

DELAWARE RIVER & BAY AUTHORITY

Comprehensive Annual Financial Report

For The Year Ended
December 31, 2013



DELAWARE RIVER & BAY AUTHORITY



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2013

Prepared by:

Joseph Nadel, Asst. Director of Finance

Michele Cleary, Senior Accountant

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INTRODUCTORY SECTION



THE DELAWARE RIVER AND BAY AUTHORITY

Delaware Memorial Bridge
Post Office Box 71
New Castle, Delaware 19720
Tel.: (302) 571-6300
Fax: (302) 571-6367

Cape May-Lewes Ferry
Post Office Box 827
North Cape May, New Jersey 08204
Tel.: (609) 889-7200
Fax: (609) 886-1021

June 5, 2014

TO: THE BOARD OF COMMISSIONERS
OF THE DELAWARE RIVER AND BAY AUTHORITY

The Comprehensive Annual Financial Report of the Delaware River and Bay Authority ("Authority") for the fiscal year ended December 31, 2013, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Authority management. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect Authority assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not exceed their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is accurate in all material aspects; it is designed to present fairly the financial position and results of operations; and all disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The Authority's Trust Agreement, dated October 1, 1993, requires an annual audit of the Authority's financial statements by an independent audit firm. The Authority's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants, selected by the Authority through a competitive process. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended December 31, 2013, are free of material misstatement. Their audit was performed in accordance with generally accepted auditing standards and governmental auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as they considered necessary during the audit. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Authority was part of a broader, federally mandated "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. Information related to this Single Audit, including the schedule of expenditures of federal awards, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations, are included in the Single Audit section of this report.

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

PROFILE OF GOVERNMENT

The Delaware River and Bay Authority is a bi-state agency of government of the State of Delaware and the State of New Jersey created in 1962 by a compact between those two States with the consent of Congress for the purpose of operating crossings of the Delaware River and Bay between the states and developing transportation and terminal facilities bordering the areas. The original Compact was amended in 1990 for the purpose of expanding the Authority's powers to undertake economic development projects within the State of Delaware or in the New Jersey counties of Cape May, Cumberland, Gloucester, and Salem.

The Authority is governed by a 12-member Board of Commissioners, consisting of 6 members from each State. Commissioners are appointed by the Governor of their State with the advice and consent of the Senate and hold office for terms of five years and until their successors have been appointed and confirmed. No action of the Authority is valid unless approved by at least four Commissioners from each State. The Governor of each State has the right to cancel the vote of any one or more of the Commissioners from their State within ten business days after receipt of the minutes of the meeting at which the vote is taken. The Board of Commissioners governs through a committee system. The Board is organized into five committees: Budget and Finance, Projects, Personnel, Economic Development and Governance/Audit. Each committee is comprised of six Commissioners and meets on a quarterly or monthly basis. In addition, an Ad-Hoc Committee may be established as deemed desirable by the Chair and Vice Chair of the Board. Commissioners do not receive compensation for their service to the Authority. The Board of Commissioners establishes policy and direction for the activities 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 Authority owns and operates the twin spans of the Delaware Memorial Bridge, the Cape May – Lewes Ferry and the Delaware City - Salem Ferry. The Delaware Memorial Bridge spans across the Delaware River connecting New Castle, DE and Deepwater, NJ. The twin bridges handle approximately 33.7 million vehicles annually. A staff of 25 full-time and 45 casual toll employees keep the toll facilities operational 24 hours a day, 365 days a year. E-ZPass usage increased slightly as current statistics show 69.7 percent of overall traffic utilized E-ZPass as compared to 66.5 percent a year ago. During the weekday commute period, the percentage of customers using E-ZPass has risen to 77.9 percent versus 77.5 percent in FY 2012.

The Cape May – Lewes Ferry transports approximately 268,000 vehicles and 779,000 passengers annually, along a 17 mile, 85 minute trip, connecting the towns of Lewes, DE and Cape May, NJ. A full time staff of 53 marine personnel operate and maintain up to four vessels year round. The Authority also provides food and retail services to ferry patrons. The Delaware City - Salem Ferry provides water transportation service to various points located in Delaware and New Jersey. Under the 1990 Compact Amendment, the Authority has expanded its economic activity in both Delaware and New Jersey. The Authority operates five Airports located in New Castle, DE; Cape May, NJ; Millville, NJ; Dover, DE and Cheswold, DE. The Authority also operates the Salem County Business Park, a seventy-one acre complex located in Carney's Point Township, NJ and the Riverfront Market and Restaurant, a European style marketplace located in Wilmington, DE. Other current and authorized economic projects include financing activities with the Diamond State Port Corporation and Delaware State University.

FINANCIAL POLICIES/CONTROLS

The Authority prepares operating and capital budgets annually. The annual operating budget serves as a financial planning and control tool for the associated fiscal year. Each of the Authority's Department Managers contributes 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 manner. Individual Budget sessions are conducted by the Director of Finance and the Assistant Director of Finance as an opportunity for Department Managers to highlight their operational priorities and needs. A proposed operating budget representing the organization goals and objectives for the upcoming year is drafted and presented by the Chief Financial Officer to the Budget and Finance Committee and the Board of Commissioners for their review and adoption. Any subsequent amendments to the total adopted operating budget require the approval of the Board of Commissioners.

Expenditures are monitored continuously throughout the year by the Finance Division to ensure that each department is in compliance with the adopted operating budget and the established policies of the Authority.

The Authority prepares an annual capital budget through a similar process, weighing the requirements of both the crossing and economic development facilities. The Chief Operating Officer presents the capital budget to the Projects Committee and the Board of Commissioners for their review and adoption. The capital budget is a planning document identifying the Authority's priorities and potential commitments. The approval of the capital budget does not, in itself, authorize any specific project. Specific review by the Projects Committee and approval by the Board of Commissioners is required before any major capital project may commence. Additional information on the Authority's budgetary activity and compliance can be found in Notes 1 and 3 to the financial statements.

In conjunction with the budget process, the Authority prepares a five year financial model which incorporates both the adopted operating and capital budgets. The financial model is a planning document which allows management to forecast future net revenues to ensure adequate resources to fund both operating and capital needs, while meeting its toll covenant provision as required in the Trust Agreement.

INVESTMENT MANAGEMENT

Financial operations of the Authority are substantially controlled by the provisions of a Trust Agreement, dated October 1, 1993, and all subsequent Supplemental Trust Agreements with The Bank of New York Mellon, as Trustee. The Authority's management and financial staff work closely with the Trustee, to ensure that the Authority is in compliance with the terms and covenants of its Trust Agreements.

Investments of the Authority are purchased in accordance with the provisions of the 1993 Trust Agreement. Cash available during the year is generally invested in money market funds, repurchase agreements (collateralized by obligations of the U.S. Treasury), obligations of federal government securities or their instrumentalities, obligations of public agencies or municipalities and commercial paper, both which must be rated at the highest rating category by the Rating Services. In addition to the 1993 Trust Agreement, the Authority has adopted a separate investment policy for the Construction and General Funds, which supplements the provisions of the Agreement. The Authority's investment objective is to match the maturities of its investments with the present and anticipated needs of the Authority, thereby maximizing the return on the funds. In addition, the Authority is required to maintain invested amounts as reserves for its debt obligations. The Authority's Retirement Plan and OPEB Trust assets are managed under a separate investment policy adopted by the Plan Trustees. The policy is based on care and diligence and designed exclusively for the purpose of providing benefits to the Retirement Plan members and beneficiaries. The Authority retains the services of two (2) investment advisors to assist with the fulfillment of its fiduciary responsibilities. The Authority's investment portfolio is managed pursuant to the guidelines established by the Authority, which are in

compliance with the Trust Agreements. Additional information on the Authority's trust agreement and cash and investments can be found in Notes 1, 3 and 4 to financial statements.

ACCOMPLISHMENTS AND INITIATIVES

During Fiscal Year 2013, the Authority achieved a number of improvements in operations and services provided to the public. Some of the more notable events and accomplishments for the year and major program initiatives are identified below:

Commission

On January 15th, 2013 The Delaware River and Bay Authority Commissioners unanimously selected James H. Hogan and William E. Lowe, III to serve in the leadership posts of Chairman and Vice Chairman, respectively. The leadership posts of Chairman and Vice Chairman, which are voted on by their fellow Commissioners, rotate between the States of Delaware and New Jersey every two years.

Ferry Operations In April 2013, Authority officials joined with representatives from both New Jersey and Delaware to announce the relocation and rebranding of the Three Forts Ferry System. Reflecting the ferry's new port of call, the renamed "Delaware City – Salem Ferry" will operate between Delaware City, DE; Fort Delaware on Pea Patch Island, and Barber's Basin at the Port of Salem.

On July 12, 2013, the Cape May – Lewes Ferry celebrated its 14 millionth vehicle to travel aboard the ferry service. In addition to 14 million vehicles, the popular ferry service has served more than 42 million passengers in its history.

The Cape May – Lewes Ferry earned the 2013 TripAdvisor Certificate of Excellence award. The accolade, which honors hospitality excellence, is given only to establishments that consistently achieve outstanding traveler reviews on TripAdvisor (the world's largest travel site). Only the top-performing 10 percent of businesses listed on TripAdvisor receive this prestigious award.

In October 2013, the Authority began installation of new passenger boarding bridges at the Cape May and Lewes Terminal locations. The project includes replacement of two boarding bridges that connect the Lewes and Cape May Terminals to the ferry vessels to allow for the loading and unloading of walk on passengers. The cost of the infrastructure improvement is approximately \$4.25 million. When completed, the Authority will have invested more than \$10 million in the Cape May, NJ and Lewes, DE areas during the past two years to complete three major construction projects at the Cape May – Lewes Ferry Operation, including the Sandman Blvd. Rehabilitation, Interior Vessel Renovations and the New Passenger Boarding Bridges.

Grants During 2013, the Authority was awarded \$5.9 million in grants from the Federal Aviation Administration for Airport related projects. These projects were for development and implementation of noise program and land acquisition at New Castle, Millville, Cape May Airports and Delaware Airpark. Over the past five years, the Authority has been awarded \$34.1 million in Federal and State grants related to infrastructure and safety projects.

Airport Operations In April 2013, the Authority announced an agreement with Frontier Airlines to bring its friendly brand of low-fare service to Wilmington/Philadelphia New Castle Airport starting July 1, 2013. Frontier will offer five new nonstop routes on 168-seat Airbus A320 aircraft to Chicago-Midway, Denver, Ft. Myers, Orlando and Tampa, as well as offer connecting service via Denver to destinations across the west. Frontier is the only airline providing scheduled commercial service from Wilmington/Philadelphia Airport and it is estimated that the partnership will generate an additional \$400,000 in revenue for the Authority, while also adding employment opportunities within the local communities.

The New Castle Airport earned an ANTN Digicast Excellence in Airport Training Award for training completed in calendar year 2013. The award, presented by the American Association of Airport Executives, recognizes that the Airport's airfield operations staff has completed a specified amount of federally mandated airport specific and continuing education which demonstrates their dedication to improving operations, safety and preparedness. New Castle Airport is one of only 89 airports nationwide to earn the honor for 2013.

Late in August 2013, the New Jersey Historic Preservation Office placed the new NASW Historic District on the State's Register of Historic Places. The NASW Historic District, located on a site within the Cape May Airport, includes historic Hangar #1, a cavernous structure that was a training facility for dive-bombers and fighter aircraft during WWII and now houses an aviation museum; Hangar #2, which houses a company that specializes in repurposing DeHaviland cargo aircraft; the Terminal Building, which functioned as a control tower and operations center; and a defined "buffer zone" that preserves space without interfering with Airport operations or the business/industrial portion of the Airport.

Financial Management During 2013, the Authority successfully completed an extensive Request for Proposal process(RFP) for Financial Services (Banking). M & T Bank was selected as the Authority's new Financial Services provider. The executed agreement covers all aspects of the Authorities banking needs, consolidating several different Financial Services providers that will help increase efficiencies across all Financial Services products used by the Authority. The consolidated services include the Authority's Core Services (Checking account for various operations, ACH Debit Services, Payroll Direct Deposit, Demand Deposit Accounts, On-Line Banking and Fraud Services) as well as Purchasing Cards, Lockbox Service and a Letter of Credit.

Economic Development In May 2013, the Authority announced that it signed a lease agreement with FlightLevel Cape May, LLC to provide aviation-related services at the Cape May Airport as an Independent Fixed-Based Operator (FBO). These services comprise fueling, hangaring, tie-down and parking, aircraft maintenance and other aviation-related support functions. FlightLevel has agreed to pay the Authority a portion of collected fees for hangar, aircraft parking, and tie-downs. In addition, the Authority will receive fuel-flowage fees. A quality FBO is a key and essential component of successful economic development at an airport and partnering with FlightLevel should enhance the customer experience at the Cape May Airport.

During October 2013, the Authority announced that an agreement had been signed with Glasstown Brewing Company to lease a building at the Millville Airport. The brewery plans to have visitor tours, a retail outlet and tasting room at its new 2,800 square foot facility. Glasstown Brewing Company is Millville's first and only production brewery. It is noted that this is the second microbrewer to lease space at one of the Authority's airports. Beginning operations at the Cape May Airport in 2011, Cape May Brewing Company has expanded its production from 60 barrels in 2011, to approximately 1,500 in 2013.

Community Outreach The Authority continued to identify and implement initiatives to support families in need located throughout Delaware and the four southern counties in New Jersey. Authority employees participated in the following community outreach programs during 2013; partnering with area food banks and the Ministry of Caring to donate hundreds of pounds of food, partnering with the Blood Bank of Delmarva in their Summer Blood Challenge, partnering with the Salvation Army on a clothing drive and contributions to the United Way in both Delaware and New Jersey. Through its Volunteerism Policy, Authority employees donated approximately 480 hours of time to well deserving community programs.

In addition, the Authority's Police Department participated in several campaigns designed to educate the public on national and local issues that affect the surrounding communities. The campaigns included; World Elder Abuse Awareness Day, National Take Back Initiative, Distracted Driving Campaign and the Police Unity Tour.

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. The Authority uses a forecasting model, which creates a multi-year forecast of its revenue and expenses. This model is a tool for the planning process that includes a priority programming capital plan and a strategic plan of finance. 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 or cash funding to finance the capital plan.

A Five-Year Strategic Plan is developed in conjunction with the Annual Capital Budget to identify short and long term capital priorities. The 2013 Five Year Strategic Plan outlines numerous bridge, ferry system, airport infrastructure and technology expenditures which total \$146.9 million. The Capital Improvement Budget for fiscal year 2013 was \$45.5 million. The Plan anticipated that the 2013 fiscal year expenditures would be funded from cash held in the General Fund and debt from the 2012A Revenue Bond Issue. Future capital expenditures will be funded with a combination of debt and cash.

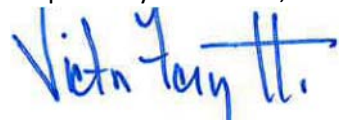
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Associations of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Delaware River and Bay Authority for its comprehensive annual financial report for the fiscal year ending December 31, 2012. This was the eighth 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. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to review its eligibility for another certification.

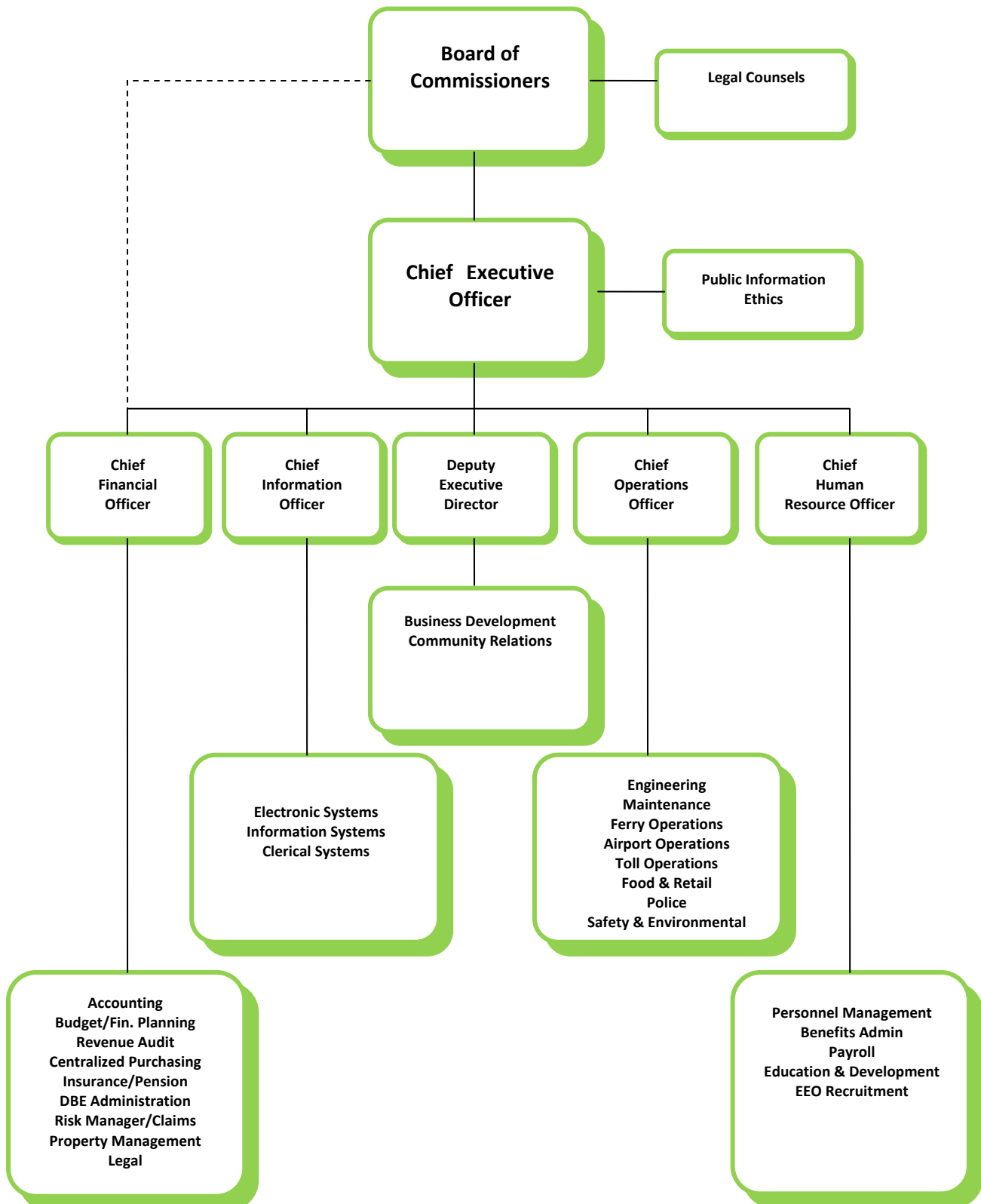
The preparation of this comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would especially like to express my appreciation to the Director of Finance and each member of the accounting staff who contributed to the preparation of this Report. Special thanks must also be given to the Chairman, Vice-Chairman, Chief Executive Officer and the Budget and Finance Committee for promoting/advocating the highest standards in the management of the Delaware River and Bay Authority's finances.

Respectfully submitted,



Victor Ferzetti
Chief Financial Officer

**DELAWARE RIVER AND BAY AUTHORITY
ORGANIZATIONAL CHART
AND FUNCTIONAL RESPONSIBILITIES**



**DELAWARE RIVER AND BAY AUTHORITY
BOARD OF COMMISSIONERS**

STATE OF NEW JERSEY

**GOVERNOR
CHRIS CHRISTIE**

**James N. Hogan, Chairperson
Franklinville, NJ, Term Expires July 1, 2016**

**Rev. Edward Dorn, Chairperson, Chairperson, Personnel Committee
Pedricktown, NJ, Term Expires July 1, 2017**

**Richard S. Mroz, Chairperson, Budget & Finance Committee
Haddonfield, NJ Term Expires July 1, 2015**

**Ceil Smith, Chairperson, Projects; Vice-Chairperson, Economic Development & Audit Committees
Salem, New Jersey, Term Expires July 1, 2014**

**Douglas L. VanSant
Bridgeton, NJ, Term Expires July 1, 2013**

**Shirley R. Wilson
Seaville, NJ, Term Expires July 1, 2016**

STATE OF DELAWARE

**GOVERNOR
JACK A. MARKELL**

**William E. Lowe III, Vice-Chairperson
Rehoboth Beach, DE, Term Expired July 1, 2017**

**Richard W. Downes, Chairperson, Audit & Governance Committee
Smyrna, DE, Term Expired July 1, 2016**

**Fernando N. Guajardo, Chairperson, Economic Development Committee
Lincoln, DE, Term Expires July 1, 2017**

**Samuel E. Lathem, Vice-Chairperson, Personnel Committee
Bear, DE, Term Expired July 1, 2010**

**Terri C. Murphy, Vice-Chairperson, Projects Committee
Wilmington, DE, Term Expires July 1, 2014**

**Gary F. Traynor, Vice-Chairperson, Budget & Finance Committee
Dover, DE, Term Expired July 1, 2013**

DRBA Facilities

**DELAWARE
MEMORIAL BRIDGE**
August 1951



**CAPE MAY -
LEWES FERRY**
July 1964



**DELAWARE CITY -
SALEM FERRY**
March 1997



**NEW CASTLE
AIRPORT**
July 1995



CAPE MAY AIRPORT
June 1999



**CIVIL AIR
TERMINAL**
August 1999



MILLVILLE AIRPORT
October 1999



**DELAWARE
AIRPARK**
July 2000



**SALEM COUNTY
BUSINESS CENTER**
February 1998



**RIVERFRONT
MARKET**
April 2002





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

Delaware River & Bay Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is written in a cursive, flowing style.

Executive Director/CEO

FINANCIAL SECTION



Independent Auditor's Report

The Chairman and Members of
The Delaware River and Bay Authority
New Castle, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities and the fiduciary fund of the Delaware River and Bay Authority (the Authority) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority'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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies 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 opinion.

The Chairman and Members of
The Delaware River and Bay Authority

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities and the fiduciary fund of the Delaware River and Bay Authority as of December 31, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity 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 management's discussion and analysis, on pages 16 through 32 and the schedules of funding progress and employer contributions for the OPEB (proprietary fund) and Pension Plans (fiduciary fund), on pages 78 through 83, 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 financial statements that collectively comprise the Authority's basic financial statements. The accompanying other Supplementary Schedules on pages 84 through 110 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.


The accompanying Other Supplementary Schedules on pages 84 through 110 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 other supplementary schedules on pages 84 through 110 are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section 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 this information.

The Chairman and Members of
The Delaware River and Bay Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2014 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
June 5, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Delaware River and Bay Authority's financial statements and the notes thereto. The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), promulgated by the Government Accounting Standards Board. In accordance with GAAP, the Authority's revenues are recognized in the period they are earned and expenses are recognized in the period in which they are incurred. Fixed Assets are capitalized and (except land and construction-in-progress) are depreciated over their useful lives. Amounts held in the Debt Service, Debt Service Reserve and Construction Funds are restricted for debt service and construction purposes, respectively. See notes to the financial statements for a summary of the Authority's significant accounting policies.

The Statement of Net Position presents information on all of the Authority's assets, deferred outflows, liabilities, and deferred inflows with the difference being reported as net position. Over time, increases or decreases in net position serve as a relative indicator of the change in financial position of the Authority.

The Statement of Revenues, Expenses and Changes in Net Position shows the result of the Authority's total operations during the year and reflects both operating and non-operating activities. Changes in net position reflect the current period's operating impact upon the overall financial position of the Authority.

The Statement of Cash Flows provides a detailed analysis of all sources and uses of cash. The direct method of cash flows is presented, ending with a reconciliation of operating income to net cash provided by operating activities. The statement of cash flows is divided into the following activities: operating, capital financing, and investing.

The Statement of Net Position Available for Benefits presents information on the Authority's fiduciary pension fund's assets and liabilities, with the difference reported as net position. The net position represents the funds that are available to pay future plan participant benefits.

The Statement of Net Position Available for Benefits shows the result of the Authority's fiduciary pension fund's total additions and deductions for the year. The additions are comprised of employee and employer contributions and investment earnings and the deductions are comprised of benefits paid to plan participants and administrative fees.

Notes to the basic financial statements contain supplemental information, and offer explanations to the basic financial statements. The notes are intended to assist the reader in understanding the Authority's basic financial statements.

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

FINANCIAL POSITION SUMMARY

Total Net Position, the difference between the Authority's assets and deferred outflows less liabilities and deferred inflows, over time, serve as a useful indicator of the Authority's financial position. The Authority's total net position as of December 31, 2013, 2012 and 2011 were \$324 million, \$329 million, and \$311 million, respectively.

A condensed summary of the Authority's net position at December 31, by amount and the percentage within each class is shown below (in thousands).

	<u>2013</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>2011</u>	<u>%</u>
ASSETS & DEFERRED OUTFLOWS:						
Current and Other Assets	\$ 211,320	30.3%	\$ 199,692	28.1%	\$ 131,656	20.6%
Capital Assets	<u>479,968</u>	68.8%	<u>503,063</u>	70.8%	<u>498,269</u>	78.0%
Total Assets	691,288	98.1%	702,755	98.9%	629,925	98.6%
Deferred Outflows -Loss on Defeasance	<u>6,586</u>	0.9%	<u>7,434</u>	1.1%	<u>8,715</u>	1.4%
Total Assets & Deferred Outflows	697,874		710,189		638,640	
LIABILITIES & DEFERRED INFLOWS:						
Current Liabilities	28,003	7.5%	23,913	6.3%	23,436	7.1%
Long-Term Liabilities	<u>343,241</u>	91.7%	<u>354,491</u>	92.9%	<u>301,154</u>	91.8%
Total Liabilities	371,244	99.2%	378,404	99.2%	324,590	98.9%
Deferred Inflows - Forward Purchase	<u>2,951</u>	0.8%	<u>3,227</u>	0.8%	<u>3,504</u>	1.1%
Total Liabilities & Deferred Inflows	374,195		381,631		328,094	
NET POSITION:						
Net Investment in Capital Assets	192,725	59.5%	226,213	68.8%	213,586	68.8%
Restricted	37,873	11.7%	32,853	10.0%	35,868	11.5%
Unrestricted	<u>93,081</u>	28.8%	<u>69,492</u>	21.2%	<u>61,092</u>	19.7%
TOTAL NET POSITION	<u>\$ 323,679</u>		<u>\$ 328,558</u>		<u>\$ 310,546</u>	

The largest portion of the Authority's net position at December 31, 2013 (59.5%), 2012 (68.8%), and 2011 (68.8%), is represented in its net investment in capital assets (i.e. bridges, ferries, buildings, improvements and equipment); less the related debt outstanding used to acquire those capital assets. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net position at December 31, 2013 (11.7%), 2012 (10.0%), and 2011 (11.5%), are resources that are subject to the external restrictions on how they can be used under Trust Agreement covenants. The remaining unreserved net position at December 31, 2013 (28.8%), 2012 (21.2%), and 2011 (19.7%) may be used to meet the Authority's capital and ongoing obligations.

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

SUMMARY OF CHANGES IN NET POSITION

Net Position decreased in the amount of \$4.9 million during 2013. As compared to 2012, the annual change in net position decreased \$22.9 million. The decrease can be attributable to the sale of the MV Cape May, which resulted in a \$17.5 million loss, a decrease in capital contributions, a slight decrease in operating revenues and an increase in operating expenses. As compared to 2011, the annual change in net position for 2012 increased \$10.8 million. This increase can be attributed to an increase in operating revenues and decreases in both operating expenses and non-operating expenses. A condensed summary of the Authority's changes in net position is shown below (in thousands).

	2013 <u>Actual</u>	Percent Increase/ (Decrease)	2012 <u>Actual</u>	Percent Increase/ (Decrease)	2011 <u>Actual</u>
Operating Revenues (See Exhibit B)	\$ 125,426	-0.1%	\$ 125,609	9.5%	\$ 114,677
Operating Expenses (See Exhibit B)	<u>78,022</u>	0.9%	<u>77,362</u>	-2.3%	<u>79,216</u>
Income Before Depreciation and Other Non-Operating Income and Expenses	47,404	-1.7%	48,247	36.1%	35,461
Depreciation	<u>23,739</u>	2.7%	<u>23,121</u>	5.5%	<u>21,921</u>
Operating Income	23,665	-5.8%	25,126	85.6%	13,540
Non-Operating Income (Expenses)	<u>(31,911)</u>	137.8%	<u>(13,417)</u>	-3.8%	<u>(13,944)</u>
Income (Loss) Before Capital Contributions	(8,246)	-170.4%	11,709	-2998.3%	(404)
Capital Contributions	<u>3,368</u>	-46.6%	<u>6,303</u>	-17.0%	<u>7,593</u>
Increase in Net Position	<u>\$ (4,878)</u>	-127.1%	<u>\$ 18,012</u>	150.5%	<u>\$ 7,189</u>

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

FINANCIAL HIGHLIGHTS

Fiscal 2013

- Operating revenues decreased \$.2 million or 0.1% from \$125.6 million during FY2012 to \$125.4 million. The decrease in revenues was the result of a decrease in ridership on the Cape May Lewes Ferry with 1.0 million riders in 2013 compared with 1.1 million in 2012.
- Operating expenses, before depreciation and other general expenses increased \$.7 million or 0.9 % from \$77.4 million in 2012 to \$78.0 million in 2013. The increase can be attributed to a \$0.8 million increase in wages and benefits in 2013, offset by a .1 decrease in insurance related expenses.
- As a result of the above, operating income before depreciation and other general expenses decreased \$0.8 million or 1.7% from \$48.2 million in 2012 to \$47.4 million in 2013.
- Non-operating income (expense) increased \$18.5 million or 137.0% from a net expense of \$13.5 million to a net expense of \$32.0 million in 2013. The increase in net expense is the result of the sale of the MV Cape May vessel, which resulted in a loss on sale of asset of \$17.5 million.
- Capital contributions received in the form of grants from the Federal Aviation Administration and other sources decreased \$2.9 million or 46.0% from \$6.3 million in 2012 to \$3.4 million in 2013.

Fiscal 2012

- Operating revenues increased \$10.9 million or 9.5% from \$114.7 million in FY 2011 to \$125.6 million in FY2012. The increase in operating revenues is the result of a full year of the toll increase at the Delaware Memorial Bridge.
- Operating expenses before depreciation and other general expenses decreased \$1.8 million or 2.3% from \$79.2 million in 2011 to \$77.4 million in 2012.
- As a result of the above, operating income before depreciation and other general expenses increased \$12.8 million or 36.1% from \$35.4 million in 2011 to \$48.2 million in 2012.
- Non-operating income (expense) decreased \$.5 million or 3.8% from a net expense of \$13.9 million to a net expense of \$13.4 million in 2012. The decrease in net expense is the result of a decrease in investment income of \$1.5 million, an increase in debt issuance costs of \$.59 million and a decrease in the write-off of capital assets of \$.74 million.
- Capital contributions received in the form of grants from the Federal Aviation Administration and other sources decreased \$1.3 million or 17% from \$7.6 million in 2011 to \$6.3 million in 2012.

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

OPERATIONAL HIGHLIGHTS

Overall traffic at the Delaware Memorial Bridge increased 0.4% during 2013 as compared to 2012, with commercial traffic increasing 0.4% and non-commercial traffic increasing 0.4%. Commercial traffic represented 12.1% of total traffic and accounted for 46.2% of total revenue, nearly unchanged compared to 12.1% of total traffic and 46.1% of total revenue in 2012. More detailed information on traffic and revenue can be found in Note 2 in the notes to the financial statements.

Overall traffic at the Cape May – Lewes Ferry decreased 6.5% during 2013 as compared to 2012 as vehicles decreased 6.3% and Ferry passengers decreased 6.6%. Vehicle traffic comprised 25.5% of total traffic and accounted for 71.5% of total revenue, while Ferry passengers comprised 74.5% of total traffic and accounted for 28.5% of total revenue in 2013.

Traffic for the Delaware City - Salem Ferry decreased 9.9% during 2013 as compared to 2012. The ferry takes passengers on visits to Fort Delaware State Park and Salem City, NJ as well as various special tours offered by the State of Delaware. The Ferry service normally runs from April through October.

During 2012, the Authority's traffic decreased as compared to 2011. Overall traffic at the Delaware Memorial Bridge increased .1% during 2012 as compared to 2011, with commercial traffic decreasing 1.4% and non-commercial traffic increasing .3%. Overall traffic at the Cape May – Lewes Ferry increased 1.9% during 2012 as compared to 2011 as vehicles increased 1.4% and ferry passengers increased 2.1%. Traffic for the Delaware City - Salem Ferry decreased 1.5% during 2012 as compared to 2011.

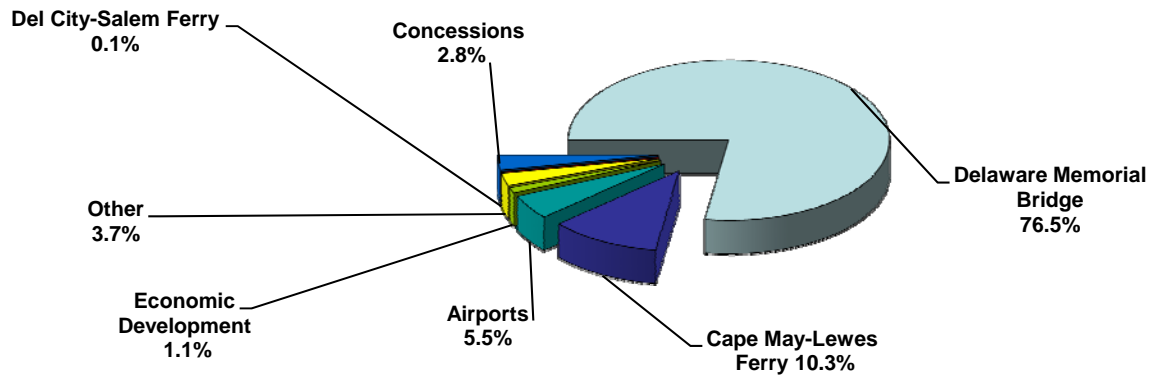
SUMMARY OF CHANGES IN TRAFFIC

	2013 <u>Actual</u>	Percent Increase/ (Decrease)	2012 <u>Actual</u>	Percent Increase/ (Decrease)	2011 <u>Actual</u>
Delaware Memorial Bridge					
Commercial	2,038,598	0.4%	2,031,341	-1.4%	2,061,199
Non-Commercial	<u>14,828,757</u>	<u>0.4%</u>	<u>14,772,625</u>	<u>0.3%</u>	<u>14,725,557</u>
Total DMB:	16,867,355	0.4%	16,803,966	0.1%	16,786,756
Cape May-Lewes Ferry					
Vehicles	255,078	-6.3%	272,358	1.4%	268,605
Passengers	<u>743,151</u>	<u>-6.6%</u>	<u>795,541</u>	<u>2.1%</u>	<u>779,451</u>
Total CMLF:	998,229	-6.5%	1,067,899	1.9%	1,048,056
Three Forts					
Passengers	17,501	-9.9%	19,426	-1.5%	19,723

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

REVENUES

The following chart shows the major sources and the percentage of operating revenues for the fiscal year ended December 31, 2013.



A summary of total revenues for the fiscal years ended December 31, 2013, 2012 and 2011 and the amount and percentage of change in relation to prior fiscal year amounts as follows (in thousands).

REVENUES

	2013 Actual	Percent Increase/ (Decrease)	2012 Actual	Percent Increase/ (Decrease)	2011 Actual
OPERATING					
Delaware Memorial Bridge	\$ 95,983	0.5%	\$ 95,461	10.8%	\$ 86,121
Cape May-Lewes Ferry	12,906	-5.6%	13,665	1.9%	13,406
Airports	6,861	1.7%	6,744	0.7%	6,694
Economic Development	1,426	3.2%	1,382	0.9%	1,370
DE City - Salem Ferry	55	-6.8%	59	-4.8%	62
Food and Novelty	3,503	-8.3%	3,820	7.9%	3,541
Other	4,692	4.8%	4,478	28.6%	3,483
TOTAL OPERATING	125,426	-0.1%	125,609	9.5%	114,677
NON-OPERATING					
Investment Income	1,705	88.0%	907	-64.4%	2,546
Sale of Equipment	-	-100.0%	19	-63.5%	52
TOTAL NON-OPERATING	1,705	84.1%	926	-64.4%	2,598
Capital Contributions	3,368	-46.6%	6,303	-17.0%	7,593
TOTAL REVENUES	\$ 130,499	-1.8%	\$ 132,838	6.4%	\$ 124,868

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

REVENUES

Fiscal 2013

- Total Operating Revenue decreased \$.2 million or 0.1% during 2013 to \$125.4 million as compared to \$125.6 million during 2012.
- Delaware Memorial Bridge toll revenue increased \$.5 million or .5% during 2013. Commercial revenue increased \$.3 million or .7% and non-commercial revenue increased \$.2 million or .4% as compared to 2012.
- Cape May – Lewes Ferry toll revenue decreased \$759 thousand or 5.6% in 2013 as vehicle revenue decreased \$478 thousand or 4.6% and passenger revenue decreased \$281 thousand or 2.6% as compared to 2012.
- Food and novelty revenues decreased \$317 thousand or 8.3% in 2013, as food and beverage sales decreased \$4 thousand or 0.1%, alcohol sales decreased \$30 thousand or 3.5% and novelty sales decreased \$308 thousand or 33.9% as compared to 2012. Cafeteria sales at the Delaware Memorial Bridge increased \$15 thousand or 13.7% as compared to 2012.
- Airport revenue increased \$117 thousand, or 1.7% in 2013. This can be attributed to an increase in lease revenues of \$293K, or 5.8%, an increase in landing fee revenues of \$57 thousand or 42.2% and a decrease in aviation fuel sales of \$201 thousand or 50.3%.
- Economic Development revenues increased \$44 thousand, or 3.2% in 2013 compared with 2012. This is due entirely to an increase in lease revenues of \$44 thousand.
- Other Operating Income increased \$0.2 million or 4.8% from \$4.5 million in 2012 to \$4.7 million in 2013. This increase reflects gains in income from unused tickets at the Delaware Memorial Bridge, decreases in collection of electronic toll violation fees, increase in credit card fees collected from IAG members, a negative increase in EZ-Pass account adjustments and increased sale of aviation fuel at both Cape May Airport and Delaware Air Park.
- Non-operating income increased \$0.8 million or 84.1% in 2013, the result of an increase in investment income.
- Capital contributions decreased \$2.9 million or 46.6% in 2013 as compared to 2012.

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

REVENUES

Fiscal 2012

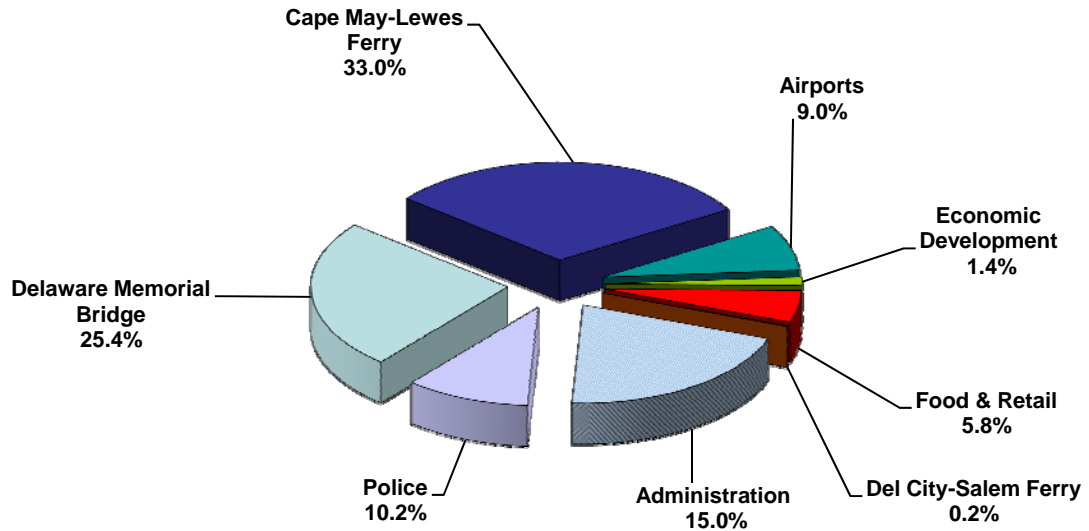
- Total Operating Revenue increased \$10.9 million or 9.5% during 2012 to \$125.6 million as compared to \$114.7 million during 2011.
- Delaware Memorial Bridge toll revenue increased \$9.3 million or 10.8% during 2012. The increase in revenue reflects a full year of the toll increase that went into effect on July 1, 2011. Commercial revenue increased \$3.7 million or 9.3% and non-commercial revenue increased \$5.6 million or 12.2% as compared to 2011.
- Cape May – Lewes Ferry toll revenue increased \$.26 million or 1.9% in 2012 as vehicle revenue increased \$.16 million or 1.7% and passenger revenue increased \$96 thousand or 2.48% as compared to 2011.
- Food and novelty revenues increased \$.28 million or 7.9% in 2012, as food and beverage sales increased \$52 thousand or 2.7%, alcohol sales increased \$.18 million or 27.9% and novelty sales increased \$35 thousand or 4% as compared to 2011. Cafeteria sales at the Delaware Memorial Bridge increased \$10 thousand or 10.4% as compared to 2011.
- Airport lease revenues increased \$50 thousand or .7% in 2012. Lease revenues decreased \$70 thousand or 1.1% at the New Castle Airport, increased \$17 thousand or 10% at Cape May Airport, increased \$91 thousand or 29.2% at Millville Airport and increased \$12 thousand or 17.4% at Delaware Air Park.
- Economic Development revenues increased \$12 thousand or .9% in 2012 as revenues increased at the Salem Business Center \$12 thousand or 1.2% and remained flat at the Riverfront Market as compared to 2011.
- Other Operating Income increased \$1 million or 28.6% from \$3.5 million in 2011 to \$4.5 million in 2012. This increase reflects gains in income from unused tickets at the Delaware Memorial Bridge, increases in collection of electronic toll violation fees, increase in credit card fees collected from IAG members, and a decrease in disputed electronic toll expenses.
- Non-operating income decreased \$1.7 million or 64.4% in 2012, the result of a \$1.6 million or 64.4% decrease in investment income and a \$33 thousand or 63.5% decrease in sale of equipment as compared to 2011.

Capital contributions decreased \$1.3 million or 17% in 2012 as compared to 2011.

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

EXPENSES

The following chart shows the Authority's operating divisions and the percentage of budgetary expenses for the year ended December 31, 2013.



A summary of total expenses for the fiscal years ended December 31, 2012, 2011 and 2010 and the amount and percentage of change in relation to the prior fiscal amounts as follows (in thousands). Please note that in 2013 general administrative expenses (i.e. insurance) were allocated out to each responsible operating area, resulting in a decrease in Administration expenses and a corresponding increase among the other areas. The overall net impact on Administration expenses was a \$6.3 million decrease.

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

	2013 Actual	Percent Increase/ (Decrease)	2012 Actual	Percent Increase/ (Decrease)	2011 Actual
OPERATING					
Administration	\$ 11,607	-29.1%	\$ 16,372	5.5%	\$ 15,514
Delaware Memorial Bridge	20,530	19.6%	17,160	-14.6%	20,097
Cape May-Lewes Ferry	24,642	6.0%	23,242	-2.7%	23,890
Authority Police	8,257	6.2%	7,773	-0.6%	7,820
Airports Division	6,234	1.2%	6,161	7.3%	5,741
Economic Development	1,118	5.5%	1,060	-4.6%	1,111
Three Forts	137	29.2%	106	14.0%	93
Food & Novelty	4,439	8.7%	4,084	-0.1%	4,090
Depreciation	23,739	2.7%	23,121	5.5%	21,921
Other Expenses	1,058	-24.6%	1,404	63.3%	860
TOTAL OPERATING	101,761	1.3%	100,483	-0.6%	101,137
NON-OPERATING					
Interest on Bonds	13,508	8.2%	12,490	-0.7%	12,575
Other Non-Operating	20,108	965.6%	1,887	-55.4%	4,230
TOTAL NON-OPERATING	33,616	133.8%	14,377	-14.4%	16,805
TOTAL EXPENSES	<u>\$ 135,377</u>	17.9%	<u>\$ 114,860</u>	-2.6%	<u>\$ 117,942</u>

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

EXPENSES

Fiscal 2013

Total Authority expenses increased \$20.5 million or 17.9% from \$114.9 million in 2012 to \$135.4 million in 2013. Listed below are the major highlights which affected Authority expenses in 2013.

- Employment costs, consisting of wages and benefits increased \$0.5 million or 1.2% in 2013 to \$51.0 million as compared to \$50.5 million in 2012. Employment costs accounted for 50.1% of total operating expenses in 2013, unchanged from 2012. Total wages for 2013 increased by \$92 thousand or .4% to \$25.9 million in 2013 as compared to \$25.77 million in 2012. This increase reflects an increase of \$452.7 thousand or 2.1% in full time wages, a decrease of \$132.4 thousand or 4.5% in temporary wages and a decrease of \$227.8 thousand or 21.5% in overtime wages. Total benefits increased \$519 thousand or 2.1% in 2013 to \$25.2 million as compared to \$24.7 million 2012. The major factors toward the increase in benefits include a \$189.1 thousand or 3.9% increase in group health benefits, a \$668 thousand or 11.2% decrease in defined benefit plan costs and a \$1.0 million increase in OPEB costs.
- Administrative costs increased \$183.5 thousand or 3.0% in 2013. The major areas of expense variation within this category include; professional services increase of \$154.7 thousand or 8.6%, education and development increase of \$62.2 thousand or 35.6%, office supply increase of \$90.7 thousand or 3.7%, a computer supplies decrease of \$60.4 thousand or 11.2%, advertising and marketing decrease of \$93.5 thousand or 12.2%, as compared to 2012.
- Facility maintenance and operating supplies increased \$654 thousand or 6.6% in 2013 as compared to 2012. The major areas of expense variation included; annual maintenance painting of the Delaware Memorial Bridge increased \$.81 million or 89.5%, operating supplies decreased \$528.2 million or 12.7%, facility/equipment maintenance increased \$276.1 thousand or 18.2%, uniforms and safety equipment increased \$17.9 thousand or 6.7% and utilities increased \$170.7 thousand or 5.7% as compared to 2012.
- Vessel operating expenses decreased \$90.8 thousand or 2.4% in 2013 as compared to 2012. The largest expense variance was a decrease in main engine parts expense of \$133.5 thousand or 80.7%. Vessel fuel decreased \$6 thousand or .1% due to decrease in gallons used, which was offset by an increase in the average cost per gallon from \$3.21 in 2012 to \$3.39 in 2013.
- Insurance expenses decreased \$155.9 thousand or 3.4% in 2013 as compared to 2012, the result of decreases in premiums related to protection and indemnity insurance due to disposition of MV Cape May, a change in insurance coverage from excess insurance to umbrella insurance resulting in reduced costs, which were offset slightly by increases in workers compensation, business fleet automobile, public liability and public officials liability.
- Depreciation expense increased \$.62 million or 2.7% in 2013 as compared to 2012. Overall, total capital depreciable assets decreased \$23.1 million or 4.6% as compared to 2012. The decrease in total capital depreciable assets can be attributed to the sale of the MV Cape May in 2013, which had a net book value of \$18.4 million.

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

- Other operating expenses decreased \$.35 million or 24.6% in 2013 as compared to 2012, the result of a \$490.1 thousand decrease in self-insurance claims, a \$170.8 thousand increase in employee severance payouts and a \$234.1 thousand increase in economic development and miscellaneous projects.
- Non-operating expenses increased \$19.2 million or 965.6% in 2013 as compared to 2012 as debt issuance costs decreased \$.82 million or 100%, write-off of capital assets increased \$1.5 million or 355.8%, sale of the MV Cape May for a loss of \$17.5 million and an increase in bond interest expense of \$1.3 million or 10.8% compared with 2012.

EXPENSES

Fiscal 2012

Total Authority expenses decreased \$3.0 million or 2.6% from \$117.9 million in 2011 to \$114.9 million in 2012. Listed below are the major highlights which affected Authority expenses in 2012.

- Employment costs, consisting of wages and benefits decreased \$1 million or 2% in 2012 to \$50.5 million as compared to \$51.5 million in 2011. Employment costs accounted for 50.1% of total operating expenses in 2012 as compared to 50.9% in 2011. Total wages for 2012 increased by \$13 thousand or .05% to \$25.77 million in 2012 as compared to \$25.75 million in 2011. This increase reflects an increase of \$44 thousand or .2% in full time wages, an increase of \$28 thousand or .96% in temporary wages and a decrease of \$59 thousand 5.3% in overtime wages. Total benefits decreased \$1.1 million or 4.1% in 2012 to \$24.7 million as compared to \$25.8 million in 2011. The major factors toward the decrease in benefits include a \$3 million or 38% decrease in group health benefits, a \$.26 million or 61% decrease in life insurance, a \$64 thousand or 16.2% decrease in dental benefits and a \$2.4 million increase in OPEB costs.
- Administrative costs decreased \$42 thousand or .6% in 2012. The major areas of expense variation within this category include; professional services increase of \$262 thousand or 17%, education and development increase of \$71 thousand or 68%, office supply increase of \$64 thousand or 16.5%, computer supplies decreased \$64 thousand or 10.6%, electronic toll expenses decreased \$62 thousand or 2.8%, uncollected toll expenses decreased \$150 thousand or 57.5% and merchant card processing fees decreased \$142 thousand or 19.8% as compared to 2011.
- Facility maintenance and operating supplies decreased \$.69 million or 6% in 2012 as compared to 2011. The major areas of expense variation included; annual maintenance painting of the Delaware Memorial bridge decreased \$.78 million or 84%, operating supplies increased \$.22 million or 5.2%, facility/equipment maintenance decreased \$.11 million or 4%, uniforms and safety equipment increased \$84 thousand or 41% and utilities decreased \$.14 million or 4.5% as compared to 2011.
- Vessel operating expenses decreased \$.60 million or 14.4% in 2012 as compared to 2011. The largest expense variance was a decrease in drydocking expenses of \$.67 million or 95.7%, the result of no vessels going to the shipyard in 2012 as compared to three (3) vessels in 2011. Vessel fuel increased \$.20 million or 6.9% as the average cost per gallon rose to \$3.21 as compared to \$3.15 in 2011.

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

- Insurance expenses increased \$.16 million or 3.7% in 2012 as compared to 2011, the result of increases in premiums related to protection and indemnity insurance, workers compensation, business fleet automobile, public liability and public officials liability.
- Depreciation expense increased \$1.2 million or 5.5% in 2012 as compared to 2011. Overall, total capital depreciable assets increased \$1.6 million or .36% as compared to 2011.
- Other operating expenses increased \$.54 million or 63.3% in 2012 as compared to 2011, the result of a \$.76 million increase in self-insurance claims, a \$.26 million decrease in employee severance payouts and a \$43 thousand increase in economic development and miscellaneous projects.
- Non-operating expenses decreased \$2.4 million or 14.4% in 2012 as compared to 2011 as debt issuance costs increased \$.59 million or 225.6%, write-off of capital assets decreased \$.74 million or 63.4% and the elimination of a one-time non-operating expense of \$2.2 million that incurred in 2011.

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

SUMMARY OF CASH FLOW ACTIVITIES

The following table shows a summary of the major sources and uses of cash and cash equivalents for the periods ending December 31, 2013, 2012, and 2011. Cash equivalents are considered highly liquid investments with a maturity of three months or less (in thousands) at the time of acquisition.

SUMMARY OF CASH FLOW ACTIVITIES

	2013 Actual	Percent Increase/ (Decrease)	2012 Actual	Percent Increase/ (Decrease)	2011 Actual
Cash Flow from Operating Activities	\$ 46,257	-1.6%	\$ 47,010	53.9%	\$ 30,541
Cash Flow from Capital and Related Financing Activities	(35,021)	-367.3%	13,102	-133.8%	(38,725)
Cash Flow from Investing Activities	(10,805)	-81.8%	(59,453)	-1109.9%	5,887
Net Increase (Decrease) in Cash and Cash Equivalents	431	-34.6%	659	-128.7%	(2,297)
Cash and Cash Equivalents, Jan. 1	6,446	11.4%	5,787	-28.4%	8,084
Cash and Cash Equivalents, Dec. 31	<u>\$ 6,877</u>	6.7%	<u>\$ 6,446</u>	11.4%	<u>\$ 5,787</u>

The Authority's available cash equivalents increased \$.43 million or 6.7% during 2013 from \$6.4 million at the end of 2012 to \$6.9 million at the end of 2013. During 2012, the available cash equivalents increased \$.66 million or 11.4% from \$5.8 million at the end of 2011 to \$6.4 million at the end of 2012.

CAPITAL ASSETS

The Authority's investment in capital assets for its activities through December 31, 2013 amounted to \$480.0 million (net of depreciation), which represents a 4.6% decrease in capital assets over 2012.

At December 31, 2012, the amount invested in capital assets was \$503.1 million (net of depreciation), which represented a 1% increase in capital assets over 2011.

Capital assets acquisitions are capitalized at cost. Acquisitions are funded using a variety of financing techniques, including debt issuance, federal grants and Authority cash. Additional information on the Authority's Capital Assets and commitments can be found in Note 3 in the notes to the financial statements.

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

The following table shows a summary of the Authority's investments in capital assets (net of depreciation) for the periods ending December 31, 2013, 2012, and 2011 (in thousands).

SUMMARY OF CHANGES IN CAPITAL ASSETS

	2013 Actual	Percent Increase/ (Decrease)	2012 Actual	Percent Increase/ (Decrease)	2011 Actual
Land	\$ 10,966	0.0%	\$ 10,966	0.0%	\$ 10,966
Land Improvements	45,417	-5.5%	48,080	-5.1%	50,673
Buildings	93,150	-1.8%	94,875	-2.7%	97,464
Machinery & Equipment	14,262	-3.7%	14,810	-7.9%	16,086
Infrastructure	236,628	1.9%	232,277	5.7%	219,701
Vessels	34,548	-37.8%	55,520	-7.6%	60,061
Construction in Progress	44,997	-3.3%	46,535	7.4%	43,318
	<u>\$ 479,968</u>	-4.6%	<u>\$ 503,063</u>	1.0%	<u>\$ 498,269</u>

CAPITAL ASSETS

The major capital investments undertaken during 2013 include:

- Bridge Painting - 2nd Structure – Delaware Memorial Bridge (\$3.7 million)
- Passenger Loader Tube Replacement – Cape May – Lewes Ferry (\$2.1 million)
- Dry Dock & Repairs – MV NJ – Cape May – Lewes Ferry (\$1.2 million)
- Security Enhancements – New Castle Airport (\$1.2 million)
- I295 South Approach Road Phase IV – Delaware Memorial Bridge (\$1.0 million)
- Taxiway B, D, G, & T Rehabilitation – Cape May Airport (\$.98 million)
- 1st Structure Improvement Program – Delaware Memorial Bridge (\$.97 million)
- Replace Fender Cluster – Cape May – Lewes Ferry (\$.57 million)
- Approach Road Repaving – Cape May – Lewes Ferry (\$.54 million)

DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

DEBT ADMINISTRATION

The long term debt ratings on the Authority's bond issues are shown below.

<u>Issue</u>	<u>Moody's</u>	<u>S&P</u>
Series 2004 Refunding Revenue Bonds	A1	A
Series 2005 Refunding Revenue Bonds	A1	A
Series 2008 Variable Rate Revenue Bonds	A1/VMIG1	A
Series 2012A Revenue Bonds	A1	A
Series 2012B Refunding Revenue Bonds	A1	A

During 2013, the Authority's outstanding bonds were re-evaluated by Standard & Poor's, which affirmed its "A" rating with a stable outlook. Moody's continues to maintain its "A1" rating of the Authority with a long, stable, outlook. Additional information on the Authority's long term debt can be found in Note 4 to the financial statements.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the Authority's customers, investors and other interested parties with an overview of Authority finances and to demonstrate the Authority's accountability for funds it receives. Questions regarding any information involved in this report or requests for additional information should be addressed to the office of the Chief Financial Officer, Delaware River and Bay Authority, P.O. Box 71, New Castle, Delaware 19720.

BASIC FINANCIAL STATEMENTS

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF NET POSITION
BUSINESS-TYPE ACTIVITIES
December 31, 2013 and 2012

	2013	2012
CURRENT ASSETS		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 6,877,340	\$ 6,446,363
Investments	82,130,622	57,338,904
Operating Revenues Receivable	3,850,735	3,296,496
Accrued Investment Income Receivable	254,133	214,894
Note Receivable (Current Portion)	183,231	177,822
Other Accounts Receivable	1,768,757	1,744,412
Federal Grants Receivable	1,872,141	3,272,663
Inventory	4,314,297	4,658,386
Prepaid Expenses	1,118,780	2,156,755
Total Unrestricted Assets	<u>102,370,036</u>	<u>79,306,695</u>
Restricted Assets		
Investments	91,877,408	105,098,725
Accrued Investment Income Receivable	284,625	363,181
Total Restricted Assets	<u>92,162,033</u>	<u>105,461,906</u>
Total Current Assets	<u>194,532,069</u>	<u>184,768,601</u>
NONCURRENT ASSETS		
Property, Plant and Equipment		
Completed (Net of Accumulated Depreciation)	434,970,738	456,528,602
Construction-in-Progress	44,997,291	46,534,525
Total Property, Plant and Equipment	<u>479,968,029</u>	<u>503,063,127</u>
Net Pension Asset	14,281,037	12,233,484
Note Receivable	2,506,828	2,690,059
Total Noncurrent Assets	<u>496,755,894</u>	<u>517,986,670</u>
TOTAL ASSETS	<u>691,287,963</u>	<u>702,755,271</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Defeasance	<u>6,586,065</u>	<u>7,434,487</u>

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF NET POSITION
BUSINESS-TYPE ACTIVITIES
December 31, 2013 and 2012
(Continued)

	<u>2013</u>	<u>2012</u>
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Accounts Payable	\$ 6,361,441	\$ 4,630,629
Accrued Wages Payable	1,133,379	1,102,840
Unearned Revenue	968,260	899,903
Liability for Unpaid Health Claims	393,522	537,115
Customer and Security Deposits	163,293	156,701
Compensated Absences, Current Portion	742,672	684,986
Payable from Restricted Assets		
Accounts Payable	1,707,563	2,849,160
Interest Payable	6,888,914	5,621,133
Loans Payable	43,903	40,943
Revenue Bonds Payable, Current Portion	9,600,000	7,390,000
Total Current Liabilities	<u>28,002,947</u>	<u>23,913,410</u>
LONG-TERM LIABILITIES		
Compensated Absences, Less Current Portion	4,259,798	4,629,213
Net OPEB Liability	12,054,253	12,097,211
Loans Payable	943,683	987,586
Revenue Bonds Payable Net, Less Current Portion	325,982,790	336,776,876
Total Long-Term Liabilities	<u>343,240,524</u>	<u>354,490,886</u>
TOTAL LIABILITIES	<u>371,243,471</u>	<u>378,404,296</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Forward Purchase Agreement	<u>2,950,527</u>	<u>3,227,152</u>
NET POSITION		
Net Investment in Capital Assets	192,725,311	226,213,343
Restricted		
Trust Agreement Covenants	37,873,436	32,853,327
Unrestricted	<u>93,081,283</u>	<u>69,491,640</u>
TOTAL NET POSITION	<u>\$ 323,680,030</u>	<u>\$ 328,558,310</u>

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUSINESS-TYPE ACTIVITIES
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES		
Bridge Tolls	\$ 95,982,819	\$ 95,461,044
Ferry Tolls	12,961,833	13,723,565
Food and Novelty Sales	3,502,290	3,820,423
Airport Lease Revenue	6,860,873	6,743,760
Economic Development Leases	1,425,903	1,382,154
Other Operating Revenue	4,692,081	4,478,186
Total Operating Revenue	<u>125,425,799</u>	<u>125,609,132</u>
OPERATING EXPENSES		
Administrative and General		
Wages and Benefits	9,068,961	8,812,285
Other Expenses	3,595,804	8,963,724
Operations		
Wages and Benefits	42,184,114	41,658,065
Other Expenses	23,173,697	17,928,375
Depreciation Expense	23,738,642	23,120,869
Total Operating Expenses	<u>101,761,218</u>	<u>100,483,318</u>
Operating Income	<u>23,664,581</u>	<u>25,125,814</u>
NON-OPERATING REVENUES (EXPENSE)		
Investment Income	1,704,854	907,520
Investment Fees	(633,297)	(607,364)
Interest on Bonds	(13,507,504)	(12,489,612)
Debt Issuance Costs	-	(821,336)
Write-Off of Capital Assets	(1,939,262)	(425,479)
Gain (Loss) on Sale of Capital Assets	(17,535,931)	19,212
Net Non-Operating Expense	<u>(31,911,140)</u>	<u>(13,417,059)</u>
(Loss) Income before Capital Contributions	(8,246,559)	11,708,755
Capital Contributions	<u>3,368,279</u>	<u>6,303,097</u>
CHANGE IN NET POSITION	(4,878,280)	18,011,852
NET POSITION, BEGINNING OF YEAR	<u>328,558,310</u>	<u>310,546,458</u>
NET POSITION, END OF YEAR	<u><u>\$ 323,680,030</u></u>	<u><u>\$ 328,558,310</u></u>

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 119,953,458	\$ 120,437,282
Payments to Employees	(53,768,369)	(54,236,052)
Payments to Suppliers	(24,798,222)	(23,864,845)
Other Operating Receipts	4,869,903	4,673,198
Net Cash Provided by Operating Activities	<u>46,256,770</u>	<u>47,009,583</u>
CASH FLOWS FROM CAPITAL AND RELATED		
Acquisition and Construction of Capital Assets	(20,975,489)	(29,301,978)
Proceeds from Sale of Capital Assets	856,755	29,415
Capital Contributions	4,768,801	3,798,890
Principal Paid on Capital Debt	(7,430,943)	(8,798,183)
Proceeds from Revenue and Refunding Bonds	-	96,655,000
Premium on Bonds	-	9,819,199
Payment to Refunded Bonds Escrow Agent	-	(43,470,000)
Costs of Issuance	-	(821,336)
Interest Paid on Capital Debt	(12,239,723)	(14,808,580)
Net Cash (Used in)/ Provided by Capital and Related Financing Activities	<u>(35,020,599)</u>	<u>13,102,427</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	1,744,171	779,438
Investment Fees	(633,297)	(607,364)
Proceeds from Sale of Investments	1,422,819,069	1,371,682,971
Purchases of Investments	(1,434,735,137)	(1,431,307,704)
Net Cash Used in Investing Activities	<u>(10,805,194)</u>	<u>(59,452,659)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	430,977	659,351
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>6,446,363</u>	<u>5,787,012</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,877,340</u>	<u>\$ 6,446,363</u>

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

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
Years Ended December 31, 2013 and 2012
(Continued)

	<u>2013</u>	<u>2012</u>
RECONCILIATION OF OPERATING INCOME TO NET		
Operating Income	\$ 23,664,581	\$ 25,125,814
Adjustments to Reconcile Operating Income to Cash		
Noncash Transfers		
Depreciation Expense	23,738,642	23,120,869
Effect of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(578,584)	(393,305)
Note Receivable	177,822	195,012
Inventory	344,089	226,357
Prepaid Expenses	1,037,975	154,011
Net Pension Asset	(2,047,553)	(3,072,704)
Accounts Payable	619,754	2,759,936
Unpaid Health Claims	(143,593)	(127,280)
Net OPEB Liability	(42,958)	(43,315)
Unearned Revenue	(208,268)	(263,388)
Customer and Security Deposits	6,592	(36,971)
Compensated Absences	(311,729)	(635,453)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 46,256,770</u></u>	<u><u>\$ 47,009,583</u></u>

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

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF NET POSITION AVAILABLE FOR BENEFITS
FIDUCIARY FUND
December 31, 2013 and 2012

	2013	2012
ASSETS		
Investments at Fair Value		
Money Market Funds	\$ 864,487	\$ 4,937,671
Mutual Funds	91,580,771	68,555,613
Corporate Bonds	10,293,765	8,926,213
U.S. Government Bonds	20,900,522	16,865,732
Municipal Bonds	3,394,244	3,340,285
Fixed Income Funds	19,494,323	17,940,349
Total Investments at Fair Value	<u>146,528,112</u>	<u>120,565,863</u>
Accrued Interest	<u>47,946</u>	<u>44,108</u>
Total Assets	<u>146,576,058</u>	<u>120,609,971</u>
LIABILITIES		
Accounts Payable	<u>63,223</u>	<u>33,444</u>
TOTAL NET POSITION HELD IN TRUST FOR BENEFITS	<u><u>\$ 146,512,835</u></u>	<u><u>\$ 120,576,527</u></u>

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

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS
FIDUCIARY FUND
Years Ended December 31, 2013 and 2012

	2013	2012
ADDITIONS		
Investment Income		
Net Appreciation in Fair Value of Assets	\$ 10,457,371	\$ 6,937,861
Dividends	1,111,288	1,098,984
Interest	1,473,485	1,395,316
	<u>13,042,144</u>	<u>9,432,161</u>
Less Investment Expense	<u>97,106</u>	<u>94,996</u>
	<u>12,945,038</u>	<u>9,337,165</u>
Contributions		
Employer	19,733,061	17,397,866
Plan Member	630,981	625,244
Total Contributions	<u>20,364,042</u>	<u>18,023,110</u>
	<u>33,309,080</u>	<u>27,360,275</u>
DEDUCTIONS		
Benefits Paid to Participants	6,931,344	6,807,371
Administrative Expenses	441,428	334,141
Total Deductions	<u>7,372,772</u>	<u>7,141,512</u>
Change in Net Position	25,936,308	20,218,763
NET POSITION AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>120,576,527</u>	<u>100,357,764</u>
END OF YEAR	<u><u>\$ 146,512,835</u></u>	<u><u>\$ 120,576,527</u></u>

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

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Delaware River and Bay Authority (the Authority) is a body politic and an agency of the Governments of the State of Delaware and the State of New Jersey, duly created with the consent of the Congress of the United States of America, approved September 20, 1962. As a governmental agency, the Authority has no stockholders or equity holders.

The Authority is authorized to plan, finance, develop, construct, purchase, lease, maintain, improve and operate crossings, including bridges, tunnels and ferries and all approaches thereto and connecting and service routes, between the State of Delaware and the State of New Jersey across the Delaware River and Bay, and transportation and terminal facilities, and to issue Revenue Bonds payable from revenues. Effective November 15, 1990, the Authority is further authorized to plan for, finance and operate commerce facilities or developments in Delaware or in the New Jersey counties of Cape May, Cumberland, Gloucester and Salem.

Basis of Presentation, Fund Accounting

The financial statements of the Authority have been prepared in accordance with generally accepted accounting principles applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Authority uses a single Enterprise fund to account for the bridge, ferry and airport activities and maintain their records 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.

Fiduciary funds are used to account for the accumulation of pension resources held in trust for employees.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The Authority's Proprietary and Fiduciary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred, regardless of the timing of the related cash flows.

Budgets and Budgetary Accounting

The Authority must adopt an annual budget in accordance with Section 505 of the Trust Agreement. Section 505 requires the Authority to adopt the final budget no later than December 1st for the ensuing fiscal year. The budget is adopted on the modified accrual basis of accounting with provisions for cash payments for bond principal. The Authority may not incur in a fiscal year any amount in excess of the amounts provided for current expenses in the annual budget.

The Authority records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At year end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles. The reconciliation between budgetary basis expenditures and expenditures as reported on the Statement of Revenue, Expenses and Changes in Fund Net Position is included in Note 2.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash on hand, cash on deposit with public depositories and investment money market funds. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are recorded at fair market value. Money market funds are classified as investments.

The Authority's depository and investment options are subject to the provisions and restrictions of the Trust Agreement, as supplemented, between the Trustee, Bank of New York Mellon and the Authority dated October 1, 1993. Section 601 of the Trust Agreement establishes the requirements for the security of deposits of the Authority. This section requires that all deposits with a Depository, in excess of the amount insured by the Federal Deposit Insurance Corporation shall be continuously secured for the benefit of the Authority and the holders of the bonds.

Depositories must be a member of the Federal Deposit Insurance Corporation, subject to examination by federal or state authority, of good standing and have a combined capital, surplus and undivided profits aggregating not less than \$25,000,000.

DELAWARE RIVER AND BAY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

Section 101 of the Trust Agreement defines the allowable Investment Obligations for all funds of the Authority, except the General fund. Permitted investments include (a1) Government Obligations guaranteed by the full faith and credit of the United States Government; (a2) Senior Debt Obligations of the Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Financing Bank, Farmers Home Administration, Federal Land Banks, Federal Home Loan Mortgage Association, Government National Mortgage Association and Federal National Mortgage Association; (b) repurchase agreements with respect to the obligation listed in (a1) and (a2); (c) certificates of deposits; (d) commercial paper rated in the highest category by the Rating Agencies; (e) obligations of state or local government issuers rated in the two highest categories by the Rating Agencies; (f) money market mutual funds rated in the highest category by the Rating Agencies; (g) bankers' acceptances rated in the three highest categories by the Rating Agencies; and (h) full faith and credit obligations of state or local government issuers rated in one of the three highest categories by the Rating Agencies.

Section 602 of the Trust Agreement establishes maturity limits by Fund for Investment Obligations held in depositories. Maturity limits by fund are as follows:

Fund	Maturity Limit
Revenue Fund	Twelve Months
Debt Service Funds	Not later than when the funds held will be required for the purposes intended
Debt Service Reserve Funds	Not later than the final maturity of the bonds outstanding
Reserve Maintenance Fund	Three Years
Construction Fund	Not later than when the funds held will be required for the purposes intended
General Fund	None

The Trust Agreement does not place limits on the amount that may be invested in any one issuer. As a supplement to the provisions of the Trust Agreement, the Authority has adopted policies and guidelines for the investment of funds in both the Construction and General funds.

Construction Fund: Limits that not more than 10% of the fund that may be invested in any one issuer and not more than 25% of the fund may be invested in the following types of obligations as described above (b) repurchase agreements, (c) certificates of deposits, (e) obligations of state or local governments, (g) bankers' acceptances and (h) full faith and credit obligations of state and local government issuers. Limits that not more than 10% of the fund may be invested in any one issuer of the following types of obligations as disclosed in Note 1: (a2) US Government Agency Obligations and Commercial paper. No limits are placed on obligations guaranteed by the full faith and credit of the US Government and money market funds.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

General Fund: Limits that not less than 75% of the fund be invested in the permitted investments and the percentages for issuer and type of investment to those allowed for the other funds but with no maturity restriction. Limits that not more than 25% of the fund being invested in any investment directed by the Authority with the exception of "high risk mortgage securities" as defined in the Supervisory Policy for Federally Insured Depository Institutions issued in January 1992.

Inventory

The inventory is recorded at cost using the average cost method and consists of operating and concession supplies, vessel spare parts, and various fuels for both Delaware Memorial Bridge and the Cape May-Lewes Ferry operations.

Prepaid Expenses

Payments made to vendors for services that will benefit future periods beyond December 31, 2013 are recorded as prepaid expenses.

Debt Issuance Costs, Bond Discounts/Premiums and Deferred Loss on Defeasance

Debt issuance costs are expensed in the year the cost was incurred. Bond discounts / premiums and loss on defeasance are deferred and amortized over the life of the bonds using the effective interest method. Unamortized bonds discounts / premiums are presented as an adjustment of the face amount of the revenue bonds payable. Deferred loss on defeasance is presented as a Deferred Outflow of Resources in the Statement of Net Position.

Property, Plant and Equipment

Property, Plant, and Equipment primarily consists of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets purchased prior to January 1, 2002, are valued based upon an asset appraisal performed by an independent appraisal company dated December 31, 2001. Assets purchased after January 1, 2002, are valued at cost. Assets acquired through gifts or donations are recorded at their estimated fair market value at time of acquisition.

Costs incurred for projects under construction are recorded as Construction in Progress. In the year that the project is completed, these costs are transferred to Property, Plant and Equipment. Interest costs incurred during construction are not capitalized into the cost of the asset.

Expenditures are capitalized when they meet the following requirements:

- 1.) Cost of \$5,000 or more.
- 2.) Useful life of five years or more.
- 3.) Increases value of an asset.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment (Continued)

The related costs and accumulated depreciation of assets disposed of are removed from Property, Plant and Equipment and any gain or loss on disposition is credited or charged to non-operating revenues or expenses.

Depreciation

Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

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

<u>Asset Class</u>	<u>Useful Life (Years)</u>
Land improvements	20 – 50
Buildings	50
Machinery & equipment	5 – 20
Vessels	40
Infrastructure (bridges, roadways & runways)	20 – 100

Depreciation begins when the asset is placed in service.

Post Employment Benefits

The Authority provides employees other postemployment benefits (OPEB). The cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. See Note 4 for additional information.

Interfund Receivables/Payables

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

Income Taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and is exempt from income taxes under Section 115.

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) and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating and Non-Operating Revenues and Expenses (Continued)

Operating expenses include expenses associated with the operation, maintenance and repair of the bridges, airports and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt and major non-recurring repairs.

Accounts Receivable

Represents amounts owed to the Authority from other Toll Agencies, Governmental Agencies, Airport tenants and other miscellaneous customers.

Unearned Revenue

Unearned revenue is comprised of two components, unearned revenue from a forward purchase agreement and ferry reservation liabilities. The Authority entered into a forward purchase agreement with a forward commitment provider on its debt service funds. The amount represents the balance to be amortized from the original lump sum cash payment. The unamortized amounts are included as a deferred inflow of resources. Annually, a portion is amortized and recorded as investment income. See Note 4 for more information. The second component is comprised of customer reservations for future services aboard the Cape May-Lewes Ferry.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The Authority has one item that qualifies for reporting in the category, the deferred loss on defeasances, which is reported in the Statement of Net Position.

In addition to liabilities, the statements of financial position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in the category, the forward purchase agreement, which is reported in the Statement of Net Position.

Use of Estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets, liabilities and revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results may differ from those estimates.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net Position comprises the various earnings from operating income, non-operating revenues, expenses, and capital contributions. 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 Net Position that do 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.

Recent Accounting Standards

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (“GASB 65”). The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). The provisions of this Statement were effective for financial statements for periods beginning after December 15, 2012. This statement was adopted by the Authority in prior year’s financial statements.

In March 2012, GASB issued Statement No. 66, *Technical Corrections – 2012* (“GASB 66”). The objective of this Statement is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements – Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement were effective for financial statements for periods beginning after December 15, 2012. This statement has no effect on the Authority’s financial statements.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* (“GASB 68”). The objective of this Statement is to improve the information provided in government financial reports about pension-related financial support provided by certain nonemployer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The Authority has not completed the process of evaluating the impact of GASB 68 on its financial statements.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Standards (Continued)

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement has no effect on the Authority's financial statements.

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Statement No. 70 specifies the information required to be disclosed by governments that extend non-exchange financial guarantees. The Authority has not completed the process of evaluating the impact of GASB 70 on its financial statements.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* ("GASB 71"). The objective of this Statement is to improve accounting and financial reporting by addressing an issue in GASB 68, concerning transition provisions related to certain pension contributions made to defined pension plans prior to implementation of that Statement made by employers and nonemployer contributing entities. The Authority has not completed the process of evaluating the impact of GASB 71 on its financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions

The Authority has no material violations of finance related legal and contractual provisions.

Trust Agreement

The Authority is subject to the provisions and restrictions of the Trust Agreement between the Trustee, Bank of New York Mellon, and the Authority dated October 1, 1993. The following is a summary of the activities of each account created by the Trust Agreement:

Revenue Fund: All money collected by the Authority for toll charges or from any other source of revenue is deposited in this account. The monies in the Revenue account are held by a depository and applied to the payment of current expenses and debt service.

Debt Service Fund: This account is maintained to pay bond interest and principal. The balance on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds and principal amount maturing on bonds when such payments are required. Monies held in the Debt Service Fund are held by the Trustee. The balance on December 31, 2013 and 2012 meets the requirements of the Trust Agreement.

Debt Reserve Fund: Funds on deposit must be maintained at a level equal to the maximum annual principal and interest requirements to insure funds are available for payment of debt service. Monies held in the Debt Reserve Fund are held by the Trustee. The balance on December 31, 2013 and 2012 of \$24,371,832 and \$24,325,064, respectively, meets the requirements of the Trust Agreement.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Trust Agreement (Continued)

Reserve Maintenance Fund: This account is used for unusual or extraordinary maintenance or repairs, maintenance or repairs not recurring annually, repairs or replacements resulting from emergencies, providing improvements to approaches and highways, insurance premiums on crossing facilities and engineering expenses incurred under the provisions of Section 509 of the Trust Agreement. Funds on deposit must be equal to \$4,000,000 at fiscal year-end. Any excess shall be promptly transferred to the General Fund Account. The balance on December 31, 2013 and 2012 meets the requirements of the Trust Agreement.

General Fund: All excess funds of the Authority are recorded in the General Fund. 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.

Covenants as to Tolls

The Authority is required to fix, revise, charge and collect tolls and other charges for traffic using the crossing facilities in order to provide an amount of Net Revenues in each fiscal year equal to not less than 125% of the principal and interest requirements for such fiscal year. The Authority satisfied this requirement for the year ending December 31, 2013. To arrive at Net Revenues as defined in the Trust Agreement, the following adjustments to operating income need to be made:

	<u>2013</u>	<u>2012</u>
Operating Income	\$ 23,664,581	\$ 25,125,814
Add:		
Net Investment Income (excluding Construction Fund)	786,979	1,793,141
Depreciation Expense	23,738,642	23,120,869
General Fund Expense	1,057,929	1,404,187
Economic Development Expense	1,118,485	1,060,178
Airport Fund Expense	6,233,522	6,165,399
OPEB Liability Adjustment	(42,958)	(43,315)
Uncollectible Toll Expense	9,348	111,063
Inventory Adjustments	347,423	226,357
Other Miscellaneous Adjustments	(273,262)	206,738
Liquidations of Prior Year Encumbrances	<u>1,822,419</u>	<u>658,537</u>
	34,798,527	34,703,154
Less:		
Airport Fund Revenues	6,270,425	6,093,345
General Fund Revenues	2,046,719	2,129,044
Economic Development Revenue	1,858,612	1,707,477
Encumbrances Fiscal Year ending December 31, 2012	<u>2,068,643</u>	<u>2,108,587</u>
	<u>12,244,399</u>	<u>12,038,453</u>
Net Revenues Available for Debt Service Coverage	<u>\$ 46,218,709</u>	<u>\$ 47,790,515</u>
Total Debt Service (Principal and Interest)	<u>\$ 23,401,698</u>	<u>\$ 19,846,423</u>
Debt Service Coverage	198%	241%

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Annual Budget for the years ended December 31:

	2013			2012		
	Projected Revenue	Actual Revenue	(Under) Over Budget	Projected Revenue	Actual Revenue	(Under) Over Budget
Revenue (excluding)						
Grant Revenue)						
Delaware Memorial Bridge	\$ 97,907,000	\$ 95,982,819	\$ (1,924,181)	\$ 97,500,000	\$ 95,461,044	\$ (2,038,956)
Cape May-Lewes Ferry	14,106,000	12,906,570	(1,199,430)	14,000,000	13,664,204	(335,796)
Airports Division	6,454,580	6,185,209	(269,371)	5,213,500	6,020,565	807,065
Economic Development	1,800,520	1,425,903	(374,617)	1,370,172	1,382,154	11,982
Three Forts	60,000	55,263	(4,737)	62,018	59,361	(2,657)
Concessions	4,059,276	3,375,022	(684,254)	3,575,000	3,709,640	134,640
Investment Income	2,000,000	1,071,557	(928,443)	2,500,000	300,156	(2,199,844)
Other Income	2,350,000	1,303,728	(1,046,272)	2,356,085	3,072,338	716,253
Total Revenue	\$ 128,737,376	\$ 122,306,071	\$ (6,431,305)	\$ 126,576,775	\$ 123,669,462	\$ (2,907,313)
	Projected	Actual ⁽¹⁾	(Under) Over	Projected	Actual ⁽¹⁾	(Under) Over
	Expenses	Expenses	Budget	Expenses	Expenses	Budget
Expenses						
Administration	\$ 12,419,408	\$ 11,779,860	\$ (639,548)	\$ 17,133,978	\$ 17,069,264	\$ (64,714)
Delaware Memorial Bridge	21,220,436	21,198,832	(21,604)	18,986,128	18,904,542	(81,586)
Cape May-Lewes Ferry	26,543,530	24,934,049	(1,609,481)	24,288,150	23,556,498	(731,652)
Authority Police	8,566,254	8,562,489	(3,765)	8,282,146	8,239,559	(42,587)
Airports Division	7,385,288	6,453,566	(931,722)	6,395,784	6,244,251	(151,533)
Economic Development	1,131,013	1,118,485	(12,528)	1,132,110	1,060,178	(71,932)
Three Forts	145,509	136,730	(8,779)	119,485	112,319	(7,166)
Concessions	4,729,511	4,101,215	(628,296)	4,314,135	4,212,129	(102,006)
Total Operating Expenses ⁽³⁾	82,140,949	78,285,226	(3,855,723)	80,651,916	79,398,740	(1,253,176)
Bond Interest	15,127,828	13,801,698	(1,326,130)	12,827,875	12,456,423	(371,452)
Bond Principal ⁽²⁾	9,600,000	9,600,000	-	8,760,000	7,390,000	(1,370,000)
Total Expenses	\$ 106,868,777	\$ 101,686,924	\$ (5,181,853)	\$ 102,239,791	\$ 99,245,163	\$ (2,994,628)

(1) Actual expenses are based on the Budgetary Method. Year end adjustments i.e., (inventory, fuel oil, etc.) are not included in the above schedule.

(2) Budgeted amounts represent amounts accumulated during the year to pay the Bond Principal payments due on January 1st of the following year.

(3) Expense Reconciliation to Financial Statements:

	2013	2012
Operating Expenditures (Budgetary Method)	\$ 78,285,226	\$ 79,398,740
Adjustments:		
Encumbrances - Fiscal Year ending December 31	(2,068,643)	(2,108,587)
Liquidation of Prior Year Encumbrances	1,822,419	658,537
Depreciation Expense	23,738,642	23,120,869
Uncollectible Toll Expense	9,348	111,063
Pension Contributions over ARC	(2,047,553)	(3,072,704)
OPEB Liability Expense Adjustment	(42,944)	(43,305)
Merchant Card Services	628,334	578,328
Inventory Adjustments	347,423	229,462
General Fund Expenses	1,057,929	1,404,187
Other Miscellaneous Adjustments	31,037	206,728
Operating Expenses	\$ 101,761,218	\$ 100,483,318

DELAWARE RIVER AND BAY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Toll Revenue

2013		Bridge		Cape May-Lewes Ferry	
Toll					
Class		Vehicles	Revenue	Vehicles or Passengers	Revenue
1		12,050,392	\$ 47,825,994	239,866	\$ 8,530,534
2		255,030	2,508,510	-	-
3		164,201	2,426,130	-	-
4		141,108	2,764,120	1,334	58,048
5		1,437,445	35,309,800	2,368	123,218
6		29,879	879,570	2,067	123,493
7		1,912	114,720	2,356	172,152
8		9,023	301,840	-	-
9		1,247,852	1,247,852	530	48,635
10		1,388,634	1,735,793	6,535	203,805
11		64,616	381,288	-	-
12		58,516	458,152	22	3,728
13		3,455	29,050	-	-
Passengers:	Adults	-	-	634,930	3,330,112
	Child	-	-	65,247	295,598
	Bus Adult	-	-	3,270	15,774
	Bus Child	-	-	492	1,473
Special Groups		-	-	-	-
Non-Revenue		15,292	-	39,212	* -
Total		<u>16,867,355</u>	<u>\$ 95,982,819</u>	<u>998,229</u>	<u>\$ 12,906,570</u>

* Includes children under 6 years of age.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Toll Revenue (Continued)

2012		Bridge		Ferry	
Toll					
Class		Vehicles	Revenue	Vehicles or Passengers	Revenue
1		12,024,566	\$ 47,625,020	255,000	\$ 8,934,889
2		255,010	2,506,940	-	-
3		169,688	2,502,885	-	-
4		139,855	2,751,600	1,432	62,115
5		1,425,271	34,945,925	2,660	137,736
6		29,630	872,130	2,107	127,899
7		1,899	113,940	2,385	175,408
8		9,988	341,705	-	-
9		1,254,127	1,254,127	362	32,793
10		1,346,766	1,683,458	7,220	223,069
11		63,596	374,016	-	-
12		59,350	465,568	12	2,148
13		2,814	23,730	-	-
Passengers:	Adults	-	-	674,839	3,612,926
	Child	-	-	71,128	331,567
	Bus Adult	-	-	4,653	22,273
	Bus Child	-	-	437	1,381
Special Groups		-	-	-	-
Non-Revenue		21,406	-	45,664 *	-
Total		<u>16,803,966</u>	<u>\$ 95,461,044</u>	<u>1,067,899</u>	<u>\$ 13,664,204</u>

Includes children under 6 years of age.

NOTE 3 DETAIL NOTES — ASSETS

Cash and Cash Equivalents

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2013 and 2012, the Authority held \$6,939,565 and \$6,963,962 in cash and cash equivalents in financial institutions, with \$1,271,095 and \$955,264 held in uncollateralized accounts in excess of federal depository insurance limits, respectively.

Investments

Custodial Credit Risk: 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 investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent, but not in the Authority's name. The Authority has no formal policy for custodial credit risk, but is governed by Section 101 of the Trust Agreement which limits the types and credit rating of individual investments, depending on the fund's purpose, as disclosed in Note 1.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3 DETAIL NOTES — ASSETS (CONTINUED)

Investments (Continued)

All of the Authority's \$174,008,030 investments in US Government Securities, US Government Agencies, Municipal Bond, Corporate Bonds and Money Market Funds are registered in the name of the Authority and held by the counterparty.

Of the \$111,400,482 investments held in the Authority's Pension Trust Fund, \$100,802,166 are registered in the name of the Authority and held by the counterparty. The remaining \$10,598,316 of Other Investments is held by Allmerica Financial Life Insurance Company within their general investment portfolio.

All of the \$35,127,630 investments held in the OPEB Trust Fund are in Money Market Funds, Mutual Funds, and Fixed Income Funds and are registered in the name of the Authority and held by the counterparty.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses resulting from rising interest rates, the Authority's Trust Agreement limits the investment maturities by fund, depending on the fund's purpose, as disclosed in Note 1.

The Pension and OPEB Fund's investment policy is intended to preserve the capital of the Fund and maximize investment earnings in excess of inflation with acceptable levels of volatility. The Fund's focus will reflect an intermediate time horizon of at least a complete market cycle, generally occurring over three to five years. The long term investment strategy objective is to achieve a total rate of return, net of fees, which exceeds the actuarial return assumption used for funding.

As of December 31, 2013 and 2012, the Authority had the following investments and maturities (amounts are in thousands).

	Investment Maturities (in Years)				
	Fair Value	Less than 1	1-5	6-10	More than 10
December 31, 2013					
Investment Type					
Corporate and Municipal Obligations	\$ 50,632	\$ 20,650	\$ 26,419	\$ 1,785	\$ 1,778
U.S. Government Agencies	40,864	7,211	11,016	1,537	21,100
U.S. Government Bonds/Notes	50,734	16,807	33,927	-	-
Money Market Funds	31,778	31,778	-	-	-
Total	<u>\$ 174,008</u>	<u>\$ 76,446</u>	<u>\$ 71,362</u>	<u>\$ 3,322</u>	<u>\$ 22,878</u>
December 31, 2012					
Investment Type					
Corporate and Municipal Obligations	\$ 51,173	\$ 18,254	\$ 28,863	\$ 1,654	\$ 2,402
U.S. Government Agencies	46,314	6,511	7,997	2,063	29,743
U.S. Government Bonds/Notes	29,973	16,935	13,038	-	-
Money Market Funds	34,977	-	-	-	34,977
Total	<u>\$ 162,437</u>	<u>\$ 41,700</u>	<u>\$ 49,898</u>	<u>\$ 3,717</u>	<u>\$ 67,122</u>

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3 DETAIL NOTES — ASSETS (CONTINUED)

Investments (Continued)

As of December 31, 2013 and 2012, the Pension and OPEB Trust Funds had the following investments and maturities (amounts are in thousands).

	Investment Maturities (in Years)				
	Fair Value	Less than 1	1-5	6-10	More than 10
December 31, 2013					
Investment Type					
Corporate Bonds/Notes	\$ 10,294	\$ -	\$ 2,541	\$ 2,596	\$ 5,157
Municipal Obligations	3,394	-	-	-	3,394
U.S. Government Agencies	412	7	134	-	271
U.S. Government Bonds/Notes	20,489	-	17,044	3,445	-
Money Market Funds	864	864	-	-	-
Equity Index Funds	91,581	91,581	-	-	-
Fixed Income Fund	19,494	19,494	-	-	-
Total	\$ 146,528	\$ 111,946	\$ 19,719	\$ 6,041	\$ 8,822
December 31, 2012					
Investment Type					
Corporate Bonds/Notes	\$ 8,926	\$ -	\$ 2,413	\$ 6,513	\$ -
Municipal Obligations	3,340	-	-	-	3,340
U.S. Government Agencies	11,667	-	1,320	183	10,164
U.S. Government Bonds/Notes	5,199	-	820	4,379	-
Money Market Funds	4,938	4,938	-	-	-
Equity Index Funds	68,556	68,556	-	-	-
Fixed Income Fund	17,940	17,940	-	-	-
Total	\$ 120,566	\$ 91,434	\$ 4,553	\$ 11,075	\$ 13,504

Credit Risk: Credit risk is the risk that an issuer or counterparty to an investor will not fulfill its obligations. The Authority limits its exposure to credit risk through the Trust Agreement which restricts the investment obligations that may be purchased, by type and credit rating, as disclosed in Note 1. The Pension's Fund's investment policy defines the type, quality and quantity of eligible investments that can be purchased.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3 DETAIL NOTES — ASSETS (CONTINUED)

Authority Investments

Presented below are summaries of the Authority's investments by type and credit rating as of December 31, 2013.

<u>Investment Type</u>	<u>Rating *</u>	<u>% of Total Investments</u>
Corporate Bonds and Municipal Obligations	AAA	2.00%
Corporate Bonds and Municipal Obligations	AA+	4.76%
Corporate Bonds and Municipal Obligations	AA-	2.03%
Corporate Bonds and Municipal Obligations	AA	2.61%
Corporate Bonds and Municipal Obligations	A+	2.80%
Corporate Bonds and Municipal Obligations	A-	3.54%
Corporate Bonds and Municipal Obligations	A	2.39%
Corporate Bonds and Municipal Obligations	A1+	0.14%
Corporate Bonds and Municipal Obligations	A1	3.81%
Corporate Bonds and Municipal Obligations	BBB+	1.80%
Corporate Bonds and Municipal Obligations	BBB	0.92%
Corporate Bonds and Municipal Obligations	NR	2.30%
Federal Farm Credit Bank Bonds	AA+	0.44%
Federal Home Loan Bank	AA+	3.10%
Federal Home Loan Mortgage Corporation	AA+	6.44%
Federal National Home Loan Mortgage Association	AA+	7.46%
Government National Mortgage Association	AA+	6.04%
U.S. Treasury Notes	AA+	25.95%
U.S. Treasury Notes Inflation Index	AA+	3.20%
Money Markets Funds	AAA	4.18%
Money Markets Funds	NR	14.08%

*AAA/Aaa represents the highest quality rating by Standard & Poors and Moody's

DELAWARE RIVER AND BAY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

Combined Pension Fund and OPEB Investments

<u>Investment Type</u>	<u>Rating *</u>	<u>% of Total Investments</u>
Corporate Bonds/Notes	AAA	0.49%
Corporate Bonds/Notes	AA+	0.05%
Corporate Bonds/Notes	AA-	0.05%
Corporate Bonds/Notes	A+	0.39%
Corporate Bonds/Notes	A-	1.22%
Corporate Bonds/Notes	A	0.48%
Corporate Bonds/Notes	BBB+	1.41%
Corporate Bonds/Notes	BBB	1.11%
Corporate Bonds/Notes	NR	0.10%
Municipal Obligations	AAA	0.09%
Municipal Obligations	AA+	0.76%
Municipal Obligations	AA	0.27%
Municipal Obligations	A1	0.43%
Municipal Obligations	A+	1.21%
Municipal Obligations	A-	0.21%
Municipal Obligations	A	0.57%
Municipal Obligations	BBB+	0.42%
Municipal Obligations	NR	1.55%
Federal National Mortgage Association	AA+	0.18%
Government National Mortgage Association	AA+	0.11%
U.S. Treasury Bonds Inflation	AA+	2.59%
U.S. Treasury Notes	AA+	9.15%
Money Markets Funds	NR	0.60%
Equity Index Funds	NR	67.97%
Fixed Income Funds	NR	8.57%

*AAA/Aaa represents the highest quality rating by Standard & Poors and Moody's

Concentration of Credit Risk: The Authority does not place a limit on the amount that may be invested in any one issuer, except the Construction fund, as disclosed in Note 1. All permitted investments by the Authority must be rated in the three highest categories by the rating agencies. The Pension Fund's investment policy limits corporate securities to 5% of portfolio per issuer. All purchases must be of investment grade. Commercial paper must rate top quality by at least one rating agency.

Note Receivable

On March 1, 2005, the Authority entered into an agreement with the Diamond State Port Corporation ("DSPC"). Under the agreement, the Authority is required to fund DSPC's warehouse project in the amount of \$4,000,000 (See Note 4, Lease Obligations). On April 20, 2006, the Authority sent \$3,400,000 to the DSPC, which represented 85% of the project's funding. The Authority remitted the remaining \$600,000 to the DSPC on June 1, 2007. The note is payable over 20 years in equal monthly installments of \$21,786. Interest rates range from 1.50% (years 1-5), 3.00% (years 6-10) and 5.32% (years 11-20), for an internal rate of return of 2.80%. The DSPC began making payments July 1, 2007. The balance of the note at December 31, 2013 and 2012 was \$2,690,059 and \$2,867,881, respectively.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

Property, Plant and Equipment

The following schedule details changes in Property, Plant and Equipment by major class that occurred during the year ended December 31, 2013 and 2012:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Capital Assets					
Not being Depreciated:					
Land	\$ 10,966,412	\$ -	\$ -	\$ -	\$ 10,966,412
Construction-in-Progress	46,534,525	20,922,333	(1,939,257)	(20,520,310)	44,997,291
Total, not being Depreciated	<u>57,500,937</u>	<u>20,922,333</u>	<u>(1,939,257)</u>	<u>(20,520,310)</u>	<u>55,963,703</u>
Capital Assets, being Depreciated					
Land Improvements	230,421,788	-	-	103,536	230,525,324
Buildings	135,853,161	35,685	-	1,744,161	137,633,007
Machinery and Equipment	57,392,864	17,469	(706,061)	2,677,392	59,381,664
Vessels	145,091,796	-	(43,391,774)	1,369,996	103,070,018
Infrastructure	477,823,976	-	-	14,625,225	492,449,201
Total, being Depreciated	<u>1,046,583,585</u>	<u>53,154</u>	<u>(44,097,835)</u>	<u>20,520,310</u>	<u>1,023,059,214</u>
Accumulated Depreciation					
Land Improvements	(182,342,005)	(2,765,953)	-	-	(185,107,958)
Buildings	(40,977,904)	(3,505,699)	-	-	(44,483,603)
Machinery and Equipment	(42,582,567)	(3,243,230)	706,062	-	(45,119,735)
Vessels	(89,571,625)	(3,949,267)	24,999,087	-	(68,521,805)
Infrastructure	(245,547,294)	(10,274,493)	-	-	(255,821,787)
Total Accumulated Depreciation	<u>(601,021,395)</u>	<u>(23,738,642)</u>	<u>25,705,149</u>	<u>-</u>	<u>(599,054,888)</u>
Total Capital Assets, being Depreciated, Net	<u>445,562,190</u>	<u>(23,685,488)</u>	<u>(18,392,686)</u>	<u>20,520,310</u>	<u>424,004,326</u>
Total Capital Assets, Net	<u><u>\$ 503,063,127</u></u>	<u><u>\$(2,763,155)</u></u>	<u><u>\$(20,331,943)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 479,968,029</u></u>

DELAWARE RIVER AND BAY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

Property, Plant and Equipment (Continued)

	<u>Balance Dec. 31, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance Dec. 31, 2012</u>
Capital Assets					
Not being Depreciated:					
Land	\$ 10,966,412	\$ -	\$ -	\$ -	\$ 10,966,412
Construction-in-Progress	<u>43,317,979</u>	<u>28,095,742</u>	<u>(1,353,430)</u>	<u>(23,525,766)</u>	<u>46,534,525</u>
Total, not being Depreciated	<u>54,284,391</u>	<u>28,095,742</u>	<u>(1,353,430)</u>	<u>(23,525,766)</u>	<u>57,500,937</u>
Capital Assets, being Depreciated					
Land Improvements	230,242,005	65,872	-	113,911	230,421,788
Buildings	135,107,910	377,709	(26,000)	393,542	135,853,161
Machinery and Equipment	55,840,947	80,397	(177,120)	1,648,640	57,392,864
Vessels	144,937,340	-	-	154,456	145,091,796
Infrastructure	<u>455,939,172</u>	<u>669,587</u>	<u>-</u>	<u>21,215,217</u>	<u>477,823,976</u>
Total, being Depreciated	<u>1,022,067,374</u>	<u>1,193,565</u>	<u>(203,120)</u>	<u>23,525,766</u>	<u>1,046,583,585</u>
Accumulated Depreciation					
Land Improvements	(179,568,762)	(2,773,243)	-	-	(182,342,005)
Buildings	(37,644,273)	(3,352,168)	18,537	-	(40,977,904)
Machinery and Equipment	(39,754,567)	(3,002,380)	174,380	-	(42,582,567)
Vessels	(84,876,690)	(4,694,935)	-	-	(89,571,625)
Infrastructure	<u>(236,238,151)</u>	<u>(9,309,143)</u>	<u>-</u>	<u>-</u>	<u>(245,547,294)</u>
Total Accumulated Depreciation	<u>(578,082,443)</u>	<u>(23,131,869)</u>	<u>192,917</u>	<u>-</u>	<u>(601,021,395)</u>
Total Capital Assets, being Depreciated, Net	<u>443,984,931</u>	<u>(21,938,304)</u>	<u>(10,203)</u>	<u>23,525,766</u>	<u>445,562,190</u>
Total Capital Assets, Net	<u>\$ 498,269,322</u>	<u>\$ 6,157,438</u>	<u>\$ (1,363,633)</u>	<u>\$ -</u>	<u>\$ 503,063,127</u>

Total depreciation expense for Fiscal Year 2013 and 2012 was \$23,738,642 and \$23,120,869, respectively. Depreciation expense was charged to operating activities as follows:

	<u>2013</u>	<u>2012</u>
Delaware Memorial Bridge	\$ 8,471,342	\$ 7,773,077
Cape May - Lewes Ferry	8,716,021	9,220,534
Administration	572,180	444,134
Police	144,920	125,532
Concessions	19,855	19,855
Three Forts Ferry	82,227	75,069
Airports	5,282,708	5,014,725
Salem Business Park	410,428	409,238
Riverfront Marketplace	<u>38,961</u>	<u>38,705</u>
Total Depreciation Expense	<u>\$ 23,738,642</u>	<u>\$ 23,120,869</u>

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES – LIABILITIES

Compensated Absences

The Authority has recorded a liability through December 31, 2013 totaling \$5,002,470 for vacation and sick pay, with \$253,965 accruing and \$565,694 paid out to employees during Fiscal Year 2013. Benefits are earned according to the following policies:

Vacation Leave

Employees accrue vacation leave each month based on years of service.

<u>Years of Service</u>	<u>Vacation Hours</u>	<u>Maximum Accumulation</u>
0 to 5	8 Hours	200 Hours
5 to 10	10 Hours	240 Hours
10 to 15	12 Hours	280 Hours
15 to 20	14 Hours	300 Hours
More than 20	16 Hours	400 Hours

- Vacation hours not used during the fiscal year may be carried over, but may not exceed the maximum accumulation.
- Part-time employees do not accrue vacation time.
- Employees, who resign, retire or are terminated, are paid for unused accrued vacation time, up to the established maximum accumulation.

Sick Leave

- Employees accrue 10 hours of sick leave each month.
- Accrual of sick leave begins on the date of hire as a permanent full-time employee.
- Part-time employees are not entitled to sick leave.
- Sick leave is cumulative with no maximum accumulation.
- Employees hired prior to 9/1/96, who resign, retire, are terminated or die, are paid 50% of their accumulated unused sick leave at their current rate of pay.
- Employees hired after 9/1/96, who retire or die, are paid 50% of their accumulated unused sick leave up to a maximum payout of 360 hours at their current rate of pay.

Post-Employment Benefits

Plan Description: The Authority provides medical, life insurance, dental and vision benefits to employees who have retired from the Authority. Employees become eligible for these benefits once they have met the service and age requirements of the Employee's Retirement Plan and upon retirement from active service.

At December 31, 2013, there were 387 retired employees and retired spouses utilizing these benefits and 366 active employees accruing future benefits. One hundred percent of all future retirees will be covered under the medical, life insurance, dental and vision plans. The benefits are determined by the Authority's Board of Commissioners.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Post-Employment Benefits (Continued)

Funding Policy: The contribution requirement of the Authority is established by the Authority's Board of Commissioners and may be amended by the same. The Authority has adopted the policy to fully fund its ARC. Plan members are not required to make any contributions to the plan. The actual contributions for the years ended December 31, 2013, 2012 and 2011 were \$11,644,944, \$10,674,291, and \$9,841,446, respectively. See Schedule 2 of the Required Supplementary Information Section for more detail.

Annual OPEB Cost and Net OPEB Obligation: The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$11,644,931, at a funded discount rate of 7.5%. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the Delaware River & Bay Authority Retiree Health Benefits Plan, and changes in the Authority's net OPEB obligation to the Delaware River & Bay Authority's Retiree Health Benefits Plan:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual Required Contribution (ARC)	\$ 11,644,931	\$ 10,654,324	\$ 11,909,895
Interest on the Net OPEB Obligation	906,116	910,539	708,993
Adjustment to the ARC	<u>(949,061)</u>	<u>(933,887)</u>	<u>(798,880)</u>
Annual OPEB Cost	11,601,986	10,630,976	11,820,008
Contributions Made	<u>(11,644,944)</u>	<u>(10,674,291)</u>	<u>(9,841,446)</u>
Increase (Decrease) in Net OPEB Obligation	(42,958)	(43,315)	1,978,562
Net OPEB Obligation - Beginning of Year	<u>12,097,211</u>	<u>12,140,526</u>	<u>10,161,964</u>
Net OPEB Obligation - End of Year	<u><u>\$ 12,054,253</u></u>	<u><u>\$ 12,097,211</u></u>	<u><u>\$ 12,140,526</u></u>

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Post-Employment Benefits (Continued)

Funded Status and Funding Progress: As of January 1, 2012, the most recent actuarial valuation date, the Delaware River & Bay Authority Retiree Health Benefit Plan was 10.96% funded. The actuarial accrued liability for benefits was \$130,580,878 and the actuarial value of assets was \$14,314,439, resulting in an unfunded actuarial accrued liability (UAAL) of \$116,266,439. The covered payroll (annual payroll of active employees covered by the plan) was \$35,991,000, and the ratio of the UAAL to the covered payroll was 323%. 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 financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the Delaware River & Bay Authority Retiree Health Benefits Plan is funded and how this status has changed over the past several years. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Delaware River & Bay Authority Retiree Health Benefits Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

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 of 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.

In the January 1, 2012 actuarial valuation, the entry age normal cost method was used. The objective under this method is to allocate the Actuarial Present Value of the Projected Benefits of each individual on a level dollar basis between entry age and assumed exit age(s). Entry age under this method is the age at hire. The Plan's Normal Cost is the sum of the individual Normal Costs, and the Plan's Actuarial Accrued Liability is the sum of the individual Actuarial Liabilities. Under this method, actuarial gains (losses), as they occur, reduce (Increase) the unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over 26 years (30 years from January 1, 2008) as a level dollar amount on a closed basis. The significant actuarial assumptions include a 7.5% long term funding investment return assumption, an annual healthcare cost trend rate of 7.8% initially, reducing by decrements to an ultimate rate of 4.5% after twenty years, an annual dental cost trend rate of 6.9% initially, reducing by decrements to an ultimate rate of 4.5% after twenty years, a 4% per year salary increase rate for life insurance purposes and the RP2000 mortality table for males and females, projected to 2018 with scale AA.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Pension Plans

Defined Benefit Plan

Plan Description: The Authority maintains a defined benefit contributory pension plan which provides benefits for all full time permanent employees. The Delaware River & Bay Authority Employees Defined Benefit Plan (the DB Plan) is a single employer plan administered by the Authority. As of the valuation date January 1, 2013, there were 371 active participants, 139 terminated members entitled to, but not yet receiving benefits and 286 retirees and/or beneficiaries currently receiving benefits. A member may retire after completing ten (10) years of service and after reaching normal retirement age (sixty (60) years old), except police officers at the age of fifty five (55) or at the age at which twenty five (25) years of service has been completed, whichever occurs first. A member may take early retirement after completing ten (10) years of service and after reaching the age of fifty five (55) or age fifty (50) for police officers. The accrued benefit under early retirement is reduced by 1/3 % for each month that early retirement proceeds normal retirement. Benefits are unreduced after 25 years of service. Employee benefits vest after five (5) years of service. Benefits and refunds of the defined benefit plan are paid when due and payable in accordance with the terms of the plan.

Employees with 25 years or more of service who retire on their normal retirement date are entitled to monthly retirement benefits equal to 75% of their average monthly compensation, offset by 8.75% of their average monthly compensation up to the taxable wage base. For employees who have earned less than 25 years of service as of the end of the plan year in which they attain normal retirement age, such monthly benefits are reduced by one twenty fifth for each such year of service less than 25.

No disability benefits, other than those payable upon retirement, are provided in the plan. If an employee becomes disabled prior to a separation from service or their normal retirement date, then for purposes of determining the disabled employee's accrued benefit, the disabled employee will be deemed to continue to earn compensation at the rate such employee was earning compensation immediately prior to becoming disabled and will be credited with service for the period commencing on the date of disability and ending on the annuity starting date. A disabled employee may elect to receive his benefits on his early retirement date, normal retirement date or late retirement date.

If a participant dies before their retirement date and has been married for a one year period ending on his date of death and completed 10 years of service, the spouse of such participant shall be entitled to the monthly benefit.

A separate, audited GAAP basis pension plan report is not issued for the DB Plan.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Pension Plans (Continued)

Defined Benefit Plan (Continued)

Funding Policy: Active plan members in the DB Plan are required to contribute 3% of annual base earnings up to the Social Security taxable wage base and 5% for amounts in excess of the base. The Authority's funding policy provides for actuarially determined contributions at rates that provide for sufficient assets to be available when benefits are due. The contribution requirements for active plan members are established and can be amended by the Authority as authorized by the Board of Commissioners.

Annual Pension Cost: For fiscal years ended December 31, 2013, 2012 and 2011, the Authority's annual pension costs for the DB Plan were \$5,334,192 and \$6,027,652, and \$6,253,210, respectively. As a contributory plan, Authority employees are required to contribute 3% of annual base earnings up to the Social Security taxable wage base and 5% for amounts in excess of the base. Actual contributions from employees for plan years ending December 31, 2013, 2012 and 2011 were \$630,981, \$625,244, and \$637,361, respectively. In keeping with its funding policy, the Authority contributed 100% of the recommended contributions for those years. Employer contribution information can be found in Schedule 4 as part of the Required Supplementary Information Section.

The required contribution for the year ended December 31, 2013 was determined using the individual Entry Age Normal method. The objective under this method is to allocate the Actuarial Present Value of the Projected Benefits of each individual on a level basis over the earnings of the individual between entry age and assumed exit age. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability. The annual pension cost is calculated using a "one year" lag methodology of funding. Under this methodology, the pension cost for a given year is based on data and assets from the previous year projected forward for one year.

The current actuarial valuation report showing contributions for the Plan Year ending December 31, 2013 include the following significant actuarial assumptions: (a) 7.5% investment rate of return for assets held in the Pension Trust and a 4% return for assets held under the Allmerica Contract, (b) projected annual salary increases of 4%, (c) inflation rate of 3%, (d) RP 2000 mortality table and (e) 50% of DB Plan participants elect a life annuity and 50% elect a lump sum distribution. Post retirement benefit adjustments are addressed on an ad-hoc basis. DB Plan assets are adjusted for valuation purposes using a method based on market value of assets. Under this method, asset gains or losses will be spread over five (5) years. If the result is outside an 80% to 120% corridor around market value, an additional adjustment maintains the actuarial value of assets at the appropriate corridor limit. Funding progress information can be found in Schedule 1 as part of the Required Supplementary Section.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Pension Plans (Continued)

Defined Benefit Plan (Continued)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual Required Contribution (ARC)	\$ 5,286,639	\$ 5,954,948	\$ 6,172,705
Contributions Made	<u>7,334,192</u>	<u>9,027,652</u>	<u>9,795,419</u>
Increase in Net Pension Asset	2,047,553	3,072,704	3,622,714
Net Pension Asset - Beginning of Year	<u>12,233,484</u>	<u>9,160,780</u>	<u>5,538,066</u>
Net Pension Asset - End of Year	<u>\$ 14,281,037</u>	<u>\$ 12,233,484</u>	<u>\$ 9,160,780</u>

Funded Status and Funding Progress: As of January 1, 2014, the most recent actuarial valuation date, the Delaware River & Bay Authority Employees Retirement Plan was 84% funded. The actuarial accrued liability for benefits was \$115,178,032 and the actuarial value of assets was \$96,190,590, resulting in an unfunded actuarial accrued liability (UAAL) of \$18,987,442. The covered payroll (annual payroll of active employees covered by the plan) was \$21,287,029, and the ratio of the UAAL to the covered payroll was 89%. 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 financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the Delaware River & Bay Authority Employees Retirement Plan is funded and how this status has changed over the past several years. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Delaware River & Bay Authority Employees Retirement Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

Actuarial Cost Method: Liabilities and contributions shown in this report are computed using the individual Entry Age Normal method. Entry age under this method is the age at hire. The Plan's Actuarial Accrued Liability is the sum of the individual Actuarial Liabilities. Under this method, actuarial gains (losses), as they occur, reduce (increase) the unfunded Actuarial Accrued Liability.

Unfunded actuarial accrued liability is amortized over 17 years (20 years beginning on January 1, 2009) as a level dollar amount on a closed basis.

The annual pension cost is calculated using a "one-year lag" methodology of funding. Under this methodology, the pension cost for a given year is based on data and assets from the previous year projected forward for one year.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Pension Plans (Continued)

Defined Benefit Plan (Continued)

Asset Valuation Method: Plan assets are adjusted for valuation purposes using a method based on market value of assets. Under this method, asset gains or losses (that is, investment earnings above or below expected earnings) will be spread over five years. If the result is outside an 80% to 120% corridor around market value, an additional adjustment maintains the actuarial value of assets at the appropriate corridor limit.

The actuarial asset value is allocated among the five covered groups in proportion to their present value of benefits.

Beginning January 1, 2011, the actuarial value of assets is calculated reflecting a 4.0% expected return on assets for the assets held by Allmerica and a 7.5% expected return on assets for the assets held by PNC Bank in the Pension Trust.

Below is the condensed Combining Schedule of Net Position Available for Benefits as of December 31, 2013 and 2012:

	2013			
	Pension Trust Funds			OPEB Trust
	Total	PNC	Allmerica	
Total Assets	\$ 111,400,482	\$ 100,802,166	\$ 10,598,316	\$ 35,175,576
Total Liabilities	63,223	63,223	-	-
Held in Trust for Pension and OPEB Benefits	<u>\$ 111,337,259</u>	<u>\$ 100,738,943</u>	<u>\$ 10,598,316</u>	<u>\$ 35,175,576</u>
	2012			
	Pension Trust Funds			OPEB Trust
	Total	PNC	Allmerica	
Total Assets	\$ 97,847,766	\$ 86,353,925	\$ 11,493,841	\$ 22,762,205
Total Liabilities	-	-	-	33,444
Held in Trust for Pension and OPEB Benefits	<u>\$ 97,847,766</u>	<u>\$ 86,353,925</u>	<u>\$ 11,493,841</u>	<u>\$ 22,728,761</u>

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Pension Plans (Continued)

The condensed Combining Schedule of Changes in Net Position Available for Benefits for the Fiduciary Funds for the years ended December 31, 2013 and 2012 is shown below:

	2013			
	Pension Trust Funds			OPEB Trust
	Total	PNC	Allmerica	
Total Additions	\$ 20,862,265	\$ 20,530,885	\$ 331,380	\$ 12,446,815
Total Deductions	7,372,772	6,145,867	1,226,905	-
Net Increase (Decrease)	13,489,493	14,385,018	(895,525)	12,446,815
Net Position Available for Pension and OPEB Benefits:				
Beginning of Year	97,847,766	86,353,925	11,493,841	22,728,761
End of Year	\$ 111,337,259	\$ 100,738,943	\$ 10,598,316	\$ 35,175,576
	2012			
	Pension Trust Funds			OPEB Trust
	Total	PNC	Allmerica	
Total Additions	\$ 18,945,953	\$ 18,587,118	\$ 358,835	\$ 8,414,322
Total Deductions	7,141,512	5,848,102	1,293,410	-
Net Increase (Decrease)	11,804,441	12,739,016	(934,575)	8,414,322
Net Position Available for Pension and OPEB Benefits:				
Beginning of Year	86,043,325	73,614,909	12,428,416	14,314,439
End of Year	\$ 97,847,766	\$ 86,353,925	\$ 11,493,841	\$ 22,728,761

Defined Contribution Plan

Plan Description: The Authority maintains a defined contribution plan which provides savings incentives and additional retirement security for all full time employees. The Delaware River and Bay Authority Employees' Defined Contribution Plan (the DC Plan) is a single employer, profit sharing plan which is administered by the Authority. The Authority has the authorization to establish or amend provisions of the DC Plan as authorized by the Board of Commissioners.

The DC Plan is a tax qualified plan under Sections 401 (a) and 457 (b) of the Internal Revenue Codes and all contributions by or on behalf of employees are tax deferred until time of withdrawal. Employee contributions and earnings thereon are 100% vested at all times, while Authority contributions and earnings thereon are 100% vested after five years. Benefits paid from the DC Plan depend solely on amounts contributed to the Plan plus earnings on investments, which are directed by employees in individual accounts through an insurer. A separate, audited GAAP basis pension plan report is not issued for the DC Plan.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Pension Plans (Continued)

Defined Contribution Plan (Continued)

Funding Policy: The contribution requirements for both the employees and employer are established and amended by the Authority as authorized by the Board of Commissioners. Authority employees are required to contribute 2% of their base salary. In addition, employees can contribute an optional 2% of their base salary into the plan. The Authority contributes a 25% match to the required 2% contribution and a 75% match to the optional 2% contribution. The employees' contributions were \$1,216,491, \$1,359,161, and \$1,405,289 for 2013, 2012 and 2011, respectively. The Authority's contribution was \$393,570, \$394,739, and \$406,430 for 2013, 2012 and 2011, respectively. As of December 31, 2013, the value of the DC Plan was \$25,474,256.

Health Claims Liability

The Authority maintains an Administrative Service Only (ASO) arrangement with Blue Cross Blue Shield of Delaware (BCBS of DE). Under the ASO, the Authority provides five health related Plans available to active employees and retirees. The Plans include: Preferred Provider Organization Plan, Managed Care Plan, Medicare Supplement Plan, Prescription Drug Plan and Dental Care Plan. BCBS of DE is paid a monthly fee to administer each Plan. The fee is based on the number and type of Plans utilized by each employee and retiree. The Authority is self insured for claims under the Plans, with stop loss protection of \$125,000 per claim. At the end of each fiscal year, BCBS of DE estimates the outstanding claims liability for the Plans. Scheduled below is a reconciliation of the changes in claims liability for the fiscal years ending December 31, 2013, 2012 and 2011.

	2013	2012	2011
Beginning Claims Liability - 1/1	\$ 537,115	\$ 664,395	\$ 714,396
Total Incurred Claims	3,314,249	5,826,040	8,410,835
Total Paid Claims	(3,576,103)	(5,953,320)	(8,499,336)
Insurance Claims Payable Due	118,261	48,077	38,450
Ending Claims Liability - 12/31	<u>\$ 393,522</u>	<u>\$ 537,115</u>	<u>\$ 664,395</u>

Loans Payable

Development Agreement – Cumberland Empowerment Zone Corp.

In September 2002, the Authority entered into a development agreement with the City of Millville and the Cumberland Empowerment Zone Corp. (CEZC) to develop and construct a 40,000 square foot aviation maintenance hangar and aviation incubator building at the Millville Airport. The project was funded partially by the Authority (\$1,500,000), through grants provided by the United States Economic Development Administration (\$1,620,000) and the New Jersey Department of Transportation (\$250,000) and a loan from CEZC (\$1,200,000).

Upon completion of the project and leasing of the facility, the Authority and the CEZC shall on a pari passu basis, share in the net proceeds generated from the lease of the project improvements. The proceeds shall be used to recover each party's respective investment over a twenty (20) year period with interest accruing at a rate of seven percent (7%) per year on the CEZC loan and at 7% per year on the Authority's investment. The hangar facility is fully leased. A total of \$111,643 was paid to the CEZC in FY 2013. The balance of the loan at December 31, 2013 is \$987,586.

DELAWARE RIVER AND BAY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Lease Obligations

New Castle County Airport Lease

The Authority leases real property from New Castle County constituting the New Castle County Airport for a period of thirty years. The lease commenced in 1995. The lease is automatically renewed for two additional periods of thirty years each unless not later than sixty months prior to the expiration of the initial or first renewal term, either party shall deliver notice to the other party of its intention not to renew. Lease payments will be one dollar per year together with a sum equal to the debt service on certain obligations of the lessor.

Cape May County Airport Lease

The Authority leases real property from Cape May County constituting the Cape May County Airport for a period of thirty years. The lease commenced in June 1999. The lease is automatically renewed for two additional periods of thirty years each, unless no later than sixty months prior to the expiration of the initial or first renewal term, either party shall deliver notice to the other party of its intention not to renew. Lease payments will be one dollar per year together with a sum equal to the debt service on certain obligations of the lessor.

Civil Air Terminal Lease

The Authority leases real property from the State of Delaware constituting the Civil Air Terminal for a period of thirty years. The lease commenced in August 1999. The lease is automatically renewed for two additional periods of thirty years each, unless not later than sixty months prior to the expiration of the initial or first renewal term, either party shall deliver notice to the other party of its intention not to renew. Lease payments will be one dollar per year.

Millville Airport Lease

The Authority leases real property from the City of Millville constituting the Millville Airport for a period of thirty years. The lease commenced in October 1999. The lease is automatically renewed for two additional periods of thirty years each, unless not later than sixty months prior to the expiration of the initial or first renewal term, either party shall deliver notice to the other party of its intention not to renew. Lease payments will be one dollar per year.

Delaware Air Park Lease

The Authority leases real property from the State of Delaware constituting the Delaware Air Park for a period of thirty years. The lease commenced in July 2000. The lease is automatically renewed for two additional periods of thirty years each, unless not later than sixty months prior to the expiration of the initial or first renewal term, either party shall deliver notice to the other of its intention not to renew. Lease payments will be one dollar per year.

Delaware Breakwater Lighthouse

On November 12, 2001, the Authority entered into a lease with the State of Delaware, Division of Historical and Cultural Affairs to incorporate the Delaware Breakwater Lighthouse as an enhancement to the Cape May – Lewes ferry's foot passenger/educational outreach programs.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Lease Obligations (Continued)

Delaware Breakwater Lighthouse (Continued)

The initial term of the lease is for ten years expired on June 30, 2011. Lease payments were one dollar per year.

In July 2010, the Authority notified the State of Delaware of their intention not to renew the lease for a successive ten year term that begins at the conclusion of the initial term. The Authority continued to commit resources for the Delaware Breakwater Lighthouse program through the end of the 2011 fiscal year.

In January 2013, the Authority agreed to make a lease termination payment in the amount of \$100,000 to the State of Delaware, Department of Historical and Cultural Affairs for purposes of the continued maintenance and preservation of the Breakwater Lighthouse and obtain an appropriate release of liability.

Diamond State Port Corporation

On March 1, 2005, the Authority entered into a twenty year agreement to lease warehouse facilities from the Diamond State Port Corporation (DSPC) located at the Port of Wilmington, Delaware. Terms of the lease require the Authority to pay rent of \$4,000,000 which will be paid to the DSPC as construction of the warehouse progresses, but only after the DSPC's share of construction costs are paid by the DSPC.

On March 1, 2005, the Authority entered into an agreement with the DSPC to operate the warehouse facility. DSPC will guarantee monthly payments over a maximum term of twenty years for the repayment of the Authority's prepaid rent of \$4,000,000. DSPC's guaranteed monthly payments shall include interest at a rate which provides an internal rate of return on net present value of 2.8%.

The agreement also provides that the City of Wilmington, Delaware, will honor the lease in the event of default by DSPC.

Bonded Indebtedness

At December 31, 2013, the Authority had \$320,730,000 in revenue and refunding revenue bonds outstanding. The bonds were issued in 2004, 2005, 2008 and 2012. These bonds were issued pursuant to the Trust Agreement dated October 1, 1993 between the Authority and the Bank of New York Mellon.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

Advanced Refunding and Defeased Debt

In November 2012, the Authority issued \$58,635,000 in Series 2012A revenue bonds and \$38,020,000 in Series 2012B refunding bonds with interest rates ranging from 3% to 5%. The proceeds of the Series 2012A Bonds are to be used for funding a portion of various capital projects relating to the Authority's current five-year capital plan. The proceeds of the 2012B Bonds along with other available Authority funds were used to advance refund \$43,470,000 of outstanding 2003 revenue bonds which had interest rates ranging from 4% to 5%. The net proceeds of \$40,648,626 (including a \$2,941,205 of net original issue premium) along with \$3,908,124 of other available Authority funds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on refunded bonds until the call date of January 1, 2013. As a result, the 2003 bonds are considered defeased and the liability for those bonds has been removed from statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$397,841. This amount is recorded as a deferred charge on refunding and is amortized over the shorter of the life of the refunded or refunding debt. The Authority advance refunded the 2003 revenue bonds to reduce its total debt service payments over 20 years by \$12,722,377 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$8,810,995.

In prior years, the Authority advance refunded certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The investments and fixed earnings from the trust investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Authority's financial statements.

Outstanding Bonds

	Annual Interest Rate	Bond Maturity Year Ending January 1,	Principal Amount	Interest	Total Debt Service
Series 2004	5.00%	2014	\$ 5,510,000	\$ 1,054,750	\$ 6,564,750
	5.00%	2015	5,785,000	779,250	6,564,250
	5.00%	2016	6,070,000	490,000	6,560,000
	5.00%	2017	3,730,000	186,500	3,916,500
Total Series 2004			<u>\$ 21,095,000</u>	<u>\$ 2,510,500</u>	<u>\$ 23,605,500</u>

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

Outstanding Bonds (Continued)

	Annual Interest Rate	Bond Maturity Year Ending January 1,	Principal Amount	Interest	Total Debt Service
Series 2005	3.6/5.00%	2014	\$ 4,090,000	\$ 8,547,565	\$ 12,637,565
	3.75/5.00%	2015	4,240,000	8,400,325	12,640,325
	3.75/5.00%	2016	4,455,000	8,190,075	12,645,075
	5.00%	2017	7,415,000	7,967,325	15,382,325
	4.0/5.00%	2018	11,890,000	7,596,575	19,486,575
	4.0/5.00%	2019	12,490,000	7,003,575	19,493,575
	4.0/5.00%	2020	13,100,000	6,389,375	19,489,375
	4.125/5.00%	2021	13,750,000	5,741,875	19,491,875
	4.0/5.00%	2022	14,425,000	5,067,500	19,492,500
	5.00%	2023	12,215,000	4,346,250	16,561,250
	5.00%	2024	12,825,000	3,735,500	16,560,500
	4.37/5.00%	2025	13,465,000	3,094,250	16,559,250
	4.125/5.00%	2026	14,135,000	2,421,250	16,556,250
	5.00%	2027	14,840,000	1,714,500	16,554,500
	5.00%	2028	15,585,000	972,500	16,557,500
	4.35/5.00%	2029	4,060,000	193,250	4,253,250
Total Series 2005			<u>\$ 172,980,000</u>	<u>\$ 81,381,690</u>	<u>\$ 254,361,690</u>
Series 2008	4.50%	2014	\$ -	\$ 1,350,000	\$ 1,350,000
	4.50%	2015	-	1,350,000	1,350,000
	4.50%	2016	-	1,350,000	1,350,000
	4.50%	2017	-	1,350,000	1,350,000
	4.50%	2018	-	1,350,000	1,350,000
	4.50%	2019	-	1,350,000	1,350,000
	4.50%	2020	-	1,350,000	1,350,000
	4.50%	2021	-	1,350,000	1,350,000
	4.50%	2022	-	1,350,000	1,350,000
	4.50%	2023	-	1,350,000	1,350,000
	4.50%	2024	-	1,350,000	1,350,000
	4.50%	2025	-	1,350,000	1,350,000
	4.50%	2026	-	1,350,000	1,350,000
	4.50%	2027	-	1,350,000	1,350,000
	4.50%	2028	12,300,000	1,350,000	13,650,000
	4.50%	2029	17,700,000	796,500	18,496,500
Total Series 2008			<u>\$ 30,000,000</u>	<u>\$ 21,046,500</u>	<u>\$ 51,046,500</u>

(1) Series 2008 are variable rate revenue bonds. The interest rate is adjusted weekly as determined by the Remarketing Agent. The assumed interest rate for Fiscal years 2012 – 2029 is 4.5%. The Letter of Credit securing these bonds expires on December 16, 2014; therefore, the bonds have been classified as long-term liabilities.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

Outstanding Bonds (Continued)

	Annual Interest Rate	Bond Maturity Year Ending January 1,	Principal Amount	Interest	Total Debt Service
Series 2012	-	2014	\$ -	\$ 4,175,513	\$ 4,175,513
	-	2015	-	4,175,513	4,175,513
	-	2016	-	4,175,513	4,175,513
	-	2017	-	4,175,513	4,175,513
	-	2018	-	4,175,513	4,175,513
	-	2019	-	4,175,513	4,175,513
	-	2020	-	4,175,513	4,175,513
	-	2021	-	4,175,513	4,175,513
	-	2022	-	4,175,513	4,175,513
	5.00%	2023	2,780,000	4,175,513	6,955,513
	5.00%	2024	2,915,000	4,036,513	6,951,513
	5.00%	2025	3,060,000	3,890,763	6,950,763
	3.00%	2026	3,220,000	3,737,763	6,957,763
	4.00%	2027	3,315,000	3,641,163	6,956,163
	4.00%	2028	3,445,000	3,508,563	6,953,563
	4.00%	2029	3,585,000	3,370,763	6,955,763
	4.00%	2030	3,725,000	3,227,363	6,952,363
	4.0/3.00%	2031	11,175,000	3,078,363	14,253,363
	4.0/3.125%	2032	11,585,000	2,670,113	14,255,113
	4.0/3.25%	2033	12,005,000	2,241,625	14,246,625
	5.00%	2034	3,250,000	1,792,250	5,042,250
	5.00%	2035	3,415,000	1,629,750	5,044,750
	5.00%	2036	3,585,000	1,459,000	5,044,000
	5.00%	2037	3,765,000	1,279,750	5,044,750
	5.00%	2038	3,950,000	1,091,500	5,041,500
	5.00%	2039	4,150,000	894,000	5,044,000
	5.00%	2040	4,355,000	686,500	5,041,500
	5.00%	2041	4,575,000	468,750	5,043,750
	5.00%	2042	4,800,000	240,000	5,040,000
Total Series 2012			<u>\$ 96,655,000</u>	<u>\$ 84,699,622</u>	<u>\$ 181,354,622</u>
Total Bonded Indebtedness					\$ 320,730,000
Less:					
Current Portion					(9,600,000)
Premium on Bonds					<u>14,852,790</u>
Total Long-Term Bond Indebtedness					<u>\$ 325,982,790</u>

Several of the series of bonds may be redeemed in whole or in part prior to their respective maturities, subject to certain requirements, including prepayment premiums.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Summary of Long-Term Liabilities

	Outstanding Jan. 1, 2013	Additions	Reductions	Outstanding Dec. 31, 2013	Current Due Within One Year
Revenue Bonds Payable	\$ 328,120,000	\$ -	\$ (7,390,000)	\$ 320,730,000	\$ 9,600,000
Premium on Revenue Bonds	16,046,876	-	(1,194,086)	14,852,790	-
Loans Payable	1,028,529	-	(40,943)	987,586	43,903
OPEB Obligation	12,097,211	11,601,986	(11,644,944)	12,054,253	-
Compensated Absences	5,314,199	251,685	(563,414)	5,002,470	742,672
Total Long-Term Liabilities	\$ 362,606,815	\$ 11,853,671	\$ (20,833,387)	\$ 353,627,099	\$ 10,386,575

	Outstanding Jan. 1, 2012	Additions	Reductions	Outstanding Dec. 31, 2012	Current Due Within One Year
Revenue Bonds Payable	\$ 283,695,000	\$ 96,655,000	\$ (52,230,000)	\$ 328,120,000	\$ 7,390,000
Premium on Revenue Bonds	7,907,350	9,819,199	(1,679,673)	16,046,876	-
Loans Payable	1,066,712	-	(38,183)	1,028,529	40,943
OPEB Obligation	12,140,526	10,630,976	(10,674,291)	12,097,211	-
Compensated Absences	5,949,651	80,820	(716,272)	5,314,199	684,986
Total Long-Term Liabilities	\$ 310,759,239	\$ 117,185,995	\$ (65,338,419)	\$ 362,606,815	\$ 8,115,929

Deferred Inflows

Forward Purchase Agreement

On December 4, 1997, the Authority entered into a forward purchase agreement with a forward commitment provider. Under the terms of the agreement, the Authority received a lump sum cash payment of \$8,191,000 in exchange for granting the provider the right to invest the monies in the Debt Service Reserve Funds for the Authority's Series 1993 and Series 1996 Revenue Bonds and the right to the income thereon through 2026. The terms of the original agreement were amended through the issuance of a Supplemental Agreement dated September 1, 2004, which corresponded with the Authority's 2004 refunding of portions of the Series 1993 and Series 1996 Revenue Bonds. The Debt Service Reserve Fund investments remain the property of the Authority and are deposited with the Trustee. As of December 31, 2013, the Authority held \$10,209,969 in the Debt Service Reserve Fund with the Trustee that was subject to the provisions of the agreement.

Forward Delivery Agreements – 1993 & 1996 Debt Service Funds

On August 16, 2000, the Authority entered into Forward Delivery Agreements with a forward commitment provider. The agreements are for the investment of monies paid into the Debt Service Funds for the Authority's Series 1993 and Series 1996 Revenue Bonds. The terms of the original agreements were amended through the issuance of Supplemental Agreements dated September 1, 2004, which expanded the definition of the Debt Service Funds covered by the agreements to also include the Authority's Series 2004 Refunding Revenue Bonds, to the extent these bonds were utilized to refund the Series 1993 and Series 1996 Revenue Bonds. The Debt Service Fund investments remain the property of the Authority and are deposited with the Trustee.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 DETAIL NOTES — LIABILITIES (CONTINUED)

Deferred Inflows (Continued)

Forward Delivery Agreements – 1993 & 1996 Debt Service Funds (Continued)

Under the terms of the agreements, as awarded, the Authority receives guaranteed interest rates of return on investments held in the Debt Service Funds in exchange for granting the provider the right to invest the monies in the Debt Service Funds over the terms of the agreements. The initial periods ran from August 16, 2000 to May 30, 2025. The guaranteed interest rates are reset on May 20th of each year based on the 5 year Constant Maturity. The rate determined in a given year is then applied to the Forward Delivery Agreement securities delivered to the Trustee for the year from and including 4 years after the reset date. The applied rates in effect for the Authority's year ending December 31, 2013 were reset on May 20, 2005 and May 20, 2006 respectively. The 2005 reset was applicable to the deliveries from 1/1/10 through 5/25/2010 and the 2006 reset was applicable to the deliveries from 5/26/10 through 12/31/10. For agreements, the 2005 and 2006 resets were 5.06%.

Commitments

The Authority has outstanding commitments of approximately \$5,562,228 on construction projects entered into through December 31, 2013.

NOTE 5 AGREEMENTS

Delaware City – Salem Ferry

On March 18, 1997, the Commissioners authorized the execution of an agreement with the Delaware Division of Parks and Recreation and the New Jersey Division of Parks and Forestry to operate a ferry crossing between Fort Mott, New Jersey, Delaware City, Delaware and Fort Delaware on Pea Patch Island. The terms of the Agreement are as follows:

The Authority purchased the ferry vessel, Delafort, from the Delaware Division of Parks and Recreation. The Authority signed the Delaware Ferry Landing and Operating Agreement for an initial term of five years with three renewable five year terms. Under this Agreement, the Authority pays the Delaware Parks Department a monthly fee for each passenger who purchases a ticket to Fort Delaware. These funds will support historical programs and re-enactments at Fort Delaware.

The Authority signed the New Jersey Ferry Landing and Operating Agreement with the New Jersey Division of Parks and Forestry for an initial period of ten years with two renewable five year terms. Under this agreement, the Authority pays the New Jersey Division of Parks and Forestry an annual fee for the initial ten year period. These funds will be used to off-set the cost of the refurbished historic pier and docking facility at Fort Mott.

On August 21, 2001, the Commissioners authorized the execution of an agreement with Delaware City and the New Castle Conservation District to purchase and lease five parcels of land to be used for the development of a parking facility and gateway area in support of the Delaware City – Salem Ferry Operation.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 5 AGREEMENTS (CONTINUED)

Salem Business Center

On November 15, 2009, the Authority entered into an agreement with Emory Hill Real Estate Services, Inc., to manage the land and buildings at the Salem Business Center located in Carney's Point, New Jersey. The initial term of the agreement was for twenty four months, with three optional one year renewals.

The operating results for the Salem Business Center for Fiscal Years 2013, 2012 and 2011 were as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating Income	\$ 1,470,506	\$ 1,326,559	\$ 1,382,732
Operating Expenses	<u>(784,904)</u>	<u>(747,977)</u>	<u>(791,761)</u>
Net Income	<u>\$ 685,602</u>	<u>\$ 578,582</u>	<u>\$ 590,971</u>

As of December 31, 2013, two (2) tenants are under lease at the Salem Business Center. Based on the current tenant situation, projected revenues for Fiscal Years 2014 and 2015 are \$1,611,357 and \$1,656,774, respectively. The office building contains 73,415 square feet of available lease able space, of which 54,312 is rented.

Riverfront Market and Restaurant

On December 1, 2009, the Authority entered into an agreement with Deaton McCue and Company, Inc., to manage the land and buildings at the Riverfront Market and Restaurant, located in Wilmington, Delaware. The initial term of the agreement was for twenty four months, with three optional one year renewals. Effective December 31, 2011, Deaton McCue and Company elected to terminate the agreement to manage the Riverfront Market.

Effective January 1, 2012, Emory Hill Real Estate Services, Inc. has agreed to provide management services to the Riverfront Market and Restaurant until a new firm can be selected under the Authority's formalized bid process.

The operating results for the Riverfront Market and Restaurant for Fiscal Years 2013, 2012 and 2011 were as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating Income	\$ 392,110	\$ 380,918	\$ 398,889
Operating Expenses	<u>(333,581)</u>	<u>(312,201)</u>	<u>(319,342)</u>
Net Income	<u>\$ 58,529</u>	<u>\$ 68,717</u>	<u>\$ 79,547</u>

As of December 31, 2013, nine (9) tenants are under lease at the Riverfront Market and Restaurant. Based on the current tenant lease structure, available square footage and current economic condition, projected revenues for Fiscal Years 2014 and 2015 are \$388,315 and \$396,939, respectively. The Marketplace contains 9,201 square feet of available leasable space of which 8,729 is rented.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

NOTE 5 AGREEMENTS (CONTINUED)

Delaware State University

On June 15, 2004, the Authority was authorized to enter into a Development Agreement with Delaware State University (DSU) to provide funding for a 15,000 square foot office and hangar building at Delaware Air Park, Cheswold, Delaware. Funding under the agreement provides an amount not to exceed \$1,250,000 towards the development costs of 9,850 square feet of the hangar facility to be utilized by DSU. DSU's obligation under the agreement is to pay to the Authority an amount equal to the amount expended by the Authority for the development of DSU's portion of the building. Payments shall be made monthly over a term not to exceed 240 months including interest that provides an internal rate of return of 2.8% on net present value.

Collective Bargaining Agreement

On March 29, 2001, a unit of marine employees at the Cape May-Lewes Ferry elected the Marine Engineers Beneficial Association to become their exclusive bargaining representatives. The marine employee unit is comprised of all permanent full time Pilots, Chief Engineers and First Assistant Engineers and all permanent full time and permanent part time Able Bodied Seaman, Ordinary Seaman, Oilers, Third Assistant Engineers and Mates. Beginning in August 2002, the Authority has entered into collective bargaining agreements with the Marine Engineers Beneficial Association ("MEBA"). On December 15, 2009, the Authority entered into a new agreement, retroactive to July 1, 2007 which expired on June 30, 2012. As of December 31, 2013, the marine unit accounts for fifty-seven (57) employees working at the Cape May-Lewes Ferry.

On September 23, 2004, a group of employees at the Authority elected the International Union of Operating Engineers, Local 542 to become their exclusive bargaining representatives.

The group is comprised of all permanent full time and permanent part time maintenance employees, airport employees, toll collectors and food service employees. As of December 31, 2013, this group consisted of one hundred twelve (112) employees working throughout all Authority facilities. An agreement with Local 542 was entered into on March 16, 2010. The term of the agreement is retroactive to January 1, 2009 and expired on December 31, 2012.

On February 19, 2010, a group of employees at the Authority elected the Fraternal Order of Police (FOP), Lodge #14 to become their exclusive bargaining representatives. The group is comprised of all permanent full time Patrol Officers, Patrol Officers First Class, Corporals, Senior Corporals and Master Corporals. On July 19, 2011, the Authority entered into a collective bargaining agreement with the (FOP), Lodge #14. The term of the agreement is retroactive to January 1, 2010 and expired on December 31, 2012. As of December 31, 2013, this group consisted of thirty-five (35) employees throughout all Authority facilities.

The Authority is currently negotiating, separately, with each collective bargaining unit. It anticipates having agreements in place before the end of the calendar year 2014.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 6 RISK MANAGEMENT

Net Position Designated for Self Insurance Fund Program

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded coverage for the past several years.

On January 1, 1987 the Authority established a self-insurance fund program. The purpose of this program is to increase the deductible amounts on various insurance policies thereby decreasing the premiums and to fund all or part of the remaining insurance premiums. The program is maintained within the General Fund. For fiscal years 2013, 2012 and 2011, the Authority internally designated and reserved \$8,000,000 as a General Fund Reserve for the Self Insurance Fund Program. Actual expenditures under the program for fiscal years 2013, 2012 and 2011 are as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Self Insurance Expenses	<u>\$ 735,142</u>	<u>\$ 1,225,754</u>	<u>\$ 462,279</u>

Workers Compensation Plan – Letter of Credit

The Authority provides workers compensation insurance to protect its employees for on the job injuries. The Authority utilizes a high deductible plan through American Casualty Company of Reading (CNA). Under this plan, the Authority is required to provide collateral to protect CNA against default by the Authority for not reimbursing the insurer for claims. As collateral, the Authority has in place a Letter of credit with Wilmington Trust Company in the amount of \$1,420,000. The collateral covers the workers compensation policy periods, January 1, 2008 through January 1, 2009, January 1, 2009 through January 1, 2010, January 1, 2010 through January 1, 2011, January 1, 2011 through January 1, 2012, January 1, 2012 through January 1, 2013 and January 1, 2013 through January 1, 2014. Since its inception, the Letter of Credit has never been called upon.

NOTE 7 CONTINGENCIES

Litigation

The Authority is a defendant or co-defendant in certain litigation arising out of normal operations of the Authority. It is management's opinion that the ultimate resolution of all pending litigation will not have a material adverse effect on the Authority's assets, liabilities or results of operations.

NOTE 8 SUBSEQUENT EVENTS

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through June 5, 2014, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2013

Schedule 1

SCHEDULE OF FUNDING PROGRESS FOR THE OPEB PLAN
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability - (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/07	---	\$ 75,208	\$ 75,208	---	\$ 22,730	331%
01/01/09	---	\$ 95,774	\$ 95,774	---	\$ 22,351	428%
01/01/11	\$ 7,952	\$ 100,447	\$ 92,495	7.92%	\$ 21,562	429%
01/01/12	\$ 14,314	\$ 130,581	\$ 116,266	10.96%	\$ 35,991	323%

Schedule 2

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE OPEB PLAN
(in thousands)

Year Ended <u>December 31,</u>	Annual Required <u>Contribution (ARC)</u>	Percentage of <u>ARC Contributed</u>
2013	\$ 11,645	100.00%
2012	\$ 10,654	100.00%
2011	\$ 11,910	100.00%
2010	\$ 11,133	100.00%
2009	\$ 8,635	39.10%

DELAWARE RIVER AND BAY AUTHORITY
FIDUCIARY FUND
PENSION TRUST FUND
SCHEDULE OF FUNDING PROGRESS
December 31, 2013

Schedule 3

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Total Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability to Annual Covered Payroll</u>
1/1/2004	57,051,336	61,515,132	(4,463,796)	92.7%	19,596,929	22.8%
1/1/2005	58,984,201	63,283,149	(4,298,948)	93.2%	20,778,374	20.7%
1/1/2006	62,437,338	69,671,370	(7,234,032)	89.6%	22,106,492	32.7%
1/1/2007	66,361,928	72,532,005	(6,170,077)	91.5%	22,730,636	27.1%
1/1/2008	68,388,865	74,890,933	(6,502,068)	91.3%	22,235,761	29.2%
1/1/2009	57,055,573	83,940,365	(26,884,792)	68.0%	22,800,768	117.9%
1/1/2010	73,412,768	105,006,579	(31,593,811)	69.9%	22,138,852	142.7%
1/1/2011	82,999,104	111,987,288	(28,988,184)	74.1%	21,561,988	134.4%
1/1/2012	89,263,803	113,054,096	(23,790,293)	79.0%	21,225,083	112.1%
1/1/2013	96,190,590	115,178,032	(18,987,442)	83.5%	21,287,029	89.2%

DELAWARE RIVER AND BAY AUTHORITY
FIDUCIARY FUND
PENSION TRUST FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
December 31, 2013

Schedule 4

<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
2004	3,565,080	100%
2005	3,741,569	100%
2006	4,273,545	100%
2007	4,982,362	100%
2008	5,581,258	100%
2009	5,529,631	100%
2010	5,965,828	100%
2011	6,172,705	100%
2012	5,954,948	100%
2013	5,286,639	100%

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2013

NOTE 1 INTRODUCTION

The accompanying schedules related to the Pension Trust fund administered by the Authority and the OPEB plan are presented as required by GASB statements No. 25 and 45, respectively.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are presented using the accrual basis of accounting. This basis of accounting is described in Note 1 to the Authority's financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Authority's financial statements.

NOTE 4 SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER CONTRIBUTIONS

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	<u>Defined Benefit Plan</u>
Valuation Date	1/01/2012
Actuarial Cost Method	Entry Age Normal Method
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.5%
Projected Salary Increases	4.0%

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2013

NOTE 5 OTHER POST EMPLOYMENT BENEFITS

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	January 1, 2012
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Closed, Level Dollar Method
Remaining Amortization Period	26 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.5%
Rate of Salary Increases	4%
Rate of Medical Inflation	8.5% grading to 4.5% in 20 years
Rate of Dental Inflation	7.0% grading to 4.5% in 20 years

The annual required contribution (ARC) is composed of the normal cost plus amortization of the unfunded actuarial accrued liability (UAAL). The normal cost is the portion of the actuarial present value of projected plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. This allocation is performed for each individual on a level dollar basis over the period of service between entry age (age at hire) and assumed exit age(s). The actuarial accrued liability (AAL) is that portion of the present value of projected benefits that will not be paid by future employer normal costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial liability (UAAL).

OTHER SUPPLEMENTARY SCHEDULES

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2013

SCHEDULE 5

		Restricted						
		Combined			Reserve	Construction	Debt	Debt Service
	Totals	Revenue Funds	Airport	General	Maintenance	Funds	Service Funds	Reserve Funds
ASSETS								
Current Assets:								
Unrestricted Assets:								
Cash and Cash Equivalents	\$ 6,877,340	\$ 5,049,655	\$ 1,418,005	\$ 409,680	\$ -	\$ -	\$ -	\$ -
Investments	82,130,622	10,862,859	-	71,267,763	-	-	-	-
Operating Revenues Receivable	3,850,735	3,691,031	159,704	-	-	-	-	-
Accrued Investment Income Receivable	254,133	55	-	254,078	-	-	-	-
Note Receivable (Current Portion)	183,231	-	-	183,231	-	-	-	-
Other Accounts Receivable	1,768,757	1,269,276	-	499,481	-	-	-	-
Federal Grants Receivable	1,872,141	-	-	1,872,141	-	-	-	-
Inventory	4,314,297	4,249,633	64,664	-	-	-	-	-
Interfunds Receivable	80,199,843	16,387,113	1,217,391	62,595,339	-	-	-	-
Prepaid Expenses	1,118,780	1,023,815	94,965	-	-	-	-	-
Total Unrestricted Assets	182,569,879	42,533,437	2,954,729	137,081,713	-	-	-	-
Restricted Assets:								
Investments	91,877,408	-	-	-	4,003,605	46,892,381	16,609,556	24,371,866
Accrued Investment Income Receivable	284,625	-	-	-	8,186	173,163	-	103,276
Interfunds Receivable	25,582,343	-	-	-	2,088,209	8,170,905	13,551,444	1,771,785
Total Restricted Assets	117,744,376	-	-	-	6,100,000	55,236,449	30,161,000	26,246,927
Total Current Assets	300,314,255	42,533,437	2,954,729	137,081,713	6,100,000	55,236,449	30,161,000	26,246,927
Noncurrent Assets:								
Property, Plant and Equipment:								
Completed (Net of Accumulated Depreciation)	434,970,738	-	106,062,573	328,908,165	-	-	-	-
Construction in Progress	44,997,291	-	22,991,670	22,005,621	-	-	-	-
Total Property, Plant and Equipment	479,968,029	-	129,054,243	350,913,786	-	-	-	-
Net Pension Asset	14,281,037	14,281,037	-	-	-	-	-	-
Other Assets:								
Note Receivable	2,506,828	-	-	2,506,828	-	-	-	-
Total Noncurrent Assets	496,755,894	14,281,037	129,054,243	353,420,614	-	-	-	-
Total Assets	\$797,070,149	\$ 56,814,474	\$132,008,972	\$490,502,327	\$ 6,100,000	\$ 55,236,449	\$ 30,161,000	\$ 26,246,927
Deferred Outflows of Resources	\$ 6,586,065	\$ -	\$ -	\$ 6,586,065	\$ -	\$ -	\$ -	\$ -

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2013

SCHEDULE 5

	Restricted							
	Totals	Combined Revenue Funds	Airport	General	Reserve Maintenance	Construction Funds	Debt Service Funds	Debt Service Reserve Funds
LIABILITIES								
Current Liabilities Payable from Unrestricted Assets:								
Accounts Payable	\$ 6,361,441	\$ 3,443,168	\$ 872,735	\$ 2,045,538	\$ -	\$ -	\$ -	\$ -
Accrued Wages Payable	1,133,379	1,036,842	96,537	-	-	-	-	-
Unearned Revenue	968,260	968,260	-	-	-	-	-	-
Liability for Unpaid Health Claims	393,522	-	-	393,522	-	-	-	-
Customer and Security Deposits	163,293	15,336	147,957	-	-	-	-	-
Compensated Absences (Current Portion)	742,672	-	-	742,672	-	-	-	-
Interfunds Payable	80,199,843	39,296,615	1,565,836	39,337,392	-	-	-	-
Total Current Liabilities Payable from Unrestricted Assets	89,962,410	44,760,221	2,683,065	42,519,124	-	-	-	-
Current Liabilities Payable from								
Restricted Assets:								
Accounts Payable	1,707,563	-	-	-	-	1,707,563	-	-
Interfunds Payable	25,582,343	-	-	-	2,100,000	210,257	23,272,086	-
Interest Payable	6,888,914	-	-	-	-	-	6,888,914	-
Loans Payable (Current Portion)	43,903	-	-	43,903	-	-	-	-
Revenue Bonds Payable (Current Portion)	9,600,000	-	-	9,600,000	-	-	-	-
Total Current Liabilities Payable from Restricted Assets	43,822,723	-	-	9,643,903	2,100,000	1,917,820	30,161,000	-
Total Current Liabilities	133,785,133	44,760,221	2,683,065	52,163,027	2,100,000	1,917,820	30,161,000	-
Long-Term Liabilities:								
Compensated Absences	4,259,798	-	-	4,259,798	-	-	-	-
Net OPEB Liability	12,054,253	12,054,253	-	-	-	-	-	-
Loans Payable	943,683	-	-	943,683	-	-	-	-
Revenue Bonds Payable, net	325,982,790	-	-	283,241,197	-	42,741,593	-	-
Total Long-Term Liabilities	343,240,524	12,054,253	-	288,444,678	-	-	-	-
Total Liabilities	\$477,025,657	\$ 56,814,474	\$ 2,683,065	\$340,607,705	\$ 2,100,000	\$ 1,917,820	\$ 30,161,000	\$ -
Deferred Inflows of Resources								
	\$ 2,950,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,950,527

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2013**

SCHEDULE 5

	Totals	Combined Revenue Funds	Airport	General	Restricted			
					Reserve Maintenance	Construction Funds	Debt Service Funds	Debt Service Reserve Funds
NET POSITION								
Net Investment in Capital Assets	\$192,725,311	\$ -	\$129,054,243	\$ 63,671,068	\$ -	\$ -	\$ -	\$ -
Restricted:								
Trust Agreement Covenants	37,873,436	-	-	-	4,000,000	10,577,036	-	23,296,400
Unrestricted	93,081,283	-	271,664	92,809,619	-	-	-	-
Total Net Position	<u>\$323,680,030</u>	<u>\$ -</u>	<u>\$129,325,907</u>	<u>\$156,480,687</u>	<u>\$ 4,000,000</u>	<u>\$ 10,577,036</u>	<u>\$ -</u>	<u>\$ 23,296,400</u>

DELAWARE RIVER AND BAY AUTHORITY

SCHEDULE 6

PROPRIETARY FUND

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Year Ended December 31, 2013

	Unrestricted						Restricted			
	Total	Combined Revenue Funds	Airport	Salem Business Park	Riverfront Market	General	Reserve Maintenance	Construction Funds	Debt Service Funds	Debt Service Reserve Funds
Operating Revenues:										
Bridge Tolls	\$ 95,982,819	\$ 95,982,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ferry Tolls	12,961,833	12,961,833	-	-	-	-	-	-	-	-
Food and Novelty Sales	3,502,290	3,502,290	-	-	-	-	-	-	-	-
Airport Lease Revenue	6,860,873	-	5,376,539	-	-	1,484,334	-	-	-	-
Economic Development Leases	1,425,903	-	-	1,089,035	336,868	-	-	-	-	-
Other Operating Revenue	4,692,081	2,799,096	893,887	381,471	55,242	562,385	-	-	-	-
Operating Expenses:										
Administrative and General:										
Wages and Benefits	(9,068,961)	(8,817,275)	-	-	-	(251,686)	-	-	-	-
Other Expenses	(3,595,803)	(2,789,561)	-	-	-	(806,242)	-	-	-	-
Operations:										
Wages and Benefits	(42,184,114)	(38,428,248)	(3,755,866)	-	-	-	-	-	-	-
Other Expenses	(23,173,697)	(19,577,555)	(2,477,657)	(784,904)	(333,581)	-	-	-	-	-
Depreciation Expense	(23,738,642)	(18,006,544)	(5,282,709)	(410,428)	(38,961)	-	-	-	-	-
Operating Income (Loss)	23,664,582	27,626,855	(5,245,806)	275,174	19,568	988,791	-	-	-	-
Non-operating Income (Expenses):										
Investment Income	1,704,854	11,313	-	-	-	(166,167)	12,965	1,579,843	105,201	161,699
Investment Fees	(633,297)	(147,130)	(19,324)	-	-	(326,037)	(9,593)	(105,496)	-	(25,717)
Interest on Debt	(13,507,504)	-	-	-	-	(126,427)	-	420,621	(13,801,698)	-
Write Off Capital Assets	(1,939,262)	-	-	-	-	(1,939,262)	-	-	-	-
Gain on Sale of Capital Assets	(17,535,931)	-	-	-	-	(17,535,931)	-	-	-	-
Net Non-Operating Income (Expense)	(31,911,140)	(135,817)	(19,324)	-	-	(20,093,824)	3,372	1,894,968	(13,696,497)	135,982
Net Income (Loss) before Transfers and Contributions	(8,246,558)	27,491,038	(5,265,130)	275,174	19,568	(19,105,033)	3,372	1,894,968	(13,696,497)	135,982
Capital Contributions	3,368,279					3,368,279				
Transfers	-	(27,491,038)	9,126,123	(275,174)	(19,568)	1,977,461	(3,372)	2,919,051	13,696,497	70,020
Increase (Decrease) in Net Position	(4,878,279)	-	3,860,993	-	-	(13,759,293)	-	4,814,019	-	206,002
Net Position Jan. 1	328,558,310	-	125,465,002	-	-	170,239,981	4,000,000	5,762,929	-	23,090,398
Net Position Dec. 31	\$ 323,680,031	\$ -	\$ 129,325,995	\$ -	\$ -	\$ 156,480,688	\$ 4,000,000	\$ 10,576,948	\$ -	\$ 23,296,400

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND – REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2013

SCHEDULE 7

	Total	Bridge Revenue Fund	Ferry Revenue Fund	Operations Fund	Delaware City - Salem Ferry Revenue Fund	Concessions Fund
Operating Revenues:						
Bridge Tolls	\$ 95,982,819	\$ 95,982,819	\$ -	\$ -	\$ -	\$ -
Ferry Tolls	12,961,833	-	12,906,570	-	55,263	-
Food and Novelty Sales	3,502,290	127,268	-	-	-	3,375,022
Airport Leases	-	-	-	-	-	-
Economic Development Leases	-	-	-	-	-	-
Other Operating Revenue	2,799,096	2,176,429	587,720	-	-	34,947
Operating Expenses:						
Administrative and General:						
Wages and Benefits	(8,817,275)	-	-	(8,817,275)	-	-
Other Expenses	(2,789,561)	-	-	(2,789,561)	-	-
Operations:						
Wages and Benefits	(38,428,248)	(12,718,346)	(15,571,352)	(7,752,693)	(72,339)	(2,313,518)
Other Expenses	(19,577,555)	(7,811,420)	(9,071,084)	(504,585)	(64,527)	(2,125,939)
Depreciation Expense	<u>(18,006,544)</u>	<u>(8,471,341)</u>	<u>(8,716,021)</u>	<u>(717,100)</u>	<u>(82,227)</u>	<u>(19,855)</u>
Operating Income (Loss)	<u>27,626,855</u>	<u>69,285,409</u>	<u>(19,864,167)</u>	<u>(20,581,214)</u>	<u>(163,830)</u>	<u>(1,049,343)</u>
Non-Operating Income (Expenses):						
Investment Income	11,030	10,686	344	-	-	-
Investment Fees	(147,130)	(147,130)	-	-	-	-
Interest on Debt	-	-	-	-	-	-
Amortization of Debt Issue Costs	-	-	-	-	-	-
Write Off Capital Assets	-	-	-	-	-	-
Other Non-Operating Expenses	-	-	-	-	-	-
Gain on Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Non-Operating Income (Expense)	<u>(136,100)</u>	<u>(136,444)</u>	<u>344</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) Before Transfers and Contributions	<u>\$ 27,490,755</u>	<u>\$ 69,148,965</u>	<u>\$ (19,863,823)</u>	<u>\$ (20,581,214)</u>	<u>\$ (163,830)</u>	<u>\$ (1,049,343)</u>

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
SCHEDULE OF OTHER OPERATING REVENUES
Year Ended December 31, 2013

SCHEDULE 8

	Total	Bridge Revenue Fund	Ferry Revenue Fund	Concessions Fund	Airport Fund	Salem Business Park	Riverfront Market	General Fund
Over & (Short)	\$ (3,904)	\$ (5,162)	\$ (943)	\$ 2,174	\$ 27	\$ -	\$ -	\$ -
Income from Unused Tickets	983,781	867,893	115,888	-	-	-	-	-
Miscellaneous Income	819,185	284,745	26,718	6,333	77,283	(5)	1,506	422,605
Interest Income	5,225	-	-	-	-	4,645	580	-
Bus & Trolley Fares	107,706	-	107,706	-	-	-	-	-
Surcharge Revenue	248,687	-	248,687	-	-	-	-	-
Internet Reservation Fees	15,147	-	15,147	-	-	-	-	-
Binocular Fees	1,945	-	1,945	-	-	-	-	-
Amusement Sales	60,721	-	60,721	-	-	-	-	-
Lottery Sales Commission	11,851	-	11,851	-	-	-	-	-
Insurance Claims	89,333	89,333	-	-	-	-	-	-
Room Rental Fees	26,440	-	-	26,440	-	-	-	-
Vending Commissions	10,884	2,977	-	-	7,907	-	-	-
Electronic Toll Violation Fees	153,155	153,155	-	-	-	-	-	-
E-Z Pass Membership Fees	583,319	583,319	-	-	-	-	-	-
Credit Card Fee Income	270,045	270,045	-	-	-	-	-	-
E-Z Pass Transponder Sales	20,607	20,607	-	-	-	-	-	-
Non-Toll Transaction Fees	11,063	11,063	-	-	-	-	-	-
Disputed Electronic Tolls	(101,546)	(101,546)	-	-	-	-	-	-
Ramp Fees	8,330	-	-	-	8,330	-	-	-
Landing Fees	190,699	-	-	-	190,699	-	-	-
Fuel Sales & Fees	609,641	-	-	-	609,641	-	-	-
Interest on Economic Dev Loans	83,605	-	-	-	-	-	-	83,605
Property Leases	56,175	-	-	-	-	-	-	56,175
Common Area Maintenance	152,505	-	-	-	-	99,349	53,156	-
Electric Reimbursements	210,092	-	-	-	-	210,092	-	-
Property Tax Reimbursements	67,390	-	-	-	-	67,390	-	-
	<u>\$ 4,692,081</u>	<u>\$ 2,176,429</u>	<u>\$ 587,720</u>	<u>\$ 34,947</u>	<u>\$ 893,887</u>	<u>\$ 381,471</u>	<u>\$ 55,242</u>	<u>\$ 562,385</u>

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
SCHEDULE OF FUNCTIONAL OPERATING EXPENSES
Year Ended December 31, 2013

SCHEDULE 9

	<u>Actual</u>
Delaware Memorial Bridge:	
Wages	\$ 5,284,788
Benefits	7,433,558
Education and Training	50,606
Administrative	31,768
Professional Services	281,179
Office Supplies	64,746
Computer Supplies	93,977
Operating Supplies	845,628
Merchant Card Processing Fees	2,784
Facility/Equipment Maintenance	259,149
Uniforms and Safety	78,031
Non-Recurring	926,394
Insurance	1,891,951
Utilities	1,031,540
Electronic Toll Expenses	2,244,319
Bad Debt Expense	9,348
Depreciation	8,471,341
	<u>\$ 29,001,107</u>
Cape May - Lewes Ferry:	
Wages	\$ 7,946,287
Benefits	7,625,065
Education and Training	40,616
Administrative	69,945
Professional Services	111,944
Advertising	480,211
Office Supplies	46,557
Computer Supplies	186,557
Operating Supplies	595,684
Internet Reservation Discount	16,566
Merchant Card Processing Fees	526,658
Facility/Equipment Maintenance	2,047,926
Uniforms and Safety	85,115
Vessel Operations	3,610,245
Utilities	1,253,060
Depreciation	8,716,021
	<u>\$ 33,358,457</u>
	(Continued)

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
SCHEDULE OF FUNCTIONAL OPERATING EXPENSES
Year Ended December 31, 2013

SCHEDULE 9

	<u>Actual</u>
Administration:	
Wages	\$ 4,888,196
Benefits	3,929,079
Administration	239,054
Education and Training	105,875
Professional Services	1,053,854
Office Supplies	239,191
Computer Supplies	181,643
Facility/Equipment Maintenance	676,669
Uniforms and Safety	9,212
Insurance	209,393
Utilities	74,670
Depreciation	572,180
	<u>\$ 12,179,016</u>
Authority Police:	
Wages	\$ 4,082,929
Benefits	3,669,764
Administrative	39,614
Education and Training	19,524
Office Supplies	8,246
Operating Supplies	134,859
Uniforms and Safety	101,858
Insurance	200,484
Depreciation	144,920
	<u>\$ 8,402,198</u>
Concessions:	
Wages	\$ 1,520,540
Benefits	792,978
Education and Training	6,970
Administration	5,960
Advertising	210,247
Professional Services	14,953
Office Supplies	13,493
Operating Supplies	1,557,166
Merchant Card Processing Fees	104,557
Facility/Equipment Maintenance	107,703
Uniforms and Safety	7,728
Insurance	97,162
Depreciation	19,855
	<u>\$ 4,459,312</u>
	(Continued)

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
SCHEDULE OF FUNCTIONAL OPERATING EXPENSES
Year Ended December 31, 2013

SCHEDULE 9

	<u>Actual</u>
Delaware City - Salem Ferry:	
Wages	\$ 67,445
Benefits	4,894
Administration	2,500
Professional Services	17,459
Operating Supplies	7,445
Facility/Equipment Maintenance	570
Uniforms and Safety	-
Vessel Operations	13,449
Insurance	21,727
Utilities	1,377
Depreciation	82,227
	<u>\$ 219,093</u>
Airports Division:	
Wages	\$ 2,069,350
Benefits	1,686,516
Education and Training	13,501
Administration	16,432
Professional Services	225,813
Advertising	87,182
Office Supplies	17,190
Computer Supplies	18,786
Operating Supplies	451,932
Merchant Card Processing Fees	8,806
Facility/Equipment Maintenance	515,495
Uniforms and Safety	10,713
Insurance	506,479
Utilities	605,328
Sinking Fund Expense	-
Depreciation	5,282,709
	<u>\$ 11,516,232</u>
Economic Development:	
Professional Services	\$ 62,447
Advertising	-
Operating Supplies	192,823
Facility/Equipment Maintenance	363,958
Utilities	179,039
Real Estate Taxes	320,219
Sinking Fund Expense	-
Depreciation	449,389
	<u>\$ 1,567,875</u>
General Fund:	
Severance Payout	\$ 251,686
Insurance	735,142
Miscellaneous Projects	70,497
Economic Development	603
Depreciation	-
	<u>\$ 1,057,928</u>
Total Operating Expenses - Exhibit B	<u><u>\$ 101,761,218</u></u>

DELAWARE RIVER AND BAY AUTHORITY
COMBINING SCHEDULE OF NET POSITION AVAILABLE FOR BENEFITS
FIDUCIARY FUND
PENSION AND OPEB TRUST FUNDS
As of December 31, 2013

SCHEDULE 10

	2013	Pension Trust Funds			OPEB Trust	2012
ASSETS		Total	PNC	Allmerica		
Investments at Fair Value:						
Money Market Funds	\$ 864,487	\$ 795,911	\$ 795,911	\$ -	\$ 68,576	\$ 4,937,671
Mutual Funds	91,580,771	65,417,724	65,417,724	-	26,163,047	68,555,613
Corporate Bonds	10,293,765	10,293,765	10,293,765	-	-	8,926,213
US Government Bonds	20,900,522	20,900,522	20,900,522	-	-	16,865,732
Municipal Bonds	3,394,244	3,394,244	3,394,244	-	-	3,340,285
Fixed Income Funds	19,494,323	10,598,316	-	10,598,316	8,896,007	17,940,349
Total	146,528,112	111,400,482	100,802,166	10,598,316	35,127,630	120,565,863
Accrued Interest	47,946	-	-	-	47,946	44,108
Total Assets	146,576,058	111,400,482	100,802,166	10,598,316	35,175,576	120,609,971
LIABILITIES						
Accounts Payable	63,223	63,223	63,223	-	-	33,444
Total Liabilities	63,223	63,223	63,223	-	-	33,444
NET POSITION						
Held in Trust for Pension and OPEB Benefits	<u>\$ 146,512,835</u>	<u>\$ 111,337,259</u>	<u>\$ 100,738,943</u>	<u>\$ 10,598,316</u>	<u>\$ 35,175,576</u>	<u>\$ 120,576,527</u>

DELAWARE RIVER AND BAY AUTHORITY
COMBINING SCHEDULE OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS
FIDUCIARY FUND
PENSION AND OPEB TRUST FUNDS
Years Ended December 31, 2013

SCHEDULE 11

	2013	Pension Trust Funds			OPEB Trust	2012
ADDITIONS		Total	PNC	Allmerica		
Investment Income:						
Net Appreciation in Fair Value of Assets	\$ 10,457,371	\$ 10,457,371	\$ 10,457,371	\$ -	\$ -	\$ 6,937,861
Dividends	1,111,288	1,111,288	1,111,288	-	-	1,098,984
Interest	1,473,485	1,425,539	1,094,159	331,380	47,946	1,395,316
	13,042,144	12,994,198	12,662,818	331,380	47,946	9,432,161
Less: Investment Expense	97,106	97,106	97,106	-	-	94,996
	12,945,038	12,897,092	12,565,712	331,380	47,946	9,337,165
Contributions:						
Employer	19,733,061	7,334,192	7,334,192	-	12,398,869	17,397,866
Plan Member	630,981	630,981	630,981	-	-	625,244
Total Contributions	20,364,042	7,965,173	7,965,173	-	12,398,869	18,023,110
Total Additions	33,309,080	20,862,265	20,530,885	331,380	12,446,815	27,360,275
DEDUCTIONS						
Benefits Paid to Participants	6,931,344	6,931,344	5,819,998	1,111,346	-	6,807,371
Administrative Expenses	441,428	441,428	325,869	115,559	-	334,141
Total Deductions	7,372,772	7,372,772	6,145,867	1,226,905	-	7,141,512
Net Increase	25,936,308	13,489,493	14,385,018	(895,525)	12,446,815	20,218,763
Net Position Available for Pension and OPEB Benefits:						
Beginning of Year	120,576,527	97,847,766	86,353,925	11,493,841	22,728,761	100,357,764
End of Year	<u>\$ 146,512,835</u>	<u>\$ 111,337,259</u>	<u>\$ 100,738,943</u>	<u>\$ 10,598,316</u>	<u>\$ 35,175,576</u>	<u>\$ 120,576,527</u>

DELAWARE RIVER AND BAY AUTHORITY

SCHEDULE 12

PROPRIETARY FUND

SCHEDULE OF INVESTMENTS

Year Ended December 31, 2013

Face	Description	Date of Maturity	Coupon Rate	Amortized Cost	Fair Market Value	Rating S & P
CORPORATE AND MUNICIPAL OBLIGATIONS						
\$1,715,000.00	Abbey National	1/02/14	var.	1,723,334	1,714,950	A1
790,000.00	Ally Master Owner Trust	7/15/19	1.72%	781,516	791,833	AAA
500,000.00	American Express Co.	5/22/18	0.86%	500,867	499,655	BBB+
550,000.00	Apple Inc.	5/03/18	0.52%	550,209	549,071	AA+
895,000.00	Ascension Parish School District	3/01/14	3.00%	891,203	898,634	AA-
480,000.00	AT & T Inc.	2/01/18	5.50%	407,306	540,326	A-
475,000.00	AvalonBay Communities	9/15/16	5.75%	429,555	530,699	BBB+
210,000.00	Baltimore MD Taxable Cons Pub Impt	10/15/16	2.60%	208,854	217,377	AA-
465,000.00	Bank of America Corp.	9/01/17	6.00%	402,342	530,932	A-
560,000.00	Bank of Montreal	4/09/18	0.87%	559,723	562,822	A+
555,000.00	BB&T Corporation	6/15/18	1.13%	551,044	558,891	A-
370,000.00	Berkley (WR) Corporation	5/15/15	5.60%	360,744	390,572	BBB+
565,000.00	Carnival Corp .	12/15/17	1.88%	580,252	561,344	BBB+
520,000.00	Caterpillar Financial	4/01/16	2.65%	498,843	539,172	A
435,000.00	Chicago II Public Bldg Commission	1/01/16	6.50%	391,041	481,589	AA+
1,000,000.00	Chicago III	12/01/14	3.10%	971,999	1,009,330	A+
1,415,000.00	Chicago III Board of Education	12/01/15	var.	1,442,843	1,362,546	A+
400,000.00	Chicago III O'Hare International Airport	1/01/18	5.00%	355,759	449,680	A-
620,000.00	Citigroup Inc.	5/15/18	1.96%	593,671	645,711	A-
365,515.20	Collin County Tex Ref	2/15/16	3.00%	352,014	378,966	AAA
795,000.00	Columbus Ohio	12/01/14	3.00%	775,976	814,970	AAA
628,987.03	Connecticut Avenue Securities	10/25/23	2.17%	627,627	631,862	NR
825,000.00	Connecticut State	12/01/14	5.00%	790,349	861,259	AA
1,000,000.00	Danaher Corporation	1/13/14	0.09%	999,968	999,958	A1
350,000.00	Delaware State Housing Authority	12/01/41	2.75%	350,133	342,902	AA+
525,000.00	Eastman Chemical Co.	6/01/17	2.40%	513,822	530,628	BBB
515,000.00	Ecolab Inc.	12/08/17	1.45%	520,290	503,268	BBB+
615,000.00	Florida State Hurricane	7/01/16	1.30%	616,557	613,678	AA-
545,000.00	FMC Technologies	10/01/17	2.00%	539,551	540,395	BBB
545,000.00	Ford Credit	1/15/18	1.37%	544,216	544,030	A
2,289,000.00	Fortis Funding LLC.	1/02/14	var.	2,296,844	2,288,934	A1
500,000.00	Garfield Pitkin & Eagle County	12/15/14	5.00%	478,117	522,470	AA-
2,432,000.00	General Electric Cap Corp.	1/02/14	var.	2,470,392	2,431,932	AA+
540,000.00	General Electric Cap Corp.	9/23/15	1.07%	539,420	542,716	AA+
465,000.00	George Washington	9/15/17	1.83%	456,274	458,732	A+
560,000.00	Goldman Sachs Group Inc.	4/30/18	1.47%	559,974	566,614	A-
500,000.00	Harris County	8/15/14	5.00%	485,881	514,910	AA+
760,000.00	Hawaii State	10/01/14	5.00%	734,173	786,820	AA
240,000.00	Hawaii State Build America Bonds	2/01/16	3.38%	239,559	250,099	AA
485,000.00	Home Depot Inc.	3/01/16	5.40%	439,443	531,992	A
1,190,000.00	Illinois State	7/01/15	4.00%	1,142,629	1,245,081	A-
966,000.00	John Deere	1/17/14	0.10%	965,954	965,936	A
535,000.00	JP Morgan Chase	1/25/18	1.20%	530,427	540,345	A
500,000.00	Leavenworth County.	3/01/14	3.00%	497,967	502,320	AA-
1,210,000.00	Lehman Brothers Holdings	9/05/16	var.	1,210,000	245,025	NR
1,000,000.00	Louisville & Jefferson County	11/01/14	4.00%	970,043	1,031,580	AA+
1,740,000.00	Madison Wisconsin	10/01/16	3.00%	1,629,044	1,855,432	NR
495,000.00	Maryland State Cmnty Development	9/01/37	6.00%	500,447	502,242	A
525,000.00	Massachusetts State Water Pollution	8/01/14	5.00%	510,932	539,485	AAA
250,000.00	Metlife	1/23/14	0.10%	249,984	249,981	A-1+
550,000.00	Metlife Inc.	12/15/17	1.76%	552,519	544,165	A-

DELAWARE RIVER AND BAY AUTHORITY

SCHEDULE 12

PROPRIETARY FUND

SCHEDULE OF INVESTMENTS

Year Ended December 31, 2013

(Continued)

Face	Description	Date of Maturity	Coupon Rate	Amortized Cost	Fair Market Value	Rating S & P
425,000.00	Metropolitan Govt Nashville & Davidson County	7/01/14	4.00%	417,392	433,062	AA
475,573.85	Minnesota State Housing	9/01/41	2.70%	475,574	433,595	AA+
90,000.00	Missouri State Housing Development	11/01/40	2.65%	90,000	83,663	AA+
510,000.00	Morgan Stanley	4/29/16	3.80%	512,599	539,493	A-
610,000.00	Nassau County NYFinance Authority	11/15/15	0.86%	610,000	609,561	AAA
1,623,000.00	Natixis US Financial	1/02/14		1,636,999	1,622,953	A1
900,000.00	New Jersey State Transportation	12/15/16	1.09%	900,000	895,725	A+
560,000.00	New Jersey State Turnpike Authority	1/01/16	4.25%	570,927	577,254	A+
480,000.00	New York New York General Obligation	3/01/16	5.00%	436,809	526,123	AA
470,000.00	Oneok Partners	10/01/16	6.15%	437,569	527,796	BBB
1,100,000.00	Overseas Private Investment Corp.	7/12/14	0.00%	1,046,376	1,266,243	NR
335,000.00	Port Authority NY & NJ Cons	9/15/15	4.50%	320,542	354,892	AA-
665,000.00	Providence Health & Services	10/01/17	var.	665,000	660,990	AA
535,000.00	Simon Prop.	9/15/17	2.15%	530,610	542,383	A
806,567.32	SLM Student Loan Trust	1/25/22	var.	818,493	802,809	AA+
500,000.00	Snohomish County	12/01/14	5.00%	479,242	520,715	AA
525,000.00	Southern Co.	9/01/16	1.95%	522,400	535,773	A-
420,000.00	Sutter Health	8/15/53	1.09%	420,000	415,300	AA-
170,000.00	Tobacco Securitization Auth.	3/01/14	2.64%	170,000	170,547	AA+
500,000.00	Union County NC	3/01/14	4.00%	497,044	503,185	AA
610,000.00	Verizon Communications	9/14/18	3.65%	572,094	645,722	BBB+
850,000.00	Virginia State Public Bldg Auth.	8/01/16	3.50%	846,766	899,946	AA+
325,000.00	West VA Economic Development Auth.	7/01/20	5.37%	323,108	350,266	AAA
<u>\$ 50,446,643</u>				<u>49,591,177</u>	<u>50,631,854</u>	

U.S. GOVERNMENT AGENCIES

\$ 765,144.40	Federal Farm Credit Bank Bonds	2/25/15	0.30%	765,010	765,536	AA+
979.57	Federal Home Loan Bank	1/01/35	var.	986	996	AA+
350,000.00	Federal Home Loan Bank	9/17/27	1.00%	350,000	340,459	AA+
57,262.17	Federal Home Loan Bank	1/25/17	4.78%	57,145	59,863	AA+
5,000,000.00	Federal Home Loan Bank	1/15/14	0.03%	4,999,938	4,999,908	AA+
1,368,846.42	Federal Home Loan Mortgage Corporation	5/01/37	2.68%	1,259,675	1,455,919	AA+
3,160,000.00	Federal Home Loan Mortgage Corporation	12/26/17	1.25%	3,129,512	3,128,084	AA+
755,000.00	Federal Home Loan Mortgage Corporation	11/07/17	1.00%	751,347	741,659	AA+
1,697,365.18	Federal Home Loan Mortgage Corporation	9/15/42	0.61%	1,690,977	1,688,164	AA+
1,000,000.00	Federal Home Loan Mortgage Corporation	1/22/14	0.03%	999,982	999,981	AA+
1,000,000.00	Federal Home Loan Mortgage Corporation	3/13/19	1.88%	987,209	982,560	AA+
2,549.80	Federal Home Loan Mortgage Corporation	3/01/21	6.00%	2,525	2,813	AA+
526,881.28	Federal Home Loan Mortgage Corporation	11/01/42	3.00%	518,652	499,779	AA+
16,756.65	Federal Home Loan Mortgage Corporation	1/01/35	2.61%	16,679	17,046	AA+
54,784.41	Federal Home Loan Mortgage Corporation	8/15/27	4.00%	53,006	56,249	AA+
555,217.04	Federal Home Loan Mortgage Corporation	5/15/22	4.00%	518,323	575,549	AA+
131,545.80	Federal Home Loan Mortgage Corporation	9/15/42	0.61%	131,051	130,833	AA+
56,667.98	Federal National Mortgage Association	1/25/25	4.50%	55,004	56,925	AA+
270,280.80	Federal National Mortgage Association	5/23/16	0.88%	270,281	270,491	AA+
1,935,000.00	Federal National Mortgage Association	2/28/19	1.65%	1,920,352	1,874,996	AA+
253,665.00	Federal National Mortgage Association	9/08/14	1.50%	253,665	252,283	AA+
950,000.00	Federal National Mortgage Association	9/08/14	1.50%	937,885	958,674	AA+
1,095,569.25	Federal National Mortgage Association	9/25/32	5.50%	1,058,185	1,144,879	AA+
3,085,000.00	Federal National Mortgage Association	1/15/16	0.65%	3,075,898	3,090,892	AA+
10,963.13	Federal National Mortgage Association	7/01/29	6.50%	11,299	12,187	AA+
72,587.95	Federal National Mortgage Association	10/01/18	4.50%	72,043	77,214	AA+
566,601.65	Federal National Mortgage Association	11/01/26	3.00%	554,154	578,835	AA+

DELAWARE RIVER AND BAY AUTHORITY

SCHEDULE 12

PROPRIETARY FUND

SCHEDULE OF INVESTMENTS

Year Ended December 31, 2013

(Continued)

Face	Description	Date of Maturity	Coupon Rate	Amortized Cost	Fair Market Value	Rating S & P
5,534.68	Federal National Mortgage Association	7/01/36	5.00%	5,497	5,903	AA+
79,734.73	Federal National Mortgage Association	9/01/36	5.50%	78,215	87,884	AA+
306,013.61	Federal National Mortgage Association	1/01/26	3.50%	304,284	320,210	AA+
975,266.04	Federal National Mortgage Association	12/01/27	3.00%	920,033	997,073	AA+
454,680.32	Federal National Mortgage Association	3/01/28	3.00%	444,768	464,647	AA+
1,005,279.23	Federal National Mortgage Association	9/25/32	5.50%	974,914	1,050,527	AA+
1,747,246.38	Federal National Mortgage Association	7/25/41	0.50%	1,743,139	1,746,306	AA+
2,400,000.00	Government National Mortgage Association	3/16/38	0.00%	2,215,233	2,529,394	AA+
1,473,534.43	Government National Mortgage Association	1/16/47	2.30%	1,416,050	1,464,882	AA+
13,354.79	Government National Mortgage Association	12/15/17	5.00%	13,250	14,265	AA+
10,091.49	Government National Mortgage Association	1/15/18	4.50%	10,054	10,723	AA+
28,444.64	Government National Mortgage Association	12/15/22	7.00%	28,307	32,710	AA+
336.89	Government National Mortgage Association	1/15/15	7.00%	337	342	AA+
119,607.65	Government National Mortgage Association	1/20/38	4.00%	113,170	124,846	AA+
89,747.46	Government National Mortgage Association	11/15/37	6.00%	87,876	101,328	AA+
37,802.91	Government National Mortgage Association	12/16/30	4.66%	35,204	38,296	AA+
392,942.51	Government National Mortgage Association	1/16/47	2.30%	377,613	390,635	AA+
465,698.15	Government National Mortgage Association	11/20/33	4.50%	448,450	480,058	AA+
478,430.60	Government National Mortgage Association	1/20/38	4.00%	452,679	499,384	AA+
33,868.98	Government National Mortgage Association	3/20/33	4.00%	33,425	35,919	AA+
400,000.00	Government National Mortgage Association	8/16/43	2.95%	381,586	378,100	AA+
797,797.62	Government National Mortgage Association	3/20/36	3.50%	777,893	824,606	AA+
1,714,114.16	Government National Mortgage Association	9/16/54	1.32%	1,697,251	1,703,711	AA+
430,000.00	Government National Mortgage Association	3/16/38	0.00%	396,896	453,183	AA+
1,097,272.18	Government National Mortgage Association	6/16/32	5.78%	1,006,047	1,135,150	AA+
112,844.51	Government National Mortgage Association	12/16/30	4.66%	105,088	114,316	AA+
162,009.74	Government National Mortgage Association	6/20/33	4.00%	163,431	171,529	AA+
<u>\$ 40,482,554</u>				<u>39,572,497</u>	<u>40,864,512</u>	
U.S. GOVERNMENT BONDS AND NOTES						
\$6,595,000.00	US Treasury Notes	1/15/14	1.00%	6,592,697	6,597,061	AA+
10,196,000.00	US Treasury Notes	2/15/14	1.25%	10,180,069	10,209,969	AA+
1,415,000.00	US Treasury Notes	6/30/15	0.38%	1,413,489	1,417,929	AA+
1,100,416.09	US Treasury Notes	6/30/15	0.25%	1,100,416	1,102,277	AA+
2,500,000.00	US Treasury Notes	7/15/15	0.25%	2,500,287	2,500,100	AA+
1,896,738.28	US Treasury Notes	10/31/15	1.25%	1,875,838	1,916,219	AA+
8,673,894.33	US Treasury Notes	2/15/16	0.38%	8,688,356	8,666,849	AA+
995,664.06	US Treasury Notes	8/15/16	0.63%	995,664	1,000,230	AA+
5,200,000.00	US Treasury Notes	10/15/16	0.63%	5,195,538	5,190,276	AA+
6,735,000.00	US Treasury Notes	2/28/18	0.75%	6,912,729	6,557,667	AA+
5,479,734.90	US Treasury Notes Inflation Index	4/15/18	0.13%	5,313,892	5,575,207	AA+
<u>\$ 50,787,448</u>				<u>50,768,976</u>	<u>50,733,784</u>	
MONEY MARKETS						
\$8,000,000.00	Brown Advisory Mortgage Security		var.	8,000,000	8,000,000	NR
16,458,280.80	Goldman Sachs Financial		var.	16,458,281	16,458,281	NR
51,005.52	Treasury Trust Fund - Blackrock Liquidity Funds		var.	45,111	45,111	NR
3,725.75	Wilmington Trust Govt Fund		var.	3,726	3,726	AAA
120,522.39	Wilmington Trust Prime MM Port		var.	120,522	120,522	AAA
4,623,666.76	Wilmington Trust US Gov MM		var.	4,623,667	4,623,667	AAA
2,526,573.61	Wilmington US Gov't Fund W Class			2,526,574	2,526,574	AAA
<u>\$ 31,783,775</u>				<u>31,777,880</u>	<u>31,777,880</u>	
<u>\$ 173,500,420</u>				<u>171,710,530</u>	<u>174,008,030</u>	

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
DELAWARE MEMORIAL BRIDGE
SCHEDULE OF MONTHLY TRAFFIC BY TOLL CLASSIFICATION
Year Ended December 31, 2013

SCHEDULE 13

	Toll Class														Total Traffic
	1	2	3	4	5	6	7	8	9	10	11	12	13	16	
January	810,493	18,853	12,956	10,860	117,628	2,450	146	760	108,108	114,277	3,300	3,453	385	1,450	1,205,119
February	708,102	17,740	11,103	10,050	108,180	2,293	137	733	99,195	105,009	2,807	3,170	200	1,132	1,069,851
March	951,699	19,853	13,435	11,282	121,970	2,426	160	790	106,562	117,433	4,677	4,619	210	1,278	1,356,394
April	931,045	21,554	14,598	11,517	125,282	2,402	190	753	110,876	120,892	4,815	4,628	299	1,409	1,350,260
May	1,057,463	23,206	15,327	12,597	131,964	2,495	142	789	110,765	123,046	6,574	5,739	245	1,459	1,491,811
June	1,100,664	22,848	14,186	12,090	119,807	2,394	128	842	99,945	113,490	6,416	5,594	239	1,234	1,499,877
July	1,236,269	23,459	14,787	12,684	124,095	2,373	159	859	101,788	113,592	7,640	6,151	250	1,235	1,645,341
August	1,327,487	23,826	14,560	13,043	123,272	2,577	199	780	102,865	115,140	7,986	6,282	334	1,107	1,739,458
September	977,855	21,492	13,346	12,033	113,602	2,346	165	495	101,485	114,682	5,828	5,154	221	1,288	1,369,992
October	948,784	22,727	13,782	13,112	125,293	3,191	184	1,036	112,320	124,824	5,885	5,529	442	1,168	1,378,277
November	971,830	20,222	12,960	11,196	114,047	2,532	152	610	98,437	113,601	4,867	4,591	326	1,296	1,356,667
December	1,028,701	19,250	13,161	10,644	112,305	2,400	150	576	95,506	112,648	3,821	3,606	304	1,236	1,404,308
Twelve months ended December 31, 2013	12,050,392	255,030	164,201	141,108	1,437,445	29,879	1,912	9,023	1,247,852	1,388,634	64,616	58,516	3,455	15,292	16,867,355
Average per month	1,004,199	21,253	13,683	11,759	119,787	2,490	159	752	103,988	115,720	5,385	4,876	288	1,274	1,405,613
Average per day	33,015	699	450	387	3,938	82	5	25	3,419	3,804	177	160	9	42	46,212

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
DELAWARE MEMORIAL BRIDGE
SCHEDULE OF MONTHLY TRAFFIC AND REVENUE
Year Ended December 31, 2013

SCHEDULE 14

	Total Traffic	Net Revenue
January	1,205,119	\$ 7,077,349
February	1,069,851	6,364,836
March	1,356,394	7,803,581
April	1,350,260	7,841,600
May	1,491,811	8,590,959
June	1,499,877	8,437,922
July	1,645,341	9,109,911
August	1,739,458	9,473,047
September	1,369,992	7,737,223
October	1,378,277	8,012,894
November	1,356,667	7,700,858
December	<u>1,404,308</u>	<u>7,832,625</u>
Twelve months Ended December 31, 2013	<u><u>16,867,355</u></u>	<u><u>\$ 95,982,805</u></u>
Average per Month	<u><u>1,405,613</u></u>	<u><u>\$ 7,998,567</u></u>
Average per Day	<u><u>46,212</u></u>	<u><u>\$ 262,967</u></u>

Average Toll per Vehicle: \$95,982,805 divided by 16,867,355 = \$5.69

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
CAPE MAY – LEWES FERRY
SCHEDULE OF TRAFFIC BY TOLL CLASSIFICATIONS
Year Ended December 31, 2013

SCHEDULE 15

REVENUE	Passengers	Bus Passengers	Vehicle Total	1	4	5	6	7	9	10	12	Calculated Revenue
January	16,134	-	7,835	7,580	41	60	49	74	24	6	1	\$ 287,365
February	15,289	-	7,277	7,037	43	62	40	64	28	3	-	268,533
March	27,760	123	11,998	11,507	63	104	102	142	40	37	3	462,244
April	34,952	192	15,375	14,461	102	175	135	169	47	286	-	701,751
May	50,708	383	21,673	20,096	144	265	266	236	56	607	3	1,032,509
June	80,674	669	28,872	26,987	221	295	254	316	64	732	3	1,601,926
July	135,448	661	41,430	39,434	191	369	338	361	49	683	5	2,438,776
August	161,206	837	48,233	46,129	175	366	317	353	60	830	3	2,853,552
September	84,801	495	31,572	27,469	149	328	234	248	56	3,087	1	1,559,029
October	42,906	402	18,216	17,237	114	181	184	254	30	213	3	848,984
November	26,701	-	11,851	11,455	54	90	90	76	39	47	-	449,456
December	23,598	-	10,746	10,474	37	73	58	63	37	4	-	402,445
Twelve Months ended December 31, 2013	<u>700,177</u>	<u>3,762</u>	<u>255,078</u>	<u>239,866</u>	<u>1,334</u>	<u>2,368</u>	<u>2,067</u>	<u>2,356</u>	<u>530</u>	<u>6,535</u>	<u>22</u>	<u>\$ 12,906,570</u>
Average per Month	<u>58,348</u>	<u>314</u>	<u>21,257</u>	<u>19,989</u>	<u>111</u>	<u>197</u>	<u>172</u>	<u>196</u>	<u>44</u>	<u>545</u>	<u>2</u>	<u>\$ 1,075,547</u>
Average per Day	<u>1,918</u>	<u>10</u>	<u>699</u>	<u>657</u>	<u>4</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>1</u>	<u>18</u>	<u>0</u>	<u>\$ 35,360</u>
NON-REVENUE*												
January	573		91									
February	466		106									
March	1,157		96									
April	1,350		107									
May	2,316		145									
June	4,742		82									
July	9,937		68									
August	12,253		78									
September	3,022		78									
October	1,287		176									
November	1,135		146									
December	<u>974</u>		<u>75</u>									
Totals	<u>39,212</u>		<u>1,248</u>									

* Includes children under 6 years of age

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
CAPE MAY – LEWES FERRY
SCHEDULE OF MONTHLY TRAFFIC AND REVENUE
Year Ended December 31, 2013

SCHEDULE 16

REVENUE	<u>Passengers</u>	<u>Bus Passengers</u>	<u>Vehicle Total</u>	<u>Calculated Revenue</u>
January	16,134	-	7,835	\$ 287,365
February	15,289	-	7,277	268,533
March	27,760	123	11,998	462,244
April	34,952	192	15,375	701,751
May	50,708	383	21,673	1,032,509
June	80,674	669	28,872	1,601,926
July	135,448	661	41,430	2,438,776
August	161,206	837	48,233	2,853,552
September	84,801	495	31,572	1,559,029
October	42,906	402	18,216	848,984
November	26,701	-	11,851	449,456
December	23,598	-	10,746	402,445
Twelve Months Ended December 31, 2013	<u>700,177</u>	<u>3,762</u>	<u>255,078</u>	<u>\$ 12,906,570</u>
Average per Month	<u>58,348</u>	<u>314</u>	<u>21,257</u>	<u>\$ 1,075,547</u>
Average per Day	<u>1,918</u>	<u>10</u>	<u>699</u>	<u>\$ 35,360</u>
NON-REVENUE*				
January	573		91	
February	466		106	
March	1,157		96	
April	1,350		107	
May	2,316		145	
June	4,742		82	
July	9,937		68	
August	12,253		78	
September	3,022		78	
October	1,287		176	
November	1,135		146	
December	974		75	
Totals	<u>39,212</u>		<u>1,248</u>	

* Includes children under 6 years of age

**DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
DELAWARE CITY-SALEM FERRY
SCHEDULE OF TRAFFIC BY TOLL CLASSIFICATIONS
Year Ended December 31, 2013**

SCHEDULE 17

Leaving Delaware City

	<u>Traffic</u>	<u>Revenue</u>
Adult	5,494	\$ 19,778
Seniors & Military	1,944	6,998
Child	2,258	4,877
School Groups	6,224	13,444
Cruise/Special Events	1,677	9,547
Non-Revenue	<u>104</u>	<u>-</u>
Total Leaving Delaware City	<u><u>17,701</u></u>	<u><u>\$ 54,644</u></u>

Leaving Salem

	<u>Traffic</u>	<u>Revenue</u>
Adult	106	\$ 382
Seniors & Military	46	166
Child	33	71
School Groups	-	-
Non-Revenue	<u>16</u>	<u>-</u>
Total Leaving Fort Mott	<u><u>201</u></u>	<u><u>\$ 619</u></u>
Total	<u><u>17,902</u></u>	<u><u>\$ 55,263</u></u>

**DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
DELAWARE MEMORIAL BRIDGE
SCHEDULE OF HISTORICAL TOLL RATES
Year Ended December 31, 2013**

SCHEDULE 18

Class No.	Description	Number of Axles	After 6/30/2011	After 1/3/2008	After 9/30/2001	After 4/30/2000	After 1/1/2000
1	PASSENGER CARS- (all types) Includes-Light Delivery Trucks-2 Tons Hearses (except in funeral prcssn)	2	\$4.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 2.00
	Book of 20 Accommodation Tickets (3)					60.00	40.00
	Tokens (3) Roll of 40 Tokens-Includes: 4 Tire Types Passenger Cars, Vans, Pickups						20.00
2	TWO AXLE TRUCKS Includes-All Types with Reg. Wt. over 2 Tons, Buses, Tractors	2	\$10.00	8.00	6.00	6.00	5.00
	Book of 20 Accommodation Tickets (3)					120.00	100.00
3	THREE AXLE TRUCKS Includes-Tractors or Combination Tractors & Trailers, Buses (3 axle)	3	\$15.00	12.00	9.00	9.00	7.50
	Book of 20 Accommodation Tickets (3)					180.00	150.00
4	FOUR AXLE TRUCKS Includes-Tractors or Combination Tractors & Trailers	4	\$20.00	16.00	12.00	12.00	10.00
	Book of 20 Accommodation Tickets (3)					240.00	200.00
5	FIVE AXLES TRUCKS & TRUCK COMBINATION	5	\$25.00	20.00	15.00	15.00	12.50
	Book of 20 Accommodation Tickets (3)					300.00	250.00
6	SIX AXLES TRUCKS & TRUCK COMBINATION	6	\$30.00	24.00	18.00	18.00	15.00
	Book of 20 Accommodations (3) (Class 10 through 8/30/94)					360.00	300.00
7	VEHICLES REQUIRING SPECIAL PERMIT Includes-Contractors' Equip. & Mach. Vehicles Exceed 1 or More Limit of DE/NJ	N/A	\$60.00	50.00	40.00	40.00	25.00
8	SPECIALS (OVER 6 AXLES)		\$5.00	4.00	3.00	3.00	2.50

(1) Discontinued when tokens were implemented

(2) Discontinued when class 10 discount tickets were implemented

(3) Discontinued after Electronic Tolls were implemented, July 2001

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

SCHEDULE 18

PROPRIETARY FUND

DELAWARE MEMORIAL BRIDGE
 SCHEDULE OF HISTORICAL TOLL RATES
 Year Ended December 31, 2013

Class No.	Description	Number of Axles	After 6/30/2011	After 1/3/2008	After 9/30/2001	After 4/30/2000	After 1/1/2000
9	COMMUTER TICKETS (25 tickets after 12/31/92)	2				\$0.75	\$0.75
	Book of 50 Accommodations (3) (Good for 1 Calendar Month Only) Issued to Passenger Cars Only					18.75	18.75
9	COMMUTATION PLAN Provides 25 Trips Good for a 30-Day Cycle Period. (\$18.75 per cycle) Issued to Account Holders of Four Tire-Two Axle Types	2	\$1.00	\$0.75	\$0.75		
9	SHOPPERS TICKETS (1) Book of 20 Accommodations (Good for 3 Calendar Months Only) Issued to Passenger Cars Only						
10	DISCOUNT TICKETS (3) (20 Tickets after 6/30/95) (Good for 6 Calendar Months Only) Issued to Passenger Cars Only	2				1.00	1.00
						20.00	20.00
10	FREQUENT TRAVELER PLAN Provides 20 Trips Good for a 90-Day Cycle Period. (\$20.00 per Cycle) Issued to Account Holders of Four Tire-Two Axle Types	2	\$1.25	1.00	1.00		
11	PASSENGER CARS Includes-Passenger Cars w/ 1 Axle Trailer	3	\$6.00	4.50	4.50	4.50	3.25
12	PASSENGER CARS Includes-Passenger Cars w/ 2 Axle Trailer	4	\$8.00	6.00	6.00	4.50	3.00
13	PASSENGER CARS Includes-Passenger Cars w/ 3 Axle Trailer	5	\$10.00	7.50	7.50	7.50	5.75
14	SENIOR CITIZENS-WITH TICKET ONLY (2) Restrictions Apply	2				1.00	1.00
	Book of 20 Accommodation Tickets (All 4 Tired Type Passenger Cars, Vans, & Pickups)						20.00
16	NON-REVENUE VEHICLES Includes-Bridge Maintenance, Ambulance, Fire and Police Vehicles	Var.					

(1) Discontinued when tokens were implemented

(2) Discontinued when class 10 discount tickets were implemented

(3) Discontinued after Electronic Tolls were implemented, July 2001

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
CAPE MAY – LEWES FERRY
SCHEDULE OF HISTORICAL TOLL RATES
Period January 1, 2000 to December 31, 2013

SCHEDULE 19

Class No.	Description	After 4/01/10			After 4/01/09			After 4/01/08			After 4/01/06		After 5/27/05		After 3/31/02		After 1/1/00	
		Off Season**	Peak Season***	Weekend/ Holiday Season****	Off Season**	Peak Season***	Weekend/ Holiday Season****	Off Season**	Peak Season***	Weekend/ Holiday Season****	Off Season**	Peak Season***	Off Season**	Peak Season***	Off Season**	Peak Season***	Off Season**	Peak Season***
1	Passenger Car, Station Wagon, Carry All, Pickup, Panel, Self-Contained Camper w/ 2 Axles and 4 Tires (overall length 20', including driver)	\$30.00	\$36.00	\$44.00	\$29.50	\$36.00	\$43.25	\$28.00	\$34.00	\$41.00	\$23.00	\$29.00	\$20.00	\$25.00	\$20.00	\$25.00	\$18.00	\$20.00
1	Return Trip Value Fare*****	\$26.00	\$32.00	\$32.00	\$25.25	\$30.75	\$31.75	\$24.00	\$29.00	\$30.00	\$19.00	\$24.00	N/A	N/A	N/A	N/A	N/A	N/A
4	20' to 25'	\$34.00	\$42.00	\$50.00	\$33.75	\$41.25	\$49.75	\$32.00	\$39.00	\$47.00	\$27.00	\$34.00	\$24.00	\$29.00	\$24.00	\$29.00	\$22.00	\$24.00
5	25' to 35'	\$43.00	\$50.00	\$61.00	\$42.25	\$49.75	\$60.25	\$40.00	\$47.00	\$57.00	\$35.00	\$42.00	\$31.00	\$36.00	\$31.00	\$36.00	\$29.00	\$31.00
6	35' to 45'	\$50.00	\$57.00	\$69.00	\$49.75	\$57.00	\$68.75	\$47.00	\$54.00	\$65.00	\$42.00	\$49.00	\$37.00	\$42.00	\$37.00	\$42.00	\$35.00	\$37.00
7	45' to 60'	\$62.00	\$70.00	\$85.00	\$61.25	\$69.75	\$84.50	\$58.00	\$66.00	\$80.00	\$53.00	\$61.00	\$47.00	\$52.00	\$47.00	\$52.00	\$45.00	\$47.00
8	55' to 65'																	
9	Over 60'	\$85.00	\$93.00	\$113.00	\$84.50	\$93.00	\$113.00	\$80.00	\$88.00	\$107.00	\$75.00	\$83.00	\$66.00	\$71.00	\$66.00	\$71.00	\$64.00	\$66.00
10	Motorbike or Motorcycle (includes driver) with Sidecar or Trailer	\$25.00	\$31.00	\$36.00	\$24.25	\$30.75	\$36.00	\$23.00	\$29.00	\$34.00	\$18.00	\$24.00	\$17.00	\$22.00	\$17.00	\$22.00	\$15.00	\$17.00
10	Return Trip Value Fare	\$22.00	\$27.00	\$27.00	\$21.25	\$26.50	\$26.50	\$20.00	\$25.00	\$25.00	\$15.00	\$20.00	N/A	N/A	N/A	N/A	N/A	N/A
11	Bicycle (ridden or hand carried) (including passenger)	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	\$6.00	\$8.00	\$6.00	\$8.00	\$5.00	\$7.00
12	Over Width Vehicles (all vehicles exceeding limitation of DE/NJ)	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
	Foot Passengers & Vehicle Pass. (not driver, after 12th b-day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Foot Passengers & Vehicle Pass. (not driver, after 14th b-day)	\$8.00	\$10.00	\$10.00	\$7.50	\$10.00	\$10.00	\$7.00	\$9.50	\$9.50	\$7.00	\$9.50	\$6.00	\$8.00	N/A	N/A	N/A	N/A
	Return Trip Value Fare	\$6.00	\$8.00	\$8.00	\$5.25	\$8.00	\$8.00	\$5.00	\$7.50	\$7.50	\$5.00	\$7.50	N/A	N/A	N/A	N/A	N/A	N/A
	Foot Passengers & Vehicle Pass. (not driver, after 6th b-day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$6.00	\$8.00	\$4.50	\$6.50
	Foot Passengers & Vehicle Pass. (after 6th and before 12th b-day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Foot Passengers & Vehicle Pass. (after 6th and before 14th b-day)	\$4.00	\$5.00	\$5.00	\$3.75	\$5.00	\$5.00	\$3.50	\$4.75	\$4.75	\$3.50	\$4.75	\$3.00	\$4.00	N/A	N/A	N/A	N/A
	Return Trip Value Fare	\$3.00	\$4.00	\$4.00	\$2.75	\$4.00	\$4.00	\$2.50	\$3.75	\$3.75	\$2.50	\$3.75	N/A	N/A	N/A	N/A	N/A	N/A

* Double rate of length

** Off Season rates effective Jan 1 - March 31 and Nov 1 - Dec 31

*** Peak Season rates effective April 1 - Oct 31

**** Memorial Day to Labor Day between 9:30 a.m. and 7:30 p.m., Fri, Sat, Sun & Holidays

***** Return trip value fares must be purchased with initial sailing.

(Continued)

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
CAPE MAY – LEWES FERRY
SCHEDULE OF HISTORICAL TOLL RATES
Period January 1, 2000 to December 31, 2013

SCHEDULE 19

Class No.	Description	After 4/01/10			After 4/01/09			After 4/01/08			After 4/01/06		After 5/27/05		After 3/31/02		After 1/1/00	
		Off	Peak	Weekend/ Holiday	Off	Peak	Weekend/ Holiday	Off	Peak	Weekend/ Holiday	Off	Peak	Off	Peak	Off	Peak	Off	Peak
		Season**	Season***	Season****	Season**	Season***	Season****	Season**	Season***	Season****	Season**	Season***	Season**	Season***	Season**	Season***	Season**	Season***
	Foot Passengers & Vehicle Pass. (before 6th b-day)	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	\$2.00
	Foot Passengers (round trip/same day) (not driver, after 6th b-day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$10.00	\$15.00	\$8.50	\$12.50
	Foot Passengers (round trip/same day) (after 6th and before 14th b-day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5.00	\$7.50	N/A	N/A	N/A	N/A
	Foot Passengers (round trip/same day) (not driver, after 14th b-day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$10.00	\$15.00	N/A	N/A	N/A	N/A
	Bus Passengers (not driver)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5.00	\$7.00	\$5.00	\$7.00	\$4.00	\$6.00
	Bus Passengers (not driver, after 14th b-day)	\$3.00	\$5.00	\$5.00	\$3.25	\$5.25	\$5.25	\$3.00	\$5.00	\$5.00	\$4.00	\$6.00	N/A	N/A	N/A	N/A	N/A	N/A
	Bus Passengers (after 6th and before 14th b-day)	\$2.00	\$3.00	\$3.00	\$1.50	\$2.75	\$2.75	\$1.50	\$2.50	\$2.50	\$2.00	\$3.00	N/A	N/A	N/A	N/A	N/A	N/A
	Bus Passengers - before 6th b-day	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	N/A	N/A	N/A	N/A	N/A	N/A
	Special Group Rates																	
	Round trip (50 -99 & Seniors)	\$10.00	\$15.00	\$15.00	\$10.00	\$15.00	\$15.00	\$9.50	\$14.50	\$14.50	\$9.50	\$14.50	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$10.00
	Round trip (100 or more)	\$8.50	\$13.50	\$13.50	\$8.50	\$13.50	\$13.50	\$8.00	\$13.00	\$13.00	\$8.00	\$13.00	\$10.00	\$10.00	\$10.00	\$10.00	\$6.50	\$8.50

**DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
DELAWARE CITY-SALEM FERRY
SCHEDULE OF HISTORICAL TOLL RATES
Period January 1, 2000 to December 31, 2013**

SCHEDULE 20

<u>Passenger</u>	<u>After 4/1/08</u>	<u>After 6/30/07</u>	<u>After 1/1/00</u>
Adult	\$ 11.00	\$ 10.00	\$ 6.00
Senior and Military	10.00	---	---
Children (ages 2 - 12)	6.00	6.00	4.00
School Groups	7.00	---	---

DELAWARE RIVER AND BAY AUTHORITY**SCHEDULE 21****SCHEDULE OF INSURANCE COVERAGE****Year Ended December 31, 2013**

Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	WC 249208869		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Delaware Workers' Compensation:	Occupational Injury Employers' Liability	Statutory \$ 1,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	WC 249208869		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	NJ Workers' Compensation	Occupational Injury Employers' Liability	Statutory \$ 1,000,000
Insurance Company:	Continental Insurance Company		
Policy Number:	BUAC2066522098		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Business Automobile - Fleet:	Comprehensive Liability	\$ 1,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	BUAC2057118842		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Primary Business Automotive - Buses: Liability		\$ 5,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	CCPC3002049491		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Public Liability		\$ 1,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	01-498-04-16		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Specialty Risk Protector (Cyber Coverage)		\$ 1,000,000
Insurance Company:	Insurance Company of the State of Pennsylvania		
Policy Number:	14550182		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Primary Umbrella Excess Liability		\$ 5,000,000
Insurance Company:	First Mercury Insurance Company		
Policy Number:	NJEX000000326802		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Second Layer Excess Umbrella Liability		\$ 10,000,000
Insurance Company:	Alterra America Insurance Company		
Policy Number:	MAXA3EC30000606		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Third Layer Excess Umbrella Liability		\$ 10,000,000
Insurance Company:	AXIS Surplus Insurance Company		
Policy Number:	EAU706027/01/2013		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Fourth Layer Excess Umbrella Liability		\$ 25,000,000
Insurance Company:	Westchester Fire Insurance Company		
Policy Number:	G24182137003		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Fifth Layer Excess Umbrella Liability		\$ 25,000,000
Insurance Company:	Continental Casualty Company		
Policy Number:	RMP2088637664		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Commercial Account Package:	Blanket over Buildings and Contents	\$ 285,778,717

(Continued)

DELAWARE RIVER AND BAY AUTHORITY**SCHEDULE 21****SCHEDULE OF INSURANCE COVERAGE****Year Ended December 31, 2013**

Insurance Company:	Hartford Fire Insurance Company		
Policy Number:	00FA022743013		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Commercial Crime:	Primary and Excess	\$ 1,000,000
Insurance Company:	Lloyd's and Scheduled Companies		
Policy Number:	B080112538U13		
Policy Term:	1/31/13 - 1/31/14		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue		\$ 415,505,500
Insurance Company:	Lloyd's, London		
Policy Number:	B080112590U13		
Policy Term:	1/31/13 - 1/31/14		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue (Primary Terrorism)		\$ 415,505,500
Policy Number:	B080110342M12		
Policy Term:	2/20/13 - 2/20/14		
Coverage/ Limits:	Protection and Indemnity		\$ 6,900,000
Insurance Company:	Lloyd's and Scheduled Companies		
Policy Number:	BO80110704M13		
Policy Term:	7/1/13 - 7/1/14		
Coverage/ Limits:	Vessel Hull and Machinery		Various
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	01-495-44-46		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Public Officials and Employment Practices Liability		\$ 10,000,000
Insurance Company:	National Union Fire Insurance Co. of Pittsburgh, PA		
Policy Number:	GTP9052960A		
Policy Term:	1/1/11 - 1/1/14		
Coverage/ Limits:	Group Travel Accident		\$ 250,000
Insurance Company:	Federal Insurance Company		
Policy Number:	8211-2113		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Special Contingent		\$ 10,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	AE338750614		
Policy Term:	6/30/13 - 6/30/14		
Coverage/ Limits:	Airport Liability		\$ 100,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	C4017235831		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Liquor Liability		\$ 1,000,000
Insurance Company:	Federal Insurance Company		
Policy Number:	81531326		
Policy Term:	12/31/12 - 12/31/13		
Coverage/ Limits:	Public Entity Fiduciary Liability		\$ 10,000,000
Insurance Company:	Columbia Casualty Company		
Policy Number:	LEO223457783		
Policy Term:	1/1/13 - 1/1/14		
Coverage/ Limits:	Law Enforcement Liability		\$ 1,000,000
Insurance Company:	Chartis Specialty Insurance Company		
Policy Number:	020720864		
Policy Term:	3/5/13 - 1/1/2014		
Coverage/ Limits:	Corporate Counsel Professional Liability		\$ 1,000,000

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Delaware River and Bay Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Authority's overall financial health.

Contents

Schedules

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and fiscal health has changed over time.

22 to 30

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

31 to 32

Demographic and Economic Information

This schedule contains demographic and economic indicators to assist the reader in understanding the environment within which the Authority's financial activities take place.

33 to 34

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

35 to 39

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant year. The Authority implemented GASB Statement 34 in Fiscal Year 2003; schedules presenting government wide information include information beginning with that fiscal year.

DELAWARE RIVER AND BAY AUTHORITY

NET POSITION

Last Ten Fiscal Years

SCHEDULE 22

	Fiscal Year									
	2013	2012	2011*	2010	2009	2008	2007	2006	2005	2004
Investment in Capital Assets	\$ 192,725,311	\$ 226,213,343	\$ 213,586,500	\$ 213,950,510	\$ 203,955,527	\$ 180,759,778	\$ 159,314,405	\$ 167,286,079	\$ 172,540,587	\$ 172,540,587
Restricted	37,873,436	32,853,327	35,867,773	35,067,720	33,603,155	33,757,140	33,911,805	32,903,520	32,036,520	32,036,520
Unrestricted	<u>93,081,283</u>	<u>69,491,640</u>	<u>61,092,185</u>	<u>57,513,568</u>	<u>71,518,813</u>	<u>83,669,245</u>	<u>99,720,796</u>	<u>80,913,272</u>	<u>74,601,928</u>	<u>74,601,928</u>
Total Net Position	<u>\$ 323,680,030</u>	<u>\$ 328,558,310</u>	<u>\$ 310,546,458</u>	<u>\$ 306,531,798</u>	<u>\$ 309,077,495</u>	<u>\$ 298,186,163</u>	<u>\$ 292,947,006</u>	<u>\$ 281,102,871</u>	<u>\$ 279,179,035</u>	<u>\$ 279,179,035</u>

Note: The Authority implemented accounting principles generally accepted in the United States of America including the new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis, in their annual financial report for the year ended December 31, 2003. Prior to January 1, 2003, the Authority's accounts were maintained in accordance with practices based on the provisions of the Trust Agreement dated October 1, 1993 between the Authority and Wilmington Trust Company.

*The Authority adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities as of December 31, 2012. On the December 31, 2011 Statement of Net Position, the Authority presented unamortized bond issuance costs of \$3,174,020. GASB Statement No. 65 requires the debt issuance costs to be recognized as an expense in the period incurred.

DELAWARE RIVER AND BAY AUTHORITY
CHANGE IN NET POSITION
Last Ten Fiscal Years

SCHEDULE 23

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Operating Revenues:										
Bridge Tolls	\$ 95,982,819	\$ 95,461,044	\$ 86,120,525	\$ 75,875,461	\$ 77,272,069	\$ 79,467,667	\$ 73,525,058	\$ 73,031,619	\$ 72,348,723	\$ 71,868,471
Ferry Tolls	12,961,833	13,723,565	13,468,212	14,258,255	14,309,464	14,271,389	13,555,342	13,778,387	12,723,114	13,063,913
Food and Novelty Sales	3,502,290	3,820,423	3,541,016	3,565,176	3,604,068	3,943,413	4,404,874	4,137,079	4,185,985	3,917,391
Airport Lease Revenue	6,860,873	6,743,760	6,694,249	7,404,691	6,261,850	6,469,182	5,837,345	5,363,724	4,898,749	5,062,799
Economic Development Revenue	1,425,903	1,382,154	1,370,002	1,466,981	1,212,518	-	-	-	-	-
Other Operating Revenue	4,692,081	4,478,186	3,483,183	3,791,207	3,420,307	4,833,281	3,625,730	3,544,050	3,122,164	3,975,305
Total Operating Revenue	125,425,799	125,609,132	114,677,187	106,361,771	106,080,276	108,984,932	100,948,349	99,854,859	97,278,735	97,887,879
Operating Expenses:										
Administrative and General										
Wages	5,139,882	8,887,986	5,145,482	5,176,362	4,897,360	4,908,518	7,107,897	5,108,181	4,774,236	4,169,110
Benefits	3,929,079	7,374,021	3,633,265	3,392,459	3,439,300	3,172,373	2,200,219	1,999,716	1,802,235	1,705,203
Other Expenses	3,595,804	7,883,313	7,595,568	8,300,376	10,623,925	10,145,745	10,171,324	12,915,924	10,034,100	9,955,248
Operations:										
Wages	20,971,339	16,959,876	20,951,837	21,510,862	21,713,362	22,518,595	22,321,874	22,515,138	21,471,595	21,459,564
Benefits	21,212,775	17,248,467	22,124,923	21,761,273	19,560,141	19,466,853	13,368,871	13,838,526	12,353,251	11,731,539
Other Expenses	23,173,697	19,008,786	19,764,805	19,141,607	16,677,644	20,313,648	15,297,497	16,648,022	14,184,485	15,088,071
Depreciation	23,738,642	23,120,869	21,920,970	21,342,782	20,919,311	19,575,853	20,179,522	18,684,272	16,602,820	16,506,024
Total Operating Expenses	101,761,218	100,483,318	101,136,850	100,625,721	97,831,043	100,101,585	90,647,204	91,709,779	81,222,722	80,614,759
Operating Income	23,664,581	25,125,814	13,540,337	5,736,050	8,249,233	8,883,347	10,301,145	8,145,080	16,056,013	17,273,120
Nonoperating Revenue (Expenses):										
Investment Income	1,704,854	907,520	2,546,802	4,175,792	4,882,170	3,970,463	7,542,228	6,179,702	4,285,404	2,965,178
Investment Fees	(633,297)	(607,364)	(603,861)	(594,488)	(622,419)	(387,587)	(431,091)	(460,384)	(480,836)	(258,016)
Interest on Bonds	(13,507,504)	(12,489,612)	(12,575,266)	(12,917,905)	(13,245,688)	(14,998,314)	(14,842,098)	(14,921,709)	(15,451,686)	(15,931,209)
Debt Issue Costs	-	(821,336)	-	(272,174)	(279,008)	(282,588)	(289,078)	(328,184)	(432,224)	(228,513)
Expense Construction in Progress	(1,939,262)	(425,479)	(1,163,518)	(1,360,795)	(1,034,571)	(1,836,027)	(822,965)	(1,568,448)	(580,179)	(2,517,888)
Write-off of Capital Assets	-	-	(2,200,072)	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	7,344
Sale of Lease Rights	-	-	-	-	1,674,583	556,000	-	-	-	-
Sale of Fixed Assets	(17,535,931)	19,212	51,674	106,742	1,897,440	110,229	750,160	88,544	102,291	177,126
Interest Rebate Expense	-	-	-	-	-	-	-	(2,485,404)	-	-
Net Non Operating (Expenses)	(31,911,140)	(13,417,059)	(13,944,241)	(10,862,828)	(6,727,493)	(12,867,824)	(8,092,845)	(13,495,882)	(12,557,230)	(15,785,978)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(8,246,559)	11,708,755	(403,904)	(5,126,778)	1,521,740	(3,984,477)	2,208,300	(5,350,802)	3,498,783	1,487,142
Capital Contributions:										
Grant Income	3,368,279	6,303,097	7,157,992	-	-	-	9,569,724	7,850,160	7,749,738	7,104,984
Capital Contributions	-	-	434,592	5,155,121	16,592,112	9,223,634	66,111	624,478	-	-
Total Capital Contributions	3,368,279	6,303,097	7,592,584	5,155,121	16,592,112	9,223,634	9,635,835	8,474,638	7,749,738	7,104,984
Change in Net Position	\$ (4,878,280)	\$ 18,011,852	\$ 7,188,680	\$ 28,343	\$ 18,113,852	\$ 5,239,157	\$ 11,844,135	\$ 3,123,836	\$ 11,248,521	\$ 8,592,126

DELAWARE RIVER AND BAY AUTHORITY
CHANGE IN NET POSITION
PENSION TRUST FUND
Last Ten Fiscal Years

SCHEDULE 24

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Additions										
Member Contributions	\$ 630,981	\$ 625,244	\$ 594,597	\$ 652,280	\$ 671,937	\$ 674,968	\$ 690,238	\$ 694,206	\$ 650,706	\$ 657,701
Employer Contributions	19,733,061	17,397,866	16,145,154	19,440,424	5,605,251	5,657,686	5,038,045	6,688,088	3,760,147	3,576,084
Investment Income (Net of Expense)	12,945,038	9,337,165	2,254,279	7,156,532	9,810,155	-	3,443,948	5,820,203	2,449,050	4,071,620
Total Additions to Plan Net Assets	33,309,080	27,360,275	18,994,030	27,249,236	16,087,343	6,332,654	9,172,231	13,202,497	6,859,903	8,305,405
Deductions										
Investment Loss (Net of Expense)	-	-	310,453	-	-	11,165,668	-	-	-	-
Benefit Payment	6,931,344	6,807,371	6,808,057	5,534,227	4,463,578	6,144,990	7,485,316	6,093,878	5,446,391	5,791,807
Administrative Expenses	441,428	334,141	295,023	271,018	319,668	311,802	297,131	319,823	228,517	291,814
Insurance Expenses	-	-	-	19,935	19,935	21,897	23,050	23,050	24,250	24,250
Total Deductions from Plan Assets	7,372,772	7,141,512	7,413,533	5,825,180	4,803,181	17,644,357	7,805,497	6,436,751	5,699,158	6,107,871
Change in Net Assets	\$25,936,308	\$20,218,763	\$11,580,497	\$21,424,056	\$11,284,162	\$(11,311,703)	\$1,366,734	\$6,765,746	\$1,160,745	\$ 2,197,534

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DELAWARE RIVER AND BAY AUTHORITY
DELAWARE MEMORIAL BRIDGE TOLLS BY CLASSIFICATION
Last Ten Fiscal Years

SCHEDULE 25

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Delaware Memorial Bridge										
Class 1 - Passenger Cars	\$ 47,825,994	\$ 47,625,020	\$ 42,549,428	\$ 37,073,673	\$ 37,408,311	\$ 36,121,749	\$ 37,572,672	\$ 37,750,076	\$ 37,496,001	\$ 37,629,843
Class 2 - Two Axle Trucks	2,508,510	2,506,940	2,280,412	2,053,592	2,079,184	2,231,996	1,843,644	1,915,980	1,969,644	2,020,944
Class 3 - Three Axle Trucks	2,426,130	2,502,885	2,317,539	2,000,412	1,955,232	1,944,594	1,485,828	1,495,602	1,519,479	1,476,522
Class 4 - Four Axle Trucks	2,764,120	2,751,600	2,316,008	1,979,408	2,001,968	2,269,236	1,819,476	1,759,728	1,798,488	1,791,828
Class 5 - Five Axle Trucks & Truck Combinations	35,309,800	34,945,925	32,148,900	28,981,660	30,210,240	33,212,285	27,139,155	26,530,920	25,985,010	25,198,605
Class 6 - Six Axle Trucks & Truck Combinations	879,570	872,130	833,172	706,608	740,256	777,606	602,388	479,196	495,558	552,528
Class 7 - Vehicles Requiring Special Permits	114,720	113,940	112,260	99,650	89,050	110,390	106,720	117,320	121,240	114,360
Class 8 - Special(Over Six Axels)	301,840	341,705	285,754	202,468	150,472	130,348	141,144	121,821	115,521	176,778
Class 9 - Commutation Plan	1,247,852	1,254,127	1,063,138	854,887	832,192	845,348	842,768	847,396	853,654	854,533
Class 10 - Frequent Traveler Plan	1,735,793	1,683,458	1,436,121	1,234,491	1,241,828	1,266,047	1,314,555	1,350,179	1,327,018	1,358,553
Class 11 - Passenger Cars w/ 1 Axle Trailer	381,288	374,016	337,875	298,434	312,480	301,887	328,163	335,858	348,534	352,229
Class 12 - Passenger Cars w/ 2 Axle Trailer	458,152	465,568	412,038	363,642	377,856	382,740	410,670	412,242	414,444	425,850
Class 13 - Passenger Cars w/ 3 Axle Trailer	29,050	23,730	27,880	26,535	27,143	25,485	31,755	24,600	25,838	41,033
Class 14 - Senior Citizens (2)	-	-	-	-	-	-	-	-	-	-
Class 15 - Tokens (2)	-	-	-	-	-	-	-	-	-	-
Allowance - Uncollected Tolls	-	-	-	-	(154,142)	(152,044)	(113,879)	(109,299)	(121,705)	(125,134)
Total Bridge Net Tolls	<u>\$ 95,982,819</u>	<u>\$ 95,461,044</u>	<u>\$ 86,120,525</u>	<u>\$ 75,875,460</u>	<u>\$ 77,272,070</u>	<u>\$ 79,467,667</u>	<u>\$ 73,525,058</u>	<u>\$ 73,031,619</u>	<u>\$ 72,348,723</u>	<u>\$ 71,868,471</u>

(1) DRBA began the use of Electronic Tolls (E-ZPass) effective 7/18/2001

(2) Discontinued use of all tickets (including senior citizens) and token with the implementation of E-ZPass

DELAWARE RIVER AND BAY AUTHORITY
CAPE MAY-LEWES FERRY/DELAWARE CITY-SALEM FERRY TOLLS BY CLASSIFICATION
Last Ten Fiscal Years

SCHEDULE 26

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Cape May - Lewes Ferry										
Passengers	\$ 3,625,711	\$ 3,944,493	\$ 3,850,667	\$ 4,009,438	\$ 4,102,919	\$ 4,160,592	\$ 5,922,713	\$ 6,067,617	\$ 5,740,774	\$ 6,013,991
Bus Passengers	17,247	23,654	21,594	25,507	26,247	33,655	42,086	38,189	43,964	59,581
Class 1 - Passenger Car	8,530,533	8,934,889	8,741,930	9,342,832	9,286,207	9,159,072	6,830,396	6,924,879	6,216,681	6,281,962
Class 4 - 20' to 25'	58,048	62,115	71,936	76,708	79,213	89,800	91,920	90,806	70,857	64,200
Class 5 - 25' to 35'	123,218	137,736	150,070	162,190	163,340	163,482	143,673	141,285	131,577	128,340
Class 6 - 35' to 45'	123,493	127,899	130,771	131,043	131,094	129,463	118,491	119,101	109,633	108,958
Class 7 - 45' to 55'	172,152	175,408	168,984	168,941	169,925	171,351	149,034	150,843	126,123	113,498
Class 9 - Over 65'	48,635	32,793	46,022	29,763	28,788	58,678	45,730	38,614	38,852	52,787
Class 10 - Motorbike or Motorcycle	203,805	223,069	223,207	237,607	245,859	227,148	156,899	129,486	116,780	110,255
Class 11 - Bicycle	-	-	-	-	-	-	-	120	19,858	10,458
Class 12 - Over Width Vehicles	3,728	2,148	1,014	590	558	1,115	973	128	275	388
Peak Period Surcharge (1)	-	-	-	-	-	-	-	-	-	-
Total Cape May - Lewes Ferry:	\$ 12,906,570	\$ 13,664,204	\$ 13,406,195	\$ 14,184,619	\$ 14,234,150	\$ 14,194,354	\$ 13,501,913	\$ 13,701,066	\$ 12,615,372	\$ 12,944,416
Delaware City-Salem Ferry (2)										
Adult	\$ 27,324	\$ 31,540	\$ 32,907	\$ 39,392	\$ 41,310	\$ 44,307	\$ 35,703	\$ 44,394	\$ 67,020	\$ 75,222
Child	4,948	5,508	5,983	7,346	8,100	8,115	8,529	10,836	17,308	20,804
School Groups	13,444	13,461	12,563	11,606	13,830	12,550	4,011	18,900	17,832	21,456
Cruise/Special Events	9,547	8,969	10,564	15,292	12,150	12,063	5,185	3,191	5,582	2,015
Total Delaware City-Salem Ferry:	\$ 55,263	\$ 59,478	\$ 62,017	\$ 73,636	\$ 75,390	\$ 77,035	\$ 53,428	\$ 77,321	\$ 107,742	\$ 119,497
Total Ferry Tolls	<u>\$ 12,961,833</u>	<u>\$ 13,723,682</u>	<u>\$ 13,468,212</u>	<u>\$ 14,258,255</u>	<u>\$ 14,309,540</u>	<u>\$ 14,271,389</u>	<u>\$ 13,555,342</u>	<u>\$ 13,778,387</u>	<u>\$ 12,723,114</u>	<u>\$ 13,063,913</u>

(1) Peak period surcharge added in Fare price effective 1/1/2001

(2) DRBA assumed Delaware City-Salem Ferry service from the State of Delaware effective 1/1/97

*Note: In 2008, for reporting purposes: the Vehicle Driver revenues from the Passenger category were reclassified as Class 1 - passenger car revenues. This in turn required all previous years going back to 1999 to be changed as well.

DELAWARE RIVER AND BAY AUTHORITY
DELAWARE MEMORIAL BRIDGE TRAFFIC BY CLASSIFICATION
Last Ten Fiscal Years

SCHEDULE 27

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Delaware Memorial Bridge										
Class 1 - Passenger Cars	12,050,392	12,024,566	12,096,813	12,397,831	12,508,110	12,073,390	12,554,899	12,615,946	12,530,542	12,582,105
Class 2 - Two Axel Trucks	255,030	255,010	255,501	258,758	261,472	280,946	308,773	320,844	330,077	338,687
Class 3 - Three Axel Trucks	164,201	169,688	173,774	168,341	164,491	163,668	166,322	167,370	170,362	166,723
Class 4 - Four Axel Trucks	141,108	139,855	129,518	124,772	125,940	142,927	152,343	147,290	150,756	150,072
Class 5 - Five Axel Trucks & Truck Combinations	1,437,445	1,425,271	1,459,524	1,470,937	1,523,964	1,677,383	1,822,294	1,780,752	1,746,467	1,693,932
Class 6 - Six Axel Trucks & Truck Combinations	29,879	29,630	31,677	29,825	31,196	32,832	33,720	26,801	27,739	30,865
Class 7 - Vehicles Requiring Special Permits	1,912	1,899	2,031	1,993	1,781	2,211	2,668	2,933	3,033	2,859
Class 8 - Special(Over Six Axels)	9,023	9,988	9,174	7,305	5,427	4,694	6,053	5,867	5,616	8,498
Class 9 - Commutation Plan	1,247,852	1,254,127	1,212,606	1,139,850	1,109,589	1,127,130	1,123,691	1,129,861	1,138,205	1,139,377
Class 10 - Frequent Traveler Plan	1,388,634	1,346,766	1,273,470	1,234,491	1,241,834	1,266,053	1,314,561	1,350,179	1,327,018	1,358,553
Class 11 - Passenger Cars w/ 1 Axel Trailer	64,616	63,596	64,337	67,196	70,080	67,477	73,385	74,988	77,904	79,118
Class 12 - Passenger Cars w/ 2 Axel Trailer	58,516	59,350	58,841	61,109	63,323	64,062	68,755	68,894	69,510	71,409
Class 13 - Passenger Cars w/ 3 Axel Trailer	3,455	2,814	3,747	4,046	3,901	3,601	4,453	3,402	3,639	5,892
Class 14 - Senior Citizens (With Token Only)	-	-	-	-	-	-	-	-	-	-
Class 15 - Tokens	-	-	-	-	-	-	-	-	-	-
Class 16 - Non Revenue	15,292	21,406	15,743	17,245	15,768	14,239	11,964	12,367	12,542	12,948
Total Bridge Traffic	16,867,355	16,803,966	16,786,756	16,983,699	17,126,876	16,920,613	17,643,881	17,707,494	17,593,410	17,641,038

DELAWARE RIVER AND BAY AUTHORITY
CAPE MAY-LEWES FERRY/DELAWARE CITY-SALEM FERRY TRAFFIC BY CLASSIFICATION
Last Ten Fiscal Years

SCHEDULE 28

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Cape May - Lewes Ferry										
Passengers	700,177	745,967	730,948	767,114	789,761	862,618	914,064	931,389	952,141	944,472
Bus Passengers	3,762	5,090	4,724	5,455	5,377	7,149	7,501	6,560	6,420	8,685
Class 1 - Passenger Car	239,866	255,000	250,393	266,064	270,046	293,599	317,105	328,343	336,501	335,243
Class 4 - 20' to 25'	1,334	1,432	1,641	1,812	1,903	2,492	3,273	3,273	3,016	2,741
Class 5 - 25' to 35'	2,368	2,660	2,899	3,181	3,247	3,603	3,950	3,943	4,288	4,190
Class 6 - 35' to 45'	2,067	2,107	2,187	2,234	2,248	2,464	2,728	2,771	2,983	2,965
Class 7 - 45' to 55'	2,356	2,385	2,328	2,349	2,394	2,620	2,691	2,758	2,699	2,433
Class 8 - 55' to 65'	-	-	-	-	-	-	-	-	-	-
Class 9 - Over 65'	530	362	507	329	325	705	596	522	598	811
Class 10 - Motorbike or Motorcycle	6,535	7,220	7,219	7,669	7,961	8,156	8,592	6,959	6,756	6,370
Class 11 - Bicycle	-	-	-	-	-	-	-	20	2,557	3,052
Class 12 - Over Width Vehicles	22	12	7	4	3	7	8	1	2	4
CMLF Non-Revenue Passengers	39,212	44,484	43,779	59,117	50,224	52,042	60,849	63,219	67,435	67,245
CMLF Non-Revenue Vehicles	<u>1,248</u>	<u>1,180</u>	<u>1,424</u>	<u>2,820</u>	<u>7,129</u>	<u>4,354</u>	<u>2,497</u>	<u>2,618</u>	<u>2,607</u>	<u>2,222</u>
Total Cape May-Lewes Ferry Traffic:	999,477	1,067,899	1,048,056	1,118,148	1,140,618	1,239,809	1,323,854	1,352,376	1,388,003	1,380,433
Delaware City-Salem Ferry										
Adult	7,590	8,761	9,141	10,942	11,475	11,402	12,265	7,399	11,170	12,537
Child	2,291	2,550	2,770	3,401	3,750	3,757	4,726	2,709	4,327	5,201
School Groups	6,224	6,232	5,816	5,373	6,403	4,980	4,552	3,780	4,458	5,364
Cruise/Special Events	1,677	1,551	1,983	2,768	2,994	1,848	782	1,110	1,256	424
Three Forts Non-Revenue	<u>120</u>	<u>332</u>	<u>13</u>	<u>209</u>	<u>287</u>	<u>222</u>	<u>194</u>	<u>725</u>	<u>931</u>	<u>1,600</u>
Total Three Forts Ferry Traffic:	<u>17,902</u>	<u>19,426</u>	<u>19,723</u>	<u>22,693</u>	<u>24,909</u>	<u>22,209</u>	<u>22,519</u>	<u>15,723</u>	<u>22,142</u>	<u>25,126</u>
Total Ferry Traffic:	<u>1,017,379</u>	<u>1,087,325</u>	<u>1,067,779</u>	<u>1,140,841</u>	<u>1,165,527</u>	<u>1,262,018</u>	<u>1,346,373</u>	<u>1,368,099</u>	<u>1,410,145</u>	<u>1,405,559</u>

DELAWARE RIVER AND BAY AUTHORITY
DELAWARE MEMORIAL BRIDGE TOLL RATES
Last Ten Fiscal Years

SCHEDULE 29

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Delaware Memorial Bridge										
Class 1 - Passenger Cars	\$ 4.00	\$ 4.00	\$ 4.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Class 2 - Two Axel Trucks	10.00	10.00	10.00	8.00	8.00	8.00	6.00	6.00	6.00	6.00
Class 3 - Three Axel Trucks	15.00	15.00	15.00	12.00	12.00	12.00	9.00	9.00	9.00	9.00
Class 4 - Four Axel Trucks	20.00	20.00	20.00	16.00	16.00	16.00	12.00	12.00	12.00	12.00
Class 5 - Five Axel Trucks & Truck Combinations	25.00	25.00	25.00	20.00	20.00	20.00	15.00	15.00	15.00	15.00
Class 6 - Six Axel Trucks & Truck Combinations	30.00	30.00	30.00	24.00	24.00	24.00	18.00	18.00	18.00	18.00
Class 7 - Vehicles Requiring Special Permits	60.00	60.00	60.00	50.00	50.00	50.00	40.00	40.00	40.00	40.00
Class 8 - Special(Over Six Axels)	5.00	5.00	5.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00
Class 9 - Commuter Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Class 9 - Commutation Plan	1.00	1.00	1.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Class 10 - Discount Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Class 10 - Frequent Traveler Plan	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Class 11 - Passenger Cars w/ 1 Axel Trailer	6.00	6.00	6.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Class 12 - Passenger Cars w/ 2 Axel Trailer	8.00	8.00	8.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Class 13 - Passenger Cars w/ 3 Axel Trailer	10.00	10.00	10.00	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Class 14 - Senior Citizens (With Token Only)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Discontinued the sale of tickets with the implementation of E-ZPass.

DELAWARE RIVER AND BAY AUTHORITY
CAPE MAY – LEWES FERRY/DELAWARE CITY-SALEM FERRY TOLL RATES
Last Ten Fiscal Years

SCHEDULE 30

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Cape May - Lewes Ferry										
Foot/Vehicle Passenger (under 6 yrs)	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free
Foot/Vehicle Passenger (6 yrs & over)	\$3-\$10	\$3-\$10	\$3-\$10	\$3-\$10	\$2.75-\$10.00	\$2.50-\$9.50	\$2.50-\$9.50	\$2.50-\$9.50	\$6-\$8	\$6-\$8
Foot Passengers(round trip)	6-10	6-10	6-10	6-10	5.25-10.00	6-17	6-17	6-17	10-15	10-15
Bus Passengers	2-5	2-5	2-5	2-5	1.50-5.25	1.50-5	2-6	2-6	5-7	5-7
Class 1 - Passenger Car	26-44	26-44	26-44	26-44	25.25-43.25	19-41	19-29	19-29	20-25	20-25
Class 4 - 20' to 25'	34-50	34-50	34-50	34-50	33.75-49.75	27-47	27-34	27-34	24-29	24-29
Class 5 - 25' to 35'	43-61	43-61	43-61	43-61	42.25-60.25	35-57	35-42	35-42	31-36	31-36
Class 6 - 35' to 45'	50-69	50-69	50-69	50-69	49.75-68.75	42-65	42-49	42-49	37-42	37-42
Class 7 - 45' to 60'	62-85	62-85	62-85	62-85	61.25-84.50	53-80	53-61	53-61	47-52	47-52
Class 9 - Over 60'	85-113	85-113	85-113	85-113	84.50-113.00	75-107	75-83	75-83	66-71	66-71
Class 10 - Motorbike or Motorcycle	25-36	25-36	25-36	25-36	24.25-36.00	15-34	15-24	15-24	17-22	17-22
Class 10 w/ Side Car or trailer	22-36	22-27	22-27	22-27	21.25-26.50	15-34	15-24	15-24	18-23	18-23
Class 11 - Bicycle	Free	Free	Free	Free	Free	Free	Free	Free	6-8	6-8
Class 12 - Over Width Vehicles (1)	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies

Note: Ferry rates based upon Peak Season (April-October) and Off-peak Season (November-March)

(1) Over Width vehicles are charged double rate of length.

Three Forts Ferry

Adult	10-11	10-11	10-11	10-11	10-11	10-11	6-10	6	6	6
Child	6-7	6-7	6-7	6-7	6-7	6-7	4-6	4	4	4
Cruise/Special Events	10	10	10	10	10	10	10	10	10	10

DELAWARE RIVER AND BAY AUTHORITY
RATIO OF OUTSTANDING DEBT PER CUSTOMER
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Outstanding Debt (1)</u>	<u>Total Annual Debt Service (2)</u>	<u>Total Traffic (3)</u>	<u>Outstanding Debt Per Customer</u>	<u>Debt Service Per Customer</u>
2013	\$ 336,570,376	\$ 21,303,341	17,884,734	18.82	1.19
2012	345,195,405	19,954,557	17,891,291	19.29	1.12
2011	292,669,062	21,443,532	17,854,535	16.39	1.20
2010	302,103,829	21,465,838	18,124,540	16.67	1.18
2009	310,615,472	21,434,457	18,292,403	16.98	1.17
2008	319,554,173	22,941,551	18,182,631	17.57	1.26
2007	328,624,771	22,364,966	18,990,254	17.30	1.18
2006	337,049,045	22,227,918	19,075,593	17.67	1.17
2005	343,382,353	22,051,686	19,003,555	18.07	1.16
2004	333,660,000	22,360,397	19,046,597	17.52	1.17

(1) Includes Outstanding Revenue Bonds and outstanding loan payable to the Cumberland Empowerment Zone Corp.

(2) Includes the annual interest and principal paid on the outstanding Revenue Bonds and the loan payable to the Cumberland Empowerment Zone Corp.

(3) Includes combined traffic for the Delaware Memorial Bridge, Cape May - Lewes Ferry and Delaware City-Salem Ferry.

DELAWARE RIVER AND BAY AUTHORITY
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

SCHEDULE 32

Fiscal Year	Gross Revenues	Less: Budgetary Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2013	\$ 116,033,021	\$ 69,818,313	\$ 46,214,708	\$ 9,600,000	\$ 13,801,698	1.98
2012	117,472,408	69,681,492	47,790,916	7,390,000	12,456,423	2.41
2011	107,223,066	70,012,448	37,210,618	8,760,000	12,571,889	1.74
2010	99,723,149	67,219,476	32,503,673	8,400,000	12,954,195	1.52
2009	101,537,888	61,841,952	39,695,936	8,020,000	13,302,814	1.86
2008	102,866,626	67,088,144	35,778,482	7,718,750	15,092,551	1.57
2007	99,511,229	63,755,295	35,755,934	7,340,000	15,024,966	1.60
2006	97,324,442	64,196,500	33,127,942	7,095,000	15,132,918	1.49
2005	93,661,062	60,308,667	33,352,395	6,600,000	15,451,686	1.51
2004	92,444,083	57,379,218	35,064,865	6,345,000	16,015,397	1.57

DELAWARE RIVER AND BAY AUTHORITY
DEMOGRAPHIC AND ECONOMIC DATA
Last Ten Fiscal Years

SCHEDULE 33

NEW JERSEY	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Cape May County</u>										
Population	101,335	99,920	98,558	97,814	96,700	96,470	96,091	97,265	96,601	96,415
Total Personal Income	\$ 1,188,248	\$ 1,285,105	\$ 1,330,501	\$ 1,357,256	\$ 1,369,686	\$ 1,395,943	\$ 1,360,988	\$ 4,619,213	\$ 4,703,885	\$ 5,034,417
Per Capita Personal Income	\$ 28,873	\$ 30,227	\$ 31,033	\$ 31,801	\$ 32,452	\$ 33,529	\$ 33,477	\$ 47,498	\$ 48,694	\$ 52,276
Unemployment Rate	8.1%	6.9%	6.6%	6.9%	6.6%	8.1%	11.4%	11.9%	12.6%	13.2%
<u>Cumberland County</u>										
Population	148,722	150,227	152,489	153,910	155,402	156,784	157,745	156,898	157,095	157,917
Total Personal Income	\$ 2,052,149	\$ 2,207,839	\$ 2,279,327	\$ 2,359,502	\$ 2,429,227	\$ 2,492,454	\$ 2,462,772	\$ 5,318,463	\$ 5,541,121	\$ 5,767,218
Per Capita Personal Income	\$ 34,508	\$ 36,228	\$ 36,387	\$ 37,749	\$ 39,408	\$ 40,709	\$ 41,145	\$ 33,907	\$ 35,272	\$ 36,551
Unemployment Rate	7.9%	6.6%	6.3%	6.9%	6.5%	8.0%	12.7%	13.3%	13.5%	13.7%
<u>Gloucester County</u>										
Population	268,257	273,020	276,680	281,936	286,056	288,168	289,920	288,288	289,104	289,808
Total Personal Income	\$ 3,305,661	\$ 3,583,035	\$ 3,839,077	\$ 4,067,667	\$ 4,157,198	\$ 4,245,476	\$ 4,106,572	\$11,927,960	\$12,208,251	\$ 12,993,182
Per Capita Personal Income	\$ 34,549	\$ 36,291	\$ 37,233	\$ 39,018	\$ 40,004	\$ 41,392	\$ 41,332	\$ 41,337	\$ 42,228	\$ 44,868
Unemployment Rate	5.4%	4.7%	4.4%	4.7%	4.3%	5.4%	9.4%	10.0%	9.8%	9.7%
<u>Salem County</u>										
Population	64,407	64,914	65,465	65,929	65,981	66,194	66,342	66,083	65,902	65,727
Total Personal Income	\$ 950,860	\$ 1,021,336	\$ 1,007,053	\$ 1,024,486	\$ 1,052,845	\$ 1,078,606	\$ 1,062,053	\$ 2,620,335	\$ 2,691,931	\$ 2,785,513
Per Capita Personal Income	\$ 42,063	\$ 43,920	\$ 43,557	\$ 44,201	\$ 45,857	\$ 48,251	\$ 49,183	\$ 39,704	\$ 40,847	\$ 42,350
Unemployment Rate	6.0%	5.2%	4.8%	5.0%	5.0%	6.2%	10.7%	11.3%	11.0%	10.6%
STATE OF DELAWARE										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>All Counties</u>										
Population	814,905	826,639	839,906	853,022	864,896	876,211	885,122	897,934	908,137	917,053
Total Personal Income (in millions)	\$ 27,140	\$ 29,331	\$ 29,010	\$ 32,947	\$ 34,575	\$ 35,667	\$ 35,360	\$ 35,688	\$ 37,600	\$ 40,558
Per Capita Personal Income	\$ 33,644	\$ 35,523	\$ 36,793	\$ 38,745	\$ 40,112	\$ 40,852	\$ 39,949	\$ 39,664	\$ 41,560	\$ 44,224
Unemployment Rate	4.1%	3.9%	3.9%	3.6%	3.5%	5.0%	8.0%	8.5%	7.3%	7.1%

Sources:

United States Department of Labor, Bureau of Labor Statistics
United States Census Bureau, Population Division
United States Department of Commerce, Bureau of Economic Analysis
State of Delaware CAFR Report

DELAWARE RIVER AND BAY AUTHORITY
PRINCIPAL EMPLOYERS BY INDUSTRY
Current Year and Ten Years Ago

SCHEDULE 34

STATE OF NEW JERSEY

	2012			2003		
	Employment	Rank	% of Total State	Employment	Rank	% of Total State
Health Care and Social Assistance	598,570	1	11.79%	498,220	2	10.36%
Retail Trade	526,494	2	10.37%	536,682	1	11.16%
Professional, Scientific and Technical Services	429,911	3	8.47%	380,939	4	7.92%
Local Government	394,426	4	7.77%	397,765	3	8.27%
Finance and Insurance	347,599	5	6.85%	279,015	8	5.80%
Administrative and Waste Management Services	323,716	6	6.38%	303,849	6	6.32%
Accommodations and Food Services	320,150	7	6.31%	291,969	7	6.07%
Real Estate and Rental and Leasing	270,478	8	5.33%	190,359	12	3.96%
Manufacturing	276,511	9	5.45%	245,258	10	5.10%
Other Services, Except Public Administration	258,701	10	5.10%	359,079	5	7.47%
Wholesale Trade	236,070	11	4.65%	247,289	9	5.14%
Construction	211,813	12	4.17%	233,545	11	4.86%
TOTAL	4,194,439		82.64%	3,963,969		82.45%
TOTAL EMPLOYMENT	5,075,426			4,807,515		

STATE OF DELAWARE

	2012			2003		
	Employment	Rank	% of Total State	Employment	Rank	% of Total State
Health Care and Social Assistance	65,912	1	12.35%	49,676	2	9.88%
Retail Trade	59,751	2	11.19%	60,297	1	11.99%
Finance and Insurance	53,809	3	10.08%	46,984	3	9.34%
Accommodations and Food Services	37,532	4	7.03%	31,534	7	6.27%
Professional, Scientific and Technical Services	37,381	5	7.00%	34,025	5	6.77%
State Government	32,516	6	6.09%	30,375	8	6.04%
Other Services, Except Public Administration	28,155	7	5.28%	26,656	9	5.30%
Administrative and Waste Management Services	28,108	8	5.27%	25,637	10	5.10%
Construction	27,049	9	5.07%	33,310	6	6.62%
Manufacturing	26,916	10	5.04%	36,386	4	7.23%
Local Government	25,913	11	4.86%	22,528	11	4.48%
Real Estate and Rental and Leasing	24,618	12	4.61%	16,745	12	3.33%
TOTAL	447,660		83.87%	414,153		82.34%
TOTAL EMPLOYMENT	533,738			502,952		

Unites State Department of Commerce, Bureau of Economic Analysis
State of Delaware CAFR Report

DELAWARE RIVER AND BAY AUTHORITY
OTHER OPERATING REVENUES BY SOURCE
Last Ten Fiscal Years

SCHEDULE 35

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Airports										
New Castle Airport										
Lease Revenues	\$ 4,715,206	\$ 4,417,327	\$ 4,440,042	\$ 4,826,165	\$ 4,185,960	\$ 3,936,180	\$ 3,630,836	\$ 3,118,445	\$ 2,656,667	\$ 2,858,242
Fuel Flowage Fees	390,867	347,071	348,181	337,994	293,876	419,947	492,057	489,864	476,895	455,804
Ramp Fees	1,000						19,813	9,310		
Landing Fees	168,640	134,099	103,740	98,809	68,233	123,301	139,367	144,218	161,056	143,226
Total New Castle Airport	5,275,713	4,898,497	4,891,963	5,262,968	4,548,069	4,479,428	4,282,073	3,761,837	3,294,618	3,457,272
Cape May Airport										
Lease Revenues	198,362	182,145	165,610	153,738	127,051	159,358	147,247	146,879	155,906	158,414
Fuel Flowage Fees	6,970	11,207	4,207	5,007	3,895	4,409	5,309	5,289	2,224	-
Aviation Fuel Sales	63,734	263,428	-	-	-	-	-	-	26,792	198,069
Ramp Fees	6,318	2,115	-	-	-	-	-	-	-	-
Landing Fees	300	9,750	-	-	-	-	-	-	-	-
Total Cape May Airport	275,684	468,645	169,817	158,745	130,946	163,767	152,556	152,168	184,922	356,483
Millville Airport (1)										
Lease Revenues	398,808	401,038	310,367	374,277	337,874	357,584	337,663	308,108	417,445	398,236
Fuel Flowage Fees	13,748	14,422	(20,816)	13,081	27,847	72,430	88,212	73,080	49,380	18,051
Total Millville Airport	412,556	415,460	289,551	387,358	365,721	430,014	425,875	381,188	466,825	416,287
Civil Air Terminal										
Lease Revenues	-	-	-	-	-	2,081	-	-	-	-
Landing Fees	21,759	21,883	14,230	18,141	21,296	9,873	19,999	20,300	18,723	15,454
Total Civil Air Terminal	21,759	21,883	14,230	18,141	21,296	11,954	19,999	20,300	18,723	15,454
Delaware Air Park										
Lease Revenues	64,163	82,841	70,587	66,283	53,265	95,306	51,430	55,864	63,346	62,606
Aviation Fuel Sales	134,322	135,352	82,008	104,452	104,934	138,110	129,339	121,928	93,388	85,512
Aviation Chart Sales	-	-	-	18	1,119	1,452	1,507	1,730	1,594	-
Ramp Fees	1,012	-	-	-	-	-	-	-	-	-
Total Delaware Air Park	199,497	218,193	152,595	170,753	159,318	234,868	182,276	179,522	158,328	148,118
Total Airports	\$ 6,185,209	\$ 6,022,678	\$ 5,518,156	\$ 5,997,965	\$ 5,225,350	\$ 5,320,031	\$ 5,062,779	\$ 4,495,015	\$ 4,123,416	\$ 4,393,614
Concessions										
Food & Beverage	\$ 2,835,436	\$ 2,801,322	\$ 2,567,588	\$ 2,550,753	\$ 2,546,211	\$ 2,712,037	\$ 3,013,071	\$ 2,794,829	\$ 2,817,535	\$ 2,580,194
Novelty	599,961	908,317	873,098	909,436	942,349	1,090,470	1,263,874	1,197,668	1,227,005	1,206,244
Total Concessions	\$ 3,435,397	\$ 3,709,639	\$ 3,440,686	\$ 3,460,189	\$ 3,488,560	\$ 3,802,507	\$ 4,276,945	\$ 3,992,497	\$ 4,044,540	\$ 3,786,438

(1) 2011 Millville Airport Lease Revenue includes a one time write-off of \$73,483 for the Millville Jet Center settlement.

(1) 2011 Millville Airport Fuel Flowage Fees includes a one time write-off of \$33,578 for the Millville Jet Center settlement.

DELAWARE RIVER AND BAY AUTHORITY
OPERATING STATISTICS
Last Ten Fiscal Years

SCHEDULE 36

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Delaware Memorial Bridge										
Total Traffic	16,867,355	16,803,966	16,786,756	16,983,699	17,126,876	16,920,613	17,643,881	17,707,494	17,593,410	17,641,038
Non-Commercial Traffic	14,828,757	14,772,625	14,725,557	14,921,768	15,012,605	14,615,952	15,151,708	15,255,637	15,159,360	15,249,402
Commercial Traffic	2,038,598	2,031,341	2,061,199	2,061,931	2,114,271	2,304,661	2,492,173	2,451,857	2,434,050	2,391,636
Average Daily Traffic	46,212	46,038	45,991	46,531	46,923	46,358	48,339	48,514	48,201	48,332
Average Toll per Customer	\$ 5.69	\$ 5.68	\$ 5.13	\$ 4.47	\$ 4.51	\$ 4.69	\$ 4.16	\$ 4.12	\$ 4.11	\$ 4.08
E-Z Pass Traffic	11,524,239	11,156,579	10,758,138	10,460,787	10,313,946	10,073,221	10,100,635	9,724,593	9,161,304	8,489,812
% of E-Z Pass Traffic	68.32%	66.39%	64.15%	61.66%	60.28%	59.58%	57.29%	54.96%	52.11%	48.16%
Cape May - Lewes Ferry										
Total Traffic	999,477	1,067,899	1,048,056	1,118,148	1,140,618	1,239,809	1,323,854	1,352,376	1,388,003	1,380,433
Vehicle Traffic	256,326	272,358	268,605	286,462	295,256	318,000	341,440	351,188	359,450	360,031
Passenger Traffic	743,151	795,541	779,451	831,686	845,362	921,809	982,414	1,001,188	1,028,553	1,020,402
Average Daily Traffic-Passengers	1,920	2,058	2,016	2,117	2,164	2,526	2,525	2,570	2,634	2,612
Average Daily Traffic-Vehicles	699	743	732	777	804	871	929	955	978	980
Average Fare per Customer	\$ 12.96	\$ 12.80	\$ 12.79	\$ 12.69	\$ 12.48	\$ 11.44	\$ 10.20	\$ 10.13	\$ 9.09	\$ 9.88
Total Vessel Crossings	4,591	4,700	4,781	4,983	5,056	5,308	5,533	5,676	5,828	6,205
Average Daily Trips	13	13	13	14	14	15	15	16	16	17
Delaware City-Salem Ferry										
Total Passenger Traffic	17,902	19,426	19,723	22,693	24,909	22,209	22,519	15,723	21,211	25,126

DELAWARE RIVER AND BAY AUTHORITY
OPERATING STATISTICS
Last Ten Fiscal Years

SCHEDULE 37

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Airports										
Number of Landings										
New Castle Airport	56,683	53,524	60,000	79,388	73,487	45,279	72,907	82,239	66,856	54,477
Cape May Airport	20,000	15,000	15,600	17,000	15,000	15,000	17,000	15,000	17,500	10,200
Millville Airport	18,000	35,000	50,450	40,000	40,000	30,000	35,000	30,000	30,000	21,200
Civil Air Terminal	284	264	130	271	301	326	350	436	320	320
Delaware Air Park	26,000	30,000	23,100	11,500	11,500	12,000	20,000	17,000	18,000	18,000
Concessions										
Number of Customers Food/Beverage	432,164	434,215	372,658	431,603	446,488	522,762	594,621	603,849	628,636	589,814
Number of Customers Novelty	45,386	64,986	66,019	79,344	86,256	106,254	129,779	129,655	138,417	138,943
Average Purchase Food/Beverage	\$ 6.48	\$ 6.44	\$ 6.93	\$ 5.94	\$ 5.70	\$ 5.21	\$ 5.07	\$ 4.48	\$ 4.48	\$ 4.37
Average Purchase Novelty	\$ 12.66	\$ 13.73	\$ 13.22	\$ 11.46	\$ 10.93	\$ 10.26	\$ 9.53	\$ 9.24	\$ 8.86	\$ 8.68
Police										
Arrests	719	514	353	498	630	560	740	1,138	724	337
Traffic Violations	6,939	8,309	5,260	9,162	9,928	9,453	8,521	8,640	4,968	5,615
Traffic Reprimands	4,275	5,056	3,934	6,341	6,726	5,152	3,553	3,476	5,336	12,685
Accident Investigations	182	210	240	215	280	339	296	295	338	307

DELAWARE RIVER AND BAY AUTHORITY
OPERATING & CAPITAL EXPENDITURES
Last Ten Fiscal Years

SCHEDULE 38

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004 (1)
Delaware Memorial Bridge										
Operating Expenditures	\$ 29,001,107	\$ 24,932,890	\$ 27,202,747	\$ 25,690,857	\$ 25,228,586	\$ 25,860,557	\$ 23,789,442	\$ 23,932,453	\$ 19,984,171	\$ 21,681,600
Capital Expenditures	8,916,502	12,408,737	10,749,464	9,191,779	26,720,643	16,551,342	10,045,347	11,318,358	9,491,685	7,659,601
Cape May - Lewes Ferry										
Operating Expenditures	33,358,457	32,462,710	32,826,669	31,778,768	30,629,359	33,271,770	29,226,668	29,178,709	26,952,433	25,956,214
Capital Expenditures	7,248,833	9,188,314	4,159,107	8,102,616	2,656,490	6,971,741	1,820,793	4,268,791	7,401,779	3,435,589
Airports										
Operating Expenditures	11,516,232	11,175,690	10,494,638	10,159,332	9,944,990	9,569,059	8,707,198	7,330,841	6,946,389	7,441,859
Capital Expenditures	4,756,999	6,145,081	4,739,175	5,944,317	16,074,289	9,481,862	10,641,592	9,081,921	14,418,289	9,762,160
Concessions (2)										
Operating Expenditures	4,459,312	4,103,629	4,107,253	4,107,001	4,213,682	4,597,062	4,686,253	4,669,262	4,365,502	4,030,312
Delaware City-Salem Ferry (3)										
Operating Expenditures	219,093	181,105	167,963	196,601	186,705	192,221	204,236	207,104	175,932	215,369
Capital Expenditures	-	-	-	-	-	88,680	1,495	406,972	20,566	
Police										
Operating Expenditures	8,402,198	7,899,030	7,942,622	8,123,802	7,902,613	7,741,485	6,838,008	6,574,019	5,866,749	5,697,573
Administration										
Operating Expenditures	12,179,016	16,815,956	15,976,134	15,682,997	16,211,661	16,052,433	14,832,051	15,371,088	14,383,334	13,248,804

(1) Operating expenses for fiscal year 2004 are based on GAAP - Generally Accepted Accounting Principles.

(2) Capital expenditures for the Concession operations are included within the Cape May - Lewes Ferry, which assumed operations in fiscal year 1996.

(3) Assumed operations in fiscal year 1997.

*Note: In 2008, for reporting purposes: the credit card fees/merchant card fees were reclassified as operating expenses. Previously, they were netted with credit card fee income on the schedule of other operating revenues. This required changing the totals of operating expenditures and other operating revenues back to 2003.

DELAWARE RIVER AND BAY AUTHORITY
FULL-TIME AUTHORITY EMPLOYEES
Last Ten Fiscal Years

SCHEDULE 39

	Full-time Employees as of Dec 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Administration	64	70	70	69	72	68	62	71	65	67
Delaware Memorial Bridge	91	103	94	101	101	103	107	111	122	107
Cape May - Lewes Ferry	110	109	105	111	115	123	130	145	142	140
Police	57	58	57	59	63	66	62	61	64	62
Airports	36	17	28	28	34	36	29	38	28	36
Concessions	11	14	15	16	12	15	20	20	25	20
Delaware City-Salem Ferry (1)	-	-	-	-	-	-	-	-	-	-
Total	369	371	369	384	397	411	410	446	446	432

(1) Operate Delaware City-Salem Ferry with seasonal, temporary employees.



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**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

Board of Commissioners
The Delaware River and Bay Authority
New Castle, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary fund of the Delaware River and Bay Authority (the Authority), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency identified below as Finding 2013-001 to be a significant deficiency.

Finding Reference: 2013 – 001 – Construction in Progress

Condition:

During the grant close-out process, the Authority noted that a piece of land associated with the pass-through grant to the Delaware Department of Transportation was included in construction in progress (CIP) that was actually the property of the State of Delaware.

Cause:

The Authority did not have a procedure in place to review multi –year grant expenditures or CIP balances periodically to determine if projects or expenditures are correctly classified.

Potential Effect:

The condition noted above resulted in the overstatement of projects included in CIP.

Recommendation:

We recommend the Authority periodically perform a look back of CIP projects and multi-year grant expenditures to determine that all expenditures have been properly classified. In addition, performing an analysis of the CIP projects for inactivity or little activity will assist in identifying projects that need further investigation.

Management Response:

Management recognizes this as a weakness in the internal controls within the Authority and has put additional procedures in place to ensure proper recognition of Authority assets. An additional level of review is now in place for when a grant is opened, and when it is closed out, to reduce the risk of misstatements within the Authority financial records. Furthermore, random audits by Finance Department management will be performed on the CIP accounts, as well as all outstanding grant contracts to increase the controls within the CIP/Grant process, as it relates to the Finance Department.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

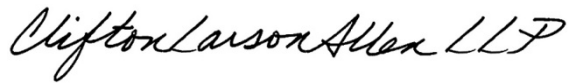
Management's Response to Findings

Management's response to the finding identified in our audit is described above. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Board of Commissioners
The Delaware River and Bay Authority

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
June 5, 2014

