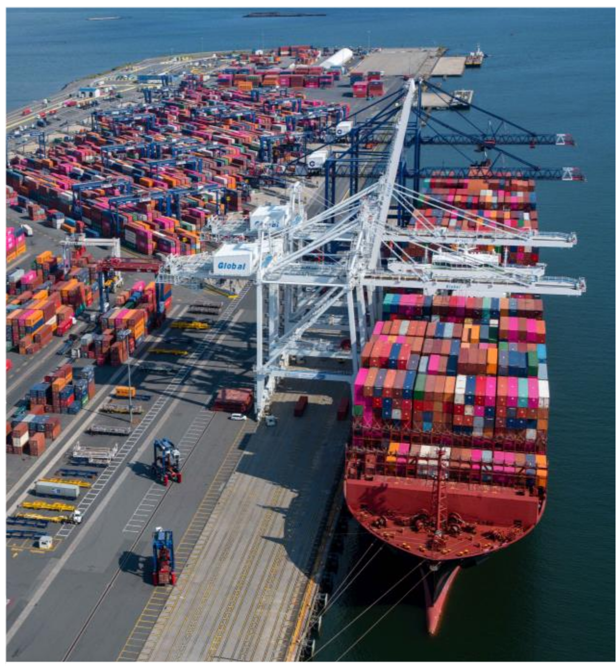
PORT AUTHORITY NY NJ
AIR LAND RAIL SEA

DECEMBER 18, 2025

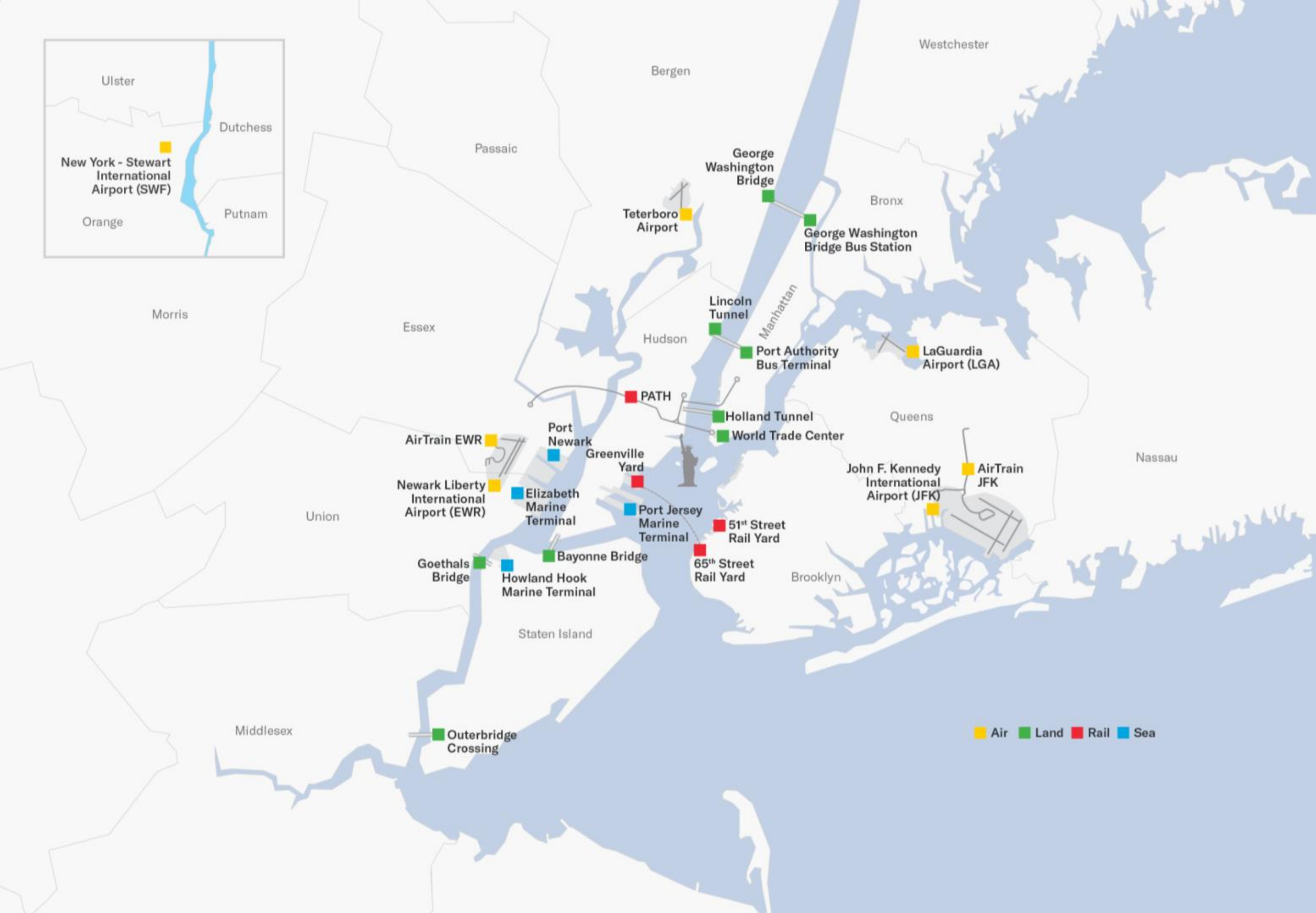
BUDGET 2026



OUR MISSION IS TO

Keep the Region Moving

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 services to move people and goods within the region, provide access to the nation and the world, and promote the region's economic development.



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ABOUT THE PORT AUTHORITY

The Port Authority is a municipal corporate instrumentality and political subdivision of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921 (“the Compact”), made by and between the two States, and thereafter consented to by the Congress of the United States. In the Compact the two States recited their confident belief that a better coordination of the terminal, transportation, and other facilities of commerce in the Port of New York would result in great economies benefiting the nation as well as the two States, and that the future development of such facilities would require the cordial cooperation of the two States in the encouragement of the investment of capital and in the formulation and execution of necessary plans.

The two States also recited that such result could best be accomplished through a joint or common agency, and to that end, after pledging, each to the other, faithful cooperation in the future planning and development of the Port of New York, they created the Port of New York District (“the Port District”) and The Port of New York Authority, the name of which was changed, effective July 1, 1972, to “The Port Authority of New York and New Jersey” (“the Port Authority”)[1] . The Port District comprises an area of about 1,500 square miles in both States centering around New York Harbor. The Port District includes the Cities of New York and Yonkers in the State of New York, and the Cities of Newark, Jersey City, Bayonne, Hoboken, and Elizabeth in the State of New Jersey, and over 200 other municipalities, including all or part of seventeen counties, in the two States (reference “The Port Authority of NY & NJ Facilities” map on page 2).

Today, the Port Authority’s facilities include two tunnels and four bridges between the States of New York and New Jersey, the Port Authority Trans Hudson commuter rail system (“PATH”), two bus terminals, trans Hudson ferry service, five airports, four marine terminals, the World Trade Center (“WTC”) campus, two waterfront development facilities, four industrial development facilities, a resource recovery facility, and certain regional development facilities.

For more detailed information on the Port Authority, see History of the Port Authority Information | Port Authority of New York and New Jersey (panynj.gov).

LETTER FROM THE BOARD OF COMMISSIONERS & EXECUTIVE DIRECTOR

Dear Governors,

As the Board of Commissioners for the Port Authority of New York and New Jersey, we are proud to present the agency's approved 2026 Budget of $10 billion that was developed to support our mission of building and managing vital transportation infrastructure in the New York-New Jersey region. We adopted this Budget at our December 2025 meeting.

Our Budget approval vote capped a momentous 2025. The Port Authority's Airports served 143 million passengers. Our vehicular crossings continued to reach or exceed pre-pandemic levels. The Port of New York & New Jersey continued to hold its position as the second-busiest seaport in the nation in terms of loaded cargo. In May, the agency broke ground on the first stage of the Midtown Bus Terminal replacement project. In October, the Port Authority broke ground on a new AirTrain system for Newark Liberty International Airport (EWR). This followed the June groundbreaking for the NEC Station Access project that will enable the residents of Elizabeth and Newark to access the station and its rail connections for the first time. And critical progress continued to be made on the PATH Forward project that is designed to improve PATH's over-100-year-old infrastructure, enhancing service reliability and allowing for service expansions that will begin in 2026. All of this was accomplished as the Port Authority continued its efforts delivering on our goal to provide a world-class travel experience.

The 2026 Budget supports ongoing efforts to rebuild and renew legacy infrastructure and advance several major projects across the region, while operating and maintaining our assets safely and efficiently. Our 2026 Budget reflects a deliberate and prudent allocation of our resources to the agency's strategic priorities noted below:

- **Customer Experience & Operational Excellence Initiatives** include $2.2 billion for the operation and maintenance of the agency's assets focused on providing operational best-in-class facilities and customer experience, including $676 million at Aviation, continuing investments that have earned numerous accolades, notably SkyTrax naming the new Terminal A at EWR the "World's Best New Airport Terminal" in 2024, and the Forbes Travel Guide naming LaGuardia Airport (LGA) the "Nation's Best Airport" two years in a row.

  New in 2026, an additional $19 million (or 10% percent) increase to PATH's $200 million annual operations budget for major increases in the frequency of train service both during peak weekday hours and also on weekends.

- **Funding for Safety, Security, & Cybersecurity Efforts** totals $1.1 billion, a new record level that is 5.4% higher than in the 2025 Budget. This increase is necessary to provide the Port Authority Police Department (PAPD) and other security-related resources the needed tools to adapt to the ever-changing physical and cybersecurity threat landscape.

- **21st Century Facilities** will be funded by Capital Spending to deliver modern, world-class infrastructure while accommodating future growth, amounting to $4.0 billion.

  The 2026 Capital Spending Budget: 1) advances the ongoing $19 billion transformation of JFK, including the opening of two new terminals and completion of the roadway network; 2) provides for a major ramp-up in the construction of the new Midtown Bus Terminal; 3) continues building a whole new AirTrain at EWR, as well as the opening of the NEC Station Access by the end of 2026; advances construction of airport ground initiatives at LGA, and (4) improves reliability and modernization of PATH's railcar fleet and track infrastructure.

The 2026 Budget also funds essential state-of-good-repair (SGR) work, including major construction at the George Washington Bridge (GWB) and its approaches, comprehensive rehabilitation of the Lincoln Tunnel (LT) helix structure and the deck and superstructure of the Outbridge Crossing (OBX), as well as critical improvements to the Port Newark Port Street Corridor roadway network.

- **Sustainability & Resiliency Efforts** to further the agency's commitment to deliver on its Net-Zero Roadmap, while also ensuring the climate resilience of its assets amidst the increasing frequency and intensity of extreme weather events. The 2026 Budget provides over $41 million to advance a net zero emissions future, and climate change resiliency-related projects.

  Of note, the 2026 Budget provides the resources necessary to achieve the agency's goal of reducing direct greenhouse gas emissions by 50% by the end of 2030, continues the replacement of internal combustion vehicles from the agency's fleet through electric vehicle (EV) replacement to advance achievement of the its 100% light-duty vehicle electrification goal by 2028, and expands the agency's solar power investments across the agency's facilities.

The 2026 Budget ensures that the Port Authority can aggressively drive forward the agency's work to rebuild, modernize, and enhance the region's transportation network, while offering customers a safe, seamless, and efficient journey. We thank you for your leadership and the opportunity to serve this agency with a mission so critically important to the region and the country.

Kevin J. O'Toole, *Chairman*

Jeffrey H. Lynford, *Vice Chairman*

J. Christian Bollwage, *Commissioner*

Fanny J. Cedeño, *Commissioner*

Marie Therese Dominguez, *Commissioner*

Leecia R. Eve, *Commissioner*

Elizabeth R. Fine, *Commissioner*

Winston C. Fisher, *Commissioner*

George S. Helmy, *Commissioner*

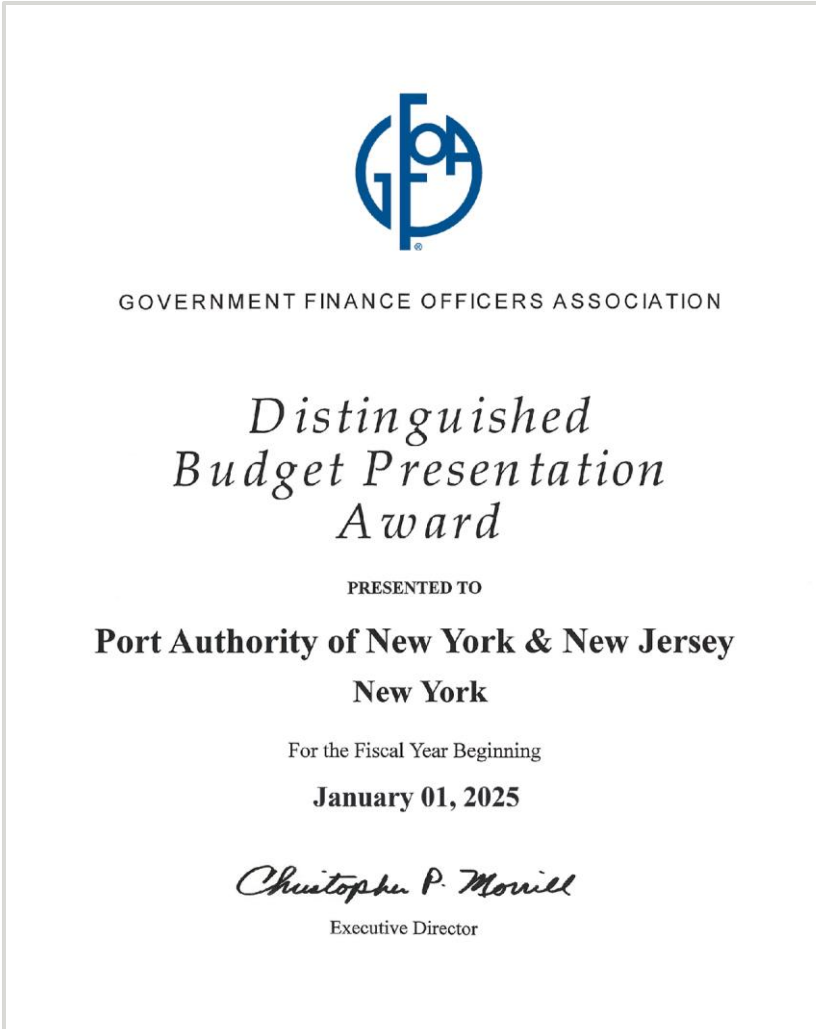
Joseph Kelley, *Commissioner*

Gary LaBarbera, *Commissioner*

Kevin P. McCabe, *Commissioner*

Kathryn Garcia, Executive *Director*

GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARD



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Port Authority of New York & New Jersey

New York

For the Fiscal Year Beginning

January 01, 2025

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (“GFOA”) presented a Distinguished Budget Presentation Award to the Port Authority for its Annual Budget for the fiscal year beginning January 01, 2025. To receive this award a governmental unit must publish a Budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. The Port Authority believes its current Budget continues to conform to program requirements and is submitting it to GFOA to determine its eligibility for another award.

BOARD OF COMMISSIONERS

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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Managing Partner
O'Toole/Scrivo, LLC

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

J. CHRISTIAN BOLLWAGE
Mayor
City of Elizabeth, New Jersey

FANNY CEDEÑO
Commissioner
Hudson County, New Jersey

MARIE THERESE DOMINGUEZ
Commissioner
New York State Department of Transportation

LEECIA EVE
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Ichor Strategies

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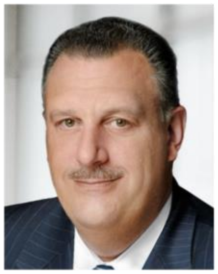
Partner, Fisher Brothers
CEO, AREA15

GEORGE HELMY
Executive Vice President, Chief External Affairs and Policy Officer
RWJBarnabas Health

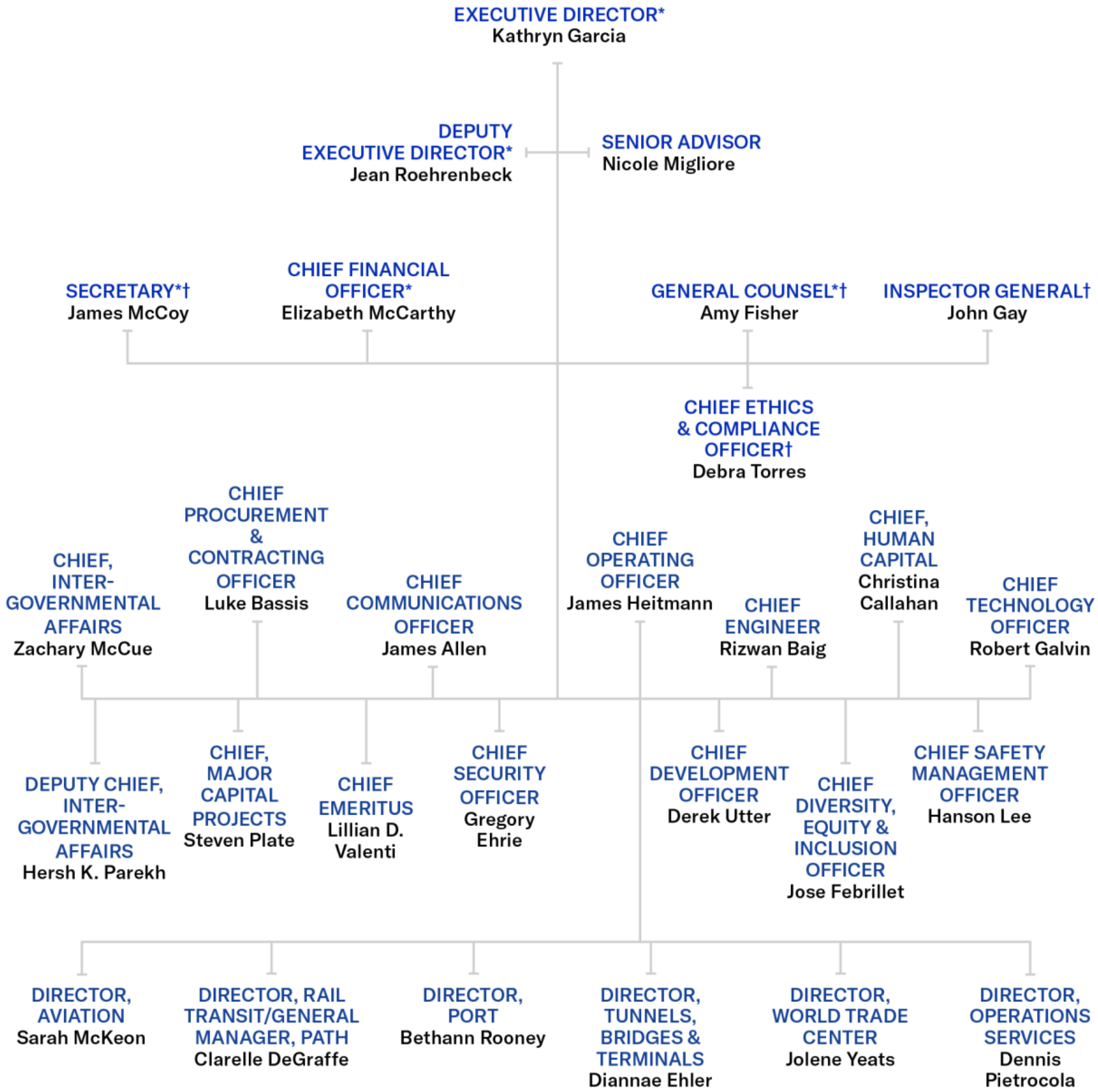
JOSEPH KELLEY
Partner
CHA Partners, Inc.



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

KEVIN P. MCCABE
Partner
River Crossing Strategy Group

OFFICERS & EXECUTIVE MANAGEMENT



* Positions reflect 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 Comptroller (Daniel McCarron), and a Treasurer (Sherien Khella)

† Also has reporting line to the Board of Commissioners

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Budget Summary

LGA was named the best U.S. airport by Forbes Travel Guide’s first Verified Air Travel Awards. The award is the latest in a long list of accolades given to LaGuardia throughout the course of the airport’s historic $8 billion transformation.

2026 BUDGET OVERVIEW

The Port Authority's mission is simple yet economically vital to the New York and New Jersey metropolitan region: to "Keep the Region Moving". And the Port Authority has been doing this for over one-hundred years. The Port Authority's vital network of facilities moves millions of people and millions of tons of cargo locally, nationally, and globally as it operates some of the busiest transportation systems in the nation and the world.

The 2026 Budget reflects a deliberate and responsible allocation of agency resources that is laser-focused on advancing initiatives across all operations. It has also been prepared with an eye beyond simply 2026 and toward the delivery of the agency's $45B 2026-2035 Capital Plan, which includes $42B in direct spending on Port Authority projects and the commitment to support debt service on up to $2.7 billion of Gateway Development Commission ("GDC") borrowing for the Hudson Tunnel Project. To that end, the 2026 Budget includes funding to deliver on the agency's core priorities of:

- **Customer Experience & Operational Excellence** The Port Authority is committed to improving the public's day-to-day experience across its facilities and providing exemplary operations.

  The 2026 Budget provides $2.2B for the operation and maintenance of the agency's assets focused on providing best-in-class facilities and customer experience, including $676M at Aviation, continuing the investments that have earned numerous accolades, including Skytrax naming the new Terminal A at Newark Liberty International Airport ("EWR") the "World's Best New Airport Terminal" in 2024, and Forbes Travel Guide naming LaGuardia Airport ("LGA") the "Nation's Best Airport" two years in a row.

  New for 2026, an additional $19M, or 10% is allocated to increase PATH's $200M annual operations budget for major increases in the frequency of train service both during peak weekday hours and also on weekends.

- **Safety, Security, & Cybersecurity** The Port Authority's top priority is to ensure the safety and security of the traveling public, the agency's dedicated employees, and agency's facilities.

  The 2026 Safety & Security Budget totals $1.1B, a new record level that is 5.4% higher than the 2025 Budget. This increase is necessary to provide the Port Authority Police Department ("PAPD") and other security-related resources the necessary tools to adapt to the ever-changing physical and cybersecurity threat landscape.

- **21st Century Facilities** The Port Authority is committed to rebuilding or replacing its aging infrastructure with 21st century world-class facilities designed to provide top notch transportation services, enhance customer experience and accommodate future growth.

  As part of the 2026-2035 Capital Plan, the 2026 Budget includes $4.0B of Port Authority Capital Spending. This spending will advance the ongoing transformation of JFK, driven by the investment of $19 billion of capital spending from a combination of private capital and Port Authority capital. The JFK project includes the opening of two new terminals and completion of the roadway network. The Capital Plan also provides for a major ramp-up in construction of the new Midtown Bus Terminal; continuing the building of a whole new AirTrain at EWR as well as the opening of Northeast Corridor ("NEC") Station access by the end of 2026; advance construction of airport ground access initiatives at LGA Airport; and improve reliability and modernization of PATH's railcar fleet and track infrastructure.

  The 2026 Capital Spending Budget also funds essential state of good repair ("SGR") work, including major construction at the George Washington Bridge ("GWB") and its approaches, comprehensive rehabilitation of the Lincoln Tunnel ("LT") helix structure and the deck and superstructure of the Outerbridge Crossing ("OBX"), as well as critical improvements to the Port Newark Port Street Corridor roadway network. `

- **Sustainability & Resiliency** The Port Authority is committed to delivering on its Net Zero Roadmap while also ensuring the climate resilience of its assets amidst the increasing frequency and intensity of extreme weather events.

  The 2026 Budget provides over $41M in funding to advance a net zero emissions future and for severe storm and climate change resiliency-related projects. Of note, funding continues to provide resources to advance the agency's goal of reducing direct greenhouse gas ("GHG") emissions by (50%) by 2030, continues the replacement of internal combustion vehicles from the agency's vehicle fleet through electric vehicle ("EV") replacements to advance achievement of its 100% light-duty vehicle electrification goal by 2028, and expands the agency's solar power investments across the agency's facilities.

2026 Budget Uses Overview

(Operating Expenses, Capital Spending, Debt Service, Deferred Spending)

The 2026 Uses Budget totals $10.0B and is comprised of the following:

- **Operating Expenses** total $4.2B in 2026. The 2026 Operating Expense Budget provides for *inflationary growth of $136M, or 3.4%* versus the 2025 Operating Expense Budget necessary for the continuity of operations and delivery of best-in-class customer service across all facilities.

  An additional *$36M of priority spending* above inflation is included to:

  – *Implement far-reaching PATH frequency of service increases* adding $19M to increase train service frequency during the weekday peak and weekends in response to ridership growth and rider requests;

  – *Provide Expenses Funded by Other Sources* adding $8M of recoverable costs including: 1) grant funded expenses of $3M to administer the $452M Environmental Protection Agency (“EPA”) Clean Ports Program and upgrade technology at the PATH control center; 2) reimbursable incremental annual construction support services of $3M provided to and paid for by the Gateway Development Commission (“GDC”) related to the construction of the Hudson River Tunnel core and shell; and, 3) airline requested expenses of $2M related to JFK fuel farm regulatory changes;

  – *Fund Non-Discretionary Revenue-Driven Costs* adding $6M for increased contractual City Rent payments at the three major airports as a direct result of projected revenue growth; and,

  – *Provide Temporary Support for Capital Construction* adding an incremental $3M to mitigate traffic congestion impacts and provide alternative transportation services as a result of capital construction. These Operating Expenses are funded from the 2026 Capital Spending plan but are recorded as Operating Expenses in accordance with Generally Accepted Accounting Principles (“GAAP”).

  In total, the 2026 Operating Expense Budget—both the baseline inflationary growth of $136M plus the additional $36M of priority spending—equates to a $172M, or 4.2% increase versus the 2025 Operating Expense Budget.

- **Capital Spending** totals $4.0B in 2026, continuing to advance the agency’s core transportation mission and commitment to rebuilding the agency’s aging infrastructure with 21st century world class facilities. This capital spending plan represents the first year of spending for the agency’s $45B 2026-2035 Capital Plan.

  The 2026 Capital Spending Budget will advance the ongoing $19B transformation of JFK, including the opening of two new terminals and completion of the roadway network; provide for a major ramp-up in construction of the new Midtown Bus Terminal; continue building a whole new AirTrain at EWR as well as the opening of NEC Station access by the end of 2026; advance construction of airport ground access initiatives at LGA Airport; and improve reliability and modernization of PATH’s railcar fleet and track infrastructure. The 2026 Capital Spending Budget also funds essential state of good repair (“SGR”) work, including major construction at the George Washington Bridge (“GWB”) and its approaches, comprehensive rehabilitation of the Lincoln Tunnel (“LT”) helix structure and the deck and superstructure of the Outerbridge Crossing (“OBX”), as well as critical improvements to the Port Newark Port Street Corridor roadway network.

- **Debt Service**[1] payments total $1.7B in 2026. The 2026 Debt Service Budget includes principal and interest payments on current outstanding debt that was issued in support of the Capital Plan as well as incremental debt included in the 2026 Plan of Finance in support of the Capital Plan.
- **Deferred Spending** for expenditures that are made in the current year, but which benefit multiple years—such as vehicle purchases, software/hardware purchases, and investments/renovations in properties leased by the Port Authority—totals $120M in 2026 and reflects a decrease of ($18M), or (13%) versus the 2025 Deferred Spending Budget driven by the timing of the vehicle purchase program.

Overall, the 2026 Uses Budget ensures that the agency maintains its commitment to high standards of safety, security, cleanliness, and customer experience while continuing to rebuild the agency's aging infrastructure with 21st century facilities designed to provide top notch transportation services, enhance customer experience and accommodate future growth.

1 Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period." This statement requires that the Port Authority account for interest expense incurred during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

2026 Budget Sources Overview

(Gross Operating Revenues, Debt Issuances & Other, Grants & Contributions, Application of PFCs)

The 2026 Sources Budget totals $10.0B and is comprised of the following:

- **Gross Operating Revenues** are projected to total $7.5B in 2026 and reflect an increase of $428M, or 6.0% versus the 2025 Gross Operating Revenue Budget. This Budget includes various contractual inflation-based escalations and scheduled toll increases previously approved by the Board, as well as projected activity growth.

  The 2026 Gross Operating Revenue Budget also includes the incremental 2026 annual revenue generated by new revenue initiatives related to: 1) increased Airport Ground Transportation Access Fees for taxis and For-Hire Vehicles ("FHV") to align with peer airport fees and support the $21B 10-year Capital Plan spending for the airports ($29M); 2) the first of four phased-in increases to PATH fares to cover a portion of the cost of the service enhancements ($5M); and, 3) revisions to the bus tolls and terminals fee structure, creating three new bus classes for bus tolls separated by vehicle type ($4M) and adding a fee charged on bus arrivals ($1M) to support ongoing operations and the $11B investment in the new best-in-class midtown bus terminal.

  All these new revenue initiatives are necessary to produce the capital capacity required for the $45B 2026-2035 Capital Plan and are detailed further below.

- **Debt Issuances & Other Sources**[2] are projected to total $1.7B in 2026, which includes $1.5B of assumed 2026 bond or other debt issuances in alignment with the funding strategy and needs of the 2026 Capital Spending Budget as well as debt issuances for the purposes of refunding currently outstanding debt for debt service savings.

- **Grants & Contributions**—which includes contributions in aid of construction and grant revenues from various federal aid programs—are projected to total $451M in 2026 and reflect a decrease of ($79M), or (15%) versus the 2025 Grants & Contributions Budget driven by: 1) JFK Redevelopment Capital Contributions from state partners and airport developers whose contractual obligations have been met in prior years; 2) lower recoveries associated with the Bipartisan Infrastructure Law's Airport Infrastructure Grant ("AIG") program; and, 3) lower project spending on Superstorm Sandy FTA Grants. These decreases are partially offset by incremental contractual lease payments at the Elizabeth Port Authority Marine Terminal per the terms of a lease extension with APM Terminals.

- **Application of Passenger Facility Charges ("PFC")**—which reflects fees collected from passengers utilizing the airports and applied to eligible airport Capital projects—are projected to total $306M in 2026 and reflect a decrease of ($3M), or (1%) versus the 2025 Application of PFCs Budget in-line with projected passenger activity levels.

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2 Other Sources includes unspent proceeds from previous debt issuances, financial income, and the application of monies from the Consolidated Bond Reserve Fund for purposes of funding Capital investments in Port Authority facilities.

2026 REVENUES & RESERVES

Pursuant to Port Authority Bond Resolutions

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
	Year ended December 31st			
Gross Operating Revenues*	$6,930,518	$7,093,712	$7,226,784	**$7,479,457**
Operating Expenses*	4,011,773	4,057,086	4,102,225	**4,229,347**
Net Operating Revenues	**$2,918,745**	**$3,036,626**	**$3,124,559**	**$3,250,110**
Contributions in Aid of Construction	346,455	500,711	508,580	**224,335**
Application of PFCs	293,050	308,741	295,182	**305,671**
Financial Income & Other	236,175	160,516	164,901	**171,782**
Tower 4 Liberty Bond Contributions	34,717	34,699	34,696	**35,054**
Grants in Connection with Operating Activities	234,868	32,127	232,876	**453,299**
1 WTC Equity Distribution	(10,071)	(9,719)	(9,719)	**(10,421)**
Pass-Through Grant Program Payments	(48,206)	(1,280)	(1,025)	**(225,818)**
Non-Operating Revenues	**$1,086,988**	**$1,025,795**	**$1,225,491**	**953,902**
Net Revenues Available for Debt Service & Reserves	**$4,005,733**	**$4,062,421**	**$4,350,050**	**$4,204,012**
Interest on Consolidated Bonds & Notes	1,008,340	966,191	931,580	**985,313**
Debt Maturities & Retirements	515,545	534,060	534,060	**538,870**
Goethals Bridge Replacement DFA	61,297	62,217	62,217	**63,150**
Repayment of Asset Financing Obligations	1,826	21,821	21,745	**2,022**
Interest from Special Obligations	61,256	62,980	56,495	**67,379**
Subtotal Debt Service to Operations	**$1,648,264**	**$1,647,269**	**$1,606,097**	**1,656,734**
Interest Expense Incurred During Construction**	154,341	210,789	229,310	**208,814**
Total Debt Service	**$1,802,605**	**$1,858,058**	**$1,835,407**	**$1,865,548**
Revenues After Debt Service & Transfers to Reserves	**$2,203,128**	**$2,204,363**	**$2,514,643**	**$2,338,464**
Direct Investment in Facilities	(1,722,404)	(2,240,800)	(2,342,514)	**(2,426,186)**
Non-Cash Pension & OPEB Recoveries	81,535	–	24,626	**68,223**
Non-Cash Pension & OPEB Adjustments***	(311,775)	(206,900)	(326,732)	**(507,304)**
Non-Cash Fair Value of Investments	19,291	–	50,635	**–**
Change in Accounting Principles****	(25,773)	(27,579)	(27,577)	**(29,509)**
(Decrease) / Increase in Reserves†	**$244,002**	**($270,916)**	**($106,919)**	**($556,312)**
Reserve Balances, January 1st*****	$4,807,770	$4,883,010	$5,051,772	**$4,944,853**
Reserve Balances, December 31st †	**$5,051,772**	**$4,612,094**	**$4,944,853**	**$4,388,541**

* Pursuant to Port Authority Bond Resolutions treatment of rental income and rent expense are recognized based on the rental terms contained in the respective lease agreements, including subscription-based information technology arrangements. 2024A, 2025E, and 2026B exclude incremental actuarily determined non-cash pension and OPEB cost recoveries related to the airlines of $82M, $25M, and $68M respectively.

** Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period." This statement requires that the Port Authority account for interest expense incurred during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan and the 2026-2035 Capital Plan . As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

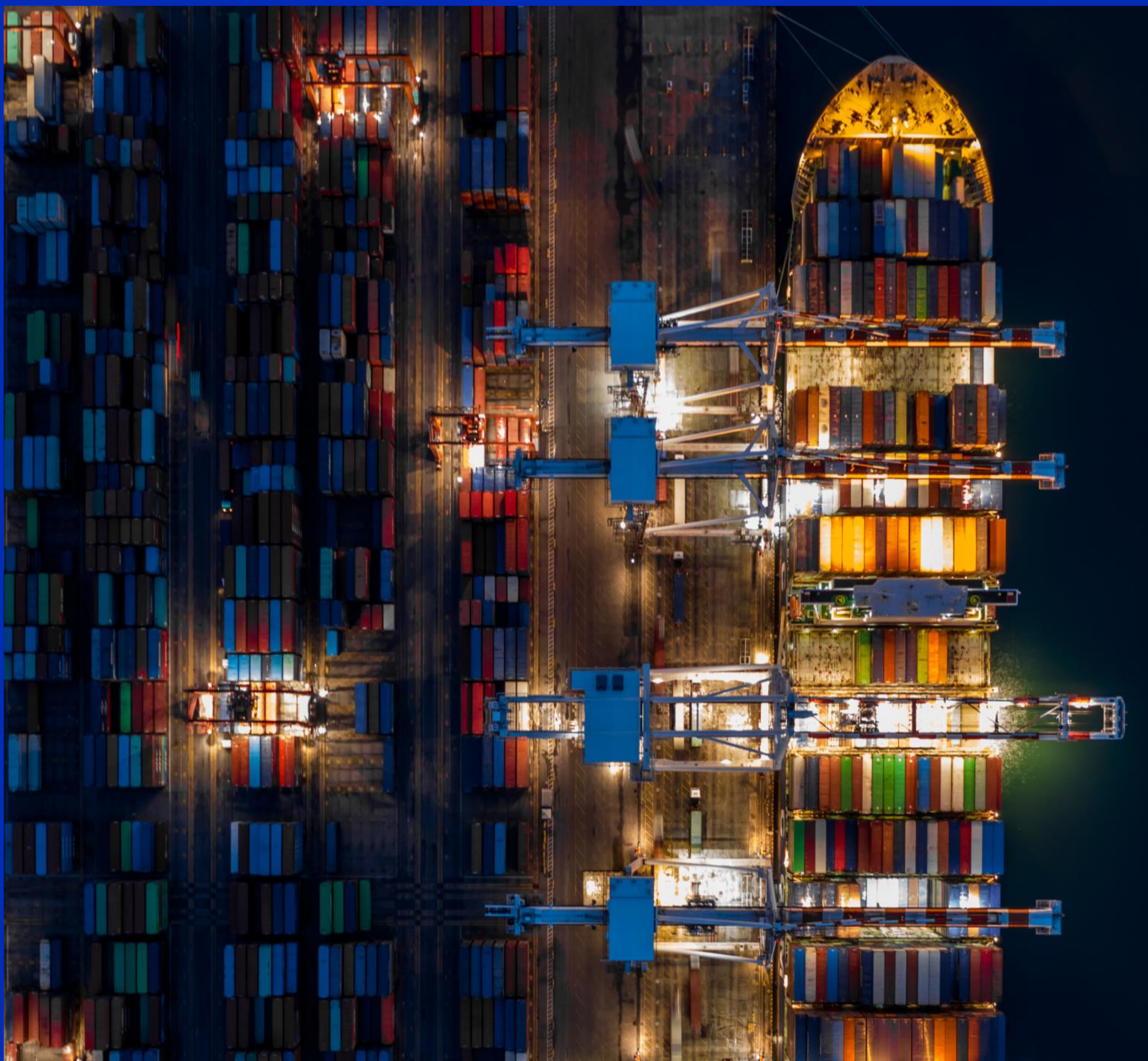
*** Non-Cash Pension & Other Post-Employment Benefits ("OPEB") Adjustments reflect actual and projected annual actuarial plan valuations per GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" to isolate potential volatility (which could either increase or decrease Operating Expenses as shown above) associated with these valuations. Budget and actual/projected Operating Expenses reflect the agency's cash contributions for both pension and OPEB.

**** Change in Accounting Principles reflects GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," as amended by GASB Statement No. 85 "Omnibus 2017," implemented by the Port Authority as of January 1, 2018.

***** 2026 Budget beginning reserves based on estimates prior to year-end 2025.

† Decrease of Reserve Balances as of December 31st 2026 of ($0.5B) versus the 2025 Estimate is driven by Direct Investment in Facilities in-line with the financing plan for the unusually high Budget-to-Estimate increase in planned Capital Spending as detailed in the *Capital Spending* section below.

Budget Details



PONYNJ is the largest port on the East Coast and the gateway to one of the largest and most concentrated consumer markets in the world, providing a competitive edge to get goods to consumers quickly.

2026 BUDGET USES OF FUNDS

Uses of funds for the 2026 Budget total $10.0B to fund investments that ensure the Port Authority maintains its commitment to high standards of safety, security, cleanliness, and customer experience while continuing to rebuild the agency's aging infrastructure with 21st century facilities.

Uses of Funds

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Operating Expenses†	$4,011,773	$4,057,086	$4,102,225	**$4,229,347**
Capital Spending*	2,550,499	3,581,056	3,299,000	**4,029,825**
Debt Service to Operations**	1,648,244	1,647,269	1,606,097	**1,656,734**
Deferred Spending	78,815	137,860	98,222	**119,870**
Total	**$8,289,331**	**$9,423,271**	**$9,105,544**	**$10,035,776**

* The 2025 Capital Spending Budget and the 2026 Capital Spending Budget excludes Capital Project-related expenditures that are included in the Capital Plan but due to GAAP are required to be included as Operating Expenses of ($26M) and ($31M), respectively.

** Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period." This GASB provision requires that the Port Authority account for interest expense forecasted during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

†` Operating Expense Budget and Estimates excludes Non-Cash Pension & OPEB Adjustments pursuant to GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" to isolate potential volatility (which could either increase or decrease Operating Expenses as shown above) associated with these valuations.

2026 OPERATING EXPENSES

Operating Expenses

The 2026 Operating Expense Budget totals $4.2B and includes *inflationary growth of $136M, or 3.4%* versus the 2025 Operating Expense Budget necessary for the continuity of operations and delivery of best-in-class customer service across all facilities.

An additional *$36M of priority spending* above inflation is included to:

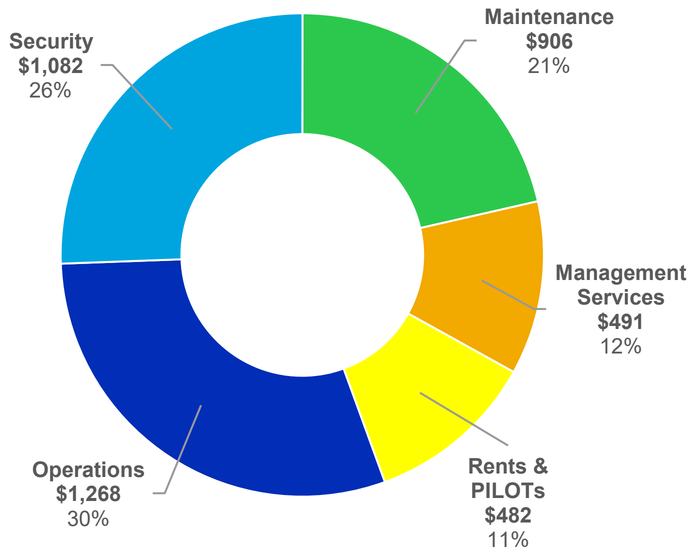
1. *Implement far-reaching PATH frequency of service increases,* adding $19M to increase train service frequency during the weekday peak and weekends in response to ridership growth and rider requests;

2. *Provide Expenses Funded by Other Sources* adding $8M of recoverable costs including: 1) grant funded expenses of $3M to administer the EPA Clean Ports Program and upgrade technology at the PATH control center; 2) reimbursable incremental annual construction support services of $3M provided to and paid for by GDC related to the construction of the Hudson River Tunnel core and shell; and, 3) airline requested expenses of $2M related to JFK fuel farm regulatory changes;

3. *Fund Non-Discretionary Revenue-Driven Costs* adding $6M for increased contractual City Rent payments at the three major airports as a direct result of projected revenue growth; and

4. *Provide Temporary Support for Capital Construction*[3] adding $3M to mitigate traffic congestion impacts and provide alternative transportation services as a result of Capital construction.

2026 OPERATING EXPENSE BUDGET BY CATEGORY
($ in millions)



In total, the 2026 Operating Expense Budget—both the baseline inflationary growth of $136M plus the additional $36M of priority spending—equates to a $172M, or 4.2% increase versus the 2025 Operating Expense Budget.

2026 Operating Expense Budget by Category & Business Segment

($ in thousands)	TOTAL	TB&T	PATH	AVIATION	PORT	WTC	ALLOCATED & OTHER
Operations	**$1,267,924**	$208,583	$221,300	$675,762	$31,540	$101,875	$28,864
Security	**1,082,354**	231,702	94,107	599,344	33,171	90,864	33,166
Maintenance	**905,708**	158,097	181,805	389,380	56,797	90,323	29,306
Management Services	**491,498**	38,122	52,725	100,095	34,163	28,360	238,033
Rents & PILOTs	**481,863**	5,891	1,667	362,015	24,679	72,068	15,543
Total	**$4,229,347**	**$642,395**	**$551,604**	**$2,126,596**	**$180,350**	**$383,490**	**$344,912**

3 These expenses are funded from the 2026 Capital Spending plan, but are recorded as Operating Expenses in accordance with Generally Accepted Accounting Principles ("GAAP").

- **Operations**—which provides ongoing funding for facility operations, utilities, customer care, revenue collection, property and liability insurance, and AirTrain, shuttle bus, parking lot, and taxi dispatch operations, amongst others—totals $1.3B in 2026 and reflects an increase of $67M, or 5.6% versus the 2025 Budget. This increase includes *inflationary growth of $45M* and additional *priority spending above inflation of $22M*.

  The additional $22M of *priority spending* above inflation *(of the agency's total $36M priority spending)* is provided to:

  – *Implement far-reaching PATH frequency of service* of $19M to increase train service frequency during the weekday peak and weekends in response to ridership growth and rider requests; and,

  – *Provide Temporary Support for Capital Construction* of $3M for alternative transportation options to mitigate disruptions to commuters and travelers caused by planned closures to PATH and AirTrain EWR in support of capital construction efforts.

- **Safety & Security**—which funds police, civilian, and cybersecurity investments—totals approximately $1.1B in 2026 and reflects an increase of $55M, or 5.4% versus the 2025 Operating Security Expense Budget. Within the overall security budget, spending is included to: 1) provide for physical security efforts like Police and security guard presence across the agency's facilities responding to the evolving threat landscape (inclusive of illegal ride solicitation); and, 2) critical cybersecurity initiatives including operating a 24/7 Cybersecurity Operations Center, the assessment and remediation of risks and vulnerabilities in internal systems and with external vendors, and improvements in resiliency and disaster recovery solutions.

- **Maintenance**—which provides ongoing maintenance of property, facilities, and equipment—totals $906M in 2026 and reflects an increase of $17M, or 1.9% versus the 2025 Budget. This increase includes *inflationary growth of $14M* and additional *priority spending above inflation of $3M*.

  The additional $3M of *priority spending* above inflation *(of the agency's total $36M priority spending)* is included to:

  – *Provide Expenses Funded by Other Sources* of $3M including: 1) airline-requested reimbursable expenses to support JFK fuel farm regulatory changes; and, 2) grant funded technology upgrades at the PATH control center.

- **Management Services**—which provides ongoing corporate support and oversight, technology and communication services, and insurance—totals $491M in 2026 and reflects an increase of $6M, or 1.2% versus the 2025 Budget. This increase includes *inflationary growth of $1M* and additional *priority spending above inflation of $5M.*

  The additional $5M of *priority spending* above inflation *(of the agency's total $36M priority spending)* is included to*:*

  – *Provide Expenses Funded by Other Sources* of $5M including for: 1) reimbursable construction support services of $3M provided to and paid for by GDC related to the construction of the Hudson River Tunnel core and shell; and 2) grant funded expenses of $2M to administer the EPA Clean Ports Program.

- **Rents & PILOTs**—which funds payments to governmental agencies and other landlords in return for the use of land, buildings, offices, or other property—totals $482M in 2026 and reflects an increase of $27M, or 5.9% versus the 2025 Budget. This increase includes *inflationary escalations of $21M,* and additional *priority spending above inflation of $6M* for increased contractual City Rent payments at the three major airports as a direct result of projected revenue growth.

Operating Expense Category Descriptions

Allocated & Other Costs for Staff Department and development expenses allocated to facilities' Operating Expense and Capital Spending Budgets in accordance with the agency's allocation policies.

Maintenance Costs incurred to keep property, facility structures, and equipment operating at a high level of performance. Activities include electrical, general maintenance (including for elevators and escalators, tunnel pumps, automotive maintenance, and servicing, etc.), inspections, mechanical, janitorial/grounds keeping, and snow and ice removal.

Management Services Costs incurred for functions that support facility business operations as well as agency-wide management, including corporate costs related to agency oversight and support and Departmental management.

Operations Costs incurred for facility operations, including utilities, PATH train operations and railcar and signal system inspections, customer care representatives, revenue collection contracts, insurance, and AirTrain, shuttle bus, parking lot, and taxi dispatch operations.

Rents & Payments in Lieu of Taxes ("PILOT") Payments to governmental agencies and other landlords in return for the use of land, buildings, offices, or other property.

Security Costs incurred—both police and civilian—to provide safe and secure facilities by maintaining vigilance for potential threats and investing in infrastructure and new technology (including cybersecurity).

THE PORT AUTHORITY'S 2026-2035 CAPITAL PLAN

The Port Authority stands at the center of the region's transportation capabilities across air, land, rail, and sea. To assure that the Port Authority's critical infrastructure is ready to deliver on the agency mission of keeping the region moving, requires foresight and planning – leading to 10-year planning horizons. The Board of Commissioners approved 2026-2035 Capital Plan that will serve as a roadmap for investment across the region. The new $45 Billion plan continues the Agency's ambitious rebuilding program. It funds both the completion of major projects already underway and the start of the next generation of critical infrastructure.

2017-2025

The Agency has a proven track record of delivering on complex projects – on time, on budget and while keeping the legacy infrastructure in beneficial use until new capital projects are completed and ready to go into service.

Over the past decade, the Port Authority has delivered an unprecedented wave of renewal.

- A whole new LaGuardia, a new Newark Terminal A, and a new JFK under construction
- Full design, early works and recently a celebratory ground-breaking of a whole new Midtown Bus Terminal advancing, the George Washington Bridge rehabilitation, the Goethals Bridge rebuilt, and the Bayonne Bridge roadway raised to allow for navigation of next generation ships to our Ports
- Continued growth at our seaports – aided in part by the investment in intermodal rail connections
- Continued PATH modernization investment required in the 117-year-old railroad infrastructure, and a thriving World Trade Center campus
- All powering the regional economy and connecting the region to the world

2026-2035

The 2026-2035 Capital Plan will finish what was started in 2017 and then some. It would deliver modern, reliable, resilient infrastructure to keep the region moving as it continues to grow. Our new facilities have received accolades from critics and the community alike. The 2026-2035 Capital Plan carries that momentum forward – finishing major projects and modernizing every corner of the region's infrastructure. The Agency is completing long anticipated projects and protecting core assets and people every day.

Details of the spending included in the 2026-2035 Capital Plan are included in the separate publication "Capital Plan 2026-2035 – Building for Tomorrow."

In summary, over the next decade, this golden age of renewal and expansion that started in 2017 will continue with the delivery to the region of:

- A completely new world-class aviation hub at John F. Kennedy International Airport
- A new Terminal B at Newark Liberty International, a new AirTrain Newark, and the further implementation of the Newark Visioning Plan
- A new, iconic Midtown Bus Terminal to replace the outdated existing 75-year-old terminal
- With LGA terminals B and C now complete, the 2026-2035 Capital Plan will now fund top to bottom rebuilding of Terminal A at LGA – preserving the landmark rotunda
- A new era for PATH, with more routes, more frequency, and better reliability

- A streamlined, predictable mass transit experience for travelers heading to LaGuardia Airport

The 2026-2035 Capital Plan would not only fund large capital projects; it would fund the Port Authority's state-of-good-repair program, and its commitment to sustainability, innovation, and security initiatives – both physical and cyber – to protect agency assets and the public it serves in an ever-changing challenging security landscape.

Unlike similar agencies that operate and maintain critical transportation infrastructure, the Port Authority does not receive any regular allocation of revenue from the states of New York or New Jersey. The Port Authority is a self-funded, independent agency. The agency works aggressively to maximize revenues from non-toll and non-fare sources such as third-party fees, lease payments, and other charges to businesses operating at its facilities. Approximately 66% of projected 2026 Operating Revenues will come from the non-toll and non-fare sources. As the agency transforms its legacy assets into world-class facilities to meet 21st century standards, the 2026-2035 Capital Plan proposes revenue changes from a package of toll, fare and other fee adjustments for implementation starting in 2026.

At its **airports**, the Port Authority is committed to making $20.7 billion in investments (or 49% percent of the 2026-2035 Capital Plan direct Port Authority spending) to develop world-class facilities in the next 10 years.

Newark Liberty Airport: Investment included in this plan would continue the transformation of Newark Liberty, advancing a comprehensive modernization of the airport with a new, world-class Terminal B, expansion of the award-winning Terminal A and a complete rebuilding of AirTrain Newark.

JFK International Airport: The plan also includes investments to continue the transformation of JFK in partnership with the private sector, delivering a once-in-a-generation transformation of the airport – a new campus with a fully rebuilt and simplified roadway network, two brand-new international terminals (Terminals 1 and 6), and two expanded and modernized terminals (Terminals 4 and 8). The first gates of terminals 1 and 6 are scheduled to open in 2026.

LaGuardia: Completing the whole New LaGuardia airport which started in the last capital plan with the delivery of the award-winning Terminal B, and the new terminal C, this capital plan would fund construction of a new Terminal A and projects to streamline mass transit access to the airport.

Operation Legal Ride: Both the 2026-2035 Capital Plan and the 2026 Budget will fund "Operation Legal Ride" across all three airports, which will launch a turbocharged enforcement initiative to end illegal solicitation of travelers by unlicensed ground transportation parties. Making sure the users of our airports have safe means of transportation to and from the airports is of critical importance.

Airport Ground Transportation Fee: In support of these investments at the airports, the 2026-2035 Capital Plan proposes an increase in the airport access fee that for-hire vehicles (FHV), such as limos, black cars and app-based providers, and taxis pay at John F. Kennedy International Airport, Newark Liberty International Airport, and LaGuardia Airport. These fees would better align with those at peer airports in Boston, Chicago, and San Francisco, and other large airports.

- Pick-up and drop-off fees for FHVs would increase to $3.50 on March 15, 2026, from the current fee of $2.50
- Pick-up fees for taxis would increase by $0.25 on March 15, 2026, from the current fee of $1.75 to $2.00 and by $0.25 for each of the next two years on the first Sunday of January in 2027 and 2028

PATH riders will benefit from $2.6 billion (or 6 percent of the 2026-2035 Capital Plan direct spending on Port Authority projects) in investments throughout the next 10 years. These investments include important system upgrades and infrastructure improvements including the overhaul of the existing fleet of PATH cars, track replacements and signal upgrades, which will significantly improve the reliability of the system, and replacement of the civil infrastructure and tunnel water management program in the tunnels connecting New

Jersey with mid-town Manhattan. PATH riders will also benefit from new anti-fare-evasion fare gates, integrated with the TAPP payment system for faster, easier travel, and higher fare capture.

When the PATH Forward program is completed in 2026, PATH will build on the progress made in the 2017-2025 period with major frequency of service increases beginning in March 2026. For the first time in 25 years, weekend service on all four lines will be expanded, providing Hoboken passengers with dedicated service and giving Jersey City passengers direct rides to midtown Manhattan during the weekend. PATH riders will also see shorter wait times both on weekdays during rush hours and on weekends.

To support this expanded service and maintain reliability, the 2026-2035 Capital Plan proposes a fare increase of 25 cents beginning in Summer 2026, with additional 25 cent increases each January from 2027 through 2029. PATH would also simplify its multi-trip fare products to focus on frequent commuters.

These changes will:

- Help cover capital and operating costs to fund the service enhancements
- Help fund actions to limit fare evasion

Other than a single CPI-based adjustment, there has been no PATH single-ride fare increase since 2014.

At the **Tunnels, Bridges and Terminals** investments of $15.4 billion (or approximately 37 percent of the 2026-2035 Capital Plan direct spending on Port Authority projects) in the next 10 years will bring significant benefit to the regional transportation network.

The primary project for TB&T in the 2026-2035 Capital Plan is the $11 billion replacement of the world’s busiest bus terminal with a next-generation gateway. The new terminal, complete with a light-filled, multi-story atrium, street-facing retail, expanded bus capacity, net zero goals, and technological upgrades and AI will replace the current 75-year-old facility. A new staging facility will also remove idling and circulating buses from city streets. The project delivers meaningful community benefits including new open space, outward-facing retail, and cleaner air through its accommodation of all-electric bus fleets.

While the majority of the funding for this $11 billion once in a generation investment is from existing Port Authority sources, the 2026-2035 Capital plan includes a modification to the fees bus carriers pay to utilize the Port Authority Bus Terminal and the George Washington Bridge Bus Station (GWBBS) to help pay for the construction and operation of the $11B Midtown Bus Terminal project. The modified fee structure would create a new arrival fee in addition to the existing departure fee paid by the carriers, as well as scheduled increases in these fees from 2026 until the opening of the new Bus Terminal. Fees are as follows:

- Fees for short-haul carriers will be set at $2 for each arrival and each departure as of the first Sunday of July 2026. Thereafter, each arrival and each departure fee will increase by $2.00 every year until the new Midtown Bus Terminal (MBT) opens. Once the new MBT opens, each arrival and each departure fee will increase by $5.00. Fees will vary based on the relative time it takes for different sized buses to utilize gates;
- Fees for minibuses will be 0.75 times the short-haul arrival and departure fees; and
- Fees for long-haul carriers will be set at $30 for each arrival and each departure as of the first Sunday of July 2026. Thereafter, each arrival and each departure fee will increase by $2.00 every year until the carriers are relocated to the interim operations facility. During the interim operations, carriers will pay $30 for each departure and each arrival, which is equivalent to the rate New York City charges for the permits to operate at the street level.
- Once the new MBT opens, each arrival and each departure will be calculated as 2.5 times the rates set for short-haul carriers.

Other changes to the existing toll schedule include a modification to **bus tolls**. Changes to bus tolls were last authorized in 2019, when the board authorized the implementation of gradual increases from 2019 to 2026.

It is recommended that the board approve the creation of three bus classes: Class 8A – Minibuses; Class 8B – two-axle buses and Class 9 – three axle buses; and authorize further scheduled increases to the bus peak E-ZPass toll as follows:

- Class 8A - Minibuses: Increase from $21 in 2026 to $27 in 2034
- Class 8B - 2-axle buses: Increase from $21 in 2026 to $50 in 2034
- Class 9 - 3-axle buses: Increase from $21 in 2026 to $55 in 2034

The Port Authority will also make substantial state of good repair investments in its bridge and tunnel infrastructure. The Port Authority will continue its comprehensive Restoring the George program, an ambitious top-to-bottom renewal project for the world's busiest vehicular bridge as it nears its 100th anniversary in 2031 that will completely replace all suspender ropes and every other core element of the GWB including renewing overpasses and other key bridge infrastructure as necessary. Rehabilitation work will also take place on the Lincoln Tunnel Helix and the Outerbridge Crossing. The Port Authority will also begin planning and environmental review for the replacement of the Outerbridge Crossing and the Lincoln Tunnel Helix in the 2036-2045 capital plan period.

To aid in the funding of this critical state-of-good repair work, the 2026-2035 Capital Plan includes a $0.50 reduction of the discount between **auto** peak E-ZPass tolls and the **auto and motorcycle** non-peak E-ZPass tolls to be effective January 3, 2027.

- The auto/motorcycle off peak E-ZPass discount be further reduced by $0.50 on the first Sunday in January of 2028 through 2030.

At the **seaports,** the capital plan will drive $1.2 billion in private investment in terminal operations, restore wharfs and berths, deliver a new efficient Port Street corridor and, in partnership with the Army Corps of Engineers, advance the harbor deepening project. At the **World Trade Center**, the Capital Plan will drive toward the goal of completing the buildout of the campus with the construction of Tower 2 and Tower 5. Further, the Capital Plan will fund investments in **Technology** and **Sustainability and Resilience.**

The 2026-2035 Capital Plan will finish what was started in 2017 and deliver best-in-class, reliable, resilient infrastructure to keep the region moving as it continues to grow.

For additional details on the agency's process of selecting and identifying capital projects to be funded and the listing of capital projects, refer to the Port Authority's current 2026-2035 Capital Plan: https://www.panynj.gov/port-authority/en/about/capital-plan.html.

2026 CAPITAL SPENDING

The 2026 Capital Spending Budget is the inaugural year of the new 2026-2035 Capital Plan. The 2026 Capital Spending Budget totals $4.0B and continues to advance the agency's core transportation mission and commitment to rebuilding the agency's aging infrastructure with 21st century facilities.

The 2026 Capital Spending Budget includes funding to advance a number of significant projects and milestones, including: 1) substantial investments in JFK Redevelopment to transform the airport into a unified, world-class international gateway, including the opening of the first gates in the New Terminals 1 and 6 and completion of the roadways; 2) a major ramp up in the construction efforts for Phase 1 of the new Midtown Bus Terminal; 3) ongoing advancements to build a wholly new AirTrain at EWR; 4) investments in PATH's railcar fleet and track infrastructure to reduce delays and improve reliability; and, 5) the continuation of major construction on the Port Street Corridor Improvement project at Port Newark.

Capital Spending by Line Department*

($ in thousands)	2024 ACTUAL	2025 BUDGET†	2025 ESTIMATE	2026 BUDGET†
Aviation	$1,395,898	$2,072,063	$1,961,000	**$2,262,149**
Tunnels, Bridges, & Terminals	593,535	960,089	799,000	**1,163,315**
PATH	381,768	338,481	352,000	**292,032**
Port	78,141	133,570	105,000	**163,502**
World Trade Center***	101,050	73,996	78,000	**142,680**
Ferry & Other	107	2,857	4,000	**6,147**
Total**	**$2,550,499**	**$3,581,056**	**$3,299,000**	**$4,029,825**

* Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period." This statement requires that the Port Authority account for interest expense forecasted during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

** Capital Spending Budget funding sources include Consolidated Bonds, Variable Rate Master Notes, Consolidated Bond Reserve Funds, PFCs, and Contributions in Aid of Construction.

*** World Trade Center Capital Spending includes investments for PATH's WTC Station.

† The 2025 Capital Spending Budget and the 2026 Capital Spending Budget excludes Capital Project-related expenditures that are included in the Capital Plan but due to GAAP are required to be included as Operating Expenses of ($26M) and ($31M), respectively.

The 2026 Capital Spending Budget builds on the significant milestones that the agency achieved for the Capital Plan in 2025, including:

- At the airports, JFK saw substantial progress in major construction as part of the ongoing Redevelopment efforts in support of the opening of the New Terminals 1 and 6 and the completion of the simpler on-airport roadway network to take place in 2026. At EWR, construction officially began to build a modern, reliable 2.5-mile automated people mover to replace the existing outmoded AirTrain in support of passenger growth and ongoing redevelopment. The substantially completed "A Whole New LGA" continued receiving recognition, with LGA being named the best United States airport for the second consecutive year by Forbes Travel Guide's Verified Air Travel Awards. Furthermore, construction of a new publicly accessible entry point to the EWR Airport Rail Station began, which will improve airport accessibility for underserved Newark and Elizabeth neighborhoods.

- At the bridges and tunnels, the new world-class Midtown Bus Terminal took major steps forward with the awarding of the construction contract to construct a new ramp structure, storage and staging facility that will service as the interim terminal during construction of the new Midtown Bus Terminal and later transition to a bus storage and staging facility, as well as breaking ground on the Dyer Avenue deck-overs. Additionally, the agency's ambitious $2B "Restoring the George" program continued with significant construction progress, including the completion of the seven-year effort to replace all 592 original suspender ropes on the George Washington Bridge.

- At PATH, significant progress was made on the PATH Forward program to improve performance and availability of PATH's railcar fleet, reduce delays, and improve reliability of the entire PATH system. This included the on-time completion of major construction work at Hoboken Station, including the replacement of tracks and a massive track switch system as well as the refreshment and renewal of many components of the station. Additionally, all work was completed on the replacement of key infrastructure in the PATH tunnels connecting Exchange Place and World Trade Center.

- At the Ports, construction on the Port Street Corridor Improvement project advanced with great progress made on the new Corbin Street Ramp. The project will ultimately improve the movement of goods at Port Newark while alleviating traffic and improving air quality for the surrounding communities. At Ports Newark, Elizabeth, Jersey, and Howland Hook, numerous work packages under the Wharf Rehabilitation Program were successfully awarded which will support the maintenance of critical wharf structures, and design progressed on the reconstruction of public berths at Port Newark to ensure the maintenance of critical Port infrastructure.

The 2026 Capital Spending Budget continues to build upon the substantial progress the agency has made and advances key projects including:

- At the airports, construction activities under the JFK Redevelopment program will advance in support of the opening of the first gates at the new Terminal 1 and a new Terminal 6 in 2026, along with the completion of the new roadway network. At EWR, construction for the new AirTrain EWR, started in 2025, will advance to replace the aging system which is past its useful life with a wholly new system designed to meet increasing passenger demand and enhance customer experience for airport visitors and employees. Planning will also continue for a new EWR Terminal B as part of the EWR Visioning plan's blueprint that sets a course for the airport's continued redevelopment to accommodate passenger growth and deliver 21st century facilities. Ground access initiatives will also advance, with the EWR Station Access operational by the end of 2026 and the LGA Ground Access Program continuing to improve public transit access to the airports.

- At the bridges and tunnels, major construction activities will continue on the first phase of the new, world-class Midtown Bus Terminal, including platforms over Lincoln Tunnel's Dyer Avenue ramps and a new bus staging and storage facility that will serve as the main terminal once that building is demolished. Overall, the Midtown Bus Terminal Replacement will be constructed in phases to allow for the continued operation of the main terminal with minimal service disruptions for bus customers. Work will also continue to advance the remaining components of the $2B "Restoring the George" program which will maintain the structural health and extend the useful life of the GWB for use by millions of customers each year. Comprehensive rehabilitation of both the Lincoln Tunnel Helix structure and the deck and superstructure of the Outerbridge Crossing will progress as well.

- At PATH, funding is included for the third year of the PATH Forward program to improve performance and availability of PATH's railcar fleet, reduce delays, and improve reliability of the entire PATH system. Additionally, the replacement of the outdated PATH fare collection system with the new and modern TAPP "tap-and-go" fare payment system will be fully completed, which will further the agency's provision of world-class customer service. Construction will continue on the replacement of PATH's Substation #2, a critical piece of infrastructure that supports the operation of all PATH trains.

- At the Ports, construction on the Corbin Street Ramp will be completed and brought into service as part of the Port Street Corridor Improvement Project. Additionally, work on the Wharf Rehabilitation Program will continue and design of the reconstruction of public berths at Port Newark will continue to ensure the maintenance of critical Port infrastructure.

- At WTC, funding is included for site infrastructure spending, support of 2 WTC initiatives, certain One WTC capital maintenance and for the continuation of regulatory-related upgrades to the River Water Pump Station.

2026 DEBT SERVICE

The Port Authority is projected to have a total of $29.7B of total Obligations (at par value) outstanding as of December 31, 2025, including approximately $28.9B of Consolidated Bonds. The Port Authority's Debt Service Budget reflects the principal and interest payments for these Obligations, in addition to the cost of issuing new debt. The 2026 Debt Service Budget—including interest expense during construction—totals $1.9B and reflects an increase of $7.5M, or 0.4% versus the 2025 Debt Service Budget. This Budget-to-Budget increase is driven by higher scheduled consolidated bond principal amortization and an increase in interest owed on bonds due to a rise in borrowing that is forecasted for 2026.

Debt Service

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Consolidated Bonds				
Interest on Consolidated Bonds	$1,160,645	$1,174,601	$1,158,345	**$1,183,911**
Principal on Consolidated Bonds	515,545	534,060	534,060	**538,870**
Cost of Issuance	2,036	2,372	2,468	**2,639**
MBTR TIFIA Loan	–	15	18	**7,518**
Subtotal Consolidated Bonds	**$1,678,226**	**$1,711,048**	**$1,694,891**	**$1,732,938**
Special Obligations				
Interest on Special Obligations*	$24,536	$26,359	$19,877	**$30,645**
Principal on Special Obligations*	–	19,900	19,900	**–**
Debt Service on MOTBY Obligation	3,828	3,767	3,767	**3,702**
Tower 4 Liberty Bonds**	34,717	34,699	34,696	**35,054**
Goethals Bridge Developer Financing Arrangement	61,298	62,217	62,217	**63,150**
GDC Contract Payments***	–	68	59	**59**
Subtotal Special Obligations	**$124,379**	**$147,010**	**$140,516**	**$132,610**
Total Debt Service	**$1,802,605**	**$1,858,058**	**$1,835,407**	**$1,865,548**
Less Interest Expense Incurred During Construction****	(154,341)	(210,789)	(229,310)	**(208,814)**
Debt Service to Operations	**$1,648,264**	**$1,647,269**	**$1,606,097**	**$1,656,734**

* Includes Variable Rate Master Notes and a Bank Financing Facility.

** Debt service related to 4WTC Liberty Bonds are reimbursable to the agency by the 4 WTC Net Lessee and are included in the Grants & Contributions Budget.

*** Reflects obligations under the Gateway Development Commission ("GDC") funding agreement.

**** Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period." This statement requires that the Port Authority account for interest expense incurred during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

- **Debt Service on Consolidated Bonds**—*which comprise 93% of the 2026 Debt Service Payment Budget*—total $1.7B in 2026 and reflect an increase of $22M, or 1% versus the 2025 Consolidated Bond Debt Service Payment Budget driven by higher scheduled principal payments based on the maturity schedule of existing Consolidated Bonds.
  - Midtown Bus Terminal Replacement TIFIA Loan: The agency has entered into a TIFIA loan with the U.S. Department of Transportation through its Build America Bureau ("BAB") to support the construction of the first phase of the new Midtown Bus Terminal. The 2026 Debt Service Budget assumes that the Agency will begin to draw on this loan in 2026.
- **Debt Service on Special Obligations**, including Subordinate Debt—*which comprise 7% of the 2026 Debt Service Payment Budget*—total $133M in 2026 and reflect a decrease of ($14M), or (10%) versus the 2025 Special Obligation Debt Service Payment Budget driven by a decrease in scheduled principal maturity of the Variable Rate Master Notes ("VRMN") in 2025 (no VRMN maturities are scheduled in 2026).
  - GDC Contract Payments: In July 2024 the agency entered into an agreement with GDC to provide contract payments in support of one of its Railroad Infrastructure Improvement Financing ("RRIF") loans. The 2026 Debt Service Budget includes no contract payments to GDC

as the earliest such payments would be due from the Port Authority to GDC is in 2034, pursuant to the terms of the agreement.

2026 OUTSTANDING OBLIGATIONS & FINANCING

The Port Authority is financially self-sustaining, and as such, the agency must raise the funds necessary for the improvement, construction, or acquisition of its facilities primarily upon the basis of its own credit. The Port Authority's credit quality allows the agency to access capital markets at competitive interest rates to finance long-term capital investments made for its facilities.

Ratings for both Consolidated Bonds and Special Obligations issued by the Port Authority are typically assigned by S&P Global Ratings, Fitch Ratings, and Moody's Investors Service, Inc. at the time of each debt issuance and published in the corresponding official offering statement. The Port Authority's most recent ratings—including an explanation of the significance of such rating—may be obtained from the ratings service issuing such rating. The Port Authority's Annual Report also contains a summary of credit ratings assigned to the Port Authority's outstanding debt obligations as of the date of each publication.

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. There is no assurance that any rating will continue for any period or that it will not be revised or withdrawn. A revision or withdrawal of a rating may influence the market price of Port Authority obligations.

The table below shows the Port Authority's outstanding and planned obligations and financing resulting from current assumptions regarding the financing of the 2026 Capital Spending Budget. Budgeted amounts are subject to change based on market conditions and Capital Plan needs. To review annual debt service requirements of the outstanding obligations reference Note D – Outstanding Financing Obligations of the Annual Report.

	As of December 31st						
($ in thousands)	2024 ACTUAL	2025 ISSUED/ ACCRETED	2025 REPAID/ REFUNDED	2025 ESTIMATE	2026 ISSUED/ ACCRETED	2026 REPAID/ REFUNDED	2026 BUDGET
Consolidated Bonds	**$24,705,420**	$1,738,750	($2,099,520)	**$24,344,650**	$1,300,000	($538,870)	**25,105,780**
Tower 4 Liberty Bonds	**1,230,305**	–	(2,200)	**1,228,105**	–	(2,585)	**1,225,520**
Goethals Replacement DFA	**1,017,456**	–	(4,106)	**1,013,350**	–	(5,290)	**1,008,060**
Short-Term Borrowing	**413,114**	118,248	(25,000)	**506,362**	190,723	(76,050)	**621,035**
MOTBY Obligation	**35,147**	1,845	(5,000)	**31,992**	1,680	(5,000)	**28,672**
Variable Rate Master Notes	**44,600**	-	(19,900)	**24,700**	–	–	**24,700**
HTP Support Obligation	**5,347**	40,187	-	**45,534**	–	–	**45,534**
Total Obligations *(at PAR Value)*	**$27,451,389**	**$1,899,030**	**($2,155,726)**	**$27,194,693**	**$1,492,403**	**($627,795)**	**$28,059,301**
Unamortized Premium/ *(Discount)**	1,849,613	133,748	(286,604)	1,696,757	–	(78,862)	**1,617,895**
Total Obligations *(at Book Value)*	**$29,301,002**	**$2,032,778**	**($2,442,330)**	**$28,891,450**	**$1,492,403**	**($706,657)**	**$29,677,196**

* Includes unamortized issuance premiums and discounts related to Consolidated Bonds.

Limitations applicable to Port Authority obligations are not, unless otherwise indicated, "legal limits" established by State constitutions or laws but rather are set forth in, or calculated in accordance with, the contracts with the holders of such obligations as adopted by the Port Authority's Board. Port Authority obligations are subject to the issuance tests and limitations contained in the various resolutions pertaining to such obligations and by policies established by the Port Authority.

There are two broad categories of the Port Authority's outstanding obligations as described in further detail below.

1. **Consolidated Bonds** are established pursuant to the Consolidated Bond Resolution adopted by the Port Authority on October 9, 1952 (the "Consolidated Bond Resolution"), under which additional

Consolidated Bonds may not be issued, except such Consolidated Bonds issued to refund other Consolidated Bonds, except under one or another of three conditions, each of which requires that a certain future calendar year's debt service is met at least 1.3 times by certain revenues.

Under the current Board resolution establishing and authorizing the issuance of particular series of Consolidated Bonds ("Series Resolution"), Consolidated Bonds may be issued for purposes in connection with financing additional facilities in addition to those for which the Port Authority has already issued bonds secured by a pledge of its General Reserve Fund ("GRF") only if the Port Authority has first certified its opinion that such issuance will not, among other things, materially impair its ability to fulfill its undertakings to the holders of Consolidated Bonds as more specifically set forth in such Series Resolution.

All Consolidated Bonds are equally and ratably secured by a pledge of the Net Revenues as defined in the Consolidated Bond Resolution of all existing facilities of the Port Authority and any additional Port Authority facility which may hereafter be financed in whole or in part through Consolidated Bonds. Consolidated Bonds are further secured by a pledge of the Port Authority's GRF in the manner and to the extent set forth provided in Section 6 of the Consolidated Bond Resolution and by a pledge of the moneys in the Consolidated Bond Reserve Fund established by Section 7 of the Consolidated Bond Resolution.

The proceeds of Consolidated Bonds may be used for any purpose for which at the time of issuance of Consolidated Bonds the Port Authority is authorized by law to issue its obligations.

The Port Authority's Consolidated Bonds outstanding as shown in the table above include the Consolidated Bonds Series 85th to 250th:

- **Portion of 247th Series for the Midtown Bus Terminal Replacement's Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan:** The agency has entered into a TIFIA loan with the U.S. Department of Transportation through its Build America Bureau ("BAB") to support the construction of the first phase of the replacement of the midtown bus terminal. The 2026 Debt Service Budget assumes the Port Authority will begin to draw on the TIFIA loan in 2026.

2. **Special Obligations** of the Port Authority are payable from the proceeds of obligations of the Port Authority issued for such purposes, including Consolidated Bonds 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 Port Authority monies legally available for such payments when due.

   Net Revenues—for purposes of defining the Port Authority's special obligations—with respect to any date of calculation, are the Port Authority's revenues pledged under the Consolidated Bond Resolution and remaining after: 1) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; 2) payment into the GRF of the amount necessary to maintain it at the amount specified in the General Reserve Fund Statutes; and, 3) applications to the authorized purposes under Section 7 of the Consolidated Bond Resolution.

   These Special Obligations are not secured by, or payable from, the GRF. Additionally, they do not create any lien on, pledge of, or security interest in any revenues, reserve funds, or other of the Port Authority.

   The Port Authority's Special Obligations as shown in the table above include:

   - **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 $1.2B (the "Tower 4 Liberty Bonds").

In connection with the issuance of the Tower 4 Liberty Bonds, the Port Authority entered into a Tower 4 Bond Payment Agreement with the Tower 4 Trustee to make 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) to the Tower 4 bond trustee during the term of the agreement through November 15, 2051.

Certain Port Authority debt service payments related to Tower 4 Liberty Bonds 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.

In September 2021, the Tower 4 Liberty Bonds were refinanced to achieve debt service savings. The final maturity of the Tower 4 Liberty Bonds is unchanged.

- **Goethals Bridge Replacement Developer Financing Arrangement ("DFA")** 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"). Starting in July 2018, the Port Authority was required to make a payment to the private developer in the amount of $1B, subject to certain adjustments, for the construction of the Replacement Bridge.

  In lieu of a cash payment, the private developer extended a loan in that principal amount to the Port Authority, to be repaid in monthly payments of principal and interest (the "DFA Payments") to the private developer. The DFA Payments are payable over the term of the Project Agreement, which has a scheduled expiration date of June 30, 2053, the 35th anniversary of the substantial completion date of the Replacement Bridge. The DFA Payments are subject to certain deductions for non-compliance and/or lane unavailability by the private developer pursuant to the terms of the Project Agreement.

- **Short-Term Borrowing** This category consists of: 1) a Special Obligation Institutional Loan Program; and, 2) Commercial Paper Obligations, as described in further detail below.

  i. **Special Obligation Institutional Loan Program** The Port Authority established a Special Obligation Institutional Loan Program to provide for alternative debt instruments to borrow funds from financial institutions, the repayment of which are special obligations of the Port Authority and are subordinate to Consolidated Bonds. The total maximum amount that may be outstanding at any time under the Special Obligation Institutional Loan Program is limited to $1.25B and includes the principal amount of outstanding Commercial Paper notes and outstanding amounts under liquidity facilities pertaining to Commercial Paper notes, outstanding amounts drawn under Bank Lines, and 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 $750M available to draw thereunder and used $501M on January 24, 2023, to refund the principal and interest of all of the Port Authority's Commercial Paper Obligations as of such date. One of the Revolving Credit Agreements that was set to expire on January 31, 2025, was extended to January 28, 2027.

ii. **Commercial Paper Obligations** These Port Authority obligations are issued to provide interim financing for authorized Capital projects at Port Authority facilities and may be outstanding until December 2025, under the current approved program, which consists of three separate series known as Series A, Series B, and Series C. The maximum aggregate principal amount that may be outstanding at any one time is $250M for Commercial Paper Series A, $250M for Series B, and $250M for Series C. To increase the availability of sufficient liquidity for the Port Authority to pay the maturing principal amount and the interest due at maturity the Port Authority had entered into liquidity facilities for each Series. The liquidity facilities had not been drawn upon and expired on January 31, 2023.

- **Marine Ocean Terminal at Bayonne Peninsula ("MOTBY") Obligation** A Port Authority obligation representing the amounts due to the Bayonne Local Redevelopment Authority for the purchase of certain parcels of the Marine Ocean Terminal at Bayonne Peninsula.

- **Variable Rate Master Notes** These Port Authority obligations may be issued in a total aggregate principal amount outstanding at any one time not to exceed $400M under the current authorized program. The proceeds of each note shall be used for: 1) Capital Spending in connection with any one or more of the Port Authority's facilities; 2) refunding directly, by offers to exchange, or otherwise, all or any part of any bonds, notes, or other Port Authority obligations; and, 3) for incidental purposes, including certain costs of, and relating to, such Notes.

- **GDC Contract Payments** In July 2024 the agency entered into an agreement with GDC to provide contract payments in support of one of its Railroad Infrastructure Improvement Financing ("RRIF") loans. The 2026 Debt Service Budget includes no contract payments to GDC, as the earliest such payments would be due from the Port Authority to GDC is 2034, pursuant to the terms of the agreement.

2026 DEFERRED SPENDING

Deferred Spending reflects expenditures that are made in the current year but that benefit multiple years. As such, the expenditures are deferred and then recognized as Operating Expenses over the useful life of each asset. The agency's primary categories of Deferred Spending include: 1) vehicle purchases; 2) software and hardware technology investments; and, 3) leased and owned property investments, primarily for office space relocations and alterations.

The 2026 Deferred Spending Budget totals $120M and reflects a decrease of ($18M), or (13%) versus the 2025 Deferred Spending Budget as detailed below.

Deferred Spending by Category

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Vehicle Purchase Program	$34,029	$72,774	$42,648	**$44,465**
Technology Investments*	31,299	31,494	29,293	**47,646**
Office Moves & Alterations	2,730	14,137	15,313	**14,708**
Enterprise Asset Management*	7,247	11,755	6,186	**7,545**
Security & Other	3,510	7,700	4,782	**5,506**
Total	**$78,815**	**$137,860**	**$98,222**	**$119,870**

* Reflects reallocation costs between Departments.

- **Vehicle Purchase Program**— which funds the purchase of new vehicles/equipment or replacement of vehicles/equipment which are beyond their useful life or damaged beyond repair, including electric vehicles—totals $44M in 2026 and reflects a decrease of ($28M), or (39%) versus the 2025 Budget. This decrease is driven by reduced spending as significant progress has been made in meeting the Net Zero Roadmap goal of electrifying 50% of the agency's non-emergency-response light-duty vehicles by 2025.

- **Technology Investments**— which include investments in hardware and software to maintain and improve the agency's technology infrastructure—totals $48M in 2026 and reflects an increase of $16M, or 51% versus the 2025 Budget. This increase is driven by an increase in end-of-life equipment replacement and enhancement of fiber optic infrastructure ($9M), cloud migration of software applications ($4M) and strengthened cyber security tools ($3M).

- **Office Moves & Alterations**—which includes funding for office space relocations and alterations of owned or leased property—totals $15M in 2026 and reflects an increase of $0.6M, versus the 2025 Budget.

- **Asset Management**—which funds the ongoing phased implementation of the Enterprise Asset Management ("EAM") asset lifecycle management program—totals $8M in 2026 and reflects a decrease of ($4M), or (36%) versus the 2025 Budget as the program continues its operational deployment.

- **Security & Other**— which includes security-related software/hardware and equipment purchases, such as police radios and body cameras—totals $6M in 2026 and reflects a decrease of ($2M), or (28%) versus the 2025 Budget driven by the implementation of a one-time biometric system project completed in 2025.

2026 TOTAL EXPENDITURE BUDGET ("USES")

($ in thousands)	OPERATING EXPENSES	CAPITAL SPENDING	DEBT SERVICE & DEFERRED SPENDING	TOTAL USES
Aviation	$1,136,820	$756,935	$3,160	**$1,896,915**
Tunnels, Bridges, & Terminals	343,064	159,072	–	**502,136**
PATH	365,523	96,922	–	**462,445**
World Trade Center	202,953	113,240	–	**316,193**
Operation Services	119,492	9,143	59,173	**187,808**
Port	78,866	60,011	–	**138,877**
Office of the Chief Operating Officer	15,798	–	–	**15,798**
Total Line Departments	**2,262,516**	**1,195,323**	**62,333**	**3,520,172**
Engineering	**118,173**	**1,829,283**	**7,545**	**1,955,001**
Port Authority Police Department	717,804	–	–	**717,804**
Security Operations Department	134,372	16,562	364	**151,298**
Security Operations & Programs	24,585	7,089	1,982	**33,656**
Security Business Resource Management	13,162	–	–	**13,162**
Office of the Chief Security Officer	11,368	–	–	**11,368**
Total Security Departments	**901,291**	**23,651**	**2,346**	**927,288**
Major Capital Projects	**15,020**	**692,927**	**–**	**707,947**
Technology Department	**126,484**	**1,844**	**47,646**	**175,974**
Treasury	15,604	–	–	**15,604**
Comptrollers’	14,961	–	–	**14,961**
Management & Budget	6,604	–	–	**6,604**
Financial Planning	3,335	1,284	–	**4,619**
Office of the Chief Financial Officer	3,966	–	–	**3,966**
Storm Mitigation & Resilience	3,951	–	–	**3,951**
Total Finance Departments	**48,421**	**1,284**	**–**	**49,705**
Inspector General	21,626	20,033	–	**41,659**
Audit	12,907	2,791	–	**15,698**
Total Inspector General	**34,533**	**22,824**	–	**57,357**
Total General Counsel & Ethics	**37,127**	**9,895**	–	**47,022**
Human Resources	34,288	429	–	**34,717**
Labor Relations	3,363	–	–	**3,363**
Chief Human Capital Officer	872	–	–	**872**
Total Human Capital	**38,523**	**429**	**–**	**38,952**
Project Management Office	725	8,548	–	**9,273**
Real Estate	4,843	400	–	**5,243**
Planning & Regional Development	5,177	–	–	**5,177**
Office of Sustainability	5,114	–	–	**5,114**
Office of the Chief Development Officer	1,338	–	–	**1,338**
Office of Continuous Improvement	780	–	–	**780**
Total Development Departments	**17,977**	**8,948**	**–**	**26,925**
Procurement	**15,508**	**2,132**	**–**	**17,640**
Marketing	7,539	–	–	**7,539**
Media Relations	3,034	–	–	**3,034**
PA Studio	2,411	–	–	**2,411**
Office of the Chief Communication Officer	1,636	–	–	**1,636**
Total Communication Departments	**14,620**	**–**	–	**14,620**
Chief Health & Safety Officer	**10,045**	**3,062**	**–**	**13,107**
Office of Diversity, Equity & Inclusion	**10,564**	**790**	**–**	**11,354**
Office of the Secretary	**6,827**	**–**	**–**	**6,827**
Intergovernmental Affairs	**4,705**	**391**	**–**	**5,096**
Executive Director	**2,187**	**–**	**–**	**2,187**
Chief Gateway Office	**297**	**–**	**–**	**297**
Debt Service	–	208,814	1,656,734	**1,865,548**
Municipal Rents & PILOTs	444,970	–	–	**444,970**
Purchased & Self Insurance	192,144	28,228	–	**220,372**
Corporate Allocations	(72,585)	–	–	**(72,585)**
Total Corporate	**564,529**	**237,042**	**1,656,734**	**2,458,305**
Total Budget Uses	**$4,229,347**	**$4,029,825**	**$1,776,604**	**$10,035,776**

2026 BUDGET SOURCES OF FUNDS

The Port Authority is a self-funded, financially independent agency with no power to levy taxes or assessments and receives no tax revenue from the states of New York or New Jersey. Accordingly, the Port Authority raises the necessary funds (“sources”) for the operation, improvement, or construction of its facilities primarily upon the basis of its own credit. Its bonds, notes, and other obligations are not obligations of the two States or of either of them and are not guaranteed by the States or by either of them.

The revenues of the Port Authority are derived principally from the tolls, fares, takeoff and landing fees, dockage fees, lease payments, and other charges for the use of, and privileges at, certain Port Authority facilities. Some facilities operate at a deficit, do not generate surplus revenue, or are non-revenue producing to the Port Authority. The Port Authority works to balance its sources of revenues among its various users. Approximately two-thirds of the Port Authority’s 2026 Gross Operating Revenues are from non-toll/non-fare sources.

As a matter of fiscal discipline, the agency ensures that its Sources of Funds equals its Uses of Funds to maintain a balanced Budget. Sources of funds for the 2026 Budget are projected to total $10.0B.

Sources of Funds

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Gross Operating Revenues	$6,930,518	$7,093,712	**$7,226,784**	**$7,479,457**
Debt Issuances & Other Sources**	532,646	1,489,260	**843,147**	**1,798,832**
Grants & Contributions	533,117	531,558	**740,431**	**451,816**
Application of PFCs	293,050	308,741	**295,182**	**305,671**
Total	**$8,289,331**	**$9,423,271**	**$9,105,544**	**$10,035,776**

* Gross Operating Revenues exclude non-cash impacts of Labor expenses recovered via Aviation Fees.

** *Other Sources* includes unspent proceeds from previous' bond issuances, financial income.

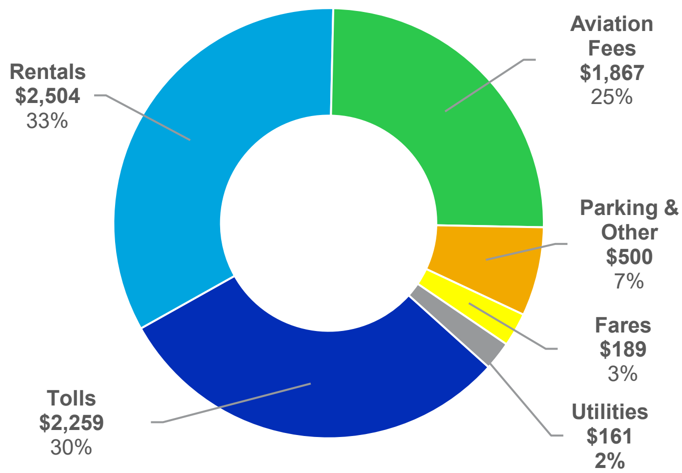
2026 GROSS OPERATING REVENUES

The projected 2026 Gross Operating Revenue Budget totals $7.5B and reflects a projected increase of $386M, or 5.4% versus the 2025 Gross Operating Revenue Budget.

The projected Budget is prepared taking into consideration currently approved tolls, fares, fees, lease rates, etc. inclusive of changes that are effective in 2026, as well as activity volumes at agency facilities. In preparing the 2026-2035 Capital Plan, certain modifications to tolls, fares and fees are to achieve the necessary capital capacity to deliver on the $45B 2026-2035 Capital Plan.

2026 GROSS OPERATING REVENUE BUDGET BY CATEGORY

($ in millions)



In support of the investments, the projected 2026 Budget includes $39M of incremental revenue generated by new initiatives related to: 1) increased Airport Ground Transportation Access Fees for taxis and For-Hire Vehicles (“FHV”) to better align with peer airport fees and support the $21B 10-year Capital Plan spending for the airports ($29M); 2) the first of four phased-in increases to PATH fares to cover the cost of service enhancements and maintain reliability through investments that include important system upgrades and infrastructure improvements ($5M); and, 3) revisions to the bus tolls and terminals fee structure, creating three new bus classes for bus tolls separated by vehicle type ($4M) and adding a new arrival fee in addition to the existing departure fee paid by the carriers ($1M) to support ongoing operations, the $11B investment in the new midtown bus terminal, and state of good repair investments in bridge and tunnel infrastructure.

The 2026-2035 Capital Plan will finish what was started in 2017 and deliver best-in-class, reliable, resilient infrastructure to keep the region moving as it continues to grow. All of the new revenue initiatives are necessary to produce the capital capacity required for the $45B 2026-2035 Capital Plan.

2026 Gross Operating Revenue Budget by Category & Business Segment

($ in thousands)	TOTAL	TB&T	PATH	AVIATION	PORT	WTC	OTHER*
Rentals	**$2,503,503**	$40,610	$10,086	$1,785,459	$276,791	$368,890	$21,667
Bridge & Tunnel Tolls	**2,258,578**	2,258,578	–	–	–	–	–
Aviation Fees**	**1,866,860**	–	–	1,866,860	–	–	–
Parking & Other	**499,525**	1,799	3,715	319,663	120,218	35,392	18,738
PATH Fares	**189,085**	–	189,085	–	–	–	–
Utilities	**161,906**	1,506	165	129,498	2,017	25,217	3,503
Total	**$7,479,457**	**$2,302,493**	**$203,051**	**$4,101,480**	**$399,026**	**$429,499**	**$43,908**

* *Other* includes the agency’s Development facilities and Gateway Development Commission (“GDC”) reimbursements for agency construction support services of the new Hudson River Tunnel Core and Shell project in alignment with the Support or Executing Party Agreement (“SEP”).

** Excludes non-cash impacts of Labor expenses recovered via Aviation Fees.

- **Rentals**—which are derived from both fixed and percentage lease agreements with tenants operating at agency facilities—are projected to total $2.5B in 2026 and reflect an increase of $120M, or 5.0% versus the 2025 Budget driven by: 1) activity-driven increases across the airports; 2) new or adjusted lease agreements with more favorable terms; and, 3) scheduled contractual increases.

  Rental projections are developed by Port Authority staff based on contractual rental terms and agreements, including assumptions regarding new or renewed leases, if any.

- **Bridge & Tunnel Tolls** are projected to total $2.3B in 2026 and reflect an increase of $123M, or 5.8% versus the 2025 Budget driven by: 1) the annual automatic inflation-based toll adjustment for autos and trucks (authorized by the Board in 2019) which will raise auto peak E-ZPass tolls by $0.48 effective January 4, 2026; 2) the full-year impact of other toll adjustments authorized by the Board in December 2024 primarily to incentivize enrollment in the E-ZPass program that were not effective until July 1, 2025 in order to give drivers time to plan for the changes and adopt E-ZPass; 3) the second of four annual $0.25 adjustments for autos and trucks also effective January 4, 2026 (authorized by the Board in December 2024); and, 4) a projected increase in total traffic activity of 1.0M vehicles.

  Additionally, the projected revenue Budget includes revisions to the Bus Tolls schedules ($4M), which will create three new bus classes separated by vehicle type—minibus, two-axle, and three-axle, and adding a fee charged on bus arrivals ($1M) to support ongoing operations and the $11B investment in the new midtown bus terminal.

  Bridge and tunnel toll projections are developed by Port Authority staff based on a common set of econometric variables that feeds into proprietary modeling of bridge and tunnel vehicle activity (see Departmental Budget Summary sections for Activity Volume assumptions and trends).

- **Aviation Fees**— which are comprised of: 1) flight fee cost recovery revenues from airlines operating at the agency's three major commercial airports; 2) AirTrain fares; and, 3) the Airport Ground Transportation Access Fee for for-hire-vehicles ("FHV") and taxis—are projected to total $1.9B in 2026 and reflect an increase of $120M, or 6.9% versus the 2025 Budget.

  This projected Budget-to-Budget increase is driven by: 1) higher recoverable Operating and Capital costs consistent with the Aviation 2026 Uses Budget; 2) a scheduled fare increase of $0.25 effective on March 1, 2026, reflective of the automatic inflation-based AirTrain fare adjustment as adopted by the Board in September 2019; and, 3) a change in the Airport Ground Transportation Access fee that brings Port Authority facilities in-line with peer airports.

  Aviation Fee projections are developed by Port Authority staff based on a number of factors, including: 1) contractual flight fee cost recoveries in alignment with the Aviation Budget Uses; and, 2) proprietary modeling of aviation passenger activity (see Aviation's Departmental Budget Summary Activity Volume section for assumptions and trends) for Access Fee and AirTrain fare revenues.

- **Parking & Other Fees**— which are derived from public and tenant parking, Port activity fees, WTC tenant service fees, and other fees including third-party reimbursements—are projected to total $500M in 2026 and are relatively flat versus the 2025 Budget.

  Parking & Other Fee projections are developed by Port Authority staff based on a number of factors including: 1) contractual reimbursement agreements with various third parties in alignment with certain Operating Expense projections; and, 2) proprietary modeling of activity-driven parking and Port activity fees (see Departmental Budget Summary sections for Activity Volume assumptions and trends).

- **PATH Fares** are projected to total $189M in 2026 and reflect an increase of $19M, or 11.5% versus the 2025 Budget primarily driven by higher projected ridership.

The projected fares also include the impact of the first of four annual increases of $0.25 effective mid-2026, which results in $5M of incremental revenues in 2026. As noted in the 2026-2035 Capital Plan, this increase in the PATH fare is necessary to cover the cost of service enhancements and maintain reliability through investments that include important system upgrades and infrastructure improvements.

PATH Fare projections are developed by Port Authority staff based on a common set of econometric variables that feeds into proprietary modeling of PATH ridership activity (see Departmental Budget Summary sections for Activity Volume assumptions and trends).

- **Utilities**—which are derived from the resale of electricity, water, steam, and other fuels—are projected to total $161M in 2026 and reflect a projected increase of $3M, or 1.9% versus the 2025 Budget. This projected Budget-to-Budget increase is driven by higher projected recoverable utility expenses resulting from higher projected energy prices.

  Utility projections are developed by Port Authority staff in alignment with contractual tenant cost recovery agreements across certain Port Authority facilities.

Gross Operating Revenue Category Descriptions

Aviation Fees Amounts derived from various cost recovery formulas contained in agreements with airlines operating at the Port Authority's three major airports based on the Port Authority's Operating Expenses and Capital Spending. These fees include Flight Fees, Landing Fees, Monorail Fees, Fuel Service Fees, and Federal Inspection Fees.

This category also includes AirTrain fares and the Airport Ground Transportation Access Fee which is assessed on FHV trips (both pick-ups and drop-offs) and taxi trips (only pick-ups) accessing the airports.

Fares Amounts generated from fares charged to riders using the PATH mass transit system.

Parking & Other Amounts derived from hourly or daily fee rates for the use of public and tenant parking lots.

This category also includes various other fees such as Port Cargo Facility Charges ("CFC") which are paid by ocean carriers to reimburse Port Authority investments in eligible intermodal transportation and road capacity projects at the seaports, Port dockage and wharfage fees which are tariffs charged for use of public berths, One WTC Tenant Service Recoveries which reimburse the Port Authority for services provided to tenants, and the full reimbursement by the GDC to the Port Authority for agency-incurred Operating Expenses associated with construction support services of the new Hudson River Tunnel Core and Shell project, amongst others.

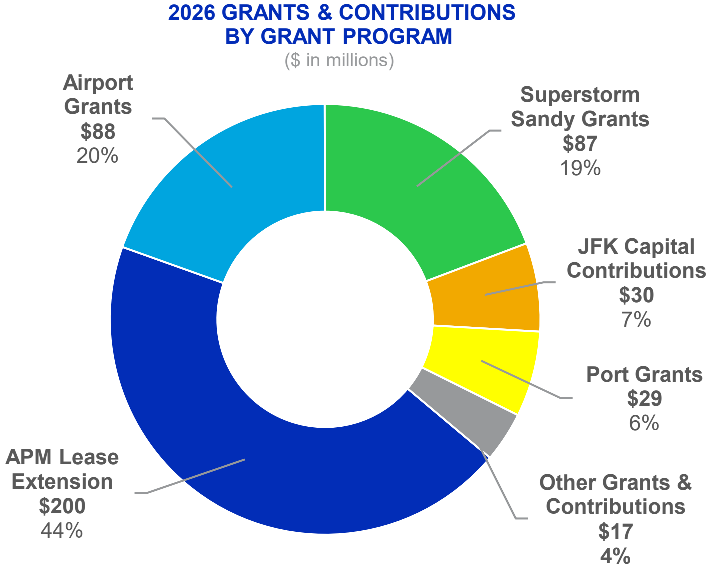
Rentals Amounts charged for the use of space at various Port Authority facilities. There are two primary types of rentals: 1) fixed rentals, which are fixed monthly amounts stipulated in tenant lease agreements; and, 2) percentage and variable rentals, which are based on certain types of revenue producing activities.

Tolls Amounts generated from tolls collected at the Port Authority's six vehicular bridge and tunnel crossings.

Utilities Amounts derived from the resale of electricity, water, steam, and other fuels to tenants based on consumption levels.

2026 GRANTS & CONTRIBUTIONS

The 2026 projected Grants & Contributions Budget—which includes contributions in aid of construction and grants in connection with operating activities from various federal aid programs—totals $451M in 2026 and reflects a projected decrease of ($79M), or (15%) versus the 2025 Grants & Contributions Budget.



This projected Budget-to-Budget decrease is driven by: 1) JFK Redevelopment Capital Contributions from state partners and airport developers whose contractual obligations have been met in prior years; 2) lower recoveries associated with the Bipartisan Infrastructure Law's Airport Infrastructure Grant ("AIG") program; and, 3) lower project spending on Superstorm Sandy FTA Grants. These decreases are partially offset by incremental contractual lease payments at the Elizabeth Port Authority Marine Terminal per the terms of a lease extension with APM Terminals.

2026 Grants & Contributions Budget by Grant Program

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Airport Grants	$35,815	$203,355	131,765	**$88,338**
Superstorm Sandy Grants	151,189	102,791	172,664	**87,504**
JFK Capital Contributions	162,625	173,060	191,543	**29,825**
Port Grants	23,445	29,313	26,467	**29,102**
Other Grants & Contributions	31,708	23,039	217,824	**217,047**
COVID-19 Federal Funding	128,335	–	168	–
Total	**$533,117**	**$531,558**	**$740,431**	**$451,816**

- **Airport Infrastructure Grants ("AIG")**—which includes Airport Improvement Programs ("AIP") grants—are projected to total $88M in 2026 and reflect a decrease of ($115M), or (57%) versus the 2025 Budget driven by lower related eligible spending.
- **Superstorm Sandy Grants**—which includes Federal Emergency Management Agency ("FEMA") and Federal Transit Administration ("FTA") funding—are projected to total $87M in 2026 and reflect a decrease of ($16M), or (16%) versus the 2025 Budget driven by lower planned project spending in 2026.
- **JFK Capital Contributions**—which includes payments from NYSDOT and terminal developers to be received as part of their contractual contributions in aid of construction—are projected to total $30M in 2026 and reflect a decrease of ($143M), or (83%) versus the 2025 Budget driven by the wind-down of major construction.
- **Port Grants**—which includes grants in support of construction and maintenance activities, and the EPA Clean Port Grant Program at the agency's ports and marine terminals—are projected to total $29M in 2026 and are essentially flat to the 2025 Budget.
- **Other Grants & Contributions**—includes various capital contributions, contract extensions payments and other miscellaneous grants.

Grants & Contributions Category Descriptions

Airport Grants Multiple airport-related grants, including: 1) the Bipartisan Infrastructure Law's AIG program for investments to modernize airports; and, 2) FAA grants in support of the nation's airport and airspace systems, primarily for airport Noise Compatibility Program projects that aim to mitigate noise in communities surrounding airports and the AIP grants for airport planning and development.

COVID-19 Federal Funding Federal relief funding provided through FEMA and three legislative Acts to aid in the agency's recovery from the COVID-19 pandemic.

JFK Capital Contributions Fixed contributions to be received in relation to the JFK New Terminal One ("NTO") Developers and other third-party stakeholders for improvements to various assets such as roadways, parking lots, and AirTrain stations.

Other Grants & Contributions Various grants and contributions from third parties, including: 1) multiple federal risk management grant programs that support programs and activities that protect critical surface transportation infrastructure and the travelling public from acts of terrorism, major disasters, and other emergencies; 2) contributions related to the agency's development of the WTC campus; and, 3) various other smaller grants and contributions.

Port Grants Various grants in support of the agency's ports and marine terminals, including: 1) Federal Highway Administration ("FHWA") funding for the Cross Harbor Freight Movement Program EIS at Greenville Yard; 2) EDA grants to ensure present and future generations of large commercial vessels can be accommodated at the agency's ports; 3) Harbor Maintenance Tax funds provided through the United States Army Corps of Engineers for harbor maintenance, such as dredging and pier rehabilitation; and, 4) EPA Clean Ports Program grant to advance zero emission technology at the Ports.

Superstorm Sandy Grants FEMA and FTA grant funding for eligible expenses related to the emergency response, recovery, and restoration of the Port Authority's infrastructure following the substantial damage incurred after Superstorm Sandy in 2011.

2026 AUTHORIZED POSITIONS

To respond to the impacts of market driven costs for healthcare benefits and pension expenses, the 2026 Labor Budget reflects actions taken to control costs, including a position reduction initiative. This initiative is expected to reduce 60 positions, or 1% from 2025 levels. These reductions will be achieved with existing vacancies. The 2026 Labor Budget reflects an increase in authorized positions for PATH Service Enhancements offset by reductions from a workforce review.

In addition to annual authorized positions, the agency provides positions for capital and other projects, totaling 229 positions in the 2026 Budget.

Approximately 70% of the agency's workforce are represented employees of various collective bargaining units, all of which support the agency's core operations, maintenance, policing, and airport rescue and firefighting activities.

The balance are the agency's non-represented employees that represent approximately 30% of the agency's workforce. These employees support day-to-day operations across all business functions, including management and advisory, supervisory, technical, engineering, and administrative support roles.

CATEGORY	2024 BUDGET*	2025 BUDGET*	2026 BUDGET
Total Authorized Positions	**7,955**	**7,955**	**7,895**
Redevelopment Capital Projects	**120**	**218**	**186**
Other Projects	**1**	**42**	**43**
Total Temporary, Project-Based Positions*	**121**	**260**	**229**
Total Authorized and Project Positions*	**8,076**	**8,215**	**8,124**

*Note: Includes reclassifications of positions between temporary, project-based and permanent positions and other post budget adjustments.

Authorized Positions Category Descriptions

Maintenance Employees that keep the agency's facilities performing at a high level of service, including: 1) daily maintenance activities, such as preventative maintenance; 2) craft-based maintenance programs to ensure the structural integrity of the agency's assets, including code and regulatory compliance; and, 3) emergency response.

Management Services Employees that support business operations and Capital program delivery, including: 1) strategic business and transportation planning; 2) revenue program management; 3) oversight and implementation of contractual agreements; 4) Department-wide administrative services; and, 5) facility management and Departmental oversight, including financial services and analyses.

Operations Employees that ensure facilities are operating at high level of performance and provide exemplary customer experience.

Security & Airport Rescue Fire Fighting Uniformed employees in PAPD and aviation Aircraft Rescue and Firefighting ("ARFF") Departments to provide safe and secure facilities and emergency preparedness to protect the region and those who traverse it.

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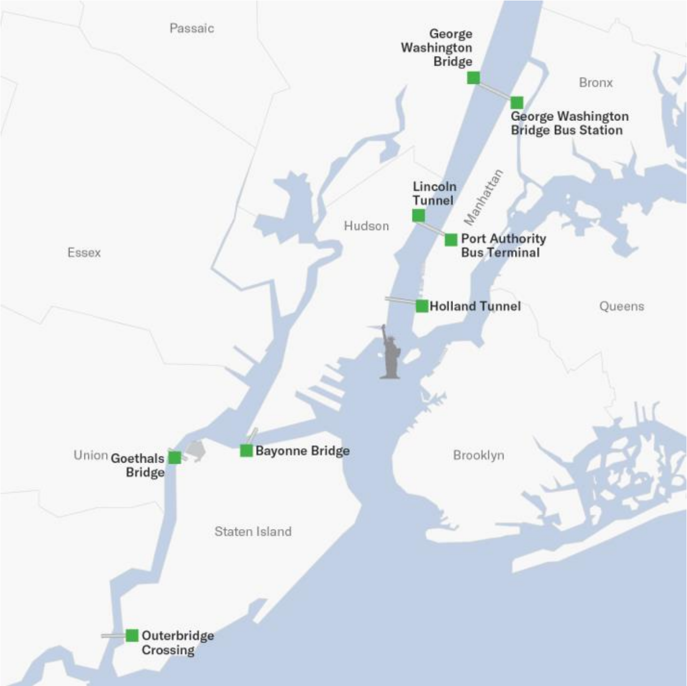
Departmental Budget Summaries

Goethals Bridge's 24/7 Shared-Use Path, one of three Port Authority bridges to offer accessibility to pedestrians, cyclists, and eco-friendly commuters, furthers reflects the Port Authority's commitment to supporting greener, more sustainable modes of transportation across the agency.

TUNNELS, BRIDGES, & TERMINALS ("TB&T")

Mission



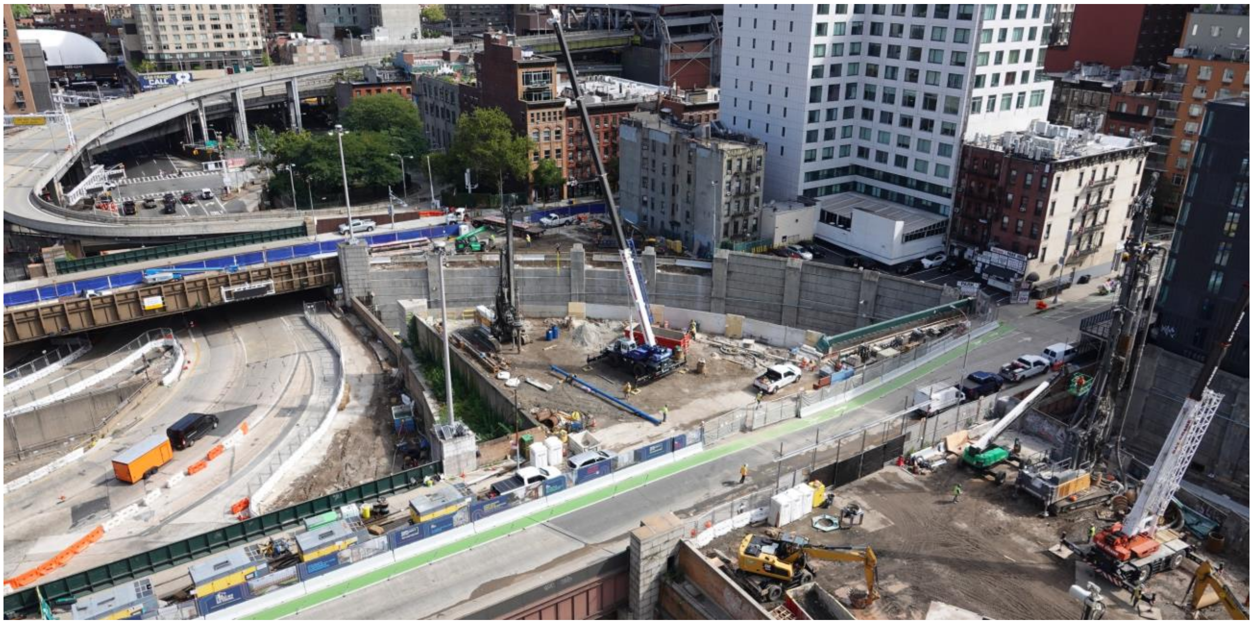
TB&T's mission is to "Keep the Region Moving" by connecting the road networks of New York and New Jersey to facilitate the movement of millions of people and goods safely, efficiently, and conveniently throughout the region.

Facilities

TB&T's facilities—*which operate 24 hours-a-day, 7 days-a-week, 365 days-a-year*—connect New York and New Jersey to the rest of the country. TB&T facilities include:

- **Vehicular Bridges** The George Washington Bridge ("GWB")—*the busiest bridge in the world*—and three Staten Island Bridges ("SIB"), which consist of the Bayonne Bridge ("BB"), the Goethals Bridge ("GB"), and the Outerbridge Crossing ("OBX");
- **Vehicular Tunnels** The Lincoln Tunnel ("LT") and Holland Tunnel ("HT"); and,
- **Bus Terminals** The Port Authority Bus Terminal ("PABT")—*the largest bus terminal in the nation and the busiest in the world*—and the GWB Bus Station ("GWBBS").

The Dyer Avenue deck-overs represent the first stage in the construction of the new Midtown Bus Terminal, which upon completion will serve hundreds of thousands of commuters each day.

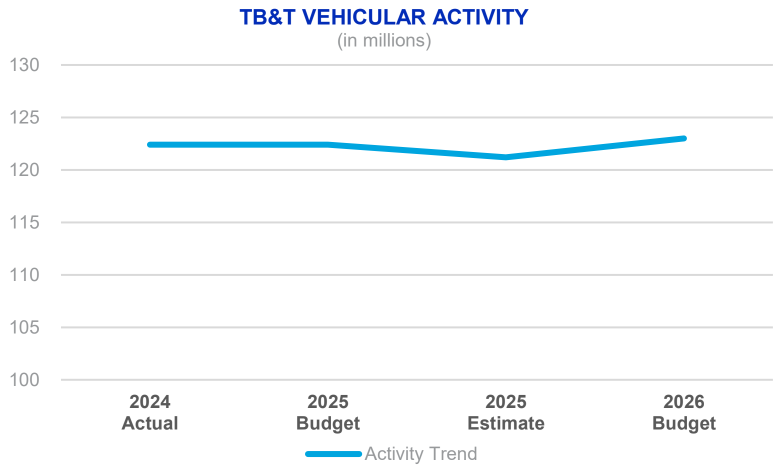


Core Functions

- Operate and maintain four long-span vehicular bridges, two trans-Hudson vehicular tunnels, and two bus terminals.
- Deliver a Capital Spending and Operating Expense program that: 1) ensures best-in-class safety and security standards across all TB&T facilities; and, 2) provides for the future needs of the region.
- Attract and maintain a diverse, inclusive, and skilled workforce to manage, operate, and provide Port Authority patrons best-in-class facilities and customer experience.
- Provide a state-of-the-art toll revenue collection system comprised of an AET environment at all bridge and tunnel toll crossings.

Activity Volumes

In 2026 approximately 123M vehicles are projected to use the Port Authority's bridge and tunnel crossings. This reflects a modest growth of 1M vehicles, or 1% versus the 2025 Budget.



Staffing

TB&T's staffing consists of employees dedicated to operating, maintaining, managing, and providing Capital support to the facilities.

Operations staff are responsible for facility management, incident and emergency response, traffic and electronic toll collection management, and bus and passenger operations. *Maintenance* staff perform daily maintenance activities including preventive and corrective maintenance routines. *Management* staff support the operations and maintenance of the facilities and provide department-wide management oversight, including Capital project delivery.

Strategic Priorities/Goals, Objectives, & Performance Measures

TB&T's strategic objectives focus on advancing the agency's long-term strategic priorities/goals of enhancing operational excellence, safety and security, and customer experience by improving facility mobility at interstate vehicle crossings, mitigating crashes at those facilities, and increasing elevator and escalator reliability and restroom satisfaction at the PABT. In addition, TB&T supports the agency's strategic priority/goal to revitalize the region's transportation infrastructure through the Capital investments detailed in the 2026 Capital Spending section below.

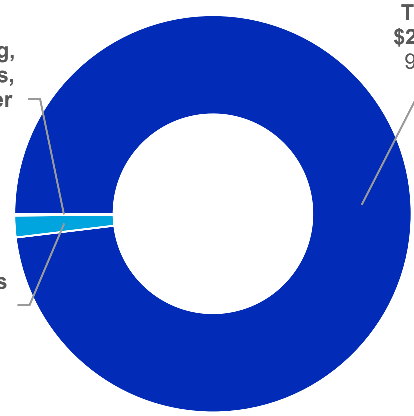
In alignment with executive guidance, TB&T prioritizes and allocates its Budgeted resources to advance these critical strategic priorities/goals, objectives, and performance measures, which are detailed further below.

STRATEGIC PRIORITIES/ GOALS & DEFINITIONS	2026 OBJECTIVES*	2025 ACTUALS	2024 ACTUALS
Operational Excellence			
Maintain median travel speeds during weekdays from 6am to 10pm at all vehicular crossings to facilitate the efficient movement of goods and people.	Median vehicular speeds at the crossings during weekdays from 6am to 10pm in both the eastbound and westbound directions will meet a minimum of **87%** of the posted speed limit.	Eastbound: **87%** Westbound: **84%**	Eastbound: **84%** Westbound: **90%**
Safety & Security			
Facilitate safety and travel time reliability by ensuring key crash locations are monitored and mitigations are implemented to reduce crashes.	1. Maintain the overall crash rate of 2025 of **9.8** crashes per million vehicles. 2. Reduce the number of crashes at the top 10 incident hot spots by **(5%)** as compared to 2025.	Overall Crash Rate Reduction: **(19%)** decrease compared to 2024 – *Avg. Overall Crash Rate*: **9.8** crashes per million vehicles Crash Reduction for Top 10 Hot Spots: **(27%)** decrease in crashes at these locations compared to 2024	Overall Crash Rate Reduction: **(1%)** decrease compared to 2023 – *Avg. Overall Crash Rate*: **12** crashes per million vehicles Crash Reduction for Top 10 Hot Spots: **(12%)** decrease in crashes at these locations compared to 2023
Customer Experience			
Maintain positive customer experience and satisfaction at PABT restrooms and achieve high availability levels of PABT's elevators and escalators.	1. Achieve an overall restroom satisfaction rating minimum of **85%**. 2. Achieve an overall escalator and elevator availability minimum of **95%**.	Overall Restroom Satisfaction: **85%** Overall Escalator and Elevator Availability: **98%**	Overall Restroom Satisfaction: **84%** Overall Escalator and Elevator Availability: **95%**

* Objectives measure performance through year-end 2026.

Gross Operating Revenues

2026 GROSS OPERATING REVENUE BUDGET BY CATEGORY
($ in millions)



TB&T's projected Gross Operating Revenue Budget totals $2.3B and reflects a projected increase of $121M, or 6% versus TB&T's 2025 Gross Operating Revenue Budget.

This projected Budget-to-Budget increase is driven by:

- **Bridge & Tunnel Toll** revenues reflect a projected increase of $123M, or 6% versus the 2025 Budget driven by: 1) the annual automatic inflation-based toll adjustment for autos and trucks (authorized by the Board in 2019) which will raise auto peak E-ZPass tolls by $0.48 effective January 4, 2026; 2) the full-year impact of other toll adjustments authorized by the Board in 2024 primarily to incentivize enrollment in the E-ZPass program but were not effective until July 1, 2025 in order to give drivers time to plan for the changes and adopt E-ZPass; 3) the second of four annual $0.25 adjustments for autos and trucks also effective January 4, 2026 (authorized by the Board in 2024); and, 4) a projected increase in total traffic activity of 1M vehicles.

  Additionally, in the 2026-2035 Capital Plan, the projected revenue Budget includes revisions to the Bus Tolls schedules, which will create three new bus classes separated by vehicle type—minibus, two-axle, and three-axle.

- **Rentals** reflect a projected increase of $1.3M, or 3% versus the 2025 Budget driven by contractual escalations and the addition of fees charged on bus arrivals also in support of the 2026-2035 Capital Plan.

- **Parking & Other** reflect a projected decrease of ($3M), or (64%) versus the 2025 Budget driven by the closure of the PABT public parking decks to support construction efforts for the Midtown Bus Terminal replacement.

Gross Operating Revenue by Category

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Bridge & Tunnel Tolls	$2,015,934	$2,135,888	$2,127,775	**$2,258,578**
Rentals	41,787	39,339	39,703	**40,610**
Parking & Other	7,970	4,961	7,318	**1,799**
Utilities	1,731	1,713	1,761	**1,506**
Total	**$2,067,422**	**$2,181,901**	**$2,176,557**	**$2,302,493**

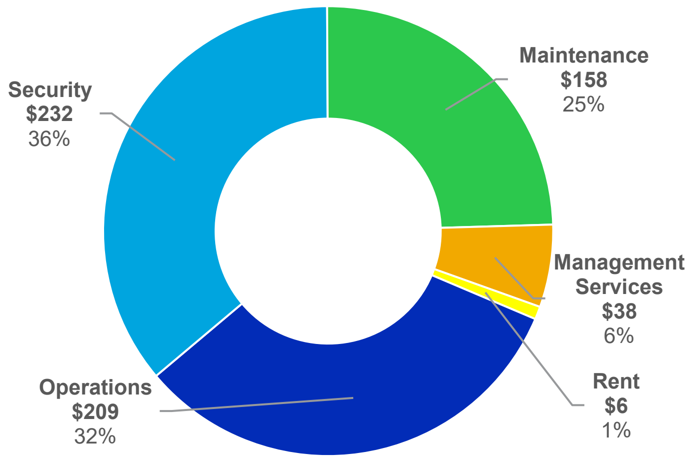
Operating Expenses

TB&T's 2026 Operating Expense Budget—which funds the ongoing maintenance, traffic management, cleaning, and customer service to provide safe and reliable facility operations—totals $711M and reflects an increase of $24M, or 4% versus TB&T's 2025 Operating Expense Budget.

This Budget-to-Budget increase includes *inflationary escalations of $23M, or 3%* and an additional *$1M of priority spending* above inflation (*of the agency's total $36M priority spending*) is included:

- *Temporary Support for Capital Construction* of $1M to support construction activities associated at the Midtown Bus Terminal and Staten Island Bridges

2026 OPERATING EXPENSE BUDGET BY CATEGORY
($ in millions)



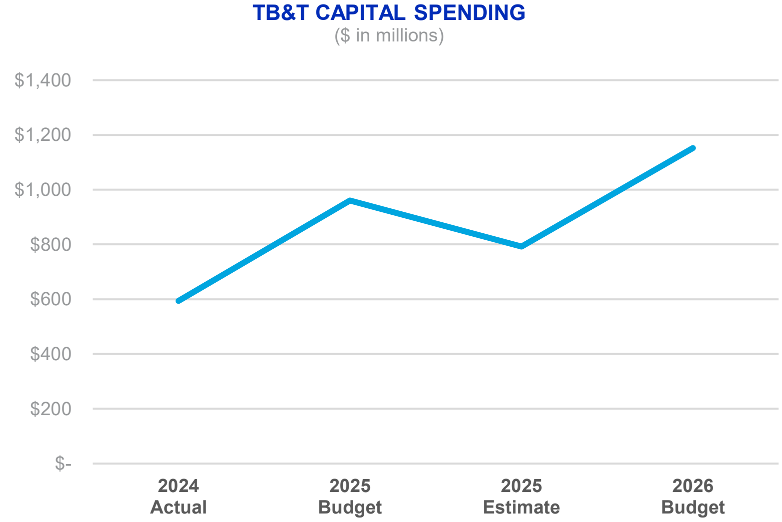
Operating Expense by Category

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Operations	$212,724	$202,825	$198,726	**$208,583**
Security	207,513	215,755	215,101	**231,702**
Maintenance	149,180	155,924	150,914	**158,097**
Management Services	40,897	39,770	43,728	**38,122**
Rent	4,175	4,651	4,657	**5,891**
Subtotal	**$614,489**	**$618,925**	**$613,126**	**$642,395**
Allocated	65,918	$68,165	66,651	**68,278**
Total*	**$680,407**	**$687,090**	**$679,777**	**$710,673**

* Budget and Actual/Projected Operating Expenses reflect the agency's cash contributions for both pension and OPEB and excludes Non-Cash Pension & OPEB actuarial plan valuations per GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".

Capital Spending

TB&T's 2026 Capital Spending Budget totals $1.2B and reflects an increase of $203M, or 21% versus TB&T's 2025 Capital Spending Budget driven by increased construction activity as part of the new Midtown Bus Terminal Program.



Funding is included to advance Phase-one construction on the new, world-class Midtown Bus Terminal including construction for the Dyer Avenue deck-overs and staging and storage facility. Work will also continue to advance the remaining key components of the "Restoring the George" program which will maintain the structural health and extend the useful life of the bridge for millions of customers each year along with rehabilitation work on the Lincoln Tunnel Helix and the Outerbridge Crossing.

Further detail on Significant Capital Projects included in the 2026 Capital Spending Budget is provided below.

Significant Capital Projects *($ in thousands)*

PROJECT TITLE & DESCRIPTION	OPERATIONAL IMPACTS	2026 BUDGET
Midtown Bus Terminal Replacement Provides for the first phase of construction with Dyer Avenue deck overs and Staging & Storage Facility and ramps contracts. Continue design and engineering activities for other elements of the new Midtown Bus Terminal and related infrastructure.	Advances construction activities as well as the design for the replacement of the existing terminal to meet future capacity and customer service requirements.	$740,000
"Restoring the George" Program Continues the planned, high-priority projects at the GWB in order to maintain structural integrity and extend the useful life of the Bridge.	Maintains the GWB's structural integrity through state of good repair projects.	$169,793
Outerbridge Crossing Rehabilitation Provides for structural rehabilitation of the Outerbridge Crossing main spans and all approaches.	Maintains OBX's structural integrity through state of good repair projects.	$48,621
Lincoln Tunnel Helix Rehabilitation Provides for structural rehabilitation of the Lincoln Tunnel Helix for the various spans, railings and parapets.	Maintains the Lincoln Tunnel Helix's structural integrity through state of good repair projects.	$22,090

PORT AUTHORITY TRANS-HUDSON ("PATH")

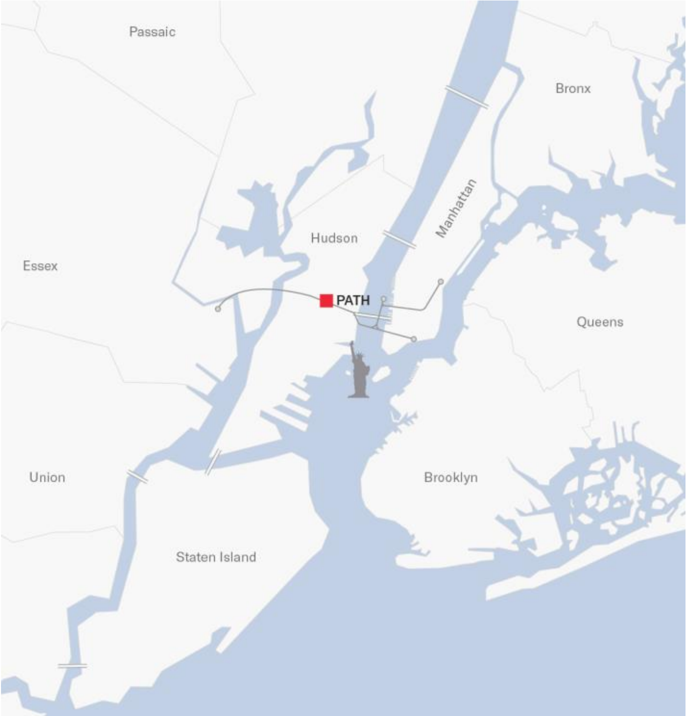
Mission

PATH's mission is to "Keep the Region Moving" as a vital connection between New Jersey and New York by providing safe, reliable, and efficient rail transit service that contributes to enhanced regional mobility and economic development for millions of riders each year.

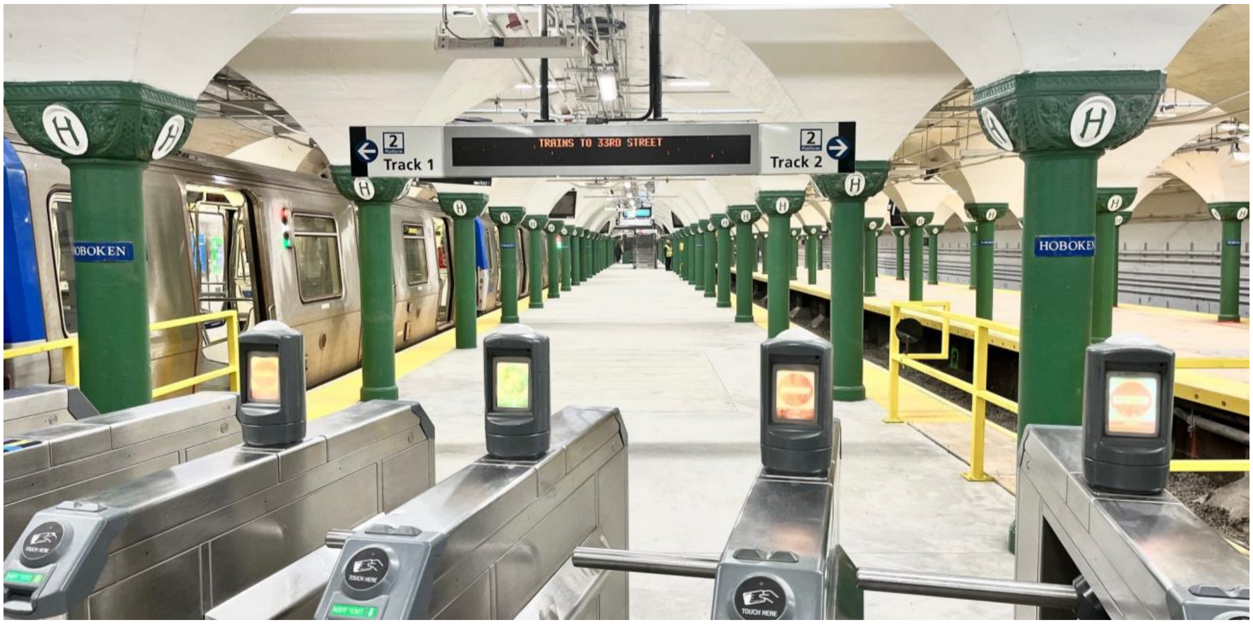
Facilities

The PATH transit system encompasses 14 route miles and 13 stations—*6 in New York and 7 in New Jersey*—as well as the Journal Square Transportation Center ("JSTC"). The system is comprised of a complex network of electrical cables, communications equipment, and signal, track, and tunnel infrastructure.

PATH's train fleet *24 hours-a-day, 7 days-a-week*, making it one of the few 24-hour rail transit systems in the world.



PATH Hoboken Station reopened following a significant investment to enhance reliability and safety as part of the $430 million PATH Forward program aimed at revitalizing the 117-year-old station and enhance the public transit rider experience.



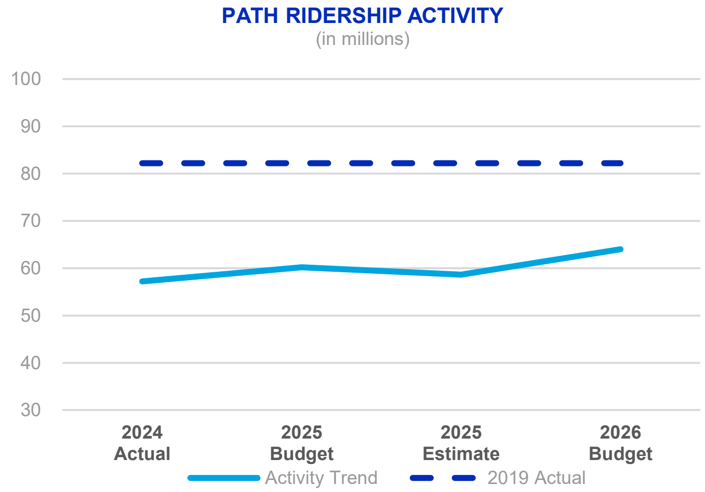
Core Functions

- Operate and maintain a safe, reliable, and efficient rail transit system and bus transportation terminal at JSTC.
- Continue to improve the reliability, timeliness, and cleanliness of rail service and advance efforts to enhance customer experience.
- Deliver a Capital program that focuses on supporting 9-Car train operations on the Newark to WTC line, advance state of good repair spending necessary to reduce train delays, and close-out Superstorm Sandy resiliency efforts.
- Comply with federal safety and environmental rules and regulations.

Activity Volumes

In 2026 64M riders are projected to use the PATH transit system. This reflects a projected increase of 5M riders, or 9% versus the 2025 Budget driven by continued office occupancy growth and strong regional employment.

Projected 2026 ridership across the year is 78% of 2019 pre-pandemic levels, reflecting PATH's slow ridership recovery from the COVID-19 pandemic (similar to other mass transit commuter rail systems).



Staffing

PATH's staffing consists of employees dedicated to operating, maintaining, managing, and providing Capital support to the PATH transit system and JSTC bus transportation terminal.

Operations staff manage the movement of trains, develop and maintain train schedules, and provide passenger information and customer care programs throughout the stations, including compliance with FRA regulations. *Maintenance* staff ensure reliable and efficient train movement by inspecting, repairing, or replacing components of railcars, tracks, station structures, signals, and power distribution and communication systems. *Management* and administrative staff support the operation and maintenance of facilities and provide Department-wide oversight, including Capital program delivery.

Strategic Priorities/Goals, Objectives, & Performance Measures

PATH's strategic objectives focus on advancing the agency's long-term strategic priorities/goals of enhancing operational excellence and customer experience by driving improvements in on-time train performance, service reliability, and delay reduction. In addition, PATH supports the agency's strategic priority/goal to revitalize the region's transportation infrastructure through the Capital investments detailed in the 2026 Capital Spending section below.

In alignment with executive guidance, PATH prioritizes and allocates its Budgeted resources to advance these critical strategic priorities/goals, objectives, and performance measures, which are detailed further below.

STRATEGIC PRIORITIES/ GOALS & DEFINITIONS	2026 OBJECTIVES*	2025 ACTUALS	2024 ACTUALS
Operational Excellence & Customer Experience			
Limit the percentage of train trips delayed or annulled in a 24-hour time frame.	Limit the average number of train trips delayed or annulled to a maximum of **2.0%** each quarter.	Quarterly Average: **2.6%** – Q1: 2.4% – Q2: 2.5% – Q3: 3.6% – Q4: 2.2%	Quarterly Average: **1.8%** – Q1: 2.1% – Q2: 1.3% – Q3: 1.5% – Q4: 2.1%
Operational Excellence			
Operate a high percentage of AM and PM peak period revenue service train trips on-time as compared to total scheduled trains during peak periods.	Achieve both an AM and PM peak period on-time trip performance of a minimum of **98%** each quarter.	AM Peak Period On-Time Trips Average: **95.9%** – Q1: 96.1% – Q2: 95.3% – Q3: 94.9% – Q4: 97.4% PM Peak Period On-Time Trips Average: **98.9%** – Q1: 97.4% – Q2: 97.6% – Q3: 97.9% – Q4: 98.0%	AM Peak Period On-Time Trips Average: **98.1%** – Q1: 96.3% – Q2: 99.1% – Q3: 99.0% – Q4: 98.0% PM Peak Period On-Time Trips Average: **98.9%** – Q1: 99.7% – Q2: 98.8% – Q3: 98.5% – Q4: 98.6%
Operational Excellence			
Achieve a planned mean distance between failure reflecting the number of miles, on average, a PATH train travels before breakdown or failure occurs that results in a delay.	Achieve a minimum mean distance between failure of **100,000 miles**.	Mean Distance Between Failure: **118,919 miles**	Mean Distance Between Failure: **128,790 miles**

* Unless otherwise stated, Objectives measure performance through year-end 2026.

Gross Operating Revenues

PATH's projected 2026 Gross Operating Revenue Budget totals $203M and reflects a projected increase of $21M, or 11% versus PATH's 2025 Gross Operating Revenue Budget.

This projected Budget-to-Budget increase is driven by:

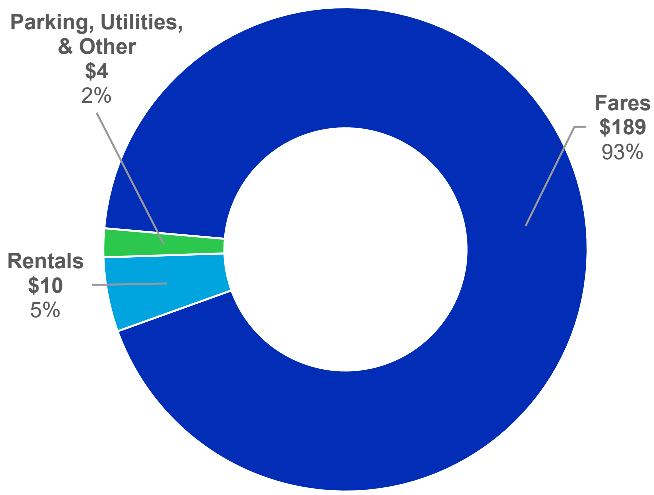
- **PATH Fare** revenues reflect a projected increase of $19M, or 12% versus the 2025 Budget driven by estimated higher ridership.

  The projected fare revenues also reflect the first of four annual increases of $0.25 and effective mid-2026, as set forth in the 2026-2035 Capital Plan, resulting in $5M of incremental revenues in 2026.

- **Rentals** reflect a projected increase of $0.9M, or 10% versus the 2025 Budget driven by a new rental agreement.

- **Parking & Other** reflects a projected increase of $0.5M, or 17% versus the 2025 Budget driven by higher expected Right of Entry revenues for design and construction projects in the vicinity of PATH infrastructure that require monitoring of PATH assets.

2026 GROSS OPERATING REVENUE BUDGET BY CATEGORY
($ in millions)



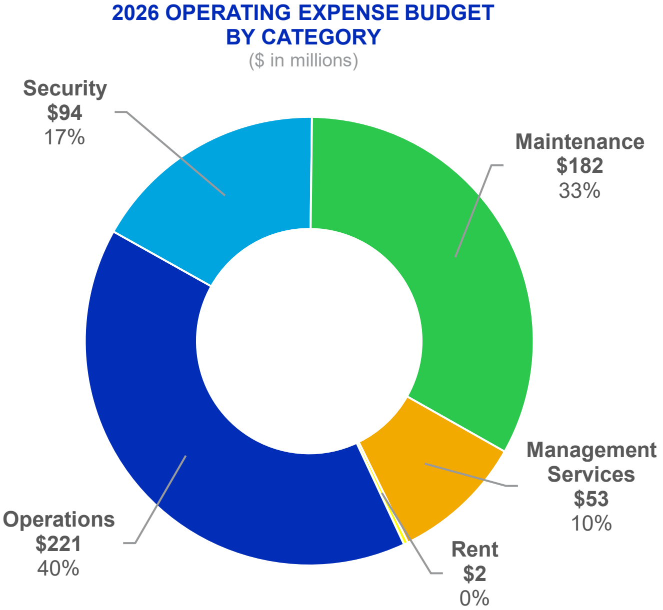
Gross Operating Revenue by Category

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
PATH Fares	$152,461	$169,566	$175,961	**$189,085**
Rentals	8,626	9,210	10,445	**10,086**
Parking & Other	4,793	3,189	3,473	**3,715**
Utilities	179	164	162	**165**
Total	**$166,059**	**$182,129**	**$190,041**	**$203,051**

Operating Expenses

PATH's 2026 Operating Expense Budget—which includes resources to provide safe, reliable, and efficient rail transit service—totals $630M and reflects an increase of $57M, or 10% versus PATH's 2025 Operating Expense Budget.

This Budget-to-Budget increase includes *inflationary escalations of $34M, or 5.9%*. An additional *$23M of priority spending* and agency insurance allocations above inflation (*of the agency's total $36M priority spending*) is included for:



– *Implement far-reaching PATH frequency of service increases* of $19M to increase train service frequency during the weekday peak and weekends in response to ridership growth and rider requests;

– *Temporary Support for Capital Construction* of $3M to support additional alternative transportation services during station shutdowns to accommodate construction for PATH's capital improvements; and,

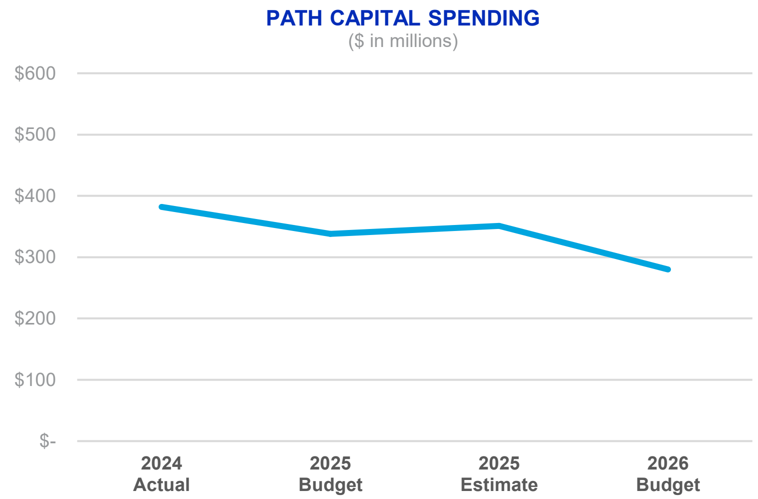
– *Funded by Other Sources* of $1M to replace a video display wall at the PATH Train Control Center, which is funded entirely by a Federal grant.

Operating Expense by Category

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Operations	$183,449	$182,831	$208,624	**$221,300**
Security	81,267	87,668	85,888	**94,107**
Maintenance	164,751	177,142	161,963	**181,805**
Management Services	44,611	50,028	46,131	**52,725**
Rent	2,288	1,631	1,791	**1,667**
Subtotal	**$476,366**	**$499,300**	**$504,397**	**$551,604**
Allocated	62,596	73,586	72,903	**77,926**
Total*	**$538,962**	**$572,886**	**$577,300**	**$629,530**

* Budget and Actual/Projected Operating Expenses reflect the agency's cash contributions for both pension and OPEB and excludes Non-Cash Pension & OPEB actuarial plan valuations per GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".

Capital Spending



PATH's 2026 Capital Spending Budget totals $292M and reflects a decrease of ($46M), or (14%) versus PATH's 2025 Capital Spending Budget driven by the completion of critical components of the PATH Forward program in 2025 that were necessary for the planned service enhancements scheduled for 2026.

Funding is included for the third year of a program focused on improving reliability and modernizing stations on the fifth-busiest rapid transit system in the United States. Construction will continue in replacing PATH's Substation #2, a critical piece of infrastructure that supports the operation of all PATH trains. Additionally, design activities will progress for infrastructure replacement and security enhancements in PATH Tunnels A and B and initial work related to the PATH Fare Gates Replacement project.

Further detail on Significant Capital Projects included in the 2026 Capital Spending Budget is provided below.

Significant Capital Projects *($ in thousands)*

PROJECT TITLE & DESCRIPTION	OPERATIONAL IMPACTS	2026 BUDGET
Replacement of Substation 2 Provides for construction of a new substation and compressor plant to replace the existing Substation 2 in Jersey City, NJ.	Replaces the existing substation which has reached the end of its useful life.	$53,326
PATH Railcar & Track State of Good Repair Program Provides for PATH railcar rehabilitation and acceleration of track work on the most critical rail segments in the PATH system.	Improves performance and availability of PATH's railcar fleet as well as reduces delays and improves reliability of the PATH system.	$41,532
Restoration of Stations Provides for the restoration of the Hoboken, Newport, Exchange Place, and Grove Street stations, including architectural, structural, electrical, and other support systems damaged by flooding during Superstorm Sandy.	Returns damaged assets to a state of good repair.	$28,190
Replacement of Track in Open Areas Provides for the replacement of the existing Kearny Pocket track interlocking and the installation of a new track interlocking located west of the Hackensack River Bridge.	Returns damaged assets to a state of good repair. The new track interlocking provides additional operational flexibility.	$15,060
Replacement of PATH Fare Gates Installation of new state-of-the-art fare gates and technology upgrades.	Enforcement of fare payment and deterrence of fare evasion in the PATH system.	$6,000

AVIATION

Mission

Aviation's mission is to "Keep the Region Moving" by ensuring the safety, security, and efficiency of the region's airport system and by building infrastructure that meets the air transportation demand of people, goods, and related services.

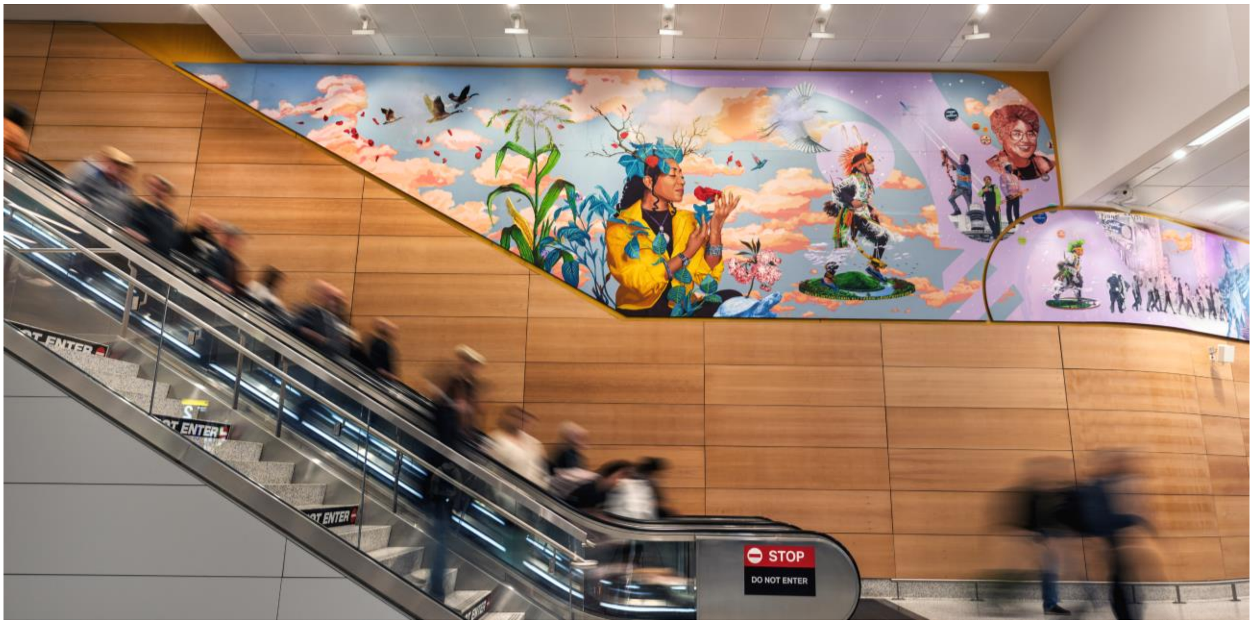
Facilities

The Port Authority's airports represent the largest network of airports in the world, enabling millions of passengers' journeys each year.

John F. Kennedy International Airport ("JFK") serves as the region's chief international gateway, while Newark Liberty International Airport ("EWR") serves both national and international markets. LaGuardia Airport ("LGA") serves as the premier short-haul facility in the region. New York Stewart International Airport ("SWF") provides short-haul and low-cost international service while Teterboro Airport ("TEB") serves general aviation clients.

All three of Aviation's major airports—*EWR, JFK, and LGA*—are undergoing a $50B transformation using public and private funding to become modern, world-class gateways, with both LGA and EWR receiving global accolades to-date for their remarkable transformations.

The artworks at Newark Liberty International Airport Terminal A spanning the arrivals and departure halls welcome travelers on multiple levels and at various points during their journey through the award-winning terminal.

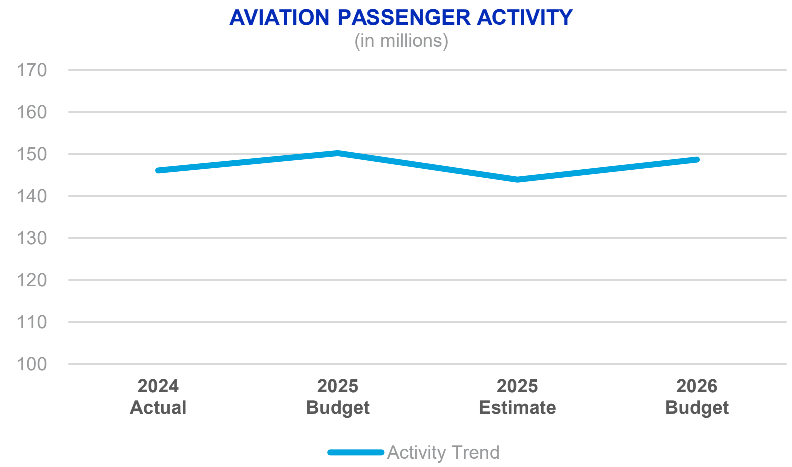


Core Functions

- Continue the transformation of the Port Authority's airports into 21st century gateways to the region that meet global best-in-class standards.
- Develop, manage, and maintain passenger terminals, runways, and cargo facilities in compliance with FAA regulatory standards.
- Negotiate agreements and handle tenant relationships with airlines that rent passenger terminals and terminal gates, hangars, and cargo spaces, as well as with retail merchants and concessionaires.
- Manage security and coordinate with the Transportation Security Administration ("TSA") and Customs and Border Protection ("CBP") to ensure passenger safety and security.

Activity Volumes

In 2026, a record 149M passengers are projected to use the Port Authority's airports. Estimated passenger volumes in 2025 of 144M are 6M under the 2025 Budget driven by a modest decrease in domestic travel resulting from FAA restrictions at Newark Airport from June 2025 through the end of the year as a result of FAA staffing and technology issues.



Staffing

Aviation's staffing consists of employees dedicated to operating, maintaining, managing, and providing Capital support to the airports.

Operations staff operate and manage aeronautical, landside, security, and customer care functions while complying with FAA rules and regulations. *Maintenance* staff ensure each airport's assets, infrastructure, and equipment are maintained to operate at a high level of performance and meet code and regulatory compliance. *Management* staff provide Department-wide oversight and support to facility operations and maintenance, including Capital program delivery. *Security* staff reflect the aircraft rescue and firefighting ("ARFF") police force who represent the first line of defense in the event of an airport ground emergency or a fire that breaks out on an aircraft or airport facility.

Strategic Priorities/Goals, Objectives, & Performance Measures

Aviation's strategic objectives focus on advancing the agency's long-term strategic priorities/goals of enhancing operational excellence, safety and security, and customer experience by improving the movement of goods and people, ensuring airside safety, and improving airport passenger satisfaction. In addition, Aviation supports the agency's strategic priority/goal to revitalize the region's transportation infrastructure through the Capital investments detailed in the 2026 Capital Spending section below.

In alignment with executive guidance, Aviation prioritizes and allocates its Budgeted resources to advance these critical strategic priorities/goals, objectives, and performance measures, which are detailed further below.

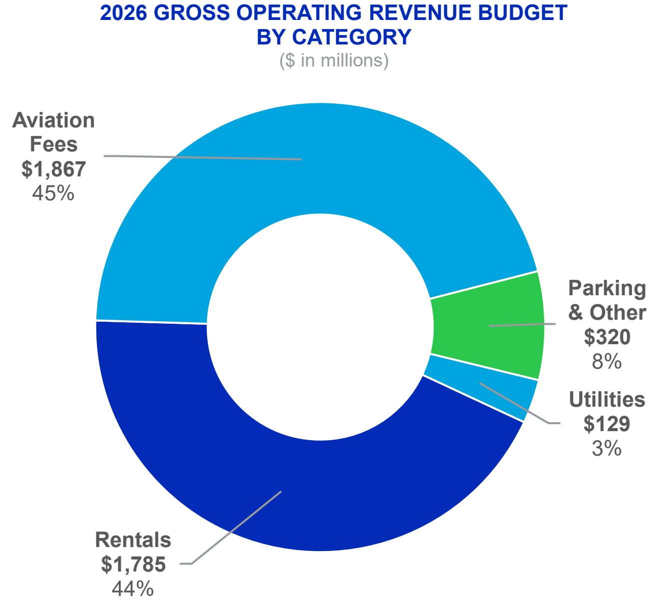
STRATEGIC PRIORITIES/ GOALS & DEFINITIONS	2026 OBJECTIVES*	2025 ACTUALS	2024 ACTUALS
Customer Experience Improve on-time scheduled performance measured as percentage of all flights departing and arriving within 15 minutes of their scheduled time.	Achieve a minimum on-time schedule performance of: – EWR: **80.3%** – JFK: **82.1%** – LGA: **83.1%**	On-Time Performance: – EWR: **75.5%** – JFK: **79.9%** – LGA: **76.5%**	On-Time Performance: – EWR: **78.8%** – JFK: **80.7%** – LGA: **81.6 %**
Customer Experience Improve overall airport passenger satisfaction as measured by Airport Council International's Airport Service Quality ("ASQ") survey. Ratings are on a scale of 1 (low) to 5 (high).	Achieve a minimum ASQ overall satisfaction rating of: – JFK: **4.00** – EWR: **4.08** – LGA: **4.45**	Overall ASQ Rating: – JFK: **3.80** – EWR: **3.97** – LGA: **4.38**	Overall ASQ Rating: – JFK: **3.81** – EWR: **3.98** – LGA: **4.30**

* Unless otherwise stated, Objectives measure performance through year-end 2026.

Gross Operating Revenues

Aviation's projected 2026 Gross Operating Revenue Budget totals $4.1B and reflects a projected increase of $216M, or 5.6% versus Aviation's 2025 Gross Operating Revenue Budget.

This projected Budget-to-Budget increase is driven by:



- **Aviation Fees**— which includes: 1) airline cost recoveries; 2) AirTrain fares; and, 3) Airport Ground Transportation Access Fees—reflect a projected increase of $120M, or 7% versus the 2025 Budget.

  This projected increase is driven by:

  – Higher recoverable Operating and Capital costs consistent with the Aviation 2026 Uses Budget; and,

  – Higher Airport Ground Transportation Access Fees and AirTrain fare revenues from projected increased activity, and a scheduled fare increase of $0.25 based on the automatic inflation-based AirTrain fare adjustment as adopted by the Board in September 2019, bringing Single Ride Fares to $8.75 from $8.50.

  – Additionally, the projected revenue Budget reflects the new fee structure in the 2026-2035 Capital Plan for incremental Airport Ground Transportation Access Fees—which are charged to FHV and taxis operating at our airports. The fee increases from $2.50 to $3.50 for FHV pick-up and drop-off trips and from $1.75 to $2.00 for taxi pick-ups only brings the rates charged at EWR, LGA, and JFK airports in-line with peer airports.

- **Rentals**—including both fixed and activity-based percentage rentals—reflect a projected increase of $110M, or 7% versus the 2025 Budget driven by: 1) higher JFKIAT Terminal 4 operator revenue sharing payments as a result of higher projected activity levels at the terminal; 2) new or adjusted leases with more favorable terms; and, 3) scheduled contractual escalations.

- **Parking & Other Fees** reflect a projected decrease of ($14M), or (4%) versus the 2025 Budget driven by: 1) lower parking revenues as a result of a decrease in the forecasted passengers projected to park at the airports due to impacts of the ongoing Redevelopment programs; and, 2) a reduction in NYSDOT reimbursements for construction work close to AirTrain JFK infrastructure.

- **Utilities** reflect a projected decrease of ($1M), or (1%) versus the 2025 Budget driven by lower EWR Central Heating and Refrigeration cost recoveries.

Gross Operating Revenue by Category

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Aviation Fees*	$1,719,025	$1,746,453	$1,776,435	**$1,866,860**
Rentals	1,746,961	1,675,128	1,761,188	**1,785,459**
Parking & Other	358,182	333,270	326,942	**319,663**
Utilities	121,936	130,745	137,204	**129,498**
Total	**$3,946,104**	**$3,885,596**	**$4,001,769**	**$4,101,480**

* 2025E & 2026B Excludes the impact of non-cash Labor expenses recovered via Aviation Fees.

Operating Expenses

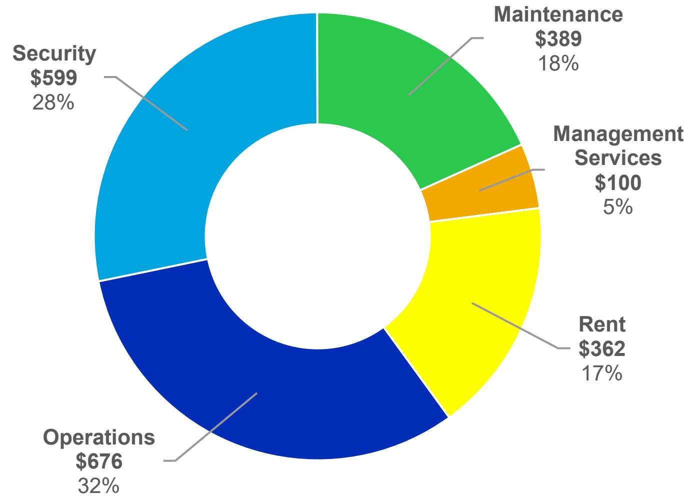
Aviation's 2026 Operating Expense Budget—which funds the ongoing cleaning, maintenance, traffic management, customer experience, and safety and security initiatives that provide the traveling public with world-class airports—totals $2.3B and reflects an increase of $81M, or 4% versus Aviation's 2025 Operating Expense Budget.

This Budget-to-Budget increase includes *inflationary escalations of $68M, or 3%*. An additional *$13M of priority spending* above inflation (*of the agency's total $36M priority spending*) is included for:

- *Non-Discretionary Revenue-Driven Costs* of $6M providing for increased contractual City Rent payments at the three major airports as a direct result of projected revenue growth;
- *Temporary Support for Capital Construction* of $5M for alternative transportation options to mitigate disruptions to travelers caused by planned closures to AirTrain EWR; and,
- *Funded by Other Sources* of $2M for airline-requested fully reimbursable expenses to support JFK fuel farm regulatory changes.

2026 OPERATING EXPENSE BUDGET BY CATEGORY

($ in millions)

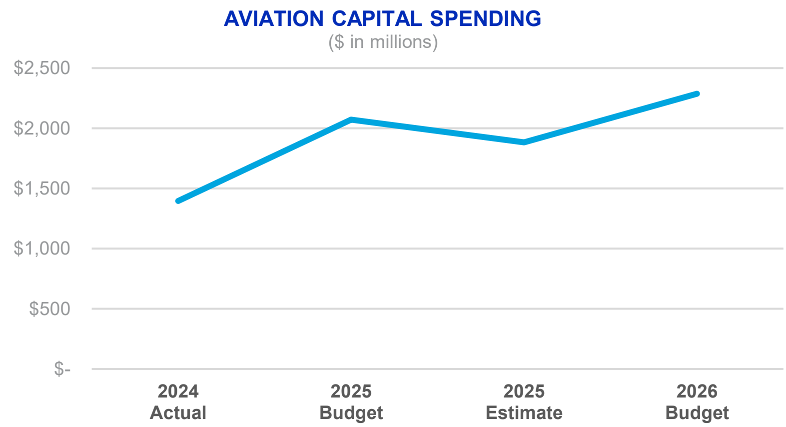


Operating Expense by Category

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Operations	$672,224	$668,207	$653,505	**$675,762**
Security	546,646	569,610	591,355	**599,344**
Maintenance	364,212	373,986	389,630	**389,380**
Management Services	101,805	93,441	113,557	**100,095**
Rent	342,774	339,792	352,312	**362,015**
Subtotal	**$2,027,661**	**$2,045,036**	**$2,100,359**	**$2,126,596**
Allocated	155,126	148,101	150,995	**147,543**
Total*	**$2,182,787**	**$2,193,137**	**2,251,354**	**$2,274,139**

* Budget and Actual/Projected Operating Expenses reflect the agency's cash contributions for both pension and OPEB and excludes Non-Cash Pension & OPEB actuarial plan valuations per GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".

Capital Spending



Aviation's 2026 Capital Spending Budget totals $2.3B and reflects an increase of $190M, or 9% versus Aviation's 2025 Capital Spending Budget driven by airport Redevelopment projects.

Of note, construction activities under the JFK Redevelopment program are funded to deliver a unified, modern airport with world-class passenger amenities, expanded gate capacity, state-of-the-art security, and streamlined roadway access. At EWR, construction for the new AirTrain EWR, which started in 2025, will replace the aging system currently operating beyond its useful life, with a wholly new system designed to meet increasing passenger demand and enhance customer experience for airport visitors and employees. Planning will also continue for a new EWR Terminal B as part of the EWR Visioning plan's blueprint that sets a course for the airport's continued redevelopment to accommodate passenger growth and deliver 21st century facilities. Ground access initiatives will also advance, with the EWR Station Access operational by the end of 2026 and the LGA Ground Access Program continuing to improve public transit access to the airports.

Further detail on Significant Capital Projects included in the 2026 Capital Spending Budget is provided below.

Significant Capital Projects *($ in thousands)*

PROJECT TITLE & DESCRIPTION	OPERATIONAL IMPACTS	2026 BUDGET
JFK Redevelopment Provides for airport infrastructure improvements and program support for third-party terminal developments, including airside enhancements and roadway modifications to improve efficiency and reduce delays.	Supports the modernization and transformation of JFK to accommodate passenger growth and provide best-in-class terminals, roadway networks, and customer experience.	$826,968*
AirTrain EWR Advances the replacement of the existing AirTrain EWR system which has reached the end of its useful life.	Replaces the outdated system to meet increasing passenger demand and improve reliability.	$675,366
LGA Ground Access Program Provides for improvements to the existing MTA/LGA Link Q70 bus service and new non-stop airport service from Ditmars Boulevard, the terminus of the N/W subway line in Astoria, Queens including a new bus lane on the BQE and new on-airport bus stop.	Provides better and faster transit access to LGA.	$93,763
JFK Cogeneration Facility Expansion Provides for the design, construction, and installation of critical thermal equipment, components, and systems that will upgrade and expand the facility to serve the expanded area and passenger capacity of the redeveloped terminals.	Replaces existing electrical equipment to support future airport needs.	$70,888
EWR Station Access Provides for the construction of a new at-grade and elevated facility at EWR that will connect the existing Northeast Corridor Commuter Rail Station and the AirTrain Newark Rail Link Station to the Newark South Ward local neighborhood.	Provides new multi-modal street level access to existing Amtrak, NJ Transit, and AirTrain EWR rail services.	$66,713
Rehabilitation of JFK Taxiways A & B East & South Provides for the milling and overlay between Taxiways A & B East & South, including pavement, drainage, signage, markings, and lights in accordance with FAA circulars.	Maintains state of good repair of critical taxiway infrastructure.	$49,600
EWR New Terminal B Planning Provides for expert professional planning, architectural and engineering services for the replacement of Terminal B with associated airside and landside infrastructure and the EWR Central Heating & Refrigeration Plant.	Replacement / Modernization of EWR Terminal B	$10,000

* Dollars represent Port Authority capital investment and does not include private capital investments.

PORT

Mission

Port's mission is to "Keep the Region Moving" by developing and managing competitive port infrastructure and services that expedite the movement of cargo and cruise passengers in a secure, environmentally sound, and fiscally responsible manner.

Facilities

The Port of New York and New Jersey ("PONYNJ") is at the center of the largest consumer region in the country, serving more than 28M local consumers with 5M containers loaded and unloaded at its docks each year.

PONYNJ is comprised of the following facilities: 1) Port Newark; 2) Elizabeth-Port Authority Marine Terminal; 3) Port Jersey-Port Authority Marine Terminal; 4) Howland Hook Marine Terminal; and, 5) the Greenville Yard-Port Authority Marine Terminal.

The Port Department also operates: 1) ferry transportation; and, 2) a Class 1 freight railroad—New York-New Jersey Rail, LLC—which provides local cross-harbor transportation for freight railcars across the Hudson River utilizing a float barge system.

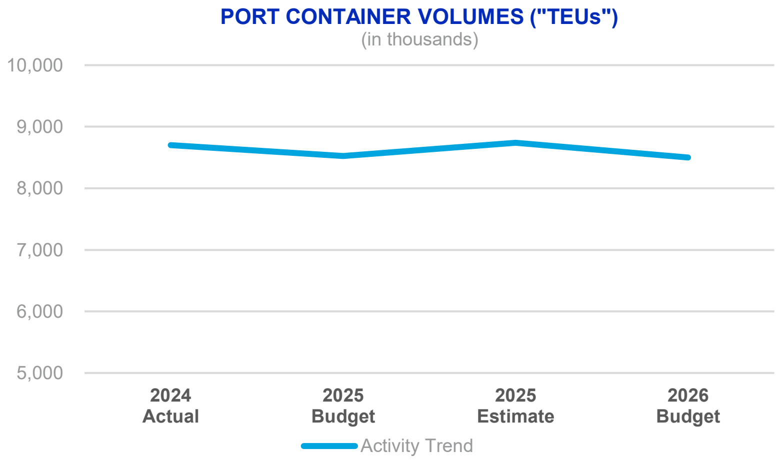
PONYNJ offers numerous options to move cargo, providing unmatched access to one of the largest and most concentrated consumer markets in the world, as well as fast access to key inland and northern markets.

Core Functions

- Develop and maintain all Port facility common areas and marine terminals, focusing on asset management, service reliability, service efficiency, security, and environmental stewardship.
- Promote Port facilities as the premier gateway port on the East Coast for cargo owners, ocean carriers, logistics service providers, automotive manufacturers, bulk cargo businesses, and cruise lines.
- Manage and deliver Port Capital programs, including terminal development, port-wide rail facilities, and landside infrastructure.
- Oversee the management of Port's real estate portfolio, including leasing, administration, and facilitation of improvements, programs, and initiatives across Port facilities.
- Undertake innovative planning for future Port development and partner with stakeholders, regional governments, and the business community on implementation.

Activity Volumes

In 2026 Port twenty-foot equivalent unit ("TEU") Containers are projected to total 8.5M, which is in line with the 2025 Budget.



Staffing

Port's staffing consists of employees dedicated to operating, maintaining, managing, marketing, and providing Capital support across Port facilities.

Operations staff ensure that the facilities are operated in a manner that allows for the safe and efficient movement of international cargo to and from Port facilities. *Maintenance* staff maintain the marine terminals and port system and ensure compliance with applicable codes and regulations. *Management* staff support the operations and maintenance of facilities and provide Department-wide oversight, including Capital program delivery.

Strategic Priorities/Goals, Objectives, & Performance Measures

Port's strategic objectives focus on advancing the agency's long-term strategic priorities/goals of enhancing operational excellence and sustainability by increasing cargo volumes and the movement of cargo by rail and improving port productivity by decreasing container dwell times. In addition, Port supports the agency's strategic priority/goal to revitalize the region's transportation infrastructure through the Capital investments detailed in the 2026 Capital Spending section below.

In alignment with executive guidance, Port prioritizes and allocates its Budgeted resources to advance these critical strategic priorities/goals, objectives, and performance measures, which are detailed further below.

STRATEGIC PRIORITIES/ GOALS & DEFINITIONS	2026 OBJECTIVES*	2025 ACTUALS	2024 ACTUALS
Operational Excellence & Sustainability Increase intermodal rail utilization by growing the volume of cargo moved by rail.	Achieve a minimum of **733,000** containerized cargo shipments moved by rail.	Cargo Shipments by Rail: **718,942** – **48%** of ExpressRail System capacity, an increase of **5.4%** YoY	Cargo Shipments by Rail: **639,657** – **42.6**% of ExpressRail System capacity, an increase of **1.7%** YoY
Operational Excellence & Sustainability Increase the percentage of truck visits that exchange more than one container on the same trip and reduce the container dwell time.	**1.** Increase the percentage of truck visits that exchange more than one container to **29.9%**, or a 2% increase as compared to 2025. **2.** Reduce the import container dwell time at less than **4.0** days wait time.	Trucks Exchanging More than One Container: **29.4%**, a **3.8**% increase YoY Container Dwell Time: **3.2 days**	Trucks Exchanging More than One Container: **28.4%**, a **16.1**% increase YoY Container Dwell Time: **3.4 days**
Operational Excellence Continue moving critical goods throughout the region and the world.	Recover US container market share above **15.4%**.	US Import Container Market Share: **15.4%**	US Import Container Market Share: **14.8%**

* Unless otherwise stated, Objectives measure performance through year-end 2026.

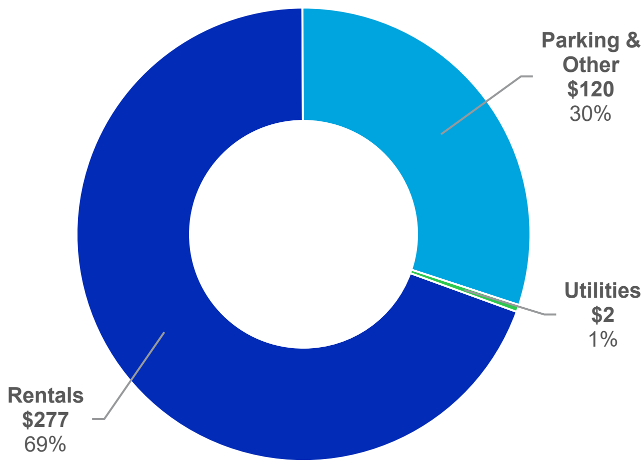
Gross Operating Revenues

Port's projected 2026 Gross Operating Revenue Budget totals $399M and reflects a projected increase of $8M, or 2% versus Port's 2025 Gross Operating Revenue Budget.

This projected Budget-to-Budget increase is driven by:

- **Parking & Other**—which consist of CFCs as well as dockage and wharfage fees—reflect an increase of $6M, or 5% versus the 2025 Budget driven by: 1) an annual adjustment to the assessed CFC rate effective January 1, 2026; and, 2) increased lease rates for auto processing agreements.

2026 GROSS OPERATING REVENUE BUDGET BY CATEGORY
($ in millions)



- **Rentals**—which are derived from leased property corresponding to fixed land rents from various tenant agreements and throughput fees derived from container and other activity—reflect a projected increase of $2M, or 1% versus the 2025 Budget driven by: 1) increased rental rates for various lease agreements executed in 2025; and, 2) contractual escalations.
- **Utilities** reflect a projected increase of $0.2M, or 10% versus the 2025 Budget driven by higher water rates at Port Newark, which is fully offset by higher Operating Expenses.

Gross Operating Revenue by Category

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Rentals	$271,936	$274,418	$284,744	**$276,791**
Parking & Other	112,350	114,733	114,662	**120,218**
Utilities	3,398	1,835	2,377	**2,017**
Total	**$387,684**	**$390,986**	**$401,783**	**$399,026**

Operating Expenses

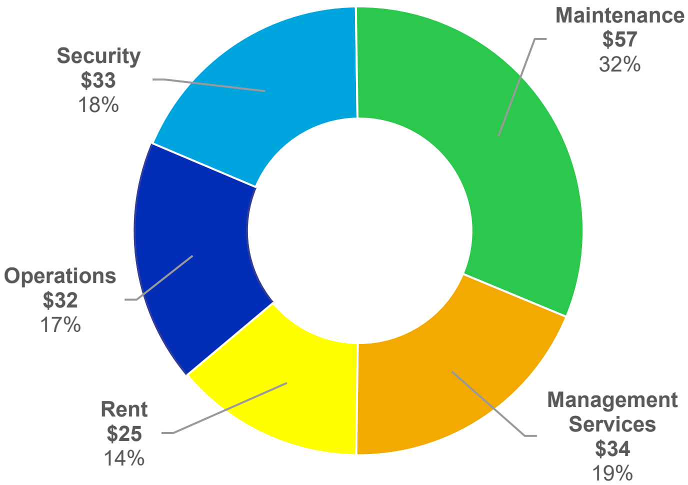
Port's 2026 Operating Expense Budget—which provides resources to support the ongoing operation and maintenance of the agency's Port facilities—totals $193M and reflects a decrease of ($5M), or (3%) versus Port's 2025 Operating Expense Budget.

This includes a ($7M) reduction versus 2025 Budget following completion of work for traffic management, legal, and engineering efforts at Port Newark and the Port Street Corridor Improvement project.

Port's 2026 budget includes *inflationary growth managed flat to 2025 budget and priority spending of $2M (of the agency's total $36M priority spending)* which includes grant funds of $2M in support of the administration of the recently awarded Environmental Protection Agency ("EPA") Clean Ports Program grant.

2026 OPERATING EXPENSE BUDGET BY CATEGORY

($ in millions)



Operating Expense by Category

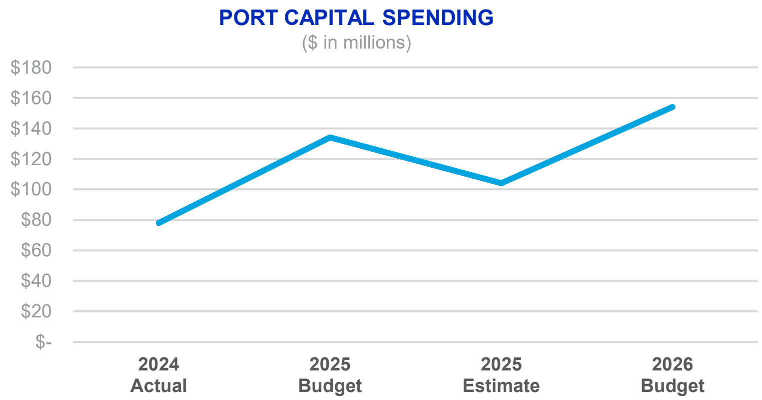
($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Operations	$37,346	$33,050	$26,901	**$31,540**
Security	33,742	35,002	34,836	**33,171**
Maintenance	66,151	58,208	54,685	**56,797**
Management Services	38,205	33,687	38,788	**34,163**
Rent	26,228	25,023	25,882	**24,679**
Subtotal	**$201,672**	**$184,970**	**$181,092**	**$180,350**
Allocated	11,854	13,446	11,421	**12,552**
Total*	**$213,526**	**$198,416**	**$192,513**	**$192,902**

* Budget and Actual/Projected Operating Expenses reflect the agency's cash contributions for both pension and OPEB and excludes Non-Cash Pension & OPEB actuarial plan valuations per GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".

Capital Spending

Port's 2026 Capital Spending Budget totals $164M and reflects an increase of $30M, or 22% versus Port's 2025 Capital Spending Budget.

Funding is included to advance key components of the Port Street Corridor Improvement project as part of the overall effort to modernize the road network leading into Port Newark. Work on the Wharf Rehabilitation Program will also continue along with design advancing the reconstruction of public berths to ensure the maintenance of critical Port infrastructure.



Further detail on Significant Capital Projects included in the 2026 Capital Spending Budget is provided below.

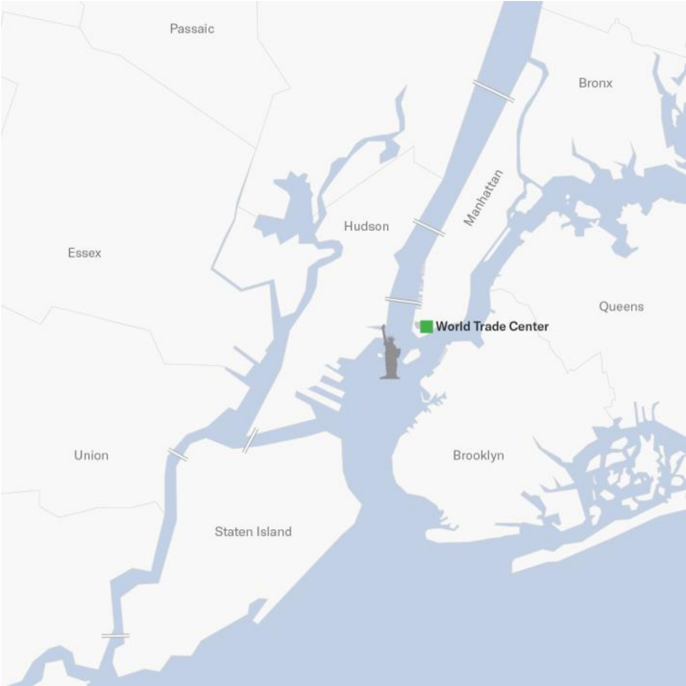
Significant Capital Projects *($ in thousands)*

PROJECT TITLE & DESCRIPTION	OPERATIONAL IMPACTS	2026 BUDGET
Port Street Corridor Improvements Provides for the replacement of the Corbin Street ramp and the realignment of Kellogg, Marlin, and Port Streets and associated roadways at Port Newark's northern access.	State of good repair of critical roadway system infrastructure, as well as improved traffic flow and safety.	$40,213
Priority Marine Rehabilitation Program Provides for priority rehabilitation of wharves, piers, and berths at multiple New Jersey Marine Terminal and New York Marine Terminal Port facilities.	Maintains structural integrity and state of good repair of critical wharf structures.	$39,241
Rehabilitation of Fire Protection Systems at Port Newark Provides for the rehabilitation of fire protection systems at various Port Newark buildings.	Maintains state of good repair and code compliance for all Port Newark buildings.	$13,785

WORLD TRADE CENTER ("WTC")

Mission

WTC's mission is to "Keep the Region Moving" by operating, maintaining, and promoting the WTC campus including preserving the WTC's status as a landmark of remembrance and international significance, managing stakeholder relationships through open communication and teamwork, and overseeing regulatory guidelines.



Facilities

The WTC is a 16-acre campus home to the Oculus, Transportation Hub, One WTC, 3 WTC, 4 WTC, 7 WTC, the 9/11 Memorial & Museum, Liberty Park, Saint Nicholas National Shrine, and the Ronald O. Perelman Performing Arts Center ("PAC").

These facilities are either owned and operated by the Port Authority or operated by respective stakeholders. Port Authority owned facilities include:

- The Transportation Hub;
- Liberty Park;
- The Vehicle Security Center, below-grade Vehicle Roadway Network, and other site-wide infrastructure; and,
- One WTC (a joint venture of the Port Authority and the Durst Organization).

The WTC campus is an award-winning NYC destination with a unique mix of public and private space recognized for its excellence in architecture, engineering, sustainability achievements (LEED certification), and community engagement.

Core Functions

- Operate and maintain all Port Authority spaces at the WTC site, including public areas, critical infrastructure, and the Transportation Hub.
- Oversee site-wide processes and functions, including compliance with applicable agency-wide guidelines, codes, rules, and regulations.
- Maintain WTC campus security equipment and manage WTC campus credentialing functions in coordination with the PAPD and the New York City Police Department.
- Negotiate, implement, and manage business partner agreements and stakeholder relationships to maximize the value of the WTC.

Staffing

WTC’s staffing consists of employees who provide Department-wide oversight, handle real estate and business relationships, facilitate property and revenue management, and ensure an exceptional customer experience for the public.

Strategic Priorities/Goals & Objectives

WTC's strategic objectives focus on advancing the agency’s long-term strategic priorities/goals of enhancing operational excellence, safety and security, and customer experience by implementing protective measures and critical infrastructures inundated by Superstorm Sandy, overseeing site-wide property management services to attract and improve tenant experience, and ensuring the safety and security of the site. In addition, WTC supports the agency’s strategic priority/goal to maintain and revitalize the region’s transportation infrastructure through the Capital investments detailed in the 2026 Capital Spending section below.

In alignment with executive guidance, WTC prioritizes and allocates its Budgeted resources to advance these critical strategic priorities/goals, objectives, and performance measures.

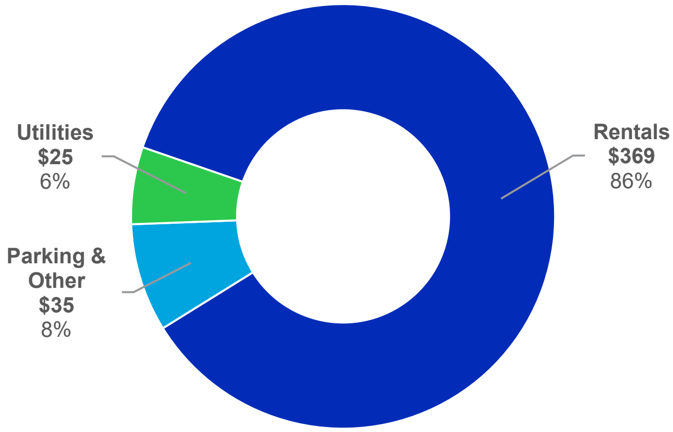
STRATEGIC PRIORITIES/ GOALS & DEFINITIONS	2026 OBJECTIVES*	2025 ACTUALS	2024 ACTUALS
Customer Experience			
Expand programming at the WTC campus by improving overall customer satisfaction. Ratings are on a scale of 1 (low) to 5 (high).	Achieve overall customer satisfaction score of **4.2** or greater for events.	**4.2**	**4.1**

* Unless otherwise stated, Objectives measure performance through year-end 2026.

Gross Operating Revenues

WTC's projected 2026 Gross Operating Revenue Budget totals $429M and reflects a projected increase of $13M, or 3% versus WTC's 2025 Gross Operating Revenue Budget.

2026 GROSS OPERATING REVENUE BUDGET BY CATEGORY
($ in millions)



This projected Budget-to-Budget increase is driven by:

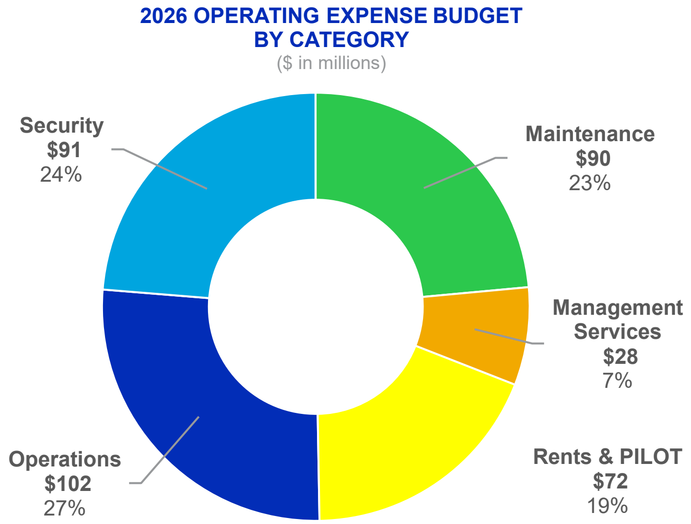
- **Rentals** reflect a projected increase of $4M, or 1% versus the 2025 Budget driven by scheduled contractual increases which is partially offset by lower projected rental revenues at One WTC.
- **Parking & Other** reflects a projected increase of $5M, or 15% versus the 2025 Budget driven by recoverable expenses at One WTC.
- **Utilities** reflect a projected increase of $4M, or 20% versus the 2025 Budget driven by an increase in recoverable electricity expenses.

Gross Operating Revenue by Category

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Rentals	$348,697	$364,683	$356,465	**$368,890**
Parking & Other	33,821	30,711	35,544	**35,392**
Utilities	23,605	20,972	25,899	**25,217**
Total	**$406,123**	**$416,366**	**$417,908**	**$429,499**

Operating Expenses

WTC's 2026 Operating Expense—which supports the ongoing cleaning, customer experience, security, and maintenance expenses required to operate a world-class facility—totals $395M and reflects an increase of $11M, or 3% versus WTC's 2025 Operating Expense Budget. This includes growth for utilities and operations and maintenance contracts.



Operating Expense by Category

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
Operations	$97,121	$96,287	$93,505	**$101,875**
Security	79,273	87,469	84,208	**90,864**
Maintenance	85,551	94,414	95,236	**90,323**
Management Services	38,048	26,169	27,607	**28,360**
Rents & PILOTs	64,803	68,231	67,831	**72,068**
Subtotal	**$364,796**	**$372,570**	**$368,387**	**$383,490**
Allocated	11,486	11,764	10,916	**11,487**
Total*	**$376,282**	**$384,334**	**$379,303**	**$394,977**

* Budget and Actual/Projected Operating Expenses reflect the agency's cash contributions for both pension and OPEB and excludes Non-Cash Pension & OPEB actuarial plan valuations per GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".

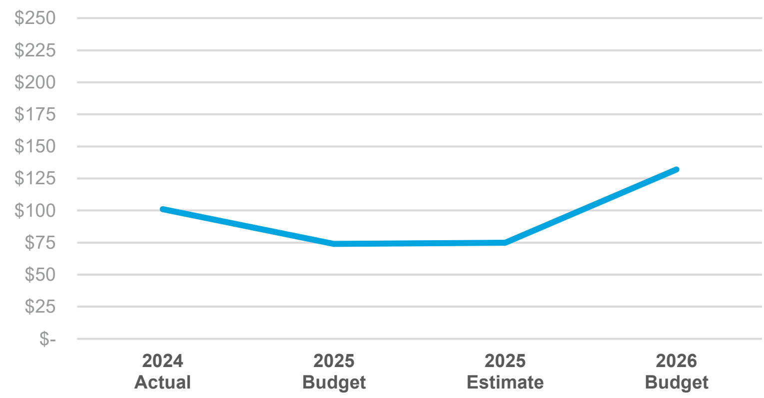
Capital Spending

WTC's 2026 Capital Spending Budget totals $143M and reflects an increase of $69M, or 93% versus WTC's 2025 Capital Spending Budget driven by site infrastructure spending.

Funding is included for certain One WTC capital maintenance and for the continuation of regulatory-related upgrades to the River Water Pump Station.

Further detail on Significant Capital Projects included in the 2026 Capital Spending Budget is provided below.

WTC CAPITAL SPENDING
($ in millions)



Significant Capital Projects *($ in thousands)*

PROJECT TITLE & DESCRIPTION	OPERATIONAL IMPACTS	2026 BUDGET
Campus Infrastructure Projects to maintain the World Trade Center Campus in a state of good repair and improve resiliency to remain a world class destination.	Maintains and attracts tourists and residents to the World Trade Center campus and ensures infrastructure remains in a state of good repair.	$48,783
One WTC Projects to maintain the base building in a state of good repair and provide for tenant improvement allowances associated with occupancy.	Maintains and attracts new tenants to remain competitive in the current leasing environment.	$26,535
WTC River Water Pump Station Upgrade State of good repair rehabilitation of the existing pump station headhouse and replacement of the existing sluice gates and infrastructure, advancing the facility towards compliance with environmental regulations.	Maintains the critical facility in a state of good repair and ensures compliance with the New York State Department of Environmental Conservation permit.	$8,502

SUSTAINABILITY AT THE PORT AUTHORITY

The Port Authority is committed to the long-term sustainability of the region while meeting the critical infrastructure needs of New York and New Jersey.

Environmental sustainability has been a focus for the Port Authority since 1993 when the agency first developed its Environmental Policy Statement. This was followed by the creation of sustainability guidelines for design and construction in 2004, the agency's GHG emissions inventory in 2006, and its inaugural sustainability policy in 2008. And in 2018, the Port Authority became the first public transportation agency in the United States to set aggressive interim GHG reduction targets that called for a 35% reduction by 2025 and an 80% reduction by 2050. In October 2021, the Port Authority raised its climate action targets to align with new U.S. economy-wide goals, committing to a 50% GHG reduction by 2030 for its direct GHG emissions and "net zero" emissions by 2050 across all of its activities, including those attributed to the third parties operating at or visiting agency facilities.

Fundamentally, sustainability—from advancing alternative, renewable, and energy efficiency projects, to focusing on waste reduction, to advancing electrification efforts—is at the core of how the Port Authority operates. Sustainability is one of six of the agency's strategic priorities/goals that guides its decision making, and ultimately, its Budget. Accordingly, the agency's 2026 Budget dedicates over $41M in funding to advance a net zero emissions future and for severe storm and climate change resiliency-related projects. Of note, funding continues to provide resources to advance the agency's goal of reducing direct green-house-gas ("GHG") emissions by (50%) by 2030, continues the replacement of internal combustion vehicles from the agency's vehicle fleet through electric vehicle ("EV") replacements to advance achievement of its 100% light-duty electrification goal by 2028, and expands the agency's solar power investments across the agency's facilities.

The Port Authority also invests considerable effort to enable and encourage its third-party tenants and stakeholders to transition to zero emissions vehicles and invest in energy efficiency projects, amongst other, to meet the agency's target of net zero emissions by 2050.

Mission, Goals, Objectives, & Performance Measures

The Port Authority's sustainability mission, goals, and objectives are directly linked to its commitment to meeting a 50% GHG reduction by 2030 for its direct GHG emissions and "net zero" emissions by 2050 across all of its activities, including those attributed to the third parties operating at or visiting agency facilities.

STRATEGIC PRIORITIES/ GOALS & DEFINITIONS	2026 OBJECTIVES*	2025 ACTUALS**	2024 ACTUALS
Sustainability			
Reduce direct GHG emissions (50%) from a 2006 baseline by 2030 in alignment with the Port Authority's GHG reduction commitments.	Achieve a cumulative GHG reduction of (38%) from a 2006 baseline.	***(35%)*** *from a 2006 baseline, or a reduction of 26,740 metric tons of CO2e from 2024.*	***(26%)*** *from a 2006 baseline, or an increase of 6,332 metric tons of CO2e from 2023.*

* Objectives measure performance through year-end 2026.
** 2025 Actuals reflect the year-end estimate as final results will be reported in late 2026.

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Budget Process & Financial Policies

The Port Authority Police Department ("PAPD") is proud to serve the region and its people by making sure that every one of the Port Authority's customers, commuters, and employees is safe.

BUDGET PROCESS

Each calendar year, consistent with longstanding Port Authority policy and governance best practices, the Port Authority undertakes a comprehensive and collaborative planning process to develop the ensuing year's annual Budget. As prescribed by its By-Laws, the Port Authority's Board approves an annual Expenditure Budget ("Uses") comprised of: 1) Operating Expenses; 2) annual Capital Spending; 3) Debt Service; and, 4) Deferred Spending.

In tandem with developing the annual Uses Budget, the agency develops its annual Sources Budget, which is comprised of: 1) Gross Operating Revenues; 2) Bond Issuances & Other Sources; 3) aviation Passenger Facility Charges ("PFC"); and, 4) Grants & Contributions.

As policy, the agency aligns its Uses Budget with its Sources Budget to ensure a balanced plan.

Developing the Annual Budget

The Port Authority's Management and Budget Department ("MBD") is responsible for leading the annual Budget process in close coordination with each Department across the agency.

Overall, Departments are instructed to prioritize and allocate resources in alignment with the agency's six long-term strategic priorities/goals and standards. Executive leadership established these strategic priorities/goals to set the foundation needed to achieve the agency's mission to "keep the region moving" (see the *2026 Budget Overview* section for a description of the agency's strategic priorities/goals and standards). The alignment of Budgeted resources with the agency's six long-term strategic priorities/goals and six standards is articulated throughout this Budget document, particularly in the *2026 Budget Overview* section, as well as the *Strategic Priorities/Goals, Objectives, & Performance Measures* in the *Departmental Budget Summaries*.

The process for developing each component of the agency's annual Uses Budget in alignment with the agency's six long-term strategic priorities/goals and six standards is detailed below.

- **Operating Expense & Deferred Spending Budgets** MBD sets preliminary Departmental targets for the Operating Expense and Deferred Spending Budgets, which typically reflect long-term inflationary escalations for labor and materials & services (non-labor) and incorporates other known impacts due to changing business needs and/or operations in line with the agency's strategic priorities/goals and standards. These initial Budget targets are then reviewed by the agency's Chief Financial Officer ("CFO") and other executive leadership, adjusted as necessary, and released to the Departments with planning and Budget instructions.

  Departmental finance teams then work across their businesses and facilities to develop Departmental Budgets that prioritize and allocate resources within their assigned Budget target and in alignment with the planning and Budget instructions. During this process Departments also develop their revenue Budgets based on a common set of economic and business variables as provided by the agency's Planning and Regional Development Department, in addition to known contractual and other business environment changes.

- **Annual Capital Spending Budget** In coordination with MBD, the Port Authority's Project Management Office ("PMO") develops the annual Capital Spending Budget in close collaboration with each Department. The Capital Spending Budget is set in alignment with the spending approved in the agency's ten-year Capital Plan, which advances the agency's strategic priority/goal to maintain and revitalize the region's critical transportation infrastructure. As projects advance through the different stages of the project delivery life cycle, the agency's Capital Plan Oversight Committee ("CPOC") reviews and monitors individual project's spending plans. The annual Capital Spending Budget is then based on the forecasted spending for all active capital projects, as well as projects expected to start in the following year.

- **Debt Service Budget** The Debt Service Budget is developed by the agency's Treasury Department, taking into consideration the scheduled principal and interest on currently outstanding obligations, as well as debt service on debt expected to be issued in the year to support planned capital spending.

Developing the Long-Range Forecast

As part of the annual Budget process, the agency's Departments work collaboratively to update the agency's Long-Range Forecast ("LRF"). The LRF is a planning tool used to forecast the agency's financial condition and determine its capital capacity and ultimately helps set the agency's annual Budget.

Key assumptions used in developing the LRF include a common set of macroeconomic variables and outputs developed by the agency's Planning & Regional Development Department (see *Appendix 1. Economic Outlooks* for further information) that aid in forecasting activity volumes and inflationary escalations, as well as incorporating adjustments for known or anticipated operational, contractual, or business environment changes that may impact revenues and expenses. Ultimately, the LRF ensures that resources are prioritized and allocated to achieve the agency's six long-term strategic priorities/goals and six standards.

The Port Authority's Board regularly monitors the LRF and capital capacity using current information to ensure the agency has sufficient resources to: 1) continue investing in Capital Projects at roughly the pace and the cost that has been planned; and, 2) maintain its commitment to high standards of safety, security, cleanliness, and customer experience as outlined in its annual Budget.

See *Appendix 2. Revenues & Reserves, Multi-Year* to review the Port Authority's 3-year projections developed in alignment with the process described above.

Reviewing, Adopting, & Amending the Budget

Departments submit their Budgets for review and consolidation by MBD, the Office of Financial Planning, and PMO, typically during the second half of the year. Submissions are reviewed and evaluated, with adjustments made as necessary. Executive leadership is briefed on the Budget submissions, and an iterative process ensues to ensure Departmental Budgets align with the agency's Budget target and strategic priorities/goals, standards, and objectives.

Throughout this process the Board's Committees on Finance and Operations are briefed regularly. A proposed Budget is formally presented to the Board in November, followed by posting a proposed Budget Book online for public review and comment in advance of the Board's consideration for formal approval of the Budget. Public comments are reviewed, assessed, and summarized to the Board, with any recommended modifications or adjustments included. A Budget package is then presented to the Board to request authorization, generally at the December Board Meeting.

With this authorization, the Port Authority's Executive Director is delegated the authority to implement the Budget in conjunction with their authority under the agency's By-Laws and other applicable authorizations. There is no formal process to amend the Budget, as the annual Budget is a blueprint for future spending and does not supplant the Board's authorization process for specific expenditures, projects, and contracts. Specific authorization is made from time to time by the Board of Commissioners consistent with statutory, contractual, and other commitments of the Port Authority, including agreements with the holders of its obligations.

In general, developing the Port Authority's annual Budget is a 12-month process as illustrated below. When circumstances warrant, the process may be modified or extended.

Typical Budget Process Timeline

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Setting the Budget Target													
Economic Variable Updates	■			■			■		■				
Financial Model Updates & Board Briefings			■	■		■	■		■	■	■	■	
Agency & Departmental Budget Target Development			■	■	■								
Developing The Budget													
Budget Targets Distributed to Departments				■	■								
Ongoing Strategic Priority/Goal Planning				■	■	■	■	■	■				
Departmental Operating Expense Budget Development						■	■	■	■				
Departmental Revenue Budget Development								■	■	■	■		
Initial Capital Project Spending Assessment							■	■	■				
Final Capital Spending & Budget Development										■	■	■	
Debt Service Budget Development										■	■		
Developing the Long-Range Forecast	■	■		■				■				■	■
Budget Review & Adoption													
Budgets Consolidated, Reviewed, & Finalized										■	■	■	■
Board Presentations										■	■	■	■
Budget Book Release & Public Comment Period												■	■
Adoption of Budget													■

Current and future communications regarding the Budget are available in the Port Authority Press Room https://www.panynj.gov/port-authority/en/press-room.html and at the Port Authority's handle @PANYNJ on social media platform X (formerly Twitter). The 2026 Budget was published on the agency's corporate website (panynj.gov), highlighted in a press release, and featured on the agency's social media accounts.

FINANCIAL POLICIES

Financial Structure

The Port Authority is a municipal corporate instrumentality and political subdivision of the States of New York and New Jersey and raises the necessary funds for the improvement, construction, or acquisition of its facilities, primarily upon the basis of its own operations and credit. The Port Authority has no power to levy taxes or assessments. Further, its Consolidated Bonds and other Special Obligations are not obligations of the two States or of either of them and are not guaranteed by the States or by either of them. The Port Authority's revenues are principally derived from the tolls, fares, fees, rentals, and other charges for the use of, and privileges at, its facilities. These revenues are used to operate, maintain, and provide security throughout all Port Authority facilities.

Basis of Accounting & Budgeting

The Port Authority budgets in an enterprise fund (which includes the accounts of the Port Authority and its blended component units) using the accrual basis of accounting, meaning revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Port Authority follows GAAP as prescribed by GASB.

The Port Authority's Budget is prepared pursuant to the Port Authority's Bond Resolutions which differs in some respects from GAAP. The primary differences between the Port Authority's Budget based on its Bond Resolution versus GAAP are as follows:

1. The inclusion of principal amortization on outstanding Port Authority debt in lieu of depreciation and amortization related to Capital investments. This is intended to demonstrate to bondholders and the public that the Port Authority is generating sufficient cash flows to meet its Debt Service obligations.
2. The recognition of PFCs as a reimbursement of previous Capital cash outlays when allowed by the FAA in lieu of when accrued based on flight activity.
3. The recognition of lease and subscription-based information technology income and expenses on the basis of the terms of the lease or subscription agreements rather than as financing arrangements as required by the GAAP-based GASB Statement No. 87 "Leases" and GASB Statement No. 96 "SBITA". The primary difference is the elimination of the GAAP basis lease amortization and the classification of certain revenues and expenses as Operating versus Non-Operating.
4. Exclusion of unearned rental income related to the 2014 transfer of the Port Authority's interests in the WTC Retail Joint Venture.

As a policy, the Port Authority strives for a balanced Budget, which is achieved when the revenues (Sources of Funds) are equal to the expenses (Uses of Funds) for the fiscal year.

For further information regarding the reconciliation of the Port Authority's GAAP basis financial statements to the Bond Resolution basis, see Note A-4 of the Port Authority's Consolidated Financial Statements.

Reserve Funds

The Port Authority and its Board have established various financial measures designed to ensure that the agency is able to sustain its projects, plan for the future, manage through economic downturns, and fund Debt Service. The Port Authority maintains two reserve funds which were established in accordance with applicable laws, statutes, and resolutions: 1) the General Reserve Fund; and, 2) the Consolidated Bond Reserve Fund.

- **The General Reserve Fund ("GRF")** was established pursuant to Chapter 5 of the Laws of New Jersey of 1931 and Chapter 48 of the Laws of New York of 1931, which have been amended and supplemented, and is pledged in support of the Port Authority's Consolidated Bonds. The GRF requires that the Port Authority apply surplus revenues from its facilities to maintain the GRF in an amount equal to 10% of the par value of outstanding bonds legal for investment. Amounts deposited into the GRF may be accumulated or applied only to the purposes set forth in the GRF statutes and agreements with the holders of such Port Authority bonds secured by a pledge of the GRF.
- **The Consolidated Bond Reserve Fund ("CBRF")** was established by the Port Authority's Consolidated Bond Resolution as adopted on October 9, 1952, and serves as additional security for all Consolidated Bonds. The CBRF is funded through the balance remaining of the Port Authority's Net Revenues (as defined in the Consolidated Bond Resolution) after deducting payments for Debt Service upon all Consolidated Bonds and the amount necessary to maintain the GRF at its statutorily required amount. Amounts deposited into the CBRF may be accumulated or applied only for the purpose of the CBRF.

The agency has set specific targets for the balances of the reserve funds at any given time, as well as other debt-related ratios, including the Additional Bonds Test (as set forth in Section 3 of the Consolidated Bond Resolution). Of note, the Port Authority has a long-standing policy of maintaining, to the extent practicable, 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 GRF.

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 $1M.

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 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.

CBRF and GRF amounts may be invested in obligations of (or fully guaranteed by) the United States of America. Additionally, amounts in the CBRF and the GRF (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 GRF.

Operating funds may be invested in various items including: 1) 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; 2) investment grade negotiable certificates of deposit and negotiable Bankers' Acceptances with banks having AA or better long-term debt rating, premier status and with issues actively traded in secondary markets; 3) commercial paper obligations having only the highest short-term ratings separately issued by two nationally recognized rating agencies; 4) United States Treasury and municipal bond futures contracts; 5) certain interest rate exchange contracts with banks and investment firms; and, 6) certain interest rate options contracts that are limited to $50M of underlying securities with a maturity of no greater than five years with primary dealers in United States Treasury securities. The Board 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 Port Authority's CFO. Further, the Board's Committee on Finance authorization is required to extend the weighted average maturity beyond five years.

The Port Authority has, from time to time, entered in 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.

Compliance

The Port Authority Budget complies with all financial policies and procedures presented above. For further information on the Port Authority's Investment Policies, please reference the most current Official Statements for Port Authority's Consolidated Bonds & Notes and Financial Statements: Consolidated Bonds & Notes | Port Authority of New York and New Jersey and Financial Statements Information | Port Authority of New York and New Jersey (panynj.gov).

Appendix

The new AirTrain system at Newark Liberty International Airport will allow for expanded passenger capacity, greater reliability and flexible connectivity to deliver the 21st century world-class travel experience.

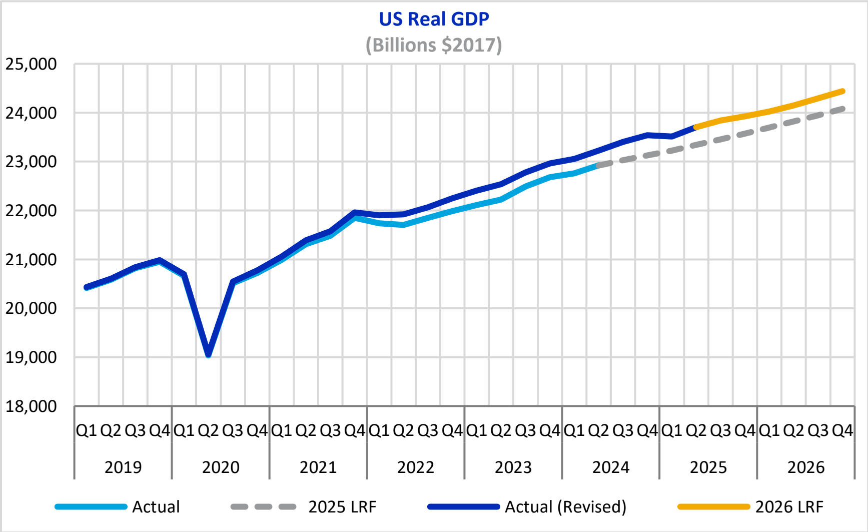
APPENDIX 1. ECONOMIC OUTLOOK

As a part of the annual Budget process, the Port Authority's Department of Planning and Innovation develops an Economic Outlook that underlie both short-term and long-term, forecasts of agency activity volumes, expenses, and revenues. These projections ultimately inform the agency's Long-Range Forecast ("LRF") and Budget. The information provided herein is based on contemporary data and forecasts obtained from various third-party sources including Oxford Economics, S&P Global Market Intelligence, Moody's Analytics, Blue Chip Economic Indicators, and the National Association of Business Economists ("NABE")[4]. The agency's Economic Outlook strives to strike a balance across the wide range of views and is subject to the uncertainty of underlying assumptions that may ultimately differ from actual events.

While the agency's proprietary models utilize a wide variety of economic indicators, this Appendix focuses on three primary areas: 1) economic output, with specific attention to personal consumption expenditures; 2) employment and labor markets; and, 3) inflation.

The post-pandemic measurement of each of these variables has been complicated by significant changes in markets and the economy; this has resulted in some notably large revisions of actual historical data. Some of the charts presented below include both the previous and revised historical performance where appropriate, to bridge breaks in the data and allow for more informed comparisons of recent trends and forecasts to projections that were developed a year ago.

Economic Output ("GDP")



Gross domestic product ("GDP") that represents the total market value of goods and services produced by a country serves as a broad measure of economic health. Consumer spending that comprises approximately 70 percent of US GDP has been a key driver of the country's quick recovery from the pandemic recession, and has continued to fuel stronger than expected performance since then.

The Administration's announcement of sharp tariff increases on April 2, 2025 triggered concerns of an economic slowdown as retaliatory tariffs and corresponding inflationary pressures were expected to have a chilling effect on consumer spending. Tariff increases ultimately were lower than initially feared due to negotiated agreements. Frequent chages and revisions to trade policy, however, have created uncertainty that negatively impacts other sectors of the economy.

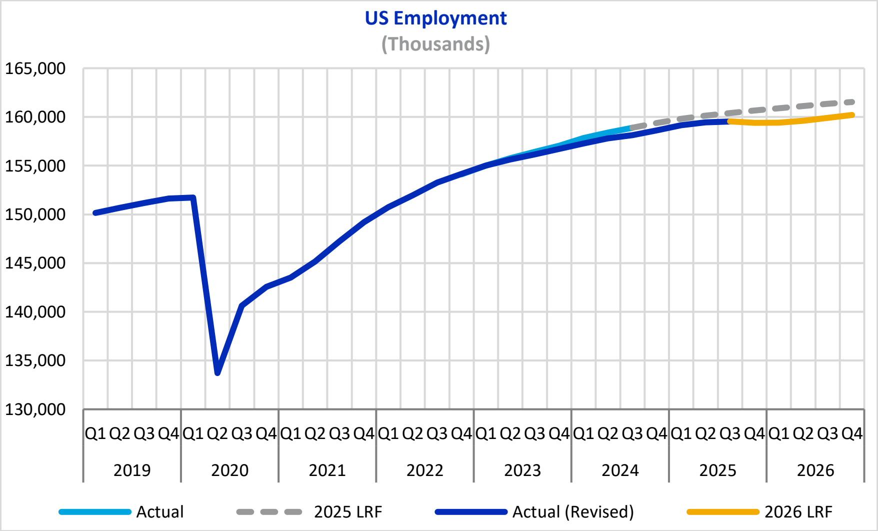
At the same time, an unprecedented spending surge in data center construction and semiconductor production has also buoyed the economy as several tech firms make big investments in the potential promise of artificial intelligence (AI). The anticipated AI boom and corresponding record performance of stock market has

[4] Each month since 1976, Blue Chip Economic Indicators polls 40 to 50 of America's business economists, collecting their forecasts of U.S. economic growth, inflation, interest rates, and a host of other critical indicators of future business activity. The median of all economists surveyed is reported out as the consensus view along with high and low projections that represent the average of the ten highest and lowest opinions. NABE conducts a similar survey across a panel of 40 to 50 professional forecasters each quarter.

disproportionately benefited high income households who in turn have sustained consumer spending despite the inflationary pressure that has otherwise impacted the wider consumer market base.

As a result, despte the headwinds and uncertainy of trade policy, the 2026 long-range forecast (LRF) assumed that GDP would grow by 1.9% and 2.0% in 2025 and 2026 respectively. While comparisons to the 2025 LRF assumptions is complicated by recent revisions of historical GDP performance, the current projections have similar near-term growth rates.

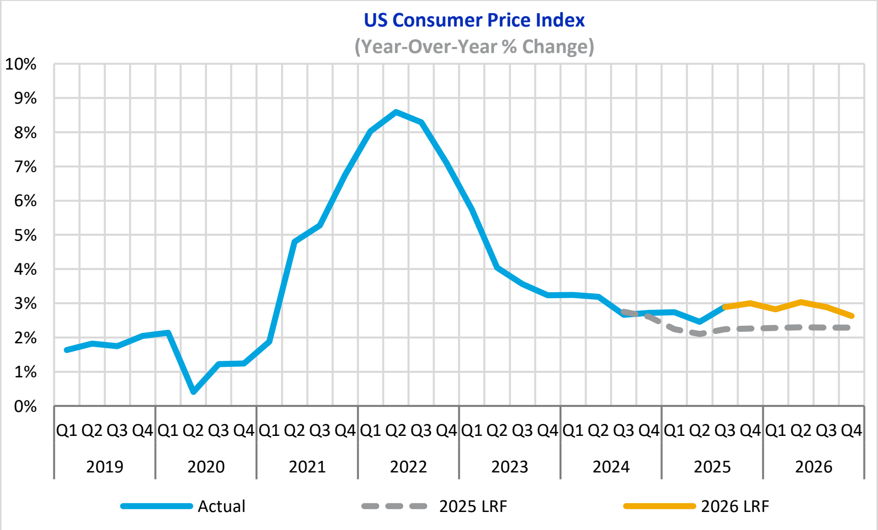
Employment



The surprising resilience of the US economy in 2025 did not translate to the labor market which had to contend with the uncertain business market environment triggered by trade policy fluctuations, and the Administration's aggressive stance on immigration. Productivity gains associated with nascent stages of AI adoption may also be suppressing hiring of some traditional entry level positions.

In the aftermath of the April 2025 tariff announcement, average monthly job growth projections for 2025 were revised from 125,000 net jobs gained per month, to less than 50,000. Job growth in 2026 is projected to increase slightly to an average of approximately 67,000 jobs gained per month. Employment in the New York Metropolitan Region is also expected to follow a similar pattern of relatively weak performance in 2026 and may be subject to even greater risk due to the relatively higher proportion of foreign born workers in New York and New Jersey.

Inflation



Inflation – as measured by year-over-year growth in the Consumer Price Index ("CPI") – is projected to remain above the long-term target rate of 2.2% for the duration of 2026. This elevated level is attributed to the current high tariff environment and is noticeably higher than the 2025 LRF projections that anticipated attainment of the target rate by 2025Q2.

Tariff policy uncertainty is likely to continue exerting upward pressure. The volatility of energy prices will remain a potential risk that is likely tilted to the downside given the ongoing geopolitical tensions in the Middle East, Eurasia, and Latin America.

Conclusion

Despite the Port Authority’s best forecasting efforts, the current economic environment continues to remain uncertain and is subject to many developments and actions outside of the Port Authority’s control. The Port Authority continuously monitors regional, national, and international economic trends to facilitate appropriate responses to any deviations to its forecasts.

APPENDIX 2. REVENUES & RESERVES, MULTI-YEAR

The Revenues & Reserves, Muti-Year schedule includes forward looking Budget projections based on the agency's Long-Range Forecast ("LRF"), as described in further detail in the Budget Process section above.

Overall, the Revenues & Reserves, Multi-Year projections are based on a set of assumptions, including annual inflationary escalations based on the Consumer Price Index ("CPI") and Employment Cost Index ("ECI"), proprietary forecasting and modeling of activity volumes, and adjustments for known or anticipated changes in operations or contracts that are projected to impact revenues and expenses.

Key assumptions include:

- Inflationary escalations equating to app. 2.8% per year, including employee compensation growth forecasted at ECI rates of app. 3.6% and non-labor growth forecasted at either CPI rates of app. 2.3% or a blended rate of ECI and CPI for labor intensive contracts.
- Activity forecasts by business segment, using proprietary econometric models, which are the basis for the development of revenue and activity-driven revenues and expenses across the agency's facilities.
- Known or anticipated operational, contractual, or business environment changes and adjustments that are projected to impact revenues and expenses. These include, but are not limited to, contractual requirements associated with existing contract, leases, and other agreements as well as assumptions regarding renewals, and the impacts of previously approved Board actions, such as toll, fare, and other fee revenue adjustments.
- Incremental costs associated with new assets being placed into beneficial use.
- Debt Service projections based on existing obligations and the projected debt issuances at projected interest rates in alignment with the funding strategy and needs of the Capital Plan.

Pursuant to Port Authority Bond Resolutions

($ in thousands)	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET	2027 BUDGET	2028 BUDGET
Gross Operating Revenues*	$6,930,518	$7,093,712	$7,226,784	**$7,479,457**	*$7,784,304*	*$8,085,622*
Operating Expenses*	4,011,773	4,057,086	4,102,225	**4,229,347**	*4,394,721*	*4,522,886*
Net Operating Revenues	**$2,918,745**	**$3,036,626**	**$3,124,559**	**$3,250,110**	***$3,389,583***	***$3,562,736***
Contributions in Aid of Construction	346,455	500,711	508,580	**224,335**	*231,492*	*154,863*
Application of PFCs	293,050	308,741	295,182	**305,671**	*312,366*	*319,057*
Earnings on Securities & Other	226,104	150,797	155,182	**161,361**	*166,955*	*167,833*
Tower 4 Liberty Bond Contributions	34,717	34,699	34,696	**35,054**	*57,778*	*58,792*
Grants in Connection with Operating Activities	234,868	32,127	232,876	**453,299**	*366,361*	*167,455*
Pass-Through Grant Program Payments	(48,206)	(1,280)	(1,025)	**(225,818)**	*(134,902)*	*(43,152)*
Non-Operating Revenues	**$1,086,988**	**$1,025,795**	**$1,225,491**	**$953,902**	***$1,000,050***	***$824,848***
Net Revenues Available for Debt Service & Reserves	**$4,005,733**	**$4,062,421**	**$4,350,050**	**$4,204,012**	***$4,389,633***	***$4,387,584***
Interest on Consolidated Bonds & Notes	1,008,340	946,367	911,680	**985,313**	*997,613*	*1,061,648*
Debt Maturities & Retirements	515,545	534,060	534,060	**538,870**	*574,050*	*594,325*
Interest from Special Obligations	117,510	138,715	132,230	**122,653**	*118,791*	*119,571*
Special Obligation Maturities & Retirements	6,869	28,127	28,127	**9,898**	*58,756*	*36,627*
Subtotal Debt Service to Operations	**$1,648,264**	**$1,647,269**	**$1,606,097**	**$1,656,734**	***$1,749,210***	***$1,812,171***
Interest Expense Incurred During Construction**	154,341	210,789	229,310	208,814	*200,740*	*201,195*
Total Debt Service	**$1,802,605**	**$1,858,058**	**$1,835,407**	**$1,865,548**	***$1,949,950***	***$2,013,366***
Revenues After Debt Service & Transfers to Reserves	**$2,203,128**	**$2,204,363**	**$2,514,643**	**$2,338,464**	***$2,439,683***	***$2,374,218***
Direct Investment in Facilities	(1,722,404)	(2,240,800)	(2,342,514)	**(2,426,186)**	*(2,290,935)*	*(2,148,468)*
Non-Cash Pension & OPEB Recoveries	81,535	–	24,626	**68,223**	*32,850*	*4,636*
Non-Cash Pension & OPEB Adjustments***	(311,775)	(206,900)	(326,732)	**(507,304)**	*(244,371)*	*(34,489)*
Non-Cash Fair Value of Investments	19,291	–	50,635	**–**	*–*	*–*
Change in Accounting Principles****	(25,773)	(27,579)	(27,577)	**(29,509)**	*(31,575)*	*(33,785)*
(Decrease) / Increase in Reserves†	**$244,002**	**($270,916)**	**($106,919)**	**($556,312)**	***$(94,348)***	***$162,112***
Reserve Balances, January 1st *****	4,807,770	4,883,010	5,051,772	**4,944,853**	*4,388,541*	*4,294,193*
Reserve Balances, December 31st †	**$5,051,772**	**$4,612,094**	**$4,944,853**	**$4,388,541**	**$4,294,193**	**$4,456,305**

* Pursuant to Port Authority Bond Resolutions, treatment of rental income and rent expense are recognized based on the rental terms contained in the respective lease agreements, including subscription-based information technology arrangements.

** Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement requires that the Port Authority account for interest expense incurred during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

*** Non-Cash Pension & Other Post-Employment Benefits ("OPEB") Adjustments reflects actual and projected annual actuarial plan valuations per GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" to isolate potential volatility (which could either increase or decrease Operating Expenses as shown above) associated with these valuations. Budget and actual/projected Operating Expenses reflect the agency's cash contributions for both pension and OPEB.

**** Change in Accounting Principles reflects GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", as amended by GASB Statement No. 85 "Omnibus 2017", implemented by the Port Authority as of January 1, 2018.

***** 2025 Budget beginning reserves based on estimates prior to year-end 2024.

† Decreases of Reserve Balances as of December 31st versus the 2025 Estimate is driven by Direct Investment in Facilities in-line with the financing plan for the unusually high Budget-to-Estimate increase in planned Capital Spending as detailed in the Capital Spending section above.

APPENDIX 2A. FREE CASH FLOW STATEMENT

Pursuant to Port Authority Bond Resolutions ($ in thousands)	GROSS OPERATING REVENUES*	OPERATING EXPENSES*	EBIDA***	GRANTS, CONTR., & PFCS	CAPITAL SPENDING**	2026 BUDGET FREE CASH FLOW	2025 ESTIMATE FREE CASH FLOW
Interstate Transportation Network							
Holland Tunnel	$268,151	$121,180	$146,971	$8,075	$42,768	$112,278	$102,177
Lincoln Tunnel	356,113	148,306	207,807	644	101,516	106,935	(54,736)
George Washington Bridge & Bus Station	1,050,320	160,554	889,766	2,156	204,270	687,652	659,818
Bayonne Bridge	60,616	31,752	28,864	–	2,772	26,092	33,816
Goethals Bridge	329,365	32,425	296,940	262	12,092	285,110	286,631
Outerbridge Crossing	207,505	22,465	185,040	–	49,988	135,052	187,667
Port Authority Bus Terminal	30,423	193,991	(163,568)	1,373	9,026	(171,221)	(356,066)
Midtown Bus Terminal Replacement	–	–	–	–	740,883	(740,883)	(150,031)
Subtotal Tunnels, Bridges, & Terminals	**$2,302,493**	**$710,673**	**$1,591,820**	**$12,510**	**$1,163,315**	**$441,015**	**$709,276**
PATH	196,602	596,831	(400,229)	76,284	283,798	(607,743)	(539,073)
WTC Transportation Hub	–	14,235	(14,235)	–	7,978	(22,213)	(14,344)
Journal Square Transportation Center	6,449	18,464	(12,015)	–	8,234	(20,249)	(36,169)
Subtotal PATH	**$203,051**	**$629,530**	**($426,479)**	**$76,284**	**$300,010**	**($650,205)**	**($589,586)**
Ferry Transportation	713	1,087	(374)	–	6,147	(6,521)	(421)
Total Interstate Transportation Network	**$2,506,257**	**$1,341,290**	**$1,164,967**	**$88,794**	**$1,469,472**	**($215,711)**	**$119,269**
Aviation							
LaGuardia Airport	565,075	428,857	136,218	15,490	177,716	**(26,008)**	34,941
John F. Kennedy International Airport	2,012,370	977,446	1,034,924	91,939	1,128,998	**(2,135)**	243,221
Newark Liberty International Airport	1,445,973	799,201	646,772	10,474	920,575	**(263,329)**	(160,775)
Teterboro Airport	67,585	39,929	27,656	2,551	8,322	**21,885**	27,054
Stewart International Airport	10,477	28,706	(18,229)	6,399	26,538	**(38,368)**	(23,235)
Passenger Facility Charges	–	–	–	305,671	–	**305,671**	295,182
Total Aviation	**$4,101,480**	**$2,274,139**	**$1,827,341**	**$432,524**	**$2,262,149**	**($2,284)**	**$416,388**
Port							
Port Newark	122,687	113,421	9,266	21,143	83,490	**(53,081)**	(35,150)
Elizabeth Marine Terminal	200,886	38,545	162,341	207,120	50,073	**319,388**	344,437
Brooklyn Marine Terminal	–	3,331	(3,331)	–	–	**(3,331)**	1,551
Red Hook Container Terminal	–	1,032	(1,032)	–	–	**(1,032)**	4,831
Howland Hook Marine Terminal	24,196	9,034	15,162	–	21,318	**(6,156)**	16,061
Greenville Yard	1,305	1	1,304	–	–	**1,304**	1,263
New York & New Jersey Rail, LLC	6,731	7,604	(873)	1,352	2,253	**(1,774)**	(12,533)
Port Jersey Marine Terminal	43,221	19,934	23,287	–	6,368	**16,919**	17,712
Total Port	**$399,026**	**$192,902**	**$206,124**	**$229,615**	**$163,502**	**$272,237**	**$338,172**
Development							
Essex County Resource Recovery Facility	3,401	450	2,951	–	–	**2,951**	3,216
PA Industrial Park at Elizabeth	5,292	268	5,024	–	–	**5,024**	4,920
Teleport	6,013	9,022	(3,009)	–	–	**(3,009)**	(3,403)
Newark Legal & Communications Center	–	181	(181)	–	–	**(181)**	(232)
Hoboken Waterfront	8,758	598	8,160	–	–	**8,160**	8,602
Queens West Waterfront	1,731	–	1,731	–	–	**1,731**	1,584
Total Development	**$25,195**	**$10,519**	**$14,676**	**–**	**–**	**$14,676**	**$14,687**
World Trade Center							
WTC Site	4,611	176,487	(171,876)	6,554	81,425	**(246,747)**	(197,513)
WTC Retail, LLC	25,625	9,595	16,030	–	12,973	**3,057**	10,695
One World Trade Center	256,440	147,694	108,746	–	40,304	**68,442**	91,750
WTC 2, 3, 4, & 7	142,823	61,201	81,622	–	–	**81,622**	69,242
Total World Trade Center	**$429,499**	**$394,977**	**$34,522**	**$6,554**	**$134,702**	**($93,626)**	**($25,826)**
Regional & Other	18,000	15,520	2,480	–	–	**2,480**	(1,518)
Total Port Authority	**$7,479,457**	**$4,229,347**	**$3,250,110**	**$757,487**	**$4,029,825**	**($22,228)**	**$861,172**

* Effective January 1, 2022, the Port Authority adopted GASB statement No. 87 "Leases". This GASB provision requires that the Port Authority classify certain lease agreements containing "fixed" lease payments, for both lessor and lessee, as a financing arrangement for the right to use an asset. Pursuant to Port Authority Bond Resolutions, treatment of rental income and rent expense are recognized based on the rental terms contained in the respective lease agreements.

** Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement requires that the Port Authority account for interest expense incurred during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

*** Earnings Before Interest, Depreciation, and Amortization ("EBIDA") equates to Gross Operating Revenues less Operating Expenses.

APPENDIX 3. GLOSSARY

Additional Bonds Test A debt service coverage ratio test required under the Port Authority's Consolidated Bond Resolution. This test sets forth that prior to the issuance of Consolidated Bonds it must be determined that Net Revenues will be sufficient to cover the annual maximum debt service amount by at least 1.3x.

Airport Infrastructure Grant ("AIG") A part of the $25B Bipartisan Infrastructure Law for airport and air traffic control infrastructure improvements. The funds awarded to modernize airports can be invested in runways, taxiways, safety and sustainability projects, as well as terminal, airport-transit connections, and roadway projects.

Airport Improvement Program ("AIP") Provides grants to public agencies and, in some cases to private owners and entities, for the planning and development of public-use airports that are included in the National Plan of Integrated Airport Systems ("NPIAS").

Allocated Expenses Expenses allocated from centralized general management and administrative services to Operating facilities and Capital projects, using labor as the basis for allocation.

Balanced Budget A balanced budget is achieved when the Sources of Funds is equal to the planned spending or Uses of Funds for the fiscal year.

Budget A formal financial estimate of expected Sources and Uses setting forth the Port Authority's financial operations for a calendar year, formally adopted as an annual Budget.

Capital Spending Expenditures for projects that are either expected to prolong the service lives of existing assets beyond their originally assigned life or lead to the development of a new or improved asset or a higher level of service at a facility.

Capital Plan Reflects the current assessment of the anticipated need for Capital Spending over a specific period of time for the modernization, renovation, rehabilitation, expansion, or acquisition of existing and additional facilities.

Cargo Facility Charges ("CFC") Cost-recovery fee for capital infrastructure investments made by the Port Authority at its Ports. This fee applies to all laden cargo containers, vehicles and bulk cargo, break-bulk cargo, general cargo, heavy lift cargo, and other special cargo discharged from, or loaded onto, vessels at Port Authority leased and public berths.

Contributions in Aid of Construction Funding provided by federal, state, and other entities in aid of the Port Authority's capital construction.

Consolidated Bonds Long-term direct and general obligations of the Port Authority issued pursuant to the Port Authority's Consolidated Bond Resolution for which the full faith and credit of the Port Authority is pledged for the payment of principal thereof and interest thereon.

Consolidated Bond Reserve Fund ("CBRF") A special reserve fund created by Section 7 of the Port Authority's Consolidated Bond Resolution. The CBRF consists of the balance remaining of all Net Revenues of the Port Authority's existing facilities after deducting payments for debt service upon all Consolidated Bonds and any amount necessary to maintain the General Reserve Fund at its statutorily required amount. This Fund is pledged as additional security for all outstanding Consolidated Bonds.

Consolidated Bond Resolution The Port Authority's Consolidated Bond Resolution, adopted in 1952, authorized and established the Port Authority's ability to issue Consolidated Bonds for purposes for which the Port Authority is authorized by law to issue bonds secured by a pledge of its General Reserve Fund. Such purposes include financing Port Authority facilities, as well as the refunding of outstanding Port Authority bonds and other debt obligations.

Debt Service Represents interest payments, accruals, and mandatory and accelerated amortization (by sinking fund payments, serial maturities, bank loan payments, etc.) on outstanding debt charged to the Operating and Reserve Funds.

Deferred Spending Expenditures that are made in the current year but that benefit multiple years, such as vehicle purchases and replacements and software and hardware investments. These expenses are deferred and then amortized and reflected in the agency's Operating Expense Budget over their useful life.

Direct Investment in Facilities Represents funds appropriated from the CBRF and transferred to the Capital fund for capital construction purposes.

EBIDA A common financial acronym standing for Earnings Before Interest, Depreciation, and Amortization.

Facility A location classification defining a complete and self-contained unit owned, leased, or operated by the Port Authority. For example, JFK, Elizabeth Marine Terminal, and the HT are all facilities of the Port Authority.

Flight Fees Fees paid to the Port Authority by airlines operating at JFK, LGA, and EWR as compensation for the Port Authority's ongoing design, construction, operation, and maintenance of certain public aircraft facilities.

General Reserve Fund ("GRF") A special Port Authority reserve fund established by the States of New York and New Jersey pursuant to statutes adopted in 1931 and amended and supplemented thereafter that is pledged to support all outstanding Port Authority Consolidated Bonds.

The GRF is funded through surplus revenues from all existing Port Authority facilities and is statutorily required to be maintained at an amount equal to 10% of the par value of all outstanding Port Authority bonds legal for investment (as defined in the statutes).

Gross Operating Revenues Revenues derived from the operation of Port Authority facilities, including rentals, tolls, fares, aviation fees, and other charges derived in connection with the use of, and privileges granted at, Port Authority facilities.

Net Operating Revenues ("NOR") The amount of Gross Operating Revenues remaining after deducting the Port Authority's Operating Expenses, as more specifically defined in the Consolidated Bond Resolution.

Net Position Represents the difference between Port Authority assets and deferred outflows of resources, and liabilities and deferred inflows of resources.

Operating Asset Obligations Principal and interest expenses solely related to the Fund for Regional Development Buy-Out Obligation, which ended in 2021.

Operating Expenses Expenses incurred in connection with the operation, maintenance, security, management, and administration of Port Authority facilities, including direct, prorated, and allocated expenses.

Passenger Facility Charges ("PFC") Pursuant to the Federal Aviation Safety and Capacity Expansion Act of 1990, as amended, the Port Authority is authorized to impose a PFC on passengers utilizing its airports. Pursuant to federal law, the collection and expenditure of PFCs requires prior approval of the FAA and is restricted to aviation-related, PFC-eligible projects.

Port District A geographical area of about 1,500 square miles in the States of New York and New Jersey centering about New York Harbor.

Prorated Expenses Centralized Line Department operations and maintenance services and engineering general expenses that are prorated directly to individual operating facilities and business programs based on their prorated share of direct labor costs.

Sources of Funds Includes: 1) Gross Operating Revenues, 2) Debt Issuances & Other Sources, 3) Grants & Contributions; and, 4) Application of PFCs.

Special Obligation Institutional Loan Program Includes any short- or medium-term loans to provide interim financing for the payment of capital spending and or to refund certain Port Authority obligations. The obligation to repay each loan under the program shall be a “subordinated” special obligation of the Authority payable from the proceeds of obligations issued for such purposes, including Consolidated Bonds or from certain specified net revenues deposited to the Consolidated Bond Reserve Fund.

Special Project Bonds (“SPB”) Special limited obligations of the Port Authority that may be issued from time to time for the purpose of financing a single project for any lessee or for the purpose of refunding all or any part of a prior series of SPB, or a combination of such purposes. Neither the full faith and credit of the Port Authority nor any of its reserve funds are pledged for the payment of principal and interest.

Subordinate Bonds Special obligations of the Authority that are subordinate to Consolidated Bonds. The principal of and interest on Subordinate Bonds will be payable from Net Revenues deposited to the CBRF. Subordinate Bonds are on parity with other special obligations of the Authority including Commercial Paper Obligations, Variable Rate Master Notes, and Versatile Structure Obligations.

Uses of Funds Includes: 1) Operating Expenses; 2) Capital Spending; 3) Debt Service; and, 4) Deferred Spending.

Variable Rate Master Notes (“VRMN”) Certain special obligations of the Port Authority authorized to be issued for purposes of payment for Capital Spending, to refund prior Port Authority obligations, and for certain incidental purposes. VRMN carry variable interest rates in accordance with specified indices and are subject to prepayment at the option of the Port Authority, or upon demand of the holders thereof. Payment of the principal of and interest on VRMN is payable from the proceeds of obligations issued for such purposes, including from Consolidated Bonds or from Net Revenues as defined for purposes of VRMN deposited to the CBRF.

Payment of the principal of and interest on VRMN is subject in all respects to the payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and to the payment into the GRF of the amount necessary to maintain the GRF at the amount specified in the GRF statutes. VRMN, and the interest thereon, are not secured by or payable from the GRF.

4WTC Associated Payments The Port Authority is a co-borrower/obligor with respect to the New York Liberty Development Corporation, Liberty Revenue Bonds, Series 2021A (4 World Trade Center Project) issued by the New York Liberty Development Corporation. In connection with the issuance, 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. Port Authority debt service payments related to Tower 4 Liberty Bonds in whole or in part are reimbursable to the Port Authority from the 4 WTC Net Lessee under the terms of the Tower 4 Repayment Agreement.

APPENDIX 4. ACRONYMS

AET All-Electronic Tolling

AIG Airport Infrastructure Grant

AIP Airport Improvement Program

ALPR Automatic License Plate Reader

ARFF Aircraft Rescue and Fire Fighting

ASQ Airport Service Quality

BB Bayonne Bridge

BEA Bureau of Economic Analysis

BPAMT Brooklyn Port Authority Marine Terminal

CBRF Consolidated Bond Reserve Fund

CBP Customs & Border Protection

CFC Cargo Facility Charges

CFO Chief Financial Officer

CP Commercial Paper

CPI Consumer Price Index

CPOC Capital Plan Oversight Committee

CSC Customer Service Center

CSO Chief Security Officer

DEI Diversity, Equity, & Inclusion

DFA Developer Financing Arrangement

DMV Department of Motor Vehicle

EAM Enterprise Asset Management

ECI Employment Cost Index

EDA Economic Development Administration

EIS Environmental Impact Statement

EV Electric Vehicle

EWR Newark Liberty International Airport

EBIDA Earnings Before Interest, Depreciation, & Amortization

EPAMT Elizabeth Port Authority Marine Terminal

FAA Federal Aviation Administration

FDIC Federal Deposit Insurance Corporation

FEMA Federal Emergency Management Agency

FHV For-Hire-Vehicle

FHWA Federal Highway Administration

FPLS Fire Protection Life Safety

FRA Federal Railroad Administration

FTA Federal Transit Authority

GAAP Generally Accepted Accounting Principles

GASB Government Accounting Standards Board

GB Goethals Bridge

GDC Gateway Development Commission

GDP Gross Domestic Product

GFOA The Government Finance Officers Association

GHG Green House Gas

GRF General Reserve Fund

GUDPA Government Unit Deposit Protection Act

GWB George Washington Bridge

GWBBS George Washington Bridge Bus Station

HDCI Harbor Deepening-Channel Improvements

HT Holland Tunnel

JFK John F. Kennedy International Airport

JFKIAT JFK International Air Terminal, LLC

JSTC Journal Square Transportation Center

KIAC Kennedy International Airport Cogeneration Facility

LGA LaGuardia Airport

LPR License Plate Reader

LRF Long-Range Forecast

LT Lincoln Tunnel

MBD Management & Budget Department

M&S Material & Services

MOTBY Marine Ocean Terminal at Bayonne

NOR Net Operating Revenue

NTO New Terminal One

NYSDOT New York State Department of Transportation

OPEB Other Post-Employment Benefits

OBX Outerbridge Crossing

PABT Port Authority Bus Terminal

PAC Performance Arts Center

PAPD Port Authority Police Department

PATH Port Authority Trans-Hudson

PED Pre-Construction Engineering and Design

PFC Passenger Facility Charge

PILOT Payment in Lieu of Taxes

PMO Project Management Office

PONYNJ Port of New York & New Jersey

REPO Repurchase Agreement

SEP Support or Executing Party Agreement

SIB Station Island Bridges

SPB Special Project Bonds

SWF New York Stewart International Airport

TAPP Total Access PATH Payment

TbM Toll-by-Mail

TB&T Tunnels, Bridges, & Terminals

TEB Teterboro Airport

TEU Twenty Foot Equivalent Unit

TIFIA Transportation Infrastructure Finance & Innovation Act

TSA Transportation Security Administration

UASI Unban Area Security Initiatives

VRMN Variable Rate Master Notes

WBVA West Bathtub Vehicular Area

WTC World Trade Center

VPD Vehicle/Pedestrian Deviations

USACE United States Army Corps of Engineers

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4 World Trade Center
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