

The Port Authority of New York and New Jersey

Condensed Consolidated Financial Statements as of and for the
Six-Month Period Ended June 30, 2018 (Unaudited)

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF AND FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018 (UNAUDITED)

1. OVERVIEW OF THE FINANCIAL STATEMENTS

The following is an overview of the financial activities of the Port Authority of New York and New Jersey (The Port Authority) and its component units, as of and for the six-month period ended June 30, 2018. This overview is intended to serve as an introduction to the unaudited condensed consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States of America (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, 2017 that are posted in the corporate information section on the Port Authority's website.

The unaudited financial results for the six-month period ended June 30, 2018 contained in these schedules are not necessarily indicative of the results for the annual period ending December 31, 2018.

Management's Discussion and Analysis

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.

The Condensed Consolidated Financial Statements

The Statements of Net Position provide information about the nature and amounts of investments in resources (Assets) and obligations (Liabilities) to the Port Authority, with the difference between the two reported as Net Position (Equity).

The Statements of Revenues, Expenses and Changes in Net Position show how the Port Authority's overall Net position changed during the six-month period ended June 30, 2018 and June 30, 2017.

The Statements of Cash Flows provide 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 six-month period ended June 30, 2018 and June 30, 2017.

2. FINANCIAL REPORTING ENTITY

The Port Authority of New York and New Jersey 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

The Port Authority's activities are accounted for using the flow of economic resources measurement focus and accrual basis of accounting. All Assets, Deferred outflows of resources, Liabilities, Deferred inflows of resources, Net position, 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 accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The preparation of the condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management, where necessary, to make estimates and assumptions that affect the amounts reported in the condensed consolidated 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.

Adoption of New Accounting Standard

In June 2015, GASB issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" (GASB Statement No. 75). The requirements of GASB Statement No. 75 are effective for financial statements periods beginning after June 15, 2017. The objective of this amended statement is to improve financial accounting and reporting for postemployment benefits other than pensions by governmental employers that provide such benefits, commonly referred to as OPEB. The cumulative impact of adopting GASB Statement No. 75 of approximately \$1.7 billion has been incorporated in the comparative unaudited six-month financial statements for the period ended June 30, 2018 as a restatement to the Port Authority's 2017 beginning Net position.

4. FINANCIAL STATEMENT COMPARISON FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

Net Position (Equity)

The Port Authority's overall *Net position (Equity)* totaled \$15.7 billion at June 30, 2018, an increase of \$305 million from December 31, 2017. This increase is comprised of *Income from operations* of \$411 million, partially offset by *Non-operating expenses* of \$106 million.

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	Six-Month Period Ended June 30, 2018	Six-Month Period Ended June 30, 2017	Variance
		(in thousands)	
Gross operating revenues	\$ 2,621,680	\$ 2,555,585	\$ 66,095
Operating expenses	(1,558,967)	(1,480,218)	(78,749)
Income from operations before depreciation and amortization	1,062,713	1,075,367	(12,654)
Depreciation and amortization	(652,033)	(634,836)	(17,197)
Income from operations	410,680	440,531	(29,851)
Financial income*	21,532	20,938	594
Interest expense, net**	(420,533)	(423,716)	3,183
Grants and other non-operating revenues/(expenses)***	18,054	15,573	2,481
Capital contributions and Passenger Facility Charges (PFC's)	275,122	273,662	1,460
Non-operating expenses, net	(105,825)	(113,543)	7,718
Increase in Net position	\$ 304,855	\$ 326,988	\$ (22,133)

* Includes changes to the fair market value of investments of \$(9.2) million in 2018 and \$(1.7) million in 2017, respectively.

** Includes \$32.6 million due the Port Authority for the reimbursement of Tower 4 Liberty Bond debt service payments from the WTC Tower 4 net lessee.

*** Includes pass-through grant payments to sub-recipients of \$1.3 million in 2018 and \$19 million in 2017, respectively.

Income from Operations:

The Port Authority generated \$1.1 billion in *Income from operations* before depreciation and amortization in the first six-months of 2018, which is 2% over budgeted amounts for 2018. The major variances in operating revenues and expenses compared to the same period in 2017 are discussed below.

Gross operating revenues of \$2.6 billion increased \$66 million from the same six-month period in 2017. Aviation fees, which provide for the recovery of certain capital investments and operating expenses at the Port Authority's three major airports increased \$40 million, primarily due to increased recovery of aeronautical related capital investment, increased security costs and increased inspection fees at Newark Liberty International Airport (EWR) Terminal B. Percentage and fixed rentals increased \$28 million primarily due to increased percentage rentals at Aviation facilities due to record breaking aviation passenger activity as well as scheduled rent increases at Aviation facilities, Port Authority Marine Terminals and One World Trade Center (WTC). Cargo Facility Charges (CFCs) and Wharfage fees at Port Authority Marine Terminals increased \$4.1 million due to a 5.2% increase in container activity. Partially offsetting these amounts was a decrease in public and tenant parking revenues at Aviation facilities of approximately \$11 million primarily due to decreased public parking activity as a result of inclement winter weather conditions and ongoing construction activities.

Operating expenses of \$1.6 billion increased \$79 million from the same six-month period in 2017. Employee compensation increased \$34 million primarily due to increased public safety and civilian employee headcount to address heightened security activities and increased wages resulting from increased snow and ice removal activities at Port Authority facilities due to inclement weather conditions when compared to the same six-month period in 2017.

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Operating expenditures relating to contract services for operational and maintenance support, utility consumption, rents and professional consulting services increased \$45 million primarily due to 1.) increased purchases of materials and supplies related to snow and ice removal activities, 2.) increased utility consumption, 3.) increased contract security guard services at Port Authority facilities, 4.) increased payments in lieu of taxes (PILOT) to the City of New York related to the WTC site as a result of the substantial completion of WTC Tower 3, 5.) increased maintenance dredging and immediate berth repairs at Port Authority Marine Terminals, 6.) increased availability payments for the operation of Airtrain-EWR due to improved system performance and scheduled increases in billing rates by the operator.

Depreciation and amortization of \$652 million increased \$17 million from the same six-month period of 2017 as a result of the scheduled completion of \$5.5 billion of capital construction projects during 2017 and the six-month period ending June 30, 2018. These capital infrastructure assets, primarily located at the World Trade Center (WTC), PATH, Bayonne and Goethals Bridges, are now ready for their intended use and are being depreciated over their estimated useful lives. Partially offsetting these increases was a decrease in accelerated depreciation related to the former Goethals Bridge and certain elements of the Bayonne Bridge that were fully depreciated and taken out of service in 2017 in anticipation of new and rehabilitated capital assets becoming fully operational.

Non-Operating Expense Activities, net

Non-operating expense activities of \$106 million decreased \$8.0 million from the same six-month period of 2017 primarily due to a \$3 million decrease in interest expense, resulting from an increase in interest expense allocated to capital projects under construction and the realization of debt service savings from the refunding of certain outstanding debt obligations. In addition, Passenger Facility Charges (PFCs) at Aviation facilities increased \$4.2 million due to a 2.8% increase in passenger activity.

Assets:

Port Authority Assets totaled \$47.5 billion at June 30, 2018, an increase of \$1.0 billion from December 31, 2017. This overall increase is primarily due to:

Facilities, net of \$36.5 billion, including capital investment funded with Contributions in aid of construction increased approximately \$565 million, primarily due to increased capital investment in Aviation Terminals and Tunnel, Bridge and Terminals (TB&T) transportation facilities, as outlined in the 2017-2026 ten-year capital plan, less year-to-date depreciation.

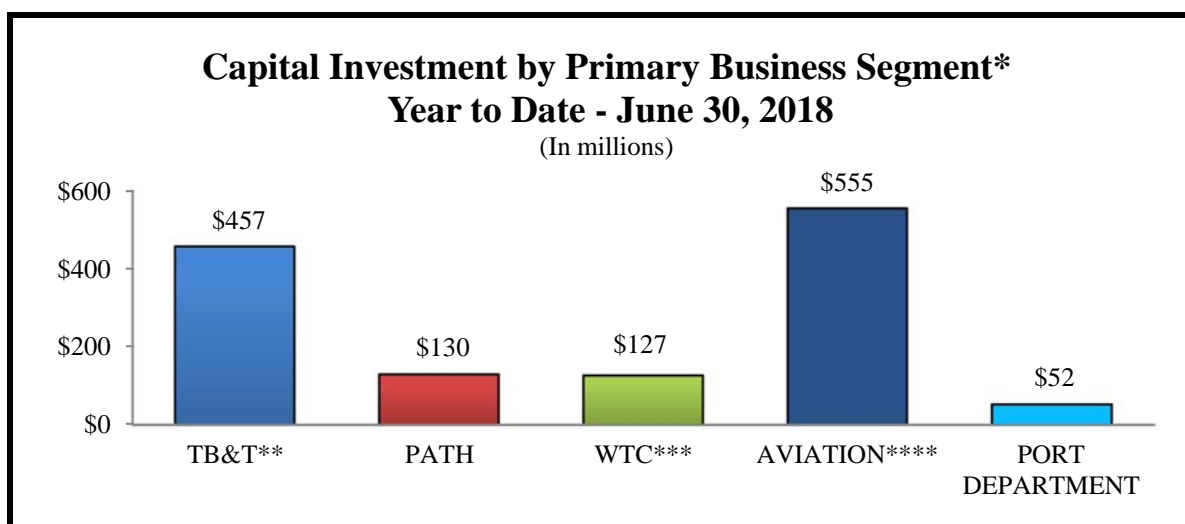
For additional information related to the Port Authority's current ten-year capital plan, please refer to Port Authority's website at: <http://corpinfo.panynj.gov/documents/Capital-Plan-2017-2026>.

The following chart depicts capital investment in Port Authority facilities of \$1.3 billion for the six-month period ended June 30, 2018, summarized by primary business segment.

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* Excludes Development Facilities, Regional Facilities and Programs and Ferry Transportation.

** Includes \$86 million of capital investment related to the Goethals Bridge Replacement Project Developer Financing Arrangement.

*** Includes capital investment related to the WTC Transportation Hub and required capital contributions from the WTC Tower 3 net lessee.

**** Includes landlord leasehold improvements totaling \$126 million related to the redevelopment of LaGuardia Airport Terminal B.

Receivables (including restricted amounts) of \$850 million increased \$195 million from December 31, 2017, primarily due to timing differences in receiving payments from lessees at Aviation facilities, the maturity of certain securities on June 30, 2018 and increased amounts due from the Three and Four WTC net lessees, who exercised their right to defer certain rent and debt service payments.

Cash and Investments (excluding PAICE restricted investments) of \$5.0 billion increased approximately \$143 million when compared to December 2017 primarily as the result of the investment, on an interim basis, of consolidated bond proceeds issued in the first six-months of 2018 for purposes of refunding existing consolidated bond obligations in the third quarter of 2018, partially offset by the use of capital funds for capital construction of core transportation facilities.

Cash flows from operations of \$1.1 billion increased approximately \$119 million when compared to the same six-month period of 2017. This overall increase is primarily due to increased rentals and aviation fees, partially offset by an increase in payments to employees.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF AND FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018 (UNAUDITED)

Port Authority Investments, at fair value

Investment Type*	Fair Value Hierarchy Levels***	at June 30, 2018 (In thousands)	Weighted Average Maturity (In days)
United States Treasury Notes	Level 1	\$ 3,800,693	428
United States Treasury Bills	Level 1	207,407	15
United States Government Agency Obligations	Level 2	113,108	15
JFK International Air Terminal LLC Obligations****	-	63,774	2,727
Repurchase Agreements****	-	372,881	5
Other Governmental Obligations	Level 2	6,126	256
Total Investments**		\$ 4,563,989	
Portfolio Weighted Average Maturity (in days)			396

* Excludes \$249 million of Collateralized Bank Accounts that are classified as cash equivalents and approximately \$1.4 billion in investments that are on deposit in a restricted trust dedicated to Other Postemployment Benefits (OPEB).

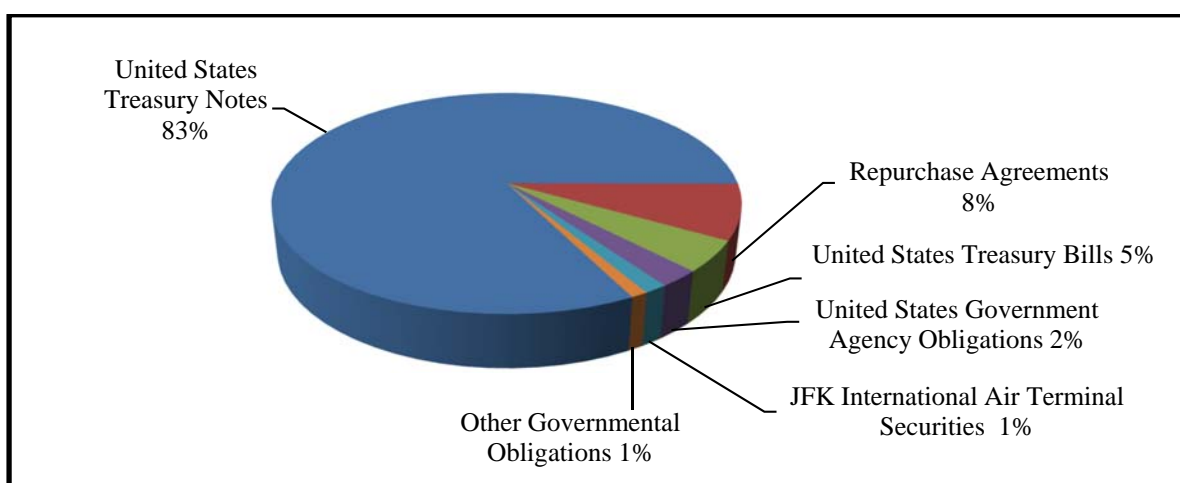
** Excludes accrued interest receivable amounts of \$15.8 million.

*** 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.

Port Authority Investments Asset Allocation:



Port Authority Insurance Captive Entity, LLC (PAICE) restricted investments of \$237 million, decreased \$1.8 million from December 31, 2017 primarily due to the maturity of United States Government securities that have not been reinvested as of June 30, 2018.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF AND FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018 (UNAUDITED)

PAICE Investments, at fair value

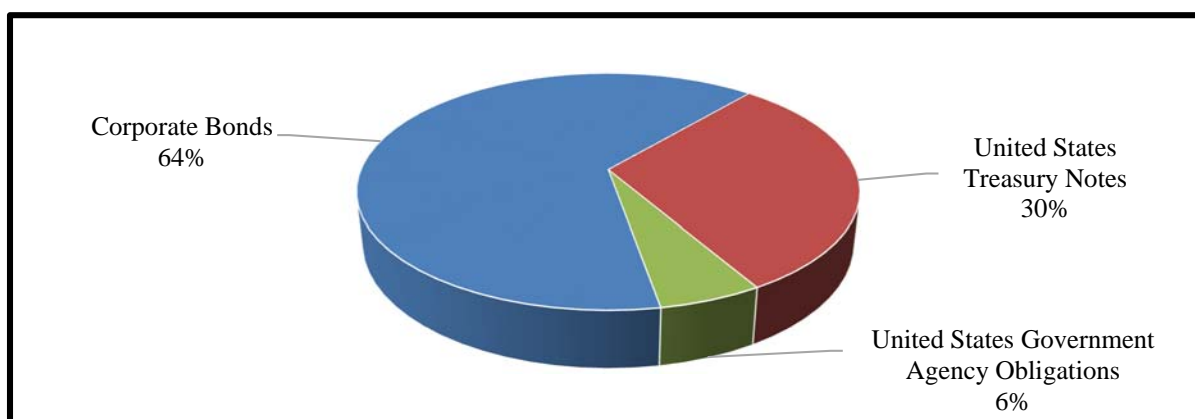
Investment Type	Fair Value Hierarchy Levels**	at June 30, 2018 (In thousands)	Weighted Average Maturity (In Days)
United States Treasury Notes	Level 1	\$ 71,692	1,170
United States Government Agency Obligations	Level 2	13,141	270
Corporate Bonds	Level 2	150,827	856
Total Investments*		\$ 235,660	
Portfolio weighted average maturity (In days)			919

* Excludes accrued interest receivable of \$1.4 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.

PAICE Investments Asset Allocation:



Liabilities:

Port Authority liabilities totaled \$32.1 billion at June 30, 2018, an increase of \$726 million from December 31, 2017.

Bonds and other asset financing obligations of \$24.2 billion increased \$774 million from December 31, 2017 due to the issuance of consolidated bonds in the six-month period ending June 30, 2018 for purposes of refunding existing debt obligations in the third quarter of 2018, an increase in the Goethals Bridge Replacement Project (GBRP) Developer Financing Arrangement (DFA) of \$ 86 million due to the substantial completion of the replacement bridge in June 2018 and an increase in commercial paper notes of \$45 million. These amounts were partially offset by a \$20 million decrease in amounts payable related to The Fund for Regional Development Buy-Out Obligation.

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AS OF AND FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018 (UNAUDITED)

Bonds and Other Financing Obligations*

	Opening Balance Dec. 31, 2017	Issued/ Accreted	Refunded/ Retired	Ending Balance June 30, 2018
	(In millions)			
Consolidated Bonds and Notes	\$ 20,673	\$ 1,287	\$ 790	\$ 21,170
Commercial Paper Notes	465	874	829	510
Variable Rate Master Notes	78	-	8	70
Fund for Regional				
Development Buy-Out Obligation	184	-	20	164
MOTBY Obligation	53	-	2	51
Goethals Bridge Replacement				
Developer Financing Arrangement	934	86	-	1,020
Subtotal-Principal	\$ 22,387	\$ 2,247	\$ 1,649	\$ 22,985
Add: Unamortized premium/(discount)	1,024	189	14	1,199
Total	\$ 23,411	\$ 2,436	\$ 1,663	\$ 24,184

*Excludes amounts payable associated with Special Project Bond projects of \$1.3 billion and Tower 4 Liberty Bonds of \$1.2 billion.

For the six-month period ended June 30, 2018, the Port Authority issued approximately \$1.3 billion in Consolidated Bonds and received \$189 million in bond premiums at issuance for purposes of refunding \$1.4 billion of existing debt obligations to achieve savings on future debt service payments as well as to fund \$30 million of additional capital construction at Port Authority facilities. As of June 30, 2018, \$748 million of these proceeds have been used to refund the related outstanding bonds.

The Goethals Bridge Replacement Project (GBRP) achieved substantial completion in June 2018. Accordingly, in accordance with the 2013 Project Agreement, GBRP Developer Financing Arrangement (DFA) payments to the developer will commence in July 2018.

Accounts payable of \$1.1 billion decreased \$139 million from December 31, 2017, primarily due to a decrease in capital construction project accruals.

CONDENSED CONSOLIDATED STATEMENTS OF NET POSITION – UNAUDITED*

	JUNE 30, 2018	DECEMBER 31, 2017**
	(In thousands)	
Assets		
Facilities, net	\$ 36,529,047	\$ 35,963,576
Cash, including restricted amounts	493,524	858,896
Port Authority investments, including PFCs	4,579,755	4,071,618
PAICE restricted investments	237,100	238,927
Receivables, including restricted amounts	850,449	655,164
Amounts receivable - Special Project Bonds projects	1,314,805	1,314,334
Amounts receivable - Tower 4 Liberty Bonds	1,245,943	1,246,249
Unamortized costs for regional programs	150,255	172,060
Landlord leasehold investment-LGA redevelopment	289,319	162,868
Other assets	1,820,759	1,799,038
Total assets	<u>47,510,956</u>	<u>46,482,730</u>
Deferred outflows of resources		
Loss on debt refundings	74,564	73,148
Pension related amounts	328,602	328,602
Total deferred outflows of resources	<u>403,166</u>	<u>401,750</u>
Liabilities		
Bonds and other asset financing obligations	24,184,264	23,410,555
Amounts payable - Special Project Bonds projects	1,314,805	1,314,334
Amounts payable - Tower 4 Liberty Bonds	1,245,943	1,246,249
Accounts payable	1,090,599	1,229,863
Accrued payroll, pension, and OPEB**	2,646,140	2,555,624
Unearned income related to WTC Retail	760,107	764,738
Accrued interest and other liabilities	808,652	802,670
Total liabilities	<u>32,050,510</u>	<u>31,324,033</u>
Deferred inflows of resources		
Gain on debt refundings	45,547	47,237
Pension related amounts	68,237	68,237
OPEB related amounts**	74,920	74,920
Total deferred inflows of resources	<u>188,704</u>	<u>190,394</u>
Net position**	<u><u>\$ 15,674,908</u></u>	<u><u>\$ 15,370,053</u></u>

CONDENSED CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – UNAUDITED*

	SIX-MONTHS ENDED JUNE 30, 2018	2017**
	(In thousands)	
Gross operating revenues	\$ 2,621,680	\$ 2,555,585
Operating expenses	(1,558,967)	(1,480,218)
Depreciation and amortization	(652,033)	(634,836)
Income from operations	<u>410,680</u>	<u>440,531</u>
Non-operating expenses, net	(380,947)	(387,205)
Capital contributions and PFC's	275,122	273,662
Non-operating revenues/(expenses)	<u>(105,825)</u>	<u>(113,543)</u>
Increase in net position	<u>304,855</u>	<u>326,988</u>
Restated net position, January 1**	<u>15,370,053</u>	<u>14,839,895</u>
Net position, June 30	<u><u>\$ 15,674,908</u></u>	<u><u>\$ 15,166,883</u></u>

see footnotes () and (**) on page 10.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS – UNAUDITED*

	SIX-MONTHS ENDED JUNE 30,	
	2018	2017
	(In thousands)	
Net cash provided by operating activities	\$ 1,141,092	\$ 1,021,680
Net cash provided / (used for) noncapital financing activities	(8,035)	17,572
Net cash (used for) capital construction and related financing activities	(885,372)	(705,877)
Net cash (used for) investing activities	(613,057)	(233,588)
Net (decrease)/increase in cash	(365,372)	99,787
Cash at beginning of year	858,896	738,035
Cash at six-months ended	\$ 493,524	\$ 837,822

* The unaudited Condensed Consolidated 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 accounting principles generally accepted in the United States of America. This unaudited condensed financial information should be read in conjunction with the Consolidated 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, 2017.

** In accordance with GASB Statement No. 75, the cumulative impact of adopting GASB Statement No. 75 totaling approximately \$1.7 billion has been incorporated into the unaudited financial statements for the six-month period ended June 30, 2018 as a restatement to the Port Authority's 2017 unaudited Statement of Net Position.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION ON PORT AUTHORITY FACILITIES - UNAUDITED

Six-month period ended June 30, 2018

	(In thousands)						
	Gross Operating Revenues	Operating Expenses	Depreciation and Amortization	Income/(Loss) from Operations	Interest, Grants & Other Expenses *	Capital Contributions and PFC's	Increase/(Decrease) in Net Position
Tunnels, Bridges, and Terminals	\$ 847,953	\$ 253,208	\$ 100,301	\$ 494,444	\$ 77,349	\$ 1,166	\$ 418,261
PATH	100,911	223,399	103,206	(225,694)	93,971	19,909	(299,756)
Aviation	1,357,526	842,297	224,580	290,649	84,106	172,392	378,935
Port Commerce	158,369	82,162	45,871	30,336	41,909	14,831	3,258
World Trade Center	144,703	150,124	141,387	(146,808)	66,334	66,824	(146,318)
Other***	12,218	7,777	36,688	(32,247)	17,278	-	(49,525)
Increase in net position	\$2,621,680	\$ 1,558,967	\$ 652,033	\$ 410,680	\$ 380,947	\$ 275,122	\$ 304,855

Six-month period ended June 30, 2017

	(In thousands)						
	Gross Operating Revenues	Operating Expenses	Depreciation and Amortization	Income/(Loss) from Operations	Interest, Grants & Other Expenses *	Capital Contributions and PFC's	Increase/(Decrease) in Net Position
Tunnels, Bridges, and Terminals	\$ 845,151	\$ 247,117	\$ 102,073	\$ 495,961	\$ 66,274	\$ 1,146	\$ 430,833
PATH	97,397	201,198	101,869	(205,670)	93,817	105,967**	(193,520)
Aviation	1,309,825	808,484	225,531	275,810	92,835	147,929	330,904
Port Commerce	152,996	74,473	46,618	31,905	48,635	9,361	(7,369)
World Trade Center	137,626	142,079	125,448	(129,901)	70,310	9,259	(190,952)
Other***	12,590	6,867	33,297	(27,574)	15,334	-	(42,908)
Increase in net position	\$2,555,585	\$1,480,218	\$ 634,836	\$ 440,531	\$ 387,205	\$ 273,662	\$ 326,988

* Amounts include allocated net interest expense (interest expense less financial income), 4 WTC Liberty Bond debt service reimbursements, Grants in connection with operating activities, Pass-through grant program payments; and gains or losses generated by the disposition of assets, if any.

** PATH Capital Contributions include Federal Transit Administration (FTA) funding related to the construction of the WTC Transportation Hub.

*** Other includes Development Facilities, certified Regional Facilities and Programs, Ferry Transportation, Access to the Regions Core (ARC), Moynihan Station Transportation Program and PAICE administrative expenses.

Note: These unaudited schedules related to Port Authority Facilities have been prepared, subject to audit, adjustment and reconciliation, solely for general information purpose, in accordance with accounting principles generally accepted in the United States of America. This unaudited financial information should be read in conjunction with the Consolidated 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, 2017.

REVENUES AND RESERVES (pursuant to Port Authority bond resolutions) – Unaudited

	Six-Month Period Ended June 30, 2018 (Actual)	Six- Month Period Ended June 30, 2018 (Budget)	Six Month Period Ended June 30, 2017 (Actual)
		(in thousands)	
Gross operating revenues*	\$ 2,617,051	\$ 2,583,159	\$ 2,550,955
Total operating expenses	(1,558,967)	(1,544,070)	(1,480,218)
Amounts in connection with operating asset obligations**	(6,868)	(6,868)	(8,401)
Net operating revenue	1,051,216	1,032,221	1,062,336
Grants and contributions in aid of construction	128,589	94,444	133,687
Application of Passenger Facility Charges	44,353	48,434	23,264
Financial Income and Other	52,339	55,056	52,975
Net revenues available for debt service	1,276,497	1,230,155	1,272,262
Debt service***	(507,806)	(493,052)	(497,708)
Net Revenues after Debt Service and Transfers to Reserves****	\$ 768,691	\$ 737,103	\$ 774,554

* Excludes amortization of upfront payments received in connection with the purchase of the Port Authority's interests in the WTC Retail Joint Venture.

** Includes interest expense on Equipment notes and the Fund for Regional Development Buy-out obligation.

*** Includes debt service on Consolidated bonds and notes and special obligations of the Port Authority including, Commercial paper obligations, Variable rate master notes, MOTBY obligation, Tower 4 Liberty Bonds and Goethals Bridge Replacement Developer Financing Arrangement (DFA).

**** Excludes the application of amounts from the Consolidated Bond Reserve Fund (CBRF) for purposes of funding direct capital investment in Port Authority Facilities.

FACILITY TRAFFIC – Unaudited

	Six-Month Period Ended June 30, 2018	Six-Month Period Ended June 30, 2017	Pctg. Increase/ (Decrease)
	(In thousands)		
Total Passengers-Aviation*	65,559	63,756	2.8%
Total Vehicles-Tunnels and Bridges	58,160	57,641	0.9%
Total Passengers- PATH	40,691	40,377	0.8%
Total Containers-Marine Terminals*	1,953	1,857	5.2%

* 2018 facility traffic information contains estimated data based on available information and is subject to revision.