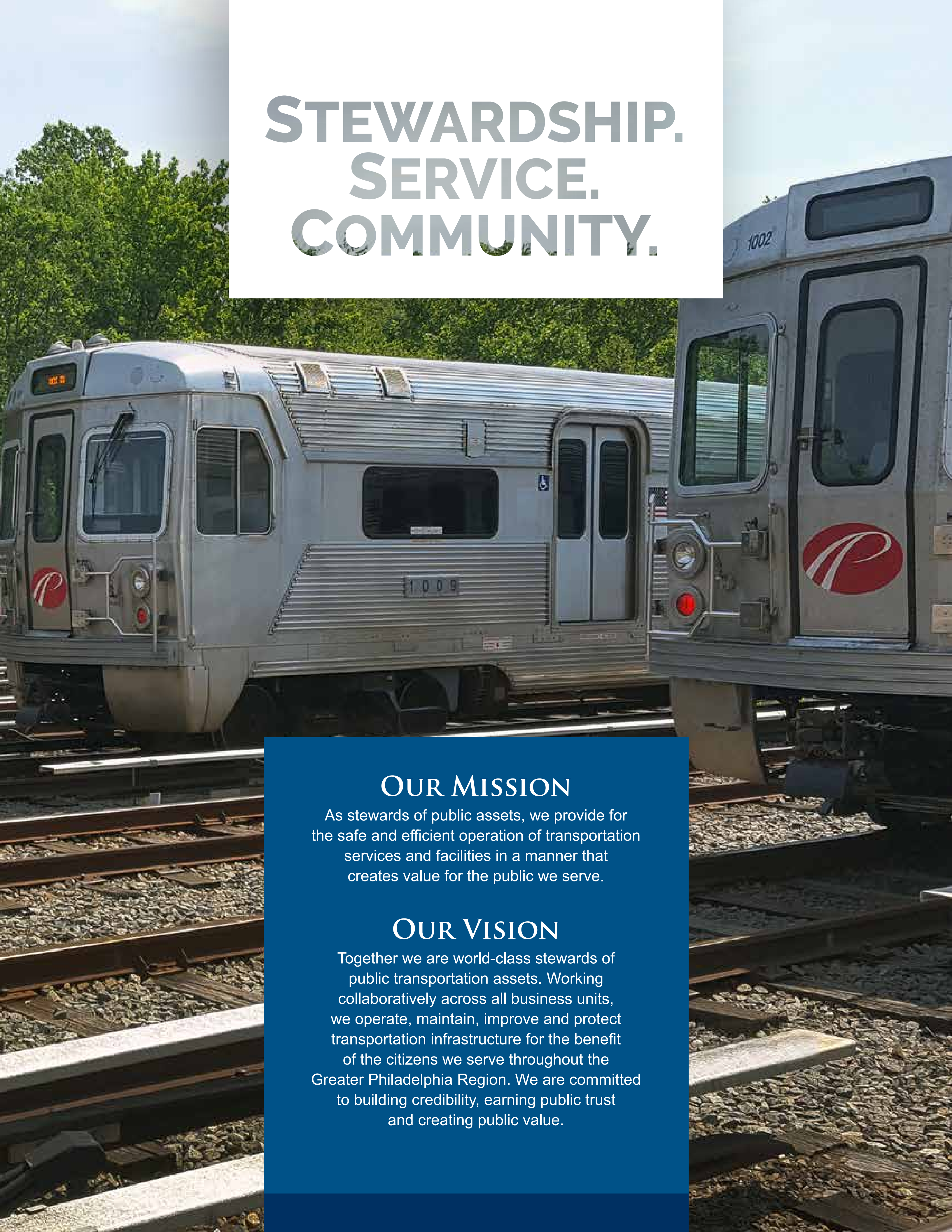
2017

Comprehensive Annual Financial Report
For Years Ended December 31, 2017 and 2016

Delaware River Port Authority
of Pennsylvania & New Jersey

STEWARDSHIP. SERVICE. COMMUNITY.



OUR MISSION

As stewards of public assets, we provide for the safe and efficient operation of transportation services and facilities in a manner that creates value for the public we serve.

OUR VISION

Together we are world-class stewards of public transportation assets. Working collaboratively across all business units, we operate, maintain, improve and protect transportation infrastructure for the benefit of the citizens we serve throughout the Greater Philadelphia Region. We are committed to building credibility, earning public trust and creating public value.

DELAWARE RIVER PORT AUTHORITY
OF PENNSYLVANIA & NEW JERSEY

Comprehensive Annual Financial Report
For Years Ended December 31, 2017 and 2016

Table of Contents

FINANCIAL SECTION (CONT'D)

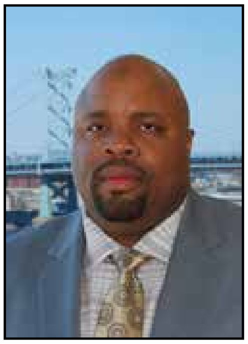
STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (UNAUDITED) (CONT'D)

Demographic and Economic Data

Operating Information

Chairman's Letter



Ryan N. Boyer
Chairman, DRPA

To Our Customers and Bondholders:

I have had the privilege to serve as Chairman of the Board of Commissioners of the Delaware River Port Authority (DRPA) since my February 2015 appointment by Pennsylvania Governor Tom Wolf. In this role, I am committed to leading the Authority in a way that serves the best interest of the entire region, with a constant emphasis on transparency, financial accountability, operational excellence, and creating public value. I am pleased to serve with a Vice Chair and fellow Commissioners who share that focus.

Through our commitment to stewardship, service and community, we strive to deliver safe and efficient transportation services to the greater Philadelphia and South Jersey region. We continue to implement programs and strategies to make the DRPA more open, inclusive and transparent while improving operations and customer service.

During the 2017 calendar year, we achieved many notable accomplishments, including:

- DRPA and Port Authority Transit Corporation (PATCO) operating expenses for 2017 have, for the 16th consecutive year, come in under the combined budget.
- The Benjamin Franklin, Betsy Ross, Commodore Barry and Walt Whitman bridges carried more than 105.8 million vehicles and PATCO's passenger volume is at its highest since 1999.
- In response to our continued financial discipline, Moody's Investors Service upgraded all of the Authority's Revenue and Port District Project Bonds.
- Both the DRPA and PATCO had historically high revenues in 2017.
- The DRPA received the Honor Award from the American Council of Engineering Companies for the Benjamin Franklin Bridge/PATCO Track Rehabilitation Project.
- The Authority reinforced our commitment to diversity and inclusion for equal opportunity in employment, contracts and procurement.

Moving forward, the Board's priorities are to continue to deliver exceptional financial results, maintain the DRPA's transportation assets in a state of good repair, enhance bridge and transit operations and deliver superior customer service; while seeking out additional resources for improvements.

Working in collaboration with Vice Chairman Jeffrey Nash and our Board colleagues, along with our Executive Leadership team under the direction of Chief Executive Officer John T. Hanson and the dedicated DRPA and PATCO employees, we are determined to continuously improve our organizational performance to beneficially impact the region.

Sincerely,

Ryan N. Boyer
Chairman

Board of Commissioners

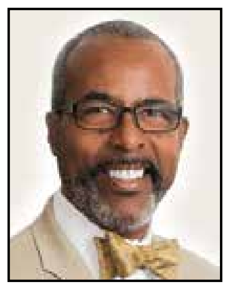
as of June 30, 2018

PENNSYLVANIA

Honorable
Tom Wolf
Governor
Commonwealth
of Pennsylvania

Ryan N.
BOYER
Chairman
Business Manager
Laborers' District
Council for
Philadelphia & Vicinity

Hon. Eugene A.
DEPASQUALE
Auditor General
Commonwealth
of Pennsylvania



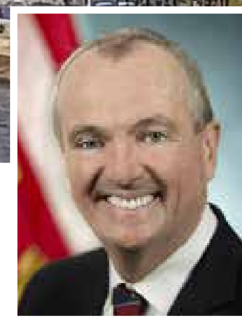
Christopher A.
LEWIS
Attorney
Blank Rome

Joseph S.
MARTZ
Board Chairman & CEO
NHS Human Services

Gary
MASINO
President and
Business Manager
Sheet Metal Workers
Local 19

Donna
POWELL
Donna Powell, LLC
Fiduciary Services

Hon. Joseph M.
TORSELLA
State Treasurer
Commonwealth
of Pennsylvania

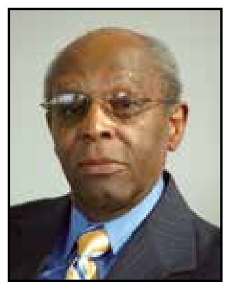


Honorable
Phil Murphy
Governor
State of New Jersey

Jeffrey L.
NASH
Vice Chairman
Freeholder
Camden County Board
of Chosen Freeholders

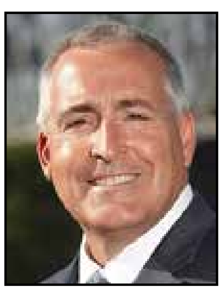
Daniel
CHRISTY
Freeholder
Gloucester County
Senior Council Representative
for Northeast Regional
Council of Carpenters

E. Frank
DIANTONIO
Retired President
Construction &
General Laborers
Union Local 172



Charles
FENTRESS
Retired Police Sergeant
Delaware River
Port Authority

Albert F.
FRATTALI
Co-Administrator
Iron Workers District
Council Philadelphia
Benefit & Pension Fund

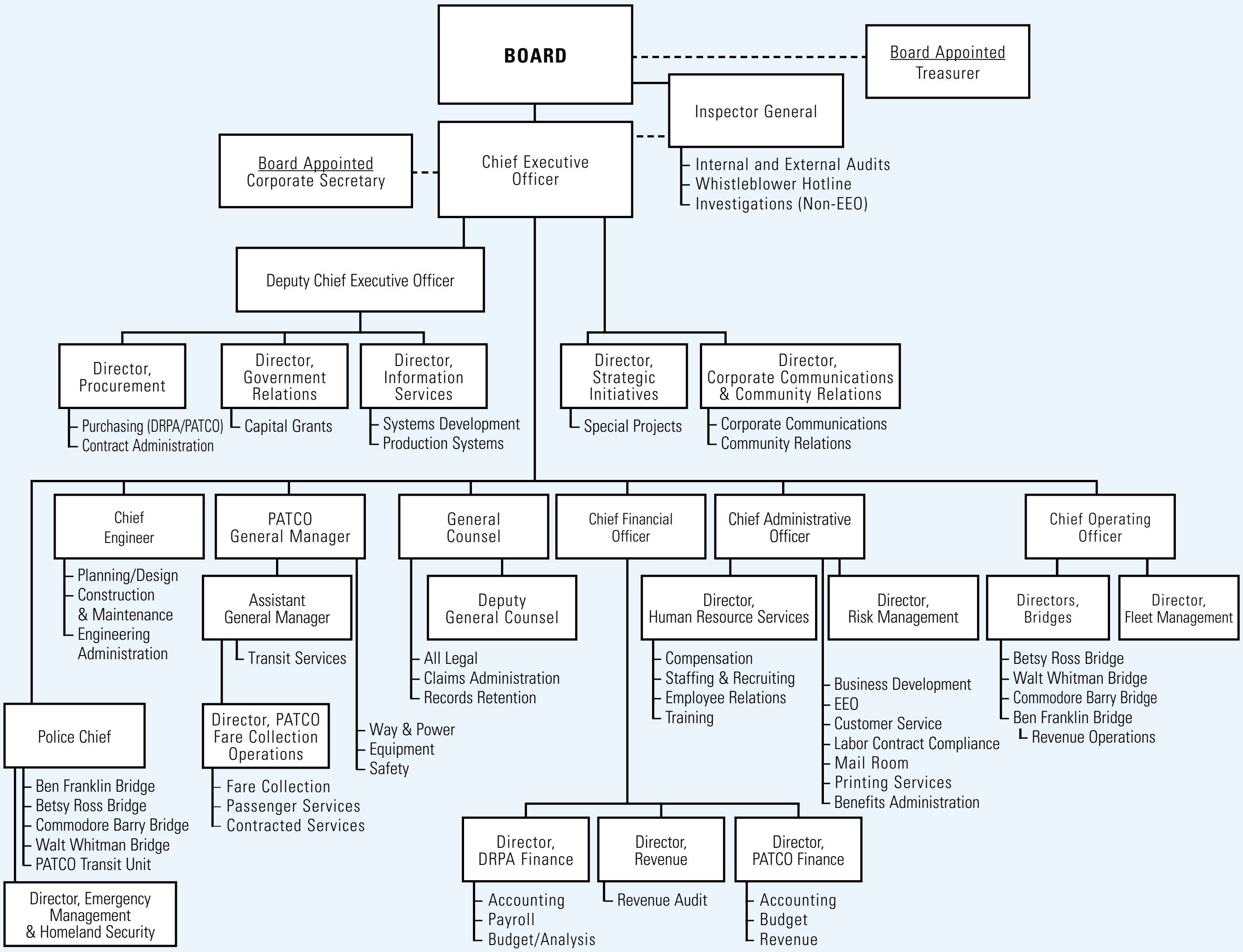


Bruce D.
GARGANIO
Freeholder
Burlington County
Senior Council Representative
for Northeast Regional
Council of Carpenters

Richard
SWEENEY
Financial Secretary,
Business Representative
Ironworkers #399

Ricardo V.
TAYLOR, JR.
School Administrator
Pennsauken Township

Organizational Chart



Officers & Executive Staff

John T. Hanson
Chief Executive Officer, DRPA
President, PATCO

Maria J. Wing
Deputy Chief Executive Officer

Raymond J. Santarelli
General Counsel
& Corporate Secretary

Archer & Greiner
New Jersey Counsel

Duane Morris, LLP
Pennsylvania Counsel

James M. White, Jr.
Chief Financial Officer
& Treasurer

Toni P. Brown, Esq.
Chief Administrative Officer

Robert P. Hicks
Chief Operating Officer

Michael P. Venuto
Chief Engineer

John D. Rink
PATCO General Manager

Rohan K. Hepkins
PATCO Assistant
General Manager

David J. Aubrey
Acting Inspector General

Facilities

Benjamin Franklin Bridge
Opened: July 1,1926

Walt Whitman Bridge
Opened: May 16, 1957

Commodore Barry Bridge
Opened: February 1, 1974

Betsy Ross Bridge
Opened: April 30, 1976

PATCO
Opened: February 15, 1969

One Port Center
Opened: 1996

PHILADELPHIA
1028
WESTBOUND
PHILADELPHIA
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Report of the Chief Executive Officer

John T. Hanson
Chief Executive Officer, DRPA
President of PATCO

During 2017, the Delaware River Port Authority (DRPA) and Port Authority Transit Corporation (PATCO) Authority achieved significant milestones and made notable progress in addressing the challenges of aging infrastructure, and the increasing demand and need for efficient and reliable public transportation services. DRPA and PATCO made significant and substantive advancements in key financial and operational areas, while continuing to emphasize strong financial discipline and increasing transparency.

We strive to demonstrate the value of the services that we deliver to the regional community in the spirit of **STEWARDSHIP, SERVICE, AND COMMUNITY**.

In 2015, our Board of Commissioners approved a new mission statement and a vision statement that focused on the Authority's transportation mission and purpose of stewardship and service in operating and caring for the critical transportation infrastructure and facilities we hold in trust for the public.

Our mission and vision are intended to articulate the highest standards of quality and accountability that is expected from employees and the Board of Commissioners in service to the public. Our vision is to be regarded as a “world-class stewardship organization” by those we serve throughout our community and conveys the positive outcomes that we are committed to delivering.

In recent years, the Authority has achieved unprecedented financial performance through effective management practices, sound investments, strong expenditure controls and efficient operations.   We are particularly proud of our capital infrastructure improvements, strategic financial management programs, ongoing efforts to introduce management efficiencies, and our strategic planning process. Together, with the support of our senior staff and executive leadership teams, the Authority continues to make significant strides towards fulfilling the mission and vision , and our commitment to diversity and inclusion in employment, contracting and procurement remained a key area of focus.

In 2017, total operating revenues for DRPA and PATCO were the highest in the Authority’s history. Both bridge traffic and revenues increased for the third consecutive year, exceeding budget projections, and PATCO ridership of 10.84 million riders was the highest level since 1999.

For the first time in more than a decade, Moody’s Investors Service upgraded the Authority’s ratings on both its senior bonds (revenue bonds) and its subordinate debt (port district project bonds), and Standard & Poor’s, using its new criteria, reaffirmed DRPA ratings on its revenue bonds and the port district project bonds in 2017.

The Authority also continued to wind down its legacy economic development program, expending $4.2 million to effectively discharge all remaining economic development grant obligations by the end of 2017.

The Authority moved forward with the implementation and launch of its Enterprise Resource Planning (ERP) system, which will improve communication and efficiency, and allow the DRPA to be more effective stewards of the public's assets, including physical, financial and human resources.

The Authority is implementing its strategic plan "Roadmap to World-Class Stewardship: 2017-2021", to support resource allocation and asset management decisions that will enable DRPA and PATCO to successfully manage and operate its bridge and train assets today, and in the future. Through implementation and refinement, it will help the Authority to effectively plan and manage our operational environment and resource requirements to move us closer to realizing our vision of a world-class stewardship organization that consistently meets the highest standards of excellence in delivering its services.

The Authority remains steadfast to setting the bar high. As a world-class stewardship organization, we are committed to consistently meet the highest standards of excellence in delivering our services in a fiscally responsible manner.

Through our aggressive capital program, we will increase the efficiency, safety and convenience of travel for the hundreds of millions of commuters and riders who rely on our services annually.

We're proud of our 2017 accomplishments and will apply best practices into 2018 and beyond. We look forward to serving with a strong sense of commitment to public stewardship.

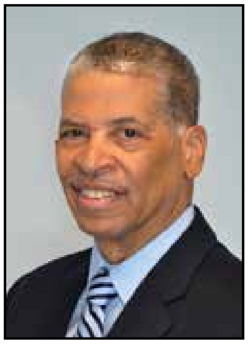
Yours truly,

John T. Hanson

John T. Hanson
Chief Executive Officer, Delaware River Port Authority
President, Port Authority Transit Corporation


Thank You

DELAWARE RIVER
PORT AUTHORITY



June 30, 2018

James M. White, Jr.
Chief Financial Officer/ Treasurer

**TO THE BOARD OF COMMISSIONERS
OF THE DELAWARE RIVER PORT AUTHORITY**

The comprehensive annual financial report of the Delaware River Port Authority ("the Authority") for the year ended December 31, 2017, 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 is accurate in all material respects and is reported in a manner designed to present fairly the combined financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The Authority's Indentures of Trust require an annual audit of the Authority's financial statements by a firm of independent auditors. Additionally, 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The purpose of the Single Audit is to determine the adequacy of the Authority's internal controls and compliance with applicable laws and regulations relating to the receipt of federal assistance. The Authority retains an independent auditor to satisfy these audit requirements. The report of the independent auditor on the combined financial statements of the Authority is included in the financial section of this report. The Authority's management is responsible for the content and presentation of the audited financial report.

Management of the Authority is responsible for establishing and maintaining a system of internal control designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America. Internal controls are 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 resulting benefits; and (2) the analysis of costs and benefits requires estimates and judgments by management.

In addition, as a recipient of federal financial assistance, the Authority is required to ensure that adequate internal controls are in place to ensure compliance with applicable laws and regulations relating to that federal assistance. These internal controls are subject to periodic evaluation by the Office of the Inspector General and by the management of the Authority.

The combined financial statements of the Authority are prepared using the accrual method of accounting in accordance with GAAP. Management has provided a narrative introduction, overview, and analysis to accompany the combined financial statements in the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Delaware River Port Authority's MD&A can be found immediately following the report of the independent auditors.

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, which has no stockholders or equity holders, was created in 1952 as a successor to the Delaware River Joint Commission, which was created in 1931. 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. A Chief Executive Officer is appointed by the Board of Commissioners to implement policy and to manage the daily operations of the Authority.

The Board of Commissioners of the Delaware River Port Authority has five committees established under the authority of its Bylaws. They are: the Operations and Maintenance Committee, the Projects Committee, the Executive Committee, the Finance Committee, and the Export Development and International Trade Committee. These committees adhere to the rules and leadership structure outlined in Article IX of the DRPA Bylaws. These Committees act pursuant to the power vested them under the Bylaws.

The Board of Commissioners of the Delaware River Port Authority has also established, under the authority of resolution DRPA-10-040, an Audit Committee that is chaired by the Auditor General of Pennsylvania. The Audit Committee is charged with overseeing an annual independent financial audit along with a biennial performance audit. The Authority's Board also adopted an Audit Committee charter through resolution DRPA-10-141. This resolution specifies that the purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibility relating to: (1) the Authority's internal and external audit process, the financial reporting process, and all risk assessment and internal controls over financial reporting; (2)

compliance with applicable laws, policies, and accounting and auditing standards, and (3) communication between the Authority's management, internal and external auditors, experts, other advisors, and the Board.

The Audit Committee adheres to the rules and leadership structure outlined in resolutions DRPA-10-040 and DRPA-10-141. The Audit Committee acts pursuant to the power vested it under these two resolutions. It is not vested with any power under the Bylaws.

In addition, to the aforementioned committees, the Board of Commissioners adopted resolutions DRPA 10-10-071 and DRPA 12-112, which established the Compensation and Labor Committees, respectively, to review the Authority's compensation issues and current labor agreement(s), labor/employee relations and non-represented employee issues. These committees, similar to the Audit Committee, act pursuant to the power vested them under these two authorizing resolutions and are not vested with any power under the Bylaws.

The Authority is vested with the ownership, 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 owns a high-speed transit system, which is operated by its wholly owned subsidiary, the Port Authority Transit Corporation (PATCO). The transit system operates between Philadelphia, Pennsylvania and Lindenwold, New Jersey.

BUDGET PROCESS

The Authority prepares both operating and capital budgets annually. The annual operating budget is a financial planning tool for the associated fiscal year; it also sets the maximum spending limit for the Authority. The Authority's Chief Officers, Directors and staff contribute to the development of a preliminary operating budget based on the expected staffing and funding levels necessary to operate the Authority's facilities in an efficient and safe manner. After individual departmental proposed budgets are reviewed at budget hearings conducted by the Operating Budget Review Committee, (which consists of the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Counsel, the General Manager of PATCO and other senior staff), a proposed operating budget is presented by the Chief Executive Officer to the Finance Committee and ultimately to the Board of Commissioners for its review and approval. Any subsequent addition of funds to the total operating budget requires the approval of the Board of Commissioners.

A five-year capital budget, required by the Authority's Compact, is also prepared through a similar process and submitted to the Finance Committee, and subsequently to the Board of Commissioners for approval. The capital budget is a planning document identifying 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 capital project may commence. The foundation for the major capital budget projects (those projects greater than $200K) is the biennial inspection, which inspects all four bridges and PATCO. This inspection is required by the 1998 Revenue Bond Indenture. Smaller capital projects, primarily projects under $200K, are identified by various operating and administrative departments.

Expenditures are monitored continuously throughout the year by the Finance Division to ensure that each department is in compliance with the approved operating and capital budgets and the established Policies and Bylaws of the Authority.

In accordance with the Authority’s governing Revenue and Port District Project Bond Indentures, the next year’s annual operating budget must be submitted to the respective bond trustees by December 31st of each year. (The budgets are also filed with various banks, which provide either LOC facilities or LIBOR-indexed direct purchase loans to the Authority.)

Pursuant to the Indentures, the Authority filed its 2017 operating budgets in late December 2016 with its bond trustees. The 2017 operating and capital budgets became effective in January 2017. (The Authority also filed its 2018 operating budgets with its bond trustees in late December 2017, as required by the bond indentures.)

FACTORS AFFECTING FINANCIAL CONDITION

During the past several years, the Authority has taken significant strategic steps to strengthen its financial position through: cost-containment of personnel and non-personnel expenditures, increasing its liquidity through growth in its General Fund, and restructuring its debt and swap portfolios. The latter strategy is primarily in response to: changing financial markets, the exercise of various swaptions (in 2006, 2008 and 2010), passage of a board resolution mandating the liquidation of the Authority’s swap portfolio in an orderly and strategic fashion, the necessity of funding its various annual five-year Capital Programs, and the adoption of an annual Finance Action plan by the Authority’s Board of Commissioners (which has been implemented during the period of 2012 through 2017).

Sustained traffic growth since 2014, has been a major factor impacting the Authority’s financial condition, resulting in an additional 5.1 million vehicles annually, thereby increasing the annual toll revenues to historically high levels. Annual toll revenues have increased from $297.3 million in 2014, rising to a high of $331.5

million in 2017. Revenue growth has outpaced expense growth, with the net effect producing higher annual net income levels and a resultant strengthening of the Authority's General Fund reserves (which exceeded $601 million at year-end) and a higher net position (which increased to $744.1 million, up from $587.8 million in 2014).

DEBT MANAGEMENT

As mentioned previously, in the period of 2012 through 2017, the Authority and its Board approved comprehensive financial plans to: reduce the Authority's debt, adopt a new swap policy, renegotiate and replace various LOC agreements to reduce its annual LOC facility costs, and to finance its five-year capital programs.

Fixed Rate Debt:

In 2012, the Authority used its General Fund for the early redemption of $96 million in Revenue Bond and Port District Project bonds, and to refund a large portion of its Port District Project Bond debt, substantially reducing its debt service for future years and improving its debt coverage ratio on its senior debt. In addition, the Authority executed the second part of its finance plan by issuing $153 million in Port District Project Refunding Bonds, Series 2012, to refund and redeem all of the outstanding principal balance and interest accrued on the Authority's outstanding Port District Project bonds. As a result of these actions, the par amount of the Authority's Port District Bond debt decreased from approximately $315 million to approximately $187 million.

In December 2013, the Authority issued new revenue bonds (the 2013 Revenue Bonds), totaling $476.6 million, at attractive rates, in order to fund a significant portion of its 5-year Capital Program. The bonds were issued at a premium thereby netting the Authority an additional $11.6 million in proceeds. (At year-end 2017, approximately $2.9 million in bond project funds remain unspent.)

While no fixed rate debt has been issued since 2013, the Authority has been given sufficient authorization by its Board of Commissioners to issue new debt in the future, if it is prudent to do so. (Please see Note 12, Debt Authorized not Issued, for additional information.)

Fixed rate debt at December 31, 2017 totaled $950 million, representing approximately 65% of total debt.

Variable Rate Debt:

During the period of 2013 through 2017, the Authority continued the execution of its financial plans by significantly reducing its Direct Pay Letter of Credit (LOC) facility costs for its 2008 and 2010 Revenue Refunding Bonds. New LOC agreements were negotiated with existing and new LOC banks for the 2008 and 2010 Revenue Refunding Bonds, during this period. These actions, beginning in 2013, along with amortization of the variable rate debt, reduced the total annual LOC facility fees to such an extent that in 2017 annual variable rate fees had been reduced to about $3 million annually, a significant decrease from when such annual costs exceeded $11 million in 2012.

In 2016, the Authority reduced its dependency on LOC facilities, which support its variable rate bonds, by replacing three (3) maturing LOCs with direct purchase LIBOR-Indexed loans negotiated with three (3) major banks. Total Direct Purchase loans totaled $265.8 million at year-end 2017, which represented roughly 53% of the Authority's variable rate debt.

In December 2017, the Authority renegotiated and extended a LOC (which was set to expire at year-end) for a five (5) year period, resulting in a 23 basis point drop in LOC facility charges, which will result in savings approaching $1.0 million, over the term of the LOC.

Total Debt:

The Authority's total bond debt decreased by $55.5 million to total $1.45 billion at year-end. (Please see Note 12 for additional information.)

Swap Management:

In 2014, the Authority adopted a new swap management policy and received Board authorization to replace its existing counterparty (UBS) on its 1995 and 1999 Revenue Bond Swap agreements. In July 2015, the Authority terminated its agreements with UBS and contracted with two new swap counterparties. By doing so, the Authority obtained "more favorable contract terms," including: 1) removal of cross-default language existent in the original swap agreements and 2) unilateral, optional termination rights. Also, these two "swap novation" transactions increased counterparty credit quality and the diversification of its counterparty exposure.

The Authority's two (2) active swaps are analyzed annually (per GASB 53) and continue to be "effectively hedged" as of year-end December 31, 2017 (two swaptions remain inactive.) The Authority continues to regularly monitor its swap portfolio to ascertain whether there are opportunities to reduce or eliminate its swap exposures.

The notional value of the two active swaps decreased by $42.3 million to total $504.8 million at December 31, 2017.

Please see Note 4 for additional information.

Bond Ratings:

The implementation of the aforementioned strategic initiatives including on-going annual budget control, an affordable capital program and strong debt coverage were key factors in the ratings upgrade by Standard and Poor's on all of the Authority's revenue bonds in late November 2013, just prior to the issuance of its new 2013 revenue bonds. Ratings improved to "A" from "A-"with a stable outlook.

At year-end 2015, Standard & Poor's rated the Authority's Revenue Bonds and Port District Project bonds at "A" and "BBB" (stable outlook), respectively. Moody's Investors Service (Moody's) debt ratings for the Authority were at "A3" and "Baa3" (stable outlook), on its Revenue and Port District Project Bonds, respectively.

In April 2016, S&P, using its new ratings criteria for public finance entities, affirmed the Authority's "A" ratings (stable outlook) on its revenue bonds and raised the Authority's ratings, on its subordinated debt (Port District Project Bonds), from "BBB" to "A-" (stable outlook). Ratings by S&P on the Authority's bonds were affirmed in 2017 and remain unchanged as of December 31, 2017.

In October 2017, Moody's upgraded all of the Authority's long term bond debt, increasing the ratings on the revenue bonds from "A3" to "A2," while also raising the port district bonds ratings from "Baa3" to "Baa2", all with a "stable outlook." **These ratings upgrades were the first increases, by Moody's, in the Authority's bond debt ratings in over a decade.** Moody's cited the "continued positive traffic momentum," a "manageable" capital program requiring no debt financing and solid liquidity reserves, as factors in the ratings upgrades. At December 31, 2017, Moody's ratings on the Authority's bond debt remain unchanged from October 2017 levels.

LOCAL ECONOMY

From the latest data available (through 2016), it appears that population growth has increased by 0.04% in the Pennsylvania counties, while reflecting a population decrease by 0.14% in the New Jersey counties within the Port District versus 2015 totals.

Employment growth has slowed down from past improvement in the Pennsylvania Port counties. In 2016, Pennsylvania counties the unemployment rate increased by 0.68% vs. the 2015 rate.

Employment growth has shown continual improvement the past several years in New Jersey. During 2016, the unemployment rate, in the New Jersey counties, has declined by another 0.15% (dropping from 6.55% to 6.40%), following a drop of 2.03% from the 2015 rate of 8.58%.

Additional information can be found in the Statistical Section of this report.

LONG-TERM FINANCIAL PLANNING

An important component of the Authority's long-term financial plan is ensuring that it has sufficient revenue to meet its operating and capital requirements. With assistance from its Financial Advisors, the Authority uses a long-term forecasting model, which creates a multi-year forecast of its revenues and expenses. The model incorporates numerous independent variables (including operating revenue and expense estimates, debt service coverage and capacity, etc.) in order to determine the annual cash flow required to create sufficient bonding capacity to finance its five-year capital plan. Results from a traffic engineering study, completed in November 2013, which contained projections for a ten-year period, were incorporated into this model for use in developing forecasts. The Authority regularly updates this model based on changes in business conditions and its financial performance.

As mentioned in the "Budget Process" section of this document, each year, the Authority develops a five-year capital plan, which details the anticipated capital expenditures during this five-year period. This is a requirement of the Authority's bond indentures. The Authority also performs a 5-year analysis of potential funding sources (including bond project funds, general fund monies, its annual operational surplus, and federal funding) to ensure funding of the program. The major capital programs originate in large part from the biennial inspections of all DRPA/PATCO facilities, which are conducted in every even-numbered year, by individual engineering firms. This is a requirement of our Bond Indentures.

The 2017 Capital Plan, developed, during the year 2016, and approved in December 2016 outlined numerous bridge, transit system, security and technology project expenditures approaching $754.9 million (net of federal funding), for the five-year period commencing in 2017. The 2017 fiscal year budget for capital expenditures totaled $158.3 million, net of federal funding.

For the year ending December 31, 2017, the Authority made approximately $133.2 million in capital expenditures primarily funded by its bond project funds, along with the General Fund and some federal funds.

In December 2017, the Authority's Board approved its 2018 Capital Budget in the amount of $166.8 million and a total 5-year capital plan with projected expenditures of $770.3 million, up slightly (or an increase of $15.4 million) from the total 2017 plan. With bond project funds almost exhausted as of year-end 2017, the capital plan in 2018 is expected to be primarily funded by the general fund.

BRIDGE TOLL AND PASSENGER FARE SCHEDULES

There have been no changes to the Authority's bridge toll and passenger fare schedules since July 2011. However, as described below, the Authority's Board did reinstitute a "frequent bridge traveler" credit program, which became effective in December of 2015.

Reinstitution of E-ZPass Frequent Bridge Traveler Credit:

Under Board Resolution DRPA 15-090, the Authority reintroduced an $18 credit/18 trips per month for passenger vehicles in the NJ E-ZPass system. The new toll credit program became effective on December 1, 2015 with the first credit issued in January 2017 to eligible account holders.

The Authority paid out approximately $1.7 million during fiscal year 2017 related to this program, however this reduction in revenues was offset by an initiative established in 2016 ("delayed transaction processing"), which enabled the Authority to capture $2.5 million in additional toll revenues in 2017.

(Please see Note 16 for the current toll and fare schedules).

AWARDS AND ACCOMPLISHMENTS

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, 2016. This was the twenty-fifth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedication and effectiveness of the entire Finance Division staff, with support by the Government &

Corporate Communications Department and Printing Services. I would especially like to express my appreciation to the members of these departments who contributed in the preparation of this report. Special thanks must also be given to the Chairman, Vice-Chairman, Chief Executive Officer, Deputy Chief Executive Officer and the Finance and Audit Committees of the Board for maintaining the highest standards in the management of the Delaware River Port Authority's finances. Special thanks also goes to DRPA’s David Aubrey, Acting Inspector General, for his leadership in facilitating this financial audit.

Respectfully submitted,

James M. White, Jr.
Chief Financial Officer/Treasurer

Financial Section

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Delaware River Port Authority

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Delaware River Port Authority and subsidiary, which comprise the combined statements of net position as of December 31, 2017 and 2016, and the related combined statements of revenues, expenses and changes in net position, and cash flows, for the years then ended, together with the combined statements of fiduciary net position as of December 31, 2017 and 2016, and the combined statements of changes in fiduciary net position for the years then ended, and the related notes to the combined financial statements, which collectively comprise the Delaware River Port Authority and subsidiary's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Delaware River Port Authority and subsidiary's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Delaware River Port Authority and subsidiary's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Delaware River Port Authority and subsidiary as of December 31, 2017 and 2016, and its changes in financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed under the heading *Required Supplementary Information* within the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the combined financial statements that collectively comprise the Delaware River Port Authority and subsidiary's basic financial statements. The accompanying supplemental schedules, as listed in the table of contents, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Respectfully submitted,

BOWMAN & COMPANY LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 30, 2018

Management's Discussion & Analysis

(Unaudited)

As management of the Delaware River Port Authority (the "Authority"), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2017 and 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts are expressed in thousands of dollars unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- Total operating revenues were $366.0 million in 2017, the highest level in DRPA history. 2017 revenues increased $11.3 million or 3.18% over 2016 revenues. The increase was primarily related to an $11.8 million net increase in bridge toll revenues.
- The $11.8 million net increase in toll revenues (up 3.68%) during the year was primarily attributable to higher commercial vehicle volume and a 1.0 million increase in automobile volume. The average toll based on total vehicle volume increased from $6.22 in 2016 to $6.26 in 2017.
- Bridge traffic increased, for the third consecutive year, exceeding 52.9 million vehicles. Traffic was up by 1.1 million vehicles, a 2.12% increase over 2016 totals. Non-commercial traffic increased by 0.93 million vehicles accounting for 84.8% of the 2017 total increase. Traffic on the bridges was positively impacted by an improvement in general economic conditions in the region and a lack of inclement weather during the year.
- Total operational expenses decreased to $221.5 million, down $1.6 million or by 0.72. % vs. 2016 expenses. This decrease is primarily attributable to decreases in G&A expenses, which were partially offset by increased bridge and PATCO operations.
- The Port Authority Transit Corporation ("PATCO") is a wholly-owned subsidiary of the Delaware River Port Authority (DRPA) and is subsidized by the DRPA. Total PATCO expenses exceeded total PATCO revenues by $ 22.0 million in 2017 and by $22.1 million in 2016. The operating loss decreased by $59 thousand from 2016 to 2017, a decrease of 0.27%.
- PATCO net passenger fare revenues increased by 1.88% (or by roughly $0.5 million), to $26.6 million from $26.1 million in 2016, primarily resulting from the impact of increased PATCO ridership of 186 thousand (up 1.75%), to 10.8 million riders versus 10.7 million riders in 2016. PATCO ridership was up due to a general improvement in economic conditions and lack of inclement weather. Total PATCO revenues were up $0.3 million overall.
- Total "non-restricted" investments increased by $41.8 million, an increase of 7.90%. This increase primarily was related to the increase in the General Fund balances attributable to higher toll revenues and lower operating and non-operating expenses. Cash and cash equivalents and investment balances increased by $35.5 million (up 6.27%) to total $601.5 million at year-end.
- Restricted investments, including the 2013 bond project fund, decreased by $80.8 million (from $309.5 million to $228.6 million). At year-end, the bond project fund (used for funding capital projects) totaled $2.9 million, down $78.2 million, or 96.4%, from 2016.
- Total debt outstanding decreased by $55.5 million to total $1.45 billion at year-end. **(Moody's Investors Service upgraded all of the Authority's revenue and port district project bonds in October.)**
- During 2017, one Direct Pay Letter of Credit (LOC) expired and was extended for five-year tenor, at significantly reduced LOC facility rates. The expectation is that the Authority will save approximately $1.0 million over the life of the LOC.
- Capital expenditures totaled $133.2 million vs. $124.1 million, an increase of $9.13 million, third highest in DRPA history.
- Economic development expenditures totaled $4.2 million in 2017, an increase in such expenditures of nearly $0.8 million vs. 2016. (Note: the Authority's economic development spending now reflects only previously committed projects, as the Authority's Board approved a discontinuation of any new economic development projects in 2011.)
- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of 2017 resulting in a net position of $744.1 million, an increase of $88.9 million. Net income before capital contributions increased from $64.6 million to $81.3 million, a year-to-year increase of $16.7 million.
- Debt service coverage for revenue bond debt (as calculated based on the 1998 Bond Indenture) increased to 2.09x in 2017 from 1.92x in 2016, as net revenues available for debt ($238.2 million) increased by $15.3 million or 6.9%.
- The Authority made its annual funding contribution of $5.0 million to its OPEB irrevocable trust, thereby reducing its net OPEB obligation from $21.1 million to $14.5 million at year-end.

FINANCIAL POSITION SUMMARY (in Thousands)

A large portion of the Authority's net position are capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets mainly to provide bridge facilities and transit services to customers; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Delaware River Port Authority's Net Position

	2017	2016	2015
Current and other assets	$ 877,681	$ 915,847	$ 957,552
Capital assets	1,562,816	1,490,869	1,425,817
Total assets	2,440,497	2,406,716	2,383,369
Deferred outflows of resources	112,346	127,922	127,818
Long-term liabilities outstanding	1,656,608	1,738,489	1,793,857
Other liabilities	145,377	137,953	125,363
Total liabilities	1,801,985	1,876,442	1,919,220
Deferred inflows of resources	6,724	2,955	3,597
Net position:			
Net investment in capital assets	271,323	235,795	203,366
Restricted	205,742	209,924	219,485
Unrestricted	267,069	209,522	165,519
Total net position	$ 744,134	$ 655,241	$ 588,370

In 2017, the Authority's net position increased in the amount of $88.9 million or by 13.57% as compared to 2016. Key factors impacting this increase were similar to those existent in 2016; continued strong operating revenues of $366.0 million which fueled the increase in total operating and non-operating income before capital contributions of $81.3 million. Capital contributions in 2017 totaled $7.6 million vs. $2.2 million for 2016.

The Authority's net position in 2016 increased by $66.9 million largely due to income before contributions of $64.6 million and capital contributions of $2.2 million.

Summary of Changes in Net Position

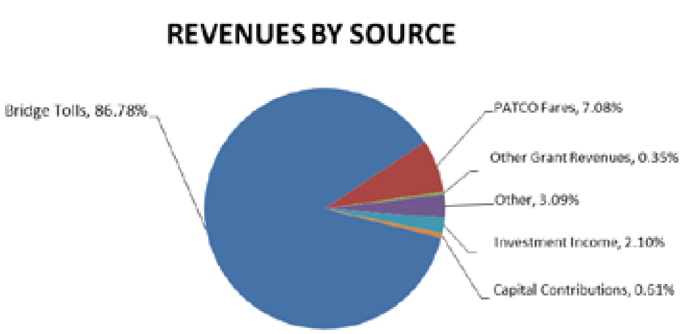
	2017	2016	2015
Operating revenues:			
Bridge tolls	$ 331,537	$ 319,778	$ 307,240
PATCO passenger fares	26,562	26,073	24,943
Other	7,881	8,861	9,111
Total operating revenues	365,980	354,712	341,294
Operating expenses	(160,243)	(164,197)	(149,352)
Excess before depreciation and other non-operating income and expenses	205,737	190,515	191,942
Depreciation	(61,270)	(58,933)	(57,614)
Operating income	144,467	131,582	134,328
Non-operating revenues:			
Investment income, net of change in fair value	9,128	7,944	7,834
Gain on disposal of capital assets	-	-	1,691
Other	4,820	3,820	4,307
Total non-operating revenues	13,948	11,764	13,832
Non-operating expenses:			
Interest expense	(72,556)	(74,419)	(75,792)
Amortization expense	(100)	(100)	(100)
Economic development activities	(4,194)	(3,404)	(4,167)
Loss on disposal of capital assets	-	(84)	(1,732)
Other	(229)	(705)	(842)
Total non-operating expenses	(77,079)	(78,712)	(82,633)
Income before capital contributions	81,336	64,634	65,527
Capital contributions	7,557	2,237	36,758
Change in net position	88,893	66,871	102,285
Net Position, January 1	655,241	588,370	486,085
Net Position, December 31	$ 744,134	$ 655,241	$ 588,370

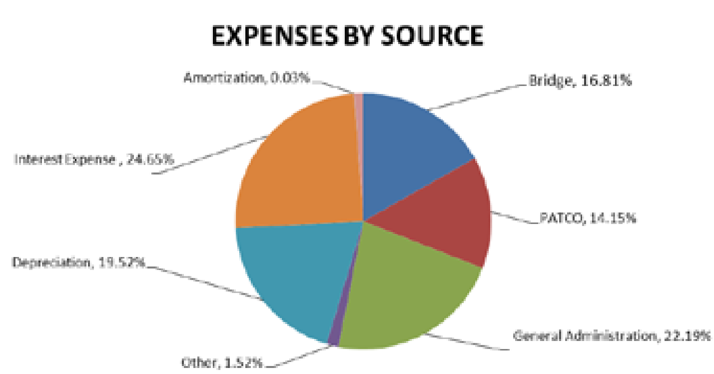
REVENUE SUMMARY

Summary of revenues for the year ended December 31, 2017 and the amount and percentage change in relation to prior year amounts is as follows:

	2017 Amount	2016 Amount	Percent of Total	Increase/ (Decrease) From 2016	Percent Increase/ (Decrease)
Operating					
Bridge tolls	$ 331,537	$ 319,778	86.78%	$ 11,759	3.68%
PATCO passenger fares	26,562	26,073	7.08%	$ 489	1.88%
Other	7,881	8,861	2.40%	$ (980)	-11.06%
Total operating	365,980	354,712	96.26%	$ 11,268	3.18%
Non-Operating					
Investment income	9,013	7,720	2.10%	$ 1,293	16.75%
Other	2,953	2,528	0.69%	$ 425	16.82%
Other grant revenues	1,867	1,292	0.35%	$ 575	44.52%
Capital contributions	7,557	2,237	0.61%	$ 5,320	237.80%
Total Revenues (before change in fair value)	387,370	368,489	100.00%	18,881	5.12%
Change in fair value of derivatives	115	224	-	$ (109)	-48.65%
Total revenues	$ 387,485	$ 368,713	-	$ 18,772	5.09%

- Total operating revenues in 2017 almost reached the $366.0 level, increasing by $11.3 million, or by 3.18%. DRPA experienced historic highs in toll revenues of $331.5 million, which contributed to this large increase. PATCO also experienced historic highs in net passenger revenues of $26.6 million.
- Net bridge toll revenues increased by $11.8 million, or by 3.68% during 2017. (Bridge tolls accounted for 90.59% of total operating revenues vs. 90.15% in 2016.)
- In 2017, traffic totaled 52.9 million vehicles. Traffic increased by 2.12%, or by 1.1 million vehicles, driven by, in part, a lack of inclement weather during the year and improvement in the overall economy. Automobile vehicle volume accounted for approximately 90.0% of the total change in the traffic volume increase. The year-to-year average toll rate increased from $6.22 to $6.26.
- PATCO net passenger fare revenues increased by 1.88%, to $26.6 million in 2017 versus $26.1 million in 2016, primarily resultant from the impact of a slight improvement in PATCO ridership of 186 thousand (up 1.75%).





EXPENSE SUMMARY

A summary of expenses for the year ended December 31, 2017 and the amount and percentage change in relation to prior year amounts is as follows:

	2017 Amount	2016 Amount	Percent of Total	Increase/ (Decrease) From 2016	Percent Increase/ (Decrease)
Operating:					
Bridge	$ 54,116	$ 50,737	16.81%	$ 3,379	6.66%
PATCO	42,194	42,706	14.15%	$ (512)	-1.20%
General Administration	60,142	66,964	22.19%	$ (6,822)	-10.19%
Other	3,791	3,790	1.26%	$ 1	0.04%
Depreciation	61,270	58,933	19.52%	$ 2,337	3.97%
Total operating	221,513	223,130	73.92%	$ (1,617)	-0.72%
Non-Operating:					
Interest Expense	72,556	74,419	24.65%	$ (1,863)	-2.50%
Amortization	100	100	0.03%	$ 0	0.44%
Other	229	789	0.26%	$ (560)	-70.93%
Economic Development	4,194	3,404	1.13%	$ 790	23.21%
Total Non-Operating	77,079	78,712	26.08%	$ (1,633)	-2.07%
Total Expenses	$ 298,592	$ 301,842	100.00%	$ (3,250)	-1.08%

- Total operating expenses decreased by $1.6 million (or -0.72%) to $221.5 million, attributable primarily to decreases in PATCO operational and general administration expenses.
- Bridge operations increased by $3.4 million (or by 6.66%) versus 2016. Bridge operating costs were impacted by pension, wages and some health insurance increases.
- General administration expenses decreased by $6.8 million, down 10.19%, largely attributable to reduced pension, public liability reserve and biennial inspection expenses.
- PATCO operational expenses decreased by $0.5 million (or by 1.2%), primarily attributable to decreases in equipment and way and power maintenance costs (down $1.8 million or 8.5%), which were partially offset by a $0.7 million increase in transportation expenses.
- Total non-operating expenses also decreased by $1.6 million, primarily attributable to reduced interest expense.
- Interest expense decreased by $1.9 million, which was primarily related to the annual reduction in debt outstanding ($55.5 million).
- Economic development expenditures totaled $4.2 million in 2017, an increase of $0.8 million (or 23.21%) from expenditures in 2016, resulting from a closeout on an existing economic development legacy project.
- Total expenses totaled $298.6 million, reflecting a year-to-year decrease of $3.3 million (or by -1.08%) largely attributable to the aforementioned decreases in general administration expenses, and by reduced total non-operating expenses.

SUMMARY OF CASH FLOW ACTIVITIES

The following shows a summary of the major sources and uses of cash and cash equivalents. Cash equivalents are considered highly liquid investments with a maturity of three months or less.

	2017	2016	2015
Cash flow from operating activities	$ 204,876	$ 211,240	$ 182,185
Cash flow from non-capital financing activities	(3,357)	(1,395)	4,561
Cash flow from capital and related financing activities	(254,340)	(250,788)	(227,562)
Cash flow from investing activities	47,926	54,838	36,245
Net increase (decrease) in cash and cash equivalents	(4,895)	13,895	(4,571)
Cash and cash equivalents, beginning	43,620	29,725	34,296
Cash and cash equivalents, ending	$ 38,725	$ 43,620	$ 29,725

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Authority's investment in capital assets for its activities through December 31, 2017 amounted to $1.56 billion (net of accumulated depreciation), an increase of $71.9 million over the previous year. This investment in capital assets includes: land, bridges, transit system, port enhancements, buildings and machinery. The total percentage increase in the Authority's investment in capital assets for the current year was 4.83%.

Major capital asset events during the current year included the following:

- Completion of the PATCO track rehabilitation across the Ben Franklin Bridge in the amount of $8.7 million.
- PATCO transit car rehabilitation and overhaul in the amount of $36.5 million.
- Deleading and repainting (suspended span, towers and anchorages) work at the Walt Whitman Bridge in the amount of $30.6 million.
- Partially funding costs of implementing a new ERP (Enterprise Resource Planning) system in the amount of $8.9 million.

Delaware River Port Authority's Capital Assets

(Net of Depreciation)

	2017	2016	2015
Land	$ 74,076	$ 74,076	$ 74,100
Construction in progress	576,699	530,307	441,577
Bridges and related buildings and equipment	544,578	554,799	582,262
Transit property and equipment	366,091	330,003	326,343
Port enhancements	1,372	1,684	1,535
Total	$ 1,562,816	$ 1,490,869	$ 1,425,817

Additional information on the Authority's capital assets can be found in Note 7 of this report.

Long-term Debt. The Authority's total bond debt decreased to $1.45 billion (shown below by issue) at year-end, down from $1.51 billion at the prior's year-end, a decrease of $55.5 million. Of this amount, $1.30 billion (or 89.28% of total debt) represents revenue bond debt, which is backed by toll revenues from the Authority's bridges. The remaining debt of $0.16 billion represents subordinated obligations of the Authority. The Authority's debt portfolio consists of $0.95 billion (or 65.3% of total debt) in fixed-rate debt, with the remaining $0.5 billion in variable rate mode. The variable rate debt is backed by two (2) direct-pay bank letters of credit and four (4) LIBOR-indexed direct purchase loans.

Delaware River Port Authority's Outstanding Debt

(Revenue, Revenue Refunding, Port District Project and Port District Project Refunding Bonds)

	2017	2016	2015
1999 Port District Project Bonds	$ 15,820	$ 20,065	$ 24,010
2008 Revenue Refunding Bonds	232,015	251,605	270,180
2010 Revenue Refunding Bonds	272,795	295,495	316,955
2010 Revenue Bonds	307,956	307,930	307,905
2012 Port District Project Refunding Bonds	140,146	148,538	156,725
2013 Revenue Bonds	486,089	486,656	487,223
Total (net of amortizing premium and discount)	$ 1,454,821	$ 1,510,289	$ 1,562,998

Additional information on the Authority's outstanding debt can be found in the Letter of Transmittal on page 21 and in Note 12 which begins on page 79 of this report.

Bond Ratings. During the latter part of 2013, the Authority experienced its first major change in its bond ratings since 2010. In November 2013, just prior to the issuance of new revenue bonds, Standard and Poor's (S&P) upgraded the Authority's outstanding revenue bonds to "A" (from "A-"), with a stable outlook, and also raised the underlying rating on the outstanding port district project bonds to "BBB" (from "BBB-"). The ratings change reflected the Authority's strong financial management with historical operating results under budget, its strong liquidity position (especially growth in its General Fund), the Board of Commissioners' mandate to exit economic development, and its focus on debt management restructuring and funding "core infrastructure assets."

In April 2016, S&P, using its new ratings criteria for public finance entities, affirmed the Authority's "A" ratings (stable outlook) on its revenue bonds and raised the Authority's ratings, on its subordinated debt (Port District Project Bonds), from "BBB" to "A-"(stable outlook). Ratings by S&P on the Authority's bonds were affirmed in 2017 and remain unchanged as of December 31, 2017.

In October 2017, Moody's upgraded all of the Authority's bond debt. The Authority's underlying revenue bond ratings increased to "A2" from "A3" and the port district project bonds moved to "Baa2" from "Baa3", all with a "stable outlook". **This is the first upgrade of the Authority's bond ratings by Moody's in more than a decade.** Moody's cited the "continued positive traffic momentum," a "manageable" capital program requiring no debt financing and solid liquidity reserves, as factors in the ratings upgrades. At December 31, 2017, Moody's ratings on the Authority's bond debt remain unchanged from October 2017 levels.

The underlying debt ratings on the Authority's bond issues, as of December 31, 2017, are shown below:

Issue	Moody's	S&P
Revenue and Revenue Refunding Bonds	A2	A
(2008, 2010 and 2013 bonds)	Stable	Stable
Port District Project and Port District Project	Baa2	A-
Refunding Bonds (1999 and 2012 bonds)	Stable	Stable

Additional information related to the Authority's bond ratings, including its "jointly supported transactions" ratings on its 2008 and 2010 Revenue Refunding Bonds can be found in the sub-section entitled "*Bond Rating*s" under Note 12 and "Commitments" under Note 16 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The following factors were considered in preparing the Authority's budget for the 2018 year:

- Moderate growth in the overall regional economy.
- No bridge toll or PATCO fare increases during 2018.
- Budgeted bridge traffic is expected to increase by 2.2 million vehicles to 52.9 million vehicles, a 4.40% budget to budget increase, based on modest expectations of change in underlying economic factors.
- Bridge toll revenues are projected to approach $332.4 million, which represents an $11.5 million, increase (or 3.57%) in budgeted toll revenues vs. 2017. (Net toll revenues include a three-day adjustment for the projected impact of inclement weather.).
- Increase of 0.99% in projected total PATCO fares and other revenues versus the 2017 budget, increasing from $27.0 million to $27.3 million. The 0.99% budgeted increase for 2017 PATCO revenues is based on continued modest economic growth in the region, and initiatives to develop non-peak ridership through social media marketing and other community outreach initiatives.
- PATCO ridership is budgeted to increase slightly by 50 thousand (or by 0.48 %) vs. the 2017 budget, to a total of 10.5 million riders annually.
- Biennial inspection costs are estimated to be $2.8 million in 2018, a budgeted increase of $2.2 million (The biennial inspection of all DRPA/PATCO facilities last occurred in 2016).
- The DRPA budgets project $103.1 million in spending. DRPA operating expenses are expected to increase by nearly $3.9 million, or a 3.94% increase, primarily attributable to increased payroll and employee service expenses and repairs/maintenance, which were partially offset by lower utilities, insurance and data processing expenses. The PATCO operating budget, totaling $57.5 million in projected spending, increased by $1.1 million, or by 1.89%, attributable primarily due to payroll and employee service expenses, contractual services and repairs/maintenance. The combined DRPA and PATCO budgeted operating expenses are expected to increase from $155.9 million to total $160.6 million, or a 3.04% increase over 2017.
- Budgeted total debt service decreased slightly to $132.5 million, from the prior year's total ($132.7 million). 85.76% of the total debt service is attributable to the outstanding revenue bonds (senior debt). (Note: The Authority expects to defease some existing bonds and issue new bonds in 2018, which will impact 2018 budgeted debt service – see Note 19, Subsequent Events).
- Bank Direct Pay Letters of Credit and remarketing costs (related to the 2008 and 2010 Revenue Refunding variable rate bonds) are expected to decrease by approximately $0.6 million, a 34.43% decrease, largely a function of the lower LOC facility fees negotiated with one bank in late December 2017.
- Capital budget expenditures for 2018 are budgeted at approximately $166.8 million, up $8.5 million from the $158.3 million budgeted for 2017. Large capital projects in 2017 include several significant projects, such as: the Walt Whitman and Commodore Barry Bridge Deleading and Repainting projects, the Betsy Ross painting and steel repairs project, the PATCO fleet car rehabilitation project, and the Lindenwold Yard Track Rehab project, which together are budgeted to exceed $76.0 million in total expenditures (prior to federal funding) in 2018.

The Authority's actual financial results could vary materially from management's expectations because of changes in the above factors, and other risks and uncertainties that adversely impact the Authority's operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's activities for all of those with an interest in the Authority's activities through December 31, 2017. Questions from interested parties concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, Delaware River Port Authority, One Port Center, 2 Riverside Drive, P.O. Box 1949, Camden, NJ 08101-1949.

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Net Position
December 31, 2017 and 2016
(amounts expressed in thousands)

	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	$ 30,924	$ 37,226
Investments	570,607	528,807
Accounts receivable, net of allowance for uncollectibles	14,196	8,375
Accrued interest receivable	452	330
Transit system and storeroom inventories	6,043	6,220
Economic development loans - current	421	576
Prepaid expenses	5,950	5,464
Restricted assets		
Cash and cash equivalents	7,801	6,394
Investments	225,689	228,290
Accrued interest receivable	4	4
Total current assets	862,087	821,686
Noncurrent Assets		
Restricted investments for capital projects	2,929	81,161
Capital assets, net of accumulated depreciation		
Land	74,076	74,076
Construction in progress	576,699	530,307
Bridges and related buildings and equipment	544,578	554,799
Transit property and equipment	366,091	330,003
Port enhancements	1,372	1,684
Total capital assets	1,562,816	1,490,869
Other		
Economic development loans, net of allowance for uncollectibles	11,670	11,906
Debt insurance costs, net of amortization	995	1,094
Total other assets	12,665	13,000
Total noncurrent assets	1,578,410	1,585,030
Total assets	2,440,497	2,406,716
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging derivatives	63,269	81,217
Pension related amounts	42,681	38,536
Loss on refunding of debt	6,396	8,169
Total deferred outflows of resources	112,346	127,922

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Net Position
December 31, 2017 and 2016
(amounts expressed in thousands)

	2017	2016
Liabilities		
Current Liabilities		
Accounts payable		
Retained amounts on contracts	$ 12,866	$ 10,930
Other	24,160	22,104
Accrued liabilities		
Claims and judgments	2,970	1,365
Self-insurance	2,903	1,827
Pension	13,422	10,553
Sick and vacation leave benefits	2,494	1,940
Other	1,763	7,659
Unearned revenue	4,955	4,585
Liabilities payable from restricted assets		
Accrued interest payable	23,979	24,120
Bonds payable - current	55,865	52,870
Total current liabilities	145,377	137,953
Noncurrent Liabilities		
Accrued liabilities		
Claims and judgments	1,117	2,923
Self-insurance	1,471	2,326
Sick and vacation leave benefits	2,039	1,939
Net pension liability	153,804	145,909
Other postemployment benefits	14,479	21,101
Unearned revenue	3,826	4,186
Premium payment payable - derivative companion instrument	17,613	21,320
Derivative instrument - interest rate swap	63,303	81,366
Bonds payable, net of unamortized discounts and premiums	1,398,956	1,457,419
Total noncurrent liabilities	1,656,608	1,738,489
Total liabilities	1,801,985	1,876,442
Deferred Inflows of Resources		
Pension related amounts	6,724	2,955
Total deferred inflows of resources	6,724	2,955
Net Position		
Net investment in capital assets	271,323	235,795
Restricted for:		
Debt requirements	204,020	202,030
Port projects	1,722	7,894
Unrestricted	267,069	209,522
Total net position	$ 744,134	$ 655,241

The accompanying notes to the combined financial statements are an integral part of these statements.

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2017 and 2016
(amounts expressed in thousands)

	2017	2016
Operating Revenues		
Bridges		
Tolls	$ 331,537	$ 319,778
Other operating revenues	5,856	6,675
Total bridge operating revenues	337,393	326,453
Transit system		
Passenger fares	26,562	26,073
Other operating revenues	1,799	1,943
Total transit system operating revenues	28,361	28,016
Port of Philadelphia and Camden		
RiverLink		27
Total Port of Philadelphia and Camden	-	27
Other		
Miscellaneous	226	216
Total operating revenues	365,980	354,712
Operating Expenses		
Operations	96,310	93,443
Community impact	3,791	3,790
General and administration	60,142	66,964
Depreciation	61,270	58,933
Total operating expenses	221,513	223,130
Operating Income	144,467	131,582
Nonoperating Revenues (Expenses)		
Investment income	9,013	7,720
Change in fair value of derivative instruments	115	224
	9,128	7,944
Interest expense	(72,556)	(74,419)
Amortization expense	(100)	(100)
Economic development activities	(4,194)	(3,404)
Loss on disposal of capital assets	-	(84)
Other nonoperating revenues	2,953	2,528
Other grant revenues	1,867	1,292
Other nonoperating expenses	(229)	(705)
Total nonoperating revenues (expenses)	(63,131)	(66,948)

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2017 and 2016
(amounts expressed in thousands)

	2017	2016
Income before capital contributions	$ 81,336	$ 64,634
Capital Contributions		
Federal and state capital improvement grants	7,557	2,237
Change in net position	88,893	66,871
Net Position, January 1	655,241	588,370
Net Position, December 31	$ 744,134	$ 655,241

The accompanying notes to the combined financial statements are an integral part of these statements.

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016
(amounts expressed in thousands)

	2017	2016
Cash Flows from Operating Activities		
Receipts from customers and users	$ 360,176	$ 362,665
Payments for other goods or services	(44,697)	(49,579)
Payments for employees services	(110,537)	(101,175)
Proceeds from other receipts	2,701	2,529
Payments for other services	(2,767)	(3,200)
Net cash provided by (used in) operating activities	204,876	211,240
Cash Flows from Noncapital Financing Activities		
Payments for economic development activities	(4,194)	(3,404)
Repayments of economic development loans	391	717
Grants received	446	1,292
Net cash provided by (used in) noncapital financing activities	(3,357)	(1,395)
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(133,218)	(124,092)
Proceeds from sales of capital assets	-	23
Capital contributions received	8,978	2,237
Principal paid on bonded debt	(56,577)	(53,927)
Interest paid on debt	(73,523)	(75,029)
Net cash provided by (used in) capital and related financing activities	(254,340)	(250,788)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	701,076	658,540
Purchase of investments	(662,042)	(611,495)
Interest received	8,892	7,793
Net cash provided by (used in) provided by investing activities	47,926	54,838
Net increase (decrease) in cash and cash equivalents	(4,895)	13,895
Cash and Cash Equivalents, January 1, (including $6,394 and $2,420 reported as restricted)	43,620	29,725
Cash and Cash Equivalents, December 31, (including $7,801 and $6,394 reported as restricted)	$ 38,725	$ 43,620

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016
(amounts expressed in thousands)

	2017	2016
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$ 144,467	$ 131,582
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	61,270	58,933
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,998)	7,941
(Increase) decrease in transit system and storeroom inventories	177	(238)
(Increase) decrease in prepaid expenses	(486)	(38)
Increase (decrease) in accounts payable	3,890	(4,047)
Increase (decrease) in claims and judgments	(201)	1,768
Increase (decrease) in self-insurance	222	(474)
Increase (decrease) in pension	10,388	13,784
Increase (decrease) in sick and vacation leave benefits payable	654	(258)
Increase (decrease) in other accrued liabilities	(5,895)	5,702
Increase (decrease) in other postemployment benefits	(6,622)	(5,251)
Increase (decrease) in unearned revenue	10	12
Other revenues	-	1,824
Net cash provided by operating activities	$ 204,876	$ 211,240
Noncash Investing, Capital and Financing Activities:		
Accretion of interest on premium payment payable - derivative companion instrument	$ 997	$ 1,180
Increase (decrease) in accumulated change in fair value of hedging derivatives resulting from change in fair value	$ 17,948	$ 22,052
Grant revenue included in accounts receivable	619	-
Capital contributions included in accounts receivable	5,948	-

The accompanying notes to the combined financial statements are an integral part of these statements.

DELAWARE RIVER PORT AUTHORITY

Other Postemployment Benefits Trust
Combined Statements of Fiduciary Net Position
December 31, 2017 and 2016
(amounts expressed in thousands)

	2017	2016
Assets		
Investments	$ 25,785	$ 20,765
Total assets	25,785	20,765
Liabilities		
Accrued liabilities		
Other	19	
Total liabilities	19	-
Net Position		
Restricted for postemployment benefits other than pensions	25,766	20,765
Total net position	$ 25,766	$ 20,765

The accompanying notes to the combined financial statements are an integral part of these statements.

DELAWARE RIVER PORT AUTHORITY

Other Postemployment Benefits Trust
Combined Statements of Changes in Fiduciary Net Position
For the Years Ended December 31, 2017 and 2016
(amounts expressed in thousands)

	2017	2016
Additions		
Employer contributions	$ 10,588	$ 9,813
Investment income (expenses)	83	65
Total additions	10,671	9,878
Deductions		
Benefit payments	5,588	4,813
Administrative expenses	82	47
Total deductions	5,670	4,860
Increase in net position	5,001	5,018
Net Position Restricted for Postemployment Benefits other than Pensions		
January 1	20,765	15,747
December 31	$ 25,766	$ 20,765

The accompanying notes to the combined financial statements are an integral part of these statements.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 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. The Authority is vested with the ownership, 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 owns, a high-speed transit system that is operated by the Port Authority Transit Corporation ("PATCO"). The transit system operates between Philadelphia, Pennsylvania and Lindenwold, New Jersey.

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. The Authority is a member of the E-ZPass Interagency Group, the largest interoperable electronic toll collection system in the world, comprised of twenty-nine (29) agencies in sixteen (16) states. Through December 31, 2017, customer participation in the E-ZPass electronic toll collection process exceeded seventy-four percent (74.14%) of its toll collection activity during rush hour periods. Toll revenues collected through E-ZPass now exceed seventy percent (70.20%) of total toll revenues.

The Authority owns its One Port Center headquarters building and leases several floors to various tenants. The building is managed by a real estate management firm, which is overseen by Authority senior management.

The Authority previously managed the RiverLink system, which operated a ferry service linking Philadelphia and Camden on a daily basis between May and September. On May 17, 2017, ownership and the title to the RiverLink Ferry Vessel (M/S Freedom) were conveyed to the Delaware River Water Corporation. As a result of this conveyance, the Authority neither has involvement nor responsibility for the operation of the vessel or ferry service.

Basis of Presentation: The combined financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As part of the Authority's combined financial statements, two funds are maintained: a proprietary fund (enterprise fund) and a fiduciary fund (other employee benefit trust fund). The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The focus of fiduciary funds is also the measurement of economic resources.

The enterprise fund is maintained on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

The fiduciary fund is also maintained on the accrual basis of accounting. The fiduciary fund accounts for the recording and accumulation of other postemployment benefit resources, which are held in trust for the exclusive benefit of the Authority's retirees. This fund is referred to as the "Other Postemployment Benefits ("OPEB") Trust.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents: The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents (Note 2) for purposes of the statement of cash flows. In addition, according to the various Indentures of Trust, which govern the flow and accounting of the Authority's financial resources, certain accounts are required to be maintained in order to comply with the provisions of the Indentures of Trust. For the accounts that are restricted, the Authority has recorded the applicable cash and cash equivalents as restricted on the combined financial statements (Note 11).

Investment in Securities: Investments are stated at fair value, generally based on quoted market prices. Certain investments are maintained in connection with the Authority's bonded debt (Notes 3 and 12) and the OPEB Trust. Likewise, as with cash and cash equivalents, the accounts that are restricted as per the various Indentures of Trust have been recorded as restricted investments on the combined financial statements (Note 11).

Accounts Receivable: The Authority establishes a provision for the estimated amount of uncollectible accounts based upon periodic analysis of collection history.

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.

Debt Insurance Costs, Bond Premiums, Bond Discounts, and Loss on Refunding: Insurance purchased as part of the issuance of debt is amortized by the straight-line method from the issue date to maturity and is recorded as a noncurrent asset on the combined statements of net position. Bond premiums and discounts are amortized by the effective interest method from the issue date to maturity, and are presented as an adjustment to the face amount of the bonds. Likewise, a loss on refunding arising from the issuance of the revenue bonds and port district project bonds are amortized by the effective interest method from the issue date to maturity. The loss on refunding of debt, however, is classified as a deferred outflow of resources on the combined statements of net position.

Investment in Facilities: Investment in facilities is stated at cost, which generally includes expenses for legal expenses incurred during the construction period. Investment in facilities also includes the cost incurred for port-related projects, and improvements, enlargements and betterments to the original facilities. 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 non-operating revenues or expenses. Assets capitalizable generally have an original cost of five thousand dollars or more and a useful life in excess of three years. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, including those financed by federal and state contributions (Notes 7 and 13).

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 communications system	30 - 40 years
Transit cars, machinery and equipment	10 - 25 years
Computer equipment, automobiles and other equipment	3 - 10 years

Maintenance and Repairs: Maintenance and repair costs considered necessary to maintain bridge facilities in good operating condition are charged to operations as incurred.

Self-insurance: The Authority provides for the uninsured portion of potential public liability and workers' compensation claims through self-insurance programs and charges current operations for estimated claims to be paid (Note 14).

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pennsylvania State Employees' Retirement System ("SERS") and the State of New Jersey Public Employees' Retirement System ("PERS"), and additions to/deductions from SERS and PERS fiduciary net position have been determined on the same basis as reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Economic Development Activities: The Authority establishes loan loss provisions for economic development loans receivable, based upon collection history and analysis of creditor's ability to pay. The Authority has established a loss reserve in the amount of $1,345 as of December 31, 2017 and 2016 for its economic development loans outstanding.

Net Position: Net position is classified in the following three components:

Net Investment in Capital Assets: This component of net position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted: This component of net position consists of external constraints imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation, that restricts the use of net position.

Unrestricted: This component of net position consists of a net position that does not meet the definition of "restricted" or "net investment in capital assets." This component includes net position that may be allocated for specific purposes by the Board. A deficiency will require future funding.

Operating and Non-Operating Revenues and Expenses: Operating revenues include all revenues derived from facility charges (i.e., toll revenues, which include E-ZPass revenues), PATCO operations (passenger fare, advertising and parking), and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities.

Operating expenses include expenses associated with the operation, maintenance, and repair of the bridges, PATCO, Port of Philadelphia and Camden ("PPC") operations, and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt and economic development activities.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Debt Management: Total outstanding bond debt reflected on the combined statements of net position is net of unamortized bond discounts and premiums (Note 12). The Authority presently has two active interest rate hedge (swap) agreements (derivative instruments) with The Toronto-Dominion Bank and Wells Fargo Bank, N.A., respectively, to hedge interest rates on a portion of its outstanding long-term debt (Note 4).

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Derivative Instruments and the Related Companion Instruments: The Authority has entered into two interest rate swap agreements with the Bank of America, N.A. for the primary purposes of investing and for the aforementioned purpose of hedging interest rates on its outstanding long-term debt. In accordance with Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, all activity related to the interest rate swap agreements has been recorded on the combined financial statements and is further detailed in Note 4.

Budget: In accordance with Section 5.15 of the 1998 Revenue Refunding Bonds Indenture of Trust and its Supplemental Indentures and Section 5.07 of the 1999 and 2012 Port District Project Bond Indentures of Trust, the Authority must annually adopt an Annual Budget on or before December 31 for the ensuing year. Section 5.15 of the 1998 Revenue Refunding Bond Indenture of Trust requires that the Authority, on or before December 31, in each year, adopt a final budget for the ensuing year of (i) operational expenses, (ii) the PATCO Subsidy, (iii) the amount to be deposited to the credit of the Maintenance Reserve Fund, and (iv) the estimated amounts to be deposited into the Debt Service Fund, the Debt Service Reserve Fund, and the Rebate Fund. Each Annual Budget must also contain the Authority's projections of revenues for the ensuing year demonstrating compliance with the covenant as to facility charges as set forth in Section 5.09 of the Indentures of Trust. On or before December 31 in each year, the Authority must file a copy of the Annual Budget for the ensuing year with the Trustees.

The Port District Project Bond Indentures require the following: the adopted budget must set forth, inter alia, the PATCO Subsidiary, the amount of any operating subsidy paid or payable by the Authority to or for the account of any other subsidiary of the Authority (including, without limitation, the Port of Philadelphia and Camden) and all other material operating expenses of the Authority payable from the General Fund. (See Note 11 for description of funds established under the Trust Indentures.) The Authority must also include the debt service payable on the bonds and any additional subordinated indebtedness during the ensuing year and all amounts required to be paid by the Authority into the Debt Service Reserve Fund or the Rebate Fund or to any Reserve Fund Credit Facility issuer during the ensuing year. On or before December 31, in each year, the Authority must file a copy of the Annual Budget for the ensuing year with the Trustees and Credit Facility Issuer.

The Authority filed the appropriate budgets as described above to its bond trustees by December 31, 2017 and 2016, in compliance with the bond indentures.

The Authority may at any time adopt an amended or supplemental Annual Budget for the remainder of the then-current year, which shall be treated as the Annual Budget under the provisions of the Indentures of Trust. A copy of any amended or supplemental Annual Budget must be promptly filed with the Trustees.

Interfunds: Interfund receivables/payables represent amounts that are owed, other than charges for goods and services rendered, to/from a particular fund. These receivables/payables are eliminated during the aggregation process.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes: The Authority is a public corporate instrumentality of the State of New Jersey and the Commonwealth of Pennsylvania, and as described in its amended governing Compact, has been "deemed to be exercising an essential government function in effectuating such purposes," and therefore is exempt from income taxes pursuant to the Internal Revenue Code (Section 115).

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 2. Cash and Cash Equivalents

Custodial Credit Risk Related to Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2017 and 2016, the Authority's bank balances of $56,987 and $74,661 (including certificates of deposit of $14,008 and $13,688 classified as investments in the combined statements of net position), respectively, were exposed to custodial credit risk as follows:

	2017	2016
Uninsured and uncollateralized	$ 9,132	$ 26,217
Collateralized with securities held by the pledging financial institution in the Authority's name	$ 45,961	$ 46,552

Note 3. Investment in Securities

Excluding the investments of the OPEB Trust, the Authority's investments in various securities are maintained for specified funds in accordance with the provisions of the Indenture of Trust adopted as of July 1, 1998 or the Authority's General Fund investment policy (for unrestricted investments).

Custodial Credit Risk Related to Investments: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Authority's investments at December 31, 2017 and 2016 totaled $799,225 and $838,258, respectively. These investments consisted of short-term investments, asset backed securities, corporate bonds and notes, U.S. federal agency notes and bonds, and U.S. government treasuries. All of the Authority's investments are maintained in the Authority's name, by a third-party financial institution acting as the Authority's agent.

As of December 31, 2017 and 2016, the Authority had the following investments:

Investment	Maturities (months average)	Fair Value Hierarchy Level *	2017	2016
Asset back securities	335.43	Level 1	$ 80	$ 103
Corporate bonds and notes	37.14	Level 1	97,777	34,488
Short-term investments	20.49	Level 1	622,316	724,007
U.S. federal agency notes and bonds	223.15	Level 1	8,882	10,143
U.S. government treasuries	34.63	Level 1	56,162	55,829
			785,217	824,570
Certificates of deposits held at banks			14,008	13,688
Total			$ 799,225	$ 838,258

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

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

Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 3. Investment in Securities (Continued)

Custodial Credit Risk Related to Investments (Continued): The weighted average maturity of the Authority's investment portfolio was 25.90 and 26.89 months as of December 31, 2017 and 2016, respectively.

The short-term investments primarily consist of money market funds. Since these funds are held by a third party financial institution, and it is the policy of the Authority to re-invest these funds in investments with longer maturities, these amounts have been classified as investments, as opposed to cash and cash equivalents, in the combined statements of net position.

Interest Rate Risk: The Authority's General Fund investment policy limits investment maturities (on unrestricted investments) as a means of managing its exposure to fair value losses arising from increasing interest rates and is as follows: the average effective duration of the portfolio is not to exceed twenty-four months, and the maximum effective duration of any individual security is not to exceed five years, unless otherwise specified.

Credit Risk: Investments are purchased in accordance with the 1998 Indenture of Trust and its Supplemental Indenture and General Fund investment parameters and generally include U.S. government obligations, money market funds, 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 & Poor's Ratings or Moody's Investors Service. In accordance with the 1998 Indenture of Trust and its Supplemental Indentures and its General Fund investment guidelines, the Authority invests in corporate bonds and commercial paper rated A-1 by Standard & Poor's Corporation.

Guaranteed income contracts are collateralized by U.S. government and agency securities, and debt obligations having a rating in the highest rating category from Moody's Investors Service or Standard & Poor's Rating Services.

As of December 31, 2017, the following are the actual ratings by Standard & Poor's:

Actual Rating	Asset Backed Securities	Corporate Bonds and Notes	U.S. Federal Agency Notes and Bonds	US Government Treasuries
AAA	-	$ 1,963	-	-
AA+	-	1,903	$ 8,312	$ 53,817
AA	$ 3	2,903	-	-
AA-	-	14,233	-	-
A+	-	3,793	-	-
A-	-	4,992	-	-
A	-	11,584	-	-
BBB+	-	4,396	-	-
BBB	-	150	-	-
D	77	-	-	-
Unrated	-	51,860	570	2,345
	$ 80	$ 97,777	$ 8,882	$ 56,162

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 3. Investment in Securities (Continued)

As of December 31, 2017, the following are the actual ratings by Moody's:

Actual Rating	Asset Backed Securities	Corporate Bonds and Notes	U.S. Federal Agency Notes and Bonds	US Government Treasuries
Aaa	-	$ 2,413	$ 7,952	$ 55,664
Aa1	-	1,205	-	-
Aa2	-	9,581	-	-
Aa3	-	8,414	-	-
A1	-	10,906	-	-
A2	$ 3	3,474	-	-
A3	-	9,674	-	-
Baa1	-	251	-	-
C	77	-	-	-
Unrated	-	51,859	930	498
	$ 80	$ 97,777	$ 8,882	$ 56,162

Concentration of Credit Risk: The Authority's investment policy on the concentration of credit risk for its General Fund investments states that no limitations exist on the purchase of investments in obligations of the U.S. government and U.S. federal agencies since they are fully guaranteed by the U.S. government.

For the purchase of investments in obligations of all other issuers, total investments held from any one issuer shall not exceed ten percent (10%) of the aggregate market value of the entire portfolio, except for repurchase agreements, which, from any one issuer, shall not exceed twenty-five percent (25%) of the aggregate market value of the portfolio.

As of December 31, 2017, more than 5% of the Authority's investments are with BNP Paribas Fortis commercial paper. These investments, classified in corporate bonds and notes, represent 6.5% of the Authority's total investments.

OPEB Trust:

As previously stated, the OPEB Trust accounts for the recording and accumulation of other postemployment benefit resources (Authority contributions), which are held in trust for the exclusive benefit of the Authority's retirees. These contributions are invested by the Authority.

Custodial Credit Risk Related to Investments: The Authority's investments at December 31, 2017 and 2016 totaled $25,785 and $20,765, respectively. These investments consisted of money market funds, corporate bonds and notes, U.S. federal agency notes and bonds, and U.S. government treasuries. All of the Authority's investments are maintained in the Authority's name, by a third-party financial institution acting as the Authority's agent.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 3. Investment in Securities (Continued)

Custodial Credit Risk Related to Investments (Continued): As of December 31, 2017 and 2016, the Authority had the following investments in the OPEB Trust:

Investment	Maturities (months average)	Fair Value Hierarchy Level	2017	2016
Short-term investments	0.03	Level 1	$ 5,301	$ 3,164
Corporate bonds and notes	31.92	Level 1	3,125	
U.S. federal agency notes and bonds	14.66	Level 1	5,172	15,101
U.S. government treasuries	24.48	Level 1	12,187	2,500
Total			$ 25,785	$ 20,765

The weighted average maturity of the Authority's investment portfolio was 18.39 and 19.14 months as of December 31, 2017 and 2016, respectively.

Interest Rate Risk: The Authority's investment policy for the OPEB Trust calls for investments predominately in fixed income assets (corporate bonds, US treasury and agency paper, totaling approximately 79% of the portfolio), with the remainder held in high quality money market securities.

Credit Risk: As of December 31, 2017, the actual ratings by Moody's for the OPEB Trust investments were as follows:

Actual Rating	Corporate Bonds and Notes	U.S. Federal Agency Notes and Bonds	US Government Treasuries
Aaa	$ 546	$ 4,675	$ 12,187
Aa1	150	-	-
Aa2	424	-	-
Aa3	400	-	-
A1	703	-	-
A2	450	-	-
A3	452	-	-
Unrated	-	497	-
	$ 3,125	$ 5,172	$ 12,187

Concentration of Credit Risk: As of December 31, 2017, more than 5% of the Authority's investments were with the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association. These investments represent 28.21%, 17.93%, and 16.18%, respectively, of the Authority's OPEB Trust investments.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 4. Derivative Instruments

In accordance with the requirements of Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASBS 53"), related to derivative instruments, the Authority engaged a financial advisory firm to analyze the effectiveness of the two "cash-flow hedges" (specifically the 1995 and 1999 Revenue Bond swaptions). Both swaptions were found to be substantially effective. At December 31, 2017 and 2016, the value of the pay-fixed interest rate swap (1995 Revenue Bond Swaption) was ($28,565) and ($36,718), respectively. At December 31, 2017 and 2016, the value of the pay-fixed interest rate swap (1999 Revenue Bond Swaption) was ($34,704) and ($44,500), respectively. The pay-fixed interest rate swaps are classified as deferred outflows of resources on the combined statements of net position, and total $63,269 and $81,217 at December 31, 2016 and 2015, respectively.

The fair value balance and notional amounts of derivative instruments outstanding at December 31, 2017 and 2016, classified by type, and the changes in fair value of such derivative instruments for the year ended as reported in the 2017 and 2016 combined financial statements are as follows (debit (credit)):

	Changes in Fair Value			Fair Value at December 31, *				
	Classifi-cation	Amount		Classifi-cation	Amount		Notional	
		2017	2016		2017	2016	2017	2016
Investment derivatives:								
Receive-fixed interest rate swaption (1999 PDP, Series B, Debt Service Reserve Fund)	Interest revenue	$ 24	$ 47	Derivative instrument	$ (7)	$ (31)	$ 10,436	$ 10,436
Receive-fixed interest rate swaption (1999 Revenue Bonds Debt Service Reserve Fund)	Interest revenue	91	177	Derivative instrument	(27)	(118)	39,657	39,657
Cash flow hedges:								
Pay-fixed interest rate swap (1995 Revenue Bonds Swaption)	Deferred outflow	8,153	10,014	Derivative instrument	(28,565)	(36,718)	232,015	251,605
Pay-fixed interest rate swap (1999 Revenue Bonds Swaption)	Deferred outflow	9,796	12,037	Derivative instrument	(34,704)	(44,500)	272,795	295,495

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

<u>Objective and Terms of Hedging Derivative Instruments</u>: The following table summarizes the objective and terms of the Authority's hedging instruments outstanding at December 31, 2017:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms
Pay-fixed interest rate swap (1995 Revenue Bonds Swaption)	Hedge of changes in cash flows of the 2008 Revenue Refunding Bonds	$ 232,015	07/01/15	01/01/26	Pay 5.447%; receive 66% of one-month LIBOR
Pay-fixed interest rate swap (1999 Revenue Bonds Swaption)	Hedge of changes in cash flows of the 2010 Revenue Refunding Bonds	272,795	07/01/15	01/01/26	Pay 5.738%; receive 66% of one-month LIBOR

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 4. Derivative Instruments (Continued)

1995 Revenue Bonds Swaption: On May 2, 2001, the Authority entered into the 1995 Revenue Bonds Swaption with UBS AG in the initial notional amount of $358,215. Under the 1995 Revenue Bonds Swaption, UBS AG had the option, exercisable 120 days preceding January 1, 2006, January 1, 2007, and January 1, 2008, to elect to have the 1995 Revenue Bonds Swaption commence on the January 1 next succeeding the exercise of the option.

Under the 1995 Revenue Bonds Swaption, (i) UBS AG was obligated to pay to the Authority $7,144 on January 1, 2006, as an exercise premium amount; (ii) UBS AG is obligated to pay periodic payments (payable monthly) to the Authority based upon a variable rate of 66% of the USD-LIBOR-BBA index; and (iii), the Authority is obligated to pay periodic payments (payable monthly) to UBS AG based upon a fixed rate of 5.447% per annum. The periodic interest rates are applied to the notional amount of the 1995 Revenue Bonds Swaption, which amortizes annually, commencing January 1, 2007, from its initial notional amount. Effective July 1, 2015, the Authority executed a novation transaction with the 1995 Revenue Bonds Swaption that replaced UBS AG with The Toronto-Dominion Bank as the counterparty to the Swaption. The Toronto-Dominion Bank effectively assumed all of the significant terms of the original Swaption (i.e.: notional amount, terms to maturity, payment terms, reference rates, time intervals, etc.). Only the net difference in the periodic payments is to be exchanged between the Authority and The Toronto-Dominion Bank.

The periodic payment obligations of the Authority under the 1995 Revenue Bonds Swaption are secured and payable equally and ratably with Bonds issued under the 1998 Revenue Bond Indenture. In addition to other Events of Default and Termination Events (as defined in the 1995 Revenue Bond Swaption), there exists an Additional Termination Event with respect to the Authority if the credit rating of Bonds issued under the 1998 Revenue Bond Indenture (without reference to municipal bond insurance or credit enhancement) falls below “Baa2” with respect to Moody’s Investors Service (“Moody’s”) or “BBB-” with respect to Standard & Poor’s Ratings Group (“S&P”) or Fitch Ratings (“Fitch”), or the Bonds cease to be rated by one of Moody’s, S&P or Fitch (and such rating agencies are still in the business of rating obligations such as the Bonds).

In consideration for entering into the 1995 Revenue Bonds Swaption, the Authority received a net up-front, non-refundable option payment in the amount of $22,446 from UBS AG (the original counterparty), which has been recorded on the combined financial statements as a noncurrent liability (premium payment payable - derivative companion instrument). In accordance with the provisions of GASBS No. 53, this derivative companion instrument is considered a “borrowing” resulting from the intrinsic value of the swaption at inception. During the option period, interest accretes at the effective rate implied by the cash flows on the borrowing at inception. Once the swaption is exercised, and becomes an active swap, a portion of the swap interest payments are attributed to principal and interest payments on the borrowing.

On September 3, 2005, UBS AG (the original counterparty) advised the Authority that it was exercising its option on this swaption as of January 1, 2006. As a result, UBS AG paid the Authority $7,144 on January 3, 2006 as an exercise premium, which has been recorded as an unearned revenue and is being amortized as interest revenue over the life of the interest rate swap agreement. The Authority made its initial net monthly swap payment in February 2006. The Authority is current on its 2017 monthly net swap interest payments to The Toronto-Dominion Bank (the current counterparty), which totaled $10,958 and $13,341 as of December 31, 2017 and 2016, respectively.

Because of the aforementioned swap novation transaction, effective July 1, 2015, wherein the UBS-AG swap was terminated and UBS-AG was replaced by a new counterparty, The Toronto-Dominion Bank, the Authority reduced its swap exposure because of the resulting more favorable terms for the Authority. The ratings of the current counterparty (The Toronto-Dominion Bank) to the 1995 Revenue Bonds Swap by Moody’s, S&P, and Fitch are A2, AA-, and AA-, respectively, as of December 31, 2017.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 4. Derivative Instruments (Continued)

1995 Revenue Bonds Swaption (Continued): As of December 31, 2017, the 1995 Revenue Bond Swaption had an at-the-mark value of ($39,109). As of December 31, 2017, the notional value of the swap was $232,015.

The following schedule represents the accretion of interest and amortization of the premium payment payable - derivative companion instrument through the term of the interest rate swap agreement, at an effective interest rate of 4.62324%:

Year Ending December 31,	Beginning Balance	Interest Accrual	Imputed Debt Payment	Ending Balance
2018	$ 7,150	$ 331	$ (1,740)	$ 5,741
2019	5,741	265	(1,561)	4,445
2020	4,445	205	(1,372)	3,278
2021	3,278	152	(1,173)	2,257
2022	2,257	104	(963)	1,398
2023-2025	1,398	110	(1,508)	-

1999 Revenue Bonds Swaption: On May 2, 2001, the Authority entered into the 1999 Revenue Bonds Swaption with UBS AG in the initial notional amount of $403,035. Under the 1999 Revenue Bonds Swaption, UBS AG had the option, exercisable 120 days preceding January 1, 2010, January 1, 2011, and January 1, 2012, to elect to have the 1999 Revenue Bonds Swaption commence on the January 1 next succeeding the exercise of the option. Under the 1999 Revenue Bonds Swaption, if exercised, (i) UBS AG is obligated to pay periodic payments (payable monthly) to the Authority based upon a variable rate of 66% of the USD-LIBOR-BBA index, and (ii), the Authority is obliged to pay periodic payments (payable monthly) to UBS AG based upon a fixed rate of 5.738% per annum. The periodic interest rates are applied to the notional amount of the 1999 Revenue Bonds Swaption, which amortizes annually, commencing January 1, 2011, from its initial notional amount. Effective July 1, 2015, the Authority executed a novation transaction with the 1999 Revenue Bonds Swaption which replaced UBS AG with Wells Fargo Bank, N.A. as the counterparty to the Swaption. Wells Fargo Bank N.A. effectively assumed all of the significant terms of the original Swaption (i.e.: notional amount, terms to maturity, payment terms, reference rates, time intervals, etc.). Only the net difference in the periodic payments is to be exchanged between the Authority and Wells Fargo Bank, N.A.

Once exercised, the 1999 Revenue Bonds Swaption would continue (unless earlier terminated) through January 1, 2026. The periodic payment obligations of the Authority under the 1999 Revenue Bonds Swaption (if exercised) are secured and payable equally and ratably with Bonds issued under the 1998 Revenue Bond indenture. In addition to other Events of Default and Termination Events (as defined in the 1999 Revenue Bonds Swaption), there exists an Additional Termination Event with respect to the Authority if the credit rating of Bonds issued under the 1998 Revenue Bond Indenture (without reference to municipal bond insurance or credit enhancement), falls below “Baa2” with respect to Moody’s or “BBB-” with respect to S&P or Fitch, or the Bonds cease to be rated by one of Moody’s, S&P or Fitch (and such rating agencies are still in the business of rating obligations such as the Bonds).

In consideration for entering into the 1999 Revenue Bonds Swaption, the Authority received a net up-front, non-refundable option payment in the amount of $20,142 from UBS AG (the original counterparty), which has been recorded on the combined financial statements as a noncurrent liability (premium payment payable – derivative companion instrument). In accordance with the provisions of GASBS 53, this derivative companion instrument is considered a “borrowing” resulting from the intrinsic value of the swaption at inception.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 4. Derivative Instruments (Continued)

1999 Revenue Bonds Swaption (Continued): During the option period, interest accretes at the effective rate implied by the cash flows on the borrowing at inception. Once the swaption is exercised, and becomes an active swap, a portion of the swap interest payments are attributed to principal and interest payments on the borrowing.

On September 3, 2009, UBS AG (the original counterparty) advised the Authority that it was exercising its option on this swaption as of January 1, 2010. The Authority began making net interest payments to USB AG, commencing in February 2010, representing January's net interest payment. The Authority is current on its 2017 monthly net swap interest payments to Wells Fargo Bank, N.A. (the current counterparty), which totaled $13,676 and $16,675 as of December 31, 2017 and 2016, respectively.

Because of the aforementioned swap novation transaction, effective July 1, 2015, wherein the UBS-AG swap was terminated and UBS-AG was replaced by a new counterparty, Wells Fargo Bank, N.A., the Authority reduced its swap exposure because of the resulting more favorable terms for the Authority. The ratings of the counterparty (Wells Fargo Bank, N.A.) to the 1999 Revenue Bonds Swap by Moody's, S&P, and Fitch are Aa2, AA-, and AA-, respectively, as of December 31, 2017. As of December 31, 2017, the 1999 Revenue Bond Swaption had an at-the-mark value of ($49,486). As of December 31, 2017, the notional value of the swap was $272,795.

The following schedule represents the accretion of interest and amortization of the premium payment payable - derivative companion instrument through the term of the interest rate swap agreement, at an effective interest rate of 4.71425%:

Year Ending December 31,	Beginning Balance	Interest Accrual	Imputed Debt Payment	Ending Balance
2018	$ 10,463	$ 493	$ (2,547)	$ 8,409
2019	8,409	396	(2,288)	6,517
2020	6,517	307	(2,013)	4,811
2021	4,811	227	(1,722)	3,316
2022	3,316	156	(1,415)	2,057
2023-2025	2,057	164	(2,221)	-

Net Swap Payments: Using rates as of December 31, 2017 and assuming the rates are unchanged for the remaining term of the bonds, the following table shows the debt service requirements and net swap payments for the Authority's hedged variable rate bonds:

	Variable Rate Bonds			Swap Interest Payments			
Year Ending December 31,	Principal	Interest	Total	Fixed Pay	Variable Received	Net Pay	Total Bonds and Swaps
2018	$ 44,645	$ 8,090	$ 52,735	$ 25,789	$ 4,738	$ 21,051	$ 73,786
2019	47,155	7,320	54,475	23,147	4,252	18,894	73,369
2020	49,800	6,508	56,308	20,356	3,740	16,617	72,925
2021	52,595	5,649	58,244	17,409	3,198	14,211	72,455
2022	55,540	4,743	60,283	14,296	3,211	11,086	71,369
2023-2026	255,075	8,845	263,920	25,201	4,118	21,083	285,003
	$ 504,810	$ 41,155	$ 545,965	$ 126,198	$ 23,257	$ 102,941	$ 648,906

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 4. Derivative Instruments (Continued)

Objective and Terms of Investment Derivative Instruments: On August 21, 2000, the Authority entered into two (2) interest rate agreements with Bank of America, N.A. in the notional amounts of $39,657 (the "2000 Swaption #1") and $10,436 (the "2000 Swaption #2", and together with the 2000 Swaption #1, the "2000 Swaptions"). Under the 2000 Swaptions, Bank of America, N.A. has the option on certain future dates (two business days preceding July 1, 2005 and each January 1 and July 1 thereafter through and including July 1, 2025 with respect to the 2000 Swaption #1 and two business days preceding January 2, 2006 and each July 1 and January 1 thereafter through and including July 1, 2025 with respect to the 2000 Swaption #2) to cause the 2000 Swaption #1 or the 2000 Swaption #2, as applicable, to commence on the next succeeding January 1 or July 1.

If an option is exercised, the 2000 Swaption #1, or the 2000 Swaption #2, as applicable, would continue (unless earlier terminated) through January 1, 2026. The Authority's obligations under the 2000 Swaptions are general unsecured corporate obligations.

If the options relating to the 2000 Swaption #1 or the 2000 Swaption #2 are exercised, Bank of America, N.A. is obligated to pay periodic interest payments (payable monthly) to the Authority based upon a fixed rate of 5.9229% per annum, and the Authority is obligated to pay periodic interest payments (payable monthly) to Bank of America, N.A. at a variable rate based upon the Securities Industry and Financing Markets Association (SIFMA) (formerly the BMA Municipal Swap Index) (a tax-exempt variable rate index). Only the net difference in the periodic payments owed would be exchanged between Bank of America, N.A. and the Authority. As of December 31, 2017, Bank of America, N.A. has not exercised its options on the aforementioned swaptions with a value totaling ($34).

In consideration for entering into the 2000 Swaptions, the Authority received net up-front, non-refundable option payments in the aggregate amount of $1,400 from Bank of America, N.A., which represented the time value for holding the written option. Such payments were initially recorded as unearned revenue and amortized as interest revenue. These net up-front, non-refundable option payments have been fully amortized.

Risks Related to Derivative Instruments:

Credit Risk: For the years ended December 31, 2017 and 2016, the Authority was not exposed to credit risk on its hedging derivative instruments or investment derivatives as all such derivative instruments were in a liability position based on their fair values. The credit ratings of the counterparties, for the active swaps, however, are Aa2, AA-, AA- (Wells Fargo), and A2, AA-, AA- (TD Bank, N.A.) as rated by Moody's, S&P, and Fitch, respectively, as of December 31, 2017.

Interest Rate Risk: The Authority is exposed to interest rate risk on its derivative instruments. On its pay-variable, received-fixed interest rate swaptions, as the Securities Industry and Financing Markets Association (SIFMA) rate increases, the Authority's net payments on the swaptions, if exercised, increases. On its pay-fixed, receive-variable interest rate swaps, as the LIBOR rate decreases, the Authority's net payments on the swaps increases. While the Authority's net payments may increase, these increases are partially offset by the variable rate bonds rate.

Basis Risk: The Authority is exposed to basis risk on its pay-fixed interest rate swap hedging derivative instruments because the variable-rate payments received by the Authority on these hedging derivative instruments are based on a rate or index other than interest rates the Authority pays on its hedged variable-rate debt, which is remarketed every five (5) days.

Termination Risk: The Authority or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 4. Derivative Instruments (Continued)

Risks Related to Derivative Instruments (Continued):

Rollover Risk: The Authority is not exposed to rollover risk on its hedging derivative instruments. The Authority's hedging derivative instruments terminate on the same day as the hedged debt matures, unless the Authority opts for earlier termination.

Market-Access Risk: If a particular option is exercised and refunding bonds are not issued, the affected series of bonds would not be refunded, and the Authority would make net swap payments as required by the terms of the applicable aforementioned contracts. If the option is exercised and the variable-rate bonds issued, the actual difference ultimately recognized by the transaction will be affected by the relationship between the interest rate terms of the to-be-issued variable-rate bonds versus the payment as stipulated in the swaption agreement.

Swap Management Policy: On December 28, 2009, the Authority's Board approved a resolution (DRPA-09-099, entitled "*Use Debt-Related Swap Agreements*") which, among other things, declared: (i) "that it is the direction and intention of the Board that the DRPA not enter into any new debt-related swap agreements...", and (ii) that the staff of the Authority" takes all steps necessary to immediately begin the process of recommending to the Board whether, when, and how to terminate the Authority's current swaps, with all such terminations, if determined to be advisable, to occur in a methodical and careful manner which avoids to the fullest extent possible additional costs or risks may be associated with termination; and that staff report to the Finance Committee of the Board on a monthly basis the status of all current swap agreements…"

At its September 2014 meeting, the Authority's Board approved resolution DRPA 14-116 entitled "*Authorization to Terminate and Replace Existing UBS Swaps with New Swap Counterparty(ies)*" which authorized the Authority to terminate its existing swaps with UBS AG "in order to reduce Authority swap exposure and to provide more favorable terms to the Authority." In addition, the Authority adopted a written swap policy. As previously stated in this note, UBS AG was replaced, as counterparty, by The Toronto-Dominion Bank, and Wells Fargo Bank, effective July 1, 2015.

Lastly, resolution DRPA 16-055 (approved in April 2016) authorized "the amendment, replacement, and termination of any or all of the Outstanding Swaps." Resolution DRPA 16-098 entitled "*Authorization for Issuance of Revenue Refunding Bonds Amendment, Replacement or Termination of Interest Rate Swaps*" approved in September 2016 further authorized the Authority's management "to the extent deemed economically advantageous and fiscally prudent for the Authority, the amendment, replacement or termination of any or all of the Authority's outstanding Interest Rate Swap Agreements..," and also authorizes the issuance of fixed rate Revenue Refunding Bonds to refund outstanding variable rate bonds, in a "not-to-exceed" amount of $600 million.

Note 5. Accounts Receivable

Accounts receivable for December 31, 2017 and December 31, 2016 are as follows:

	2017	2016
Reimbursements from governmental agencies - Federal Transit Administration	$ 5,603	$ 702
Reimbursements from other governmental agencies	999	870
Development projects	3,500	3,500
E-ZPass bridge tolls from other agencies	6,626	5,894
Other	1,032	973
Gross receivables	17,760	11,939
Less: allowance for uncollectibles	(3,564)	(3,564)
Net total receivables	$ 14,196	$ 8,375

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 6. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 Year
Bonds payable					
1999 Port District Project Bonds	$ 20,065		$ (4,245)	$ 15,820	$ 4,570
2008 Revenue Refunding Bonds	251,605		(19,590)	232,015	20,655
2010 Revenue Refunding Bonds	295,495		(22,700)	272,795	23,990
2010 Revenue Bonds	308,375			308,375	
2012 Port District Project Refunding Bonds	135,410		(6,335)	129,075	6,650
2013 Revenue Bonds	476,585			476,585	
Issuance discounts/premiums	22,754	$ 26	(2,624)	20,156	
Total bonds payable	1,510,289	26	(55,494)	1,454,821	55,865
Other liabilities					
Claims and judgments	4,288	793	(994)	4,087	2,970
Self-insurance	4,153	2,021	(1,800)	4,374	2,903
Sick and vacation leave	3,879	1,361	(707)	4,533	2,494
Net pension liability	145,909	53,059	(45,164)	153,804	
Unearned revenue	8,771	21,489	(21,479)	8,781	4,955
Other postemployment benefits	21,101	3,966	(10,588)	14,479	
Premium payment payable - derivative companion instrument	21,320		(3,707)	17,613	
Derivative instrument - interest rate swap	81,366		(18,063)	63,303	
	$ 1,801,076	$ 82,715	$ (157,996)	$ 1,725,795	$ 69,187

Long-term liability activity for the year ended December 31, 2016 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 Year
Bonds payable					
1999 Port District Project Bonds	$ 24,010		$ (3,945)	$ 20,065	$ 4,245
2008 Revenue Refunding Bonds	270,180		(18,575)	251,605	19,590
2010 Revenue Refunding Bonds	316,955		(21,460)	295,495	22,700
2010 Revenue Bonds	308,375			308,375	
2012 Port District Project Refunding Bonds	141,440		(6,030)	135,410	6,335
2013 Revenue Bonds	476,585			476,585	
Issuance discounts/premiums	25,453	$ 25	(2,724)	22,754	
Total bonds payable	1,562,998	25	(52,734)	1,510,289	52,870
Other liabilities					
Claims and judgments	2,520	3,129	(1,361)	4,288	1,365
Self-insurance	4,626	2,418	(2,891)	4,153	1,827
Sick and vacation leave	3,962	1,429	(1,512)	3,879	1,940
Net pension liability	114,682	48,607	(17,380)	145,909	
Unearned revenue	8,758	26,856	(26,843)	8,771	4,585
Other postemployment benefits	26,352	4,562	(9,813)	21,101	
Premium payment payable - derivative companion instrument	25,237		(3,917)	21,320	
Derivative instrument - interest rate swap	103,642		(22,276)	81,366	
	$ 1,852,777	$ 87,026	$ (138,727)	$ 1,801,076	$ 62,587

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 7. Investment in Facilities

Capital assets for the year ended December 31, 2017 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	$ 74,076			$ 74,076
Construction in progress	530,307	$ 91,898	$ (45,506)	576,699
Total capital assets not being depreciated	604,383	91,898	(45,506)	650,775
Capital assets being depreciated				
Bridges and related building and equipment	1,144,267	28,121	(3,651)	1,168,737
Transit property and equipment	627,348	58,704	(13,169)	672,883
Port enhancements	6,703			6,703
Total capital assets being depreciated	1,778,318	86,825	(16,820)	1,848,323
Less: accumulated depreciation for:				
Bridges and related building and equipment	(589,468)	(38,342)	3,651	(624,159)
Transit property and equipment	(297,345)	(22,616)	13,169	(306,792)
Port enhancements	(5,019)	(312)		(5,331)
Total accumulated depreciation	(891,832)	(61,270)	16,820	(936,282)
Total capital assets being depreciated, net	886,486	25,555	-	912,041
Total capital assets, net	$ 1,490,869	$ 117,453	$ (45,506)	$ 1,562,816

Capital assets for the year ended December 31, 2016 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	$ 74,100		$ (24)	$ 74,076
Construction in progress	441,577	$ 106,102	(17,372)	530,307
Total capital assets not being depreciated	515,677	106,102	(17,396)	604,383
Capital assets being depreciated				
Bridges and related building and equipment	1,139,324	7,975	(3,032)	1,144,267
Transit property and equipment	600,962	27,389	(1,003)	627,348
Port enhancements	6,703			6,703
Total capital assets being depreciated	1,746,989	35,364	(4,035)	1,778,318
Less: accumulated depreciation for:				
Bridges and related building and equipment	(557,062)	(34,895)	2,489	(589,468)
Transit property and equipment	(274,619)	(23,721)	995	(297,345)
Port enhancements	(5,168)	(317)	466 *	(5,019)
Total accumulated depreciation	(836,849)	(58,933)	3,950	(891,832)
Total capital assets being depreciated, net	910,140	(23,569)	(85)	886,486
Total capital assets, net	$ 1,425,817	$ 82,533	$ (17,481)	$ 1,490,869

* represents depreciated capital assets reclassified from port enhancements to bridges and related building and equipment and transit property and equipment

Total depreciation expense for the years ended December 31, 2017 and 2016 was $61,270 and $58,933, respectively.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 8. Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Authority does not make any contributions to the plan. To comply with changes in federal regulations and GASBS 32, *Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans*, the Authority amended the plan in 1998 so that all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property of the employees.

Note 9. Pension Plans

Employees of the Authority participate in the Pennsylvania State Employees' Retirement System ("SERS"), the State of New Jersey Public Employees' Retirement System ("PERS"), or the Teamsters Pension Plan of Philadelphia and Vicinity.

General Information about the Plans

Plan Descriptions

Pennsylvania State Employees' Retirement System - The Pennsylvania State Employees' Retirement System is the administrator of a cost-sharing multiple-employer defined benefit pension plan established by the Commonwealth of Pennsylvania ("Commonwealth") to provide pension benefits for employees of state government and certain independent agencies. SERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund. Membership in SERS is mandatory for most state employees. Members and employees of the General Assembly, certain elected or appointed officials in the executive branch, department heads, and certain employees in the field of education are not required, but are given the option to participate.

SERS provides retirement, death, and disability benefits. Article II of the Commonwealth's constitution assigns the authority to establish and amend the benefit provision of the plan to the General Assembly. Member retirement benefits are determined by taking years of credited service, multiplied by final average salary, multiplied by 2%, multiplied by class of service multiplier. According to the State Employees' Retirement Code, all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

The Pennsylvania State Employees' Retirement System issues a publicly available annual financial report, including financial statements, which may be obtained by writing to Pennsylvania State Employees' Retirement System, 30 N. 3rd Street, Harrisburg, Pennsylvania 17101-1716.

State of New Jersey Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A by the State of New Jersey ("State"). The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

The State of New Jersey Public Employees' Retirement System issues a publicly available annual financial report, including financial statements, which may be obtained by writing to State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 9. Pension Plans (Continued)

General Information about the Plans (Continued)

Plan Descriptions (Continued)

Teamsters Pension Plan of Philadelphia and Vicinity - The Teamsters Health and Welfare Fund of Philadelphia and Vicinity (the "Fund") covers all eligible employees working for employers who have a collective bargaining agreement with a Teamsters local union which is party to the Fund and under which the employers have agreed to make contributions to the Fund on the employees' behalf in accordance with negotiated hourly rates. The Fund is a multi-employer, defined benefit health and welfare plan that was established under the terms of collective bargaining agreements between the employers and Teamsters local unions (the local unions), located in central and northeast portions of Pennsylvania, along the eastern shore of Maryland, Maine, New York and Ohio. The Fund is generally non-contributory, but does provide for participant contributions under the Consolidated Omnibus Budget Reconciliation Act (COBRA). The Fund provides health and other benefits to eligible participants who are covered under collective bargaining agreements, or other written agreements, with the local unions. The Fund is administered by a Board of Trustees (Trustees) with equal representation by the employers and the local unions and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Benefit terms are established, and amended, by the Trustees. The Authority is not subject to any provisions regarding withdrawal from the Fund.

The Teamsters Pension Plan of Philadelphia and Vicinity issues a publicly available annual financial report, including financial statements, which may be obtained by writing to Teamsters Pension Plan of Philadelphia and Vicinity, Fourth and Cherry Streets, Philadelphia, Pennsylvania 19106.

Vesting and Benefit Provisions

Pennsylvania State Employees' Retirement System - A member may retire after completing three years of service and after reaching normal retirement age (the age of 60, except police officers at age 50, or the age at which 35 years of service has been completed, whichever occurs first). Benefits vest after five years of service, or after 10 years of service for those hired on or after January 1, 2011. If an employee terminates his or her employment after at least five years of service (10 years if hired on or after January 1, 2011) 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 who started on or prior to December 31, 2010 are entitled to receive pension benefits equal to 2.5% (2.0% for employees starting on or after January 1, 2011, unless they opt to pay more to be eligible for the 2.5%) of their final average compensation (average of the three highest years in earnings) times the number of years for which they were a participant in the plan. The pension benefits received by an employee who retires after five 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 contributions less the amount of pension payments that the employee received, the present value of the employees' 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 payment 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.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 9. Pension Plans (Continued)

General Information about the Plans (Continued)

Vesting and Benefit Provisions (Continued)

State of New Jersey Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS:

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Teamsters Pension Plan of Philadelphia and Vicinity - A member may retire at the later of (a) the date the employee reaches 65 or (b) the tenth 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 of 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 that 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 and 5 years of continuous service with 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.

At December 31, 2017, 2016 and 2015, the Authority had 212, 196 and 208 employees, respectively, covered by the Fund.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 9. Pension Plans (Continued)

General Information about the Plans (Continued)

Contributions

Pennsylvania State Employees' Retirement System - The contribution requirements of plan members and the Authority are established and amended by the Pennsylvania State Employees' Retirement System Board. As of January 1, 2002, employees are required to contribute 6.25% (unless opting for 9.33% deductions in order to be eligible for the 2.5% pension compensation) of their gross earnings to the plan.

Employer contribution rates are certified by the SERS Board annually, typically in April of each year to become effective the following fiscal year beginning in June. It is customary for rates to result from an independent actuarial valuation of the pension fund. The employer contribution rate is set so that it can fund all retirement benefits earned by employees working during the year and pay toward any unfunded liability that may exist. In some cases, however, the actuarially calculated employer contribution rate has been set or adjusted by Pennsylvania law.

The Authority's contractually required contribution rate for the years ended December 31, 2017 and 2016 was 29.34% and 27.32%, respectively, of the Authority's covered payroll, and the Authority's contractually required quarterly contributions to the pension plan for 2017 and 2016 totaled $14,515 and $12,735, respectively. Employee contributions to the plan during 2017 and 2016 were $3,219 and $2,599, respectively.

State of New Jersey Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The Authority's contribution amounts are based on an actuarially determined rate that included the normal cost and unfunded accrued liability.

The Authority's contractually required contribution rate for the years ended December 31, 2017 and 2016 was 9.31% and 10.16%, respectively, of the Authority's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability. The Authority's contractually required contributions to the pension plan for the years ended December 31, 2017 and 2016 was $64 and $45, which is and was due on April 1, 2018 and April 1, 2017, respectively. Employee contributions to the plan during 2017 and 2016 were $56 and $33, respectively.

Teamsters Pension Plan of Philadelphia and Vicinity - The employer's contribution requirements are determined under the terms of one Collective Bargaining Agreement in force between the employer and the Teamsters, which expired on May 31, 2011. A "Memorandum of Agreement" was signed on December 28, 2016 to continue the Authority's contributions to the plan. The Memorandum of Agreement expired December 31, 2017. During 2017, the Authority was required to and did contribute twenty-six dollars and forty-eight cents ($26.48) per day from January 1 through June 30, and twenty-seven dollars and eighty-four cents ($27.84) per day, from July 1 through December 31 for each PATCO participating employee. For the 2016 year, the Authority was required to and did contribute twenty-five dollars and twenty-two cents ($25.22) per day from January 1 through June 30, and twenty-six dollars and forty-eight cents ($26.48) per day, from July 1 through December 31 for each PATCO participating employee. The Authority's contributions totaled 11.36%, 12.09% and 10.62% of covered payroll in 2017, 2016 and 2015 respectively.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 9. Pension Plans (Continued)

General Information about the Plans (Continued)

Contributions (Continued)

Teamsters Pension Plan of Philadelphia and Vicinity (Continued) - The employees of the Authority do not contribute to the Plan. The Authority contributed $1,299, $1,293 and $1,136 in 2017, 2016 and 2015 respectively, which represented 100% of the required contribution for the aforementioned years.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pennsylvania State Employees' Retirement System - At December 31, 2017, the Authority's proportionate share of the SERS net pension liability was $152,183. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the December 31, 2016 measurement date, the Authority's proportion was .79013936%, which was a decrease of .00410719% from its proportion measured as of December 31, 2015.

At December 31, 2016, the Authority's proportionate share of the SERS net pension liability was $144,424. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the December 31, 2015 measurement date, the Authority's proportion was .79424655%, which was an increase of .02971064% from its proportion measured as of December 31, 2014.

At December 31, 2017 and 2016, the Authority's proportionate share of the SERS pension expense, calculated by the Plan as of the December 31, 2016 and 2015 measurement dates, was $22,105 and $19,279, respectively.

State of New Jersey Public Employees' Retirement System - At December 31, 2017, the Authority's proportionate share of the PERS net pension liability was $1,620. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the Authority's proportion was .0069597877%, which was an increase of .0019492389% from its proportion measured as of June 30, 2016.

At December 31, 2016, the Authority's proportionate share of the PERS net pension liability was $1,484. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Authority's proportion was .0050105488%, which was an increase of .0001489164% from its proportion measured as of June 30, 2015.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 9. Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

State of New Jersey Public Employees' Retirement System (Continued) - At December 31, 2017 and 2016, the Authority's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2017 and 2016 measurement dates, was $4 and ($49), respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

Certain changes in the net pension liability are to be recognized as deferred outflows of resources or deferred inflows of resources and are amortized as either an increase or decrease to future year's pension expense, using a systematic and rational method over a closed period.

At December 31, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	SERS	PERS	Total	SERS	PERS	Total
Differences between expected and actual experience	$ 2,197	$ 38	$ 2,235	$ 3,405	-	$ 3,405
Changes of assumptions	9,296	327	9,623	-	$ 325	325
Net difference between projected and actual earnings on pension plan investments	12,789	11	12,800	-	-	-
Differences between employer contributions and proportionate share of contributions	22	366	388	326	507	833
Changes in proportion	2,949		2,949	2,161		2,161
Employer contributions subsequent to the measurement date	14,654	32	14,686	-	-	-
	$ 41,907	$ 774	$ 42,681	$ 5,892	$ 832	$ 6,724

At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	SERS	PERS	Total	SERS	PERS	Total
Differences between expected and actual experience	$ 2,924	$ 28	$ 2,952	-	-	-
Changes of assumptions	4,291	307	4,598	-	-	-
Net difference between projected and actual earnings on pension plan investments	14,705	57	14,762	-	-	-
Differences between employer contributions and proportionate share of contributions	-	-	-	$ 419	-	$ 419
Changes in proportion	3,443	24	3,467	1,833	$ 703	2,536
Employer contributions subsequent to the measurement date	12,735	22	12,757	-	-	-
	$ 38,098	$ 438	$ 38,536	$ 2,252	$ 703	$ 2,955

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 9. Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

At December 31, 2017, $14,516 and $32 for SERS and PERS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. These contributions were made by the Authority to the respective pension plans after the measurement date to satisfy the pension plan's net pension liability, but before the end of the financial statement period for the Authority. For SERS, this amount was based on actual contributions made during 2017, which was subsequent to the measurement date of December 31, 2016. For PERS, the amount was based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans measurement date of June 30, 2017 to the Authority's year-end of December 31, 2017.

At December 31, 2016, $12,735 and $22 for SERS and PERS, respectively, included in deferred outflows of resources, was included as a reduction of the net pension liability in the year ended December 31, 2017. These contributions were made by the Authority to the respective pension plans after the measurement date to satisfy the pension plan's net pension liability, but before the end of the financial statement period for the Authority. For SERS, this amount was based on actual contributions made during 2016, which was subsequent to the measurement date of December 31, 2015. For PERS, the amount was based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the Authority's year-end of December 31, 2016.

For SERS and PERS, the components of deferred outflows of resources and deferred inflows of resources for SERS and PERS, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expense over a 5.2 and 5.48 year closed period for the December 31, 2016 and June 30, 2017 measurement period, respectively, which reflects the weighted average remaining service life of all SERS and PERS members, beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on SERS and PERS investments is amortized over a 5.0 year closed period beginning the year in which the difference occurs (current year).

For SERS and PERS, the components of deferred outflows of resources and deferred inflows of resources for SERS and PERS, other than the difference between the projected and actual investment earnings on investments, were amortized into pension expense over a 5.2 and 5.57 year closed period for the December 31, 2015 and June 30, 2016 measurement period, respectively, which reflects the weighted average remaining service life of all SERS and PERS members, beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on SERS and PERS investments is amortized over a 5.0 year closed period beginning the year in which the difference occurs (current year).

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 9. Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The amounts of deferred outflows of resources and deferred inflows of resources related to the respective net pension liabilities measured at December 31, 2016 for SERS and June 30, 2017 for PERS that will be recognized in pension expense in future periods are as follows:

Year Ending Dec. 31	SERS	PERS	Total
2016	$ 6,813		$ 6,813
2017	6,813		6,813
2018	6,813	(75)	6,738
2019	6,144	(55)	6,089
2020	1,490	2	1,492
2021	102	33	135
2022		3	3
Totals	$ 28,175	$ (92)	$ 28,083

Actuarial Assumptions

Since the measurement of the net pension liability of SERS is the same date as the actuarial valuation of the net pension liability, no roll forward procedures are required for the net pension liability. For PERS, however, the net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total PERS pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017.

The actuarial valuations for the year ended December 31, 2017 used the following actuarial assumptions applied to all periods included in the measurement date of December 31, 2016 for SERS and June 30, 2017 for PERS:

	SERS	PERS
Inflation	2.60%	2.25%
Projected salary increases	average of 5.60% with range of 3.70% - 8.90% including inflation	1.65% - 4.15% based on age (through 2026) 2.65% - 5.15% based on age (thereafter)
Investment rate of return	7.25%	7.00%
Mortality rate table	projected RP-2000 mortality tables adjusted for actual plan experience and future improvement	projected RP-2000 mortality tables adjusted for actual plan experience and future improvements
Period of actuarial experience study upon which actuarial assumptions were based	2011 - 2015	July 1, 2011 - June 30, 2014

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 9. Pension Plans (Continued)

Actuarial Assumptions (Continued)

The actuarial valuations for the year ended December 31, 2016 used the following actuarial assumptions applied to all periods included in the measurement date of December 31, 2015 for SERS and June 30, 2016 for PERS:

	SERS	PERS
Inflation	2.75%	3.08%
Projected salary increases	average of 5.70% with range of 3.85% - 9.05% including inflation	1.65% - 4.15% based on age (through 2026) 2.65% - 5.15% based on age (thereafter)
Investment rate of return	7.50%	7.65%
Mortality rate table	projected RP-2000 mortality tables adjusted for actual plan experience and future improvement	projected RP-2000 mortality tables adjusted for actual plan experience and future improvements
Period of actuarial experience study upon which actuarial assumptions were based	2011 - 2015	July 1, 2011 - June 30, 2014

The long-term expected real rate of return on pension plan investments is determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in current and target asset allocation as of the measurement dates of December 31, 2016 for SERS and June 30, 2017 for PERS, are summarized in the following table:

	SERS		PERS	
Asset Class	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Absolute return / risk mitigation			5.00%	5.51%
Cash / cash equivalents	3.00%	-0.25%	5.50%	1.00%
U.S. treasuries			3.00%	1.87%
Investment grade credit			10.00%	3.78%
Global public equity	43.00%	5.30%		
Public high yield bonds			2.50%	6.82%
Global diversified credit			5.00%	7.10%
Credit oriented hedge funds			1.00%	6.60%
Debt Related Private Equity			2.00%	10.63%
Debt Related Real Estate			1.00%	6.61%
Equity Related Real Estate			6.25%	9.23%
U.S. Equity			30.00%	8.19%
Non-U.S. Developed Markets Equity			11.50%	9.00%
Emerging Markets Equity			6.50%	11.64%
Buyouts/Venture Capital			8.25%	13.08%
Private Real Estate			2.50%	11.83%
Private equity	16.00%	8.00%		12.40%
Fixed income	14.00%	1.63%		
Hedge funds / absolute return	12.00%	4.75%		4.68%
Real estate (property)	12.00%	5.44%		6.91%
Total	100.00%		100.00%	

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 9. Pension Plans (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in current and target asset allocation as of the measurement dates of December 31, 2015 for SERS and June 30, 2016 for PERS, are summarized in the following table:

	SERS		PERS	
Asset Class	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Cash			5.00%	0.87%
Alternative investments	15.00%	8.50%		
U.S. treasuries			1.50%	1.74%
Investment grade credit			8.00%	1.79%
Global public equity	40.00%	5.40%		
Real assets	17.00%	4.95%		
Mortgages			2.00%	1.67%
Diversifying assets	10.00%	5.00%		
High yield bonds			2.00%	4.56%
Inflation-indexed bonds			1.50%	3.44%
Broad U.S. equities			26.00%	8.53%
Developed foreign equities			13.25%	6.83%
Emerging market equities			6.50%	9.95%
Private equity			9.00%	12.40%
Fixed income	15.00%	1.50%		
Hedge funds / absolute return			12.50%	4.68%
Real estate (property)			2.00%	6.91%
Liquidity reserve	3.00%	0.00%		
Commodities			0.50%	5.45%
Global debt ex U.S.			5.00%	-0.25%
REIT			5.25%	5.63%
Total	100.00%		100.00%	

Discount Rate - The discount rate used to measure the total pension liability at December 31, 2016 and 2015 for SERS was 7.25% and 7.50%, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each member and that employer contributions will be made based on rates determined by the actuary. Based on those assumptions, SERS fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active SERS members; therefore, the long-term expected rate of return on SERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability at June 30, 2017 and 2016 for PERS was 5.00% and 3.98%, respectively. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85%, as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from PERS members would be made at the current member contribution rates. Based on those assumptions, PERS fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040 for PERS; therefore, the long-term expected rate of return on PERS investments was applied to projected benefit payments through 2040 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 9. Pension Plans (Continued)

Sensitivity of Authority's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Pennsylvania State Employees' Retirement System - The following presents the Authority's proportionate share of the net pension liability at the Plan's measurement date, calculated using a discount rate of 7.25% for December 31, 2017 and 7.50% for December 31, 2016, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	December 31, 2017		
	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Authority's proportionate share of the net pension liability - measurement date December 31, 2016	$ 179,402	$ 144,425	$ 114,433

	December 31, 2016		
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Authority's proportionate share of the net pension liability - measurement date December 31, 2015	$ 179,402	$ 144,425	$ 114,433

State of New Jersey Public Employees' Retirement System - The following presents the Authority's proportionate share of the net pension liability at the Plan's measurement date, calculated using a discount rate of 5.00% for June 30, 2017 and 3.98% for June 30, 2016, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	December 31, 2017		
	1% Decrease 4.00%	Current Discount Rate 5.00%	1% Increase 6.00%
Authority's proportionate share of the net pension liability - measurement date June 30, 2017	$ 2,010	$ 1,620	$ 1,295

	December 31, 2016		
	1% Decrease 2.98%	Current Discount Rate 3.98%	1% Increase 4.98%
Authority's proportionate share of the net pension liability - measurement date June 30, 2016	$ 1,818	$ 1,484	$ 1,208

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 10. Postemployment Healthcare Plan

Plan Description: The Authority provides coverage for medical, including prescription drug coverage, as part of the medical plan. Life insurance benefits are offered in retirement. Dental and vision coverage are not offered or subsidized for retirees. Such benefits are established and amended by the Authority's Board of Commissioners. The Authority's Plan provides two agent multiple-employer post-employment healthcare plans that cover two retiree populations: eligible retirees under the age of sixty-five (65) receive benefits through AmeriHealth and eligible retirees sixty-five (65) and over receive benefits through Horizon Blue Cross/Blue Shield of NJ and a Medicare Supplemental Plan through United Health Group/AARP. Life insurance benefits to qualifying retirees are provided through Standard Insurance Company. The plans are administered by the Authority; therefore, premium payments are made directly by the Authority to the insurance carriers.

The OPEB Trust is irrevocable and is exempt from federal and state income taxes under Internal Revenue Code Section 115. The sole purpose of the OPEB Trust is to provide funds to pay postemployment benefits to qualified retirees and their dependents.

Funding Policy: Employees become eligible for retirement benefits based on hire date and years of service. For employees hired after January 1, 2007, no subsidized retiree benefits are offered. The contribution requirements of plan members and the Authority are established, and may be amended, by the Authority's Board of Commissioners. Plan members receiving benefits contribute the following amounts: sixty-five dollars per month for retiree-only coverage for the base plan, one hundred and thirty dollars per month for retiree/spouse (or retiree/child) coverage, and one hundred and ninety-five dollars per month for retiree/family (or children) coverage to age sixty-five (65) for the base plan, and fifty-five dollars per month per retiree, per dependent for both the United Health Group (in partnership with AARP) and Horizon coverages. An additional amount is required for those retirees, under age sixty-five (65), who opt to participate in the "Value Plus Plan" offered by AmeriHealth for eligible retirees and their eligible dependents.

During 2015 and 2014, the Authority's Board of Commissioners passed resolutions DRPA-15-156 and DRPA-14-154 authorizing the Authority to make OPEB contributions for $5,000, for each subsequent year, to the OPEB Trust, which was established with PNC Institutional Management in 2014. Resolution DRPA-16-132 authorized an additional $5,000 contribution in 2017. This $5,000 contribution was made prior to year-end 2017. The Authority continues to fund its current retiree postemployment benefits cost on a "pay-as-you-go" basis, net of plan member contributions.

Future Retirees: The Authority is required to expense the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of the Governmental Accounting Standards Board (GASB). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be $4,555, at an unfunded discount rate of 3.7%.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 10. Postemployment Healthcare Plan (Continued)

Annual OPEB Cost: The Authority's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for 2017, 2016 and 2015 are as follows:

	2017	2016	2015
Annual required contribution (arc)	$ 4,555	$ 4,882	$ 4,952
Interest on the net OPEB obligation	780	1,054	1,258
Adjustment to the arc	(1,369)	(1,374)	(1,374)
Annual OPEB cost	3,966	4,562	4,836
Pay-as-you go cost (existing retirees)	(5,588)	(4,813)	(4,929)
Increase (decrease) in the net OPEB obligation	(1,622)	(251)	(93)
Net OPEB Obligation, January 1	21,101	26,352	31,445
OPEB Obligation, December 31	19,479	26,101	31,352
OPEB Trust Contributions	(5,000)	(5,000)	(5,000)
Net OPEB Obligation, December 31	$ 14,479	$ 21,101	$ 26,352
Percentage of Annual OPEB Cost Contributed	267%	215%	205%

Funded Status and Funding Progress: Using the report from January 1, 2017, the most recent actuarial valuation date, the results were rolled forward to calculate year-end December 31, 2017. The actuarial accrued liability for benefits as of January 1, 2017 was $121,764, and the actuarial value of plan assets was $20,765, or 17.1% funded, resulting in an unfunded actuarial accrued liability (UAAL) of $100,999.

The covered payroll (annual payroll of active employees covered by the plan) was $34,381 and the ratio of the UAAL to the covered payroll was 293.8%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the combined financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 10. Postemployment Healthcare Plan (Continued)

Actuarial Methods and Assumptions (Continued): In the January 1, 2017 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits that is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits that is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) year on an open basis. The actuarial assumptions included the following:

Mortality: The mortality table employed in the valuation was the RP2014 Healthy Table Male and Female Tables based on the Combined Healthy Table.

Discount Rate: Future costs have been discounted at the rate of 3.7% based on an average of three 20-year bond indices.

Turnover: Reflects rate of separation from the active plan and excludes retirement and disability. Turnover table varies by age and years of service with rates of turnover based on the State Employees Retirement System of Pennsylvania.

Disability: Reflects ordinary and accidental disability assumptions from the active plan and is based on age. Disability rates based on the State Employees Retirement System of Pennsylvania.

Retirement: Reflects rate of retire from the active plan and is based on age for both disabled and non-disabled employees. Retirement decrements based on the State Employees Retirement System of Pennsylvania.

Spousal Coverage: Spouses are valued for benefits similar to retired employees for medical coverage. Members that are spouses are assumed to be married to those spouses at retirement. Members that are without spouses (or not covering spouses) are assumed to be single at and throughout retirement.

Health Care Cost Trend Rate:

	Year	Pre-65	Post-65
Initial Trend	January 1, 2019	8.0%	8.0%
Ultimate Trend	January 1, 2022 & Later	5.0%	5.0%
Grading Per Year		1.0%	1.0%

Healthcare Reform: The valuation was based on the current healthcare regulatory environment and does not reflect the impact of future changes (e.g., taxes, assessments, subsidies, etc.) due to future anticipated changes in healthcare reform.

Life Insurance Benefit: Life insurance coverage is provided to retirees based on one times their final year salary. The benefit reduces 12% per year for five years to a maximum reduction of 60% resulting in an ultimate life insurance benefit after five years of 40% of final salary.

Projected Salary Increase: Annual salary increase is 2.5%.

Retiree Contribution Rates: Contribution rates were valued on an individual basis for retiree coverage. Contribution rates vary by plan for pre-65 and ost-65 retirees, and are paid on a quarterly basis. Retiree contribution rates for life insurance are zero.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 11. Indentures of Trust

The Authority's Revenue Bonds are subject to the provisions of the following Indentures of Trust: Revenue Refunding Bonds of 1998, dated July 1, 1998; the Revenue Refunding Bonds of 2008, dated July 25, 2008, the Revenue Refunding Bonds of 2010 (Series A, B and C) and the 2010 Revenue Bonds (Series D), dated May 15, 2010 and July 15, 2010, respectively; and the 2013 Revenue Bonds, dated December 1, 2013, respectively (collectively the "Bond Resolution").

In addition, various Supplemental Indentures, issued in 2016, govern the recent replacement of Direct Pay Letter of Credit ("LOC") backed variable rate debt, with LIBOR-indexed bank purchase loans.

In addition, the Port District Project Bonds of 1999, dated December 1, 1999, and the 2012 Port District Project Refunding Bonds, dated December 1, 2012, are governed by separate, individual indentures.

The Bond Resolution requires the maintenance of the following accounts:

Project Fund: This *restricted* account was established in accordance with Section 6.02 of the Bond Resolution. The Project Fund is held by the Trustee and is applied to pay the cost of the Projects and is pledged, pending application to such payment of costs for the security of the payment of principal and interest on the Revenue, Revenue Refunding, and Project Bonds (the "Bonds").

Debt Service Fund: This *restricted* account was established in accordance with Section 6.04 of the Bond Resolution for the payment of maturing interest and principal on the Bonds. The balance on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on the Bonds, principal amounts maturing on Bonds, accrued interest included in the purchase price of the bonds purchased for retirement, and sinking fund installments when payments are required.

Debt Service Reserve Fund: This *restricted* account was established in accordance with Section 6.05 of the Bond Resolution. The amount of funds on deposit must be maintained at a level equal to the Maximum Debt Service to insure funds are available for payment of Debt Service.

Bond Redemption Fund: This *restricted* account was established in accordance with section 6.06 of the Bond Resolution to account for amounts received from any source for the redemption of Bonds, other than mandatory sinking fund payments.

Rebate Fund: This *restricted* account was established in accordance with Section 6.07 of the bond Resolution account for amounts deposited from time to time in order to comply with the arbitrage rebate requirements of Section 148 of the Code as applicable to any Series of Tax-Exempt Bonds issued.

Revenue Fund: This *unrestricted* account was established in accordance with Section 6.03 of the Bond Resolution for the Authority to deposit all Revenues. On or before the 20th day of each calendar month, the Trustee shall, to the extent money is available, after deduction of cash and investment balances for the 15% working capital reserve, transfer to or credit funds needed in the following order: (1) the Debt Service Fund, (2) the Debt Service Reserve Fund, (3) any Reserve Fund Credit Facility Issuer, (4) the Trustee's Rebate Fund, (5) the Maintenance Reserve Fund, (6) the General Fund.

Maintenance Reserve Fund: This *restricted* account was established in accordance with Section 6.08 of the Bond Resolution. These funds are maintained for reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements, additions, betterments, enlargements, improvements and extraordinary expenses, all to the extent not provided for in the then current Annual Budget. Money in this account is pledged for the security of payment of principal and interest on the bonds. Whenever the amount in this account exceeds the "Maintenance Reserve Fund Requirement," the excess shall be deposited in the General Fund. The "Maintenance Reserve Fund Requirement" on any date is at least $3,000.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 11. Indentures of Trust (Continued)

The Bond Resolution requires the maintenance of the following accounts (continued):

General Fund: This *unrestricted* account was established in accordance with Section 6.09 of the Bond Resolution. All excess funds of the Authority are recorded in the General Account. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the excess funds may be used by the Authority for any lawful purpose.

Note 12. Funded and Long-Term Debt

At December 31, 2016, the Authority had $1,454,821 in Revenue, Revenue Refunding, and Port District Project and Project Refunding Bonds outstanding, consisting of bonds issued in 1999, 2008, 2010 (two issues), 2012 and 2013. The 1999 Port District Project Bonds were issued pursuant to an Indenture of Trust dated December 1, 1999. The 2008 Revenue Refunding Bonds were issued pursuant to the Indenture of Trust dated July 1, 1998, as supplemented by a Fourth Supplemental Indenture dated October 1, 2007 and a Fifth Supplemental Indenture dated July 15, 2008. The 2010 Revenue Refunding Bonds were issued pursuant to an Indenture of Trust as previously supplemented by five supplemental indentures thereto and as further supplemented by a Sixth Supplemental Indenture dated as of March 15, 2010. The 2010 Revenue Bonds were issued pursuant to Indenture of Trust, dated as of July 1, 1998, a Sixth Supplemental Indenture, dated as of March 15, 2010, and a Seventh Supplemental Indenture, dated as of July 1, 2010. The 2012 Port District Project Refunding Bonds were issued pursuant to an Indenture of Trust dated December 1, 2012. The 2013 Revenue Bonds were issued pursuant to an Indenture of Trust, a Ninth Supplemental Indenture, dated as of December 1, 2013. Supplemental Indentures Ten through Twelve govern the 2016 issuance of four (4) LIBOR-indexed bank purchase loans with Wells Fargo Bank, Bank of America and TD Bank, related to the 2008 and 2010 Revenue Refunding Bonds.

1999 Port District Project Bonds: On December 22, 1999, the Authority issued $272,095 to provide funds to finance (a) all or a portion of the cost of certain port improvement and economic development projects within the Port District, (b) a deposit of cash or a Reserve Fund Credit Facility to the credit of the Debt Service Reserve Fund established under the 1999 Port District Project Bond Indenture and (c) all or a portion of the costs and expenses of the Authority relating to the issuance and sale of the 1999 Port District Project Bonds (Series A and B).

The 1999 Port District Project Bonds are general corporate obligations of the Authority. The 1999 Port District Project Bonds are not secured by a lien or charge on, or pledge of, any revenues or other assets of the Authority other than the monies, if any, on deposit from time to time in the Funds established under the 1999 Port District Project Bond Indenture. No tolls, rents, rates or other such charges are pledged for the benefit of the 1999 Port District Project Bonds. The 1999 Port District Project Bonds are equally and ratably secured by the funds on deposit in the Funds established under the 1999 Port District Project Bond Indenture, except for the Rebate Fund. The 1999 Port District Project Bonds are payable from such Funds and from other monies of the Authority legally available.

The 1999 Port District Project Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as more fully described herein.

The scheduled payment of principal and interest on the 1999 Port District Project Bonds when due are guaranteed under an insurance policy issued concurrently with the delivery of the 1999 Port District Project Bonds by Financial Security Assurance Inc.

On December 20, 2012, all remaining 1999 Series B Port District Project Bonds were redeemed, prior to maturity, at a redemption price of 100%, using proceeds from the issuance of the 2012 Port District Project Refunding Bonds.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

1999 Port District Project Bonds (Continued): The 1999 Port District Project Bonds (Series A) outstanding at December 31, 2017 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
		Term Bonds			
2018	7.63%	$ 4,570	2020	7.63%	$ 5,295
2019	7.63%	4,920	2021	7.63%	1,035
Total par value of 1999 Port District Project Bonds					$ 15,820

Optional Redemption: The Series A Port District Project Bonds are redeemable by the Authority on any interest payment date in whole or in part, and if in part, in any order of maturity specified by the Authority and in any principal amount within a maturity as specified by the Authority. Any such redemption shall be made at a redemption price equal to accrued interest to the redemption date plus the greater of (i) the principal amount of the Series A Port District Project Bonds to be redeemed, and (ii) an amount equal to the discounted remaining fixed amount payments applicable to the Series A Port District Project Bonds to be redeemed. Allocation of the amounts of Series A Port District Project Bonds to be redeemed shall be proportionate nearly as reasonably possible having due regard for minimum authorized denominations of the 1999 Port District Project Bonds among the respective interest of the holders of the Series A Port District Project Bonds to be redeemed at the time of selection of such Series A Port District Project Bonds for redemption regard for minimum authorized denominations of the 1999 Port District Project Bonds among the respective interest of the holders of the Series A Port District Project Bonds to be redeemed at the time of selection of such Series A Port District Project Bonds for redemption.

2008 Revenue Refunding Bonds: On July 25, 2008, the Authority issued $358,175 in Revenue Refunding Bonds (the “2008 Revenue Refunding Bonds”). The 2008 Revenue Refunding Bonds were issued to provide funds, together with other funds available: (a) to finance the current refunding of $358,175 aggregate principal amount of the Authority’s Revenue Refunding Bonds, Series of 2007, consisting of all of the outstanding bonds of such series, and (b) to pay the costs of issuance of the 2008 Revenue Refunding Bonds.

The 2008 Revenue Refunding Bonds were issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act (as such terms are defined herein) and an Indenture of Trust dated as of July 1, 1998 ("Original Indenture"), by and between the Authority and TD Bank, N.A., Cherry Hill, New Jersey, as successor to Commerce Bank, N.A. (the “Trustee”), as supplemented by a First Supplemental Indenture, dated as of July 1, 1998 ("First Supplemental Indenture"), a Second Supplemental Indenture, dated as of August 15, 1998 ("Second Supplemental Indenture"), a Third Supplemental Indenture, dated as of December 1, 1999 ("Third Supplemental Indenture"), a Fourth Supplemental Indenture, dated as of October 1, 2007 ("Fourth Supplemental Indenture"), a Fifth Supplemental Indenture, dated as of July 15, 2008 (“Fifth Supplemental Indenture”), a Sixth Supplemental Indenture, dated as of March 15, 2010 ("Sixth Supplemental Indenture"), a Seventh Supplemental Indenture, dated as of July 1, 2010 ("Seventh Supplemental Indenture"), an Eighth Supplemental Indenture, dated as of March 15, 2013 ("Eighth Supplemental Indenture"), a Ninth Supplemental Indenture, dated as of December 1, 2013 ("Ninth Supplemental Indenture"), a Tenth Supplemental Indenture, dated as of June 1, 2016 ("Tenth Supplemental Indenture"), an Eleventh Supplemental Indenture, dated as of July 1, 2016 ("Eleventh Supplemental Indenture"), and a Twelfth Supplemental Indenture, dated as of July 1, 2016 ("Twelfth Supplemental Indenture"; and together with the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, and the Eleventh Supplemental Indenture, the “1998 Revenue Bond Indenture”).

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2008 Revenue Refunding Bonds (Continued): The 2008 Revenue Refunding Bonds, together with all other indebtedness outstanding under the 1998 Revenue Bond Indenture and any parity obligations hereafter issued under the 1998 Revenue Bond Indenture, are equally and ratably payable solely from and secured by a lien on and security interest in (i) the Net Revenues described herein, (ii) all moneys, instruments and securities at any time and held by the Authority or the Trustee in any Fund created or established under the 1998 Revenue Bond Indenture and (iii) the proceeds of all the foregoing, except for the moneys, instruments and securities held in the 1998 General Fund and the 1998 Rebate Fund. The 2008 Revenue Refunding Bonds are delineated into the following two (2) subseries including the 2008A Revenue Refunding Bonds and the 2008B Revenue Refunding Bonds (hereinafter defined):

2008A Revenue Refunding Bonds: The 2008A Revenue Refunding Bonds are outstanding as Variable Rate Bonds in an Index Rate Mode (as defined under the 1998 Revenue Bond Indenture). In particular, on July 15, 2016, the 2008A Revenue Refunding Bonds were converted from a Weekly Mode (as defined in the 1998 Revenue Bond Indenture) to the LIBOR Index Rate Mode (as defined in the Twelfth Supplemental Indenture), Upon conversion, the 2008A Revenue Refunding Bonds were subject to mandatory tender for purchase and were directly purchased by Bank of America, N.A. ("B of A") pursuant to and in accordance with a Continuing Covenant Agreement, dated as of July 1, 2016, between the Authority and B of A. On the date of conversion, the letter of credit previously providing credit enhancement and liquidity for the 2008A Revenue Refunding Bonds was terminated.

While in the LIBOR Index Rate Mode, the 2008A Revenue Refunding Bonds bear interest at a LIBOR Index Rate (as defined in the Twelfth Supplemental Indenture) for which interest is reset on the first business day of each month. Such interest rate is calculated two (2) London Business Days preceding the first business day of each month as the then applicable LIBOR Index Rate (as defined in the Twelfth Supplemental Indenture).

Pursuant to the Continuing Covenant Agreement with B of A and the Twelfth Supplemental Indenture, the 2008A Revenue Refunding Bonds are subject to mandatory purchase by the Authority on July 15, 2020. If such 2008A Revenue Refunding Bonds are not purchased by the Authority on such date, the 2008A Revenue Refunding Bonds may, to the extent no event of default exists, remain held by B of A and subject to amortization payments from the Authority until the earlier of (i) three years from the mandatory purchase date, (ii) the date upon which such bonds are converted to an interest rate other than the Index rate, and (iii) the date on which such bonds are redeemed, repaid, prepaid or cancelled in accordance with the 1998 Revenue Bond Indenture. As of December 31, 2017, the 2008A Revenue Refunding Bonds were outstanding in the amount of $109,905.

Optional Redemption: While in the LIBOR Index Rate Mode, the 2008A Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations ($100,000 and any integral multiple of $5,000 in excess thereof), on any Business Day, at a redemption equal to the, principal amount thereof, plus, accrued interest, if any, to the redemption date; provided, however, that certain fees are payable to B of A (i) upon any optional redemption prior to July 1, 2017 and (ii) if B of A incurs any loss, cost or expense as a result of such redemption.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2008 Revenue Refunding Bonds (Continued):

2008A Revenue Refunding Bonds (Continued):

Sinking Fund Redemption: The 2008A Revenue Refunding Bonds are subject to mandatory redemption in part on January 1 of each year and in the respective principal amounts set forth below at one hundred percent (100%) of the principal amount of 2008A Revenue Refunding Bonds to be redeemed, plus interest accrued to the Redemption Date, from funds which the Authority covenants to deposit in the 2008A Bonds Sinking Fund Account created in the 1998 Debt Service Fund established pursuant to 1998 Revenue Bond Indenture, in amounts sufficient to redeem on January 1 of each year the principal amount of such 2008A Revenue Refunding Bonds for each of the years set forth as follows:

Sinking Fund Installments Series A			
January 1		January 1	
2018	$ 9,785	2022	$ 12,100
2019	10,315	2023	12,755
2020	10,880	2024	13,455
2021	11,475	2025	14,185
		2026	14,955
			$ 109,905

2008B Revenue Refunding Bonds: The 2008B Revenue Refunding Bonds are outstanding as Variable Rate Bonds in Weekly Mode as defined under the 1998 Revenue Bond Indenture. The 2008B Revenue Refunding Bonds are in the form of variable rate demand bonds (“VRDOs”) subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on seven days’ notice and delivery to the Authority’s tender agent, TD Bank, N.A. The tender agent shall provide a copy of said notice to the applicable remarketing agent, who is authorized to use its best efforts to sell the repurchased bonds at a price equal to 100 percent of the principal plus accrued interest to the purchase date.

Under an irrevocable Direct Pay Letter of Credit (“LOC”) issued by TD Bank, N.A., the Trustee or the remarketing agent is entitled to draw an amount sufficient to pay the purchase price of the bonds delivered to it.

In November 2017, the Authority and TD Bank, N.A. executed documents extending the expiring TD Bank, N.A. LOC for a five-year term, at extremely attractive LOC facility fee rates. The Authority expects to achieve savings approaching $1.0 million during this five-year period.

The LOC with TD Bank, N.A. supporting the 2008B Revenue Refunding Bonds has a stated expiration date of December 31, 2022.

As of December 31, 2017, the 2008B Revenue Refunding Bonds were outstanding in the amount of $122,110.

Optional Redemption: While in the Weekly Mode, the 2008B Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any Business Day, at redemption price equal to the principal amount thereof, plus accrued interest, if any, to the Redemption Date.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2008 Revenue Refunding Bonds (Continued):

2008B Revenue Refunding Bonds (Continued):

Sinking Fund Redemption: The 2008B Revenue Refunding Bonds are subject to mandatory redemption in part on January 1 of each year and in the respective principal amounts set forth below at one hundred percent (100%) of the principal amount of 2008B Revenue Refunding Bonds to be redeemed, plus interest accrued to the Redemption Date, from funds which the Authority covenants to deposit in the 2008B Bonds Sinking Fund Account created in the 1998 Debt Service Fund established pursuant to 1998 Revenue Bond Indenture, in amounts sufficient to redeem on January 1 of each year the principal amount of such 2008B Revenue Refunding Bonds for each of the years set forth as follows:

Sinking Fund Installments Series B

January 1		January 1	
2018	$ 10,870	2022	$ 13,440
2019	11,465	2023	14,175
2020	12,090	2024	14,945
2021	12,745	2025	15,760
		2026	16,620
			$ 122,110

The 2008 Revenue Refunding Bonds outstanding at December 31, 2017 are as follows:

Maturity Date (January 1)	Series A Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Series B Interest Rate/Yield	Principal Amount
2026	Variable	$ 109,905	2026	Variable	$ 122,110
Total par value of 2008 Revenue Refunding Bonds					$ 232,015

Interest Rate Mode: Weekly
Rate Determination Date: Generally each Wednesday
Interest Rate Payment Dates: First Business day of each month
Rate in Effect at December 31, 2017: Series A - 1.56805540%; Series B - 1.800%

2010 Revenue Refunding Bonds: On March 31, 2010, the Authority issued $350,000 in Revenue Refunding Bonds (the “2010 Revenue Refunding Bonds”). The 2010 Revenue Refunding Bonds were issued to provide funds, together with other available funds, to (i) currently refund $349,360 aggregate principal amount of the Authority’s outstanding Revenue Bonds, Series of 1999, (ii) fund any required deposit to the 1998 Debt Service Reserve Fund, and (iii) pay the costs of issuance of the 2010 Revenue Refunding Bonds.

The 2010 Revenue Refunding Bonds were issued pursuant to the 1998 Revenue Bond Indenture.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2010 Revenue Refunding Bonds (Continued): The 2010 Revenue Refunding Bonds, together with all other indebtedness outstanding under the 1998 Revenue Bond Indenture and any parity obligations hereafter issued under the 1998 Revenue Bond Indenture, are equally and ratably payable solely from and secured by a lien on and security interest in (i) the Net Revenues described herein, (ii) all moneys, instruments and securities at any time and held by the Authority or the Trustee in any Fund created or established under the 1998 Revenue Bond Indenture and (iii) the proceeds of all the foregoing, except for the moneys, instruments and securities held in the 1998 General Fund and the 1998 Rebate Fund.

The 2010 Revenue Refunding Bonds are delineated into the following four (4) subseries including the 2010A-1 Revenue Refunding Bonds, the 2010A-2 Revenue Refunding Bonds, the 2010B Revenue Refunding Bonds and the 2010C Revenue Refunding Bonds (hereinafter defined):

2010A-1 Revenue Refunding Bonds: The 2010A-1 Revenue Refunding Bonds are outstanding as Variable Rate Bonds in an Index Rate Mode (as defined under the 1998 Revenue Bond Indenture). In particular, on July 15, 2016, the 2010A-1 Revenue Refunding Bonds were converted from a Weekly Mode (as defined in the 1998 Revenue Bond Indenture) to the LIBOR Index Rate Mode (as defined in the Eleventh Supplemental Indenture). Upon conversion, the 2010A-1 Revenue Refunding Bonds were subject to mandatory tender for purchase and were directly purchased by B of A pursuant to and in accordance with a Continuing Covenant Agreement, dated as of July 1, 2016, between the Authority and B of A. On the date of conversion, the letter of credit previously providing credit enhancement and liquidity for the 2010A-1 Revenue Refunding Bonds was terminated.

While in the LIBOR Index Rate Mode, the 2010A-1 Revenue Refunding Bonds bear interest at a LIBOR Index Rate (as defined in the Eleventh Supplemental Indenture) for which interest is reset on the first business day of each month. Such interest rate is calculated two (2) London Business Days preceding the first business day of each month as the then applicable LIBOR Index Rate (as defined in the Eleventh Supplemental Indenture).

Pursuant to the Continuing Covenant Agreement with B of A and the Eleventh Supplemental Indenture, the 2010A-1 Revenue Refunding Bonds are subject to mandatory purchase by the Authority on July 15, 2020. If such 2010A-1 Revenue Refunding Bonds are not purchased by the Authority on such date, the 2010A-1 Revenue Refunding Bonds may, to the extent no event of default exists, remain held by B of A and subject to amortization payments from the Authority until the earlier of (i) three years from the mandatory purchase date, (ii) the date upon which such bonds are converted to an interest rate other than the Index rate, and (iii) the date on which such bonds are redeemed, repaid, prepaid or cancelled in accordance with the 1998 Revenue Bond Indenture.

As of December 31, 2017, the 2010A-1 Revenue Refunding Bonds were outstanding in the amount of $56,195.

Optional Redemption: While in the LIBOR Index Rate Mode, the 2010A-1 Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations ($100,000 and any integral multiple of $5,000 in excess thereof), on any Business Day, at a redemption equal to the, principal amount thereof, plus, accrued interest, if any, to the redemption date; provided, however, that certain fees are payable to B of A (i) upon any optional redemption prior to July 1, 2017 and (ii) if B of A incurs any loss, cost or expense as a result of such redemption.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2010 Revenue Refunding Bonds (Continued):

2010A-1 Revenue Refunding Bonds (Continued):

Sinking Fund Redemption: The 2010A-1 Revenue Refunding Bonds are subject to mandatory redemption in part on January 1 of each year and in the respective principal amounts set forth below at one hundred percent (100%) of the principal amount of 2010A-1 Revenue Refunding Bonds to be redeemed, plus interest accrued to the Redemption Date, from funds which the Authority covenants to deposit in the 2010A-1 Bonds Sinking Fund Account created in the 1998 Debt Service Fund established pursuant to 1998 Revenue Bond Indenture, in amounts sufficient to redeem on January 1 of each year the principal amount of such 2010A-1 Revenue Refunding Bonds for each of the years set forth as follows:

Sinking Fund Installments Series A-1

January 1		January 1	
2018	$ 4,890	2022	$ 6,175
2019	5,185	2023	6,545
2020	5,500	2024	6,935
2021	5,830	2025	7,350
		2026	7,785
			$ 56,195

2010A-2 Revenue Refunding Bonds: The 2010A-2 Revenue Refunding Bonds are outstanding as Variable Rate Bonds in an Index Rate Mode (as defined under the 1998 Revenue Bond Indenture). In particular, on July 15, 2016, the 2010A-2 Revenue Refunding Bonds were converted from a Weekly Mode (as defined in the 1998 Revenue Bond Indenture) to the LIBOR Index Rate Mode (as defined in the Eleventh Supplemental Indenture). Upon conversion, the 2010A-2 Revenue Refunding Bonds were subject to mandatory tender for purchase and were directly purchased by TD Bank, N.A. (“TD”) pursuant to and in accordance with a Continuing Covenant Agreement, dated as of July 1, 2016, between the Authority and TD. On the date of conversion, the letter of credit previously providing credit enhancement and liquidity for the 2010A-2 Revenue Refunding Bonds was terminated.

While in the LIBOR Index Rate Mode, the 2010A-2 Revenue Refunding Bonds bear interest at a LIBOR Index Rate (as defined in the Eleventh Supplemental Indenture) for which interest is reset on the first business day of each month. Such interest rate is calculated two (2) London Business Days preceding the first business day of each month as the then applicable LIBOR Index Rate (as defined in the Eleventh Supplemental Indenture).

Pursuant to the Continuing Covenant Agreement with TD and the Eleventh Supplemental Indenture, the 2010A-2 Revenue Refunding Bonds are subject to mandatory purchase by the Authority on July 15, 2021. If such 2010A-2 Revenue Refunding Bonds are not purchased by the Authority on such date, the 2010A-2 Revenue Refunding Bonds may, to the extent no event of default exists, remain held by TD and subject to amortization payments from the Authority until the earlier of (i) three years from the mandatory purchase date, (ii) the date upon which such bonds are converted to an interest rate other than the Index rate, and (iii) the date on which such bonds are redeemed, repaid, prepaid or cancelled in accordance with the 1998 Revenue Bond Indenture.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2010 Revenue Refunding Bonds (Continued):

2010A-2 Revenue Refunding Bonds (Continued): As of December 31, 2017, the 2010A-2 Revenue Refunding Bonds were outstanding in the amount of $60,720.

Optional Redemption: While in the LIBOR Index Rate Mode, the 2010A-2 Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations ($100,000 and any integral multiple of $5,000 in excess thereof), on any Business Day, at a redemption equal to the, principal amount thereof, plus, accrued interest, if any, to the redemption date; provided, however, that certain fees are payable to TD (i) upon any optional redemption prior to July 1, 2017 and (ii) if TD incurs any loss, cost or expense as a result of such redemption.

Sinking Fund Redemption: The 2010A-2 Revenue Refunding Bonds are subject to mandatory redemption in part on January 1 of each year and in the respective principal amounts set forth below at one hundred percent (100%) of the principal amount of 2010A-2 Revenue Refunding Bonds to be redeemed, plus interest accrued to the Redemption Date, from funds which the Authority covenants to deposit in the 2010A-2 Bonds Sinking Fund Account created in the 1998 Debt Service Fund established pursuant to 1998 Revenue Bond Indenture, in amounts sufficient to redeem on January 1 of each year the principal amount of such 2010A-2 Revenue Refunding Bonds for each of the years set forth as follows:

Sinking Fund Installments Series A-2

January 1		January 1	
2018	$ 5,390	2022	$ 6,680
2019	5,690	2023	7,050
2020	6,000	2024	7,440
2021	6,330	2025	7,850
		2026	8,290
			$ 60,720

2010B Revenue Refunding Bonds: The 2010B Revenue Refunding Bonds are outstanding as Variable Rate Bonds in Weekly Mode as defined under the 1998 Revenue Bond Indenture. The 2010B Revenue Refunding Bonds are in the form of VRDOs subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on seven days' notice and delivery to the Authority's tender agent, TD Bank, N.A. The tender agent shall provide a copy of said notice to the applicable remarketing agent, who is authorized to use its best efforts to sell the repurchased bonds at a price equal to 100 percent of the principal plus accrued interest to the purchase date.

Under an irrevocable Direct Pay Letter of Credit ("LOC") issued by Barclays, the Trustee or the remarketing agent is entitled to draw an amount sufficient to pay the purchase price of the bonds delivered to it. The LOC with Barclays supporting the 2010B Revenue Refunding Bonds has a stated expiration date of March 20, 2018 (see Note 19 – Subsequent Events).

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2010 Revenue Refunding Bonds (Continued):

2010B Revenue Refunding Bonds (Continued): As of December 31, 2017, the 2010B Revenue Refunding Bonds were outstanding in the amount of $116,915.

Optional Redemption: While in the Weekly Mode, the 2010B Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any Business Day, at redemption price equal to the principal amount thereof, plus accrued interest, if any, to the Redemption Date.

Sinking Fund Redemption: The 2010B Revenue Refunding Bonds are subject to mandatory redemption in part on January 1 of each year and in the respective principal amounts set forth below at one hundred percent (100%) of the principal amount of 2010B Revenue Refunding Bonds to be redeemed, plus interest accrued to the Redemption Date, from funds which the Authority covenants to deposit in the 2010B Bonds Sinking Fund Account created in the 1998 Debt Service Fund established pursuant to 1998 Revenue Bond Indenture, in amounts sufficient to redeem on January 1 of each year the principal amount of such 2010B Revenue Refunding Bonds for each of the years set forth as follows:

Sinking Fund Installments Series B			
January 1		January 1	
2018	$ 10,280	2022	$ 12,860
2019	10,875	2023	13,595
2020	11,500	2024	14,375
2021	12,160	2025	15,200
		2026	16,070
			$ 116,915

2010C Revenue Refunding Bonds: The 2010C Revenue Refunding Bonds are outstanding as Variable Rate Bonds in an Index Rate Mode (as defined under the 1998 Revenue Bond Indenture). In particular, on June 9, 2016, the 2010C Revenue Refunding Bonds were converted from a Weekly Mode (as defined in the 1998 Revenue Bond Indenture) to the LIBOR Index Rate Mode (as defined in the Tenth Supplemental Indenture). Upon conversion, the 2010C Revenue Refunding Bonds were subject to mandatory tender for purchase and were directly purchased by Wells Fargo Bank, N.A. ("Wells") pursuant to and in accordance with a Continuing Covenant Agreement, dated as of July 1, 2016, between the Authority and Wells. On the date of conversion, the letter of credit previously providing credit enhancement and liquidity for the 2010C Revenue Refunding Bonds was terminated.

While in the LIBOR Index Rate Mode, the 2010C Revenue Refunding Bonds bear interest at a LIBOR Index Rate (as defined in the Tenth Supplemental Indenture) for which interest is reset on the first business day of each month. Such interest rate is calculated two (2) London Business Days preceding the first business day of each month as the then applicable LIBOR Index Rate (as defined in the Tenth Supplemental Indenture).

Pursuant to the Continuing Covenant Agreement with Wells and the Tenth Supplemental Indenture, the 2010C Revenue Refunding Bonds are subject to mandatory purchase by the Authority on June 9, 2021.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2010 Revenue Refunding Bonds (Continued):

2010C Revenue Refunding Bonds (Continued): If such 2010C Revenue Refunding Bonds are not purchased by the Authority on such date, the 2010C Revenue Refunding Bonds may, to the extent no event of default exists, remain held by Wells and subject to amortization payments from the Authority until the earlier of (i) three years from the mandatory purchase date, (ii) the date upon which such bonds are converted to an interest rate other than the Index rate, and (iii) the date on which such bonds are redeemed, repaid, prepaid or cancelled in accordance with the 1998 Revenue Bond Indenture.

As of December 31, 2017, the 2010C Revenue Refunding Bonds were outstanding in the amount of $38,965.

Optional Redemption: While in the LIBOR Index Rate Mode, the 2010C Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations ($100,000 and any integral multiple of $5,000 in excess thereof), on any Business Day, at a redemption equal to the, principal amount thereof, plus, accrued interest, if any, to the redemption date; provided, however, that certain fees are payable to Wells (i) upon any optional redemption prior to July 1, 2017 and (ii) if Wells incurs any loss, cost or expense as a result of such redemption.

Sinking Fund Redemption: The 2010C Revenue Refunding Bonds are subject to mandatory redemption in part on January 1 of each year and in the respective principal amounts set forth below at one hundred percent (100%) of the principal amount of 2010C Revenue Refunding Bonds to be redeemed, plus interest accrued to the Redemption Date, from funds which the Authority covenants to deposit in the 2010C Bonds Sinking Fund Account created in the 1998 Debt Service Fund established pursuant to 1998 Revenue Bond Indenture, in amounts sufficient to redeem on January 1 of each year the principal amount of such 2010C Revenue Refunding Bonds for each of the years set forth as follows:

Sinking Fund Installments Series C			
January 1		January 1	
2018	$ 3,430	2022	$ 4,285
2019	3,625	2023	4,530
2020	3,830	2024	4,790
2021	4,055	2025	5,065
		2026	5,355
			$ 38,965

The 2010 Revenue Refunding Bonds outstanding at December 31, 2017 were as follows:

	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
Series A	2026	Variable	$ 116,915
Series B	2026	Variable	116,915
Series C	2026	Variable	38,965
Total par value of 2010 Revenue Refunding Bonds			$ 272,795

Interest Rate Mode: Weekly
Rate Determination Date: Generally each Wednesday
Rate in Effect at December 31, 2017: Series A-1 - 1.56806%; Series A-2 - 1.65248%;
Series B - 1.740%; Series C - 1.60249%

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2010 Revenue Refunding Bonds (Continued):

The 2010 Revenue Refunding Bonds sinking fund installments outstanding at December 31, 2017 are as follows:

	Sinking Fund Installments			
January 1	Series A	Series B	Series C	Total
2018	$ 10,280	$ 10,280	$ 3,430	$ 23,990
2019	10,875	10,875	3,625	25,375
2020	11,500	11,500	3,830	26,830
2021	12,160	12,160	4,055	28,375
2022	12,855	12,860	4,285	30,000
2023	13,595	13,595	4,530	31,720
2024	14,375	14,375	4,790	33,540
2025	15,200	15,200	5,065	35,465
2026	16,075	16,070	5,355	37,500
	$ 116,915	$ 116,915	$ 38,965	$ 272,795

2010 Revenue Bonds: On July 15, 2010, the Authority issued $308,375 in Revenue Bonds, Series D of 2010 (the "2010 Revenue Bonds"). The 2010 Revenue Bonds were issued by means of a book-entry-only system evidencing ownership and transfer of 2010 Revenue Bonds on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants. Interest on the 2010 Revenue Bonds will be payable semi-annually on January 1 and July 1 of each year commencing January 1, 2011 (each an "Interest Payment Date").

The 2010 Revenue Bonds were issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act (as such terms are defined herein) and an Indenture of Trust, dated as of July 1, 1998, by and between the Authority and TD Bank, N.A., Cherry Hill, New Jersey, as successor to Commerce Bank, N.A. (the "Trustee"), as supplemented by a First Supplemental Indenture, dated as of July 1, 1998, a Second Supplemental Indenture, dated as of August 15, 1998, a Third Supplemental Indenture, dated as of December 1, 1999, a Fourth Supplemental Indenture, dated as of October 1, 2007, a Fifth Supplemental Indenture, dated as of July 15, 2008, a Sixth Supplemental Indenture, dated as of March 15, 2010, and a Seventh Supplemental Indenture, dated as of July 1, 2010 (collectively, the "1998 Revenue Bond Indenture").

The 2010 Revenue Bonds were issued for the purpose of: (i) financing a portion of the costs of the Authority's approved Capital Improvement Program; (ii) funding the Debt Service Reserve Requirement for the 2010 Revenue Bonds; and (iii) paying the costs of issuance of the 2010 Revenue Bonds (Series D). (Note: As per its 2008 Reimbursement Resolution, upon issuance of the 2010 Revenue Bonds, the Authority reimbursed its General Fund, for approximately $100 million, for prior capital expenditures made during the period October 2008 through July 2010).

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2010 Revenue Bonds (Continued): The 2010 Revenue Bonds are limited obligations of the Authority and are payable solely from the sources referred to in the 2010 Revenue Bonds and the 1998 Revenue Bond Indenture. Neither the credit nor the taxing power of the Commonwealth of Pennsylvania (the "Commonwealth") or the State of New Jersey (the "State") or of any county, city, borough, village, township or other municipality of the Commonwealth or the State is or shall be pledged for the payment of the principal, redemption premium, if any, or interest on the 2010 Revenue Bonds. The 2010 Revenue Bonds are not and shall not be deemed to be a debt or liability of the Commonwealth or the State or of any such county, city, borough, village, township or other municipality, and neither the Commonwealth nor the State nor any such county, city, borough, village, township or other municipality is or shall be liable for the payment of such principal or, redemption premium, or interest. The Authority has no taxing power.

Mandatory Sinking Fund Redemption: The 2010 Revenue Bonds maturing January 1, 2035 and January 1, 2040 are subject to mandatory redemption prior to maturity by the Authority, in part, on January 1 of each year in the respective principal amounts set forth below at 100% of the principal amount thereof, plus accrued interest to the Redemption Date from sinking fund installments which are required to be paid in amounts sufficient to redeem on January 1 of each year the principal amount of such 2010 Revenue Bonds specified for each of the years set forth below. Payment of principal and interest on the 2010 Revenue Bonds (the "2010 Insured Bonds"), in the principal amount of $60,000 maturing January 1, 2040 is guaranteed under an insurance policy issued by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance, Inc.).

The 2010 Revenue Bonds outstanding at December 31, 2017 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
		Serial Bonds			
			2027	5.00%	$ 3,465
			2028	5.00%	17,210
			2029	5.00%	18,070
			2030	5.00%	18,975
					57,720
		Term Bonds			
2031	5.00%	$ 16,245	2036	5.00%	14,575
2031	5.05%	3,675	2036	5.00%	10,860
2032	5.00%	17,055	2037	5.00%	15,310
2032	5.05%	3,865	2037	5.00%	11,400
2033	5.00%	17,905	2038	5.00%	16,075
2033	5.05%	4,060	2038	5.00%	11,970
2034	5.00%	18,810	2039	5.00%	16,875
2034	5.05%	4,260	2039	5.00%	12,570
2035	5.00%	19,750	2040	5.00%	17,720
2035	5.05%	4,475	2040	5.00%	13,200
					250,655
Total par value of 2010 Revenue Bonds					308,375
Less: unamortized bond discount					(419)
Total 2010 Revenue Bonds, net					$ 307,956

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2010 Revenue Bonds (Continued):

Optional Redemption: The 2010 Revenue Bonds are subject to redemption at the option of the Authority, prior to maturity, in whole or in part (and if in part, in such order of maturity or within a maturity as the Authority shall specify, or if the Authority shall fail to specify, by lot or by such other method as the Paying Agent determines to be fair and reasonable and in any principal amount in Authorized Denominations) at any time on or after January 1, 2020. Any such redemption shall be made at a redemption price equal to 100% of the principal amount of the 2010 Bonds to be redeemed, plus accrued interest to the Redemption Date.

2012 Port District Project Refunding Bonds: On December 20, 2012, the Authority issued $153,030 in Port District Project Refunding Bonds, Series 2012. The Port District Project Refunding Bonds, Series 2012 (the "2012 Bonds") were issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act (as such terms are defined herein) and an Indenture of Trust (the "Indenture") dated as of December 1, 2012, between the Authority and TD Bank, N.A., Cherry Hill, New Jersey, as trustee (the "Trustee").

The 2012 Bonds were issued to (i) refund and redeem all of the outstanding principal balance of and interest accrued on the Authority's outstanding Port District Project Bonds, Series B of 1998, (the "1998 Refunded Bonds"), Port District Project Bonds, Series B of 1999 (the "1999 Refunded Bonds"), and Port District Project Bonds, Series A of 2001 (the "2001 Refunded Bonds").

The refunding resulted in a loss (difference between the reacquisition price and the net carrying amount of the old debt) of $7,000. This difference, reported in the accompanying combined financial statements as a deferred outflow of resources, is being charged to operations through the year 2025 using the effective interest method.

The 2012 Bonds are general corporate obligations of the Authority. The 2012 Bonds are not secured by a lien or charge on, or pledge of, any revenues or other assets of the Authority other than the moneys, if any, on deposit from time to time in the Funds established under the Indenture, except for the Rebate Fund. No tolls, rents, rates or other charges are pledged for the benefit of the 2012 Bonds. The 2012 Bonds are equally and ratably secured by the monies, if any, on deposit in the Funds established under Indenture, except for the Rebate Fund. The 2012 Bonds are payable from such Funds and from other monies of the Authority legally available therefore.

Redemption Provisions:

Optional Redemption: The 2012 Bonds maturing on or after January 1, 2024 are subject to redemption prior to maturity at the option of the Authority on or after January 1, 2023, in whole at any time, or in part at any time and from time to time, in any order of maturity specified by the Authority and within a maturity as selected by the Trustee as provided in the Indenture and as summarized below under the subheading "Redemption Provisions - Selection of 2012 Bonds to be Redeemed." Any such redemption shall be made at a redemption price equal to the principal amount of the Bonds to be redeemed, plus interest accrued to the date fixed for redemption.

Payment of Redemption Price: Notice of redemption having been given in the manner provided in the Indenture, or written waivers of notice having been filed with the Trustee prior to the date set for redemption, the 2012 Bonds (or portions thereof) so called for redemption shall become due and payable on the redemption date so designated and interest on such 2012 Bonds (or portions thereof) shall cease to accrue from the redemption date whether or not such Bonds shall be presented for payment. The principal amount of all 2012 Bonds so called for redemption, together with the redemption premium, if any, payable with respect thereto and accrued and unpaid interest thereon to the date of redemption, shall be paid (upon presentation and surrender of such 2012 Bonds) by the Paying Agent out of the appropriate Fund or other funds deposited for the purpose.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2012 Port District Project Refunding Bonds (Continued):

Redemption Provisions (Continued):

Selection of 2012 Bonds to be Redeemed: If less than all of the 2012 Bonds are to be redeemed and paid prior to maturity, 2012 Bonds registered in the name of the Authority shall be redeemed before other 2012 Bonds are redeemed. Thereafter, the portion of 2012 Bonds to be redeemed shall be selected by the Authority, or if no such selection is made, by lot by the Trustee from among all outstanding 2012 Bonds eligible for redemption.

In the case of a partial redemption of 2012 Bonds when 2012 Bonds of denominations greater than the minimum Authorized Denomination are outstanding, then for all purposes in connection with such redemption, each principal amount equal to the minimum authorized denomination shall be treated as though it were a separate 2012 Bond for purposes of selecting the 2012 Bonds to be redeemed, provided that no 2012 Bonds shall be redeemed in part if the principal amount to be outstanding following such partial redemption is not an authorized denomination.

The 2012 Port District Project Refunding Bonds outstanding at December 31, 2017 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2018	2.00%	$ 225	2023	3.00%	$ 240
2018	5.00%	6,425	2023	5.00%	14,545
2019	5.00%	6,975	2024	5.00%	15,520
2020	5.00%	7,320	2025	5.00%	16,300
2021	5.00%	12,350	2026	5.00%	17,115
2022	5.00%	14,085	2027	5.00%	17,975

Total par value of 2012 Port District Project Refunding Bonds	129,075
Add: unamortized bond premium	11,071
Total 2012 Port District Project Refunding Bonds, net	$ 140,146

2013 Revenue Bonds: On December 18, 2013, the Delaware River Port Authority issued its Revenue Bonds, Series of 2013 in the aggregate principal amount of $476,585. The 2013 Revenue Bonds were issued by means of a book-entry-only system evidencing ownership and transfer of 2013 Revenue Bonds on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants. Interest on the 2013 Revenue Bonds will be payable semi-annually on January 1 and July 1 of each year commencing July 1, 2014 (each an "Interest Payment Date").

The 2013 Revenue Bonds were issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act (as such terms are defined herein) and an Indenture of Trust, dated as of July 1, 1998, by and between the Authority and TD Bank, National Association (N.A.), Cherry Hill, New Jersey, as successor to Commerce Bank, National Association (N.A.), as trustee (the "Trustee"), as heretofore supplemented from time to time, including as supplemented by a Ninth Supplemental Indenture, dated as of December 1, 2013 (collectively, the "1998 Revenue Bond Indenture"). The 2013 Revenue Bonds are being issued for the purpose of: (i) financing a portion of the costs of the Authority's approved capital improvement program; (ii) funding a deposit to the 1998 Debt Service Reserve Fund established under and as specifically defined in the 1998 Revenue Bond Indenture; and (iii) paying the costs of issuance of the 2013 Revenue Bonds.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

2013 Revenue Bonds (Continued): The 2013 Revenue Bonds are limited obligations of the Authority and are payable solely from the sources referred to in the 2013 Revenue Bonds and the 1998 Revenue Bond Indenture. Neither the credit nor the taxing power of the Commonwealth of Pennsylvania (the "Commonwealth") or the State of New Jersey (the "State") or of any county, city, borough, village, township or other municipality of the Commonwealth or the State is or shall be pledged for the payment of the principal, redemption premium, if any, or interest on the 2013 Revenue Bonds. The 2013 Revenue Bonds are not and shall not be deemed to be a debt or liability of the Commonwealth or the State or of any such county, city, borough, village, township or other municipality, and neither the Commonwealth nor the State nor any such county, city, borough, village, township or other municipality is or shall be liable for the payment of such principal, redemption premium, or interest. The Authority has no taxing power.

The 2013 Revenue Bonds outstanding at December 31, 2017 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2027	5.000%	$ 23,560	2034	4.625%	$ 810
2027	4.125%	845	2035	5.000%	34,870
2028	5.000%	25,615	2035	4.750%	1,000
2029	5.000%	26,895	2036	5.000%	36,660
2030	5.000%	28,070	2036	4.750%	1,000
2030	4.500%	170	2037	5.000%	38,540
2031	5.000%	29,650	2037	4.750%	1,000
2032	4.500%	31,135	2038	5.000%	41,515
2033	5.000%	32,535	2039	5.000%	43,590
2034	5.000%	33,355	2040	5.000%	45,770
Total par value of 2013 Revenue Bonds					476,585
Add: unamortized bond premium					9,504
Total 2013 Revenue Bonds, net					$ 486,089

Optional Redemption: The 2013 Revenue Bonds are subject to redemption at the option of the Authority, prior to maturity, in whole or in part (and if in part, in such order of maturity or within a maturity as the Authority shall specify, or if the Authority shall fail to specify, by lot or by such other method as the Paying Agent determines to be fair and reasonable and in any principal amount in Authorized Denominations), at any time on or after January 1, 2024. Any such redemption shall be made at a redemption price equal to 100% of the principal amount of the 2013 Revenue Bonds to be redeemed, plus accrued interest to the Redemption Date.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

Maturities of Principal and Interest on Bonds: The following presents the principal and interest due on all bonds outstanding as of December 31, 2017 (assuming the letter of credit agreements and bank loan purchase agreements, with respect to the variable rate 2008 and 2010 Revenue Refunding Bonds are renewed over the term of the bonds and the bonds are remarketed):

Years Ending December 31,	Principal	Interest *	Total
2018	$ 55,865	$ 54,486	$ 110,351
2019	59,050	53,017	112,067
2020	62,415	51,457	113,872
2021	65,980	49,865	115,845
2022	69,625	48,258	117,883
2023-2027	364,640	214,179	578,819
2028-2032	236,630	160,139	396,769
2033-2037	301,175	93,915	395,090
2038-2040	219,285	16,803	236,088
	1,434,665	$ 742,119	$ 2,176,784
Net unamortized bond discounts and premiums	20,156		
	$ 1,454,821		

* does not include the net swap payments on the Authority's hedged variable rate bonds (Note 4)

The interest on LOC-backed variable rate debt and the LIBOR-indexed direct bank purchase loans is computed using the interest rate effective at December 31, 2017. The interest rates on the Authority's variable rate debt are set by the remarketing agent and are reset weekly. Interest rates on the direct bank purchase loan change monthly based on changes in LIBOR.

Interest on all of the Authority's fixed rate debt (revenue bonds and port district project bonds issued in 1999, 2010, 2012, and 2013) is payable semi-annually on January 1 and July 1 in each year. Interest on the 2008 and 2010 Revenue Refunding Bonds is payable monthly on the first business day of each month. The Authority is current on all of its monthly debt service payments on all obligations.

Debt Authorized but not Issued: At its August 2013 meeting, the Authority's Board authorized the issuance, sale and delivery of up to $550,000 in taxable or tax-exempt fixed rate bonds, to fund the 5-year 2013 Capital Plan (DRPA-13-094). This resolution rescinded and repealed all prior resolutions (DRPA-09-064 and DRPA-13-030) and any prior inconsistent resolutions. In December 2013, the Authority issued $476,600 in fixed rate bonds (the 2013 Revenue Bonds) based on this resolution.

Resolution 16-055, approved by the Board at its April 20, 2016 meeting, authorized the Authority to issue up to $400 million in "fixed or variable rate refunding bonds by direct placement or private purchase", in order to purchase or refund, all, or a portion of, the existing variable rate bonds (2008 and 2010 revenue refunding bonds).

At its September 21, 2016 meeting, the Authority's Board authorized the Authority (via DRPA-16-098) to issue Revenue Refunding Bonds "in an aggregate principal amount not to exceed $960.0 million "to advance refund and redeem all or a portion of the outstanding" 2010 D and 2013 Revenue Bonds, "to effect interest cost savings for the Authority, and, to the extent deemed economically advantageous and fiscally prudent, amend, replace or terminate any or all of the Authority's outstanding Interest Rate Swap Agreements." Resolution DRPA-16-098 also authorizes, the Authority to refund outstanding Variable Rate Revenue Bonds associated with the Inter Rate Swap Agreements, if deemed advantageous and prudent based on market and other factors. (The "Swap Refunding Bonds, if issued shall be issued as fixed rate bonds in an aggregate principal amount", not to exceed $600.0 million.)

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

Debt Authorized but not Issued (Continued): As of December 31, 2017, approximately $2,033 billion remains as authorized, but not issued. These authorizations provide flexibility for the Authority to engage in the aforementioned transactions, under the right conditions, but these authorizations do not obligate the Authority to execute any of the aforementioned transactions (see Note 19: "Subsequent Events").

(Note: While Resolution 16-055 authorizes a debt issuance, the new tax law passed by Congress in December 2017 has prohibited "advance refunding" transactions. Therefore, the debt authorization provided by Resolution 16-055 cannot be effectuated.)

Bond Ratings:

Moody's Investors Service Bond Ratings (Moody's): Concurrent with the issuance of the $153,030 in Port District Project Refunding Bonds, on November 30, 2012, Moody's affirmed the ratings on all Authority Revenue and Port District Project Bonds; however, the outlook improved from "negative" to "stable" on all bonds. (This represented the first change in Moody's ratings since it had assigned a "negative" outlook on all the Authority's bonds in March of 2010).

Concurrent with the Authority's issuance of the $476,600 in new revenue bonds, in its report dated November 22, 2013, Moody's assigned a rating of "A3" to the 2013 Revenue Bonds, and affirmed its existing ratings on all Authority bonds (revenue bonds at "A3", port district bonds at "Baa3"). The outlook remained at "stable" for all bonds. On December 11, 2015, Moody's affirmed its ratings on all Authority bonds.

In its report dated October 31, 2017, Moody's upgraded its bond ratings on all Authority outstanding bonds. The revenue bonds were upgraded from 'A3' to 'A2' and the port district project bonds were upgraded from 'Baa3' to 'Baa2,' all bonds being assigned a "stable outlook." This is the first Moody's upgrade of the Authority's bonds in over a decade.

In its report, Moody's cited a number of core strengths of the Authority including: "positive traffic momentum," "a strong liquidity profile," "a manageable capital program and, "no-near term debt needs until 2021", all key factors supporting the ratings increases.

As of December 31, 2017, these ratings and outlook remain in place.

Standard & Poor's Ratings Services Bond Ratings (S&P): Concurrent with the issuance of $153,030 in Port District Project Refunding Bonds, on November 30, 2012, S&P affirmed the ratings on all Authority Revenue and Port District Project Bonds; however, the outlook improved from "stable" to "positive" on all bonds. (This represented the first change in S&P's ratings outlook since it had assigned a "stable" outlook on all the Authority's bonds since July 2009). Concurrent with the Authority's issuance of $476,600 in new revenue bonds, in its report dated November 27, 2013, S&P assigned a rating of "A" on the new series, and upgraded the Authority's ratings on both its revenue and refunding bonds (from "A-" to "A") and on its port district project bonds (from "BBB-" to "BBB"). The outlook was "stable" for all Authority bonds.

On December 23, 2014, S&P reaffirmed the Authority's ratings for all of its Revenue/ Revenue Refunding and Port District Project bonds, at "A" and "BBB," respectively, with a stable outlook.

On April 21, 2016, S&P issued a bond ratings report on the Authority's debt, using its new joint ratings criteria, wherein the Authority's Port District Project (PDP) Bonds were upgraded from "BBB" to "A-" (with stable outlook) and the Revenue Bonds were affirmed at "A", with a stable outlook. S&P cited the Authority's historical performance against budget, its strong financial stability and liquidity (including its capital "pay-go" fund), and its affordable 5-year capital plan of $728.2 million, as underlying strengths supporting its ratings actions.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

Bond Ratings (Continued):

Standard & Poor's Ratings Services Bond Ratings (S&P) (Continued): In its report dated August 1, 2017, S&P reaffirmed the Authority's ratings on both its revenue and port district project bonds. The report cited "historically strong liquidity levels, ""DRPA's long history of stable transaction and revenue growth," "the maintenance of good debt service coverage, and "conservative" capital and operating budgets.

As of December 31, 2017, the Authority's ratings remain unchanged at "A" (Revenue Bonds) and "A-" (Port District Project Bonds), with a "stable outlook".

Ratings on Jointly Supported Transactions, 2008 Revenue Refunding Bonds: Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), initially assigned their municipal bond ratings to the 2008 Revenue Refunding Bonds based upon the understanding that upon delivery of the 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds, the respective LOC securing the payment when due of the principal of, or purchase price of 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds tendered for purchase and not otherwise remarketed and interest on the 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds will be delivered by Bank of America, N.A. and TD Bank, N.A., respectively.

The long-term ratings assigned by Moody's and S&P reflect each organization's approach to rating jointly supported transactions and are based upon the Direct Pay Letter of Credit provided by Bank of America, N.A. for the 2008A Revenue Refunding Bonds and TD Bank, N.A. for the 2008B Revenue Refunding Bonds. Since a loss to a bondholder of a 2008A Revenue Refunding Bond or a 2008B Revenue Refunding Bond would occur only if both the bank providing the applicable LOC and the Authority default in payment, Moody's and S&P have assigned a long-term rating to the 2008 Revenue Refunding Bonds based upon the joint probability of default by both applicable parties.

Set forth in the following chart are the jointly supported long-term and short-term ratings on the 2008 Revenue Refunding Bonds as of December 31, 2017.

		Long-term	Short-term
2008 A Revenue Refunding Bonds	Moody's	Not Rated	Not Rated
	S&P	Not Rated	Not Rated
2008B Revenue Refunding Bonds	Moody's	Aa2	VMIG 1
	S&P	AA+	A-1+

No provider of a letter of credit is obligated to maintain its present or any other credit rating and shall have no liability if any such credit rating is lowered, withdrawn, or suspended

Ratings on Jointly Supported Transactions, 2010 Revenue Refunding Bonds: Moody's and S&P, initially assigned their municipal bond ratings to the 2010 Revenue Refunding Bonds based upon the understanding that upon delivery of the 2010A Revenue Refunding Bonds, the 2010B Revenue Refunding Bonds or the 2010C Revenue Refunding Bonds, the respective LOC securing the payment when due of the principal of, or purchase price of the 2010A Revenue Refunding Bonds, the 2010B Revenue Refunding Bonds or the 2010C Revenue Refunding Bonds tendered for purchase and not otherwise remarketed and interest on the 2010A Revenue Refunding Bonds, the 2010B Revenue Refunding Bonds or the 2010C Revenue Refunding Bonds would be delivered by JPMorgan Chase Bank, N.A., Bank of America, N.A. and PNC Bank, N.A. respectively.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 12. Funded and Long-Term Debt (Continued)

Bond Ratings (Continued):

Ratings on Jointly Supported Transactions, 2010 Revenue Refunding Bonds (Continued): In 2013, the existing Direct Pay Letters of Credit provided by JPMorgan Chase Bank, N.A., Bank of America, N.A. and PNC Bank, N.A. were replaced with Direct Pay Letters of Credit provided by Royal Bank of Canada, Barclays Bank PLC and The Bank of New York Mellon, respectively.

The long-term ratings assigned by Moody's and S&P reflect each organization's approach to rating jointly supported transactions and are based upon the Direct Pay Letters of Credit provided by Royal Bank of Canada for the 2010A Revenue Refunding Bonds, Barclays Bank PLC for the 2010B Revenue Refunding Bonds and The Bank of New York Mellon for the 2010C Revenue Refunding Bonds. Since a loss to a bondholder of a 2010A Revenue Refunding Bond, a 2010B Revenue Refunding Bond or a 2010C Revenue Refunding Bond would occur only if both the bank providing the applicable LOC and the Authority default in payment, Moody's and S&P have assigned a long-term rating to the 2010 Revenue Refunding Bonds based upon the joint probability of default by both applicable parties.

Set forth in the following chart are the jointly supported long term and short-term ratings on the 2010 Revenue Refunding Bonds as of December 31, 2017:

		Long-term	Short-term
2010A-1 Revenue Refunding Bonds	Moody's	Not Rated	Not Rated
(Bank Purchase Bonds)	S&P	Not Rated	Not Rated
2010A-2 Revenue Refunding Bonds	Moody's	Not Rated	Not Rated
(Bank Purchase Bonds)	S&P	Not Rated	Not Rated
2010B Revenue Refunding Bonds	Moody's	Aa3	VMIG 1
	S&P	AA	A-1
2010C Revenue Refunding Bonds	Moody's	Not Rated	Not Rated
(Bank Purchase Bonds)	S&P	Not Rated	Not Rated

No provider of a LOC is obligated to maintain its present or any other credit rating and shall have no liability if any such credit rating is lowered, withdrawn, or suspended.

Note 13. Government Contributions for Capital Improvements, Additions and Other Projects

The Authority receives contributions in aid for financing capital improvements to the rapid transit system from the Federal Transit Administration and other government agencies. Capital improvement grant funds of $7,557 and $2,237 were received in 2017 and 2016, respectively. The Authority receives federal and state grants for specific construction purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowances under terms of the grants, it is the opinion of management that any required reimbursements will not be material to the Authority's net position.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 14. Contingencies

Public liability claim exposures are self-insured by the Authority within its self-insured retention limit of $5 million for each occurrence, after which, exists a claims-made excess liability policy with a limit of $25 million per occurrence, in the aggregate, to respond to any large losses exceeding the self-retention.

The following is a summary of the claims and judgments liability of the Authority for the years ended December 31, 2017 and 2016:

Claims and Judgments	2017	2016
Beginning balance	$ 4,288	$ 2,520
Incurred claims	793	3,129
Payment of claims	(994)	(1,361)
Ending balance	$ 4,087	$ 4,288

There have been no settlements that exceed the Authority's coverage for years ended December 31, 2017 and 2016.

In addition, the Authority self-insures the initial $1 million self-insured retention, per accident, for workers' compensation claims, after which a $25 million limit of excess workers' compensation insurance is provided by the policy to respond to significant worker compensation injuries. PATCO, however, self-insures the initial $1 million limit, per accident, for workers' compensation claims, after which a $5 million limit of excess workers' compensation insurance is retained to respond to significant claims.

The following is a summary of the self-insurance liability of the Authority for workers' compensation claims for the years ended December 31, 2017 and 2016:

Self-Insurance (Workers' Compensation)	2017	2016
Beginning balance	$ 4,153	$ 4,626
Incurred claims	2,021	2,418
Payment of claims	(1,800)	(2,891)
Ending balance	$ 4,374	$ 4,153

There have been no settlements that exceed the Authority's coverage for years ended December 31, 2017 and 2016.

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 combined net position and combined results of operations.

The Authority purchases commercial insurance for all other risks of loss, e.g. bridge and non-bridge property, crime, terrorism, etc. The Authority reviews annually, and where appropriate, adjusts policy loss limits and deductibles as recommended by its insurance consultants in response to prevailing market conditions, loss experience, and revenues. Policy loss limits are established with the professional assistance of independent insurance broker consultants to ensure that sufficient coverage exists to accommodate the maximum probable loss that may result in the ordinary course of business.

Per Article 5.11 of the 1998 Bond Indenture*, "...the Authority must maintain with responsible insurers all insurance required….to provide against loss of or damage to the Facilities and loss of Revenues...to protect the interests of the Authority and the Bondholders*."

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 14. Contingencies (Continued)

The Authority must submit in writing certifications, by “the Insurance Consultant” to the bond trustee, by April 30 of each year, stating that it has sufficient coverage with regards to “multi-risk insurance” (on DRPA and PATCO facilities), “use and occupancy insurance” (i.e., business interruption), etc., in compliance with the Indenture of Trust. The certifications must provide “in *reasonable detail the insurance then in effect pursuant to”* Section 5.11 and also must state whether, during the calendar year, any facility has been “materially damages or destroyed, and if so, the amount of insurance proceeds covering such loss or damage…” As advised in the certification, during 2016, the Authority did not experience any material damages related to its facilities.

The Authority submitted its annual certification to the bond trustee, for the year ending December 31, 2016, prior to the deadline, in April 2017 (see Note 19, “Subsequent Events”).

Note 15. Commitments

Development Projects: In support of previously authorized economic development projects, the DRPA’s Board of Commissioners authorized loan guarantees to various banks to complete the financing aspects of a particular project. The Authority’s Board authorized loan guarantees in an amount not to exceed $27,000, prior to 2011 when the Board stopped funding new economic development projects.

Home Port Alliance Loan Guarantee: On June 6, 2012, the Authority negotiated a three-year extension of the existing $900 loan guarantee that supports a loan from TD Bank, N.A. to the Home Port Alliance for the Battleship New Jersey. The loan guarantee expired on June 6, 2015.

In April 2015, the Authority’s Board authorized the Authority to extend the loan guaranty for a ten-year period (DRPA-15-048) in the amount of $800. As of December 31, 2017, this is the only outstanding loan guarantee. The Authority has made no cash outlays related to this guarantee.

Community Impact: The Authority has an agreement with the City of Philadelphia (City) for Community Impact regarding the PATCO high-speed transit system (“Locust Street Subway Lease”). The agreement expires on December 31, 2050. In 2017, the base amount payable to the City totaled $3,291 as adjusted for cumulative increases in the Consumer Price Index (CPI) between 1999 and 2016. Base payments in 2017 equaled the previous year’s base payment adjusted by any increase in the CPI for 2017. For the years 2018 through 2050, the annual base payment shall equal one dollar.

In addition, for the duration of the lease, the Authority is required to annually create a PATCO Community Impact Fund in the amount of $500, with payment of such fund to be divided annually between communities within the Commonwealth and the State, based on PATCO track miles in the respective states.

The estimated minimum commitment, adjusted for the effect of the increase in the CPI at December 31, 2017, is as follows:

Year	Amount
2018	$ 500
2019	500
2020	500
2021	500
2022	500
Thereafter	13,500
	$ 16,000

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 15. Commitments (Continued)

Redevelopment Fee: The Authority, pursuant to a January 2016 amendment to an original agreement dated December 31, 1991, is obligated to pay a net redevelopment fee to the City of Camden Redevelopment Agency in the amount of $363 annually, as an “ongoing yearly obligation”. This fee is paid annually on or about July 1. The Authority made its annual payment for this obligation in 2017.

OCIP Letters of Credit: In May 2008, the Authority entered into two new separate irrevocable (evergreen) standby Letters of Credit (“LOC”) with TD Bank, N.A. (formerly Commerce Bank) and Wachovia Bank, in support of the Authority’s “Owner Controlled Insurance Program (OCIP).” Under this insurance program, the Authority purchased various insurance policies and eligible contractors working on major capital construction projects enrolled into the OCIP.

The original LOC with Wells Fargo Bank (formerly Wachovia Bank) was for a four-year term in the amount of $5,000 with an expiration date of May 7, 2012. The LOC with TD Bank, N.A. (formerly Commerce Bank) was in an initial amount of $3,015 and automatically increased annually each May, in the amount of $816, until it expired on May 7, 2012.

The OCIP program was subsequently renewed in 2010, 2013 and 2014, and finally expired on December 31, 2014. During this period, the LOCs were reduced after consultation and approval by the insurance carrier.

Although the OCIP program ended in 2015 (the Railroad Protective Liability policy was extended to March of 2015 to meet the completion date of the project), the insurance carrier, AIG required the Authority to maintain the required LOC coverage to cover anticipated Workers’ Compensation and General Liability claims. Statutes of Limitations for filing Workers’ Compensation claims, whether based on an occupational disability or a physical injury, vary from state-to-state. In New Jersey, there is a two-year Statute of Limitations (SOL). Pennsylvania has a three-year SOL. The administration responsibilities for the closeout of the OCIP (September 7, 2008 to March 31, 2015) will remain open until:

- either the expiration of the Statue of Limitations (2 years in NJ and 3 years in PA);
- the date all claims are closed (but, no later than 3 years from the expiration date of December 31, 2014) or;
- the purchase of a “buy-out” (a stipulated sum in which AIG assumes all further financial responsibilities for claims or other obligations under the OCIP to allow DRPA to close its books financially (our letter of credit valued at $5.5 million makes this option possible) with respect to the OCIP.

Pursuant to DRPA-15-064, the board approved the renewal of the LOC in 2015, with TD Bank with an expiration date of December 31, 2016 in the amount of $5,462. AIG agreed to lower the LOC from $5,462 to $793 and the LOC was subsequently renewed at a lower principal amount in December 2016, to expire on December 31, 2017.

Based on its review, AIG agreed to a further reduction in the LOC to $398. The Authority renewed the LOC at the new figure of $398 to expire December 31, 2018.

The new total amount of security held by AIG is $448. No drawdowns have been made against any letter of credit. If AIG requires the Authority to extend the LOC beyond December 31, 2018 due to any open claims, the term of the LOC will be on a to-be-determined basis.

Direct Pay Letter of Credit (2008 Revenue Refunding Bonds): The Authority currently has one remaining LOC associated with the 2008 Revenue Refunding Bonds.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 15. Commitments (Continued)

Direct Pay Letter of Credit (2008 Revenue Refunding Bonds (Continued): The Authority's 2008 Revenue Refunding Bonds (Series B) are secured by an irrevocable transferable Direct Pay Letter of Credit ("LOC") issued by TD Bank, N.A., in the initial amount of $191,800, respectively. The Authority entered into separate Reimbursement Agreements with each credit provider to facilitate the issuance of said LOC. Each LOC is in an original stated amount which is sufficient to pay the unpaid principal amount of and up to fifty-three (53) days of accrued interest (at a maximum interest rate of 12%) on the related 2008B Revenue Refunding Bonds, when due, and the Purchase Price of the 2008B Revenue Refunding Bonds tendered or deemed tendered for purchase and not remarketed. The Credit Provider for the 2008B Revenue Refunding Bonds is only responsible for payments with respect to the 2008B Revenue Refunding Bonds for which the 2008B LOC was issued. The 2008B LOC was renewed in July of 2010 and which expired in July of 2013.

As described in the Official Statement for the 2008 Revenue Refunding Bonds, "any draw under Letter of Credit for principal, interest, or Purchase Price creates a reimbursement obligation on the part of the Authority that is secured by the 1998 Revenue Bond Indenture on a parity basis with the 2008 Revenue Refunding Bonds." (Additional information related to this transaction and the accompanying Letters of Credit can be found under Note 12).

The letter of credit for TD Bank, N.A. was to expire on December 31, 2017, but it has been extended for a five (5) year term to expire December 31, 2020.

Letter of Credit Provider Ratings: Ratings for TD Bank as of December 31, 2017 are as follows:

	Long-Term			Short-Term		
	Moody's	S&P	Fitch	Moody's	S&P	Fitch
TD Bank, N.A. (Series B)	A2 Stable	AA- Stable	AA- Stable	P-1	A-1+	F1+

Direct Pay Letters of Credit (2010 Revenue Refunding Bonds): When originally issued, the Authority's 2010 Revenue Refunding Bonds (Series A, B and C), were secured by irrevocable transferable Direct Pay Letters of Credit ("LOC") issued by three credit providers, the Bank of America, N.A., JP Morgan Chase Bank, N.A. and PNC Bank, N.A. in the initial amounts of $152.6 million, $152.6 million and $50.9 million, respectively. The Authority entered into separate Reimbursement Agreements with each credit provider to facilitate the issuance of said LOCs. These LOC's were terminated in March 2013, and replaced with new letters of credit from Royal Bank of Canada (Series A), Barclay's Bank PLC (Series B), and Bank of New York Mellon (Series C).

The LOC with Barclays was to expire on March 20, 2015. However on February 18, 2015, Barclays Bank PLC (Series B) delivered a "Notice of Extension" to TD Bank (Trustee for bonds), to extend the "stated Expiration Date" for the LOC to March 20, 2018 (see Note 19," Subsequent Events").

The Letters of Credit with Royal Bank and BNY Mellon were both to expire on March 18, 2016. As mentioned earlier, these two Letters of Credit were extended until August 1, 2016 and June 16, 2016, respectively. (Note: The LOC with BNY Mellon expired on June 16 and was replaced with a LIBOR-Indexed direct purchase with Wells Fargo Bank). Similarly, the LOC with Royal Bank was terminated and replaced by two LIBOR-Indexed direct purchase loans with the B of A and TD Bank, N.A.).

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 15. Commitments (Continued)

Direct Pay Letters of Credit (2010 Revenue Refunding Bonds (Continued): Each LOC is an irrevocable transferable direct-pay obligation of the respective issuing Credit Provider to pay to the Trustee, upon request and in accordance with the terms thereof, amounts sufficient to pay the unpaid principal amount and up to fifty-three (53) days (or such greater number of days as required by the rating agencies) days' accrued interest (at the maximum interest rate of 12%) on the related 2010 A Revenue Refunding Bonds or 2010 B Revenue Refunding Bonds when due, whether at the stated maturity thereof or upon acceleration or call for redemption, and amounts sufficient to pay the Purchase Price of the 2010 A Revenue Refunding Bonds or the 2010 B Revenue Refunding Bonds, as applicable, tendered for purchase and not remarketed. A draw under a LOC for principal and interest or Purchase Price creates a Reimbursement Obligation (as defined in the 1998 Revenue Bond Indenture) on the part of the Authority.

Letter of Credit Provider Ratings: Ratings for Barclay's Bank LLC as of December 31, 2017 are as follows:

	Long-Term			Short-Term		
	Moody's	S&P	Fitch	Moody's	S&P	Fitch
Barclay's Bank PLC	A1	A	A	P-1	A-1	F1+
	Negative	Stable	Positive	Negative	Negative	Negative

Contractual Commitments: As of December 31, 2017, the Authority had board-approved contracts with remaining balances as follows:

	Total
Benjamin Franklin Bridge:	
Bridge, building and pavement repairs and inspection	$ 6,970
Temporary toll, clerical, administration and custodial workers	1,000
Toll revenue, transportation, processing and systems upgrade	730
ERP consulting services	708
Engineering services - program management and task orders	4,483
Pedestrian bike ramp	9,041
Other	1,689
Walt Whitman Bridge:	
Design services for New Jersey approach	521
Emergency generator replacement	1,041
Commodore Barry Bridge:	
De-leading and repainting	847
Structural repairs & other	551
Betsy Ross Bridge:	
Bridge resurfacing and other	24,507
PATCO System:	
Car overhaul program	53,658
Elevators installation	35,888
Station enhancements	5,031
Westmont & Lindenwold viaduct and track rehabilitation	41,605
Subway structure, center tower & other rehabilitation	931
Other:	
Other equipment and system upgrades and professional services and maintenance	1,646
	$ 190,847

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 15. Commitments (Continued)

NJ Customer Service Center Contract: In 2015, the Authority signed a contract to participate in the NJ Customer Service Center Contract, related to the implementation of new software system for the NJ E-ZPass group, of which the Authority is a member. In 2016, the Authority signed a memorandum of Agreement (MOA) related to this implementation, which also sets forth how “certain non-toll revenues and expenses of the NJ E-ZPass Group” incurred will be shared among the Agencies….”(DRPA-16-125), including the resolution of prior “negative customer balances”, which have accumulated under the old contract. Under this MOA, the Authority was assigned a “Revenue Allocation share” which resulted in an initial one-time cash payment of approximately $2.4 million in 2017, representing the Authority’s pro-rata share of the past negative balances. (It is anticipated that each year, each Agency will be required to pay its pro-rata of future negative cash balances, however, the anticipated annual “contribution” is expected to be significantly less given the initial large outlay of funds by each agency in 2017).

The Authority had recognized this commitment on its books and had reduced 2016 toll revenues by the estimated $2.6 million to reflect this reduction in toll revenues. In May 2017, the actual invoice payment for this commitment came in at $2.351 million. Current year revenues for 2017 were adjusted upward by $249 to reflect this reduction in the amount due.

Note 16. Bridge and PATCO Fare Schedules

Bridge Fares: On July 1, 2011, the approved new bridge toll schedule was implemented as follows:

Class 1 - Motorcycle	$ 5.00
Class 2 - Automobile	5.00
Class 3 - Two Axle Trucks	15.00
Class 4 - Three Axle Trucks	22.50
Class 5 - Four Axle Trucks	30.00
Class 6 - Five Axle Trucks	37.50
Class 7 - Six Axle Trucks	45.00
Class 8 - Bus	7.50
Class 9 - Bus	11.25
Class 10 - Senior Citizen (with 2 tickets only)	2.50
Class 13 - Auto with Trailer (1 axle)	8.75

PATCO Passenger Fares: On July 1, 2011, a new fare schedule was implemented as follows:

Lindenwold/Ashland Woodcrest	$ 3.00
Haddonfield/Westmont/Collingswood	2.60
Ferry Avenue	2.25
New Jersey	1.60
City Hall/Broadway/Philadelphia	1.40
Off-Peak Reduced Fare Program	0.70

As noted above, PATCO has a federally mandated reduced off-peak fare program for “elderly persons and persons with disabilities.” These off-peak rates increased from $0.62/trip to $0.70/trip.

At its July 2015 meeting, the Authority’s Board approved a resolution, DRPA-15-090, to re-implement an $18 credit/18 trips per month for commuter passenger vehicles in the NJ E-ZPass system (the Authority is a member of this consortium). Programming to implement this initiative was finalized and the new frequent bridge traveler credit program became effective on December 1, 2015. In January 2016, frequent users received their first credit since reintroduction of the program. (Approximately, $1.7 million was credited to customer accounts based on activity thru December 2016).

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 16. Bridge and PATCO Fare Schedules (Continued)

In January 2017, the Authority approved resolution DRPA-17-002, which authorized the deferral of the CPI index based biennial toll increase. The toll increase was deferred from January 1, 2017 to January 1, 2019.

Note 17. New Governmental Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the Authority's year ending December 31, 2018 and is expected to have a material impact on the basic financial statements.

Statement No. 84, *Fiduciary Activities*. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the Authority's year ending December 31, 2018 and is not expected to have a material impact on the basic financial statements.

Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The Statement will become effective for the Authority's year ending December 31, 2018 and its implementation is dependent upon whether such extinguishment transactions are executed by the Authority.

Note 18. Blended Component Unit

Port Authority Transit Corporation (PATCO) is a wholly owned subsidiary of the Delaware River Port Authority (DRPA) established to operate and maintain the rapid transit system owned and constructed by DRPA. PATCO and DRPA share the same Board of Commissioners. A financial benefit or burden relationship exists between DRPA and PATCO as DRPA subsidizes the losses of PATCO and intends to continue to do so. The financial results of PATCO have been blended with those of DRPA in the financial statements.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 18. Blended Component Unit (Continued)

Rent of Transit System Facilities: All rapid transit system facilities used by PATCO are leased from the Authority, under terms of an agreement dated April 18, 1969 and amended June 3, 1974. The lease requires PATCO to operate and maintain the Locust-Lindenwold line. The terms of the amended agreement, which was made retroactive to January 1, 1974, and which is to continue from year to year, provide that PATCO pay a minimum annual rental of $6,122, which approximates the sum of the annual interest expense to the Authority for that portion of its indebtedness attributable to the construction and equipping of the leased facilities plus the provision for depreciation of the rapid transit facilities as recorded by the Authority.

In addition, the lease requires PATCO to pay to the Authority any net earnings from operations for the Locust-Lindenwold line less a reasonable amount to be retained for working capital and operating reserves.

PATCO's outstanding liability to the DRPA for period January 1, 1974 to December 31, 2017 related to this agreement totals $269,218.

Net Position: The net position totaling ($741,594) and ($713,621) as of December 31, 2017 and December 31, 2016, respectively, represents the total losses for PATCO since inception.

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2017 is as follows:

Condensed Combining Statements of Net Position

	December 31, 2017		
	DRPA	PATCO	Total
Current assets	$ 850,047	$ 12,040	$ 862,087
Receivable from primary government	(3,983)	3,983	
Capital assets	1,562,816		1,562,816
Other noncurrent assets	15,594		15,594
Total assets	2,424,474	16,023	2,440,497
Deferred outflows of resources	104,230	8,116	112,346
Total assets and deferred outflows of resources	2,528,704	24,139	2,552,843
Current liabilities	133,475	11,902	145,377
Payables to primary government:			
Lease agreement	(269,218)	269,218	
Advances from DRPA	(457,870)	457,870	
Noncurrent liabilities	1,630,765	25,843	1,656,608
Total liabilities	1,037,152	764,833	1,801,985
Deferred inflows of resources	5,824	900	6,724
Net investment in capital assets	271,323		271,323
Restricted	205,742		205,742
Unrestricted (deficiency)	1,008,663	(741,594)	267,069
Total net position (deficiency)	$ 1,485,728	$ (741,594)	$ 744,134

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 18. Blended Component Unit (Continued)

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2017 is as follows (continued):

Condensed Combining Statements of Revenues, Expenses and Changes in Net Position

	December 31, 2017		
	DRPA	PATCO	Total
Operating revenues			
Bridge revenues	$ 337,393		$ 337,393
Transit systems		$ 28,361	28,361
Other	226		226
Total operating revenues	337,619	28,361	365,980
Operating expenses			
Operating - Other	109,845	50,398	160,243
Depreciation	61,270		61,270
Total operating expenses	171,115	50,398	221,513
Operating income (loss)	166,504	(22,037)	144,467
Nonoperating revenues (expenses)			
Interest expense	(72,556)		(72,556)
Economic development activities	(4,194)		(4,194)
Lease rental	6,122	(6,122)	
Other	13,433	186	13,619
Total nonoperating revenues (expenses)	(57,195)	(5,936)	(63,131)
Capital contributions	7,557	-	7,557
Change in net position	116,866	(27,973)	88,893
Net position (deficiency), January 1	1,368,862	(713,621)	655,241
Net position (deficiency), December 31	$ 1,485,728	$ (741,594)	$ 744,134

Condensed Combining Statements of Cash Flows

	December 31, 2017		
	DRPA	PATCO	Total
Net cash provided by (used in) operating activities	$ 229,035	$ (24,159)	$ 204,876
Net cash provided by (used in) noncapital financing activities	(27,150)	23,793	(3,357)
Net cash provided by (used in) capital and related financing activities	(254,340)		(254,340)
Net cash provided by (used in) investing activities	47,926		47,926
Net increase (decrease) in cash and cash equivalents	(4,529)	(366)	(4,895)
Cash and cash equivalents, January 1	41,349	2,271	43,620
Cash and cash equivalents, December 31	$ 36,820	$ 1,905	$ 38,725

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 18. Blended Component Unit (Continued)

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2016 is as follows:

Condensed Combining Statements of Net Position

	December 31, 2016		
	DRPA	PATCO	Total
Current assets	$ 808,995	$ 12,691	$ 821,686
Receivable from primary government	(6,919)	6,919	
Capital assets	1,490,869		1,490,869
Other noncurrent assets	94,161		94,161
Total assets	2,387,106	19,610	2,406,716
Deferred outflows of resources	121,766	6,156	127,922
Total assets and deferred outflows of resources	2,508,872	25,766	2,534,638
Current liabilities	123,858	14,095	137,953
Payables to primary government:			
Lease agreement	(263,096)	263,096	
Advances from DRPA	(434,017)	434,017	
Noncurrent liabilities	1,710,907	27,582	1,738,489
Total liabilities	1,137,652	738,790	1,876,442
Deferred inflows of resources	2,358	597	2,955
Net investment in capital assets	235,795		235,795
Restricted	209,924		209,924
Unrestricted (deficiency)	923,143	(713,621)	209,522
Total net position (deficiency)	$ 1,368,862	$ (713,621)	$ 655,241

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 18. Blended Component Unit (Continued)

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2016 is as follows (continued):

Condensed Combining Statements of Revenues, Expenses and Changes in Net Position

	December 31, 2016		
	DRPA	PATCO	Total
Operating revenues			
Bridge revenues	$ 326,453		$ 326,453
Transit systems		$ 28,016	28,016
Other	243		243
Total operating revenues	326,696	28,016	354,712
Operating expenses			
Operating - Other	114,085	50,112	164,197
Depreciation	58,933		58,933
Total operating expenses	173,018	50,112	223,130
Operating income (loss)	153,678	(22,096)	131,582
Nonoperating revenues (expenses)			
Interest expense	(74,419)		(74,419)
Economic development activities	(3,404)		(3,404)
Lease rental	6,122	(6,122)	
Other	10,759	116	10,875
Total nonoperating revenues (expenses)	(60,942)	(6,006)	(66,948)
Capital contributions	2,237	-	2,237
Change in net position	94,973	(28,102)	66,871
Net position (deficiency), January 1	1,273,889	(685,519)	588,370
Net position (deficiency), December 31	$ 1,368,862	$ (713,621)	$ 655,241

Condensed Combining Statements of Cash Flows

	December 31, 2016		
	DRPA	PATCO	Total
Net cash provided by (used in) operating activities	$ 230,632	$ (19,392)	$ 211,240
Net cash provided by (used in) noncapital financing activities	(22,042)	20,647	(1,395)
Net cash provided by (used in) capital and related financing activities	(250,788)		(250,788)
Net cash provided by (used in) investing activities	54,838		54,838
Net increase (decrease) in cash and cash equivalents	12,640	1,255	13,895
Cash and cash equivalents, January 1	28,709	1,016	29,725
Cash and cash equivalents, December 31	$ 41,349	$ 2,271	$ 43,620

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2017 and 2016
(dollars expressed in thousands)

Note 19. Subsequent Events

Annual Insurance Certification (Article 5.11 of Bond Indenture): As mentioned under Note 14 (“Contingencies”), the Authority must annually submit the Insurance Consultant’s certification to the bond trustee, by April 30 of each year, evidencing that it has sufficient coverage related to its facilities, etc., as required under the Indenture. In addition, the Insurance Consultant must indicate whether any “material damage” has occurred to any facility during each calendar year.

The Authority submitted its annual certification, attesting to its insurance coverages, to the bond trustee for the year-ending December 31, 2017, prior to the deadline, on March 23, 2018. The Authority did not experience any material damage to its facilities during 2017.

Bond Authorizations Related to Bond Defeasance and New Money Bond Issuance: In its January 2018 meeting, the Board, via resolution DRPA #18-007, authorized the Authority to use up to $335 million from its General Fund to defease all, or a portion, of the 2010D revenue bonds, subject to financial market conditions.

In addition, the Board authorized a separate transaction, via resolution DRPA #18-008, wherein, subject to market conditions, the Authority may issue up to $350 million in new revenue bonds to fund a large portion of its 2018 5-year Capital Plan. In order to so, the Authority’s first step is to have a traffic study conducted to pave the way for any anticipated new revenue bond issuance. The traffic study commenced in June.

(Note: These authorizations do not obligate the Authority to execute any of the aforementioned transactions, as they are subject to favorable market conditions and the Authority’s financial strategies to reduce debt and/or debt service requirements).

Bond and Swap Payments: The Authority is current on all monthly debt service and swap payments, as of May 2018.

LOC Renewals: In February 2018, the Authority negotiated a lower LOC facility fee with Barclays and extended the existing LOC for a four-year term to mature March 18, 2022.

Union Contracts: All union contracts, including those negotiated with the Teamsters, FOP, IUOE and IBEW, expired on December 31, 2017. Contract negotiations have commenced with the aforementioned unions.

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DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part II (Unaudited)
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Commonwealth of Pennsylvania - State Employees' Retirement System (SERS)
Last Four Plan Years
(amounts expressed in thousands)

	Measurement Date Ended December 31,			
	2016	2015	2014	2013
Authority's Proportion of the Net Pension Liability	0.79013936%	0.79424655%	0.76453591%	0.78540134%
Authority's Proportionate Share of the Net Pension Liability	$ 152,183	$ 144,424	$ 113,590	$ 107,312
Authority's Covered Payroll (Plan Measurement Period)	$ 47,939	$ 48,461	$ 44,721	$ 43,165
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	317.45%	298.02%	254.00%	248.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.80%	58.90%	64.80%	66.70%

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part II (Unaudited)
Schedule of the Authority's Contributions
Commonwealth of Pennsylvania - State Employees' Retirement System (SERS)
Last Four Years
(amounts expressed in thousands)

	Year Ended December 31,			
	2017	2016	2015	2014
Authority's Contractually Required Contribution	$ 14,515	$ 12,735	$ 10,332	$ 7,649
Authority's Contribution in Relation to the Contractually Required Contribution	(14,515)	(12,735)	(10,332)	(7,649)
Authority's Contribution Deficiency (Excess)	-	-	-	-
Authority's Covered Payroll (Calendar Year)	$ 49,464	$ 46,615	$ 48,857	$ 44,721
Authority's Contributions as a Percentage of Covered Payroll	29.34%	27.32%	21.15%	17.10%

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part II (Unaudited)
Schedule of the Authority's Proportionate Share of the Net Pension Liability
State of New Jersey - Public Employees' Retirement System (PERS)
Last Four Plan Years
(amounts expressed in thousands)

	Measurement Date Ended June 30,			
	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.0069597877%	0.0050105488%	0.0048616324%	0.0080229448%
Authority's Proportionate Share of the Net Pension Liability	$ 1,620	$ 1,484	$ 1,091	$ 1,502
Authority's Covered Payroll (Plan Measurement Period)	$ 406	$ 345	$ 335	$ 594
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	399.01%	430.14%	325.67%	252.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part II (Unaudited)
Schedule of the Authority's Contributions
State of New Jersey - Public Employees' Retirement System (PERS)
Last Four Years
(amounts expressed in thousands)

	Year Ended December 31,			
	2017	2016	2015	2014
Authority's Contractually Required Contribution	$ 64	$ 45	$ 42	$ 66
Authority's Contribution in Relation to the Contractually Required Contribution	(64)	(45)	(42)	(66)
Authority's Contribution Deficiency (Excess)	-	-	-	-
Authority's Covered Payroll (Calendar Year)	$ 692	$ 438	$ 369	$ 355
Authority's Contributions as a Percentage of Covered Payroll	9.25%	10.27%	11.38%	18.59%

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part II (Unaudited)
Schedule of the Authority's Contributions
Teamsters Pension Plan of Philadelphia and Vicinity
Last Ten Years
(amounts expressed in thousands)

	Year Ended December 31,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Authority's Contractually Required Contribution	$ 1,299	$ 1,293	$ 1,136	$ 1,001	$ 1,066	$ 1,076	$ 1,077	$ 1,090	$ 1,068	$ 1,029
Authority's Contribution in Relation to the Contractually Required Contribution	(1,299)	(1,293)	(1,136)	(1,001)	(1,066)	(1,076)	(1,077)	(1,090)	(1,068)	(1,029)
Authority's Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part II (Unaudited)
Notes to Required Supplementary Information
For the Year Ended December 31, 2017

Pennsylvania State Employees' Retirement System (SERS)

Changes in Benefit Terms - None

Changes in Assumptions - For the measurement date December 31, 2016, the discount rate changed to 7.25%, net of expenses including inflation. Economic assumptions were revised in accordance with the results of the 18th Investigation of Actuarial Experience study. Projected salary increases changed to an average of 5.60% with a range of 3.70%-8.90%, including inflation, and the inflation rate changed to 2.60%. For the measurement date December 31, 2015, the discount rate remained at 7.50%, net of expenses including inflation. Projected salary increases were an average of 5.70% with a range of 3.85% · 9.05%, including inflation, and the inflation rate was to 2.75%. For the measurement date December 31, 2014, the discount rate was 7.50%, net of expenses including inflation.

State of New Jersey Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - For the measurement date June 30, 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For the measurement date June 30, 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For the measurement date June 30, 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at $118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at $265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For the measurement date June 30, 2014, the discount rate was 5.39%.

Teamsters Pension Plan of Philadelphia and Vicinity

The Authority is required to contribute a collectively bargain amount per day for each participating PATCO employee. This daily amount ranged from $20.60 in 2008 to $27.84 in 2017.

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part III (Unaudited)
Schedule of Funding Progress for Health Benefits Plan
(amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
01/01/17	$ 20,765	$ 121,764	$ 100,999	17.1%	$ 34,381	293.8%
01/01/15	15,747	118,482	102,735	13.3%	42,087	244.1%
01/01/13	-	112,923	112,923	-	43,453	259.9%

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Net Position Information by Fund
December 31, 2017
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Assets							
Current Assets							
Cash and cash equivalents		$ 1,495		$ 29,429			$ 30,924
Investments				570,607			570,607
Accounts receivable, net of allowance for uncollectibles		6,769		7,427			14,196
Accrued interest receivable				452			452
Transit system and storeroom inventories		345		5,698			6,043
Economic development loans - current				421			421
Prepaid expenses		4,337		1,613			5,950
Restricted assets							
Cash and cash equivalents		7,264				$ 537	7,801
Investments		4,980	$ 5,139		$ 214,389	1,181	225,689
Accrued interest receivable						4	4
Total current assets	-	25,190	5,139	615,647	214,389	1,722	862,087
Noncurrent Assets							
Restricted investments for capital projects	-	-	-	-	-	2,929	2,929
Capital assets, net of accumulated depreciation							
Land	$ 74,051			25			74,076
Construction in progress	576,699						576,699
Bridges and related buildings and equipment	544,578						544,578
Transit property and equipment	366,091						366,091
Port enhancements	1,372						1,372
Total capital assets	1,562,791	-	-	25	-	-	1,562,816
Other							
Economic development loans, net of allowance for uncollectibles				11,670			11,670
Debt insurance costs, net of amortization	873			122			995
Total other assets	873	-	-	11,792	-	-	12,665
Total noncurrent assets	1,563,664	-	-	11,817	-	2,929	1,578,410
Total assets	1,563,664	25,190	5,139	627,464	214,389	4,651	2,440,497
Deferred Outflows of Resources							
Accumulated decrease in fair value of hedging derivatives	63,269						63,269
Pension related amounts		34,565		8,116			42,681
Loss on refunding of debt	4,433			1,963			6,396
Total deferred outflows of resources	67,702	34,565	-	10,079	-	-	112,346

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Net Position Information by Fund
December 31, 2017
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Liabilities							
Current Liabilities							
Accounts payable							
Retained amounts on contracts		$ 42		$ 12,824			$ 12,866
Other		4,273		19,887			24,160
Accrued liabilities							
Claims and judgments		401		2,569			2,970
Self-insurance		1,625		1,278			2,903
Pension		11,775		1,647			13,422
Sick and vacation leave benefits		2,103		391			2,494
Other		1,227		536			1,763
Unearned revenue				4,955			4,955
Liabilities payable from restricted assets							
Accrued interest payable					$ 23,979		23,979
Bonds payable - current	$ 44,645			11,220			55,865
Total current liabilities	44,645	21,446	-	55,307	23,979	-	145,377
Noncurrent Liabilities							
Accrued liabilities							
Claims and judgments		462		655			1,117
Self-insurance		823		648			1,471
Sick and vacation leave benefits		1,719		320			2,039
Net pension liability		133,605		20,199			153,804
Other postemployment benefits		10,372		4,107			14,479
Unearned revenue		3,826					3,826
Premium payment payable - derivative companion instrument	17,613						17,613
Derivative instrument - interest rate swap	63,269				34		63,303
Bonds payable, net of unamortized discounts and premiums	1,254,210			144,746			1,398,956
Total noncurrent liabilities	1,335,092	150,807	-	170,675	34	-	1,656,608
Total liabilities	1,379,737	172,253	-	225,982	24,013	-	1,801,985
Deferred Inflows of Resources							
Pension related amounts		5,824		900			6,724
Total deferred inflows of resources	-	5,824	-	900	-	-	6,724
Net Position							
Net investment in capital assets	268,369			25		$ 2,929	271,323
Restricted for:							
Debt requirements		14,962	$ 3,000		186,058		204,020
Port projects						1,722	1,722
Unrestricted (deficiency)	(16,740)	(133,284)	2,139	410,636	4,318		267,069
Total net position (deficiency)	$ 251,629	$ (118,322)	$ 5,139	$ 410,661	$ 190,376	$ 4,651	$ 744,134

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Changes in Fund Net Position Information by Fund
For the Year Ended December 31, 2017
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Net Position (Deficiency), January 1	$ 134,200	$ (120,511)	$ 4,986	$ 362,960	$ 184,551	$ 89,055	$ 655,241
Revenues and Expenses							
Operating revenues		337,393		28,587			365,980
Operating expenses	(61,270)	(52,748)		(47,353)			(161,371)
General and administration expenses		(52,255)		(7,887)			(60,142)
Investment income		407	153	4,846	3,445	277	9,128
Interest expense	(475)			1,301	(73,382)		(72,556)
Economic development activities				(4,194)			(4,194)
Other nonoperating revenues (expenses)	(40)	702		1,962			2,624
Other grant revenues				1,867			1,867
Total revenues and expenses	(61,785)	233,499	153	(20,871)	(69,937)	277	81,336
Government Contributions for Capital Improvements, Additions and Other Projects	-	-	-	7,557	-	-	7,557
Interfund Transfers and Payments							
Bond service		(109,787)		(18,845)	128,632		
Funds free and clear of any lien or pledge		(108,185)		108,185			
Retirement of bonds	42,290			10,580	(52,870)		
Funds for permitted port projects				84,681		(84,681)	
Capital additions	133,218			(133,218)			
Net equity transfers	3,706	(13,338)		9,632			
Total interfund transfers and payments	179,214	(231,310)	-	61,015	75,762	(84,681)	-
Net Position (Deficiency), December 31	$ 251,629	$ (118,322)	$ 5,139	$ 410,661	$ 190,376	$ 4,651	$ 744,134

DELAWARE RIVER PORT AUTHORITY

Supplemental Schedule of Net Position Information for Bond and Project Funds
December 31, 2017
(amounts expressed in thousands)

	Bond Reserve Fund	Bond Service Fund	1998 Port District Project Fund	1999 Project Fund	1999 Port District Project Fund	2001 Port District Project Fund	2013 Project Fund	Total Combined Funds
Assets								
Current Assets								
Restricted assets								
Cash and cash equivalents			$ 4	$ 60	$ 473			$ 537
Investments	$ 133,943	$ 80,446			622	$ 559		215,570
Accrued interest receivable					4			4
Total current assets	133,943	80,446	4	60	1,099	559	-	216,111
Noncurrent Assets								
Restricted investments for capital projects							$ 2,929	2,929
Total assets	133,943	80,446	4	60	1,099	559	2,929	219,040
Liabilities								
Current Liabilities								
Liabilities payable from restricted assets								
Accrued interest payable		23,979						23,979
Total current liabilities	-	23,979	-	-	-	-	-	23,979
Noncurrent Liabilities								
Derivative instrument - interest rate swap	34							34
Total noncurrent liabilities	34	-	-	-	-	-	-	34
Total liabilities	34	23,979	-	-	-	-	-	24,013
Net Position								
Net investment in capital assets							2,929	2,929
Restricted for								
Revenue and port district project bonds	129,591							129,591
Revenue and port district bond service		56,467						56,467
Port projects			4	60	1,099	559		1,722
Unrestricted	4,318							4,318
Total net position	$ 133,909	$ 56,467	$ 4	$ 60	$ 1,099	$ 559	$ 2,929	$ 195,027

DELAWARE RIVER PORT AUTHORITY

Supplemental Schedule of Changes in Net Position Information for Bond and Project Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

	Bond Reserve Fund	Bond Service Fund	1998 Port District Project Fund	1999 Project Fund	1999 Port District Project Fund	2001 Port District Project Fund	2013 Project Fund	Total Combined Funds
Net Position, January 1	$ 131,227	$ 53,324	$ 4	$ 60	$ 7,142	$ 688	$ 81,161	$ 273,606
Revenues and Expenses:								
Investment income	3,305	140			7	2	268	3,722
Interest expense		(73,382)						(73,382)
Total revenues and expenses	3,305	(73,242)		-	7	2	268	(69,660)
Interfund Transfers and Payments:								
Bond service		128,632						128,632
Funds in excess of bond reserve requirement	(623)	623						
Funds for permitted capital expenditures								
Retirement of bonds		(52,870)						(52,870)
Funds for permitted port projects					(6,050)	(131)	(78,500)	(84,681)
Total interfund transfers and payments	(623)	76,385	-	-	(6,050)	(131)	(78,500)	(8,919)
Net Position, December 31	$ 133,909	$ 56,467	$ 4	$ 60	$ 1,099	$ 559	$ 2,929	$ 195,027

Statistical Section

FINANCIAL TREND DATA (Unaudited)

The Authority's net position increased by $88.9 million during 2017 based on strong operating results, with income before capital contributions of $81.3 million, which is higher than the $64.6 million in income before capital contributions registered in 2016.

The Authority's net position has improved from $286.9 million to $744.1 million (a $457.2 million increase) since 2010, largely due to the impact of higher toll revenues and operating income, the latter factor which has exceeded $125 million since 2012. During 2017, total operating revenues increased by $11.3 million (up 3.18%), while total operating expenses decreased by $1.6 million (down 0.72%), or a total of $221.5 million. The major factor impacting the decrease in operating expenses was attributable to the decrease in G&A (down $6.8 million), although this decrease was partially offset by increased operational expenses and depreciation expense. Operating income increased to $144.5 million in 2017, the highest in DRPA history.

Please refer to the following schedules for a historical view of the Authority's financial performance.

Last Ten Fiscal Years (In Thousands)

NET POSITION

	2017 *	2016 *	2015*	2014 *	2013 *	2012 *	2011 *	2010 *	2009 *	2008
Net Investment in capital assets	$ 271,323	$ 235,795	$ 203,366	$ 174,762	$ 213,138	$ 272,905	$ 214,632	$ 239,390	$ 325,973	$ 281,146
Restricted	205,742	209,924	219,485	215,004	159,521	143,692	185,219	158,589	142,435	147,850
Unrestricted (deficiency)	267,069	209,522	165,519	198,079	138,730	2,232	(67,153)	(111,050)	(138,043)	(94,317)
Total Net Position	$ 744,134	$ 655,241	$ 588,370	$ 587,845	$ 511,389	$ 418,829	$ 332,698	$ 286,929	$ 330,365	$ 334,679

CHANGES IN NET POSITION

	2017 *	2016 *	2015*	2014 *	2013 *	2012 *	2011 *	2010 *	2009 *	2008
Operating Revenues										
Bridges:										
Tolls	$ 331,537	$ 319,778	$ 307,240	$ 297,267	$ 293,863	$ 292,810	$ 267,685	$ 243,879	$ 242,620	$ 208,856
Other operating revenues	5,856	6,675	6,435	7,702	6,451	6,372	5,049	4,753	4,944	5,815
Total bridge operating revenues	337,393	326,453	313,675	304,969	300,314	299,182	272,734	248,632	247,564	214,671
Transit system:										
Passenger fares	26,562	26,073	24,943	24,257	25,908	26,035	24,004	21,956	22,028	21,459
Other operating revenues	1,799	1,943	1,661	1,506	1,699	1,957	1,817	1,968	1,606	1,507
Total transit system operating revenues	28,361	28,015	26,604	25,763	27,607	27,992	25,821	23,924	23,634	22,966
Port of Philadelphia and Camden:										
Cruise terminal	-	-	-	-	-	2	369	309	571	683
RiverLink	-	27	30	-	-	-	68	61	62	73
Total Port of Philadelphia and Camden	-	27	30	-	-	2	437	370	633	756
Other:										
Miscellaneous	226	216	985	150	203	224	556	1,801	1,456	590
Total operating revenues	365,980	354,712	341,294	330,882	328,124	327,400	299,548	274,727	273,287	238,983
Operating Expenses:										
Operations	96,310	93,443	89,213	100,596	97,436	98,581	94,259	99,518	97,735	100,515
Community impact	3,791	3,790	3,781	3,745	3,688	3,611	3,560	3,473	3,483	3,380
General and administration	60,142	66,964	56,309	41,347	38,932	44,277	40,536	46,272	35,457	34,974
Port of Philadelphia and Camden	-	-	49	189	62	29	246	824	1,269	1,447
Depreciation	61,270	58,933	57,614	57,425	54,801	55,018	49,216	47,751	45,776	45,486
Total operating expenses	221,513	223,130	206,966	203,302	194,919	201,516	187,817	197,838	183,720	185,802
Operating Income	144,467	131,582	134,328	127,580	133,205	125,884	111,731	76,889	89,567	53,181
Nonoperating Revenues (Expenses)										
Interest revenue (net of change in fair value of derivative instruments)	9,128	7,944	7,834	8,479	4,628	7,638	13,633	(25,867)	8,718	17,592
Interest expense	(72,556)	(74,419)	(75,792)	(78,377)	(58,784)	(66,540)	(77,870)	(72,527)	(65,584)	(75,654)
Amortization expense	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(1,511)	(1,356)	(1,353)
Economic development activities	(4,194)	(3,404)	(4,167)	(2,401)	(4,371)	(8,695)	(2,025)	(39,657)	(26,794)	(3,960)
Other	4,591	3,115	5,156	4,844	2,825	4,276	3,055	(1,366)	(985)	457
Bond issuance costs	-	-	-	-	(2,516)	(1,374)	-	-	-	-
Loss on abandonment of Aerial Tram project	-	-	-	-	-	-	(18,318)	-	-	-
Loss on disposal of capital assets	-	(84)	(1,732)	-	-	-	(7,929)	-	-	-
Total nonoperating revenues (expenses)	(63,131)	(66,948)	(68,801)	(67,555)	(58,318)	(64,795)	(89,554)	(140,928)	(86,001)	(62,918)
Income (Loss) Before Capital Contributions	81,336	64,634	65,527	60,025	74,887	61,089	22,177	(64,039)	3,566	(9,737)
Capital Contributions:										
Federal and state capital improvement grants	7,557	2,237	36,758	16,431	17,673	25,042	33,021	20,603	11,443	14,417
Change in Net Position	$ 88,893	$ 66,871	$ 102,285	$ 76,456	$ 92,560	$ 86,131	$ 55,198	$ (43,436)	$ 15,009	$ 4,680

* Figures for the years 2009 through 2017 include the implementation of Governmental Accounting Standards Board Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. Figures for 2011 through 2017 include the implementation of Governmental Accounting Standards Board Statement No. 65, Items Previously Reported as Assets and Liabilities. Figures for the years 2010 and 2009 have been restated to remove the projected cost of bridge repainting. Lastly, figures for 2015 through 2017 include the implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.

REVENUE CAPACITY DATA (Unaudited)

Major annual revenues (consisting primarily of bridge operating revenues, PATCO transit system revenues and interest income) have grown significantly since 2008, increasing from $256.0 million to $374.8 million, an increase in annual revenues of about $118.8 million. Revenues in the period from 2009 to 2016 reflect the two major increases in bridge tolls and transit system fares implemented in 2008 and 2011. During 2017, bridge toll revenues increased by $11.8 million from 2016 (before adjustment), an increase of 3.68%, while PATCO system operating revenues increased by $345k. Interest income increased by $1.3 million, or by 16.75%, continuing a trend since 2011. This increase is resultant from higher non-restricted investment balances (which increased to total $601.5 million up from $556.0 million), and partially due to relatively minor interest rate increases.

Up until 2015, bridge traffic had decreased steadily since 2008. In 2017, bridge traffic reached its highest level since 2008. The increase for 2017 was 2.12%, or 1.1 million vehicles higher versus the prior year. Factors responsible for traffic declines between 2008 and 2014, such as overall poor economic conditions and prior implementation of previous toll increases, did not impact 2017 and 2016 results. Better regional economic conditions, stable gas prices, and a lack of inclement weather all contributed to the increase in 2017 annual bridge traffic.

In 2017, total PATCO transit system operating revenues (inclusive of fare, parking, and advertising revenues) increased vs. 2016. During 2017, total PATCO operating revenues increased by $345,000 or 1.23% due to an increase in ridership of 186,000 (or 1.75%). The increase in PATCO ridership since 2014 was primarily attributable to completion of the multi-year Ben Franklin Bridge/PATCO track rehabilitation project (resulting in less track outages) along with favorable winter weather and improvement in general economic conditions.

For additional historical information on the Authority's bridge traffic, passenger trips, and other revenues, please refer to the schedules that follow.

Last Ten Fiscal Years (In Thousands)

MAJOR REVENUES BY SOURCE

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bridge operating revenues	$ 337,393	$ 326,453	$ 313,675	$ 304,969	$ 300,314	$ 299,182	$ 272,734	$ 248,632	$ 247,564	$ 214,671
PATCO transit system operating revenues	28,361	28,015	26,604	25,763	27,607	27,992	25,821	23,924	23,634	22,966
Port of Philadelphia and Camden	-	27	30	-	-	2	437	370	633	756
Interest income	9,013	7,720	7,450	6,909	5,581	5,803	4,968	8,176	9,252	17,592
Total revenues	$ 374,767	$ 362,216	$ 347,758	$ 337,641	$ 333,502	$ 332,979	$ 303,960	$ 281,102	$ 281,083	$ 255,985

On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. Additionally, passenger fares, with the exception of fares for elderly persons and persons with disabilities, were increased by 10% across all zones. On July 1, 2011, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class. The Authority also implemented a second 10% increase in PATCO passenger fares. On December 1, 2015 the Authority reinstituted the E-ZPass frequent bridge traveler credit program, which reduced annual toll revenues by approx. $1.7 million in 2016 and $1.8 million in 2017.

TOLL REVENUE BY BRIDGE

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Walt Whitman Bridge	$ 125,001	$ 124,379	$ 122,648	$ 116,256	$ 111,256	$ 111,900	$ 103,191	$ 95,180	$ 96,319	$ 82,198
Ben Franklin Bridge	103,262	101,860	97,739	97,923	101,094	100,443	89,824	80,083	79,848	67,188
Betsy Ross Bridge	45,700	40,408	34,766	33,408	33,578	34,084	32,295	30,610	29,062	27,590
Commodore Barry Bridge	57,325	55,731	52,087	49,680	47,935	46,383	42,375	38,006	37,391	31,880
Total toll revenues	$ 331,288	$ 322,378	$ 307,240	$ 297,267	$ 293,863	$ 292,810	$ 267,685	$ 243,879	$ 242,620	$ 208,856
E-ZPass CSC Revenue Allocation Share	249	(2,600)								
Net toll revenues	$ 331,537	$ 319,778								

On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. Additionally, passenger fares, with the exception of fares for elderly persons and persons with disabilities, were increased by 10% across all zones. On July 1, 2011, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class. On December 1, 2015, the Authority reinstituted the E-ZPass frequent user credit program.

On November 16, 2016, the Authority's Board authorized an initial payment of $2.6 million to the NJ CSC based on a revenue allocation formula, under the new contract, which determined the DRPA's portion of past negative balance E-ZPass customer accounts. In May 2017, the actual invoice payment for this commitment came in at $2.351 million. Current year revenues for 2017 were adjusted upward by $249 thousand to reflect this reduction in the amount due. Please see Note 15 for additional information.

BRIDGE CASH TOLL RATES

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Class 1 - Motorcycle	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 4.00	$ 4.00	$ 4.00
Class 2 - Automobile	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Class 3 - Two Axle Trucks	15.00	15.00	15.00	15.00	15.00	15.00	15.00	12.00	12.00	12.00
Class 4 - Three Axle Trucks	22.50	22.50	22.50	22.50	22.50	22.50	22.50	18.00	18.00	18.00
Class 5 - Four Axle Trucks	30.00	30.00	30.00	30.00	30.00	30.00	30.00	24.00	24.00	24.00
Class 6 - Five Axle Trucks	37.50	37.50	37.50	37.50	37.50	37.50	37.50	30.00	30.00	30.00
Class 7 - Six Axle Trucks	45.00	45.00	45.00	45.00	45.00	45.00	45.00	36.00	36.00	36.00
Class 8 - Bus	7.50	7.50	7.50	7.50	7.50	7.50	7.50	6.00	6.00	6.00
Class 9 - Bus	11.25	11.25	11.25	11.25	11.25	11.25	11.25	9.00	9.00	9.00
Class 10 - Senior Citizen (with ticket only)	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00
Class 13 - Auto with trailer (1 axle)	8.75	8.75	8.75	8.75	8.75	8.75	8.75	6.00	6.00	6.00

The toll rates shown above are cash toll rates in effect for the period indicated. On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. The Authority had, for many years, provided a frequent user program and senior citizen program for its passenger vehicle customers. At E-ZPass implementation, as an incentive to use E-ZPass, a 10% discount was offered to E-ZPass customers, and a modified frequent user program became effective and available through E-ZPass. In 2004, most discount programs were eliminated and the frequent user program was further modified. Additionally, passenger fares, with the exception of fares for elderly persons and persons with disabilities, were increased by 10% across all zones. On July 1, 2011, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class. The Authority also implemented a second 10% increase in PATCO passenger fares. On December 1, 2015, the Authority reintroduced a "frequent bridge traveler credit", which paid $18 in monthly credits to passenger vehicles with a minimum of 18 bridge crossing per month.

REVENUE CAPACITY DATA (Unaudited) (Continued)

BRIDGE TRAFFIC BY VEHICLE CLASSIFICATION

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Vehicle classification:										
Automobiles & light trucks	48,214	47,225	44,905	43,644	43,732	43,931	44,757	46,245	46,580	48,310
Trucks	3,304	3,137	2,865	2,713	2,571	2,505	2,542	2,603	2,548	2,890
Buses	239	236	217	228	231	236	250	260	276	287
Senior citizens	1,144	1,204	1,215	1,245	1,344	1,405	1,440	1,305	1,229	1,906
Other	3	3	3	2	2	3	3	1	4	6
Total traffic	52,904	51,805	49,205	47,832	47,880	48,080	48,992	50,414	50,637	53,399

BRIDGE TRAFFIC BY BRIDGE

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Walt Whitman Bridge	19,901	19,945	19,634	18,665	18,086	18,311	18,806	19,579	20,022	20,877
Ben Franklin Bridge	18,532	18,367	17,591	17,642	18,292	18,285	18,286	18,459	18,571	19,296
Betsy Ross Bridge	6,983	6,182	5,158	4,923	4,993	5,090	5,429	5,821	5,595	6,511
Commodore Barry Bridge	7,488	7,311	6,822	6,602	6,509	6,394	6,471	6,555	6,449	6,715
Total traffic	52,904	51,805	49,205	47,832	47,880	48,080	48,992	50,414	50,637	53,399

PATCO TRANSIT SYSTEM OPERATING REVENUES

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Passenger fares	$ 26,562	$ 26,073	$ 24,943	$ 24,257	$ 25,908	$ 26,035	$ 24,004	$ 21,956	$ 22,028	$ 21,459
Other revenues	1,799	1,943	1,661	1,506	1,699	1,957	1,817	1,968	1,606	1,507
Total operating revenues	$ 28,361	$ 28,016	$ 26,604	$ 25,763	$ 27,607	$ 27,992	$ 25,821	$ 23,924	$ 23,634	$ 22,966

On September 14, 2008, passenger fares, were increased by 10% across all zones. On July 1, 2011, passenger fares were increased by an additional 10%.

PATCO PASSENGER FARES

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Lindenwold/Ashland/Woodcrest	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 2.70	$ 2.70	$ 2.70
Haddonfield/Westmont/Collingswood	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.35	2.35	2.35
Ferry Avenue	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.05	2.05	2.05
New Jersey	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.45	1.45	1.45
City Hall/Broadway/Philadelphia	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.25	1.25	1.25

On September 14, 2008, passenger fares, were increased by 10% across all zones. On July 1, 2011, passenger fares were increased by an additional 10%.

PATCO TRANSIT SYSTEM RIDERSHIP

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Passengers	10,839	10,653	10,169	10,007	10,542	10,613	10,506	10,109	10,022	10,338

DEBT CAPACITY DATA (Unaudited)

During the period 2010 to 2017, the Authority's debt service coverage (DSC), has been impacted by the increased debt service requirements related to the issuance of $785 million in fixed rate debt in 2010 and 2013. DSC increased in 2017, to 2.09X vs. 2016's performance of 1.92X, largely as a result of higher net revenues available for debt service, the highest level in DRPA history, and a slight reduction in total debt service.

During the period, 2010-2013, growth in net revenues from $157.5 million to $211.2 million helped propel an increase in DSC from 1.78X to a ten-year high of 2.66X in 2012. DSC grew during that time period despite higher debt service costs related to the issuance of the 2010 revenue bonds. Beginning in 2012, annual debt service was reduced by the early redemption of approximately $24 million in 1999 revenue bonds, which was a major factor in the growth of the DSC from 2.08X to 2.64X in the period 2011 through 2013. In 2014, DSC dropped as a result of the issuance of the 2013 revenue bonds and it has hovered around the 2.00X level for the past 4 years.

Prior to the issuance of the 2013 revenue bonds, total debt outstanding had decreased from $1.4 billion to $1.2 billion in the period 2010 to 2012. Total funded debt outstanding increased to $1.65 billion during 2013, but has since dropped to $1.45 billion in 2017, a decrease of $200 million.

For additional information on the Authority's debt service coverage, total outstanding debt, and the ratio of revenue bond debt per customer, please refer to the schedules that follow, including: the DRPA's bridge traffic, PATCO passenger trips, and other revenues.

Last Ten Fiscal Years (In Thousands)

DEBT SERVICE COVERAGE

	2017	2016	2015	2014	2013	2012	2011 *	2010 *	2009 *	2008
Revenues available for Debt Service:										
Bridge operating	$ 337,393	$ 326,453	$ 313,675	$ 304,969	$ 300,314	$ 299,182	$ 272,734	$ 248,632	$ 247,564	$ 214,671
Interest income	561	527	157	152	152	154	155	156	559	777
	337,954	326,980	313,832	305,121	300,466	299,336	272,889	248,788	248,123	215,448
Less expenses:										
Bridge operating	54,116	50,737	47,885	53,466	53,042	56,325	49,369	52,003	49,924	54,393
General and administration	51,938	59,558	48,378	41,347	38,932	44,277	40,536	46,272	35,457	34,974
	106,054	110,295	96,263	94,813	91,974	100,602	89,905	98,275	85,381	89,367
Add:										
Bridge Repainting Expense	-	-	-	-	-	-	-	-	-	4,363
GASB 45 Expense (exclusive of PATCO)	3,635	3,843	4,694	4,694	400	1,635	1,005	6,012	6,012	6,219
Interest Income:										
1998, 1999, 2008, 2010 and 2013 Revenue Bonds	2,666	2,361	2,342	2,349	2,352	2,086	2,387	983	2,602	3,226
	6,301	6,204	7,036	7,043	2,752	3,721	3,392	6,995	8,614	13,808
Net revenues available for Debt Service:										
1998 Revenue Bond Indenture	$ 238,201	$ 222,889	$ 224,605	$ 217,351	$ 211,244	$ 202,455	$ 186,376	$ 157,508	$ 171,356	$ 139,889
Debt Service (Revenue Bonds):**										
Swap Payments (net)	$ 24,634	$ 28,835	$ 32,351	$ 34,681	$ 36,206	$ 37,736	$ 39,250	$ 40,687	$ 18,793	$ 12,634
1998, 1999 Revenue Bonds	-	-	-	-	-	6,450	19,391	26,956	42,026	56,839
2008 Revenue Refunding Bonds	23,188	23,994	18,648	17,746	15,775	15,155	14,534	12,497	12,189	3,584
2010 Revenue Bonds	15,429	15,429	15,429	15,429	15,429	15,429	15,429	7,114	-	-
2010 Revenue Refunding Bonds	27,201	24,288	21,560	20,445	11,805	1,245	1,033	1,149	-	-
2013 Revenue Bonds	23,655	23,655	23,655	23,655	854	-	-	-	-	-
Total Debt Service	$ 114,107	$ 116,201	$ 111,643	$ 111,956	$ 80,069	$ 76,015	$ 89,637	$ 88,403	$ 73,008	$ 73,057
Debt Service coverage (Times) :										
1998 Bond Indenture	2.09	1.92	2.01	1.94	2.64	2.66	2.08	1.78	2.35	1.91

* During 2011, the Authority changed its accounting method to remove the projected costs of bridge repainting. Figures for 2010 and 2009 have been restated.
** Debt service for the years 2010 through 2016 have been restated.

FUNDED DEBT*

	2017 *	2016 *	2015 *	2014 *	2013 *	2012 *	2011 *	2010	2009	2008
Outstanding Revenue Bond related debt	$ 1,298,855	$ 1,341,686	$ 1,382,263	$ 1,420,724	$ 1,450,720	$ 978,185	$ 1,034,519	$ 1,065,375	$ 785,075	$ 807,890
Outstanding Port District Project Bond debt	155,966	168,603	180,735	192,454	203,995	209,603	314,470	303,554	321,915	339,645
Total outstanding debt	$ 1,454,821	$ 1,510,289	$ 1,562,998	$ 1,613,178	$ 1,654,715	$ 1,187,788	$ 1,348,989	$ 1,368,929	$ 1,106,990	$ 1,147,535

* Figures for 2011 through 2017 include the implementation of Governmental Accounting Standards Board Statement No. 65, Items Previously Reported as Assets and Liabilities.

RATIO OF DEBT PER CUSTOMER (Based on Revenue Bond debt)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Outstanding Revenue Bond related debt	$ 1,298,855	$ 1,341,686	$ 1,382,263	$ 1,420,724	$ 1,450,720	$ 978,185	$ 1,034,519	$ 1,065,375	$ 785,075	$ 807,890
Total annual debt service related to revenue bonds	$ 114,107	$ 116,201	$ 111,643	$ 111,956	$ 80,069	$ 76,015	$ 89,637	$ 88,403	$ 73,008	$ 73,057
Total traffic	52,904	51,805	49,205	47,832	47,880	48,080	48,992	50,414	50,637	53,399
Outstanding revenue bond debt per customer	$ 24.55	$ 25.90	$ 28.09	$ 29.70	$ 30.30	$ 20.34	$ 21.12	$ 21.13	$ 15.50	$ 15.13
Outstanding total bond debt per customer	$ 27.50	$ 29.15	$ 31.77	$ 33.73	$ 34.56	$ 24.70	$ 27.53	$ 27.15	$ 21.86	$ 21.49
Debt service per customer	$ 2.16	$ 2.24	$ 2.27	$ 2.34	$ 1.67	$ 1.58	$ 1.83	$ 1.75	$ 1.44	$ 1.37

Source: The Authority

DEMOGRAPHIC AND ECONOMIC DATA (Unaudited)

The following figures provide four key external factors during the ten years from 2007-2016 that affected the geographic region in which the Authority functions; this region is the Port District, which is comprised of 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.

Based on the most recent data (2016 is the latest year for which this information is available), population increased in the Pennsylvania counties by 5.5% (about 213,000) since 2007. The unemployment rate in the Philadelphia Metropolitan Region for the period of 2007 through 2016 reflected a high of 8.75% in 2012 and a low of 4.12% in 2015. Five of the top ten employers in the Pennsylvania counties were health care organizations. There was an increase in the population of the Pennsylvania counties along with an increase in the unemployment rate during 2016 versus 2015.

Population increased in the New Jersey counties by 1.06% (about 25,000) since 2007. The unemployment rate in the New Jersey Metropolitan Region for the period of 2007 through 2016 reflected a high of 11.51% in 2010 and a low of 5.16% in 2007. In the New Jersey counties there were decreases in both population and in the unemployment rate through 2016 versus 2015. The unemployment rate in 2016 improved from a rate of 6.55% in 2015 to 6.40%.

Please refer to the following schedules below for a historical view of the demographic information and area employers within the Port District.

Last Ten Fiscal Years

PENNSYLVANIA PORT DISTRICT

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Population (1)	4,095,710	4,093,906	4,079,583	4,051,649	4,054,478	4,030,926	4,010,290	4,012,573	3,991,897	3,882,564
Total Personal Income (1)	$215,630,683	$247,311,935	$235,663,042	$222,749,066	$212,668,430	$204,488,875	$195,158,270	$191,619,984	$189,058,438	$184,342,322
Per Capita Personal Income (1)	$52,648	$60,410	$57,766	$54,977	$52,453	$50,730	$48,664	$47,755	$47,361	$47,480
Unemployment Rate (2)	4.80%	4.12%	5.48%	8.67%	8.75%	8.50%	8.71%	7.91%	5.37%	4.36%

Sources:

(1) United States Dept of Commerce, Bureau of Economic Analysis. BEA Regional Economic Account data was used for each PA Port District county served by the DRPA. Figures here are totals for all counties in the PA Port District.
(2) United States Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

PENNSYLVANIA PORT DISTRICT TOP TEN EMPLOYERS

	# of Employees	% of Employment		# of Employees	% of Employment
1. University of Pennsylvania & Health System	39,033	1.30%	6. Vanguard Group, Inc.	10,000	0.33%
2. Thomas Jefferson University & Jefferson Health	23,000	0.77%	7. Temple University Health System	9,478	0.32%
3. Comcast Corporation	14,531	0.48%	8. Virtua	9,382	0.31%
4. Drexel University	11,172	0.37%	9. CVS Health	9,000	0.30%
5. Main Line Health	11,000	0.37%	10. Temple University	8,540	0.28%

List excludes Federal Government Agencies (Federal Reserve Bank, U.S. Mint, U.S. District Court, Internal Revenue Service and U.S. Military), City Departments (Police and Fire Departments, Streets Department, Courts and the Water and Gas Company) and area School Systems (including Board of Education).

Sources: 1) Philadelphia Business Journal, 2) Select Greater Philadelphia, Regional Data, Leading Employers

NEW JERSEY PORT DISTRICT

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Population (1)	2,426,915	2,430,329	2,430,669	2,462,132	2,438,673	2,425,526	2,422,041	2,419,475	2,411,118	2,401,441
Total Personal Income (1)	119,218,475	$ 116,326,643	$ 112,933,065	$110,208,947	$103,930,739	$102,916,280	$101,195,650	$99,031,079	$98,568,702	$92,444,597
Per Capita Personal Income (1)	$49,123	$47,865	$46,462	$44,762	$42,618	$42,430	$41,781	$40,931	$40,881	$38,495
Unemployment Rate (2)	6.40%	6.55%	8.58%	10.07%	10.20%	11.10%	11.51%	10.84%	6.07%	5.16%

Sources:

(1) United States Dept of Commerce, Bureau of Economic Analysis. BEA Regional Economic Account data was used for each NJ Port District county served by the DRPA. Figures here are totals for all counties in the NJ Port District.
(2) United States Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

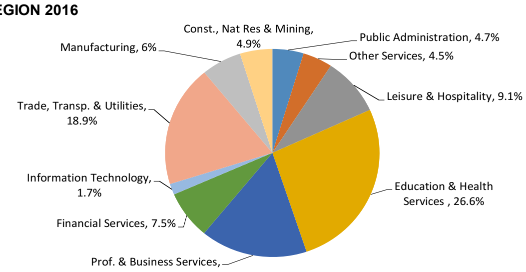
NEW JERSEY PORT DISTRICT TOP TEN EMPLOYERS

	# of Employees	% of Employment		# of Employees	% of Employment
1. Wakefern Food Corporation	40,000	1.33%	6. United Airlines	12,000	0.40%
2. Walmart Stores	20,383	0.68%	7. Bank of America	10,500	0.35%
3. United Parcel Service	19,243	0.64%	8. Johnson & Johnson	9,600	0.32%
4. Verizon Communications	14,600	0.49%	9. Acme Markets	9,465	0.32%
5. Home Depot	13,936	0.46%	10. Prudential Financial	9,357	0.31%

List excludes Federal Government Agencies (Federal Reserve Bank, U.S. Mint, U.S. District Court, Internal Revenue Service and U.S. Military), City Departments (Police and Fire Departments, Streets Department, Courts and the Water and Gas Company) and area School Systems (including Board of Education).

Sources: 1) NJ.gov Leading Employers, 2) Select Greater Philadelphia, Regional Data, 3) Ocean County Data Book, 4) The Press, Atlantic City, 5) New Jersey Business & Industry Association

EMPLOYMENT SHARES BY SECTOR: GREATER PHILADELPHIA REGION 2016



OPERATING INFORMATION (Unaudited)

Overall bridge operating revenues, and more specifically bridge toll revenues, have shown positive growth for the ten-year period shown below. Toll revenues for the fiscal years 2008 through 2010 increased significantly due to the 2008 toll increase, while revenues beginning in 2012 increased sharply relative to prior years, due to the mid-year 2011 toll increase. For the past six years, toll revenues have exceeded $290 million, and, for the past three years, toll revenues have exceeded $300 million. During 2017, net toll revenues reached $331.3 million annually, the highest in DRPA history. These higher revenues were largely attributable to a 1.1 million increase in traffic during 2017.

General expenses which had fallen below $200 million in 2013, increased beyond this level beginning in 2014, as interest expense rose due to the issuance of new bonds in December 2013. General expenses totaled $232.8 million, down $5.8 million, from the previous year, due to lower G&A expenses and interest costs (total decrease of $9.5 million). Total bridge operational expenses increased in 2017, primarily due to salary and employee benefits and equipment and supply costs. These costs were partially offset by reductions in maintenance and repairs. G&A expenses decreased primarily in the areas of pension, public liability reserve adjustments, bi-ennial expenditures, etc.

The Authority's capital expenditures have averaged about $130 million during the past four (4) years. During 2011 and 2012, capital expenditures, exceeded $100 million for the first times during the ten-year period shown. In 2014 capital expenditures jumped to nearly $132.0 million, up from $87.5 million in 2013 a $44.5 million or 50.9% increase. The increase was related to several major projects such as the Ben Franklin/PATCO track rehabilitation project, PATCO transit car overhaul, and redecking anchorage spans on the Walt Whitman Bridge. The continuation of many of these projects resulted in 2015 capital expenditures totaling $137.3 million, up $5.3 million (or 4.0%) vs. 2014 totals, this being the second highest total during the ten year historical period (2011 expenditures were the highest at $158.8 million). During 2017, capital expenditures increased to $133.2 million, an increase of $9.1 million (or 7.35%) over the $124.1 million expended in 2016. Capital expenditures were primarily funded with both bond project funds and General Funds, with some federal funding.

Please refer to the schedules that follow for a historical view of the Authority's bridge operating revenues and general expenses during the past ten years.

Last Ten Fiscal Years (In Thousands)

BRIDGE OPERATING REVENUES

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Toll revenues by vehicle classification:										
Automobiles & light trucks	$ 240,079	$ 234,982	$ 225,263	$ 219,197	$ 219,379	$ 220,379	$ 201,483	$ 184,439	$ 184,260	$ 155,009
Trucks	85,548	81,352	76,389	72,377	68,298	66,087	60,383	54,856	53,697	49,467
Buses	2,383	2,354	2,189	2,278	2,310	2,370	2,271	2,074	2,187	1,640
Senior citizens	2,860	3,010	3,037	3,113	3,360	3,512	3,123	2,308	2,268	2,389
Other	418	680	362	302	516	462	425	202	208	351
Total toll revenues	331,288	322,378	307,240	297,267	293,863	292,810	267,685	243,879	242,620	208,856
E-ZPass CSC Revenue Allocation	249	(2,600)								
Net toll revenues	$ 331,537	$ 319,778								
Other bridge operating revenues	5,856	6,675	6,435	7,702	6,451	6,372	5,049	4,753	4,944	5,815
Total bridge operating revenues	$ 337,393	$ 326,453	$ 313,675	$ 304,969	$ 300,314	$ 299,182	$ 272,734	$ 248,632	$ 247,564	$ 214,671

On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. Additionally, passenger fares, with the exception of fares for elderly persons and persons with disabilities, were increased by 10% across all zones. On July 1, 2011, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class. On December 1, 2015, the Authority reinstituted the E-ZPass frequent bridge traveler credit program. On November 16, 2016, the Authority's Board authorized an initial payment of $2.6 million to the NJ CSC based on a revenue allocation formula, under the new contract, which determined the DRPA's portion of past negative balance E-ZPass customer accounts. Toll revenues of $322.4 million have been adjusted for this commitment. In May 2017, the actual invoice payment for this commitment came in at $2.351 million. Current year revenues for 2017 were adjusted upward by $249 thousand to reflect this reduction in the amount due. Please see Note 15 for additional information.

GENERAL EXPENSES BY FUNCTION

	2017 *	2016 *	2015 *	2014	2013	2012	2011	2010	2009	2008
Bridge operations:										
Salaries and employee benefits	$ 47,739	$ 44,836	$ 39,605	$ 35,955	$ 34,184	$ 32,790	$ 30,743	$ 31,743	$ 32,496	$ 31,551
Equipment and supplies	1,323	991	203	187	209	159	194	259	212	212
Maintenance and repairs	1,807	1,996	3,408	3,905	3,356	1,990	3,327	3,433	3,234	3,417
Utilities	1,323	1,393	1,597	2,256	1,591	1,636	1,694	2,819	2,562	2,783
Insurance	-	-	-	3,053	5,719	2,877	4,974	5,765	5,130	4,644
Other	1,924	1,521	3,072	8,110	7,983	16,873	8,437	12,335	10,442	11,786
Total bridge operations	54,116	50,737	47,885	53,466	53,042	56,325	49,369	56,354	54,076	54,393
PATCO transit system:										
Maintenance of way and power	13,153	12,363	12,308	11,469	11,263	10,770	10,865	11,261	11,552	10,229
Maintenance of equipment	6,406	9,009	7,256	6,728	6,547	6,157	6,149	7,666	7,156	6,696
Purchased power	3,908	3,776	4,396	4,712	4,688	4,270	5,230	5,667	5,359	5,656
Transportation	18,727	17,558	17,368	16,070	16,015	15,012	14,347	13,986	15,114	14,489
General insurance	1,774	1,036	1,902	2,564	1,583	1,276	4,288	876	767	1,256
Administration	6,430	6,370	6,029	5,587	4,298	4,771	4,011	8,059	7,863	7,795
Total PATCO transit system	50,398	50,112	49,259	47,130	44,394	42,256	44,890	47,515	47,811	46,121
Community impact	3,791	3,790	3,781	3,745	3,688	3,611	3,560	3,473	3,483	3,380
General administration	51,938	59,558	48,378	41,347	38,932	44,277	40,536	46,272	35,457	34,974
Port of Philadelphia and Camden	-	-	49	189	62	29	246	824	1,269	1,447
Interest	72,556	74,419	75,792	78,377	58,784	66,540	77,870	72,527	65,584	75,654
Total expenses	$ 232,799	$ 238,616	$ 225,144	$ 224,254	$ 198,902	$ 213,038	$ 216,471	$ 226,965	$ 207,680	$ 215,969

From 2010 through 2013, total general expenses at DRPA and PATCO reflected a downward trend, decreasing from $226.96 million in 2010 to $198.90 million, a 14.1% decrease over the period. Total expenses for 2013 dropped below $200 million annually, the first time this has happened since 2006. Beginning in 2014, interest expense increased significantly due to the issuance of the 2013 revenue bonds, which greatly impact total expenses.

* Beginning in the year 2015, insurance expense has been recorded to general and administration.

OPERATING INFORMATION (Unaudited) (Continued)

OPERATING STATISTICS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
DRPA										
Total Traffic	52,904	51,805	49,205	47,832	47,880	48,080	48,992	50,414	50,637	53,399
Non-Commercial Traffic	49,600	48,668	46,340	45,119	45,309	45,575	46,450	47,811	48,089	50,509
Commercial Traffic	3,304	3,137	2,865	2,713	2,571	2,505	2,542	2,603	2,548	2,890
Average Daily Traffic	145	142	135	131	131	132	134	138	139	146
Average Toll per Customer	$ 6.26	$ 6.22	$ 6.24	$ 6.21	$ 6.14	$ 6.09	$ 5.46	$ 4.84	$ 4.79	$ 3.91
E-ZPass Traffic	34,941	33,569	31,342	30,182	29,635	29,098	28,983	28,911	28,367	28,130
% of E-ZPass Traffic	66.0%	64.8%	63.7%	63.1%	61.9%	60.5%	59.2%	57.3%	56.0%	52.7%
PATCO										
Total Passengers	10,839	10,653	10,169	10,007	10,542	10,613	10,506	10,109	10,022	10,338
Average Daily Passengers	30	29	28	27	29	29	29	28	27	28
Average Fare Per Passenger	$ 2.45	$ 2.45	$ 2.45	$ 2.42	$ 2.46	$ 2.45	$ 2.28	$ 2.17	$ 2.20	$ 2.08

Average fare per passenger based on PATCO net passenger fare revenues

For 2016 and 2017, average toll is calculated on the gross toll revenues. Please see Note 16 for more information.

Source: DRPA Revenue Audit

FULL TIME AUTHORITY EMPLOYEES

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
DRPA	574	558	568	564	572	567	564	582	595	589
PATCO	315	309	306	302	308	296	302	309	305	301
Total Full-time	889	867	874	866	880	863	866	891	900	890

Source: DRPA Human Resources

CAPITAL EXPENDITURES

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bridge and Transit System	$ 133,218	$ 124,092	$ 137,267	$ 131,993	$ 87,468	$ 118,056	$ 158,812	$ 71,494	$ 75,481	$ 58,498

Source: DRPA Accounting

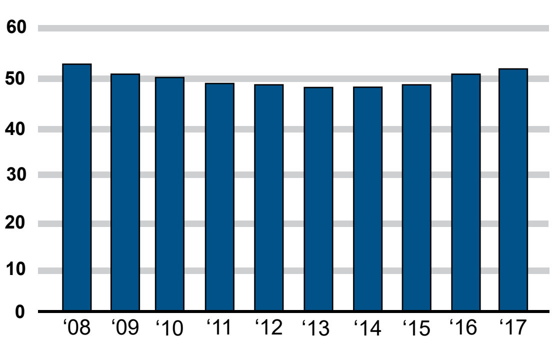
CAPITAL ASSET STATISTICS

Facility - Lane Miles	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Walt Whitman Bridge										
Main Span (lane miles)	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7
Miles per Lane	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Number of Lanes	7	7	7	7	7	7	7	7	7	7
Ben Franklin Bridge										
Main Span (lane miles)	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67
Miles per Lane	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81
Number of Lanes	7	7	7	7	7	7	7	7	7	7
Betsy Ross Bridge										
Main Span (lane miles)	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Miles per Lane	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Number of Lanes	6	6	6	6	6	6	6	6	6	6
Commodore Barry Bridge										
Main Span (lane miles)	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Miles per Lane	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Number of Lanes	5	5	5	5	5	5	5	5	5	5
Track Mileage										
PATCO Transit System	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9
Number of PATCO NJ Stations	9	9	9	9	9	9	9	9	9	9
Number of PATCO PA Stations	4	4	4	4	4	4	4	4	4	4

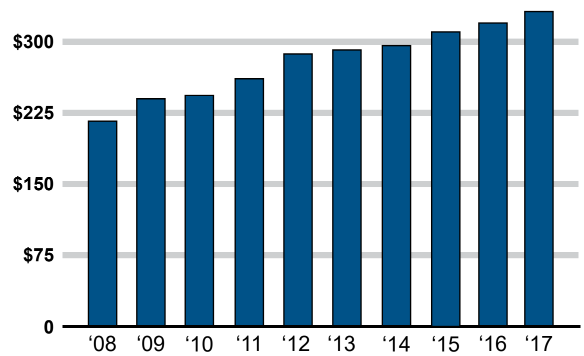
Source: DRPA Engineering

Bridge & PATCO Operations

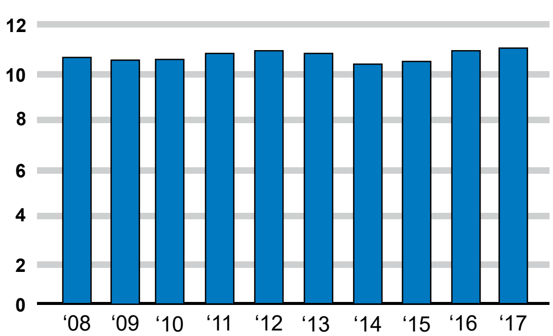
DRPA Bridge Traffic 2008-2017
(in millions of vehicles)



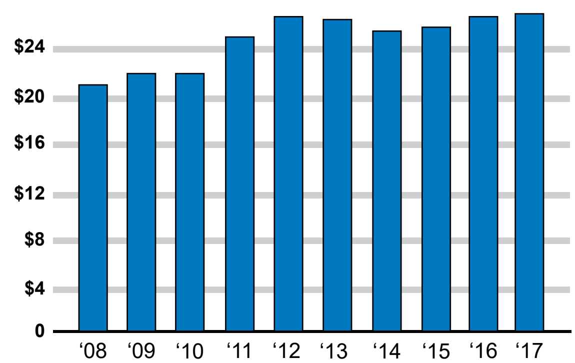
DRPA Bridge Toll Revenues 2008-2017
(in millions of dollars)



PATCO Passenger Ridership 2008-2017
(in millions of passengers)



PATCO Passenger Fare Revenues 2008-2017
(in millions of dollars)



Notes:
- On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen program. PATCO fares also increased.
- On July 1, 2011, the Authority implemented a 25% across-the-board toll increase and a 10% PATCO passenger fare increase.
- On December 1, 2015, the Authority reinstituted the E-ZPass Frequent Bridge Traveler Credit Program.

Delaware River Port Authority Comprehensive Annual Financial Report for the Years Ended December 31, 2017 and 2016

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For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

For the twenty-fifth consecutive year 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 2016 Comprehensive Annual Financial Report.

DELAWARE RIVER PORT AUTHORITY
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