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DELAWARE RIVER PORT AUTHORITY



ANNUAL REPORT 1985

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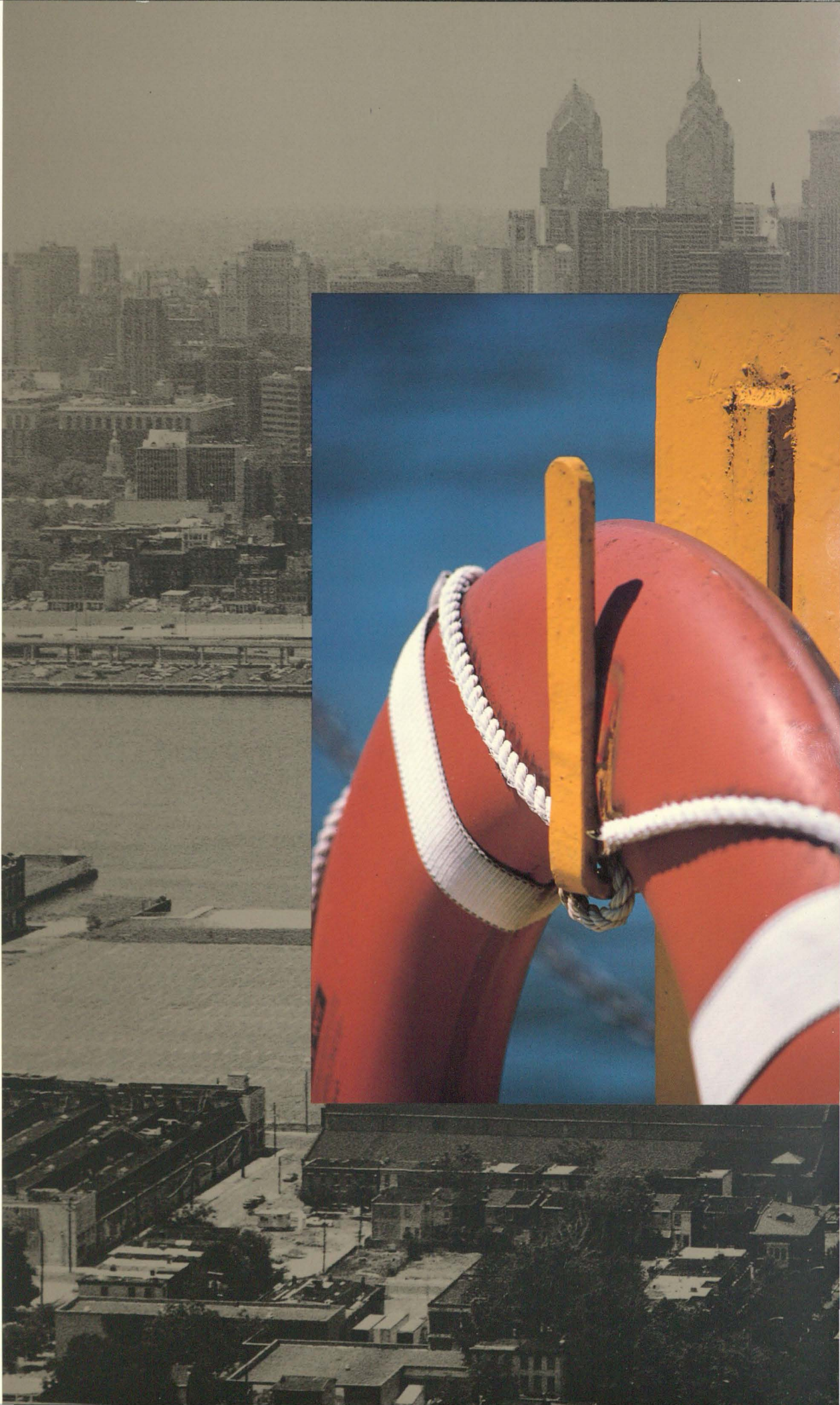


DELAWARE
RIVER
PORT
AUTHORITY
OF PENNSYLVANIA & NEW JERSEY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1993

COVER
PHOTO

*Like harp strings,
the suspender ropes
on the Ben Franklin
Bridge stand out as
a beacon leading
from Camden, N.J.
to the City
of Philadelphia.*



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MISSION STATEMENT

The Delaware River Port Authority is a self-financing, bi-state authority whose mission is to manage, plan, and construct transportation facilities, and provide transportation services to maximize the safe and efficient movement of people and freight within the Port District. The DRPA will perform this mission with the intent of improving competitiveness and the climate for economic growth within the Port District. The DRPA will accomplish this purpose through continued investments that sustain and enhance its core businesses - bridges and PATCO - and that support expansion into economic development, ports, and related transportation businesses.

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Certificate of
 Achievement
 for Excellence
 in Financial
 Reporting

Presented to

Delaware River
 Port Authority

For its Comprehensive Annual
 Financial Report
 for the Fiscal Year Ended
 December 31, 1992

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Arnold H. Heilig
 President
 Jeffrey A. Lane
 Executive Director

The Delaware River Port Authority was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its 1992 Comprehensive Annual Financial Report. The Certificate of Achievement is the highest form of recognition for excellence in government financial reporting.

The Commodore Barry Bridge is the world's second longest cantilever highway bridge. It spans the Delaware River between Bridgeport, N.J. and Chester, PA.



OFFICERS & COMMISSIONERS



Officers

- George D. Warrington**, Executive Director
- Siegfried Dahms**, Secretary, Director of Bridges
- Martin S. Dorph**, Treasurer, Director of Finance and Administration

Pennsylvania Commissioners

- Row 1*
- Rev. Nicholas S. Rashford, S.J.**, Chairman; President, St. Joseph's University
 - Honorable Catherine Baker Knoll**, Treasurer, Commonwealth of Pennsylvania
 - Honorable Lucien E. Blackwell**, Member, United States House of Representatives
 - Honorable F. Joseph Loeper**, State Senator, Commonwealth of Pennsylvania

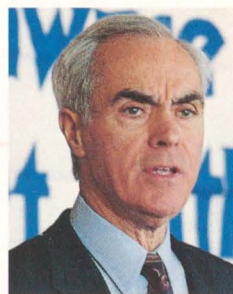
- Row 2*
- G. Davis Greene, Jr.**, State Senator, Commonwealth of Pennsylvania
 - Honorable Vincent J. Fumo**, State Senator, Commonwealth of Pennsylvania
 - Honorable Barbara Hafer**, Auditor General, Commonwealth of Pennsylvania
 - Max Pievsky**, Former State Representative, Commonwealth of Pennsylvania

New Jersey Commissioners

- Row 3*
- Peter J. Burke, Jr.**, Vice Chairman; President, Meadow View Health Care Center
 - William K. Dickey**, Esquire, Counselor at Law
 - Joseph P. DiRenzo**, President, United Building & Construction Trades Council
 - Robert A. Innocenzi, P. E.**, Vice President, Frederic R. Harris, Inc.

- Row 4*
- Michael G. Brennan**, Esquire, Counselor at Law
 - Howard L. Moon, Sr.**, Assistant Director Personal Health Services Camden County Dept. of Health
 - Honorable Susan Bass Levin**, Esquire; Mayor, Cherry Hill, New Jersey
 - Honorable Teresa A. Porrini**, Councilwoman, Maple Shade, New Jersey

REPORT TO THE GOVERNORS



PA Governor Casey



NJ Governor Florio

The Delaware River Port Authority embarked upon a bold new course in 1993, our first year under the expanded bi-state charter. DRPA took historic steps aimed at unifying the Delaware River Ports and strengthening the regional economy.

DRPA has always worked to build private sector employment by providing a strong transportation infrastructure. The new charter expanded our role. It gave us new opportunities to work with other agencies and business groups. It gave us new opportunities to become directly involved in the regional economy.

We responded in 1993 with an aggressive program to protect valuable jobs and help businesses locate and expand within the Delaware Valley. We responded by becoming involved at the street-corner level, to help companies increase the number of private sector jobs; dependable and productive jobs.

With encouragement from both governors of our parent states, DRPA's commissioners and staff developed well defined strategies that were immediately put into action.

We joined forces with the region's economic development agencies to retain several hundred industrial jobs in Camden and Philadelphia. We helped more than a dozen productive businesses expand. We opened the door for new enterprises.

Also with a focus on private-sector jobs, DRPA brought to reality the long held dream of Delaware River port unification.

Working with port interests on both sides of the river, we began the process of merging the region's maritime talents and resources. The goal is to build a new port structure that is strong, efficient and sharply focused. Because of actions taken during 1993, the Delaware River shipping channel no longer divides Pennsylvania from New Jersey. Instead it unites *The Ports of Philadelphia and Camden* with importers and exporters around the world.

As with any year, there were individual accomplishments that were especially satisfying and helped us define our mission to the community:

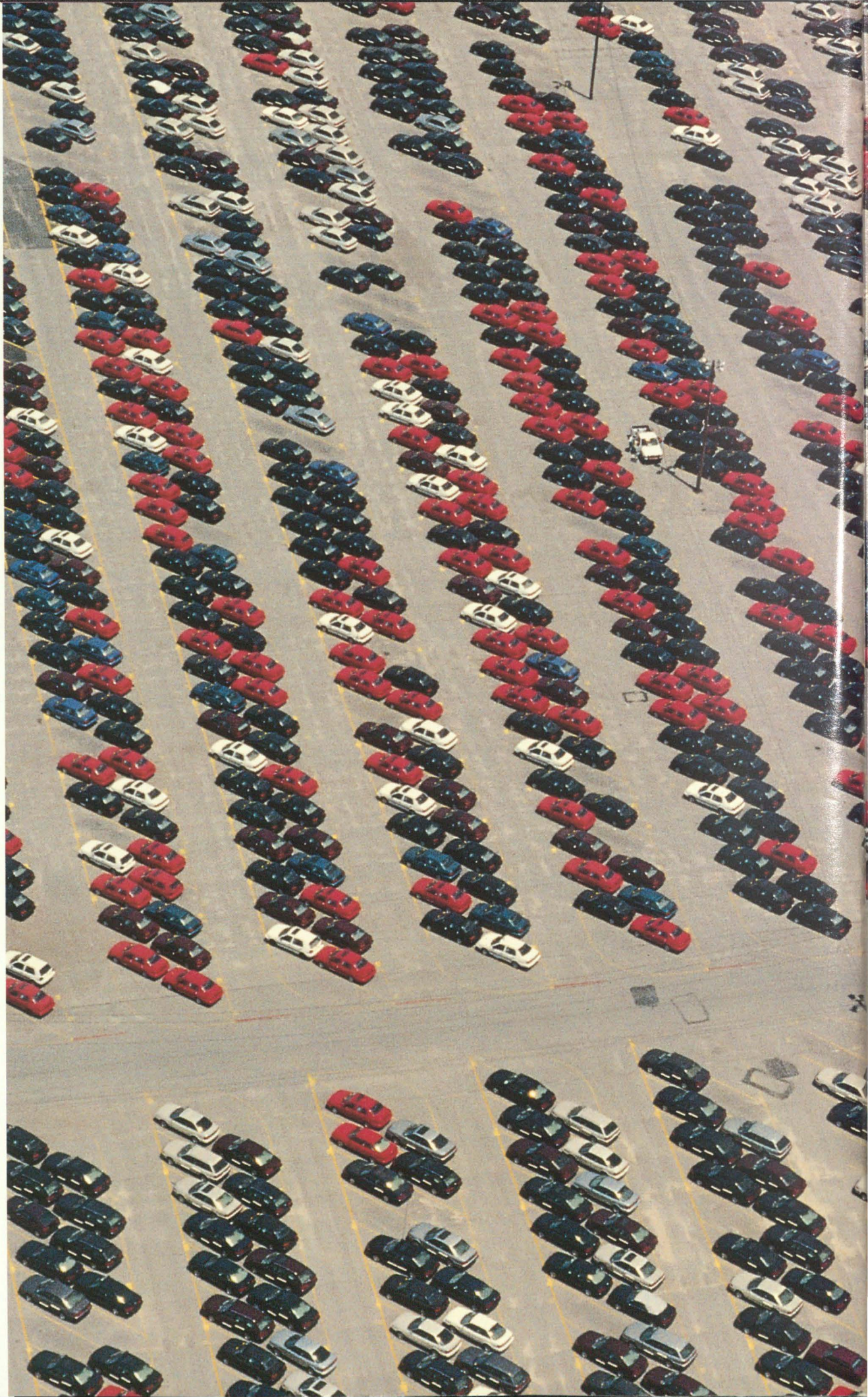
- *AmeriPort* expanded both its physical facilities and its customer base. In its first full year of operation, the port's new intermodal facility handled more than 25,000 container lifts and matured into a round-the-clock operation serving the port community, trucking companies and three major railroads.
- Pedestrians enjoyed the improved walkways on the Benjamin Franklin Bridge and motorists moved quickly through the reconditioned toll plaza at the Commodore Barry Bridge.
- PATCO reached out to its disabled customers with system modifications that make it easier for those with physical impairments to use the high-speed rail line. These improvements are part of a continuing effort to make PATCO more accessible and user-friendly for all customers.

This record of achievement was a direct result of the combined efforts of the governors and legislators of Pennsylvania and New Jersey, and our federal representatives. Their support of DRPA's expanded charter was a clear statement that we in Southeastern Pennsylvania and Southern New Jersey will fight aggressively for every private sector job. It signaled a determination to rebuild our port, enhance our transportation infrastructure and meet the needs of our citizens.

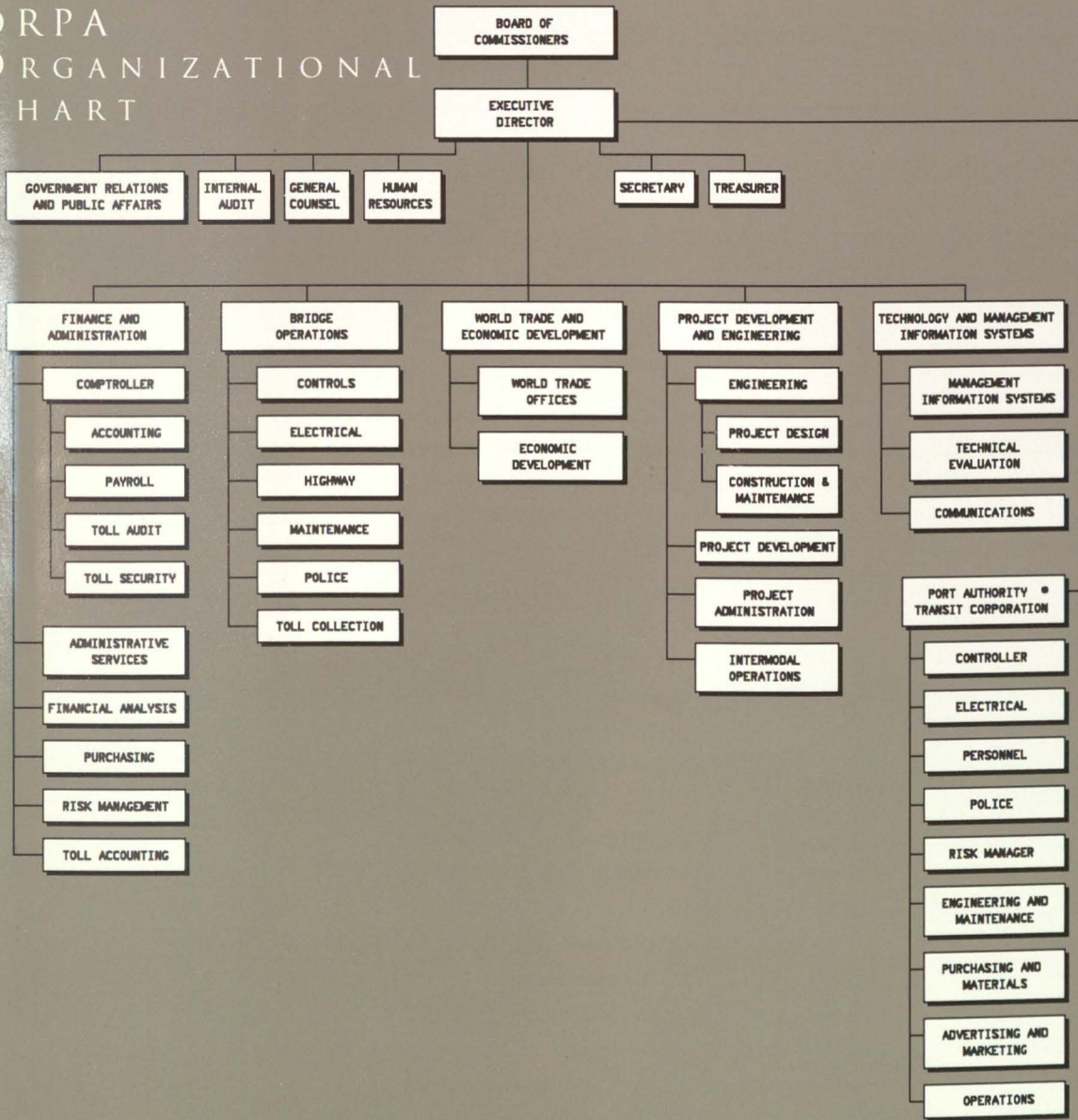
Most importantly, it signaled a renewed commitment to unite our region in an agenda of progress.

Nicholas S. Rashford, S.J.

Imported automobiles await delivery to dealers at the South Philadelphia auto facility. The lot is adjacent to the piers at Oregon Avenue.



DRPA ORGANIZATIONAL CHART



• The Port Authority Transit Corporation is a wholly owned subsidiary of the Delaware River Port Authority.

THE YEAR IN REVIEW

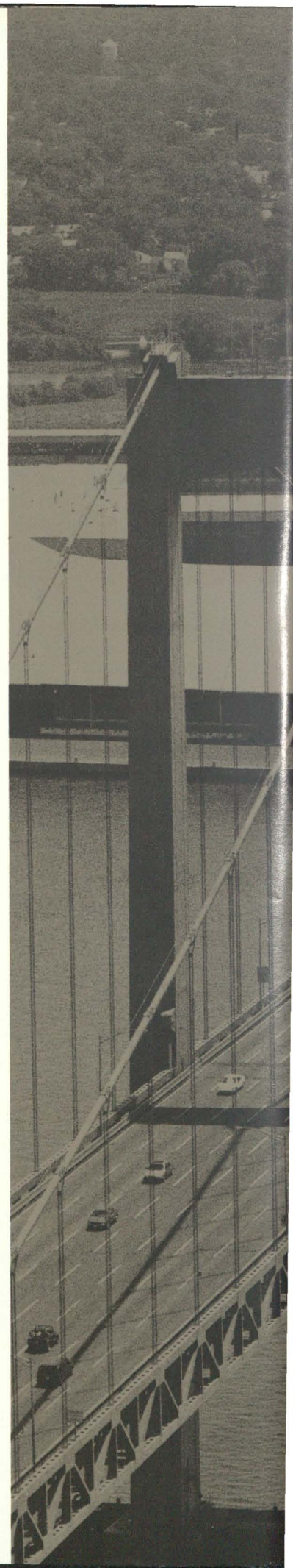
The Delaware River Port Authority in 1993 completed the first full year under its new and expanded bi-state compact. In addition to its traditional roles in regional transportation and port promotion, DRPA assumed new responsibilities in the fields of port unification and economic development.

The expanded agenda enabled DRPA to quickly identify and support businesses in southeastern Pennsylvania and southern New Jersey that are producing jobs and adding to the region's economic vibrancy. In response to the new mandate, DRPA developed a comprehensive business plan to guide future actions.

During 1993 the Delaware River Port Authority:

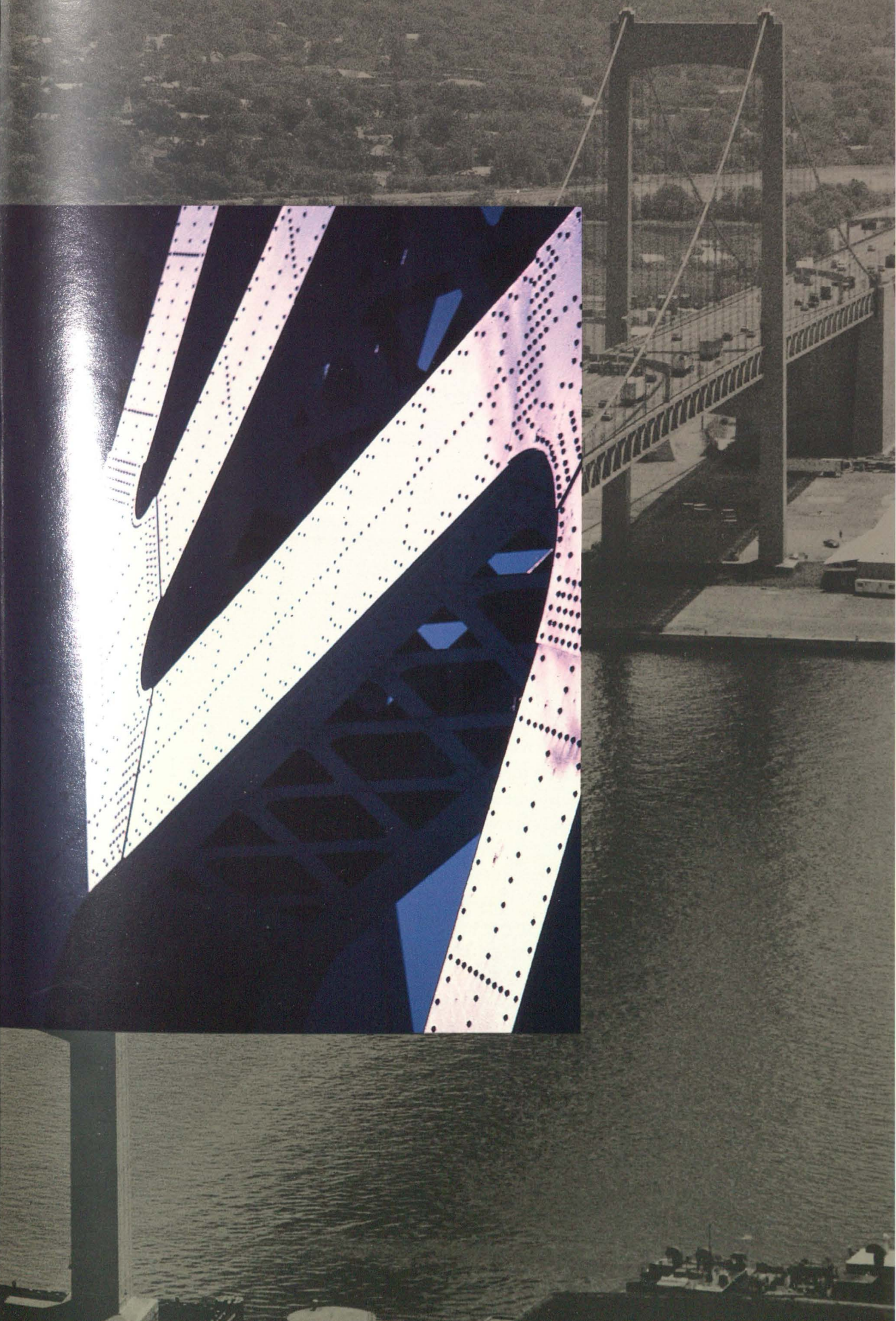
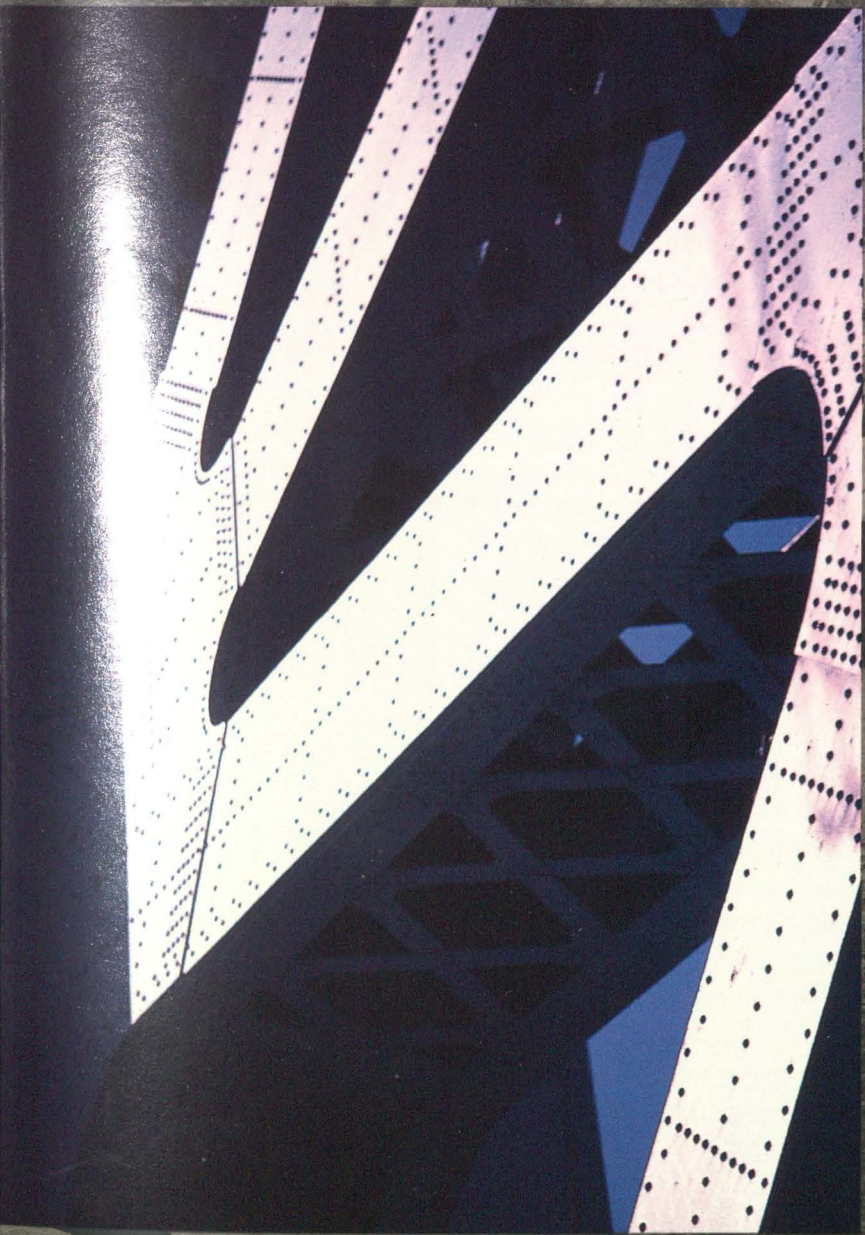
- Moved to unify the Delaware River public port agencies under a centralized planning and operating entity. For more than four decades, port experts recommended unification as a way to maximize port investments and improve the port's competitive position.
- Expanded the size and customer base of *AmeriPort*, the Delaware Valley's regional intermodal rail facility. Starting with only a trickle of cargo early in the year, *AmeriPort* by the end of 1993 was busily serving the needs of steamship lines, trucking companies, port operators and three Class-1 railroads. *AmeriPort's* operations expanded to a round-the-clock schedule.
- Moved aggressively to protect existing private-sector jobs and helped businesses locate and expand within the Delaware Valley. The prime targets for investment were small and medium sized companies located in urban enterprise zones and redevelopment areas.
- Assisted Philadelphia and Camden in making the waterfront district a vibrant family attraction. By investing in necessary infrastructure improvements, DRPA will play a key role in revitalizing the waterfront, attracting commercial ventures and bringing business conventions and tourists to the region.
- Continued to improve bridge infrastructure. Completed projects in 1993 included the resurfaced pedestrian walkway on the Benjamin Franklin Bridge and removal of the east-bound toll booths at the Commodore Barry Bridge.
- Made the 14.2 mile PATCO high-speed rail system more user-friendly for disabled customers. PATCO provided devices to assist sight-impaired customers and developed plans to help those with hearing impairments and customers in wheelchairs. DRPA and PATCO also continued to monitor plans by NJ Transit to expand public transit into Burlington and Gloucester counties.
- Promoted the Delaware River ports as an international hub for the movement of food products, steel, lumber, paper and other commodities.
- Adopted the "Strategic Business Plan." Bringing all DRPA objectives and priorities into a single document, the Strategic Business Plan is the first in a series of planning initiatives. The goal is to enable DRPA to unite the Delaware Valley in transportation and economic development, yet do so in a prudent and businesslike fashion.

The following is a review of specific 1993 activities by DRPA operating divisions.



AERIAL
*The Walt Whitman
Bridge between
Gloucester City, NJ
and Philadelphia.*

CLOSE-UP
*A few of the more
than 145,000 rivets
on the Ben Franklin
Bridge glisten in the
morning sun.*



BRIDGES

Bridge traffic during 1993 moved at almost the same volume as in the previous three years. Approximately 46.7 million vehicles crossed DRPA's four bridges in the westbound direction. (Because of One-Way Tolls, DRPA only counts vehicles moving through the westbound toll booths. Projected on a round-trip basis, approximately 93.4 million vehicles crossed the four bridges during 1993. That compares to 94.1 million vehicles in 1992 and approximately 92 million in both 1991 and 1990.)

The Benjamin Franklin, Walt Whitman and Commodore Barry bridges all posted traffic gains. Volume declined at the Betsy Ross Bridge, but the span became increasingly popular as a truck route.

All four bridges posted revenue gains as a result of the first full year of toll collection under the revised schedule.

Bridge projects during 1993 included:

One-Way Tolls. On Oct. 1, 1992, DRPA instituted westbound-only toll collection on its four bridges. During 1993, its first full year of operation, One-Way Tolls improved traffic flow both eastbound and westbound. Coupled with strict enforcement of speed limits and drunk driving laws, One-Way Tolls contributed to better customer safety. The bridges recorded 100 fewer accidents than in 1992 and the number of injuries dropped significantly. Philadelphia Magazine recognized the value of One-Way Tolls, citing it as a "Best Decision" in its annual "Best of Philly" awards.

Benjamin Franklin Bridge. Philadelphia Magazine also acknowledged the architectural beauty of the Benjamin Franklin Bridge, and placed the span in its "Hall of Fame" category. To make sure the bridge continued living up to its high recognition, DRPA completed the first major restoration of the pedestrian walkways since the bridge opened in 1926. In nice weather, several hundred pedestrians, bicyclists, and joggers daily enjoy a view of the Philadelphia and Camden skyline from the walkways high above the traffic lanes.

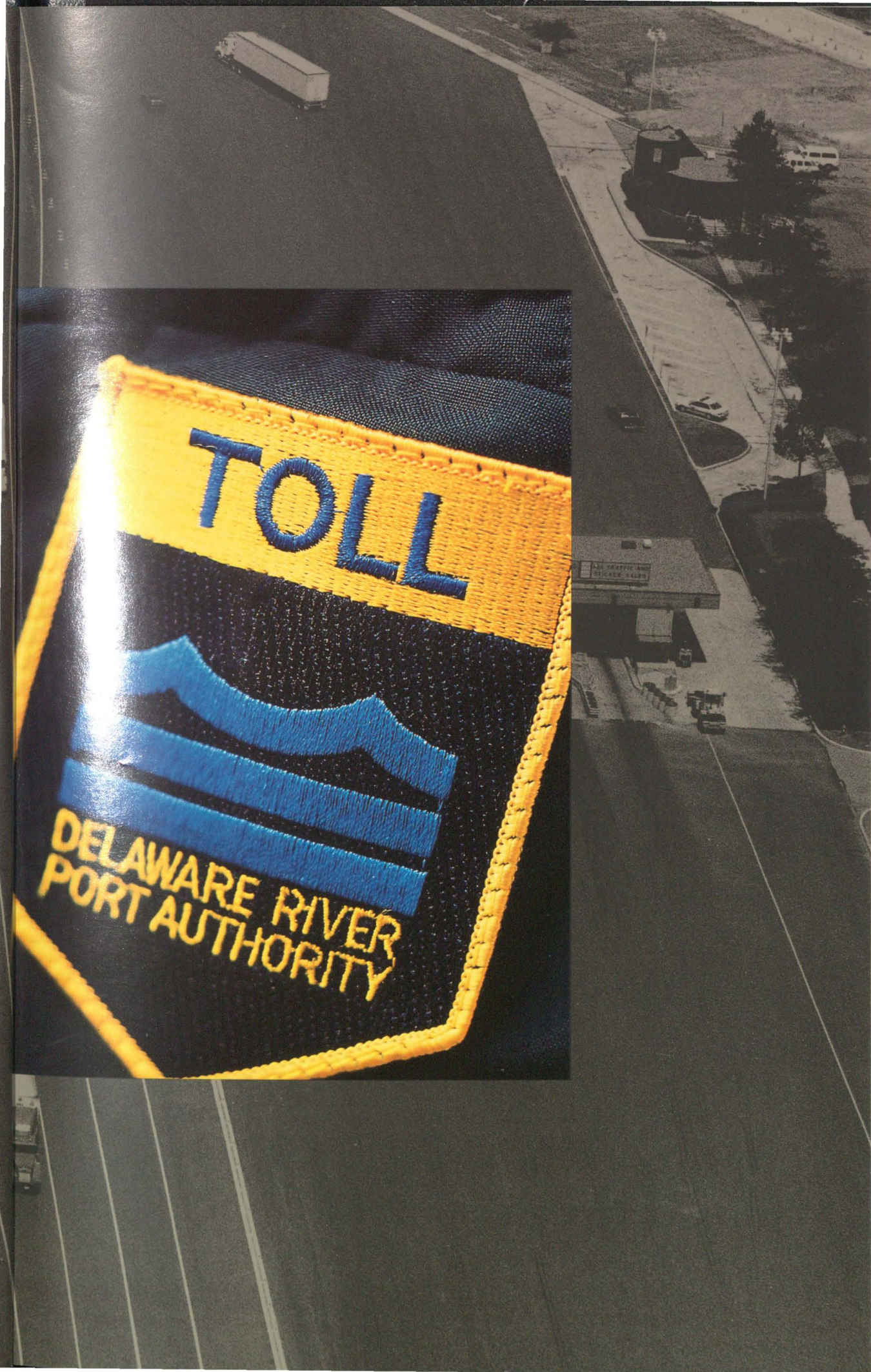
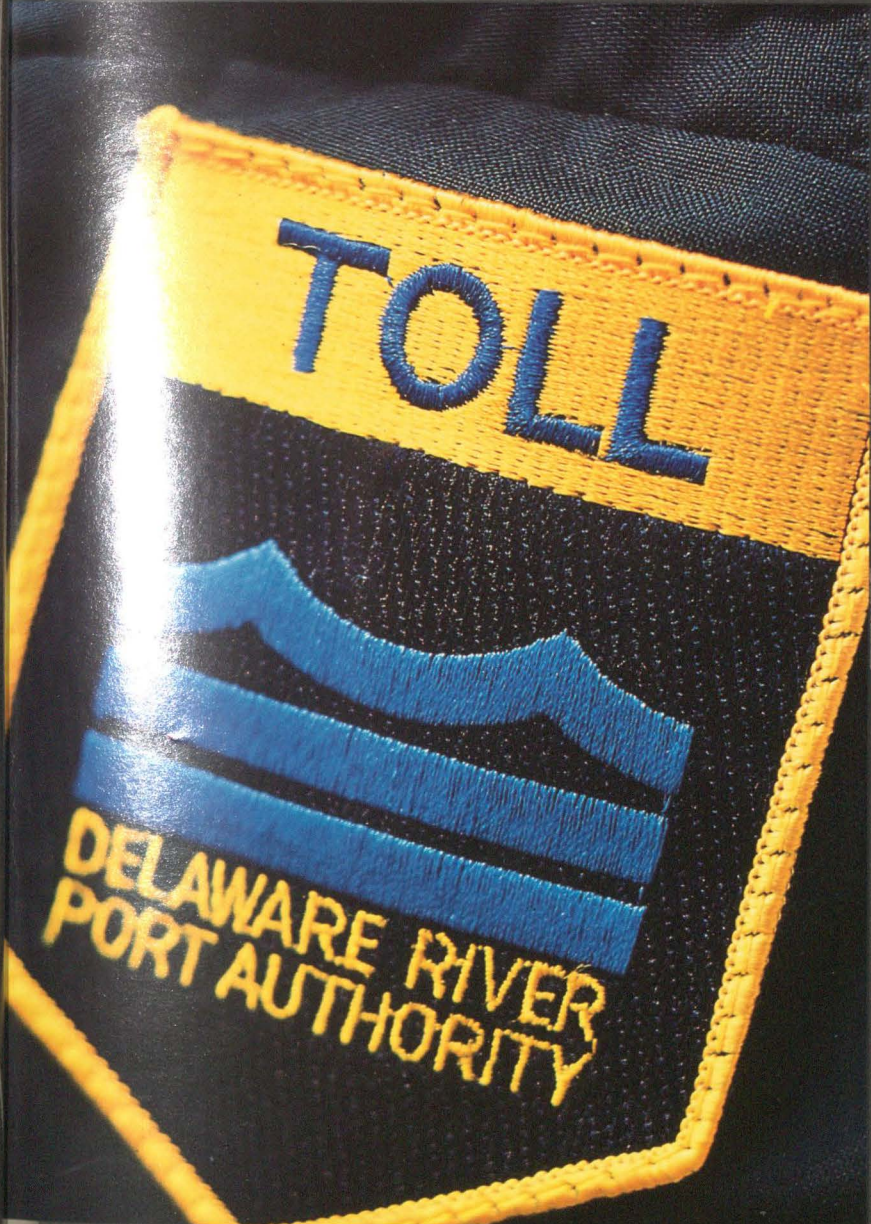
Betsy Ross Bridge. DRPA effected repairs to the bridge's pier caps and developed plans to improve the toll plaza, including removal of the eastbound toll booths.

Commodore Barry Bridge. For the first time in the 67 years DRPA has operated bridges, motorists drove through a plaza without navigating between toll booths. Workers, as part of a toll plaza reconstruction, removed eastbound toll booths that were no longer needed because of One-Way Tolls.

Walt Whitman Bridge. DRPA developed plans to improve the Walt Whitman Bridge Corridor from the Schuylkill Expressway in Philadelphia east to the Black Horse Pike in New Jersey. The project, set to begin in 1994, will enhance the safety of the roadways and ramps and improve traffic flow.

AERIAL

The Commodore Barry is the first of DRPA's bridges to have its eastbound toll booths removed to more efficiently accommodate one-way tolls.



PATCO

The Port Authority Transit Corporation carried approximately 11.2 million passengers in 1993, an increase of more than 80,000 when compared to the previous year. Passenger fares have remained unchanged for 10 years.

Two primary issues dominated PATCO during 1993—providing better service for all customers and helping to expand regional transit opportunities.

During 1993 PATCO:

Expanded Rail Service. Working in conjunction with NJ Transit, DRPA modified trackage rights agreements to accommodate the new Atlantic City-to-Philadelphia train service. With the new service, passengers can travel between Philadelphia's 30th Street Station and Atlantic City. The service also interfaces with PATCO at the Lindenwold Station.

Transit Extensions. Throughout 1993 PATCO worked with NJ Transit to develop plans for transit extensions into Burlington and Gloucester counties. A draft environmental impact statement is scheduled to be prepared in 1994.

PATCO will lend its engineering and operational expertise to NJ Transit as the agency makes critical routing and technology decisions. PATCO has also offered to operate the extensions in order to provide a smooth interface with the existing PATCO line.

Services for Disabled Customers. To complement the elevators installed at Broadway and Woodcrest stations, PATCO installed the first of its audio message devices to assist sight-impaired customers. Other improvements designed to make PATCO more user-friendly included new signs and improvements to parking lots and curbs. The improvements made PATCO more accessible for those in wheelchairs.

DRPA's comprehensive plan calls for full accessibility at five key stations, plus numerous improvements elsewhere on the PATCO system.

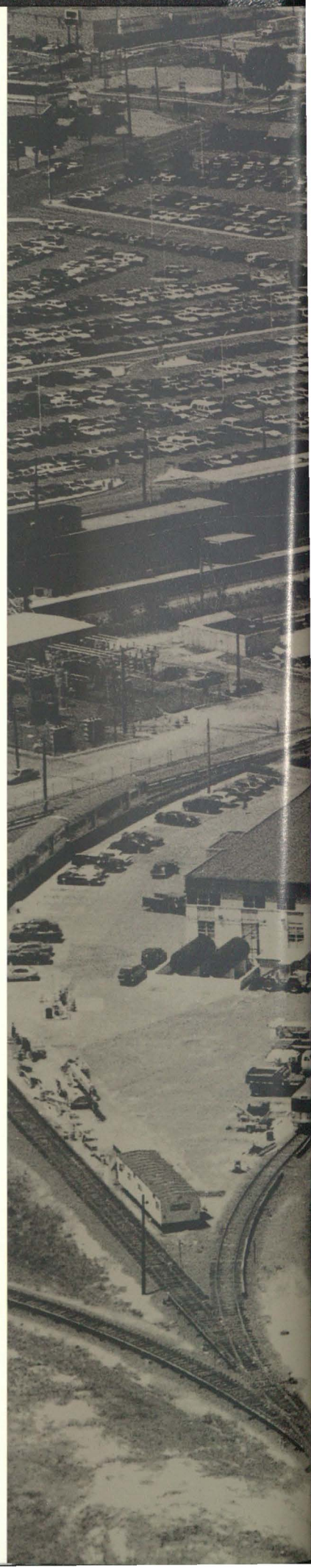
No Smoking Policy. Responding to requests from customers, PATCO extended its ban on smoking. The new regulations ban lighted tobacco products from stations, platforms and other areas where secondhand smoke can cause discomfort to nonsmoking passengers. Smoking has never been permitted on PATCO trains.

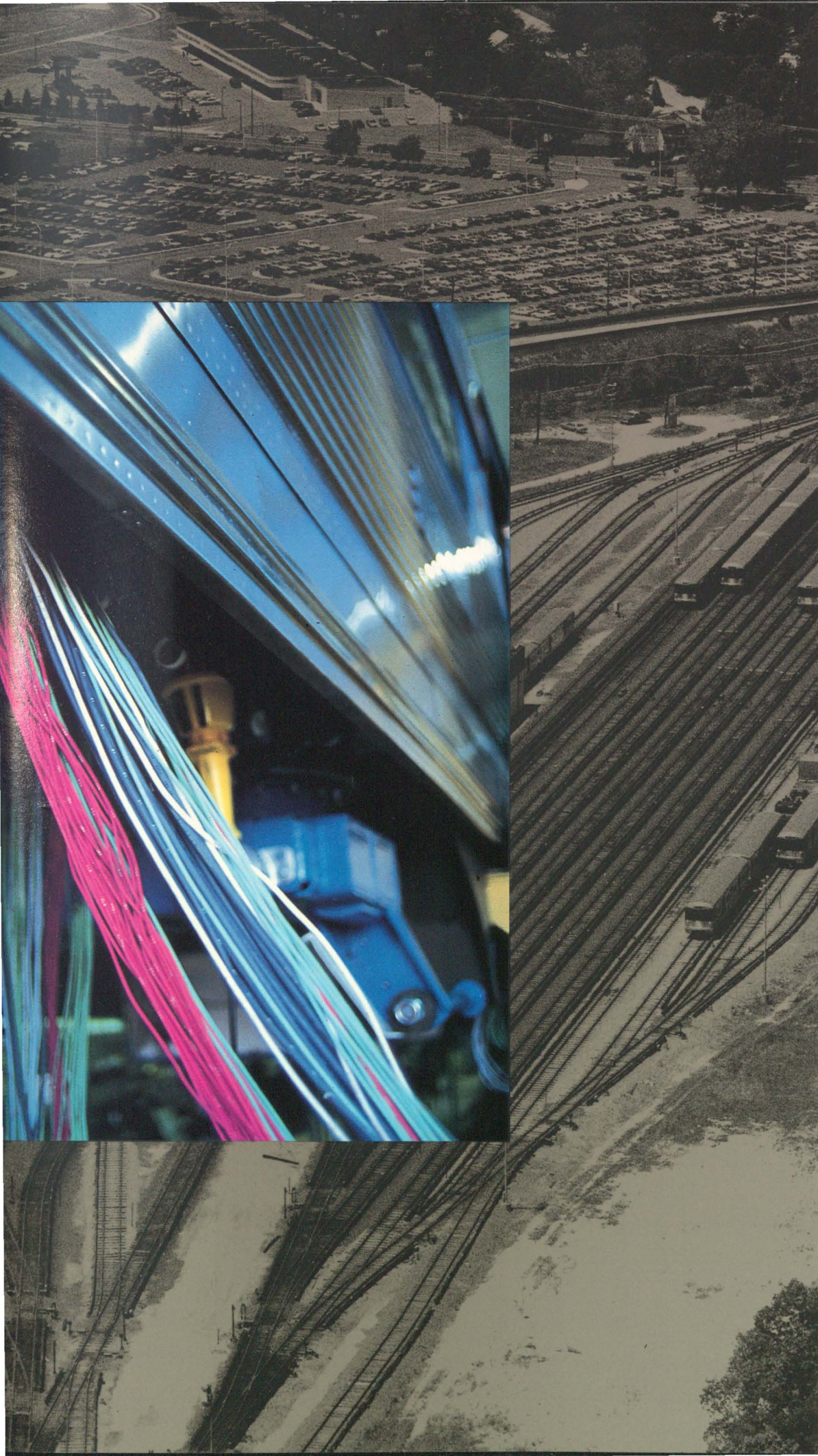
System Improvements. Part of 1993's ridership gain is attributed to the addition of 400 parking spaces at the Ashland Station. PATCO also began installing a new fiber optic communication system and progressed with plans to renovate many of its stations.

Customer Services. PATCO took an active role in promoting ridership and assisting the communities it serves.

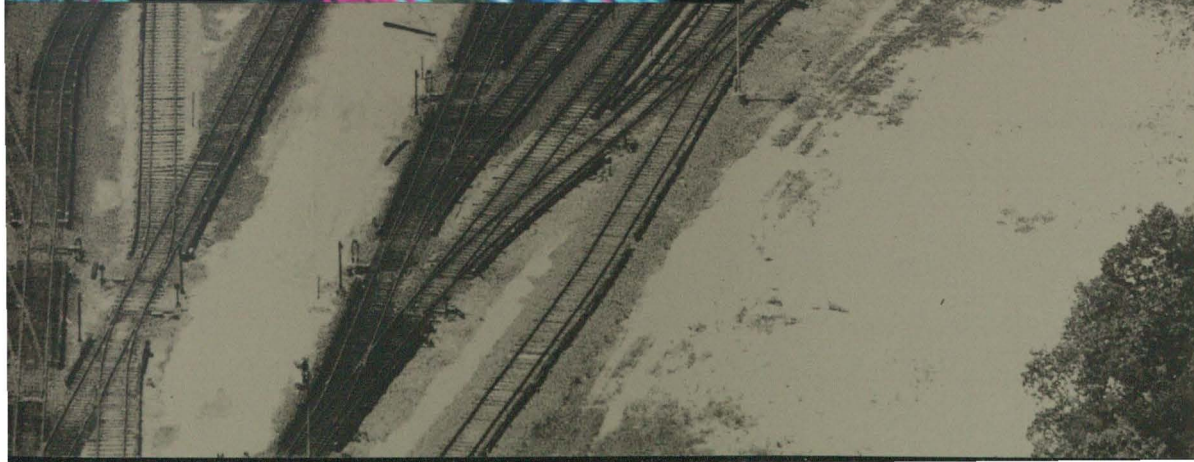
After discussions with bicycle groups, PATCO approved the carrying of bicycles on the line for the first time. And it provided free rides as part of the Delaware Valley's "Try Transit Week" in September. To support Philadelphia merchants, PATCO provided free rides to those participating in Philadelphia's "Make It a Night" program. In December, it carried shoppers to the city's attractions on the "Yuletide Express."

New in 1993 was the "Transportation Day" program presented to 4th and 5th grade classes. In addition to teaching the benefits of public transportation, the program shows students how to read a timetable, buy a PATCO ticket and use PATCO in conjunction with other regional transportation systems.



**CLOSE-UP**

Transit cars on the PATCO line undergo a complete rewiring as part of the upgrade and overhaul program being carried out at the Lindenwold shop.



AMERI PORT

At the request of the governors of Pennsylvania and New Jersey, DRPA in 1992 built and opened *AmeriPort*, a regional intermodal transfer facility located near the Walt Whitman Bridge. Early in 1993, DRPA expanded *AmeriPort* by purchasing the physical facilities and customer base of an adjoining intermodal yard.

Almost immediately, *AmeriPort* enhanced the stature of the Delaware River ports as a hub for cargo movements to the Midwest and Canada.

CP Rail provided the initial cargo. Containerized cargo brought in by ships moved to *AmeriPort* for loading onto CP Rail cars for transport to Canada.

Conrail and CSX also saw *AmeriPort's* advantages. Conrail moved its first shipment of international cargo in March and in the fall CSX began routing domestic cargo through the facility. The result was a quickening of activity and the start of a seven-day-per-week, 24-hour-per-day schedule to match the needs of its customers. *AmeriPort's* volume went from less than 100 lifts in January to more than 3,000 lifts in December. By year's end, *AmeriPort* had handled more than 25,000 lifts and boosted the movement of both domestic and international containerized cargo flow through Delaware River ports.

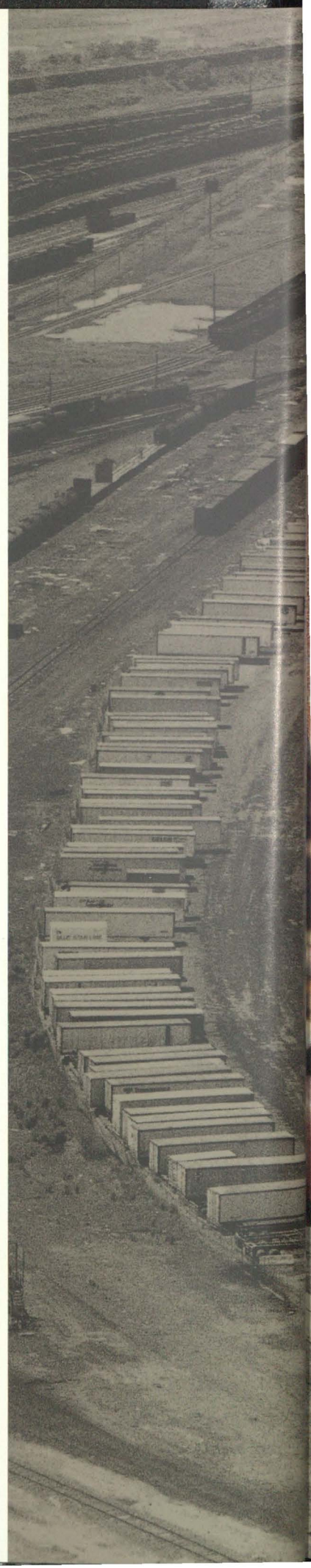
MANAGEMENT INITIATIVES

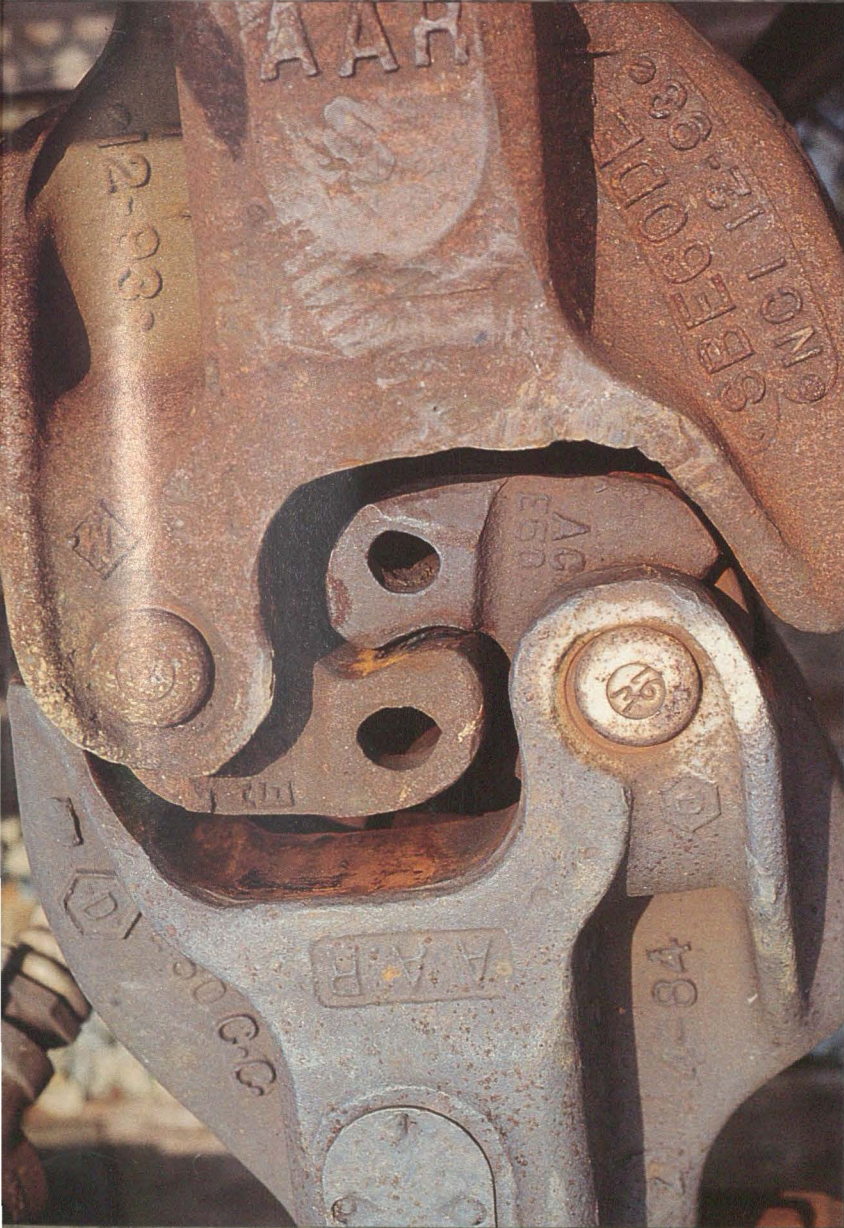
In addition to physical improvements, DRPA moved to improve operating efficiency, professionalism and customer communications.

Customer Service. DRPA stressed that those who cross DRPA bridges and ride PATCO are "customers" and must be treated with a high level of service and courtesy. To help customers communicate directly with management, DRPA distributed forms to each facility that encourage customers to comment on the service they receive and offer suggestions about how service can be improved.

DRPA also initiated a training program that encouraged toll collectors to work together to improve their interaction with customers. Known as CHEAR (Courtesy Helps Everyone Acquire Respect), this professional training course stressed the need for polite and effective customer service.

Safety. DRPA commissioned DuPont Corporation's Safety and Environmental Management Services to review current procedures and recommend ways to improve safety performance. Based on DuPont's recommendations, DRPA formed a Central Safety, Health and Environment Committee chaired by the executive director and composed of division directors. One of the committee's priorities is to involve workers at all facilities, and give workers a meaningful voice in developing safety procedures that meet specific on-job needs.





AERIAL
AmeriPort is the intermodal facility in South Philadelphia offering the services of three Class-A railroads.

STRATEGIC BUSINESS PLAN

The 1992 revised bi-state compact requires DRPA to develop a master plan to guide activities and investments. During 1993, DRPA prepared and adopted its first "Strategic Business Plan." The plan defines core businesses, identifies critical issues, sets financially realistic objectives and serves as the basis for a regional master plan.

The plan will help DRPA determine its future role in areas such as transportation and public transit improvements, port enhancement and regional economic development.

Not wishing to develop the strategic plan in isolation, DRPA sought, and received, the participation of business leaders, port officials and community representatives from throughout the Delaware Valley. This outreach program will continue as DRPA works with broad-based coalitions to achieve goals that benefit the entire region.

PORT UNIFICATION & DEVELOPMENT

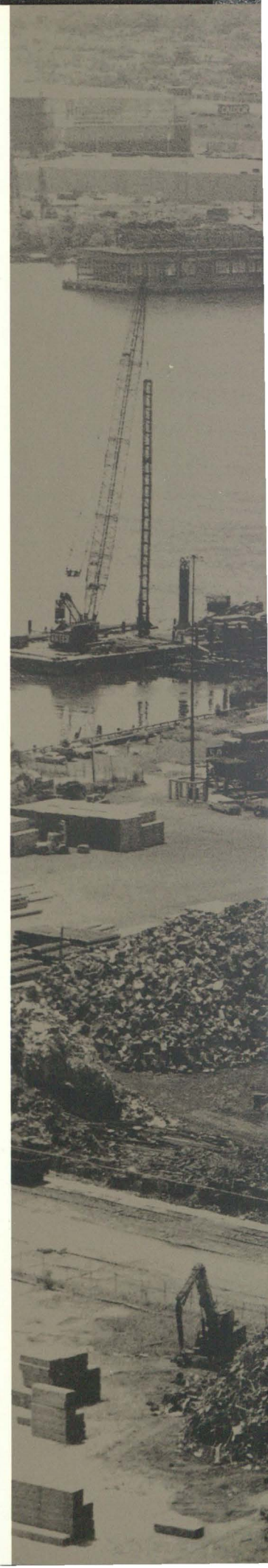
In a 1948 report, port experts concluded that: "A Port District under the control of a central administrative body is essential to the full realization of the possibilities of the Delaware River Port." After almost four decades of discussion, DRPA moved in 1993 to bring this goal of Delaware River port unification to reality.

Building on the consensus developed during the preparation of the Strategic Business Plan, DRPA laid the groundwork for the incorporation of a port subsidiary that will unite Pennsylvania and New Jersey public port facilities. The Delaware River Port Authority, the Philadelphia Regional Port Authority and the South Jersey Port Corporation joined in adopting a resolution to bring the Delaware River public port facilities under common ownership. To be named "The Ports of Philadelphia and Camden Inc.," the new port unit will blend the talents and resources of existing port marketing and operational entities. The new unit will operate as a DRPA subsidiary.

The Ports of Philadelphia and Camden will become a strong decision-making body that will own public port facilities in southeastern Pennsylvania and southern New Jersey. Under its guidance, the Delaware River ports will develop a single port district master plan for the efficient use of existing port facilities and the development of new facilities.

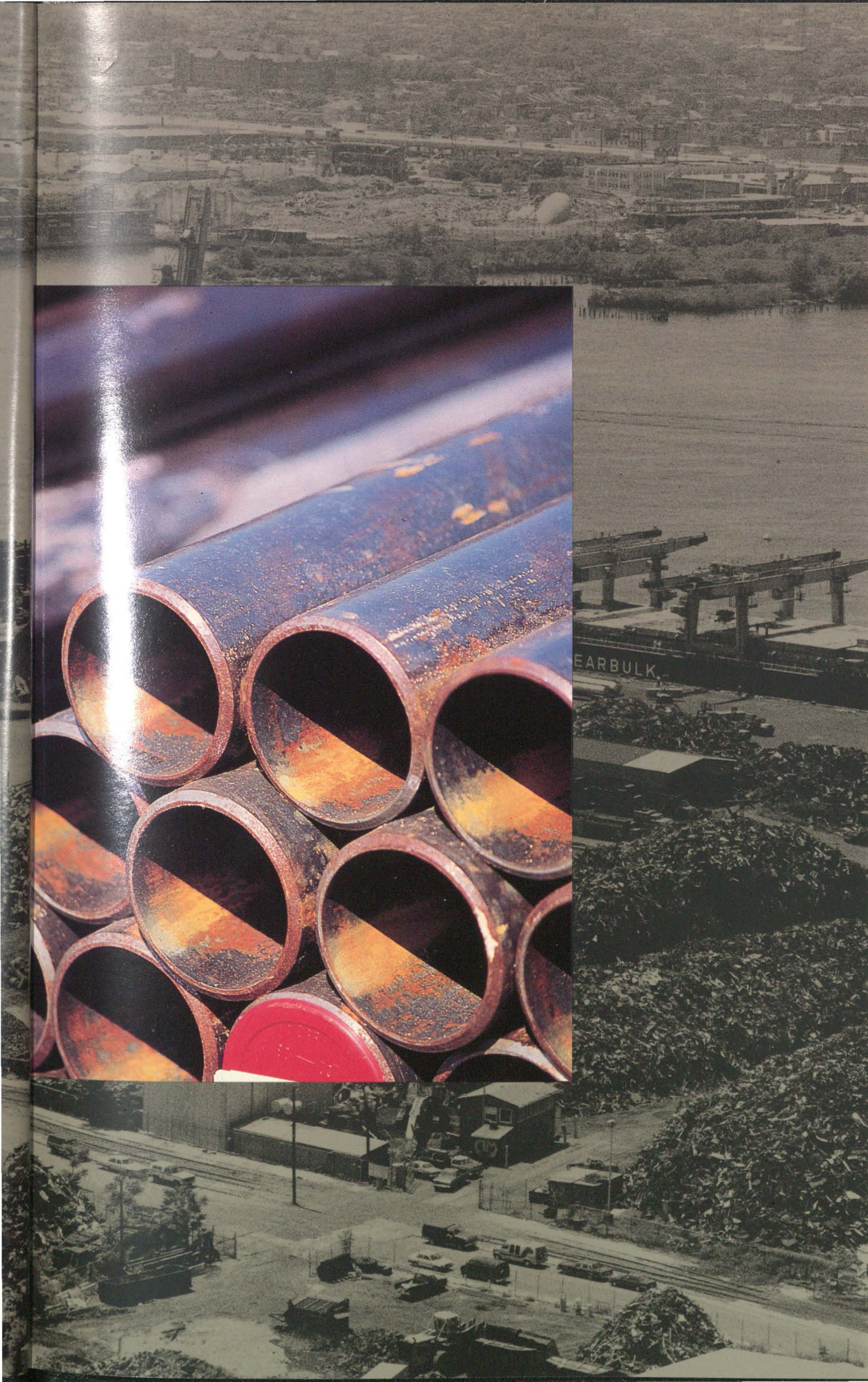
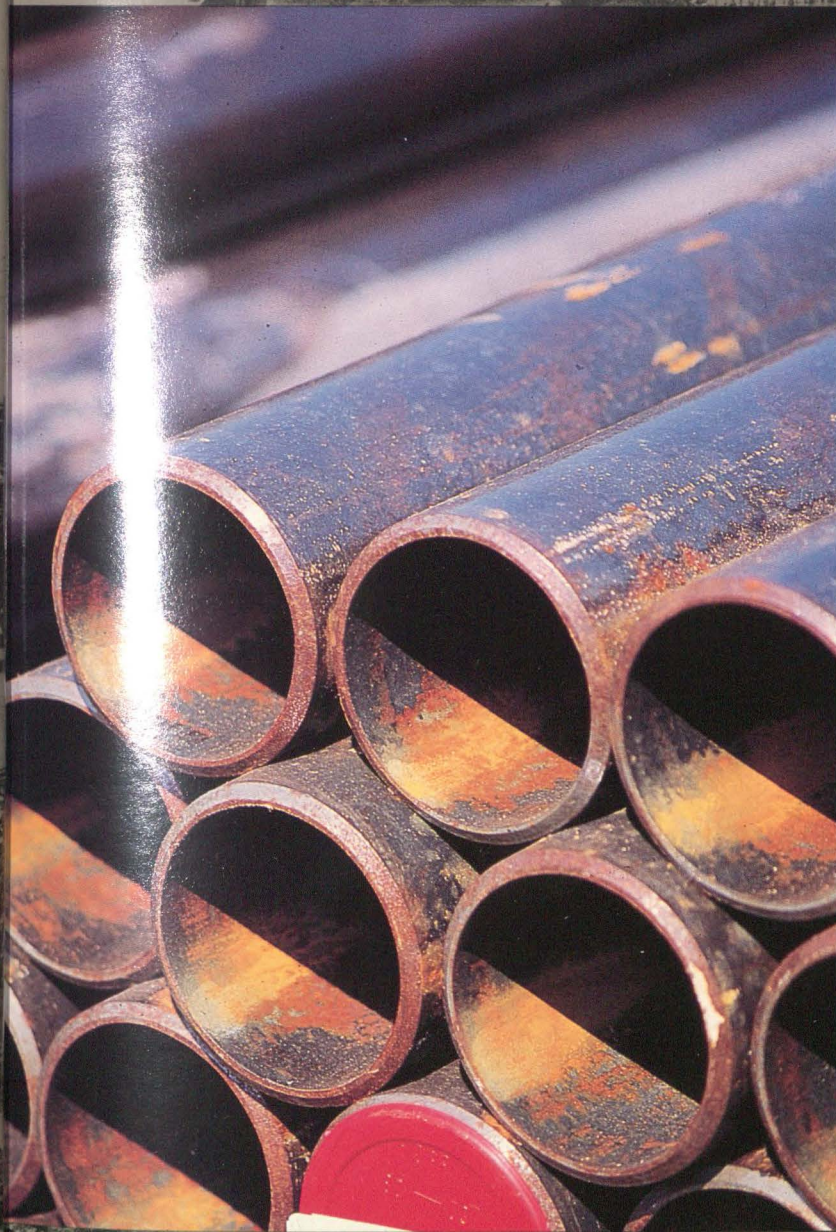
One immediate benefit of the merger will be the implementation of a single marketing strategy to serve port terminals on both sides of the Delaware River. The marketing plan will deliver a strong message about the transportation advantages that the Delaware River ports offer. It will stress the port's excellent record for professional cargo handling, its enormous storage facilities and its three-railroad service.

Anticipating unification, DRPA moved to strengthen the existing port infrastructure. It contributed to dredging projects at ship berths on both sides of the river. This assures the continued accommodation of cargo vessels of all sizes. DRPA also purchased 8.3 acres of riverfront property that will be the site of a new warehouse that will enable the port to expand its already strong paper and pulp trade.



CLOSE-UP

One of the largest commodities handled by the Ports of Philadelphia and Camden has been steel in the form of pipe, coils and scrap.



ECONOMIC DEVELOPMENT

Exercising for the first time its mandate to promote economic development within the Port District, DRPA undertook several initiatives.

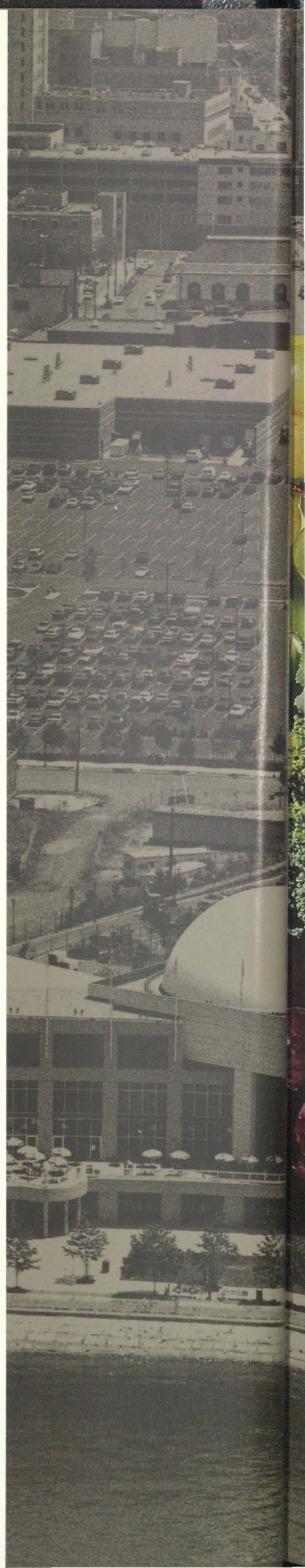
Private Sector Development. Working through state and local economic development agencies, DRPA agreed to provide loans and/or grants to:

- Help develop a much needed retail center in North Camden.
- Retain a food-processing plant in South Camden.
- Assist numerous businesses to locate or expand in Philadelphia economic development zones.

- Support private-sector business ventures in Camden, Pennsauken and Gloucester City, New Jersey, and improvements at Philadelphia's Food Distribution Center

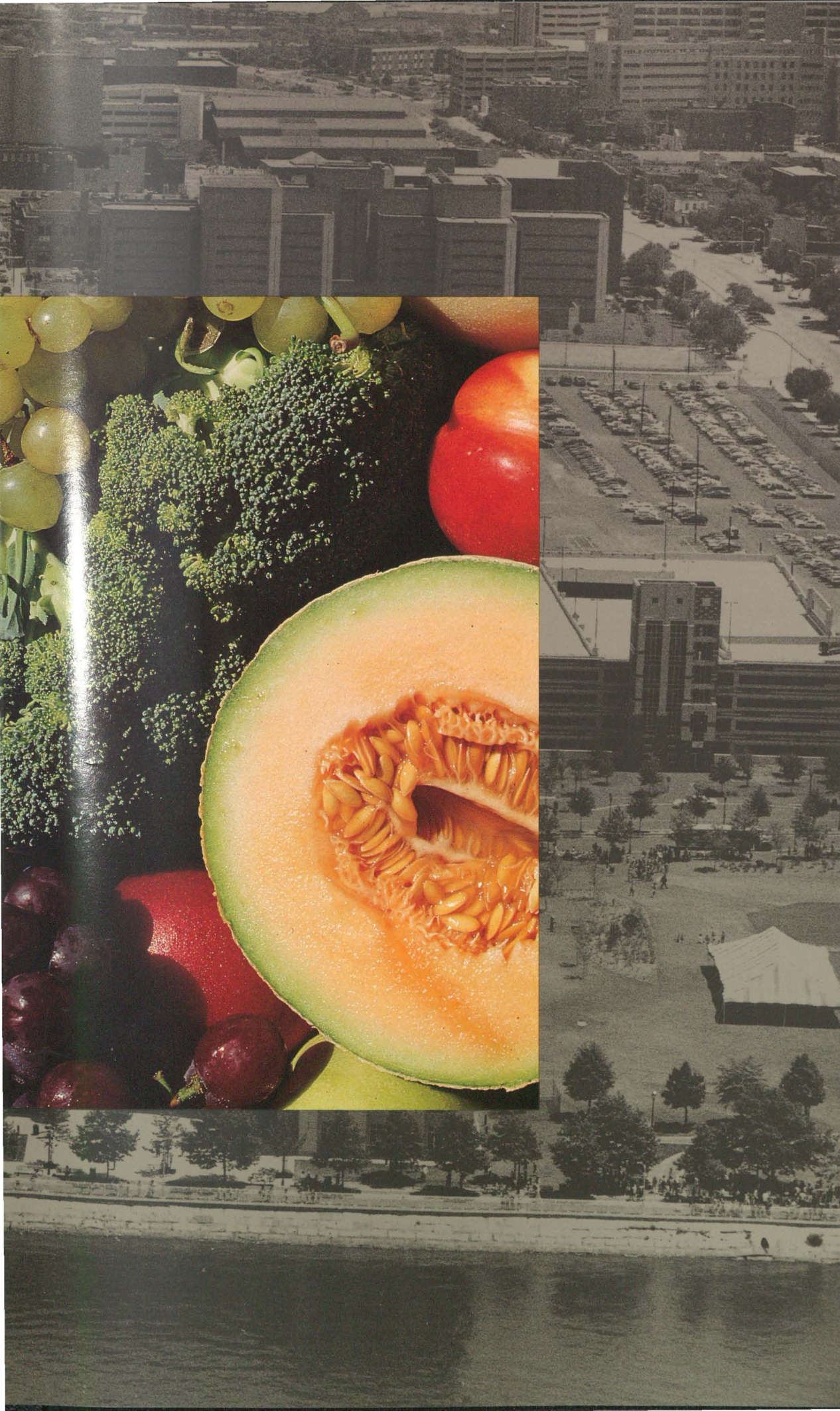
Public Sector Development. Recognizing that public infrastructure is a key to helping businesses thrive, DRPA authorized loans and/or grants to:

- Construct parking garages near the New Jersey State Aquarium in Camden and at Philadelphia's Penns Landing.
- Beautify and improve Penns Landing.
- Enhance the ability of the New Jersey State Aquarium at Camden and Philadelphia's Maritime Museum to continue drawing tourists to the Delaware River waterfront.
- Update Camden's waterfront district master plan. The plan will include DRPA's proposed new headquarters building adjacent to the aquarium.
- Support a business incubator at the Philadelphia Naval Shipyard.
- Improve Camden's infrastructure, commerce and environment.
- Attract a family-oriented theme park to Penns Landing in order to promote tourism in the waterfront districts on both sides of the Delaware River.
- Demolish Philadelphia's Spring Garden Street incinerator.
- Support Rutgers University's Project Leap in North Camden and Rowan College's Institute for Urban and Public Policy.



CLOSE-UP

DRPA's commitment to the economic health of the community is represented by fresh fruits and vegetables stored at the Philadelphia Food Distribution Center. Grants from DRPA repaired the roof of the huge facility - one of the largest on the East Coast.



COMMUNITY INVOLVEMENT

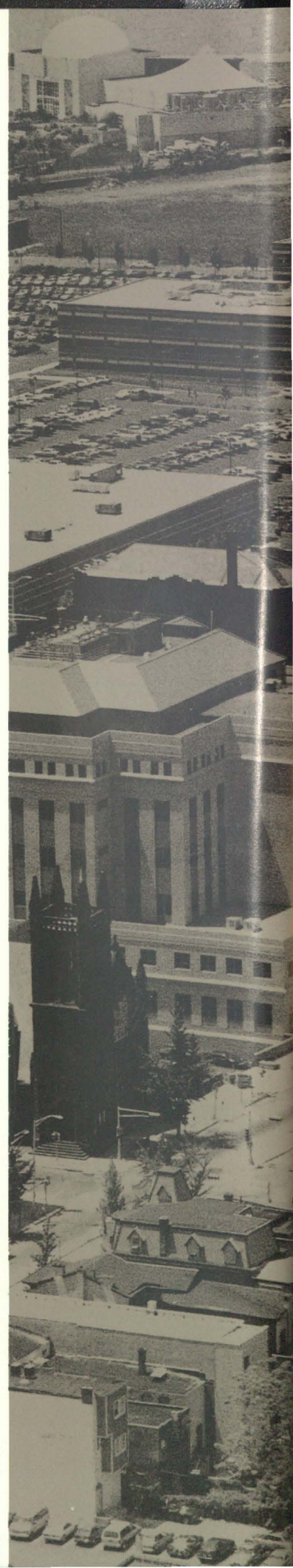
As part of its commitment to become more involved in the economic life of the Delaware Valley, DRPA reached out to the community in a variety of ways.

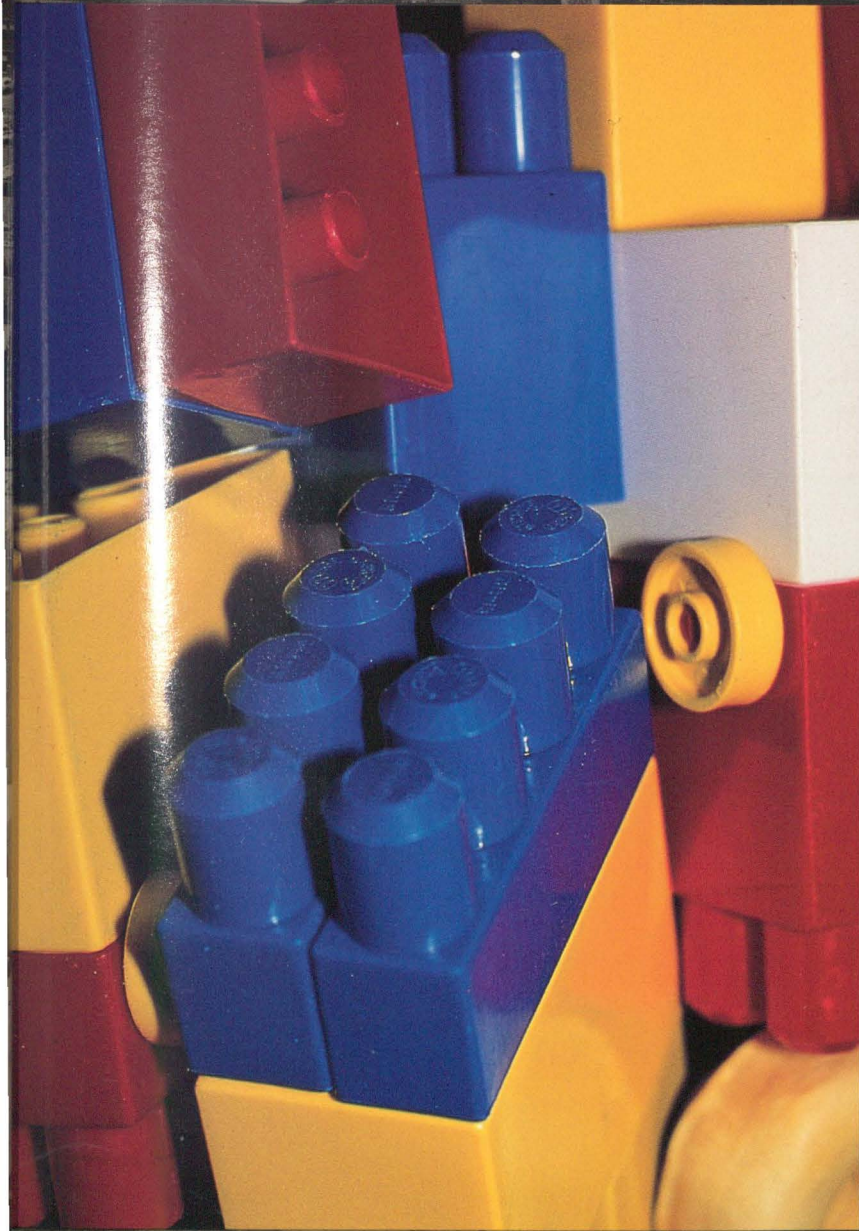
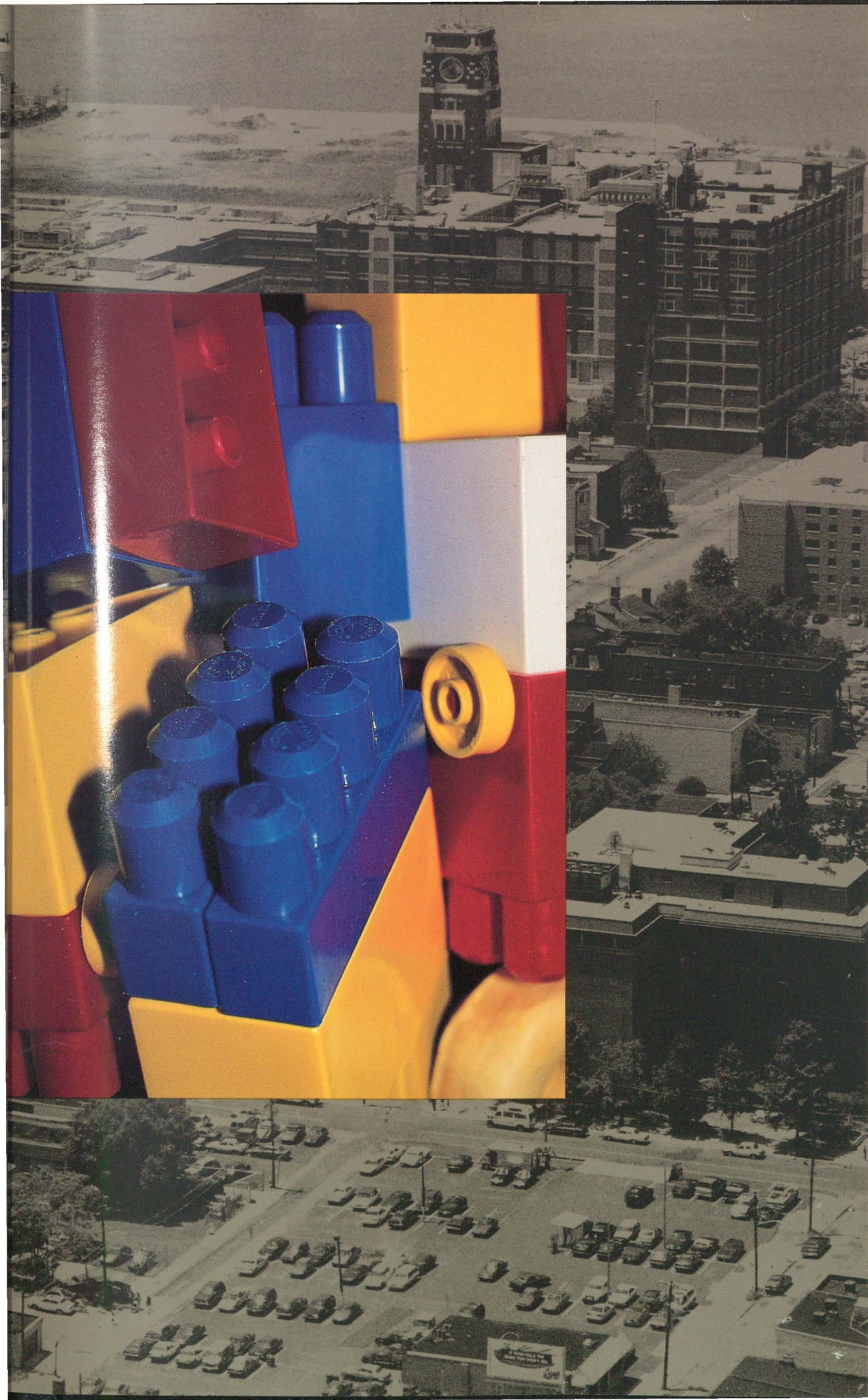
The Multiple Sclerosis Society honored PATCO as "Corporate Citizen on the Year" for sponsoring the MS 150 Bike Tour. The event brought more than 3,000 cyclists to Woodcrest Station in September and helped MS raise approximately \$800,000.

Recognizing that knowledge is a prime tool in combating illegal narcotics, DRPA supported the efforts of two of its police officers who built a drug and alcohol awareness display. The officers used the display to conduct programs for students, parents and senior citizens throughout the Delaware Valley.

On Valentine's Day, PATCO invited its customers to contribute canned food to help the hungry. In December customers contributed items to make the holidays brighter for needy youngsters through PATCO's "Toys for Tots" campaign.

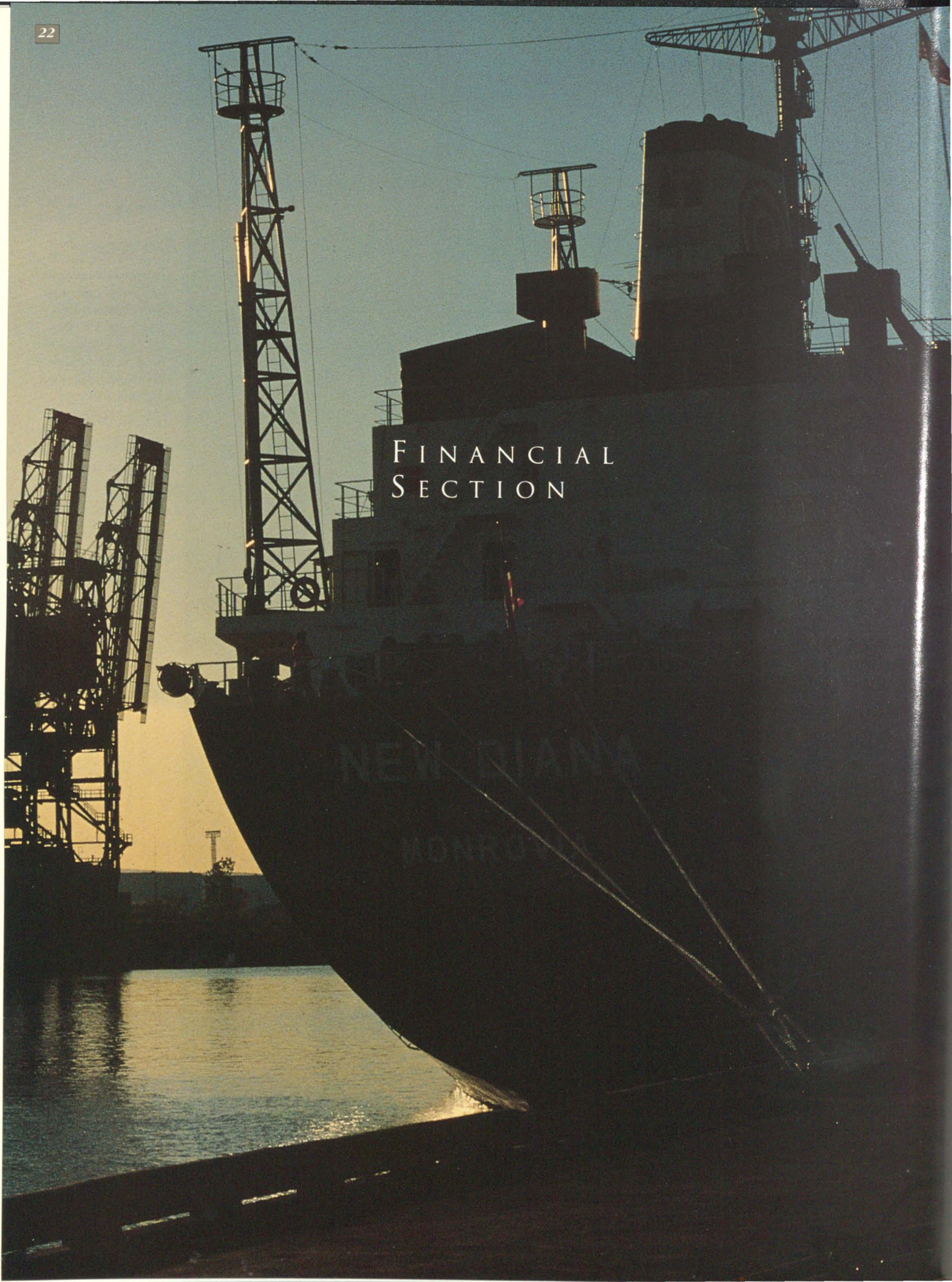
DRPA and PATCO employees also participated in worthwhile programs including the Special Olympics, Toys for Tots, United Way and the Salvation Army.

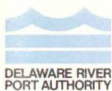




CLOSE-UP
Increased awareness and concern for the communities in which the DRPA facilities are located, has led to employee collection of food and toys for our neighbors.

FINANCIAL
SECTION





Ben Franklin Bridge Plaza
Camden, New Jersey 08101

March 18, 1994

TO THE BOARD OF COMMISSIONERS OF THE DELAWARE RIVER PORT AUTHORITY

The Comprehensive Annual Financial Report of the Delaware River Port Authority (Authority) for the fiscal year that ended December 31, 1993, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes a report to the Governors of New Jersey and Pennsylvania from the Chairman of the Authority, a list of Commissioners and principal officers of the organization, a review of 1993's activities and the Authority's organizational chart. The financial section includes this letter of transmittal, the general purpose financial statements and supplemental schedules by fund and combined total, and the report of the independent auditors thereon. The statistical section includes selected financial, operational and demographic information, presented on a multi-year basis where appropriate.

REPORTING ENTITY

The Delaware River Port Authority is a public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey created with the consent of Congress by compact legislation between the Commonwealth of Pennsylvania and the State of New Jersey. The Authority was created in 1952 and has no stockholders or equity holders. The Authority is vested with the control, operation and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross bridges. The Authority also operates a high-speed transit facility, the Port Authority Transit Corporation (PATCO), which is a wholly owned subsidiary of the Authority and operates between Philadelphia, Pennsylvania, and Lindenwold, New Jersey. The Authority also owns and operates an intermodal transfer facility, known as AmeriPort, which facilitates the movement of containerized cargo through the ports of Philadelphia and Camden. The Authority is authorized to engage in the unification of the ports of the Delaware River and to undertake projects for economic and port development in the "Port District." The Port District, as defined by the Authority's compact legislation, includes the counties of Bucks, Chester, Delaware, Montgomery and Philadelphia in Pennsylvania and the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem in New Jersey. The Authority's powers with respect to port and economic development were expanded by Congress through an amendment to the Authority's Compact during 1992.

The Authority is governed by a 16 member Board of Commissioners. The governor of New Jersey appoints eight commissioners with the advice and consent of the Senate of New Jersey. The governor of Pennsylvania appoints six commissioners, with the Auditor General and the State Treasurer of Pennsylvania serving as ex-officio commissioners for Pennsylvania. Commissioners serve five year terms without compensation. The Board of Commissioners establishes policy and plans for the operations of the Authority. An Executive Director is appointed by the Board of Commissioners to implement policy and manage the daily operations of the Authority.

For the purposes of clarity in this presentation, "Authority" shall refer to the entirety of the Delaware River Port Authority and its subsidiary. "DRPA" shall refer to those operations and activities undertaken by the Authority but not its subsidiary. "PATCO" shall refer to the activities of the Authority's PATCO subsidiary.

ACTIVITIES OF THE AUTHORITY DURING 1993

Information relating to the activities of the Authority during 1993 is included in the narrative portion of the introductory section of this report.

FINANCIAL OPERATING ACTIVITIES

For the Year 1993, the Authority's total operating revenues were \$118.1 million. Operating revenues increased \$11.5 million or 10.8 percent as compared to 1992. This increase is primarily due to the increase in DRPA bridge operating revenues, which increased by \$11.4 million to \$102.7 million in 1993 from \$91.3 million in 1992. This 12.5 percent increase reflects the first full year of a toll increase which occurred on the Authority's bridges in October 1992. Traffic levels on the Authority's bridges showed a decline of less than 1 percent as compared to 1992. PATCO's operating revenues of \$15.4 million increased by \$94,000, or just under 1 percent as compared to 1992, with ridership on PATCO's transit system increasing by 82,000 over 1992.

Total operating and administrative expenses of the Authority, including depreciation but excluding interest expense, were \$91 million. This resulted in operating income (operating revenues in excess of operating expenses, depreciation and administrative expenses) of \$27.1 million, which compares to operating income of \$22.2 million in 1992. Operating income is derived from the two primary businesses of the Authority, DRPA bridge operations and PATCO transit system operations. Operating income from DRPA bridge operations was \$43.8 million, after accounting for bridge operating expenses of \$38.6 million and depreciation and administration expenses totaling \$7.5 million and \$12.8 million, respectively. This compares to \$36.2 million of operating income in 1992. PATCO's operating loss in 1993, after accounting for operating expenses of \$27.9 million and depreciation of \$4.2 million, was \$16.7 million. This compares to an operating loss of \$14 million in 1992.

The Authority's net income is calculated by adding interest income and subtracting interest expense and other nonoperating expenses from operating income. Interest income decreased from \$8.9 million in 1992 to \$7.7 million in 1993. After the addition of interest income, and the deduction of interest expense of \$20.7 million on outstanding funded debt, \$14.1 million remained available for other Authority activities. These activities included the operations of the World Trade and Economic Development Division, the operations of the Authority's AmeriPort intermodal transfer yard, and other port and economic development related projects. After consideration of such expenses, which totaled \$4.5 million (net of miscellaneous income), the Authority had net income of \$9.6 million, an increase of \$3.7 million or 63 percent compared to 1992's net income of \$5.9 million.

Among other activities during 1993, the Authority contributed \$19.9 million to port and economic development projects. This distribution of funds was undertaken pursuant to the responsibilities of the Authority as set forth in its amended Compact, which vested the Authority with increased powers to engage in port and economic development projects in the Port District. The Authority charges such contributions to net assets.

BASIS OF ACCOUNTING

The consolidated financial statements of the Authority are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

INTERNAL CONTROL STRUCTURE

Management of the Authority is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal financial assistance, the Authority is required to ensure that an adequate internal control structure is in place that ensures compliance with applicable laws and regulations relating to that assistance. These internal controls are subject to periodic evaluation by the management and internal audit staff of the Authority.

BUDGETARY CONTROLS

The Authority prepares both operating and capital budgets annually. The annual operating budget is a financial planning tool for the associated fiscal year. Each of the Authority's division directors develops a preliminary budget based upon the expected staffing and funding levels necessary to operate the Authority's facilities in an efficient manner. Based upon budget hearings conducted by the Treasurer and the Executive Director, a proposed operating budget is presented by the Executive Director to the Finance Committee of the Board of Commissioners. Upon review and approval, the Finance Committee submits the budget to the Board of Commissioners for approval.

Transfer of approved budgeted funds within the organization is only permitted with the approval of the Treasurer and/or the Executive Director. Any addition of funds to the total operating budget requires the approval of the Board of Commissioners.

Throughout the year a continuing review of expenditures is made by the Finance Division to ensure that each department is in compliance with the approved operating budget and the established policies and By-Laws of the Authority.

A capital budget is also prepared through a similar process and submitted to the Board of Commissioners for approval. The capital budget is a planning document showing the Authority's potential commitments. The approval of the capital budget does not in itself authorize any specific project. Specific approval by the Board of Commissioners is required before any project can commence.

PENSION PLAN

All Authority employees, excluding those AmeriPort and PATCO employees represented by the Teamsters Pension Plan of Philadelphia and Vicinity, are covered by the Pennsylvania State Employees' Retirement System, which is a cost-sharing, multiple-employer Public Employees Retirement System. AmeriPort represented employees and PATCO represented employees, excluding those PATCO employees represented by the Police Benevolent Association, are covered by the Teamsters Pension Plan of Philadelphia and Vicinity, which is a cost-sharing, multiple-employer plan.

Under the Pennsylvania State Employees' Retirement System, the Authority contributed 8.14 percent of covered payroll to the plan in 1993. For the period January 1, 1993, through June 30, 1993, employees who were employed prior to July 22, 1983, contributed 5 percent and employees employed on or subsequent to July 22,

1983, contributed 6.25 percent of their gross earnings to the pension plan. For the period July 1, 1993, through December 31, 1993, employees of the Authority were required to contribute 5 percent of their gross earnings to the plan.

Under the Teamsters Pension Plan of Philadelphia and Vicinity, the Authority contributed \$15.00 per day per participating PATCO employee and \$2.92 per hour per participating AmeriPort represented employee during 1993. The employees covered under this plan make no contributions to the plan. During 1993, the Authority contributed 10.85 percent of covered payroll to the plan.

DEBT ADMINISTRATION

In 1985, the Authority issued \$222,235,000 of revenue bonds. Such issue was established and authorized by the Authority pursuant to the General Bond Resolution and First Supplemental Resolution adopted April 17, 1985. The 1985 Bonds were authorized to refund all the Authority's then outstanding bonds. On March 7, 1989, the Authority issued \$179,464,106 of Refunding Revenue Bonds, Series 1989. The 1989 Bonds were established and authorized pursuant to the General Bond Resolution and the Second Supplemental Resolution dated February 27, 1989. The 1989 Bonds were established to refund a portion of the principal and interest on the Authority's 1985 Bonds and to make additional deposits to the Authority's Bond Reserve Fund. The 1989 refunding was undertaken to restructure the Authority's debt with the objective of reducing debt service requirements in future years.

At December 31, 1993, the Authority's total outstanding funded debt was \$239,404,314. This consisted of the amount of \$64,630,000 of the 1985 Bonds and the amount of \$174,774,314 of the 1989 Bonds, net of \$4,689,790 unamortized bond discount on serial and term bonds.

Debt Service on the Authority's outstanding long-term debt on December 31, 1993 is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
1994	\$5,735,000	\$14,839,470	\$20,574,470
1995	10,260,000	14,200,979	24,460,979
1996	14,095,000	13,254,978	27,349,978
1997	11,948,196	15,650,370	27,598,566
1998	14,910,063	19,075,153	33,985,216
1999-2011	<u>187,145,845</u>	<u>121,683,462</u>	<u>308,829,307</u>
Total	<u>\$244,094,104</u>	<u>\$198,704,412</u>	<u>\$442,798,516</u>

The total principal shown above of \$244,094,104 differs from the amount of total funded debt on December 31, 1993 of \$239,404,314, due to unamortized bond discount on the Authority's 1989 serial and term bonds in the amount of \$4,689,790.

As per the Authority's General Bond Resolution, the 1985 and 1989 Bonds are payable from and solely secured by a pledge of "Net Revenues" of the DRPA; and by a pledge of all moneys and securities from time to time deposited in the funds and accounts established by the General Bond Resolution, except for assets in the General Fund, and the 1989 Escrow Account B in the Bond Redemption Fund. The Authority's General Fund may be used to repay these bonds if the Authority so decides.

In accordance with the General Bond Resolution the Authority calculates "Net Revenues" available for debt service on its bonds by adding operating revenues of the DRPA, interest income and proceeds of the Bond Redemption Fund available to pay debt service, then subtracting the sum of DRPA operating expenses (without

considering depreciation, amortization or interest) and administrative expenses. Pursuant to this calculation, DRPA's "Net Revenues" available for debt service in 1993 was \$63.7 million. Debt service, comprised of interest and principal payments on DRPA's outstanding bonds, totalled \$20.8 million for the year ending January 1, 1994. Therefore, DRPA's "Net Revenues" available for debt service was sufficient to cover debt service 3.06 times. This compares to 2.76 times in 1992.

CASH MANAGEMENT

All investments purchased by the Authority are done so in accordance with the Authority's General Bond Resolution. Cash available during the year may be invested in repurchase agreements (collateralized by obligations of the U.S. Treasury), obligations of the United States Treasury, obligations of federal government agencies or its instrumentalities, and obligations of public agencies or municipalities rated in either of the two highest rating categories by Standard and Poor's Corporation or Moody's Investors Service. The Authority's investment policy is to match the maturities of its investments with the present and anticipated needs of the Authority, while trying to minimize the amounts of uninvested cash, thereby maximizing the return on available funds.

RISK MANAGEMENT

The Authority is self-insured for public liability up to a limit of \$5 million per occurrence. Excess liability insurance provides coverage of \$95 million over the Authority's \$5 million self-insured retention. The DRPA is self-insured for worker's compensation up to a limit of \$350,000 per occurrence with excess worker's compensation coverage providing \$5 million in coverage over the DRPA's \$350,000 self-insured retention. PATCO is fully self-insured for worker's compensation. Property coverage is placed with commercial insurance carriers with limits and deductibles as deemed appropriate for the needs of the Authority.

INDEPENDENT AUDITS

The Authority's By-Laws and General Bond Resolution require an annual audit of the Authority's financial statements by a firm of independent public accountants. As a recipient of funds from the Federal Transit Administration for projects involving the PATCO transit system, the Authority is required to have a single audit performed annually by an independent auditor in accordance with the Single Audit Act of 1984 and OMB Circular A-128. The purpose of such a single audit is to determine the quality of the internal control structure of the Authority and its compliance with the applicable laws and regulations which relate to the receipt of federal assistance from federal agencies. The Authority retains an independent certified public accounting firm to satisfy its audit requirements. The report of the independent accounting firm on the general purpose financial statements of the Authority is included in the financial section of this report.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Delaware River Port Authority for its comprehensive annual financial report for the fiscal year ended December 31, 1992. The Certificate of Achievement is a prestigious national award recognizing conformance of the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Authority's December 31, 1992 comprehensive annual financial report was the first such report to be submitted for consideration to the GFOA's Certificate of Achievement program. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate. The Authority's management anticipates that its continued participation in the certificate program will result in the continued improvement of future comprehensive annual financial reports of the Authority.

Sincerely,

A handwritten signature in cursive script that reads "Martin S. Dorph".

Martin S. Dorph
Treasurer and Director of
Finance and Administration

REPORT OF INDEPENDENT AUDITORS

To the Commissioners of the
Delaware River Port Authority,

We have audited the accompanying consolidated financial statements of the Delaware River Port Authority and its subsidiary, Port Authority Transit Corporation, as of and for the year ended December 31, 1993, as listed in the Financial Section of the foregoing table of contents. These consolidated financial statements and the supplemental schedules discussed below are the responsibility of the Delaware River Port Authority's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit. The consolidated financial statements for the year ended December 31, 1992, were audited by other auditors whose report dated March 31, 1993, expressed an unqualified opinion on those statements.

We have conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Delaware River Port Authority and its subsidiary, Port Authority Transit Corporation, as of December 31, 1993, and the results of their operations and their cash flows for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental schedules listed in the Financial Section of the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplemental schedules, except for the 1992 combined totals on which other auditors have expressed an unqualified opinion, have been subjected to the auditing procedures applied in our audit of the consolidated financial statements and, in our opinion, are fairly stated, in all material respects in relation to the consolidated financial statements taken as a whole.

Ernst + Young

March 18, 1994
Philadelphia, Pennsylvania

CONSOLIDATED BALANCE SHEETS

December 31, 1993 and 1992 (In Thousands)

ASSETS	Notes	1993	1992
Cash	2	\$1,075	\$489
Investment in securities	1,2,5	118,211	132,974
Accrued interest receivable		1,331	1,371
Accounts receivable	3	2,155	2,625
Transit system inventory	1	2,768	2,670
Prepaid expenses		1,581	1,170
Total		127,121	141,299
RESTRICTED ASSETS :			
Cash		19	58
Investment in securities	1,2,7	50,367	49,009
Accrued interest receivable		194	249
Total restricted assets		50,580	49,316
INVESTMENT IN FACILITIES			
Accumulated depreciation	1,4,8	(199,135)	(187,806)
Investment in facilities – net		550,327	536,120
DEBT ISSUANCE COSTS, NET OF AMORTIZATION	7	4,577	5,267
FUNDED DEBT INTEREST COSTS	7	6,200	10,495
TOTAL ASSETS		\$738,805	\$742,497

See notes to consolidated financial statements

LIABILITIES AND NET ASSETS	Notes	1993	1992
ACCOUNTS PAYABLE :			
Contracts		\$8,470	\$8,129
Retained amounts on contracts		700	1,262
Other	5	9,736	6,534
Total accounts payable		18,906	15,925
ACCRUED LIABILITIES :			
Pension	6	818	820
Sick and vacation leave benefits		9,030	12,411
Other		1,152	1,132
Total accrued liabilities		11,000	14,363
DEFERRED INCOME ON TRUCK TICKETS		4,081	3,508
ACCRUED INTEREST (Payable from Restricted Assets)	7	26,928	22,553
FUNDED DEBT	7	239,404	244,352
PROVISIONS :			
Repainting	1	13,806	12,849
Other	9	4,384	2,636
Total provisions		18,190	15,485
Total liabilities		318,509	316,186
NET ASSETS :			
From contributed capital	8	49,654	46,947
From operations:			
Invested in capital facilities		265,324	235,381
Reserved for:			
Revenue bonds		17,201	17,198
Revenue bond service		(13,656)	(9,427)
Revenue bond interest		3,896	7,980
Construction		13,937	13,313
Working capital and maintenance		25,675	23,920
Unreserved	9,11	58,265	90,999
Total net assets from operations		370,642	379,364
Total net assets		420,296	426,311
TOTAL LIABILITIES AND NET ASSETS		\$738,805	\$742,497

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Years ended December 31, 1993 and 1992 (In Thousands)

	<u>Notes</u>	<u>1993</u>	<u>1992</u>
OPERATING REVENUES AND EXPENSES :	7		
Bridges :			
Tolls		\$102,410	\$91,072
Other operating revenues		259	232
Total bridge operating revenues		102,669	91,304
Operating expenses		38,560	36,429
Depreciation	4,8	7,477	7,272
Total bridge operating expenses		46,037	43,701
Bridges operating income		56,632	47,603
Transit system :			
Passenger fares		14,917	14,821
Other operating revenues		462	464
Total transit system operating revenues		15,379	15,285
Operating expenses		27,911	25,130
Depreciation	4,8	4,207	4,191
Total transit system operating expenses		32,118	29,321
Transit system operating loss		(16,739)	(14,036)
General administration expenses		12,790	11,411
OPERATING INCOME		27,103	22,156
NONOPERATING REVENUES AND EXPENSES:			
Interest income (expense):			
Interest income		7,732	8,854
Interest on funded debt	7	(20,694)	(20,804)
Interest income (expense) – net		(12,962)	(11,950)
Other nonoperating revenues (expenses):			
Other interest income – Construction Fund		624	623
World Trade development expenses		(3,349)	(3,580)
Depreciation and amortization		(618)	(341)
AmeriPort activities		(1,042)	(365)
Other		(128)	(606)
Other nonoperating revenues (expenses) – net		(4,513)	(4,269)
NET INCOME		9,628	5,937
ADD DEPRECIATION ON ASSETS ACQUIRED WITH GOVERNMENT CONTRIBUTIONS – Charged against contributed capital	8	1,582	1,557
INCREASE IN NET ASSETS FROM OPERATIONS		11,210	7,494
DISTRIBUTIONS FROM NET ASSETS FOR ECONOMIC DEVELOPMENT AND PORT RELATED PROJECTS	1,11	(19,932)	(4,677)
NET ASSETS FROM OPERATIONS, BEGINNING OF PERIOD		379,364	376,547
NET ASSETS FROM OPERATIONS, END OF PERIOD		\$370,642	\$379,364

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 1993 and 1992 (In Thousands)

	1993	1992
OPERATING ACTIVITIES :		
Operating income	\$27,103	\$22,156
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	12,302	11,804
Amortization of funded debt interest costs	4,295	4,377
AmeriPort activities	(1,337)	(404)
World Trade development expenses	(3,349)	(3,580)
Changes in assets and liabilities which provided (used) cash:		
Accounts receivable	470	(73)
Transit system inventory	(98)	48
Accounts payable	2,981	1,059
Accrued liabilities	(3,363)	(166)
Deferred income on truck tickets	573	992
Repainting provisions	957	1,943
Other provisions	1,748	(187)
Other	(682)	(470)
Net cash provided by operating activities	<u>41,600</u>	<u>37,499</u>
CAPITAL AND RELATED FINANCING ACTIVITIES :		
Acquisition and construction of capital assets	(26,798)	(16,936)
Proceeds from disposal of facilities	110	74
Cash provided by capital grants	4,289	3,126
Repayment of funded debt	(5,290)	(4,885)
Interest paid	(15,288)	(15,690)
Economic development and port related projects	(19,932)	(4,677)
Net cash used in capital and related financing activities	<u>(62,909)</u>	<u>(38,988)</u>
INVESTING ACTIVITIES :		
Unrestricted:		
Purchases of investments	(699,498)	(351,521)
Proceeds from sale of investments	714,261	343,486
Decrease (increase) in unrestricted investments	<u>14,763</u>	<u>(8,035)</u>
Restricted:		
Purchases of investments	(67,705)	(83,434)
Proceeds from sale of investments	66,347	82,221
Decrease (increase) in restricted investments	<u>(1,358)</u>	<u>(1,213)</u>
Receipts of interest	8,451	10,589
Net cash provided by investing activities	<u>21,856</u>	<u>1,341</u>
NET INCREASE (DECREASE) IN CASH	547	(148)
CASH, BEGINNING OF YEAR	547	695
CASH, END OF YEAR	<u>\$1,094</u>	<u>\$547</u>
CASH AT DECEMBER 31, 1993 and 1992 :		
Unrestricted	\$1,075	\$489
Restricted	19	58
Total	<u>\$1,094</u>	<u>\$547</u>

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 1993 and 1992 (In Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Operations — The Delaware River Port Authority (the "Authority") is a public corporate instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") and the State of New Jersey (the "State") created with the consent of Congress by compact legislation between the Commonwealth and the State. The Authority has no stockholders or equity holders. Among its other powers, the Authority is vested with the control, operation and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross Bridges. The Authority has also constructed and operates a high-speed transit facility known as the Port Authority Transit Corporation (PATCO). The facility, a wholly owned subsidiary, operates between Philadelphia, Pennsylvania and Lindenwold, New Jersey. The Authority also owns and operates an intermodal transfer facility, known as AmeriPort, which facilitates the movement of containerized cargo through the ports of Philadelphia and Camden. Through its World Trade Division, the Authority promotes the development and use of the Delaware River as a highway of commerce. During 1992, the Commonwealth and the State, with the approval of Congress, amended the Authority's Compact legislation, thus granting the Authority expanded powers with respect to port development, expanding its responsibilities with regard to the promotion of economic development and expanding the geographical area in which it is authorized to operate. The costs of providing facilities and services to the general public on a continuing basis are recovered primarily in the form of tolls and fares.

Basis of Presentation — The consolidated financial statements of the Authority are prepared on the accrual basis of accounting and include the accounts of the Authority's PATCO subsidiary. Material balances and transactions between the entities have been eliminated.

The Authority has adopted Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Government Entities, which provides for the consistent application of GASB pronouncements and only pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989, except where those FASB pronouncements conflict with GASB pronouncements.

Investment in Securities — Investment in securities, with the exception of mutual funds which are stated at market value, is stated at amortized cost (which approximates market), because it is the Authority's intention to hold these investments until maturity. Certain investments are required as reserves in connection with the Authority's funded debt (Notes 2 and 7).

Transit System Inventory — Transit system inventory, consisting principally of spare parts for maintenance of transit system facilities, is stated at the lower of cost (first-in, first-out method) or market.

Investment in Facilities — Investment in facilities is stated at cost, which generally includes expenses in connection with the offering, selling and issuance of bonds as well as interest expense and administrative and legal expenses incurred during the construction period. Investment in facilities also includes the cost of improvements, enlargements and betterments to the original facility. Included in investment in facilities are certain costs incurred for economic development and port related projects.

Replacements of existing facilities (except for primarily police and certain other vehicles whose estimated useful life is two years or less) are also recorded at cost. The related costs and accumulated depreciation of the property replaced are removed from the respective accounts and any gain or loss on disposition is credited or charged to nonoperating revenues or expenses.

Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, including those financed by Federal contributions (Note 8). A charge representing depreciation on assets acquired with contributions is made directly to the related contribution accounts.

Asset lives used in the calculation of depreciation are generally as follows:

Bridges, freeways and tunnels	100 years
Buildings, stations and certain bridge components	35 - 50 years
Electrification, signals and communication system	30 - 40 years
Transit cars, machinery and equipment	10 - 25 years

The bridge facilities are stated at cost, net of contributions by New Jersey Department of Transportation. The PATCO system first phase capital improvement program is stated at cost, net of reimbursements prior to 1981 from the Federal Transit Administration and other governmental agencies (Note 4). The PATCO system includes the expenditures of Federal grants for capital improvements and additions (Note 8).

Provision for Repainting — Maintenance and repair costs considered necessary to maintain bridge facilities in good operating condition are charged to operations as incurred. Amounts sufficient to meet the estimated cost to repaint the bridges are provided by periodic charges to operations.

Other Provisions — The Authority provides for the uninsured portion of potential public liability claims, workers' compensation claims, and health care benefits for certain Authority employees and retirees, through self-insurance programs and charges current operations for estimated claims to be paid (Note 9).

Debt Issuance Costs and Bond Discount — Debt issuance costs and the discount arising from the issuance of the revenue bonds are amortized by the straight-line method from the issue date to maturity.

Economic Development and Port Related Projects — Costs incurred in accordance with the Authority's compact legislation responsibilities to promote regional economic development and commerce on the Delaware River are included in investment in facilities if the Authority retains a legal or equitable interest in the project; costs incurred for projects in which the Authority has no such interest are accounted for as distributions from net assets (Note 11).

Reclassification — Certain amounts included in the 1992 financial statements have been reclassified to conform with the 1993 presentation.

2. CASH AND INVESTMENTS

The Authority maintains cash and investments for all funds. The investments in various securities are maintained for specified funds in accordance with the General Bond Resolution adopted on April 17, 1985.

At December 31, 1993 and 1992 cash balances were \$1,094 and \$547, respectively, of which \$370 and \$545, respectively, was cash on hand. Balances of \$239 at December 31, 1993 and \$98 at December 31, 1992 were insured by federal depository insurance.

Investments are purchased in accordance with the General Bond Resolution of April 17, 1985. Permitted investments include U.S. Government obligations, obligations of U.S. agencies or instrumentalities, and obligations of public agencies or municipalities rated in either of the two highest rating categories by Standard and Poor's Corporation or Moody's Investors Service. Investments also include the assets of the Authority's deferred compensation plan. As indicated in Note 5, the Authority does not make any contributions to the plan and considers the assets its property until disbursed.

Investments in securities are categorized below to give an indication of the credit risk assumed at December 31, 1993 and 1992. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by its bank's trust department or agent, but not in the Authority's name. The carrying amount and market value of the Authority's cash, deposits and investments are also shown below.

Time and demand deposits include an investment of \$28,929 and \$23,973 at December 31, 1993 and 1992, respectively. This investment is uninsured and uncollateralized and is maintained in accordance with an investment agreement with a bank which stipulates that no collateral is required while the bank maintains an A+ rating. Remaining deposits which are not insured by federal depository insurance, excluding those held in foreign bank accounts, are collateralized with the collateral being held by the Authority's agent in the name of the Authority. At December 31, 1993 and 1992, the Authority had \$17 and \$18, respectively, in uncollateralized deposits in foreign bank accounts.

	Category	1993			1992		
		Category Amount	Carrying Amount	Market Value	Category Amount	Carrying Amount	Market Value
U.S. agency securities	1	\$116,427	\$116,427	\$116,607	\$124,125	\$124,125	\$124,091
U.S. government securities	1	572	572	572	12,162	12,162	12,284
Repurchase agreements	3				500	500	500
Total investment in securities		<u>\$116,999</u>	<u>116,999</u>	<u>117,179</u>	<u>\$136,787</u>	<u>136,787</u>	<u>136,875</u>
Time and demand deposits			29,653	29,653		23,975	23,975
Cash on hand			370	370		545	545
Guaranteed Income Contract collateralized by U.S. government and agency securities			17,194	17,194		17,194	17,194
Mutual funds (deferred compensation)			5,456	5,456		4,029	4,029
Total			<u>\$169,672</u>	<u>\$169,852</u>		<u>\$182,530</u>	<u>\$182,618</u>

Reported as:	1993			1992		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Cash	\$19	\$1,075	\$1,094	\$58	\$489	\$547
Investments	50,367	118,211	168,578	49,009	132,974	181,983
Total	<u>\$50,386</u>	<u>\$119,286</u>	<u>\$169,672</u>	<u>\$49,067</u>	<u>\$133,463</u>	<u>\$182,530</u>

3. ACCOUNTS RECEIVABLE

Accounts receivable include the following:

	<u>1993</u>	<u>1992</u>
Reimbursements from governmental agencies — Capital improvements to the PATCO transit system due from the Federal Transit Administration	\$756	\$287
AmeriPort trade receivables	340	
Deposits with claims administrators	761	293
Health care premium refund		1,363
Miscellaneous	298	682
Total	<u>\$2,155</u>	<u>\$2,625</u>

Construction costs and accounts receivable relative thereto are generally subject to approval and audit by the applicable governmental agency.

4. INVESTMENT IN FACILITIES

Investment in facilities is comprised of the following:

	<u>1993</u>	<u>1992</u>
Bridges:		
Benjamin Franklin	\$149,618	\$149,350
Walt Whitman	111,161	107,898
Commodore Barry (a)	144,124	142,553
Betsy Ross (a)	140,392	139,732
Total	545,295	539,533
Accumulated depreciation	(135,315)	(128,475)
Net book value	<u>409,980</u>	<u>411,058</u>
Transit system:		
PATCO system (b) (Notes 8 and 11)	181,217	175,227
PATCO system first phase capital improvement program (c)	1,938	1,938
Total	183,155	177,165
Accumulated depreciation	(62,861)	(58,990)
Net book value	<u>120,294</u>	<u>118,175</u>
Port and economic development	21,012	7,228
Accumulated depreciation and amortization	(959)	(341)
Net book value	<u>20,053</u>	<u>6,887</u>
Total investment in facilities — net	<u>\$550,327</u>	<u>\$536,120</u>

The following costs of facilities have not been included in the Authority's investment in facilities at December 31, 1993:

- (a) Commodore Barry Bridge, \$4,431 and Betsy Ross Bridge, \$5,472 — construction, engineering, land and utility relocation costs by the New Jersey Department of Transportation.
 (b) \$1,700 by the New Jersey Transit Corporation.
 (c) \$59,610 at December 31, 1993 by the following participating agencies:

Federal Transit Administration	\$44,531
State of New Jersey	13,165
Commonwealth of Pennsylvania	1,189
City of Philadelphia	725
Total	<u>\$59,610</u>

5. DEFERRED COMPENSATION PLAN

The Authority has a deferred compensation plan which was established in 1985. All hourly and salaried employees are eligible to participate in the plan, which permits the participants to defer annually a portion of their salaries. The Authority does not make any contributions to the plan. The plan assets were \$5,456 at December 31, 1993 and \$4,029 at December 31, 1992. These assets are included in the accompanying financial statements in investments in securities as they are considered to be assets of the Authority and therefore subject to the Authority's creditors until disbursement (Note 2). The liability to employees is included in accounts payable — other.

6. PENSION PLANS

All full-time employees of the Authority, excluding those AmeriPort and PATCO employees represented by the Teamsters Pension Plan of Philadelphia and Vicinity are covered by Pennsylvania State Employees' Retirement System, which is a cost-sharing multiple-employer public employees retirement system (PERS). AmeriPort represented employees and PATCO represented employees excluding those represented by the Police Benevolent Association, are covered by the Teamsters Pension Plan of Philadelphia and Vicinity, which is a cost-sharing multiple-employer plan. In addition all employees are covered by Social Security.

A. Plan Descriptions and Provisions

Pennsylvania State Employees' Retirement System

All permanent full-time and part-time employees are eligible and required to participate in the Pennsylvania State PERS. The PERS provides pension, death and disability benefits. A member may retire after completing three years of service and after reaching normal retirement age (the age of sixty, except police officers at age fifty, or the age at which thirty-five years of service has been completed, whichever occurs first). Benefits vest after ten years of service. If an employee terminates his or her employment after at least ten years of service but before the normal retirement age, he or she may receive pension benefits immediately or defer pension benefits until reaching retirement age. Employees who retire after reaching the normal retirement age with at least three years of credited service are entitled to receive pension benefits for the rest of their lives equal to 2% of their final average compensation (average of the three highest years in earnings) times the number of years for which they were employed by a participant in the State PERS. The pension benefits received by an employee who retires after ten years of credited service but before normal retirement age are reduced for the number of years that person is under normal retirement age.

Pension provisions include death benefits, under which the surviving beneficiary may be entitled to receive the employee's accumulated deductions less the amount of pension payments that the employee received, the present value of the employee's account at retirement less the amount of pension benefits received by the employee, the same pension benefits formerly received by the employee, or one-half of the monthly pension formerly received by the employee. The maximum pension benefit to the employee previously described may be reduced depending on the benefits elected for the surviving beneficiary.

The Authority's 1993 covered payroll and total payroll were \$35,095 and \$47,884, respectively.

Teamsters Pension Plan of Philadelphia and Vicinity

AmeriPort represented employees and PATCO union employees excluding those represented by the Police Benevolent Association are eligible and required to participate in the Teamsters Pension Plan of Philadelphia and Vicinity. The plan provides pension, death and disability benefits. A member may retire at the later of (a) the date the employee reaches 65 or (b) the fifth anniversary of the employee's commencement of participation in the plan. Additionally, employees are eligible for early retirement after 10 years of participation in the plan and (a) completion of 30 years vested service or (b) attainment of age 50 and completion of 10 years of vested service. Benefits vest after 10 years of service. An employee who retires on or after his or her normal retirement age is entitled to receive benefits based on his or her credited years of service multiplied by a monthly benefit rate, which is determined based on the employer's daily contributions. The benefits are subject to maximum rates which vary according to employer daily contribution rates. Members may also receive benefits after early retirement at reduced rates depending on age at retirement.

An employee who qualifies for disability retirement benefits (total and permanent disability with 10 years of vested service, 5 years of service under a collective bargaining agreement and at least 300 covered days of contributions) is entitled to receive two hundred dollars per month until retirement age, when retirement benefits would commence.

Provisions include surviving spouse death benefits, under which the surviving spouse is entitled to a 50% survivor annuity in certain cases.

The Authority's 1993 covered payroll and total payroll were \$7,206 and \$47,884, respectively.

B. Contributions Required and Made

Pennsylvania State Employees' Retirement System

For the period January 1, 1993 through June 30, 1993, employees of the Authority who were employed prior to July 22, 1983, and on or subsequent to July 22, 1983, were required to pay 5% and 6.25%, respectively, of their gross earnings to the pension plan. For the period July 1, 1993 through December 31, 1993, employees of the Authority were required to pay 5% of their gross earnings to the plan. During 1993, the Authority was required to contribute 8.14% of covered payroll to the plan.

Total contributions made during 1993 amounted to \$4,724, of which \$2,857 and \$1,867 were made by the Authority and its employees, respectively.

Teamsters Pension Plan of Philadelphia and Vicinity

During 1993, the Authority contributed fifteen dollars per day per participating PATCO employee and two dollars and ninety two and one half cents per hour per participating employee for AmeriPort represented employees. The employees of the Authority make no contributions to the plan.

During 1993, the Authority contributed \$782 to the plan, which is approximately 10.85% of covered payroll.

C. *Funding Status and Progress* — The amount of the total pension benefit obligation is based on a standardized measurement established by Governmental Accounting Standards Board Statement No. 5 (GASB 5) that, with some exceptions, must be used by a PERS. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date, and is adjusted for the effects of projected salary increases. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of PERS financial statements to (a) assess the PERS funding on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among other PERS and among other employers.

Pennsylvania State Employees' Retirement System

Total excess of market value of assets available for benefits over projected benefit obligation of the State PERS as of December 31, 1992 (the most recent plan information available) was as follows:

1. Projected benefit obligation:

Retirees and beneficiaries:

Superannuation retirements	\$3,110,154
Early retirements	1,169,085
Disabled	200,192
Beneficiaries	178,109

Total	4,657,540
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Inactive participants

81,787

Active members:

Employee contributions and interest	1,999,511
Employer-financed liability - vested	4,033,101
Employer-financed liability - nonvested	373,891

Total	6,406,503
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Total obligation for all members

\$11,145,830

2. Market value of assets available for benefits

\$12,453,359

3. Excess of market value of assets available

for benefits over projected benefit obligation

\$1,307,529

The significant assumptions used in this valuation are an annual investment return of 9.25% and annual salary increases of 4%.

The Authority's required contribution to the State PERS represents approximately .87% of the total current year actuarially determined contribution requirements for all employers covered by the pension plan.

Ten-year historical trend information is presented in the 1992 Pennsylvania State Public Employees' Retirement System Financial Report. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

Teamsters Pension Plan of Philadelphia and Vicinity

Total unfunded benefit obligation of the Teamsters Pension Plan of Philadelphia and Vicinity as of January 1, 1993 (the most recent plan information available) was as follows:

1. Accrued liability	
(a) Active members:	
Retirement benefits	\$387,153
Termination benefits	18,898
Death benefits	24,737
Disability benefits	<u>22,486</u>
Total	453,274
(b) Retired members and beneficiaries	402,382
(c) Terminated vested members	<u>106,852</u>
Total	<u>\$962,508</u>
2. Actuarial value of assets	<u>\$575,136</u>
3. Unfunded accrued liability as of January 1, 1993	<u>\$387,372</u>

The Authority's required contribution to the Teamsters Pension Plan of Philadelphia and Vicinity represents approximately 1.51% of total employer contributions to the plan. Ten-year historical trend information regarding this plan is not provided in the Teamsters Pension Plan of Philadelphia and Vicinity's Actuarial Valuation as of January 1, 1993.

D. Related Party Investments — During 1993, neither the State PERS nor the Teamsters Pension Plan of Philadelphia and Vicinity held any securities issued by the Authority or other related parties.

E. Other Retirement Benefits — In addition to providing pension benefits, the Authority provides certain health care and life insurance benefits for retired employees. These benefits are provided by action of the Authority's Board of Commissioners. Employees become eligible for these retirement benefits once they have been determined pension eligible. At December 31, 1993, 449 retirees were eligible to receive these benefits. These, and similar benefits for active employees, are provided through self-insured programs, independent health maintenance organizations and insurance companies. The Authority recognizes the cost of providing these benefits by expensing annual insurance premiums and an amount sufficient to meet the estimated cost of the self insured programs. The cost of providing these retirement benefits, net of retiree contributions, totaled \$2,373, and \$1,938 in 1993 and 1992, respectively. In certain instances retirees are required to contribute approximately 25% of the cost of health care benefits.

7. FUNDED DEBT

In 1985, the Authority issued \$222,235 of revenue bonds. Such issue was established and authorized by the Authority pursuant to the General Bond Resolution and First Supplemental Resolution adopted April 17, 1985. The 1985 Bonds were authorized and issued as an issue of Subordinate Bonds, to refund all the Authority's then outstanding bonds and to pay certain costs incurred in connection with the issuance of the 1985 Bonds. The Authority's refunding program was undertaken to restructure the Authority's debt with the objective of reducing its debt service requirements during the years 1985 through 1989.

On March 7, 1989, the Authority issued \$179,464 of Refunding Revenue Bonds, Series 1989. Such issue dated February 1, 1989, was established and authorized by the Authority pursuant to the General Bond Resolution and the Second Supplemental Resolution, dated February 27, 1989, which authorized the 1989 Bonds as Subordinate Bonds to 1) provide payment for all interest on the 1985 Term Bonds due January 1, 2011 (principal amount \$124,165) due and payable on July 1 and January 1 of each year, commencing July 1, 1989 to and including January 1, 1995, the date fixed for redemption as a whole of such 1985 Term Bonds, and the redemption price of such bonds; 2) provide payment for all interest on the 1985 Term Bonds due 2002 (total principal amount \$49,305) due and payable on July 1 and January 1 of each year, commencing July 1, 1989 to and including January 1, 1995, the date fixed for the redemption of such portion of the interest for the 1985 Term

Bonds, and the redemption price of \$10,865 of such bonds; 3) provide for payment on a portion of the interest for the 1985 Serial Bonds due and payable on July 1 and January 1 of each year, commencing July 1, 1991 to and including January 1, 1995; 4) deposit moneys to the Bond Reserve Fund in order to satisfy the bond reserve requirement under the Resolution; and 5) pay costs and expenses incurred in connection with the issuance of the 1989 Bonds.

The 1989 Refunding Revenue Bond net proceeds and the balance in the 1985 Bond Reserve Fund were used to purchase U.S. Government securities which were placed in irrevocable trust accounts with a trustee to provide debt service payments as described above until the 1985 Term Bonds are called on January 1, 1995 at 103%. The debt to be serviced from the irrevocable trusts is considered defeased and thus was removed from the Authority's balance sheet as of March 7, 1989.

The undefeased 1985 Bonds outstanding at December 31, 1993 are as follows:

<u>Maturity Date (January 1)</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
	Serial Bonds	
1994	8.25%	\$5,735
1995	8.50	6,245
1996	8.60	6,800
1997	8.70	7,410
		<u>26,190</u>
	Term Bonds	
2002	9.375	38,440
		<u>38,440</u>
	Total par value 1985 Bonds outstanding	<u>\$64,630</u>

The 1989 Bonds outstanding at December 31, 1993 are as follows:

<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>
	Serial Bonds	
1995	6.80%	\$4,015
1996	6.90	7,295
		<u>11,310</u>
	Capital Appreciation Bonds	
1997	7.05	4,538
1998	7.10	8,595
1999	7.15	8,003
2000	7.20	7,435
2001	7.25	6,901
2002	7.30	6,413
2003	7.35	5,889
		<u>47,774</u>
	Term Bonds	
2007	7.375	71,535
		<u>71,535</u>

<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate/Yield</u>	<u>Principal</u> <u>Amount</u>
	<u>Serial Bonds</u>	
2008	6.50%	\$21,295
2009	6.50	22,645
2010	7.00	2,370
2011	6.50	<u>2,535</u>
		<u>48,845</u>
Total par value of 1989 Bonds outstanding		179,464
Less unamortized bond discount on serial and term bonds		<u>4,690</u>
Total - net		<u>174,774</u>
Total funded debt		<u>\$239,404</u>

Interest on the 1985 and 1989 Serial and Term Bonds is payable semi-annually on January 1 and July 1 in each year. The 1989 Bonds (other than the 1989 Capital Appreciation Bonds) bear interest from the February 1, 1989 issue date and payments of interest commenced July 1, 1989. The 1989 Capital Appreciation Bonds bear interest from the date of original issuance and delivery, March 7, 1989. Interest on these bonds is compounded on January 1 and July 1 of each year, commencing July 1, 1989, and is payable only at maturity. Interest expense includes interest on the bonds and amortization of debt issuance costs and debt issuance discount.

The Bond Service Fund (a component of restricted assets) has a net deficiency in assets of \$13,656 at December 31, 1993. Such amount is net of \$19,390 of accrued interest expense on the Authority's \$47,774 principal amount of 1989 Capital Appreciation Bonds. None of this accrued interest expense was or is required to be funded by the Authority until the 1996 calendar year. The Second Supplemental Resolution, dated February 27, 1989, requires that, commencing January 20, 1996, the Authority shall make monthly deposits with the Trustee to the Bond Service Fund for the payment of the accreted value on the 1989 Capital Appreciation Bonds, as they mature and become due on a principal payment date.

The 1985 Term Bonds maturing on January 1, 2002 and the 1989 Term Bonds maturing on January 1, 2007 are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption on January 1 in the years and the amounts specified below:

<u>1985 Term Bonds Due January 1, 2002</u>		<u>1989 Term Bonds Due January 1, 2007</u>	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1998	\$6,315	2004	\$16,025
1999	6,950	2005	17,200
2000	7,620	2006	18,480
2001	<u>8,360</u>		
Total	29,245	Total	51,705
At maturity, 2002	<u>9,195</u>	At maturity, 2007	<u>19,830</u>
Total	<u>\$38,440</u>	Total	<u>\$71,535</u>

The 1985 Bonds maturing on or after January 1, 1996 and the 1989 Bonds maturing on or after January 1, 2000 (other than the Capital Appreciation Bonds which are not subject to redemption prior to maturity) are subject to optional redemption prior to maturity on or after January 1, 1995 (the 1985 Bonds) and January 1, 1999 (the 1989 Bonds), as a whole at any time, or in part on any interest payment date on or after such dates, at the respective redemption prices set forth below, in each case together with accrued interest to the redemption date:

<u>Redemption Dates (Inclusive)</u>	<u>Redemption Price</u>	
	<u>1985 Bonds</u>	<u>1989 Bonds</u>
January 1, 1995 through December 31, 1995	103%	
January 1, 1996 through December 31, 1996	102	
January 1, 1997 through December 31, 1997	101	
January 1, 1998 and thereafter	100	
January 1, 1999 through December 31, 1999		102%
January 1, 2000 through December 31, 2000		101½
January 1, 2001 through December 31, 2001		101
January 1, 2002 through December 31, 2002		100½
January 1, 2003 and thereafter		100

If less than all of the 1985 Bonds are to be called for optional redemption, the Trustee will select the 1985 Bonds to be redeemed in reverse order of maturity. If less than all of the 1989 Bonds are to be called for optional redemption, the Trustee will select the 1989 Bonds to be redeemed as the Authority may designate to the Trustee.

The 1985 and 1989 Bonds are payable from and solely secured by a pledge of (1) net revenues of the DRPA and (2) all moneys and securities from time to time deposited in the funds and accounts established by the General Bond Resolution, except for the General Fund and the 1989 Escrow Account B, in the Bond Redemption Fund (a component of restricted assets). The Authority's General Fund may also be used to repay these bonds.

The Bond Service requirements for the 1985 and 1989 Bonds of \$6,350 and \$4,619, respectively, and the Bond Reserve requirement of \$34,600, established by and defined in the General Bond Resolution and the First Supplemental Resolution adopted April 17, 1985, and the Second Supplemental Resolution adopted February 27, 1989, were met by the Authority. On February 27, 1989, the Authority authorized the purchase of a surety bond for the purpose of funding approximately one-half of the Bond Reserve Fund.

In accordance with the terms and provisions of the Arbitrage Compliance Agreement and the Investment Agreement, both dated March 7, 1989, and the Second Supplemental Resolution, dated February 27, 1989, the Authority makes semi-annual General Fund deposits with the Bayerische Landesbank Girozentrale. The Authority expects to use these deposits for the January 1, 1995 redemption of the undefeased 1985 Term Bonds due January 1, 2002.

Debt Service on the Authority's outstanding long-term debt at December 31, 1993 is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
1994	\$5,735	\$14,840	\$20,575
1995	10,260	14,201	24,461
1996	14,095	13,255	27,350
1997	11,948	15,650	27,598
1998	14,910	19,075	33,985
1999-2011	<u>187,146</u>	<u>121,684</u>	<u>308,830</u>
Total	<u>\$244,094</u>	<u>\$198,705</u>	<u>\$442,799</u>

The total principal shown above of \$244,094 differs from the amount of total funded debt of \$239,404 shown previously, due to unamortized bond discount on the Authority's 1989 serial and term bonds of \$4,690.

To accomplish the 1985 refunding, the Authority deposited proceeds from the 1985 bond sale, together with U.S. Treasury obligations transferred from its 1974 Debt Service Reserve Fund, into a separate irrevocable trust fund pursuant to an Escrow Deposit Agreement dated May 15, 1985. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the following outstanding debt had been defeased by the 1985 refunding and therefore removed as a liability from the Authority's balance sheet:

- \$100,000, 5.625%, 1969 First Series Revenue Bonds, maturing January 15, 2009.
- \$100,000, 6.50%, Series 1972 Revenue Bonds, maturing January 15, 2011.
- \$77,400, 6.00%, Series 1972 Refunding Revenue Bonds, maturing January 15, 2010.

To accomplish the 1989 refunding program, the Authority on March 7, 1989 deposited proceeds from the sale of Refunding Revenue Bonds, Series 1989, together with cash transferred from its 1985 Bond Reserve Fund, to two separate escrow accounts, which immediately thereafter were invested by the Trustee in U.S. Treasury obligations. Each of the 1989 Escrow Accounts shall be held by the Trustee as trust funds and are deemed irrevocably set aside as such for the safe and exclusive benefit of the holders of the 1985 Bonds to the extent and in the manner set forth in the Second Supplemental Resolution dated February 27, 1989.

The maturing principal and interest on the U.S. Treasury and other Federal agency obligations and other available moneys are sufficient to fully service the defeased debt until the debt is called. For financial reporting purposes, the following outstanding portions of the 1985 Revenue Bonds have been defeased by the 1989 refunding and therefore removed as a liability from the Authority's balance sheet: \$124,165; 9.375%, Series 1985 Term Bonds due January 1, 2011; \$10,865; 9.375%, Series 1985 Term Bonds due January 1, 2002.

8. GOVERNMENT CONTRIBUTIONS FOR CAPITAL IMPROVEMENTS AND ADDITIONS

The Authority receives contributions in aid for financing capital improvements and additions to the rapid transit system from the Federal Transit Administration. Capital improvement grant funds of \$4,289 and \$3,126 were received in 1993 and 1992, respectively. Charges representing depreciation on assets relating to these contributions were \$1,582 in 1993 and \$1,557 in 1992.

	<u>1993</u>	<u>1992</u>
Assets acquired with Federal Transit Administration contributions	\$59,701	\$55,412
Accumulated depreciation on assets acquired with contributions	<u>(10,047)</u>	<u>(8,465)</u>
Net contributed capital	<u>\$49,654</u>	<u>\$46,947</u>

9. CONTINGENCIES

The Authority excluding PATCO, is self-insured for the initial \$5,000 and \$350, per occurrence, of public liability and workers' compensation insurance, respectively. PATCO is self-insured for the initial \$5,000, per occurrence, of public liability insurance and is totally self-insured for workers' compensation. The Authority is involved in various actions arising in the ordinary course of business and from workers' compensation claims. In the opinion of management, the ultimate outcome of these actions will not have a material adverse effect on the Authority's consolidated financial position and consolidated results of operations.

10. SUBSEQUENT EVENTS

In January 1994, the Board of Commissioners authorized the filing of articles of incorporation to establish, "The Ports of Philadelphia and Camden, Inc.", a nonprofit corporation, for the purpose of effecting the unification of the port facilities of the Delaware River.

11. COMMITMENTS

As of December 31, 1993, the Authority had contractual commitments as follow:

Benjamin Franklin Bridge:	
Roadway connections (a)	\$500
Engineering services:	
Inspection of roadway deck	9
Concrete rehabilitation	202
Electrical and mechanical services	100
Traffic investigation and design studies	800
Environmental studies	200
Contracts:	
Anchorage abutment rehabilitation	984
Removal of underground storage tanks	78
Asbestos testing	18
Air quality study	15
Geotechnical investigation for Camden office site	10
Telephone system - maintenance and service	25
Maintenance agreement for communications network	69
Computer software and services - new system and maintenance	1,596
Public communications program	300
Legislative consulting	168
Other commitments (each less than \$25)	52
Walt Whitman Bridge:	
Engineering services:	
Bridge inspections and traffic study	140
Transformer retrofill	9
Contracts:	
Rehabilitation of buildings	198
Control gate	9
PMTA hiring center	61
Commodore Barry Bridge:	
Traffic control system	240
Engineering services:	
One Way tolls	67
Other commitments (each less than \$25)	11
Betsy Ross Bridge:	
Engineering services:	
Preliminary and final design for the connection of Torresdale and Aramingo Avenues to the Betsy Ross Bridge and I-95	2,076
Pier E2 pile cap	82
PATCO System:	
Engineering services:	
Fire and smoke controls	58
Other commitments (each less than \$25)	33
Fiber optic communication system	3,584
Erosion control study	21
Regional Port Projects:	
Transport Release Automated Cargo Status system	740
Marketing services - Intermodal transfer facility	7
Port enhancement projects	659
Other:	
Office building lease	231
Engineering services - new headquarters building	729
Total	<u>\$14,081</u>

(a) The Authority has agreed to contribute funds to the Commonwealth of Pennsylvania for roadway connections between the Benjamin Franklin Bridge, the Vine Street Expressway and I-95 in an amount not to exceed \$500.

In accordance with economic development powers and responsibilities granted to the Authority by its amended compact legislation, the Board of Commissioners authorized the Authority to participate in the funding of certain projects or activities of various organizations in support of regional economic development. The funding of these projects will be provided through operating subsidies, loans, loan guarantees, grants or other means. The Authority is working to formalize its participation with these organizations by written agreements, and may retain a legal or equitable interest in certain projects. At December 31, 1993, the Authority had \$60,110, in authorized but unexpended commitments related to economic development projects or activities.

During 1993 and 1992, the Authority contributed \$ 19,932 and \$ 4,677, respectively, to port and economic development projects. These contributions were charged against net assets.

To operate its intermodal transfer facility (Ameriport), the Authority leases from Consolidated Rail Corporation (Conrail) approximately 22.2 acres of Conrail's Greenwich Yard facility in Philadelphia. The lease, expiring January 31, 2021, has annual base rentals payable in the amount of \$80 through June 30, 1993, \$167 per year for the next two (2) years, and \$267 per year thereafter. The current annual base rent is subject to adjustment annually on the anniversary date (July 1) based on the increase in the Consumer Price Index. The annual base rent is \$167 effective July 1, 1993. In addition to the annual base rent, the Authority must pay, as "Additional Rent," its equitable share of all taxes, assessments, charges, fees and other legal impositions, as well as the cost and expenses of any labor or materials furnished by Conrail when and if requested by the Authority. Additional Rent amounted to \$11 during 1993. The Authority has the right to terminate this lease at any time upon the payment of three years base rent and Additional Rent. In February 1993, the Authority acquired certain assets of a competing intermodal transfer facility for a total consideration of \$3,250. The operations of the two facilities were combined and operate as AmeriPort.

In July 1990, the Americans With Disabilities Act (ADA) was enacted to ensure that persons with disabilities have access to public accommodations. Compliance with the significant provisions of the law will require the Authority to make accessible all existing key stations by July 1998, and one railcar per train by July 1995. Any newly constructed transit facilities were required to be accessible by January 1992 and any new railcars ordered after August 25, 1990 must also be accessible.

The Authority has pledged its commitment to complying with the applicable regulations of the ADA and, as such, has undertaken preliminary planning and implementation activities. The total ultimate cost of compliance cannot be fully determined at this time; however, capital costs to be incurred are expected to be significant. In connection with this, the Authority has applied to the Federal Transit Administration for \$13 million in grant funds to fund this project. The Authority is expected to fund any additional necessary capital requirements.

The Authority leases the computerized toll collection and audit system used at its four bridges. The lease agreement includes maintenance and extends through January 10, 2002, with an option for an additional three years. Rental and maintenance payments were fixed at \$1,644 for the first two years; during the remaining eight years of the initial term of the agreement starting January 11, 1994, the maintenance portion of the lease is subject to adjustment annually based on the increase in the Consumer Price Index, limited to 5% annually, and 43% cumulatively. The three-year option period provides for 5% annual increases for the maintenance fee. The lessor has not notified the Authority of any adjustment in maintenance fees.

Certain subway properties are leased from the City of Philadelphia for use by PATCO. The lease expires December 31, 1997 and provides for rental payments of one dollar per year plus 9.6% of net profits of the Transit System. For the years ended December 31, 1993 and 1992, no additional rent is payable since operations of the Transit System resulted in a loss when computed in accordance with terms of the lease agreement. In March 1994, the Board of Commissioners authorized the Authority to pay to the City of Philadelphia \$1,000 which would be considered an offset against any payments required under a lease between the Authority and the City of Philadelphia for property utilized by PATCO.

Under the terms of the Authority's agreements with the Pennsylvania and New Jersey Department of Transportation and the City of Philadelphia, the Authority leases for the annual rental of one dollar certain of the facilities constructed or acquired under the PATCO System first phase capital improvement program. Title to the facilities will vest in the several agencies participating in the project, but the Authority is required to provide the insurance and maintenance of the leased property (Note 4).

The Authority has entered into an agreement with the Pennsylvania Department of Transportation (PennDOT) relating to construction and other costs involving contemplated highway and roadway connections between I-95, Aramingo-Torresdale Avenues and the Betsy Ross Bridge, and the treatment of certain related funds held by the Authority and claimed by PennDOT. The funds claimed by PennDOT amount to approximately \$8,470. Under certain circumstances, the Authority may be required to pay to PennDOT the balance of these funds not committed to properly allocable costs of the project.

The significant minimum lease and maintenance fee commitments, excluding adjustments for CPI, are as follows:

1994	\$1,810
1995	1,860
1996	1,910
1997	1,910
1998	1,910

Rent expense for the years ended December 31, 1993 and 1992 amounted to \$2,351, and \$2,249, respectively.

SUPPLEMENTAL SCHEDULE OF BALANCE SHEET
INFORMATION-BY FUND AND COMBINED TOTALS
December 31, 1993 with 1992 Combined Totals (In Thousands)

ASSETS	Capital Fund	Revenue Fund	Restricted			Construction Fund	General Fund	1993 Combined Totals	1992 Combined Totals
			Bond Service Fund	Bond Reserve Fund	Bond Redemption Fund				
Cash		\$824				\$251	\$1,075	\$489	
Investment in securities		81,677				36,534	118,211	132,974	
Accrued interest receivable						1,331	1,331	1,371	
Accounts receivable		406				1,749	2,155	2,625	
Transit system inventory						2,768	2,768	2,670	
Prepaid expenses		689				892	1,581	1,170	
Total		83,596				43,525	127,121	141,299	
RESTRICTED ASSETS :									
Cash						\$19	19	58	
Investment in securities			\$10,968	\$17,194		22,205	50,367	49,009	
Accrued interest receivable				7		187	194	249	
Total restricted assets			10,968	17,201		22,411	50,580	49,316	
INVESTMENT IN FACILITIES	\$748,592					870	749,462	723,926	
Accumulated depreciation	(198,787)					(348)	(199,135)	(187,806)	
Investment in facilities - net	549,805					522	550,327	536,120	
DEBT ISSUANCE COSTS, NET OF AMORTIZATION	4,577						4,577	5,267	
FUNDED DEBT INTEREST COSTS					\$6,200		6,200	10,495	
TOTAL ASSETS	\$554,382	\$83,596	\$10,968	\$17,201	\$6,200	\$22,411	\$44,047	\$738,805	\$742,497

LIABILITIES AND NET ASSETS	Capital Fund	Revenue Fund	Restricted				Construction Fund	General Fund	1993 Combined Totals	1992 Combined Totals
			Bond Service Fund	Bond Reserve Fund	Bond Redemption Fund					
ACCOUNTS PAYABLE :										
Contracts						\$8,470		\$8,470	\$8,129	
Retained amounts on contracts							\$700	700	1,262	
Other		\$5,058				4	4,674	9,736	6,534	
Total accounts payable		5,058				8,474	5,374	18,906	15,925	
ACCRUED LIABILITIES :										
Pension		582					236	818	820	
Sick and vacation leave benefits		6,715					2,315	9,030	12,411	
Other		1,152						1,152	1,132	
Total accrued liabilities		8,449					2,551	11,000	14,363	
DEFERRED INCOME ON TRUCK TICKETS		4,081						4,081	3,508	
ACCRUED INTEREST (Payable from Restricted Assets)			\$24,624		\$2,304			26,928	22,553	
FUNDED DEBT	\$239,404							239,404	244,352	
PROVISIONS										
Repainting		13,806						13,806	12,849	
Other		3,484					900	4,384	2,636	
Total provisions		17,290					900	18,190	15,485	
Total liabilities	239,404	34,878	24,624		2,304	8,474	8,825	318,509	316,186	
NET ASSETS (DEFICIENCY) :										
From contributed capital	49,654							49,654	46,947	
From operations:										
Invested in capital facilities	265,324							265,324	235,381	
Reserved for:										
Revenue bonds				\$17,201				17,201	17,198	
Revenue bond service			(13,656)					(13,656)	(9,427)	
Revenue bond interest					3,896			3,896	7,980	
Construction						13,937		13,937	13,313	
Working capital and maintenance		25,675						25,675	23,920	
Unreserved		23,043					35,222	58,265	90,999	
Total net assets (deficiency) from operations	265,324	48,718	(13,656)	17,201	3,896	13,937	35,222	370,642	379,364	
Total net assets (deficiency)	314,978	48,718	(13,656)	17,201	3,896	13,937	35,222	420,296	426,311	
TOTAL LIABILITIES AND NET ASSETS	\$554,382	\$83,596	\$10,968	\$17,201	\$6,200	\$22,411	\$44,047	\$738,805	\$742,497	

SUPPLEMENTAL SCHEDULE OF CHANGES IN
NET ASSETS-BY FUND AND COMBINED TOTALS
Year ended December 31, 1993 with 1992 Combined Totals (In Thousands)

	Capital Fund	Revenue Fund	Restricted			General Fund	1993 Combined Totals	1992 Combined Totals	
			Bond Service Fund	Bond Reserve Fund	Bond Redemption Fund				Construction Fund
NET ASSETS AT BEGINNING OF YEAR	<u>\$282,328</u>	<u>\$65,379</u>	<u>\$(9,427)</u>	<u>\$17,198</u>	<u>\$7,980</u>	<u>\$13,313</u>	<u>\$49,540</u>	<u>\$426,311</u>	<u>\$421,925</u>
Revenues and expenses:									
Operating revenues		102,634				15,414	118,048	106,589	
Operating expenses	(11,591)	(38,560)				(28,004)	(78,155)	(73,020)	
General administration expenses		(12,790)					(12,790)	(11,410)	
Interest income		3,005	168	1,320	524	2,715	7,732	8,850	
Interest on funded debt	(1,032)		(15,054)		(4,608)		(20,694)	(20,800)	
Other income (expenses)	(797)	46	3			624	(4,513)	(4,260)	
Total	<u>(13,420)</u>	<u>54,335</u>	<u>(14,883)</u>	<u>1,320</u>	<u>(4,084)</u>	<u>624</u>	<u>(14,264)</u>	<u>9,628</u>	<u>5,900</u>
Government contributions for capital improvements and additions						4,289	4,289	3,126	
DRPA contributions for economic development and port related projects						(19,932)	(19,932)	(4,677)	
Interfund transfers and payments :									
Bond service		(15,944)	15,944						
Funds in excess of Bond Reserve requirement		1,317		(1,317)					
Funds free and clear of any lien or pledge		(56,369)				56,369			
Retirement of bonds - Revenue Bonds Series 1985	5,290		(5,290)						
Capital additions	40,780					(40,780)			
Total	<u>46,070</u>	<u>(70,996)</u>	<u>10,654</u>	<u>(1,317)</u>		<u>15,589</u>			
NET ASSETS (DEFICIENCY) AT END OF YEAR	<u>\$314,978</u>	<u>\$48,718</u>	<u>\$(13,656)</u>	<u>\$17,201</u>	<u>\$3,896</u>	<u>\$13,937</u>	<u>\$35,222</u>	<u>\$420,296</u>	<u>\$426,311</u>

STATISTICAL
SECTION



DELAWARE RIVER PORT AUTHORITY

GENERAL EXPENSES BY FUNCTION⁽¹⁾

Last Ten Fiscal Years (In Thousands)

	1993	1992	1991	1990	1989	1988	1987	1986	1985
Bridge operations :									
Salaries (including employee benefits)	\$30,589	\$30,162	\$30,702	\$27,906	\$25,615	\$24,047	\$22,573	\$20,711	\$19,791
Equipment and supplies	2,562	1,062	971	1,293	1,226	936	1,112	1,445	1,520
Maintenance and repairs	2,766	2,455	350	311	3,562	3,584	3,333	2,809	2,822
Utilities	1,215	1,395	1,396	1,264	1,331	1,241	1,250	1,103	1,184
Insurance	1,166	1,252	1,242	1,164	1,171	1,245	1,073	1,771	990
Other	262	103	120	112	158	124	119	70	65
Total bridge operations expenses	38,560	36,429	34,781	32,050	33,063	31,177	29,460	27,909	26,372
PATCO transit system:									
Maintenance of way and power	6,003	5,178	5,104	4,234	3,903	3,672	3,294	3,210	3,180
Maintenance of equipment	5,002	4,479	4,158	3,521	3,497	3,511	3,512	3,449	3,529
Purchased power	3,759	3,664	3,594	3,389	3,229	2,939	2,829	2,959	2,876
Transportation	8,435	7,610	7,446	6,764	6,374	5,937	5,329	4,916	4,929
Superintendent and general office	3,292	3,076	2,910	2,689	2,455	2,403	2,160	2,251	1,075
General insurance and liability claims	1,420	1,123	824	1,157	869	1,346	2,191	1,252	2,079
Total PATCO transit system expenses	27,911	25,130	24,036	21,754	20,327	19,808	19,315	18,037	17,668
General administration expenses	12,790	11,411	10,468	9,959	8,710	8,029	6,877	7,297	6,141
World Trade development expenses	3,349	3,580	3,705	3,691	3,198	2,886	2,946	2,692	2,454
AmeriPort	2,242	365	-	-	-	-	-	-	-
Interest expense	20,694	20,804	20,890	20,956	20,884	20,607	20,630	20,630	19,551
Total expenses	\$105,546	\$97,719	\$93,880	\$88,410	\$86,182	\$82,507	\$79,228	\$76,565	\$72,186

(1) Includes Revenue, General, Bond Service, Bond Redemption and Capital Funds.

DELAWARE RIVER PORT AUTHORITY

REVENUES BY SOURCE⁽¹⁾

Last Ten Fiscal Years (In Thousands)

	1993	1992	1991	1990	1989	1988	1987	1986	1985
Bridge operating revenues ⁽²⁾	\$102,669	\$91,304	\$86,249	\$86,613	\$84,882	\$82,992	\$80,032	\$70,293	\$60,706
PATCO transit system operating revenues ⁽³⁾	15,379	15,285	15,580	15,616	15,086	15,363	14,805	14,233	13,891
AmeriPort	1,200	-	-	-	-	-	-	-	-
Interest income	7,732	8,854	11,490	12,036	10,859	7,371	6,224	8,237	10,026
Total revenues	\$126,980	\$115,443	\$113,319	\$114,265	\$110,827	\$105,726	\$101,061	\$92,763	\$84,623

(1) Includes Revenue, General, Bond Service, Bond Redemption and Bond Reserve Funds.

(2) Detailed in schedule of, "Bridge Operating Revenues"

(3) Detailed in schedule of, "PATCO Operating Revenues"

DELAWARE RIVER PORT AUTHORITY

FEDERAL CONTRIBUTIONS FOR CAPITAL PROJECTS⁽¹⁾

Last Ten Fiscal Years (In Thousands)

	1993	1992	1991	1990	1989	1988	1987	1986	1985
Annual contributions received	\$4,289	\$3,126	\$2,840	\$8,047	\$8,290	\$9,133	\$4,104	\$1,579	\$5,230
Cumulative contributions received	\$59,701	\$55,412	\$52,286	\$49,446	\$41,399	\$33,109	\$23,976	\$19,872	\$18,293

(1) Funds received from the Federal Transit Administration for financing capital improvements and additions to the PATCO Transit system. Includes Capital fund.

DELAWARE RIVER PORT AUTHORITY

DEBT SERVICE COVERAGE⁽¹⁾

Last Ten Fiscal Years (In Thousands, except Debt Service Coverage)

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Revenues available for Debt Service:										
Operating revenues (DRPA)	\$102,669	\$91,304	\$86,249	\$86,613	\$84,882	\$82,992	\$80,032	\$70,293	\$60,706	\$59,330
Interest income	7,732	8,854	11,490	12,036	10,859	7,371	6,224	8,237	10,026	9,437
Reserved funds for debt service	4,608	5,031	5,410	3,604	3,604	—	—	—	—	—
	<u>115,009</u>	<u>105,189</u>	<u>103,149</u>	<u>102,253</u>	<u>99,345</u>	<u>90,363</u>	<u>86,256</u>	<u>78,530</u>	<u>70,732</u>	<u>68,767</u>
Less expenses:										
Operating expenses (DRPA)	38,560	36,429	34,781	32,050	33,063	31,177	29,460	27,909	26,372	25,494
General administration expenses	12,790	11,411	10,468	9,959	8,710	8,029	6,877	7,297	6,141	5,856
	<u>51,350</u>	<u>47,840</u>	<u>45,249</u>	<u>42,009</u>	<u>41,773</u>	<u>39,206</u>	<u>36,337</u>	<u>35,206</u>	<u>32,513</u>	<u>31,350</u>
Net revenues available for Debt Service	<u>\$63,659</u>	<u>\$57,349</u>	<u>\$57,900</u>	<u>\$60,244</u>	<u>\$57,572</u>	<u>\$51,157</u>	<u>\$49,919</u>	<u>\$43,324</u>	<u>\$38,219</u>	<u>\$37,417</u>
Debt Service:										
Interest	\$15,077	\$15,499	\$15,878	\$16,216	\$15,722	\$20,163	\$20,186	\$20,186	\$18,194	\$17,975
Principal	5,735	5,290	4,885	4,500	3,815	3,720	365	—	6,740	6,675
Total Debt Service	<u>\$20,812</u>	<u>\$20,789</u>	<u>\$20,763</u>	<u>\$20,716</u>	<u>\$19,537</u>	<u>\$23,883</u>	<u>\$20,551</u>	<u>\$20,186</u>	<u>\$24,934</u>	<u>\$24,650</u>
Debt Service coverage (Times):	<u>3.06</u>	<u>2.76</u>	<u>2.79</u>	<u>2.91</u>	<u>2.95</u>	<u>2.14</u>	<u>2.43</u>	<u>2.15</u>	<u>1.53</u>	<u>1.52</u>

(1) As per the Authority's General Bond Resolution. Includes Revenue, General, Bond Service and Bond Redemption Funds.

DELAWARE RIVER PORT AUTHORITY

FUNDED DEBT⁽¹⁾

Last Ten Fiscal Years (In Thousands)

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Outstanding debt	\$239,404	\$244,352	\$248,896	\$253,054	\$256,527	\$220,844	\$221,149	\$221,090	\$221,031	\$295,574

(1) Includes Capital Fund.

DELAWARE RIVER PORT AUTHORITY

INVESTMENT IN FACILITIES⁽¹⁾

Last Ten Fiscal Years (In Thousands)

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Bridges	\$545,295	\$539,533	\$528,635	\$519,619	\$516,823	\$515,734	\$507,732	\$492,014	\$446,402	\$427,448
Transit system	183,155	177,165	173,055	169,111	158,944	147,771	134,805	129,633	127,623	121,285
Port projects	21,012	7,228	6,293	2,738	1,900	—	—	—	—	—
Total investment in facilities	<u>749,462</u>	<u>723,926</u>	<u>707,983</u>	<u>691,468</u>	<u>677,667</u>	<u>663,505</u>	<u>642,537</u>	<u>621,647</u>	<u>574,025</u>	<u>548,733</u>
Accumulated depreciation	<u>199,135</u>	<u>187,806</u>	<u>176,449</u>	<u>165,540</u>	<u>155,108</u>	<u>145,093</u>	<u>135,405</u>	<u>128,419</u>	<u>120,311</u>	<u>113,781</u>
Net investment in facilities	<u>\$550,327</u>	<u>\$536,120</u>	<u>\$531,534</u>	<u>\$525,928</u>	<u>\$522,559</u>	<u>\$518,412</u>	<u>\$507,132</u>	<u>\$493,228</u>	<u>\$453,714</u>	<u>\$434,952</u>

(1) Includes General and Capital Funds.

DELAWARE RIVER PORT AUTHORITY

PROVISIONS ⁽¹⁾Last Ten Fiscal Years (In Thousands) ⁽²⁾

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Provisions:										
Repainting	\$13,806	\$12,849	\$10,906	\$18,443	\$19,227	\$19,379	\$16,880	\$15,997	\$13,276	\$10,828
Other	4,384	2,636	2,823	3,705	4,044	4,261	3,965	2,528	2,300	1,904
Total provisions	\$18,190	\$15,485	\$13,729	\$22,148	\$23,271	\$23,640	\$20,845	\$18,525	\$15,576	\$12,732

(1) Includes Revenue and General Funds.

(2) Provisions as per the Authority's Consolidated Balance Sheet, at December 31.

DELAWARE RIVER PORT AUTHORITY

BRIDGE OPERATING REVENUES ⁽¹⁾

Last Ten Fiscal Years (In Thousands)

	1993	1992 ⁽²⁾	1991	1990	1989	1988	1987	1986 ⁽³⁾	1985	1984
Toll revenues by vehicle classification:										
Passenger automobiles & light trucks	\$59,554	\$52,513	\$50,470	\$50,398	\$49,645	\$48,255	\$46,638	\$40,782	\$35,779	\$34,772
Commuter vehicles	16,300	16,298	15,487	15,483	14,916	14,441	14,168	12,684	11,114	10,851
Trucks	23,928	19,932	17,877	18,541	18,248	18,248	17,325	14,599	12,108	12,250
Buses	1,386	1,181	1,149	1,223	1,422	1,533	1,347	1,190	1,082	1,051
Senior citizens	1,667	1,327	1,244	1,203	1,058	987	924	808	669	620
Other ⁽⁴⁾	432	372	334	259	244	248	255	237	221	203
Scrip discounts and other deductions	(857)	(551)	(533)	(646)	(695)	(745)	(675)	(56)	(388)	(444)
Total toll revenues	102,410	91,072	86,028	86,461	84,838	82,967	79,982	70,244	60,585	59,303
Other bridge operating revenues	259	232	221	152	44	25	50	49	121	27
Total bridge operating revenues	\$102,669	\$91,304	\$86,249	\$86,613	\$84,882	\$82,992	\$80,032	\$70,293	\$60,706	\$59,330

(1) Includes Revenue Fund.

(2) Change in toll schedule on October 1, 1992.

(3) Change in toll schedule on July 1, 1986.

(4) Other includes motorcycles, trailers and special permits.

DELAWARE RIVER PORT AUTHORITY

PATCO OPERATING REVENUES ⁽¹⁾

Last Ten Fiscal Years (In Thousands)

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Passenger fare by trip classification:										
Single-trip tickets	\$2,856	\$2,825	\$2,930	\$2,993	\$2,869	\$2,943	\$3,029	\$3,007	\$2,984	\$3,028
Two-trip tickets	7,446	7,412	7,632	7,595	7,384	7,567	7,419	6,959	6,722	6,489
Ten-trip tickets	4,507	4,508	4,508	4,553	4,418	4,306	3,806	3,785	3,711	3,785
Reduced fare program - ten-trip	64	69	66	71	68	68	68	68	64	64
Unallocated ticket revenues	80	44	20	8	3	7	11	11	15	15
Total passenger fares	14,953	14,858	15,156	15,220	14,742	14,891	14,333	13,830	13,496	13,381
Less transfer costs	(36)	(37)	(37)	(23)	(34)	(41)	(43)	(48)	(61)	(73)
Net passenger fares	14,917	14,821	15,119	15,197	14,708	14,850	14,290	13,782	13,435	13,308
Other	462	464	461	419	378	513	515	451	456	457
Total PATCO operating revenues	\$15,379	\$15,285	\$15,580	\$15,616	\$15,086	\$15,363	\$14,805	\$14,233	\$13,891	\$13,765

(1) Includes General Fund.

DELAWARE RIVER PORT AUTHORITY

PATCO RIDERSHIP

Last Ten Fiscal Years (In Thousands)

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Passengers	11,232	11,151	11,373	11,405	11,025	11,102	10,822	10,367	10,231	10,212

DELAWARE RIVER PORT AUTHORITY

BRIDGE TRAFFIC BY VEHICLE CLASSIFICATION ⁽¹⁾

Last Ten Fiscal Years (In Thousands of Vehicles)

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Vehicle classification:										
Passenger automobiles & light trucks	29,777	28,423	28,039	27,998	27,581	26,808	25,910	24,616	23,853	23,182
Commuter vehicles	12,267	14,032	13,669	13,737	13,089	12,619	12,364	12,063	11,559	11,326
Trucks	2,283	2,233	2,132	2,207	2,172	2,141	2,036	1,875	1,729	1,755
Buses	347	345	354	376	428	459	420	412	413	402
Senior citizens	1,842	1,896	1,777	1,718	1,513	1,411	1,322	1,236	1,115	1,032
Other ⁽²⁾	194	132	157	143	136	142	151	148	161	153
Total traffic	46,710	47,061	46,128	46,179	44,919	43,580	42,203	40,350	38,830	37,850

(1) On October 1, 1992 the Authority implemented the collection of One-Way Tolls on all bridges in the west-bound direction. Traffic reported before October 1, 1992 has been halved for the purposes of showing comparative one-way traffic data.

(2) Other includes motorcycles, trailers and special permits.

DELAWARE RIVER PORT AUTHORITY

BRIDGE TOLL REVENUE BY BRIDGE ⁽¹⁾

Last Ten Fiscal Years (In Thousands)

	1993	1992 ⁽²⁾	1991	1990	1989	1988	1987	1986 ⁽³⁾	1985	1984
Walt Whitman Bridge	\$43,226	\$38,410	\$37,718	\$41,705	\$40,823	\$41,507	\$41,300	\$34,812	\$28,547	\$29,899
Ben Franklin Bridge	32,138	28,424	26,877	23,547	23,763	23,486	22,593	21,112	20,196	18,419
Betsy Ross Bridge	14,465	13,401	12,301	11,757	10,809	8,523	7,357	6,456	4,834	4,773
Commodore Barry Bridge	12,581	10,837	9,132	9,452	9,443	9,451	8,732	7,864	7,008	6,212
Total	\$102,410	\$91,072	\$86,028	\$86,461	\$84,838	\$82,967	\$79,982	\$70,244	\$60,585	\$59,303

(1) Includes Revenue Fund.

(2) Change in toll schedule on October 1, 1992.

(3) Change in toll schedule on July 1, 1986.

DELAWARE RIVER PORT AUTHORITY

BRIDGE TRAFFIC BY BRIDGE ⁽¹⁾

Last Ten Fiscal Years (In Thousands of Vehicles)

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Walt Whitman Bridge	19,237	19,196	19,211	21,028	20,307	20,499	20,526	18,860	17,236	17,944
Ben Franklin Bridge	16,264	16,156	15,907	14,402	14,526	14,333	13,857	14,080	14,804	13,565
Betsy Ross Bridge	6,256	6,847	6,638	6,272	5,668	4,411	3,813	3,580	2,980	2,936
Commodore Barry Bridge	4,953	4,862	4,372	4,477	4,418	4,337	4,007	3,830	3,810	3,405
Total traffic	46,710	47,061	46,128	46,179	44,919	43,580	42,203	40,350	38,830	37,850

(1) On October 1, 1992 the Authority implemented the collection of One-Way Tolls on all bridges in the west-bound direction. Traffic reported before October 1, 1992 has been halved for the purposes of showing comparative one-way traffic data.

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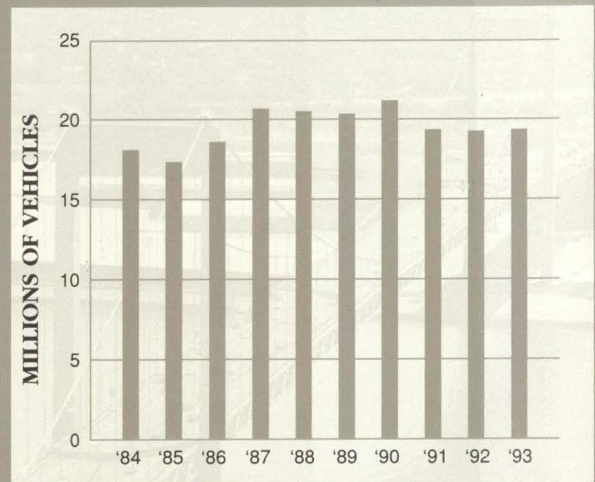
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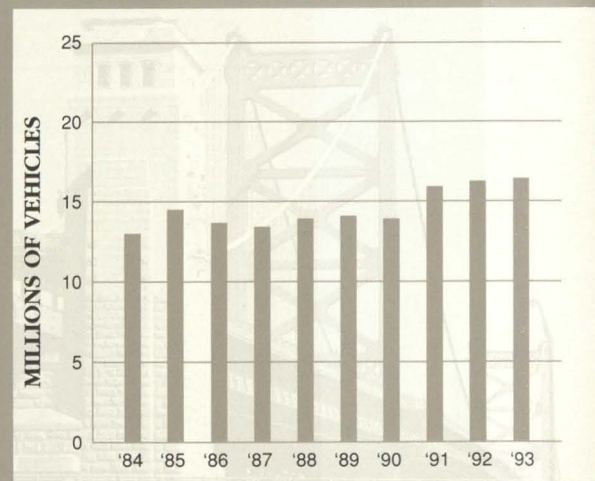
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DRPA TRAFFIC⁽¹⁾

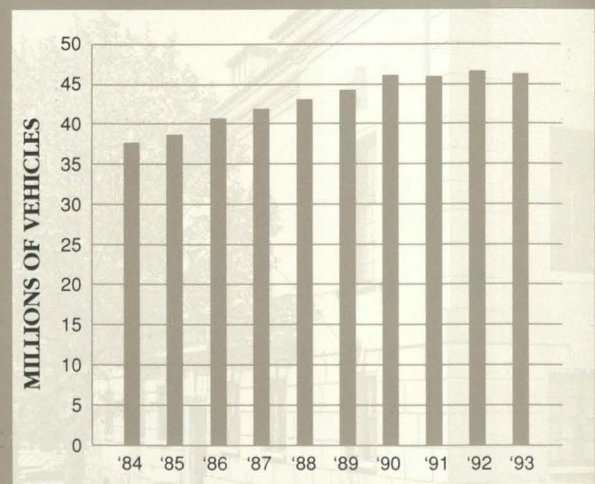
WALT WHITMAN BRIDGE



BEN FRANKLIN BRIDGE



DRPA COMBINED BRIDGES



(1) On October 1, 1992 the DRPA implemented the collection of One-Way Tolls on all bridges in the west-bound direction. Traffic reported before October 1, 1992 has been halved for the purpose of showing comparative one-way traffic.

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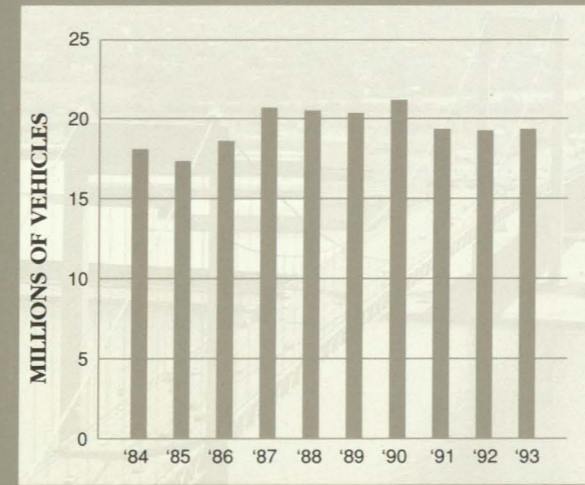
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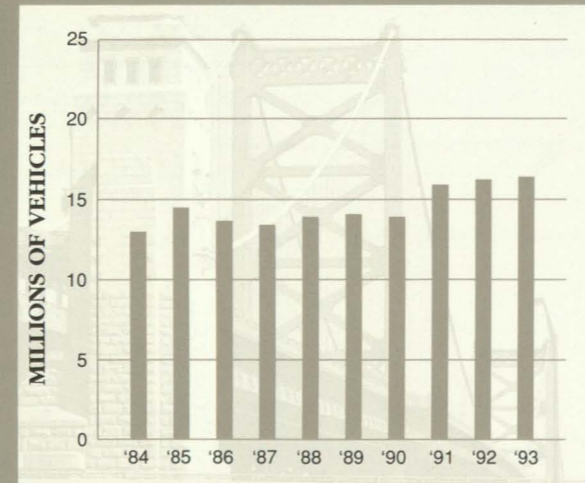
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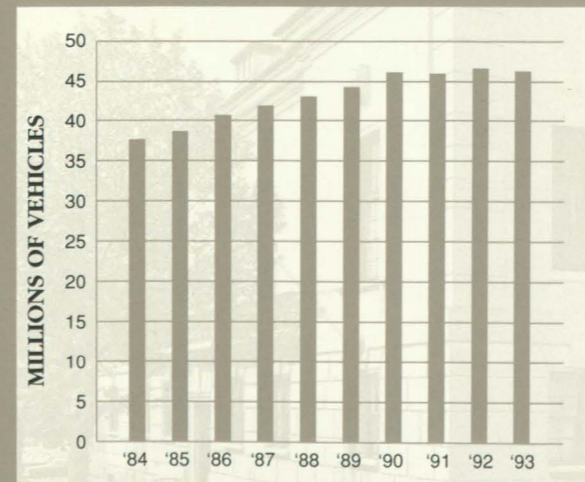
WALT WHITMAN BRIDGE



BEN FRANKLIN BRIDGE



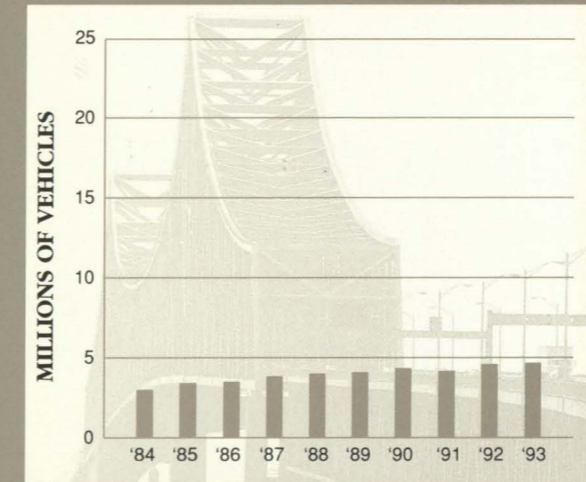
DRPA COMBINED BRIDGES



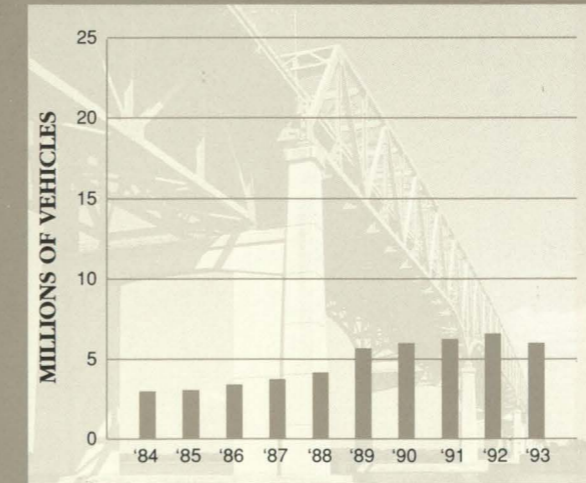
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DRPA TOLL REVENUES⁽²⁾

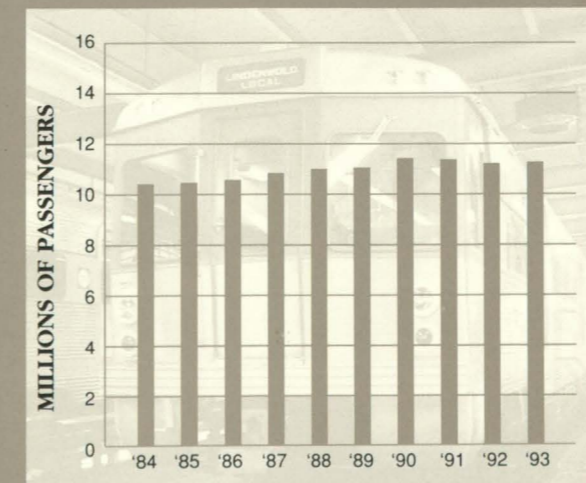
COMMODORE BARRY BRIDGE



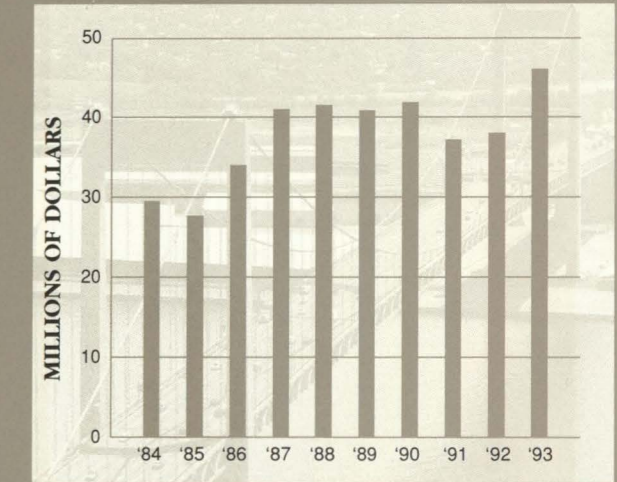
BETSY ROSS BRIDGE



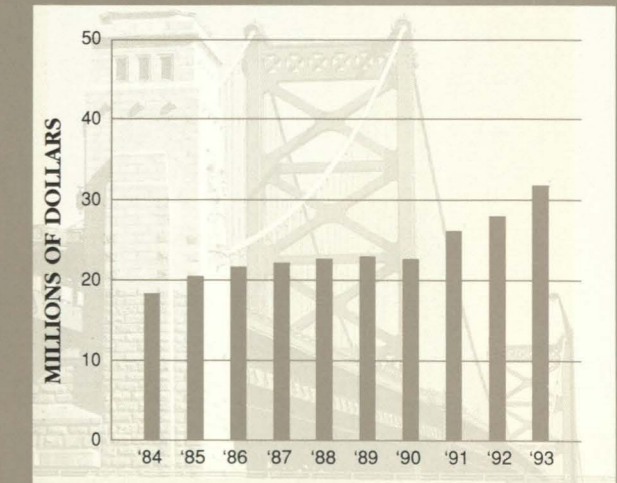
PATCO RIDERSHIP



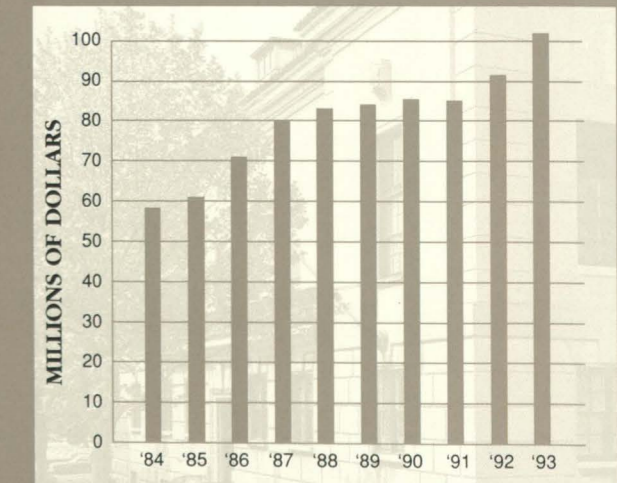
WALT WHITMAN BRIDGE



BEN FRANKLIN BRIDGE



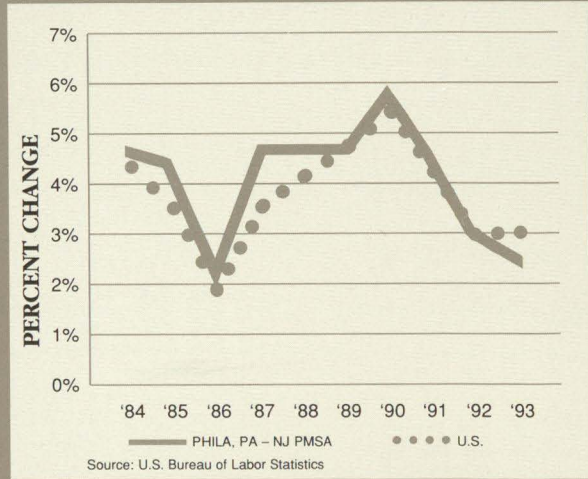
DRPA COMBINED BRIDGES



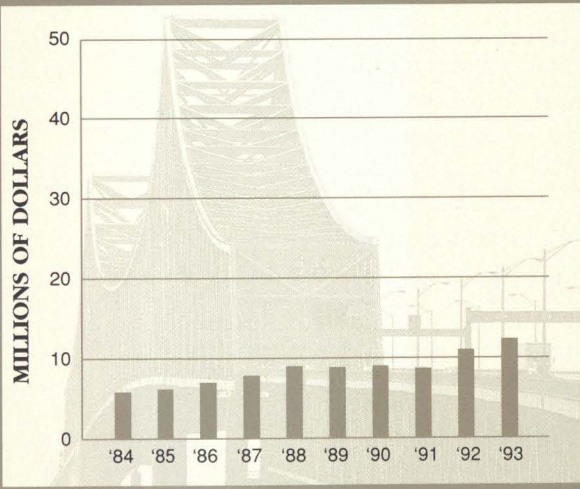
(2) The Authority changed the toll schedule on July 1, 1986 and on October 1, 1992.

DEMOGRAPHICS

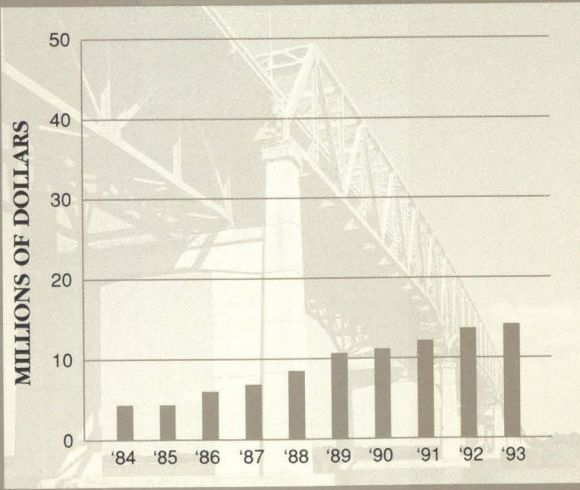
PERCENT CHANGE IN CONSUMER PRICE INDEX PHILADELPHIA, PA – NEW JERSEY PMSA AND U.S.



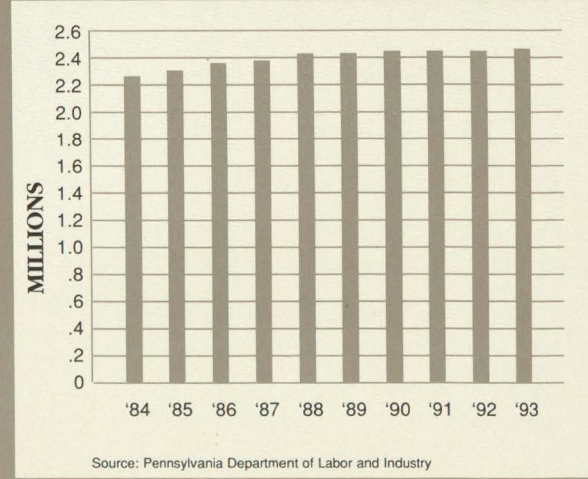
COMMODORE BARRY BRIDGE



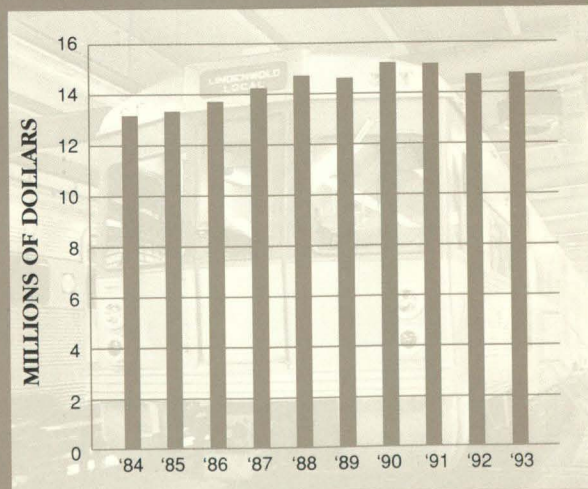
BETSY ROSS BRIDGE



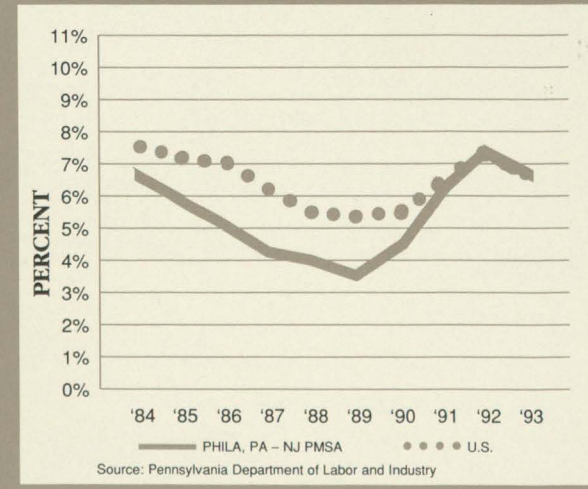
CIVILIAN LABOR FORCE PHILADELPHIA, PA – NEW JERSEY PMSA



PATCO PASSENGER FARES



UNEMPLOYMENT RATE PHILADELPHIA, PA – NEW JERSEY PMSA AND U.S.



Note: The Philadelphia, PA – New Jersey PMSA consists of the counties of Bucks, Chester, Delaware, Montgomery and Philadelphia in Pennsylvania and the counties of Burlington, Camden and Gloucester in New Jersey.



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