2018

Comprehensive Annual Financial Report
For Years Ended December 31, 2018 and 2017.

DELAWARE RIVER PORT AUTHORITY
of Pennsylvania & New Jersey

Stewardship. Service. Community.

Mission Statement

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

Vision Statement

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

DELAWARE RIVER PORT AUTHORITY
OF PENNSYLVANIA & NEW JERSEY

Comprehensive Annual Financial Report
For Years Ended December 31, 2018 and 2017

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Chairman's Letter

Ryan N. Boyer
Chairman, DRPA

June 30, 2019

To Our Customers and Bondholders:

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

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

During the 2018 calendar year, we achieved many notable accomplishments, including:

- DRPA and Port Authority Transit Corporation (PATCO) operating expenses for 2018 have, for the 17th consecutive year, come in under the combined budget.
- Traffic volume across the Benjamin Franklin, Betsy Ross, Commodore Barry and Walt Whitman bridges was the highest since 2008.
- Both the DRPA and PATCO had historically high revenues in 2018.
- In response to our continued financial discipline S&P Global Ratings upgraded all DRPA bonds and Moody's Investors Service affirmed its rating on all DRPA bonds with a "positive" ratings outlook.
- The Authority reinforced our commitment to diversity and inclusion for equal opportunity in employment, contracts and procurement.

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

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

Sincerely,

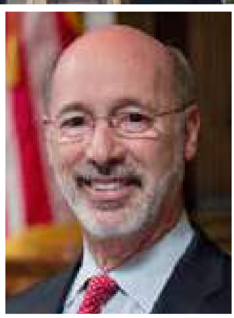
Ryan N. Boyer

Chairman

Board of Commissioners

as of June 30, 2019

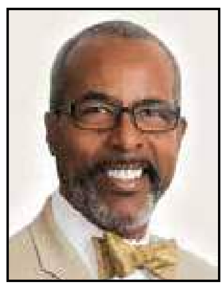
PENNSYLVANIA



Honorable
Tom Wolf
Governor
Commonwealth
of Pennsylvania

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

Hon. Eugene A.
DEPASQUALE
Auditor General
Commonwealth
of Pennsylvania



Christopher A.
LEWIS
Attorney
Blank Rome

Joseph S.
MARTZ
Board Chairman & CEO
NHS Human Services

Katie
MCGINTY
Vice President of
Global Government
Relations
Johnson Controls

Angelina
PERRYMAN
Vice President of
Administration
Perryman Building &
Construction Services

Donna
POWELL
Donna Powell, LLC
Fiduciary Services

Hon. Joseph M.
TORSELLA
State Treasurer
Commonwealth
of Pennsylvania

NEW JERSEY

Honorable
Phil Murphy
Governor
State of New Jersey

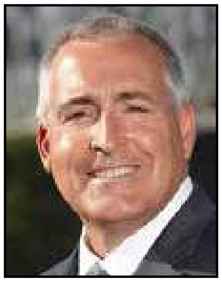
Jeffrey L.
NASH
Vice Chairman
Freeholder
Camden County Board
of Chosen Freeholders

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

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

Charles
FENTRESS
Retired Police Sergeant
Delaware River
Port Authority

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

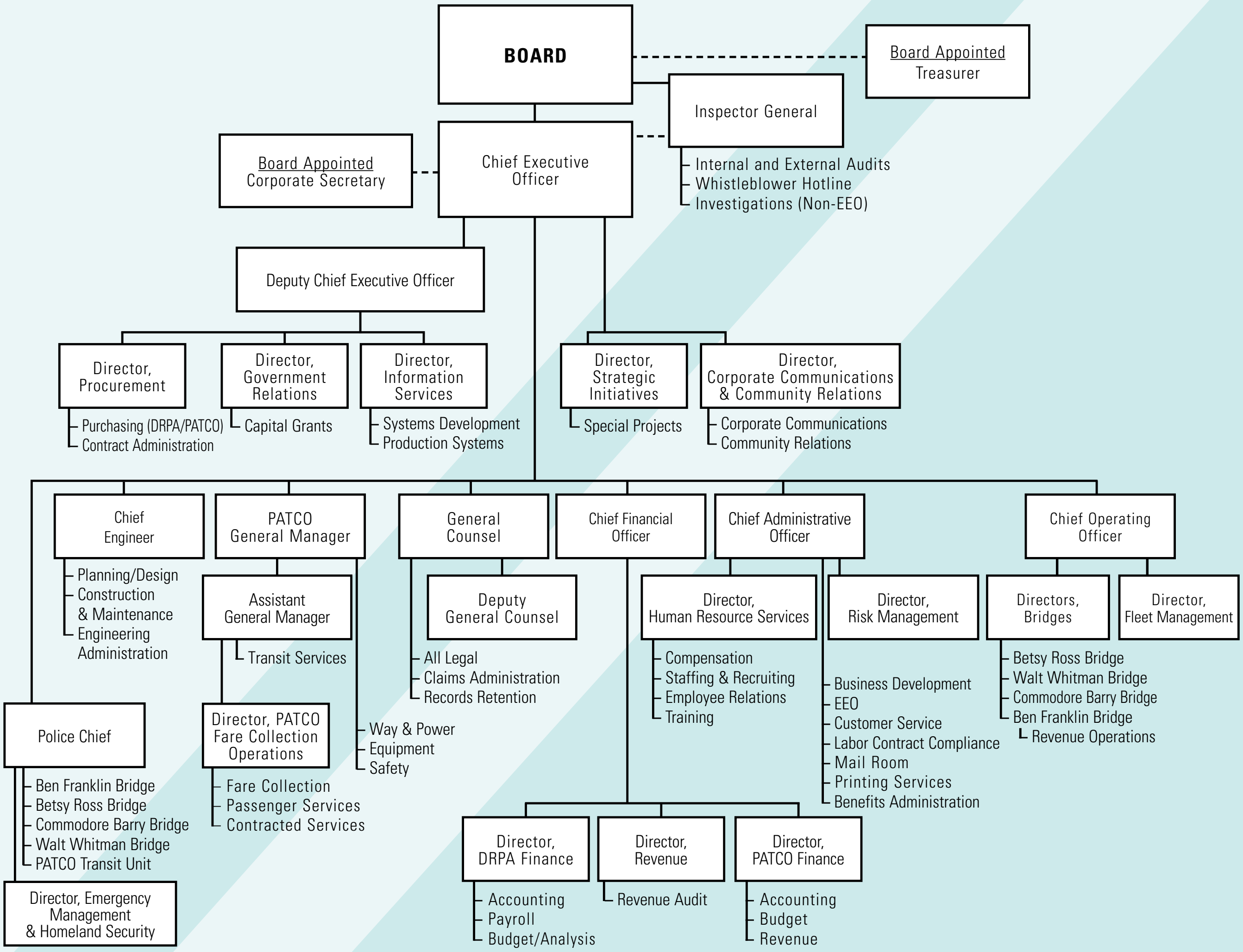


Bruce D.
GARGANIO
Freeholder
Burlington County
Senior Council Representative
for Northeast Regional
Council of Carpenters

Richard
SWEENEY
Financial Secretary,
Business Representative
Ironworkers #399

Ricardo V.
TAYLOR, JR.
School Administrator
Pennsauken Township

Organizational Chart



Officers & Executive Staff

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

Maria J. Wing
Deputy Chief Executive Officer

Raymond J. Santarelli
General Counsel
& Corporate Secretary

Archer & Greiner
New Jersey Counsel

Duane Morris, LLP
Pennsylvania Counsel

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

Toni P. Brown, Esq.
Chief Administrative Officer

Robert P. Hicks
Chief Operating Officer

Michael P. Venuto
Chief Engineer

John D. Rink
PATCO General Manager

Rohan K. Hepkins
PATCO Assistant
General Manager

David J. Aubrey
Inspector General

Facilities

Benjamin Franklin Bridge
Opened: July 1,1926

Walt Whitman Bridge
Opened: May 16, 1957

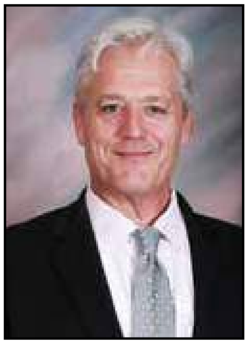
Commodore Barry Bridge
Opened: February 1, 1974

Betsy Ross Bridge
Opened: April 30, 1976

PATCO
Opened: February 15, 1969

One Port Center
Opened: 1996

Report of the Chief Executive Officer



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

In 2018, the Delaware River Port Authority (DRPA) and Port Authority Transit Corporation (PATCO) continued to make tremendous progress towards addressing the challenges of aging infrastructure, and the increasing demand and need for efficient and reliable public transportation services. In addition, the Authority made significant and substantive advancements in key financial and operational areas.

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

In 2018, the total year-to-year traffic increase on the Authority's four bridges was 365,112 vehicles and toll revenues increased by $4.1 million over 2017. Annual traffic (one-way) on the DRPA's four bridges totaled 53.3 million vehicles with accompanying revenues totaling $335.6 million, during 2018. These are the highest total toll revenues in the Authority's history and the highest traffic level since 2008.

The PATCO rapid transit line transported more than 10.7 million passengers in 2018, ranking as the second highest ridership since 1999.

The Authority continues to maintain strong financial discipline and transparency in its operations. Operating expenses for 2018 of the Delaware River Port Authority and PATCO came in under budget for the 17th consecutive year.

In November 2018, S&P Global Ratings upgraded the DRPA bond ratings on all bonds, raising the revenue bond ratings to 'A+', and the ratings on the port district project bonds to 'A', all with a "stable" outlook. Moody's Investors Service affirmed its 'A2' and 'Baa2' ratings on DRPA revenue and port district project bonds, respectively, with a "positive" outlook. The ratings from both ratings agencies affirmed the current strength of the Authority's finances and management's decade plus strategic planning efforts to reduce overall debt and risks associated with variable rate debt and interest rate swaps.

In December 2018, DRPA completed the extremely successful sale of $700.5 million of the Authority's 2018 Revenue Bonds. The proceeds of the sale shifted the Authority's entire debt portfolio to a traditional fixed rate structure, as all variable rate bonds were redeemed and all of the Authority's interest rate swaps were terminated.

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

At year end, the Authority's General Fund balance was approximately $261 million. Upon the issuance of the 2018 Revenue Bonds, a Project Fund was established in the amount of $290 million to fund major capital projects, bringing the total available balance of $551 million to fund the capital plan.

The Authority continues to implement and refine its 2018-2022 strategic plan that serves as a roadmap for proactively addressing the challenges and opportunities facing the Authority. There is an ever-increasing demand for services, information, tools and technology in an environment where resources are always constrained. The Authority strives to deliver on these demands by identifying innovative solutions to preserving and maintaining our transportation infrastructure in a state of good repair.

We are succeeding in moving the Authority closer to realizing our vision of a world-class stewardship organization that consistently meets the highest standards of excellence in delivering its services.

We are proud of our 2018 achievements, and we look forward to facing our 2019 challenges with creativity, diligence and a strong sense of commitment to **STEWARDSHIP, SERVICE, AND COMMUNITY.**

Yours truly,

John T. Hanson

John T. Hanson

Chief Executive Officer, Delaware River Port Authority

President, Port Authority Transit Corporation

DELAWARE RIVER
PORT AUTHORITY

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

June 30, 2019

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

The comprehensive annual financial report of the Delaware River Port Authority ("the Authority") for the year ended December 31, 2018, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the combined financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

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

Management of the Authority is responsible for establishing and maintaining a system of internal control designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the resulting benefits; and (2) the analysis of costs and benefits requires estimates and judgments by management.

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

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

The Delaware River Port Authority is a public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey created with the consent of Congress by compact legislation between the Commonwealth of Pennsylvania and the State of New Jersey. The Authority, which has no stockholders or equity holders, was created in 1952 as a successor to the Delaware River Joint Commission, which was created in 1931. The Authority is governed by a 16-member Board of Commissioners. The Governor of New Jersey appoints eight commissioners with the advice and consent of the Senate of New Jersey. The Governor of Pennsylvania appoints six commissioners, with the Auditor General and the State Treasurer of Pennsylvania serving as ex-officio commissioners for Pennsylvania. Commissioners serve five-year terms without compensation. The Board of Commissioners establishes policy and plans for the operations of the Authority. A Chief Executive Officer is appointed by the Board of Commissioners to implement policy and to manage the daily operations of the Authority.

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

The Board of Commissioners of the Delaware River Port Authority has also established, under the authority of resolution DRPA-10-040, an Audit Committee that is chaired by the Auditor General of Pennsylvania. The Audit Committee is charged with overseeing an annual independent financial audit along with a biennial performance audit. The Authority's Board also adopted an Audit Committee charter through resolution DRPA-10-141. This resolution specifies that the purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibility relating to: (1) the Authority's internal and external audit process, the financial reporting process, and all risk assessment and internal controls over financial reporting; (2) compliance with applicable laws, policies, and accounting and auditing standards, and (3) communication between the Authority's management, internal and external auditors, experts, other advisors, and the Board.

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

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

The Authority is vested with the ownership, control, operation, and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross bridges. The Authority has also constructed and owns a high-speed transit system, which is operated by its wholly owned subsidiary, the Port Authority Transit Corporation (PATCO). The transit system operates between Philadelphia, Pennsylvania and Lindenwold, New Jersey.

BUDGET PROCESS

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

A five-year capital budget, required by the Authority's Compact, is also prepared through a similar process and submitted to the Finance Committee, and subsequently to the Board of Commissioners for approval. The capital budget is a planning document identifying the Authority's potential commitments. The approval of the capital budget does not in itself authorize any specific project. Specific approval by the Board of Commissioners is required before any capital project may commence. The foundation for the major capital budget projects (those projects greater than $200K) is the biennial inspection, which results in the inspection all four bridges and PATCO. This inspection is required by the 1998 Revenue Bond Indenture. Smaller capital projects, primarily projects under $200K, are identified by various operating and administrative departments.

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

In accordance with the Authority's governing Revenue and Port District Project Bond Indentures, the next year's annual operating budget must be submitted to the respective bond trustees by December 31st of each year.

Pursuant to the Indentures, the Authority filed its 2018 operating budgets in late December 2017 with its bond trustees. The 2018 operating and capital budgets became effective on January 1, 2018. (The Authority also filed its 2019 operating budgets with its bond trustees in late December 2018, as required by the bond indentures.)

FACTORS AFFECTING FINANCIAL CONDITION

During the past several years, the Authority has taken significant strategic steps to strengthen its financial position through: cost-containment of personnel and non-personnel expenditures, increasing its liquidity through growth in its General Fund, and restructuring its debt and swap portfolios. The latter strategy is primarily in response to: changing financial markets, the exercise of various swaptions (in 2006, 2008 and 2010), passage of a board resolution mandating the liquidation of the Authority's swap portfolio in an orderly and strategic fashion, the necessity of funding its various annual five-year Capital Programs, and the adoption of an annual Finance Action plan by the Authority's Board of Commissioners (which have been implemented during the period of 2012 through 2018).

Sustained traffic growth since 2014, has been a major factor impacting the Authority's financial condition, resulting in an additional 5.4 million vehicles annually, thereby increasing the annual toll revenues to historically high levels. Annual toll revenues have increased from $297.3 million in 2014, rising to a high of $335.6 million in 2018. Revenue growth has outpaced expense growth during the period, with the net effect producing higher annual net income levels and a resultant strengthening of the Authority's General Fund reserves (which exceeded $262.7 million at year-end) and a higher net position (which increased to $779.8 million, up from $587.8 million in 2014).

DEBT MANAGEMENT

As mentioned previously, in the period of 2012 through 2018, the Authority, and its Board, approved comprehensive financial plans to: reduce the Authority's debt, adopt a new swap strategy, renegotiate and replace various LOC agreements to reduce its annual LOC facility costs, and to finance its five-year capital programs. As described below, the Authority significantly restructured its overall debt and swap profiles by executing several large bond-related transactions during the fourth quarter of 2018.

Fixed Rate Debt:

Beginning in 2012, the Authority took several strategic actions related to its fixed-rate debt. The Authority:

1) paid down $96 million in revenue bond and port district bond debt (2012);

2) issued $153 million in Port District Project Refunding Bonds, Series 2012, which decreased the par amount of the Authority's Port District Bond debt from approximately $315 million to approximately $187 million, resulting in substantial debt service savings;

3) issued new revenue bonds (the 2013 Revenue Bonds), totaling $476.6 million, at attractive rates, in order to fund a significant portion of its 5-year Capital Program.

At December 31, 2017, the Authority had total fixed rate debt of $0.95 billion, which accounted for roughly 65.3% of its total debt.

2018 Bond Transactions

In mid-2018, the Authority determined that conditions were ideal to pay off its 2010D bonds (in the amount of $308.4 million) and to also issue $700.5 million in new fixed-rate bonds (Series A, B, and C) in order to accomplish three key strategies:

1) creation of a $290 million bond project fund to partially fund its 2019, and subsequent, 5-year Capital Plans;

2) full redemption of $460,165 in existing variable rate bonds (Series 2008 A and B and 2010 A, B and C);

3) cash-settlement and termination of two active swaptions, with notional value of $460 million, for $63.8 million.

The Authority has reduced its debt service through 2040 by approximately $63 million, as a result of the aforementioned transactions.

Therefore, as of December 31, 2018, the Authority, had no variable rate debt and had $1.31 billion (par value) in total fixed-rate bonds outstanding.

Variable Rate Debt:

During the period of 2013 through 2018, the Authority paid down its variable rate debt and significantly reduced its Direct Pay Letter of Credit (LOC) facility costs for its 2008 and 2010 Revenue Refunding Bonds. New LOC agreements were negotiated with existing and new LOC banks for the 2008 and 2010 Revenue Refunding Bonds, during this period, saving millions of dollars in annual LOC facility fees in the process.

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

In December 2017, the Authority renegotiated and extended a LOC (which was set to expire at year-end) for a five (5) year period, resulting in a 23 basis point drop in LOC facility charges, which would have resulted in savings approaching $1.0 million, over the term of the LOC. In its final LOC transaction, early in 2018, the Authority, renewed a LOC in the amount of $108.4 million for a four-year term.

As mentioned in the previous section, in mid-December 2018, the Authority issued new fixed-rate bond debt in the amount of $700.5 million. The 2018 Series B and C bonds, in the amounts of $404.1 and $22.97 million, respectively, were issued to fully redeem all of its variable rate debt and to terminate the swaptions supporting this debt. As a result, the two remaining LOCs, and the four (4) direct purchase loans, were also terminated.

At December 31, 2018, the Authority had no variable rate debt outstanding.

Total Debt:

The Authority’s total bond debt decreased by $37.3 million to total $1.42 billion at year-end. (Please see Note 12 for additional information.)

Swap Management

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

The Authority’s two (2) active swaps are analyzed annually (per GASB 53) and continued to be “effectively hedged” as of year-end December 31, 2017. (Two swaptions remained inactive.) The notional value of the swaptions totaled $504.8 million, as of December 31, 2017.

In mid-2018, the Authority determined that there was an opportunity to issue bonds to reduce or totally eliminate its variable rate exposure and the accompanying swaps associated with the 2008 and 2010 Revenue Refunding bonds. With the issuance of the 2018 Revenue and Revenue Bonds in December 2018, specifically Series B and C, the Authority cash-settled the 1995 and 1999 Revenue Bond swaptions in the amount of $63.8 million. (At the time of the termination the notional amount was $460.2 million.)

As of December 31, 2018, all four (4) active and inactive swaptions have been terminated.

Please see Note 4 for additional information.

Bond Ratings

One of the key strategic goals of the Authority, in the past decade, has been to maintain or improve its bond ratings. The implementation of the aforementioned strategic initiatives including: on-going annual budget control, managing an affordable capital program, maintenance of strong debt coverage and liquidity, reduction of swap and variable rate exposures, and, improvement in annual traffic have been key factors cited by the ratings agencies to support recent upward movements of the Authority's ratings, as shown below:

1. In April 16, S&P, using its new ratings criteria for public finance entities, affirmed the Authority's "A" ratings (stable outlook) on its revenue bonds and raised the Authority's ratings, on its subordinated debt (port district project bonds), from "BBB" to "A-"(stable outlook).

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

3. In November 2018, prior to the issuance of the 2018 Revenue and Refunding Bonds, both S&P and Moody's noted the Authority's strong operational performance, upward trend in total annual traffic and the "expected elimination of all of the Authority variable rate debt and swap exposures" in their evaluation of the Authority's debt. S&P, as it did in 2013, upgraded **all** of the Authority's outstanding bond debt, raising the underlying rating on the revenue bonds to "A+" from "A" and also its ratings on the port district project bonds to "A" from "'A-", with a stable outlook. Moody's affirmed the ratings on the Authority's revenue and port project bonds at '"A2" and "Baa2," respectively, while changing the ratings outlook from "stable" to "positive".

These recent upward adjustments in the ratings for the revenue and revenue funding bonds and/or the subordinated port district project bonds, attest to the strength of the Authority's overall financial condition.

LOCAL ECONOMY

From the latest data available (through 2017), it appears that population growth has increased by 0.58% in the Pennsylvania counties and by 0.11% in the New Jersey counties within the Port District versus 2016 totals.

Employment growth has improved slightly in the Pennsylvania Port counties. In 2017, in Pennsylvania counties the unemployment rate decreased by 0.39% vs. the 2016 rate. The 2017 overall rate of 4.78% is down from a high of 8.63% in 2012.

Employment growth has shown continual improvement in the past several years in New Jersey. During 2017, the unemployment rate, in the New Jersey counties, has declined by another 0.39% (dropping from 5.68% to 5.29%). The 2017 overall rate of 5.29% is down from a high of 10.82% in 2012.

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

LONG-TERM FINANCIAL PLANNING

An important component of the Authority's long-term financial plan is ensuring that it has sufficient revenue to meet its operating and capital requirements. With assistance from its Financial Advisors, the Authority uses a long-term forecasting model, which creates a multi-year forecast of its revenues and expenses. The model incorporates numerous independent variables (including operating revenue and expense estimates, debt service coverage and capacity, etc.) in order to determine the annual cash flow required to create sufficient bonding capacity to finance its five-year capital plan. Results from a traffic engineering study, completed in November 2018 (which contained projections for a ten-year period), were incorporated into this model for use in developing required forecasts necessary for the 2018 bond issuances. The Authority regularly updates this model based on changes in business conditions and its financial performance.

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

The 2018 Capital Plan, developed, during the year 2017, and approved by the Board of Commissioners in December 2017, outlined numerous bridge, transit system, security and technology project expenditures approaching $770.3 million (net of federal funding), for the five-year period commencing in 2018. The 2018 fiscal year budget for capital expenditures totaled $166.8 million, net of federal funding.

In December 2018, the Authority's Board approved its 2019 Capital Budget in the amount of $178.7 million and a total 5-year capital plan with projected expenditures of $787.4 million, up slightly (or an increase of $17.0 million) from the total 2018 plan. The Authority will use both its General Fund reserves and bond project funds (resulting from the 2018 bond issuance) to fund these capital expenditures going forward. At year-end, roughly $552.9 million in combined funds is available to fund a large portion of this 2019 Capital Plan.

BRIDGE TOLL AND PASSENGER FARE SCHEDULES

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

Reinstitution of E-ZPass Frequent Bridge Traveler Credit:

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

The Authority paid out approximately $1.85 million during fiscal year 2018 related to this program, however this reduction in revenues was offset by an initiative established in 2016 ("delayed transaction processing"), which enabled the Authority to capture $2.0 million in additional toll revenues in 2018.

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

AWARDS AND ACCOMPLISHMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Delaware River Port Authority for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the twenty-sixth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the dedication and effectiveness of the entire Finance Division staff, with support by the Government & Corporate Communications Department and Printing Services. I would especially like to express my appreciation to the members of these departments who contributed in the preparation of this report. Special thanks must also be given to the Chairman, Vice-Chairman, Chief Executive Officer, Deputy Chief Executive Officer and the Finance and Audit Committees of the Board for maintaining the highest standards in the management of the Delaware River Port Authority's finances. Special thanks also goes to DRPA's David Aubrey, Inspector General, for his leadership in facilitating this financial audit.

Respectfully submitted,

James M. White, Jr.

Chief Financial Officer/Treasurer

Financial Section

Financial Section

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Delaware River Port Authority

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Delaware River Port Authority and subsidiary (collectively referred to as the "Authority"), which comprise the combined statements of net position as of December 31, 2018 and 2017, and the related combined statements of revenues, expenses and changes in net position, and cash flows, for the years then ended, together with the combined statements of fiduciary net position as of December 31, 2018 and 2017, and the combined statements of changes in fiduciary net position for the years then ended, and the related notes to the combined financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Delaware River Port Authority and subsidiary as of December 31, 2018 and 2017, and its changes in financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Principles

As discussed in note 19 to the financial statements, during the year ended December 31, 2018, the Authority adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

Cumulative Effect of Change in Accounting Principles

Because of the implementation of GASB Statement No. 75, net position as of January 1, 2018 on the statements of revenues, expenses and changes in net position, has been restated, as discussed in note 19 to the financial statements. Our opinion is not modified with respect to this matter.

Restatement of Prior Period Combined Statement of Net Position

As discussed in note 19 to the financial statements, the Authority is party to debt service forward delivery agreements for securities deposited with a financial institution that provide the Authority with a guaranteed rate of return. These forward delivery agreements have been recorded on the combined statements of net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 30, 2019

Management's Discussion & Analysis

(Unaudited)

As management of the Delaware River Port Authority (the "Authority"), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2018 and 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts are expressed in thousands of dollars unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- **Standard and Poor's upgraded all of the Authority's revenue and port district project bonds in November while Moody's affirmed its debt ratings, but changed the "outlook" on all bonds to "positive".**
- Total operating revenues were $371.9 million in 2018, the highest level in DRPA history. 2018 revenues increased $5.9 million or 1.62% over 2017 revenues. The increase was primarily related to a $4.1 million net increase in bridge toll revenues.
- The $4.1 million net increase in toll revenues (up 1.22%) during the year was primarily attributable to higher automobile and commercial vehicle volume, the latter change which impacted the increase in the average toll. The average toll, based on total vehicle volume, increased from $6.27 in 2017 to $6.30 in 2018.
- Bridge traffic increased, for the fourth consecutive year, exceeding 53.3 million vehicles, the highest total in the past decade. Traffic was up by 366 thousand vehicles, a 0.69% increase over 2017 totals. Non-commercial traffic increased by 327 thousand vehicles. Traffic on the bridges was positively impacted by an improvement in general economic conditions in the region and minimal inclement weather during the year.
- The Port Authority Transit Corporation ("PATCO") is a wholly-owned subsidiary of the Delaware River Port Authority (DRPA) and is subsidized by the DRPA. Total PATCO expenses exceeded total PATCO revenues by $24.7 million in 2018 and by $22.0 million in 2017. The operating loss increased by $2.7 million from 2017 to 2018, an increase of 12.13%.
- PATCO net passenger fare revenues decreased by 1.31% (or by roughly $0.4 million) to $26.2 million from $26.6 million in 2017. This decrease was primarily resultant from the impact of reduced PATCO ridership of 48 thousand passengers (down 0.44%), or a year-to year ridership drop from 10.84 million riders in 2017 to 10.79 million. Total PATCO revenues (inclusive of parking, advertising and other revenues) were up $0.6 million overall vs. 2017 totals.
- Total "non-restricted" investments decreased by $336.4 million, a decrease of 58.9%. This decrease primarily was related to two main factors: 1) continued funding of the capital program for most of 2018 and 2) most importantly, the use of $281.6 million in General Funds to defease the 2010D bonds in November 2018.
- Restricted investments, including the monies held in the new 2018 revenue bond project fund, increased by $229.0 million (from $228.6 million to $457.7 million). At year-end, the new bond project fund (used for funding large capital projects) totaled $290.2 million, an increase of $287.3 million from 2017. (In early 2018, the 2013 revenue bond project fund was fully depleted)
- Total operational expenses increased to $239.5, up $18.0 million, or by 8.1% vs. 2017 expenses. This increase is primarily attributable to a $10.6 million increase in depreciation, coupled with increases in G&A expenses (up by $8.6 million).
- Total debt outstanding decreased by $37.3 million to total $1.42 billion at year-end. During 2018, the Authority extended one LOC ($108.5 million), defeased the 2010 D revenue bonds ($308.4 million), and issued $700.5 million in new debt to fund a new project fund and to redeem all variable rate bond debt and terminate all swap, LOC and bank purchase loan agreements.
- Capital expenditures totaled $168.3 million vs. $133.2 million, an increase of $35.1 million (or 26.4%), the highest in DRPA history.
- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of 2018 resulting in a net position of $779.8 million, an increase of $35.7 million. Although net income before capital contributions increased only slightly from $81.3 million to $82.8 million (a year-to-year increase of $1.5 million), increased capital contributions (up $19.4 million) were a large factor in the increase in net position.
- Debt service coverage for revenue bond debt (as calculated based on the 1998 Bond Indenture) increased to 2.21X in 2018 from 2.09x in 2017, as net revenues available for debt ($247.4 million) increased by $9.2 million or 3.88%. Also, annual debt service decreased by $2.2 million.
- The Authority made its annual funding contribution of $5.0 million to its OPEB irrevocable trust, increasing its net position to $31.1 million. The total OPEB liability of $113.6 million, after consideration of the assets of the trust, resulted in a net OPEB obligation of $82.5 million at year-end.

FINANCIAL POSITION SUMMARY (in Thousands)

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

Delaware River Port Authority's Net Position

	2018	(Restated) 2017	2016
Current and other assets	$ 778,309	$ 888,271	$ 915,847
Capital assets	1,659,336	1,562,816	1,490,869
Total assets	2,437,645	2,451,087	2,406,716
Deferred outflows of resources	88,049	112,346	127,922
Long-term liabilities outstanding	1,638,636	1,656,608	1,738,489
Other liabilities	93,674	145,377	137,953
Total liabilities	1,732,310	1,801,985	1,876,442
Deferred inflows of resources	13,545	17,314	2,955
Net position:			
Net investment in capital assets	727,790	271,323	235,795
Restricted	157,142	205,742	209,924
Unrestricted	(105,094)	267,069	209,522
Total net position	$ 779,839	$ 744,134	$ 655,241

The Authority's net position in 2018 increased by $35.7 million largely due to income before contributions of $82.8 million, capital contributions of $27.0 million, minus defeasance costs of debt and termination of the swap and companion instrument liabilities in the amount of $9.3 million). Capital contributions in 2018 totaled $27.0 million vs. $7.6 million for 2017.

The net position was adjusted in 2018 by $74.1 million due to a change in accounting rules related to "Other Post-Employment Benefits" (OPEB), wherein the entire OPEB liability ($82.5 million) now resides on the balance sheet.

Summary of Changes in Net Position

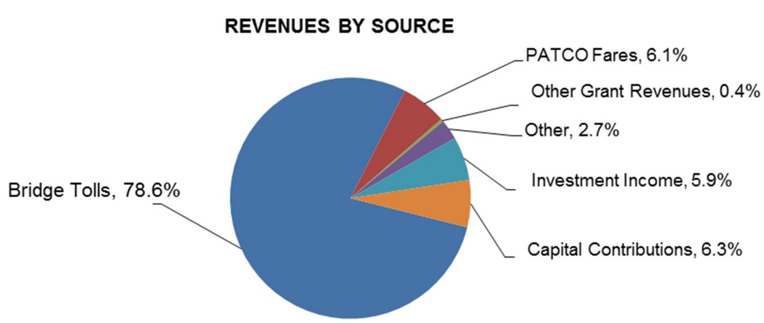
	2018	2017	2016
Operating revenues:			
Bridge tolls	$ 335,588	$ 331,537	$ 319,778
PATCO passenger fares	26,215	26,562	26,073
Other	10,104	7,881	8,861
Total operating revenues	371,907	365,980	354,712
Operating expenses	(167,646)	(160,243)	(164,197)
Excess before depreciation and other non-operating income and expenses	204,261	205,737	190,515
Depreciation	(71,816)	(61,270)	(58,933)
Operating income	132,444	144,467	131,582
Non-operating revenues:			
Investment income, net of change in fair value of derivative istruments	25,020	9,128	7,944
Other	3,022	4,820	3,820
Total non-operating revenues	28,041	13,948	11,764
Non-operating expenses:			
Interest expense	(66,736)	(72,556)	(74,419)
Amortization expense	(97)	(100)	(100)
Economic development activities	(68)	(4,194)	(3,404)
Loss of defeasance of debt	(9,266)	-	-
Loss on disposal of capital assets	-	-	(84)
Other	(1,473)	(229)	(705)
Total non-operating expenses	(77,640)	(77,079)	(78,712)
Income before capital contributions	82,845	81,336	64,634
Capital contributions	26,994	7,557	2,237
Change in net position	109,839	88,893	66,871
Net Position, January 1	744,134	655,241	588,370
Cumulative effect of change in accounting principles	(74,135)	-	-
Net Position, January 1 (Restated)	669,999	655,241	588,370
Net Position, December 31	$ 779,839	$ 744,134	$ 655,241

REVENUE SUMMARY

Summary of revenues for the year ended December 31, 2018 and the amount and percentage change in relation to prior year amounts is as follows:

	2018 Amount	2017 Amount	Percent of Total	Increase/ (Decrease) From 2017	Percent Increase/ (Decrease)
Operating					
Bridge tolls	$ 335,588	$ 331,537	78.6%	$ 4,051	1.2%
PATCO passenger fares	26,215	26,562	6.1%	(347)	-1.3%
Other	10,104	7,881	2.4%	2,223	28.2%
Total operating	371,907	365,980	87.1%	5,927	1.6%
Non-Operating					
Investment income	25,014	9,013	5.9%	16,001	177.5%
Other	1,470	2,953	0.3%	(1,484)	-50.2%
Other grant revenues	1,552	1,867	0.4%	(315)	-16.9%
Capital contributions	26,994	7,557	6.3%	19,437	257.2%
Total Revenues (before change in fair value)	426,937	387,370	100.0%	39,567	10.2%
Change in fair value of derivatives	6	115	-	(110)	-95.2%
Total revenues	$ 426,942	$ 387,485	-	$ 39,457	10.2%

- Total revenues in 2018 almost reached the $427.0 million level, increasing by $39.6 million, or by 10.2%. DRPA experienced historic highs in toll revenues of $335.6 million, which contributed to this large increase. PATCO experienced a slight reduction in net passenger revenues to $26.2 million, from its 2017 high resultant from slightly lower ridership (48K decrease).
- Large increases in investment income (a function or high rates on higher principal, plus a $7.9 million cash settlement of a forward delivery agreement) and capital contributions ($16.0 million) were also key contributors to this large jump in total revenues.
- Net bridge toll revenues increased by $4.1 million, or by 1.2% during 2018. (Bridge tolls accounted for 90.2% of total operating revenues vs. 90.6% in 2017.)
- In 2018, traffic totaled 53.2 million vehicles. Traffic increased by 0.7%, or by 366 thousand vehicles, driven by, in part, a lack of inclement weather during the year and improvement in the overall economy. Automobile and commercial vehicle volume growth accounted for all of the increase, which was partially reduced by a drop in senior citizen volume. The year-to-year average toll rate increased from $6.27 to $6.30.
- PATCO net passenger fare revenues decreased by 1.3%, to $26.2 million in 2018 versus $26.6 million in 2017, primarily resultant from the impact of a slight reduction in PATCO ridership of 48 thousand (down 0.44%).



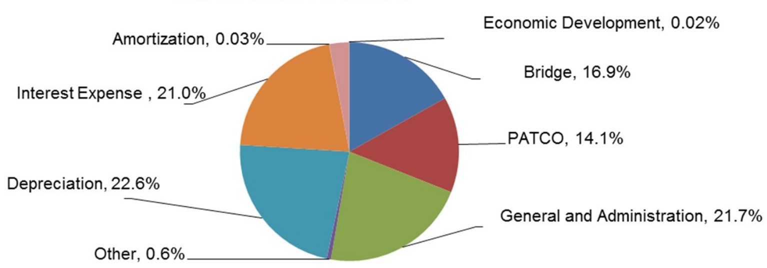
EXPENSE SUMMARY

A summary of expenses for the year ended December 31, 2018 and the amount and percentage change in relation to prior year amounts is as follows:

	2018 Amount	2017 Amount	Percent of Total	Increase/ (Decrease) From 2017	Percent Increase/ (Decrease)
Operating:					
Bridge	$ 53,550	$ 54,116	16.9%	$ (566)	-1.0%
PATCO	44,841	42,194	14.1%	2,647	6.3%
General and Administration	68,756	60,142	21.7%	8,614	14.3%
Other	500	3,791	0.2%	(3,291)	-86.8%
Depreciation	71,816	61,270	22.6%	10,546	17.2%
Total operating	239,463	221,513	75.5%	17,950	8.1%
Non-Operating:					
Interest Expense	66,736	72,556	21.0%	(5,819)	-8.0%
Amortization	97	100	0.0%	(3)	-3.3%
Loss on Defeasance of Debt	9,266	-	2.9%	9,266	100.0%
Other	1,473	229	0.5%	1,243	542.1%
Economic Development	68	4,194	0.0%	(4,127)	-98.4%
Total Non-Operating	77,640	77,079	24.5%	561	0.7%
Total Expenses	$ 317,103	$ 298,592	100.0%	$ 18,511	6.2%

- Total operating expenses increased by $18.0 million (or by 8.10%) to $239.5 million, attributable primarily to increases in DRPA general and administration, PATCO operational and depreciation expenses.
- Bridge operating expenses decreased slightly by $0.6 million (or by 1.05%) versus 2017.
- General administration expenses increased sharply by $8.6 million, up 14.3%, a largely attributable biennial inspection ($2.9 million increase) and bond cost of issuance ($3.6 million increase).
- PATCO operational expenses increased by $2.6 million (or by 6.3%), due to higher payroll and employee services expenses (incl. regular salary, overtime, etc.) and direct material expenses.
- Total non-operating expenses also increased slightly by $0.6 million, as reductions in interest expense and economic development activity payments were offset by a $9.2 million loss on the previously mentioned defeasance.
- Interest expense decreased by $5.8 million, which was primarily related to the annual reduction in debt outstanding, the reduction in the 2010 D interest of $2.4 million (due to the defeasance of these bonds) and lower net swap payment costs (down by $6.2 million).
- Economic development expenditures decreased substantially resulting from a closeout on existing economic development legacy projects.
- Total expenses totaled $317.1 million, reflecting a year-to-year increase of $18.5 million (or up 6.2%), largely attributable to the aforementioned increases in general and administration, depreciation and PATCO operational expenses.

EXPENSES BY SOURCE



Net increase (decrease) in cash and cash equivalents	(1,024)	(4,895)	13,895
Cash and cash equivalents, beginning	38,725	43,620	29,725
Cash and cash equivalents, ending	$ 37,701	$ 38,725	$ 43,620

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Authority's investment in capital assets for its activities through December 31, 2018 amounted to $1.66 billion (net of accumulated depreciation), an increase of $96.5 million over the previous year. This investment in capital assets includes: land, bridges, transit system, port enhancements, buildings and machinery. The total percentage increase in the Authority's investment in capital assets for the current year was 6.18%.

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

- Car rehabilitation design expenditures in the amount of $51.9 million.
- Elevator installation expenditures of $7.1 million.
- Lindenwold Yard Track Rehabilitation Project expenditures of $16.5 million.
- Bridge Painting on the Betsy Ross Bridge expenditures of $15.7 million.
- Deleading/Repainting Phase 3 on the Walt Whitman Bridge expenditures of $11.4 million.

Delaware River Port Authority's Capital Assets

(Net of Depreciation)

	2018	2017	2016
Land	$ 74,076	$ 74,076	$ 74,076
Construction in progress	418,117	576,699	530,307
Bridges and related buildings and equipment	714,463	544,578	554,799
Transit property and equipment	451,590	366,091	330,003
Port enhancements	1,090	1,372	1,684
Total	$ 1,659,335	$ 1,562,816	$ 1,490,869

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

Long-term Debt. The Authority's long-term structure changed dramatically as a result of several large transactions executed in 2018: 1) the 2010 D revenue bonds were defeased ($308.4 million outstanding), 2) $700.5 million in fixed rate debt was issued in December. Proceeds of these bond issuances were used to establish a new bond project fund for capital projects ($290 million) and for the redemption and/or termination of all active swaptions, all variable rate debt (2008 and 2010 Revenue Refunding Bonds) and all associated LOC, and LIBOR-indexed bank purchase loans associated with this variable rate debt.

The Authority's total bond debt decreased to $1.42 billion (shown below by issue) at year-end, down from $1.45 billion at the prior year-end, a decrease of $37.3 million. Of this amount, $1.28 billion (or 89.93% of total debt) represents revenue bond debt, which is backed by toll revenues from the Authority's bridges. The remaining debt of $0.14 billion represents subordinated obligations of the Authority. At year-end 2018, the Authority had no remaining variable rate debt outstanding.

Total bond debt decreased during 2017 by $55.5 million, which reflects the annual amortizing debt payments. Variable rate debt of $505 million represented 34.70% of the total debt at year-end 2017.

Delaware River Port Authority's Outstanding Debt

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

	2018	2017	2016
1999 Port District Project Bonds	$ 11,250	$ 15,820	$ 20,065
2008 Revenue Refunding Bonds	-	232,015	251,605
2010 Revenue Refunding Bonds	-	272,795	295,495
2010 Revenue Bonds	-	307,956	307,930
2012 Port District Project Refunding Bonds	131,546	140,146	148,538
2013 Revenue Bonds	485,523	486,089	486,656
2018 Revenue Bonds	789,153	-	-
Total (net of amortizing premium and discount)	$ 1,417,472	$ 1,454,821	$ 1,510,289

Additional information on the Authority's outstanding debt can be found in the Letter of Transmittal on page 20 and in Note 12 which begins on page 81 of this report.

Bond Ratings

As also cited in the Letter of Transmittal, the Authority has experienced important changes to its bond ratings during the past few years.

In April 2016, S&P upgraded the Authority's subordinated debt (the port district project bonds) from "BBB" to "A-".

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

In November 2018, just prior to the issuance of new revenue and revenue refunding bonds, S&P **upgraded all** of the Authority's bond debt, increasing the revenue bond ratings from "'A" to "'A+", and increasing the port district project bonds from 'A-" to 'A', all with a stable outlook. Moody's reaffirmed the Authority's existing ratings, but raised the "outlook" on all revenue, refunding and port district project bonds from "stable" to "positive."

The underlying debt ratings on the Authority's bond issues, as of December 31, 2018, are shown below:

Issue	Moody's	S&P
Revenue and Revenue Refunding Bonds	A2	A+
(2008, 2013 and 2018 bonds)	Positive	Stable
Port District Project and Port District Project	Baa2	A
Refunding Bonds (1999 and 2012 bonds)	Positive	Stable

Additional information related to the Authority's bond ratings, can be found in the sub-section entitled "*Bond Rating*s" under Note 12 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The following factors were considered in preparing the Authority's budget for the 2019 year:

- Moderate growth in the overall regional economy.
- No bridge toll or PATCO fare increases during 2019.
- Budgeted bridge traffic is expected to increase by 0.4 million vehicles to 53.8 million vehicles, a 0.80% budget to budget increase, based on modest expectations of change in underlying economic factors (as per a recent traffic study).
- Bridge toll revenues are projected to approach $335.0 million, which represents a $2.6 million, increase (or 0.78%) in budgeted toll revenues vs. 2018. (Net toll revenues include a three-day adjustment for the projected impact of inclement weather.)
- Increase of 0.70% in projected total PATCO fares and other revenues versus the 2018 budget, increasing from $27.30 million to $27.5 million. The budgeted increase for 2019 PATCO revenues is largely based on non-passenger fare revenues (e.g., advertising, fiber lease income, etc.). PATCO ridership is budgeted to remain flat at 10.5 million passengers vs the 2018 budget.
- Biennial inspection costs are estimated to be $0.35 million in 2019, a year-to year decrease of $2.46 million or a -87.86% decrease. (The biennial inspection of all DRPA/PATCO facilities last occurred in 2018).
- The DRPA budgets project $105.9 million in spending. DRPA operating expenses are expected to increase by nearly $2.8 million, or a 2.71% increase, primarily attributable to increased payroll and employee service expenses, workmen's compensation and E-ZPass CSC costs.
- The PATCO operating budget, totaling $59.0 million in projected spending, increased by $1.2 million, or by 2.01%, attributable primarily due to payroll and employee service expenses, healthcare and pension cost increases. The combined DRPA and PATCO budgeted operating expenses are expected to increase from $160.9 million to total $164.8 million, or a 2.46% increase over 2018.
- Budgeted total debt service increased by $1.5 million to a total of $134.0 million, up from the prior year's total ($132.5 million). 85.92% of the total debt service is attributable to the outstanding revenue bonds (senior debt).
- Bank Direct Pay Letters of Credit and remarketing costs (related to the 2008 and 2010 Revenue Refunding variable rate bonds) were budgeted at $1.3 million for 2018, but such costs have been eliminated from the budget due to the repayment of all variable rate debt.
- Capital budget expenditures for 2019 are budgeted at approximately $178.7 million, up $11.9 million from the $166.8 million budgeted for 2018. Large capital projects in 2019 include several significant projects, such as: the Commodore Barry Bridge Deleading and Repainting, the Betsy Ross painting and steel repairs, the Lindenwold Yard Track Rehab, the installation of elevators in the PATCO stations, and the SAP enterprise resource planning system projects. Together these listed projects are budgeted to exceed $62 million in total expenditures (prior to federal funding) in 2019.

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

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's activities for all of those with an interest in the Authority's activities through December 31, 2018. Questions from interested parties concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, Delaware River Port Authority, One Port Center, 2 Riverside Drive, P.O. Box 1949, Camden, NJ 08101-1949.

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Net Position
December 31, 2018 and 2017
(amounts expressed in thousands)

	2018	(Restated) 2017
Assets		
Current Assets		
Cash and cash equivalents	$ 30,394	$ 30,924
Investments	234,253	570,607
Accounts receivable, net of allowance for uncollectibles	22,594	14,196
Accrued interest receivable	602	452
Transit system and storeroom inventories	6,132	6,043
Economic development loans - current	494	421
Prepaid expenses	5,517	5,950
Restricted assets		
Cash and cash equivalents	7,307	7,801
Investments	167,475	225,689
Accrued interest receivable		4
Total current assets	474,768	862,087
Noncurrent Assets		
Restricted investments for capital projects	290,185	2,929
Derivative instrument - forward delivery agreements	2,120	10,590
Capital assets, net of accumulated depreciation		
Land	74,076	74,076
Construction in progress	418,117	576,699
Bridges and related buildings and equipment	714,463	544,578
Transit property and equipment	451,590	366,091
Port enhancements	1,090	1,372
Total capital assets	1,659,336	1,562,816
Other		
Economic development loans, net of allowance for uncollectibles	11,175	11,670
Debt insurance costs, net of amortization	61	995
Total noncurrent assets	1,962,877	1,589,000
Total assets	2,437,645	2,451,087
Deferred Outflows of Resources		
Accumulated fair value of hedging derivatives		63,269
Pension related amounts	33,576	42,681
Loss on refunding of debt	54,473	6,396
Total deferred outflows of resources	88,049	112,346

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Net Position
December 31, 2018 and 2017
(amounts expressed in thousands)

	2018	(Restated) 2017
Liabilities		
Current Liabilities		
Accounts payable		
Retained amounts on contracts	$ 17,917	$ 12,866
Other	28,896	24,160
Accrued liabilities		
Claims and judgments	821	2,970
Self-insurance	1,898	2,903
Pension	4,735	13,422
Sick and vacation leave benefits	2,740	2,494
Other	2,630	1,763
Unearned revenue	5,579	4,955
Liabilities payable from restricted assets		
Accrued interest payable	16,563	23,979
Bonds payable - current	11,895	55,865
Total current liabilities	93,674	145,377
Noncurrent Liabilities		
Accrued liabilities		
Claims and judgments	547	1,117
Self-insurance	2,848	1,471
Sick and vacation leave benefits	1,827	2,039
Net pension liability	144,357	153,804
Other postemployment benefits	82,513	14,479
Unearned revenue	967	3,826
Premium payment payable - derivative companion instrument		17,613
Derivative instrument - interest rate swap		63,303
Bonds payable, net of unamortized discounts and premiums	1,405,577	1,398,956
Total noncurrent liabilities	1,638,636	1,656,608
Total liabilities	1,732,310	1,801,985
Deferred Inflows of Resources		
Pension related amounts	11,425	6,724
Forward delivery agreement related amounts	2,120	10,590
Total deferred inflows of resources	13,545	17,314
Net Position		
Net investment in capital assets	727,790	271,323
Restricted for:		
Debt requirements	155,910	204,020
Port projects	1,233	1,722
Unrestricted (deficiency)	(105,094)	267,069
Total net position	$ 779,839	$ 744,134

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

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2018 and 2017
(amounts expressed in thousands)

	2018	2017
Operating Revenues		
Bridges		
Tolls	$ 335,588	$ 331,537
Other operating revenues	7,201	5,856
Total bridge operating revenues	342,789	337,393
Transit system		
Passenger fares	26,215	26,562
Other operating revenues	2,733	1,799
Total transit system operating revenues	28,948	28,361
Other		
Miscellaneous	170	226
Total operating revenues	371,907	365,981
Operating Expenses		
Operations	98,391	96,310
Community impact	500	3,791
General and administration	68,756	60,142
Depreciation	71,816	61,270
Total operating expenses	239,463	221,513
Operating Income	132,444	144,467
Nonoperating Revenues (Expenses)		
Investment income	25,014	9,013
Change in fair value of derivative instruments	6	115
	25,020	9,128
Interest expense	(66,736)	(72,556)
Amortization expense	(97)	(100)
Economic development activities	(68)	(4,194)
Loss on defeasance of debt	(9,266)	
Other nonoperating revenues	1,470	2,953
Other grant revenues	1,552	1,867
Other nonoperating expenses	(1,473)	(229)
Total nonoperating revenues (expenses)	(49,598)	(63,131)

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2018 and 2017
(amounts expressed in thousands)

	2018	2017
Income before Capital Contributions	$ 82,846	$ 81,336
Capital Contributions		
Federal and state capital improvement grants	26,994	7,557
Change in Net Position	109,840	88,893
Net Position, January 1	744,134	655,241
Cumulative effect of change in accounting principles	(74,135)	
Net Position, January 1 (Restated)	669,999	655,241
Net Position, December 31	$ 779,839	$ 744,134

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

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017
(amounts expressed in thousands)

	2018	2017
Cash Flows from Operating Activities		
Receipts from customers and users	$ 368,540	$ 360,176
Payments for other goods or services	(47,595)	(44,697)
Payments for employees services	(126,847)	(110,537)
Proceeds from other receipts	1,470	2,701
Payments for other services	(1,473)	(2,767)
Net cash provided by (used in) operating activities	194,095	204,876
Cash Flows from Noncapital Financing Activities		
Payments for economic development activities	(62)	(4,194)
Repayments of economic development loans	422	391
Grants received	1,651	446
Net cash provided by (used in) noncapital financing activities	2,011	(3,357)
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(163,285)	(133,218)
Capital contributions received	19,694	8,978
Proceeds from termination of forward delivery agreement	7,900	
Proceeds from capital debt	789,153	
Payment on capital debt refunding and termination of derivative instruments	(840,374)	
Principal paid on bonded debt	(55,865)	(56,577)
Interest paid on debt	(78,564)	(73,523)
Net cash provided by (used in) capital and related financing activities	(321,341)	(254,340)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	4,695,984	701,076
Purchase of investments	(4,593,784)	(662,042)
Interest received	22,011	8,892
Net cash provided by (used in) provided by investing activities	124,211	47,926
Net increase (decrease) in cash and cash equivalents	(1,024)	(4,895)
Cash and Cash Equivalents, January 1, (including $7,801 and $6,394 reported as restricted)	38,725	43,620
Cash and Cash Equivalents, December 31, (including $7,307 and $7,801 reported as restricted)	$ 37,701	$ 38,725

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017
(amounts expressed in thousands)

	2018	2017
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating income	$ 132,444	$ 144,467
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	71,816	61,270
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(1,132)	(2,998)
(Increase) decrease in transit system and storeroom inventories	(89)	177
(Increase) decrease in prepaid expenses	433	(486)
Increase (decrease) in accounts payable	4,730	3,890
Increase (decrease) in claims and judgments	(2,719)	(201)
Increase (decrease) in self-insurance	372	222
Increase (decrease) in pension	(4,325)	10,388
Increase (decrease) in sick and vacation leave benefits payable	34	654
Increase (decrease) in other accrued liabilities	867	(5,895)
Increase (decrease) in other postemployment benefits	(6,101)	(6,622)
Increase (decrease) in unearned revenue	(2,235)	10
Net cash provided by operating activities	$ 194,095	$ 204,876
Noncash Investing, Capital and Financing Activities:		
Accretion of interest on premium payment payable - derivative companion instrument		$ 997
Increase (decrease) in accumulated change in fair value of hedging derivatives resulting from change in fair value		17,948
Grant revenue included in accounts receivable		619
Capital contributions included in accounts receivable	$ 13,753	5,948
Economic development loans receivable	11,669	12,091
Acquisition of capital assets included in accounts payable	17,917	-

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

DELAWARE RIVER PORT AUTHORITY

Other Postemployment Benefits Trust
Combined Statements of Fiduciary Net Position
December 31, 2018 and 2017
(amounts expressed in thousands)

	2018	2017
Assets		
Investments	$ 31,107	$ 25,785
Total assets	31,107	25,785
Liabilities		
Accrued liabilities		
Other	24	19
Total liabilities	24	19
Net Position		
Restricted for postemployment benefits other than pensions	31,083	25,766
Total net position	$ 31,083	$ 25,766

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

DELAWARE RIVER PORT AUTHORITY

Other Postemployment Benefits Trust
Combined Statements of Changes in Fiduciary Net Position
For the Years Ended December 31, 2018 and 2017
(amounts expressed in thousands)

	2018	2017
Additions		
Employer contributions	$ 10,366	$ 10,588
Investment income (expenses)	399	83
Total additions	10,765	10,671
Deductions		
Benefit payments	5,366	5,588
Administrative expenses	82	82
Total deductions	5,448	5,670
Increase in Net Position	5,317	5,001
Net Position Restricted for Postemployment Benefits other than Pensions		
January 1	25,766	20,765
December 31	$ 31,083	$ 25,766

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2018 and 2017
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies

Description of Operations: The Delaware River Port Authority (the "Authority") is a public corporate instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") and the State of New Jersey (the "State"), created with the consent of Congress by compact legislation between the Commonwealth and the State. The Authority has no stockholders or equity holders. The Authority is vested with the ownership, control, operation, and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry, and Betsy Ross bridges. The Authority has also constructed, and owns, a high-speed transit system that is operated by the Port Authority Transit Corporation ("PATCO"). The transit system operates between Philadelphia, Pennsylvania and Lindenwold, New Jersey.

The costs of providing facilities and services to the general public on a continuing basis are recovered primarily in the form of tolls and fares. The Authority is a member of the E-ZPass Interagency Group, the largest interoperable electronic toll collection system in the world, comprised of twenty-nine (29) agencies in seventeen (17) states. Through December 31, 2018, customer participation in the E-ZPass electronic toll collection process exceeded seventy-four percent (74.24%) of its toll collection activity during rush hour periods. Toll revenues collected through E-ZPass are seventy-one percent (71.0%) of total toll revenues.

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

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

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

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

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

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2018 and 2017
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Investment in Facilities: Investment in facilities is stated at cost, which generally includes expenses for legal expenses incurred during the construction period. Investment in facilities also includes the cost incurred for port-related projects, and improvements, enlargements and betterments to the original facilities. Replacements of existing facilities (except for primarily police and certain other vehicles whose estimated useful life is two years or less) are also recorded at cost. The related costs and accumulated depreciation of the property replaced are removed from the respective accounts, and any gain or loss on disposition is credited or charged to non-operating revenues or expenses. Assets capitalizable generally have an original cost of five thousand dollars or more and a useful life in excess of three years. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, including those financed by federal and state contributions (Notes 7 and 13).

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

Bridges, freeways and tunnels	100 years
Buildings, stations and certain bridge components	35 - 50 years
Electrification, signals and communications system	30 - 40 years
Transit cars, machinery and equipment	10 - 25 years
Computer equipment, automobiles and other equipment	3 - 10 years

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

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

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DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2018 and 2017
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

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

Postemployment Benefits Other Than Pensions ("OPEB"): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's OPEB Trust and additions to/deductions from the OPEB Trust's fiduciary net position have been determined on the same basis as they are reported by the OPEB Trust. For this purpose, the OPEB Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Economic Development Activities: The Authority establishes loan loss provisions for economic development loans receivable, based upon collection history and analysis of creditor's ability to pay. The Authority has established a loss reserve in the amount of $1,345 as of December 31, 2018 and 2017 for its economic development loans outstanding.

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

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

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

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

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

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

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2018 and 2017
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Debt Management: Total outstanding bond debt reflected on the combined statements of net position is net of unamortized bond discounts and premiums (Note 12). Until December 18, 2018, the Authority had two active interest rate hedge (swap) agreements (derivative instruments) with The Toronto-Dominion Bank and Wells Fargo Bank, N.A., respectively, to hedge interest rates on a portion of its outstanding long-term variable rate debt (Note 4).

Derivative Instruments and the Related Companion Instruments: In 2000, the Authority entered into two (2) interest rate swap agreements with the Bank of America, N.A. for the primary purposes of investing and for the aforementioned purpose of hedging interest rates on its outstanding long-term debt. In accordance with Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, all activity related to the interest rate swap agreements has been recorded on the combined financial statements and is further detailed in Note 4. These interest rate swap agreements were terminated in December 2018.

In addition, the Authority was a party to three forward delivery agreements during 2018; one related to its maintenance reserve and the other two related to debt service reserves for two separate bond issues. These forward delivery agreements allow the Authority to earn a guaranteed fixed rate of return over the life of the investments in both reserves. The Authority terminated one forward delivery agreement and received a cash settlement payment in December 2018 (Note 4).

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

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

The Authority filed the appropriate budgets as described above to its bond trustees by December 31, 2018 and 2017, in compliance with the bond indentures.

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

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2018 and 2017
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Note 2. Cash and Cash Equivalents

Custodial Credit Risk Related to Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. The Authority does not have a deposit policy for custodial credit risk, however, the Authority has agreements with various banks where most of the deposits collateralized or secured by U.S. Treasury notes or through a Federal Home Loan Bank Letter of Credit. As of December 31, 2018 and 2017, the Authority's bank balances of $64,379 and $56,987 (including certificates of deposit of $20,506 and $14,008 classified as investments in the combined statements of net position), respectively, were exposed to custodial credit risk as follows:

	2018	2017
Uninsured and uncollateralized	$ 11,057	$ 9,132
Collateralized with securities held by the pledging financial institution in the Authority's name	$ 51,426	$ 45,961

Note 3. Investment in Securities

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

Custodial Credit Risk Related to Investments: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Authority's investments at December 31, 2018 and 2017 totaled $691,913 and $799,225, respectively. These investments consisted of short-term investments, asset backed securities, commercial paper, corporate bonds and notes, U.S. federal agency notes and bonds, and U.S. government treasuries. All of the Authority's investments are maintained in the Authority's name, by a third-party financial institution acting as the Authority's agent.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2018 and 2017
(dollars expressed in thousands)

Note 3. Investment in Securities (Continued)

Custodial Credit Risk Related to Investments (Continued): As of December 31, 2018 and 2017, the Authority had the following investments:

Investment	Maturities (months average)	Fair Value Hierarchy Level *	2018	2017
Asset back securities	335.43	Level 1	$ 85	$ 80
Commercial Paper	6.08	Level 1	52,809	51,567
Corporate bonds and notes	37.79	Level 1	47,425	46,210
Short-term investments	17.59	Level 1	504,271	622,316
U.S. federal agency notes and bonds	229.96	Level 1	7,938	8,882
U.S. government treasuries	36.67	Level 1	58,879	56,162
			671,407	785,217
Certificates of deposits held at banks			20,506	14,008
Total			$ 691,913	$ 799,225

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

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

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

The weighted average maturity of the Authority's investment portfolio was 22.34 and 25.90 months as of December 31, 2018 and 2017, respectively.

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

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

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2018 and 2017
(dollars expressed in thousands)

Note 3. Investment in Securities (Continued)

Credit Risk (Continued): Guaranteed income contracts are collateralized by U.S. government and agency securities, and debt obligations having a rating in the highest rating category from Moody's Investors Service or Standard & Poor's Rating Services. As of December 31, 2018, the following are the actual ratings by Standard & Poor's:

Actual Rating	Asset Backed Securities	Commercial Paper	Corporate Bonds and Notes	U.S. Federal Agency Notes and Bonds	U.S. Government Treasuries
AAA	-		$ 1,031	-	-
AA+	-		2,202	$ 7,571	$ 54,289
AA	$ 2		3,812	-	-
AA-	-		10,986	-	-
A+	-		8,453	-	-
A-	-		7,066	-	-
A	-		9,905	-	-
A-1	-	$ 1,242	-	-	-
BBB+	-		3,781	-	-
D	83		-	-	-
Unrated	-	51,567	189	367	4,590
	$ 85	$ 52,809	$ 47,425	$ 7,938	$ 58,879

As of December 31, 2018, the following are the actual ratings by Moody's:

Actual Rating	Asset Backed Securities	Commercial Paper	Corporate Bonds and Notes	U.S. Federal Agency Notes and Bonds	U.S. Government Treasuries
Aaa	-	-	$ 1,986	$ 7,211	$ 58,379
Aa1	-	-	4,196	-	-
Aa2	-	-	8,281	-	-
Aa3	-	-	8,852	-	-
A1	-	-	8,190	-	-
A1-	-	-	644	-	-
A2	$ 3	-	6,742	-	-
A3	-	-	6,977	-	-
A3+	-	-	380	-	-
Baa1	-	-	1,139	-	-
C	82	-	-	-	-
P-1	-	$ 1,242	-	-	-
Unrated	-	51,567	38	727	500
	$ 85	$ 52,809	$ 47,425	$ 7,938	$ 58,879

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

For the purchase of investments in obligations of all other issuers, total investments held from any one issuer shall not exceed ten percent (10%) of the aggregate market value of the entire portfolio, except for repurchase agreements, which, from any one issuer, shall not exceed twenty-five percent (25%) of the aggregate market value of the portfolio. As of December 31, 2018, more than 5% of the Authority's investments are with Natixis commercial paper. These investments represent 7.45% of the Authority's total investments.

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Note 3. Investment in Securities (Continued)

OPEB Trust

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

Custodial Credit Risk Related to Investments: The Authority's investments at December 31, 2018 and 2017 totaled $31,107 and $25,785, respectively. These investments consisted of money market funds, corporate bonds and notes, U.S. federal agency notes and bonds, and U.S. government treasuries. All of the Authority's investments are maintained in the Authority's name, by a third-party financial institution acting as the Authority's agent.

As of December 31, 2018 and 2017, the Authority had the following investments in the OPEB Trust:

Investment	Maturities (months average)	Fair Value Hierarchy Level	2018	2017
Money market funds	0.03	Level 1	$ 10,124	$ 5,301
Corporate bonds and notes	32.38	Level 1	4,877	3,125
U.S. federal agency notes and bonds	16.97	Level 1	1,597	5,172
U.S. government treasuries	32.43	Level 1	14,509	12,187
Total			$ 31,107	$ 25,785

The weighted average maturity of the Authority's investment portfolio was 21.08 and 18.39 months as of December 31, 2018 and 2017, respectively.

Interest Rate Risk: The Authority's investment policy for the OPEB Trust calls for investments predominately in fixed income assets (corporate bonds, US treasury and agency paper, totaling approximately 67% of the portfolio), with the remainder held in high quality money market securities.

Credit Risk: As of December 31, 2018, the actual ratings by Moody's for the OPEB Trust investments were as follows:

Actual Rating	Corporate Bonds and Notes	U.S. Federal Agency Notes and Bonds	U.S. Government Treasuries
Aaa	$ 345	$ 1,597	$ 14,509
Aa1	519	-	-
Aa2	596	-	-
Aa3	595	-	-
A1	738	-	-
A2	1,513	-	-
A3	424	-	-
Baa1	147	-	-
	$ 4,877	$ 1,597	$ 14,509

Concentration of Credit Risk: As of December 31, 2018, more than 5% of the Authority's investments were with the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association. These investments represent 11.54% and 13.12%, respectively, of the Authority's OPEB Trust investments.

DELAWARE RIVER PORT AUTHORITY
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Note 4. Derivative Instruments

Interest Rate Swaptions/Swaps

During 2017, and for approximately eleven and a half months in 2018, the Authority was party to four (4) separate interest rate swaption/swap arrangements, two (2) of which were receive-fixed interest rate swaptions ("investment derivatives") and the other two (2) pay-fixed interest rate swaps ("cash flow hedges"). On December 6, 2018, all four (4) of these swaptions/swaps, were terminated by the Authority.

In accordance with the requirements of Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASBS 53"), related to derivative instruments, the Authority engaged a financial advisory firm to analyze the effectiveness of the two cash-flow hedges (specifically the 1995 and 1999 Revenue Bond Swaptions). Both swaps, as of December 31, 2017, were determined to be substantially effective. The fair values at December 31, 2017 of the cash flow hedges for the 1995 Revenue Bond Swaption and the 1999 Revenue Bond Swaption were ($28,565) and ($34,704), respectively. These cash flow hedge swaps are classified as deferred outflows of resources on the combined statements of net position and total $63,269 at December 31, 2017.

Termination of Interest Rate Swaptions/Swaps: As previously stated, on December 6, 2018, all four (4) of the Authority's swaptions/swaps were terminated. The two (2) investment derivative swaptions were terminated (cash settled) with the counterparty, Bank of America, N.A., for a total value of $28, through separate transactions, on December 12, 2018.

The two (2) cash flow hedge swaps were terminated with the respective counterparties, The Toronto-Dominion Bank (1995 Revenue Bond Swaption) and Wells Fargo Bank, N.A. (1999 Revenue Bond Swaption), for a total mark-to-market value of $19,755 and $24,125, respectively. The Authority cash-settled these two respective swaps on December 18, 2018 with proceeds from the 2018 Revenue Refunding Bonds, Series B and the 2018 Revenue Bonds, Series C (Note 12).

Fair Value and Notional Amounts: The fair value balance and notional amounts of derivative instruments outstanding at December 31, 2017, classified by type, and the changes in fair value of such derivative instruments for the year ended as reported in the 2018 and 2017 combined financial statements are as follows (debit (credit)):

	Changes in Fair Value			Fair Value at December 31, *				
	Classification	Amount		Classification	Amount		Notional	
		2018 (1)	2017		2018 (1)	2017	2018 (1)	2017
Investment derivatives:								
Receive-fixed interest rate swaption (1999 PDP, Series B, Debt Service Reserve Fund)	Interest revenue	$ 1	$ 24	Derivative instrument	$ -	$ (7)	$ -	$ 10,436
Receive-fixed interest rate swaption (1999 Revenue Bonds Debt Service Reserve Fund)	Interest revenue	5	91	Derivative instrument	-	(27)	-	39,657
Cash flow hedges:								
Pay-fixed interest rate swap (1995 Revenue Bonds Swaption)	Deferred outflow	8,810	8,153	Derivative instrument	-	(28,565)	-	232,015
Pay-fixed interest rate swap (1999 Revenue Bonds Swaption)	Deferred outflow	10,579	9,796	Derivative instrument	-	(34,704)	-	272,795

(1) swaption/swap terminated on December 6, 2018

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Note 4. Derivative Instruments (Continued)

Interest Rate Swaptions/Swaps (Continued)

Fair Value and Notional Amounts (Continued):

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

Objective and Terms of Cash Flow Hedge Swaptions: The following table summarizes the objective and terms of the Authority's hedging instruments as of the December 18, 2018 termination date:

Type	Objective	Notional Amount (1)	Effective Date	Maturity Date	Terms
Pay-fixed interest rate swap (1995 Revenue Bonds Swaption)	Hedge of changes in cash flows of the 2008 Revenue Refunding Bonds	$ -	07/01/15	01/01/26	Pay 5.447%; receive 66% of one-month LIBOR
Pay-fixed interest rate swap (1999 Revenue Bonds Swaption)	Hedge of changes in cash flows of the 2010 Revenue Refunding Bonds	-	07/01/15	01/01/26	Pay 5.738%; receive 66% of one-month LIBOR

(1) swap terminated on December 6, 2018

The following sections provide background information on the swaption agreements, which were in place for most of 2018, until terminated.

1995 Revenue Bonds Swaption *(terminated December 6, 2018)*: On May 2, 2001, the Authority entered into the 1995 Revenue Bonds Swaption with UBS AG in the initial notional amount of $358,215. Under the 1995 Revenue Bonds Swaption, UBS AG had the option, exercisable 120 days preceding January 1, 2006, January 1, 2007, and January 1, 2008, to elect to have the 1995 Revenue Bonds Swaption commence on the January 1 next succeeding the exercise of the option.

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

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Note 4. Derivative Instruments (Continued)

Interest Rate Swaptions/Swaps (Continued)

1995 Revenue Bonds Swaption *(terminated December 6, 2018)* (Continued): The periodic payment obligations of the Authority under the 1995 Revenue Bonds Swaption are secured and payable equally and ratably with Bonds issued under the 1998 Revenue Bond Indenture. In addition to other Events of Default and Termination Events (as defined in the 1995 Revenue Bond Swaption), there exists an Additional Termination Event with respect to the Authority if the credit rating of Bonds issued under the 1998 Revenue Bond Indenture (without reference to municipal bond insurance or credit enhancement) falls below "Baa2" with respect to Moody's Investors Service ("Moody's") or "BBB-" with respect to Standard & Poor's Ratings Group ("S&P") or Fitch Ratings ("Fitch"), or the Bonds cease to be rated by one of Moody's, S&P or Fitch (and such rating agencies are still in the business of rating obligations such as the Bonds).

Upfront Payments: In consideration for entering into the 1995 Revenue Bonds Swaption, the Authority received a net up-front, non-refundable option payment in the amount of $22,446 from UBS AG (the original counterparty), which has been recorded on the December 31, 2017 combined financial statements as a noncurrent liability (premium payment payable - derivative companion instrument). In accordance with the provisions of GASBS No. 53, this derivative companion instrument is considered a "borrowing" resulting from the intrinsic value of the swaption at inception. During the option period, interest accretes at the effective rate implied by the cash flows on the borrowing at inception. Once the swaption is exercised, and becomes an active swap, a portion of the swap interest payments are attributed to principal and interest payments on the borrowing.

Exercise of Option: On September 3, 2005, UBS AG (the original counterparty) advised the Authority that it was exercising its option on this swaption as of January 1, 2006. As a result, UBS AG paid the Authority $7,144 on January 3, 2006 as an exercise premium, which, as of December 31, 2017, had been recorded as an unearned revenue and amortized as interest revenue over the life of the interest rate swap agreement. The Authority made its initial net monthly swap payment in February 2006.

Swap Novation: Because of the aforementioned swap novation transaction, effective July 1, 2015, wherein the UBS-AG swap was terminated and UBS-AG was replaced by a new counterparty, The Toronto-Dominion Bank, the Authority reduced its swap exposure because of the resulting more favorable terms for the Authority. The ratings of the current counterparty (The Toronto-Dominion Bank) to the 1995 Revenue Bonds Swap by Moody's, S&P, and Fitch were Aa1, AA-, and AA-, respectively, as of the termination date of December 6, 2018.

Termination and Cash Settlement: The Authority was current on its 2018 monthly net swap interest payments to The Toronto-Dominion Bank (the current counterparty), which totaled $8,088 as of November 30, 2018, based on a notional amount of $211,360. Additional accrued interest of $69 was paid to the counterparty upon the settlement of the swap termination on December 18, 2018.

As of the termination date of December 6, 2018, the 1995 Revenue Bonds Swaption had an at-the-market value of ($19,755), based on a notional amount of $211,360, and the related premium payment payable - derivative companion instrument had an at-the-market value of ($8,295). The swaption and the related premium payment payable - derivative companion instrument were cash-settled on December 18, 2018 for $28,050 from proceeds from the 2018 Revenue Bonds, Series C of $22,850 (Note 12) and a $5,200 contribution from the Authority's General Fund.

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Note 4. Derivative Instruments (Continued)

Interest Rate Swaptions/Swaps (Continued)

1999 Revenue Bonds Swaption *(terminated December 6, 2018)*: On May 2, 2001, the Authority entered into the 1999 Revenue Bonds Swaption with UBS AG in the initial notional amount of $403,035. Under the 1999 Revenue Bonds Swaption, UBS AG had the option, exercisable 120 days preceding January 1, 2010, January 1, 2011, and January 1, 2012, to elect to have the 1999 Revenue Bonds Swaption commence on the January 1 next succeeding the exercise of the option. Under the 1999 Revenue Bonds Swaption, if exercised, (i) UBS AG is obligated to pay periodic payments (payable monthly) to the Authority based upon a variable rate of 66% of the USD-LIBOR-BBA index, and (ii), the Authority is obliged to pay periodic payments (payable monthly) to UBS AG based upon a fixed rate of 5.738% per annum. The periodic interest rates are applied to the notional amount of the 1999 Revenue Bonds Swaption, which amortizes annually, commencing January 1, 2011, from its initial notional amount. Effective July 1, 2015, the Authority executed a novation transaction with the 1999 Revenue Bonds Swaption which replaced UBS AG with Wells Fargo Bank, N.A. as the counterparty to the Swaption. Wells Fargo Bank N.A. effectively assumed all of the significant terms of the original Swaption (i.e.: notional amount, terms to maturity, payment terms, reference rates, time intervals, etc.). Only the net difference in the periodic payments is to be exchanged between the Authority and Wells Fargo Bank, N.A.

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

Upfront Payments: In consideration for entering into the 1999 Revenue Bonds Swaption, the Authority received a net up-front, non-refundable option payment in the amount of $20,142 from UBS AG (the original counterparty), which has been recorded on the December 31, 2017 combined financial statements as a noncurrent liability (premium payment payable - derivative companion instrument). In accordance with the provisions of GASBS 53, this derivative companion instrument is considered a “borrowing” resulting from the intrinsic value of the swaption at inception. During the option period, interest accretes at the effective rate implied by the cash flows on the borrowing at inception. Once the swaption is exercised, and becomes an active swap, a portion of the swap interest payments are attributed to principal and interest payments on the borrowing.

Exercise of Option: On September 3, 2009, UBS AG (the original counterparty) advised the Authority that it was exercising its option on this swaption as of January 1, 2010. The Authority began making net interest payments to USB AG, commencing in February 2010, representing January’s net interest payment.

Swap Novation: Because of the aforementioned swap novation transaction, effective July 1, 2015, wherein the UBS-AG swap was terminated and UBS-AG was replaced by a new counterparty, Wells Fargo Bank, N.A., the Authority reduced its swap exposure because of the resulting more favorable terms for the Authority. The ratings of the current counterparty (Wells Fargo Bank, N.A.) to the 1999 Revenue Bonds Swap by Moody’s, S&P, and Fitch are Aa2, A+, and AA-, respectively, as of the termination date of December 6, 2018.

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Note 4. Derivative Instruments (Continued)

Interest Rate Swaptions/Swaps (Continued)

1999 Revenue Bonds Swaption *(terminated December 6, 2018)* (Continued):

Termination and Cash Settlement: The Authority was current on its 2018 monthly net swap interest payments to Wells Fargo Bank, N.A. (the current counterparty), which totaled $10,186 as of November 30, 2018, based on a notional amount of $248,805. Additional accrued interest of $87 paid to the counterparty upon the settlement of the swap termination on December 18, 2018.

As of the termination date of December 6, 2018, the 1999 Revenue Bonds Swaption had an at-the-market value of ($24,125), based on a notional amount of $248,805, and the related premium payment payable - derivative companion instrument had an at-the-market value of ($11,596). The swaption and the related premium payment payable - derivative companion instrument were cash-settled on December 18, 2018 for $35,721 from proceeds from the 2018 Revenue Refunding Bonds, Series B (Note 12) and other sources available to the Authority.

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

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

Lastly, resolution DRPA 16-055 (approved in April 2016) authorized "the amendment, replacement, and termination of any or all of the Outstanding Swaps." Resolution DRPA 16-098 entitled "*Authorization for Issuance of Revenue Refunding Bonds Amendment, Replacement or Termination of Interest Rate Swaps"* approved in September 2016 further authorized the Authority's management "to the extent deemed economically advantageous and fiscally prudent for the Authority, the amendment, replacement or termination of any or all of the Authority's outstanding Interest Rate Swap Agreements..," and also authorized the issuance of fixed rate Revenue Refunding Bonds to refund outstanding variable rate bonds, in a "not-to-exceed" amount of $600 million, which the Authority did on December 18, 2018.

Based on the aforementioned authorizations, the Authority terminated all swaptions/swaps through separate transactions on December 6, 2018, and cash-settled the swaptions/swaps on December 12 and December 18 of 2018. As of December 31, 2018, the Authority no longer has any interest rate swaptions/swaps, and related liabilities, recorded on its financial statements.

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Note 4. Derivative Instruments (Continued)

Forward Delivery Agreements

The Authority is a party to two forward delivery agreements as of December 31, 2018 (three as of December 31, 2017). The forward delivery agreements (FDAs) require the counterparty financial institutions, Bank of America and Wells Fargo, to deposit securities in certain of the Authority's bond service funds for the Port District Project Bonds, Series 1999 and maintenance reserve fund, respectively. The third forward delivery agreement that existed at December 31, 2017 was for the bond service reserve fund of the Revenue Bonds, Series 1999. This FDA, via amendment to the original agreement, was assigned from the Revenue Bonds, Series 1999, to the 2010 Revenue Refunding Bonds (Series A, B and C). (This forward delivery agreement was terminated and the Authority received a cash settlement of $7.9 million, which was used as a source of funds for the 2018 Revenue Bond Series B transaction). The forward delivery agreements provide the Authority with a guaranteed rate of return for these funds. The securities that are deposited into these accounts are timed to meet scheduled debt service requirements, and to ensure that the Authority maintenance reserve requirement, as mandated by its Indentures of Trust (Note 11), is preserved.

"Eligible Securities" under the forward delivery agreements means "direct, full faith and credit-non-callable obligations of the United States of America; REFCORP Interest Strips, senior debt obligations issued by Fannie Mae or the Federal Home Loan Mortgage Corporation; and commercial paper which is rated "P-1"by Moody's and "A-1+" by S&P, and which matures not more than 270 days after the date of delivery."

Objective and Terms of the Forward Delivery Agreements: The Forward Delivery Agreements allow the Authority to earn a guaranteed fixed rate of return over the life of the investments. These agreements are utilized by the Authority to earn a rate of return in excess of a rate that would otherwise be feasible by investing in securities with a shorter term.

The general terms of each agreement are set forth in the table below:

	Effective Date of Agreement	Termination Date	Scheduled Amount	Guaranteed Rate	Fair Value * 2018	Fair Value * 2017
Series 1999 revenue bonds bond service reserve fund	12/22/99	12/06/18	$ 39,637	5.92%		$ 8,060
Series 1999 port district project bonds bond service fund	12/22/99	01/01/26	10,436	5.92%	$ 1,780	2,120
Maintenance reserve fund	12/22/99	01/01/26	3,000	4.90%	340	410
					$ 2,120	$ 10,590

* Level 3 inputs are unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Fair Value: The fair value of each forward delivery agreement is based on the value of the future discounted cash flows expected to be received over the life of the agreement relative to an estimate of discounted cash flows that could be received over the same term based on current market conditions. The fair values of the forward delivery agreements are classified as a noncurrent asset. As the forward delivery agreements are effective hedging instruments, the offsetting balances are reflected as deferred inflows of resources.

Credit Risk: Credit risk is the risk that the counterparty will not fulfill its obligations. Under the terms of the forward delivery agreements, the Authority is either holding cash or an approved security within certain bond service funds or the maintenance reserve fund. None of the principal amount of an investment under the forward delivery agreements is at risk to the credit of the counterparty. Should the counterparty default, the Authority's maximum exposure is the positive termination value, if any, related to these agreements.

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Note 4. Derivative Instruments (Continued)

Forward Delivery Agreements (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the Authority's financial instruments or cash flows. The fair values of the forward delivery agreements are expected to fluctuate over the life of the agreements in response to changes in interest rates. The Authority does not have a formally adopted policy related for interest rate risk on the forward delivery agreements.

Termination Risk: The Authority or the counterparty may terminate the forward delivery agreements if the other party fails to perform under the terms of the contract. If the forward delivery agreements have a negative fair value at the time of termination, the Authority would be liable to the counterparty for a payment equivalent to the fair value of the instrument at the time of termination.

Note 5. Accounts Receivable

Accounts receivable for December 31, 2018 and December 31, 2017 are as follows:

	2018	2017
Reimbursements from governmental agencies - Federal Transit Administration	$ 12,457	$ 5,603
Reimbursements from other governmental agencies	1,689	999
Development projects	3,500	3,500
E-ZPass bridge tolls from other agencies	6,654	6,626
Other	1,794	1,032
Gross receivables	26,094	17,760
Less: allowance for uncollectibles	(3,500)	(3,564)
Net total receivables	$ 22,594	$ 14,196

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Note 6. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 Year
Bonds payable					
1999 Port District Project Bonds	$ 15,820		$ (4,570)	$ 11,250	$ 4,920
2008 Revenue Refunding Bonds	232,015		(232,015)		
2010 Revenue Refunding Bonds	272,795		(272,795)		
2010 Revenue Bonds	308,375		(308,375)		
2012 Port District Project Refunding Bonds	129,075		(6,650)	122,425	6,975
2013 Revenue Bonds	476,585			476,585	
2018 Revenue Bonds		$ 700,505		700,505	
Issuance discounts/premiums	20,156	89,069	(2,518)	106,707	
Total bonds payable	1,454,821	789,574	(826,923)	1,417,472	11,895
Other liabilities					
Claims and judgments	4,087	259	(2,978)	1,368	821
Self-insurance	4,374	2,499	(2,127)	4,746	1,898
Sick and vacation leave	4,533	11,541	(11,507)	4,567	2,740
Net pension liability	153,804	44,893	(54,340)	144,357	
Unearned revenue	8,781	21,600	(23,835)	6,546	5,579
Other postemployment benefits	14,479	78,401 (1)	(10,366)	82,513	
Premium payment payable - derivative companion instrument	17,613	5,743	(23,356) (2)		
Derivative instrument - interest rate swap	63,303		(63,303) (3)		
	$ 1,725,795	$ 954,510	$ (1,018,735)	$ 1,661,569	$ 22,933

(1) includes January 1, 2018 cumulative effect adjustment of $74,136 for implementation of GASBS No. 75.

(2) includes termination payments of $19,892.

(3) includes termination payments of $43,909.

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Note 6. Changes in Long-Term Liabilities (Continued)

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

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

Note 7. Investment in Facilities

Capital assets for the year ended December 31, 2018 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	$ 74,076			$ 74,076
Construction in progress	576,699	$ 119,761	$ (278,343)	418,117
Total capital assets not being depreciated	650,775	119,761	(278,343)	492,193
Capital assets being depreciated				
Bridges and related building and equipment	1,168,737	217,611		1,386,348
Transit property and equipment	672,883	109,307	(558)	781,632
Port enhancements	6,703			6,703
Total capital assets being depreciated	1,848,323	326,918	(558)	2,174,683
Less: accumulated depreciation for:				
Bridges and related building and equipment	(624,159)	(47,726)		(671,885)
Transit property and equipment	(306,792)	(23,808)	558	(330,042)
Port enhancements	(5,331)	(282)		(5,613)
Total accumulated depreciation	(936,282)	(71,816)	558	(1,007,540)
Total capital assets being depreciated, net	912,041	255,102	-	1,167,143
Total capital assets, net	$ 1,562,816	$ 374,863	$ (278,343)	$ 1,659,336

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Note 7. Investment in Facilities (Continued)

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

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

Total depreciation expense for the years ended December 31, 2018 and 2017 was $71,816 and $61,270, respectively.

Note 8. Deferred Compensation Plan

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

Note 9. Pension Plans

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

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Note 9. Pension Plans (Continued)

General Information about the Plans

Plan Descriptions

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

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

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

State of New Jersey Public Employees' Retirement System: The Public Employees' Retirement System ("PERS") is the administrator of a cost-sharing multiple-employer defined benefit pension plan established by the State of New Jersey ("State") which was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for some full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

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

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

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Note 9. Pension Plans (Continued)

General Information about the Plans (Continued)

Plan Descriptions (Continued)

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

Vesting and Benefit Provisions

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

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

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

The following represents the membership tiers for PERS:

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

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Note 9. Pension Plans (Continued)

General Information about the Plans (Continued)

Vesting and Benefit Provisions (Continued)

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

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

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

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

At December 31, 2018, 2017, and 2016, the Authority had 218, 212, and 196 employees, respectively, covered by the Fund.

Contributions

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

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

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Notes to Combined Financial Statements
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Note 9. Pension Plans (Continued)

General Information about the Plans (Continued)

Contributions (Continued)

Pennsylvania State Employees' Retirement System (Continued): The Authority's contractually required contribution rate for the years ended December 31, 2018 and 2017 was 31.27% and 29.34%, respectively, of the Authority's covered payroll, and the Authority's contractually required quarterly contributions to the pension plan for 2018 and 2017 totaled $16,395 and $14,515, respectively. Employee contributions to the plan during 2018 and 2017 were $3,444 and $3,219, respectively.

State of New Jersey Public Employees' Retirement System: The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Authority's contractually required contribution rate for the years ended December 31, 2018 and 2017 was 13.02% and 9.25%, respectively, of the Authority's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability. The Authority's contractually required contributions to the pension plan for the years ended December 31, 2018 and 2017 were $101 and $64, which is and was due on April 1, 2019 and April 1, 2018, respectively. Employee contributions to the plan during 2018 and 2017 were $59 and $56, respectively.

Teamsters Pension Plan of Philadelphia and Vicinity: The employer's contribution requirements are determined under the terms of one Collective Bargaining Agreement ("CBA") in force. The CBA between Port Authority Transit Corporation ("PATCO") and Teamsters Local 676 ("Teamsters") expired December 31, 2017. PATCO and Teamsters subsequently entered into an Agreement executed by PATCO on July, 23, 2018. That Agreement extended the CBA without change and provided that PATCO will continue to make contributions to the Teamsters Health and Welfare Fund of Philadelphia and Vicinity and the Teamsters Pension Trust Fund of Philadelphia and Vicinity in the same manner and method as set forth in the CBA at the contribution rates established by the Trustees of the respective Funds, increasing effective June 1, 2018 and August 1, 2018, respectively, subject to increases on a yearly basis, until such time as a new CBA is reached or either party terminates the Agreement. During 2018, the Authority was required to and did contribute twenty-seven dollars and eighty-four cents ($27.84) per day from January 1 through June 30, and twenty-nine dollars and twenty-four cents ($29.24) per day, from July 1 through December 31 for each PATCO participating employee. For the 2017 year, the Authority was required to and did contribute twenty-six dollars and forty-eight cents ($26.48) per day from January 1 through June 30, and twenty-seven dollars and eighty-four cents ($27.84) per day, from July 1 through December 31 for each PATCO participating employee. The Authority's contributions totaled 9.55%, 11.36%, and 12.09% of covered payroll in 2018, 2017 and 2016, respectively.

The employees of the Authority do not contribute to the Plan. The Authority contributed $1,378, $1,299, and $1,293 in 2018, 2017 and 2016, respectively, which represented 100% of the required contribution for the aforementioned years.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
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Note 9. Pension Plans (Continued)

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

Pennsylvania State Employees' Retirement System: At December 31, 2018, the Authority's proportionate share of the SERS net pension liability was $142,358. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the December 31, 2017 measurement date, the Authority's proportion was .82327565%, which was an increase of .03313629% from its proportion measured as of December 31, 2016.

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

At December 31, 2018 and 2017, the Authority's proportionate share of the SERS pension expense, calculated by the Plan as of the December 31, 2017 and 2016 measurement dates, was $20,750 and $22,105, respectively.

State of New Jersey Public Employees' Retirement System: At December 31, 2018, the Authority's proportionate share of the PERS net pension liability was $1,999. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the Authority's proportion was .0101508337%, which was an increase of .0031910460% from its proportion measured as of June 30, 2017.

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

At December 31, 2018 and 2017, the Authority's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 and 2017 measurement dates, was $126 and $4, respectively.

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Note 9. Pension Plans (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	SERS	PERS	Total	SERS	PERS	Total
Differences between expected and actual experience	$ 2,407	$ 38	$ 2,445	$ 2,703	$ 10	$ 2,713
Changes of assumptions	7,127	329	7,456	-	639	639
Net difference between projected and actual earnings on pension plan investments	-	-	-	5,660	19	5,679
Differences between employer contributions and proportionate share of contributions	17	-	17	630	-	630
Changes in proportion	6,499	877	7,376	1,452	312	1,764
Employer contributions subsequent to the measurement date	16,232	50	16,282	-	-	-
	$ 32,282	$ 1,294	$ 33,576	$ 10,445	$ 980	$ 11,425

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

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

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Note 9. Pension Plans (Continued)

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

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

At December 31, 2018, $16,232 and $50 for SERS and PERS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These contributions were made by the Authority to the respective pension plans after the measurement date to satisfy the pension plan's net pension liability, but before the end of the financial statement period for the Authority. For SERS, this amount was based on actual contributions made during 2018, which was subsequent to the measurement date of December 31, 2017. For PERS, the amount was based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans measurement date of June 30, 2018 to the Authority's year-end of December 31, 2018.

At December 31, 2017, $14,654 and $32 for SERS and PERS, respectively, included in deferred outflows of resources, was included as a reduction of the net pension liability in the year ended December 31, 2018. These contributions were made by the Authority to the respective pension plans after the measurement date to satisfy the pension plan's net pension liability, but before the end of the financial statement period for the Authority. For SERS, this amount was based on actual contributions made during 2017, which was subsequent to the measurement date of December 31, 2016. For PERS, the amount was based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans measurement date of June 30, 2017 to the Authority's year-end of December 31, 2017.

For SERS and PERS, the components of deferred outflows of resources and deferred inflows of resources for SERS and PERS, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expense over a 5.2 and 5.63 year closed period for the December 31, 2017 and June 30, 2018 measurement period, respectively, which reflects the weighted average remaining service life of all SERS and PERS members, beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on SERS and PERS investments is amortized over a 5.0 year closed period beginning the year in which the difference occurs (current year).

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

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Note 9. Pension Plans (Continued)

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

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

The amounts of deferred outflows of resources and deferred inflows of resources related to the respective net pension liabilities measured at December 31, 2017 for SERS and June 30, 2018 for PERS that will be recognized in pension expense in future periods are as follows:

Year Ending Dec. 31	SERS	PERS	Total
2017	$ 4,653		$ 4,653
2018	4,653		4,653
2019	3,946	$ 29	3,975
2020	(891)	76	(815)
2021	(2,336)	71	(2,265)
2022	233	46	279
2023		42	42
Totals	$ 10,258	$ 264	$ 10,522

Actuarial Assumptions

Since the measurement of the net pension liability of SERS is the same date as the actuarial valuation of the net pension liability, no roll forward procedures are required for the net pension liability. For PERS, however, the net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total PERS pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018.

The actuarial valuations for the year ended December 31, 2018 and 2017 used the following actuarial assumptions applied to all periods included in the measurement dates of December 31, 2017 and 2016 for SERS and June 30, 2018 and 2017 for PERS:

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

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Note 9. Pension Plans (Continued)

Actuarial Assumptions (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in current and target asset allocation as of the measurement dates of December 31, 2017 for SERS and June 30, 2018 for PERS, are summarized in the following table:

	SERS		PERS	
Asset Class	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Buyouts/venture capital			8.25%	13.08%
Cash / cash equivalents	3.00%	-0.25%	5.50%	1.00%
Credit oriented hedge funds			1.00%	6.60%
Debt Related Private Equity			2.00%	10.63%
Debt Related Real Estate			1.00%	6.61%
Emerging markets equity			6.50%	11.64%
Equity Related Real Estate			6.25%	9.23%
Fixed income	14.00%	1.63%		
Global diversified credit			5.00%	7.10%
Global public equity	43.00%	5.30%		
High yield			2.50%	6.82%
Investment grade credit			10.00%	3.78%
Multi-Strategy	12.00%	5.10%		
Non-U.S. developed markets equity			11.50%	9.00%
Private equity	16.00%	8.00%		
Private real estate			2.50%	11.83%
Real estate (property)	12.00%	5.44%		
Risk mitigation strategies			5.00%	5.51%
U.S. equity			30.00%	8.19%
U.S. treasuries			3.00%	1.87%
Total	100.00%		100.00%	

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Note 9. Pension Plans (Continued)

Actuarial Assumptions (Continued)

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

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

Discount Rate: The discount rate used to measure the total pension liability at December 31, 2017 and 2016 for SERS was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each member and that employer contributions will be made based on rates determined by the actuary. Based on those assumptions, SERS fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active SERS members; therefore, the long-term expected rate of return on SERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability at June 30, 2018 and 2017 for PERS was 5.66% and 5.00%, respectively. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.87% and 3.58%, as of June 30, 2018 and 2017, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year.

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Notes to Combined Financial Statements
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Note 9. Pension Plans (Continued)

Actuarial Assumptions (Continued)

Discount Rate (Continued): The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	December 31, 2018		
	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Authority's proportionate share of the net pension liability - measurement date December 31, 2017	$ 180,697	$ 142,358	$ 109,517

	December 31, 2017		
	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Authority's proportionate share of the net pension liability - measurement date December 31, 2016	$ 188,334	$ 152,184	$ 121,226

State of New Jersey Public Employees' Retirement System: The following presents the Authority's proportionate share of the net pension liability at the Plan's measurement date of June 30, 2018 and June 30, 2017, calculated using a discount rate of 5.66% for June 30, 2018 and 5.00% for June 30, 2017, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	December 31, 2018		
	1% Decrease 4.66%	Current Discount Rate 5.66%	1% Increase 6.66%
Authority's proportionate share of the net pension liability - measurement date June 30, 2018	$ 2,513	$ 1,999	$ 1,567

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Note 9. Pension Plans (Continued)

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

State of New Jersey Public Employees' Retirement System (Continued):

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

Note 10. Postemployment Healthcare Plan ("OPEB")

General Information about the OPEB Plan

Plan Description: The Authority's defined benefit OPEB plan ("Plan") provides OPEB for all permanent full-time employees of the Authority hired prior to January 1, 2007. The Plan is a single-employer defined benefit OPEB plan administered by the Authority. The Authority's Board of Commissioners ("Commissioners") establish and amend the benefit terms of the Plan.

Benefits Provided: The Plan provides medical, including prescription drug coverage, and life insurance benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the Plan, along with retiree contributions.

Employees Covered by Benefit Terms: At December 31, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	744
Inactive plan members entitled to but not yet receiving benefit payments	2
Active plan members	440
	1,186

The Plan is closed to new entrants. Employees hired after January 1, 2007 are not eligible for retirement benefits.

Contributions: The contribution requirements of plan members and the Authority are established, and amended, by the Commissioners. For the year ended December 31, 2018, the Authority's average contribution rate was 16.27% of covered-employee payroll. Total contributions to the Plan by the Authority during 2018 were $10,366 (includes pay-as-you-go costs of $5,366 and Plan funding contributions of $5,000 authorized by resolution approved by the Commissioners). Contributions by plan members receiving benefits for medical and prescription ranged from $10.00 to $837.31 per month depending on the plan type and coverage selected.

Net OPEB Liability

The Authority's net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2018.

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Note 10. Postemployment Healthcare Plan ("OPEB") (Continued)

Actuarial Assumptions: The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase	3.5 percent
Investment rate of return	3.8 percent
Healthcare cost trend rates	The following assumptions are used for annual healthcare cost inflation (trend)

	Year	Pre-65	Post 65
Year 1 Trend	January 1, 2020	8.0%	8.0%
Ultimate Trend	January 1, 2026 & Later	5.0%	5.0%
Grading Per Year		0.5%	0.5%

Mortality rates were based on the RP 2014 Healthy Male and Female Tables are based on the Employee and Healthy Annuitant Tables for both pre & post retirement projected with mortality improvement using the most current Society of Actuaries Mortality Improvement Scale MP-2018.

The OPEB Plan fiduciary net position was projected with an investment return of 3.8%.

Discount Rate: The discount rate used to measure the total OPEB liability was 3.8%, which was based on the prescribed discount interest rate methodology under GASBS No. 75 using an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO - 4.09%, S&P Municipal Bond 20 Year High Grade Rate Index - 3.64%, and Fidelity GA AA 20 Years - 3.71%) as of December 31, 2018. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarial determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees assuming that such payments are paid separate from the OPEB Plan fiduciary fund. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at January 1, 2018	$ 114,380	$ 25,766	$ 88,614
Changes for the year:			
Service cost	337		337
Interest	4,245		4,245
Contributions - employer:			
Pay-as-you-go costs		5,366	(5,366)
Plan funding		5,000	(5,000)
Net investment income		399	(399)
Benefit payments	(5,366)	(5,366)	
Administrative expense		(82)	82
Net changes	(784)	5,317	(6,101)
Balances at December 31, 2018	$ 113,596	$ 31,083	$ 82,513

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Note 10. Postemployment Healthcare Plan (“OPEB”) (Continued)

Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of the Authority, as well as what the Authority’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current discount rate:

	1% Decrease (2.80%)	Discount Rate (3.80%)	1% Increase (4.80%)
Net OPEB liability	$ 99,118	$ 82,513	$ 69,127

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the Authority, as well as what the Authority’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (2.80% decreasing to 4.5%) or 1-percentage-point higher (4.80% decreasing to 6.5%) than the current healthcare cost trend rates:

	Trend Rate Less 1%	Current Valuation Discount Rate	Trend Rate Plus 1%
Net OPEB liability	$ 68,414	$ 82,513	$ 100,157

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Authority recognized OPEB expense of $4,264. Since 2018 was the first year of implementation of GASBS No. 75, there were no actuarial calculated deferred outflows of resources or deferred inflows of resources related to OPEB liabilities.

Payable to the OPEB Plan

At December 31, 2018, there were no payables reported to the OPEB Plan.

Note 11. Indentures of Trust

The Authority’s outstanding Revenue Bonds are subject to the provisions of the following Indentures of Trust: Revenue Refunding Bonds of 1998, dated July 1, 1998; the 2013 Revenue Bonds, dated December 1, 2013, and the 2018 Revenue and Revenue Refunding Bonds, dated December 18, 2018 (collectively the “Bond Resolution”).

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

The Bond Resolution requires the maintenance of the following accounts:

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

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Note 11. Indentures of Trust (Continued)

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

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

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

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

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

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

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

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

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Note 12. Funded and Long-Term Debt

Total Outstanding Funded Debt: At December 31, 2018, the Authority had $1,417,472 in Revenue, Revenue Refunding, and Port District Project and Project Refunding Bonds outstanding, consisting of bonds issued in 1999, 2012, 2013, and 2018. The 1999 Port District Project Bonds were issued pursuant to an Indenture of Trust dated December 1, 1999. The 2012 Port District Project Refunding Bonds were issued pursuant to an Indenture of Trust dated December 1, 2012. The 2013 Revenue Bonds were issued pursuant to an Indenture of Trust, a Ninth Supplemental Indenture, dated as of December 1, 2013. The 2018 Revenue and Revenue Refunding Bonds were issued pursuant to a Fourteenth Supplemental Indenture dated December 18, 2018.

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

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

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

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

The 1999 Port District Project Bonds (Series A) outstanding at December 31, 2018 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
		Term Bonds			
2019	7.63%	$ 4,920	2020	7.63%	$ 5,295
			2021	7.63%	1,035
Total par value of 1999 Port District Project Bonds					$ 11,250

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

1999 Port District Project Bonds (Continued):

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

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

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

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

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

Redemption Provisions:

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

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

2012 Port District Project Refunding Bonds (Continued):

Redemption Provisions (Continued):

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

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

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

The 2012 Port District Project Refunding Bonds outstanding at December 31, 2018 are as follows:

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

Total par value of 2012 Port District Project Refunding Bonds	122,425
Add: unamortized bond premium	9,121
Total 2012 Port District Project Refunding Bonds, net	$ 131,546

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

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

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

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

The 2013 Revenue Bonds outstanding at December 31, 2018 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2027	5.000%	$ 23,560	2034	4.625%	$ 810
2027	4.125%	845	2035	5.000%	34,870
2028	5.000%	25,615	2035	4.750%	1,000
2029	5.000%	26,895	2036	5.000%	36,660
2030	5.000%	28,070	2036	4.750%	1,000
2030	4.500%	170	2037	5.000%	38,540
2031	5.000%	29,650	2037	4.750%	1,000
2032	4.500%	31,135	2038	5.000%	41,515
2033	5.000%	32,535	2039	5.000%	43,590
2034	5.000%	33,355	2040	5.000%	45,770
Total par value of 2013 Revenue Bonds					476,585
Add: unamortized bond premium					8,938
Total 2013 Revenue Bonds, net					$ 485,523

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

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

2018 Revenue Bonds: On December 18, 2018, the Delaware River Port Authority issued its Revenue Bonds, Series of 2018, totaling $700,505, consisting of: its Revenue Bonds, Series A of 2018 in the aggregate principal amount of $273,475, its Revenue Refunding Bonds, Series B of 2018 (the "2018B Revenue Refunding Bonds") in the aggregate principal amount of $404,060, and its Revenue Bonds, Series C of 2018 (Federally Taxable) (the "2018C Revenue Bonds) in the aggregate principal amount of $22,970, and together with the 2018A Revenue Bonds, the 2018B Revenue Refunding Bonds, and the 2018C Revenue Bonds collectively called the "2018 Revenue Bonds". The 2018 Revenue Bonds were issued by means of a book-entry-only system evidencing ownership and transfer of 2018 Revenue Bonds on the records of The Depository Trust Company, New York, New York, and its participants. Interest on the 2018 Revenue Bonds is payable semi-annually on January 1 and July 1 of each year commencing July 1, 2019.

The 2018 Revenue Bonds were issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act and an Indenture of Trust, dated as of July 1, 1998, by and between the Authority and TD Bank, N.A., Cherry Hill, New Jersey, as successor to Commerce Bank, National Association, as trustee, as heretofore amended and supplemented from time to time, including as amended and supplemented by a Fourteenth Supplemental Indenture, dated as of December 18, 2018 (collectively, the "1998 Revenue Bond Indenture").

The 2018 Revenue Bonds, Series A, B and C, as more particularly specified within, were issued for the purpose of: (i) financing a portion of the costs of the Authority's approved capital improvement program; (ii) current refunding all of (1) $100,120 aggregate principal amount of the Authority's Revenue Refunding Bonds, Series A of 2008, (2) $111,240 aggregate principal amount of the Authority's Revenue Refunding Bonds, Series B of 2008, (3) $51,305 aggregate principal amount of the Authority's Revenue Refunding Bonds, Series A-1 of 2010, (4) $55,330 aggregate principal amount of the Authority's Revenue Refunding Bonds, Series A-2 of 2010, (5) $106,635 aggregate principal amount of the Authority's Revenue Refunding Bonds, Series B of 2010, and (6) $35,535 aggregate principal amount of the Authority's Revenue Refunding Bonds, Series C of 2010; (iii) financing a portion of the cash settlement cost to terminate all of the Authority's 1995 Revenue Bond Swaption and 1999 Revenue Bond Swaption; (iv) funding a deposit to the 1998 Debt Service Reserve Fund established under and as specifically defined in the 1998 Revenue Bond Indenture; and (v) paying the costs of issuance of the 2018 Revenue Bonds.

The 2018 Revenue Bonds are limited obligations of the Authority and are payable solely from the sources referred to in the 2018 Revenue Bonds and the 1998 Revenue Bond Indenture. Neither the credit nor the taxing power of the Commonwealth of Pennsylvania (the "Commonwealth") or the State of New Jersey (the "State") or of any county, city, borough, village, township or other municipality of the Commonwealth or the State is or shall be pledged for the payment of the principal, redemption premium, if any, or interest on the 2018 Revenue Bonds. The 2018 Revenue Bonds are not and shall not be deemed to be a debt or liability of the Commonwealth or the State or of any such county, city, borough, village, township or other municipality, and neither the Commonwealth nor the State nor any such county, city, borough, village, township or other municipality is or shall be liable for the payment of such principal, redemption premium, or interest. The Authority has no taxing power.

2018A Revenue Bonds: On December 18, 2018, the Authority issued new fixed rate bonds, in the amount of $273,475, at a premium of $43,893. As a result of this transaction (including payment of debt service reserve and cost of issuance requirements), $290,000 was deposited into the 2018 new bond project fund account, to support the 2019 5-year Capital Plan.

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

2018 Revenue Bonds (Continued):

2018A Revenue Bonds (Continued): The 2018A Revenue Bonds outstanding at December 31, 2018 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2027	5.000%	$ 1,690	2034	5.000%	$ 20,565
2028	5.000%	15,345	2035	5.000%	21,590
2029	5.000%	16,110	2036	5.000%	22,670
2030	5.000%	16,920	2037	5.000%	23,805
2031	5.000%	17,760	2038	5.000%	24,995
2032	5.000%	18,650	2039	5.000%	26,240
2033	5.000%	19,580	2040	5.000%	27,555
Total par value of 2018A Revenue Bonds					273,475
Add: unamortized bond premium					43,893
Total 2018A Revenue Bonds, net					$ 317,368

Optional Redemption*:* The 2018A Revenue Bonds are subject to redemption at the option of the Authority, prior to maturity, in whole or in part (and if in part, in such order of maturity or within a maturity as the Authority shall specify, or if the Authority shall fail to specify, by lot or by such other method as the Paying Agent determines to be fair and reasonable and in any principal amount in Authorized Denominations), at any time on or after January 1, 2029. Any such redemption shall be made at a redemption price equal to 100% of the principal amount of the 2018A Revenue Bonds to be redeemed, plus accrued interest to the Redemption Date.

2018B Revenue Refunding Bonds: On December 18, 2018, the Authority issued $404,060 in fixed rate bonds, and used these funds, along with “other available funding sources”, to refund $460,165 in variable rate debt (specifically, the 2008 Series A&B and 2010 Series A, B and C Revenue Refunding Bonds). As a result, the Authority eliminated all of its variable debt. This transaction also resulted in the termination of two LOCs, which supported the 2008B and 2010B Revenue Bonds (principal amount totaling $217,875). (see Note 15). Four (4) LIBOR Index Rate-based bank purchase loans (a.k.a, “Floating Rate Notes”), with three banks totaling $242,290, which supported the 2008A, 2010A and 2010C Revenue Refunding Bonds, were also terminated. In addition, as a result of this transaction, the 1999 Revenue Bond Swaption was terminated and cash-settled in the amount of $35,721 (Note 4).

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

2018 Revenue Bonds (Continued):

The 2018B Revenue Refunding Bonds outstanding at December 31, 2018 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2020	5.000%	$ 32,755	2023	5.000%	$ 60,105
2021	5.000%	57,400	2024	5.000%	62,680
2022	5.000%	57,645	2025	5.000%	65,350
			2026	5.000%	68,125
Total par value of 2018B Revenue Refunding Bonds					404,060
Add: unamortized bond premium					44,755
Total 2018B Revenue Refunding Bonds, net					$ 448,815

Optional Redemption*:* The 2018B Revenue Refunding Bonds are not subject to redemption at the option of the Authority, prior to maturity.

2018C Revenue Bonds: On December 18, 2018, the Authority issued $22,970 in federally taxable fixed rate bonds, proceeds of which, along with a $5,000 contribution from the Authority, were used to pay the cash-settlement termination cost of the 1995 Swap with TD Bank, N.A., in the amount of $28,050 (Note 4).

The 2018C Revenue Bonds (Federally Taxable) outstanding at December 31, 2018 are as follows:

	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
	2020	3.000%	$ 22,970
Total par value of 2018C Revenue Bonds			$ 22,970

Optional Redemption*:* The 2018C Revenue Bonds are not subject to redemption at the option of the Authority, prior to maturity.

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

2018 Revenue Bonds (Continued):

2018 Revenue Bonds: The total collective 2018 Revenue Bonds outstanding at December 31, 2018 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2020	3.000%	$ 22,970	2030	5.000%	$ 16,920
2020	5.000%	32,755	2031	5.000%	17,760
2021	5.000%	57,400	2032	5.000%	18,650
2022	5.000%	57,645	2033	5.000%	19,580
2023	5.000%	60,105	2034	5.000%	20,565
2024	5.000%	62,680	2035	5.000%	21,590
2025	5.000%	65,350	2036	5.000%	22,670
2026	5.000%	68,125	2037	5.000%	23,805
2027	5.000%	1,690	2038	5.000%	24,995
2028	5.000%	15,345	2039	5.000%	26,240
2029	5.000%	16,110	2040	5.000%	27,555
Total par value of 2018 Revenue Bonds					700,505
Add: unamortized bond premium					88,648
Total 2018 Revenue Bonds, net					$ 789,153

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

Maturities of Principal and Interest on Bonds: The following presents the principal and interest due on all bonds outstanding as of December 31, 2018:

Years Ending December 31,	Principal	Interest	Total
2019	$ 11,895	$ 48,799	$ 60,694
2020	68,340	62,923	131,263
2021	70,785	59,591	130,376
2022	71,730	56,015	127,745
2023	74,890	52,352	127,242
2024-2028	330,120	205,552	535,672
2029-2033	237,475	141,610	379,085
2034-2038	302,375	75,038	377,413
2039-2040	143,155	7,245	150,400
	1,310,765	$ 709,125	$ 2,019,890
Net unamortized bond premiums	106,707		
	$ 1,417,472		

Interest on all of the Authority's fixed rate debt (revenue bonds and port district project bonds issued in 1999, 2012, 2013, and 2018) is payable semi-annually on January 1 and July 1 in each year. The Authority is current on all of its monthly debt service payments on all obligations.

Debt Authorized but not Issued: At its August 2013 meeting, the Authority's Board authorized the issuance, sale and delivery of up to $550,000 in taxable or tax-exempt fixed rate bonds, to fund the 5-year 2013 Capital Plan (DRPA-13-094). This resolution rescinded and repealed all prior resolutions (DRPA-09-064 and DRPA-13-030) and any prior inconsistent resolutions. In December 2013, the Authority issued $476,600 in fixed rate bonds (the 2013 Revenue Bonds) based on this resolution, and $73,400 remains authorized but not issued under this Board resolution.

Resolution 16-055: This resolution, approved by the Board at its April 20, 2016 meeting, authorized the Authority to issue up to $400 million in "fixed or variable rate refunding bonds by direct placement or private purchase", in order to purchase or refund, all, or a portion of, the existing variable rate bonds (2008 and 2010 revenue refunding bonds). Note, however, that while Resolution 16-055 authorized a debt issuance, the tax law passed by Congress in December 2017 has prohibited "advance refunding"; therefore, the debt authorization provided by Resolution 16-055 cannot be effectuated.

Resolution DRPA-16-098: At its September 21, 2016 meeting, the Authority's Board authorized the Authority to issue Revenue Refunding Bonds "in an aggregate principal amount not to exceed $960.0 million," "to advance refund and redeem all or a portion of the outstanding" 2010D and 2013 Revenue Bonds, "to effect interest cost savings for the Authority, and, to the extent deemed economically advantageous and fiscally prudent, amend, replace or terminate any or all of the Authority's outstanding Interest Rate Swap Agreements."

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

Debt Authorized but not Issued (Continued):

Resolution DRPA-16-098 (Continued): Resolution DRPA-16-098 also authorized the Authority to refund outstanding Variable Rate Revenue Bonds associated with the Inter Rate Swap Agreements, if deemed advantageous and prudent based on market and other factors. (The "Swap Refunding Bonds, if issued shall be issued as fixed rate bonds in an aggregate principal amount", not to exceed $600,000.)

1. *Defeasement and Redemption of 2010D Bonds (DRPA #18-007)*: On November 18, 2018, the 2010D Revenue Bonds, in the amount of $308,375, were defeased through use of $281,304 in General Fund monies and other funds available to the Authority, as authorized by DRPA Resolution #18-007. The 2013 Revenue Bonds remain outstanding, however, as the authorization for an advance refunding cannot be effectuated, as mentioned previously.
2. *Termination of Swaps:* The 1995 and 1999 Revenue Bond Swaps were terminated on December 6, 2018 and then cash-settled on December 18, 2018 in the amounts of $28,050 and $35,721, respectively, from proceeds as a result of the issuance of the 2018 Revenue Refunding Bonds, Series B and C (federally taxable), and the use of other funds available to the Authority. The 2000 swaptions, with Bank of America, though "inactive", were also cash-settled using Authority funds on December 12, 2018.
3. *Refunding of Variable Rate Bonds*: On December 18, 2018, the 2018 Revenue Refunding Bonds (Series B) were issued in the amount of $404,060, which were used, along with other funds available to the Authority, to fully redeem all of the outstanding variable rate bonds (2008 and 2010 Revenue Refunding Bonds).

As a result of the aforementioned transactions, $1,033,415 remains authorized but not issued under these Board resolutions.

Resolution DRPA #18-008: This resolution authorized the issuance of up to $350,000 in new revenue bonds, subject to market conditions. On December 18, 2018, the Authority issued $273,475 in new revenue bonds (2018A Revenue Bonds), as per the resolution leaving $76,525 in authorized but not issued bonds.

These combined authorizations, which total $1,109,940 as of December 31, 2018, provide flexibility for the Authority to engage in the aforementioned transactions, under the right conditions, but do not obligate the Authority to execute any of the transactions.

Bond Ratings:

Significant changes to the Authority's bond ratings, over the past three (3) years, are described below:

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

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

On November 16, 2018, just prior to the issuance of the 2018 Revenue Bonds (Series A, B and C), Moody's assigned an "A2" rating to the new bonds, and affirmed the rating on the Authority's existing revenue bonds at "A2". The Port District Project bonds were also affirmed at "Baa2". The ratings outlook was changed, **for all bond issues**, to "positive" from "stable."

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

Bond Ratings (Continued):

Moody's Investors Service Bond Ratings ("Moody's") (Continued): In its report, Moody's cited the "expected elimination of DRPA's variable rate debt exposure and the termination of all of the outstanding swaps", along with stable future traffic volumes, continued strong liquidity with a "manageable capital plan, as key factors in the upward change in the outlook.

As of December 31, 2018, these ratings and outlook remained in place.

Standard & Poor's Ratings Services Bond Ratings ("S&P"): On April 21, 2016, S&P issued a bond ratings report on the Authority's debt, using its new joint ratings criteria, wherein the Authority's Port District Project Bonds were upgraded from "BBB" to "A-" (with stable outlook) and the Revenue Bonds were affirmed at "A", with a stable outlook. S&P cited the Authority's historical performance against budget, its strong financial stability and liquidity (including its capital "pay-go" fund), and its affordable 5-year capital plan of $728,200, as underlying strengths supporting its ratings actions.

In its report dated August 1, 2017, S&P reaffirmed the Authority's ratings on both its Revenue and Port District Project Bonds. The report cited "historically strong liquidity levels, ""DRPA's long history of stable transaction and revenue growth," "the maintenance of good debt service coverage, and "conservative" capital and operating budgets.

On November 16, 2018, just prior to the issuance of $700,505 in 2018 Revenue Bonds (Series A, B and C), S&P assigned a rating of "A+" to the new bonds and upgraded its underlying rating on the existing revenue bonds to "A+" from "A", with a stable outlook. The Authority Port District Project Bonds were also upgraded to "A" from "A-", with a stable outlook. The upgrade reflected the application of S&P's new updated ratings criteria, published on March 12, 2018. S&P cited the Authority's "very strong enterprise risk profile and strong financial risk profile", along with the "long history of favorable net revenue growth and strategic capital funding leading to strong sustainable debt service coverage" and the Authority's strong liquidity and financial flexibility, which supported the upgrade decision.

As of December 31, 2018, these new ratings and outlook remained in place.

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

Defeasance and Refunding of Debt

Defeasance of Revenue Bonds, Series D of 2010: On November 16, 2018, the Authority defeased its $308,375 Revenue Bonds, Series D of 2010, which are not callable until January 1, 2027, in order to save on interest costs as, according to the maturity schedule, the first legal principal payment was not due until the call date of January 1, 2027. The 2010D Revenue Bonds were originally issued on July 15, 2010 for the purpose of financing a portion of the Authority's Capital Improvement Program and funding the Debt Service Reserve Requirement. To fund the payment of the outstanding bonds and related interest, the Authority placed $321,690 into an irrevocable debt defeasance trust held by the Authority's third-party trustee. The source of the funds came from a General Fund contribution of $281,581, a 2010D Revenue Bond debt service fund release of $5,282, and a debt service reserve fund release of $34,827. The amount placed into escrow plus accrued interest will be sufficient to pay the entirety of principal and interest on the bonds at maturity. The assets held in escrow contain obligations guaranteed by the U.S. government denominated in U.S. dollars that are essentially risk free as the escrow's cash flows approximately coincide as to timing and amount with the scheduled interest and principal payments of the defeased debt. Due to the defeasance, the outstanding debt of $308,375 was removed from the liabilities of the Authority's combined statement of net position as of December 31, 2018, and a loss on defeasance of debt in the amount of $9,266 has been incurred as a nonoperating expense on the combined statements of revenues, expenses, and changes in net position for the year ended December 31, 2018.

Refunding of Debt: As stated earlier in this section, on December 18, 2018, the Authority issued fixed rate 2018B Revenue Refunding Bonds in the amount of $404,060, along with other available funding sources, to refund $460,165 in variable rate debt. The other available funding sources included the following: a premium on issuance of 2018 Revenue Bonds of $44,755, proceeds from the termination of a forward delivery agreement associated with the bond service reserve for the 2010 Revenue Bonds for $7,900 (Note 4), debt service funds on hand for $43,787, and a contribution from the General Fund for $370. The variable rate debt refunded included the following: Revenue Refunding Bonds, Series 2008A for $100,120, Revenue Refunding Bonds, Series 2008B for $111,240, Revenue Refunding Bonds, Series 2010A-1 for $51,305, Revenue Refunding Bonds, Series 2010A-2 for $55,330, Revenue Refunding Bonds, Series 2010B for $106,635, and Revenue Refunding Bonds, Series 2010C for $35,535. The net proceeds of $460,165 (after payment of issuance costs, tax-exempt swap termination, debt service reserve requirements) were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the aforementioned refunded bonds. As a result of the current refunding, the Authority will reduce its total debt service payments over the next ten years by $8,234, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of $7,720. The net present value savings, however, that will be realized by the Authority is $1,821 after considering its use of funds on hand (terminated forward delivery agreement) and use of issuance proceeds to fund required debt service requirements, thus resulting in .395689% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the Authority's combined statements of net position as of December 31, 2018.

As a result of the aforementioned debt refunding, the Authority has recorded a loss on refunding of debt in the amount of $53,130 as deferred outflows of resources on the combined statements of net position, and is amortizing the loss as a component of interest expense, based on the effective interest method, over the life of the 2018B Revenue Refunding Bonds. This loss on refunding of debt represents the difference between the reacquisition price and the net carrying amount of the old debt, together with any deferred outflows of resources or deferred inflows of resources related to the refunded debt.

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

The Authority receives contributions in aid for financing capital improvements to the rapid transit system from the Federal Transit Administration and other government agencies. Capital improvement grant funds of $26,994 and $7,557 were received in 2018 and 2017, respectively. The Authority receives federal and state grants for specific construction purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowances under terms of the grants, it is the opinion of management that any required reimbursements will not be material to the Authority's net position.

Note 14. Contingencies

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

The following is a summary of the claims and judgments liability of the Authority for the years ended December 31, 2018 and 2017:

Claims and Judgments	2018	2017
Beginning balance	$ 4,087	$ 4,288
Incurred claims	259	793
Payment of claims	(2,978)	(994)
Ending balance	$ 1,368	$ 4,087

There have been no settlements that exceed the Authority's coverage for years ended December 31, 2018 and 2017.

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

The following is a summary of the self-insurance liability of the Authority for workers' compensation claims for the years ended December 31, 2018 and 2017:

Self-Insurance (Workers' Compensation)	2018	2017
Beginning balance	$ 4,374	$ 4,153
Incurred claims	2,499	2,021
Payment of claims	(2,127)	(1,800)
Ending balance	$ 4,746	$ 4,374

There have been no settlements that exceed the Authority's coverage for years ended December 31, 2018 and 2017.

The Authority is involved in various actions arising in the ordinary course of business and from workers' compensation claims. In the opinion of management, the ultimate outcome of these actions will not have a material adverse effect on the Authority's combined net position and combined results of operations.

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Note 14. Contingencies (Continued)

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

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

The Authority must submit in writing certifications, by "the Insurance Consultant" to the bond trustee, by April 30 of each year, stating that it has sufficient coverage with regards to "multi-risk insurance" (on DRPA and PATCO facilities), "use and occupancy insurance" (i.e., business interruption), etc., in compliance with the Indenture of Trust. The certifications must provide "in *reasonable detail the insurance then in effect pursuant to"* Section 5.11 and also must state whether, during the calendar year, any facility has been "materially damages or destroyed, and if so, the amount of insurance proceeds covering such loss or damage…" As advised in the certification, during 2018, the Authority did not experience any material damages related to its facilities.

The Authority submitted its annual certification to the bond trustee, for the year ending December 31, 2018, prior to the deadline, on April 29, 2019.

Note 15. Commitments

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

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

In April 2015, the Authority's Board authorized the Authority to extend the loan guaranty for a ten-year period (DRPA-15-048) in the amount of $800. As of December 31, 2018, this is the only outstanding loan guarantee. The Authority has made no cash outlays related to this guarantee.

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

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

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Note 15. Commitments (Continued)

Community Impact (Continued): The estimated minimum commitment, adjusted for the effect of the increase in the CPI at December 31, 2018, is as follows:

Year	Amount
2019	$ 500
2020	500
2021	500
2022	500
2023	500
Thereafter	13,000
	$ 15,500

Redevelopment Fee: The Authority, pursuant to a January 2016 amendment to an original agreement dated December 31, 1991, is obligated to pay a net redevelopment fee to the City of Camden Redevelopment Agency in the amount of $363 annually, as an "ongoing yearly obligation". This fee is paid annually on or about July 1. The Authority made its annual payment for this obligation in 2018.

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

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

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

Although the OCIP program ended in 2015 (the Railroad Protective Liability policy was extended to March of 2015 to meet the completion date of the project), the insurance carrier, AIG required the Authority to maintain the required LOC coverage to cover anticipated workers' compensation and general liability claims. Statutes of Limitations ("SOL") for filing workers' compensation claims, whether based on an occupational disability or a physical injury, vary from state-to-state. In New Jersey, there is a two-year SOL. Pennsylvania has a three-year SOL.

The administration responsibilities for the closeout of the OCIP (September 7, 2008 to March 31, 2015) will remain open until:

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

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Note 15. Commitments (Continued)

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

Based on its review in 2017, AIG agreed to a further reduction in the LOC to $398. The Authority renewed the LOC at the new figure of $398 to expire December 31, 2018. On December 10, 2018, based on its review, AIG agreed to another reduction in the LOC to $156. The Authority renewed the LOC in the amount of $156, on December 31, 2018, for one year, to expire December 31, 2019.

Direct Pay Letter of Credit (2008B Revenue Refunding Bonds) - Terminated December 2018: Until it was terminated, the Authority had one remaining Direct Pay Letter of Credit ("LOC") associated with the 2008 Revenue Refunding Bonds.:

The Authority's 2008 Revenue Refunding Bonds (Series B) were secured by an irrevocable transferable LOC issued by TD Bank, N.A., in the initial amount of $191,800. The Authority entered into a separate Reimbursement Agreement with the Credit Provider to facilitate the issuance of the LOC. The LOC was in an original stated amount which would be sufficient to pay the unpaid principal amount of and up to fifty-three (53) days of accrued interest (at a maximum interest rate of 12%) on the related 2008B Revenue Refunding Bonds, when due, and the purchase price of the 2008B Revenue Refunding Bonds tendered or deemed tendered for purchase and not remarketed. The Credit Provider for the 2008B Revenue Refunding Bonds was only responsible for payments with respect to the 2008B Revenue Refunding Bonds for which the 2008B LOC was issued.

The LOC with TD Bank, N.A. was to expire on December 31, 2017, but it was extended for a five (5) year term to expire December 31, 2020. Subsequent to this extension, on December 18, 2018, the 2008B Revenue Refunding Bonds were refunded, and then redeemed, and the supporting LOC with TD Bank, N.A. was terminated.

Direct Pay Letters of Credit (2010B Revenue Refunding Bonds) - Terminated December 2018: When originally issued, the Authority's 2010 Revenue Refunding Bonds (Series A, B and C), were secured by irrevocable transferable Direct Pay Letters of Credit ("LOC") issued by three credit providers, the Bank of America, N.A., JP Morgan Chase Bank, N.A. and PNC Bank, N.A. in the initial amounts of $152,600, $152,600 and $50,900, respectively. The Authority entered into separate Reimbursement Agreements with each credit provider to facilitate the issuance of the LOCs. These LOCs were terminated in March 2013, and replaced with new letters of credit from Royal Bank of Canada (Series A), Barclay's Bank PLC (Series B), and Bank of New York Mellon (Series C).

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

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Note 15. Commitments (Continued)

Direct Pay Letters of Credit (2010B Revenue Refunding Bonds) - Terminated December 2018 (Continued): The LOCs with Royal Bank and BNY Mellon were both to expire on March 18, 2016. These two LOCs were extended until August 1, 2016 and June 16, 2016, respectively, and were then replaced by bank Floating Rate Notes. (The LOC with BNY Mellon expired on June 16 and was replaced with a LIBOR-Indexed direct purchase with Wells Fargo Bank. Similarly, the LOC with Royal Bank was terminated and replaced by two LIBOR-Indexed direct purchase loans with the Bank of America and TD Bank, N.A.).

The LOC with Barclays was to expire on March 20, 2015. However on February 18, 2015, Barclays Bank PLC (Series B) delivered a “Notice of Extension” to TD Bank, N.A. (trustee for the bonds), to extend the “stated Expiration Date” for the LOC to March 20, 2018. In February 2018, the Barclay’s LOC was extended for a four (4) year period, to mature on March 18, 2022, at a slightly reduced facility fee rate.

Subsequent to this extension, on December 18, 2018, the 2010 Revenue Refunding Bonds were refunded, then redeemed and the supporting LOC with Barclays Bank for the Series B bonds was terminated.

Contractual Commitments: As of December 31, 2018, the Authority had board-approved contracts with remaining balances as follows:

	Total
Benjamin Franklin Bridge:	
Bridge, building and pavement repairs and inspection	$ 7,338
Temporary toll, clerical, administration and custodial workers	1,835
Toll revenue, transportation, processing and systems upgrade	1,410
ERP consulting services	23,833
Engineering services - program management and task orders	3,761
Pedestrian bike ramp	2,932
Other	1,004
Walt Whitman Bridge:	
Design services for New Jersey approach	1,028
Painting spans and towers	2,395
Emergency generator replacement	54
Commodore Barry Bridge:	
Bridge painting phase I & II and inspection	5,772
Deleading and repainting	14,462
Structural repairs & other	8,403
Bridge resurfacing and other	2,451
PATCO System:	
Car overhaul program	10,894
Elevators installation	29,521
Station enhancements	10,303
Westmont & Lindenwold viaduct and track rehabilitation	24,443
Subway structure, center tower & other rehabilitation	3,236
Other:	
Other equipment and system upgrades and professional services and maintenance	5,601
	$ 160,676

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Note 15. Commitments (Continued)

NJ Customer Service Center Contract: In 2015, the Authority signed a contract to participate in the NJ Customer Service Center Contract, related to the implementation of new software system for the NJ E-ZPass group, of which the Authority is a member. (While the system went live in October 2017, it has not yet officially been "accepted" by the NJ E-ZPass agencies)

In 2016, the Authority signed a memorandum of agreement (MOA) related to this implementation, which also sets forth how "certain non-toll revenues and expenses of the NJ E-ZPass Group" incurred will be shared among the Agencies…."(DRPA-16-125), including the resolution of prior "negative customer balances", which have accumulated under the old contract. Under this MOA, the Authority was assigned a "Revenue Allocation share" which resulted in an initial one-time cash payment of approximately $2,400 in 2017, representing the Authority's pro-rata share of the past negative balances. (It is anticipated that each year, each Agency will be required to pay its pro-rata of future negative cash balances, however, the anticipated annual "contribution" is expected to be significantly less given the initial large outlay of funds by each agency in 2017).

The Authority had recognized this commitment on its books and had reduced 2016 toll revenues by the estimated $2,600 to reflect this reduction in toll revenues. In May 2017, the actual invoice payment for this commitment came in at $2,351. Revenues for 2017 were adjusted upward by $249 to reflect this reduction in the amount due.

Note 16. Bridge and PATCO Fare Schedules

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

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

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

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

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

DELAWARE RIVER PORT AUTHORITY
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Note 16. Bridge and PATCO Fare Schedules (Continued)

Frequent Bridge Traveler Credit: At its July 2015 meeting, the Authority's Board approved a resolution, DRPA-15-090, to re-implement an $18 credit/18 trips per month for commuter passenger vehicles in the NJ E-ZPass system (the Authority is a member of this consortium).

Programming to implement this initiative was finalized and the new "frequent bridge traveler credit" program became effective on December 1, 2015. In January 2016, frequent users received their first credit since reintroduction of the program. Approximately, $1,800 was credited to customer accounts in 2018 based on activity.

Deferral of CPI Based Toll Increase: In January 2017, the Authority's Board approved resolution DRPA-17-002, which authorized the deferral of the CPI index based biennial toll increase. The toll increase was deferred from January 1, 2017 to January 1, 2019.

The Authority performed a calculation to determine if a CPI-indexed toll rate change would be enacted for January 1, 2019, using CPI data for September 2018. Based on increases in the CPI for the calculation period, a toll rate increase would have become effective on January 1, 2019. However, the Authority's Board determined that sufficient revenues and bond project funds and General Fund "pay go" capital funds were available to fund the next four to five years of its capital plan. Therefore, on December 5, 2018, the Authority's Board approved resolution DRPA#18-131, which authorized the deferral of the CPI-based biennial toll increase from January 1, 2019 to January 1, 2021.

Note 17. New Governmental Accounting Pronouncements

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

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the Authority's year ending December 31, 2019 and is not expected to have a material impact on the basic financial statements.

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the Authority's year ending December 31, 2020. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Authority.

Note 18. Blended Component Unit

Port Authority Transit Corporation (PATCO) is a wholly owned subsidiary of the Delaware River Port Authority (DRPA) established to operate and maintain the rapid transit system owned and constructed by DRPA. PATCO and DRPA share the same Board of Commissioners. :

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Note 18. Blended Component Unit (Continued)

A financial benefit or burden relationship exists between DRPA and PATCO as DRPA subsidizes the losses of PATCO and intends to continue to do so. The financial results of PATCO have been blended with those of DRPA in the financial statements.

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

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

PATCO's outstanding liability to the DRPA for period January 1, 1974 to December 31, 2018 related to this agreement totals $275,340.

Net Position: The net position totaling ($781,752) and ($741,594) as of December 31, 2018 and December 31, 2017, respectively, represents the total losses for PATCO since inception.

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2018 is as follows:

Condensed Combining Statements of Net Position

	December 31, 2018		
	DRPA	PATCO	Total
Current assets	$ 463,084	$ 11,684	$ 474,768
Receivable from primary government	(2,498)	2,498	
Capital assets	1,659,336		1,659,336
Other noncurrent assets	303,541		303,541
Total assets	2,423,463	14,182	2,437,645
Deferred outflows of resources	79,221	8,828	88,049
Total assets and deferred outflows of resources	2,502,684	23,010	2,525,694
Current liabilities	81,565	12,109	93,674
Payables to primary government:			
Lease agreement	(275,340)	275,340	
Advances from DRPA	(482,486)	482,486	
Noncurrent liabilities	1,605,366	33,270	1,638,636
Total liabilities	929,105	803,205	1,732,310
Deferred inflows of resources	11,988	1,557	13,545
Net investment in capital assets	727,790		727,790
Restricted	157,143		157,143
Unrestricted (deficiency)	676,658	(781,752)	(105,094)
Total net position (deficiency)	$ 1,561,591	$ (781,752)	$ 779,839

DELAWARE RIVER PORT AUTHORITY
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Note 18. Blended Component Unit (Continued)

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2018 is as follows (continued):

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

	December 31, 2018		
	DRPA	PATCO	Total
Operating revenues			
Bridge revenues	$ 342,789		$ 342,789
Transit systems		$ 28,948	28,948
Other	170		170
Total operating revenues	342,959	28,948	371,907
Operating expenses			
Operating - Other	113,989	53,658	167,647
Depreciation	71,816		71,816
Total operating expenses	185,805	53,658	239,463
Operating income (loss)	157,154	(24,710)	132,444
Nonoperating revenues (expenses)			
Interest expense	(66,736)		(66,736)
Economic development activities	(97)		(97)
Lease rental	6,122	(6,122)	
Other	17,115	120	17,235
Total nonoperating revenues (expenses)	(43,596)	(6,002)	(49,598)
Capital contributions	26,994	-	26,994
Change in net position	140,552	(30,712)	109,840
Net position (deficiency), January 1	1,485,728	(741,594)	744,134
Cumulative effect of change in accounting principles	(64,689)	(9,446)	(74,135)
Net Position (deficiency), January 1 (Restated)	1,421,039	(751,040)	669,999
Net position (deficiency), December 31	$ 1,561,591	$ (781,752)	$ 779,839

Condensed Combining Statements of Cash Flows

	December 31, 2018		
	DRPA	PATCO	Total
Net cash provided by (used in) operating activities	$ 218,972	$ (24,877)	$ 194,095
Net cash provided by (used in) noncapital financing activities	(22,606)	24,617	2,011
Net cash provided by (used in) capital and related financing activities	(321,341)	-	(321,341)
Net cash provided by (used in) investing activities	124,211	-	124,211
Net increase (decrease) in cash and cash equivalents	(764)	(260)	(1,024)
Cash and cash equivalents, January 1	36,820	1,905	38,725
Cash and cash equivalents, December 31	$ 36,056	$ 1,645	$ 37,701

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2018 and 2017
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Note 18. Blended Component Unit (Continued)

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

Condensed Combining Statements of Net Position

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

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Notes to Combined Financial Statements
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Note 18. Blended Component Unit (Continued)

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

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

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

Condensed Combining Statements of Cash Flows

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
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Note 19. Change in Accounting Principles and Prior Period Restatement

Change in Accounting Principles: For the year ended December 31, 2018, the Authority was required to implement GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The objective of the Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* as amended.

The adoption of this Statement established standards for the Authority in recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to OPEB. For defined benefit OPEB, the Statement also identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

For additional information related to OPEB, see Note 10.

The cumulative effect of adopting GASB Statement No. 75 is summarized as follows:

Cumulative effect of adopting GASB Statement No. 75 - Combined Statement of Revenues, Expenses and Changes in Net Position		
Net Position, January 1, 2018		$ 744,134
Decrease in Net Position:		
Recognition of additional net opeb liability	$ (74,135)	
Cumulative effect of change in accounting principles		(74,135)
Net Position, January 1, 2018 (as restated)		$ 669,999

Cumulative effect of adopting GASB Statement No. 75 - Revenue Fund		
Net Position (Deficiency), January 1, 2018		$ (118,322)
Decrease in Net Position:		
Recognition of additional net opeb liability	$ (64,689)	
Cumulative effect of change in accounting principles		(64,689)
Net Position (Deficiency), January 1, 2018 (as restated)		$ (183,011)

Cumulative effect of adopting GASB Statement No. 75 - General Fund		
Net Position, January 1, 2018		$ 410,661
Decrease in Net Position:		
Recognition of additional net opeb liability	$ (9,446)	
Cumulative effect of change in accounting principles		(9,446)
Net Position, January 1, 2018 (as restated)		$ 401,215

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Notes to Combined Financial Statements
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Note 19. Change in Accounting Principles and Prior Period Restatement (Continued)

Prior Period Restatement: During the issuance of the 2018 Revenue Bonds, specifically the 2018B Series, the Authority identified three forward delivery agreements that they were party to as of December 31, 2017. As the three forward delivery agreements were determined to be effective hedging instruments, and in an asset position to the Authority, these forward delivery agreements were recorded at fair value with the offsetting balances reflected as deferred inflows of resources on the combined statement of net position as of December 31, 2017. Since these three forward delivery agreements were determined to be effective hedging instruments, there was no effect on the Authority's combined statement of revenues, expenses and changes in net position for the year ended December 31, 2017.

For additional information related to the forward delivery agreements, see Note 4.

The effect of recording these forward delivery agreements on the combined statements of net position as of December 31, 2017 is as follows.

Assets		
Noncurrent Assets		
Derivative instrument - forward delivery agreements	-	$ 10,590
Total noncurrent assets	$ 1,578,410	1,589,000
Total assets	2,440,497	2,451,087
Deferred Inflows of Resources		
Forward delivery agreement related amounts	-	10,590
Total deferred inflows of resources	6,724	17,314

Note 20. Subsequent Events

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

On December 5, 2018, the DRPA and PATCO Boards approved resolutions approving economic terms and authorizing staff to negotiate terms to complete collective bargaining agreements with the DRPA's IUOE and FOP, and PATCO's Teamsters unions. On April 17, 2019, The DRPA Board approved a resolution authorizing approving economic terms and authorizing staff to negotiate terms to complete collective bargaining agreements with DRPA's IBEW union.

The Collective Bargaining Agreement with the IUOE has been completed and will expire December 31, 2020. The Collective Bargaining Agreement with the FOP has been completed and will expire December 31, 2021. When completed, Collective Bargaining Agreement for IBEW and Teamsters are authorized for terms expiring December 31, 2020. Collective Bargaining Agreements with Teamsters and IBEW are expected to be completed during the third quarter 2019.

General Fund Investment Policy: At its February 2019 meeting, the Authority's Board approved resolution DRPA #19-017, approving a revision to the Authority's investment policy. This was the first revision to the policy since 2013. The policy became effective as of March 15, 2019.

This new policy increased the maximum maturity for certain investments and the average duration of the portfolio managed by each of the Authority's investment managers, in an effort to enhance overall portfolio returns, without compromising the Authority's key goal of safety of principal.

DELAWARE RIVER PORT AUTHORITY

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

	Measurement Date Ended December 31,				
	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability	0.82327565%	0.79013936%	0.79424655%	0.76453591%	0.78540134%
Authority's proportionate share of the net pension liability	$ 142,358	$ 152,183	$ 144,424	$ 113,590	$ 107,312
Authority's covered payroll (plan measurement period)	$ 51,022	$ 47,939	$ 48,461	$ 44,721	$ 43,165
Authority's proportionate share of the net pension liability as a percentage of covered payroll	279.01%	317.45%	298.02%	254.00%	248.61%
Plan fiduciary net position as a percentage of the total pension liability	63.00%	57.80%	58.90%	64.80%	66.70%

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

DELAWARE RIVER PORT AUTHORITY

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

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Authority's contractually required contribution	$ 16,395	$ 14,515	$ 12,735	$ 10,332	$ 7,649
Authority's contribution in relation to the contractually required contribution	(16,395)	(14,515)	(12,735)	(10,332)	(7,649)
Authority's contribution deficiency (excess)	-	-	-	-	-
Authority's covered payroll (calendar year)	$ 52,434	$ 49,464	$ 46,615	$ 48,857	$ 44,721
Authority's contributions as a percentage of covered payroll	31.27%	29.34%	27.32%	21.15%	17.10%

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

DELAWARE RIVER PORT AUTHORITY

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

	Measurement Date Ended June 30,				
	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability	0.0101508337%	0.0069597877%	0.0050105488%	0.0048616324%	0.0080229448%
Authority's proportionate share of the net pension liability	$ 1,999	$ 1,620	$ 1,484	$ 1,091	$ 1,502
Authority's covered payroll (plan measurement period)	$ 689	$ 406	$ 345	$ 335	$ 594
Authority's proportionate share of the net pension liability as a percentage of covered payroll	290.13%	399.01%	430.14%	325.67%	252.86%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	40.14%	47.93%	52.08%

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

DELAWARE RIVER PORT AUTHORITY

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

	Year Ended December 31,				
	2018	2017	2016	2015	2015
Authority's contractually required contribution	$ 101	$ 64	$ 45	$ 42	$ 66
Authority's contribution in relation to the contractually required contribution	(101)	(64)	(45)	(42)	(66)
Authority's contribution deficiency (excess)	-	-	-	-	-
Authority's covered payroll (calendar year)	$ 776	$ 692	$ 438	$ 369	$ 355
Authority's contributions as a percentage of covered payroll	13.02%	9.25%	10.27%	11.38%	18.59%

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

DELAWARE RIVER PORT AUTHORITY

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

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Authority's contractually required contribution	$ 1,378	$ 1,299	$ 1,293	$ 1,136	$ 1,001
Authority's contribution in relation to the contractually required contribution	(1,378)	(1,299)	(1,293)	(1,136)	(1,001)
Authority's contribution deficiency (excess)	-	-	-	-	-

	Year Ended December 31,				
	2013	2012	2011	2010	2009
Authority's contractually required contribution	$ 1,066	$ 1,076	$ 1,077	$ 1,090	$ 1,068
Authority's contribution in relation to the contractually required contribution	(1,066)	(1,076)	(1,077)	(1,090)	(1,068)
Authority's contribution deficiency (excess)	-	-	-	-	-

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part II (Unaudited)
Notes to Required Supplementary Information
For the Year Ended December 31, 2018

Pennsylvania State Employees' Retirement System (SERS)

Changes in benefit terms - None

Changes in assumptions - For the measurement date December 31, 2017 and December 31, 2016, the discount rate remained at 7.25%, net of expenses including inflation. Economic assumptions were revised in accordance with the results of the *18th Investigation of Actuarial Experience* study. Projected salary increases changed to an average of 5.60% with a range of 3.70%-8.90%, including inflation, and the inflation rate changed to 2.60%. For the measurement date December 31, 2015 and December 31, 2014, the discount rate was 7.50%, net of expenses including inflation. Projected salary increases were an average of 5.70% with a range of 3.85%-9.05%, including inflation, and the inflation rate was to 2.75%.

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

Changes in benefit terms - None

Changes in assumptions - The discount rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018. The long-term expected rate of return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018. For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the social security wage base was set at $118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at $265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

Teamsters Pension Plan of Philadelphia and Vicinity

The Authority is required to contribute a collectively bargain amount per day for each participating PATCO employee. This daily amount ranged from $21.00 in 2009 to $29.24 in 2018.

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part III (Unaudited)
Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2018
(amounts expressed in thousands)

Total OPEB liability	
Service cost	$ 337
Interest	4,245
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(5,366)
Net change in total OPEB liability	(784)
Total OPEB liability, January 1	114,380
Total OPEB liability, December 31	$ 113,596
Plan fiduciary net position	
Contributions - employer	$ 10,366
Net investment income	399
Benefit payments	(5,366)
Administrative expense	(82)
Net change in plan fiduciary net position	5,317
Plan fiduciary net position, January 1	25,766
Plan fiduciary net position, December 31	$ 31,083
Authority's net OPEB liability	$ 82,513
Plan fiduciary net position as a percentage of the total OPEB liability	27.36%
Covered-employee payroll	$ 32,986
Authority's net OPEB liability as a percentage of covered-employee payroll	250.15%

(Continued)

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part III (Unaudited)
Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2018
(amounts expressed in thousands)

Notes to Schedule:

Benefit changes . None

Changes of assumptions . Since December 31, 2018 was the first year of implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pension, there are no changes in assumptions from the previous year.

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

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part III (Unaudited)
Schedule of Authority Contributions
For the Year Ended December 31, 2018
(amounts expressed in thousands)

Authority's determined contribution	$	5,337
Contributions in relation to the actuarially determined contribution		10,366
Contribution deficiency (excess)	$	(5,029)
Covered-employee payroll	$	32,986
Contributions as a percentage of covered-employee payroll		16.18%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, 2018, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal as a Level Percentage of Payroll
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	Current market value of assets placed in an irrevocable OPEB trust
Healthcare cost trend rates	The following assumptions are used for annual healthcare cost inflation (trend):

	Year	Pre-65	Post 65
Year 1 Trend	January 1, 2020	8.0%	8.0%
Ultimate Trend	January 1, 2026 & Later	5.0%	5.0%
Grading Per Year		0.5%	0.5%

Salary increases	3.5 percent
Investment rate of return	3.8 percent

(Continued)

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part III (Unaudited)
Schedule of Authority Contributions
For the Year Ended December 31, 2018
(amounts expressed in thousands)

Notes to Schedule (Cont'd):

Methods and assumptions used to determine contribution rates (cont'd):

Retirement age

In the 2018 actuarial valuation, Eligibility for retirement is based on a minimum of age and/or years of service (YOS). Eligibility varies by date of hire for DRPA and PATCO, which is as follows:

Date of Hire Range	Age	Years of Service
Prior to 1/1/04	55	10
1/1/04 to 1/1/07	55	20

For employees hired after January 1, 2007, no subsidized retiree benefits are offered. For DRPA employees hired prior to 1/1/98, they are eligible for retiree medical after ten (10) years of service (YOS) and obtaining a minimum age of fifty-five (55) for prescription drugs. Life insurance has the same eligibility requirements as medical insurance.

Mortality

In the 2018 actuarial valuation, the RP 2014 Healthy Male and Female Tables are based on the Employee and Healthy Annuitant Tables for both pre & post retirement projected with mortality improvement using the most current Society of Actuaries Mortality Improvement Scale MP-2018.

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

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Net Position Information by Fund
December 31, 2018
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Assets							
Current Assets							
Cash and cash equivalents		$ 1,582		$ 28,812			$ 30,394
Investments		382		233,871			234,253
Accounts receivable, net of allowance for uncollectibles		7,841		14,753			22,594
Accrued interest receivable				602			602
Transit system and storeroom inventories		342		5,790			6,132
Economic development loans - current				494			494
Prepaid expenses		4,201		1,316			5,517
Restricted assets							
Cash and cash equivalents		6,770				$ 537	7,307
Investments		6,142	$ 5,275		$ 155,547	511	167,475
Total current assets	-	27,260	5,275	285,638	155,547	1,048	474,768
Noncurrent Assets							
Restricted investments for capital projects						290,185	290,185
Derivative instrument - forward delivery agreements			340		1,780		2,120
Capital assets, net of accumulated depreciation							
Land	$ 74,051			25			74,076
Construction in progress	418,117						418,117
Bridges and related buildings and equipment	714,463						714,463
Transit property and equipment	451,590						451,590
Port enhancements	1,090						1,090
Total capital assets	1,659,311	-	-	25	-	-	1,659,336
Other							
Economic development loans, net of allowance for uncollectibles				11,175			11,175
Debt insurance costs, net of amortization				61			61
Total noncurrent assets	1,659,311	-	340	11,261	1,780	290,185	1,962,877
Total assets	1,659,311	27,260	5,615	296,899	157,327	291,233	2,437,645
Deferred Outflows of Resources							
Pension related amounts		24,747		8,829			33,576
Loss on refunding of debt	53,130			1,343			54,473
Total deferred outflows of resources	53,130	24,747	-	10,172	-	-	88,049

(Continued)

Liabilities

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Net Position Information by Fund
December 31, 2018
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Current Liabilities							
Accounts payable							
Retained amounts on contracts		$ 191		$ 17,726			$ 17,917
Other		7,658		21,238			28,896
Accrued liabilities							
Claims and judgments		532		289			821
Self-insurance		1,100		798			1,898
Pension		3,677		1,058			4,735
Sick and vacation leave benefits		2,288		452			2,740
Other		1,182		1,448			2,630
Unearned revenue				5,579			5,579
Liabilities payable from restricted assets							
Accrued interest payable					$ 16,563		16,563
Bonds payable - current				11,895			11,895
Total current liabilities	-	16,628	-	60,483	16,563	-	93,674
Noncurrent Liabilities							
Accrued liabilities							
Claims and judgments		354		193			547
Self-insurance		1,650		1,198			2,848
Sick and vacation leave benefits		1,526		301			1,827
Net pension liability		124,411		19,946			144,357
Other postemployment benefits		70,859		11,654			82,513
Unearned revenue		967					967
Bonds payable, net of unamortized discounts and premiums	$ 1,274,676			130,901			1,405,577
Total noncurrent liabilities	1,274,676	199,767	-	164,193	-	-	1,638,636
Total liabilities	1,274,676	216,395	-	224,676	16,563	-	1,732,310
Deferred Inflows of Resources							
Pension related amounts		9,868		1,557			11,425
Forward delivery agreements			$ 340		1,780		2,120
Total deferred inflows of resources	-	9,868	340	1,557	1,780	-	13,545
Net Position							
Net investment in capital assets	437,765			25		$ 290,000	727,790
Restricted for:							
Debt requirements		15,883	3,000		137,027		155,910
Port projects						1,233	1,233
Unrestricted (deficiency)		(190,139)	2,275	80,813	1,957		(105,094)
Total net position (deficiency)	$ 437,765	$ (174,256)	$ 5,275	$ 80,838	$ 138,984	$ 291,233	$ 779,839

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Changes in Fund Net Position Information by Fund
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Net Position (Deficiency), January 1	$ 251,629	$ (118,322)	$ 5,139	$ 410,661	$ 190,376	$ 4,651	$ 744,134
Cumulative effect of change in accounting principle		(64,689)		(9,446)			(74,135)
Net Position (Deficiency), January 1 (Restated)	251,629	(183,011)	5,139	401,215	190,376	4,651	669,999
Revenues and Expenses							
Operating revenues		342,789		29,118			371,907
Operating expenses	(71,816)	(52,285)		(46,606)			(170,707)
General and administration expenses		(59,604)		(9,152)			(68,756)
Investment income		3,009	136	9,314	12,367	194	25,020
Interest expense	(382)			1,331	(67,685)		(66,736)
Economic development activities				(68)			(68)
Other nonoperating revenues (expenses)	(10,157)	243		548			(9,366)
Other grant revenues				1,552			1,552
Total revenues and expenses	(82,355)	234,152	136	(13,963)	(55,318)	194	82,846
Government Contributions for Capital Improvements, Additions and other projects	-	-	-	26,994	-	-	26,994
Interfund Transfers and Payments							
Bond service		(58,920)		(18,870)	77,790		
Funds in excess of bond reserve requirement							
Funds free and clear of any lien or pledge		(116,846)		116,846			
Funds for permitted capital expenditures							
Retirement of bonds	44,645			11,220	(55,865)		
Funds for permitted port projects				3,612		(3,612)	
Capital additions	168,336			(168,336)			
Net equity transfers	55,510	(49,631)		(277,880)	(17,999)	290,000	
Total interfund transfers and payments	268,491	(225,397)	-	(333,408)	3,926	286,388	
Net Position (Deficiency), December 31	$ 437,765	$ (174,256)	$ 5,275	$ 80,838	$ 138,984	$ 291,233	$ 779,839

DELAWARE RIVER PORT AUTHORITY

Supplemental Schedule of Net Position Information for Bond and Project Funds
December 31, 2018
(amounts expressed in thousands)

	Bond Reserve Fund	Bond Service Fund	1998 Port District Project Fund	1999 Project Fund	1999 Port District Project Fund	2001 Port District Project Fund	2018 Project Fund	Total Combined Funds
Assets								
Current Assets								
Restricted assets								
Cash and cash equivalents			$ 4	$ 60	$ 473			$ 537
Investments	$ 127,730	$ 27,817			30	$ 481		156,058
Total current assets	127,730	27,817	4	60	503	481	-	156,595
Noncurrent Assets								
Restricted investments for capital projects							$ 290,185	290,185
Derivative instrument - forward delivery agreements		1,780						1,780
Total noncurrent assets	-	1,780	-	-	-	-	290,185	291,965
Total assets	127,730	29,597	4	60	503	481	290,185	448,560
Liabilities								
Current Liabilities								
Liabilities payable from restricted assets								
Accrued interest payable		16,563						16,563
Total current liabilities	-	16,563	-	-	-	-	-	16,563
Total liabilities	-	16,563	-	-	-	-	-	16,563
Deferred Inflows of Resources								
Forward delivery agreements	-	1,780	-	-	-	-	-	1,780
Net Position								
Net investment in capital assets							290,000	290,000
Restricted for								
Revenue and port district project bonds	125,773							125,773
Revenue and port district bond service		11,254						11,254
Port projects			4	60	503	481	185	1,233
Unrestricted	1,957							1,957
Total net position	$ 127,730	$ 11,254	$ 4	$ 60	$ 503	$ 481	$ 290,185	$ 430,217

DELAWARE RIVER PORT AUTHORITY

Supplemental Schedule of Changes in Net Position Information for Bond and Project Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	Bond Reserve Fund	Bond Service Fund	1998 Port District Project Fund	1999 Project Fund	1999 Port District Project Fund	2001 Port District Project Fund	2013 Project Fund	2018 Project Fund	Total Combined Funds
Net Position, January 1	$ 133,909	$ 56,467	$ 4	$ 60	$ 1,099	$ 559	$ 2,928	-	$ 195,027
Revenues and Expenses:									
Investment income	11,820	547				6	3	$ 185	12,561
Interest expense		(67,685)							(67,685)
Total revenues and expenses	11,820	(67,138)				6	3	185	(55,124)
Interfund Transfers and Payments:									
Bond service		77,790							77,790
Retirement of bonds		(55,865)							(55,865)
Funds for permitted port projects					(596)	(84)	(2,932)		(3,612)
Net equity transfers	(17,999)							290,000	272,001
Total interfund transfers and payments	(17,999)	21,925			(596)	(84)	(2,932)	290,000	290,314
Net Position, December 31	$ 127,730	$ 11,254	$ 4	$ 60	$ 503	$ 481	-	$ 290,185	$ 430,217

Statistical Section

Statistical Section

FINANCIAL TREND DATA (Unaudited)

The Authority's change in net position increased to $109.8 million during 2018 based on strong operating results, with income before capital contributions of $82.8 million, which is $1.5 million higher than the 2017 total of $81.3 million. A $74.1 million adjustment, due to accounting changes, reduced the overall net position year-to-year change to $35.7 million.

The Authority's net position has improved from $286.9 million to $779.8 million (a $492.9 million increase) since 2010, largely due to higher toll revenues and operating income. During 2018, total operating revenues increased by $5.9 million (up 1.6%), while total operating expenses increased by $18.0 million (up 8.1%), or a total of $239.5 million. The major factors impacting the increase in operating expenses were the biennial inspection costs and the cost of issuance for the 2018 Revenue Bonds. Operating income decreased from $144.5 million, in 2017, to $132.4 million, a decrease of $12.1 million, however, income before capital contributions increased by $1.5 million. Non-operating expenses improved by $13.5 million. Higher investment income and lower economic development costs in 2018. Capital contributions during 2018, increased substantially, increasing by $19.4 million to total $27.0 million, up from $7.5 million in 2017. Capital contributions (grants) accounted for 24.6% of the increase in net position.

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

Last Ten Fiscal Years (In Thousands)

NET POSITION

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Investment in capital assets	$ 727,790	$ 271,323	$ 235,795	$ 203,366	$ 174,762	$ 213,138	$ 272,905	$ 214,632	$ 239,390	$ 325,973
Restricted	157,143	205,742	209,924	219,485	215,004	159,521	143,692	185,219	158,589	142,435
Unrestricted (deficiency)	(105,094)	267,069	209,522	165,519	198,079	138,730	2,232	(67,153)	(111,050)	(138,043)
Total Net Position	$ 779,839	$ 744,134	$ 655,241	$ 588,370	$ 587,845	$ 511,389	$ 418,829	$ 332,698	$ 286,929	$ 330,365

CHANGES IN NET POSITION

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating Revenues										
Bridges:										
Tolls	$ 335,588	$ 331,537	$ 319,778	$ 307,240	$ 297,267	$ 293,863	$ 292,810	$ 267,685	$ 243,879	$ 242,620
Other operating revenues	7,201	5,856	6,675	6,435	7,702	6,451	6,372	5,049	4,753	4,944
Total bridge operating revenues	342,789	337,393	326,453	313,675	304,969	300,314	299,182	272,734	248,632	247,564
Transit system:										
Passenger fares	26,215	26,562	26,073	24,943	24,257	25,908	26,035	24,004	21,956	22,028
Other operating revenues	2,733	1,799	1,943	1,661	1,506	1,699	1,957	1,817	1,968	1,606
Total transit system operating revenues	28,948	28,361	28,016	26,604	25,763	27,607	27,992	25,821	23,924	23,634
Port of Philadelphia and Camden:										
Cruise terminal	-	-	-	-	-	-	2	369	309	571
RiverLink	-	-	27	30	-	-	-	68	61	62
Total Port of Philadelphia and Camden	-	-	-	27	30	-	-	2	437	370
Other:										
Miscellaneous	170	226	216	985	150	203	224	556	1,801	1,456
Total operating revenues	371,907	365,980	354,712	341,294	330,882	328,124	327,400	299,548	274,727	273,287
Operating Expenses:										
Operations	98,391	96,310	93,443	89,213	100,596	97,436	98,581	94,259	99,518	97,735
Community impact	500	3,791	3,790	3,781	3,745	3,688	3,611	3,560	3,473	3,483
General and administration	68,756	60,142	66,964	56,309	41,347	38,932	44,277	40,536	46,272	35,457
Port of Philadelphia and Camden	-	-	-	49	189	62	29	246	824	1,269
Depreciation	71,816	61,270	58,933	57,614	57,425	54,801	55,018	49,216	47,751	45,776
Total operating expenses	239,463	221,513	223,130	206,966	203,302	194,919	201,516	187,817	197,838	183,720
Operating Income	132,444	144,467	131,582	134,328	127,580	133,205	125,884	111,731	76,889	89,567
Nonoperating Revenues (Expenses)										
Interest revenue (net of change in fair value of derivative instruments)	25,020	9,128	7,944	7,834	8,479	4,628	7,638	13,633	(25,867)	8,718
Interest expense	(66,736)	(72,556)	(74,419)	(75,792)	(78,377)	(58,784)	(66,540)	(77,870)	(72,527)	(65,584)
Amortization expense	(97)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(1,511)	(1,356)
Economic development activities	(68)	(4,194)	(3,404)	(4,167)	(2,401)	(4,371)	(8,695)	(2,025)	(39,657)	(26,794)
Loss of defeasance of debt	(9,266)	-	-	-	-	-	-	-	-	-
Other	1,549	4,591	3,115	5,156	4,844	2,825	4,276	3,055	(1,366)	(985)
Bond issuance costs	-	-	-	-	-	(2,516)	(1,374)	-	-	-
Loss on abandonment of Aerial Tram project	-	-	-	-	-	-	-	(18,318)	-	-
Loss on disposal of capital assets	-	-	(84)	(1,732)	-	-	-	(7,929)	-	-
Total nonoperating revenues (expenses)	(49,598)	(63,131)	(66,948)	(68,801)	(67,555)	(58,318)	(64,795)	(89,554)	(140,928)	(86,001)
Income (Loss) Before Capital Contributions	82,846	81,336	64,634	65,527	60,025	74,887	61,089	22,177	(64,039)	3,566
Capital Contributions:										
Federal and state capital improvement grants	26,994	7,557	2,237	36,758	16,431	17,673	25,042	33,021	20,603	11,443
Change in Net Position	$ 109,840	$ 88,893	$ 66,871	$ 102,285	$ 76,456	$ 92,560	$ 86,131	$ 55,198	$ (43,436)	$ 15,009

Figures for 2011 through 2018 include the implementation of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities* .

Figures for 2015 through 2018 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* , and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* .

Figures for 2018 include the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

REVENUE CAPACITY DATA (Unaudited)

Major annual revenues (consisting primarily of bridge operating revenues, PATCO transit system revenues and investment income) have grown significantly since 2009, increasing from $281.1 million to $396.8 million, an increase in annual revenues of about $115.7 million. Revenue growth in the period from 2009 to 2018 reflects the impact of two major increases in bridge tolls and transit system fares implemented in 2008 and 2011. During 2018, bridge operating revenues increased by $5.4 million from 2017 to total $342.8 million, an increase of 1.60%, while PATCO transit system operating revenues increased by $587k. Interest income increased by $16.0 million, or by 177.53% largely due to a $7.9 million cash settlement on a terminated forward delivery agreement. In addition, the interest income earned in the General Fund showed a year-to-year increase of $4.5 million, a 92.2% increase from the prior year. This increase is resultant from higher short-term interest rates, as a result of several Federal Reserve Bank increases in the Fed funds rates .

Up until 2015, bridge traffic had decreased steadily since 2008. In 2018, bridge traffic reached its highest level since 2008. The increase for 2018 was 0.69%, or 366 thousand vehicles higher than the prior year. Traffic declines between 2008 and 2014, were largely attributable to overall poor economic conditions and the impact of previous toll increases. Better regional economic conditions, stable gas prices, and a lack of inclement weather have all contributed to the increases in annual bridge traffic since 2014.

In 2018, total PATCO transit system operating revenues (inclusive of fare, parking, and advertising revenues) increased vs. 2017, primarily due to a $0.9 million increase in telecomm leasing fee revenues. Total PATCO revenues increased by $587K, representing a 2.07% increase. During 2018, PATCO's passenger fare revenues decreased by $347K or 1.3% due to a decrease in ridership of 48 thousand.

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

Last Ten Fiscal Years (In Thousands)

MAJOR REVENUES BY SOURCE

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Bridge operating revenues	$ 342,789	$ 337,393	$ 326,453	$ 313,675	$ 304,969	$ 300,314	$ 299,182	$ 272,734	$ 248,632	$ 247,564
PATCO transit system operating revenues	28,948	28,361	28,016	26,604	25,763	27,607	27,992	25,821	23,924	23,634
Port of Philadelphia and Camden	-	-	27	30	-	-	2	437	370	633
Interest income	25,014	9,013	7,720	7,450	6,909	5,581	5,803	4,968	8,176	9,252
Total revenues	$ 396,751	$ 374,767	$ 362,216	$ 347,758	$ 337,641	$ 333,502	$ 332,979	$ 303,960	$ 281,102	$ 281,083

On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. Additionally, passenger fares, with the exception of fares for elderly persons and persons with disabilities, were increased by 10% across all zones. On July 1, 2011, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class. The Authority also implemented a second 10% increase in PATCO passenger fares. On December 1, 2015, the Authority reinstituted the E-ZPass frequent bridge traveler credit program, which reduced annual toll revenues by approximately $1.85 million in 2018, $1.8 million in 2017 and $1.7 million in 2016.

TOLL REVENUE BY BRIDGE

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Walt Whitman Bridge	$ 125,790	$ 125,001	$ 124,379	$ 122,648	$ 116,256	$ 111,256	$ 111,900	$ 103,191	$ 95,180	$ 96,319
Ben Franklin Bridge	104,797	103,262	101,860	97,739	97,923	101,094	100,443	89,824	80,083	79,848
Betsy Ross Bridge	45,340	45,700	40,408	34,766	33,408	33,578	34,084	32,295	30,610	29,062
Commodore Barry Bridge	58,543	57,325	55,731	52,087	49,680	47,935	46,383	42,375	38,006	37,391
Total toll revenues	$ 334,470	$ 331,288	$ 322,378	$ 307,240	$ 297,267	$ 293,863	$ 292,810	$ 267,685	$ 243,879	$ 242,620
E-ZPass CSC Revenue Allocation Share	(200)	249	(2,600)							
Other toll revenues	1,318	-	-							
Net toll revenues	$ 335,588	$ 331,537	$ 319,778							

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

On November 16, 2016, the Authority's Board authorized an initial payment of $2.6 million to the NJ CSC based on a revenue allocation formula, under the new contract, which determined the DRPA's portion of past negative balance E-ZPass customer accounts. In May 2017, the actual invoice payment for this commitment came in at $2.351 million. Revenues for 2017 were adjusted upward by $0.249 million to reflect this reduction in the amount due. In 2018, revenues were reduced by $0.200 million to adjust for the DRPA's E-ZPass CSC Revenue Allocation Share. Other toll revenues were $1.32 million. Please see Note 15 for additional information.

BRIDGE CASH TOLL RATES

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Class 1 - Motorcycle	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 4.00	$ 4.00
Class 2 - Automobile	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00
Class 3 - Two Axle Trucks	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	12.00	12.00
Class 4 - Three Axle Trucks	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	18.00	18.00
Class 5 - Four Axle Trucks	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	24.00	24.00
Class 6 - Five Axle Trucks	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	30.00	30.00
Class 7 - Six Axle Trucks	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	36.00	36.00
Class 8 - Bus	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	6.00	6.00
Class 9 - Bus	11.25	11.25	11.25	11.25	11.25	11.25	11.25	11.25	9.00	9.00
Class 10 - Senior Citizen (with ticket only)	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00
Class 13 - Auto with trailer (1 axle)	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	6.00	6.00

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

REVENUE CAPACITY DATA (Unaudited) (Continued)

BRIDGE TRAFFIC BY VEHICLE CLASSIFICATION

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Vehicle classification:										
Automobiles & light trucks	48,599	48,214	47,225	44,905	43,644	43,732	43,931	44,757	46,245	46,580
Trucks	3,343	3,304	3,137	2,865	2,713	2,571	2,505	2,542	2,603	2,548
Buses	241	239	236	217	228	231	236	250	260	276
Senior citizens	1,083	1,144	1,204	1,215	1,245	1,344	1,405	1,440	1,305	1,229
Other	4	3	3	3	2	2	3	3	1	4
Total traffic	53,270	52,904	51,805	49,205	47,832	47,880	48,080	48,992	50,414	50,637

BRIDGE TRAFFIC BY BRIDGE

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Walt Whitman Bridge	20,063	19,901	19,945	19,634	18,665	18,086	18,311	18,806	19,579	20,022
Ben Franklin Bridge	18,713	18,532	18,367	17,591	17,642	18,292	18,285	18,286	18,459	18,571
Betsy Ross Bridge	6,990	6,983	6,182	5,158	4,923	4,993	5,090	5,429	5,821	5,595
Commodore Barry Bridge	7,504	7,488	7,311	6,822	6,602	6,509	6,394	6,471	6,555	6,449
Total traffic	53,270	52,904	51,805	49,205	47,832	47,880	48,080	48,992	50,414	50,637

PATCO TRANSIT SYSTEM OPERATING REVENUES

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Passenger fares	$ 26,215	$ 26,562	$ 26,073	$ 24,943	$ 24,257	$ 25,908	$ 26,035	$ 24,004	$ 21,956	$ 22,028
Other revenues	2,733	1,799	1,943	1,661	1,506	1,699	1,957	1,817	1,968	1,606
Total operating revenues	$ 28,948	$ 28,361	$ 28,016	$ 26,604	$ 25,763	$ 27,607	$ 27,992	$ 25,821	$ 23,924	$ 23,634

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

PATCO PASSENGER FARES

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

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

PATCO TRANSIT SYSTEM RIDERSHIP

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Passengers	10,791	10,839	10,653	10,169	10,007	10,542	10,613	10,506	10,109	10,022

DEBT CAPACITY DATA (Unaudited)

During the period 2010 to 2017, the Authority's debt service coverage (DSC), was impacted by the increased debt service requirements related to the issuance of $785 million in fixed rate debt in 2010 and 2013. DSC increased in 2018, to 2.21X vs. 2017's performance of 2.09X, largely as a result of higher net revenues available for debt service (the highest level in DRPA history), and a large reduction in total debt service (attributable to the 2010D bond defeasance and refunding of all variable rate debt in mid-December).

During the period, 2010-2013, growth in net revenues from $153.2 million to $211.2 million helped propel an increase in DSC from 1.73X to a ten-year high of 2.66X in 2012. DSC grew during that time period despite higher debt service costs related to the issuance of the 2010 revenue bonds. Beginning in 2012, annual debt service was reduced by the early redemption of approximately $24 million of 1999 revenue bonds, which was a major factor in the growth of the DSC from 2.08X to 2.64X in the period 2011 through 2013. In 2014, DSC dropped as a result of the issuance of the 2013 revenue bonds and it has hovered around the 2.00X for the period thru 2017.

Prior to the issuance of the 2013 revenue bonds, total debt outstanding had decreased from $1.4 billion to $1.2 billion in the period 2010 to 2012. DRPA total debt outstanding peaked at $1.65 million in 2013, but has since dropped to $1.42 million in 2018, a decrease of $238 million.

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

Last Ten Fiscal Years (In Thousands)

DEBT SERVICE COVERAGE

	2018	2017	2016	2015	2014	2013	2012	2011 *	2010 *	2009 *
Revenues available for Debt Service:										
Bridge operating	$ 342,789	$ 337,393	$ 326,453	$ 313,675	$ 304,969	$ 300,314	$ 299,182	$ 272,734	$ 248,632	$ 247,564
Interest income	3,145	561	527	157	152	152	154	155	156	559
	345,934	337,954	326,980	313,832	305,121	300,466	299,336	272,889	248,788	248,123
Less expenses:										
Bridge operating	53,550	54,116	50,737	47,885	53,466	53,042	56,325	49,369	56,354	54,076
General and administration	59,939	51,938	59,558	48,378	41,347	38,932	44,277	40,536	46,272	35,457
	113,489	106,054	110,295	96,263	94,813	91,974	100,602	89,905	102,626	89,533
Add:										
Bridge Repainting Expense		-	-	-	-	-	-	-	-	-
GASB 45 Expense (exclusive of PATCO)	3,439	3,635	3,843	4,694	4,694	400	1,635	1,005	6,012	6,012
Interest Income:										
1998, 1999, 2008, 2010, 2013 and 2018										
Revenue Bonds	11,549	2,666	2,889	2,342	2,349	2,352	2,086	2,387	983	2,602
	14,988	6,301	6,204	7,036	7,043	2,752	3,721	3,392	6,995	8,614
Net revenues available for Debt Service:										
1998 Revenue Bond Indenture	$ 247,433	$ 238,201	$ 222,889	$ 224,605	$ 217,351	$ 211,244	$ 202,455	$ 186,376	$ 153,157	$ 167,204
Debt Service (Revenue Bonds):**										
Swap Payments (net)	$ 18,430	$ 24,634	$ 28,835	$ 32,351	$ 34,681	$ 36,206	$ 37,736	$ 39,250	$ 40,687	$ 18,793
1998, 1999 Revenue Bonds	-	-	-	-	-	-	6,450	19,391	26,956	42,026
2008 Revenue Refunding Bonds	25,517	23,188	20,839	18,648	17,746	15,775	15,155	14,534	12,497	12,189
2010 Revenue Bonds	12,997	15,429	15,429	15,429	15,429	15,429	15,429	15,429	7,114	-
2010 Revenue Refunding Bonds	30,052	27,201	24,288	21,560	20,445	11,805	1,245	1,033	1,149	-
2013 Revenue Bonds	23,655	23,655	23,655	23,655	23,655	854	-	-	-	-
2018 Revenue Bonds	1,248	-	-	-	-	-	-	-	-	-
Total Debt Service	$ 111,899	$ 114,107	$ 113,046	$ 111,643	$ 111,956	$ 80,069	$ 76,015	$ 89,637	$ 88,403	$ 73,008
Debt Service coverage (Times) :										
1998 Bond Indenture	2.21	2.09	1.97	2.01	1.94	2.64	2.66	2.08	1.73	2.29

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

FUNDED DEBT*

	2018	2017 *	2016 *	2015 *	2014 *	2013 *	2012 *	2011 *	2010	2009
Outstanding Revenue Bond related debt	$ 1,274,676	$ 1,298,855	$ 1,341,686	$ 1,382,263	$ 1,420,724	$ 1,450,720	$ 978,185	$ 1,034,519	$ 1,065,375	$ 785,075
Outstanding Port District Project Bond debt	142,796	155,966	168,603	180,735	192,454	203,995	209,603	314,470	303,554	321,915
Total outstanding debt	$ 1,417,472	$ 1,454,821	$ 1,510,289	$ 1,562,998	$ 1,613,178	$ 1,654,715	$ 1,187,788	$ 1,348,989	$ 1,368,929	$ 1,106,990

* Figures for 2011 through 2018 include the implementation of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities.*

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Outstanding Revenue Bond related debt	$ 1,274,676	$ 1,298,855	$ 1,341,686	$ 1,382,263	$ 1,420,724	$ 1,450,720	$ 978,185	$ 1,034,519	$ 1,065,375	$ 785,075
Total annual debt service related to Revenue Bonds	$ 78,365	$ 114,107	$ 116,201	$ 111,643	$ 111,956	$ 80,069	$ 76,015	$ 89,637	$ 88,403	$ 73,008
Total traffic	53,270	52,904	51,805	49,205	47,832	47,880	48,080	48,992	50,414	50,637
Outstanding Revenue Bond debt per customer	$ 23.93	$ 24.55	$ 25.90	$ 28.09	$ 29.70	$ 30.30	$ 20.34	$ 21.12	$ 21.13	$ 15.50
Outstanding total bond debt per customer	$ 26.61	$ 27.50	$ 29.15	$ 31.77	$ 33.73	$ 34.56	$ 24.70	$ 27.53	$ 27.15	$ 21.86
Debt service per customer	$ 1.47	$ 2.16	$ 2.24	$ 2.27	$ 2.34	$ 1.67	$ 1.58	$ 1.83	$ 1.75	$ 1.44

Source: The Authority

DEMOGRAPHIC AND ECONOMIC DATA (Unaudited)

The following figures provide four key external factors during the ten years from 2008-2017 that affected the geographic region in which the Authority functions; this region is the Port District, which is comprised of the counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia in Pennsylvania, and the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem in New Jersey.

Based on the most recent data (2017 is the latest year for which this information is available), population increased in the Pennsylvania counties by4.02% (about 159,300) since 2008. The unemployment rate in the Philadelphia counties for the period of 2008 through 2017 reflected a high of 8.63% in 2012 and a low of 4.78% in 2017. Six of the top ten employers in the Pennsylvania counties were health care organizations. There was an increase in the population of the Pennsylvania counties by approximately 0.58%, from 2016 to 2017, an increase of about 23,600 people. There was an approximate decrease of 7.54% (from 5.17% to 4.78%) in the unemployment rate during 2017

Population increased in the New Jersey counties by 0.82% (about 19,700) since 2008. The unemployment rate in the New Jersey counties for the period of 2008 through 2017 reflected a high of 10.82% in 2012 and a low of 5.29% in 2017. In the New Jersey counties there was an increase in population by approximately 0.11%. The unemployment rate decreased from 2017 versus 2016 by approximately 6.87% (moving from 5.68% to 5.29%).

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

Last Ten Fiscal Years

PENNSYLVANIA PORT DISTRICT

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Population (1)	4,119,268	4,095,710	4,093,516	4,081,572	4,067,265	4,053,493	4,033,385	4,013,504	3,989,221	3,959,997
Total Personal Income (1)	$270,935,037	$260,561,830	$251,261,143	$241,144,698	$229,839,578	$227,744,849	$213,170,968	$201,303,429	$191,120,068	$197,097,979
Per Capita Personal Income (1)	$65,773	$63,618	$61,380	$59,081	$56,510	$56,185	$52,852	$50,157	$47,909	$49,772
Unemployment Rate (2)	4.78%	5.17%	5.30%	5.98%	7.60%	8.63%	8.14%	8.36%	7.91%	5.38%

Sources:

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

PENNSYLVANIA PORT DISTRICT TOP TEN EMPLOYERS

	# of Employees	% of Employment		# of Employees	% of Employment
1. University of Pennsylvania & Health System	40,697	1.31%	6. Mainline Health	11,000	0.35%
2. Thomas Jefferson University & Jefferson Health	30,000	0.96%	7. Temple University Health System	9,808	0.32%
3. Comcast Corporation	22,000	0.71%	8. Einstein Healthcare	8,645	0.28%
4. Drexel University	12,124	0.39%	9. Wells Fargo Bank, N.A.	6,328	0.20%
5. Vanguard Group	11,300	0.36%	10. Independence Health Group	6,116	0.20%

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

Sources: Philadelphia Business Journal

NEW JERSEY PORT DISTRICT

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Population (1)	2,428,265	2,425,552	2,426,511	2,429,015	2,427,966	2,429,417	2,427,092	2,424,005	2,415,545	2,408,517
Total Personal Income (1)	$125,526,033	$120,512,111	$117,756,428	$113,026,005	$109,187,163	$107,985,081	$105,590,941	$101,444,769	$99,501,765	$100,161,758
Per Capita Personal Income (1)	$51,694	$49,684	$48,529	$46,532	$44,971	$44,449	$43,505	$41,850	$41,192	$41,586
Unemployment Rate (2)	5.29%	5.68%	6.82%	7.99%	9.62%	10.82%	10.75%	10.33%	9.90%	5.93%

Sources:

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

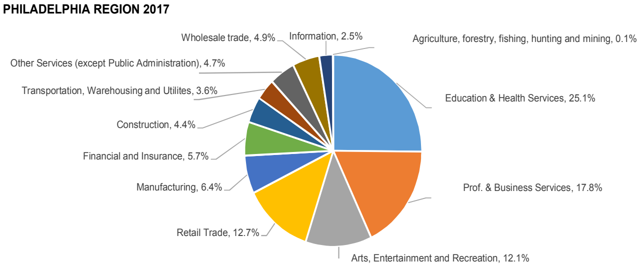
NEW JERSEY PORT DISTRICT TOP TEN EMPLOYERS

	# of Employees	% of Employment		# of Employees	% of Employment
1. Bank of America	10,000	0.32%	6. Holman Automotive	2,323	0.07%
2. Virtua	9,000	0.29%	7. Lourdes Medical Center	1,329	0.04%
3. Horizon Blue Cross and Blue Shield	5,523	0.18%	8.American Water	1,329	0.04%
4. Kennedy Health	4,987	0.16%	9. JLL Real Estate	1,248	0.04%
5. Rowan University	4,200	0.14%	10. Campbell Soup Co.	1,200	0.04%

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

Sources: NJ.gov Leading Employers

EMPLOYMENT SHARES BY SECTOR: GREATER PHILADELPHIA REGION 2017



Source: American Community Survey

OPERATING INFORMATION (Unaudited)

Overall bridge operating revenues, and more specifically bridge toll revenues, have shown positive growth for the ten-year period shown below. Toll revenues for the fiscal years 2009 through 2010 increased significantly due to the 2008 toll increase, while revenues beginning in 2012 increased sharply relative to prior years, due to the mid-year 2011 toll increase. Since 2013, bridge operating revenues have exceeded $300 million. During 2018, net toll revenues reached $335.6 million annually, the highest in DRPA history. These higher revenues were largely attributable to a 366 thousand increase in total traffic activity (especially commercial vehicles) during 2018.

General expenses which had fallen below $200 million in 2013, increased beyond this level beginning in 2014, as interest expense rose due to the issuance of new bonds in December 2013. General expenses totaled $234.4 million, up $1.6 million, from the previous year, due to higher DRPA G&A expenses (total increase of $8.0 million) resulting from the biennial inspection and bond issuance costs associated with the 2018 Revenue Bonds. Total bridge operational expenses decreased slightly in 2018.

The Authority's capital expenditures increased to $168.3 million in 2018, an increase of $35.2 million. During 2011 and 2012, capital expenditures, exceeded $100 million for the first times during the ten-year period shown, with 2011 expenditures exceeding $158 million. During 2014 through 2017, capital expenditures were averaging around $130 million a year. The large increase in 2018 was related to several major projects such as the PATCO Transit Car Overhaul and Lindenwold Viaduct and Track rehab, the BFB Bike and Pedestrian Walkway and the deleading and repainting at Commodore Barry and Walt Whitman bridges. The Authority's capital expenditures increased to $168.3 million in 2018, a year-to-year increase of $35.2 million, or 26.36%, by far the highest level in the 2000's. Capital expenditures were primarily funded with General Funds and some federal funding.

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

Last Ten Fiscal Years (In Thousands)

BRIDGE OPERATING REVENUES

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Toll revenues by vehicle classification:										
Automobiles & light trucks	$ 242,316	$ 240,079	$ 234,982	$ 225,263	$ 219,197	$ 219,379	$ 220,379	$ 201,483	$ 184,439	$ 184,260
Trucks	86,609	85,548	81,352	76,389	72,377	68,298	66,087	60,383	54,856	53,697
Buses	2,376	2,383	2,354	2,189	2,278	2,310	2,370	2,271	2,074	2,187
Senior citizens	2,709	2,860	3,010	3,037	3,113	3,360	3,512	3,123	2,308	2,268
Other	460	418	680	362	302	516	462	425	202	208
Total toll revenues	334,470	331,288	322,378	307,240	297,267	293,863	292,810	267,685	243,879	242,620
E-ZPass CSC Revenue Allocation	(200)	249	(2,600)							
Other toll revenues	1,318	-	-							
Net toll revenues	$ 335,588	$ 331,537	$ 319,778							
Other bridge operating revenues	7,201	5,856	6,675	6,435	7,702	6,451	6,372	5,049	4,753	4,944
Total bridge operating revenues	$ 342,789	$ 337,393	$ 326,453	$ 313,675	$ 304,969	$ 300,314	$ 299,182	$ 272,734	$ 248,632	$ 247,564

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

On November 16, 2016, the Authority's Board authorized an initial payment of $2.6 million to the NJ CSC based on a revenue allocation formula, under the new contract, which determined the DRPA's portion of past negative balance E-ZPass customer accounts. In May 2017, the actual invoice payment for this commitment came in at $2.351 million. Revenues for 2017 were adjusted upward by $0.249 million to reflect this reduction in the amount due. In 2018, the accrued amount is $0.200 million. Please see Note 15 for additional information.

GENERAL EXPENSES BY FUNCTION

	2018	2017 *	2016 *	2015 *	2014	2013	2012	2011	2010	2009
Bridge operations:										
Salaries and employee benefits	$ 46,665	$ 47,739	$ 44,836	$ 39,605	$ 35,955	$ 34,184	$ 32,790	$ 30,743	$ 31,743	$ 32,496
Equipment and supplies	984	1,323	991	203	187	209	159	194	259	212
Maintenance and repairs	2,511	1,807	1,996	3,408	3,905	3,356	1,990	3,327	3,433	3,234
Utilities	1,329	1,323	1,393	1,597	2,256	1,591	1,636	1,694	2,819	2,562
Insurance		-	-	-	3,053	5,719	2,877	4,974	5,765	5,130
Other	2,061	1,924	1,521	3,072	8,110	7,983	16,873	8,437	12,335	10,442
Total bridge operations	53,550	54,116	50,737	47,885	53,466	53,042	56,325	49,369	56,354	54,076
PATCO transit system:										
Maintenance of way and power	13,624	13,153	12,363	12,308	11,469	11,263	10,770	10,865	11,261	11,552
Maintenance of equipment	7,363	6,406	9,009	7,256	6,728	6,547	6,157	6,149	7,666	7,156
Purchased power	4,055	3,908	3,776	4,396	4,712	4,688	4,270	5,230	5,667	5,359
Transportation	19,799	18,727	17,558	17,368	16,070	16,015	15,012	14,347	13,986	15,114
General and administration										
General insurance	1,282	1,774	1,036	1,902	2,564	1,583	1,276	4,288	876	767
Administration	7,535	6,430	6,370	6,029	5,587	4,298	4,771	4,011	8,059	7,863
Total PATCO transit system	53,658	50,398	50,112	49,259	47,130	44,394	42,256	44,890	47,515	47,811
Community impact	500	3,791	3,790	3,781	3,745	3,688	3,611	3,560	3,473	3,483
General and administration	59,939	51,938	59,558	48,378	41,347	38,932	44,277	40,536	46,272	35,457
Port of Philadelphia and Camden	-	-	-	49	189	62	29	246	824	1,269
Interest	66,736	72,556	74,419	75,792	78,377	58,784	66,540	77,870	72,527	65,584
Total expenses	$ 234,383	$ 232,799	$ 238,616	$ 225,144	$ 224,254	$ 198,902	$ 213,038	$ 216,471	$ 226,965	$ 207,680

!n 2018, total expenses increased by $1.584 million or by 6.8%. From 2010 through 2013, total general expenses at DRPA and PATCO reflected a downward trend, decreasing from $226.97 million in 2010 to $198.90 million, a 14.1% decrease over the period. Total expenses for 2013 dropped below $200 million annually, the first time this had happened since 2006. Beginning in 2014, interest expense increased significantly due to the issuance of the 2013 revenue bonds, which greatly impact total expenses. In 2018 Interest expense decreased to $66.74 million, a decrease of $5.82 million or 8.02%, in part due to defeasance of the 2010 bonds in November 2018. DRPA G&A expenses increased by $8.0 million. The increase in G&A was principally attributable to the biennial inspection and bond cost of issuance fees.

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

OPERATING INFORMATION (Unaudited) (Continued)

OPERATING STATISTICS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
DRPA										
Total Traffic	53,270	52,904	51,805	49,205	47,832	47,880	48,080	48,992	50,414	50,637
Non-Commercial Traffic	49,927	49,600	48,668	46,340	45,119	45,309	45,575	46,450	47,811	48,089
Commercial Traffic	3,343	3,304	3,137	2,865	2,713	2,571	2,505	2,542	2,603	2,548
Average Daily Traffic	146	145	142	135	131	131	132	134	138	139
Average Toll per Customer	$ 6.28	$ 6.26	$ 6.22	$ 6.24	$ 6.21	$ 6.14	$ 6.09	$ 5.46	$ 4.84	$ 4.79
E-ZPass Traffic	35,827	34,941	33,569	31,342	30,182	29,635	29,098	28,983	28,911	28,367
% of E-ZPass Traffic	67.3%	66.0%	64.8%	63.7%	63.1%	61.9%	60.5%	59.2%	57.3%	56.0%
PATCO										
Total Passengers	10,791	10,839	10,653	10,169	10,007	10,542	10,613	10,506	10,109	10,022
Average Daily Passengers	30	30	29	28	27	29	29	29	28	27
Average Fare Per Passenger	$ 2.43	$ 2.45	$ 2.45	$ 2.45	$ 2.42	$ 2.46	$ 2.45	$ 2.28	$ 2.17	$ 2.20

Average fare per passenger based on PATCO net passenger fare revenues

For 2016, 2017 and 2018, average toll is calculated on the gross toll revenues. Please see Note 16 for more information.

Source: DRPA Revenue Audit

FULL TIME AUTHORITY EMPLOYEES

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
DRPA	583	574	558	568	564	572	567	564	582	595
PATCO	313	315	309	306	302	308	296	302	309	305
Total Full-time	896	889	867	874	866	880	863	866	891	900

Source: DRPA Human Resources

CAPITAL EXPENDITURES

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Bridge and Transit System	$ 168,336	$ 133,218	$ 124,092	$ 137,267	$ 131,993	$ 87,468	$ 118,056	$ 158,812	$ 71,494	$ 75,481

Source: DRPA Accounting

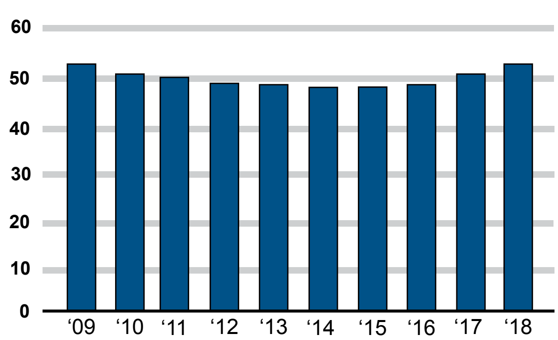
CAPITAL ASSET STATISTICS

Facility - Lane Miles	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Walt Whitman Bridge										
Main Span (lane miles)	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7
Miles per Lane	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Number of Lanes	7	7	7	7	7	7	7	7	7	7
Ben Franklin Bridge										
Main Span (lane miles)	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67
Miles per Lane	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81
Number of Lanes	7	7	7	7	7	7	7	7	7	7
Betsy Ross Bridge										
Main Span (lane miles)	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Miles per Lane	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Number of Lanes	6	6	6	6	6	6	6	6	6	6
Commodore Barry Bridge										
Main Span (lane miles)	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Miles per Lane	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Number of Lanes	5	5	5	5	5	5	5	5	5	5
Track Mileage										
PATCO Transit System	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9
Number of PATCO NJ Stations	9	9	9	9	9	9	9	9	9	9
Number of PATCO PA Stations	4	4	4	4	4	4	4	4	4	4

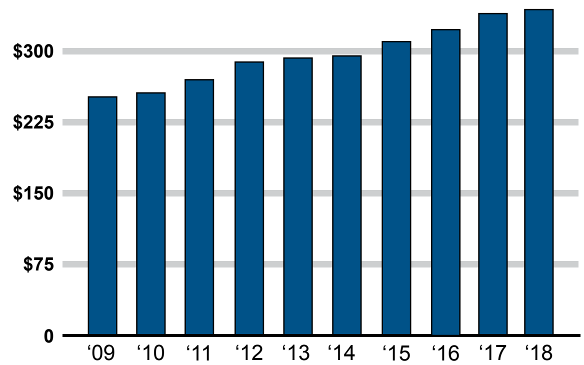
Source: DRPA Engineering

Bridge & PATCO Operations

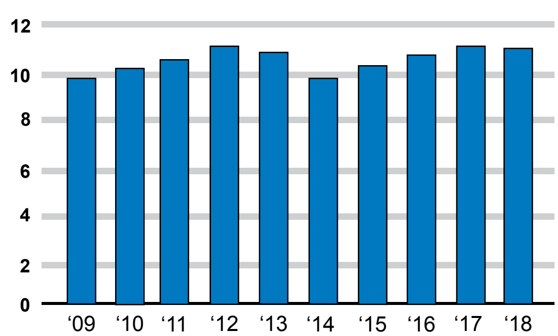
DRPA Bridge Traffic 2009-2018
(in millions of vehicles)



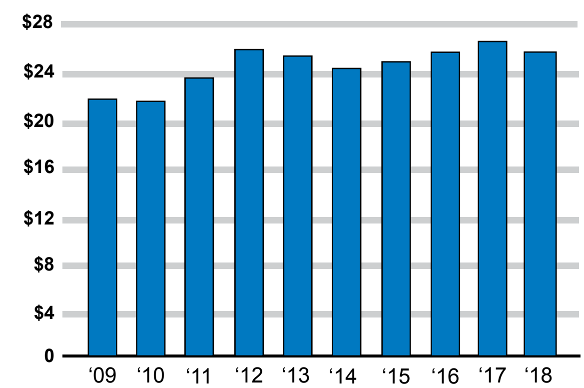
DRPA Bridge Toll Revenues 2009-2018
(in millions of dollars)



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



PATCO Passenger Fare Revenues 2009-2018
(in millions of dollars)



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

Delaware River Port Authority Comprehensive Annual Financial Report for the Years Ended December 31, 2018 and 2017

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For its Comprehensive Annual
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December 31, 2017

Christopher P. Morrill

Executive Director/CEO

For the twenty-sixth 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 2017 Comprehensive Annual Financial Report.

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