



# The Port Authority of New York and New Jersey

Condensed Enterprise Fund Financial Statements as of and for the  
Three-month Period Ended March 31, 2024 (Unaudited)

# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024 (UNAUDITED)

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### 1. OVERVIEW OF THE FINANCIAL STATEMENTS

The following is an overview of The Port Authority of New York and New Jersey (the "Port Authority") and its component units' business-type activities as of and for the three-month period ended March 31, 2024. This overview is intended to serve as an introduction to the unaudited condensed enterprise fund financial statements which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and should be read in conjunction with the Port Authority's audited financial statements and appended note disclosures for the year ended December 31, 2023, which are located in the corporate information section of the Port Authority's website.

Unaudited financial results for the three-month period ended March 31, 2024, contained in these schedules are not necessarily indicative of the results for the annual period ending December 31, 2024.

*Management's Discussion and Analysis* ("MD&A") provides an assessment of how the Port Authority's financial position has changed and identifies the factors that, in management's view, significantly affected the Port Authority's overall financial position.

*Condensed Enterprise Fund Financial Statements* follow the MD&A and include three specific Financial Statements. The Statement of Net Position provides information about the nature and amounts of investments in resources (Assets) and obligations (Liabilities) of the Port Authority, with the difference between the two reported as Net Position (Equity).

The Statement of Revenues, Expenses and Changes in Net Position shows how the Port Authority's overall Net Position changed during the three-month period ended March 31, 2024, and March 31, 2023.

The Statement of Cash Flows provides information about the Port Authority's cash receipts, cash payments, and net changes in cash resulting from operating activities, non-capital financing activities, capital and related financing activities, and investing activities for the three-month period ended March 31, 2024, and March 31, 2023.

### 2. FINANCIAL REPORTING ENTITY

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

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### 3. BASIS OF ACCOUNTING

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

The Port Authority follows U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB").

Preparation of the unaudited condensed enterprise fund financial statements in conformity with U.S. GAAP requires management, where necessary, to make estimates and assumptions that affect the amounts reported in the condensed financial statements and accompanying notes. Such estimates and assumptions are subject to various uncertainties, the occurrence of which may cause differences between those estimates and assumptions and actual results.

### 4. IMPACTS FROM THE COVID-19 PANDEMIC

#### *Activity Volumes*

Beginning in March 2020, Port Authority facilities experienced a significant reduction in use in response to perceived safety concerns and state and local regulation of transportation facilities to attempt to limit the spread of the disease. Since the nadir of activity volumes in April 2020, the Port Authority has seen activity volumes rising across its facilities. The table below provides a comparison of the total use of its airports, its bridges and tunnels, its Port Authority Trans-Hudson Corporation ("PATH") transit system, and its cargo shipping activity for the three-month periods of January through March 2024, 2023 and 2019. With the exception of the PATH transit system, activity volumes at the airports, bridges and tunnels, and marine ports have now exceeded 2019 volumes, with the airports reaching new records during the first three months of 2024. Activity levels on the PATH transit system continue to recover more slowly and were 66% of March 2019 levels as of March 31, 2024. Due to work from home trends exacerbated during the COVID-19 pandemic, the Port Authority now believes that PATH passenger activity will recover to 2019 levels much more gradually.

(In thousands)	Three-Month Period Ended March 31, 2024*	Three-Month Period Ended March 31, 2023	Three-Month Period Ended March 31, 2019	2024 Volumes as % of 2023 Volumes	2024 Volumes as % of 2019 Volumes
Total Passengers, Aviation	32,369	31,992	31,139	101.2 %	104.0 %
Total Vehicles, Bridges and Tunnels	28,505	28,714	27,913	99.3 %	102.1 %
Total Passengers, PATH	12,701	11,333	19,323	112.1 %	65.7 %
PATH Passengers, Average Weekday Ridership	170	151	277	112.6 %	61.4 %
Total Cargo Containers (TEU), Marine Terminals	1,993	1,791	1,793	111.3 %	111.2 %

\* 2024 facility traffic information contains estimated data based on available information and is subject to revision.

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

### ***Financial Position***

#### **Revenues**

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

Gross Operating Revenues for the first three-months of 2024 of \$1.6 billion are \$299 million higher than the same three-month period in 2019 due to the activity recovery noted above as well as increased toll and fare rates and new leasing rentals related to airport redevelopment.

#### **Federal Support**

The Port Authority's airports were provided approximately \$433 million to be utilized over a four-year period under the airport funding provision contained in the America Rescue Plan Act ("ARPA") allocated to eligible U.S. airports in March 2021 for eligible operating and development costs, in addition to approximately \$60 million attributable to financial relief to airport concessionaires. As of March 31, 2024, the Port Authority has drawn down approximately \$333 million of its \$433 million allocation, of which approximately \$101 million was credited to airlines operating under cost recovery agreements. The remaining funds are expected to be drawn down by the end of 2024.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### 5. FINANCIAL STATEMENT COMPARISON FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024 (in accordance with U.S. GAAP)

(\$ in thousands)	Three Month Period Ended March 31, 2024	Three-Month Period Ended March 31, 2023 (Restated)	Variance
Gross operating revenues*	\$ 1,591,238	\$ 1,479,314	\$ 111,924
Operating expenses*	(893,676)	(811,574)	(82,102)
<b>Net operating income*</b>	<b>697,562</b>	<b>667,740</b>	<b>29,822</b>
Depreciation of facilities and landlord leasehold improvements	(433,134)	(408,445)	(24,689)
Amortization of lease assets, as lessee*	(42,982)	(42,513)	(469)
Amortization of costs for regional programs	(994)	(2,152)	1,158
<b>Income from operations*</b>	<b>220,452</b>	<b>214,630</b>	<b>5,822</b>
Financial income**	33,463	65,413	(31,950)
Interest expense, net***	(284,170)	(276,094)	(8,076)
Interest income, as lessor*	39,421	41,553	(2,132)
Interest expense, as lessee*	(52,361)	(58,365)	6,004
Grants and other non-operating revenues (expenses)****	25,031	30,764	(5,733)
Capital contributions	110,406	63,787	46,619
Passenger facility charges ("PFCs")	67,779	70,211	(2,432)
<b>Non-operating expenses, net*</b>	<b>(60,431)</b>	<b>(62,731)</b>	<b>2,300</b>
<b>Increase (decrease) in net position*</b>	<b>\$ 160,021</b>	<b>\$ 151,899</b>	<b>\$ 8,122</b>

\* In accordance with GASB Statement No. 96, "Subscription-Based Information Technology Arrangements," 2023 amounts have been restated.

\*\* Includes changes in fair market value of investments of \$(3) million in 2024 and \$46 million in 2023.

\*\*\* The three-month periods ended March 31, 2024 and 2023, are net of \$8 million due the Port Authority for the reimbursement of Tower 4 Liberty Bond debt service payments from the World Trade Center ("WTC") Tower 4 net lessee.

\*\*\*\* Includes pass-through grant payments to sub-recipients of \$148 thousands in 2024.

#### Operating Revenues and Expenses

**Net operating income** for the three months ended March 31, 2024 of \$698 million, increased \$30 million or 4% as compared to the same three-month period of 2023, primarily due to the continued growth in activity volumes across most facilities, a toll increase in January 2024, higher aviation cost recovery fees, and additional rentals at aviation facilities, partially offset by higher operating expenses as described below. When compared to the 2024 budget, Net Operating Revenues ("NOR") for the three-month period ended March 31, 2024 was \$16 million or 3% higher than plan, driven by higher than plan aviation cost recovery fees due to the negotiation of new flight fee agreements with the airlines that was effective January 1, 2024.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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*Gross operating revenues* of \$1.6 billion, are \$112 million or 8% higher than the same three-month period of 2023.

- **Rentals**, including the straight-line amortization of deferred inflows of resources related to lease financings containing fixed rents due from lessees, as lessor and subject to GASB Statement No. 87, "Leases" ("GASB Statement No. 87") totaled \$553 million for the first three months of 2024, an increase of \$71 million or 15% as compared to the same three months of 2023. This increase was primarily due to: *a.)* an increase in activity-based rental income at Aviation facilities due to increased passenger activity in the first three months of 2024 compared to the first three months of 2023; *b.)* increased fixed rents at Newark Liberty International ("EWR") Airport Terminal A, compared to the first three months of 2023; *c.)* an increase in fixed rents at John F. Kennedy International ("JFK") Airport New Terminal One ("NTO") that commenced in May 2023; and, *d.)* an increase in common use gate charges at EWR Airport Terminals A and B.
- **Bridge and tunnel tolls** of \$467 million increased \$3 million or 1% as compared to the same three-month period of 2023, primarily due to rate increases for Tolls by Mail and E-ZPass® effective January 2024, partially offset by a slight decrease in vehicular activity at the Port Authority's six vehicular crossings due to more severe weather conditions in the first quarter of 2024 as compared to the same quarter in 2023 and an increase in toll violations.
- **Aviation fees** of \$377 million increased \$29 million, or 8% as compared to the same three-month period of 2023. Aviation fees paid by airlines operating at the Port Authority's three main airports provide for the recovery of eligible capital investment and operating expenses incurred by the Port Authority. The increase in aviation fees was primarily due to: *a.)* an increase in recoverable operating and maintenance expenses, security costs and capital investment placed into service in the first three months of 2024 when compared to the first three months of 2023 pursuant to new flight fee agreements effective January 1, 2024; and, *b.)* an increase in for-hire-vehicle ("FHV") airport access fees due to increased activity.
- **Parking and other fees** of \$126 million increased \$8 million, or 7% as compared to the same three-month period of 2023 primarily due to an increase in Port Authority Marine Terminal Cargo Facility Charges ("CFCs") due to an increase in CFC billing rates and a 11% increase in cargo container activity in the first three months of 2024 when compared to the first three months of 2023 as well as an increase in budgeted recoverable repair work at the cogeneration facility at JFK Airport from terminal operators. These increases are partially offset by a decline in public parking activity at aviation facilities when compared to the first quarter of 2023.
- **PATH fares** of \$34 million increased \$4 million or 12% compared to the same three-month period of 2023 due to a 12% increase in PATH passenger ridership as compared to the first three months ridership levels of 2023. PATH ridership for the first three months of 2023, was 66% of pre-COVID-19 levels.

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*Operating expenses* of \$894 million are \$82 million higher than the same three-month period in 2023.

- **Employee compensation**, including employer provided healthcare and retirement benefits of \$425 million increased approximately \$30 million from the same three-month period of 2023 primarily due to: *a.)* the post COVID-19 pandemic filling of authorized positions that had been previously vacated due to retirement and attrition; *b.)* an increase in employer provided healthcare and retirement benefits for active and retired employees due to the increased cost of healthcare and pensions when compared to the first quarter of 2023; and, *c.)* increased overtime to address operational requirements, heightened security at agency facilities and inclement weather conditions.
- **Contract services** of \$305 million increased \$41 million from the same three-month period of 2023 primarily due to: *a.)* increased payments to contractors for operational support activities primarily at aviation facilities to address operational and construction requirements; *b.)* an increase in recoverable repair work budgeted for at the cogeneration facility at JFK Airport; *c.)* increased contract security costs due to increased coverage for heightened security measures at Port Authority facilities; and, *d.)* increased payments to consultants related to cyber security and climate risk assessments.
- **Rents and Payments in Lieu of Taxes ("PILOT")** excluding the straight-line amortization of lease assets recognized under GASB Statement No. 87 totaled \$20 million, an increase of \$5 million from the same three-month period of 2023. These increases were primarily due to an increase in percentage-based rent payable to the City of Newark and the City of New York for the leasing of Marine and Air Terminals due to increased airport revenues and an increase in PILOT payments to the City of New York for the WTC Campus as a result of higher assessed property values and increased tax rates.
- **Materials, equipment and other** of \$98 million increased \$15 million, or 18% from the same three-month period of 2023 primarily due to: *a.)* an increase in public liability self-insured loss reserves and increased property damage and public liability insurance premiums; and, *b.)* an increase in the purchase of materials and supplies to support the ongoing operations of Port Authority facilities when compared to the first quarter of 2023.
- **Utilities** of \$46 million decreased \$9 million, or 17% from the same three-month period of 2023 primarily due to a decrease in billing rates for electricity at JFK and LaGuardia ("LGA") Airports.



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### Non-Operating Revenue and Expense Activities

**Depreciation and amortization**, including the straight-line amortization of lease assets recognized under GASB Statement No. 87 totaled \$477 million an increase of \$24 million, or 5% as compared to the same three-month period of 2023. This overall increase was primarily due to the scheduled completion of approximately \$3.2 billion of capital construction projects during the fifteen-month period covering January 2023 through March 2024. These capital infrastructure assets have been placed into operational service and being depreciated over their estimated useful lives, including, elements of the: **a.)** EWR Airport Redevelopment Program; and, **b.)** the PATH rail car fleet expansion and overhaul program.

**Financial income (loss)** of \$33 million decreased \$32 million from the same three-month period of 2023 primarily due to the recognition of unrealized losses related to decreases in the fair value of United States securities held in Port Authority investment accounts due to the fluctuation of interest rates, partially offset by increased earnings from securities due to higher realized rates of return.

**Grants in connection with operating activities** of \$25 million decreased \$6 million from the same three-month period of 2023 primarily due to a decrease in ARPA COVID-19 federal funding of eligible aviation operating expenses. This decrease is partially offset by an increase in funding for Department of Homeland Security Urban Area Security Initiatives programs.

**Contributions in aid of construction** of \$110 million increased \$47 million from the same three-month period of 2023 primarily due to an increase in capital contributions from third parties related to the redevelopment of Terminal One at JFK Airport, partially offset by a decrease in capital contributions related to the redevelopment of JFK Airport Terminals 6 and 7.

**Passenger facility charges ("PFCs")** of \$68 million remained relatively constant when compared to the same three-month period of 2023.

**Interest expense, net** of \$284 million increased \$8 million, or 3% when compared to the same three-month period of 2023, primarily due to increased interest payments resulting from the issuance of additional consolidated bonds in 2023 to fund capital construction. These increases were partially offset by decreased interest payments resulting from the refunding of certain consolidated bonds for purposes of achieving future debt service savings.

# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024 (UNAUDITED)

### Assets

**Port Authority assets** totaled \$62.4 billion at March 31, 2024, a decrease of \$42.5 million from December 31, 2023. This net decrease is primarily due to:

- **Facilities, net** of \$40.6 billion increased approximately \$126 million from December 31, 2023, primarily due to increased capital infrastructure investment of \$529 million primarily at Aviation, Bridge and Tunnel facilities and PATH, less year-to-date depreciation of \$433 million.

### **Capital Investment by Primary Business Segment, Year-to-Date March 31, 2024**

(\$ in millions)	2024*	2023*
Aviation**	\$ 251	\$ 173
Tunnels, Bridges & Terminals	148	74
PATH	86	73
WTC (including WTC Transportation Hub)	28	16
Port Department	16	8
Other***	—	4
<b>Total</b>	<b>\$ 529</b>	<b>\$ 348</b>

\* Business segment capital investment includes Security capital projects of \$5 million and non-Port Authority managed capital projects of \$70 million in 2024, respectively and \$2 million and \$6 million, respectively, in 2023.

\*\* Includes landlord leasehold capital investment related to LGA Terminal B of \$2 million in 2023.

\*\*\* Includes costs related to the Gateway Early Work Program.

- **Receivables (including restricted amounts)** of \$1.4 billion decreased \$28 million from December 2023 primarily due to: *a.)* a decrease in flight fees due the Port Authority due to timing differences related to the receipt of payments from airlines; and, *b.)* a decrease in E-ZPass® tolls due from other tolling agencies. These decreases were partially offset by increases related to: *c.)* capital contributions related to JFK Airport NTO; and, *d.)* ARPA federal funding for aviation operating expenses.
- **Cash and Investments (including PFCs and Port Authority Insurance Captive Entity ("PAICE") restricted investments)** of \$5.4 billion increased \$21 million when compared to December 2023, primarily due to increase cash receipts of aviation fees from airlines and cash receipts at JFK, EWR and LGA Airports and the WTC in the first three months of 2024. These increases were partially offset by payment of \$159 million for required employer contributions to NYSLRS, payments to third-parties related to capital construction projects and increased payments to the cities of New York and Newark for leasing of municipal air and marine terminals.

Cash flows from operations of \$594 million decreased \$63 million from the same three-month period of 2023 primarily due to the payment of \$159 million for required employer contributions to NYSLRS.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### *Port Authority Investments, including PFC's*

Port Authority's investments, summarized below, are allocated to: *a.)* United States Treasury notes (81%); *b.)* United States Treasury obligations held pursuant to repurchase agreements (15%); *c.)* United States government agency obligations (3%); *d.)* United States Treasury bills (1%); and *e.)* Municipal bonds (<1%).

Investment Type, at fair value*	Fair Value Hierarchy Levels***	March 31, 2024 (In thousands)	Weighted Average Maturity (In days)
United States Treasury notes	Level 1	\$ 4,054,660	669
United States Treasury obligations held pursuant to repurchase agreements****	—	745,924	1
United States government agency obligations	Level 2	135,980	1
United States Treasury bills	Level 1	51,465	5
Municipal bonds	Level 2	4,661	714
<b>Total Investments**</b>		<b>\$ 4,992,690</b>	
<b>Portfolio Weighted Average Maturity</b>			<b>544</b>

\* Excludes cash and investments of approximately \$1.7 billion held in the Port Authority of NY and NJ Retiree Health Benefits Trust.

\*\* Excludes accrued interest receivable amounts of \$22 million.

\*\*\* Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets, and principle-to-principle markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

\*\*\*\* Investments are valued at unamortized cost.

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### *PAICE Investments*

PAICE's investments, summarized below, are allocated: *a.)* to United States Treasury notes (49%); *b.)* Taxable municipal securities (20%); *c.)* Corporate bonds (15%); *d.)* Mortgage-backed securities (12%); and, *e.)* Asset-backed securities (4%).

Investment Type, at fair value	Fair Value Hierarchy Levels**	March 31, 2024	Weighted Average Maturity
		(In thousands)	(In days)
United States Treasury notes	Level 1	\$ 62,190	2,044
Taxable municipal securities	Level 2	25,500	5,011
Corporate bonds	Level 2	18,736	3,021
Mortgage-backed securities	Level 2	15,928	3,215
Asset-backed securities	Level 2	4,798	899
<b>Total Investments*</b>		<b>\$ 127,152</b>	
<b>Portfolio Weighted Average Maturity</b>			<b>2,886</b>

\* Excludes \$360 million in intercompany loans to the Port Authority and accrued interest receivable of approximately \$1 million.

\*\* Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets, and principle-to-principle markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

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### Liabilities

**Port Authority liabilities** totaled \$41.6 billion at March 31, 2024, an increase of \$29 million from December 31, 2023.

- **Bonds and other asset financing obligations** of \$28.1 billion decreased \$17 million from December 31, 2023 primarily due to the amortization of issuance premiums received upon the issuance of Consolidated Bonds.

Bonds and other financing obligations, excluding Tower 4 Liberty Bonds of \$1.2 billion, are shown below.

(\$ in millions)	Opening Balance Jan. 1, 2024	Issued/ Accrued	Refunded/ Retired	Ending Balance Mar. 31, 2024
Consolidated Bonds	\$ 24,654	\$ —	\$ 2	\$ 24,652
Special Obligation Institutional Loan Program	539	7	—	546
Variable Rate Master Notes	45	—	—	45
Marine Ocean Terminal at Bayonne Peninsula ("MOTBY") Obligation	38	—	—	38
Goethals Bridge Replacement Developer Financing Arrangement	1,020	—	—	1,020
<b>Subtotal-Principal</b>	<b>26,296</b>	<b>7</b>	<b>2</b>	<b>26,301</b>
Unamortized premium/(discount)	1,843	—	21	1,822
<b>Total</b>	<b>\$ 28,139</b>	<b>\$ 7</b>	<b>\$ 23</b>	<b>\$ 28,123</b>

- **Accounts payable** of \$1.0 billion increased \$54 million from December 31, 2023 primarily due to increased accrued payables related to capital construction projects and third-party contractors for operational security and maintenance support services at Port Authority facilities.
- **Accrued payroll, pension and other employee benefits** of \$3.8 billion increased \$49 million from December 31, 2023 primarily due to the timing of payments for employee wages and employer provided fringe benefits.
- **Accrued Interest and Other Liabilities** of \$1.1 billion decreased \$33 million from December 31, 2023 primarily due: to payments made in the first three months of 2023 for: *a.)* rent payments to the cities of New York and Newark for the leasing of municipal air and marine terminals; *b.)* PILOT payments to the City of New York related to the WTC; and, *c.)* payments to aviation concessionaires for rent relief authorized under the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA"). Partially offsetting these decreases is an increase in accrued interest related to scheduled debt service payments on outstanding Consolidated Bonds.

# **CONDENSED STATEMENTS OF NET POSITION -- UNAUDITED\***

	<b>MARCH 31,</b>	<b>DECEMBER 31,</b>
	<b>2024</b>	<b>2023</b>
	(\$ in thousands)	
<b>Assets</b>		
Facilities, net	\$ 40,570,527	\$ 40,444,205
Cash and investments - unrestricted	5,174,879	5,142,242
Cash and investments - restricted, including PFC and PAICE	232,290	243,569
Receivables, including restricted amounts	1,427,871	1,455,383
Amounts receivable - Tower 4 Liberty Bonds	1,232,505	1,232,505
Unamortized costs for regional programs	7,435	8,429
Lease receivable, as lessor	4,795,319	4,838,763
Lease assets	6,902,333	6,943,174
Landlord leasehold investment-LGA Terminal B	1,131,171	1,147,922
Other assets	930,059	990,722
<b>Total assets</b>	<b>62,404,389</b>	<b>62,446,914</b>
<b>Deferred outflows of resources</b>		
Loss on debt refundings	49,874	51,578
Pension related amounts	676,012	517,098
OPEB related amounts	975,122	975,122
<b>Total deferred outflows of resources</b>	<b>1,701,008</b>	<b>1,543,798</b>
<b>Liabilities</b>		
Bonds and other asset financing obligations	28,122,846	28,139,513
Amounts payable - Tower 4 Liberty Bonds	1,232,505	1,232,505
Lease liabilities, as lessee	6,399,296	6,424,743
Accounts payable	984,222	929,749
Accrued payroll, pension and other employee benefits	3,786,592	3,737,652
Accrued interest and other liabilities	1,108,552	1,141,268
<b>Total liabilities</b>	<b>41,634,013</b>	<b>41,605,430</b>
<b>Deferred inflows of resources</b>		
Gain on debt refundings	191,684	195,067
Pension related amounts	70,838	70,838
OPEB related amounts	110,034	110,034
Leases, as lessor	5,277,266	5,347,802
<b>Total deferred inflows of resources</b>	<b>5,649,822</b>	<b>5,723,741</b>
<b>Net position</b>	<b>\$ 16,821,562</b>	<b>\$ 16,661,541</b>

\* see footnote (\*) on page [14](#)

**CONDENSED STATEMENTS OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION - UNAUDITED\***

	<b>THREE MONTHS ENDED MARCH 31,</b>	
	<b>2024</b>	<b>2023 (Restated)</b>
	(\$ in thousands)	
<b>Gross operating revenues:</b>		
Bridge and tunnel tolls	\$ 466,621	\$ 464,004
PATH fares	33,657	30,155
Rentals	553,027	482,367
Aviation fees	377,056	347,611
Parking and other revenues	126,393	117,961
Utilities	34,484	37,216
Total gross operating revenues	<u>1,591,238</u>	<u>1,479,314</u>
<b>Operating expenses:</b>		
Employee compensation, including benefits	425,208	395,533
Contract services	304,762	263,703
Rents and payments in-lieu-of taxes ("PILOT")	19,650	14,223
Materials, equipment and other	97,901	82,665
Utilities	46,155	55,450
Total operating expenses before depreciation, amortization and other operating expenses	<u>893,676</u>	<u>811,574</u>
Depreciation of facilities and landlord leasehold improvements	433,134	408,445
Amortization of lease assets, as lessee	42,982	42,513
Amortization of costs for regional programs	994	2,152
Income from operations	<u>220,452</u>	<u>214,630</u>
<b>Non-operating revenues and (expenses):</b>		
Financial income	33,463	65,413
Grants, in connection with operating activities	25,031	30,764
Contributions in aid of construction	110,406	63,787
Passenger facility charges	67,779	70,211
Interest expense in connection with bonds and other asset financing	(284,170)	(276,094)
Interest income, as lessor	39,421	41,553
Interest expense, as lessee	(52,361)	(58,365)
Net non-operating revenues and (expenses)	<u>(60,431)</u>	<u>(62,731)</u>
Increase in net position	160,021	151,899
Net position, January 1,	16,661,541	16,054,086
Net position, March 31,	<u>\$ 16,821,562</u>	<u>\$ 16,205,985</u>

\* see footnote (\*) on page [14](#)

# CONDENSED STATEMENTS OF CASH FLOWS – UNAUDITED\*

	THREE MONTHS ENDED MARCH 31,	
	2024	2023 (Restated)
	(\$ in thousands)	
Net cash provided by operating activities	\$ 594,384	\$ 657,078
Net cash provided by noncapital financing activities	17,993	28,039
Net cash used for capital construction and related financing activities	(623,140)	(538,533)
Net cash used for investing activities	(5,891)	(203,027)
Net decrease in cash	(16,654)	(56,443)
Cash at beginning of year	280,705	341,249
<b>Cash at March 31,</b>	<b>\$ 264,051</b>	<b>\$ 284,806</b>

\* The unaudited Condensed Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows have been prepared, subject to audit, adjustment and reconciliation, solely for general information purposes, in accordance with U.S. generally accepted accounting principles. This unaudited condensed financial information should be read in conjunction with the Financial Statements of The Port Authority of New York and New Jersey, and its component units (collectively the Port Authority) and the accompanying note disclosures and schedules for the year ended December 31, 2023.



**CONDENSED FINANCIAL INFORMATION ON PORT AUTHORITY FACILITIES – UNAUDITED**

**Three Months Ended March 31, 2024**

	<b>Gross Operating Revenues *</b>	<b>Operating Expenses</b>	<b>Depreciation and Amortization</b>	<b>Amortization of Lease Assets</b>	<b>Income (Loss) from Operations</b>	<b>Interest, Grants &amp; Other Expenses **</b>	<b>Capital Contributions &amp; PFC's</b>	<b>Increase/ (Decrease) in Net Position</b>
	(\$ in thousands)							
Tunnels, Bridges, and Terminals	\$ 479,722	\$ 163,680	\$ 78,878	\$ 12	\$ 237,152	\$ 61,320	\$ 20,142	\$ 195,974
PATH	37,149	134,459	61,396	16	(158,722)	46,147	19,553	(185,316)
Aviation	896,210	464,373	171,936	38,334	221,567	93,827	132,945	260,685
Port Commerce	94,320	43,285	21,053	2,106	27,876	21,045	817	7,648
World Trade Center	77,709	94,044	94,900	—	(111,235)	12,656	4,728	(119,163)
Other***	6,137	2,737	5,965	88	(2,653)	3,621	—	(6,274)
Corporate Lease Agreements****	(9)	(8,902)	—	2,426	6,467	—	—	6,467
<b>Total</b>	<b>\$1,591,238</b>	<b>\$ 893,676</b>	<b>\$ 434,128</b>	<b>\$ 42,982</b>	<b>\$ 220,452</b>	<b>\$ 238,616</b>	<b>\$ 178,185</b>	<b>\$ 160,021</b>

**Three Months Ended March 31, 2023 (Restated)**

	<b>Gross Operating Revenues *</b>	<b>Operating Expenses</b>	<b>Depreciation and Amortization</b>	<b>Amortization of Lease Assets</b>	<b>Income (Loss) from Operations</b>	<b>Interest, Grants &amp; Other Expenses **</b>	<b>Capital Contributions &amp; PFC's</b>	<b>Increase/ (Decrease) in Net Position</b>
	(\$ in thousands)							
Tunnels, Bridges, and Terminals	\$ 473,411	\$ 146,756	\$ 76,194	\$ 40	\$ 250,421	\$ 60,803	\$ 8,773	\$ 198,391
PATH	33,119	129,167	57,058	—	(153,106)	45,167	22,082	(176,191)
Aviation	795,777	422,003	155,003	38,289	180,482	75,774	99,070	203,778
Port Commerce	90,643	37,690	21,400	2,097	29,456	21,761	1,836	9,531
World Trade Center	80,941	83,140	93,274	—	(95,473)	(12,925)	2,237	(80,311)
Other***	5,432	2,894	7,668	87	(5,217)	6,149	—	(11,366)
Corporate Lease Agreements****	(9)	(10,076)	—	2,000	8,067	—	—	8,067
<b>Total</b>	<b>\$1,479,314</b>	<b>\$ 811,574</b>	<b>\$ 410,597</b>	<b>\$ 42,513</b>	<b>\$ 214,630</b>	<b>\$ 196,729</b>	<b>\$ 133,998</b>	<b>\$ 151,899</b>

\* Gross Operating Revenues include the straight-line amortization of deferred inflows of resources related to leases recognized under GASB Statement No. 87.

\*\* Amounts are net of \$8 million due the Port Authority at March 31, 2024 and 2023 for the reimbursement of Tower 4 Liberty Bond debt service payments from the WTC Tower 4 net lessee. Amounts also include Grants in connection with operating activities, Pass-through grant program payments; and gains or losses generated by the disposition of assets, if any.

\*\*\* Other includes Development Facilities, certified Regional facilities and Ferry Transportation

\*\*\*\*Amounts include unallocated contra rent payments and lease amortization related to leases entered into for the purpose of providing centralized support services to Port Authority facilities that are subject to GASB Statement No. 87.

Note: These unaudited schedules related to Port Authority Facilities have been prepared, subject to audit, adjustment and reconciliation, solely for general information purposes, in accordance with U.S. generally accepted accounting principles. This unaudited financial information should be read in conjunction with the Financial Statements of The Port Authority of New York and New Jersey, and its component units (collectively the Port Authority) and the accompanying note disclosures and schedules for the year ended December 31, 2022.

## Revenue and Reserves-Unaudited (pursuant to Port Authority bond resolutions)

	Three Months Ended March 31, 2024 (Actual)	Three Months Ended March 31, 2024 (Budget)	Three Months Ended March 31, 2023 (Actual)
(\$ in thousands)			
Gross operating revenues	\$ 1,613,123	\$ 1,577,279	\$ 1,498,956
Total operating expenses	(984,771)	(964,699)	(901,659)
<b>Net operating revenue</b>	<b>628,352</b>	<b>612,580</b>	<b>597,297</b>
Grants and contributions in aid of construction	135,438	89,313	94,171
Application of Passenger Facility Charges	67,855	55,314	—
Financial income and other	41,553	47,398	71,663
<b>Net revenues available for debt service</b>	<b>873,198</b>	<b>804,605</b>	<b>763,131</b>
Interest expense - operations	(280,904)	(269,288)	(270,091)
Interest expense incurred during construction*	(33,357)	(45,000)	(34,938)
Debt retirement principal payments	(2,801)	(2,757)	(2,564)
<b>Total Debt service**</b>	<b>(317,062)</b>	<b>(317,045)</b>	<b>(307,593)</b>
<b>Net Revenues after Debt Service and Transfers to Reserves***</b>	<b>\$ 556,136</b>	<b>\$ 487,560</b>	<b>\$ 455,538</b>

\* In accordance with GASB Statement No. 89, effective January 1, 2021, interest expense incurred during construction can no longer be capitalized as a capital project cost; note, the 2023 budget includes capitalized interest in the capital budget and is shown above for comparison purposes.

\*\* Includes debt service on Consolidated Bonds and Notes and Special obligations of the Port Authority including, Commercial Paper obligations, Variable rate master notes, the MOTBY obligation, Tower 4 Liberty Bonds and Goethals Bridge Replacement Developer Financing Arrangement.

\*\*\* Excludes the application of funds from the Consolidated Bond Reserve Fund for purposes of funding direct capital investment in Port Authority Facilities.

## Facility Traffic – Unaudited

(In thousands)	Three-Month Period Ended March 31, 2024*	Three-Month Period Ended March 31, 2023	Three-Month Period Ended March 31, 2019	2024 Volumes as % of 2023 Volumes	2024 Volumes as % of 2019 Volumes
Total Passengers, Aviation	32,369	31,992	31,139	101.2 %	104.0 %
Total Vehicles, Bridges and Tunnels	28,505	28,714	27,913	99.3 %	102.1 %
Total Passengers, PATH	12,701	11,333	19,323	112.1 %	65.7 %
PATH Passengers, Average Weekday Ridership	170	151	277	112.6 %	61.4 %
Total Cargo Containers (TEU), Marine Terminals	1,993	1,791	1,793	111.3 %	111.2 %
Total Rail Lifts, Marine Terminals	162	149	165	108.7 %	98.2 %

\* 2024 facility traffic information contains estimated data based on available information and is subject to revision.

The below table provides a reconciliation of the *Condensed Statements of Revenues, Expenses and Changes in Net Position* on page 13 of this report to the *Revenue and Reserves (pursuant to Port Authority bond resolutions)* schedule presented on page 16.

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023 (Restated)</b>
	(In thousands)	
Increase in Net position reported on Statements of Revenues, Expenses and Changes in Net Position	\$ <b>160,021</b>	\$ 151,899
Less GAAP only revenues:		
PFC Collections and interest income/fair value adjustment	<b>(67,821)</b>	(72,093)
GASB Statement No. 87 amortization of leases, as lessor	<b>75,234</b>	78,025
GASB Statement No. 87 interest income, as lessor	<b>(39,421)</b>	(41,553)
WTC 2,3,4 Net Lessee capital contributions	—	(380)
Add GAAP only expenses:		
Depreciation of facilities and landlord leasehold investment	<b>433,134</b>	408,445
Interest expense in connection with bonds and other asset financing	<b>284,148</b>	276,017
Amortization of costs for regional programs	<b>994</b>	2,152
GASB Statement No. 87 amortization of leases, as lessee	<b>42,982</b>	42,513
GASB Statement No. 96 amortization of SBITAs	<b>1,940</b>	1,940
GASB Statement No. 87 interest expense, as lessee	<b>52,361</b>	58,365
GASB Statement No. 96 SBITA interest expense	<b>21</b>	77
Total GAAP adjustments	<b>783,572</b>	753,508
Add Bond Resolutions only revenues:		
Fixed rentals received from lessees*	<b>(53,344)</b>	(58,383)
Application of PFCs	<b>67,855</b>	—
4 WTC Liberty Bond principal and interest payments	<b>8,129</b>	8,133
Less Bond Resolutions only expenses:		
Fixed rent payments paid to lessees*	<b>(93,035)</b>	(92,026)
Debt service	<b>(317,062)</b>	(307,593)
Total Bond Resolutions adjustments	<b>\$ (387,457)</b>	\$ (449,869)
Total	<b>\$ 556,136</b>	\$ 455,538
Net revenues after debt service and transfers to reserves	<b>\$ 556,136</b>	\$ 455,538

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