

# *The Port Authority of New York and New Jersey*

---



## **2008 Budget**



**THE PORT AUTHORITY** OF NY & NJ

# **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**(Including its wholly-owned Corporate Entities)**

---

## **2008 BUDGET**

### **C O N T E N T S**

	<b><u>Page</u></b>
<b>Budget:</b>	
Summary of 2008 Budget	<b>2</b>
2008 Summary of Sources and Uses Chart	<b>3</b>
2008 Budget	<b>4</b>
 <b>Sources:</b>	
Summary	<b>6</b>
Gross Operating Revenues by Facility	<b>7</b>
 <b>Uses:</b>	
Summary	<b>9</b>
Expenses by Facility	<b>10</b>
General Administrative Expenses	<b>11</b>
Development Expenses	<b>12</b>
Capital Expenditures by Facility	<b>13</b>
 <b>Schedule of Net Assets:</b>	
Revenues, Expenses and Changes in Net Assets	<b>15</b>
Information on Port Authority Operations by Facility	<b>16</b>
 <b>Revenues and Reserves</b>	<b>17</b>
 <b>Assets and Liabilities</b>	<b>18</b>
 <b>Activity Highlights</b>	<b>20</b>

# SUMMARY OF 2008 BUDGET

(In Millions)

<b>SOURCES:</b>	<b>2008 Budget</b>	<b>2007 Budget</b>	<b>Variance</b>	<b>% Change</b>
Gross Operating Revenues	\$3,265	\$3,145	\$120	3.8%
Insurance Captive Entity	41	-	41	
Bonds, Notes and Other	1,318	1,510	(192)	-12.7%
Financial Income	202	163	39	23.9%
Grants and Contributions, Insurance, Third Party Recoveries and Miscellaneous Revenues	885	670	215	32.1%
Allocated Passenger Facility Charges	200	216	(16)	-7.4%
<b>Total Sources</b>	<b>\$5,911</b>	<b>\$5,704</b>	<b>\$207</b>	<b>3.6%</b>

## Significant Highlights:

- ⇒ Gross Operating Revenues increased by 3.8% mainly due to an \$87million increase at our aviation facilities.
- ⇒ The 2008 Budget includes line item provisions for the Port Authority Insurance Captive Entity, formed to provide insurance coverage for portions of the Port Authority insurance program. The 2008 Budget shows an increase of \$41 million since the 2007 Budget did not include a provision for this (net revenues generated by the Captive Entity are restricted and not available for normal Port Authority operations).
- ⇒ Bonds, Notes and Other decreased mainly due to less use of Port Authority funds resulting from the receipt of insurance proceeds related to the World Trade Center Site.
- ⇒ Financial Income increased 23.9% mainly due to higher budgeted investment balances and earnings rate.
- ⇒ Grants and Contributions, Insurance, Third Party Recoveries and Miscellaneous Revenues are higher mainly due to the reimbursement of work at the World Trade Center Site from insurance proceeds.

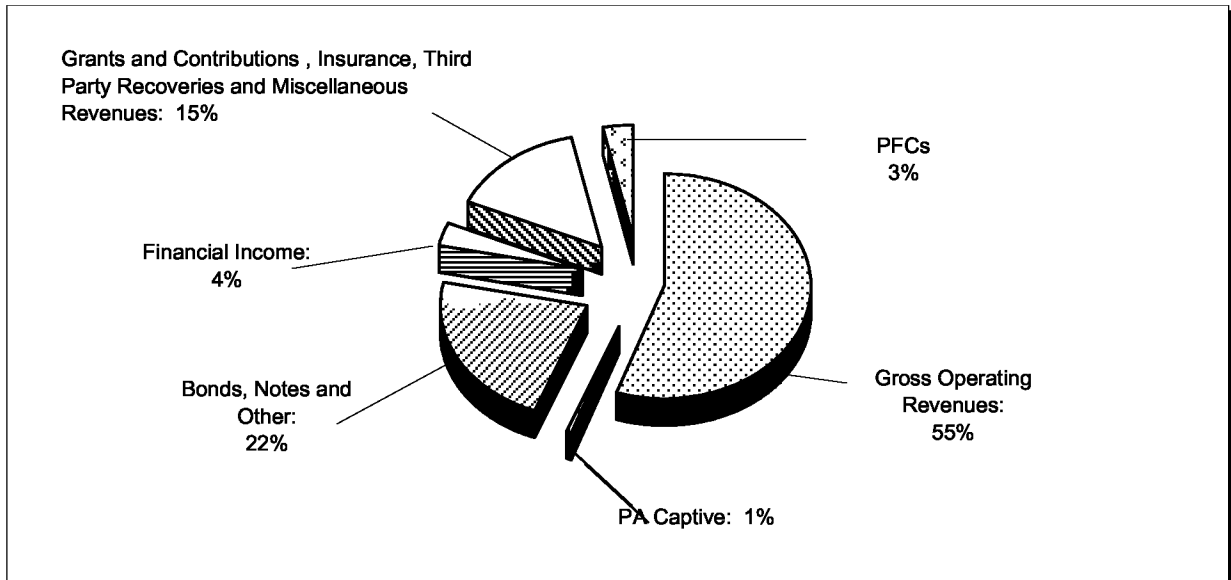
<b>USES:</b>	<b>2008 Budget</b>	<b>2007 Budget</b>	<b>Variance</b>	<b>% Change</b>
Operating Expenses	\$2,344	\$2,324	\$20	0.9%
1 WTC LLC Rent	49	-	49	-
Insurance Captive Entity	35	-	35	-
Debt Service	814	806	8	1.0%
Deferred & Other Expenses	89	69	20	29.0%
Gross Capital Expenditures	2,580	2,505	75	3.0%
<b>Total Uses</b>	<b>\$5,911</b>	<b>\$5,704</b>	<b>\$207</b>	<b>3.6%</b>

## Significant Highlights:

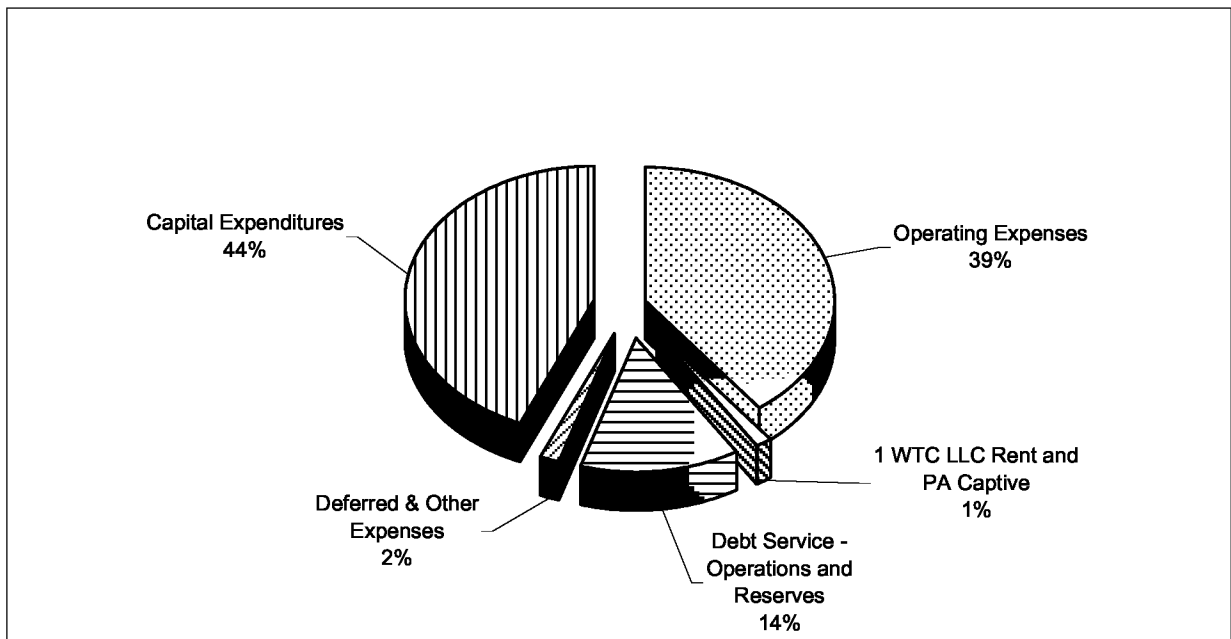
- ⇒ Expense growth from our operations is less than 1%, which is below the rate of inflation. This was achieved by reducing managerial and professional staff by 7% and reflecting additional OECM savings, which has enabled us to redirect resources to rebuilding the WTC Site, developing Stewart International Airport, partnering in the ARC Project, increasing police presence at all PATH stations, and adding customer service representatives at the airports.
- ⇒ 1 WTC LLC Rent is an accounting adjustment resulting from the Conceptual Framework and creation of the entity.
- ⇒ Insurance Captive Entity Expenses represents the cost of claims and other expenses associated with the insurance entity and shows as an increase of \$35 million since the 2007 Budget did not include an expense provision (net revenues generated by the Captive Entity are restricted and not available for normal Port Authority operations).
- ⇒ Debt Service increased slightly by 1% primarily due to completing projects in the capital plan which are now operational.
- ⇒ Deferred & Other Expenses increased for planning and design expenses and the reclassification of technology costs.
- ⇒ Capital spending for 2008 includes \$860 million at the World Trade Center Site for the Freedom Tower, PATH Transportation Hub, and Infrastructure. Of this amount, approximately \$747 million, or 87% will be recovered from insurance proceeds, grants and third parties.
- ⇒ Other significant capital expenditures in 2008 include a new passenger terminal at JFK International Airport (\$215m), PATH new rail cars (\$98m), modernization of Terminal B at Newark Liberty International Airport (\$86m), Port consolidated dredging (\$34m), and improvements to Stewart International Airport (\$20m).

## Summary of Sources and Uses - 2008 Budget

### Sources: \$5.9 Billion



### Uses: \$5.9 Billion



# THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

(Including its wholly-owned Corporate Entities)

## 2008 BUDGET

(In Thousands)

Item	Total Expenditures	Personal Services	Materials & Services
Audit	\$11,741	\$8,803	\$2,938
Aviation	856,354	131,482	724,872
Business and Job Opportunity	3,195	1,609	1,586
Chief Administrative Officer	951	789	162
Chief Financial Officer	2,958	654	2,304
Corporate Enterprise Systems	29,258	-	29,258
Development	324,540	12,135	312,405
Deputy Executive Director - Capital	2,755	1,230	1,525
Deputy Executive Director - Operations	2,716	1,120	1,596
Chief Technology Officer	557	424	133
Comptroller's	12,624	11,164	1,460
Engineering	260,158	88,704	171,454
Capital Construction Contracts	988,761	-	988,761
Executive Offices	2,555	2,194	361
Ferry Program	21,802	559	21,243
Financial Analysis	1,443	1,212	231
Human Resources	11,871	7,660	4,211
Medical Services	5,343	2,432	2,911
Inspector General	15,304	4,988	10,316
Labor Relations	2,520	1,918	602
Law	21,157	20,522	635
Management and Budget	14,723	6,522	8,201
Office of Emergency Management	9,666	3,297	6,369
Office of Environmental Policy & Compliance	3,806	2,203	1,603
Office of the Secretary	3,763	2,016	1,747
Operations Services	41,548	33,045	8,503 <sup>(1)</sup>
Facility Construction Support	33,424	24,098	9,326
Operations Standards	1,609	976	633
Planning	6,133	3,619	2,514
Port Commerce	184,588	23,460	161,128
WTC Construction	236,107	21,922	214,185
Procurement	14,843	11,684	3,159 <sup>(1)</sup>
Project Management	65,212	24,564	40,648
Public & Government Affairs	21,145	8,019	13,126
Public Safety	392,735	354,239	38,496
Rail	230,555	140,870	89,685
Technology Services	46,606	15,863	30,743 <sup>(1)</sup>
Treasury	20,506	6,084	14,422
Tunnels, Bridges & Terminals	212,067	111,501	100,566
Other:			
Amounts in Connection with Operating Asset Obligations	40,860	-	40,860
Bi-state Dredging Program	1,700	-	1,700
Debt Service - Operating	814,000	-	814,000
Debt Service - Capitalized Interest	115,000	-	115,000
Insurance	221,853	-	221,853
PA Insurance Captive Entity LLC	34,937	-	34,937
Municipal Rents and Amounts in Lieu of Taxes	228,442	-	228,442
Provision for Study and Development	23,750	-	23,750
Regional Programs - Operating	14,150	-	14,150
Regional Programs - Capital	219,109	-	219,109
Special Project Bond Debt Service	79,942	-	79,942
<b>Total Port Authority Budget</b>	<b>\$5,911,342</b>	<b>\$1,093,581</b>	<b>\$4,817,761</b>

(1) Net after charges to other departments.

---

---

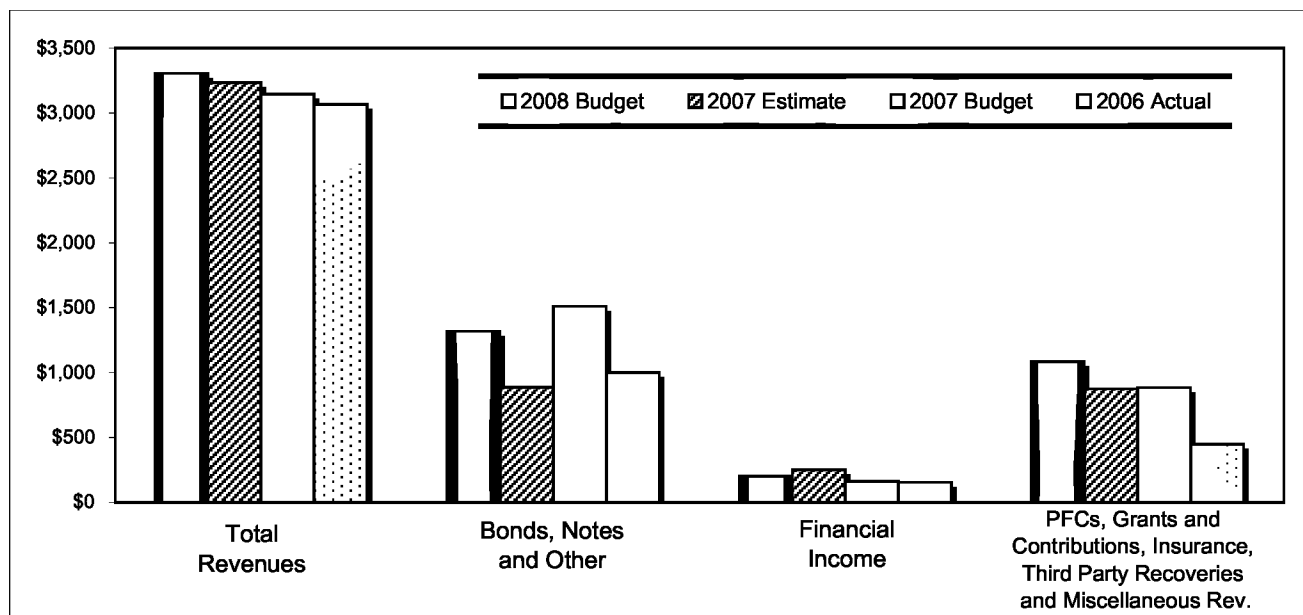
## Sources

---

---

## SOURCES

(In Millions)



	2008 Budget	2007 Estimate	2007 Budget	2006 Actual
<b>Revenues:</b>				
Gross Operating Revenues	\$3,265	\$3,202	\$3,145	\$3,066
PA Insurance Captive Entity LLC	41	31	-	-
<b>Total Revenues</b>	<b>3,306</b>	<b>3,233</b>	<b>3,145</b>	<b>3,066</b>
<b>Bonds, Notes and Other</b>	<b>1,318</b>	<b>887</b>	<b>1,510</b>	<b>1,000</b>
<b>Financial Income</b>	<b>202</b>	<b>251</b>	<b>163</b>	<b>156</b>
<b>Grants and Contributions, Insurance, Third Party Recoveries and Miscellaneous Revenues</b>	<b>885</b>	<b>659</b>	<b>670</b>	<b>262</b>
<b>Allocated Passenger Facility Charges</b>	<b>200</b>	<b>215</b>	<b>216</b>	<b>187</b>
<b>Total Sources</b>	<b>\$5,911</b>	<b>\$5,245</b>	<b>\$5,704</b>	<b>\$4,671</b>

**GROSS OPERATING REVENUES BY FACILITY**  
(In Thousands)

	<b>2008 Budget</b>	<b>2007 Estimate</b>	<b>2007 Budget</b>	<b>2006 Actual</b>
<b>Aviation</b>				
LaGuardia Airport	\$307,378	\$290,311	\$304,845	\$281,511
John F. Kennedy International Airport	889,114	844,337	822,136	798,150
Newark Liberty International Airport	718,831	705,802	709,911	665,431
Teterboro Airport	32,346	31,179	31,997	29,861
Stewart International Airport	9,900	1,500	-	-
Port Authority Heliport	346	2,064	1,971	2,101
<b>Total - Aviation</b>	<b>1,957,915</b>	<b>1,875,193</b>	<b>1,870,860</b>	<b>1,777,054</b>
<b>Tunnels, Bridges &amp; Terminals</b>				
Holland Tunnel	86,735	88,513	87,529	87,621
Lincoln Tunnel	116,052	114,256	113,077	117,408
George Washington Bridge	327,786	325,139	322,907	328,570
George Washington Bridge Bus Station	1,555	1,629	1,556	1,439
Bayonne Bridge	22,864	21,069	21,038	23,469
Goethals Bridge	81,603	88,041	87,136	78,244
Outerbridge Crossing	81,264	77,854	78,042	83,565
Port Authority Bus Terminal	32,630	30,795	29,619	29,933
<b>Total - Tunnels, Bridges &amp; Terminals</b>	<b>750,489</b>	<b>747,296</b>	<b>740,904</b>	<b>750,249</b>
<b>Rail</b>				
PATH Rapid Transit	98,429	94,903	89,902	90,414
Journal Square Transportation Center	5,968	5,723	5,827	5,575
<b>Total - Rail</b>	<b>104,397</b>	<b>100,626</b>	<b>95,729</b>	<b>95,989</b>
<b>Port Commerce</b>				
Port Newark	84,770	91,944	78,993	77,271
Elizabeth - PA Marine Terminal	87,359	99,430	78,194	72,615
Brooklyn - PA Marine Terminal	4,741	4,124	4,195	4,375
Howland Hook Marine Terminal	12,058	26,174	9,970	7,258
Greenville Yard	322	313	307	280
PA Auto Marine Terminal	8,811	10,491	9,054	7,359
Red Hook Container Terminal	1,775	2,055	375	2,107
<b>Total - Port Commerce</b>	<b>199,836</b>	<b>234,531</b>	<b>181,088</b>	<b>171,265</b>
<b>Economic &amp; Waterfront Development</b>				
Essex County Resource Recovery Facility	72,912	68,595	71,712	73,385
PA Industrial Park at Elizabeth	996	933	933	964
Bathgate Industrial Park	4,440	4,274	4,306	4,075
Teleport	12,760	12,730	11,415	12,062
Newark Legal & Communications Center	3,618	3,543	3,550	3,482
Ferry Transportation Services	160	140	160	131
Hoboken Waterfront	6,132	6,392	5,859	5,473
Queens West Waterfront	226	1,032	226	975
<b>Total Economic &amp; Waterfront Development</b>	<b>101,244</b>	<b>97,639</b>	<b>98,161</b>	<b>100,547</b>
<b>World Trade</b>	<b>150,955</b>	<b>147,616</b>	<b>157,785</b>	<b>170,497</b>
<b>PA Insurance Captive Entity LLC</b>	<b>41,377</b>	<b>30,486</b>	<b>-</b>	<b>540</b>
<b>Total Gross Operating Revenues</b>	<b>\$3,306,213</b>	<b>\$3,233,387</b>	<b>\$3,144,527</b>	<b>\$3,066,141</b>



---

---

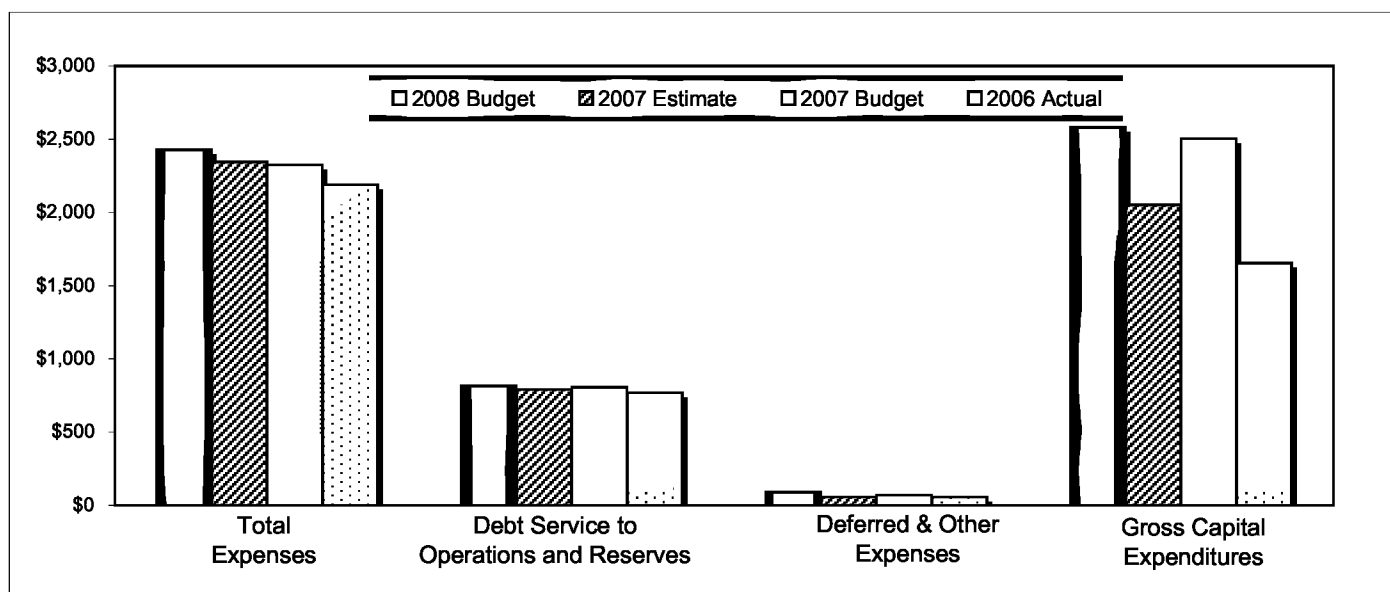
## Uses

---

---

# USES

(In Millions)



	2008 Budget	2007 Estimate	2007 Budget	2006 Actual
<b>Expenses:</b>				
Operating Expenses	\$2,344	\$2,270	\$2,324	\$2,190
1 WTC LLC Rent	49	49	-	-
PA Insurance Captive Entity LLC	35	25	-	-
<b>Total Expenses</b>	<b>2,428</b>	<b>2,344</b>	<b>2,324</b>	<b>2,190</b>
<b>Debt Service Charged to Operations &amp; Reserves:</b>				
Interest on Bonds and Other Obligations	469	438	448	406
Debt Maturities and Retirements	169	191	184	254
Repayment of Asset Financing Obligations	176	163	174	110
<b>Total Debt Service</b>	<b>814</b>	<b>792</b>	<b>806</b>	<b>770</b>
<b>Deferred &amp; Other Expenses</b>	<b>89</b>	<b>57</b>	<b>69</b>	<b>57</b>
<b>Capital Expenditures:</b>				
Line Departments (including PFC)	1,477	1,262	1,139	1,128
WTC Site/Retail	860	592	912	276
Regional and Other	243	198	454	250
<b>Total Gross Capital Expenditures</b>	<b>2,580</b>	<b>2,052</b>	<b>2,505</b>	<b>1,654</b>
<b>Total Uses</b>	<b>\$5,911</b>	<b>\$5,245</b>	<b>\$5,704</b>	<b>\$4,671</b>

## EXPENSES BY FACILITY

(In Thousands)

	2008 Budget	2007 Estimate	2007 Budget	2006 Actual
<b>Aviation</b>				
LaGuardia Airport	\$216,187	\$205,997	\$216,001	\$202,179
John F. Kennedy International Airport	583,303	564,053	581,124	551,434
Newark Liberty International Airport	379,158	365,559	380,503	351,842
Teterboro Airport	19,664	14,624	16,625	14,763
Stewart International Airport	8,968	1,727	-	-
Port Authority Heliport	931	1,980	1,881	2,264
<b>Total - Aviation</b>	<b>1,208,211</b>	<b>1,153,940</b>	<b>1,196,134</b>	<b>1,122,482</b>
<b>Tunnels, Bridges &amp; Terminals</b>				
Holland Tunnel	65,228	62,334	69,415	65,486
Lincoln Tunnel	83,749	76,951	84,478	83,436
George Washington Bridge	90,336	87,418	96,274	94,044
George Washington Bridge Bus Station	8,386	8,500	9,113	7,490
Bayonne Bridge	15,518	15,020	17,033	15,199
Goethals Bridge	25,271	21,192	24,458	20,550
Outerbridge Crossing	22,175	18,948	20,770	19,269
Port Authority Bus Terminal	93,844	79,242	90,512	79,462
<b>Total - Tunnels, Bridges &amp; Terminals</b>	<b>404,507</b>	<b>369,605</b>	<b>412,053</b>	<b>384,936</b>
<b>Rail</b>				
PATH Rapid Transit	213,407	215,576	200,940	194,897
Journal Square Transportation Center	9,625	8,721	10,652	9,344
<b>Total - Rail</b>	<b>223,032</b>	<b>224,297</b>	<b>211,592</b>	<b>204,241</b>
<b>Port Commerce</b>				
Port Newark	66,247	63,893	68,689	60,461
Elizabeth - PA Marine Terminal	23,997	24,483	22,339	22,099
Brooklyn - PA Marine Terminal	10,511	10,395	10,608	9,751
Howland Hook Marine Terminal	8,748	9,942	8,871	9,121
Greenville Yard	29	29	29	30
PA Auto Marine Terminal	4,738	2,814	2,492	1,817
Red Hook Container Terminal	2,992	2,918	3,076	2,591
<b>Total - Port Commerce</b>	<b>117,262</b>	<b>114,474</b>	<b>116,104</b>	<b>105,870</b>
<b>Economic &amp; Waterfront Development</b>				
Essex County Resource Recovery Facility	64,651	62,831	63,418	60,323
PA Industrial Park at Elizabeth	113	106	143	168
Bathgate Industrial Park	1,840	1,657	1,671	1,919
Teleport	12,797	12,012	11,675	10,507
Newark Legal & Communications Center	1,479	1,446	1,463	1,501
Ferry Transportation Services	6,523	6,985	11,949	9,685
Hoboken Waterfront	26	63	463	-
Queens West Waterfront	10	165	192	28
<b>Total Economic &amp; Waterfront Development</b>	<b>87,439</b>	<b>85,265</b>	<b>90,974</b>	<b>84,131</b>
<b>World Trade</b>	<b>76,709</b>	<b>102,507</b>	<b>76,326</b>	<b>90,635</b>
<b>Other Programs</b>	<b>14,150</b>	<b>16,557</b>	<b>19,884</b>	<b>12,793</b>
<b>Allocated Expenses</b>	<b>167,703</b>	<b>155,290</b>	<b>156,741</b>	<b>139,977</b>
<b>Operating Asset Obligations</b>	<b>40,860</b>	<b>41,640</b>	<b>41,450</b>	<b>42,391</b>
<b>Expenses related to 9-11-01</b>	<b>4,431</b>	<b>6,524</b>	<b>2,803</b>	<b>2,069</b>
<b>Sub-total Operating Expenses</b>	<b>2,344,303</b>	<b>2,270,099</b>	<b>2,324,061</b>	<b>2,189,525</b>
<b>PA Insurance Captive Entity LLC</b>	<b>34,937</b>	<b>24,653</b>	<b>-</b>	<b>130</b>
<b>Additional 1 WTC LLC Rent</b>	<b>48,700</b>	<b>48,700</b>	<b>-</b>	<b>-</b>
<b>Technology Costs Reclassification</b>	<b>14,300</b>	<b>14,300</b>	<b>-</b>	<b>-</b>
<b>Total Expenses</b>	<b>\$2,442,240</b>	<b>\$2,357,752</b>	<b>\$2,324,061</b>	<b>\$2,189,655</b>

## GENERAL ADMINISTRATIVE EXPENSES

(In Thousands)

Department / Office	2008 Budget	2007 Estimate	2007 Budget	2006 Actual
Audit	\$9,859	\$9,511	\$10,102	\$10,080
Business & Job Opportunity	3,195	2,390	2,399	2,151
Chief Administrative Officer	951	936	967	1,160
Chief Engineer	2,481	2,461	2,266	2,081
Chief Financial Officer	2,958	2,328	2,778	1,941
Corporate Enterprise System	10,742	9,708	9,390	79
Chief of Public & Government Affairs	457	439	441	421
Chief Technology Officer	557	335	634	510
Comptroller's	9,885	9,475	10,575	14,032
Deputy Executive Director, Capital Pgms.	2,755	980	620	860
Deputy Executive Director, Operations	1,695	2,355	3,068	2,772
Development	8,927	8,365	7,850	7,574
Executive Offices	2,555	2,183	2,409	1,474
Financial Analysis	1,443	400	-	-
Government & Community Affairs	4,883	4,822	5,116	4,170
Human Resources	16,214	15,177	16,672	17,724
Inspector General	5,799	5,602	5,502	5,433
Labor Relations	2,520	2,352	2,552	2,552
Law	21,157	19,885	20,378	18,940
Management and Budget	7,723	5,621	5,921	8,651
Office of Environ. Policy, Prog and Comp.	3,806	2,245	2,246	1,495
Office of the Secretary	3,763	3,722	3,697	3,325
Operation Services	5,362	5,639	5,493	6,545
Planning	6,133	4,393	4,924	5,137
Procurement	11,687	9,802	10,973	11,795
Public Affairs	9,373	6,870	9,874	10,598
Technology Services	44,580	41,844	15,607	7,677
Treasury	11,780	19,068	12,645	12,176
WTC Construction	2,878	2,884	2,891	2,069
Other (Revenue, Reclassifications, etc.)	(1,932)	(2,110)	(793)	(21)
Grand Total	<u>\$214,185</u>	<u>\$199,682</u>	<u>\$177,197</u>	<u>\$163,402</u>
Allocation to Operations	\$176,917	\$167,333	\$147,960	\$137,531
Allocation to Capital	37,268	32,348	29,238	25,871
Total Allocation	<u>\$214,185</u>	<u>\$199,682</u>	<u>\$177,197</u>	<u>\$163,402</u>

## DEVELOPMENT EXPENSES

(In Thousands)

	<b>2008 Budget</b>	<b>2007 Estimate</b>	<b>2007 Budget</b>	<b>2006 Actual</b>
<b>Programs and Studies:</b>				
Study and Development Projects	<b>\$1,163</b>	\$963	\$2,770	\$596
Overseas Operations	<b>1,022</b>	978	1,295	1,232
Other Programs & Studies	<b>1,201</b>	216	716	503
Sub-Total	<b>3,386</b>	2,157	4,781	2,331
 <b>Bi-State Dredging Program</b>	 <b>1,700</b>	 100	 4,000	 279
 <b>Total Development Expenses</b>	 <b>\$5,086</b>	 <b>\$2,257</b>	 <b>\$8,781</b>	 <b>\$2,610</b>

# CAPITAL EXPENDITURES BY FACILITY

(In Thousands)

	2008 Budget	2007 Estimate	2007 Budget	2006 Actual
<b>Aviation (including PFCs)</b>				
LaGuardia Airport	\$101,410	\$69,649	\$82,091	\$63,530
John F. Kennedy International Airport	356,601	395,936	391,798	382,575
Newark Liberty International Airport	198,129	159,498	152,028	95,146
Teterboro Airport	33,076	25,642	41,123	31,986
Stewart International Airport	19,000	-	-	-
Downtown Heliport	-	-	475	118
<b>Total - Aviation</b>	<b>708,216</b>	<b>650,725</b>	<b>667,515</b>	<b>573,356</b>
<b>Tunnels, Bridges &amp; Terminals</b>				
Holland Tunnel	29,734	14,785	14,111	17,208
Lincoln Tunnel	21,336	11,591	10,428	14,803
George Washington Bridge	44,811	42,707	45,394	48,583
George Washington Bridge Bus Station	4,609	972	568	2,732
Bayonne Bridge	12,224	5,687	8,252	20,064
Goethals Bridge	20,464	13,228	25,357	42,274
Outerbridge Crossing	5,253	5,307	6,641	12,490
Port Authority Bus Terminal	58,863	36,053	31,468	39,799
<b>Total - Tunnels, Bridges &amp; Terminals</b>	<b>197,294</b>	<b>130,330</b>	<b>142,219</b>	<b>197,951</b>
<b>Rail</b>				
PATH Rapid Transit	248,632	159,469	218,196	112,195
Journal Square Transportation Center	6,381	5,480	7,024	6,695
<b>Total - Rail</b>	<b>255,013</b>	<b>164,949</b>	<b>225,220</b>	<b>118,890</b>
<b>Port Commerce</b>				
Port Newark	73,910	54,090	58,095	44,394
Elizabeth - PA Marine Terminal	80,565	158,076	111,969	105,954
Brooklyn - PA Marine Terminal	2,275	-	950	3,380
Howland Hook Marine Terminal	28,448	11,452	16,999	69,775
Greenville Yard	1,925	-	-	-
PA Auto Marine Terminal	54,353	940	1,567	(53)
Red Hook Container Terminal	-	201	1,045	(89)
<b>Total - Port Commerce</b>	<b>241,476</b>	<b>224,759</b>	<b>190,625</b>	<b>223,362</b>
<b>Economic &amp; Waterfront Development</b>				
Hoboken Waterfront Development	11,562	5,825	6,037	251
Queens West Waterfront Development	8,459	19,547	1,900	11,949
Ferry Transportation Services	20,455	34,854	26,895	25,670
Teleport	1,117	1	712	73
Bathgate	725	-	341	-
<b>Total - Economic &amp; Waterfront Development</b>	<b>42,318</b>	<b>60,227</b>	<b>35,885</b>	<b>37,943</b>
<b>World Trade Center Site/Retail</b>				
WTC PATH Permanent Terminal	271,528	312,746	250,622	130,756
WTC Retail LLC	97,850	20,999	35,000	3,924
WTC Site	490,577	242,878	626,630	139,778
<b>Total - World Trade Center Site/Retail</b>	<b>859,955</b>	<b>576,623</b>	<b>912,252</b>	<b>274,461</b>
<b>Net Capital Expenditures - Line Departments</b>	<b>2,304,272</b>	<b>1,807,613</b>	<b>2,173,716</b>	<b>1,425,962</b>
<b>Regional &amp; Other Programs:</b>				
Regional Development Facility	149,563	87,558	28,000	35
Other Regional Programs	16,546	15,650	173,000	44,854
New York Economic Development Program	10,000	10,000	20,000	95,100
Regional Transportation Initiatives	43,000	74,000	60,000	28,323
<b>Total - Regional &amp; Other Programs</b>	<b>219,109</b>	<b>187,208</b>	<b>281,000</b>	<b>168,312</b>
<b>Provision For Study &amp; Development Projects</b>	<b>23,750</b>	<b>-</b>	<b>23,750</b>	<b>-</b>
<b>Total Net Capital Expenditures</b>	<b>2,547,131</b>	<b>1,994,821</b>	<b>2,478,466</b>	<b>1,594,274</b>
<b>Add Back - Financial Income/Bond Premium</b>	<b>32,916</b>	<b>57,219</b>	<b>27,000</b>	<b>59,267</b>
<b>Total Gross Capital Expenditures</b>	<b>\$2,580,047</b>	<b>\$2,052,040</b>	<b>\$2,505,466</b>	<b>\$1,653,541</b>

---

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

---

# Revenues, Expenses and Changes in Net Assets

(In Thousands)

	2008 Budget	2007 Estimate	2007 Budget	2006 Actual
<b>Gross Operating Revenues</b>	<b>\$3,306,213</b>	<b>\$3,233,387</b>	<b>\$3,144,527</b>	<b>\$3,066,141</b>
<b>Expenses:</b>				
<b>Operating Expenses</b>	<b>(2,344,303)</b>	<b>(2,270,099)</b>	<b>(2,324,061)</b>	<b>(2,184,557)</b>
<b>PA Insurance Captive Entity LLC</b>	<b>(34,937)</b>	<b>(24,653)</b>	<b>-</b>	<b>(130)</b>
<b>Additional 1 WTC LLC Rent</b>	<b>(48,700)</b>	<b>(48,700)</b>	<b>-</b>	<b>-</b>
<b>Technology Costs Reclassification</b>	<b>(14,300)</b>	<b>(14,300)</b>	<b>-</b>	<b>-</b>
<b>Total Expenses</b>	<b>(2,442,240)</b>	<b>(2,357,752)</b>	<b>(2,324,061)</b>	<b>(2,184,687)</b>
<b>Net Operating Revenues</b>	<b>863,973</b>	<b>875,635</b>	<b>820,466</b>	<b>881,454</b>
<b>Depreciation &amp; Amortization</b>	<b>(635,438)</b>	<b>(617,526)</b>	<b>(635,616)</b>	<b>(599,387)</b>
<b>Financial Income</b>	<b>168,460</b>	<b>193,558</b>	<b>136,467</b>	<b>134,806</b>
<b>Interest and Other Expenses</b>	<b>(381,059)</b>	<b>(404,136)</b>	<b>(414,017)</b>	<b>(412,322)</b>
<b>Net Assets before Restricted Grants, Contributions and PFCs</b>	<b>15,936</b>	<b>47,531</b>	<b>(92,700)</b>	<b>4,551</b>
<b>Net PFC Program</b>	<b>137,852</b>	<b>151,274</b>	<b>155,549</b>	<b>128,987</b>
<b>Net Grants and Contributions in Aid of Construction</b>	<b>342,316</b>	<b>291,872</b>	<b>262,841</b>	<b>200,191</b>
<b>1 WTC / WTC Retail Insurance Proceeds</b>	<b>-</b>	<b>752,000</b>	<b>-</b>	<b>184,901</b>
<b>Third Party Contributions - WTC Site</b>	<b>90,000</b>	<b>-</b>	<b>220,000</b>	<b>-</b>
<b>Net Assets (formerly classified as Net Income)</b>	<b>\$586,104</b>	<b>\$1,242,677</b>	<b>\$545,690</b>	<b>\$518,630</b>



# INFORMATION ON PORT AUTHORITY OPERATIONS BY FACILITY

(In Thousands)

	Gross Operating Revenues	O&M Expenses	Allocated Expenses	Depreciation & Amortization	Net Interest & Other Exp.	Net Income Before Grants Contributions & PFCs	Grants Contributions & PFCs	2008 Budget Net Income/ (Loss)
<b>Aviation</b>								
LaGuardia Airport	\$307,378	\$216,187	\$19,103	\$33,546	\$12,574	\$25,968	\$16,100	\$42,068
John F. Kennedy International Airport	889,114	583,303	31,604	106,352	51,495	116,360	18,670	135,030
Newark Liberty International Airport	718,831	379,158	28,008	99,618	33,656	178,391	15,220	193,611
Teterboro Airport	32,346	19,664	1,326	5,059	2,339	3,958	4,060	8,018
Stewart International Airport	9,900	8,968	219	-	-	713	-	713
Downtown Manhattan Heliport	346	931	214	6	-	(805)	-	(805)
<b>Total - Aviation</b>	<b>1,957,915</b>	<b>1,208,211</b>	<b>80,474</b>	<b>244,581</b>	<b>100,064</b>	<b>324,585</b>	<b>54,050</b>	<b>378,635</b>
<b>Tunnels, Bridges &amp; Terminals</b>								
Holland Tunnel	86,735	65,228	9,852	16,231	6,082	(10,658)	280	(10,378)
Lincoln Tunnel	116,052	83,749	11,780	34,321	8,011	(21,809)	680	(21,129)
George Washington Bridge and Bus Station	329,341	98,722	12,200	38,030	13,281	167,108	280	167,388
Bayonne Bridge	22,864	15,518	2,142	6,046	3,036	(3,878)	60	(3,818)
Goethals Bridge	81,603	25,271	3,263	14,229	6,324	32,516	60	32,576
Outerbridge Crossing	81,264	22,175	2,671	10,147	1,409	44,862	60	44,922
Port Authority Bus Terminal	32,630	93,844	10,709	19,724	6,612	(98,259)	11,780	(86,479)
<b>Total - Tunnels, Bridges &amp; Terminals</b>	<b>750,489</b>	<b>404,507</b>	<b>52,617</b>	<b>138,728</b>	<b>44,755</b>	<b>109,882</b>	<b>13,200</b>	<b>123,082</b>
<b>Rail</b>								
PATH Rapid Transit	98,429	213,407	37,482	84,642	40,001	(277,103)	240,330	(36,773)
Journal Square Transportation Center	5,968	9,625	214	5,236	1,904	(11,011)	-	(11,011)
<b>Total - Rail</b>	<b>104,397</b>	<b>223,032</b>	<b>37,696</b>	<b>89,878</b>	<b>41,905</b>	<b>(288,114)</b>	<b>240,330</b>	<b>(47,784)</b>
<b>Port Commerce</b>								
Port Newark	84,770	66,247	4,070	17,720	8,224	(11,491)	563	(10,928)
Elizabeth - PA Marine Terminal	87,359	23,997	1,468	36,183	18,635	7,076	3,113	10,189
Brooklyn - PA Marine Terminal	4,741	10,511	643	188	121	(6,722)	60	(6,662)
Howland Hook Marine Terminal	12,058	8,748	428	14,522	7,342	(18,982)	-	(18,982)
Greenville Yard	322	29	-	-	-	293	-	293
PA Auto Marine Terminal	8,811	4,738	235	2,115	704	1,019	-	1,019
Red Hook Container Terminal	1,775	2,992	214	-	-	(1,431)	-	(1,431)
<b>Total - Port Commerce</b>	<b>199,836</b>	<b>117,262</b>	<b>7,058</b>	<b>70,728</b>	<b>35,026</b>	<b>(30,238)</b>	<b>3,736</b>	<b>(26,502)</b>
<b>Economic &amp; Waterfront Development</b>								
Essex County Resource Recovery Facility	72,912	64,651	46	1,412	(3,755)	10,558	-	10,558
PA Industrial Park at Elizabeth	996	113	5	189	136	553	-	553
Bathgate Industrial Park	4,440	1,840	5	1,502	182	911	-	911
Teleport	12,760	12,797	214	2,012	325	(2,588)	-	(2,588)
Newark Legal & Communications Center	3,618	1,479	-	3,112	561	(1,534)	-	(1,534)
Ferry Transportation Services	160	6,523	214	223	1,003	(7,803)	-	(7,803)
Hoboken Waterfront	6,132	26	31	1,331	1,209	3,535	-	3,535
Queens West Waterfront	226	10	-	936	2,104	(2,824)	-	(2,824)
<b>Total Economic &amp; Waterfront Development</b>	<b>101,244</b>	<b>87,439</b>	<b>515</b>	<b>10,717</b>	<b>1,765</b>	<b>808</b>	<b>-</b>	<b>808</b>
<b>World Trade Center</b>	<b>150,955</b>	<b>125,409</b>	<b>3,641</b>	<b>3,404</b>	<b>(22,283)</b>	<b>40,784</b>	<b>121,000</b>	<b>161,784</b>
<b>Regional and Other</b>	<b>-</b>	<b>14,150</b>	<b>-</b>	<b>77,401</b>	<b>53,229</b>	<b>(144,780)</b>	<b>-</b>	<b>(144,780)</b>
<b>PA Insurance Captive Entity LLC</b>	<b>41,377</b>	<b>34,937</b>	<b>-</b>	<b>-</b>	<b>(1,000)</b>	<b>7,440</b>	<b>-</b>	<b>7,440</b>
<b>Expenses related to 9-11-01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,431</b>	<b>(4,431)</b>	<b>-</b>	<b>(4,431)</b>
<b>Sub-totals</b>	<b>3,306,213</b>	<b>2,214,947</b>	<b>182,003</b>	<b>635,437</b>	<b>257,892</b>	<b>15,936</b>	<b>432,316</b>	<b>448,252</b>
<b>PFC Program</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,148</b>	<b>-</b>	<b>(62,148)</b>	<b>200,000</b>	<b>137,852</b>
<b>Totals</b>	<b>\$3,306,213</b>	<b>\$2,214,947</b>	<b>\$182,003</b>	<b>\$697,585</b>	<b>\$257,892</b>	<b>(\$46,212)</b>	<b>\$632,316</b>	<b>\$586,104</b>

# Revenues and Reserves

(In Thousands)

	2008 Budget	2007 Estimate	2007 Budget	2006 Actual
<b>Gross Operating Revenues</b>	<b>\$3,306,213</b>	<b>\$3,233,387</b>	<b>\$3,144,527</b>	<b>\$3,066,141</b>
<b>Expenses:</b>				
Operating Expenses	2,344,303	2,270,099	2,324,061	2,184,557
PA Insurance Captive Entity LLC	34,937	24,653	-	130
Additional 1 WTC LLC Rent	48,700	48,700	-	-
Technology Costs Reclassification	14,300	14,300	-	-
<b>Total Expenses</b>	<b>2,442,240</b>	<b>2,357,752</b>	<b>2,324,061</b>	<b>2,184,687</b>
<b>Net Operating Revenues</b>	<b>863,973</b>	<b>875,635</b>	<b>820,466</b>	<b>881,454</b>
<b>Financial Income</b>	<b>168,460</b>	<b>193,558</b>	<b>136,467</b>	<b>134,806</b>
<b>Restricted Net Assets - PAICE</b>	<b>(6,440)</b>	<b>(5,833)</b>	<b>-</b>	<b>-</b>
<b>Grants and Contributions in aid of Construction</b>	<b>343,316</b>	<b>296,072</b>	<b>262,841</b>	<b>76,640</b>
<b>1 WTC / WTC Retail Insurance Proceeds</b>	<b>450,000</b>	<b>360,000</b>	<b>-</b>	<b>184,901</b>
<b>Third Party Contributions - WTC Site</b>	<b>90,000</b>	<b>-</b>	<b>220,000</b>	<b>-</b>
<b>Allocated Passenger Facility Charges</b>	<b>200,000</b>	<b>216,096</b>	<b>216,096</b>	<b>186,555</b>
<b>Net Revenues Available for Debt Service and Reserves</b>	<b>2,109,309</b>	<b>1,935,528</b>	<b>1,655,870</b>	<b>1,464,356</b>
<b>Debt Service:</b>				
Interest on bonds and other obligations	468,925	437,738	442,748	405,948
Debt maturities and retirements	169,075	191,160	184,230	262,178
Repayment of asset financing obligations	176,000	163,000	178,884	101,966
<b>Total Debt Service</b>	<b>814,000</b>	<b>791,898</b>	<b>805,862</b>	<b>770,092</b>
<b>Increase in Reserves from Operations &amp; Financial Income</b>	<b>1,295,309</b>	<b>1,143,630</b>	<b>850,008</b>	<b>694,264</b>
<b>Direct Investment in Facilities</b>	<b>(1,050,000)</b>	<b>(760,000)</b>	<b>(820,000)</b>	<b>(490,750)</b>
<b>Appropriation to / (from) Reserves for Self-Insurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,968)</b>
<b>Net Increase / (Decrease) in Reserves for Year</b>	<b>245,309</b>	<b>383,630</b>	<b>30,008</b>	<b>198,546</b>
<b>Reserves, beginning of year</b>	<b>2,157,324</b>	<b>1,773,694</b>	<b>1,747,985</b>	<b>1,575,148</b>
<b>Reserves, end of year <sup>(1)</sup></b>	<b>\$2,402,633</b>	<b>\$2,157,324</b>	<b>\$1,777,993</b>	<b>\$1,773,694</b>

(1) Increase mainly due to receipt of 1 WTC / Retail Insurance Proceeds and Contributions to be applied to the WTC Site re-development.

# ASSETS AND LIABILITIES

(Pursuant to Port Authority Bond Resolutions)

(In Thousands)

	2008 Budget	2007 Estimate	2007 Budget	2006 Actual
<b>Assets</b>				
Invested In Facilities	\$28,510,341	\$25,963,210	\$26,490,013	\$23,968,389
Cash and Investments	2,761,794	3,456,371	2,847,622	3,946,651
Other Assets	4,138,594	3,973,112	3,803,694	3,821,093
<b>Total Assets</b>	<b>35,410,729</b>	<b>33,392,693</b>	<b>33,141,329</b>	<b>31,736,133</b>
<b>Liabilities</b>				
Consolidated Bonds and Notes	11,387,934	10,765,164	10,630,669	9,309,104
Other Obligations	2,051,734	2,381,839	2,195,633	3,095,045
Accounts Payable and Other Liabilities	1,851,723	1,590,736	1,837,506	2,004,890
<b>Total Liabilities</b>	<b>15,291,391</b>	<b>14,737,739</b>	<b>14,663,808</b>	<b>14,409,039</b>
<b>Net Assets</b>	<b>\$20,119,338</b>	<b>\$18,654,954</b>	<b>\$18,477,521</b>	<b>\$17,327,094</b>
<b>Net Assets Are Composed Of:</b>				
Facility Infrastructure Investment	\$17,637,300	\$16,418,225	\$16,625,091	\$15,473,995
<b>Reserves:</b>				
General Reserve Fund	1,304,081	1,273,757	1,241,806	1,198,499
Consolidated Bond Reserve Fund	1,098,552	883,567	536,187	575,195
<b>Total Reserve Funds</b>	<b>2,402,633</b>	<b>2,157,324</b>	<b>1,777,993</b>	<b>1,773,694</b>
<b>Appropriated Reserves for Self-insurance</b>	<b>79,405</b>	<b>79,405</b>	<b>74,437</b>	<b>79,405</b>
<b>Net Assets</b>	<b>\$20,119,338</b>	<b>\$18,654,954</b>	<b>\$18,477,521</b>	<b>\$17,327,094</b>

---

---

## **Activity Highlights**

---

---

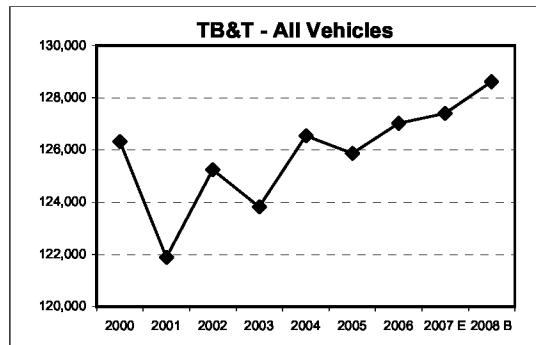
## ACTIVITY HIGHLIGHTS

2000 - 2006 ACTUAL, 2007 ESTIMATE AND 2008 BUDGET

(in thousands)

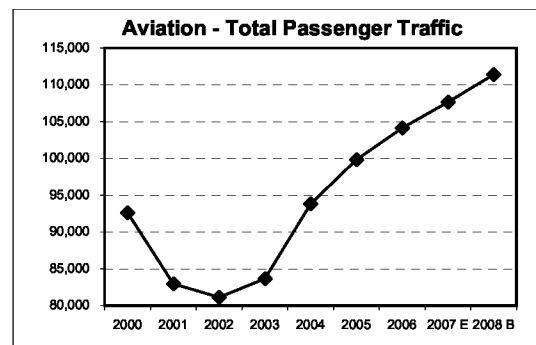
### Tunnels, Bridges and Terminals (Eastbound Vehicular Movements)

	<b>Autos</b>	<b>Buses</b>	<b>Trucks</b>	<b>Total</b>
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	115,506	3,140	8,374	127,020
2007 Estimate	115,900	3,100	8,400	127,400
2008 Budget	116,900	3,220	8,500	128,620



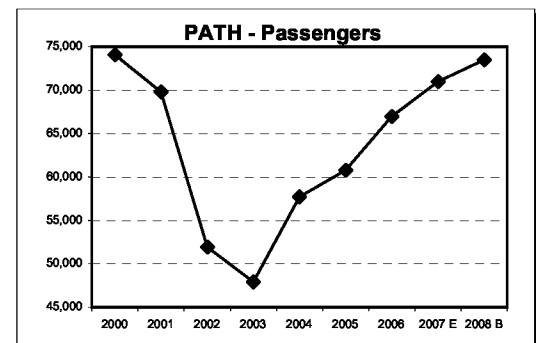
### Aviation - Passengers

	<b>International</b>	<b>Domestic</b>	<b>Total</b>
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	29,621	70,211	99,832
2006	30,969	73,164	104,133
2007 Estimate	32,466	75,197	107,663
2008 Budget	33,480	77,908	111,388



### PATH - Passengers

2000	74,087
2001	69,791
2002	51,920
2003	47,920
2004	57,725
2005	60,787
2006	66,966
2007 Estimate	71,000
2008 Budget	73,500



### 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	31,225
2007 Estimate	33,400
2008 Budget	35,700

