlord leasehold investment – LGA Terminal B	**1,147,922**	1,135,986
Facilities, net	**40,444,205**	40,276,773
Total noncurrent assets	**59,066,449**	58,098,953
Total assets	**62,446,914**	61,542,255
DEFERRED OUTFLOWS OF RESOURCES		
Loss on debt refundings	**51,578**	49,769
Pension-related amounts	**517,098**	774,172
OPEB-related amounts	**975,122**	844,222
Total deferred outflows of resources	**1,543,798**	1,668,163
LIABILITIES		
Current liabilities:		
Accounts payable	**929,749**	913,469
Accrued interest and other current liabilities	**803,950**	724,959
Restricted other liabilities – PAICE	**7,620**	386
Accrued payroll and other employee benefits	**203,106**	255,089
Lease liabilities, as lessee	**69,794**	61,019
Current portion bonds and other asset financing obligations	**565,986**	2,126,538
Total current liabilities	**2,580,205**	4,081,460
Noncurrent liabilities:		
Accrued pension and other postemployment benefits	**3,534,546**	2,404,193
Other noncurrent liabilities	**304,918**	314,971
Restricted other noncurrent liabilities – PAICE	**24,780**	27,051
Amounts payable – Tower 4 Liberty Bonds	**1,232,505**	1,234,705
Lease liabilities, as lessee	**6,354,949**	6,436,793
Bonds and other asset financing obligations	**27,573,527**	26,311,943
Total noncurrent liabilities	**39,025,225**	36,729,656
Total liabilities	**41,605,430**	40,811,116
DEFERRED INFLOWS OF RESOURCES		
Gain on debt refundings	**195,067**	118,757
Pension-related amounts	**70,838**	870,614
OPEB-related amounts	**110,034**	197,735
Leases, as lessor	**5,347,802**	5,158,110
Total deferred inflows of resources	**5,723,741**	6,345,216
NET POSITION	**$ 16,661,541**	$ 16,054,086
Net position is comprised of:		
Net investment in capital assets	**$ 15,128,051**	$ 14,942,315
Restricted:		
Passenger Facility Charges	**52,446**	224,308
Port Authority Insurance Captive Entity, LLC	**572,511**	528,388
Minority Interest in Tower 1 Joint Venture	**94,667**	99,027
Unrestricted	**813,866**	260,048
NET POSITION	**$ 16,661,541**	$ 16,054,086

See Notes to Financial Statements.

Statements of Revenues, Expenses, and Changes in Net Position

	Year ended December 31, 2023	2022 (Restated)
	(In thousands)	
Gross operating revenues:		
Tolls and fares	**$ 2,070,662**	$ 1,942,726
Rentals	**2,187,837**	1,978,706
Aviation fees	**1,606,056**	1,395,424
Parking and other	**549,780**	478,337
Utilities	**148,952**	182,163
Total gross operating revenues	**6,563,287**	5,977,356
Operating expenses:		
Employee compensation, including benefits	**1,801,019**	1,438,403
Contract services	**1,200,165**	1,054,605
Rents and payments in-lieu-of taxes (“PILOT”)	**84,878**	47,434
Materials, equipment, and other	**446,055**	336,727
Utilities	**202,970**	243,750
Total operating expenses before depreciation, amortization, and other operating expenses	**3,735,087**	3,120,919
Depreciation of facilities and landlord leasehold investment	**(1,734,310)**	(1,717,977)
Amortization of lease assets, as lessee	**(176,755)**	(172,776)
Amortization of costs for regional programs	**(6,478)**	(17,939)
Income from operations	**910,657**	947,745
Nonoperating revenues and (expenses):		
Financial income	**136,290**	55,000
Net increase/(decrease) in fair value of investments	**133,083**	(138,167)
Interest expense in connection with bonds and other asset financing	**(1,180,570)**	(1,109,910)
Interest income, as lessor	**155,290**	140,978
Interest expense, as lessee	**(213,973)**	(220,654)
Loss on disposition of assets, including lease terminations	**(2,281)**	—
Pass-through grant program payments	**(12,156)**	—
4 WTC associated payments	**32,532**	32,545
Grants, in connection with operating activities	**111,886**	160,290
Nonoperating expenses, net	**(839,899)**	(1,079,918)
Increase/(decrease) before capital contributions and passenger facility charges	**70,758**	(132,173)
Capital contributions and Passenger Facility Charges:		
Contributions in aid of construction	**227,574**	290,491
Passenger facility charges	**309,123**	274,414
Total capital contributions and passenger facility charges	**536,697**	564,905
Increase in net position	**607,455**	432,732
Net position, January 1	**16,054,086**	15,621,354
Net position, December 31	**$ 16,661,541**	$ 16,054,086

See Notes to Financial Statements.

Statements of Cash Flows

	Year ended December 31, 2023	2022 (Restated)
	(In thousands)	
1. Cash flows from operating activities:		
Cash received from operations	**$ 6,120,138**	$ 5,589,919
Cash paid to or on behalf of employees	**(1,435,369)**	(1,279,653)
Cash paid to suppliers	**(1,727,765)**	(1,467,712)
Cash paid to municipalities	**(48,198)**	(47,721)
Net cash provided by operating activities	**2,908,806**	2,794,833
Cash flows from noncapital financing activities:		
Grants received in connection with operating activities	**105,038**	174,133
Pass-through grant payments	**(12,849)**	(1,543)
Net cash provided by noncapital financing activities	**92,189**	172,590
Cash flows from capital and related financing activities:		
Investment in facilities and construction of capital assets	**(2,025,969)**	(1,986,976)
Proceeds from capital obligations issued for refunding purposes (including commercial paper and Special Obligation Institutional Loan Program)	**2,317,790**	3,995,409
Principal paid through capital obligations refundings (including commercial paper and Special Obligation Institutional Loan Program)	**(2,317,790)**	(4,070,409)
Proceeds from sales of capital obligations allocated for construction	**532,544**	1,352,347
Principal paid on capital obligations	**(668,712)**	(463,214)
Interest paid on capital obligations	**(1,225,768)**	(1,133,001)
Amortization of lease financings, as lessee	**(87,627)**	(94,185)
Amortization of SBITA financings, as subscriber	**(11,277)**	(10,865)
Interest paid for lease financings	**(207,160)**	(220,992)
Interest paid for SBITA financings	**(215)**	(370)
Amortization of lease financings, as lessor	**241,481**	193,083
Interest received for lease financings	**102,075**	91,181
Payments for MOTBY obligation	**(5,000)**	(5,000)
Contributions in aid of construction	**245,198**	297,030
Proceeds from passenger facility charges	**294,495**	264,656
Proceeds from disposition of assets	**—**	11,924
Financial income allocated to capital projects	**7,342**	3,196
Net cash (used for) capital and related financing activities	**(2,808,593)**	(1,776,186)
Cash flows from investing activities:		
Purchase of investment securities	**(219,606,611)**	(23,728,477)
Proceeds from maturity and sale of investment securities	**219,212,852**	22,400,981
Interest received on investment securities	**112,514**	50,352
Other interest income	**28,299**	4,645
Net cash (used for) investing activities	**(252,946)**	(1,272,499)
Net (decrease) in cash	**(60,544)**	(81,262)
Cash at beginning of year	**341,249**	422,511
Cash at end of year	**$ 280,705**	$ 341,249

See Notes to Financial Statements.

Statements of Cash Flows ...continued

	Year ended December 31, 2023	2022 (Restated)
	(In thousands)	
2. Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	**$ 910,657**	$ 947,745
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation of facilities and landlord leasehold investment	**1,734,310**	1,717,977
Amortization of costs for regional programs	**6,478**	17,939
Amortization of other assets	**159,625**	76,828
Amortization of lease assets	**176,755**	172,776
Amortization of deferred inflows of resources related to leases	**(307,737)**	(266,108)
Change in operating assets and operating liabilities:		
Increase in receivables	**(209,306)**	(94,532)
Increase in deferred charges and other assets	**(35,437)**	(18,430)
Increase in payables	**3,234**	43,582
Increase in other liabilities	**104,578**	38,306
Increase in accrued payroll, pension and other employee benefits	**365,649**	158,750
Total adjustments	**1,998,149**	1,847,088
Net cash provided by operating activities	**$ 2,908,806**	$ 2,794,833

3. Capital obligations:

Consolidated bonds and notes, Commercial Paper, Special Obligation Institutional Loan Program, Variable Rate Master Notes, Marine Ocean Terminal at Bayonne Peninsula (“MOTBY”) Obligation, World Trade Center (“WTC”) Tower 4 Liberty Bonds and Goethals Bridge Replacement Developer Financing Agreement

4. Noncash investing, capital, and financing activities:

Noncash activity includes the change in fair value of investments of $133 million in 2023 and $(138) million in 2022 and the amortization of discount and premium on outstanding debt obligations of $(92) million in 2023 and $(81) million in 2022.

Noncash leasing activities include additions of ***a)*** lease receivables of $508 million and $70 million in 2023 and 2022, respectively; ***b)*** deferred inflows of $497 million and $70 million in 2023 and 2022, respectively; and, ***c)*** lease assets and lease liabilities of $15 million in both 2023 and 2022.

Noncash SBITA activities include additions of subscription assets and subscription liabilities of $0 in 2023 and $4 million in 2022.

Noncash capital financing did not include activities that required a change in fair value. The WTC Tower net lessee contributed $2 million towards construction of WTC Tower 3 in both 2023 and 2022.

Noncash capital asset write-offs totaled $90 million in 2023 and $3 million in 2022.

See Notes to Financial Statements.

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

Statements of Fiduciary Net Position

	December 31, 2023	December 31, 2022
	(In thousands)	
ASSETS		
Cash and cash equivalents	$ 23,453	$ 104,958
Receivables:		
Due from employer	—	19,728
Due from broker for investments sold	844	9,166
Investment income	4,385	4,184
Total receivables	5,229	33,078
Investments, at fair value:		
Domestic equities	597,312	477,718
Fixed income	580,004	537,417
International equities	368,473	310,754
Real estate	98,980	44,174
Total investments	1,644,769	1,370,063
Total assets	1,673,451	1,508,099
LIABILITIES		
Payables:		
Due to broker for investments purchased	13,621	40,221
Total liabilities	13,621	40,221
Net position restricted for other postemployment benefits	$ 1,659,830	$ 1,467,878

Statements of Changes in Fiduciary Net Position

	Year ended December 31, 2023	2022
	(In thousands)	
Additions:		
Employer contributions*	$ 200,832	$ —
Investment income:		
Net increase/(decrease) in fair value of investments	165,668	(349,261)
Interest and dividends	47,887	41,285
(Less) investment expense	(1,773)	(2,045)
Net investment income/(loss)	211,782	(310,021)
Total additions/(deductions)	412,614	(310,021)
Deductions:		
Benefit payments**	220,561	189,699
Administrative expense	101	88
Total deductions	220,662	189,787
Net increase/(decrease) in net position	191,952	(499,808)
Net position restricted for other postemployment benefits:		
Beginning of year	1,467,878	1,967,686
End of year	$ 1,659,830	$ 1,467,878

* The Port Authority did not make advanced funding contributions to the Trust in 2023 and 2022. 2023 contributions are comprised of other postemployment benefits ("OPEB") benefit payments totaling $200.8 million made from available Port Authority operating funds.

** 2023 amounts include OPEB benefit payments totaling $200.8 million paid from available Port Authority operating funds. 2022 OPEB benefit payments were paid entirely out of Trust funds.

See Notes to Financial Statements.

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

1. Reporting Entity

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

b. The Governor of each State, with the consent of the respective State Senate, appoints six of the 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, 2023.

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

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

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

e. *The Port Authority of New York and New Jersey Retiree Health Benefits Trust* ("the Trust") was established on December 14, 2006 by the Port Authority on behalf of itself and its component unit, Port Authority Trans-Hudson Corporation ("PATH") for the exclusive benefit of eligible retired employees of the Port Authority and PATH and eligible dependents of such retired employees to facilitate all or part of the required funding of certain postemployment benefits, including group healthcare, dental, vision, prescription and term life insurance that are provided through healthcare plans administered by the Port Authority. The Trust was created under the common law of the State of New York, and all income derived is excludable from gross income pursuant to Section 115 of the Internal Revenue Code of 1986, as amended. The Port Authority's Board of Commissioners serves 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, 2023 are available from the Comptroller's Department of The Port Authority of New York and New Jersey, 2 Montgomery Street, Jersey City, New Jersey 07302.

2. Basis of Accounting

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

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

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

3. Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

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

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

o. For presentation purposes, certain amounts in fiscal year 2022 financial statements have been reclassified to confirm to fiscal year 2023 financial statements, presented herein. These reclassifications have no impact on the overall change in net position or cash flows.

p. 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 and Subscription-Based Technology Arrangements*.

q. In 2023, the Port Authority adopted GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" ("SBITAs") ("GASB Statement No. 96"). The objective of GASB Statement No. 96 is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements.

The adoption of GASB Statement No. 96 resulted in the Port Authority classifying certain subscription arrangements containing "fixed" payments as financing arrangements for the right to use a third party's technological asset. Under this statement, a user is required to recognize a subscription liability and an intangible right-to-use asset (herein referred to as subscription asset). Liabilities related to subscription arrangements subject to GASB Statement No. 96 are measured at the present value of fixed subscription payments expected to be made during the subscription term. For subscriptions in place at the time of adoption (January 1, 2022), fixed subscription payments were measured over the remaining lease term. Discount rates utilized in the valuation of lease agreements subject to GASB Statement No. 96 are based on the Port Authority's incremental cost of borrowing at the time of valuation. For additional information related to leasing activities see *Note G - Leasing Activities and Subscription-Based Information Technology Arrangements*.

In accordance with GASB Statement No. 96, Subscription-Based Information Technology Arrangements with terms less than twelve months or contain aggregate payments that are de minimis are excluded from the measurement of the subscription liability.

The following tables display the impact of implementing GASB Statement No. 96, including the required restatement of previously reported 2022 amounts:

Statement of Net Position

	December 31, 2022 Published	December 31, 2022 Restated	Change
		(In thousands)	
ASSETS			
Noncurrent assets:			
Other noncurrent assets	$ 755,426	$ 775,373	$ 19,947
Total noncurrent assets	58,079,006	58,098,953	19,947
Total assets	61,522,308	61,542,255	19,947
LIABILITIES			
Noncurrent liabilities:			
Other noncurrent liabilities	(299,258)	(314,971)	(15,713)
Total noncurrent liabilities	(36,713,943)	(36,729,656)	(15,713)
Total liabilities	(40,795,403)	(40,811,116)	(15,713)
NET POSITION	$ 16,049,852	$ 16,054,086	$ 4,234
Net investment in capital assets	$ 14,938,081	$ 14,942,315	$ 4,234
NET POSITION	$ 16,049,852	$ 16,054,086	$ 4,234

Statement of Revenues, Expenses, and Changes in Net Position

	December 31, 2022 Published	December 31, 2022 Restated	Change
		(In thousands)	
Operating expenses:			
Contract services	$ (1,059,209)	$ (1,054,605)	$ 4,604
Total operating expenses before depreciation, amortization, and other operating expenses	(3,125,523)	(3,120,919)	4,604
Income from operations	943,141	947,745	4,604
Nonoperating revenues and (expenses):			
Interest expense in connection with bonds and other asset financing	(1,109,540)	(1,109,910)	(370)
Nonoperating expenses, net	(1,079,548)	(1,079,918)	(370)
Loss before capital contributions and passenger facility charges	(136,407)	(132,173)	4,234
Increase in net position:	428,498	432,732	4,234
Restated impact on 2022 Statement of Net Position			$ 4,234

Statement of Cash Flows

	December 31, 2022 Published	December 31, 2022 Restated	Change
		(In thousands)	
Cash flows from operating activities:			
Cash paid to suppliers	$ (1,478,947)	$ (1,467,712)	$ 11,235
Net cash provided by operating activities	2,783,598	2,794,833	11,235
Cash flows from capital and related financing activities:			
Amortization of SBITA financings, as subscriber	—	(10,865)	(10,865)
Interest paid for SBITA financings	—	(370)	(370)
Net cash (used for) capital and related financing activities	$ (1,764,951)	$ (1,776,186)	$ (11,235)

	December 31, 2022 Published	December 31, 2022 Restated	Change
		(In thousands)	
Reconciliation of income from operations to net cash provided by operating activities:			
Income from operations	$ 943,141	$ 947,745	$ 4,604
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Amortization of other assets	70,197	76,828	6,631
Total adjustments	1,840,457	1,847,088	6,631
Net cash provided by operating activities	$ 2,783,598	$ 2,794,833	$ 11,235

r. In April 2022, GASB issued Statement No. 99, "*Omnibus 2022.*" The statement includes clarification of Statement No. 87 "*Leases*," and Statement No. 96, "*Subscription-Based Information Technology Arrangements*." The Port Authority implemented the provisions of this statement during its adoption of GASB Statements No. 87 and 96.

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.

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, if any, 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 nonexchange transactions, including contributions in aid of construction where the Port Authority does not receive a cash reimbursement for prior cash outlays, are included in *Invested in facilities*, and credited to *Net Position – Facility infrastructure investment* in the capital fund.

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

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

j. The cumulative impact of adopting GASB Statement No. 68, "*Pensions*" and GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*" was recognized as 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 received and rent paid related to leases, including leases that contain fixed-rent payments and subject to GASB Statement No. 87 are recognized in accordance with the rental terms contained in their respective lease agreements.

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

n. Payments for SBITAs, including SBITAs that contain fixed-rent payments and subject to GASB Statement No. 96 are recognized in accordance with the subscription terms contained in their respective subscription agreements.

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

Statements of Net Position to Schedule B – Assets and Liabilities

	Years ended December 31,	
	2023	2022 (Restated)
	(In thousands)	
Net position reported on *Statements of Net Position* (pursuant to U.S. GAAP)	**$ 16,661,541**	$ 16,054,086
Add: U.S. GAAP only liabilities and deferred inflows of resources		
Accumulated depreciation of facilities and landlord leasehold investment	**23,712,444**	22,127,348
GASB Statement No. 87 lease liabilities	**6,424,743**	6,497,812
GASB Statement No. 96 SBITA liabilities	**4,438**	15,713
GASB Statement No. 87 deferred inflows of resources, leases	**5,347,802**	5,158,110
Accumulated retirements and gains and losses on disposition of assets	**4,465,584**	4,316,370
Cumulative unamortized discount and premium	**1,950,793**	1,934,498
Cumulative amortization of costs for regional programs	**1,527,930**	1,521,452
GASB Statement No. 87 lease interest payable	**22,252**	29,063
Less: U.S. GAAP only assets		
GASB Statement No. 87 lease assets	**(6,943,174)**	(7,105,371)
GASB Statement No. 96 SBITA assets	**(12,188)**	(19,947)
GASB Statement No. 87 lease receivables	**(4,838,763)**	(4,572,733)
GASB Statement No. 87 lease interest receivable	**(165,281)**	(112,065)
Total U.S. GAAP adjustments	**31,496,580**	29,790,250
Add: Bond Resolution only assets		
Deferred rent payments and receivables	**1,043,632**	1,074,626
Application of WTC joint venture payments	**16,968**	—
Less: Bond Resolution only liabilities		
Deferred income PFCs	**(52,446)**	(224,308)
Operating and maintenance contingencies	**(50,000)**	(50,000)
Total Bond Resolution adjustments	**958,154**	800,318
Total	**$ 49,116,275**	$ 46,644,654
Net position reported on *Schedule B – Assets and Liabilities* (pursuant to Port Authority bond resolutions)	**$ 49,116,275**	**$ 46,644,654**

* In accordance with GASB Statement No. 96, as described in *Note A.3.q, Nature of the Organization and Summary of Significant Policies*, the cumulative impact of adopting Statement No. 96 has been incorporated as a restatement to the Port Authority's 2022 Statement of Net Position.

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

	Years ended December 31, 2023	2022 (Restated)
	(In thousands)	
Increase in Net position reported on *Statements of Revenues, Expenses, and Changes in Net Position* (pursuant to U.S. GAAP)	**$ 607,455**	$ 432,732
Less: U.S. GAAP only revenues		
PFC Collections and interest income/fair value adjustment	**(309,319)**	(274,449)
GASB Statement No. 87 amortization of leases, as lessor	**(307,737)**	(266,108)
GASB Statement No. 87 interest income, as lessor	**(155,290)**	(140,978)
Amortization of discount and premium	**(91,834)**	(81,340)
4 WTC Liberty Bond interest payments	**(32,532)**	(32,545)
WTC 2,3,4 Net Lessee capital contributions	**(1,893)**	(1,799)
Add: U.S. GAAP only expenses		
Depreciation of facilities and landlord leasehold investment	**1,734,310**	1,717,977
GASB Statement No. 87 amortization of leases, as lessee	**176,755**	172,776
GASB Statement No. 96 amortization of SBITAs*	**7,759**	6,631
GASB Statement No. 87 interest expense, as lessee	**213,973**	220,654
GASB Statement No. 96, SBITA interest expense*	**215**	370
Amortization of costs for regional programs	**6,478**	17,939
Loss on disposition of assets, including leases	**2,281**	—
Total U.S. GAAP adjustments	**1,243,166**	1,339,128
Add: Bond Resolution only increases in reserves		
Fixed rentals received from lessees**	**369,509**	322,582
Application of PFCs	**488,053**	63,664
4 WTC Liberty Bond principal and interest payments	**34,732**	34,745
Application of WTC retail joint venture payments	**—**	16,968
Less: Bond Resolution only decreases in reserves		
Direct investment in facilities	**(943,156)**	(867,790)
Fixed lease payments paid to lessors**	**(360,750)**	(360,896)
SBITA payments**	**(11,492)**	(11,235)
Debt maturities and retirements	**(483,964)**	(467,966)
Change in accounting principle – Pensions / OPEB	**(24,086)**	(22,511)
Total Bond Resolution adjustments	**(931,154)**	(1,292,439)
Total	**$ 919,467**	$ 479,421
Increase in Reserves reported on *Schedule A – Revenues and Reserves* (pursuant to Port Authority bond resolutions)	**$ 919,467**	$ 479,421

* In accordance with GASB Statement No. 96, as described in *Note A.3.q Nature of the Organization and Summary of Significant Policies*, the cumulative impact of adopting Statement No. 96 has been incorporated as a restatement to the Port Authority's 2022 Statement of Revenues, Expenses and Changes in Net Position.

** Related to lease agreements that are subject to GASB Statement No. 87 and SBITAs that are subject to GASB Statement No. 96.

NOTE B – FACILITIES, NET

	Facilities, net Dec. 31, 2022	Additions	Transfers to Completed Construction	Depreciation**	Retirements/ Dispositions	Facilities, net Dec. 31, 2023
			(In thousands)			
Capital assets not being depreciated:						
Land	$ 1,542,429	$ —	$ 765	$ —	$ —	**$ 1,543,194**
Construction in progress*	5,203,504	1,840,084	(3,056,009)	—	—	**3,987,579**
Total capital assets not being depreciated	6,745,933	1,840,084	(3,055,244)	—	—	**5,530,773**
Depreciable capital assets:						
Buildings, bridges, tunnels, other structures	25,260,972	—	1,540,364	—	(19,953)	**26,781,383**
Machinery and equipment	13,361,972	—	849,302	—	(99,979)	**14,111,295**
Runways, roadways, and other paving	8,228,625	—	193,758	—	(12,646)	**8,409,737**
Utility infrastructure	8,657,797	—	471,820	—	(16,635)	**9,112,982**
Total other capital assets being depreciated	55,509,366	—	3,055,244	—	(149,213)	**58,415,397**
Accumulated depreciation:						
Buildings, bridges, tunnels, other structures	(7,279,902)	—	—	(607,728)	19,953	**(7,867,677)**
Machinery and equipment	(6,637,369)	—	—	(461,643)	99,979	**(6,999,033)**
Runways, roadways, and other paving	(4,187,962)	—	—	(262,767)	12,646	**(4,438,083)**
Utility infrastructure	(3,873,293)	—	—	(340,514)	16,635	**(4,197,172)**
Total accumulated depreciation	(21,978,526)	—	—	(1,672,652)	149,213	**(23,501,965)**
Facilities, net	$ 40,276,773	$ 1,840,084	$ —	$ (1,672,652)	$ —	**$ 40,444,205**

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

* Additions to construction in progress include deductions related to capital write-offs totaling $90 million in 2023 and $2.6 million in 2022.

** Excludes depreciation related to LaGuardia Terminal B landlord leasehold investment of $61.7 million in 2023 and $62.9 million in 2022.

Notes:

1. Projects that have been suspended pending determination of their continued viability totaled $137.4 million in 2023 and $131.1 million in 2022.
2. Depreciation includes accelerated depreciation of $268 thousand in 2023 and $86.1 million in 2022 related to capital assets that were retired and taken out of service.
3. Retirements/Dispositions include the book value, if any, related to capital assets that have been sold or otherwise disposed.

NOTE C – CASH AND INVESTMENTS

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

Cash			**December 31, 2023**	2022
	Port Authority	**PAICE**	**Total**	Total
		(In thousands)		
Cash	**$ 166,261**	**$ 19,685**	**$ 185,946**	$ 188,122
Cash equivalents	**39,196**	**55,563**	**94,759**	153,127
Total cash	**205,457**	**75,248**	**280,705**	341,249
Less restricted cash	**35,047**	**75,248**	**110,295**	112,014
Unrestricted cash	**$ 170,410**	**$ —**	**$ 170,410**	$ 229,235

Investments, at fair value*				**December 31, 2023**	2022
	Fair Value Hierarchy Levels**	**Port Authority†**	**PAICE**	**Total**	Total
			(In thousands)		
United States Treasury notes	**Level 1**	**$ 3,881,685**	**$ 60,141**	**$ 3,941,826**	$ 3,059,228
United States Treasury obligations held pursuant to repurchase agreements***	**—**	**910,565**	**—**	**910,565**	747,747
United States Treasury bills	**Level 1**	**86,042**	**—**	**86,042**	587,010
United States government agency obligations	**Level 2**	**69,960**	**—**	**69,960**	109,785
Municipal bonds	**Level 2**	**4,698**	**25,248**	**29,946**	4,502
Corporate bonds	**Level 2**	**—**	**18,609**	**18,609**	25,606
Mortgage-backed securities	**Level 2**	**—**	**17,601**	**17,601**	11,748
Asset-backed securities	**Level 2**	**—**	**5,393**	**5,393**	5,662
Accrued interest receivable		**24,197**	**967**	**25,164**	13,691
Total investments		**4,977,147**	**127,959**	**5,105,106**	4,564,979
Less current investments		**1,340,558**	**8,356**	**1,348,914**	1,674,016
Noncurrent investments		**$ 3,636,589**	**$ 119,603**	**$ 3,756,192**	$ 2,890,963

* Cash and investments of approximately $1.7 billion and $1.5 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, 2023 and 2022, 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 $5.3 million and $187.1 million in 2023 and 2022, respectively.

Port Authority cash equivalents, excluding PAICE, at December 31, 2023 and 2022 of $39.2 million and $106.7 million, respectively, consist of negotiable order of withdrawal accounts.

PAICE cash equivalents at December 31, 2023 and 2022 of $55.6 million and $46.5 million, respectively, consist of money market accounts of $48.9 million and $40.8 million, respectively, and money market funds of $6.7 million and $5.7 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 $201.7 million at December 31, 2023. Of that amount, $1.7 million was secured through the basic FDIC deposit insurance and/or pursuant to the GUDPA. The balance of $200.0 million was fully collateralized with collateral held by a third-party custodian acting as the Port Authority's agent and held by such custodian in the Port Authority's name.

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

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

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

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

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

The fair value and weighted average maturity of investments held by the Port Authority, excluding PAICE, at December 31, 2023 and 2022, follows:

Port Authority Investment Type	**2023**		2022	
	Fair Value	**Weighted Average Maturity**	Fair Value	Weighted Average Maturity
	(In thousands)	(In days)	(In thousands)	(In days)
United States Treasury notes	**$ 3,881,685**	**636**	$ 3,004,803	644
United States Treasury obligations held pursuant to repurchase agreements	**910,565**	**2**	747,747	3
United States Treasury bills	**86,042**	**3**	587,010	14
United States government agency obligations	**69,960**	**2**	109,785	16
Municipal bonds	**4,698**	**805**	4,502	1,170
Total fair value of investments*	**$ 4,952,950**		$ 4,453,847	
Investment weighted average maturity		**499**		438

* Excludes accrued interest receivable amounts of $24.2 million in 2023 and $13.2 million in 2022.

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, 2023 and 2022, 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.

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

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

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

Under conditions outlined above, PAICE may establish a Reserve Surplus Account 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, 2023 and 2022, 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, 2023 and 2022, follows:

PAICE Investment Type	**2023**		2022	
	Fair Value	**Weighted Average Maturity**	Fair Value	Weighted Average Maturity
	(In thousands)	(In days)	(In thousands)	(In days)
United States Treasury notes	**$ 60,141**	**953**	$ 54,425	1,117
Municipal bonds	**25,248**	**1,003**	—	—
Corporate bonds	**18,609**	**474**	25,606	746
Mortgage-backed securities	**17,601**	**435**	11,748	404
Asset-backed securities	**5,393**	**28**	5,662	39
Total fair value of investments*	**$ 126,992**		$ 97,441	
Investment weighted average maturity		**2,894**		2,306

* Excludes accrued interest receivable amounts of $967 thousand and $461 thousand in 2023 and 2022, respectively, and $360 million in intercompany loans due from the Port Authority in both 2023 and 2022.

As of December 31, 2023, PAICE's investments had the following credit ratings from Standard and Poor's:

Ratings*	Municipal bonds	Corporate bonds	Mortgage-backed securities**	Asset-backed securities	Total
			(In thousands)		
AAA	$ 4,195	$ —	$ —	$ 3,103	$ 7,298
AA+/AA/AA-	15,054	2,565	17,601	—	35,220
A+/A/A-	5,434	6,608	—	—	12,042
BBB+/BBB/BBB-	—	9,436	—	—	9,436
N/A***	565	—	—	2,290	2,855
Total	$ 25,248	$ 18,609	$ 17,601	$ 5,393	$ 66,851

* Excludes guaranteed U.S. Treasury notes totaling $60 million.
** Investments in mortgage-backed securities include fixed maturity investments from the Federal National Mortgage Association.
*** N/A represents securities that were not rated.

As of December 31, 2022, PAICE's investments had the following credit ratings from Standard and Poor's:

Ratings*	Corporate bonds	Mortgage-backed securities**	Asset-backed securities	Total
		(In thousands)		
AAA	$ —	$ 11,748	$ 5,662	$ 17,410
AA+/AA/AA-	1,319	—	—	1,319
A+/A/A-	13,952	—	—	13,952
BBB+/BBB/BBB-	10,335	—	—	10,335
Total	$ 25,606	$ 11,748	$ 5,662	$ 43,016

* Excludes guaranteed U.S. Treasury notes totaling $54 million.
** Investments in mortgage-backed securities include fixed maturity investments from the Federal National Mortgage Association.

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, real estate investment trusts ("REITs") 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 gain of 14.52% in 2023 and a loss of (16.59%) in 2022, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Diversification

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

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

Market Risk

The Trust's investment policy is currently targeted to 60% equity and 40% fixed-income asset weighting. The equity portion of the investments is in four funds focused on the international equity market, the broad domestic equity market, and publicly traded 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, 2023	2022
		(In thousands)	
Cash and cash equivalents	**Level 1**	**$ 23,453**	$ 104,958
Investment at fair value:			
Fixed income securities:			
Corporate bonds	**Level 2**	**126,542**	126,795
Foreign bonds	**Level 2**	**23,211**	21,467
U.S. Treasury securities	**Level 1**	**154,056**	120,542
Municipal bonds	**Level 2**	**35,168**	38,655
Mortgage and asset-backed securities**	**Level 2**	**230,098**	219,917
Bond mutual funds	**Level 1**	**10,929**	10,041
Equity and real estate mutual funds			
Equity mutual funds:			
Domestic mutual funds	**Level 1**	**597,312**	477,718
International mutual funds	**Level 1**	**368,473**	310,754
Real estate mutual funds	**Level 1**	**98,980**	44,174
Total investments		**$ 1,644,769**	$ 1,370,063
Total cash, cash equivalents, and investments		**$ 1,668,222**	$ 1,475,021

* 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, 2023 and December 31, 2022 includes U.S. Government agency securities totaling $156 million and $149 million, respectively.

Credit Risk

The Trust's investment policy statement generally requires the overall rating of fixed-income assets to have an average credit quality rating of at least 'A,' and was in compliance with the investment policy in 2023 and 2022.

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.'

As of December 31, 2023, fixed-income investment types had the following credit ratings (in thousands):

Ratings**	Corporate bonds	Foreign bonds	Municipal bonds	Mortgage and Asset-backed securities	Bonds funds	Total
AAA	$ 388	$ —	$ 3,564	$ 18,107	$ —	$ 22,059
AA+/AA/AA-	4,416	214	22,177	3,449	—	30,256
A+/A/A-	41,220	1,785	8,159	7,482	—	58,646
BBB+/BBB/BBB-	64,830	4,326	—	6,532	—	75,688
BB+/BB/BB-	8,980	345	—	2,955	—	12,280
B+/B/B-	3,955	592	—	217	—	4,764
CC/CCC+/CCC/CCC-	—	14	—	3,549	—	3,563
N/A*	2,753	15,935	1,268	31,977	10,929	62,862
Total	$ 126,542	$ 23,211	$ 35,168	$ 74,268	$ 10,929	$ 270,118

* N/A represents securities that were not rated.

** Fixed-income investments exclude guaranteed U.S. Treasury and U.S. Government agency securities totaling $154 million and $156 million, respectively.

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

Ratings**	Corporate bonds	Foreign bonds	Municipal bonds	Mortgage and Asset-backed securities	Bonds funds	Total
AAA	$ 654	$ —	$ 3,090	$ 14,437	$ —	$ 18,181
AA+/AA/AA-	3,596	157	24,962	5,579	—	34,294
A+/A/A-	50,485	4,448	8,136	8,629	—	71,698
BBB+/BBB/BBB-	55,853	10,833	369	8,038	—	75,093
BB+/BB/BB-	9,394	588	—	2,792	—	12,774
B+/B/B-	3,220	1,093	—	534	—	4,847
CC/CCC+/CCC/CCC-	170	18	—	3,991	—	4,179
N/A*	3,423	4,330	2,098	27,266	10,041	47,158
Total	$ 126,795	$ 21,467	$ 38,655	$ 71,266	$ 10,041	$ 268,224

* N/A represents securities that were not rated.

** Fixed-income investments exclude guaranteed U.S. Treasury and U.S. Government agency securities totaling $121 million and $149 million, respectively.

Cash and cash equivalents held in the Trust, at December 31, 2023 of $23 million consist of $12 million of short-term U.S. Government Treasury securities and $11 million of commercial paper. Cash and cash equivalents held in the Trust, at December 31, 2022 of $105 million consist of $89 million of short-term U.S. Government Treasury securities and $16 million of commercial paper. The commercial paper has credit ratings ranging from A- to BBB, A3 to Baa2, and A- to BBB+, by Standard & Poor's, Moody's, and Fitch respectively.

Concentration of Credit Risk

Investments of Trust funds are diversified in accordance with the Trust's investment policy statement that defines guidelines for the portfolio, including holding no individual company stock that exceeds 5% of the portfolio weighting, holding no more than 2% of the outstanding shares of an individual stock, and holding no more than 25% of the portfolio in any one industry. As of December 31, 2023, the Trust had no investments of more than 5% of its fiduciary net position with a single organization.

Custodial Credit Risk

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

Interest Rate Risk

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

The following is a listing of the Trust's fixed-income investments and related maturity schedule as of December 31, 2023:

Investment Type	<1 Year	1 to 5 Years	5 to 10 Years	10+ Years	Total
			(In thousands)		
Corporate bonds	$ 1,181	$ 29,677	$ 64,295	$ 31,389	**$ 126,542**
Foreign bonds	—	6,841	10,922	5,448	**23,211**
U.S. Treasury securities	4,232	28,589	78,528	42,707	**154,056**
Municipal bonds	—	3,691	7,071	24,406	**35,168**
Asset-backed securities	—	9,450	13,238	207,410	**230,098**
Bonds funds	—	—	—	10,929	**10,929**
Total	$ 5,413	$ 78,248	$ 174,054	$ 322,289	**$ 580,004**

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

Investment Type	<1 Year	1 to 5 Years	5 to 10 Years	10+ Years	Total
			(In thousands)		
Corporate and foreign bonds	$ 333	$ 28,256	$ 65,895	$ 32,311	$ 126,795
Foreign bonds	403	6,924	8,980	5,160	21,467
U.S. Treasury securities	3,262	33,483	42,466	41,331	120,542
Municipal bonds	—	2,652	8,734	27,269	38,655
Asset-backed securities	—	6,980	12,384	200,553	219,917
Bonds funds	—	—	—	10,041	10,041
Total	$ 3,998	$ 78,295	$ 138,459	$ 316,665	$ 537,417

NOTE D – OUTSTANDING FINANCING OBLIGATIONS

Outstanding Bonds and Other Asset Financing Obligations

	December 31, 2023 Current	Noncurrent	Total
	(In thousands)		
A. Consolidated Bonds	$ 515,545	$ 25,981,469	**$ 26,497,014**
B. Special Obligation Institutional Loan Program	—	539,455	**539,455**
C. Variable Rate Master Notes	44,600	—	**44,600**
D. Port Authority Equipment Notes	—	—	**—**
E. MOTBY Obligation	2,997	35,147	**38,144**
F. Tower 4 Liberty Bonds	—	1,232,505	**1,232,505**
G. Goethals Bridge Replacement Developer Financing Arrangement	2,844	1,017,456	**1,020,300**
Total	$ 565,986	$ 28,806,032	**$ 29,372,018**

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

A. Consolidated Bonds and Consolidated Notes

	December 31, 2022	Issued	Refunded/ Retired	December 31, 2023
		(In thousands)		
Consolidated Bonds and Consolidated Notes – par value	$ 24,971,430	$ 2,177,250	$ 2,494,720	**$ 24,653,960**
Add unamortized premium and (discount)	1,860,124	143,106	160,176	**1,843,054**
Consolidated Bonds and Consolidated Notes – at cost	$ 26,831,554	$ 2,320,356	$ 2,654,896	**$ 26,497,014**

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

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, 2023 are as follows:

Year ending December 31:	**Principal**	**Interest**	**Debt Service**
		(In thousands)	
2024	$ 515,545	$ 1,130,375	**$ 1,645,920**
2025	530,580	1,102,387	**1,632,967**
2026	553,100	1,077,434	**1,630,534**
2027	577,555	1,052,745	**1,630,300**
2028	597,660	1,026,906	**1,624,566**
2029-2033	3,635,870	4,649,115	**8,284,985**
2034-2038	4,181,230	3,702,871	**7,884,101**
2039-2043	3,926,365	2,748,905	**6,675,270**
2044-2048	3,650,185	1,880,874	**5,531,059**
2049-2053	2,565,755	1,134,693	**3,700,448**
2054-2058	2,007,205	632,746	**2,639,951**
2059-2063	1,326,955	231,544	**1,558,499**
2064-2068	400,700	82,890	**483,590**
2069-2073	85,255	32,260	**117,515**
2074-2094	100,000	100,246	**200,246**
Total	$ 24,653,960	$ 20,585,991	**$ 45,239,951**

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 Forty Second – Two Hundred Forty-Third Series dated September 7, 2023 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 2023, the Port Authority used proceeds and investment earnings from the sale of Consolidated Bonds, to refund $916.7 million of outstanding Consolidated Bonds. As a result of these refundings, the Port Authority decreased its aggregate debt service payments by approximately $116.1 million over the life of the refunded Consolidated Bonds. The economic gain resulting from the 2023 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 $76.1 million in net present value savings, or 8.3% of the refunded par amount.

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 for 2023 authorized 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 for 2023 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.

On December 14, 2023, the Board of Commissioners approved a plan of finance for Consolidated Bonds and Consolidated Notes sold during the period beginning January 1, 2024 through December 31, 2024 (the "2024 Consolidated Bonds Authorization"). The 2024 Consolidated Bonds Authorization 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 2024 under the Port Authority's Versatile Structure Obligations resolution). The 2024 Consolidated Bonds Authorization provided that as of December 31, 2023, any authority to issue and sell Consolidated Bonds and Consolidated Notes under the previous December 15, 2022 authorization was deemed extinguished.

B. Special Obligation Institutional Loan Program and Commercial Paper Obligations

Special Obligation Institutional Loan Program

On November 17, 2022, the Board of Commissioners adopted a resolution establishing the Special Obligation Institutional Loan Program, which provides for the issuance of alternative debt instruments to borrow funds from financial institutions (including banks) ***a)*** when and so long as a line of credit or revolving credit facility (together with any loan deemed to have been entered into in the event of the failure to repay any drawing thereunder, a "Bank Line") is determined by the Treasurer to be more efficient and cost effective than the Port Authority's commercial paper program in providing liquidity support for the Port Authority's capital program; and ***b)*** when and so long as a term loan ("Bank Loan") is determined by the Treasurer to be more efficient and cost effective than issuing a like amount of Consolidated Bonds. Any Bank Line would be limited to five years. No Bank Loan would have a term in excess of 15 years and could bear interest at a fixed or variable rate (or either, from time to time, during the term.)

Under the November 17, 2022, resolution, the total maximum amount that may be outstanding at any time under the Special Obligation Institutional Loan Program is limited to $1.25 billion, 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 20, 2023, the Port Authority entered into two separate revolving credit agreements, each establishing a Bank Line, for a combined total of $750 million to draw thereunder. As of December 31, 2023 there was $201.5 million available to draw upon. The revolving credit agreements expire January 31, 2025 and February 2, 2026.

	December 31, 2022	Issued	Repaid	December 31, 2023
		(In thousands)		
Obligation outstanding	$ —	$ 539,455	$ —	**$ 539,455**

In 2023, interest rates for revolving lines of credit ranged from 3.67% to 5.78%.

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

To increase the availability of sufficient liquidity for the Port Authority to pay the maturing principal amounts and the interest due at maturity, the Port Authority entered into liquidity facilities for each of Series A, Series B, and Series C. The liquidity facilities expired in January 2023.

	December 31, 2022	Issued	Repaid	December 31, 2023
		(In thousands)		
Series A*	$ 162,245	$ 649	$ 162,894	**$ —**
Series B	165,855	673	166,528	**—**
Series C**	170,960	821	171,781	**—**
Total	$ 499,060	$ 2,143	$ 501,203	**$ —**

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

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

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

On January 24, 2023, the Port Authority drew $501 million from its revolving lines of credit authorized under the Special Obligation Institutional Loan Program and used the proceeds to refund the principal and interest of all outstanding commercial paper obligations as of such date. Interest rates for all commercial paper obligations outstanding on such date ranged from 3.65% to 4.38%.

C. Variable Rate Master Notes

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

	December 31, 2022	Issued	Refunded/ Repaid	December 31, 2023
		(In thousands)		
Agreements 1989–1995*	$ 19,900	$ —	$ —	**$ 19,900**
Agreements 1989–1998	24,700	—	—	**24,700**
Total	$ 44,600	$ —	$ —	**$ 44,600**

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

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

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

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 1.71% to 4.60% in 2023.

Annual debt service requirements on outstanding Variable Rate Master Notes, determined for presentation purposes at the rate in effect at December 31, 2023, would be as follows:

Year ending December 31:	Principal	Interest	Debt Service
		(In thousands)	
2024	$ —	$ 1,759	**$ 1,759**
2025	19,900	1,532	**21,432**
2026	—	968	**968**
2027	24,700	48	**24,748**
Total	$ 44,600	$ 4,307	**$ 48,907**

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

D. Port Authority Equipment Notes

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

There were no outstanding Port Authority Equipment Notes as of December 31, 2023 and December 31, 2022.

E. 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).

	December 31, 2022	Accretion	Amortization	December 31, 2023
		(In thousands)		
Obligation Outstanding	$ 40,992	$ —	$ 2,848	**$ 38,144**

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

Payment requirements for the MOTBY obligation outstanding at December 31, 2023 are as follows:

Year ending December 31:	Amortization	Implicit Interest	Total
		(In thousands)	
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	3,678	1,322	**5,000**
2029–2033	21,499	3,501	**25,000**
Total	$ 38,144	$ 11,856	**$ 50,000**

F. Tower 4 Liberty Bonds

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

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

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

	December 31, 2022	Issued	Repaid/ Amortized	December 31, 2023
		(In thousands)		
Series 2021A	$ 1,223,320	$ —	$ —	**$ 1,223,320**
Series 2021B	11,385	—	2,200	**9,185**
Total Tower 4 Liberty Bonds	$ 1,234,705	$ —	$ 2,200	**$ 1,232,505**

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

Annual debt service payment requirements on outstanding Tower 4 Liberty Bonds at December 31, 2023 are as follows:

Year ending December 31:	Principal	Interest	Debt Service
		(In thousands)	
2024	$ 2,200	$ 32,520	**$ 34,720**
2025	2,200	32,499	**34,699**
2026	2,585	32,474	**35,059**
2027	25,370	32,437	**57,807**
2028	26,635	32,196	**58,831**
2029-2033	154,560	154,413	**308,973**
2034-2038	197,495	135,695	**333,190**
2039-2043	252,455	106,318	**358,773**
2044-2049	325,535	66,415	**391,950**
2049-2051	243,470	14,882	**258,352**
Total	$ 1,232,505	$ 639,849	**$ 1,872,354**

G. 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.

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 noncompliance 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).

	December 31, 2022	**Accretion**	**Amortization**	**December 31, 2023**
		(In thousands)		
Goethals Bridge Replacement Developer Financing Arrangement	$ 1,022,275	$ —	$ 1,975	**$ 1,020,300**

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

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)	
2024	$ 2,844	$ 58,454	**$ 61,298**
2025	4,106	58,111	**62,217**
2026	5,290	57,860	**63,150**
2027	6,558	57,540	**64,098**
2028	7,752	57,307	**65,059**
2029-2033	63,149	277,079	**340,228**
2034-2038	113,610	252,912	**366,522**
2039-2043	182,819	212,030	**394,849**
2044-2048	276,993	148,372	**425,365**
2049-2053	357,179	53,509	**410,688**
Total	$ 1,020,300	$ 1,233,174	**$ 2,253,474**

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

NOTE E – GENERAL AND CONSOLIDATED BOND RESERVE FUNDS

(pursuant to Port Authority bond resolutions)

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

Consolidated Bonds and Consolidated Notes

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

The General Reserve Fund is pledged in support of Consolidated Bonds and Consolidated Notes. Statutes, which require the Port Authority to create and maintain the General Reserve Fund ("General Reserve Fund Statutes"), 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, 2023, the General Reserve Fund balance was $2,523,802,000 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, 2023, 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 Institutional Loan Program* are special obligations of the Port Authority. The Port Authority is also a special limited co-obligor on the senior debt issued for WTC Tower 3, with a capped amount of debt service shortfalls payable as a special obligation of the Port Authority (see *Note L – Information with Respect to the Redevelopment of the World Trade Center Campus,* for additional information related to certain contingent obligations of the Port Authority with respect to the development of WTC Tower 3).

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

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

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

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

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

NOTE F – GRANTS AND CONTRIBUTIONS IN AID OF CONSTRUCTION

During 2023 and 2022 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

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.

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 $1.5 million in 2023 and $1.0 million in 2022.

U.S. Department of State ("USDOS") – In 2023 and 2022, the Port Authority recognized $1.0 million and $1.7 million from the USDOS to fund costs incurred by Port Authority police personnel for the United Nations General Assembly.

Grants, in connection with operating activities

Security Programs – In 2023 and 2022, the Port Authority recognized approximately $21.1 million and $7.0 million, respectively, from the Department of Homeland Security for security-related Urban Area Security Initiatives programs.

Federal Emergency Management Agency ("FEMA") – In 2023 and 2022, the Port Authority recognized approximately $6.7 million and $12.5 million, respectively, primarily from COVID-19 relief funding.

Airport Improvement Program ("AIP") – In 2023, the Port Authority recognized approximately $466 thousand in AIP discretionary funding at Aviation facilities.

Superstorm Sandy – In 2023 and 2022, the Port Authority recognized approximately $1.4 million and $834 thousand, respectively, from FEMA and the Federal Transit Administration ("FTA") for Superstorm Sandy immediate repair efforts.

Airport Coronavirus Response Grant Program ("ACRGP") concessions – In 2023, the Port Authority recognized $3.4 million in ACRGP federal funding related to relief from rent and minimum annual guarantees ("MAG") obligations provided to eligible airport concession.

America Rescue Plan Act ("ARPA") – In 2023 and 2022, the Port Authority recognized approximately $59.5 million and $124.3 million, respectively, in ARPA federal funding related to Port Authority aviation operating expenditures.

Department of the Army (U.S. Army Corps of Engineers) – In 2023 and 2022, the Port Authority recognized approximately $6.7 million and $6.0 million, respectively, in contributions due from the Department of the Army for funding related to federal channel maintenance dredging at Port facilities.

Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") – In 2022, the Port Authority recognized approximately $2.5 million in CRRSAA 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.

Contributions in Aid of Capital Construction

Superstorm Sandy – In 2023 and 2022, the Port Authority recognized approximately $119.7 million and approximately $186.0 million, respectively, in FTA and FEMA funding related to Superstorm Sandy permanent repairs and resiliency capital projects, primarily at PATH.

AIP – In 2023 and 2022, the Port Authority recognized approximately $15.7 million and $16.9 million, respectively, in AIP funding primarily related to rehabilitation of taxiways and runways at Port Authority Aviation facilities.

WTC Tower 3 – In 2023 and 2022, the Port Authority recognized approximately $1.9 million and $1.8 million, respectively, in required capital contributions due from the WTC Tower 3 net lessee for the construction of WTC Tower 3.

Federal Highway Administration ("FHWA") – In 2023 and 2022, the Port Authority recognized approximately $3.5 million and $344 thousand, respectively, in FHWA funding for the Cross Harbor Freight Movement Program at Greenville Yard, Port Authority Marine Terminal.

JFK New Terminal One ("NTO") – In 2023 and 2022, the Port Authority recognized approximately $62.7 million and $77.5 million, respectively, from the JFK NTO net lessee for the construction of JFK Terminal One.

JFK Millennium Partners ("JMP") – The Port Authority recognized approximately $15 million in 2023 from JMP for the construction of JFK Terminal Six.

United States Economic Development Administration ("EDA") – In 2023 and 2022, the Port Authority recognized $2.7 million and $3.7 million, respectively, from the EDA for the stabilization and repairs at MOTBY.

State of New Jersey Department of Transportation ("NJDOT") – The Port Authority recognized approximately $244 thousand in 2023 in NJDOT funding for the Rail Freight Assistance Program planning phase of the Express Rail Southbound Connector at Port Authority Marine Terminal.

NOTE G – LEASING ACTIVITIES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

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 78 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 purposes of present valuing lease receivables for all unexpired leases in effect during 2023 and 2022 valuations ranged from 0.33% to 5.23%. Renewal and termination options are included in the lease valuation if the option is reasonably certain of being exercised. Deferred inflows of resources are measured at the amount of the initial measurement of the lease receivable, plus any payments received at or before the commencement of the lease term that relate to future periods and are amortized on a straight-line basis over the lease term as a component of *Rentals*. The Port Authority continually monitors changes in circumstances that would require the remeasurement of a lease agreement.

A summary of the change in the lease receivables follows:

Dec. 31, 2022	Additions	Amortization	Dec. 31, 2023*
	(In thousands)		
$ 4,572,733	$ 507,511	$ 241,481	**$ 4,838,763**

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

* Lease receivables has been reduced by $768 million and $783 million of payables related to the Port Authority's leaseback of space in WTC Tower 4 at December 31, 2023 and 2022, respectively, which are netted against receivables due from the WTC Tower 4 net lessee, Silverstein Properties, Inc.

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

Dec. 31, 2022	Additions	Amortization	Dec. 31, 2023*
	(In thousands)		
$ 5,158,110	$ 497,429	$ 307,737	**$ 5,347,802**

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

* Deferred inflows of resources have been reduced by $716 million and $748 million of lease assets related to the Port Authority's leaseback of space in WTC Tower 4 at December 31, 2023 and 2022, respectively, which are netted against receivables due from the WTC Tower 4 net lessee, Silverstein Properties, Inc.

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

Year ending December 31:	Amortization	Interest	Total
		(In thousands)	
2024	$ 230,377	$ 125,032	**$ 355,409**
2025	240,541	122,635	**363,176**
2026	232,347	117,929	**350,276**
2027	221,965	114,364	**336,329**
2028	187,464	111,199	**298,663**
2029-2033	693,512	539,534	**1,233,046**
2034-2038	543,980	511,183	**1,055,163**
2039-2043	168,216	507,291	**675,507**
2044-2048	57,006	538,025	**595,031**
2049-2053	86,710	562,239	**648,949**
2054-2058	107,805	515,644	**623,449**
2059-2063	64,234	577,560	**641,794**
2064-2068	82,483	621,931	**704,414**
2069-2073	65,615	1,072,323	**1,137,938**
2074-2078	54,774	1,199,276	**1,254,050**
2079-2083	65,960	1,346,892	**1,412,852**
2084-2088	95,777	1,501,803	**1,597,580**
2089-2093	126,115	1,683,334	**1,809,449**
2094-2098	1,588,798	465,508	**2,054,306**
2099-2103	676,733	22,485	**699,218**
2104-2108	10,990	1,926	**12,916**
2109-2113	4,902	192	**5,094**
Total	$ 5,606,304	$ 12,258,305	**$ 17,864,609**

Note: Amortization has not been reduced by $768 million of payables related to the Port Authority's leaseback of space in WTC Tower 4 (discussed further below), which are netted against receivables due from the WTC Tower 4 net lessee.

Lease-Leaseback Transactions

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

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

Year ending December 31:	WTC Tower 4 Net-Lease Amortization	WTC Tower 4 Net-Lease Interest	WTC Tower 4 Port Authority Office Space Leaseback Amortization	WTC Tower 4 Port Authority Office Space Leaseback Interest	Net Receivable Amortization	Net Receivable Interest
			(In thousands)			
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	—	37,460	22,419	18,840	**(22,419)**	**18,620**
2029-2033	—	217,479	140,065	83,262	**(140,065)**	**134,217**
2034-2038	—	251,165	185,038	60,619	**(185,038)**	**190,546**
2039-2043	—	292,715	239,159	31,069	**(239,159)**	**261,646**
2044-2048	—	341,400	100,438	2,535	**(100,438)**	**338,865**
2049-2053	—	382,573	—	—	**—**	**382,573**
2054-2058	—	358,304	—	—	**—**	**358,304**
2059-2063	—	433,837	—	—	**—**	**433,837**
2064-2068	—	488,662	—	—	**—**	**488,662**
2069-2073	—	950,615	—	—	**—**	**950,615**
2074-2078	—	1,083,971	—	—	**—**	**1,083,971**
2079-2083	—	1,238,924	—	—	**—**	**1,238,924**
2084-2088	—	1,418,916	—	—	**—**	**1,418,916**
2089-2093	—	1,627,935	—	—	**—**	**1,627,935**
2094-2098	1,431,148	439,456	—	—	**1,431,148**	**439,456**
2099-2100	624,272	18,699	—	—	**624,272**	**18,699**
Total	**$ 2,055,420**	**$ 9,723,366**	**$ 767,541**	**$ 277,660**	**$ 1,287,879**	**$ 9,445,706**

A summary of the lease-leaseback transaction for the WTC Tower 4 net lease for 2023 and 2022 follows:

	2023 WTC Tower 4 Net-Lease	**2023** WTC Tower 4 Port Authority Office Space Leaseback	**2023** Net	2022 WTC Tower 4 Net-Lease	2022 WTC Tower 4 Port Authority Office Space Leaseback	2022 Net
			(In thousands)			
Lease receivable/ (liability)	**$ 2,055,420**	**$ (767,541)**	**$ 1,287,879**	$ 2,055,420	$ (783,424)	$ 1,271,996
(Deferred inflows of resources, leases)/ lease asset	**(1,980,348)**	**715,730**	**(1,264,618)**	(2,006,220)	748,449	(1,257,771)
Lease amortization (revenue)/expense	**(25,873)**	**32,719**	**6,846**	(25,873)	32,719	6,846
Interest (income)/ expense	**(79,218)**	**21,626**	**(57,592)**	(77,516)	22,064	(55,452)

Regulated Lease Agreements

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

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

2023		2022	
Fixed Rent Regulated Leases	**Variable Rent Regulated Leases**	Fixed Rent Regulated Leases	Variable Rent Regulated Leases
	(In thousands)		
$1,031,945	**$ 419,531**	$ 872,072	$ 411,110

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)
2024	**$ 1,036,724**
2025	**964,726**
2026	**892,513**
2027	**891,487**
2028	**731,042**
2029-2033	**2,899,344**
2034-2038	**1,862,419**
2039-2043	**2,082,562**
2044-2048	**1,333,073**
2049-2053	**1,284,479**
2054-2058	**1,318,873**
2059-2063	**611,042**
2064-2068	**87,411**
2069-2073	**30,593**
Total	**$ 16,026,288**

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 $388 million and $428 million in 2023 and 2022, respectively.

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

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

Lease Liability and Lease Asset

In accordance with GASB Statement No. 87, the Port Authority, as lessee, recognizes a lease liability and lease asset at the commencement of the lease term. The lease liability is measured at the present value of "fixed" rent payments, including escalations based on fixed rates, indexes and minimum guarantees that are fixed in substance and expected to be paid during the lease term. Discount rates applied to these expected fixed lease payments are based on the Port Authority's incremental cost of borrowing at the commencement of the lease term. Lease terms range from 1 to 77 years. Discount rates applied to expected fixed lease payments for purposes of present valuing lease liabilities for all unexpired leases in effect during 2023 ranged from 0.57% to 5.74%. Renewal and termination options are included in the lease valuation if the option is reasonably certain of being exercised. Lease assets are measured at the amount of the initial measurement of the lease liability, plus any payments made at or before the commencement of the lease term that relate to future periods and any ancillary costs to place the asset into service and are amortized on a straight-line basis over the lease term. The Port Authority continually monitors changes in circumstances that would require a remeasurement of a lease agreement.

A summary of changes in the lease liabilities follows:

Dec. 31, 2022	Additions	Amortization	Dec. 31, 2023*
	(In thousands)		
$ 6,497,812	$ 14,558	$ 87,627	**$ 6,424,743**

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

* Lease liabilities do not include $768 million and $783 million of liabilities related to the Port Authority's leaseback of space in WTC Tower 4 at December 31, 2023 and 2022, respectively, which are netted against lease receivables due from the WTC Tower 4 net lessee, Silverstein Properties, Inc.

A summary of changes in the lease assets follows:

Dec. 31, 2022	Additions	Amortization	Dec. 31, 2023*
	(In thousands)		
$ 7,105,371	$ 14,558	$ 176,755	**$ 6,943,174**

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

* Lease assets do not include $716 million and $748 million of lease assets related to the Port Authority's leaseback of space in WTC Tower 4 at December 31, 2023 and 2022, respectively, which are netted against deferred inflows of resources from the WTC Tower 4 net lessee, Silverstein Properties, Inc.

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

Year ending December 31:	Amortization	Interest	Total
		(In thousands)	
2024	$ 69,794	$ 211,190	**$ 280,984**
2025	92,124	208,233	**300,357**
2026	94,100	205,215	**299,315**
2027	95,670	202,127	**297,797**
2028	97,542	199,026	**296,568**
2029-2033	526,257	945,140	**1,471,397**
2034-2038	585,195	853,312	**1,438,507**
2039-2043	635,386	754,366	**1,389,752**
2044-2048	740,294	641,969	**1,382,263**
2049-2053	834,071	512,270	**1,346,341**
2054-2058	963,677	365,770	**1,329,447**
2059-2063	633,740	218,441	**852,181**
2064-2068	388,965	148,066	**537,031**
2069-2073	460,646	76,043	**536,689**
2074-2077	207,282	7,356	**214,638**
Total	$ 6,424,743	$ 5,548,524	**$ 11,973,267**

Note: Amortization has been reduced by $768 million of payables related to the Port Authority's leaseback of space in WTC Tower 4 which are netted against receivables due from the WTC Tower 4 net lessee, Silverstein Properties, Inc.

Subscription-Based Information Technology Agreements ("SBITAs")

A SBITA is defined as a contractual agreement that conveys control of SBITA vendor's software technology alone or in combination with tangible information technology capital assets to a third party as specified in the contract for a minimum contractual period of greater than one year. The Port Authority, as a third party utilizes certain SBITA enterprisewide through cloud computing arrangements, including Software as a Service ("SaaS"), Platforms as a Service ("PaaS") and Infrastructure as a Service ("IaaS").

In accordance with GASB Statement No. 96, the Port Authority recognizes a subscription-based liability (subscription liability) and a corresponding subscription-based right to use asset (subscription asset) at the commencement of the subscription term. The subscription liability is measured at the present value of fixed subscription payments payable during the remaining subscription term. Discount rates applied to these expected "fixed" subscription payments are based on the Port Authority's incremental cost of borrowing at the commencement of the subscription term. Subscription terms range from 1 to 5 years. Discount rates applied to expected fixed subscription payments in the 2023 and 2022 subscription liability valuations ranged from 1.56% to 3.45%. Renewal and termination options are included in the subscription valuation if the option is reasonably certain of being exercised. Subscription assets are measured at the date the subscription asset is placed into service, plus subscription payments made at or before the commencement of the subscription term that relate to future periods and any implementation costs needed to place the asset into service and are amortized on a straight-line basis over the subscription term. The Port Authority continually monitors changes in circumstances in SBITAs that would require remeasurement if it could materially affect the amount of the subscription liability and related subscription asset to be recognized.

A summary of changes in the subscription liabilities follows:

Dec. 31, 2022	Additions	Amortization	Dec. 31, 2023
	(In thousands)		
$ 15,713	$ —	$ 11,275	**$ 4,438**

Jan. 1, 2022	Additions	Amortization	Dec. 31, 2022
	(In thousands)		
$ 22,156	$ 4,422	$ 10,865	$ 15,713

A summary of changes in the subscription assets follows:

Dec. 31, 2022	Additions	Amortization	Dec. 31, 2023
	(In thousands)		
$ 19,947	$ —	$ 7,758	**$ 12,189**

Jan. 1, 2022	Additions	Amortization	Dec. 31, 2022
	(In thousands)		
$ 22,156	$ 4,422	$ 6,631	$ 19,947

Future subscription payments included in the measurement of the subscription liabilities, including amortization follow:

Year ending December 31:	Amortization	Interest	Total
	(In thousands)		
2024	$ 4,438	$ 39	**$ 4,477**

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 not-revenue producing to the Port Authority, are addressed by the Port Authority in its budget and business planning process in the context of the Port Authority's overall financial capacity. To the extent not otherwise associated with an existing Port Authority facility, these projects are effectuated through the certification of an additional Port Authority facility established solely for these purposes. The Port Authority does not expect to derive any revenues from regional development facilities and programs described below.

Regional Facilities

Regional Development Facility (certified in 1987) – This facility is a centralized program of certain economic development and infrastructure renewal projects. It was expected that $250 million of capital funds would be made available in connection with the Governors' Program of June 1983. As of December 31, 2023, approximately $248 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 is not to exceed $120 million. As of December 31, 2023, approximately $54 million has been allocated under these programs.

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

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

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

	December 31, 2022	Project Expenditures	Amortization	December 31, 2023
		(In thousands)		
Regional Development Facility	$ 114	$ —	$ 114	**$ —**
Regional Economic Development Program	759	—	128	**631**
New York Transportation, Economic Development, and Infrastructure Renewal Program	2,375	—	483	**1,892**
Regional Transportation Program	3,359	—	2,001	**1,358**
Hudson-Raritan Estuary Resources Program	6,614	—	2,103	**4,511**
Regional Rail Freight Program	3	—	3	**—**
Meadowlands Passenger Rail Facility	1,683	—	1,646	**37**
Total unamortized costs of regional programs	$ 14,907	$ —	$ 6,478	**$ 8,429**

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. As of December 31, 2023, approximately $75 million has been allocated under this program. See *Schedule F - Information on Capital Investment in Port Authority Facilities* for additional information on costs related to this program.

NOTE I – PENSION PLANS

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

Port Authority Employees

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

NYSLRS Plan Benefits

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

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

Members in Tiers 1–4 need five years of service to be 100% vested. In April 2022, new legislation was passed that reduced the number of years of service credit for Tier 5 and 6 members from 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, 2023 and March 31, 2022 was approximately 11.6% and 16.2% of payroll. The average contribution rate for PFRS for the fiscal years ended March 31, 2023 and March 31, 2022 was approximately 27.0% and 28.3% of payroll, respectively.

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

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

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

Tier 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 Tier 3, 4 and 5 is 62. Generally, the benefit for Tier 3, Tier 4 and 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 due NYSLRS for the period covering April 1, 2023 through March 31, 2024 totaling $158.9 million, including $57.8 million to ERS and $101.1 million to PFRS, were paid on February 1, 2024.

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, 2023 and March 31, 2022, which is publicly available at the following web address: https://www.osc.state.ny.us/files/retirement/resources/pdf/financial-statements-2023.pdf.

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

NYSLRS Net Pension Liability – 2023 and 2022

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 NPL/NPA, 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' NPL/NPAs totaled:

NPA/NPL	**December 31, 2023**	December 31, 2022
	(In thousands)	
ERS	**$ 299,457**	$ (118,530)
PFRS	**467,522**	50,218
Total Net Pension Liability/(Asset)	**$ 766,979**	$ (68,312)

The NPL/NPAs at December 31, 2023 and 2022 were measured as of March 31, 2023 and 2022, based on actuarial valuations as of April 1, 2022 and 2021, with update procedures used to roll forward the TPL to March 31, 2023 and 2022, respectively.

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

	2023	2022
ERS	**1.4%**	1.4%
PFRS	**8.5%**	8.8%

The Port Authority's proportionate share of the ERS and PFRS NPL/NPAs was 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 – 2023 and 2022

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

Pension Expense	**2023**	2022
	(In thousands)	
ERS	**$ 117,343**	$ 13,298
PFRS	**152,349**	52,729
Total Pension Expense	**$ 269,692**	$ 66,027

NYSLRS Deferred Inflows/Outflows of Resources – 2023 and 2022

GASB Statement No. 68, as amended, requires certain changes in the NPL/NPA 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, 2023:

		December 31, 2023	
Deferred Outflows of Resources	**ERS**	**PFRS**	**Total**
		(In thousands)	
Differences between expected and actual experience	$ 31,895	$ 45,696	**$ 77,591**
Changes in actuarial assumptions	145,436	227,822	**373,258**
Net difference between projected and actual earnings on pension plan investments	—	827	**827**
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	17,551	37,314	**54,865**
Subtotal – Deferred Outflows of Resources	194,882	311,659	**506,541**
Port Authority contributions subsequent to the measurement date*	—	—	**—**
Total Deferred Outflows of Resources	$ 194,882	$ 311,659	**$ 506,541**

* Contributions made by the Port Authority to NYSLRS after the measurement date to satisfy the pensions plan's 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 NPL for the fiscal year ending December 31, 2024. Port Authority contributions due NYSLRS for the period covering April 1, 2023 through March 31, 2024 totaling $158.9 million, including $57.8 million to ERS and $101.1 million to PFRS, were paid on February 1, 2024.

Deferred Inflows of Resources	ERS	December 31, 2023 PFRS	Total
		(In thousands)	
Differences between expected and actual experience	$ 8,410	$ —	**$ 8,410**
Changes in actuarial assumptions	1,607	—	**1,607**
Net difference between projected and actual earnings on pension plan investments	1,759	—	**1,759**
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	14,560	25,280	**39,840**
Total Deferred Inflows of Resources	$ 26,336	$ 25,280	**$ 51,616**

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)	
2024	$ 44,637	$ 57,202	$ **101,839**
2025	(15,972)	(4,122)	**(20,094)**
2026	58,280	145,767	**204,047**
2027	81,601	80,062	**161,663**
2028	—	7,470	**7,470**
Total	$ 168,546	$ 286,379	**$ 454,925**

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

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

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

NYSLRS Actuarial Assumptions – 2023 and 2022

The TPL for each plan was determined using an actuarial valuation as of April 1, 2022 for fiscal year 2023 and April 1, 2021 for fiscal year 2022, with update procedures used to roll forward the TPL to the measurement dates of March 31, 2023 and March 31, 2022, respectively. These actuarial valuations used the following actuarial assumptions:

ERS		**2023**		**2022**
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	**2.9%**		2.7%	
Cost of living adjustment	**1.5%**		1.4%	

PFRS		**2023**		**2022**
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	**2.9%**		2.7%	
Cost of living adjustment	**1.5%**		1.4%	

Mortality rates for both fiscal years 2023 and 2022 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-2021.

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:

	2023*		2022*	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	**32%**	**4.30%**	32%	3.30%
International equity	**15%**	**6.85%**	15%	5.85%
Private equity	**10%**	**7.50%**	10%	6.50%
Real estate	**9%**	**4.60%**	9%	5.00%
Opportunistic/Absolute return strategies**	**3%**	**5.38%**	3%	4.10%
Credit	**4%**	**5.43%**	4%	3.78%
Real assets	**3%**	**5.84%**	3%	5.58%
Fixed Income	**23%**	**1.50%**	23%	0.00%
Cash	**1%**	**0.00%**	1%	(1.00)%
Inflation–indexed bonds	**0%**	**0.00%**	0%	0.00%
Total	**100%**		100%	

* The real rate of return is net of the long-term inflation assumption of 2.5% in 2023 and 2022.

** 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 – 2023 and 2022

The discount rate used to calculate the TPL for ERS and PFRS was 5.9% for 2023 and 2022. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rates and that employer contributions will be made at their contractually required rates, as actuarially determined.

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

The following tables present the Port Authority's proportionate share of the NPL/NPA for ERS and PFRS calculated for 2023 and 2022 using a discount rate that is 1 percentage point lower or 1 percentage point higher than the discount rate actually used.

		2023	
	1% Decrease (4.9%)	**Discount Rate (5.9%)**	**1% Increase (6.9%)**
		(In thousands)	
ERS – Port Authority's proportionate share of the NPL/(NPA)	**$ 723,660**	**$ 299,457**	**$ (55,013)**
PFRS – Port Authority's proportionate share of the NPL/(NPA)	**974,572**	**467,522**	**47,655**
Total	**$ 1,698,232**	**$ 766,979**	**$ (7,358)**

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

Additional information related to the Port Authority's proportionate share of the NPL 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")

Nonrepresented 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, 2023 and 2022, 395 and 357 employees, respectively, were enrolled in the VDC program. The following table shows employee and employer contributions (reported as pension expense):

	2023	2022
	(In thousands)	
Employer Contributions	**$ 3,811**	$ 3,293
Employee Contributions	**2,842**	2,449
Total	**$ 6,653**	$ 5,742

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 nonrepresented 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 2023 and 2022, 1,285 and 1,218 PATH employees, respectively, participated in the Federal Railroad Retirement Program.

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

Railroad Retirement Tier I	Employee Tax Rate	Employee Taxes	Employer Tax Rate	Employer Taxes	Total Taxes
			($ In thousands)		
2023	**7.65%**	**$ 11,799**	**7.65%**	**$ 11,799**	**$ 23,598**
2022	7.65%	$ 11,191	7.65%	$ 11,191	$ 22,382

Railroad Retirement Tier II	Employee Tax Rate	Employee Taxes	Employer Tax Rate	Employer Taxes	Total Taxes
			($ In thousands)		
2023	**4.9%**	**$ 6,095**	**13.1%**	**$ 16,294**	**$ 22,389**
2022	4.9%	$ 5,620	13.1%	$ 15,025	$ 20,645

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/2023-11/par2023.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, as described below.

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 is contributions that are defined in various collective bargaining agreements. Contributions by PATH to these supplemental pension plans totaled approximately $8.6 million in 2023 and $11.1 million in 2022.

PATH Nonrepresented 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 noncontributory, 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, 2023, 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 – 2023 and 2022

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

Total Pension Liability	2023*	2022**
	(In thousands)	
Beginning Balance	**$ 121,653**	$ 116,053
Changes recognized for the fiscal year:		
Service cost	**6,239**	5,709
Interest on the total pension liability	**2,593**	2,534
Differences between expected and actual experience	**(754)**	915
Changes in assumptions	**(23,699)**	937
Benefit payments	**(4,074)**	(4,495)
Net change in TPL	**(19,695)**	5,600
TPL recognized at December 31	**$ 101,958**	$ 121,653

* The Plan's TPL reported at December 31, 2023 was measured as of January 1, 2023 based on an actuarial valuation as of the same date.
** 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.

PATH Exempt Employee Supplemental Pension Plan Pension Expense – 2023 and 2022

Pension expense related to the Plan totaled:

	2023	2022
	(In thousands)	
Pension Expense	**$ 7,950**	$ 11,949

PATH Exempt Employee Supplemental Pension Plan Deferred Outflows/Inflows of Resources – 2023 and 2022

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, 2023 and December 31, 2022, the Port Authority reported deferred outflows of resources totaling:

Deferred Outflows of Resources	2023	2022
	(In thousands)	
Differences between actual and expected experience	**$ 1,175**	$ 2,491
Changes in actuarial assumptions	**4,634**	9,655
Subtotal – Deferred Outflows of Resources	**5,809**	12,146
Contributions subsequent to the measurement date*	**4,748**	4,074
Total Deferred Outflows of Resources	**$ 10,557**	$ 16,220

* 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 years ended December 31, 2023 and 2024, respectively.

At December 31, 2023 and December 31, 2022, the Port Authority reported deferred inflows of resources totaling:

Deferred Inflows of Resources	2023	2022
	(In thousands)	
Differences between actual and expected experience	**$ 593**	$ —
Changes in actuarial assumptions	**18,629**	1,988
Total Deferred Inflows of Resources	**$ 19,222**	$ 1,988

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, 2023 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)
2024	$ (1,455)
2025	(3,485)
2026	(4,943)
2027	(3,530)
Total	$ (13,413)

PATH Exempt Employee Supplemental Pension Plan Actuarial Assumptions – 2023 and 2022

The TPL measured as of January 1, 2023 and January 1, 2022, based on an actuarial valuation as of the same date was determined using the following actuarial assumptions:

	2023	**2022**
Inflation	**2.30%**	2.20%
Salary increases	**4.25%**	4.25%
Investment rate of return	**N/A**	N/A

Actuarial assumptions used in the January 1, 2023 and 2022 valuations were based on the results of an actuarial experience study for the period of January 1, 2017 to January 1, 2022. Mortality rates used in the 2023 and 2022 valuations were based on Pub-2010 General Employees mortality table projected on a generational basis with Scale MP-2021 from 2010. 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, 2023 and January 1, 2022 valuation date, Plan participants comprised:

	2023	2022
Retired PATH Exempt Employees (or their beneficiaries)	**126**	118
Active PATH Exempt Employees	**97**	101
Terminated but vested employees who are not currently receiving benefits	**14**	16
Total participants	**237**	235

PATH Exempt Employee Supplemental Pension Plan Discount Rate Analysis – 2023 and 2022

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 3.72% as of the January 1, 2023 measurement date and 2.06% as of the January 1, 2022 measurement date.

The following tables present the 2023 and 2022 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.

		2023	
	1% Decrease (2.72%)	**Discount Rate (3.72%)**	**1% Increase (4.72%)**
		(In thousands)	
Total Pension Liability	**$ 115,320**	**$ 101,958**	**$ 90,854**

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

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:

	2023	2022
Retirees and surviving spouses currently receiving benefits	**8,518**	8,420
Covered spouses of retired employees receiving benefits	**4,632**	4,295
Active employees plan participants	**7,289**	7,487
Total plan members	**20,439**	20,202

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

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

Employer contributions in relation to the Trust include advance funding of the Trust as well as pay-as-you-go benefit payments that are made to or on behalf of OPEB plan members or their beneficiaries from available Port Authority operating funds. The Port Authority is not required by law to provide funding for its OPEB obligations, other than the pay-as-you-go amount necessary to provide current benefits to eligible retired employees and the eligible dependents of such retired employees. No advanced funding contributions were made to the Trust in 2023 or 2022. In 2023, $200.8 million of the year’s benefits were paid from available Port Authority operating funds and $19.7 million were paid from Trust funds. In 2022, all of the 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 nonemployer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. For purposes of measuring the NOL, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Trust and additions to/deductions from the Trust’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net OPEB Liability – 2023 and 2022

	Total OPEB Liability (a)	The Trust Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
		(In thousands)	
Balance at December 31, 2022	$ 3,750,418	$ 1,467,878	**$ 2,282,540**
Changes Increase/(Decrease) for the year:			
Service cost	84,179	—	**84,179**
Interest cost on the total OPEB liability	245,921	—	**245,921**
Changes in benefit terms	(207)	—	**(207)**
Differences between expected and actual experience	123,420	—	**123,420**
Changes in assumptions	342,269	—	**342,269**
Benefit payments*	(220,561)	(220,561)	**—**
Contributions - employer	—	200,832	**(200,832)**
Net investment income	—	211,782	**(211,782)**
Administrative expenses	—	(101)	**101**
Increase	575,021	191,952	**383,069**
Balance at December 31, 2023	$ 4,325,439	$ 1,659,830	**$ 2,665,609**

* 2023 benefit payment includes $200.8 million from available Port Authority operating funds and $19.7 million paid from the Trust.

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

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

The discount rate used to measure the total OPEB liability as of December 31, 2023 and 2022 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:

	2023			2022		
	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	**$ 3,277,939**	**$ 2,665,609**	**$ 2,167,333**	$2,807,919	$ 2,282,540	$ 1,854,091

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:

	2023			2022		
	1% Decrease	**Healthcare Cost Trend Rate**	**1% Increase**	1% Decrease	Healthcare Cost Trend Rate	1% Increase
			(In thousands)			
Net OPEB Liability	**$ 2,157,190**	**$ 2,665,609**	**$ 3,301,719**	$1,850,232	$ 2,282,540	$ 2,822,657

OPEB Expense

OPEB expense related to the Plan totaled $365 million in 2023 and $244 million in 2022.

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

At December 31, 2023 and 2022, the Port Authority reported deferred outflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	**2023**	2022
	(In thousands)	
Changes in actuarial assumptions	**$ 649,556**	$ 457,920
Net difference between projected and actual earnings on OPEB plan investments	**101,553**	200,587
Differences between actual and expected experience	**224,013**	185,715
Total Deferred Outflows of Resources	**$ 975,122**	$ 844,222

At December 31, 2023 and 2022, the Port Authority reported deferred inflows of resources related to OPEB from the following sources:

Deferred Inflows of Resources	**2023**	2022
	(In thousands)	
Changes in actuarial assumptions	**$ 110,034**	$ 197,735
Total Deferred Inflows of Resources	**$ 110,034**	$ 197,735

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

Year ended December 31,	**Total Amortization**
	(In thousands)
2024	$ 161,798
2025	214,793
2026	251,744
2027	118,593
2028	69,506
Thereafter	48,654
Total	**$ 865,088**

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, 2023 and 2022 based on actuarial valuations as of January 1, 2023 and 2022 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. Mortality rates for the January 2023 and 2022 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 2023 and 2022, respectively.

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

	2023	2022
Inflation	**2.30%**	2.40%
Salary increases	**4.47%**	4.47%
Discount rate*	**6.60%**	6.60%
Medical healthcare cost trend rates (Pre-65 year old participant)**	**6.75%**	5.75%
Medical healthcare cost trend rates (Post-65 year old participant)**	**5.75%**	5.25%
Pharmacy benefit cost trend rate***	**7.75%**	6.00%
Dental benefit cost trend rate	**3.00%**	3.00%
Employer Group Waiver Plan savings	**3.00%**	3.00%
Medicare Part B	**5.00%**	5.00%

* Represents the expected long-term rate of return on investments expected to be used for the payment of benefits.
** Declining to an ultimate medical healthcare cost trend rate of 4.5% in 2032 (including inflation factors of 2.30% for 2023 and 2.4% for 2022).
*** 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:

Asset Class	**Target Asset Allocation**		**Long-Term Expected Real Rate of Return***	
	2023	2022	**2023**	2022
Domestic Equity	**33%**	33%	**5.4%**	5.2%
International Equity	**21%**	21%	**5.2%**	4.9%
Real Estate Investment Trust	**6%**	6%	**4.3%**	4.2%
Fixed Income	**40%**	40%	**1.7%**	1.5%

* The long-term expected real rate of return is net of the long-term inflation assumption of 2.30%. in 2023 and 2.4% in 2022.

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, 2023, the Port Authority had entered into various construction contracts totaling approximately $2.3 billion, which are expected to be completed within the next three years.

3. Other amounts receivable, net recognized on the Statements of Net Position at December 31, 2023, is comprised of the following:

	December 31, 2022	Additions	Deductions	December 31, 2023
		(In thousands)		
Deferred amounts due from WTC Tower 4 and WTC Tower 3 net lessees	$ 94,200	$ 6,185	$ 53,647	**$ 46,738**
Long-term receivables from tenants	75,853	119,142	120,474	**74,521**
Amounts due – Goethals Bridge Replacement Bridge Developer	28,238	—	—	**28,238**
Tower 4 Liberty Bonds debt service	44,675	32,532	70,833	**6,374**
Other receivables	17,897	8,172	17,192	**8,877**
Total other amounts receivable, net	$ 260,863	$ 166,031	$ 262,146	**$ 164,748**

4. The 2023 balance of Other noncurrent liabilities consists of the following:

	December 31, 2022	Additions	Deductions	December 31, 2023
		(In thousands)		
Self-Insured Public Liability Claims	$ 70,270	$ 15,332	$ 16,790	**$ 68,812**
Self-Insured Workers' Compensation Claims	87,141	27,575	24,075	**90,641**
Other payables	75,428	750	55	**76,123**
Pollution remediation obligation	31,609	8,307	10,251	**29,665**
Asset forfeiture program	26,907	1,273	932	**27,248**
Reinsurance premium payable	—	32,502	24,520	**7,982**
Surety and security deposits	4,521	140	236	**4,425**
WTC Joint Venture Returns	16,130	—	—	**16,130**
Deferred Gain/Loss on NLCC	4,761	—	—	**4,761**
GASB Statement No. 96 SBITA liabilities	15,713	—	15,713	**—**
Total Liabilities	$ 332,480	$ 85,879	$ 92,572	**$ 325,787**
Less: Current workers' compensation liability	17,509	—	—	**20,869**
Total other noncurrent liabilities	$ 314,971			**$ 304,918**

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 2023, the Port Authority recognized an additional $8.3 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, 2023 totaled $128.6 million, net of $2.1 million in recoveries.

As of December 31, 2023, the outstanding pollution remediation liability totaled $29.7 million, primarily consisting of future remediation activities associated with asbestos removal, lead based paint abatement, groundwater 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 nonoffice space, and was planned to consist of up to five office towers (one of which may instead be a multiuse 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 (now doing business as the "Perelman Performing Arts Center") and certain related infrastructure. A December 2010 World Trade Center Amended 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 ("Durst") 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. Pursuant to the 2011 joint venture agreement between the Port Authority and Durst, the parties have calculated that Durst's equity percentage interests in the joint venture is 14.97%, subject to a 10 basis point adjustment (up or down) in 2025, based on whether or not certain performance standards are met in 2024. This calculation is based on Durst's 2011 initial capital contribution of $100 million, other noncash contributions, and the 2020 stabilized net operating income of the building. One World Trade Center contains 3 million square feet of space, comprised of commercial office space and an indoor observation deck. As of December 31, 2023, WTC Tower 1 LLC (the current net lessee of One World Trade Center) has leased: ***i)*** approximately 2.8 million square feet of office space at One World Trade Center, representing approximately 94% 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 under a lease to Legends OWO, LLC 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 has commenced. As of December 2022, construction of Tower 2 had not commenced and the Port Authority asserts that ground rent is now due under the terms of the Tower 2 net lease, but Silverstein has not yet made payment thereof, and has requested additional time to arrange financing before beginning to pay ground rent. Ground rent for the site until the commencement of construction is approximately $2.5 million per month, reducing to approximately $1.3 million per month when construction begins.

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 $84.5 million of the $93.4 million received from the State of New York as a capital contribution for the partial reimbursement of the $210 million landlord capital improvement the Port Authority made in December 2014 toward the construction of Tower 3 and for Tower 3 backstop funding. In addition, under a Public Support Agreement with the City of New York, the Port Authority will receive $130 million plus accrued interest in WTC PILOT credits as reimbursement for the remaining share of the Port Authority's landlord capital improvement. WTC payments in-lieu-of taxes ("PILOT") credits from City of New York commenced in July 2019.

Under the Tower 3 Support Agreement, the Tower 3 Silverstein net lessee is responsible for the repayment of any outstanding balance of the $390 million backstop on a subordinated basis, without interest, from Tower 3 revenues, upon termination of the Tower 3 Support Agreement. All repayments of the Tower 3 backstop received by the Port Authority would be distributed among the Port Authority, the State of New York and the City of New York in accordance with their respective shares of the $390 million backstop payments. As security for such repayment, the Tower 3 Silverstein net lessee, the Port Authority and a third-party banking institution entered into an account control agreement directing revenues derived from the operation of Tower 3 to be deposited into a segregated lockbox account and administered and disbursed by the banking institution in accordance with the Tower 3 Support Agreement. To provide additional security to the Port Authority, the Tower 3 Silverstein net lessee assigned to the Port Authority various contracts in connection with the development and construction of Tower 3, together with all licenses, permits, approvals, easements and other rights of the Tower 3 Silverstein net lessee, granted a first priority pledge of all of the ownership interests in the Tower 3 Silverstein net lessee to the Port Authority and granted a subordinated mortgage on the leasehold interest created under the Tower 3 net lease. The Tower 3 net lessee exercised its right to defer certain Tower 3 net lease rent payments due the Port Authority effective November 2017.

As of December 31, 2023, deferred rent due from the Tower 3 net lessee totaled approximately $46.7 million. As of December 31, 2023, the Silverstein Tower 3 net lessee has repaid the approximately $9.0 million in senior debt service shortfalls previously provided under the WTC Tower 3 Tenant Support Agreement.

Tower 3 was substantially completed in March 2018, and officially opened on June 11, 2018. As of December 31, 2023, 87% 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, 2023, approximately 94% 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).

Originally, the Silverstein net lessee of Tower 4 had 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, 2023, no deferred rent was due from the Tower 4 net lessee. The Debt Service Obligations are required to be reimbursed or paid to the Port Authority from Tower 4 cash flow, with interest at a rate of 7.5% annum until reimbursed or paid.

The Tower 4 Silverstein net lessee informed the Port Authority in 2022 that, in accordance with the Tower 4 Support Agreements, it had 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 termination, which has now been effectuated, resulted in the repayment $50.7 million 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 were 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 did 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 toward the construction of the WTC Transportation Hub in 2017. On March 3, 2016, the World Trade Center Transportation Hub Oculus and underground pedestrian connections to certain mass transit lines opened to the public and on August 16, 2016, the retail portions opened to the public.

World Trade Center Infrastructure Projects

In addition to the WTC Transportation Hub, the Port Authority continues to construct various WTC site infrastructure projects toward full buildout 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 a single-purpose entity formed by an affiliate of Westfield America, Inc., which was acquired by Unibail-Rodamco-Westfield SE (formerly Unibail-Rodamco SE) in June 2018 (such entity, together with its Westfield predecessor, ("URW")), the Port Authority has been involved in the planning and construction of the retail components of the World Trade Center. A URW 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 other locations on the World Trade Center site 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 URW, which is not expected to fully compensate the Port Authority for the cost of construction.

As of December 31, 2023, 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 URW, 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 Perelman 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 Perelman 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 Perelman Performing Arts Center at the World Trade Center, opened to the public in September 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, PAICE (see "Port Authority Insurance Captive Entity, LLC" in this Section). Most policies are renewed annually and therefore will expire during the calendar year.

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, 2023 and expires on June 1, 2024) 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 are insured through PAICE and partially reinsured through commercial reinsurers.

Property damage and loss of revenue insurance on the operating portions of the World Trade Center[1] and related infrastructure is provided in a separate program (which was renewed effective June 1, 2023 and expires on June 1, 2024). Portions of the property damage and loss of revenue insurance on the operating portions of the World Trade Center[1] are insured through PAICE and partially 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, 2023. The terrorism coverage is insured through PAICE and reinsured through the Terrorism Risk Insurance Program Reauthorization Act of 2019 ("TRIPRA")[2] and commercial reinsurers.

Public Liability Insurance Programs

The Port Authority's public liability insurance programs (which were renewed effective October 27, 2023 and expires October 27, 2024) include general liability and workers' compensation coverage for Port Authority facilities and components of the World Trade Center and insurance for aviation war risk for aviation facilities.

Terrorism insurance with respect thereto is insured through PAICE and reinsured through TRIPRA and commercial reinsurers. The terrorism insurance policy was renewed effective October 27, 2023 and expires October 27, 2025.

The Port Authority also carries terrorism and/or malicious acts insurance for losses to property and liability resulting from nuclear, chemical, biological, or radiological material for all Port Authority facilities. The program is insured through a combination of PAICE, commercial reinsurers and TRIPRA and was renewed effective October 27, 2023 and expires October 27, 2025.

Construction Insurance Programs

The Port Authority maintains a rolling owner-controlled or wrap-up insurance program for all Port Authority operated facilities under construction (excluding the World Trade Center), which was renewed effective June 1, 2023, and expires June 1, 2026, including builders' risk, general liability insurance, and statutory workers' compensation coverage. PAICE provides portions of the general liability insurance while statutory workers' compensation insurance is provided through commercial insurance.

The Port Authority began a stand-alone owner-controlled insurance program on March 27, 2018, expiring March 27, 2024, for construction of Terminal A at Newark Liberty International ("EWR") Airport, which includes builders' risk, general liability insurance, and statutory workers' compensation insurance provided through commercial insurance. PAICE provides portions of the construction general liability insurance while statutory workers' compensation insurance is provided through commercial insurance.

Port Authority Insurance Captive Entity, LLC

In 2006, the Port Authority established a captive insurance company, known as the "Port Authority Insurance Captive Entity, LLC," for insuring certain risk exposures of the Port Authority and its related entities. Under its current Certificate of Authority issued by the District of Columbia, PAICE is authorized to transact insurance business in connection with workers' compensation, general liability, builders' risk, property and terrorism insurance coverages for the Port Authority and its related entities. With the passage of TRIPRA, PAICE assumed coverage for acts of terrorism under the Port Authority's public liability and property damage and loss of revenue insurance programs.

1 The Port Authority's insurance programs do not provide coverage for World Trade Center Towers 2, 3, 4 (except for the Port Authority's Tower 4 leased space), Tower 5, the World Trade Center Memorial/Museum, the St. Nicholas Greek Orthodox Church and National Shrine, the Perelman Performing Arts Center at the World Trade Center and the net leased retail components (except for certain retail infrastructure) of the World Trade Center site. Coverage for these assets is the responsibility of the net lessees.

2 Under TRIPRA, the formula provides that the federal government generally reinsures 80% of certified terrorism losses subject to aggregate industry insured losses of at least $200 million and a 20% insurance carrier/captive deductible, in an amount not to exceed an annual cap on all such losses payable under TRIPRA of $100 billion. In the event of a certified act of terrorism, the law allows the United States Treasury to recoup 140% of the amount of federal payments for insured losses during that calendar year.

Effective June 1, 2023, PAICE retains the first $500,000 in general liability coverage of the Port Authority's rolling owner-controlled insurance program. The next $4.5 million, excess of the primary $500,000, is reinsured through commercial reinsurers.

Effective June 1, 2023, PAICE provides $5 billion of property terrorism insurance for World Trade Center facilities for Certified Acts of Terrorism, and $1.02 billion for Noncertified 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 Noncertified Acts of Terrorism. PAICE is fully reinsured for property terrorism by TRIPRA and commercial reinsurers.

In addition, renewed for two years effective October 27, 2023 (expiring October 27, 2025), 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, 2023 (expiring October 27, 2025), PAICE provides $1.6 billion in coverage under the nuclear, chemical, biological, and radiological terrorism and malicious acts program, up to $500 million of which is fully reinsured by TRIPRA and commercial reinsurers. The $1.1 billion in excess of the $500 million is partially reinsured by TRIPRA.

The financial results for PAICE for the year ended December 31, 2023 are set forth below. As PAICE is a blended component unit of the Port Authority, restricted amounts associated with PAICE recorded on the Port Authority's financial statements have been adjusted to eliminate intercompany transfers related to insurance premiums paid to PAICE from the Port Authority.

	Amounts
	(In thousands)
Financial Position	
Total Assets	$ 587,846
Total Liabilities	75,146
Net Position, December 31, 2023	**$ 512,700**
Operating Results 2023	
Revenues	$ 51,767
Expenses	1,400
Change in Net Position	$ 50,367
Net Position at January 1, 2023	$ 462,333
Net Position at December 31, 2023	**$ 512,700**

The audited financial statements for the years ended December 31, 2023 and December 31, 2022 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 workers' 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)		
2023	**$ 70,270**	**$ 15,332**	**$ 16,790**	**$ 68,812**
2022	$ 71,695	$ 12,134	$ 13,559	$ 70,270

* 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)		
2023	**$ 87,141**	**$ 27,575**	**$ 24,075**	**$ 90,641**
2022	$ 80,779	$ 27,610	$ 21,248	$ 87,141

* Loss reserves exclude loss adjustment expenditures.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

New York State and Local Employees Retirement System (“ERS”)

Schedule of Proportionate Share of Net Pension Liability (Asset)*	**2023**	2022	2021	2020	2019	2018	2017	2016	2015
					($ In thousands)				
Port Authority’s proportion of the net pension liability	**1.4%**	1.4%	1.7%	1.6%	1.3%	1.3%	1.3%	1.3%	1.3%
Port Authority’s proportionate share of the net pension liability (asset)	**$ 299,457**	$ (118,530)	$ 1,658	$ 430,993	$ 91,792	$ 41,500	$ 120,672	$ 212,555	$ 44,906
Covered payroll (April 1 – March 31)	**$ 470,518**	$ 461,420	$ 461,634	$ 536,527	$ 515,065	$ 408,384	$ 395,378	$ 392,529	$ 309,571
Port Authority’s proportionate share of the net pension liability, as a percentage of its covered payroll	**63.6%**	(25.7)%	0.4%	80.3%	17.8%	10.2%	30.5%	54.2%	14.5%
Plan fiduciary net position as a percentage of the total pension liability	**90.8%**	103.7%	99.95%	86.4%	96.2%	98.2%	94.7%	90.7%	97.9%

Schedule of Employer Contributions*	**2023**	2022	2021	2020	2019	2018	2017	2016	2015
					($ In thousands)				
Contractually required contribution	**$ 57,832**	$ 55,306	$ 71,150	$ 77,635	$ 70,582	$ 56,866	$ 56,743	$ 57,530	$ 63,072
Contributions in relation to the contractually required contribution**	**$ 57,832**	$ 55,306	$ 71,150	$ 77,635	$ 70,582	$ 56,866	$ 56,743	$ 57,530	$ 63,072
Contribution deficiency (excess)	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Port Authority’s covered payroll (January 1 – December 31)	**$ 478,197**	$ 452,650	$ 461,539	$ 462,194	$ 536,454	$ 500,841	$ 404,701	$ 395,725	$ 409,234
Contributions as a percentage of covered payroll	**12.1%**	12.2%	15.4%	16.8%	13.2%	11.4%	14.0%	14.5%	15.4%

New York State and Local Police and Fire Retirement System (“PFRS”)

Schedule of Proportionate Share of Net Pension Liability*	**2023**	2022	2021	2020	2019	2018	2017	2016	2015
					($ In thousands)				
Port Authority’s proportion of the net pension liability	**8.5%**	8.8%	9.8%	7.7%	7.7%	7.6%	7.4%	8.0%	8.9%
Port Authority’s proportionate share of the net pension liability	**$467,522**	$ 50,218	$ 169,991	$ 412,870	$ 129,920	$ 77,081	$ 152,806	$ 236,004	$ 24,490
Covered payroll (April 1 – March 31)	**$370,833**	$ 349,395	$ 329,673	$ 467,638	$ 271,764	$ 263,292	$ 256,168	$ 246,060	$ 248,631
Port Authority’s proportionate share of the net pension liability, as a percentage of its covered payroll	**126.1%**	14.4%	51.6%	88.3%	47.8%	29.3%	59.7%	95.9%	9.8%
Plan fiduciary net position as a percentage of the total pension liability	**87.4%**	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%

Schedule of Employer Contributions*	**2023**	2022	2021	2020	2019	2018	2017	2016	2015
					($ In thousands)				
Contractually required contribution	**$101,083**	$ 92,716	$ 91,287	$ 123,221	$ 61,277	$ 59,931	$ 60,797	$ 57,807	$ 53,652
Contributions in relation to the contractually required contribution**	**$101,083**	$ 92,716	$ 91,287	$ 123,221	$ 61,277	$ 59,931	$ 60,797	$ 57,807	$ 53,652
Contribution deficiency (excess)	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Port Authority’s covered payroll (January 1 – December 31)	**$358,860**	$ 350,440	$ 340,538	$ 398,506	$ 393,630	$ 262,701	$ 260,867	$ 253,096	$ 253,597
Contributions as a percentage of covered payroll	**28.2%**	26.5%	26.8%	30.9%	15.6%	22.8%	23.3%	22.8%	21.2%

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

** Required employer contributions were paid on February 1, 2024

See accompanying independent auditors’ report.

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)		
2023	**7.65%**	**$ 11,799**	**7.65%**	**$ 11,799**	**$ 23,598**
2022	7.65%	11,191	7.65%	11,191	22,382
2021	7.65%	9,329	7.65%	9,329	18,658
2020	7.65%	9,384	7.65%	9,384	18,768
2019	7.65%	8,466	7.65%	8,466	16,932
2018	7.65%	8,197	7.65%	8,197	16,394
2017	7.65%	8,150	7.65%	8,150	16,300
2016	7.65%	8,086	7.65%	8,086	16,172
2015	7.65%	7,747	7.65%	7,747	15,494
2014	7.65%	8,119	7.65%	8,119	16,238
Total Taxes		$ 90,468		$ 90,468	$ 180,936

Railroad Retirement Tier II	Employee Tax Rate	Employee Taxes	Employer Tax Rate	Employer Taxes	Total Taxes
			($ In thousands)		
2023	**4.9%**	**$ 6,095**	**13.1%**	**$ 16,294**	**$ 22,389**
2022	4.9%	5,620	13.1%	15,025	20,645
2021	4.9%	5,130	13.1%	13,714	18,844
2020	4.9%	5,170	13.1%	13,823	18,993
2019	4.9%	4,832	13.1%	12,918	17,750
2018	4.9%	4,687	13.1%	12,530	17,217
2017	4.9%	4,659	13.1%	12,455	17,114
2016	4.9%	4,475	13.1%	11,964	16,439
2015	4.9%	4,379	13.1%	11,707	16,086
2014	4.4%	3,971	12.6%	11,371	15,342
Total Taxes		$ 49,018		$ 131,801	$ 180,819

See accompanying independent auditors' report.

PATH Exempt Employees Supplemental Pension Plan

Schedule of Changes to Total Pension Liability and Related Ratios*	**2023**	2022	2021	2020	2019	2018	2017	2016	2015
					($ In thousands)				
Total Pension Liability									
Service cost	**$ 6,239**	$ 5,709	$ 3,905	$ 2,401	$ 1,720	$ 1,585	$ 1,323	$ 1,280	$ 900
Interest cost	**2,593**	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	**(754)**	915	1,082	2,926	1,778	(1,449)	5,478	(945)	51
Changes in assumptions	**(23,699)**	937	8,015	13,667	(15,700)	5,676	(5,496)	3,809	10,632
Benefit payments	**(4,074)**	(4,495)	(3,925)	(3,927)	(3,751)	(3,691)	(3,563)	(4,701)	(3,389)
Net change in total pension liability	**(19,695)**	5,600	21,333	18,222	(12,883)	5,290	703	2,293	11,465
Total Pension Liability (Beginning)	**121,653**	116,053	94,720	76,498	89,381	84,091	83,388	81,095	69,630
Total Pension Liability (Ending)	**$101,958**	**$ 121,653**	**$ 116,053**	**$ 94,720**	**$ 76,498**	**$ 89,381**	**$ 84,091**	**$ 83,388**	**$ 81,095**
Covered Payroll	**$ 16,160**	$ 16,106	$ 16,364	$ 14,872	$ 13,052	$ 13,913	$ 13,590	$ 13,187	$ 12,356
Total Pension Liability as a % of Covered Payroll	**630.9%**	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, 2023, 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	**2023**	2022	2021	2020	2019	2018	2017
				($ In thousands)			
Total OPEB liability:							
Service cost	**$ 84,179**	$ 35,107	$ 34,851	$ 32,566	$ 33,132	$ 25,442	$ 23,778
Interest cost	**245,921**	196,063	196,750	209,925	213,607	202,303	196,930
Changes in benefit terms	**(207)**	6,233	—	(2,928)	(4,046)	(6,948)	—
Differences between expected and actual experience	**123,420**	116,370	31,334	58,916	99,585	90,986	—
Changes in assumptions	**342,269**	557,468	(47,407)	(201,908)	(241,555)	(5,903)	—
Benefit payments	**(220,561)**	(189,699)	(173,920)	(148,836)	(156,536)	(147,761)	(143,528)
Net change in total OPEB liability	**575,021**	721,542	41,608	(52,265)	(55,813)	158,119	77,180
Total OPEB liability-beginning	**3,750,418**	3,028,876	2,987,268	3,039,533	3,095,346	2,937,227	2,860,047
Total OPEB liability–ending (a)	**4,325,439**	3,750,418	3,028,876	2,987,268	3,039,533	3,095,346	2,937,227
Plan fiduciary net position:							
Contributions–employer	**200,832**	—	—	30,061	256,536	247,761	243,528
Net investment income/(loss)	**211,782**	(310,021)	235,963	225,006	285,996	(86,274)	175,795
Benefit payments	**(220,561)**	(189,699)	(173,920)	(148,836)	(156,536)	(147,761)	(143,528)
Administrative expenses	**(101)**	(88)	(118)	(96)	(106)	(94)	(94)
Net change in plan fiduciary net position	**191,952**	(499,808)	61,925	106,135	385,890	13,632	275,701
Plan fiduciary net position–beginning	**1,467,878**	1,967,686	1,905,761	1,799,626	1,413,736	1,400,104	1,124,403
Plan fiduciary net position–ending (b)	**1,659,830**	1,467,878	1,967,686	1,905,761	1,799,626	1,413,736	1,400,104
Net OPEB liability–ending (a) – (b)	**$ 2,665,609**	$ 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	**38.37%**	39.14%	64.96%	63.80%	59.21%	45.67%	47.67%
Covered-Employee payroll	**$ 1,013,683**	$ 975,057	$ 927,676	$ 987,081	$ 1,041,188	$ 870,525	$ 772,549
Net OPEB liability as a percentage of Covered-Employee payroll	**262.96%**	234.09%	114.39%	109.57%	119.09%	193.17%	198.97%

* 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.

PATH launches nine-car train service on the Newark-WTC line.

SCHEDULE A – REVENUES AND RESERVES

(pursuant to Port Authority bond resolutions)

	Year ended December 31, 2023			2022
	Operating Fund	**Reserve Funds**	**Combined Total**	Combined Total
		(In thousands)		
Gross operating revenues:				
Tolls and fares	$ 2,070,662	$ —	**$ 2,070,662**	$ 1,942,726
Rentals	2,249,607	—	**2,249,607**	2,035,180
Aviation fees	1,606,056	—	**1,606,056**	1,395,424
Parking and other	549,780	—	**549,780**	478,337
Utilities	148,952	—	**148,952**	182,163
Total gross operating revenues	6,625,057	—	**6,625,057**	6,033,830
Operating expenses:				
Employee compensation, including benefits	1,801,019	—	**1,801,019**	1,438,403
Contract services	1,203,897	—	**1,203,897**	1,059,209
Rents and payments in-lieu-of taxes (“PILOT”)	445,628	—	**445,628**	408,330
Materials, equipment, and other	446,055	—	**446,055**	336,727
Utilities	202,970	—	**202,970**	243,750
Total operating expenses	4,099,569	—	**4,099,569**	3,486,419
Net operating revenues	2,525,488	—	**2,525,488**	2,547,411
Financial income:				
Interest income	49,677	86,418	**136,095**	54,962
Net increase (decrease) in fair value of investments	20,935	105,276	**126,211**	(139,119)
Contributions in aid of construction	225,680	—	**225,680**	288,692
Application of WTC Retail Joint Venture Payments	—	—	**—**	16,968
Application of Passenger Facility Charges	488,053	—	**488,053**	63,664
Application of 4 WTC associated payments	34,732	—	**34,732**	34,745
Grants, in connection with operating activities	111,886	—	**111,886**	160,290
Pass-through grant program payments	(12,156)	—	**(12,156)**	—
Net revenues available for debt service and reserves	3,444,295	191,694	**3,635,989**	3,027,613
Debt service:				
Interest on bonds and other asset financing obligations	1,018,184	119,566	**1,137,750**	982,661
Interest expense incurred during construction	127,566	—	**127,566**	207,264
Debt maturities and retirements	478,055	—	**478,055**	463,107
Repayment of special obligations	—	5,909	**5,909**	4,859
Total debt service	1,623,805	125,475	**1,749,280**	1,657,891
Transfers to reserves	$ (1,820,490)	1,820,490	**—**	—
Revenues after debt service and transfers to reserves		1,886,709	**1,886,709**	1,369,722
Direct investment in facilities		(943,156)	**(943,156)**	(867,790)
Change in Accounting Principle – pension/OPEB		(24,086)	**(24,086)**	(22,511)
Increase in reserves		919,467	**919,467**	479,421
Reserve balances, January 1		3,888,303	**3,888,303**	3,408,882
Reserve balances, December 31		$ 4,807,770	**$ 4,807,770**	$ 3,888,303

See Notes to Financial Statements.

SCHEDULE B – ASSETS AND LIABILITIES

(pursuant to Port Authority bond resolutions)

	December 31, 2023				2022
	Operating Fund	**Capital Fund**	**Reserve Funds**	**Combined Total**	Combined Total
ASSETS			(In thousands)		
Current assets:					
Cash	$ 169,221	$ —	$ 1,189	**$ 170,410**	$ 229,235
Restricted cash:					
Passenger Facility Charges	919	—	—	**919**	7,812
Port Authority Insurance Captive Entity, LLC	75,248	—	—	**75,248**	58,059
Harbor Dredging	19,124	—	—	**19,124**	32,299
Other, including Asset Forfeiture Funds	10,552	—	—	**10,552**	9,284
Investments	343,229	16,453	975,561	**1,335,243**	1,475,688
Restricted Investments – PAICE	8,356	—	—	**8,356**	11,236
Restricted Investments – PFC	5,315	—	—	**5,315**	187,109
Interfund balances	(252,086)	60,252	191,834	**—**	—
Current receivables, net	1,266,292	—	2,597	**1,268,889**	1,067,862
Other current assets	92,087	64,377	—	**156,464**	132,904
Restricted receivables and other assets	119,741	—	—	**119,741**	57,123
Total current assets	1,857,998	141,082	1,171,181	**3,170,261**	3,268,611
Noncurrent assets:					
Restricted cash	4,452	—	—	**4,452**	4,560
Investments	—	—	3,636,589	**3,636,589**	2,804,280
Restricted investments – PAICE	119,603	—	—	**119,603**	86,666
Other amounts receivable, net	128,110	36,638	—	**164,748**	260,863
Other noncurrent assets	1,574,197	4,663	—	**1,578,860**	1,720,005
Restricted other noncurrent assets – PAICE	4,785	—	—	**4,785**	4,795
Amounts receivable – Tower 4 Liberty Bonds	—	1,232,505	—	**1,232,505**	1,234,705
Invested in facilities	—	71,301,755	—	**71,301,755**	69,388,077
Total noncurrent assets	1,831,147	72,575,561	3,636,589	**78,043,297**	75,503,951
Total assets	3,689,145	72,716,643	4,807,770	**81,213,558**	78,772,562
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	517,098	—	—	**517,098**	774,172
OPEB related amounts	975,122	—	—	**975,122**	844,222
LIABILITIES					
Current liabilities:					
Accounts payable	362,814	566,935	—	**929,749**	913,469
Accrued interest and other current liabilities	827,261	—	—	**827,261**	745,896
Restricted other liabilities – PAICE	7,620	—	—	**7,620**	386
Accrued payroll and other employee benefits	203,106	—	—	**203,106**	255,089
Unapplied Passenger Facility Charges	52,446	—	—	**52,446**	224,308
Consolidated Notes, series AAA	—	—	—	**—**	1,100,000
Current portion bonds and other asset financing obligations	34,929	531,057	—	**565,986**	2,126,538
Total current liabilities	1,488,176	1,097,992	—	**2,586,168**	5,365,686
Noncurrent liabilities:					
Accrued pension and other postemployment benefits	3,534,546	—	—	**3,534,546**	2,404,193
Other noncurrent liabilities	283,073	17,086	—	**300,159**	294,499
Restricted other noncurrent liabilities – PAICE	24,780	—	—	**24,780**	27,051
Amounts payable – Tower 4 Liberty Bonds	—	1,232,505	—	**1,232,505**	1,234,705
Bonds and other asset financing obligations	1,270,681	24,459,792	—	**25,730,473**	23,351,819
Total noncurrent liabilities	5,113,080	25,709,383	—	**30,822,463**	27,312,267
Total liabilities	6,601,256	26,807,375	—	**33,408,631**	32,677,953
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	70,838	—	—	**70,838**	870,614
OPEB related amounts	110,034	—	—	**110,034**	197,735
NET POSITION	$ (1,600,763)	$ 45,909,268	$ 4,807,770	**$ 49,116,275**	$ 46,644,654
Net position is comprised of:					
Facility infrastructure investment	$ —	$ 45,909,268	$ —	**$ 45,909,268**	$ 44,411,016
Change in accounting principle – pension/OPEB	(1,600,763)	—	—	**(1,600,763)**	(1,654,665)
Reserves	—	—	4,807,770	**4,807,770**	3,888,303
NET POSITION	$ (1,600,763)	$ 45,909,268	$ 4,807,770	**$ 49,116,275**	$ 46,644,654

See Notes to Financial Statements.

SCHEDULE C – ANALYSIS OF RESERVE FUNDS

(pursuant to Port Authority bond resolutions)

	Year ended December 31, 2023			2022
	General Reserve Fund	**Consolidated Bond Reserve Fund**	**Combined Total**	Combined Total
	(In thousands)			
Balance, January 1	$ 2,551,509	$ 1,336,794	**$ 3,888,303**	$ 3,408,882
(Decrease)/increase in reserve funds*	(27,707)	2,039,891	**2,012,184**	1,476,145
	2,523,802	3,376,685	**5,900,487**	4,885,027
Applications:				
Principal on asset financing obligation	—	5,909	**5,909**	4,859
Interest on asset financing obligations	—	119,566	**119,566**	101,564
Direct investment in facilities	—	943,156	**943,156**	867,790
Change in Accounting Principle – pension/OPEB	—	24,086	**24,086**	22,511
Total applications	—	1,092,717	**1,092,717**	996,724
Balance, December 31	$ 2,523,802	$ 2,283,968	**$ 4,807,770**	$ 3,888,303

* Combined increase in reserve funds consists of "Transfers to reserves" from the operating fund totaling $1.8 billion, plus financial income generated on reserve funds of $191.7 million in 2023.

See Notes to Financial Statements.

Rendering of the new Terminal 6 interior at John F. Kennedy International Airport.

STATISTICAL AND OTHER SUPPLEMENTAL INFORMATION

For the Year Ended December 31, 2023

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, nonoperating 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)

	2023	2022 (Restated)	2021 (Restated)
		(In thousands)	
Revenues, Expenses, and Changes in Net Position:			
Gross operating revenues:			
Tolls and fares	**$ 2,070,662**	$ 1,942,726	$ 1,836,692
Rentals[a][d]	**2,187,837**	1,978,706	1,565,609
Aviation fees	**1,606,056**	1,395,424	1,213,743
Parking and other	**549,780**	478,337	353,261
Utilities	**148,952**	182,163	125,937
Rentals – Special Project Bonds Projects	**—**	—	—
Gross operating revenues	**6,563,287**	5,977,356	5,095,242
Operating expenses:			
Employee compensation, including benefits[c]	**1,801,019**	1,438,403	1,296,724
Contract services[e]	**1,200,165**	1,054,605	938,408
Rents and amounts in-lieu-of taxes (PILOT)[d]	**84,878**	47,434	59,715
Materials, equipment and other	**446,055**	336,727	289,810
Utilities	**202,970**	243,750	184,651
Interest on Special Project Bonds	**—**	—	—
Operating expenses	**3,735,087**	3,120,919	2,769,308
Net insurance recoverables	**—**	—	—
Depreciation of facilities and landlord leasehold investment	**(1,734,310)**	(1,717,977)	(1,601,696)
Amortization of costs for regional programs	**(6,478)**	(17,939)	(27,393)
Amortization of lease assets, as lessee[d]	**(176,755)**	(172,776)	(167,396)
Income/(loss) from operations[c]	**910,657**	947,745	529,449
(Loss)/income on investments (including fair value adjustment)[b]	**269,373**	(83,167)	(13,544)
Interest expense on bonds and other asset financing[b]	**(1,180,570)**	(1,109,910)	(1,152,878)
Interest income, as lessor[d]	**155,290**	140,978	140,611
Interest expense, as lessee[d]	**(213,973)**	(220,654)	(214,019)
Net (loss)/gain on disposition of assets, including leases	**(2,281)**	—	(4,623)
Pass-through grant program payments	**(12,156)**	—	(2,613)
4 WTC associated payments	**32,532**	32,545	66,715
Grants in connection with operating activities	**111,886**	160,290	256,609
Contributions in aid of construction	**227,574**	290,491	273,179
Passenger facility charges	**309,123**	274,414	159,854
Increase/(decrease) in net position December 31,[c][d]	**$ 607,455**	$ 432,732	$ $38,740
Net position is comprised of:			
Net investment in capital assets	**$ 15,128,051**	$ 14,942,315	$ 15,406,620
Restricted	**719,624**	851,723	606,816
Unrestricted[c][d]	**813,866**	260,048	(392,082)
Net position December 31,	**$ 16,661,541**	$ 16,054,086	$ 15,621,354

(a) 2014 - 2020 Rentals include amortization of unearned income related to the March 2014 transfer of the Port Authority's interests in the WTC Retail Joint Venture. 2021 and 2022 Rentals includes amortization of deferred inflows related to receivables recognized under GASB Statement No. 87, "*Leases*."

(b) For presentation purposes, amortization of bond premiums received at issuance for the years ended 2013 through 2016 have been reclassified from Income on investments to Interest expense on bonds and other asset financing.

See accompanying independent auditors' report.

2020	2019	2018	2017 (Restated)	2016	2015	2014
			(In thousands)			
$ 1,571,827	$ 1,876,911	$ 1,865,384	$ 1,873,622	$ 1,865,481	$ 1,718,770	$ 1,553,625
1,421,467	1,748,683	1,673,994	1,618,439	1,564,527	1,446,980	1,300,818
907,314	1,287,263	1,192,454	1,128,352	1,112,436	1,063,902	1,058,416
240,329	408,609	384,088	377,421	399,178	359,631	321,760
112,008	144,176	149,008	139,502	138,987	144,580	149,052
81,129	74,073	79,080	83,053	86,755	92,719	98,141
4,334,074	5,539,715	5,344,008	5,220,389	5,167,364	4,826,582	4,481,812
1,395,588	1,413,979	1,338,277	1,318,935	1,290,334	1,178,967	1,187,877
929,520	1,046,216	934,821	880,331	852,926	833,903	797,516
403,661	388,462	396,048	390,576	352,293	356,162	362,627
290,033	315,676	298,121	252,533	264,977	252,071	277,174
163,078	191,770	195,968	183,482	165,802	186,830	199,919
81,129	74,073	79,080	83,053	86,755	92,719	98,141
3,263,009	3,430,176	3,242,315	3,108,910	3,013,087	2,900,652	2,923,254
4,033	175,678	—	18,323	—	123	53,530
(1,533,267)	(1,420,696)	(1,329,283)	(1,231,139)	(1,173,747)	(1,124,383)	(932,149)
(33,217)	(36,730)	(41,874)	(44,164)	(64,765)	(64,665)	(64,484)
—	—	—	—	—	—	—
(491,386)	827,791	730,536	854,499	915,765	737,005	615,455
81,961	87,948	89,304	35,326	(3,974)	4,215	20,060
(1,011,896)	(968,242)	(937,983)	(908,343)	(900,914)	(882,840)	(648,204)
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	19,043
(26,853)	(3,142)	(1,438)	(19,717)	(10,695)	(51,429)	(107,606)
65,293	65,293	65,293	65,293	41,521	36,766	6,128
489,228	25,665	24,006	39,845	64,315	101,074	207,898
258,925	261,054	252,225	187,473	674,950	586,295	700,267
75,509	292,568	286,395	275,785	264,363	248,707	233,172
$ (559,219)	$ 588,935	$ 508,338	$ 530,161	$ 1,045,331	$ 779,793	$ 1,046,213
$ 14,954,997	$ 14,620,518	$ 14,190,682	$ 13,179,105	$ 12,746,144	$ 11,810,573	$ 10,402,894
538,552	550,736	500,610	760,912	567,443	456,429	470,857
414,561	1,296,075	1,187,102	1,430,039	3,261,307	3,262,561	3,900,789
$ 15,908,110	$ 16,467,329	$ 15,878,394	$ 15,370,056	$ 16,574,894	$ 15,529,563	$ 14,774,540

(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*."
(e) 2022 amounts include impacts related to the adoption of GASB Statement No. 96, "*SBITAs*"

SCHEDULE D-2 – SELECTED STATISTICAL DEBT SERVICE DATA

(pursuant to Port Authority bond resolutions)

	2023	2022	2021
		(In thousands)	
Gross operating revenues*:			
Tunnels, Bridges, and Terminals	$ 1,988,089	$ 1,880,833	$1,796,752
PATH	148,408	123,878	85,221
Port	371,322	396,989	386,625
Aviation	3,657,985	3,225,138	2,508,088
Development	26,566	25,991	23,080
World Trade Center	432,248	380,847	333,497
Other***	439	154	81
Total gross operating revenues	6,625,057	6,033,830	5,133,344
Operating expenses:*			
Tunnels, Bridges, and Terminals	(669,404)	(569,411)	(524,557)
PATH	(552,762)	(481,409)	(467,051)
Port	(197,560)	(181,602)	(164,852)
Aviation	(2,285,789)	(1,899,501)	(1,617,594)
Development	(19,451)	(11,268)	(11,215)
World Trade Center	(370,817)	(342,499)	(320,647)
Other***	(3,786)	(729)	(305)
Total operating expenses	$ (4,099,569)	$ (3,486,419)	$ (3,106,221)
Operating and maintenance contingencies	—	—	—
Net insurance recoverables	—	—	—
Amounts in connection with operating asset obligations	—	—	(708)
Net operating revenues	2,525,488	2,547,411	2,026,415
Financial income	262,306	(84,157)	(13,548)
Grants and contributions in aid of construction, net	325,410	448,982	525,452
Application of WTC Retail Joint Venture Payments**	—	16,968	—
Application of Passenger Facility Charges	488,053	63,664	147,557
Application of 4 WTC associated payments	34,732	34,745	66,715
Net revenues available for debt service and reserves (a)	3,635,989	3,027,613	2,752,591
DEBT SERVICE – OPERATIONS			
Interest on bonds and other asset financing obligations (b)	(1,145,750)	(1,088,361)	(1,098,922)
Times, interest earned (a/b)	3.17	2.78	2.50
Debt maturities and retirements (c)	(478,055)	(463,107)	(398,600)
Times, debt service earned [a/(b+c)]	2.24	1.95	1.84
APPLICATION OF RESERVES			
Direct investment in facilities	(943,156)	(867,790)	(870,697)
Debt retirement acceleration	—	—	—
Appropriations for self-insurance and changes in accounting principles	(24,086)	(22,511)	(21,038)
Interest on bonds and other asset financing obligations	(119,566)	(101,564)	(128,782)
Repayment of asset financing obligations	(5,909)	(4,859)	(26,678)
Net increase/(decrease) in reserves	919,467	479,421	207,874
RESERVE BALANCES			
January 1	3,888,303	3,408,882	3,201,008
December 31	4,807,770	3,888,303	3,408,882
Reserve funds balances represented by:			
General Reserve	2,523,802	2,551,509	2,480,806
Consolidated Bond Reserve	2,283,968	1,336,794	928,076
Total	$ 4,807,770	$ 3,888,303	$ 3,408,882
FINANCING OBLIGATIONS AT DECEMBER 31 (at par value)			
Consolidated Bonds and Notes	$ 24,653,960	$ 24,971,430	$ 24,189,474
Fund for regional development buy-out obligation	—	—	—
MOTBY obligation	38,144	40,992	43,697
Amounts payable – Special Project Bonds	—	—	—
Variable rate master notes	44,600	44,600	44,600
Commercial paper obligations	—	499,060	574,000
Special Obligation Institutional Loan Program	539,455	—	—
Port Authority equipment notes	—	—	—
Tower 4 Liberty Bonds	1,232,505	1,234,705	1,236,905
Goethals Bridge Replacement Developer Financing Arrangement	1,020,300	1,022,275	1,023,286
Total financing obligations	$ 27,528,964	$ 27,813,062	$ 27,111,962

* Gross operating revenues and operating expenses exclude GAAP adjustments related to GASB Statement No. 87 and GASB Statement No. 96.

** 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, Gateway Early Work Program, and Regional Facilities and Programs.

See accompanying independent auditors' report.

2020	2019	2018	2017	2016	2015	2014
			(In thousands)			
$ 1,542,081	$ 1,740,044	$ 1,737,458	$ 1,739,552	$ 1,742,028	$ 1,599,575	$ 1,447,896
82,110	210,610	203,800	202,880	191,261	184,560	168,668
327,665	322,061	310,637	295,651	300,569	270,263	248,443
2,032,359	2,913,161	2,762,279	2,682,523	2,646,213	2,537,233	2,479,106
21,370	24,380	25,632	24,967	25,956	26,561	51,077
319,195	319,952	294,735	264,769	252,086	199,883	79,323
34	247	207	787	682	756	680
4,324,814	5,530,455	5,334,748	5,211,129	5,158,795	4,818,831	4,475,193
(552,976)	(553,759)	(524,212)	(525,862)	(509,529)	(499,873)	(510,383)
(447,034)	(457,515)	(447,552)	(423,384)	(415,251)	(389,276)	(401,273)
(163,395)	(174,213)	(166,405)	(160,495)	(167,724)	(175,976)	(172,545)
(1,752,439)	(1,886,112)	(1,754,801)	(1,693,563)	(1,612,470)	(1,557,926)	(1,623,190)
(11,612)	(11,475)	(11,786)	(12,399)	(10,853)	(13,659)	(15,737)
(335,014)	(346,535)	(333,848)	(312,242)	(293,864)	(258,748)	(192,789)
(539)	(567)	(3,711)	(4,973)	(3,396)	(5,194)	(7,337)
(3,263,009)	(3,430,176)	(3,242,315)	(3,132,918)	(3,013,087)	(2,900,652)	(2,923,254)
—	—	—	—	—	(50,000)	—
4,033	175,678	—	18,323	—	123	53,530
(5,851)	(9,529)	(12,921)	(16,050)	(18,871)	(21,387)	(23,734)
1,059,987	2,266,428	2,079,512	2,080,484	2,126,837	1,846,915	1,581,735
81,867	87,440	86,250	33,574	(4,784)	4,080	14,687
712,295	252,765	220,741	193,381	347,390	321,980	565,444
—	—	—	—	77,869	66,963	652,104
131,149	289,639	433,326	285,335	229,921	273,721	221,156
65,293	65,293	65,293	65,293	41,520	36,766	6,128
2,050,591	2,961,565	2,885,122	2,658,067	2,818,753	2,550,425	3,041,254
(940,309)	(872,275)	(868,510)	(858,694)	(824,586)	(810,356)	(635,262)
2.18	3.40	3.32	3.10	3.42	3.15	4.79
(387,820)	(334,500)	(319,090)	(300,905)	(268,520)	(259,315)	(226,205)
1.54	2.45	2.43	2.29	2.58	2.38	3.53
(1,398,366)	(1,550,920)	(1,771,900)	(1,623,347)	(1,132,915)	(1,949,785)	(1,473,432)
—	—	(8,300)	—	—	—	—
(19,662)	(18,375)	—	—	—	—	28,100
(130,857)	(133,537)	(103,056)	(69,570)	(81,601)	(66,461)	(11,542)
(608)	81	(188)	(1,276)	6,669	(51,928)	(105,562)
(827,031)	52,039	(185,922)	(195,725)	517,800	(587,420)	617,351
4,028,039	3,976,000	4,161,922	4,357,647	3,839,847	4,427,267	3,809,916
3,201,008	4,028,039	3,976,000	4,161,922	4,357,647	3,839,847	4,427,267
2,401,503	2,388,243	2,297,475	2,297,475	2,297,475	2,297,475	2,131,711
799,505	1,639,796	1,678,525	1,864,447	2,060,172	1,542,372	2,295,556
$ 3,201,008	$ 4,028,039	$ 3,976,000	$ 4,161,922	$ 4,357,647	$ 3,839,847	$ 4,427,267
$ 23,388,115	$ 22,161,860	$ 20,898,775	$ 20,672,365	$ 20,429,565	$ 21,019,925	$ 19,229,020
52,898	100,258	143,939	184,230	221,393	253,732	283,562
46,268	48,711	51,032	53,237	55,332	44,383	48,254
—	1,150,415	1,245,835	1,327,680	1,391,170	1,451,170	1,530,510
69,600	69,600	69,600	77,900	77,900	77,900	77,900
557,325	500,565	480,765	464,615	388,315	425,760	448,185
—	—	—	—	—	—	—
—	—	—	—	—	—	31,500
1,225,520	1,225,520	1,225,520	1,225,520	1,225,520	1,225,520	1,225,520
1,023,398	1,022,518	1,021,023	934,198	744,401	430,800	210,316
$ 26,363,124	$ 26,279,447	$ 25,136,489	$ 24,939,745	$ 24,533,596	$ 24,929,190	$ 23,084,767

Note: This selected financial data is prepared primarily from information contained in Schedules A, B and C and is presented for general information only and is not intended to reflect the specific applications of the revenues and reserves of the Port Authority, which are governed by statutes and its bond resolutions.

SCHEDULE D-3 SELECTED STATISTICAL FINANCIAL DATA BY BUSINESS SEGMENT

(pursuant to U.S. GAAP)

	2023	2022[h] (Restated)	2021[g] (Restated)
		(In thousands)	
Gross Operating Revenues:[b]			
Tunnels, Bridges, and Terminals	**$ 1,987,504**	$ 1,879,336	$ 1,796,696
PATH	**147,947**	124,003	85,998
Port	**371,279**	396,977	386,622
Aviation	**3,653,830**	3,223,841	2,507,776
Development	**21,695**	21,346	18,536
World Trade Center	**380,593**	331,699	299,533
Other[a]	**439**	154	81
Total	**$ 6,563,287**	$ 5,977,356	$ 5,095,242
Operating Expenses:[b]			
Tunnels, Bridges, and Terminals	**$ 668,427**	$ 568,805	$ 524,422
PATH	**552,255**	481,163	466,844
Port	**176,769**	160,737	145,723
Aviation	**1,995,247**	1,603,391	1,345,891
Development	**19,111**	10,930	10,879
World Trade Center	**360,917**	295,907	275,268
Other[c][e]	**(37,639)**	706	281
Total	**$ 3,735,087**	$ 3,120,919	$ 2,769,308
Capital Investment:[d]			
Tunnels, Bridges, and Terminals	**$ 509,607**	$ 297,637	$ 393,208
PATH (including WTC Transportation Hub)	**361,490**	263,945	329,314
Port	**52,240**	29,709	37,834
Aviation[f]	**883,460**	1,086,597	1,053,077
Development	**—**	—	—
World Trade Center	**89,274**	80,114	106,809
Other[a]	**17,607**	5,309	2,709
Total	**$ 1,913,678**	$ 1,763,311	$ 1,922,951

(a) Includes Ferry Transportation, Access to the Regions Core, Moynihan Station Transportation Program, Gateway Early Work Program, and Regional Facilities and Programs.
(b) Amounts include all direct and allocated operating expenses.
(c) Includes Ferry Transportation, Access to the Regions Core, Regional Facilities and Programs, Moynihan Station Transportation Program, Gateway Early Work Program, and administrative expenses related to PAICE.
(d) Capital investment includes contributed capital amounts and is reduced by write-offs related to capital construction.

See accompanying independent auditors' report.

2020	2019	2018	2017 (Restated)	2016	2015	2014
			(In thousands)			
$ 1,542,081	$ 1,740,044	$ 1,737,458	$ 1,739,552	$ 1,742,028	$ 1,599,575	$ 1,447,896
82,110	210,610	203,800	202,880	191,261	184,560	168,668
327,665	322,061	310,637	295,651	300,569	270,263	248,443
2,032,359	2,913,161	2,762,279	2,682,523	2,646,213	2,537,233	2,479,106
21,370	24,380	25,632	24,967	25,956	26,561	51,077
328,455	329,212	303,995	274,029	260,655	207,634	85,942
34	247	207	787	682	756	680
$ 4,334,074	$ 5,539,715	$ 5,344,008	$ 5,220,389	$ 5,167,364	$ 4,826,582	$ 4,481,812
$ 552,976	$ 553,759	$ 524,212	$ 525,862	$ 509,529	$ 499,873	$ 510,383
447,034	457,515	447,552	423,384	415,251	389,276	401,273
163,395	174,213	166,405	160,495	167,724	175,976	172,545
1,752,439	1,886,112	1,754,801	1,693,563	1,612,470	1,557,926	1,623,190
11,612	11,475	11,786	12,399	10,853	13,659	15,737
335,014	346,535	333,848	312,242	293,864	258,748	192,789
539	567	3,711	(19,035)	3,396	5,194	7,337
$ 3,263,009	$ 3,430,176	$ 3,242,315	$ 3,108,910	$ 3,013,087	$ 2,900,652	$ 2,923,254
$ 582,366	$ 697,449	$ 931,539	$ 885,311	$ 1,179,307	$ 956,231	$ 961,854
339,882	358,166	340,635	274,429	454,031	268,428	512,415
43,999	120,019	146,153	106,455	133,874	93,729	210,496
1,101,960	1,588,820	989,693	772,520	584,996	791,805	715,456
1	111	3,682	893	1,569	2,110	1,977
216,441	266,795	314,472	311,122	846,597	904,787	1,674,030
5,182	6,307	39,547	150,409	290	3,144	3,822
$ 2,289,831	$ 3,037,667	$ 2,765,721	$ 2,501,139	$ 3,200,664	$ 3,020,234	$ 4,080,050

(e) 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*."
(f) Excludes LaGuardia Terminal B landlord leasehold capital investment of $74 million in 2023, $164 million in 2022 and $95 million in 2021
(g) 2021 amounts include impacts related to the adoption of GASB Statement No. 87, "*Leases*."
(h) 2022 amounts include impacts related to the adoption of GASB Statement No. 96, "*SBITAs*."

SCHEDULE E – INFORMATION ON PORT AUTHORITY OPERATIONS

(pursuant to U.S. GAAP)

	Year ended December 31, 2023								2022 (Restated)
	Gross Operating Revenues[e]	Operating Expenses[a]	Depreciation & Amortization	Amortization of Lease Assets, as Lessee	Income/(loss) from Operations	Interest, Grants & Other Expenses[b]	Capital Contributions & PFCs	**Increase/ (decrease) in Net Position**	Increase/ (decrease) in Net Position
					(In thousands)				
INTERSTATE TRANSPORTATION NETWORK									
George Washington Bridge & Bus Station	$ 899,534	$ 155,649	$ 75,190	$ —	$ 668,695	$ 36,740	$ —	**$ 631,955**	$598,437
Holland Tunnel	224,205	109,944	27,933	—	86,328	11,895	40,003	**114,436**	88,397
Lincoln Tunnel	300,935	143,786	90,615	162	66,372	48,581	1,321	**19,112**	8,086
Bayonne Bridge	50,977	24,783	34,418	—	(8,224)	46,610	—	**(54,834)**	(80,249)
Goethals Bridge	283,433	35,869	44,390	—	203,174	74,884	—	**128,290**	116,097
Outerbridge Crossing	188,807	21,164	7,911	—	159,732	2,679	—	**157,053**	143,204
Port Authority Bus Terminal	39,613	177,232	34,783	—	(172,402)	10,967	—	**(183,369)**	(166,203)
Subtotal – Tunnels, Bridges & Terminals	1,987,504	668,427	315,240	162	1,003,675	232,356	41,324	**812,643**	707,769
PATH[c]	142,422	520,617	152,739	—	(530,934)	173,150	53,058	**(651,026)**	(586,210)
WTC Transportation Hub[c]	—	13,991	82,374	—	(96,365)	(876)	2,662	**(92,827)**	(95,301)
Journal Square Transportation Center[c]	5,525	17,647	3,894	—	(16,016)	1,316	—	**(17,332)**	(20,829)
Subtotal – PATH	147,947	552,255	239,007	—	(643,315)	173,590	55,720	**(761,185)**	(702,340)
Ferry Transportation	166	241	4,995	21	(5,091)	2,179	—	**(7,270)**	(9,114)
Access to the Regions Core ("ARC")	—	—	—	—	—	270	—	**(270)**	(906)
Moynihan Station Transportation Program	—	—	10,000	—	(10,000)	1,508	—	**(11,508)**	(15,257)
Gateway Early Work Program	273	224	2,666	—	(2,617)	464	—	**(3,081)**	(3,924)
Total Interstate Transportation Network	2,135,890	1,221,147	571,908	183	342,652	410,367	97,044	**29,329**	(23,772)
AVIATION									
LaGuardia[d]	544,108	473,483	155,553	29,266	(114,194)	99,993	71,626	**(142,561)**	(72,160)
JFK International[d]	1,681,909	813,036	213,390	73,565	581,918	87,125	228,546	**723,339**	592,194
Newark Liberty International[d]	1,354,558	640,470	239,811	51,381	422,896	158,549	113,391	**377,738**	367,728
Teterboro	64,684	39,056	13,890	—	11,738	5,269	—	**6,469**	583
New York Stewart International[d]	8,571	29,202	11,841	846	(33,318)	(3,185)	3,354	**(26,779)**	(29,451)
Total Aviation	3,653,830	1,995,247	634,485	155,058	869,040	347,751	416,917	**938,206**	858,894
PORT									
Port Newark	104,336	89,771	31,487	7,667	(24,589)	31,763	1,007	**(55,345)**	(46,220)
Elizabeth Port Authority Marine Terminal	194,058	28,298	19,338	—	146,422	14,656	244	**132,010**	122,212
Brooklyn Port Authority Marine Terminal	8,055	19,965	3,175	—	(15,085)	1,742	—	**(16,827)**	(12,382)
Red Hook Terminal	3,374	7,042	84	—	(3,752)	(1,497)	1,122	**(1,133)**	(2,920)
Howland Hook Marine Terminal	15,595	7,468	10,275	767	(2,915)	11,035	—	**(13,950)**	(11,274)
Greenville Yard Port Authority Marine Terminal	1,177	117	—	—	1,060	—	—	**1,060**	957
NYNJ Rail LLC	7,351	5,921	5,466	—	(4,036)	4,886	4,489	**(4,433)**	(9,890)
Port Jersey – Port Authority Marine Terminal	37,333	18,187	14,956	—	4,190	(7,879)	2,834	**14,903**	(14,342)
Total Port	371,279	176,769	84,781	8,434	101,295	54,706	9,696	**56,285**	26,141
DEVELOPMENT									
Essex County Resource Recovery Facility	2,977	217	—	—	2,760	(110)	—	**2,870**	2,789
Industrial Park at Elizabeth	1,317	1,281	249	—	(213)	(710)	—	**497**	994
Bathgate Industrial Park	—	—	—	—	—	—	—	**—**	(57)
Teleport	11,168	16,790	1,496	331	(7,449)	34	—	**(7,483)**	(83)
Newark Legal & Communications Center	6	89	—	—	(83)	—	—	**(83)**	(104)
Queens West Waterfront Development	1,911	—	576	—	1,335	2,183	—	**(848)**	(2,862)
Hoboken South Waterfront Development	4,316	734	2,378	—	1,204	(7,611)	—	**8,815**	8,126
Total Development	21,695	19,111	4,699	331	(2,446)	(6,214)	—	**3,768**	8,803
WORLD TRADE CENTER									
WTC Campus	3,992	157,620	120,510	—	(274,138)	10,853	13,040	**(271,951)**	(227,680)
One World Trade Center	251,741	141,447	130,771	—	(20,477)	104,063	—	**(124,540)**	(134,299)
WTC Towers 2, 3 & 4	39,101	35,629	79,076	—	(75,604)	(99,543)	—	**23,939**	23,694
WTC Tower 7	33,026	17,228	—	—	15,798	(4,374)	—	**20,172**	20,343
WTC Retail	52,733	8,993	46,422	—	(2,682)	—	—	**(2,682)**	(29,459)
Total World Trade Center	380,593	360,917	376,779	—	(357,103)	10,999	13,040	**(355,062)**	(347,401)
LaGuardia Terminal B landlord leasehold investment	—	—	61,658	—	(61,658)	—	—	**(61,658)**	(62,855)
Regional Facilities and Other Programs[f]	—	(38,104)	6,478	12,749	18,877	22,290	—	**(3,413)**	(27,078)
Total	$6,563,287	$3,735,087	$1,740,788	$ 176,755	$ 910,657	$ 839,899	$ 536,697	**$ 607,455**	$432,732

(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 Charges.

(e) Gross operating revenues include the amortization of deferred inflows of resources related to leases recognized under GASB Statement No. 87, "*Leases*."

(f) Operating Expenses include GASB Statement No. 87 unallocated contra rent expense amounts related to leases entered into for the purpose of providing centralized support services to Port Authority facilities.

See accompanying independent auditors' report.

SCHEDULE F – INFORMATION ON CAPITAL INVESTMENT IN PORT AUTHORITY FACILITIES

(pursuant to U.S. GAAP)

	December 31, 2022	Capital Investment[(a)]	Depreciation	Dispositions	December 31, 2023
			(In thousands)		
INTERSTATE TRANSPORTATION NETWORK					
George Washington Bridge & Bus Station	$ 1,742,520	$ 191,865	$ 75,190	$ —	**$ 1,859,195**
Holland Tunnel	619,552	81,796	27,933	—	**673,415**
Lincoln Tunnel	1,732,525	143,648	90,615	—	**1,785,558**
Bayonne Bridge	1,507,700	474	34,418	—	**1,473,756**
Goethals Bridge	1,456,266	14,886	44,390	—	**1,426,762**
Outerbridge Crossing	109,693	8,926	7,911	—	**110,708**
Port Authority Bus Terminal	606,417	68,012	34,783	—	**639,646**
Subtotal – Tunnels, Bridges & Terminals	7,774,673	509,607	315,240	—	**7,969,040**
PATH	3,443,656	342,833	152,739	—	**3,633,750**
WTC Transportation HUB	3,214,740	9,241	82,374	—	**3,141,607**
Journal Square Transportation Center	58,776	9,416	3,894	—	**64,298**
Subtotal – PATH	6,717,172	361,490	239,007	—	**6,839,655**
Ferry Transportation	72,728	—	4,995	—	**67,733**
Access to the Region's Core ("ARC")	30,227	—	—	—	**30,227**
Moynihan Station Transportation Program	99,128	—	10,000	—	**89,128**
Gateway Early Work Program	52,496	17,607	2,666	—	**67,437**
Total Interstate Transportation Network	14,746,424	888,704	571,908	—	**15,063,220**
AVIATION[(b)]					
LaGuardia	2,931,115	23,332	155,553	—	**2,798,894**
JFK International	3,661,502	558,920	213,390	—	**4,007,032**
Newark Liberty International	4,631,438	225,818	239,811	—	**4,617,445**
Teterboro	201,196	2,946	13,890	—	**190,252**
New York Stewart International	140,322	(1,150)	11,841	—	**127,331**
Total Aviation	11,565,573	809,866	634,485	—	**11,740,954**
PORT					
Port Newark	721,455	24,817	31,487	—	**714,785**
Elizabeth Port Authority Marine Terminal	872,403	7,395	19,338	—	**860,460**
Brooklyn Port Authority Marine Terminal/Red Hook Terminal	74,316	5,188	3,259	—	**76,245**
Howland Hook Marine Terminal	425,354	—	10,275	—	**415,079**
Greenville Yard Port Authority Marine Terminal/NY NJ Rail LLC	186,000	3,403	5,466	—	**183,937**
Port Jersey-Port Authority Marine Terminal	473,642	11,437	14,956	—	**470,123**
Total Port	2,753,170	52,240	84,781	—	**2,720,629**
DEVELOPMENT					
Essex County Resource Recovery Facility	5,805	—	—	—	**5,805**
Industrial Park at Elizabeth	4,289	—	249	—	**4,040**
Teleport	1,780	—	1,496	—	**284**
Queens West Waterfront Development	80,793	—	576	—	**80,217**
Hoboken South Waterfront Development	50,937	—	2,378	—	**48,559**
Total Development	143,604	—	4,699	—	**138,905**
WORLD TRADE CENTER					
WTC Campus[(c)]	3,862,178	67,314	120,510	—	**3,808,982**
One World Trade Center	2,996,024	16,900	130,771	—	**2,882,153**
WTC Towers 2, 3 & 4[(d)]	2,581,699	1,034	79,076	—	**2,503,657**
WTC Retail	1,628,101	4,026	46,422	—	**1,585,705**
Total World Trade Center	11,068,002	89,274	376,779	—	**10,780,497**
FACILITIES, net	40,276,773	1,840,084	1,672,652	—	**40,444,205**
LaGuardia Terminal B landlord leasehold investment	1,135,986	73,594	61,658	—	**1,147,922**
TOTAL	$ 41,412,759	$ 1,913,678	$ 1,734,310	$ —	**$ 41,592,127**
REGIONAL FACILITIES & PROGRAMS	$ 14,907	$ —	$ 6,478	$ —	**$ 8,429**

(a) Capital investment includes contributed capital amounts and is reduced by capital write-offs.
(b) Facility capital investment amounts include projects funded with Passenger Facility Charges.
(c) Capital investment includes campuswide infrastructure primarily related to utilities, roadways, WTC Memorial, WTC Vehicular Security Center and the WTC Chiller Plant.
(d) Includes WTC net lessee required capital contributions related to the construction of WTC Towers 3 and 4.

See accompanying independent auditors' report.

SCHEDULE G – PORT AUTHORITY FACILITY TRAFFIC (UNAUDITED)*

	2023	2022	2021
TUNNELS AND BRIDGES (Eastbound Traffic)			
AUTOMOBILES			
George Washington Bridge	**46,019,125**	45,594,258	45,107,088
Lincoln Tunnel	**16,545,912**	17,181,771	15,631,752
Holland Tunnel	**15,201,121**	14,299,537	13,647,628
Staten Island Bridges	**34,413,854**	33,557,483	32,118,961
Subtotal Automobiles	**112,180,012**	110,633,049	106,505,429
BUSES			
George Washington Bridge	**239,769**	256,445	277,876
Lincoln Tunnel	**1,613,761**	1,526,562	1,399,329
Holland Tunnel	**52,541**	43,961	38,187
Staten Island Bridges	**148,171**	156,059	142,270
Subtotal Buses	**2,054,242**	1,983,027	1,857,662
TRUCKS			
George Washington Bridge	**4,369,170**	4,103,693	3,887,376
Lincoln Tunnel	**1,094,781**	979,555	870,595
Holland Tunnel	**439,248**	365,493	335,758
Staten Island Bridges	**2,490,863**	2,652,206	2,596,494
Subtotal Trucks	**8,394,062**	8,100,947	7,690,223
TOTAL VEHICLES			
George Washington Bridge	**50,628,064**	49,954,396	49,272,340
Lincoln Tunnel	**19,254,454**	19,687,888	17,901,676
Holland Tunnel	**15,692,910**	14,708,991	14,021,573
Staten Island Bridges	**37,052,888**	36,365,748	34,857,725
Subtotal Vehicles	**122,628,316**	120,717,023	116,053,314
PATH			
Total Passengers	**50,467,805**	42,582,013	29,245,022
Passenger Weekday Average	**164,590**	137,016	90,941
MARINE TERMINALS			
General cargo[(a)] (metric tons)	**33,066,977**	39,736,739	36,505,473
Containers (in twenty foot equivalent units)	**7,810,005**	9,493,664	8,985,929
International waterborne vehicles	**366,796**	420,929	458,026
Waterborne bulk commodities (in metric tons)	**3,066,864**	3,697,618	4,037,804
CONTAINERS			
New Jersey Marine Terminals	**4,145,208**	4,730,639	4,550,386
New York Marine Terminals	**182,945**	522,008	429,348
Subtotal Containers	**4,328,153**	5,252,647	4,979,734
BUS TERMINALS			
BUS DEPARTURES			
Port Authority Bus Terminal	**902,386**	862,645	840,000
George Washington Bridge Bus Station	**108,597**	104,710	105,000
PATH Journal Square Transportation Center Bus Station	**313,000**	289,000	289,704
Total Departures	**1,323,983**	1,256,355	1,234,704
AVIATION			
PLANE MOVEMENTS			
John F. Kennedy International Airport	**481,075**	449,238	290,778
LaGuardia Airport	**359,858**	352,582	175,765
Newark Liberty International Airport	**426,268**	401,326	282,280
New York Stewart International Airport	**25,967**	28,197	25,951
Subtotal Plane Movements	**1,293,168**	1,231,343	774,774
DOMESTIC PASSENGERS			
John F. Kennedy International Airport	**29,094,515**	28,449,455	18,037,803
LaGuardia Airport	**30,576,140**	27,807,585	15,319,871
Newark Liberty International Airport	**35,347,911**	31,943,547	22,446,527
New York Stewart International Airport	**150,763**	244,664	135,144
Subtotal Domestic Passengers	**95,169,329**	88,445,251	55,939,345
INTERNATIONAL PASSENGERS			
John F. Kennedy International Airport	**33,369,816**	26,838,256	12,750,519
LaGuardia Airport	**1,808,820**	1,286,207	281,192
Newark Liberty International Airport	**13,736,863**	11,621,707	6,603,025
New York Stewart International Airport	**103,102**	53,287	—
Subtotal International Passengers	**49,018,601**	39,799,457	19,634,736
TOTAL PASSENGERS			
John F. Kennedy International Airport	**62,464,331**	55,287,711	30,788,322
LaGuardia Airport	**32,384,960**	29,093,792	15,601,063
Newark Liberty International Airport	**49,084,774**	43,565,254	29,049,552
New York Stewart International Airport	**253,865**	297,951	135,144
Subtotal Passengers	**144,187,930**	128,244,708	75,574,081
CARGO-TONS			
John F. Kennedy International Airport	**1,585,503**	1,545,624	1,573,598
LaGuardia Airport	**6,026**	6,662	6,328
Newark Liberty International Airport	**695,325**	746,801	791,442
New York Stewart International Airport	**23,704**	24,707	30,996
Subtotal Cargo-tons	**2,310,558**	2,323,794	2,402,364
Revenue mail-tons	**104,943**	145,329	146,672

* Certain 2023 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.

See accompanying independent auditors' report.

2020	2019	2018	2017	2016	2015	2014
38,784,553	47,700,000	47,264,000	47,594,000	47,497,000	46,361,000	45,136,000
11,513,663	15,317,000	15,742,000	15,841,000	15,993,000	15,706,000	15,597,000
11,061,685	15,033,000	14,460,000	14,247,000	14,727,000	14,763,000	14,915,000
27,572,632	33,636,000	32,373,000	31,430,000	30,303,000	28,883,000	28,317,000
88,932,533	111,686,000	109,839,000	109,112,000	108,520,000	105,713,000	103,965,000
253,278	440,000	448,000	442,000	440,000	429,000	426,000
1,395,997	2,186,000	2,170,000	2,161,000	2,164,000	2,165,000	2,151,000
53,052	159,000	168,000	179,000	191,000	199,000	209,000
104,646	167,000	186,000	180,000	177,000	176,000	172,000
1,806,973	2,952,000	2,972,000	2,962,000	2,972,000	2,969,000	2,958,000
3,704,358	3,821,000	3,792,000	3,684,000	3,692,000	3,666,000	3,475,000
772,995	1,031,000	1,048,000	1,037,000	1,055,000	1,061,000	1,043,000
324,381	443,000	443,000	446,000	447,000	447,000	446,000
2,287,868	2,295,000	2,163,000	2,153,000	2,085,000	2,091,000	2,131,000
7,089,602	7,590,000	7,446,000	7,320,000	7,279,000	7,265,000	7,095,000
42,742,189	51,961,000	51,504,000	51,720,000	51,629,000	50,456,000	49,037,000
13,682,655	18,534,000	18,960,000	19,039,000	19,212,000	18,932,000	18,791,000
11,439,118	15,635,000	15,071,000	14,872,000	15,365,000	15,409,000	15,570,000
29,965,146	36,098,000	34,722,000	33,763,000	32,565,000	31,150,000	30,620,000
97,829,108	122,228,000	120,257,000	119,394,000	118,771,000	115,947,000	114,018,000
27,005,307	82,219,587	81,733,402	82,812,915	78,553,560	76,541,453	73,679,425
90,287	284,380	280,860	283,719	269,081	258,425	250,071
34,829,323	41,090,000	37,577,000	35,450,000	32,556,203	36,781,069	35,370,355
7,585,819	7,471,131	7,179,788	6,710,817	6,251,953	6,371,720	5,772,303
469,529	570,023	573,035	577,223	505,150	477,170	393,391
3,010,322	3,639,822	3,686,686	3,975,000	3,212,603	5,050,519	5,042,690
4,038,301	3,950,890	3,828,434	3,599,514	3,416,144	3,427,226	3,098,049
217,200	287,217	267,020	246,910	186,364	236,787	244,237
4,255,501	4,238,107	4,095,454	3,846,424	3,602,508	3,664,013	3,342,286
835,000	1,190,000	1,203,000	1,199,000	1,193,000	1,179,000	1,166,000
103,000	166,000	171,000	172,000	172,000	170,000	168,000
291,921	482,725	479,960	478,900	478,640	478,560	470,060
1,229,921	1,838,725	1,853,960	1,849,900	1,843,640	1,827,560	1,804,060
199,767	456,060	455,495	448,366	448,753	439,298	423,421
139,178	374,078	371,905	369,152	369,987	358,609	360,834
211,460	446,320	453,377	438,578	431,594	413,873	396,386
22,513	33,222	32,542	34,787	37,295	37,834	36,881
572,918	1,309,680	1,313,319	1,290,883	1,287,629	1,249,614	1,217,522
8,267,666	28,233,791	28,117,337	26,961,081	27,245,463	26,806,854	25,021,432
7,853,368	28,875,041	27,857,697	27,474,292	27,996,763	26,684,923	25,157,202
12,121,093	32,004,140	31,730,735	30,330,568	27,995,353	25,693,128	23,762,627
97,392	366,124	366,130	307,621	275,421	281,754	309,357
28,339,519	89,479,096	88,071,899	85,073,562	83,513,000	79,466,659	74,250,618
8,362,976	34,317,281	33,518,898	32,518,263	31,693,184	30,079,898	28,198,994
391,824	2,209,853	2,224,430	2,087,936	1,790,006	1,752,745	1,814,893
3,771,799	14,332,312	14,128,785	12,891,846	12,324,428	11,805,317	11,848,060
—	159,591	324,281	141,077	—	—	—
12,526,599	51,019,037	50,196,394	47,639,122	45,807,618	43,637,960	41,861,947
16,630,642	62,551,072	61,636,235	59,479,344	58,938,647	56,886,752	53,220,426
8,245,192	31,084,894	30,082,127	29,562,228	29,786,769	28,437,668	26,972,095
15,892,892	46,336,452	45,859,520	43,222,414	40,319,781	37,498,445	35,610,687
97,392	525,715	690,411	448,698	275,421	281,754	309,357
40,866,118	140,498,133	138,268,293	132,712,684	129,320,618	123,104,619	116,112,565
1,152,601	1,338,415	1,422,160	1,394,509	1,311,191	1,332,091	1,343,855
5,826	6,376	5,996	6,878	7,586	7,721	7,140
695,345	825,266	848,161	822,589	746,770	405,214	666,840
24,145	23,606	22,808	20,834	18,729	15,144	15,227
1,877,917	2,193,663	2,299,125	2,244,810	2,084,276	1,760,170	2,033,062
135,733	177,413	154,244	153,733	140,418	126,026	112,524

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

STATISTICAL SECTION

SELECTED STATISTICAL DEMOGRAPHIC AND ECONOMIC DATA

The New York-New Jersey Metropolitan Region, one of the largest and most diversified in the nation, consists of the five New York boroughs of Manhattan, Brooklyn, Queens, Staten Island, and the Bronx; the four suburban counties of Nassau, Rockland, Suffolk, and Westchester; and the nine northern New Jersey counties of Bergen, Essex, Hudson, Middlesex, Morris, Monmouth, Passaic, Somerset, and Union. The following demographic information is provided for this eighteen county region that comprises approximately 4,500 square miles.

Year	Population	Personal Disposable Income	Per-Capita Personal Disposable Income	Employment	Unemployment Rate
		(In thousands)			
2023[1]	**18,483**	**$ 1,373,883**	**$ 74.33**	**9,483**	**4.3%**
2022	18,558	$ 1,264,942	$ 68.16	9,247	4.4%
2021	18,747	$ 1,343,838	$ 71.68	8,720	7.5%
2020	19,024	$ 1,285,876	$ 67.59	8,486	10.4%
2019	18,977	$ 1,214,136	$ 63.98	9,390	3.6%
2018	18,865	$ 1,163,023	$ 61.65	9,263	3.9%
2017	18,750	$ 1,116,951	$ 59.57	9,134	4.4%
2016	18,634	$ 1,052,793	$ 56.50	8,975	4.7%
2015	18,518	$ 1,005,352	$ 54.29	8,809	5.2%
2014	18,400	$ 968,383	$ 52.63	8,624	6.3%

Leading Employment by Major Industries (% of Total)[2]

	2023[3]	2014
Education & Health Services	**20.6%**	17.2%
Professional & Business Services	**14.8%**	13.7%
Trade Transportation & Utilities	**14.1%**	15.4%
Government	**11.1%**	12.2%
Leisure & Hospitality	**8.2%**	8.2%
Financial Activities	**8.2%**	7.9%
Retail Trade	**7.2%**	8.7%
Other Services	**3.6%**	3.8%
Wholesale Trade	**3.3%**	3.7%
Information	**3.3%**	3.2%
Construction	**3.2%**	3.1%
Manufacturing	**2.4%**	2.8%

Sources: Oxford Economics and BLS

(1) Data is preliminary and subject to revision.
(2) Industry definitions can be found at the U.S. Department of Labor Statistics website at www.bls.gov/bls/naics.htm.
(3) BLS Data is preliminary and subject to revision.

AUTHORIZED POSITIONS BY DEPARTMENT

	2023
Department	
Aviation	1,541
PATH	1,270
Tunnels, Bridges & Terminals	793
Operations Services	426
Port	196
World Trade Center	24
Office of the Chief Operating Officer	7
Total Line Departments	**4,257**
Port Authority Police Department	1,861
Security Operations & Programs	151
Security Business Resource Management	66
Preparedness, Intelligence & Inspections	24
Office of the Chief Security Officer	5
Total Security Departments	**2,107**
Engineering	**543**
Comptrollers'	84
Treasury	33
Management & Budget	27
Financial Planning	10
Office of the Chief Financial Officer	12
Total Finance Departments	**166**
Inspector General / Office of Investigations	68
Audit	63
Total Inspector General	**131**
Major Capital Projects / WTC Construction	**109**
Human Capital / Human Resources	97
Labor Relations	10
Total Human Capital / Human Resources	**107**
General Counsel / Law	**97**
Technology Services	**93**
Procurement	**75**
Real Estate	17
Project Management Office	16
Planning & Regional Development	15
Office of Sustainability	14
Office of the Chief Development Officer	7
Office of Continuous Improvement	5
Total Development Departments	**74**
Chief Health & Safety Officer	**52**
Marketing	27
Media Relations	10
Office of the Chief Communications Officer	4
Total Communication Departments	**41**
Diversity & Inclusion Office	**32**
Office of the Secretary	**18**
Priority Programs	**20**
Intergovernmental Affairs	**16**
Gateway	**6**
Ethics & Compliance	**6**
Office of the Executive Director	**5**
TOTAL AUTHORIZED POSITIONS	**7,955**

Source: 2024 Adopted Budget

TOP 20 SALARIED STAFF AS OF DECEMBER 31, 2023

JAMES D. HEITMANN[1]
Chief Operating Officer
2023 total compensation: $319,113
B.E., Stevens Institute of Technology
More than 35 years of engineering, project management, and aviation leadership experience.

AMY H. FISHER[2]
General Counsel
2023 total compensation: $299,926
J.D., Columbia University School of Law
B.A., Wesleyan University
More than 35 years of legal experience, including regulatory affairs and compliance.

ELIZABETH M. MCCARTHY
Chief Financial Officer
2023 total compensation: $313,412
B.S., St. Louis University
More than 30 years of financial experience in the public and private sectors.

RICHARD COTTON
Executive Director
2023 total compensation: $290,051
J.D., Yale Law School
A.B., Harvard College
More than 30 years of private sector, legal, and public sector management experience.

STEVEN P. PLATE
Chief, Major Capital Projects
2023 total compensation: $346,891
B.S., Manhattan College
More than 30 years of experience in program management in the private and public sectors.

DEREK H. UTTER
Chief Development Officer
2023 total compensation: $298,174
M.B.A., the Wharton School of the University of Pennsylvania
B.A., University of California, Los Angeles
More than 25 years of infrastructure, corporate finance, and government experience.

GREGORY EHRIE
Chief Security Officer
2023 total compensation: $303,066
B.A., Manhattan College
More than 30 years of military, federal law enforcement, and private sector security experience.

DANIELLE M. OUTLAW[3]
Deputy Chief Security Officer
2023 total compensation: $118,187
M.B.A., Pepperdine University
B.A., University of San Francisco
More than 25 years of policing and law enforcement experience.

TERESA A. RIZZUTO
General Manager, John F. Kennedy International Airport
2023 total compensation: $295,042
More than 30 years of aviation management experience.

CHARLES R. EVERETT
Director, Aviation
2023 total compensation: $292,057
B.A., University of Pennsylvania
More than 35 years of experience in transportation and aviation leadership.

MARYLEE HANNELL
Chief, Human Capital
2023 total compensation: $308,834
B.A., Drew University
More than 30 years of professional experience in human resources in the private and public sectors.

DIANNAE C. EHLER
Director, Tunnels, Bridges & Terminals
2023 total compensation: $287,199
M.B.A., Fordham University
M.C.E., Manhattan College
B.C.E., Manhattan College
More than 30 years of transportation leadership experience.

CLARELLE D. DEGRAFFE
Director/General Manager, Port Authority Trans-Hudson (PATH)
2023 total compensation: $281,241
B.E., Stevens Institute of Technology
More than 17 years of public and private sector railroad construction and logistics experience.

ROBERT E. GALVIN
Chief Technology Officer
2023 total compensation: $286,327
B.S., Central Michigan University
More than 25 years of information technology experience in the public and private sectors.

LILLIAN D. VALENTI
Chief, Procurement & Contracting Officer
2023 total compensation: $295,902
M.A., Columbia University
B.A., Lafayette College
More than 15 years of public sector leadership and management experience.

ALAN L. REISS
Director, World Trade Center Construction
2023 total compensation: $351,312
B.S., Northeastern University
More than 30 years of engineering, project management, and executive management experience.

JANET D. COX
Chief of Staff & Special Counselor to Executive Director
2023 total compensation: $289,955
M.P.A., Baruch College
B.S., Stony Brook University
More than 30 years of experience in the public sector.

MICHAEL HARPSTER[4]
Security Operations Director
2023 total compensation: $73,975
M.P.A., Northeastern University
B.S., Northeastern University
More than 35 years of policing, federal law enforcement, and private sector security experience.

JOHN GAY
Inspector General
2023 total compensation: $275,787
J.D., American University, Washington College of Law
B.A., Rutgers University
More than 30 years of legal experience in the public sector.

AARON F. SHERBURNE[5]
Deputy Director, Aviation
2023 total compensation: $262,650
M.P.A., Syracuse University
B.A., Wilkes University
More than 25 years of operations management experience.

Notes: Total compensation includes cash and imputed amounts earned during calendar year 2023.
(1) Mr. Heitmann was appointed Chief Operating Officer effective May 1, 2023.
(2) Ms. Fisher was appointed General Counsel effective October 4, 2023.
(3) Ms. Outlaw became the Deputy Chief Security Officer of the Port Authority on September 25, 2023.
(4) Mr. Harpster became the Director of the Security Operations Department of the Port Authority on September 5, 2023.
(5) Mr. Sherburne was appointed Deputy Director, Aviation effective December 11, 2023.

SCAN TO VIEW DIGITAL ANNUAL REPORT

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