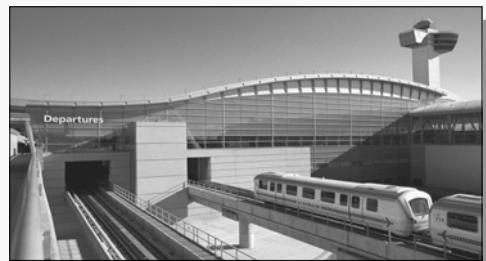
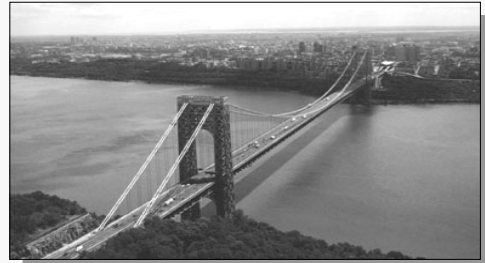
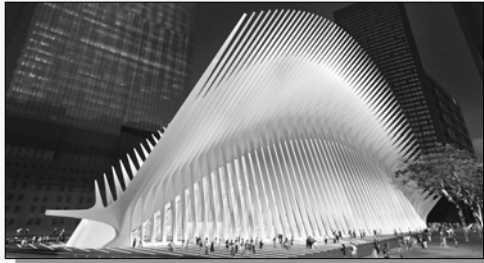


2007 Budget



THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

(Including its wholly-owned Corporate Entities)

2007 BUDGET

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December 14, 2006

To the People of New York and New Jersey:

The Port Authority's \$5.7 billion 2007 budget is an austere spending plan that holds the line on operating expenses and administrative costs, while investing heavily in operating and capital security programs and in the rebuilding at the World Trade Center site. A preliminary version of this spending plan was released to the public on November 30, 2006 for public comment before its adoption.

The budget invests a record \$679 million in security initiatives at Port Authority facilities. It also contains record investment in the region's transportation infrastructure with a \$2.5 billion Capital Plan, the largest single-year investment in the agency's history.

In addition to security, the budget includes funds to rebuild at the World Trade Center site, and additional investments to enhance the region's world-class transportation system, including construction of Terminal 5 at John F. Kennedy International Airport, the purchase of 340 new PATH cars, and the expansion of ExpressRail facilities and channel deepening in the Port of New York and New Jersey.

The Port Authority continues its agency-wide initiative to identify ways to operate more efficiently and effectively, which contributed to a nearly flat operating budget in 2007 as compared to the previous year. The initiative has already implemented or identified \$150 million in annual savings, of which \$130 million in cumulative savings is reflected in the 2007 Budget. These savings resulted from decreasing administrative costs, the consolidation of business functions, better coordination of maintenance staff, and centralization of the agency's marketing, advertising and communications functions, including a reduction of 699 full-time positions. And we will not stop there; in fact, we are hard at work finding more ways to reduce costs.

We are grateful for the leadership of New York Governor George E. Pataki and New Jersey Governor Jon S. Corzine. The governors of both states set the priorities in the 2007 budget to fulfill commitments they made to the millions of people in the region. We look forward to working with New York Governor-elect Eliot Spitzer in the upcoming year to keep the region moving forward and the economy strong.

Sincerely,



Anthony R. Coscia, Chairman



Kenneth J. Ringler Jr., Executive Director

SUMMARY OF 2007 BUDGET

(In Millions)

<u>SOURCES:</u>	<u>2007 Budget</u>	<u>2006 Budget</u>	<u>Variance</u>	<u>% Change</u>
Gross Operating Revenues	\$3,145	\$3,055	\$90	2.9%
Bonds, Notes and Other	1,510	1,356	154	11.4%
Financial Income	163	122	41	33.6%
Grants and Contributions, Insurance, Third Party Recoveries and Miscellaneous Revenues	670	262	408	155.7%
Allocated Passenger Facility Charges	216	215	1	0.5%
Total Sources	\$5,704	\$5,010	\$694	13.9%

Significant Highlights:

- ✓ Gross Operating Revenues increased by a modest 2.9% largely due to \$54 million in higher revenues at our aviation facilities.
- ✓ Bonds, Notes and Other increased mainly due to funding a more aggressive capital plan.
- ✓ Financial Income increased 33.6% mainly due to a higher projected earnings rate.
- ✓ Grants and Contributions, Insurance, Third Party Recoveries and Miscellaneous Revenues are higher as a result of reimbursement of work at the World Trade Center Site.

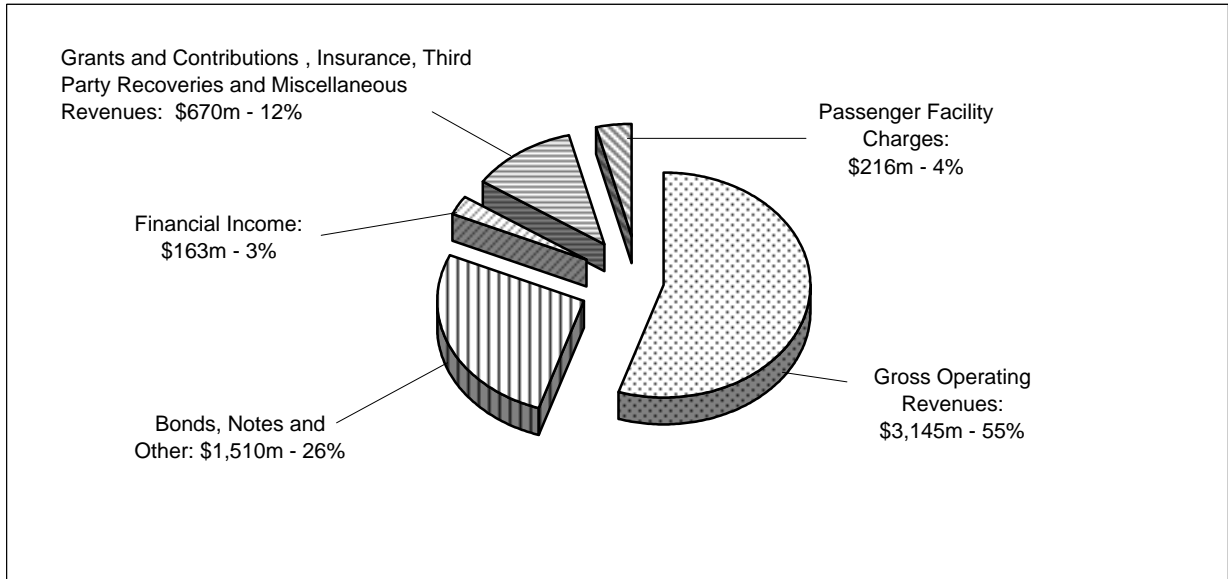
<u>USES:</u>	<u>2007 Budget</u>	<u>2006 Budget</u>	<u>Variance</u>	<u>% Change</u>
Operating Expenses	\$2,324	\$2,299	\$25	1.1%
Debt Service	806	779	27	3.5%
Deferred Expenses and Other	69	52	17	32.7%
Gross Capital Expenditures	2,505	1,880	625	33.2%
Total Uses	\$5,704	\$5,010	\$694	13.9%

Significant Highlights:

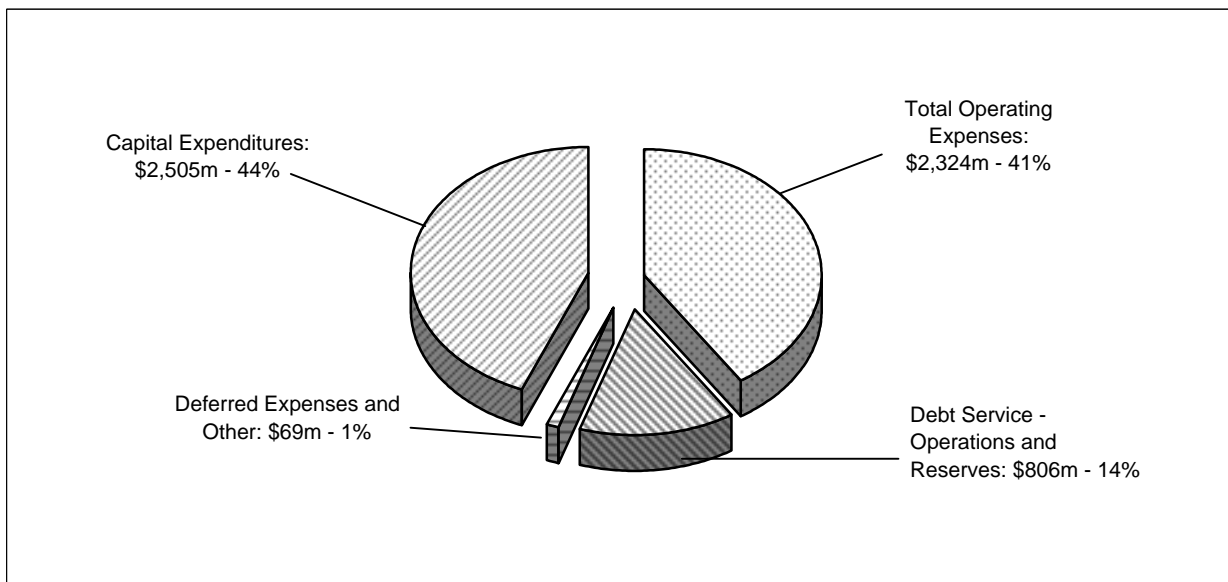
- ✓ Operating Expenses have been held to 1.1% of last year's 2006 Budget. This was achieved while we continue to increase security spending which will total approximately \$454 million in 2007. The 2007 Budget also includes \$225 million for security capital expenditures.
- ✓ Reflected in the 2007 Budget are cumulative cost savings totaling \$130 million as a result of implementing our aggressive cost reduction efforts which have streamlined and consolidated operations, resulting in reductions of 699 full time equivalent positions.
- ✓ Debt Service to operations increased by 3.5%, primarily attributed to completing projects in the capital plan which are now operational.
- ✓ Capital Expenditures increased by \$625 million or 33.2%, primarily related to work at the World Trade Center site in connection with the Freedom Tower, Memorial and Infrastructure. Of this amount, approximately \$406 million, or 65% will be recovered from insurance and third parties.
- ✓ Other significant capital expenditures in 2007 include PATH Transportation Hub (\$251m), new passenger terminal at John F. Kennedy International Airport (\$225m), redevelopment of Terminal B at Newark Liberty International Airport (\$58m), purchase of new PATH rail cars (\$87m), expanded ExpressRail project (\$67m), rehabilitation of the Goethals Bridge (\$23m) and preliminary planning and site acquisition for THE Tunnel Project (\$85m).

Summary of Sources and Uses - 2007 Budget

Sources: \$5.7 Billion



Uses: \$5.7 Billion



THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

(Including its wholly-owned Corporate Entities)

2007 BUDGET

(In Thousands)

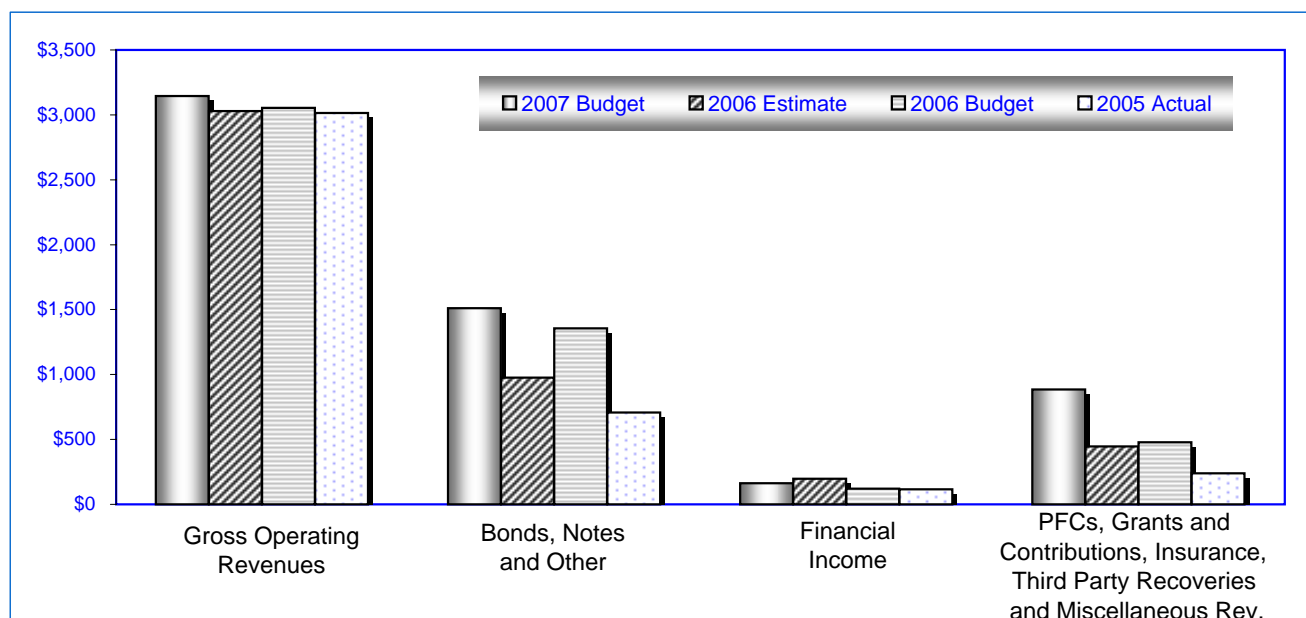
Item	Total Expenditures	Personal Services	Materials & Services
Audit	\$12,471	\$9,023	\$3,448
Aviation	857,621	128,319	729,302
Chief Administrative Officer	1,017	828	189
Chief Financial Officer	3,126	829	2,297
Corporate Enterprise Systems	17,846	-	17,846
Chief of Public & Government Affairs	458	388	70
Chief of Real Estate & Development	1,176	822	354
Chief of Strategic Planning	1,618	497	1,121
Chief Operating Officer	4,824	1,170	3,654
Chief Technology Officer	665	419	246
Comptroller's	14,869	11,711	3,158
Engineering	300,817	88,255	212,562
Construction Contracts	873,496	-	873,496
Executive Offices	2,897	2,280	617
Government & Community Affairs	5,312	2,055	3,257
Human Resources	13,116	7,550	5,566
Medical Services	4,607	2,442	2,165
Inspector General	5,774	4,351	1,423
Labor Relations	2,649	1,782	867
Law	21,658	20,955	703
Management and Budget	12,996	11,044	1,952
Office of Emergency Management	10,172	2,987	7,185
Office of Environmental Policy, Programs & Compliance	2,251	1,202	1,049
Office of the Secretary	3,999	1,944	2,055
Operations Services	67,317	32,494	34,823 ⁽¹⁾
Facility Construction Support	30,505	23,303	7,202
Operations Standards	1,645	1,188	457
Policy & Planning	6,985	2,920	4,065
Port Commerce	123,535	23,074	100,461
Priority Capital Programs	307,989	8,500	299,489
Procurement	14,939	11,076	3,863 ⁽¹⁾
Project Management	66,282	24,865	41,417
Public Affairs	17,481	5,873	11,608
Public Safety	394,474	353,865	40,609
Rail	262,987	135,292	127,695
Real Estate	79,014	6,223	72,791 ⁽¹⁾
Regional & Economic Development	38,414	2,883	35,531
Technology Services	7,107	19,620	(12,513) ⁽¹⁾
Treasury	22,807	6,109	16,698
Tunnels, Bridges & Terminals	195,855	107,206	88,649
World Trade Center Redevelopment <i>(includes expenses related to 9-11)</i>	65,528	2,857	62,671
Other:			
Amounts in Connection with Operating Asset Obligations	41,450	-	41,450
Bi-state Dredging Program	4,000	-	4,000
Debt Service - Operating	805,862	-	805,862
Debt Service - Capitalized Interest	109,000	-	109,000
Insurance	228,036	-	228,036
Municipal Rents and Amounts in Lieu of Taxes	227,378	-	227,378
Provision for Study and Development	23,750	-	23,750
Regional Programs - Operating	19,884	-	19,884
Regional Programs - Capital	281,000	-	281,000
Special Project Bond Debt Service	85,777	-	85,777
Total Port Authority Budget	\$5,704,436	\$1,068,201	\$4,636,235

(1) Net after charges to other departments.

Sources

SOURCES

(In Millions)



	2007 Budget	2006 Estimate	2006 Budget	2005 Actual
Gross Operating Revenues	\$3,145	\$3,029	\$3,055	\$3,014
Bonds, Notes and Other	1,510	975	1,356	707
Financial Income	163	198	122	116
Grants and Contributions, Insurance, Third Party Recoveries and Miscellaneous Revenues	670	251	262	125
Allocated Passenger Facility Charges	216	195	215	114
Total Sources	\$5,704	\$4,648	\$5,010	\$4,076

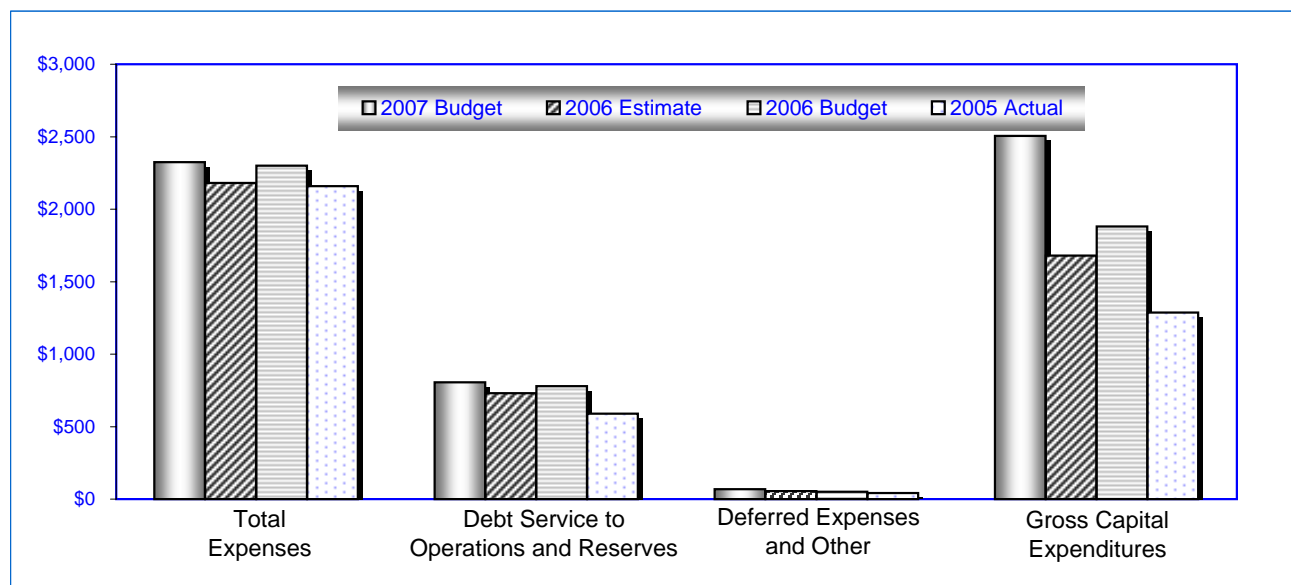
GROSS OPERATING REVENUES BY FACILITY

(In Thousands)

	2007 Budget	2006 Estimate	2006 Budget	2005 Actual
Aviation				
LaGuardia Airport	\$304,845	\$286,584	\$281,960	\$282,183
John F. Kennedy International Airport	822,136	788,527	811,858	815,834
Newark Liberty International Airport	709,911	671,775	685,777	665,046
Teterboro Airport	31,997	29,453	34,335	27,503
Port Authority Heliport	1,971	2,092	3,063	1,969
Total - Aviation	1,870,860	1,778,431	1,816,993	1,792,535
Tunnels, Bridges & Terminals				
Holland Tunnel	87,529	85,288	87,271	85,421
Lincoln Tunnel	113,077	114,223	109,858	116,520
George Washington Bridge	322,907	326,994	322,640	324,296
George Washington Bridge Bus Station	1,556	1,552	1,568	1,367
Bayonne Bridge	21,038	23,525	21,286	21,935
Goethals Bridge	87,136	77,900	85,837	84,678
Outerbridge Crossing	78,042	82,831	76,436	79,840
Port Authority Bus Terminal	29,619	28,744	29,116	29,189
Total - Tunnels, Bridges & Terminals	740,904	741,057	734,012	743,246
Rail				
PATH Rapid Transit	89,902	90,448	82,951	87,871
Journal Square Transportation Center	5,827	5,653	5,607	5,748
Total - Rail	95,729	96,101	88,558	93,619
Port Commerce				
Port Newark	78,993	77,009	74,258	72,629
Elizabeth - PA Marine Terminal	78,194	71,052	70,617	67,517
Brooklyn - PA Marine Terminal	4,195	4,798	2,370	5,152
Howland Hook Marine Terminal	9,970	7,362	7,778	5,550
Greenville Yard	307	298	279	271
PA Auto Marine Terminal	9,054	8,494	8,119	8,138
Red Hook Container Terminal	375	2,080	2,099	1,378
Total - Port Commerce	181,088	171,093	165,520	160,635
Economic & Waterfront Development				
Economic Development				
Essex County Resource Recovery Facility	71,712	74,310	71,560	64,303
PA Industrial Park at Elizabeth	933	927	870	924
Bathgate Industrial Park	4,306	3,949	3,492	3,364
Teleport	11,415	11,403	12,570	12,865
Newark Legal & Communications Center	3,550	3,525	3,450	3,444
Ferry Transportation Services	160	150	190	316
Sub-total Economic Development	92,076	94,264	92,132	85,216
Waterfront Development				
Hoboken Waterfront	5,859	5,520	5,331	5,183
Queens West Waterfront	226	1,011	1,082	998
Sub-total Waterfront Development	6,085	6,531	6,413	6,181
Total Economic & Waterfront Development	98,161	100,795	98,545	91,397
World Trade	157,785	141,947	151,439	133,057
Total Gross Operating Revenues	\$3,144,527	\$3,029,423	\$3,055,067	\$3,014,489

Uses

USES (In Millions)



	2007 Budget	2006 Estimate	2006 Budget	2005 Actual
Expenses:				
Operating & Maintenance Expenses	\$2,123	\$1,991	\$2,089	\$1,968
Allocated Expenses	157	146	163	139
Operating Asset Obligations	41	43	44	48
Expenses related to 9-11-01	3	2	3	3
Total Expenses	2,324	2,182	2,299	2,158
Debt Service Charged to Operations & Reserves:				
Interest on Bonds and Other Obligations	448	418	422	373
Debt Maturities and Retirements	184	182	182	205
PFC Commercial Paper	174	130	175	12
Debt Retirement Acceleration	-	-	-	-
Total Debt Service	806	730	779	590
Deferred Expenses and Other	69	55	52	42
Capital Expenditures:				
Line Department Programs & Regional	2,356	1,563	1,702	1,191
PFC Expenditures	149	118	178	95
Total Gross Capital Expenditures	2,505	1,681	1,880	1,286
Total Uses	\$5,704	\$4,648	\$5,010	\$4,076

OPERATING AND MAINTENANCE EXPENSES BY FACILITY

(In Thousands)

	2007 Budget	2006 Estimate	2006 Budget	2005 Actual
Aviation				
LaGuardia Airport	\$216,001	\$197,127	\$210,365	\$202,348
John F. Kennedy International Airport	581,124	546,505	568,500	559,065
Newark Liberty International Airport	380,503	350,620	386,050	348,669
Teterboro Airport	16,625	16,224	18,623	12,204
Port Authority Heliport	1,881	2,267	2,896	2,516
Total - Aviation	1,196,134	1,112,743	1,186,434	1,124,802
Tunnels, Bridges & Terminals				
Holland Tunnel	69,415	65,596	72,384	67,188
Lincoln Tunnel	84,478	82,359	91,170	80,208
George Washington Bridge	96,274	92,736	92,598	93,517
George Washington Bridge Bus Station	9,113	9,207	9,262	9,138
Bayonne Bridge	17,033	15,390	13,524	18,773
Goethals Bridge	24,458	22,900	26,370	21,241
Outerbridge Crossing	20,770	21,139	24,105	18,420
Port Authority Bus Terminal	90,512	81,394	93,522	78,553
Total - Tunnels, Bridges & Terminals	412,053	390,721	422,935	387,038
Rail				
PATH Rapid Transit	200,940	193,487	193,424	188,468
Journal Square Transportation Center	10,652	10,057	9,746	10,664
Total - Rail	211,592	203,544	203,170	199,132
Port Commerce				
Port Newark	68,689	64,150	65,941	51,984
Elizabeth - PA Marine Terminal	22,339	24,047	23,323	41,135
Brooklyn - PA Marine Terminal	10,608	10,718	10,964	11,437
Howland Hook Marine Terminal	8,871	9,413	8,791	9,065
Greenville Yard	29	32	30	30
PA Auto Marine Terminal	2,492	1,869	2,022	2,061
Red Hook Container Terminal	3,076	3,771	3,943	6,798
Total - Port Commerce	116,104	114,000	115,014	122,510
Economic & Waterfront Development				
Economic Development				
Essex County Resource Recovery Facility	63,418	61,891	62,549	64,943
PA Industrial Park at Elizabeth	143	146	133	226
Bathgate Industrial Park	1,671	1,579	1,343	1,444
PA Industrial Park at Yonkers	-	-	-	-
Teleport	11,675	10,882	12,136	11,033
Newark Legal & Communications Center	1,463	1,418	1,373	1,587
Ferry Transportation Services	11,949	9,772	16,410	2,081
Sub-total Economic Development	90,319	85,688	93,944	81,314
Waterfront Development				
Hoboken Waterfront	463	281	289	-
Queens West Waterfront	192	52	64	18
Sub-total Waterfront Development	655	333	353	18
Total Economic & Waterfront Development	90,974	86,021	94,297	81,332
World Trade Center				
WTC Site	14,913	14,002	14,081	12,826
WTC Retail LLC	44,479	39,790	20,568	16,856
	16,934	14,030	23,525	14,596
World Trade	76,326	67,822	58,174	44,278
Other Programs	19,884	15,873	9,635	8,992
Total Operating & Maintenance Expenses	2,123,067	1,990,724	2,089,659	1,968,084
Allocated Expenses	147,960	138,138	152,698	135,693
Development	8,781	8,003	10,779	3,264
Operating Asset Obligations	41,450	42,510	43,660	48,008
Expenses related to 9-11-01	2,803	2,454	2,556	3,358
Total	\$2,324,061	\$2,181,829	\$2,299,352	\$2,158,407

GENERAL ADMINISTRATIVE EXPENSES

(In Thousands)

Department / Office	2007 Budget	2006 Estimate	2006 Budget	2005 Actual
Audit	\$10,606	\$10,396	\$11,463	\$10,255
Chief Administrative Officer	1,017	956	1,080	1,383
Chief Engineer	2,266	1,952	2,009	1,740
Chief Financial Officer	3,126	3,255	3,164	3,648
Corporate Enterprise System	10,006	-	-	-
Chief Operating Officer	3,530	2,780	3,533	3,199
Chief of Public & Government Affairs	458	484	502	331
Chief of Real Estate & Development	1,176	1,059	1,235	893
Chief of Staff	960	937	1,029	913
Chief of Strategic Planning	348	347	367	299
Chief Technology Officer	665	581	695	649
Comptroller's	12,204	14,588	16,102	15,162
Executive Director	1,937	1,630	1,792	1,602
Government & Community Affairs	5,312	4,234	5,346	4,487
Human Resources	17,723	18,328	20,294	18,623
Inspector General	5,774	5,422	5,513	5,188
Labor Relations	2,649	2,557	2,788	2,736
Law	21,658	17,958	21,784	19,732
Management and Budget	6,963	8,476	8,382	8,327
Office of Business Development	551	337	264	223
Office of Environ. Policy, Prog and Comp.	2,252	2,083	1,614	727
Office of the Secretary	3,999	3,699	3,922	3,787
Office of Regional & Economic Development	3,490	3,745	3,355	2,931
Operation Services	5,656	6,197	6,333	6,795
Policy & Planning	4,935	4,808	4,864	4,465
Priority Capital Programs	2,891	2,100	2,316	1,106
Procurement	11,893	13,021	13,013	12,251
Project Management	-	4	807	216
Public Affairs	9,879	9,790	9,054	9,409
Real Estate	6,066	5,825	6,212	4,482
Technology Services	4,807	5,930	9,159	6,094
Treasury	13,192	12,592	14,578	11,295
Other (Revenue, Reclassifications, etc.)	(791)	(1,619)	(1,002)	(1,901)
Grand Total	<u>\$177,197</u>	<u>\$164,450</u>	<u>\$181,567</u>	<u>\$161,047</u>
Allocation to Operations	\$147,960	\$138,138	\$152,698	\$135,693
Allocation to Capital	29,237	26,312	28,869	25,354
Total Allocation	<u>\$177,197</u>	<u>\$164,450</u>	<u>\$181,567</u>	<u>\$161,047</u>

DEVELOPMENT EXPENSES

(In Thousands)

	2007 Budget	2006 Estimate	2006 Budget	2005 Actual
Programs and Studies:				
Study and Development Projects	\$2,370	\$1,415	\$3,625	\$ -
Comprehensive Port Improvement Plan	-	-	-	760
Overseas Operations	1,295	1,368	1,352	1,252
Smart Card Initiative	400	204	1,000	460
Local Assistance Program	366	616	336	112
Other	350	287	466	86
Sub-Total	4,781	3,890	6,779	2,670
 Bi-State Dredging Program	 4,000	 4,113	 4,000	 594
 Total Development Expenses	 \$8,781	 \$8,003	 \$10,779	 \$3,264

CAPITAL EXPENDITURES BY FACILITY
(In Thousands)

	2007 Budget	2006 Estimate	2006 Budget	2005 Actual
Aviation				
LaGuardia Airport	\$61,559	\$67,249	\$66,402	\$76,480
John F. Kennedy International Airport	319,224	265,152	224,028	190,408
Newark Liberty International Airport	95,991	67,445	84,380	88,127
Teterboro Airport	41,123	42,971	35,004	46,694
Downtown Heliport	475	400	360	155
Total - Aviation	518,372	443,217	410,174	401,864
Tunnels, Bridges & Terminals				
Holland Tunnel	14,111	24,282	19,895	29,339
Lincoln Tunnel	10,428	18,450	13,352	38,584
George Washington Bridge	45,394	52,410	67,346	63,035
George Washington Bridge Bus Station	568	3,541	2,774	33
Bayonne Bridge	8,252	19,911	14,537	10,922
Goethals Bridge	25,357	41,726	37,426	39,987
Outerbridge Crossing	6,641	10,610	6,844	13,343
Port Authority Bus Terminal	31,468	44,476	38,943	50,727
Total - Tunnels, Bridges & Terminals	142,219	215,404	201,117	245,970
Rail				
PATH Rapid Transit	218,196	145,297	153,692	122,629
Journal Square Transportation Center	7,024	6,709	6,140	7,182
Total - Rail	225,220	152,006	159,832	129,811
Port Commerce				
Port Newark	58,095	49,223	48,589	35,808
Elizabeth - PA Marine Terminal	111,969	106,682	89,505	86,858
Brooklyn - PA Marine Terminal	950	3,100	1,747	4,341
Howland Hook Marine Terminal	16,999	66,164	72,361	91,160
PA Auto Marine Terminal	1,567	439	1,800	299
Red Hook Container Terminal	1,045	-	90	681
Total - Port Commerce	190,625	225,607	214,092	219,147
Economic & Waterfront Development				
Hoboken Waterfront Development	6,037	2,280	6,809	823
Queens West	1,900	18,300	13,585	6,858
Ferry Transportation Services	26,895	39,426	44,825	15,322
Teleport	712	710	270	216
Bathgate	341	-	-	-
Total - Economic & Waterfront Development	35,885	60,716	65,489	23,219
World Trade Center Site/Retail				
WTC PATH Permanent Terminal	250,622	165,699	240,343	51,934
WTC Retail LLC	35,000	5,000	45,000	2,053
WTC Site	626,630	16,849	41,334	15,771
World Trade Center Site/Retail	912,252	187,548	326,677	69,761
Net Capital Expenditures - Line Department Programs	2,024,573	1,284,497	1,377,381	1,089,772
Other Programs:				
Regional Development Facility (Bank I)	28,000	26,951	106,291	-
Other Regional Programs	173,000	61,984	16,186	8,344
New York Economic Development Program	20,000	101,000	49,500	35,710
Regional Transportation Initiatives	60,000	35,000	99,000	9,563
Sub-total - Other Programs	281,000	224,935	270,977	53,617
Airport Access/PFC Program:				
PFC Funded	148,668	117,022	176,155	52,328
PA Funded	475	1,000	1,350	42,853
Sub-total - Airport Access/PFC Program	149,143	118,022	177,505	95,181
Provision For Study & Development Projects	23,750	5,000	15,300	-
Total Net Capital Expenditures	2,478,466	1,632,454	1,841,163	1,238,570
Add Back - Financial Income/Bond Premium	27,000	48,284	39,000	47,480
Total Gross Capital Expenditures	\$2,505,466	\$1,680,738	\$1,880,163	\$1,286,050

**Net Assets, Revenues
and Reserves
and Assets and Liabilities**

THE PORT AUTHORITY of NEW YORK & NEW JERSEY

Revenues, Expenses and Changes in Net Assets

(In Thousands)

	2007 Budget	2006 Estimate	2006 Budget	2005 Actual
Gross Operating Revenues	\$3,144,527	\$3,029,423	\$3,055,067	\$3,014,489
Operating & Maintenance Expenses	<u>(2,123,067)</u>	<u>(1,990,724)</u>	<u>(2,089,659)</u>	<u>(1,962,757)</u>
Contribution to Net Operating Revenues	1,021,460	1,038,699	965,408	1,051,732
Expenses related to 9-11-01	(2,803)	(2,454)	(2,556)	(3,358)
Allocated Expenses	(156,741)	(146,141)	(163,477)	(138,957)
Operating Asset Obligations	<u>(41,450)</u>	<u>(42,510)</u>	<u>(43,660)</u>	<u>(48,008)</u>
Net Operating Revenues	820,466	847,594	755,715	861,409
Contributions	262,841	249,069	261,778	121,598
Third Party Contributions - WTC Site	220,000	-	-	-
PFC Program	216,096	195,072	214,986	134,429
Depreciation & Amortization	(696,163)	(721,394)	(730,863)	(686,728)
Financial Income	136,467	150,985	116,235	103,572
Interest and Other Expenses	<u>(414,017)</u>	<u>(388,475)</u>	<u>(373,774)</u>	<u>(372,374)</u>
Net Assets (formerly classified as Net Income)	<u>\$545,690</u>	<u>\$332,851</u>	<u>\$244,077</u>	<u>\$161,906</u>

INFORMATION ON PORT AUTHORITY OPERATIONS BY FACILITY

(In Thousands)

	Gross Oper. Rev.	O&M Expenses	Allocated Expenses	Deprec. & Amort.	Net Interest & Contributions	2007 Budget Net Income/ (Loss)	2006 Estimate Net Income/ (Loss)	2005 Actual Net Income/ (Loss)
Aviation								
LaGuardia Airport	\$304,845	\$216,001	\$15,766	\$31,704	\$7,730	\$33,644	\$41,756	\$36,608
John F. Kennedy International Airport	822,136	581,124	26,999	107,508	29,143	77,362	116,282	111,417
Newark Liberty International Airport	709,911	380,503	25,661	103,797	33,769	166,180	167,264	142,939
Teterboro Airport	31,997	16,625	1,018	3,629	(2,137)	12,863	12,396	25,891
Downtown Manhattan Heliport	1,971	1,881	354	621	(10)	(875)	(1,211)	(1,511)
Total - Aviation	1,870,860	1,196,134	69,798	247,259	68,495	289,174	336,487	315,344
Tunnels, Bridges & Terminals								
Holland Tunnel	87,529	69,415	8,860	17,009	7,873	(15,628)	(12,246)	(7,919)
Lincoln Tunnel	113,077	84,478	9,923	33,533	13,284	(28,140)	(21,064)	(11,759)
George Washington Bridge and Bus Station	324,463	105,387	11,845	45,241	18,930	143,060	166,072	160,909
Bayonne Bridge	21,038	17,033	2,126	7,188	4,673	(9,983)	(3,811)	(10,362)
Goethals Bridge	87,136	24,458	3,113	7,865	3,842	47,858	42,037	46,828
Outerbridge Crossing	78,042	20,770	2,494	10,352	2,692	41,735	45,553	35,779
Port Authority Bus Terminal	29,619	90,512	9,391	19,566	(1,088)	(88,762)	(74,778)	(47,884)
Total - Tunnels, Bridges & Terminals	740,904	412,053	47,752	140,754	50,206	90,140	141,763	165,592
Rail								
PATH Rapid Transit	89,902	200,940	28,883	80,477	(164,466)	(55,933)	(141,582)	(254,799)
Journal Square Transportation Center	5,827	10,652	532	4,609	2,291	(12,257)	(11,033)	(12,498)
Total - Rail	95,729	211,592	29,415	85,086	(162,175)	(68,190)	(152,615)	(267,297)
Port Commerce								
Port Newark	78,993	68,689	3,544	18,453	9,815	(21,509)	(16,220)	(7,444)
Elizabeth - PA Marine Terminal	78,194	22,339	1,592	25,543	19,676	9,043	6,525	(14,378)
Brooklyn - PA Marine Terminal	4,195	10,608	531	14,343	1,646	(22,933)	(31,505)	(40,707)
Howland Hook Marine Terminal	9,970	8,871	354	13,370	11,777	(24,402)	(21,866)	(13,260)
Greenville Yard	307	29	-	-	-	278	266	267
PA Auto Marine Terminal	9,054	2,492	53	2,102	1,753	2,653	3,312	2,345
Red Hook Container Terminal	375	3,076	177	17,055	530	(20,462)	(25,228)	(28,520)
Total - Port Commerce	181,088	116,104	6,252	90,866	45,197	(77,332)	(84,716)	(101,697)
Economic & Waterfront Development								
Economic Development								
Essex County Resource Recovery Facility	71,712	63,418	79	1,412	(5,692)	12,495	16,614	1,149
PA Industrial Park at Elizabeth	933	143	9	194	250	336	336	186
Bathgate Industrial Park	4,306	1,671	18	1,502	913	201	443	(338)
PA Industrial Park at Yonkers	-	-	-	-	-	-	-	-
Teleport	11,415	11,675	177	2,202	1,169	(3,808)	(2,806)	(1,859)
Newark Legal & Communications Center	3,550	1,463	-	3,112	1,668	(2,693)	(2,186)	(2,781)
Ferry Transportation Services	160	11,949	177	216	186	(12,367)	(10,175)	(2,321)
Sub-total Economic Development	92,076	90,319	460	8,638	(1,506)	(5,836)	2,226	(5,964)
Waterfront Development								
Hoboken Waterfront	5,859	463	53	1,331	2,015	1,997	2,022	1,638
Queens West Waterfront	226	192	-	936	1,405	(2,307)	(1,265)	(1,505)
Sub-total Waterfront Development	6,085	655	53	2,267	3,420	(310)	757	133
Total Economic & Waterfront Development	98,161	90,974	512	10,905	1,914	(6,146)	2,983	(5,831)
World Trade Center								
World Trade Center	141,014	14,913	-	-	(9,572)	135,673	136,658	111,699
WTC Site	-	44,479	3,012	3,477	(218,822)	167,854	(46,508)	(18,906)
WTC Retail LLC	16,771	16,934	-	-	4,043	(4,206)	(17,697)	-
World Trade	157,785	76,326	3,012	3,477	(224,351)	299,321	72,453	92,793
Regional and Other								
-	-	19,884	-	57,267	56,871	(134,023)	(114,717)	(101,700)
Sub-total	3,144,527	2,123,067	156,741	635,615	(163,843)	392,944	201,638	97,204
Expenses related to 9-11-01								
-	-	-	-	-	2,803	(2,803)	(2,454)	(3,358)
PFC Program								
-	-	-	-	60,547	(216,096)	155,549	133,667	68,060
Totals	\$3,144,527	\$2,123,067	\$156,741	696,163	(\$377,136)	\$545,690	\$332,851	\$161,906

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
Revenues and Reserves
(In Thousands)

	2007 Budget	2006 Estimate	2006 Budget	2005 Actual
Gross Operating Revenues	\$3,144,527	\$3,029,423	\$3,055,067	\$3,014,489
Expenses:				
Operating & Maintenance Expenses	2,123,067	1,990,724	2,089,659	1,962,757
Allocated Expenses	156,741	146,141	163,477	138,957
Operating Asset Obligations	41,450	42,510	43,660	48,008
Expenses related to 9-11-01	2,803	2,454	2,556	3,358
Total Expenses	2,324,061	2,181,829	2,299,352	2,153,080
Net Operating Revenues	820,466	847,594	755,715	861,409
Financial Income	136,467	150,985	116,235	103,572
Grants and Contributions in aid of Construction	262,841	249,069	261,778	121,598
Third Party Contributions - WTC Site	220,000	-	-	-
Allocated Passenger Facility Charges	216,096	195,072	214,986	113,649
Net Revenues Available for Debt Service and Reserves	1,655,870	1,442,720	1,348,714	1,200,228
Debt Service:				
Interest on bonds and other obligations	442,748	417,738	422,249	372,713
Debt maturities and retirements	184,230	182,145	182,145	205,220
Repayment of asset financing obligations	178,884	130,000	175,000	12,205
Debt retirement acceleration	-	-	-	-
Total Debt Service	805,862	729,883	779,394	590,138
Increase in Reserves from Operations & Financial Income	850,008	712,837	569,320	610,090
Direct Investment in Facilities	(820,000)	(540,000)	(575,000)	(626,813)
Appropriation to / (from) Reserves for Self-Insurance	-	-	-	(5,325)
Net Increase / (Decrease) in Reserves for Year	30,008	172,837	(5,680)	(22,048)
Reserves, beginning of year	1,747,985	1,575,148	1,568,548	1,597,196
Reserves, end of year	\$1,777,993	\$1,747,985	\$1,562,868	\$1,575,148

ASSETS AND LIABILITIES

(Pursuant to Port Authority Bond Resolutions)
(In Thousands)

	2007 Budget	2006 Estimate	2006 Budget	2005 Actual
Assets				
Invested In Facilities	\$26,490,013	\$24,011,547	\$24,218,908	\$22,379,093
Cash and Investments	2,847,622	3,585,676	3,601,024	3,059,917
Other Assets	<u>3,803,694</u>	<u>3,788,211</u>	<u>3,472,051</u>	<u>3,630,595</u>
Total Assets	<u>33,141,329</u>	<u>31,385,434</u>	<u>31,291,983</u>	<u>29,069,605</u>
Liabilities				
Consolidated Bonds and Notes	10,630,669	9,998,094	9,829,593	8,128,645
Other Obligations	2,195,633	2,427,214	2,488,821	2,967,375
Accounts Payable and Other Liabilities	<u>1,837,506</u>	<u>1,670,736</u>	<u>1,864,571</u>	<u>1,704,899</u>
Total Liabilities	<u>14,663,808</u>	<u>14,096,044</u>	<u>14,182,985</u>	<u>12,800,919</u>
Net Assets	<u>18,477,521</u>	<u>\$17,289,390</u>	<u>\$17,108,998</u>	<u>\$16,268,686</u>
Net Assets Are Composed Of:				
Reserve Funds				
General Reserve Fund	\$1,241,807	\$1,200,686	\$1,189,879	\$1,068,790
Consolidated Bond Reserve Fund	<u>536,187</u>	<u>547,299</u>	<u>372,989</u>	<u>506,358</u>
Total Reserve Funds	<u>1,777,994</u>	<u>1,747,985</u>	<u>1,562,868</u>	<u>1,575,148</u>
Appropriated Reserves for Self-Insurance	74,437	74,437	69,112	74,437
Debt Retired Through Income	6,425,103	6,254,873	6,266,008	6,072,728
Capital Funding Provided by Others	828,140	828,140	828,140	828,140
Appropriated Reserves Invested in Facilities	7,668,811	6,848,811	6,803,998	6,308,811
PFCs Invested in Facilities	<u>1,703,036</u>	<u>1,535,144</u>	<u>1,578,872</u>	<u>1,409,422</u>
Net Assets	<u>\$18,477,521</u>	<u>\$17,289,390</u>	<u>\$17,108,998</u>	<u>\$16,268,686</u>

Activity Highlights

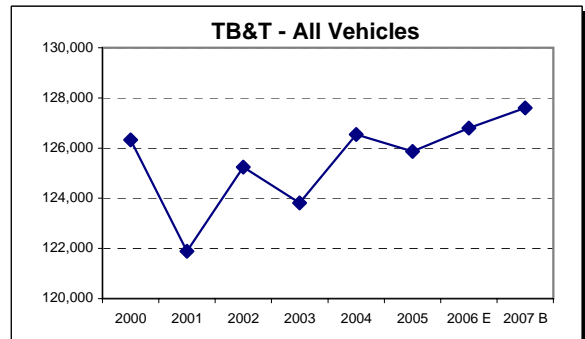
ACTIVITY HIGHLIGHTS

2000 - 2005 ACTUAL, 2006 ESTIMATE AND 2007 BUDGET

(In thousands)

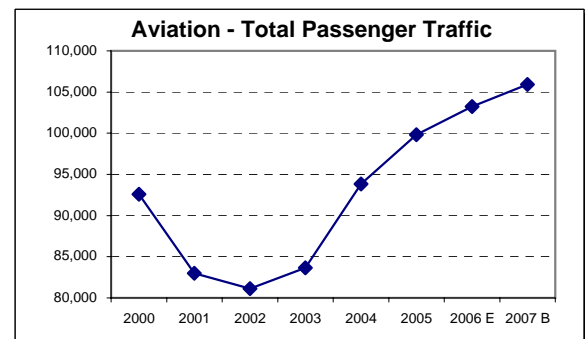
Tunnels, Bridges and Terminals (Eastbound Traffic)

	<u>Autos</u>	<u>Buses</u>	<u>Trucks</u>	<u>Total</u>
2000	115,149	2,571	8,603	126,323
2001	110,753	2,842	8,287	121,882
2002	114,005	3,121	8,118	125,244
2003	112,869	3,041	7,910	123,820
2004	115,219	3,123	8,205	126,547
2005	114,481	3,137	8,249	125,867
2006 Estimate	115,400	3,100	8,300	126,800
2007 Budget	116,000	3,200	8,400	127,600



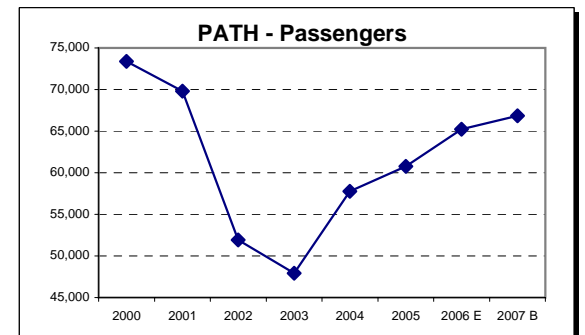
Aviation - Passenger Traffic

	<u>International</u>	<u>Domestic</u>	<u>Total</u>
2000	28,339	64,257	92,596
2001	24,750	58,225	82,975
2002	23,811	57,322	81,133
2003	24,014	59,630	83,644
2004	27,576	66,247	93,823
2005	29,617	70,184	99,801
2006 Estimate	30,207	73,025	103,232
2007 Budget	30,847	75,071	105,918



PATH - Passengers

2000	73,388
2001	69,792
2002	51,922
2003	47,920
2004	57,768
2005	60,787
2006 Estimate	65,224
2007 Budget	66,855



Port Commerce - Marine Cargo - Metric Tons

2000	18,870
2001	19,900
2002	21,249
2003	23,539
2004	25,474
2005	28,133
2006 Estimate	30,057
2007 Budget	32,112

