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DELAWARE RIVER PORT AUTHORITY



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Comprehensive Annual
Financial Report

for the Year Ended

December 31, 1995



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Delaware River
Port Authority
of Pennsylvania
& New Jersey





The Delaware River Port Authority is a self-financing,
bistate authority whose mission is to manage, plan
and construct transportation facilities and provide
transportation services to maximize the safe and

Mission STATEMENT

efficient movement of people and freight within the
Port District. The DRPA will perform this mission with
the intent of improving competitiveness and the
climate for economic growth within the Port District.
The DRPA will accomplish this purpose through
continued investments that sustain and enhance
its core business — bridges and PATCO — and that
support expansion into economic development,
ports and related transportation businesses.

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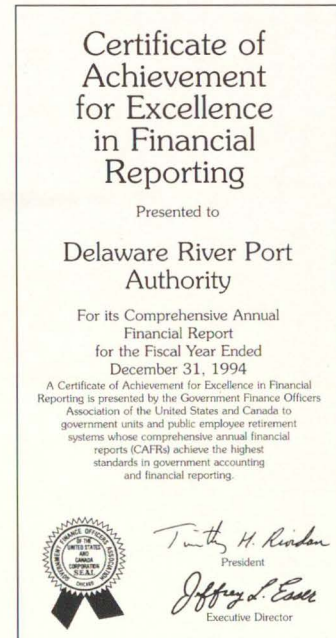
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For the third consecutive year, the Delaware River Port Authority was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its 1994 Comprehensive Annual Financial Report.

R E P O R T T O T H E G O V E R N O R S

Following the lead of our parent states, the Delaware River Port Authority in 1995 imposed strict fiscal controls that resulted in reduced spending, a smaller staff and a renewed commitment to basic customer services.

These decisions produced a series of positive outcomes during the year. Private investors responded enthusiastically to DRPA's 1995 bond issue to finance core facility improvements.

Operating expenditures finished the year well below the budgeted amount, and we further reduced staff through attrition. Most important, we continue to offer among the lowest bridge toll and public transit rates in the country. With the new fiscal controls in place, we pledged to avoid toll and transit increases for 1996 and beyond.

In making these strong policy statements, however, we have not sacrificed the high quality of public service that our customers have come to expect from the Delaware River Port Authority. Nor did we compromise our vision of an expanding, dynamic regional economy deriving new life from a blossoming commercial waterfront district and an invigorated port system with a unique, three-railroad advantage.

This is the ninth and final annual report I will transmit as chairman of the Delaware River Port Authority. During my tenure I enjoyed strong support from talented and dedicated commissioners and staff, and together we accomplished much.

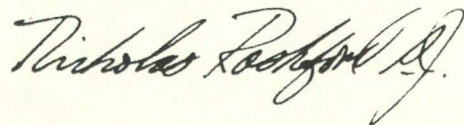
The governors in 1988 set forth three challenges for DRPA. I am pleased to say we met them all. The governors asked us to build a regional intermodal facility to help our port attract more containerized cargo. We opened that facility, known as *AmeriPort*, in 1992, and it has become a key element for future port development. The governors asked that we unify the Delaware River

ports under an expanded DRPA compact. That new compact received approval in 1992, and we subsequently established "The Port of Philadelphia and Camden" with the goal of aggressively marketing and efficiently operating port terminals on both sides of the river. Finally, the governors asked that we help revive the Camden waterfront by building an office tower near the state aquarium. In 1995, we placed the final steel beam on the top of One Port Center, a stately new office building that has already helped Camden attract new private-sector investments.

Along the way, the commissioners and staff of the Delaware River Port Authority made progress in other areas. We instituted one-way tolls in 1992, kept PATCO on the leading edge of public transit technology, developed DRPA's first strategic business plan, laid the foundation for electronic toll collection, streamlined our international marketing efforts and improved our public outreach and developed an agency-wide data processing network. Finally, the fiscal controls approved in 1995 provided the agency with a solid foundation and the ability to address future needs.

As the governors did in 1988, I know you will put forward new projects to guide and challenge the Delaware River Port Authority. With your commitment to regional progress and your continued support, I believe the agency will continue to perform as it has for 76 years, with quiet professionalism and an uninterrupted record of success.

Sincerely,

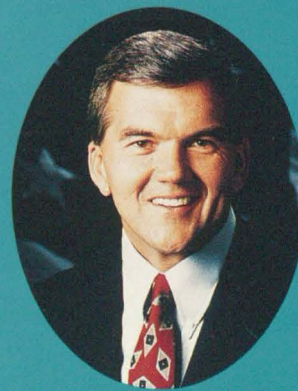


Nicholas S. Rashford, S.J.
Chairman, Delaware River Port Authority



Governor Christine Todd Whitman

NJ



Governor Tom Ridge

PA

Left: The tower of the Benjamin Franklin Bridge. Originally called the "Delaware River Bridge," the span will be 70 years old in 1996.

C O M M I S S I O N E R S & O F F I C E R S

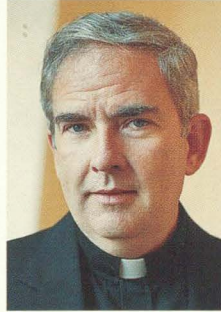
Pennsylvania Commissioners Row 1

Rev. Nicholas S. Rashford, S.J., Chairman
Chairman and President, St. Joseph's University

Honorable Catherine Baker Knoll
Treasurer, Commonwealth of Pennsylvania

Lucien E. Blackwell
Former Member, U.S. House of Representatives

Honorable F. Joseph Loeper
State Senator, Commonwealth of Pennsylvania



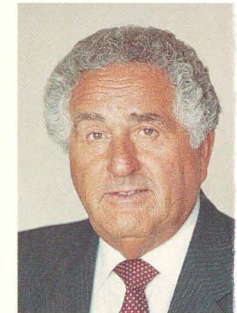
Row 2

Eric B. Schnurer, Esquire
Attorney-at-Law

Honorable Vincent J. Fumo
State Senator, Commonwealth of Pennsylvania

Honorable Barbara Hafer
Auditor General, Commonwealth of Pennsylvania

Max Pievsky
Former State Representative
Commonwealth of Pennsylvania



New Jersey Commissioners Row 3

James Weinstein, Vice Chairman
Principal
Riverfront Associates, Inc.

Glenn Paulsen, Esquire
Attorney-at-Law

Joseph P. DiRenzo
President
United Building & Construction Trades Council

Carole Beske
President, ACT Engineers, Inc.



Row 4

Robert A. Mossman
Professor, Gloucester County College

Gerard P. McNamara
Secretary, Teamsters Local 115

David W. Huggins
President, RMS Technologies Inc.

Honorable Teresa A. Porrini
Councilwoman, Maple Shade, New Jersey



Officers

Row 5

Paul Drayton Jr., Esquire
Executive Director

Siegfried Dahms
Secretary

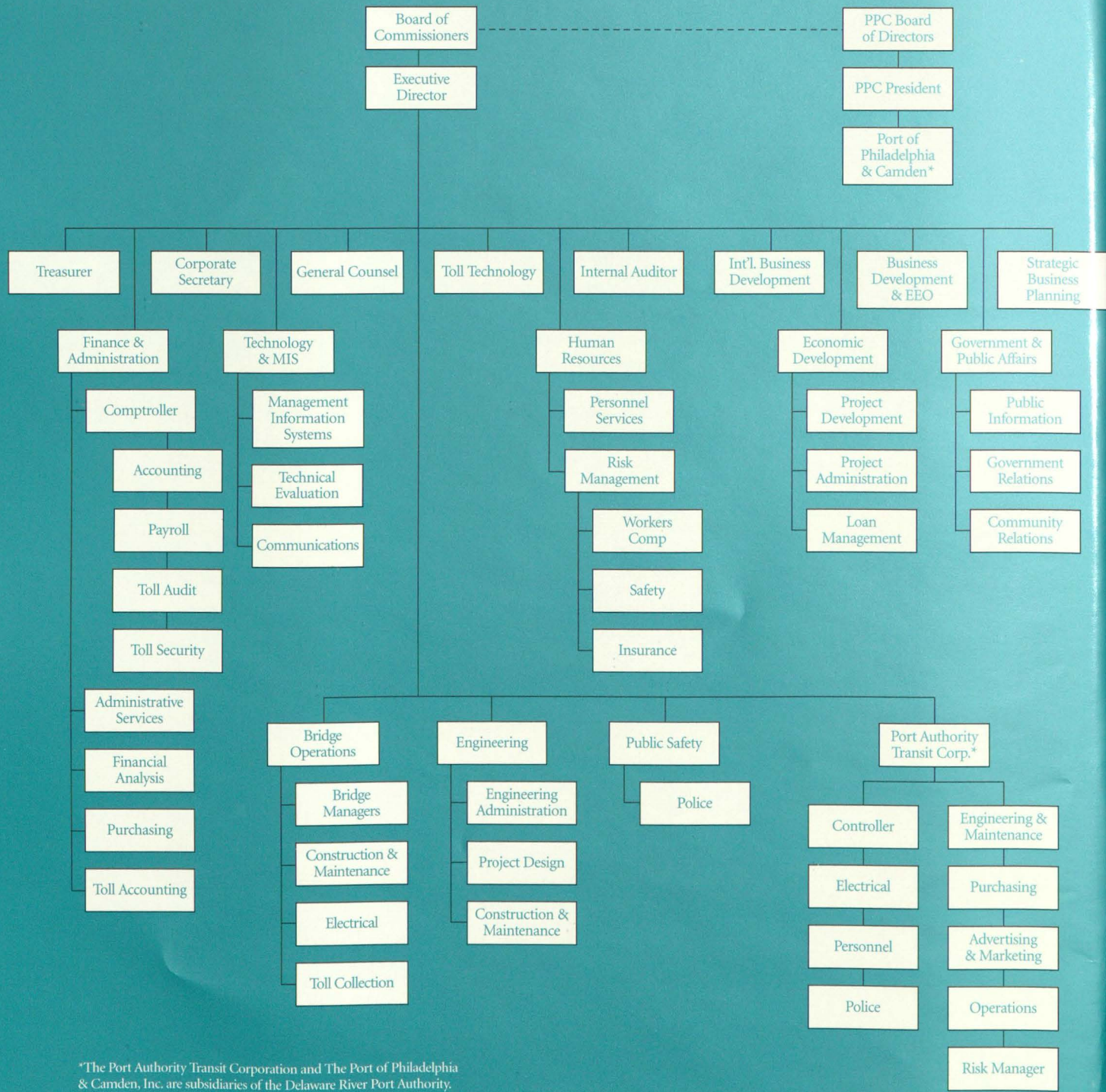
James B. Quinn
Acting Treasurer





Philadelphia's Walnut Street Plaza with the Benjamin Franklin Bridge in the background. DRPA partially funded construction of the Walnut Street Plaza near Penns Landing.

D R P A O R G A N I Z A T I O N A L C H A R T



*The Port Authority Transit Corporation and The Port of Philadelphia & Camden, Inc. are subsidiaries of the Delaware River Port Authority.

DRPA '95



B r i d g e s

Ports

The men and women of the Delaware River Port Authority have

built and maintained one of the nation's premier urban transportation networks. DRPA's four bridges, the PATCO Hi-Speedline and *AmeriPort* Intermodal

Rail Center are symbols of the region's unified

PATCO

and expanding economy, and the new emphasis on port and economic development will pay dividends far into the new century.

Maintenance worker John Kramer on the Commodore Barry Bridge.
Insert: Mechanic Mark Armbruster inspects an electrical valve.

Executive Director's R E P O R T

“Like other private businesses and public agencies, the Delaware



River Port Authority is relying on strong management, careful planning and increased efficiency to keep service levels high while reducing operating costs.”

During the past two years, we have reduced staff by 11 percent and developed a budget that calls for the largest spending decrease in DRPA's history. Despite these economies, however, I am pleased to report that DRPA has expanded its high standards of customer service. Also, aware that our regional transportation infrastructure is a key to future economic growth, we have embarked on an aggressive program of maintenance and improvements to our core facilities.

DRPA has implemented new budget-management programs and sharply focused our efforts. The result was a productive 1995 in which we maintained our bridge tolls and transit fares while developing a comprehensive program for capital improvements.

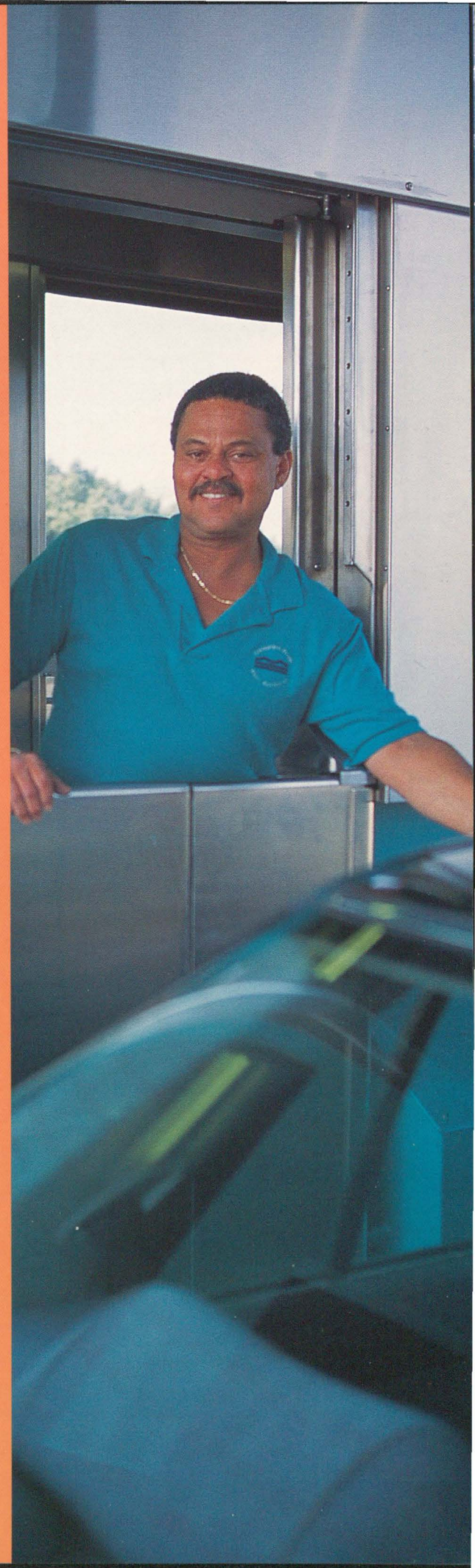
During the year, our commissioners and staff:

- Approved a strict program of fiscal controls, and continued to reduce spending and staff size.
- Completed a \$357 million bond sale that will finance an intensive capital improvement program. The program will maintain and improve DRPA's core facilities.
- Built One Port Center, the 11-story building on the Camden waterfront that will become DRPA's headquarters. Also, we began negotiating leases for office space within the soon-to-be-completed building.
- Assisted in the development of Philadelphia's Independence Seaport Museum and the Ocean Base Atlantic exhibit at the New Jersey State Aquarium.
- Attracted a 300-job manufacturing plant to the region and helped Philadelphia and Camden win federal Empowerment Zone designation.
- Completed on-time and on-budget the first phase of the Walt Whitman Bridge Corridor Improvement project.

- Began a “*Thank You*” customer service program at the toll plazas.
- Completed PATCO enhancements including facilities to make the transit system more accessible to disabled customers.
- Continued support for port unification, and opened a labor-management facility to improve service to the shipping industry.
- Joined Pennsylvania and New Jersey in efforts to revive shipbuilding at the Philadelphia Naval Shipyard.
- Monitored the development of FastShip Atlantic, a private firm that could make The Port of Philadelphia and Camden an intermodal freight center and hub port for high-value cargo movements.
- Updated our strategic business plan and began developing a master plan.
- Increased information flow and community activities, including a community newsletter, a seminar to encourage small firms to participate in DRPA’s bidding process, a home page on the Internet and employee support of various community programs.

DRPA accomplished the above without any change in our fares for bridge crossings or PATCO services. DRPA tolls have remained stable since 1992, and are among the lowest in the country when compared with other major interstate bridges and tunnels. Also, DRPA offers the broadest array of toll discounts in the country, including America’s only toll discount for senior citizens. PATCO fares have remained unchanged for 14 years. PATCO offers a combination of low fares, free-or low-cost parking, round-the-clock service and near-perfect performance records.

Toll collector Mike Pritchett at the Betsy Ross Bridge. During 1995, DRPA began a “*Thank You*” customer service program.



FISCAL CONTROLS AND MANAGEMENT INITIATIVES

The commissioners in 1995 adopted policies that control expenditures and limit staff size. This, coupled with recent management initiatives, enabled us to cut staff size by 85 positions during the past two years. To accomplish this, we developed and implemented DRPA's first-ever retirement incentive. Also, by emphasizing budgetary control at the division and departmental levels, we spent \$2 million less in 1995 than was budgeted.

In 1995, DRPA approved no new economic development spending. However, the commissioners reallocated some spending to projects that could move quickly to preserve or create private sector jobs. We also restructured the economic develop-

ment program to eliminate grants. DRPA's economic development program now focuses exclusively on low-interest loans or guarantees.

During 1995, we saw proof that private investors recognized the value of these fiscal controls and management practices. When we offered \$357 million in revenue bonds for sale in November, the offering

received three times more orders than there were bonds to sell. The bonds sold at favorable interest rates.

In 1996, we will continue reducing operating and personnel costs. We will do so without impacting basic services or reducing our commitment to maintain and improve our bridge and transit facilities.



Carolyn Williams checks receipts in the Walt Whitman Bridge Toll Accounting Office.



The lighting of the Benjamin Franklin Bridge in 1987 sparked revitalization of the Delaware River waterfront.

BRIDGE IMPROVEMENTS



During 1995, DRPA completed the first phase of the largest single maintenance project in the agency's history. The Walt Whitman Bridge opened to traffic in 1957 and, after handling more than 1 billion vehicles, required major rehabilitation of its driving surfaces and realignment of some ramps. The Walt Whitman Bridge Corridor covers more than six miles from the Schuylkill Expressway in Philadelphia to Route 168 in New Jersey. According to a plan designed to minimize traffic impacts, we began with improvements to the approach roadways on either side of the bridge.



Above: Workers inspect the Benjamin Franklin Bridge's suspension cable.

Right: DRPA has decentralized its bridge operations, appointing a bridge manager at each span. They are, from left: Robert Cloud, Commodore Barry Bridge; Horace Nelson, Walt Whitman Bridge; Donald Piccoli, Betsy Ross Bridge; and Daniel Auletto, Benjamin Franklin Bridge. Among them they have 90 years of bridge and toll experience.

On the Pennsylvania side, we removed the eastbound toll booths, added traffic control lights so vehicles merge smoothly onto the bridge, improved traffic flow by relocating the I-95 and Front Street ramps and opened a new ramp at Darien Street that eases congestion after events at the South Philadelphia stadiums. Also on the Philadelphia approach, we rebuilt the Broad Street ramps, added clearly marked lanes for vehicles entering and exiting at Broad Street, improved the driving surface from Penrose Avenue to the toll plaza and installed a new glare screen separating eastbound and westbound traffic.

On the New Jersey side, we redecked the main ramp to and from New Jersey Route 42 and installed a new glare screen and lane-control signals. To aid customers during construction, we started a Walt Whitman Bridge highway advisory radio service on 530 AM.

Also in 1995 the commissioners and staff:

- Began the inspection of the Benjamin Franklin Bridge's main suspension cables. These cables have supported the live and dead loads of the bridge for

almost 70 years. The inspection will determine if deterioration has occurred and, if so, what remedial action should commence.

- Improved street lighting under the Benjamin Franklin Bridge in cooperation with neighborhood groups.
- Rehabilitated the Commodore Barry Bridge's pile caps.
- Repaired pier fenders at the Commodore Barry and Benjamin Franklin Bridges.
- Improved the heating, air-conditioning and ventilation system at the Betsy Ross Bridge's toll lanes.
- Developed a comprehensive preventative maintenance schedule for all DRPA and PATCO facilities.

In 1996, we will proceed with phase two of the Walt Whitman Bridge Corridor Improvement project, which involves redecking and roadway improvement work on the main span. We will also complete the investigation of the Benjamin Franklin Bridge's suspension cables, plan for renovations to the Ben Franklin's toll plaza, begin painting the Commodore Barry Bridge and resurface sections of the Betsy Ross Bridge.

E L E C T R O N I C T O L L C O L L E C T I O N

In 1995, DRPA continued to work with the *EZ-PASS* Interagency Group, a consortium of eight agencies in the Northeast that will implement a common electronic toll network. *EZ-PASS*, already in use in New York State, enables drivers to pass through toll booths without exchanging cash or tokens. Their passage is recorded by a transmitter mounted on the dashboard and the

proper toll is deducted from the tag-owner's account. We plan to offer *EZ-PASS* to our customers during 1997.

Also in 1995, we enhanced our courtesy program. Toll collectors now say "Thank You" to each bridge customer passing through a manual lane. Public reaction has been extremely positive.

PATCO

Riders boarding trains at the Lindenwold and Haddonfield Stations saw construction of new passenger platforms in 1995. Similar work began at the Westmont Station. We completed this work with little disruption to our customers. Also in 1995, the PATCO commissioners and staff:

- Continued to make stations more accessible for disabled riders. This included planning to add elevators at the remaining three “key” stations and installing a train announcement system at the Broadway Station to help customers with visual impairments.
- Worked on an electrical interconnect across the Benjamin Franklin Bridge to enable transmission of energy in either direction. This will provide redundancy in case of a power emergency and lower PATCO’s energy costs.
- Began surveys that will lead to restoration of earthen banks along the PATCO right-of-way.
- Completed PATCO’s fiber-optic communications network.
- Monitored and assisted New Jersey Transit as it studied transit extensions into Gloucester and Burlington counties.



Challenges for 1996 include the installation of elevators at the 15/16 Street and 8th and Market Street Stations in Philadelphia, improvements to make the underground stations more attractive and completion of reverse signaling. We will also complete the electrical interconnect across the Benjamin Franklin Bridge and negotiate new power agreements with regional electric companies.

Above: PATCO workers repair a section of track along the 14-mile line. Left: PATCO continues to offer a 99 percent on-time record.

REGIONAL ECONOMIC DEVELOPMENT

One of the most visible successes of DRPA's two-year economic development effort was the relocation of U.S. Vision's new manufacturing plant to New Jersey. We arranged a low-interest economic development loan

U.S. Vision

that enabled U.S. Vision to expand its Camden County facilities and hire 300 workers. Without the loan, U.S. Vision would have moved its local facilities to Texas.

The U.S. Vision transaction demonstrated the revised emphasis of our economic development program. We have moved away from economic development grants, and instead focus on secured low-interest loans and loan guarantees. In 1995, DRPA approved no new economic development spending. The funds for U.S. Vision, as well as other economic development loans in 1995, were redirected from previously approved projects that had not met due diligence requirements.

Also during 1995, DRPA's commissioners and staff:

- Assumed a leadership role in efforts to return shipbuilding to the Philadelphia Naval Shipyard. The shipyard closed in 1995, elimi-

Navy Yard

nating jobs for several thousand skilled workers. Working with officials from Pennsylvania, New Jersey and the City of Philadelphia, we stepped forward in an aggressive attempt to attract a major international shipbuilder to the site. Although 1995's efforts were unsuccessful, we kept the

- funding mechanism in place so we can react quickly when a similar opportunity arises.
- Helped the New Jersey State Aquarium open its new Ocean Base Atlantic exhibit and helped the Independence Seaport Museum open at its new Penns Landing location.
- Helped Philadelphia and Camden attract the 1995 federal Empowerment Zone designation. The empowerment funds will revitalize the cities by offering, among other programs, tax advantages to companies that locate in specific neighborhoods and hire local workers. In 1996, our highest economic development priority is to help return private-sector employment to the former Philadelphia Naval Shipyard.



Also, we will work with the New Jersey Economic Development Authority to demolish unused buildings on the Camden waterfront. This will enable large-scale commercial development between the state aquarium and the Benjamin Franklin Bridge.

Riverfront Development

A worker checks a lens at the U.S. Vision plant. A DRPA economic development loan helped U.S. Vision move its 300-job manufacturing facility to Camden County, NJ.

Federal Empowerment Zone



Three DRPA economic development projects. The New Jersey State Aquarium in Camden (below) used a DRPA loan guarantee to establish its new exhibit. DRPA loans helped Philadelphia's Dietz & Watson Company (above) buy equipment and Delaware County's Marble Crafters (left) build a new facility.





ONE PORT CENTER

Located directly across from the New Jersey State Aquarium, we progressed in 1995 with construction of One Port Center. When it opens in 1996, this 11-story office tower will mark the return of first-class office space to the Camden waterfront. One Port Center will house DRPA's administrative offices, other government agencies and private businesses. Plans also call for development of a restaurant on the ground floor that will serve those visiting the aquarium and the new Sony/Blockbuster Entertainment Centre. Developers of the "E-Centre" cited our construction of One Port Center as an important factor in their decision to locate in Camden.



Above: During 1995, DRPA constructed One Port Center, a multi-tenant office building near the New Jersey State Aquarium.

Right: Trains continued running at DRPA's AmeriPort Intermodal Rail Center in Philadelphia.

Opposite page: With international marketing in the hands of The Port of Philadelphia and Camden, cargo flow increased in 1995.

P O R T D E V E L O P M E N T

We continued to support efforts to unify the public port agencies in Greater Philadelphia and South Jersey. The Port of Philadelphia and Camden, which we helped create in 1994, made significant progress during the year. It continues to work toward the merger of the Philadelphia Regional Port Authority and the South Jersey Port Corporation. DRPA's former world trade division is already functioning as part of the new port agency. Also during 1995, DRPA's commissioners and staff:

Authority. We also maintain similar partnerships in Pennsylvania. Through these programs, we have helped local businesses research international market conditions, identify export opportunities and make business contacts in Africa, Asia and South America. For example, we arranged for local companies to display their products, free of charge, in a major Chinese exhibit hall.

➤ Built a new hiring hall for dock workers. The building,



- Helped the Port of Philadelphia and Camden assume operating and marketing control of DRPA's *AmeriPort* Intermodal Rail Center.
- Placed our comprehensive database on international shipping movements where it will do the most good—into the hands of local entrepreneurs. The database shows companies what commodities are moving through North Atlantic ports, where potential markets exist and which companies are importing and exporting specific cargoes.
- Formed a public-private venture that helps local firms export their products. Other members of the partnership include the State of New Jersey, Atlantic Energy Co. and the South Jersey Transportation

used by both port management and organized labor, replaced an inefficient and unsanitary site located under the Walt Whitman Bridge.

- Monitored the progress of FastShip Atlantic, a private firm that plans to build a fleet of high-speed, trans-Atlantic cargo ships. The ships would operate between Northern Europe and The Port of Philadelphia and Camden. Tests conducted during 1995 showed FastShip to be making progress in both its technology testing and its marketing program. If successful, FastShip would make The Port of Philadelphia and Camden a hub for the movement of high-value, time-sensitive cargo.

P L A N N I N G

DRPA in 1995 moved ahead with development of the agency's first master plan. With input from the community, the master plan will help us identify worthwhile projects and make critical decisions regarding future investments.

Also, we updated our strategic business plan, emphasizing maintenance and improvements to core facilities. The plan also describes how we will use

technology to improve regional traffic flow. It supports NJ Transit's proposal to expand public transit in South Jersey and describes our role in economic and port development. The updated plan also adds a financial section that establishes procedures and describes the need to pursue federal funding for certain projects, including the proposed FastShip intermodal terminal.

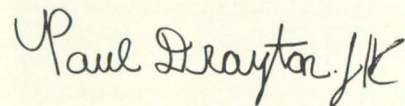
C O M M U N I C A T I O N A N D C O M M U N I T Y I N V O L V E M E N T

A 1995 seminar entitled "How To Do Business With DRPA" helped us significantly increase the number of small businesses competing for DRPA contracts, subcontracts, and purchasing. We will expand this program in 1996, securing the services of local universities. Together, we will teach small firms how to compete for government contracts and enable the companies to get the technical assistance they need.

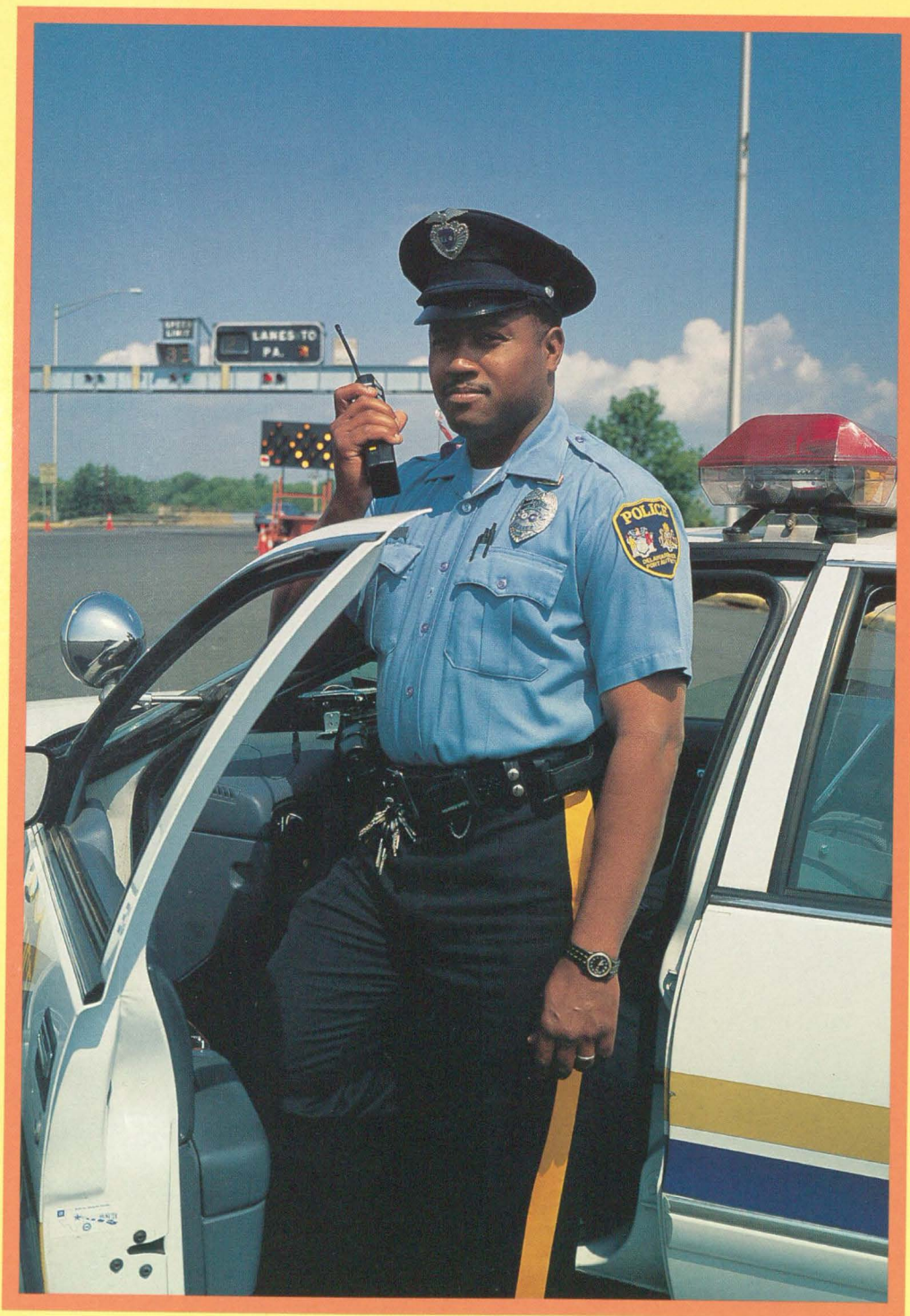
Also in 1995, we developed a DRPA "home page" on the Internet so computer users can quickly obtain information and have their questions answered. Our police, in cooperation with local schools and community groups brought our award-winning "Say *Know* to Drugs" program to more than 300 local audiences during 1995. The program, started by the officers with their own money and on their own time, shows how drugs are sold and used, and the devastating effects of drug and alcohol abuse. The program has generated enthusiastic community support.

Finally, DRPA and PATCO workers continued to

be involved in many community activities. In 1995, employees hosted the first Benjamin Franklin Bridge Challenge, a race to benefit Special Olympics. PATCO continued to host the 150-mile bike race to benefit Multiple Sclerosis and to sponsor a Valentine's Day food drive that provides items to the Food Bank of South Jersey. An innovative PATCO program teaches elementary school students about the advantages of public transit, and in 1995 PATCO arranged for students to help produce and star in a series of PATCO cable TV commercials. In addition, DRPA and PATCO employees worked with United Way to fix up facilities run by nonprofit organizations and collected holiday items for "Toys for Tots" programs.



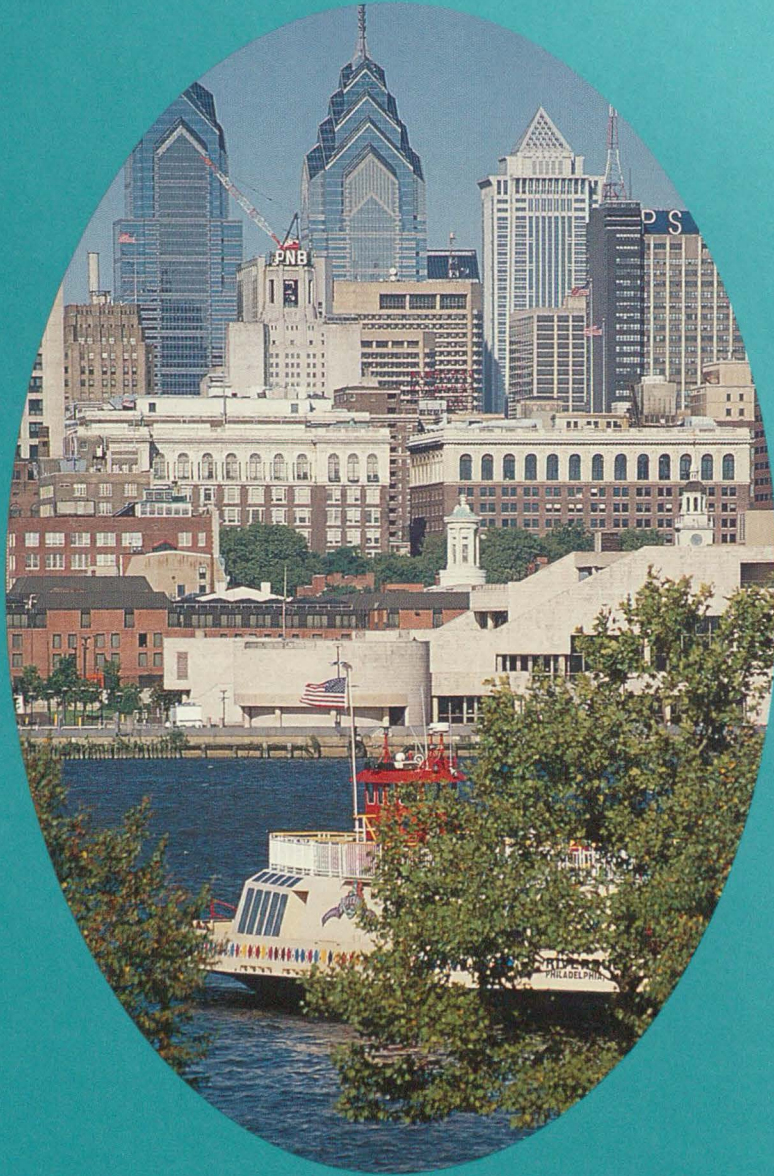
Paul Drayton, Jr., Esquire
Executive Director



Officer Gary Smith keeps traffic flowing at the Commodore Barry Bridge.

Financial SECTION

The Philadelphia skyline as seen from DRPA's new headquarters building, One Port Center.





DELAWARE RIVER PORT AUTHORITY
of Pennsylvania & New Jersey

One Port Center

2 Riverside Drive
Camden NJ

March 22, 1996

To the Board of Commissioners
of the Delaware River Port Authority

The comprehensive annual financial report of the Delaware River Port Authority for the fiscal year that ended December 31, 1995, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes a report to the Governors of New Jersey and Pennsylvania from the Chairman of the Authority, a list of Commissioners and principal officers of the organization, a review of 1995's activities and the Authority's organizational chart. The financial section includes this letter of transmittal, the general purpose financial statements and supplemental schedules, and the report of the independent auditors thereon. The statistical section includes selected financial, operating and demographic information, presented on a multi-year basis where appropriate.

DRPA is an equal opportunity employer

Mailing Address: PO Box 1949 Camden New Jersey 08101-1949 **Telephone:** 609.968.2000 **Fax:** 609.968.2192
215.925.8780

R E P O R T I N G E N T I T Y

The Delaware River Port Authority is a public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey created with the consent of Congress by compact legislation between the Commonwealth of Pennsylvania and the State of New Jersey. The Authority which has no stockholders or equity holders, was created in 1952 as a successor to the Delaware River Joint Commission, which was created in 1931. Among its powers, the Authority is vested with the control, operation and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross bridges. The Authority also operates a high-speed transit facility, the Port Authority Transit Corporation (PATCO), which is a wholly-owned subsidiary of the Authority and operates between Philadelphia, Pennsylvania, and Lindenwold, New Jersey. The Authority, through a 1992 amendment to its compact, is authorized to engage in the unification of certain ports of the Delaware River and to undertake projects for economic and port development. In 1994, the Authority incorporated The Port of Philadelphia and Camden, Inc. (PPC) for the purpose of effecting

the unification of certain port facilities of the Delaware River. Through PPC, the Authority operates its intermodal transfer facility, *AmeriPort*, which facilitates the movement of containerized cargo through the regional ports.

The Authority is authorized to operate in the Port District, which includes the counties of Bucks, Chester, Delaware, Montgomery and Philadelphia in Pennsylvania, and the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem in New Jersey.

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

A C T I V I T I E S O F T H E A U T H O R I T Y D U R I N G 1 9 9 5

Information relating to the activities of the Authority during 1995 is included in the narrative

portion of the introductory section of this report.

FINANCIAL OPERATING ACTIVITIES

Bridge operations: Total bridge operating revenues, consisting primarily of toll revenues, increased by 1.6 percent, or \$1.7 million in 1995 to equal \$106.6 million. Bridge operating revenues were \$104.9 million in 1994. The increase in 1995 bridge revenues is attributable to a 1.9 percent increase in traffic on the Authority's bridges. Total bridge operating expenses, including depreciation of \$8.3 million, increased by less than one percent in 1995 to total \$51.3 million. Bridge operating expenses in 1994 equaled \$51.2 million. Bridge operating income (operating revenues less operating expenses) was \$55.3 million in 1995, which represents an increase of 3 percent, or \$1.6 million, over 1994's bridge operating income of \$53.7 million.

Transit system: Total transit system operating revenues, consisting primarily of passenger fares, decreased by 2 percent in 1995 to total \$15.1 million, with 1994 operating revenues totaling \$15.4 million. The decrease in passenger fare revenues is due to a 2.3 percent decrease in ridership on the transit system. Transit system operating expenses, including PATCO operating expenses, depreciation and lease and community impact expenses, were \$39.4 million in 1995 and \$38.9 million in 1994. Transit system operating losses (operating revenues less operating expenses) totaled \$24.3 million in 1995, which represents an increase of 3.4 percent, or \$0.8 million, over 1994's operating loss of \$23.5 million.

General administration expenses, which are primarily incurred in the administration of the Authority's bridge operations, increased by 13.7 percent in 1995 to total \$15.8 million. This increase is primarily attributable

to the cost of the early retirement incentive program implemented by the Authority in 1995. 1994's general administration expenses were \$13.9 million.

Operating income, calculated by adding bridge operating income and subtracting transit system operating losses and general administration expenses, equaled \$15.2 million in 1995, which represents a decrease of 6.7 percent, or \$1.1 million, from 1994's operating income of \$16.3 million.

The Authority deducts net interest expense and other nonoperating expenses, net of other revenues, from operating income to provide income or loss before economic development activities. Net interest expense, including interest income of \$4.3 million, and interest expense of \$18.7 million on outstanding long-term debt, equaled \$14.4 million in 1995. Other nonoperating expenses, net of other revenues, totaled \$4.2 million in 1995. Losses before economic development activities equaled \$3.4 million in 1995 and \$1.0 million in 1994.

From these amounts the Authority then deducts the cost of its economic development activities to provide a net income or loss for the period. Economic development activity expenditures are incurred in accordance with the Authority's compact responsibilities to promote economic development within the Port District. After economic development activity expenditures of \$4.6 million in 1995 and \$25.8 million in 1994, the Authority incurred net losses of \$8.0 million in 1995 and \$26.8 million in 1994. After adding depreciation on assets acquired with government contributions, net assets from operations at December 31, 1995 totaled \$339.3 million.

B A S I S O F A C C O U N T I N G

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

I N T E R N A L C O N T R O L S T R U C T U R E

Management of the Authority is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

(1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

B U D G E T A R Y C O N T R O L S

The Authority prepares both operating and capital budgets annually. The annual operating budget is a financial planning tool for the associated fiscal year. Each of the Authority's division directors develops a preliminary budget based upon the expected staffing and funding levels necessary to operate the Authority's facilities in an efficient manner. Based upon budget hearings conducted by the Strategic Management Committee, which consists of the Executive Director, Treasurer and other senior managers, a proposed operating budget is presented by the Executive Director to

the Finance Committee of the Board of Commissioners. Upon review and approval, the Finance Committee submits the budget to the Board of Commissioners for approval.

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

Throughout the year a continuing review of expenditures is made by the Finance Division to ensure that

each department is in compliance with the approved operating budget and the established policies and By-Laws of the Authority.

A capital budget is also prepared through a similar process and submitted to the Board of Commissioners for approval. The capital budget is a planning document

showing the Authority's potential commitments.

The approval of the capital budget does not in itself authorize any specific project. Specific approval by the Board of Commissioners is required before any project can commence.

P E N S I O N P L A N S

Employees of the Authority participate in either the Pennsylvania State Employees' Retirement System or the Teamsters' Pension Plan of Philadelphia and Vicinity, both of which are cost-sharing multiple employer defined benefit pension plans and provide pension, death and disability benefits. Under the Pennsylvania State Employees' Retirement System employees are required to contribute 5 percent of their gross payroll to the plan. The Authority is required to contribute an

actuarially determined amount to the plan, which in 1995 equaled 8.8 percent of covered payroll. Under the Teamsters' Pension Plan of Philadelphia and Vicinity the Authority is required to contribute fifteen dollars per day, per PATCO employee, and twenty-nine dollars per day, per PPC employee. These contributions to the plan totaled 10.3 percent of covered payroll in 1995. Employees are not required to make any contributions to the plan.

D E B T A D M I N I S T R A T I O N

At December 31, 1995, the Authority had \$537,378,459 in revenue and refunding revenue bonds outstanding, consisting of bonds issued in 1985, 1989 and 1995. The 1985 and 1989 Bonds were issued pursuant to a General Bond Resolution, dated April 17, 1985, and First and Second Supplemental Resolutions thereto. The 1995 Bonds were issued pursuant to an Indenture of Trust, dated November 15, 1995, and a First Supplemental Indenture thereto. Under the terms of the Indenture of Trust the Authority covenanted not to issue any additional bonds under its General Bond Resolution.

The 1985 Bonds were issued to refund all the Authority's then outstanding bonds and the 1989 Bonds were issued to refund a portion of the principal and interest on the 1985 Bonds. On December 12, 1995, the Authority issued \$357,185,000 in revenue bonds to primarily finance, refinance or reimburse a portion of the costs of certain bridge and transit system capital projects, undertaken or to be undertaken by the Authority.

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

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>DEBT SERVICE</u>
1996	\$11,948,196	\$12,368,955	\$24,317,151
1997	8,595,063	15,767,418	24,362,481
1998	8,002,913	26,177,276	34,180,189
1999	7,435,174	36,542,722	43,977,896
2000	6,900,950	37,106,946	44,007,896
2001-2025	489,866,809	428,347,047	918,213,856
Total	<u>\$532,749,105</u>	<u>\$556,310,364</u>	<u>\$1,089,059,469</u>

Debt service, as shown above, is calculated in accordance with the Authority's General Bond Resolution and Indenture of Trust. Annual debt service includes interest due July 1, of the year indicated, and interest and principal due January 1, of the following year. Accordingly, principal and interest payments due January 1, 1996, totaling \$14,095,000 and \$5,097,653, respectively, which were paid by the Authority on January 1, 1996, are accounted for as 1995 debt service. Also, in accordance with the Authority's Indenture of Trust, interest due on the 1995 Bonds, from July 1, 1996, through and including July 1, 1998, totaling \$51,334,730 (\$22,031,607 due in 1996, \$19,535,415 due in 1997, and \$9,767,708 due in 1998) which is payable from proceeds of and accrued interest on the 1995 Bonds, and investment income, is not included in the above schedule of debt service.

On January 3, 1995, the Authority redeemed \$38,440,000 of the 1985 Term Bonds, due January 1, 2002, at a call premium of 103 percent. The call premium of \$1,153,200 is included in 1995 as interest expense in the Authority's combined financial statements.

The 1985 and 1989 Bonds are payable from and solely secured by a pledge of "Net Revenues" of the Authority; and by a pledge of all moneys and securities from time to time deposited in the funds and accounts

established by the 1985 General Bond Resolution, except for assets in the General Fund. The 1995 Bonds are secured by a lien on and security interest in (a) until the General Bond Resolution defeasance date, all moneys on deposit to the credit of the 1985 General Fund, which moneys shall, pursuant to the provisions of the Indenture of Trust, be immediately redeposited to the credit of the 1995 Revenue Fund, (b) from and after the General Bond Resolution defeasance date, the "Net Revenues" of the Authority, and (c) certain moneys and securities held under the 1995 Indenture.

In accordance with the General Bond Resolution and the Indenture of Trust, the Authority calculates "Net Revenues" available for debt service on its bonds by adding bridge operating revenues and interest income, then subtracting the sum of bridge operating expenses (without considering depreciation, amortization or interest) and administrative expenses. Pursuant to this calculation, "Net Revenues" available for debt service in 1995 was \$52.2 million. Debt service, payable from "Net Revenues," comprising of interest and principal payments on outstanding bonds, totaled \$24.9 million for the year ending January 1, 1996. Therefore, "Net Revenues" available for debt service was sufficient to cover debt service 2.10 times, which compares to 2.39 times debt service in 1994.

C A S H M A N A G E M E N T

Investments are purchased by the Authority in accordance with the Authority's General Bond Resolution and Indenture of Trust. Cash available during the year is generally invested in repurchase agreements (collateralized by obligations of the U.S. Treasury), obligations of the United States Treasury, obligations of federal government agencies or its instrumentalities, and obligations of public agencies or municipalities rated in either

of the two highest rating categories by Standard and Poor's Corporation or Moody's Investors Service. The Authority's investment policy is to match the maturities of its investments with the present and anticipated needs of the Authority, while trying to minimize the amounts of uninvested cash, thereby maximizing the return on available funds. The Authority is required to maintain certain invested amounts as reserves for its debt obligations.

R I S K M A N A G E M E N T

The Authority is self-insured for public liability up to a limit of \$5 million per occurrence. Excess liability insurance provides coverage of \$95 million over the Authority's \$5 million self-insured retention. The Authority, with the exception of its PATCO subsidiary, is self-insured for worker's compensation up to a limit of \$350,000 per occurrence with excess worker's compen-

sation coverage providing \$5 million in coverage over the Authority's \$350,000 self-insured retention. PATCO is fully self-insured for worker's compensation. Property coverage is placed with commercial insurance carriers with limits and deductibles as deemed appropriate for the needs of the Authority.

I N D E P E N D E N T A U D I T S

The Authority's By-Laws, General Bond Resolution and Indenture of Trust require an annual audit of the Authority's financial statements by a firm of independent public accountants. As a recipient of funds from the Federal Transit Administration for projects involving the PATCO transit system, the Authority is required to have a single audit performed annually by an independent auditor in accordance with the Single Audit Act of 1984 and OMB Circular A-128. The purpose of such

a single audit is to determine the quality of the internal control structure of the Authority and its compliance with the applicable laws and regulations which relate to the receipt of federal assistance from federal agencies. The Authority retains an independent certified public accounting firm to satisfy its audit requirements. The report of the independent accounting firm on the general purpose financial statements of the Authority is included in the financial section of this report.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

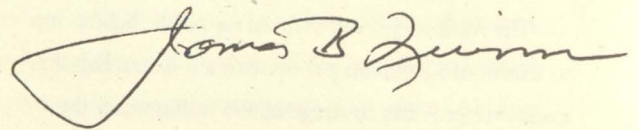
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Delaware River Port Authority for its comprehensive annual financial report for the fiscal year ended December 31, 1994. The Certificate of Achievement is a prestigious national award recognizing conformance of the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The Authority has received a Certificate of Achievement for the last three consecutive years. We

believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate. The Authority's management anticipates that its continued participation in the certificate program will result in the continued improvement of future comprehensive annual financial reports of the Authority.

Cordially,



James B. Quinn
Acting Treasurer and Director of
Finance and Administration

Report of Independent Auditors
To the Commissioners of the Delaware River Port Authority

We have audited the accompanying combined financial statements of the Delaware River Port Authority and its subsidiary, Port Authority Transit Corporation, as of and for the years ended December 31, 1995 and 1994, as listed in the Financial Section of the foregoing table of contents. These financial statements and the supplemental schedules discussed below are the responsibility of the Delaware River Port Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the Delaware River Port Authority and its subsidiary, Port Authority Transit Corporation, as of December 31, 1995 and 1994, and the combined results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The supplemental schedules listed in the Financial Section of the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in our audits of the combined financial statements and, in our opinion, are fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Ernst & Young LLP

March 22, 1996
Philadelphia, Pennsylvania

Combined Balance Sheets

DECEMBER 31, 1995 AND 1994 (IN THOUSANDS)

ASSETS	Notes	1995	1994
Cash	2	\$1,889	\$1,184
Investment in securities	1,2	66,365	71,275
Accrued interest receivable		371	2,138
Accounts receivable	3	2,548	3,826
Transit system inventory	1	3,049	3,071
Deferred compensation plan assets	5	8,780	6,662
Economic development loans	10	10,082	4,034
Prepaid expenses and other assets	10	1,601	4,682
Total		94,685	96,872
 RESTRICTED ASSETS :			
Cash	2	122	112
Investment in securities	1,2,7	313,338	55,928
Accrued interest receivable		1,930	339
Total restricted assets		315,390	56,379
 INVESTMENT IN FACILITIES			
Accumulated depreciation	1,4,8	848,028	773,810
Investment in facilities - net		(224,102)	(211,182)
 DEBT ISSUANCE COSTS, NET OF AMORTIZATION			
	7	10,440	3,888
 FUNDED DEBT INTEREST COSTS			
	7		2,067
 TOTAL ASSETS		\$1,044,441	\$721,834

See notes to combined financial statements

LIABILITIES AND NET ASSETS

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
ACCOUNTS PAYABLE :			
Contracts		\$9,222	\$8,830
Retained amounts on contracts		4,120	1,366
Deferred compensation obligation	5	8,780	6,662
Other		12,895	6,671
Total accounts payable		<u>35,017</u>	<u>23,529</u>
ACCRUED LIABILITIES :			
Pension	6	1,044	968
Sick and vacation leave benefits		8,438	8,528
Other		1,031	1,109
Total accrued liabilities		<u>10,513</u>	<u>10,605</u>
DEFERRED INCOME ON TRUCK TICKETS		<u>4,952</u>	<u>4,599</u>
ACCRUED INTEREST (Payable from Restricted Assets)	7	<u>37,242</u>	<u>31,608</u>
FUNDED DEBT	7	<u>537,378</u>	<u>234,011</u>
PROVISIONS :			
Repainting	1	18,095	15,623
Other	9	5,948	4,502
Total provisions		<u>24,043</u>	<u>20,125</u>
Total liabilities		<u>649,145</u>	<u>324,477</u>
NET ASSETS :			
From contributed capital	8	<u>56,038</u>	<u>51,900</u>
From operations:			
Invested in capital facilities		40,794	280,168
Reserved		268,926	18,008
Unreserved	9,10	<u>29,538</u>	<u>47,281</u>
Total net assets from operations		<u>339,258</u>	<u>345,457</u>
Total net assets		<u>395,296</u>	<u>397,357</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$1,044,441</u>	<u>\$721,834</u>

Combined Statements of Revenues, Expenses and Changes in Net Assets

YEARS ENDED DECEMBER 31, 1995 AND 1994 (IN THOUSANDS)

	Notes	1995	1994
OPERATING REVENUES AND EXPENSES :	7		
Bridges :			
Tolls		\$106,536	\$104,826
Other operating revenues		64	62
Total bridge operating revenues		106,600	104,888
Operating expenses		43,011	43,380
Depreciation	4,8	8,277	7,813
Total bridge operating expenses		51,288	51,193
Bridges operating income		55,312	53,695
Transit system :			
Passenger fares		14,472	14,801
Other operating revenues		644	628
Total transit system operating revenues		15,116	15,429
Operating expenses		26,725	27,110
Lease and community impact expense	10	8,506	7,648
Depreciation	4,8	4,191	4,123
Total transit system operating expenses		39,422	38,881
Transit system operating loss		(24,306)	(23,452)
General administration expenses		15,755	13,911
OPERATING INCOME		15,251	16,332
NONOPERATING REVENUES AND EXPENSES:			
Interest income (expense):			
Interest income		4,324	7,645
Interest on funded debt	7	(18,747)	(20,552)
Interest income (expense) - net		(14,423)	(12,907)
Other nonoperating revenues (expenses):			
Other interest income - Construction Fund		832	705
Port of Philadelphia and Camden		(3,766)	(4,354)
Depreciation and amortization		(727)	(706)
Other		(572)	(91)
Other nonoperating revenues (expenses) - net		(4,233)	(4,446)
Loss before economic development activities		(3,405)	(1,021)
Economic development activities	10	(4,589)	(25,792)
NET LOSS		(7,994)	(26,813)
ADD DEPRECIATION ON ASSETS ACQUIRED WITH GOVERNMENT CONTRIBUTIONS - charged against contributed capital	8	1,795	1,628
DECREASE IN NET ASSETS FROM OPERATIONS		(6,199)	(25,185)
NET ASSETS FROM OPERATIONS, BEGINNING OF PERIOD		345,457	370,642
NET ASSETS FROM OPERATIONS, END OF PERIOD		\$339,258	\$345,457

See notes to combined financial statements.

Combined Statements of Cash Flows

YEARS ENDED DECEMBER 31, 1995 AND 1994 (IN THOUSANDS)

	1995	1994
OPERATING ACTIVITIES :		
Operating income	\$15,251	\$16,332
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	12,468	11,936
Amortization of funded debt interest costs	2,067	4,133
Port of Philadelphia and Camden	(3,766)	(4,354)
Economic development activities	(4,589)	(25,792)
Changes in assets and liabilities which provided (used) cash:		
Deferred compensation assets	(2,118)	(1,206)
Accounts receivable	1,278	(1,671)
Economic development loans	(6,048)	(4,034)
Transit system inventory	22	(303)
Prepaid expenses and other assets	3,081	(3,101)
Accounts payable	11,488	4,623
Accrued liabilities	(92)	(395)
Deferred income on truck tickets	353	518
Provisions	3,918	1,935
Other	(572)	(91)
Net cash provided by (used in) operating activities	32,741	(1,470)
CAPITAL AND RELATED FINANCING ACTIVITIES :		
Acquisition and construction of capital assets	(74,636)	(25,004)
Proceeds from disposal of facilities	143	61
Cash provided by capital grants	5,933	3,874
Repayment of funded debt	(48,700)	(5,735)
Cash provided by debt issuance	351,717	
Cost of debt issuance	(7,228)	
Interest paid	(12,087)	(14,841)
Net cash provided by (used in) capital and related financing activities	215,142	(41,645)
INVESTING ACTIVITIES :		
Unrestricted:		
Purchases of investments	(797,962)	(378,258)
Proceeds from sale of investments	802,872	419,738
Decrease (increase) in unrestricted investments	4,910	41,480
Restricted:		
Purchases of investments	(468,883)	(90,815)
Proceeds from sale of investments	211,473	85,254
Decrease (increase) in restricted investments	(257,410)	(5,561)
Receipts of interest	5,332	7,398
Net cash provided by (used in) investing activities	(247,168)	43,317
NET INCREASE IN CASH	715	202
CASH, BEGINNING OF YEAR	1,296	1,094
CASH, END OF YEAR	\$2,011	\$1,296
CASH AT DECEMBER 31, 1995 and 1994 :		
Unrestricted	\$1,889	\$1,184
Restricted	122	112
Total	\$2,011	\$1,296

See notes to combined financial statements

Notes to Combined Financial Statements

YEARS ENDED DECEMBER 31, 1995 AND 1994 (IN THOUSANDS OF DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Operations – The Delaware River Port Authority (the "Authority") is a public corporate instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") and the State of New Jersey (the "State") created with the consent of Congress by compact legislation between the Commonwealth and the State. The Authority has no stockholders or equity holders. Among its other powers, the Authority is vested with the ownership, control, operation and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross Bridges. The Authority has also constructed and operates a high-speed transit facility known as the Port Authority Transit Corporation (PATCO). The facility, a wholly owned subsidiary, operates between Philadelphia, Pennsylvania and Lindenwold, New Jersey. During 1992, the Commonwealth and the State, with the approval of Congress, amended the Authority's Compact legislation, thus granting the Authority expanded powers with respect to port development, expanding its responsibilities with regard to the promotion of economic development and expanding the geographical area in which it is authorized to operate. In February 1994, the Authority incorporated The Port of Philadelphia and Camden, Inc. (PPC), a nonprofit corporation, for the purpose of effecting the unification of certain port facilities of the Delaware River. Through PPC, the Authority operates its intermodal transfer facility, AmeriPort, which facilitates the movement of containerized cargo through the regional ports. The costs of providing facilities and services to the general public on a continuing basis are recovered primarily in the form of tolls and fares.

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

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

In 1995, the Authority adopted Governmental Accounting Standards Board Statement No. 27, "Accounting for Pensions by State and Local Government Employers" (Note 6).

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

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

E. Investment in Facilities – Investment in facilities is stated at cost, which generally includes expenses in connection with the offering, selling and issuance of bonds as well as administrative and legal expenses incurred during the construction period. Investment in facilities also includes the cost incurred for port related projects, and improvements, enlargements and betterments to the original facilities.

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

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

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

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

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

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

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

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

I. *Reclassification* – Certain amounts in the 1994 financial statements have been reclassified to conform with the 1995 presentation.

2. CASH AND INVESTMENTS

The Authority maintains cash and investments for all funds. The investments in various securities are maintained for specified funds in accordance with the provisions of the General Bond Resolution adopted as of April 17, 1985 and the Indenture of Trust adopted as of November 15, 1995.

At December 31, 1995 and 1994 cash balances were \$2,011 and \$1,296, respectively, of which \$879 and \$699, respectively, was cash on hand. Balances of \$305 at December 31, 1995 and \$241 at December 31, 1994 were insured by federal depository insurance.

Demand deposits, excluding those held in foreign bank accounts, are either insured by federal depository insurance or are collateralized with the collateral being held by the Authority's agent in the name of the Authority. At December 31, 1995 and 1994, the Authority had \$46 and \$17, respectively, in uncollateralized demand deposits in foreign bank accounts. Time deposits of \$37,851 at December 31, 1994 were uninsured and uncollateralized in accordance with an investment agreement.

Investments are purchased in accordance with the General Bond Resolution and the Indenture of Trust, and generally include U.S. government obligations, obligations of U.S. agencies or instrumentalities, and obligations of public agencies or municipalities rated in either of the two highest rating categories by Standard and Poor's Corporation or Moody's Investors Service.

Investments in securities are categorized below to give an indication of the credit risk assumed at December 31, 1995 and 1994. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the Authority's name. The carrying amount and market value of the Authority's cash, deposits and investments are shown below. Guaranteed Income Contracts are collateralized by U.S. government and agency securities, and debt obligations having a rating in the highest rating category from Moody's Investor Service and Standard and Poor's Rating Services.

	Category	1995			1994		
		Category Amount	Carrying Amount	Market Value	Category Amount	Carrying Amount	Market Value
U.S. agency securities	1	\$91,583	\$91,582	\$91,593	\$49,408	\$49,408	\$49,251
U.S. government securities	1	49,599	49,599	49,707	32,689	32,689	32,689
Repurchase agreements	3	8,025	8,025	8,025	7,255	7,255	7,255
Total investment in securities		<u>\$149,207</u>	<u>149,206</u>	<u>149,325</u>	<u>\$89,352</u>	<u>89,352</u>	<u>89,195</u>
Time and demand deposits			1,132	1,132		38,478	38,478
Cash on hand			879	879		669	669
Guaranteed Income Contracts			230,497	230,497			
Total			<u>\$381,714</u>	<u>\$381,833</u>		<u>\$128,499</u>	<u>\$128,342</u>

	1995			1994		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Reported as:						
Cash	\$122	\$1,889	\$2,011	\$112	\$1,184	\$1,296
Investments	313,338	66,365	379,703	55,928	71,275	127,203
Total	<u>\$313,460</u>	<u>\$68,254</u>	<u>\$381,714</u>	<u>\$56,040</u>	<u>\$72,459</u>	<u>\$128,499</u>

3. ACCOUNTS RECEIVABLE

Accounts receivable include the following:

	<u>1995</u>	<u>1994</u>
Reimbursements from governmental agencies – Capital improvements to the PATCO system due from the Federal Transit Administration and New Jersey Transit	\$919	\$1,106
Port of Philadelphia and Camden - AmeriPort trade receivables	604	708
Deposits with claims administrators	775	756
Litigation settlement		695
Miscellaneous	250	561
Total	<u>\$2,548</u>	<u>\$3,826</u>

4. INVESTMENT IN FACILITIES

Investment in facilities is comprised of the following:

	<u>1995</u>	<u>1994</u>
Bridges:		
Benjamin Franklin	\$156,579	\$153,310
Walt Whitman	158,707	118,484
Commodore Barry	146,051	145,147
Betsy Ross	142,836	142,074
Total	604,173	559,015
Accumulated depreciation	(150,828)	(142,671)
Net book value - bridges	<u>453,345</u>	<u>416,344</u>
Transit system:		
PATCO system (Notes 8 and 10)	195,800	186,872
PATCO system first phase capital improvement program	1,938	1,938
Total	197,738	188,810
Accumulated depreciation	(70,882)	(66,846)
Net book value - transit system	<u>126,856</u>	<u>121,964</u>
Port and economic development	46,117	25,985
Accumulated depreciation and amortization	(2,392)	(1,665)
Net book value - port and economic development	<u>43,725</u>	<u>24,320</u>
Total investment in facilities – net	<u>\$623,926</u>	<u>\$562,628</u>

Certain costs of facilities of the Commodore Barry Bridge, the Betsy Ross Bridge and the Transit system, totaling \$71,213, have not been included in the Authority's investment in facilities at December 31, 1995, as title to the respective assets has been retained by certain state, federal or local governmental agencies.

5. DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all full time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Authority does not make any contributions to the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Authority (without being restricted to the provisions of benefits under the plan), subject only to the Authority's general creditors. Participants' rights under the plan are equal to those of general creditors of the Authority in an amount equal to the fair market value of the deferred account for each participant. The plans assets, which are stated at market value, were \$8,780 at December 31, 1995 and \$6,662 at December 31, 1994.

6. PENSION PLANS

Employees of the Authority participate in either the Pennsylvania State Employees' Retirement System or the Teamsters Pension Plan of Philadelphia and Vicinity, both of which are cost-sharing multiple employer defined benefit pension plans.

Pennsylvania State Employees' Retirement System

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

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

The Pennsylvania State Employees' Retirement System issues a publicly available annual financial report, including financial statements, which may be obtained by writing to Pennsylvania State Employees' Retirement System, 30 North Third Street, Harrisburg, Pennsylvania 17108-1147.

Funding policy: The contribution requirements of plan members and the Authority are established and amended by the Pennsylvania State Employees' Retirement System Board. Employees are required to contribute 5% of their gross earnings to the plan. The Authority is required to, and did, contribute an actuarially determined amount to the plan, which equaled 8.81%, 8.15% and 8.14% of covered payroll in 1995, 1994 and 1993, respectively. In 1995, 1994 and 1993 the Authority contributed \$3,594, \$3,221 and \$2,857, respectively, to the plan.

Teamsters Pension Plan of Philadelphia and Vicinity

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

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

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

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

Funding policy: The contribution requirements of the Authority are established and amended by Teamsters Pension Plan of Philadelphia and Vicinity Board. The Authority is required to, and did, contribute fifteen dollars per day per participating PATCO employee and twenty-nine dollars per day per participating AmeriPort employee. The Authority's contributions totaled 10.30%, 10.37% and 10.85% of covered payroll in 1995, 1994 and 1993, respectively. The employees of the Authority make no contributions to the plan. The Authority contributed \$827, \$809 and \$782 in 1995, 1994 and 1993, respectively.

The Authority has adopted Governmental Accounting Standards Board Statement No. 27, "Accounting for Pensions by State and Local Government Employers", and in accordance with the provisions of that statement has determined that no transition liability existed as of December 31, 1995. There was no effect of adoption on the Authority's net assets.

Other Retirement Benefits – The Authority provides certain health care and life insurance benefits for retired employees, where such benefits are established and amended by the Authority's Board of Commissioners. Employees become eligible for retirement benefits once they have been determined pension eligible. At December 31, 1995, 495 retirees were eligible to receive benefits. These, and similar benefits for active employees, are provided through self-insured programs, independent health maintenance organizations and insurance companies. The Authority recognizes the cost of providing these benefits by expensing annual insurance premiums and an amount sufficient to meet the estimated cost of the self insured programs. The cost of providing these retirement benefits, net of retiree contributions, totaled \$2,371, \$2,349, and \$2,373 for 1995, 1994 and 1993, respectively. In certain instances retirees are required to contribute approximately 30% of the cost of health care benefits.

7. FUNDED DEBT

At December 31, 1995 the Authority had \$537,378 in revenue and refunding revenue bonds outstanding, consisting of bonds issued in 1985, 1989 and 1995. The 1985 and 1989 Bonds were issued pursuant to a General Bond Resolution, dated April 17, 1985 and the First and Second Supplemental Resolutions thereto. The 1995 Bonds were issued pursuant to an Indenture of Trust, dated November 15, 1995, and the First Supplemental Indenture thereto. Under the terms of the Indenture of Trust the Authority covenanted not to issue any additional bonds under its General Bond Resolution.

1985 Bonds: In 1985, the Authority issued \$222,235 of revenue bonds, to refund all the Authority's then outstanding bonds and to pay certain costs incurred in connection with the issuance of the 1985 Bonds.

1989 Bonds: On March 7, 1989, the Authority issued \$179,464 of Refunding Revenue Bonds, Series 1989, to (1) provide payment for all interest on the 1985 Term Bonds due January 1, 2011 (principal amount \$124,165) due and payable on July 1 and January 1 of each year, commencing July 1, 1989 to and including January 1, 1995, the date fixed for redemption as a whole of such 1985 Term Bonds, and the redemption price of such bonds; (2) provide payment for all interest on the 1985 Term Bonds due 2002 (total principal amount \$49,305) due and payable on July 1 and January 1 of each year, commencing July 1, 1989 to and including January 1, 1995, the date fixed for the redemption of such portion of the interest for the 1985 Term Bonds, and the redemption price of \$10,865 of such bonds; (3) provide for payment on a portion of the interest for the 1985 Serial Bonds due and payable on July 1 and January 1 of each year, commencing July 1, 1991 to and including January 1, 1995; (4) deposit moneys to the Bond Reserve Fund in order to satisfy the Bond Reserve Requirement under the resolution; and (5) pay costs and expenses incurred in connection with the issuance of the 1989 Bonds.

1995 Bonds: On December 12, 1995, the Authority issued \$357,185 of Revenue Bonds, Series of 1995, to provide funds to (1) finance, refinance or reimburse a portion of the cost of certain capital projects undertaken or to be undertaken by the Authority; (2) make a deposit to the Debt Service Reserve Fund equal to the Debt Service Reserve Requirement for the 1995 Bonds; (3) pay a portion of the interest on the 1995 Bonds from the date of delivery through July 1, 1998; and (4) pay certain costs incurred in connection with the issuance of the 1995 Bonds.

The defeased 1985 Bonds outstanding at December 31, 1995 are as follows:

<u>Maturity Date (January 1)</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Maturity Date (January 1)</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
Serial Bonds					
1996	8.60%	\$6,800	1997	8.70%	<u>\$7,410</u>
Total par value 1985 Bonds outstanding					<u>\$14,210</u>

The 1989 Bonds outstanding at December 31, 1995 are as follows:

<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>	<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>
Serial Bonds					
			1996	6.90%	<u>\$7,295</u>
Capital Appreciation Bonds					
1997	7.05%	\$4,538	2001	7.25%	\$6,901
1998	7.10	8,595	2002	7.30	6,413
1999	7.15	8,003	2003	7.35	5,889
2000	7.20	7,435			
					<u>47,774</u>
Term Bonds					
			2007	7.375%	<u>71,535</u>
Serial Bonds					
2008	6.50%	\$21,295	2010	7.00%	\$2,370
2009	6.50	22,645	2011	6.50	2,535
					<u>48,845</u>
Total par value of 1989 Bonds outstanding					175,449
Less unamortized bond discount					4,014
Total 1989 Bonds - net					<u>\$171,435</u>

The 1995 Bonds outstanding at December 31, 1995 are as follows:

<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>	<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>
Serial Bonds					
2010	5.30%	\$11,065	2014	5.40%	\$16,650
2011	5.40	11,650	2015	5.40	17,550
2012	5.45	14,980	2016	5.40	18,495
2013	5.40	15,795			
					106,185
Term Bonds					
			2026	5.50%	251,000
Total par value of 1995 Bonds outstanding					357,185
Less unamortized bond discount					5,452
Total 1995 Bonds - net					\$351,733
Total funded debt at December 31, 1995					\$537,378

Interest on the 1985, 1989 and 1995 Serial and Term Bonds is payable semi-annually on January 1 and July 1 in each year, with interest on the 1995 bonds payable beginning July 1, 1996. Interest on the 1989 Capital Appreciation Bonds, which bear interest from the date of original issuance and delivery, March 7, 1989, is compounded on January 1 and July 1 of each year, commencing July 1, 1989, and is payable only at maturity. Interest expense reported includes interest on the bonds and amortization of debt issuance costs and debt issuance discount.

The Bond Service Fund (a component of restricted assets) has a net deficiency in assets of \$15,428 at December 31, 1995. Such amount is net of \$29,595 of accrued interest expense on the Authority's \$47,774 principal amount of 1989 Capital Appreciation Bonds. None of this accrued interest expense was or is required to be funded by the Authority until the 1996 calendar year. The Second Supplemental Resolution, dated February 27, 1989, requires that, commencing January 20, 1996, the Authority shall make monthly deposits with the Trustee to the Bond Service Fund for the payment of the accreted value on the 1989 Capital Appreciation Bonds, as they mature and become due on a principal payment date.

The 1989 Term Bonds maturing on January 1, 2007 and the 1995 Term Bonds maturing on January 1, 2026 are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption on January 1 in the years and the amounts specified below:

1989 Term Bonds Due January 1, 2007		1995 Term Bonds Due January 1, 2026	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
2004	\$16,025	2017	\$19,495
2005	17,200	2018	20,565
2006	18,480	2019	21,695
		2020	22,890
		2021	24,150
		2022	25,480
		2023	26,880
		2024	28,360
		2025	29,920
Total	51,705	Total	219,435
At maturity, 2007	19,830	At maturity, 2026	31,565
Total	\$71,535	Total	\$251,000

The 1989 Bonds maturing on or after January 1, 2000 (other than the Capital Appreciation Bonds which are not subject to redemption prior to maturity), and the 1995 Bonds are subject to optional redemption prior to maturity on or after January 1, 1999 (the 1989 Bonds) and January 1, 2006 (the 1995 Bonds) as a whole at any time, or in part on any interest payment date on or after such dates, at the respective redemption prices expressed as a percentage of the principal amount, as set forth below, in each case together with accrued interest to the redemption date:

<u>Redemption Dates (Inclusive)</u>	<u>Redemption Price</u>	
	<u>1989 Bonds</u>	<u>1995 Bonds</u>
January 1, 1999 through December 31, 1999	102%	
January 1, 2000 through December 31, 2000	101½	
January 1, 2001 through December 31, 2001	101	
January 1, 2002 through December 31, 2002	100½	
January 1, 2003 and thereafter	100	
January 1, 2006 through December 31, 2006		102%
January 1, 2007 through December 31, 2007		101
January 1, 2008 and thereafter		100

If less than all of the 1989 Bonds or the 1995 Bonds are to be called for optional redemption, the Trustee will select the bonds to be redeemed from among such maturity or maturities thereof as the Authority may designate to the Trustee.

The 1985 and 1989 Bonds are payable from and solely secured by a pledge of (1) net revenues of the Authority and (2) all moneys and securities from time to time deposited in the funds and accounts established by the General Bond Resolution, except for the 1985 General Fund and the 1989 Escrow Account B, in the Bond Redemption Fund (a component of restricted assets). The 1995 Bonds are secured by a lien on and security interest in (a) until the General Bond Resolution Defeasance Date, all moneys on deposit to the credit of the 1985 General Fund, which moneys shall, pursuant to the provisions of the Indenture of Trust, be immediately redeposited to the credit of the 1995 Revenue Fund, (b) from and after the General Bond Resolution Defeasance Date, the net revenues of the Authority, and (c) certain moneys and securities held under the 1995 Indenture.

Debt service payable from net revenues on the Authority's outstanding long-term debt is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
1996	\$11,948	\$12,369	\$24,317
1997	8,595	15,767	24,362
1998	8,003	26,177	34,180
1999	7,435	36,543	43,978
2000	6,901	37,107	44,008
2001-2025	489,867	428,347	918,214
Total	<u>\$532,749</u>	<u>\$556,310</u>	<u>\$1,089,059</u>

Debt service on outstanding bonds payable from net revenues is calculated in accordance with the Authority's General Bond Resolution and Indenture of Trust. Annual totals include interest due July 1, of the year indicated, and interest and principal due January 1 of the following year. Accordingly, principal and interest payments due January 1, 1996, totaling \$14,095 and \$5,098, respectively, which were paid by the Authority on January 1, 1996, are accounted for as 1995 debt service. The total principal shown above differs from the total amount of funded debt previously reported of \$537,378 due to the January 1, 1996 principal payment of \$14,095 and \$9,466 of unamortized bond discount on the 1989 and 1995 Bonds. In addition, interest due on the 1995 Bonds, from July 1, 1996 through and including July 1, 1998, totaling \$51,335 (\$22,032 due in 1996, \$19,535 due in 1997 and \$9,768 due in 1998) which is payable from proceeds and accrued interest on the 1995 Bonds, and investment income, is not included in the above schedule of debt service.

In accordance with the provisions of 1985 Bond and 1989 Bond refunding programs the following outstanding debt was defeased and has been removed from the Authority's balance sheet for financial reporting purposes:

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

8. GOVERNMENT CONTRIBUTIONS FOR CAPITAL IMPROVEMENTS AND ADDITIONS

The Authority receives contributions in aid for financing capital improvements and additions to the rapid transit system from the Federal Transit Administration and state agencies including, New Jersey Transit and Pennsylvania Department of Transportation. Capital improvement grant funds of \$5,933 and \$3,874 were received in 1995 and 1994, respectively. Charges representing depreciation on assets relating to these contributions were \$1,795 in 1995 and \$1,628 in 1994.

	<u>1995</u>	<u>1994</u>
Assets acquired with federal and state contributions	\$69,508	\$63,575
Accumulated depreciation on assets acquired with contributions	(13,470)	(11,675)
Net contributed capital	<u>\$56,038</u>	<u>\$51,900</u>

9. CONTINGENCIES

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

The Authority receives federal and state grants for specific construction purposes that are subject to review and audit by the grantor agencies (note 8). Although such audits could result in disallowances under terms of the grants, it is the opinion of management that any required reimbursements will not be material.

10. COMMITMENTS

A. Development projects:

In accordance with the economic development powers and responsibilities granted to the Authority by its amended compact, the Board of Commissioners authorized the Authority to participate in the funding of certain projects or activities of various organizations in support of regional economic development. The funding of these projects is provided through loans, loan guarantees, grants or other means. The Authority formalizes its participation with these organizations by written agreement, and may retain a legal or equitable interest in certain projects. During 1995 and 1994, the Authority provided \$4,589 and \$25,792, respectively, in economic development grants. The Authority also provided economic development loans of \$6,330 and \$4,034 in 1995 and 1994, respectively. At December 31, 1995, and 1994, the Authority had \$34,706 and \$39,566, respectively, in authorized but unexpended commitments related to economic development projects or activities. In January 1996 the Authority funded \$15,957 in economic development projects, thereby reducing its unexpended commitment balance.

In July, 1994 the Authority entered into an agreement to invest \$7,000 in Fastship Atlantic, Inc. (FSA), subject to certain conditions, to complete the development of high speed transatlantic cargo vessels. \$3,000 and \$4,000 were paid to Fastship in 1995 and 1994, respectively, and such amounts are included in the economic development grant contributions disclosed above. The agreement provides for the Authority to be reimbursed for its initial investment in FSA under certain conditions. The Authority has also committed, subject to further terms and conditions, to acquire and improve a site for a marine terminal suitable for such high speed cargo vessels. The cost of site acquisition is not currently known, however the Authority's commitment for the cost of site improvements is capped at \$76,100.

In 1995, the Authority agreed to participate with the City of Philadelphia in the funding of a regional economic development project at the Philadelphia Naval Shipyard. This commitment expires on December 31, 1997 and the amount of funding to be provided by the Authority has not been determined.

B. Leases:

To provide for the operations of its intermodal transfer facility (AmeriPort), which is currently operated by PPC, the Authority leases from Consolidated Rail Corporation (Conrail) approximately 22.2 acres of Conrail's Greenwich Yard facility in Philadelphia. Under the lease, which expires January 31, 2021, annual base rentals are effective July 1, of each year and were \$267 and \$172, respectively, in 1995 and 1994. The annual base rent is subject to adjustment annually on the anniversary date (July 1) based on the increase in the Consumer Price Index. In addition to the annual base rent, the Authority must pay, as "Additional Rent," its equitable share of all taxes, assessments, charges, fees and other legal impositions, as well as the cost and expenses of any labor or materials furnished by Conrail to the Authority. Additional Rent equaled \$11 in 1995 and 1994. The Authority has the right to terminate this lease at any time upon the payment of three years base rent and Additional Rent. In February 1994, the Authority acquired certain assets of a competing intermodal transfer facility for a total consideration of \$3,250. The operations of the two facilities were combined and operate as AmeriPort.

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

The Authority currently leases certain subway properties from the City of Philadelphia (City) for use by the PATCO high speed transit system. During 1995, the Authority and City agreed to amend and extend the lease agreement, which will now expire on December 21, 2050. In 1995 and 1994, under the terms of the amended lease agreement, which was effective January 1, 1994, the Authority paid \$2,068 and \$2,000, respectively, in base rent payments, and \$5,938 and \$5,148, respectively, in Special Economic and Community Development Grants (SECD Grants) to the City. For the lease years 1996 through 2000 the Authority is required to pay \$1,000 in base rent to the city. In 2001 the base rent payable to the City shall equal \$2,068 as adjusted for the cumulative increases in the Consumer Price Index (CPI) between 1995 and 2000. Base rent payments for 2002 through 2017 shall equal the previous year's base rent adjusted by any increase in the CPI for that year. For the years 2018 through 2050 annual base rent shall equal one dollar. For the years 1996 through 2000 the Authority is required to pay \$6,000 in SECD Grants to the City. No SECD Grants are payable to the City for the lease years 2001 through 2050.

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

C. American with Disabilities Act (ADA):

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

The Authority has pledged its commitment to complying with the applicable regulations of the ADA and, as such, has undertaken appropriate planning and implementation activities. Although complete compliance has not been achieved in all areas due to delays in funding from the federal government, compliance has been substantially accomplished, and approval from the federal government was obtained for a timetable to achieve full compliance.

The total ultimate cost of compliance cannot be fully determined at this time; however, capital costs to be incurred are expected to be significant. The Authority has received grants totaling \$8,611 from the Federal Transit Administration (FTA) and has applied for additional FTA grants valued at \$4,400 to fund the necessary capital compliance requirements. The Authority is expected to fund any additional necessary capital requirements which are not covered by FTA grants.

D. Other:

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

The Authority has entered into an agreement with the Pennsylvania Department of Transportation (PennDOT) relating to construction and other costs involving contemplated highway and roadway connections between I-95, Aramingo-Torresdale Avenues and the Betsy Ross Bridge, and the treatment of certain related funds held by the Authority and claimed by PennDOT. The funds claimed by PennDOT amount to approximately \$9,222. Under certain circumstances, the Authority may be required to pay to PennDOT the balance of these funds not committed to properly allocable costs of the project.

The significant minimum lease, and maintenance fee commitments, based on current operations and excluding future adjustments for CPI, are as follows:

1996	\$9,411
1997	9,411
1998	9,411
1999	9,411
2000	9,411

Rent and lease expense for the years ended December 31, 1995 and 1994 amounted to \$10,219, and \$9,969, respectively.

E. Contractual Commitments

As of December 31, 1995, the Authority had contractual commitments as follow:

Benjamin Franklin Bridge:

Roadway connections to Vine Street Expressway (I-676) and Interstate 95	\$500
Engineering investigation of main suspension cable	2,485
Toll plaza rehabilitation	551

Walt Whitman Bridge:

Redecking of main span and approaches thereto	3,380
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Betsy Ross Bridge:

Preliminary and final design for the connection of Torresdale and Aramingo Avenues to the Betsy Ross Bridge and Interstate 95	2,073
Toll lane HVAC replacement	794

Transit System:

Station platform repairs	801
Reverse signaling	838
Station platform rehabilitation	2,296

One Port Center Headquarters - completion of design, construction and outfit 3,029

Port Enhancement Projects 3,628

Other (includes contractual commitments under \$500.) 3,008

Total contractual commitments \$23,383

Supplemental Schedule of Changes in Net Assets - By Fund and Total

YEAR ENDED DECEMBER 31, 1995 WITH 1994 TOTAL (IN THOUSANDS)

	Capital Fund	Revenue Fund	General Fund	Restricted		1995 Total	1994 Total
				Combined Bond Funds	Construction Fund		
NET ASSETS AT BEGINNING OF YEAR	\$332,068	\$41,699	\$5,582	\$3,366	\$14,642	\$397,357	\$420,296
Revenues and expenses:							
Operating revenues		106,600	15,116			121,716	120,317
Operating expenses	(12,383)	(43,011)	(35,316)			(90,710)	(90,074)
General administration expenses		(15,755)				(15,755)	(13,911)
Interest income		1,792	648	1,315		\$569	4,324
Interest on funded debt	(2,179)			(16,568)			(18,747)
Other income (expenses)	(904)	(35)	(4,126)		832		(4,233)
Economic development activities			(4,589)				(4,589)
Total	(15,466)	49,591	(28,267)	(15,253)	832	569	(7,994)
Government contributions for capital improvements and additions			5,933			5,933	3,874
Interfund transfers and payments :							
Bond service		(23,598)		23,598			
Funds in excess of Bond Reserve requirement		10,588		(10,588)			
Funds free and clear of any lien or pledge		(49,824)	49,824				
Retirement of bonds - 1985/1989 Revenue Bonds	49,853	(39,593)		(10,260)			
Proceeds from 1995 Bonds	(344,488)		73,468	74,747		196,273	
Funds for capital additions			9,000			(9,000)	
Capital additions	74,865		(74,865)				
Total	(219,770)	(102,427)	57,427	77,497		187,273	
NET ASSETS (DEFICIENCY) AT END OF YEAR	\$96,832	(\$11,137)	\$40,675	\$65,610	\$15,474	\$187,842	\$395,296
							\$397,357

Supplemental Schedule of Balance Sheet Information - By Fund and Total

DECEMBER 31, 1995 WITH 1994 TOTAL (IN THOUSANDS)

ASSETS	Capital Fund	Revenue Fund	General Fund	Restricted			1995 Total	1994 Total
				Combined Bond Funds	Construction Fund	Project Fund		
Cash		\$1,595	\$294				\$1,889	\$1,184
Investment in securities		23,334	43,031				66,365	71,275
Accrued interest receivable		1	370				371	2,138
Accounts receivable		313	2,235				2,548	3,826
Transit system inventory			3,049				3,049	3,071
Deferred compensation plan assets		5,291	3,489				8,780	6,662
Economic development loans			10,082				10,082	4,034
Prepaid expenses and other assets		954	647				1,601	4,682
Total		31,488	63,197				94,685	96,872
RESTRICTED ASSETS :								
Cash					\$118	\$4	122	112
Investment in securities				\$101,472	24,578	187,288	313,338	55,928
Accrued interest receivable				1,380		550	1,930	339
Total restricted assets				102,852	24,696	187,842	315,390	56,379
INVESTMENT IN FACILITIES	\$847,446		582				848,028	773,810
Accumulated depreciation	(223,676)		(426)				(224,102)	(211,182)
Investment in facilities - net	623,770		156				623,926	562,628
DEBT ISSUANCE COSTS, NET OF AMORTIZATION	10,440						10,440	3,888
FUNDED DEBT INTEREST COSTS								2,067
TOTAL ASSETS	\$634,210	\$31,488	\$63,353	\$102,852	\$24,696	\$187,842	\$1,044,441	\$721,834

LIABILITIES AND NET ASSETS	Capital Fund	Revenue Fund	General Fund	Restricted			1995 Total	1994 Total
				Combined Bond Funds	Construction Fund	Project Fund		
ACCOUNTS PAYABLE :								
Contracts					\$9,222		\$9,222	\$8,830
Retained amounts on contracts		\$27	\$4,093				4,120	1,366
Deferred compensation obligation		5,291	3,489				8,780	6,662
Other		1,876	11,019				12,895	6,671
Total accounts payable		7,194	18,601		9,222		35,017	23,529
ACCRUED LIABILITIES :								
Pension		763	281				1,044	968
Sick and vacation leave benefits		5,954	2,484				8,438	8,528
Other		1,031					1,031	1,109
Total accrued liabilities		7,748	2,765				10,513	10,605
DEFERRED INCOME ON TRUCK TICKETS								
		4,952					4,952	4,599
ACCRUED INTEREST (Payable from Restricted Assets)								
				\$37,242			37,242	31,608
FUNDED DEBT								
	\$537,378						537,378	234,011
PROVISIONS								
Repainting		18,095					18,095	15,623
Other		4,636	1,312				5,948	4,502
Total provisions		22,731	1,312				24,043	20,125
Total liabilities	537,378	42,625	22,678	37,242	9,222		649,145	324,477
NET ASSETS (DEFICIENCY) :								
From contributed capital	56,038						56,038	51,900
From operations:								
Invested in capital facilities	40,794						40,794	280,168
Reserved for:								
Revenue bonds				40,555			40,555	17,194
Revenue bond service				25,055			25,055	(13,828)
Construction					15,474	\$187,842	203,316	14,642
Unreserved		(11,137)	40,675				29,538	47,281
Total net assets (deficiency) from operations	40,794	(11,137)	40,675	65,610	15,474	187,842	339,258	345,457
Total net assets (deficiency)	96,832	(11,137)	40,675	65,610	15,474	187,842	395,296	397,357
TOTAL LIABILITIES AND NET ASSETS								
	\$634,210	\$31,488	\$63,353	\$102,852	\$24,696	\$187,842	\$1,044,441	\$721,834

Supplemental Schedule of Combined Bond Funds

Changes in Net Assets - By Fund and Total

YEAR ENDED DECEMBER 31, 1995 (IN THOUSANDS)

	Bond Service Fund	Bond Reserve Fund	Debt Service Fund	Debt Service Reserve Fund	Total Combined Bond Funds
NET ASSETS (DEFICIENCY) AT BEGINNING OF YEAR	(\$13,828)	\$17,194			\$3,366
Revenues and expenses:					
Operating revenues					
Operating expenses					
General administration expenses					
Interest income	545	539	\$123	\$108	1,315
Interest on funded debt	(15,483)		(1,085)		(16,568)
Other income (expenses)					
Economic development activities					
Total	(14,938)	539	(962)	108	(15,253)
Government contributions for capital improvements and additions					
Interfund transfers and payments :					
Bond service	23,598				23,598
Funds in excess of Bond Reserve requirement		(10,588)			(10,588)
Funds free and clear of any lien or pledge					
Retirement of bonds - 1985/1989 Revenue Bonds	(10,260)				(10,260)
Proceeds from 1995 Bonds			41,445	33,302	74,747
Funds for capital additions					
Capital additions					
Total	13,338	(10,588)	41,445	33,302	77,497
NET ASSETS (DEFICIENCY) AT END OF YEAR	(\$15,428)	\$7,145	\$40,483	\$33,410	\$65,610

Supplemental Schedule of Combined Bond Funds

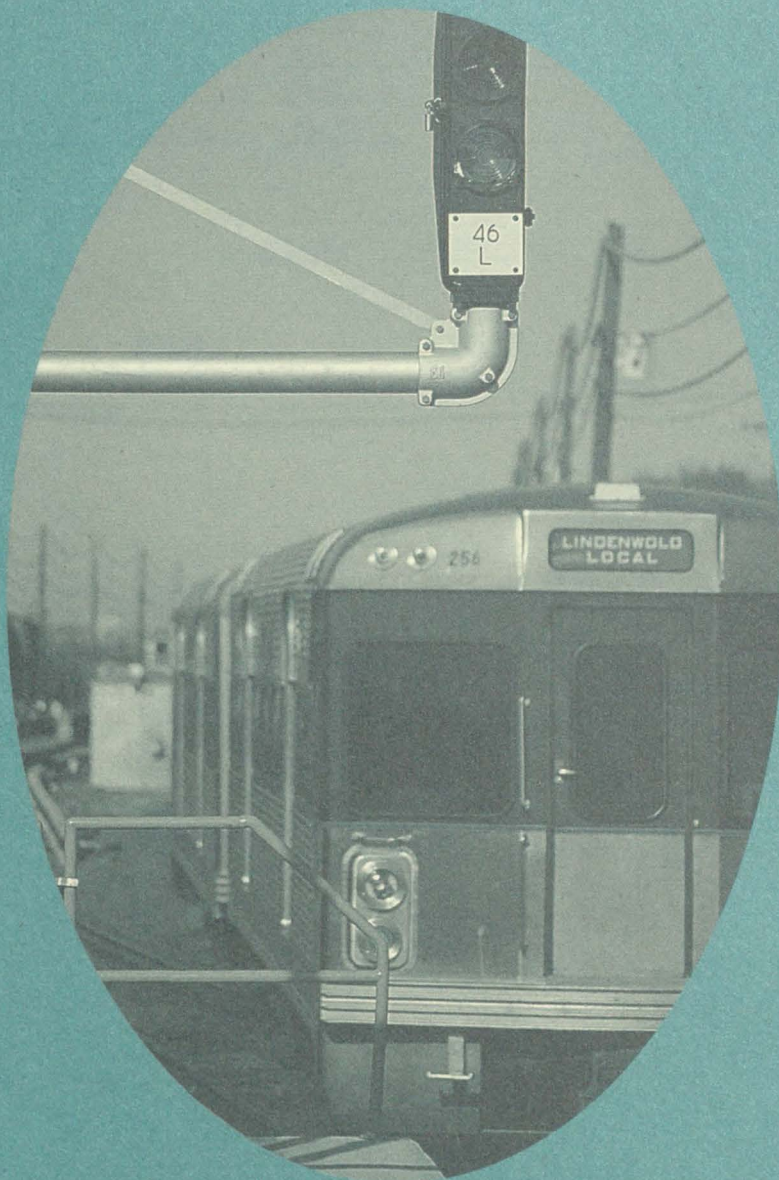
Balance Sheet Information - By Fund and Total

YEAR ENDED DECEMBER 31, 1995 (IN THOUSANDS)

ASSETS	Bond Service Fund	Bond Reserve Fund	Debt Service Fund	Debt Service Reserve Fund	Total Combined Bond Funds
RESTRICTED ASSETS :					
Cash					
Investment in securities	\$19,264	\$7,132	\$41,774	\$33,302	\$101,472
Accrued interest receivable		13	1,259	108	1,380
Total restricted assets	<u>19,264</u>	<u>7,145</u>	<u>43,033</u>	<u>33,410</u>	<u>102,852</u>
TOTAL ASSETS	<u>\$19,264</u>	<u>\$7,145</u>	<u>\$43,033</u>	<u>\$33,410</u>	<u>\$102,852</u>
LIABILITIES AND NET ASSETS					
ACCRUED INTEREST					
(Payable from Restricted Assets)	<u>\$34,692</u>		<u>\$2,550</u>		<u>\$37,242</u>
Total Liabilities	<u>34,692</u>		<u>2,550</u>		<u>37,242</u>
NET ASSETS (DEFICIENCY)					
From contributed capital					
From operations:					
Invested in capital facilities					
Reserved for:					
Revenue bonds		\$7,145		\$33,410	40,555
Revenue bond service Construction	(15,428)		40,483		25,055
Unreserved					
Total net assets (Deficiency) from operations	<u>(15,428)</u>	<u>7,145</u>	<u>40,483</u>	<u>33,410</u>	<u>65,610</u>
Total net assets (Deficiency)	<u>(15,428)</u>	<u>7,145</u>	<u>40,483</u>	<u>33,410</u>	<u>65,610</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$19,264</u>	<u>\$7,145</u>	<u>\$43,033</u>	<u>\$33,410</u>	<u>\$102,852</u>

Statistical SECTION

Each weekday, PATCO carries approximately 40,000 passengers between South Jersey and Philadelphia.



Delaware River Port Authority

LAST TEN FISCAL YEARS (IN THOUSANDS)

General Expenses by Function

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Bridge operations :										
Salaries and employee benefits	\$33,836	\$33,753	\$30,589	\$30,162	\$30,702	\$27,906	\$25,615	\$24,047	\$22,573	\$20,711
Equipment and supplies	2,077	2,608	2,562	1,062	971	1,293	1,226	936	1,112	1,445
Maintenance and repairs	3,550	3,000	2,766	2,455	350	311	3,562	3,584	3,333	2,809
Utilities	1,391	1,271	1,215	1,395	1,396	1,264	1,331	1,241	1,250	1,103
Insurance	1,899	1,710	1,166	1,252	1,242	1,164	1,171	1,245	1,073	1,771
Other	258	1,038	262	103	120	112	158	124	119	70
Total bridge operations	43,011	43,380	38,560	36,429	34,781	32,050	33,063	31,177	29,460	27,909
PATCO transit system:										
Maintenance of way and power	5,568	5,715	6,003	5,178	5,104	4,234	3,903	3,672	3,294	3,210
Maintenance of equipment	4,334	4,762	5,002	4,479	4,158	3,521	3,497	3,511	3,512	3,449
Purchased power	3,938	3,911	3,759	3,664	3,594	3,389	3,229	2,939	2,829	2,959
Transportation	8,336	8,265	8,435	7,610	7,446	6,764	6,374	5,937	5,329	4,916
General office	3,504	3,270	3,292	3,076	2,910	2,689	2,455	2,403	2,160	2,251
General insurance and liability	1,045	1,187	1,420	1,123	824	1,157	869	1,346	2,191	1,252
Total PATCO transit system	26,725	27,110	27,911	25,130	24,036	21,754	20,327	19,808	19,315	18,037
Lease and community impact	8,506	7,648								
General administration	15,755	13,911	12,790	11,411	10,468	9,959	8,710	8,029	6,877	7,297
Port of Philadelphia and Camden	5,252	6,259	5,591	3,945	3,705	3,691	3,198	2,886	2,946	2,692
Interest	18,747	20,552	20,694	20,804	20,890	20,956	20,884	20,607	20,630	20,630
Total expenses	\$117,996	\$118,860	\$105,546	\$97,719	\$93,880	\$88,410	\$86,182	\$82,507	\$79,228	\$76,565

Revenues by Source

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Bridge operating revenues	\$106,600	\$104,888	\$102,669	\$91,304	\$86,249	\$86,613	\$84,882	\$82,992	\$80,032	\$70,293
PATCO transit system										
operating revenues	15,116	15,429	15,379	15,285	15,580	15,616	15,086	15,363	14,805	14,233
PPC (AmeriPort)	1,486	1,905	1,200							
Interest income	4,324	7,645	7,732	8,854	11,490	12,036	10,859	7,371	6,224	8,237
Total revenues	\$127,526	\$129,867	\$126,980	\$115,443	\$113,319	\$114,265	\$110,827	\$105,726	\$101,061	\$92,763

PATCO Transit System Operating Revenues

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Passenger fares	\$14,472	\$14,801	\$14,917	\$14,821	\$15,119	\$15,197	\$14,708	\$14,850	\$14,290	\$13,782
Other revenues	644	628	462	464	461	419	378	513	515	451
Total operating revenues	\$15,116	\$15,429	\$15,379	\$15,285	\$15,580	\$15,616	\$15,086	\$15,363	\$14,805	\$14,233

PATCO Transit System Ridership

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Passengers	10,880	11,134	11,232	11,151	11,373	11,405	11,025	11,102	10,822	10,367

Delaware River Port Authority

LAST TEN FISCAL YEARS (IN THOUSANDS)

Debt Service Coverage (1)

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Revenues available for Debt Service:										
Bridge operating	\$106,600	\$104,888	\$102,669	\$91,304	\$86,249	\$86,613	\$84,882	\$82,992	\$80,032	\$70,293
Interest income	4,324	7,645	7,732	8,854	11,490	12,036	10,859	7,371	6,224	8,237
Reserved funds		4,135	4,608	5,031	5,410	3,604	3,604			
	<u>110,924</u>	<u>116,668</u>	<u>115,009</u>	<u>105,189</u>	<u>103,149</u>	<u>102,253</u>	<u>99,345</u>	<u>90,363</u>	<u>86,256</u>	<u>78,530</u>
Less expenses:										
Bridge operating	43,011	43,380	38,560	36,429	34,781	32,050	33,063	31,177	29,460	27,909
General administration	15,755	13,911	12,790	11,411	10,468	9,959	8,710	8,029	6,877	7,297
	<u>58,766</u>	<u>57,291</u>	<u>51,350</u>	<u>47,840</u>	<u>45,249</u>	<u>42,009</u>	<u>41,773</u>	<u>39,206</u>	<u>36,337</u>	<u>35,206</u>
Net revenues available for Debt Service	<u>52,158</u>	<u>59,377</u>	<u>63,659</u>	<u>57,349</u>	<u>57,900</u>	<u>60,244</u>	<u>57,572</u>	<u>51,157</u>	<u>49,919</u>	<u>43,324</u>
Debt Service:										
Interest	14,095	14,603	15,077	15,499	15,878	16,216	15,722	20,163	20,186	20,186
Principal	10,196	10,260	5,735	5,290	4,885	4,500	3,815	3,720	365	
Total Debt Service	<u>\$24,291</u>	<u>\$24,863</u>	<u>\$20,812</u>	<u>\$20,789</u>	<u>\$20,763</u>	<u>\$20,716</u>	<u>\$19,537</u>	<u>\$23,883</u>	<u>\$20,551</u>	<u>\$20,186</u>
Debt Service coverage (Times):	2.15	2.39	3.06	2.76	2.79	2.91	2.95	2.14	2.43	2.15

(1) Calculated in accordance with the Authority's General Bond Resolution and Indenture of Trust.

Funded Debt

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Outstanding debt	\$537,378	\$234,011	\$239,404	\$244,352	\$248,896	\$253,054	\$256,527	\$220,844	\$221,149	\$221,090

Bridge Operating Revenues

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Toll revenues by vehicle classification:										
Automobiles & light trucks	\$63,530	\$61,390	\$59,554	\$52,513	\$50,470	\$50,398	\$49,645	\$48,255	\$46,638	\$40,782
Commuter vehicles	14,885	15,378	16,300	16,298	15,487	15,483	14,916	14,441	14,168	12,684
Trucks	25,482	25,443	23,928	19,932	17,877	18,541	18,248	18,248	17,325	14,599
Buses	1,421	1,404	1,386	1,181	1,149	1,223	1,422	1,533	1,347	1,190
Senior citizens	1,743	1,727	1,667	1,327	1,244	1,203	1,058	987	924	808
Other	478	460	432	372	334	259	244	248	255	237
Discounts and deductions	(1,003)	(976)	(857)	(551)	(533)	(646)	(695)	(745)	(675)	(56)
Total toll revenues	<u>106,536</u>	<u>104,826</u>	<u>102,410</u>	<u>91,072</u>	<u>86,028</u>	<u>86,461</u>	<u>84,838</u>	<u>82,967</u>	<u>79,982</u>	<u>70,244</u>
Other bridge operating revenues	64	62	259	232	221	152	44	25	50	49
Total bridge operating revenues	<u>\$106,600</u>	<u>\$104,888</u>	<u>\$102,669</u>	<u>\$91,304</u>	<u>\$86,249</u>	<u>\$86,613</u>	<u>\$84,882</u>	<u>\$82,992</u>	<u>\$80,032</u>	<u>\$70,293</u>

Note: The Authority increased toll rates on October 1, 1992 and July 1, 1986.

Delaware River Port Authority

LAST TEN FISCAL YEARS (IN THOUSANDS)

Bridge Traffic by Vehicle Classification

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Vehicle classification:										
Automobiles & light trucks	31,765	30,695	29,777	28,423	28,039	27,998	27,581	26,808	25,910	24,616
Commuter vehicles	11,318	11,510	12,267	14,032	13,669	13,737	13,089	12,619	12,364	12,063
Trucks	2,434	2,420	2,283	2,233	2,132	2,207	2,172	2,141	2,036	1,875
Buses	360	354	347	345	354	376	428	459	420	412
Senior citizens	1,757	1,768	1,842	1,896	1,777	1,718	1,513	1,411	1,322	1,236
Other	191	191	194	132	157	143	136	142	151	148
Total traffic	47,825	46,938	46,710	47,061	46,128	46,179	44,919	43,580	42,203	40,350

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

Bridge Toll Revenue by Bridge

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Walt Whitman Bridge	\$40,067	\$42,607	\$43,226	\$38,410	\$37,718	\$41,705	\$40,823	\$41,507	\$41,300	\$34,812
Ben Franklin Bridge	35,311	33,097	32,138	28,424	26,877	23,547	23,763	23,486	22,593	21,112
Betsy Ross Bridge	16,161	15,354	14,465	13,401	12,301	11,757	10,809	8,523	7,357	6,456
Commodore Barry Bridge	14,997	13,768	12,581	10,837	9,132	9,452	9,443	9,451	8,732	7,864
Total toll revenues	\$106,536	\$104,826	\$102,410	\$91,072	\$86,028	\$86,461	\$84,838	\$82,967	\$79,982	\$70,244

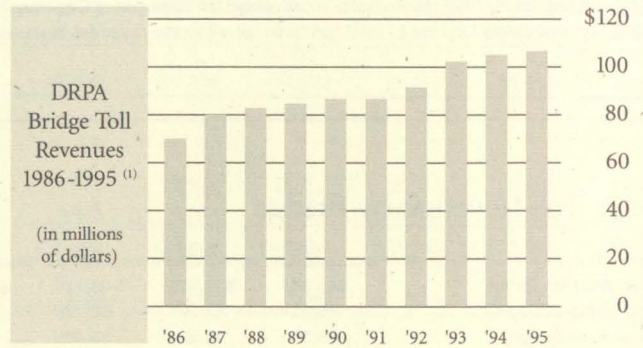
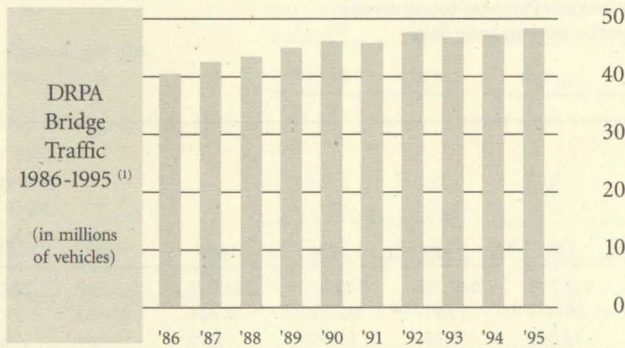
Note: The Authority increased toll rates on October 1, 1992 and July 1, 1986.

Bridge Traffic by Bridge

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Walt Whitman Bridge	17,718	18,711	19,237	19,196	19,211	21,028	20,307	20,499	20,526	18,860
Ben Franklin Bridge	17,565	16,511	16,264	16,156	15,907	14,402	14,526	14,333	13,857	14,080
Betsy Ross Bridge	6,775	6,425	6,256	6,847	6,638	6,272	5,668	4,411	3,813	3,580
Commodore Barry Bridge	5,767	5,291	4,953	4,862	4,372	4,477	4,418	4,337	4,007	3,830
Total traffic	47,825	46,938	46,710	47,061	46,128	46,179	44,919	43,580	42,203	40,350

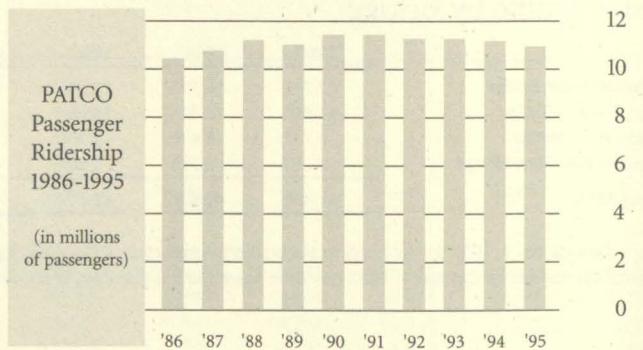
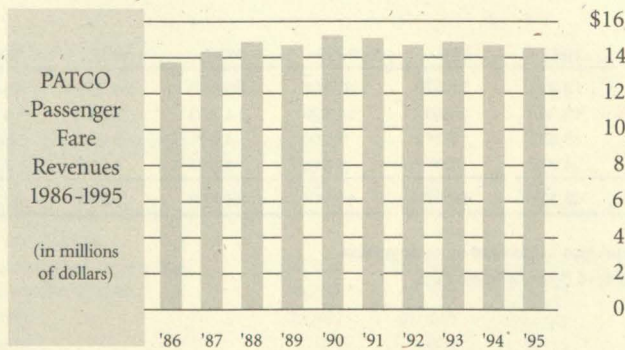
Note: On October 1, 1992 the Authority implemented the collection of One-Way Tolls on all bridges in the west-bound direction. Traffic reported before October 1, 1992 has been halved for the purposes of showing comparative one-way traffic data.

BRIDGE AND PATCO OPERATIONS

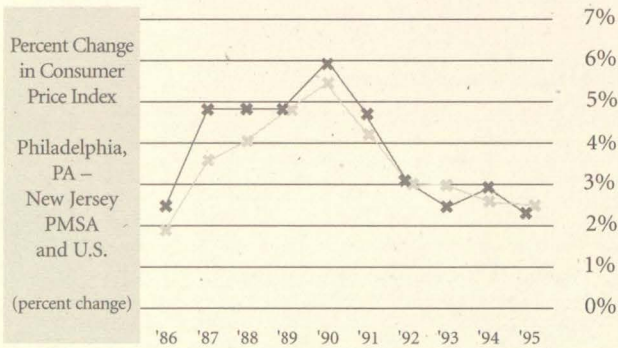


(1) On October 1, 1992, the DRPA implemented the collection of One-Way-Tolls in the west-bound direction on its bridges. Traffic reported before October 1, 1992, has been halved for the purposes of showing comparative one-way traffic.

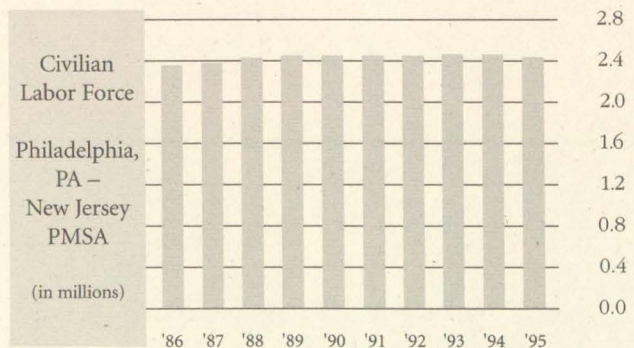
(1) The DRPA increased toll rates on July 1, 1986, and October 1, 1992.



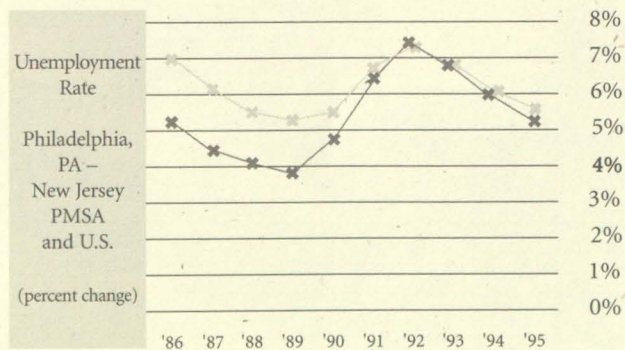
D E M O G R A P H I C S



* Philadelphia, PA - NJ PMSA * U.S.
Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics



* Philadelphia, PA - NJ PMSA * U.S.
Source: U.S. Bureau of Labor Statistics

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

DELAWARE RIVER
PORT AUTHORITY
OF PENNSYLVANIA
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A cyclist uses the free walkway on the Benjamin Franklin Bridge.



DRPA

Delaware
River
Port
Authority

One
Port
Center

Two
Riverside
Drive

Camden
New Jersey
08101-1949