

## DELAWARE RIVER & BAY AUTHORITY

*Comprehensive*  
**FINANCIAL ANNUAL REPORT**  
FOR THE YEAR ENDED  
DECEMBER 31, 2011





# ***DELAWARE RIVER & BAY AUTHORITY***



## ***COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2011***

Prepared by:

Joseph Larotonda, Director of Finance  
Michele Cleary, Senior Accountant  
Dana Read, Manager of Finance Operations  
& Revenue Audit

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## **INTRODUCTORY SECTION**



## THE DELAWARE RIVER AND BAY AUTHORITY

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

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

May 15, 2012

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

The Comprehensive Annual Financial Report of the Delaware River and Bay Authority ("Authority") for the fiscal year ended December 31, 2011, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Authority management. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect Authority assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not exceed their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is accurate in all material aspects; it is designed to present fairly the financial position and results of operations; and all disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The Authority's Trust Agreement, dated October 1, 1993, requires an annual audit of the Authority's financial statements by an independent audit firm. The Authority's financial statements have been audited by CliftonLarsonAllen, LLP, a firm of licensed certified public accountants, selected by the Authority through a competitive process. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended December 31, 2011, are free of material misstatement. Their audit was performed in accordance with generally accepted auditing standards and governmental auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as they considered necessary during the audit. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the fiscal year ended December 31, 2011, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## PROFILE OF GOVERNMENT

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

The Authority is governed by a 12-member Board of Commissioners, consisting of 6 members from each State. Commissioners are appointed by the Governor of their State with the advice and consent of the Senate and hold office for terms of five years and until their successors have been appointed and confirmed. No action of the Authority is valid unless approved by at least four Commissioners from each State. The Governor of each State has the right to cancel the vote of any one or more of the Commissioners from their State within ten business days after receipt of the minutes of the meeting at which the vote is taken. The Board of Commissioners governs through a committee system. The Board is organized into five committees: Budget and Finance, Projects, Personnel and Insurance, Economic Development and Governance/Audit. Each committee is comprised of six Commissioners and meets on a quarterly or monthly basis. In addition, an Ad-Hoc Committee may be established as deemed desirable by the Chair and Vice Chair of the Board. Commissioners do not receive compensation for their service to the Authority. The Board of Commissioners establishes policy and direction for the activities of the Authority. A Chief Executive Officer is appointed by the Board of Commissioners to implement policy and to manage the daily operations of the Authority.

The Authority owns and operates the twin spans of the Delaware Memorial Bridge, the Cape May – Lewes Ferry and the Three Forts Ferry Crossing. The Delaware Memorial Bridge spans across the Delaware River connecting New Castle, DE and Deepwater, NJ. The twin bridges handle approximately 34 million vehicles annually. A staff of 29 full-time and 45 casual toll employees keeps the toll facilities operational 24 hours a day, 365 days a year. E-ZPass usage increased slightly as current statistics show 64.2 percent of our overall traffic utilized E-ZPass as compared to 61.7 percent a year ago. During the weekday commute period, the percentage of customers using E-ZPass has risen to 75.8 percent versus 74.7 percent in FY 2010.

The Cape May – Lewes Ferry transports approximately 300,000 vehicles and 900,000 passengers annually, along a 17 mile, 70 minute trip, connecting the towns of Lewes, DE and Cape May, NJ. A total staff of 61 marine personnel operates and maintains up to five vessels year round. The Authority also provides food and retail services to ferry patrons. The Three Forts Ferry Crossing provides water transportation service to various points located in Delaware and New Jersey. Under the 1990 Compact Amendment, the Authority has expanded its economic activity in both Delaware and New Jersey. The Authority operates five Airports, located in New Castle, DE, Cape May, NJ, Millville, NJ, Dover, DE and Cheswald, DE. The Authority also operates the Salem County Business Park, a seventy-one acre complex located in Carney's Point Township, NJ and the Riverfront Market and Restaurant, a European style marketplace located in Wilmington, DE. Other current and authorized economic projects include financing activities with the Diamond State Port Corporation and Delaware State University.

## FINANCIAL POLICIES/CONTROLS

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

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

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

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

## INVESTMENT MANAGEMENT

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



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

The Authority retains the services of two (2) investment advisors to assist with the fulfillment of its fiduciary responsibilities. The Authority's investment portfolio is managed pursuant to the guidelines established by the Authority, which are in compliance with the Trust Agreements. Additional information on the Authority's trust agreement and cash and investments can be found in Notes 1, 2 and 3 of the notes to financial statements.

#### ACCOMPLISHMENTS AND INITIATIVES

During Fiscal Year 2011, the Authority achieved a number of improvements in operations and services provided to the public. Some of the more significant accomplishments for the year and major program initiatives are identified below:

Ferry Operations. The Cape May-Lewes Ferry implemented an adjustable fuel surcharge on vehicles beginning April 1, 2011 to offset fluctuating fuel costs. The total surcharge collected in 2011 was \$383,701. A portion of the fuel increase can be attributable to EPA regulations which mandated all vessels to burn lower emission producing, cleaner fuel. This has resulted in a greener operation, leaving less of a footprint on our environment. The Ferry partnered with the University of Delaware and YSI, Inc., to launch a research project aboard the MV Twin Capes to collect water quality data while the vessel transits the Delaware Bay. The data generated by this program will give scientists and caretakers a better understanding of the complexities of the estuary that will ultimately help guide future management and restoration actions to improve the Delaware estuary.

Bridge Operations. The Delaware Memorial Bridge implemented a toll increase for all vehicle classifications effective July 1, 2011. The new toll schedule is expected to generate approximately \$22 million annually in additional revenue to fund the agency's Capital Improvement Program. A detailed toll rate schedule can be found in the Statistical Section of the CAFR. In June, 2011, the Authority merged its E-ZPass operations with the New Jersey Customer Service Center. As a result of the merger, the Authority expects to realize approximately \$750,000 in annual cost savings while providing additional advantages to Authority account holders. Some of the advantages include: reduced monthly account membership fees, no cost for transponders on private accounts, access to all discount plans offered by New Jersey E-ZPass and additional walk in centers to service accounts.

Federal Grants. During 2011, the Authority was awarded \$2.1 million in grants from the Federal Aviation Administration and the Federal Emergency Management Agency for Ferry and Airport related projects. These projects were for obstruction removal at New Castle, Millville and Cape May Airports and disaster recovery. Over the past six years, the Authority has been awarded \$48.9 million in Federal and State grants related to infrastructure and safety projects.

Re-Accreditation. In November 2011, the Authority's Police Department was re-accredited by the Commission on Accreditation for Law Enforcement. This represents the fifth time the department was re-accredited since its original certification in 1996 and the fourth consecutive 100% compliance rating during the assessment process. The accreditation process examines all Police department policies and procedures, management, operations and support services.

Economic Development In June 2011, the Authority partnered with the Delaware Economic Development Office to finalize agreements with Hawker Beechcraft Services (HBS) to open a new maintenance facility at the New Castle Airport. The new facility is expected to bring 100 new jobs over the next five years, serving as the northeast regional service center. The HBS network will ensure the world-class customer service and support expected from the industry's largest factory owned service center network. The facility is expected to open in the second quarter of 2012.

Airport Operations. In March 2011, the Federal Aviation Administration (FAA) presented the Authority's Airport Division with a Certificate of Appreciation for the agency's efforts to achieve full compliance with the FAA's regulations regarding Runway Safety Areas with the repositioning of navigational aids and the installation of an Engineered Material Arresting System. New Castle Airport was one of four airports in the eastern region recognized for outstanding work, joining JFK International in New York, Philadelphia International and Lancaster Airport in Pennsylvania. In November 2011, the New Castle Airport hosted the first annual Delaware Aviation Career Day. The event was a combined civilian and military outreach effort designed to inform area youth and educators of aviation and aerospace career opportunities.

Community Outreach. The Authority continued to identify and implement initiatives to support families in need located throughout Delaware and the four southern counties in New Jersey. Authority employees initiated and completed the following community outreach programs during 2011; volunteering to prepare 75 meals for families and children at the Ronald McDonald House in Wilmington, DE, leading a fund drive to assist homeless families in association with the Family Promise of Cape May County, working in conjunction with the U.S. Marine Corps Reserve Toys for Tots program, collecting over 1,640 pairs of shoes for the Shoes to Share Campaign through the United Way and collecting 255 winter coats for deserving families in the local communities. Through its Volunteerism Policy, the Authority employees donated approximately 647 hours of time to well deserving community programs. In addition, the Authority's Police Department participated in the National Take Back Initiative (NTBI), working with the Drug Enforcement Agency and other state and local law enforcement agencies. The NTBI provides an opportunity for the public to surrender expired, unwanted or unused pharmaceuticals and other medications to law enforcement officers for proper disposal.

## LONG TERM FINANCIAL PLANNING

An important component of the Authority's long term financial plan is ensuring that it has sufficient revenue to meet its operating and capital requirements. The Authority uses a forecasting model, which creates a multi-year forecast of its revenue and expenses. This model is a tool for the planning process that includes a priority programming capital plan and a strategic plan of finance. The model incorporates numerous independent variables (including operating revenue and expense estimates, debt service coverage and capacity, etc.) in order to determine the annual cash flow required to create sufficient bonding capacity or cash funding to finance the capital plan.

A Five-Year Strategic Plan is developed in conjunction with the Annual Capital Budget to identify short and long term capital expenditures. The 2011 Five Year Strategic Plan outlines numerous bridge, ferry system, airport infrastructure and technology expenditures which total \$274 million. The Plan anticipated that the 2011 fiscal year expenditures would be funded from cash held in the General Fund. Future capital expenditures will be funded with a combination of debt and cash. The Authority anticipates a new issuance of debt in the 3<sup>rd</sup> Quarter of 2012.

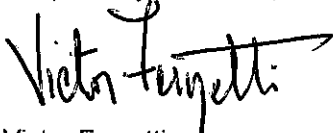
## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Associations of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Delaware River and Bay Authority for its comprehensive annual financial report for the fiscal year ending December 31, 2010. This was the 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. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to review its eligibility for another certification.

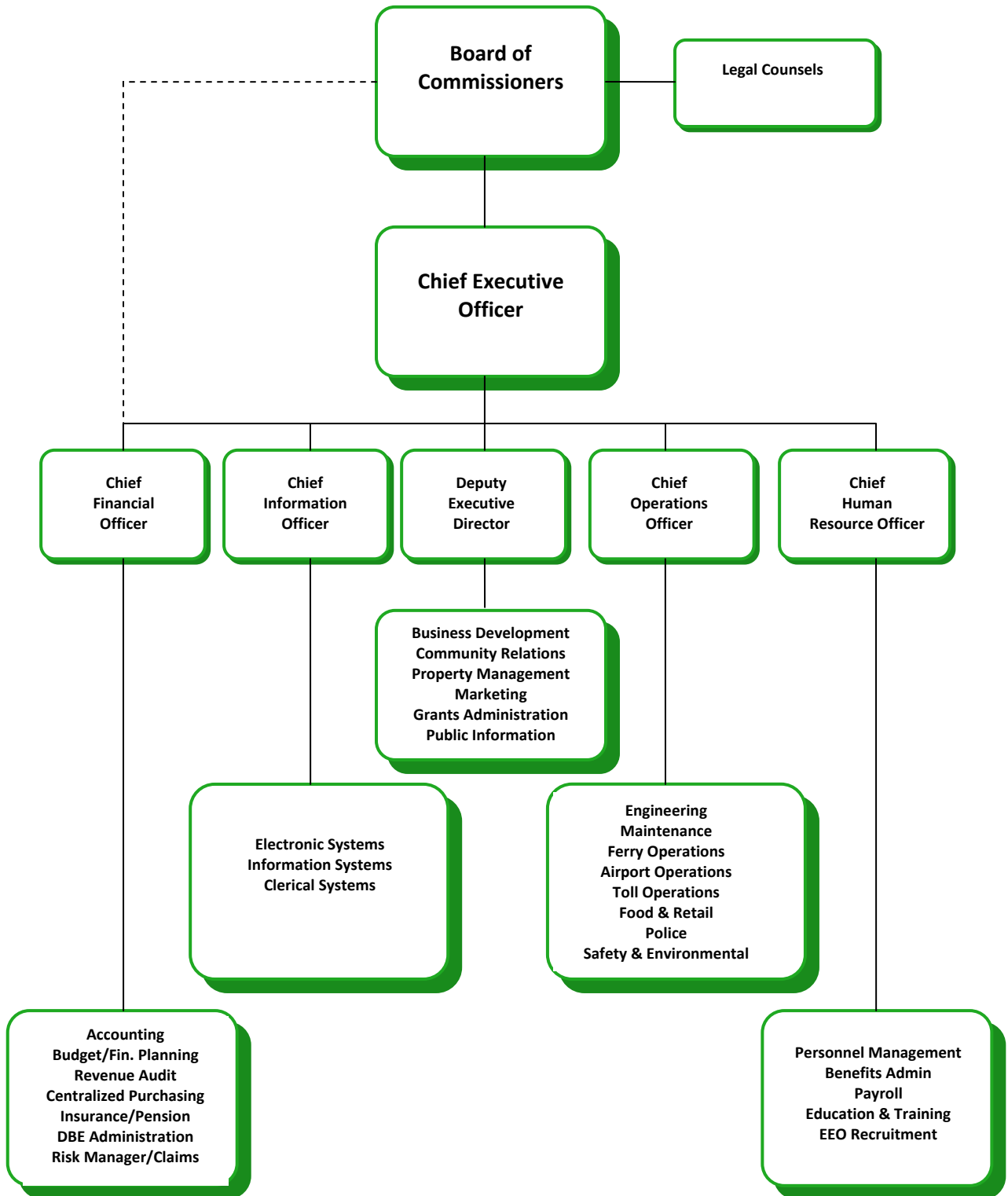
The preparation of this comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would especially like to express my appreciation to the Director of Finance and each member of the accounting staff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

Respectfully submitted,

A handwritten signature in black ink, reading "Victor Ferzetti". The signature is written in a cursive style with a large, stylized "V" and "F".

Victor Ferzetti  
Chief Financial Officer

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





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

***STATE OF DELAWARE***

**GOVERNOR  
JACK A. MARKELL**

**William E. Lowe, III, Chairperson  
Lewes, DE, Term Expires July 1, 2012**

**Richard W. Downes, Vice-Chairperson, Economic Development, Audit Committees  
Smyrna, DE, Term Expired July 1, 2011**

**VACANT**

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

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

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

***STATE OF NEW JERSEY***

**GOVERNOR  
CHRISTOPHER J. CHRISTIE**

**James N. Hogan, Vice-Chairperson  
Franklinville, NJ, Term Expired July 1, 2011**

**VACANT**

**Rev. Edward Dorn, Vice-Chairperson, Personnel Committee  
Pedricktown, NJ, Term Expires July 1, 2012**

**Niels S. Favre, Vice-Chairperson, Budget & Finance Committee  
Cape May, NJ, Term Expired July 1, 2010**

**Ceil Smith, Chairperson, Economic Development, Audit, Vice-Chairperson Energy Ad Hoc  
Committees  
Salem, New Jersey, Term Expires July 1, 2014**

**Douglas L. VanSant, Vice-Chairperson, Projects Committee  
Bridgeton, NJ, Term Expires July 1, 2013**

# DRBA Facilities

DELAWARE  
MEMORIAL BRIDGE  
*August 1951*



CAPE MAY -  
LEWES FERRY  
*July 1964*



THREE FORTS FERRY  
CROSSING  
*March 1997*



NEW CASTLE  
AIRPORT  
*July 1995*



CAPE MAY AIRPORT  
*June 1999*



CIVIL AIR  
TERMINAL  
*August 1999*



MILLVILLE AIRPORT  
*October 1999*



DELAWARE  
AIRPARK  
*July 2000*



SALEM COUNTY  
BUSINESS CENTER  
*February 1998*



RIVERFRONT  
MARKET  
*April 2002*



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Delaware River & Bay Authority

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

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



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

## **FINANCIAL SECTION**





## CliftonLarsonAllen

### Independent Auditor's Report

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

We have audited the accompanying financial statements of the business type activities and the fiduciary fund of the Delaware River and Bay Authority (the Authority) as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities and the fiduciary fund of the Delaware River and Bay Authority as of December 31, 2011 and 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2012 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 16 through 29 and schedules of funding progress and employer contributions for the OPEB (proprietary fund) and Pension Plans (fiduciary fund), on pages 74 through 78, 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. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying other Supplementary Schedules on pages 80 through 105 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying other Supplementary Schedules on pages 80 through 105 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Philadelphia, Pennsylvania  
May 15, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DELAWARE RIVER AND BAY AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2011**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

The statement of revenues, expenses and changes in net assets shows the result of the Authority's total operations during the year and reflects both operating and non-operating activities. Changes in net assets reflect the current period's operating impact upon the overall financial position of the Authority.

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

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

The Statement of Changes in Accumulated Plan Benefits shows the result of the Authority's fiduciary pension fund's total additions and deductions for the year. The additions are comprised of mainly the employee contributions and investment earnings and the deductions are comprised mainly of benefits paid to plan participants and administrative fees.

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



**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011**

**FINANCIAL POSITION SUMMARY**

Total Net Assets, the difference between the Authority's assets and liabilities, over time, serve as a useful indicator of the Authority's financial position. The Authority's total net assets as of December 31, 2011, 2010 and 2009 were \$313 million, \$307 million and \$307 million, respectively.

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

**FINANCIAL POSITION SUMMARY**

	<u>2011</u>	<u>%</u>	As Restated <u>2010</u>	<u>%</u>	As Restated <u>2009</u>	<u>%</u>
<b>ASSETS:</b>						
Current and Other Assets	\$ 134,568	21.3%	\$ 136,919	21.5%	\$ 149,068	23.0%
Capital Assets	<u>498,269</u>	<u>78.7%</u>	<u>498,541</u>	<u>78.5%</u>	<u>498,565</u>	<u>77.0%</u>
Total Assets	632,837		635,460		647,633	
<b>LIABILITIES:</b>						
Current Liabilities	26,939	8.4%	59,600	18.1%	32,205	9.4%
Long-Term Liabilities	<u>292,440</u>	<u>91.6%</u>	<u>269,328</u>	<u>81.9%</u>	<u>308,924</u>	<u>90.6%</u>
Total Liabilities	319,379		328,928		341,129	
<b>NET ASSETS:</b>						
Invested in Capital Assets, Net of Debt	216,498	69.1%	212,720	69.4%	201,382	65.7%
Restricted	35,868	11.4%	35,068	11.4%	33,603	11.0%
Unrestricted	<u>61,092</u>	<u>19.5%</u>	<u>58,744</u>	<u>19.2%</u>	<u>71,519</u>	<u>23.3%</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 313,458</u></u>		<u><u>\$ 306,532</u></u>		<u><u>\$ 306,504</u></u>	

The largest portion of the Authority's net assets at December 31, 2011 (69.1%), 2010 (69.4%) and 2009 (65.7%), represents its investment in capital assets (i.e. bridges, ferries, buildings, improvements and equipment); less the related debt outstanding used to acquire those capital assets. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net assets at December 31, 2011 (11.4%), 2010 (11.4%) and 2009 (11.0%), represents resources that are subject to the external restrictions on how they can be used under Trust Agreement covenants. The remaining unreserved net assets at December 31, 2011 (19.5%), 2010 (19.2%) and 2009 (23.3%) may be used to meet the Authority's capital and ongoing obligations.

**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011**

**SUMMARY OF CHANGES IN NET ASSETS**

Net Assets increased in the amount of \$6.9 million during 2011. As compared to 2010, the annual change in net assets increased \$6.9 million or 24,639%. This increase can be attributable to increases in operating revenues, depreciation expense, non-operating expenses and capital contributions. During 2010, net assets increased \$28 thousand. As compared to 2009, the annual change in net assets decreased \$15.5 million or 99.8%. This decrease can be attributable to increases in operating expenses and depreciation expenses and decreases in non-operating income and capital contributions. A condensed summary of the Authority's changes in net assets is shown below (in thousands).

	2011 <u>Actual</u>	Percent Increase/ (Decrease)	As restated 2010 <u>Actual</u>	Percent Increase/ (Decrease)	As restated 2009 <u>Actual</u>	Percent Increase/ (Decrease)
Operating Revenues (See Exhibit B)	\$ 114,677	7.8%	\$ 106,362	0.3%	\$ 106,080	-2.7%
Operating Expenses (See Exhibit B)	<u>79,215</u>	<u>-0.1%</u>	<u>79,283</u>	<u>3.1%</u>	<u>76,912</u>	<u>-4.5%</u>
Income Before Depreciation and Other Non-Operating Income and Expenses	35,462	31.0%	27,079	-7.2%	29,168	2.5%
Depreciation	<u>21,921</u>	<u>2.7%</u>	<u>21,343</u>	<u>2.0%</u>	<u>20,919</u>	<u>6.9%</u>
Operating Income	13,541	136.1%	5,736	-30.5%	8,249	-7.1%
Non-Operating Income (Expenses)	<u>(14,207)</u>	<u>30.8%</u>	<u>(10,863)</u>	<u>61.5%</u>	<u>(6,727)</u>	<u>-47.7%</u>
Income Before Capital Contributions	(666)	-87.0%	(5,127)	-436.9%	1,522	-138.2%
Capital Contributions	<u>7,593</u>	<u>47.3%</u>	<u>5,155</u>	<u>-63.2%</u>	<u>14,018</u>	<u>52.0%</u>
Increase in Net Assets	<u>\$ 6,927</u>	<u>24639.3%</u>	<u>\$ 28</u>	<u>-99.8%</u>	<u>\$ 15,540</u>	<u>196.6%</u>

**FINANCIAL HIGHLIGHTS**

**Fiscal 2011**

- Operating revenues increased \$8.3 million or 7.8% from \$106.4 million during FY 2011. The increase in operating revenues is the result of a toll increase at the Delaware Memorial Bridge that went into effect July 1, 2011.
- Operating expenses, before depreciation and other general expenses decreased slightly from \$79.28 million to \$79.21 million during 2011.
- As a result of the above, operating income before depreciation and other general expenses increased \$8.3 million or 31% from \$27.1 million to \$35.4 million in 2011.
- Non-operating income (expense) increased \$3.3 million or 30.8% from a net expense of \$10.9 million to a net expense of \$14.2 million in 2011. The increase in net expense is the result of a decrease in net investment income of \$1.6 million, a decrease in interest on bonds of \$.34 million and a one-time write off of \$2.2 million of other non-operating expenses.
- Capital contributions received in the form of grants from the Federal Aviation Administration and other sources increased \$2.4 million or 47.3% from \$5.2 million in 2010 to \$7.6 million in 2011.

**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011**

**Fiscal 2010**

- Operating revenues increased \$.28 million or .3% from \$106,080 million during FY 2010.
- Operating expenses, before depreciation and other general expenses increased \$2.4 million or 3.1% from \$76.9 million to \$79.3 million during 2010. The increase was the result of increased pension and OPEB expenses and a change in accounting estimate resulting in a large write off of uncollectable tolls at the Delaware Memorial Bridge.
- As a result of the above, operating income before depreciation and other general expenses decreased \$2.1 million or 7.2% from \$29.2 million to \$27.1 million in 2010.
- Non-operating income (expense) increased \$4.1 million or 61.5% from a net expense of \$6.7 million in 2009 to a net expense of \$10.9 million in 2010. The increase in net expense is the result of decreases in net investment income of \$.68 million, a decrease of \$3.5 million in gain on sale of capital assets and sale of lease rights and increase of \$.33 million in write off of construction in progress.
- Capital contributions received in the form of grants from the Federal Aviation Administration and other sources decreased \$8.9 million or 63.2% from \$14.0 million in 2009 to \$5.1 million in 2010.

**OPERATIONAL HIGHLIGHTS**

Overall traffic at the Delaware Memorial Bridge decreased 1.2% during 2011 as compared to 2010, with commercial traffic remaining flat and non-commercial traffic decreasing 1.3%. It is important to note that in 2011 commercial traffic represented 12.3% of total traffic and accounted for 46.8% of total revenue as compared to 12.1% of total traffic and 47.6% of total revenue in 2010. More detailed information on traffic and revenue can be found in Note 3 in the notes to the financial statements.

Overall traffic at the Cape May-Lewes Ferry decreased 6.3% during 2011 as compared to 2010 as vehicles decreased 6.2% and Ferry passengers decreased 6.3%. Ferry passengers comprised approximately 74.4% of total traffic in 2011 and accounted for 28.9% of total revenue.

Traffic for the Three Forts Ferry Crossing decreased 13.1% during 2011 as compared to 2010. Traffic for the 2011 Ferry services is comprised as follows: 79.2% of passengers visit Fort Delaware State Park, 10.7% visit Fort Mott, NJ and 10.1% sail various special tours offered by the State of Delaware. The Ferry service normally runs from April through October.

**DELAWARE RIVER AND BAY AUTHORITY**  
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During 2010, the Authority's traffic decreased as compared to 2009. Overall traffic at the Delaware Memorial Bridge decreased .8% during 2010 as compared to 2009, with commercial traffic decreasing 2.5% and non-commercial traffic decreasing .6%. Overall traffic at the Cape May-Lewes Ferry decreased 2% during 2010 as compared to 2009 as vehicles decreased 3% and Ferry passengers decreased 1.6%. Traffic for the Three Forts Ferry Crossing decreased 8.9% during 2010 as compared to 2009.

**SUMMARY OF CHANGES IN TRAFFIC**

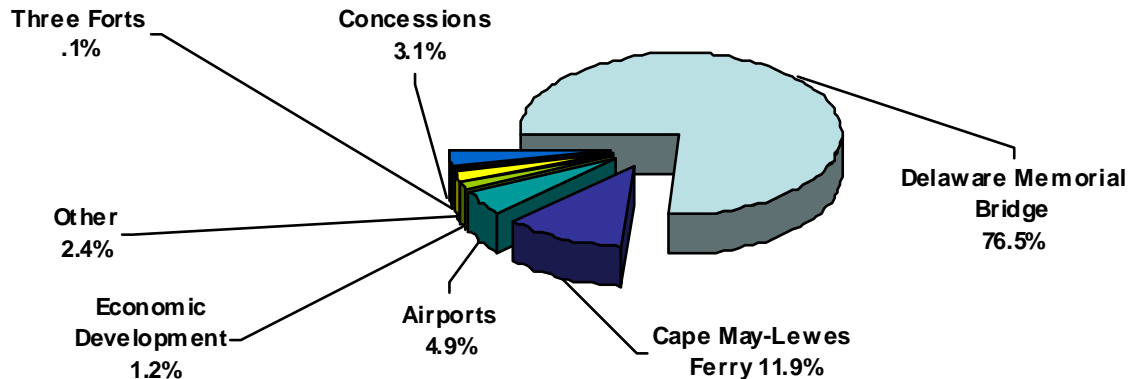
	2011 <u>Actual</u>	Percent Increase/ (Decrease)	2010 <u>Actual</u>	Percent Increase/ (Decrease)	2009 <u>Actual</u>	Percent Increase/ (Decrease)
<b>Delaware Memorial Bridge</b>						
Commercial	2,061,199	0.0%	2,061,931	-2.5%	2,114,271	-8.3%
Non-Commercial	<u>14,725,557</u>	<u>-1.3%</u>	<u>14,921,768</u>	<u>-0.6%</u>	<u>15,012,605</u>	<u>2.7%</u>
Total DMB:	16,786,756	-1.2%	16,983,699	-0.8%	17,126,876	1.2%
 <b>Cape May-Lewes Ferry</b>						
Vehicles	268,605	-6.2%	286,462	-3.0%	295,256	-7.2%
Passengers	<u>779,451</u>	<u>-6.3%</u>	<u>831,686</u>	<u>-1.6%</u>	<u>845,362</u>	<u>-8.3%</u>
Total CMLF:	1,048,056	-6.3%	1,118,148	-2.0%	1,140,618	-8.0%
 <b>Three Forts</b>						
Passengers	19,723	-13.1%	22,693	-8.9%	24,909	12.2%



**DELAWARE RIVER AND BAY AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2011**

**REVENUES**

The following chart shows the major sources and the percentage of operating revenues for the fiscal year ended December 31, 2011.



A summary of total revenues for the fiscal years ended December 31, 2011, 2010 and 2009 and the amount and percentage of change in relation to prior fiscal year amounts as follows (in thousands).

**REVENUES**

	2011 Actual	Percent Increase/ (Decrease)	2010 Actual	Percent Increase/ (Decrease)	As restated 2009 Actual	Percent Increase/ (Decrease)
<b>OPERATING</b>						
Delaware Memorial Bridge	\$ 86,121	13.5%	\$ 75,875	-1.8%	\$ 77,272	-2.8%
Cape May-Lewes Ferry	13,406	-5.5%	14,185	-0.3%	14,234	0.3%
Airports	6,694	-9.6%	7,405	18.3%	6,262	-3.2%
Economic Development	1,370	-6.6%	1,467	21.0%	1,212	47.1%
Three Forts	62	-16.2%	74	-1.3%	75	-2.6%
Food and Novelty	3,541	-0.7%	3,565	-1.1%	3,604	-8.6%
Other	3,483	-8.1%	3,791	10.8%	3,421	71.6%
<b>TOTAL OPERATING</b>	<b>114,677</b>	<b>7.8%</b>	<b>106,362</b>	<b>0.3%</b>	<b>106,080</b>	<b>-3.7%</b>
<b>NON-OPERATING</b>						
Investment Income	2,546	-39.0%	4,176	-14.5%	4,882	23.0%
Sale of Lease Rights	0	0.0%	0	-100.0%	1,675	201.3%
Sale of Equipment	52	-51.4%	107	-94.4%	1,897	1624.5%
<b>TOTAL NON-OPERATING</b>	<b>2,598</b>	<b>-39.3%</b>	<b>4,283</b>	<b>-49.3%</b>	<b>8,454</b>	<b>82.4%</b>
Capital Contributions	7,593	47.3%	5,155	-63.2%	14,018	52.0%
<b>TOTAL REVENUES</b>	<b>\$ 124,868</b>	<b>7.8%</b>	<b>\$ 115,800</b>	<b>-9.9%</b>	<b>\$ 128,552</b>	<b>3.7%</b>

**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011**

**REVENUES**

**Fiscal 2011**

- Total Operating Revenue increased \$8.3 million or 7.8% during 2011 to \$114.7 million as compared to \$106.4 million during 2010.
- Delaware Memorial Bridge toll revenue increased \$10.2 million or 13.5% during 2011. The increase in revenues is due to a \$1 an axle increase that went into effect on July 1, 2011. Commercial revenue increased \$4.2 million or 11.9% and non-commercial revenue increased \$6.0 million or 15.3% as compared to 2010.
- Cape May – Lewes Ferry toll revenue decreased \$.78 million or 5.5% in 2011 as vehicle revenue decreased \$.62 million or 6.1% and passenger revenue decreased \$.16 million or 4.0% as compared to 2010.
- Food and novelty revenues decreased \$24 thousand or .7% in 2011, as food and beverage sales increased \$17 thousand or .7% and novelty sales decreased \$36 thousand or 4% as compared to 2010. Cafeteria sales at the Delaware Memorial Bridge decreased \$4.5 thousand or 4.3% as compared to 2010.
- Airport lease revenues decreased \$.71 million or 9.6% in 2011, as lease revenues decreased \$.39 million or 8.0% at New Castle Airport and \$65 thousand or 17.1% at Millville Airport as compared to 2010. Other Airport revenues decreased \$45 thousand or 7.96% in 2011 as fuel flowage fees decreased \$24.5 thousand or 6.9%, aviation fuel sales decreased \$22 thousand or 21.5% and landing fees increased \$1 thousand or .87% as compared to 2010.
- Economic Development revenues decreased \$97 thousand or 6.6% in 2011 as revenues decreased at the Salem Business Center \$16 thousand or 1.5% and decreased at the Riverfront Market \$81 thousand or 19.6% as compared to 2010.
- Other Operating Income decreased \$.31 million or 8.1% from \$3.8 million in 2010 to \$3.5 million in 2011. The overall decrease is the result of a combination of increases from additional fiber optical lease revenue on the Delaware Memorial Bridge and surcharge fees for the Cape May-Lewes Ferry and a decrease in EZ-Pass related fees and a increase in EZ-Pass account negative adjustments.
- Non-operating income decreased \$1.7 million or 39.3% in 2011, the result of a \$1.6 million or 39% decrease in investment income and a \$55 thousand or 51.4% decrease in sale of equipment as compared to 2010.
- Capital contributions increased \$2.4 million or 47.3% in 2011 as compared to 2010.

**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**REVENUES**

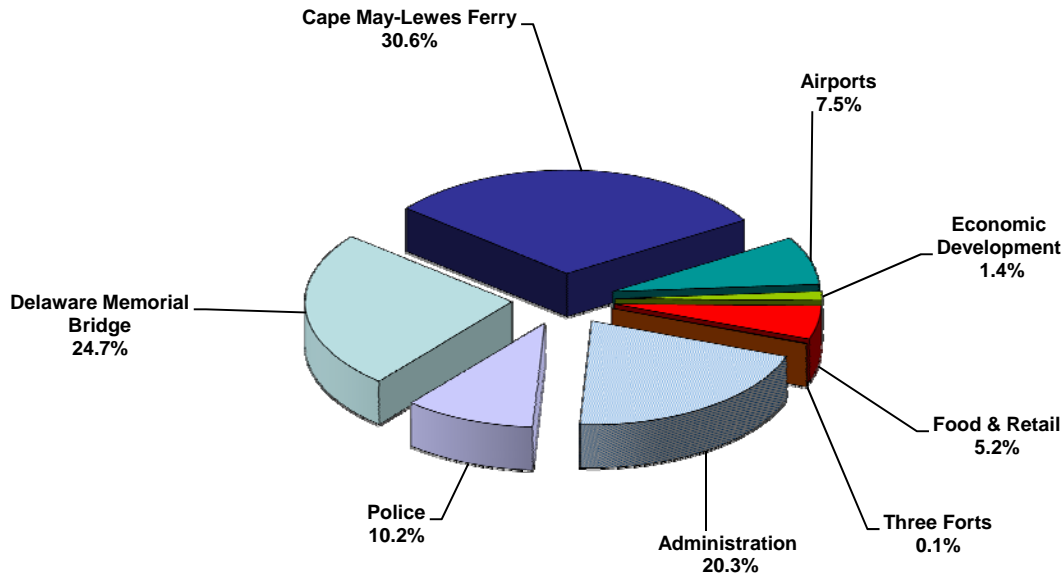
**Fiscal 2010**

- Total Operating Revenue increased .3% during 2010 to \$106.4 million as compared to \$106.1 million during 2009.
- Delaware Memorial Bridge toll revenue decreased \$1.4 million or 1.8% during 2010, as commercial revenue decreased \$1.2 million or 3.2% and non-commercial revenue decreased \$.35 million or .87% as compared to 2009.
- Cape May – Lewes Ferry toll revenue decreased \$49 thousand or .3% in 2010 as vehicle revenue increased \$45 thousand or .44% and passenger revenue decreased \$94 thousand or 2.28% as compared to 2009.
- Food and novelty revenues decreased \$39 thousand or 1.1% in 2010, as food and beverage sales increased \$5 thousand or .2% and novelty sales decreased \$33 thousand or 3.5% as compared to 2009. Cafeteria sales at the Bridge decreased \$10 thousand or 9.2% as compared to 2009.
- Airport lease revenues increased \$1.1 million or 18.3% in 2010, as lease revenues increased \$.75 million or 13.6% at New Castle Airport and \$.35 million or 70.9% at Millville Airport as compared to 2009. Other Airport revenues increased \$57 thousand or 11% in 2010 as fuel flowage fees increased \$30 thousand or 9.4% and landing fees increased \$27 thousand or 30.6% as compared to 2009.
- Economic Development revenues increased \$.26 million or 21% in 2010 as revenues increased at the Salem Business Center \$.15 million or 16.6% and increased at the Riverfront Market \$.10 million or 33.8% as compared to 2009.
- Other Operating Income increased \$.37 million or 10.8% as compared to 2009, as the Authority recognized increases in unused ticket revenue and bus and trolley revenue at the Ferry, landing and fuel flow sales at New Castle Airport, property lease revenues within the Economic Development facilities and a reduction in E-ZPass account adjustments at the Bridge.
- Non-operating income decreased \$4.2 million or 49.3% in 2010. The decrease can be attributable to a \$.71 million or 14.5% decrease in investment income, \$1.8 million or 94.4% decrease in sale of equipment and a \$1.7 million decrease in sale of lease rights.
- Capital contributions decreased \$8.9 million or 63.2% in 2010 as compared to 2009.

**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011**

**EXPENSES**

The following chart shows the Authority's operating divisions and the percentage of budgetary expenses for the year ended December 31, 2011.



A summary of total expenses for the fiscal years ended December 31, 2011, 2010 and 2009 and the amount and percentage of change in relation to the prior fiscal amounts as follows (in thousands).

	2011 Actual	Percent Increase/ (Decrease)	2010 Actual	Percent Increase/ (Decrease)	2009 Actual	Percent Increase/ (Decrease)
<b>OPERATING</b>						
Administration	\$ 15,514	1.0%	\$ 15,353	-3.1%	\$ 15,846	0.2%
Delaware Memorial Bridge	20,097	-0.6%	20,224	11.5%	18,146	-7.4%
Cape May-Lewes Ferry	23,890	3.3%	23,123	4.8%	22,066	-11.4%
Authority Police	7,820	-2.2%	7,992	2.4%	7,807	2.2%
Airports Division	5,741	-1.1%	5,806	3.0%	5,635	23.2%
Economic Development	1,111	3.9%	1,069	-1.9%	1,090	-15.4%
Three Forts	93	-23.8%	122	8.9%	112	-10.4%
Food & Novelty	4,090	0.3%	4,078	-2.6%	4,185	-23.2%
Depreciation	21,921	2.7%	21,343	2.0%	20,919	6.9%
Other Expenses	860	-43.3%	1,516	-25.1%	2,025	79.8%
<b>TOTAL OPERATING</b>	<b>101,137</b>	<b>0.5%</b>	<b>100,626</b>	<b>2.9%</b>	<b>97,831</b>	<b>-2.3%</b>
<b>NON-OPERATING</b>						
Interest on Bonds	12,575	-2.7%	12,918	-2.5%	13,246	-11.7%
Other Non-Operating	4,230	89.9%	2,227	15.0%	1,936	-22.7%
<b>TOTAL NON-OPERATING</b>	<b>16,805</b>	<b>11.0%</b>	<b>15,145</b>	<b>-0.2%</b>	<b>15,182</b>	<b>-13.3%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 117,942</b>	<b>1.9%</b>	<b>\$ 115,771</b>	<b>2.4%</b>	<b>\$ 113,013</b>	<b>-3.9%</b>

**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011**

**EXPENSES**

**Fiscal 2011**

Total Authority expenses increased \$2.2 million or 1.9% from \$115.8 million in 2010 to \$117.9 million in 2011. Listed below are the major highlights which affected Authority expenses in 2011.

- Employment costs, consisting of wages and benefits decreased \$72 thousand or .14% in 2011 to \$51.51 million as compared to \$51.58 in 2010. Employment costs accounted for 50.9% of total operating expenses in 2011 as compared to 51.3% in 2010. Total wages for 2011 decreased \$.68 million or 2.56% to \$25.75 million in 2011 as compared to \$26.43 million in 2010. This decrease reflects a reduction of \$.68 million or 3% in full time wages and an increase of \$48 thousand in temporary and overtime wages. Total benefits increased \$.60 million or 2.4% in 2011 to \$25.7 million as compared to \$25.1 million in 2010. The major factors toward the increase in benefits include a \$.49 million or 5.8% decrease in group health benefits and a \$1.2 million or 17.2% increase in OPEB funding.
- Administrative expenses decreased \$2 million or 22.1% in 2011. The major areas of expense variations include: education and training decreased \$67 thousand or 39%, advertising and marketing increased by \$73 thousand or 12%, computer supplies increased \$81 thousand or 15.4%, electronic toll processing decreased \$.31 million or 12.2%, write off of uncollectable tolls at the Delaware Memorial Bridge decreased \$1.6 million or 86% and merchant card processing decreased \$.17 million or 18.9% as compared to 2010.
- Facility maintenance and operating supplies increased \$1.3 million or 13.4% in 2011 as compared to 2010. The major areas of expense variance include: annual maintenance painting on the Delaware Memorial Bridge increased \$.83 million or 1,219%, operating supplies increased \$.54 million or 14.6%, facility maintenance and repair expenses increased \$.17 million or 7% and utility expenses decreased \$.18 million or 5.5% as compared to 2010.
- Vessel operating expenses increased \$1.3 million or 45% in 2011 as compared to 2010. The largest increase is due to rising fuel costs. Vessel fuel increased \$.51 million or 25% in 2011 as the average cost per gallon rose 95 cents in 2011 to \$3.15 per gallon as compared to \$2.20 in 2010. Vessel drydocking expenses increased \$.48 million or 1,135% in 2011, the result of three vessels going to drydock as compared to no vessels in 2010.
- Insurance expenses increased \$39 thousand or .92% in 2011 as compared to 2010. Property damage and loss of revenue insurance for the Delaware Memorial Bridge increased \$54 thousand or 5.2% in 2011 and other insurance expense consisting of property, casualty, general liability and workers compensation decreased \$19 thousand or .93% as compared to 2010.
- Depreciation expense increased \$.58 million or 2.7% in 2011 as compared to 2010. Overall, total capital depreciable assets increased \$25.6 million or 5.96% as compared to 2010.



**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011**

- Other operating expenses decreased \$.66 million or 43.3% in 2011 as compared to 2010, the result of a \$.62 million decrease in self insurance expenses, a \$86 thousand increase in employee severance payouts and a \$95 thousand decrease in miscellaneous projects.
- Non-operating expenses increased \$1.7 million or 11% in 2011 as compared to 2010 as interest on bonds decreased \$.34 million or 2.7%, write off of capital assets decreased \$.20 million or 14.5% and a one-time expense related to land acquisition at Delaware Air Park.

**EXPENSES**

**Fiscal 2010**

Total Authority expenses increased \$2.8 million or 2.4% from \$113.0 million in 2009 to \$115.8 million in 2010. Listed below are the major highlights which affected Authority expenses in 2010.

- Employment costs, consisting of wages and benefits increased \$2.1 million or 4.31% in 2010 to \$51.5 million as compared to \$49.4 in 2009. Employment costs accounted for 52.3% of total operating expenses in 2010 as compared to 50.5% in 2009. Total wages for 2010 decreased \$23 thousand or .09% to \$26.43 million in 2010 as compared to \$26.45 million in 2009. Total benefits increased \$2.2 million or 9.4% in 2010 to \$25.2 million as compared to \$23 million in 2009. During 2010, the major contributors toward this increase include: annual pension benefits increased .54 million or 9.6%, \$1.8 million or 33.3 increase in OPEB funding, \$68 thousand or .8% in health benefits and a \$67 thousand or 30.2% decrease in unemployment insurance.
- Administrative expenses increased \$1 million or 12.6% in 2010. The major areas of expense variations include: education and training decreased \$55 thousand or 24.2%, advertising and marketing decreased by \$.11 million or 15.5%, office and computer supplies decreased \$.16 million or 15%, electronic toll processing decreased \$77 thousand or 2.96%, write off of uncollectable tolls at the Delaware Memorial Bridge of \$1.87 million and the elimination of a \$.36 million community donation program as compared to 2009.
- Facility maintenance and operating supplies decreased \$.73 million or 6.8% in 2010 as compared to 2009. The major areas of expense variance include: annual maintenance painting on the Delaware Memorial Bridge decreased \$.87 million as compared to 2009, operating supplies increased \$.41 million or 12.5%, maintenance and repair expenses increased \$68 thousand or 2.9% and utilities decreased \$.29 million or 8.13% as compared to 2009.
- Vessel operating expenses increased \$.59 million or 25.9% in 2010 as compared to 2009. The increase in vessel operating costs can be directly attributable to increased fuel costs as the average cost per gallon rose 41 cents or 23% during 2010 to \$2.20 per gallon as compared to \$1.79 per gallon in 2009.

**DELAWARE RIVER AND BAY AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2011**

**EXPENSES**

**Fiscal 2010 (Continued)**

- Insurance expenses decreased \$.13 million or 2.9% in 2010 as compared to 2009. Property insurance for the Delaware Memorial Bridge increased \$67 thousand or 6.9%, protection and indemnity insurance for the Ferry operations increased \$.12 million or 17% and other insurance expense, property casualty, general liability and workers compensation, decreased \$.29 million or 12% as compared to 2009.
- Depreciation expense increased \$.42 million or 2% in 2010 as compared to 2009. Overall, total capital assets to be depreciated increased \$17.5 million or 1.8% as compared to 2009.
- Other operating expenses decreased \$.50 million or 25.1% as compared to 2009, the result of a \$.60 million decrease in self insurance expenses and a \$.10 million increase in employee severance payouts as compared to 2009.
- Non-operating expenses decreased \$37 thousand or .20% as compared to 2009 as interest on outstanding bonds decreased \$.33 million or 2.5% investment fees decreased \$28 thousand or 4.5% and write off of construction in progress increased \$.33 million or 31.5% as compared to 2009.

**SUMMARY OF CASH FLOW ACTIVITIES**

The following table shows a summary of the major sources and uses of cash and cash equivalents for the periods ending December 31, 2011, 2010 and 2009. Cash equivalents are considered highly liquid investments with a maturity of three months or less (in thousands).

	2011 Actual	Percent Increase/ (Decrease)	2010 Actual	Percent Increase/ (Decrease)	2009 Actual	Percent Increase/ (Decrease)
Cash Flow from Operating Activities	\$ 30,541	55.5%	\$ 19,646	-42.8%	\$ 34,323	-4.4%
Cash Flow from Capital and Related Financing Activities	(38,725)	-1.3%	(39,246)	-12.2%	(44,702)	-8.5%
Cash Flow from Investing Activities	5,887	-72.8%	21,673	124.3%	9,663	-39.0%
Net Increase (Decrease) in Cash and Cash Equivalents	(2,297)	-210.8%	2,073	-389.5%	(716)	-124.6%
Cash and Cash Equivalents, Jan. 1, 2011	8,084	34.5%	6,011	-10.6%	6,727	76.1%
Cash and Cash Equivalents, Dec. 31, 2011	<u>\$ 5,787</u>	-28.4%	<u>\$ 8,084</u>	34.5%	<u>\$ 6,011</u>	-10.6%

The Authority's available cash equivalents decreased \$2.3 million or 28.4% during 2011 from \$8.1 million at the end of 2010 to \$5.8 million at the end of 2011. During 2010, the available cash equivalents increased \$2.1 million or 34.5% from \$6.0 million at the end of 2009 to \$8.1 million at the end of 2010.

**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011**

**CAPITAL ASSETS**

The Authority's investment in capital assets for its activities through December 31, 2011 amounted to \$498.3 million (net of depreciation), which represents a 0.1% decrease in capital assets over 2010.

At December 31, 2010, the amount invested in capital assets was \$498.5 million (net of depreciation), which represented a 0% increase in capital assets over 2009.

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

The following table shows a summary of the Authority's investment in capital assets (net of depreciation) for the periods ending December 31, 2011, 2010, and 2009 (in thousands).

**SUMMARY OF CHANGES IN CAPITAL ASSETS**

	2011 Actual	Percent Increase/ (Decrease)	2010 Actual	Percent Increase/ (Decrease)	As Restated 2009 Actual	Percent Increase/ (Decrease)
Land	\$ 10,966	0.0%	\$ 10,966	0.0%	\$ 10,966	-3.9%
Land Improvements	50,673	-4.8%	53,211	-4.4%	55,663	-3.3%
Buildings	97,464	-1.8%	99,275	-0.1%	99,416	-4.9%
Machinery & Equipment	16,086	-7.9%	17,473	-2.4%	17,901	4.7%
Infrastructure	219,701	17.6%	186,805	1.0%	184,919	0.6%
Vessels	60,061	-2.6%	61,648	-3.5%	63,865	-5.8%
Construction in Progress	43,318	-37.4%	69,163	5.1%	65,836	81.7%
	<u>\$ 498,269</u>	-0.1%	<u>\$ 498,541</u>	0.0%	<u>\$ 498,566</u>	4.2%

The major capital investments undertaken during 2011 include:

- Tower Elevator Replacement – Delaware Memorial Bridge (\$7.4 million)
- Deck Resurfacing and Steel Painting – Delaware Memorial Bridge (\$2.8 million)
- First Structure Improvement Program – Delaware Memorial Bridge (\$.92 million)
- Vessel Drydocking and Improvements – Cape May – Lewes Ferry (\$2.9 million)
- Maintenance Dredging – Cape May – Lewes Ferry (\$1.1 million)
- Taxiway Improvements – Millville Airport (\$1.4 million)
- Taxiway Improvements – New Castle Airport (\$2.0 million)
- Miscellaneous Capital Improvements – Delaware Memorial Bridge (\$1.6 million)

**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011**

**DEBT ADMINISTRATION**

The Authority's total long term debt decreased by \$8.4 million or 2.9% during 2011 and \$.2 million or .1% during 2010. As of December 31, 2011, the Authority had \$282.9 million of revenue bonds outstanding, compared to \$291.3 million at December 31, 2010 and \$291.5 million at December 31, 2009. These bonds were issued in 2003, 2004, 2005 and 2008 under a Trust Agreement which stipulates that the Authority shall, at all times, fix, revise, charge and collect tolls and other charges each year equal to not less than 125% of the principal and interest requirements for such year. The Authority has satisfied this requirement for the years ended December 31, 2011, 2010 and 2009 with debt coverage ratios of 174%, 152% and 186% respectively.

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

<u>Issue</u>	<u>Moody's</u>	<u>S&amp;P</u>
Series 2003 Revenue Bonds	A1	A
Series 2004 Refunding Revenue Bonds	A1	A
Series 2005 Refunding Revenue Bonds	A1	A
Series 2008 Variable Rate Revenue Bonds	A1/VMIG1	A

During 2011, the Authority's outstanding bonds were re-evaluated by both Moody's and Standard & Poor's. For the first time since their original issue, the ratings for the Authority's bonds were changed. Standard & Poor's lowered its rating from "A+" to "A" with a stable outlook. Moody's maintained its "A1" rating continuing to view the Authority with a long stable outlook. Additional information on the Authority's long term debt can be found in Note 4 to the financial statements.

**ADDITIONAL FINANCIAL INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**



**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF NET ASSETS**  
**December 31, 2011 and 2010**

ASSETS		2010
	2011	(As Restated)
CURRENT ASSETS		
Unrestricted Assets:		
Cash and cash equivalents	\$ 5,787,012	\$ 8,084,012
Investments	55,839,381	59,959,389
Operating revenues receivable	3,025,030	3,757,144
Accrued investment income receivable	287,892	437,789
Note receivable (current portion)	195,012	213,743
Other accounts receivable	1,622,574	1,368,311
Federal grants receivable	768,455	677,550
Inventory	4,884,743	5,455,216
Prepaid expenses	2,310,766	609,285
Total unrestricted assets	74,720,865	80,562,439
Restricted assets		
Investments	44,744,740	44,463,648
Accrued investment income receivable	162,101	117,017
Total restricted assets	44,906,841	44,580,665
Total current assets	119,627,706	125,143,104
NONCURRENT ASSETS		
Property, plant and equipment		
Completed (net of accumulated depreciation)	454,951,343	429,378,241
Construction-in-progress	43,317,979	69,163,469
Total property, plant and equipment	498,269,322	498,541,710
Net pension asset	9,160,780	5,538,066
Other assets		
Note receivable	2,867,881	3,062,893
Unamortized debt issue costs	2,911,840	3,174,019
Total noncurrent assets	513,209,823	510,316,688
TOTAL ASSETS	632,837,529	635,459,792

**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF NET ASSETS**  
**December 31, 2011 and 2010**  
(Continued)

	<u>2011</u>	<u>2010</u> (As Restated)
<b>LIABILITIES</b>		
Current liabilities		
Payable from unrestricted assets		
Accounts payable	\$ 4,832,656	\$ 5,305,248
Accrued wages payable	989,790	1,125,788
Electronic toll liability	-	666,756
Unearned revenue	886,650	850,744
Liability for unpaid health claims	664,395	926,272
Customer and security deposits	193,672	1,111,998
Compensated absences, current portion	806,252	901,446
Payable from restricted assets		
Accounts payable	247	50,000
Unearned revenue	3,503,793	3,780,422
Interest payable	6,263,938	6,446,144
Loans payable	38,183	35,609
Revenue bonds payable, current portion	<u>8,760,000</u>	<u>38,400,000</u>
<b>TOTAL LIABILITIES</b>	<u>26,939,576</u>	<u>59,600,427</u>
Long-term liabilities		
Compensated absences, less current portion	5,143,400	5,139,033
Net OPEB liability	12,140,526	10,161,964
Loans payable	1,028,529	1,066,712
Revenue bonds payable net, less current portion	<u>274,127,200</u>	<u>252,959,858</u>
Total long-term liabilities	<u>292,439,655</u>	<u>269,327,567</u>
<b>TOTAL LIABILITIES</b>	<u>319,379,231</u>	<u>328,927,994</u>
<b>NET ASSETS</b>		
Invested in capital assets, net	216,498,340	212,719,918
Restricted		
Trust agreement covenants	35,867,773	35,067,720
Unrestricted	<u>61,092,185</u>	<u>58,744,160</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 313,458,298</u>	<u>\$ 306,531,798</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u> (As Restated)
<b>OPERATING REVENUES</b>		
Bridge tolls	\$ 86,120,525	\$ 75,875,461
Ferry tolls	13,468,212	14,258,255
Food and novelty sales	3,541,016	3,565,176
Airport lease revenue	6,694,249	7,404,691
Economic development leases	1,370,002	1,466,981
Other operating revenue	3,483,183	3,791,207
Total operating revenue	<u>114,677,187</u>	<u>106,361,771</u>
<b>OPERATING EXPENSES</b>		
Administrative and general		
Wages and benefits	8,778,747	8,568,821
Other expenses	7,595,568	8,300,376
Operations		
Wages and benefits	43,076,760	43,272,135
Other expenses	19,764,805	19,141,607
Depreciation expense	21,920,970	21,342,782
Total operating expenses	<u>101,136,850</u>	<u>100,625,721</u>
Total operating income	<u>13,540,337</u>	<u>5,736,050</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>		
Investment income	2,546,802	4,175,792
Investment fees	(603,861)	(594,488)
Interest on bonds	(12,575,266)	(12,917,905)
Amortization of debt issue costs	(262,180)	(272,174)
Write-off capital assets	(1,163,518)	(1,360,795)
Other non-operating expenses	(2,200,072)	-
Gain on sale of capital assets	51,674	106,742
Net non-operating expense	<u>(14,206,421)</u>	<u>(10,862,828)</u>
Loss before capital contributions	(666,084)	(5,126,778)
Capital contributions	7,592,584	5,155,121
<b>CHANGE IN NET ASSETS</b>	6,926,500	28,343
<b>TOTAL NET ASSETS, BEGINNING OF YEAR, As Restated</b>	<u>306,531,798</u>	<u>306,503,455</u>
<b>TOTAL NET ASSETS, END OF YEAR</b>	<u>\$ 313,458,298</u>	<u>\$ 306,531,798</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 109,846,051	\$ 104,181,102
Payments to employees	(53,988,361)	(58,057,254)
Payments to suppliers	(29,013,726)	(30,479,691)
Other operating receipts	<u>3,696,926</u>	<u>4,001,769</u>
Net cash provided by operating activities	<u>30,540,890</u>	<u>19,645,926</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(25,038,823)	(23,904,050)
Proceeds from sale of capital assets	78,324	100,318
Capital contributions	7,501,677	5,830,862
Principal paid on capital debt	(8,435,609)	(8,053,208)
Interest paid on capital debt	<u>(12,830,130)</u>	<u>(13,219,875)</u>
Net cash used in capital and related financing activities	<u>(38,724,561)</u>	<u>(39,245,953)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	2,651,616	4,161,752
Investment fees	(603,861)	(594,488)
Net change in investments	<u>3,838,916</u>	<u>18,105,781</u>
Net cash provided by investing activities	<u>5,886,671</u>	<u>21,673,045</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,297,000)	2,073,018
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>8,084,012</u>	<u>6,010,994</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 5,787,012</u></u>	<u><u>\$ 8,084,012</u></u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2011 and 2010**  
(Continued)

	<u>2011</u>	<u>2010</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACITIVITIES</b>		
Operating income	\$ 13,540,337	\$ 5,736,050
Adjustments to reconcile operating income to cash provided by operating activities		
Depreciation expense	21,920,970	21,342,782
Changes in operating assets and liabilities:		
Accounts receivable	477,852	1,829,519
Note receivable	213,743	210,562
Inventory	570,473	(60,398)
Prepaid expenses	(1,701,481)	(28,240)
Net pension asset	(3,622,714)	(5,538,066)
Accounts payable	(658,343)	(2,974,547)
Unpaid health claims	(261,877)	161,835
Net OPEB liability	1,978,562	(845,064)
Electronic toll liability	(666,756)	53,328
Unearned revenue	(240,723)	(232,587)
Customer and security deposits	(918,326)	(39,722)
Compensated absences	(90,827)	30,474
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 30,540,890</u>	<u>\$ 19,645,926</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**FIDUCIARY FUND**  
**Years Ended December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Investments at fair value		
Money market funds	\$ 4,973,282	\$ 8,589,609
Mutual funds	51,010,848	40,202,229
Corporate bonds	4,580,772	2,368,667
U.S. Government bonds	18,868,352	17,401,267
Municipal bonds	3,720,252	3,984,539
Fixed income funds	<u>17,201,756</u>	<u>16,220,478</u>
Total investments at fair value	<u>100,355,262</u>	<u>88,766,789</u>
Accrued interest	<u>34,397</u>	<u>15,860</u>
Other assets		
Employer contribution receivable	<u>-</u>	<u>-</u>
Total other assets	<u>-</u>	<u>-</u>
Total assets	<u>100,389,659</u>	<u>88,782,649</u>
<b>LIABILITIES</b>		
Accounts payable	<u>31,895</u>	<u>5,421</u>
<b>TOTAL NET ASSETS HELD IN TRUST FOR BENEFITS</b>	<u><u>\$ 100,357,764</u></u>	<u><u>\$ 88,777,228</u></u>

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



**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**FIDUCIARY FUND**  
**At December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>ADDITIONS</b>		
Investment income		
Net appreciation in fair value of assets	\$ (310,453)	\$ 5,287,200
Dividends	941,768	680,904
Interest	1,418,950	1,298,935
	<u>2,050,265</u>	<u>7,267,039</u>
Less investment expense	106,400	110,507
Total investment income	<u>1,943,865</u>	<u>7,156,532</u>
Contributions		
Employer	16,145,154	19,440,424
Plan member	594,597	652,280
Total contributions	<u>16,739,751</u>	<u>20,092,704</u>
Total additions	<u>18,683,616</u>	<u>27,249,236</u>
<b>DEDUCTIONS</b>		
Benefits paid to participants	6,808,057	5,534,227
Insurance expense	-	19,935
Administrative expenses	295,023	271,018
Total deductions	<u>7,103,080</u>	<u>5,825,180</u>
Net increase	11,580,536	21,424,056
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
<b>BEGINNING OF YEAR</b>	<u>88,777,228</u>	<u>67,353,172</u>
<b>END OF YEAR</b>	<u>\$ 100,357,764</u>	<u>\$ 88,777,228</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

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

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

**Basis of Presentation, Fund Accounting**

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

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

Fiduciary funds are used to account for the accumulation of pension resources and other post employment benefits held in trust for employees.

**Basis of Accounting**

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Accounting Standards Board – Statement No. 20**

The Authority is required to follow all statements of the Governmental Accounting Standards Board (GASB). GASB Statement No. 20 was issued to give guidance in determining Generally Accepted Accounting Principles (GAAP) for governmental proprietary funds. It provides that all proprietary fund activities follow all Financial Accounting Standards Board (FASB) Statements issued prior to November 30, 1989, unless they conflict with GASB standards. It also provides that the governmental unit must elect whether to follow FASB Statements issued after that date.

The Authority has elected not to follow any FASB pronouncements issued after November 30, 1989.

**Budgets and Budgetary Accounting**

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

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

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, cash on hand, cash on deposit with public depositories and investment money market funds. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are recorded at fair market value. Money market funds were reclassified from cash and cash equivalents to investments as a result in a change to accounting application following GASB 40.

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash, Cash Equivalents and Investments (Continued)**

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

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

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

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

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

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash, Cash Equivalents and Investments (Continued)**

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

**Inventory**

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

**Prepaid Expenses**

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

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

Debt issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Bond discounts/premiums and loss on defeasance are deferred and amortized over the life of the bonds using the effective interest method. Bond discounts/premiums and loss on defeasance are presented as an adjustment of the face amount of the revenue bonds payable whereas issuance costs are recorded as other assets.

**Property, Plant and Equipment**

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

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

Expenditures are capitalized when they meet one or more of the following requirements:

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property, Plant and Equipment (Continued)**

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

**Depreciation**

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

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

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

Depreciation begins when the asset is placed in service.

**Post Employment Benefits**

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

**Interfunds**

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

**Income Taxes**

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

**Operating and Non-Operating Revenues and Expenses**

Operating revenues include all revenues derived from facility charges (i.e., toll revenues, which include E-Z Pass revenues) and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities.



**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Operating and Non-Operating Revenues and Expenses (Continued)**

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

**Accounts Receivable**

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

**Unearned Revenue**

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

**Net Assets**

Net assets comprise the various earnings from operating income, non-operating revenues, expenses, and capital contributions. Net assets are classified in the following three components:

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

***Restricted*** – This component of net assets 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 assets.

***Unrestricted*** – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.” This component includes net assets that may be allocated for specific purposes by the Board.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

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

**NOTE 2 — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Compliance with Finance Related Legal and Contractual Provisions**

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

**Trust Agreement**

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

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

**Debt Service Fund:** This account is maintained to pay bond interest and principal. The balance on deposit must be sufficient to enable the trustee to withdraw amounts equal to interest due on bonds and principal amount maturing on bonds when such payments are required. The balance on December 31, 2011 meets the requirements of the Trust Agreement.

**Debt Reserve Fund:** Funds on deposit must be maintained at a level equal to the maximum annual principal and interest requirements to insure funds are available for payment of debt service. The balance on December 31, 2011 of \$25,825,489 meets the requirements of the Trust Agreement.

**Reserve Maintenance Fund:** This account is used for unusual or extraordinary maintenance or repairs, maintenance or repairs not recurring annually, repairs or replacements resulting from emergencies, providing improvements to approaches and highways, insurance premiums on crossing facilities and engineering expenses incurred under the provisions of Section 509 of the Trust Agreement. Funds on deposit must be equal to \$4,000,000 at fiscal year-end. Any excess shall be promptly transferred to the General Fund Account. The balance on December 31, 2011 meets the requirements of the Trust Agreement.

**General Fund:** All excess funds of the Authority are recorded in the General Fund. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the excess funds may be used by the Authority for any lawful purpose.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 2 — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Covenants as to Tolls**

The Authority is required to fix, revise, charge and collect tolls and other charges for traffic using the crossing facilities in order to provide an amount of Net Revenues in each fiscal year equal to not less than 125% of the principal and interest requirements for such fiscal year. The Authority satisfied this requirement for the year ending December 31, 2011. To arrive at Net Revenues as defined in the Trust Agreement, the following adjustments to operating income need to be made:

	<u>2011</u>	<u>2010</u>
Operating income	\$ 13,540,337	\$ 5,736,050
Add:		
Net investment income (excluding construction fund)	1,942,941	3,581,304
Depreciation expense	21,920,970	21,342,782
General fund expense	859,911	1,516,262
Economic development expense	1,111,103	1,068,659
Airport fund expense	5,740,661	5,806,306
OPEB liability adjustment	1,978,562	2,132,307
Uncollectible toll expense	261,384	1,897,416
Other miscellaneous adjustments	325,029	187,553
Liquidations of prior year encumbrances	<u>1,457,238</u>	<u>643,086</u>
	35,597,799	38,175,675
Less:		
Airport fund revenues	5,627,873	6,066,579
General fund revenues	1,987,570	2,313,632
Economic development revenue	1,781,619	1,839,715
Inventory adjustments	570,473	60,398
Encumbrances fiscal year ending December 31, 2011	<u>1,959,985</u>	<u>1,127,728</u>
	<u>11,927,520</u>	<u>11,408,052</u>
Net revenues available for debt service coverage	<u>\$ 37,210,616</u>	<u>\$ 32,503,673</u>
<b>Total debt service (principle and interest)</b>	<u><b>\$ 21,331,889</b></u>	<u><b>\$ 21,354,195</b></u>
<b>Debt service coverage</b>	174%	152%

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 2 — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Annual Budget for the years ended December 31:**

	2011			2010		
	Projected Revenue	Actual Revenue	(Under) Over Budget	Projected Revenue	Actual Revenue	(Under) Over Budget
<b>Revenue (excluding Grant Revenue)</b>						
Delaware Memorial Bridge	\$ 87,861,514	\$ 86,120,525	\$ (1,740,989)	\$ 79,900,000	\$ 75,875,461	\$ (4,024,539)
Cape May-Lewes Ferry	14,326,465	13,406,195	(920,270)	14,261,000	14,184,619	(76,381)
Airports Division	6,161,786	5,518,154	(643,632)	5,400,000	5,997,946	597,946
Economic Development	1,707,971	1,370,002	(337,969)	1,717,900	1,466,981	(250,919)
Three Forts	73,636	62,018	(11,618)	75,000	73,636	(1,364)
Concessions	3,680,000	3,440,686	(239,314)	3,640,000	3,460,189	(179,811)
Investment income	3,277,397	1,942,941	(1,334,456)	3,700,000	3,581,304	(118,696)
Other income	2,060,382	2,671,708	611,326	1,900,000	2,989,307	1,089,307
<b>Total revenue</b>	<b>\$ 119,149,151</b>	<b>\$ 114,532,229</b>	<b>\$ (4,616,922)</b>	<b>\$ 110,593,900</b>	<b>\$ 107,629,443</b>	<b>\$ (2,964,457)</b>
	Projected Expenses	Actual <sup>(1)</sup> Expenses	(Under) Over Budget	Revised Budget	Actual <sup>(1)</sup> Expenses	(Under) Over Budget
<b>Expenses</b>						
Administration	\$ 15,933,875	\$ 15,928,046	\$ (5,829)	\$ 15,661,575	\$ 15,654,988	\$ (6,587)
Delaware Memorial Bridge	19,421,863	19,417,740	(4,123)	20,128,332	20,127,754	(578)
Cape May-Lewes Ferry	24,003,979	23,994,789	(9,190)	23,310,033	23,300,354	(9,679)
Authority Police	8,039,860	8,039,020	(840)	8,459,467	8,456,414	(3,053)
Airports Division	6,194,608	5,925,934	(268,674)	6,010,465	5,939,358	(71,107)
Economic Development	1,132,400	1,111,103	(21,297)	1,072,681	1,050,969	(21,712)
Three Forts	92,683	89,987	(2,696)	118,180	112,729	(5,451)
Concessions	4,129,801	4,118,747	(11,054)	4,188,336	4,101,555	(86,781)
Total operating expenses <sup>(2)</sup>	78,949,069	78,625,366	(323,703)	78,949,069	78,744,121	(204,948)
Bond interest	12,827,875	12,571,889	(255,986)	13,492,288	12,954,195	(538,093)
Bond principal	8,760,000	8,760,000	-	8,400,000	8,400,000	-
<b>Total expenses</b>	<b>\$ 100,536,944</b>	<b>\$ 99,957,255</b>	<b>\$ (579,689)</b>	<b>\$ 100,841,357</b>	<b>\$ 100,098,316</b>	<b>\$ (743,041)</b>

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

(2) Expense reconciliation to financial statements:

	2011	2010
Operating expenditures (budgetary method)	\$ 78,625,366	\$ 78,744,121
Adjustments:		
Encumbrances - fiscal year ending December 31, 2010	(1,959,985)	(1,127,728)
Liquidation of prior year encumbrances	1,457,238	643,086
Depreciation expense	21,920,970	21,342,782
Uncollectible Toll Expense	261,384	2,132,307
Pension Contributions over ARC	(3,622,715)	(5,538,066)
OPEB liability expense adjustment	1,978,562	1,897,416
Merchant card services	720,619	888,382
Inventory adjustments	570,473	(60,398)
General fund expenses	859,911	1,516,264
Other miscellaneous adjustments	325,027	187,555
<b>Operating expenses</b>	<b>\$ 101,136,850</b>	<b>\$ 100,625,721</b>

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 2 — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Toll Revenue**

2011		Bridge		Ferry	
Toll Class		Vehicles	Revenue	Vehicles or Passengers	Revenue
1		12,096,813	\$ 42,549,428	250,393	\$ 8,741,930
2		255,501	2,280,412		
3		173,774	2,317,539		
4		129,518	2,316,008	1,641	71,936
5		1,459,524	32,148,900	2,899	150,070
6		31,677	833,172	2,187	130,771
7		2,031	112,260	2,328	168,984
8		9,174	285,754		
9		1,212,606	1,063,138	507	46,022
10		1,273,470	1,436,121	7,219	223,207
11		64,337	337,875		
12		58,841	412,038	7	1,014
13		3,747	27,880		
Passengers:	Adults			661,626	3,527,855
	Child			69,322	322,812
	Bus Adult			4,270	20,197
	Bus Child			454	1,397
Special groups				-	-
Non-revenue		15,743		45,203	*
Total		<u>16,786,756</u>	<u>\$ 86,120,525</u>	<u>1,048,056</u>	<u>\$ 13,406,195</u>

\* Includes children under 6 years of age.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 2 — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Toll Revenue (Continued)**

2010		Bridge		Ferry	
Toll Class		Vehicles	Revenue	Vehicles or Passengers	Revenue
1		12,397,831	\$ 37,073,673	266,064	\$ 9,342,832
2		258,758	2,053,592		
3		168,341	2,000,412		
4		124,772	1,979,408	1,812	76,708
5		1,470,937	28,981,660	3,181	162,190
6		29,825	706,608	2,234	131,043
7		1,993	99,650	2,349	168,941
8		7,305	202,468		
9		1,139,850	854,887	329	29,763
10		1,234,491	1,234,491	7,669	237,607
11		67,196	298,434		
12		61,109	363,642	4	590
13		4,046	26,535		
Passengers:	Adults			699,596	3,694,962
	Child			67,316	313,466
	Bus Adult			5,005	24,106
	Bus Child			450	1,401
Special groups				202	1,010
Non-revenue		17,245		61,937 *	
Total		<u>16,983,699</u>	<u>75,875,460</u>	<u>1,118,148</u>	<u>\$ 14,184,619</u>

\* Includes children under 6 years of age.

**NOTE 3 — DETAIL NOTES — ASSETS**

**Cash and Cash Equivalents**

*Custodial Credit Risk:* Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2011 and 2010, the Authority held \$5,787,012 and \$8,084,012 in cash and cash equivalents in financial institutions, with \$3,923,960 and \$2,309,775 held in uncollateralized accounts in excess of federal depository insurance limits, respectively.

**Investments**

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



**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 3 — DETAIL NOTES — ASSETS (CONTINUED)**

Of the Authority's \$100,584,121 investments in US Government Securities, US Government Agencies, Municipal Bond, Corporate Bonds and Money Market Funds, all \$100,584,121 of investments are registered in the name of the Authority and held by the counterparty.

Of the \$86,043,325 investments held in the Authority's Pension Trust Fund, \$73,614,909 are registered in the name of the Authority and held by the counterparty. The remaining \$12,428,416 of Other Investments are held by Allmerica Financial Life Insurance Company within their general investment portfolio.

Of the \$14,311,937 investments held in the OPEB Trust Fund, all \$14,311,937 are in Money Market Funds, Mutual Funds, and Fixed Income Funds and are registered in the name of the Authority and held by the counterparty.

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

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

As of December 31, 2011 and 2010, the Authority had the following investments and maturities. (Amounts are in thousands)

		Investment Maturities (in Years)								
		Fair Value	Less than 1	1-5	6-10	More than 10				
<b>December 31, 2011</b>										
Investment Type										
Corporate and municipal obligations	\$	40,887	\$	16,774	\$	2,192	\$	838		
U.S. Government Agencies		24,715		-		3,606		1,104		20,005
U.S. Government Bonds/Notes		17,469		10,710		6,759		-		-
Money market funds		17,513		-		-		-		17,513
<b>Total</b>		<b>\$ 100,584</b>		<b>\$ 27,484</b>		<b>\$ 31,448</b>		<b>\$ 3,296</b>		<b>\$ 38,356</b>
<b>December 31, 2010</b>										
Investment Type										
Corporate and municipal obligations	\$	37,973	\$	15,190	\$	12,781	\$	7,724	\$	2,278
U.S. Government Agencies		33,362		702		856		7,910		23,894
U.S. Government Bonds/Notes		18,817		10,565		8,252		-		-
Money market funds		14,271		-		-		-		14,271
<b>Total</b>		<b>\$ 104,423</b>		<b>\$ 26,457</b>		<b>\$ 21,889</b>		<b>\$ 15,634</b>		<b>\$ 40,443</b>

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 3 — DETAIL NOTES — ASSETS (CONTINUED)**

As of December 31, 2011 and 2010, the Pension and OPEB Trust Funds had the following investments and maturities (amounts are in thousands).

		Investment Maturities (in Years)				
		Fair Value	Less than 1	1-5	6-10	More than 10
<b>December 31, 2011</b>						
Investment Type						
Corporate bonds/notes	\$	5,183	\$ -	\$ 2,007	\$ 3,148	\$ 28
Municipal obligations		4,669	-	625	1,973	2,071
U.S. Government Agencies		11,412	-	63	908	10,441
U.S. Government Bonds/Notes		8,763	227	744	7,792	-
Money market funds		4,973	4,973	-	-	-
Equity index funds		52,927	52,927	-	-	-
Fixed Income Fund		12,428	12,428	-	-	-
<b>Total</b>	<b>\$</b>	<b>100,355</b>	<b>\$ 70,555</b>	<b>\$ 3,439</b>	<b>\$ 13,821</b>	<b>\$ 12,540</b>
<b>December 31, 2010</b>						
Investment Type						
Corporate bonds/notes	\$	2,445	\$ -	\$ 834	\$ 1,611	\$ -
Municipal obligations		4,446	203	679	1,226	2,338
U.S. Government Agencies		9,092	10	2,586	1,997	4,499
U.S. Government Bonds/Notes		7,151	4,057	2,212	25	857
Money market funds		8,588	1,986	-	-	6,602
Equity index funds		43,678	3,098	-	-	40,580
Fixed Income Fund		13,367	13,367	-	-	-
<b>Total</b>	<b>\$</b>	<b>88,767</b>	<b>\$ 22,721</b>	<b>\$ 6,311</b>	<b>\$ 4,859</b>	<b>\$ 54,876</b>

*Credit Risk:* Credit risk is the risk that an issuer or counterparty to an investor will not fulfill its obligations. The Authority limits its exposure to credit risk through the Trust Agreement which restricts the investment obligations that may be purchased, by type and credit rating, as disclosed in Note 1. The Pension's Fund's investment policy defines the type, quality and quantity of eligible investments that can be purchased. Presented below are summaries of the Authority's investments by type and credit rating as of December 31, 2011.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 3 — DETAIL NOTES — ASSETS (CONTINUED)**

**Authority Investments**

<b>Investment Type</b>	<b>Rating *</b>	<b>% of Total Investments</b>
Corporate Bonds and Municipal Obligations	AAA	7.40%
Corporate Bonds and Municipal Obligations	AA+	5.34%
Corporate Bonds and Municipal Obligations	AA-	2.26%
Corporate Bonds and Municipal Obligations	AA	0.88%
Corporate Bonds and Municipal Obligations	A+	0.93%
Corporate Bonds and Municipal Obligations	A-	2.98%
Corporate Bonds and Municipal Obligations	A-1	6.13%
Corporate Bonds and Municipal Obligations	A-2	1.55%
Corporate Bonds and Municipal Obligations	A	2.40%
Corporate Bonds and Municipal Obligations	A1+	2.39%
Corporate Bonds and Municipal Obligations	A1	3.52%
Corporate Bonds and Municipal Obligations	BBB+	1.17%
Corporate Bonds and Municipal Obligations	BBB	0.76%
Corporate Bonds and Municipal Obligations	SP-1+	0.52%
Corporate Bonds and Municipal Obligations	NR	2.41%
Federal Home Loan	AAA	0.42%
Federal Home Loan Bank	AA+	0.13%
Federal Home Loan Mortgage Corporation	AAA	2.53%
Federal Home Loan Mortgage Corporation	AA+	0.85%
Federal National Mortgage Association	AAA	3.31%
Federal National Mortgage Association	AA+	11.34%
Government National Mortgage Association	AAA	6.00%
U.S. Treasury Notes	AAA	17.37%
Money Markets Funds	AAA	13.02%
Money Markets Funds	A-	0.42%
Money Markets Funds	NR	3.98%

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 3 — DETAIL NOTES – ASSETS (CONTINUED)**

**Combined Pension Fund and OPEB Investments**

<b>Investment Type</b>	<b>Rating *</b>	<b>% of Total Investments</b>
Corporate Bonds/Notes	AA+	0.21%
Corporate Bonds/Notes	A+	0.33%
Corporate Bonds/Notes	A-	2.08%
Corporate Bonds/Notes	A	0.69%
Corporate Bonds/Notes	BBB+	0.97%
Corporate Bonds/Notes	BBB-	0.32%
Corporate Bonds/Notes	BBB	0.29%
Corporate Bonds/Notes	NR	0.26%
Municipal Obligations	AAA	1.97%
Municipal Obligations	AA+	1.15%
Municipal Obligations	AA-	0.35%
Municipal Obligations	AA	0.69%
Municipal Obligations	A-	0.13%
Municipal Obligations	A	0.10%
Municipal Obligations	NR	0.26%
Federal Home Loan Mortgage Corporation	AAA	1.43%
Federal Home Loan Mortgage Corporation	AA+	1.07%
Federal National Mortgage Association	AAA	1.38%
Federal National Mortgage Association	AA+	5.08%
Government National Mortgage Association	AAA	2.08%
Government National Mortgage Association	AA+	0.34%
U.S. Treasury Notes	AAA	1.56%
U.S. Treasury Notes	AA+	7.17%
Money Markets Funds	NR	4.96%
Equity Index Funds	NR	52.74%
Fixed Income Funds	NR	12.38%

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

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 3 — DETAIL NOTES – ASSETS (CONTINUED)**

**Note Receivable**

On March 1, 2005, the Authority entered into an agreement with the Diamond State Port Corporation (DSPC). Under the agreement, the Authority is required to fund DSPC's warehouse project in the amount of \$4,000,000 (See Note 4, Lease Obligations). On April 20, 2006, the Authority sent \$3,400,000 to the DSPC, which represented 85% of the project's funding. The Authority remitted the remaining \$600,000 to the DSPC on June 1, 2007. The note is payable over 20 years in equal monthly installments of \$21,785.57. Interest rates range from 1.50% (years 1-5), 3.00% (years 6-10) and 5.32% (years 11-20), for an internal rate of return of 2.80%. The DSPC began making payments July 1, 2007. The balance of the note at December 31, 2011 and 2010 was \$3,062,893 and \$3,276,636, respectively.

**Property, Plant and Equipment**

The following schedule details changes in Property, Plant and Equipment by major class that occurred during the year ended December 31, 2011:

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Capital assets					
Not being depreciated:					
Land	\$ 10,966,412	\$ -	\$ -	\$ -	\$ 10,966,412
Construction-in-progress	69,163,469	20,224,024	(1,441,852)	(44,627,662)	43,317,979
Total, not being depreciated	<u>80,129,881</u>	<u>20,224,024</u>	<u>(1,441,852)</u>	<u>(44,627,662)</u>	<u>54,284,391</u>
Capital assets, being depreciated					
Land improvements	230,027,595	8,894	-	205,516	230,242,005
Buildings	133,692,783	107,948	-	1,307,179	135,107,910
Machinery and equipment	54,575,508	37,000	(477,603)	1,706,042	55,840,947
Vessels	142,010,890	-	-	2,926,450	144,937,340
Infrastructure	414,717,480	2,739,217	-	38,482,475	455,939,172
Total, being depreciated	<u>975,024,256</u>	<u>2,893,059</u>	<u>(477,603)</u>	<u>44,627,662</u>	<u>1,022,067,374</u>
Accumulated depreciation					
Land improvements	(176,816,097)	(2,752,665)	-	-	(179,568,762)
Buildings	(34,418,126)	(3,226,147)	-	-	(37,644,273)
Machinery and equipment	(37,102,833)	(3,102,688)	450,954	-	(39,754,567)
Vessels	(80,362,824)	(4,513,866)	-	-	(84,876,690)
Infrastructure	<u>(227,912,547)</u>	<u>(8,325,604)</u>	<u>-</u>	<u>-</u>	<u>(236,238,151)</u>
Total accumulated depreciation	<u>(556,612,427)</u>	<u>(21,920,970)</u>	<u>450,954</u>	<u>-</u>	<u>(578,082,443)</u>
Total capital assets, being depreciated, net	<u>418,411,829</u>	<u>(19,027,911)</u>	<u>(26,649)</u>	<u>44,627,662</u>	<u>443,984,931</u>
<b>Total capital assets, net</b>	<u><b>\$ 498,541,710</b></u>	<u><b>\$ 1,196,113</b></u>	<u><b>\$ (1,468,501)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 498,269,322</b></u>

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 3 — DETAIL NOTES – ASSETS (CONTINUED)**

**Property, Plant and Equipment (Continued)**

Total depreciation expense for Fiscal Year 2011 and 2010 was \$21,920,970 and \$21,342,782, respectively. Depreciation expense was charged to operating activities as follows:

	<u>2011</u>	<u>2010</u>
Delaware Memorial Bridge	\$ 7,105,927	\$ 7,364,098
Cape May - Lewes Ferry	8,936,874	8,656,024
Administration	461,730	330,062
Police	122,078	131,368
Concessions	17,505	29,111
Three Forts Ferry	75,069	75,069
Airports	4,753,977	4,353,026
Salem Business Park	407,020	369,536
Riverfront Marketplace	40,790	34,488
<b>Total depreciation expense</b>	<u><u>\$ 21,920,970</u></u>	<u><u>\$ 21,342,782</u></u>

**NOTE 4 — DETAIL NOTES – LIABILITIES**

**Compensated Absences**

The Authority has recorded a liability through December 31, 2011 totaling \$5,949,652 for vacation and sick pay, with \$343,087 accruing during Fiscal Year 2011. Benefits are earned according to the following policies:

**Vacation Leave**

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

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

- Vacation hours not used during the fiscal year may be carried over, but may not exceed the maximum accumulation.
- Part-time employees do not accrue vacation time.

Employees, who resign, retire or are terminated, are paid for unused accrued vacation time, up to the established maximum accumulation.



**DELAWARE RIVER AND BAY AUTHORITY**  
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**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Sick Leave**

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

**Post-Employment Benefits**

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

At December 31, 2011, there were 344 retired employees and retired spouses utilizing these benefits and 346 active employees accruing future benefits. One hundred percent of all future retirees will be covered under the medical, life insurance, dental and vision plans. The benefits are determined by the Authority's Board of Commissioners.

*Funding Policy:* The contribution requirement of the Authority is established by the Authority's Board of Commissioners and may be amended by the same. The Authority has adopted a 5 year phase in policy, beginning with fiscal year 2008 and fully funding its ARC by fiscal year 2012. Plan members are not required to make any contributions to the plan.

*Annual OPEB Cost and Net OPEB Obligation:* The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$11,909,895, at a funded discount rate of 7.5%. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the Delaware River & Bay Authority Retiree Health Benefits Plan, and changes in the Authority's net OPEB obligation to the Delaware River & Bay Authority's Retiree Health Benefits Plan:

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 4 — DETAIL NOTES – LIABILITIES (CONTINUED)**

**Post-Employment Benefits (Continued)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual Required Contribution (ARC)	\$ 11,909,895	\$ 11,133,143	\$ 8,635,159
Interest on the Net OPEB Obligation	708,993	767,953	423,190
Adjustment to the ARC	<u>(798,880)</u>	<u>(767,953)</u>	<u>(423,190)</u>
Annual OPEB cost	11,820,008	11,133,143	8,635,159
Contributions made	<u>(9,841,446)</u>	<u>(11,978,207)</u>	<u>(3,376,365)</u>
Increase (Decrease) in net OPEB obligation	1,978,562	(845,064)	5,258,794
Net OPEB Obligation - Beginning of Year	<u>10,161,964</u>	<u>11,007,028</u>	<u>5,748,234</u>
<b>Net OPEB Obligation - End of Year</b>	<b><u>\$ 12,140,526</u></b>	<b><u>\$ 10,161,964</u></b>	<b><u>\$ 11,007,028</u></b>

*Funded Status and Funding Progress:* As of January 1, 2011, the most recent actuarial valuation date, the Delaware River & Bay Authority Retiree Health Benefit Plan was 7.92% funded. The actuarial accrued liability for benefits was \$100,446,517 and the actuarial value of assets was \$7,952,390, resulting in an unfunded actuarial accrued liability (UAAL) of \$92,494,127. The covered payroll (annual payroll of active employees covered by the plan) was \$21,561,988, and the ratio of the UAAL to the covered payroll was 429%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the Delaware River & Bay Authority Retiree Health Benefits Plan is funded and how this status has changed over the past several years. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Delaware River & Bay Authority Retiree Health Benefits Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Pension Plans (Continued)**

In the January 1, 2011 actuarial valuation, the entry age normal cost method was used. The objective under this method is to allocate the Actuarial Present Value of the Projected Benefits of each individual on a level dollar basis between entry age and assumed exit age(s). Entry age under this method is the age at hire. The Plan's Normal Cost is the sum of the individual Normal Costs, and the Plan's Actuarial Accrued Liability is the sum of the individual Actuarial Liabilities. Under this method, actuarial gains (losses), as they occur, reduce (Increase) the unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over 27 years (30 years from January 1, 2008) as a level dollar amount on a closed basis. The significant actuarial assumptions include a 7.5% long term funding investment return assumption, an annual healthcare cost trend rate of 8.5% initially, reducing by decrements to an ultimate rate of 4.5% after twenty years, an annual dental cost trend rate of 7.0% initially, reducing by decrements to an ultimate rate of 4.5% after twenty years, a 4% per year salary increase rate for life insurance purposes and the RP2000 mortality table for males and females, projected to 2018 with scale AA.

**Pension Plans**

**Defined Benefit Plan**

*Plan Description:* The Authority maintains a defined benefit contributory pension plan which provides benefits for all full time permanent employees. The Delaware River & Bay Authority Employees Defined Benefit Plan (the DB Plan) is a single employer plan administered by the Authority. As of the valuation date January 1, 2011, there were 379 active participants, 134 terminated members entitled to, but not yet receiving benefits and 251 retirees and/or beneficiaries currently receiving benefits. A member may retire after completing ten (10) years of service and after reaching normal retirement age (sixty (60) years old), except police officers at the age of fifty five (55) or at the age at which twenty five (25) years of service has been completed, whichever occurs first. A member may take early retirement after completing ten (10) years of service and after reaching the age of fifty five (55) or age fifty (50) for police officers. The accrued benefit under early retirement is reduced by 1/3 % for each month that early retirement proceeds normal retirement. Benefits are unreduced after 25 years of service. Employee benefits vest after five (5) years of service. Benefits and refunds of the defined benefit plan are paid when due and payable in accordance with the terms of the plan.

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Pension Plans (Continued)**

**Defined Benefit Plan (Continued)**

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

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

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

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

*Annual Pension Cost:* For fiscal years ended December 31, 2011, 2010 and 2009, the Authority's annual pension costs for the DB Plan were \$6,253,210, \$6,147,831, and \$5,605,251, respectively. As a contributory plan, Authority employees are required to contribute 3% of annual base earnings up to the Social Security taxable wage base and 5% for amounts in excess of the base. Actual contributions from employees for plan years ending December 31, 2011, 2010 and 2009 were \$637,361, \$652,280 and \$671,937, respectively. In keeping with its funding policy, the Authority contributed 100% of the recommended contributions for those years. Employer contribution information can be found in Schedule 2 as part of the Required Supplementary Section.

*Annual Pension Cost. (Continued)* The required contribution for the year ended December 31, 2011 was determined using the entry age normal method. The objective under this method is to allocate the actuarial present value of the projected benefits of each individual on a level dollar basis between entry age and assumed exit age(s). The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability. Under the entry age normal method, the sum of the individual normal costs, and the plan's actuarial accrued liability is the sum of the individual actuarial liabilities. Under this method, actuarial gains (losses), as they occur, reduce (increase) the unfunded actuarial accrued liability. Beginning January 1, 2003, the annual pension cost is calculated using a "one year" lag methodology of funding.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Pension Plans (Continued)**

Under this methodology, the pension cost for a given year is based on data and assets from the previous year projected forward for one year.

The current actuarial valuation report showing contributions for the Plan Year ending December 31, 2011 include the following significant actuarial assumptions: (a) 7.5% investment rate of return, 4.5% for retirees under Allmerica Contract, (b) projected annual salary increases of 4%, (c) inflation rate of 3%, (d) RP 2000 mortality table and (e) 50% of DB Plan participants elect a life annuity and 50% elect a lump sum distribution. Post retirement benefit adjustments are addressed on an ad-hoc basis. DB Plan assets are adjusted for valuation purposes using a method based on market value of assets. Under this method, asset gains or losses will be spread over five (5) years. If the result is outside an 80% to 120% corridor around market value, an additional adjustment maintains the actuarial value of assets at the appropriate corridor limit. Funding progress information can be found in Schedule 3 as part of the Required Supplementary Section.

*Funded Status and Funding Progress:* As of January 1, 2011, the most recent actuarial valuation date, the Delaware River & Bay Authority Employees Retirement Plan was 74.1% funded. The actuarial accrued liability for benefits was \$111,987,288 and the actuarial value of assets was \$82,999,104, resulting in an unfunded actuarial accrued liability (UAAL) of \$28,988,184. The covered payroll (annual payroll of active employees covered by the plan) was \$21,561,988, and the ratio of the UAAL to the covered payroll was 134%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the Delaware River & Bay Authority Employees Retirement Plan is funded and how this status has changed over the past several years. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Delaware River & Bay Authority Employees Retirement Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

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

Unfunded actuarial accrued liability is amortized over a closed period of 18 years (20 years beginning on January 1, 2009) as a level dollar amount on a closed basis.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Pension Plans (Continued)**

Beginning January 1, 2003, the annual pension cost is calculated using a “one-year lag” methodology of funding. Under this methodology, the pension cost for a given year is based on data and assets from the previous year projected forward for one year.

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

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

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

**Defined Contribution Plan**

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

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

*Funding Policy:* The contribution requirements for both the employees and employer are established and amended by the Authority as authorized by the Board of Commissioners. Authority employees are required to contribute 2% of their base salary. In addition, employees can contribute an optional 2% of their base salary into the plan. The Authority contributes a 25% match to the required 2% contribution and a 75% match to the optional 2% contribution. The employees’ contributions were \$876,377, \$945,548 and \$871,456 for 2011, 2010 and 2009 respectively. The Authority’s contribution was \$406,790, \$414,516 and \$423,172 for 2011, 2010 and 2009 respectively. As of December 31, 2011, the value of the DC Plan was \$19,672,014



**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 4 — DETAIL NOTES – LIABILITIES (CONTINUED)**

**Defined Contribution Plan (Continued)**

**Health Claims Liability**

The Authority maintains an Administrative Service Only (ASO) arrangement with Blue Cross Blue Shield of Delaware (BCBS of DE). Under the ASO, the Authority provides five health related Plans available to active employees and retirees. The Plans include: Preferred Provider Organization Plan, Managed Care Plan, Medicare Supplement Plan, Prescription Drug Plan and Dental Care Plan. BCBS of DE is paid a monthly fee to administer each Plan. The fee is based on the number and type of Plans utilized by each employee and retiree. The Authority is self insured for claims under the Plans, with stop loss protection of \$100,000 per claim. At the end of each fiscal year, BCBS of DE estimates the outstanding claims liability for the Plans. Scheduled below is a reconciliation of the changes in claims liability for the fiscal years ending December 31, 2011, 2010 and 2009.

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Beginning claims liability - 1/1	\$ 714,396	\$ 646,700	\$ 625,856
Total incurred claims	8,410,835	9,033,419	6,751,609
Total paid claims	<u>(8,499,336)</u>	<u>(8,965,723)</u>	<u>(6,730,765)</u>
<b>Ending claims liability - 12/31</b>	<u><u>\$ 625,895</u></u>	<u><u>\$ 714,396</u></u>	<u><u>\$ 646,700</u></u>

**Loans Payable**

*Development Agreement – Cumberland Empowerment Zone Corp.*

In September 2002, the Authority entered into a development agreement with the City of Millville and the Cumberland Empowerment Zone Corp. (CEZC) to develop and construct a 40,000 square foot aviation maintenance hangar and aviation incubator building at the Millville Airport. The project was funded partially by the Authority (\$1,500,000), through grants provided by the United States Economic Development Administration (\$1,620,000) and the New Jersey Department of Transportation (\$250,000) and a loan from CEZC (\$1,200,000). Upon completion of the project and leasing of the facility, the Authority and the CEZC shall on a pari passu basis, share in the net proceeds generated from the lease of the project improvements. The proceeds shall be used to recover each party's respective investment over a twenty (20) year period with interest accruing at a rate of seven percent (7%) per year on the CEZC loan and at 7% per year on the Authority's investment. The hangar facility is fully leased. A total of \$111,643 was paid to the CEZC in FY 2011. The balance of the loan at December 31, 2011 is \$1,066,712.



**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Lease Obligations**

*New Castle County Airport Lease*

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

*Cape May County Airport Lease*

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

*Civil Air Terminal Lease*

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

*Millville Airport Lease*

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

*Delaware Air Park Lease*

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Lease Obligations (Continued)**

*Delaware Breakwater Lighthouse*

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

The initial term of the lease is for ten years, expiring on June 30, 2011 and is automatically extended for a successive ten year period unless either party shall deliver notice of its intention not to renew, not less than twelve months prior to the expiration of the then current term. Lease payments will be one dollar per year.

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

*Diamond State Port Corporation*

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

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

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Bonded Indebtedness**

At December 31, 2011, the Authority had \$283,695,000 in revenue and refunding revenue bonds outstanding. The bonds were issued in 2003, 2004, 2005 and 2008. These bonds were issued pursuant to the Trust Agreement dated October 1, 1993 between the Authority and the Wilmington Trust Company.

Advanced Refunding and Defeased Debt

In prior years, the Authority advance refunded certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The investments and fixed earnings from the trust investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Authority's financial statements. As of December 31, 2011, \$20,630,000 of revenue bonds outstanding from prior years is considered defeased.

	<b>Annual Interest Rate</b>	<b>Bond Year Ending January 1,</b>	<b>Principal Amount</b>	<b>Interest</b>	<b>Total Debt Service</b>
<b>(4) Series 2003</b>	4.00%	2012	1,700,000	2,241,500	3,941,500
	5.00%	2013	1,770,000	2,173,500	3,943,500
		2014	-	2,085,000	2,085,000
		2015	-	2,085,000	2,085,000
		2016	-	2,085,000	2,085,000
		2017	-	2,085,000	2,085,000
		2018	-	2,085,000	2,085,000
		2019	-	2,085,000	2,085,000
		2020	-	2,085,000	2,085,000
		2021	-	2,085,000	2,085,000
		2022	-	2,085,000	2,085,000
		2023	-	2,085,000	2,085,000
		2024	-	2,085,000	2,085,000
		2025	-	2,085,000	2,085,000
		2026	-	2,085,000	2,085,000
	5.00%	2027	16,220,000	2,085,000	18,305,000
		2028	-	1,274,000	1,274,000
		2029	-	1,274,000	1,274,000
		2030	-	1,274,000	1,274,000
		2031	-	1,274,000	1,274,000
		2032	-	1,274,000	1,274,000
	5.00%	2033	25,480,000	1,274,000	26,754,000
<b>Total Series 2003</b>			<u>\$ 45,170,000</u>	<u>\$ 41,249,000</u>	<u>\$ 86,419,000</u>

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Bonded Indebtedness (Continued)**

	<b>Annual Interest Rate</b>	<b>Bond Year Ending January 1,</b>	<b>Principal Amount</b>	<b>Interest</b>	<b>Total Debt Service</b>
<b>(4) Series 2004</b>	5.00%	2012	4,995,000	1,567,000	6,562,000
	5.00%	2013	5,250,000	1,317,250	6,567,250
	5.00%	2014	5,510,000	1,054,750	6,564,750
	5.00%	2015	5,785,000	779,250	6,564,250
	5.00%	2016	6,070,000	490,000	6,560,000
	5.00%	2017	3,730,000	186,500	3,916,500
<b>Total Series 2004</b>			<u>\$ 31,340,000</u>	<u>\$ 5,394,750</u>	<u>\$ 36,734,750</u>
<b>(4) Series 2005</b>	3.40%	2012	2,065,000	8,719,375	10,784,375
	3.5/5.00%	2013	2,140,000	8,649,165	10,789,165
	3.6/5.00%	2014	4,090,000	8,547,565	12,637,565
	3.75/5.00%	2015	4,240,000	8,400,325	12,640,325
	3.75/5.00%	2016	4,455,000	8,190,075	12,645,075
	5.00%	2017	7,415,000	7,967,325	15,382,325
	4.0/5.00%	2018	11,890,000	7,596,575	19,486,575
	4.0/5.00%	2019	12,490,000	7,003,575	19,493,575
	4.0/5.00%	2020	13,100,000	6,389,375	19,489,375
	4.125/5.00%	2021	13,750,000	5,741,875	19,491,875
	4.0/5.00%	2022	14,425,000	5,067,500	19,492,500
	5.00%	2023	12,215,000	4,346,250	16,561,250
	5.00%	2024	12,825,000	3,735,500	16,560,500
	4.37/5.00%	2025	13,465,000	3,094,250	16,559,250
	4.125/5.00%	2026	14,135,000	2,421,250	16,556,250
	5.00%	2027	14,840,000	1,714,500	16,554,500
	5.00%	2028	15,585,000	972,500	16,557,500
	4.35/5.00%	2029	4,060,000	193,250	4,253,250
<b>Total Series 2005</b>			<u>\$ 177,185,000</u>	<u>\$ 98,750,230</u>	<u>\$ 275,935,230</u>

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Bonded Indebtedness (Continued)**

	<b>Annual Interest Rate</b>	<b>Bond Year Ending January 1,</b>	<b>Principal Amount</b>	<b>Interest</b>	<b>Total Debt Service</b>
<b>(4) Series 2008</b>	4.50%	2012	-	1,350,000	1,350,000
	4.50%	2013	-	1,350,000	1,350,000
	4.50%	2014	-	1,350,000	1,350,000
	4.50%	2015	-	1,350,000	1,350,000
	4.50%	2016	-	1,350,000	1,350,000
	4.50%	2017	-	1,350,000	1,350,000
	4.50%	2018	-	1,350,000	1,350,000
	4.50%	2019	-	1,350,000	1,350,000
	4.50%	2020	-	1,350,000	1,350,000
	4.50%	2021	-	1,350,000	1,350,000
	4.50%	2022	-	1,350,000	1,350,000
	4.50%	2023	-	1,350,000	1,350,000
	4.50%	2024	-	1,350,000	1,350,000
	4.50%	2025	-	1,350,000	1,350,000
	4.50%	2026	-	1,350,000	1,350,000
	4.50%	2027	-	1,350,000	1,350,000
	4.50%	2028	12,300,000	1,350,000	13,650,000
	4.50%	2029	17,700,000	796,500	18,496,500
<b>Total Series 2008</b>			<u>\$ 30,000,000</u>	<u>\$ 23,746,500</u>	<u>\$ 53,746,500</u>

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

Total bonded indebtedness	\$ 283,695,000
Less:	
Current portion	(8,760,000)
Deferred loss on defeasance	(8,715,150)
Premium on bonds	<u>7,907,350</u>
Total long-term bond indebtedness	<u>\$ 274,127,200</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Summary of Long-Term Liabilities**

	Principal Outstanding Jan. 1, 2011	Additions	Reductions	Principal Outstanding Dec. 31, 2011	Current Due Within One Year
Revenue bonds payable, net	\$ 291,359,857	\$ 926,501	\$ (9,399,158)	\$ 282,887,200	\$ 8,760,000
Loans payable	1,102,320	-	(35,608)	1,066,712	38,183
OPEB obligation	10,161,964	12,618,888	(10,640,326)	12,140,526	-
Compensated absences	6,040,479	343,087	(433,914)	5,949,652	806,252
<b>Total long-term liabilities</b>	<b><u>\$ 308,664,620</u></b>	<b><u>\$ 13,888,476</u></b>	<b><u>\$ (20,509,006)</u></b>	<b><u>302,044,090</u></b>	<b><u>\$ 9,604,435</u></b>

**Deferred Revenue**

*Forward Purchase Agreement*

On December 4, 1997, the Authority entered into a forward purchase agreement with a forward commitment provider. Under the terms of the agreement, the Authority received a lump sum cash payment of \$8,191,000 in exchange for granting the provider the right to invest the monies in the Debt Service Reserve Funds for the Authority's Series 1993 and Series 1996 Revenue Bonds and the right to the income thereon through 2026. The terms of the original agreement were amended through the issuance of a Supplemental Agreement dated September 1, 2004, which corresponded with the Authority's 2004 refunding of portions of the Series 1993 and Series 1996 Revenue Bonds. The Debt Service Reserve Fund investments remain the property of the Authority and are deposited with the Trustee. As of December 31, 2011, the Authority held \$10,215,956 in the Debt Service Reserve Fund with the Trustee that was subject to the provisions of the agreement.

*Forward Delivery Agreements – 1993 & 1996 Debt Service Funds*

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

Under the terms of the agreements, as awarded, the Authority receives guaranteed interest rates of return on investments held in the Debt Service Funds in exchange for granting the provider the right to invest the monies in the Debt Service Funds over the terms of the agreements. The initial periods ran from August 16, 2000 to May 30, 2025. The guaranteed interest rates are reset on May 20th of each year based on the 5 year Constant Maturity.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)**

**Deferred Revenue (Continued)**

*Treasury rate*

The rate determined in a given year is then applied to the Forward Purchase Agreement securities delivered to the Trustee for the year from and including 4 years after the reset date. The applied rates in effect for the Authority's year ending December 31, 2011 were reset on May 20, 2005 and May 20, 2006, respectively. The 2005 reset was applicable to the deliveries from 1/1/10 through 5/25/2010 and the 2006 reset was applicable to the deliveries from 5/26/2010 through 12/31/10. For both agreements, the 2005 and 2006 resets was 5.06%.

*Commitments*

The Authority has outstanding commitments of approximately \$6,196,181 on construction projects entered into through December 31, 2011.

**NOTE 5 – AGREEMENTS**

**Three Forts Ferry**

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

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

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

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



**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 5 — AGREEMENTS (CONTINUED)**

**Salem Business Center**

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

The operating results for the Salem Business Center for Fiscal Years 2011, 2010 and 2009 were as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating income	\$ 1,382,732	\$ 1,366,747	\$ 1,266,758
Operating expenses	<u>(791,761)</u>	<u>(710,436)</u>	<u>(725,266)</u>
<b>Net income</b>	<u>\$ 590,971</u>	<u>\$ 656,311</u>	<u>\$ 541,492</u>

As of December 31, 2011, two (2) tenants are under lease at the Salem Business Center. Based on the current tenant situation, projected revenues for Fiscal Years 2012 and 2013 are \$1,329,820 and \$1,349,767, respectively. The office building contains 73,415 square feet of available lease able space, of which 54,312 is rented.

**Riverfront Market and Restaurant**

On December 1, 2009, the Authority entered into an agreement with Deaton McCue and Company, Inc., to manage the land and buildings at the Riverfront Market and Restaurant, located in Wilmington, Delaware. The initial term of the agreement is for twenty four months, with three optional one year renewals. Effective December 31, 2011, Deaton McCue and Company elected to terminate the agreement to manage the Riverfront Market. Effective January 1, 2012, Emory Hill Real Estate Services, Inc. has agreed to provide management services to the Riverfront Market and Restaurant until a new firm can be selected under the Authority's formalized bid process.

The operating results for the Riverfront Market and Restaurant for Fiscal Years 2011, 2010 and 2009 were as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating income	\$ 398,889	\$ 472,968	\$ 369,419
Operating expenses	<u>(319,342)</u>	<u>(340,533)</u>	<u>(364,915)</u>
<b>Net income</b>	<u>\$ 79,547</u>	<u>\$ 132,435</u>	<u>\$ 4,504</u>

As of December 31, 2011, nine (9) tenants are under lease at the Riverfront Market and Restaurant. Based on the current tenant lease structure, available square footage and current economic condition, projected revenues for Fiscal Years 2012 and 2013 are \$441,915 and \$450,753, respectively. The Marketplace contains 9,201 square feet of available leasable space of which 8,729 is rented.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 5 — AGREEMENTS (CONTINUED)**

**Delaware State University**

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

**Collective Bargaining Agreement**

On March 29, 2001, a unit of marine employees at the Cape May-Lewes Ferry elected the Marine Engineers Beneficial Association to become their exclusive bargaining representatives. The marine employee unit is comprised of all permanent full time Pilots, Chief Engineers and First Assistant Engineers and all permanent full time and permanent part time Able Bodied Seaman, Ordinary Seaman, Oilers, Third Assistant Engineers and Mates. On August 20, 2002, the Authority entered into a collective bargaining agreement with the Marine Engineers Beneficial Association (MEBA). The term of the agreement is retroactive to January 1, 2002, and expired on June 30, 2004. On December 21, 2004, the Authority entered into a new collective bargaining agreement with MEBA. The term of the agreement is retroactive to July 1, 2004 and expires on June 30, 2007. On December 15, 2009, the Authority entered into a new collective bargaining agreement with MEBA. The term of the agreement is retroactive to July 1, 2007 and expires on June 30, 2012. As of December 31, 2011, the marine unit accounts for fifty-three (53) employees working at the Cape May-Lewes Ferry

On September 23, 2004, a group of employees at the Authority elected the International Union of Operating Engineers, Local 542 to become their exclusive bargaining representatives. The group is comprised of all permanent full time and permanent part time maintenance employees, airport employees, toll collectors and food service employees. As of December 31, 2011, this group consisted of one hundred nineteen (119) employees working throughout all Authority facilities. An agreement with Local 542 was entered into on March 16, 2010. The term of the agreement is retroactive to January 1, 2009 and expires on December 31, 2012.

On February 19, 2010, a group of employees at the Authority elected the Fraternal Order of Police (FOP), Lodge #14 to become their exclusive bargaining representatives. The group is comprised of all permanent full time Patrol Officers, Patrol Officers First Class, Corporals, Senior Corporals and Master Corporals. On July 19, 2011, the Authority entered into a collective bargaining agreement with the (FOP), Lodge #14. The term of the agreement is retroactive to January 1, 2010 and expires on December 31, 2012. As of December 31, 2011 this group consisted of thirty two (32) employees throughout all Authority facilities.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 6 — RISK MANAGEMENT**

**Net Assets Designated for Self Insurance Fund Program**

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

On January 1, 1987 the Authority established a self-insurance fund program. The purpose of this program is to increase the deductible amounts on various insurance policies thereby decreasing the premiums and to fund all or part of the remaining insurance premiums. The program is maintained within the General Fund. For fiscal years 2011, 2010 and 2009, the Authority internally designated and reserved \$8,000,000 as a General Fund Reserve for the Self Insurance Fund Program. Actual expenditures under the program for fiscal years 2011, 2010 and 2009 are as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Self insurance expenses	\$ 462,279	\$ 1,084,175	\$ 1,330,063

**NOTE 7 — CONTINGENCIES**

**Litigation**

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

**NOTE 8 — PRIOR PERIOD ADJUSTMENT**

During the current year, the Authority discovered an error while closing out a project. The error was caused by an accounting error when the Authority recorded reimbursement received as contributed capital when it should have reduced the Construction-in-Progress balance. In addition, a portion of the project should have been categorized as an accounts receivable and should have reduced the Construction-in-Progress balance.

The restatement is detailed below:

	<u><b>December 31, 2010</b></u>
Construction-in-Progress, as Previously Reported	\$ 72,968,101
Prior Period Adjustment	<u>(3,804,632)</u>
Construction-in-Progress, as Restated	<u>\$ 69,163,469</u>
Invested in capital assets, net, as Previously Reported	\$ 216,524,550
Prior Period Adjustment	<u>(3,804,632)</u>
Invested in capital assets, net, as Restated	<u>\$ 212,719,918</u>

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 8 — PRIOR PERIOD ADJUSTMENT (CONTINUED)**

	<u><b>December 31, 2010</b></u>
Other accounts receivable, as Previously Reported	\$ 137,719
Prior Period Adjustment	<u>1,230,592</u>
Invested in capital assets, net, as Restated	<u><u>\$ 1,368,311</u></u>
Unrestricted net assets, as Previously Reported	\$ 57,513,568
Prior Period Adjustment	<u>1,230,592</u>
Unrestricted net assets, as Restated	<u><u>\$ 58,744,160</u></u>

**NOTE 9 — SUBSEQUENT EVENTS**

Management evaluated subsequent events through May 15, 2012, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2011, but prior to May 15, 2012, that provided additional evidence about conditions that existed at December 31, 2011, have been recognized in the financial statements for the year ended December 31, 2011. Events or transactions that provided evidence about conditions that did not exist at December 31, 2011, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended December 31, 2011.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2011**

**Schedule 1**

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

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

**Schedule 2**

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

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Year Ended December 31,	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2011	\$ 11,820	100.00%
2010	\$ 11,133	100.00%
2009	\$ 8,635	39.10%
2008	\$ 8,635	33.43%

**DELAWARE RIVER AND BAY AUTHORITY  
FIDUCIARY FUND  
PENSION TRUST FUND  
SCHEDULE OF FUNDING PROGRESS  
December 31, 2011**

**Schedule 3**

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<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Total Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability to Annual Covered Payroll</u>
1/1/2002	56,338,510	49,986,866	6,351,644	112.7%	21,920,799	29.0%
1/1/2003	52,376,226	58,559,634	(6,183,408)	89.4%	23,126,442	26.7%
1/1/2004	57,051,336	61,515,132	(4,463,796)	92.7%	19,596,929	22.8%
1/1/2005	58,984,201	63,283,149	(4,298,948)	93.2%	20,778,374	20.7%
1/1/2006	62,437,338	69,671,370	(7,234,032)	89.6%	22,106,492	32.7%
1/1/2007	66,361,928	72,532,005	(6,170,077)	91.5%	22,730,636	27.1%
1/1/2008	68,388,865	74,890,933	(6,502,068)	91.3%	22,235,761	29.2%
1/1/2009	57,055,573	83,940,365	(26,884,792)	68.0%	22,800,768	117.9%
1/1/2010	73,412,768	105,006,579	(31,593,811)	69.9%	22,138,852	142.7%
1/1/2011	82,999,104	111,987,288	(28,988,184)	74.1%	21,561,988	134.4%



**DELAWARE RIVER AND BAY AUTHORITY  
FIDUCIARY FUND  
PENSION TRUST FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
December 31, 2011**

**Schedule 4**

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<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
2002	\$3,137,167	100%
2003	3,454,844	100%
2004	3,565,080	100%
2005	3,741,569	100%
2006	4,273,545	100%
2007	4,982,362	100%
2008	5,581,258	100%
2009	5,529,631	100%
2010	5,965,828	100%
2011	6,172,705	100%

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2011**

**NOTE 1 — INTRODUCTION**

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

**NOTE 2 — BASIC OF ACCOUNTING**

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

**NOTE 3 — RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

**NOTE 4 — SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER CONTRIBUTIONS**

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

<u>Defined Benefit Plan</u>	
Valuation Date	1/01/2011
Actuarial Cost Method	Entry Age Normal Method
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.5%
Projected Salary Increases	4.0%

**NOTE 5 — OTHER POST EMPLOYMENT BENEFITS**

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

Valuation Date	January 1, 2011
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Closed, Level Dollar Method
Remaining Amortization Period	27 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.5%
Rate of Salary Increases	4%
Rate of Medical Inflation	8.5% grading to 4.5% in 20 years
Rate of Dental Inflation	7.0% grading to 4.5% in 20 years

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2011**

**NOTE 5 — OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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

## **OTHER SUPPLEMENTARY SCHEDULES**

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND  
COMBINING SCHEDULE OF NET ASSETS  
December 31, 2011**

SCHEDULE 5

	Restricted							
	Totals	Combined Revenue Funds	Airport	General	Reserve Maintenance	Construction Funds	Debt Service Funds	Debt Service Reserve Funds
ASSETS								
Current Assets:								
Unrestricted Assets:								
Cash and Cash Equivalents	\$ 5,787,012	\$ 3,650,256	\$ 1,870,263	\$ 266,493				
Investments	55,839,381	8,097,174		47,742,207				
Operating Revenues Receivable	3,025,030	2,901,507	114,103	9,420				
Accrued Investment Income Receivable	287,892	73		287,819				
Note Receivable (Current Portion)	195,012			195,012				
Other Accounts Receivable	1,622,574	391,982		1,230,592				
Federal Grants Receivable	768,455			768,455				
Inventory	4,884,743	4,825,814	58,929					
Interfunds Receivable	120,795,907	64,541,176	593,568	55,661,163				
Prepaid Expenses	2,310,766	2,197,404	113,362					
Total Unrestricted Assets	195,516,772	86,605,386	2,750,225	106,161,161	---	---	---	---
Restricted Assets:								
Investments	44,744,740				\$ 4,000,000		\$ 14,919,251	\$ 25,825,489
Accrued Investment Income Receivable	162,101							162,101
Interfunds Receivable	27,250,263				2,100,000	\$ 7,597,860	14,854,950	2,697,453
Total Restricted Assets	72,157,104	---	---	---	6,100,000	7,597,860	29,774,201	28,685,043
Total Current Assets	267,673,876	86,605,386	2,750,225	106,161,161	6,100,000	7,597,860	29,774,201	28,685,043
Noncurrent Assets:								
Property, Plant and Equipment:								
Completed (Net of Accumulated Depreciation)	454,951,343		107,754,075	347,197,268				
Construction in Progress	43,317,979		15,884,023	27,433,956				
Total Property, Plant and Equipment	498,269,322	---	123,638,098	374,631,224	---	---	---	---
Net Pension Asset	9,160,780	9,160,780						
Other Assets:								
Note Receivable	2,867,881			2,867,881				
Unamortized Debt Issue Costs	2,911,840			2,182,930		728,910		
Total Noncurrent Assets	513,209,823	9,160,780	123,638,098	379,682,035	---	728,910	---	---
Total Assets	\$ 780,883,699	\$ 95,766,166	\$ 126,388,323	\$ 485,843,196	\$ 6,100,000	\$ 8,326,770	\$ 29,774,201	\$ 28,685,043

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND  
COMBINING SCHEDULE OF NET ASSETS  
December 31, 2011**

SCHEDULE 5

	Restricted							
	Totals	Combined Revenue Funds	Airport	General	Reserve Maintenance	Construction Funds	Debt Service Funds	Debt Service Reserve Funds
LIABILITIES								
Current Liabilities Payable								
from Unrestricted Assets:								
Accounts Payable	\$ 4,832,656	\$ 1,702,171	\$ 127,915	\$ 3,002,570				
Accrued Wages Payable	989,790	908,470	81,320					
Electronic Toll Liability								
Unearned Revenue	886,650	886,650						
Liability for Unpaid Health Claims	664,395			664,395				
Customer and Security Deposits	193,672	5,516	188,156					
Compensated Absences (Current Portion)	806,252			806,252				
Interfunds Payable	120,795,907	80,122,833	6,339,881	34,333,193				
Total Current Liabilities Payable from Unrestricted Assets	129,169,322	83,625,640	6,737,272	38,806,410	---	---	---	---
Current Liabilities Payable from								
Restricted Assets:								
Accounts Payable	247					\$ 247		
Unearned Revenue	3,503,793							\$ 3,503,793
Interfunds Payable	27,250,263				\$ 2,100,000	1,640,000	\$ 23,510,263	
Interest Payable	6,263,938						6,263,938	
Loans Payable (Current Portion)	38,183			38,183				
Revenue Bonds Payable (Current Portion)	8,760,000			8,760,000				
Total Current Liabilities Payable from Restricted Assets	45,816,424	---	---	8,798,183	2,100,000	1,640,247	29,774,201	3,503,793
Total Current Liabilities	174,985,746	83,625,640	6,737,272	47,604,593	2,100,000	1,640,247	29,774,201	3,503,793
Long Term Liabilities:								
Compensated Absences	5,143,400			5,143,400				
Net OPEB Liability	12,140,526	12,140,526						
Loans Payable	1,028,529			1,028,529				
Revenue Bonds Payable, net	274,127,200			274,127,200				
Total Long Term Liabilities	292,439,655	12,140,526	---	280,299,129	---	---	---	---
Total Liabilities	\$ 467,425,401	\$ 95,766,166	\$ 6,737,272	\$ 327,903,722	\$ 2,100,000	\$ 1,640,247	\$ 29,774,201	\$ 3,503,793

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND  
COMBINING SCHEDULE OF NET ASSETS  
December 31, 2011**

SCHEDULE 5

	<u>Totals</u>	<u>Combined Revenue Funds</u>	<u>Airport</u>	<u>General</u>	<u>Restricted</u>			
					<u>Reserve Maintenance</u>	<u>Construction Funds</u>	<u>Debt Service Funds</u>	<u>Debt Service Reserve Funds</u>
<b>NET ASSETS</b>								
Invested in Capital Assets, Net of Related Debt	\$ 216,498,340	\$ -	\$ 123,638,098	\$ 92,860,242				
Restricted:								
Trust Agreement Covenants	35,867,773				\$ 4,000,000	\$ 6,686,523	\$ (0)	\$ 25,181,250
Unrestricted	61,092,185	(0)	(3,987,047)	65,079,232				
Total Net Assets	<u>\$ 313,458,298</u>	<u>\$ (0)</u>	<u>\$ 119,651,051</u>	<u>\$ 157,939,474</u>	<u>\$ 4,000,000</u>	<u>\$ 6,686,523</u>	<u>\$ (0)</u>	<u>\$ 25,181,250</u>



**DELAWARE RIVER AND BAY AUTHORITY**

**PROPRIETARY FUND**

SCHEDULE 6

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**Year Ended December 31, 2011**

	<u>Total</u>	<u>Unrestricted</u>					<u>Restricted</u>			
		<u>Combined Revenue Funds</u>	<u>Airport</u>	<u>Salem Business Park</u>	<u>Riverfront Market</u>	<u>General</u>	<u>Reserve Maintenance</u>	<u>Construction Funds</u>	<u>Debt Service Funds</u>	<u>Debt Service Reserve Funds</u>
Operating Revenues:										
Bridge Tolls	\$ 86,120,525	\$ 86,120,525								
Ferry Tolls	13,468,212	13,468,212								
Food and Novelty Sales	3,541,016	3,541,016								
Airport Lease Revenue	6,694,249		\$ 4,986,605			\$ 1,707,644				
Economic Development Leases	1,370,002			\$ 1,037,280	\$ 332,722					
Other Operating Revenue	3,483,183	2,150,372	641,268	345,451	66,166	279,926				
Operating Expenses:										
Administrative and General:										
Wages and Benefits	(8,778,747)	(8,435,660)				(343,087)				
Other Expenses	(7,595,568)	(7,078,744)				(516,824)				
Operations:										
Wages and Benefits	(43,076,760)	(39,499,418)	(3,577,342)							
Other Expenses	(19,764,805)	(16,490,383)	(2,163,319)	(791,761)	(319,342)					
Depreciation Expense	(21,920,970)	(16,719,183)	(4,753,977)	(407,020)	(40,790)					
Operating Income (Loss)	13,540,337	17,056,737	(4,866,765)	183,950	38,756	1,127,659	---	---	---	---
Non-operating Income (Expenses):										
Investment Income	2,546,802	8,344				1,265,322			\$ 161,432	\$ 1,111,704
Investment Fees	(603,861)	(148,503)	(16,967)			(380,073)	\$ (11,774)		(10,000)	(36,544)
Interest on Debt	(12,575,266)					(88,644)		\$ 85,267	(12,571,889)	
Amortization of Debt Issue Costs	(262,180)					(227,470)		(34,710)		
Write Off Capital Assets	(1,163,518)					(1,163,518)				
Other Non-Operating Expenses	(2,200,072)					(2,200,072)				
Gain on Sale of Capital Assets	51,674					51,674				
Net Non-Operating Income (Expense)	(14,206,421)	(140,159)	(16,967)	---	---	(2,742,781)	(11,774)	50,557	(12,420,457)	1,075,160
Net Income (Loss) before Transfers and Contributions	(666,084)	16,916,578	(4,883,732)	183,950	38,756	(1,615,122)	(11,774)	50,557	(12,420,457)	1,075,160
Capital Contributions	7,592,584					7,592,584				
Transfers		(39,375,039)	(1,128,242)	(1,550,698)	(511,723)	30,459,134	23,389	3,379,797	7,464,543	1,238,839
Increase (Decrease) in Net Assets	6,926,500	(22,458,461)	(6,011,974)	(1,366,748)	(472,967)	36,436,596	11,615	3,430,354	(4,955,914)	2,313,999
Net Assets Jan. 1 (as restated)	306,531,798	22,458,461	125,663,025	1,366,748	472,967	121,502,878	3,988,385	3,256,169	4,955,914	22,867,251
Net Assets Dec. 31	\$ 313,458,298	\$ -	\$ 119,651,051	\$ -	\$ -	\$ 157,939,474	\$ 4,000,000	\$ 6,686,523	\$ -	\$ 25,181,250

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND – REVENUE FUNDS**

SCHEDULE 7

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
Year Ended December 31, 2011**

	<b>Total</b>	<b>Bridge Revenue Fund</b>	<b>Ferry Revenue Fund</b>	<b>Operations Fund</b>	<b>Three-Forts Ferry Revenue Fund</b>	<b>Concessions Fund</b>
Operating Revenues:						
Bridge Tolls	\$ 86,120,525	\$86,120,525	\$ -	\$ -	\$ -	\$ -
Ferry Tolls	13,468,212	-	13,406,194	-	62,018	-
Food and Novelty Sales	3,541,016	100,330	-	-	-	3,440,686
Airport Leases	-	-	-	-	-	-
Economic Development Leases	-	-	-	-	-	-
Other Operating Revenue	2,150,372	1,361,164	776,311	-	-	12,897
Operating Expenses:						
Administrative and General:						
Wages and Benefits	(8,435,660)	-	-	(8,435,660)	-	-
Other Expenses	(7,078,744)	-	-	(7,078,744)	-	-
Operations:						
Wages and Benefits	(39,499,418)	(13,481,683)	(16,133,345)	(7,605,149)	(56,171)	(2,223,070)
Other Expenses	(16,490,383)	(6,615,137)	(7,756,450)	(215,395)	(36,723)	(1,866,678)
Depreciation Expense	(16,719,183)	(7,105,927)	(8,936,874)	(583,808)	(75,069)	(17,505)
Operating Income (Loss)	<u>17,056,737</u>	<u>60,379,272</u>	<u>(18,644,164)</u>	<u>(23,918,756)</u>	<u>(105,945)</u>	<u>(653,670)</u>
Non-operating Income (Expenses):						
Investment Income	8,344	7,819	515	-	-	10
Investment Fees	(148,503)	(148,503)	-	-	-	-
Interest on Debt	-	-	-	-	-	-
Amortization of Debt Issue Costs	-	-	-	-	-	-
Write Off Capital Assets	-	-	-	-	-	-
Other Non-Operating Expenses	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-
Net Non-Operating Income (Expense)	<u>(140,159)</u>	<u>(140,684)</u>	<u>515</u>	<u>-</u>	<u>-</u>	<u>10</u>
Net Income (Loss) Before Transfers and Contributions	<u>\$ 16,916,578</u>	<u>\$60,238,588</u>	<u>\$ (18,643,649)</u>	<u>\$ (23,918,756)</u>	<u>\$ (105,945)</u>	<u>\$ (653,660)</u>

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**SCHEDULE OF OTHER OPERATING REVENUES**  
**Year Ended December 31, 2011**

SCHEDULE 8

	<u>Total</u>	<u>Bridge Revenue Fund</u>	<u>Ferry Revenue Fund</u>	<u>Concessions Fund</u>	<u>Airport Fund</u>	<u>Salem Business Park</u>	<u>Riverfront Market</u>	<u>General Fund</u>
Over & (Short)	\$ (12,112)	\$ (9,566)	\$ (414)	\$ (2,110)	\$ (22)			
Income from Unused Tickets	119,127		119,127					
Miscellaneous Income	519,651	281,083	34,093	4,207	107,161		\$ 1,455	\$ 91,652
Interest Income	8,597					\$ 7,551	1,046	
Bus & Trolley Fares	109,974		109,974					
Golf Fares								
Surcharge Revenue	383,701		383,701					
Internet Reservation Fees	19,991		19,991					
Binocular Fees	2,511		2,511					
Amusement Sales	88,328		88,328					
Insurance Claims	27,799	27,799						
Room Rental Fees	29,800		19,000	10,800				
Vending Commissions	5,259	2,679			2,580			
Income from Unused Tolls	702,770	702,770						
Electronic Toll Violation Fees	215,385	215,385						
E-Z Pass Membership Fees	542,375	542,375						
Credit Card Fee Income	195,471	195,471						
E-Z Pass Transponder Sales	44,745	44,745						
EZPass Account Adjustments	(571,760)	(571,760)						
Non-Toll Transaction Fees	4,870	4,870						
Disputed Electronic Tolls	(74,687)	(74,687)						
Landing Fees	117,970				117,970			
Fuel Sales & Fees	413,579				413,579			
Interest on Economic Dev Loans	47,684							47,684
Police Grants	4,000							4,000
Property Leases	54,975							54,975
Land Lease Revenue	81,615							81,615
Common Area Maintenance	163,029					99,364	63,665	
Electric Reimbursements	48,036					48,036		
Property Tax Reimbursements	190,500					190,500		
	<u>\$ 3,483,183</u>	<u>\$ 1,361,164</u>	<u>\$ 776,311</u>	<u>\$ 12,897</u>	<u>\$ 641,268</u>	<u>\$ 345,451</u>	<u>\$ 66,166</u>	<u>\$ 279,926</u>

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**SCHEDULE OF FUNCTIONAL OPERATING EXPENSES**  
**Year Ended December 31, 2011**

SCHEDULE 9

	<u>Actual</u>
Delaware Memorial Bridge:	
Wages	\$ 5,570,161
Benefits	7,911,522
Administrative	12,124
Professional services	36,809
Office supplies	8,866
Operating supplies	1,759,511
Merchant Card Processing Fees	207,643
Facility/equipment maintenance	170,766
Uniforms and safety	31,673
Non-recurring	901,391
Utilities	1,011,724
Electronic Toll Expenses	2,213,246
Bad Debt Expense	261,384
Depreciation	7,105,927
	<hr/> 27,202,747 <hr/>
Cape May - Lewes Ferry:	
Wages	7,961,634
Benefits	8,171,711
Administrative	64,573
Professional services	81,010
Advertising	551,695
Office supplies	38,307
Operating supplies	278,963
Internet Reservation Discount	186,442
Merchant Card Processing Fees	472,065
Facility/equipment maintenance	621,723
Uniforms and safety	81,378
Vessel operations	4,134,826
Utilities	1,245,468
Depreciation	8,936,874
	<hr/> 32,826,669 <hr/>
Administration:	
Wages	4,802,395
Benefits	3,633,265
Administration	266,063
Education and training	104,130
Professional services	1,002,766
Office supplies	321,664
Computer supplies	605,828
Facility/equipment maintenance	858,279
Uniforms and safety	4,660
Insurance	3,803,685
Utilities	111,669
Depreciation	461,730
	<hr/> 15,976,134 <hr/>
	(Continued)

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**SCHEDULE OF FUNCTIONAL OPERATING EXPENSES**  
**Year Ended December 31, 2011**

SCHEDULE 9

	<u>Actual</u>
Authority Police:	
Wages	\$ 3,923,932
Benefits	3,681,217
Administrative	24,952
Office supplies	7,828
Operating supplies	115,980
Uniforms and safety	66,635
Depreciation	122,078
	<hr/>
	7,942,622
	<hr/>
Concessions:	
Wages	1,432,700
Benefits	790,370
Administration	2,588
Advertising	51,335
Professional services	13,416
Office supplies	5,435
Operating supplies	1,522,867
Merchant Card Processing Fees	39,653
Facility/equipment maintenance	90,760
Uniforms and safety	12,519
Insurance	128,105
Depreciation	17,505
	<hr/>
	4,107,253
	<hr/>
Three Forts Ferry:	
Wages	52,167
Benefits	4,004
Professional services	-
Operating supplies	1,927
Facility/equipment maintenance	1,760
Uniforms and Safety	-
Vessel operations	15,106
Insurance	16,700
Utilities	1,230
Depreciation	75,069
	<hr/>
	167,963
	<hr/>

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**SCHEDULE OF FUNCTIONAL OPERATING EXPENSES**  
**Year Ended December 31, 2011**

SCHEDULE 9

	<u>Actual</u>
Airports Division:	
Wages	\$ 2,011,243
Benefits	1,566,099
Administration	6,208
Professional services	330,964
Advertising	94,580
Office supplies	6,014
Operating supplies	441,960
Merchant Card Processing Fees	1,258
Facility/equipment maintenance	452,527
Uniforms and safety	9,771
Insurance	288,483
Utilities	531,554
Sinking Fund Expense	-
Depreciation	4,753,977
	<hr/> 10,494,638 <hr/>
Economic Development:	
Professional services	43,319
Advertising	20,374
Operating supplies	147,925
Facility/equipment maintenance	395,349
Utilities	201,188
Real Estate Taxes	302,334
Sinking Fund Expense	614
Depreciation	447,810
	<hr/> 1,558,913 <hr/>
General Fund:	
Severance Payout	343,087
Insurance	462,279
Miscellaneous Projects	14,500
Economic Development	40,045
Depreciation	-
	<hr/> 859,911 <hr/>
Total Operating Expenses - Exhibit B	<hr/> \$ 101,136,850 <hr/>

**DELAWARE RIVER AND BAY AUTHORITY**  
**COMBINING SCHEDULE OF NET ASSETS AVAILABLE FOR BENEFITS**  
**FIDUCIARY FUND**  
**PENSION AND OPEB TRUST FUNDS**  
**As of December 31, 2011 and 2010**

SCHEDULE 10

	2011	Pension Trust Funds			OPEB Trust	2010
<b>ASSETS</b>		<u>Total</u>	<u>PNC</u>	<u>Allmerica</u>		
Investments at Fair Value:						
Money Market Funds	\$ 4,973,282	\$ 4,362,418	\$ 4,362,418	\$ -	\$ 610,864	\$ 8,589,609
Mutual Funds	51,010,848	42,083,115	42,083,115	-	8,927,733	40,202,229
Corporate Bonds	4,580,772	4,580,772	4,580,772	-	-	2,368,667
US Government Bonds	18,868,352	18,868,352	18,868,352	-	-	17,401,267
Municipal Bonds	3,720,252	3,720,252	3,720,252	-	-	3,984,539
Fixed Income Funds	17,201,756	12,428,416	-	12,428,416	4,773,340	16,220,478
Total	100,355,262	86,043,325	73,614,909	12,428,416	14,311,937	88,766,789
Accrued Interest	34,397	-	-	-	34,397	15,860
Other Assets:						
Dividends Receivable	-	-	-	-	-	-
Employee Contribution Receivable	-	-	-	-	-	-
Employer Contribution Receivable	-	-	-	-	-	-
Total Other Assets	-	-	-	-	-	-
Total Assets	100,389,659	86,043,325	73,614,909	12,428,416	14,346,334	88,782,649
<b>LIABILITIES</b>						
Accounts Payable	-	-	-	-	-	-
Total Liabilities	-	-	-	-	31,895	5,421
<b>NET ASSETS</b>						
Assets Held in Trust for Pension and OPEB Benefits	<u>\$100,357,764</u>	<u>\$ 86,043,325</u>	<u>\$ 73,614,909</u>	<u>\$ 12,428,416</u>	<u>\$ 14,314,439</u>	<u>\$ 88,777,228</u>



**DELAWARE RIVER AND BAY AUTHORITY**  
**COMBINING SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**FIDUCIARY FUND**  
**PENSION AND OPEB TRUST FUNDS**  
**Years Ended December 31, 2011 and 2010**

SCHEDULE 11

	2011	Pension Trust Funds			OPEB Trust	2010
<b>ADDITIONS</b>		<u>Total</u>	<u>PNC</u>	<u>Allmerica</u>		
Investment Income:						
Net Appreciation in Fair Value of Assets	\$ (310,453)	\$ (310,453)	\$ (310,453)	\$ -	\$ -	\$ 5,287,200
Dividends	941,768	941,768	941,768	-	-	680,904
Interest	1,418,950	1,384,553	997,612	386,941	34,397	1,298,935
	<u>2,050,265</u>	<u>2,015,868</u>	<u>1,628,927</u>	<u>386,941</u>	<u>34,397</u>	<u>7,267,039</u>
Less: Investment Expense	106,400	106,400	106,400	-	-	110,507
	<u>1,943,865</u>	<u>1,909,468</u>	<u>1,522,527</u>	<u>386,941</u>	<u>34,397</u>	<u>7,156,532</u>
Contributions:						
Employer	16,145,154	9,817,502	9,795,419	22,083	6,327,652	19,440,424
Plan Member	594,597	594,597	594,597	-	-	652,280
Total Contributions	<u>16,739,751</u>	<u>10,412,099</u>	<u>10,390,016</u>	<u>22,083</u>	<u>6,327,652</u>	<u>20,092,704</u>
Total Additions	<u>18,683,616</u>	<u>12,321,567</u>	<u>11,912,543</u>	<u>409,024</u>	<u>6,362,049</u>	<u>27,249,236</u>
<b>DEDUCTIONS</b>						
Net Depreciation in Fair Value of Assets		-	-	-	-	-
Benefits Paid to Participants	6,808,057	6,808,057	5,591,681	1,216,376	-	5,534,227
Insurance Expense	-	-	-	-	-	19,935
Administrative Expenses	295,023	295,023	163,176	131,847	-	271,018
Total Deductions	<u>7,103,080</u>	<u>7,103,080</u>	<u>5,754,857</u>	<u>1,348,223</u>	<u>-</u>	<u>5,825,180</u>
Net Increase	11,580,536	5,218,487	6,157,686	(939,199)	6,362,049	21,424,056
Net Assets Available for Pension and OPEB Benefits:						
Beginning of Year, as restated	88,777,228	80,824,838	67,457,214	13,367,624	7,952,390	67,353,172
End of Year	<u>\$100,357,764</u>	<u>\$ 86,043,325</u>	<u>\$ 73,614,900</u>	<u>\$ 12,428,425</u>	<u>\$14,314,439</u>	<u>\$ 88,777,228</u>

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**SCHEDULE OF INVESTMENTS**  
**Year Ended December 31, 2011**

SCHEDULE 12

<u>Face</u>	<u>Description</u>	<u>Date of Maturity</u>	<u>Coupon Rate</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Rating S &amp; P</u>
<b>CORPORATE AND MUNICIPAL OBLIGATIONS</b>						
\$ 5,394,000	Abbey National NA LLC	1/3/2012	var.	\$ 5,314,827	\$ 5,314,827	A-1
375,000	American Express Credit Company	6/2/2014	var.	375,000	367,796	BBB+
210,000	Baltimore MD Taxable Cons Pub Impt	10/15/2016	2.600%	211,968	218,110	AA-
470,000	Bank of America Corporation	5/30/2014	1.750%	473,175	474,634	A-
425,000	Bank of America Corporation	8/1/2016	6.500%	440,870	428,005	A-
370,000	Berkley (WR) Corporation	5/15/2015	5.600%	392,788	392,529	BBB+
1,000,000	Cargill Global Funding Disc Note	1/25/12	0.030%	999,979	999,978	A1
385,000	Charles Schwab Corporation	6/1/2014	4.950%	412,622	417,240	A
2,750,000	Chicago IL Public Bldg Commission Spl Oblg Taxa	1/1/2016	6.500%	3,308,234	3,314,823	AA+
1,100,000	Danaher Corp Disc Note	1/03/12	var.	1,099,997	1,099,996	A1
365,000	Deere & Company	4/25/2014	6.950%	394,751	414,932	A
1,000,000	Deutsche Bank Financial	1/03/12	0.170%	999,986	999,967	A1
250,000	East Carolina Univ NC Univ Rev	12/1/2013	2.791%	256,588	262,830	AA-
450,000	General Electric Capital Corporation	8/11/2015	var.	449,064	428,990	AA+
240,000	Hawaii State	2/1/2016	3.380%	240,864	259,296	AA
1,594,000	Intesa Funding LLC	1/3/2012	var.	1,560,226	1,560,226	A-2
439,000	John Deere Credit Inc	1/24/12	0.100%	438,971	438,970	A1
430,000	JP Morgan Chase & Co	1/24/2014	var.	430,364	423,490	A
1,210,000	Lehman Brothers Holdings	9/5/2016	var.	1,209,212	299,475	NR
725,000	Manufactures and Traders Trust Company	4/1/2013	var.	724,889	717,786	A-
100,000	Marion County FI Individual Development Authority	2/1/2012	var.	100,000	100,000	NR
175,000	Maryland State Bonds	6/15/2017	3.600%	175,096	190,521	AAA
770,000	Maryland State Community Development	9/1/2037	6.000%	762,958	837,714	NR
200,000	Massachusetts State Port Authority	7/1/2012	0.900%	200,000	199,912	A
780,000	Massachusetts State Port Authority	7/1/2013	1.300%	780,000	782,761	A
1,185,000	Menasha Wis Steam Utility	9/1/2009	5.700%	1,185,000	829,500	NR
465,000	Metropolitan Government of Nashville	7/1/2013	2.208%	469,661	474,951	AA
140,000	Mississippi State	12/1/2013	4.820%	148,739	150,982	AA
861,000	Natexis US Finance Company	1/3/2012	var.	853,257	853,258	A-1
1,000,000	National Australia Funding Corporation	1/04/12	0.100%	999,989	999,978	A1+
900,000	New Jersey State Turnpike Authority	1/1/2016	4.252%	864,877	934,236	A+
350,000	New York N Y City Transitional Financial Authority	2/1/2016	3.500%	363,404	374,763	AAA
165,000	New York N Y City TransitionalFIN Auth	5/1/2013	1.500%	165,965	166,297	AAA
700,000	New York State Dorm Authority	8/15/2018	2.450%	700,963	700,567	AAA
1,000,000	Nordea North America Inc	1/18/12	0.150%	999,925	999,892	A1+
1,632,797	Northstar Education Finance Inc	4/28/2016	var.	1,619,409	1,589,426	AAA
1,000,000	NY City Transitional Financial Authority	5/1/2013	1.500%	1,004,171	1,007,860	AAA
1,250,000	NY Sales Tax Asset Receivable Corporation	10/15/2012	4.420%	1,289,386	1,285,300	AAA
370,000	Oneok Partners	10/1/2016	6.150%	411,755	424,875	BBB
760,000	Oregon School Boards Association	6/30/2017	5.123%	795,722	869,645	AA-
330,000	Oregon State Dept Administration Svcs Lottery	4/1/2012	4.180%	330,000	331,878	AAA
335,000	Port Authority NY & NJ	9/15/2015	4.500%	366,421	368,065	AA-
300,000	Potash Corporation	5/15/2014	5.250%	319,968	329,250	A-
335,000	SBC Communications	9/15/2014	5.100%	366,230	368,982	A-
940,000	SLM Student Loan Trust	1/25/2022	var.	922,654	925,628	AAA

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**SCHEDULE OF INVESTMENTS**  
**Year Ended December 31, 2011**  
(Continued)

SCHEDULE 12

Face	Description	Date of Maturity	Coupon Rate	Amortized Cost	Fair Market Value	Rating S & P
535,000	South Carolina State Pub Svc Authority	1/1/2013	5.000%	534,951	554,709	AA-
525,000	South Carolina State Pub Svc Authority	6/2/2014	var.	525,000	525,520	SP-1+
370,000	Southern Company	9/1/2016	1.950%	369,478	373,493	A-
305,000	Spectra Energy Capital	7/15/2018	6.750%	346,094	343,400	BBB
350,000	Starbucks Corporation	8/15/2017	6.250%	413,950	415,552	BBB+
360,000	Tampa FI Educational Academy	2/1/2012	var.	360,000	360,000	NR
175,000	Texas University	8/15/2017	3.319%	173,114	186,632	AAA
170,000	Tobacco Securitization Authority	3/1/2014	2.643%	170,000	171,182	A
400,000	University of California	1/20/12	0.120%	399,973	399,968	A1+
310,000	Verizon Communications	3/28/2014	var.	310,000	309,600	A-
200,000	Virginia Commonwealth Transportation Board	5/15/2022	4.450%	200,428	222,626	AA+
260,000	Virginia State Housing Authority	8/1/2015	5.170%	282,604	289,307	AA+
1,030,000	Virginia State Public Building Authority	8/1/2016	3.500%	1,036,952	1,118,240	AA+
625,000	West Va Economic Development Authority	7/1/2015	5.370%	628,930	686,225	AAA
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\$	40,840,797			\$	41,681,399	\$ 40,886,595

**U.S. GOVERNMENT AGENCIES**

\$	346,797	Federal Home Loan	1/1/2035	4.400%	\$ 346,353	\$	350,753	AAA
	62,367	Federal Home Loan	5/1/2036	var	62,224		66,879	AAA
	118,714	Federal Home Loan Bank	1/25/2017	4.780%	119,115		127,493	AA+
	200,000	Federal Home Loan Mortgage Corporation	11/15/2013	4.875%	202,405		216,654	AA+
	390,018	Federal Home Loan Mortgage Corporation	5/1/2018	4.500%	397,835		416,285	AAA
	6,048	Federal Home Loan Mortgage Corporation	3/1/2021	6.000%	6,123		6,644	AAA
	945,000	Federal Home Loan Mortgage Corporation	2/15/2025	4.000%	1,023,925		1,017,775	AAA
	1,050,000	Federal Home Loan Mortgage Corporation	2/15/2026	3.500%	1,088,793		1,102,590	AAA
	630,000	Federal Home Loan Mortgage Corporation	4/16/2037	6.000%	672,929		639,456	AA+
	200,000	Federal National Mortgage Association	1/28/2013	4.000%	203,126		207,728	AA+
	248,640	Federal National Mortgage Association	5/1/2015	4.500%	247,610		265,229	AAA
	650,000	Federal National Mortgage Association	6/22/2015	1.550%	654,027		653,166	AA+
	1,000,000	Federal National Mortgage Association	9/15/2016	2.000%	1,006,999		1,002,940	AA+
	1,100,000	Federal National Mortgage Association	9/26/2016	var	1,100,000		1,100,462	AA+
	152,691	Federal National Mortgage Association	10/1/2018	4.500%	154,320		165,837	AAA
	411,422	Federal National Mortgage Association	11/1/2019	4.500%	424,542		441,373	AAA
	296,917	Federal National Mortgage Association	8/1/2024	5.000%	300,149		327,815	AAA
	273,976	Federal National Mortgage Association	3/1/2025	4.000%	285,726		289,044	AA+
	196,748	Federal National Mortgage Association	6/1/2025	4.500%	207,764		209,813	AA+
	500,000	Federal National Mortgage Association	10/25/2025	4.000%	541,250		538,523	AA+
	598,521	Federal National Mortgage Association	1/1/2026	3.500%	602,468		626,483	AA+
	3,549,967	Federal National Mortgage Association	11/1/2026	3.000%	3,640,114		3,672,552	AA+
	547,712	Federal National Mortgage Association	5/1/2029	4.500%	585,234		586,137	AA+
	63,686	Federal National Mortgage Association	7/1/2029	6.500%	61,392		72,802	AAA
	569,577	Federal National Mortgage Association	10/1/2035	5.000%	561,789		614,609	AAA
	72,712	Federal National Mortgage Association	11/1/2035	5.500%	71,680		79,392	AAA
	788,943	Federal National Mortgage Association	4/1/2036	6.000%	790,009		849,934	AAA
	22,348	Federal National Mortgage Association	7/1/2036	5.000%	22,515		24,006	AAA
	118,446	Federal National Mortgage Association	9/1/2036	5.500%	120,902		130,475	AAA
	642,985	Federal National Mortgage Association	10/1/2039	0.000%	671,087		674,330	AA+
	1,262,335	Federal National Mortgage Association	3/1/2041	4.000%	1,311,468		1,327,621	AA+
	499,949	Federal National Mortgage Association	11/1/2041	var.	514,584		516,666	AA+
	111,405	Government National Mortgage Association	8/16/2032	4.807%	112,987		113,972	AAA
	260,000	Government National Mortgage Association	9/16/2033	5.394%	279,713		280,973	AAA
	2,223	Government National Mortgage Association	1/15/2015	7.000%	2,222		2,365	AAA

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**SCHEDULE OF INVESTMENTS**  
**Year Ended December 31, 2011**  
(Continued)

SCHEDULE 12

<u>Face</u>	<u>Description</u>	<u>Date of Maturity</u>	<u>Coupon Rate</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Rating S &amp; P</u>
27,537	Government National Mortgage Association	12/15/2017	5.000%	27,862	30,028	AAA
21,487	Government National Mortgage Association	1/15/2018	4.500%	21,606	23,391	AAA
43,698	Government National Mortgage Association	12/15/2022	7.000%	43,957	50,041	AAA
254,485	Government National Mortgage Association	11/16/2024	var.	259,378	256,211	AAA
176,622	Government National Mortgage Association	9/16/2026	var.	186,194	179,511	AAA
1,166,484	Government National Mortgage Association	12/16/2030	4.658%	1,256,131	1,228,101	AAA
1,864,639	Government National Mortgage Association	6/16/2032	4.520%	2,036,024	2,027,829	AAA
366,046	Government National Mortgage Association	8/16/2032	4.807%	371,242	374,479	AAA
59,838	Government National Mortgage Association	3/20/2033	4.000%	60,705	63,751	AAA
269,192	Government National Mortgage Association	6/20/2033	4.000%	266,588	288,575	AAA
657,214	Government National Mortgage Association	3/16/2037	4.022%	684,005	689,779	AAA
255,840	Government National Mortgage Association	4/15/2037	6.500%	264,112	291,897	AAA
114,842	Government National Mortgage Association	11/15/2037	6.000%	117,438	131,386	AAA
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\$ 23,510,197				\$ 24,341,480	\$ 24,714,698	
<hr/>						
<b>U.S. GOVERNMENT BONDS AND NOTES</b>						
\$ 10,190,000	U S Treasury Note	2/15/2012	1.375%	\$ 10,207,514	\$ 10,205,896	AA+
500,000	US Treasury Note	9/15/2012	1.375%	504,431	504,395	AA+
220,000	US Treasury Note	1/15/2013	1.375%	219,835	222,732	AA+
6,190,000	US Treasury Note	4/30/2016	2.000%	6,463,183	6,536,268	AA+
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\$ 17,100,000				\$ 17,394,963	\$ 17,469,291	
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<b>MONEY MARKETS</b>						
\$ 450,000	Goldman Sachs Group Inc	2/7/2014	var.	\$ 446,463	\$ 420,615	A-
4,000,000	Treasury Trust Fund - Blackrock Liquidity Funds	var.	var.	4,000,000	4,000,000	NR
6,057,899	Wilmington Trust Government Fund	var.	var.	6,057,899	6,057,900	AAA
3,321,195	Wilmington Trust Prime Money Market	var.	var.	3,321,195	3,321,195	AAA
449,096	Wilmington US Government - Service	var.	var.	449,096	449,096	AAA
2,131,617	Wilmington US Government Fund W Class	var.	var.	2,131,617	2,131,617	AAA
1,133,041	Wilmington US Government Portfolio - Service	var.	var.	1,133,041	1,133,041	AAA
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\$ 17,542,849				\$ 17,539,312	\$ 17,513,464	
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\$ 98,993,843				\$ 100,957,154	\$ 100,584,048	

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**DELAWARE MEMORIAL BRIDGE**  
**SCHEDULE OF MONTHLY TRAFFIC BY TOLL CLASSIFICATION**  
**Year Ended December 31, 2011**

SCHEDULE 13

	Toll Class														Total Traffic
	1	2	3	4	5	6	7	8	9	10	11	12	13	16	
January	796,548	17,697	11,756	8,644	113,173	2,856	147	1,100	92,464	96,363	3,109	3,249	419	1,400	1,148,925
February	764,429	17,593	11,234	8,658	111,862	2,501	151	699	92,784	95,759	2,899	3,093	238	1,146	1,113,046
March	880,790	21,156	14,257	10,741	133,854	3,031	185	788	108,834	112,589	4,380	4,487	312	1,323	1,296,727
April	1,034,805	20,865	15,608	10,489	123,370	2,682	163	601	99,672	104,457	5,122	4,738	285	1,273	1,424,130
May	1,058,431	22,069	16,363	11,015	127,779	2,819	130	675	102,238	107,577	6,383	5,602	271	1,371	1,462,723
June	1,065,371	23,489	15,913	11,664	131,382	2,686	184	712	101,881	106,122	6,165	5,523	402	1,525	1,473,019
July	1,306,976	23,055	15,527	11,771	118,840	2,606	160	732	95,096	101,165	8,234	6,762	432	1,213	1,692,569
August	1,194,800	23,500	14,520	11,941	124,413	2,734	198	727	104,102	105,901	7,189	5,744	231	1,432	1,597,432
September	980,242	22,824	14,555	12,144	121,150	2,595	195	731	103,949	107,541	5,927	5,650	264	1,522	1,379,289
October	991,562	22,178	14,984	11,821	120,052	2,391	179	768	107,055	112,765	6,105	5,620	346	1,252	1,397,078
November	1,003,841	21,247	14,593	10,652	118,164	2,499	205	846	102,577	109,819	4,833	4,632	289	1,225	1,395,422
December	1,019,018	19,828	14,464	9,978	115,485	2,277	134	795	101,954	113,412	3,991	3,741	258	1,061	1,406,396
Twelve months ended December 31, 2011	12,096,813	255,501	173,774	129,518	1,459,524	31,677	2,031	9,174	1,212,606	1,273,470	64,337	58,841	3,747	15,743	16,786,756
Average per month	1,008,068	21,292	14,481	10,793	121,627	2,640	169	765	101,051	106,123	5,361	4,903	312	1,312	1,398,896
Average per day	33,142	700	476	355	3,999	87	6	25	3,322	3,489	176	161	10	43	45,991

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**DELAWARE MEMORIAL BRIDGE**  
**SCHEDULE OF MONTHLY TRAFFIC AND REVENUE**  
**Year Ended December 31, 2011**

SCHEDULE 14

	Total Traffic	Net Revenue
January	1,148,925	\$ 5,326,393
February	1,113,046	5,176,537
March	1,296,727	6,114,505
April	1,424,130	6,355,716
May	1,462,723	6,555,378
June	1,473,019	6,648,735
July	1,692,569	9,248,107
August	1,597,432	8,927,318
September	1,379,289	7,967,656
October	1,397,078	7,985,240
November	1,395,422	7,933,552
December	1,406,396	7,881,388
Twelve months ended December 31, 2011	16,786,756	\$ 86,120,525
Average per month	1,398,896	\$ 7,176,710
Average per day	45,991	\$ 235,947

Average toll per vehicle: \$86,120,525 divided by 16,786,756 = \$5.13

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**CAPE MAY – LEWES FERRY**  
**SCHEDULE OF TRAFFIC BY TOLL CLASSIFICATIONS**  
**Year Ended December 31, 2011**

SCHEDULE 15

REVENUE	Passengers	Bus Passengers	Vehicle Total	1	4	5	6	7	9	10	12	Calculated Revenue
January	16,254	-	7,650	7,415	43	53	34	71	29	4	1	\$ 283,718
February	17,286	-	8,066	7,750	53	76	57	77	29	24		300,705
March	24,185	122	11,277	10,804	69	138	77	108	32	48	1	423,335
April	46,149	152	18,778	17,701	114	228	186	220	98	229	1	895,375
May	60,321	1,002	25,337	23,362	160	344	275	251	36	909		1,205,604
June	85,041	930	30,146	28,166	217	343	239	278	51	851		1,619,305
July	156,586	414	47,628	44,994	303	506	362	365	41	1,056	1	2,795,112
August	137,792	1,075	41,418	39,326	229	434	296	313	32	787	1	2,393,374
September	77,302	550	30,118	26,331	167	302	263	248	41	2,765	1	1,499,558
October	51,569	313	21,061	19,707	153	241	244	235	60	419	1	1,009,169
November	33,629	113	14,682	14,101	83	135	102	101	42	117		562,175
December	24,834	53	11,024	10,736	50	99	52	61	16	10		418,764
Twelve months ended December 31, 2011	730,948	4,724	267,185	250,393	1,641	2,899	2,187	2,328	507	7,219	7	\$ 13,406,195
Average per month	60,912	394	22,265	20,866	137	242	182	194	42	602	1	\$ 1,117,183
Average per day	2,003	13	732	686	4	8	6	6	1	20	0	\$ 36,729
<b>NON-REVENUE*</b>												
January	654		146									
February	840		140									
March	827		149									
April	2,435		140									
May	3,174		129									
June	5,198		126									
July	12,488		76									
August	10,642		74									
September	3,560		84									
October	1,533		100									
November	1,423		110									
December	1,005		150									
Totals	43,779		1,424									

\* Includes children under 6 years of age



**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**CAPE MAY – LEWES FERRY**  
**SCHEDULE OF MONTHLY TRAFFIC AND REVENUE**  
**Year Ended December 31, 2011**

SCHEDULE 16

<b>REVENUE</b>	<b>Passengers</b>	<b>Bus Passengers</b>	<b>Vehicle Total</b>	<b>Calculated Revenue</b>
January	16,254	-	7,650	\$ 283,718
February	17,286	-	8,066	300,705
March	24,185	122	11,277	423,335
April	46,149	152	18,778	895,375
May	60,321	1,002	25,337	1,205,604
June	85,041	930	30,146	1,619,305
July	156,586	414	47,628	2,795,112
August	137,792	1,075	41,418	2,393,374
September	77,302	550	30,118	1,499,558
October	51,569	313	21,061	1,009,169
November	33,629	113	14,682	562,175
December	24,834	53	11,024	418,764
Twelve months ended December 31, 2011	<u>730,948</u>	<u>4,724</u>	<u>267,185</u>	<u>\$ 13,406,195</u>
Average per month	<u>60,912</u>	<u>394</u>	<u>22,265</u>	<u>\$ 1,117,183</u>
Average per day	<u>2,003</u>	<u>13</u>	<u>732</u>	<u>\$ 36,729</u>
<b>NON-REVENUE*</b>				
January	654		146	
February	840		140	
March	827		149	
April	2,435		140	
May	3,174		129	
June	5,198		126	
July	12,488		76	
August	10,642		74	
September	3,560		84	
October	1,533		100	
November	1,423		110	
December	1,005		150	
Totals	<u>43,779</u>		<u>1,424</u>	

\* Includes children under 6 years of age

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**THREE FORTS FERRY**  
**SCHEDULE OF TRAFFIC BY TOLL CLASSIFICATIONS**  
**Year Ended December 31, 2011**

SCHEDULE 17

Leaving Delaware City

	<u>Traffic</u>	<u>Revenue</u>
Adult	5,955	\$ 21,438
Seniors & Military	1,849	6,656
Child	2,318	5,007
School Groups	5,497	11,874
Cruise/Special Events	1,983	10,564
Non-Revenue	<u>12</u>	<u>-</u>
Total Leaving Delaware City	<u><u>17,614</u></u>	<u><u>\$ 55,539</u></u>

Leaving Fort Mott

	<u>Traffic</u>	<u>Revenue</u>
Adult	1,013	\$ 3,647
Seniors & Military	324	1,166
Child	452	976
School Groups	319	689
Non-Revenue	<u>1</u>	<u></u>
Total Leaving Fort Mott	<u><u>2,109</u></u>	<u><u>\$ 6,478</u></u>
 Total	 <u><u>19,723</u></u>	 <u><u>\$ 62,017</u></u>

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**DELAWARE MEMORIAL BRIDGE**  
**SCHEDULE OF HISTORICAL TOLL RATES**  
**Period January 1, 2000 to December 31, 2011**

SCHEDULE 18

Class No.	Description	Number of Axles	After 6/30/2011	After 1/3/2008	After 9/30/2001	After 4/30/2000	After 1/1/2000
1	<b>PASSENGER CARS-</b> (all types) Includes-Light delivery trucks-2 tons Hearses (except in funeral prcssn)	2	\$4.00	\$3.00	\$3.00	\$3.00	\$2.00
	Book of 20 Accommodation Tickets (2)					60.00	40.00
	Tokens (1) Roll of 40 Tokens-Includes: 4 tire types passenger cars, vans, pickups						20.00
2	<b>TWO AXLE TRUCKS</b> Includes-all types with reg. Wt. over 2 tons, buses, tractors	2	\$10.00	8.00	6.00	6.00	5.00
	Book of 20 Accommodation Tickets (2)					120.00	100.00
3	<b>THREE AXLE TRUCKS</b> Includes-Tractors or combination tractors & trailers, buses (3 axle)	3	\$15.00	12.00	9.00	9.00	7.50
	Book of 20 Accommodation Tickets (2)					180.00	150.00
4	<b>FOUR AXLE TRUCKS</b> Includes-Tractors or combination tractors & trailers	4	\$20.00	16.00	12.00	12.00	10.00
	Book of 20 Accommodation Tickets (2)					240.00	200.00
5	<b>FIVE AXLES TRUCKS &amp; TRUCK COMBINATION</b>	5	\$25.00	20.00	15.00	15.00	12.50
	Book of 20 Accommodation Tickets (2)					300.00	250.00
6	<b>SIX AXLES TRUCKS &amp; TRUCK COMBINATION</b>	6	\$30.00	24.00	18.00	18.00	15.00
	Book of 20 Accommodations (2) (Class 10 through 8/30/94)					360.00	300.00
7	<b>VEHICLES REQUIRING SPECIAL PERMIT</b> Includes-Contractors' equip. & mach. Vehicles exceed 1 or more limit of DE/NJ	N/A	\$60.00	50.00	40.00	40.00	25.00
8	<b>SPECIALS (OVER 6 AXLES)</b>		\$5.00	4.00	3.00	3.00	2.50

(1) Discontinued when class 10 discount tickets were implemented

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

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**DELAWARE MEMORIAL BRIDGE**  
**SCHEDULE OF HISTORICAL TOLL RATES**  
**Period January 1, 2000 to December 31, 2011**

SCHEDULE 18

Class No.	Description	Number of Axles	After 6/30/2011	After 1/3/2008	After 9/30/2001	After 4/30/2000	After 1/1/2000
9	<b>COMMUTER TICKETS</b> (25 tickets after 12/31/92)	2				\$0.75	\$0.75
	Book of 50 Accommodations (2) (Good for 1 calendar month only) Issued to Passenger Cars only					18.75	18.75
9	<b>COMMUTATION PLAN</b> Provides 25 Trips good for a 30-day cycle period. (\$18.75 per cycle) Issued to account holders of Four Tire-Two Axle Types	2	\$1.00	\$0.75	\$0.75		
10	<b>DISCOUNT TICKETS (2)</b> (20 tickets after 6/30/95) (Good for 6 calendar months only) Issued to Passenger Cars only	2				1.00	1.00
						20.00	20.00
10	<b>FREQUENT TRAVELER PLAN</b> Provides 20 Trips good for a 90-day cycle period. (\$20.00 per cycle) Issued to account holders of Four Tire-Two Axle Types	2	\$1.25	1.00	1.00		
11	<b>PASSENGER CARS</b> Includes-Passenger Cars w/ 1axle trailer	3	\$6.00	4.50	4.50	4.50	3.25
12	<b>PASSENGER CARS</b> Includes-Passenger Cars w/ 2 axle trailer	4	\$8.00	6.00	6.00	6.00	4.50
13	<b>PASSENGER CARS</b> Includes-Passenger Cars w/ 3 axle trailer	5	\$10.00	7.50	7.50	7.50	5.75
14	<b>SENIOR CITIZENS-WITH TICKET ONLY (1)</b> Restrictions Apply	2				1.00	1.00
	Book of 20 Accommodation Tickets (all 4 tired type passenger cars, vans, & pickups)						20.00
16	<b>NON-REVENUE VEHICLES</b> Includes-Bridge maintenance, ambulance, fire and police vehicles	Var.					

(1) Discontinued when class 10 discount tickets were implemented

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

You Are Viewing an Archived Report from the New Jersey State Library  
**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**CAPE MAY – LEWES FERRY**  
**SCHEDULE OF HISTORICAL TOLL RATES**  
**Period January 1, 2000 to December 31, 2011**

SCHEDULE 19

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

\* Double rate of length

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

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

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

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

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND  
CAPE MAY – LEWES FERRY  
SCHEDULE OF HISTORICAL TOLL RATES  
Period January 1, 2000 to December 31, 2011**

SCHEDULE 19

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

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND  
THREE FORTS FERRY  
SCHEDULE OF HISTORICAL TOLL RATES  
Period January 1, 2000 to December 31, 2011**

SCHEDULE 20

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**SCHEDULE OF INSURANCE COVERAGE**  
**Year Ended December 31, 2011**

SCHEDULE 21

Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	WC 249208869		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Delaware Workers' Compensation:	Occupational Injury Employers' Liability	Statutory \$ 1,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	WC 249208869		
Policy Term:	1/1/11 - 1/1/12		
Coverage/Limits:	NJ Workers' Compensation	Occupational Injury Employers' Liability	Statutory \$ 1,000,000
Insurance Company:	National Fire Insurance Company of Hartford		
Policy Number:	BUAC266522098		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Business Automobile - Fleet:	Comprehensive Liability	\$ 1,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	BUAC2057118842		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Primary Business Automotive - Buses:	Liability	\$ 5,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	CCPC3002049491		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Public Liability		\$ 1,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	01-424-05-66		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Specialty Risk Protector		\$ 1,000,000
Insurance Company:	Insurance Company of the State of Pennsylvania		
Policy Number:	14550182		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Primary Umbrella Excess Liability		\$ 5,000,000
Insurance Company:	Crum and Forster Specialty Insurance Company		
Policy Number:	XSO171110		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Second Layer Excess Umbrella Liability		\$ 10,000,000
Insurance Company:	Catlin Insurance Company (UK), Ltd.		
Policy Number:	XSA937060112		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Third Layer Excess Umbrella Liability		\$ 10,000,000
Insurance Company:	AXIS Surplus Insurance Company		
Policy Number:	EAU706027/01/2011		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Fourth Layer Excess Umbrella Liability		\$ 25,000,000
Insurance Company:	Westchester Fire Insurance Company		
Policy Number:	G24182137001		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Fifth Layer Excess Umbrella Liability		\$ 25,000,000
Insurance Company:	Continental Insurance Company		
Policy Number:	RMP2088637664		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Commercial Account Package:	Blanket over Buildings and Contents	\$ 277,224,091

(Continued)



**DELAWARE RIVER AND BAY AUTHORITY**  
**SCHEDULE OF INSURANCE COVERAGE**  
**Year Ended December 31, 2011**

SCHEDULE 21

Insurance Company:	Hartford Fire Insurance Company		
Policy Number:	00FA022743011		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Commercial Crime:	Primary and Excess	\$ 1,000,000
Insurance Company:	Underwriters at Lloyd's		
Policy Number:	B080112538U11		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue		\$ 404,856,000
Insurance Company:	Lloyd's, London		
Policy Number:	B080112590U11		
Policy Term:	1/31/11 - 1/31/12		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue (Primary Terrorism)		\$ 404,856,000
Policy Number:	B080110342M11		
Policy Term:	2/20/11 - 2/20/12		
Coverage/ Limits:	Protection and Indemnity		\$ 6,900,000
Insurance Company:	Lloyd's and Scheduled Companies		
Policy Number:	BO80110704M11		
Policy Term:	7/1/11 - 7/1/12		
Coverage/ Limits:	Vessel Hull and Machinery		Various
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	01-425-51-53		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Public Officials and Employment Practices Liability		\$ 10,000,000
Insurance Company:	National Union Fire Insurance Co. of Pittsburgh, PA		
Policy Number:	GTP9052960A		
Policy Term:	1/1/11 - 1/1/14		
Coverage/ Limits:	Group Travel Accident		\$ 250,000
Insurance Company:	Federal Insurance Company		
Policy Number:	8211-2113		
Policy Term:	1/1/09 - 1/1/12		
Coverage/ Limits:	Special Contingent		\$ 10,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	AV339475312		
Policy Term:	6/30/11 - 6/30/12		
Coverage/ Limits:	Helicopter Liability		\$ 50,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	AE338750612		
Policy Term:	6/30/11 - 6/30/12		
Coverage/ Limits:	Airport Liability		\$ 100,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	C4017235831		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Liquor Liability		\$ 1,000,000
Insurance Company:	Federal Insurance Company		
Policy Number:	81531326		
Policy Term:	12/31/10 - 12/31/11		
Coverage/ Limits:	Public Entity Fiduciary Liability		\$ 10,000,000
Insurance Company:	Columbia Casualty Company		
Policy Number:	LEO223457783		
Policy Term:	1/1/11 - 1/1/12		
Coverage/ Limits:	Law Enforcement Liability		\$ 1,000,000

## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

### **Contents**

### **Schedules**

#### **Financial Trends**

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

22 to 30

#### **Debt Capacity**

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

31 to 32

#### **Demographic and Economic Information**

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

33 to 34

#### **Operating Information**

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

35 to 39

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

**DELAWARE RIVER AND BAY AUTHORITY**

**NET ASSETS**

**Last Eight Fiscal Years**

SCHEDULE 22

	<b>Fiscal Year</b>							
	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>	<u><b>2005</b></u>	<u><b>2004</b></u>
Invested in Capital Assets, Net of Related Debt	\$ 216,498,340	\$ 213,950,510	\$ 203,955,527	\$ 180,759,778	\$ 159,314,405	\$ 167,286,079	\$ 172,540,587	\$ 172,540,587
Restricted	35,867,773	35,067,720	33,603,155	33,757,140	33,911,805	32,903,520	32,036,520	32,036,520
Unrestricted	<u>61,092,185</u>	<u>57,513,568</u>	<u>71,518,813</u>	<u>83,669,245</u>	<u>99,720,796</u>	<u>80,913,272</u>	<u>74,601,928</u>	<u>74,601,928</u>
Total Net Assets	<u>\$ 313,458,298</u>	<u>\$ 306,531,798</u>	<u>\$ 309,077,495</u>	<u>\$ 298,186,163</u>	<u>\$ 292,947,006</u>	<u>\$ 281,102,871</u>	<u>\$ 279,179,035</u>	<u>\$ 279,179,035</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**CHANGE IN NET ASSETS**  
**Last Eight Fiscal Years**

SCHEDULE 23

	Fiscal Year							
	2011	2010	2009	2008	2007	2006	2005	2004
<b>Operating Revenues:</b>								
Bridge Tolls	\$86,120,525	\$ 75,875,461	\$ 77,272,069	\$ 79,467,667	\$ 73,525,058	\$ 73,031,619	\$ 72,348,723	\$ 71,868,471
Ferry Tolls	13,468,212	14,258,255	14,309,464	14,271,389	13,555,342	13,778,387	12,723,114	13,063,913
Food and Novelty Sales	3,541,016	3,565,176	3,604,068	3,943,413	4,404,874	4,137,079	4,185,985	3,917,391
Airport Lease Revenue	6,694,249	7,404,691	6,261,850	6,469,182	5,837,345	5,363,724	4,898,749	5,062,799
Economic Development Revenue	1,370,002	1,466,981	1,212,518					
Other Operating Revenue	3,483,183	3,791,207	3,420,307	4,833,281	3,625,730	3,544,050	3,122,164	3,975,305
<b>Total Operating Revenue</b>	<b>114,677,187</b>	<b>106,361,771</b>	<b>106,080,276</b>	<b>108,984,932</b>	<b>100,948,349</b>	<b>99,854,859</b>	<b>97,278,735</b>	<b>97,887,879</b>
<b>Operating Expenses:</b>								
Administrative and General								
Wages	5,145,482	5,176,362	4,897,360	4,908,518	7,107,897	5,108,181	4,774,236	4,169,110
Benefits	3,633,265	3,392,459	3,439,300	3,172,373	2,200,219	1,999,716	1,802,235	1,705,203
Other Expenses	7,595,568	8,300,376	10,623,925	10,145,745	10,171,324	12,915,924	10,034,100	9,955,248
Operations:								
Wages	20,951,837	21,510,862	21,713,362	22,518,595	22,321,874	22,515,138	21,471,595	21,459,564
Benefits	22,124,923	21,761,273	19,560,141	19,466,853	13,368,871	13,838,526	12,353,251	11,731,539
Other Expenses	19,764,805	19,141,607	16,677,644	20,313,648	15,297,497	16,648,022	14,184,485	15,088,071
Depreciation	21,920,970	21,342,782	20,919,311	19,575,853	20,179,522	18,684,272	16,602,820	16,506,024
<b>Total Operating Expenses</b>	<b>101,136,850</b>	<b>100,625,721</b>	<b>97,831,043</b>	<b>100,101,585</b>	<b>90,647,204</b>	<b>91,709,779</b>	<b>81,222,722</b>	<b>80,614,759</b>
<b>Operating Income</b>	<b>13,540,337</b>	<b>5,736,050</b>	<b>8,249,233</b>	<b>8,883,347</b>	<b>10,301,145</b>	<b>8,145,080</b>	<b>16,056,013</b>	<b>17,273,120</b>
<b>Nonoperating Revenue (Expenses):</b>								
Investment Income	2,546,802	4,175,792	4,882,170	3,970,463	7,542,228	6,179,702	4,285,404	2,965,178
Investment Fees	(603,861)	(594,488)	(622,419)	(387,587)	(431,091)	(460,384)	(480,836)	(258,016)
Interest on Bonds	(12,575,266)	(12,917,905)	(13,245,688)	(14,998,314)	(14,842,098)	(14,921,709)	(15,451,686)	(15,931,209)
Amortization of Bond Issue Costs	(262,180)	(272,174)	(279,008)	(282,588)	(289,078)	(328,184)	(432,224)	(228,513)
Expense Construction in Progress	(2,200,072)	(1,360,795)	(1,034,571)	(1,836,027)	(822,965)	(1,568,448)	(580,179)	(2,517,888)
Write-off of Capital Assets	(1,163,518)							
Miscellaneous Income	-							7,344
Sale of Lease Rights	-		1,674,583	556,000				
Sale of Fixed Assets	51,674	106,742	1,897,440	110,229	750,160	88,544	102,291	177,126
Interest Rebate Expense	-					(2,485,404)		
<b>Net Non Operating (Expenses)</b>	<b>(14,206,421)</b>	<b>(10,862,828)</b>	<b>(6,727,493)</b>	<b>(12,867,824)</b>	<b>(8,092,845)</b>	<b>(13,495,882)</b>	<b>(12,557,230)</b>	<b>(15,785,978)</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>(666,084)</b>	<b>(5,126,778)</b>	<b>1,521,740</b>	<b>(3,984,477)</b>	<b>2,208,300</b>	<b>(5,350,802)</b>	<b>3,498,783</b>	<b>1,487,142</b>
<b>Capital Contributions:</b>								
Grant Income	7,157,992				9,569,724	7,850,160	7,749,738	7,104,984
Capital Contributions	434,592	5,155,121	16,592,112	9,223,634	66,111	624,478		
<b>Total Capital Contributions</b>	<b>7,592,584</b>	<b>5,155,121</b>	<b>16,592,112</b>	<b>9,223,634</b>	<b>9,635,835</b>	<b>8,474,638</b>	<b>7,749,738</b>	<b>7,104,984</b>
<b>Change in Net Assets</b>	<b>\$ 6,926,500</b>	<b>\$ 28,343</b>	<b>\$ 18,113,852</b>	<b>\$ 5,239,157</b>	<b>\$ 11,844,135</b>	<b>\$ 3,123,836</b>	<b>\$ 11,248,521</b>	<b>\$ 8,592,126</b>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**CHANGE IN NET ASSETS**  
**PENSION TRUST FUND**  
**Last Eight Fiscal Years**

SCHEDULE 24

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

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

SCHEDULE 25

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Delaware Memorial Bridge</b>										
Class 1 - Passenger Cars	\$42,549,428	\$37,073,673	\$37,408,311	\$36,121,749	\$37,572,672	\$37,750,076	\$37,496,001	\$37,629,843	\$36,580,395	\$36,260,561
Class 2 - Two Axel Trucks	2,280,412	2,053,592	2,079,184	2,231,996	1,843,644	1,915,980	1,969,644	2,020,944	1,972,578	2,032,626
Class 3 - Three Axel Trucks	2,317,539	2,000,412	1,955,232	1,944,594	1,485,828	1,495,602	1,519,479	1,476,522	1,397,889	1,390,482
Class 4 - Four Axel Trucks	2,316,008	1,979,408	2,001,968	2,269,236	1,819,476	1,759,728	1,798,488	1,791,828	1,714,452	1,793,280
Class 5 - Five Axel Trucks & Truck Combination	32,148,900	28,981,660	30,210,240	33,212,285	27,139,155	26,530,920	25,985,010	25,198,605	23,793,555	23,703,045
Class 6 - Six Axel Trucks & Truck Combinations	833,172	706,608	740,256	777,606	602,388	479,196	495,558	552,528	677,268	399,996
Class 7 - Vehicles Requiring Special Permits	112,260	99,650	89,050	110,390	106,720	117,320	121,240	114,360	83,320	80,280
Class 8 - Special(Over Six Axels)	285,754	202,468	150,472	130,348	141,144	121,821	115,521	176,778	229,908	81,312
Class 9 - Commutation Plan	1,063,138	854,887	832,192	845,348	842,768	847,396	853,654	854,533	842,222	877,900
Class 10 - Frequent Traveler Plan	1,436,121	1,234,491	1,241,828	1,266,047	1,314,555	1,350,179	1,327,018	1,358,553	1,369,507	1,396,148
Class 11 - Passenger Cars w/ 1 Axel Trailer	337,875	298,434	312,480	301,887	328,163	335,858	348,534	352,229	322,601	300,704
Class 12 - Passenger Cars w/ 2 Axel Trailer	412,038	363,642	377,856	382,740	410,670	412,242	414,444	425,850	398,988	341,004
Class 13 - Passenger Cars w/ 3 Axel Trailer	27,880	26,535	27,143	25,485	31,755	24,600	25,838	41,033	47,460	29,228
Class 14 - Senior Citizens (2)	0	0	0	0	0	0	0	0	1	0
Class 15 - Tokens (2)	0	0	0	0	0	0	0	0	0	1
Allowance - Uncollected Tolls	<u>0</u>	<u>0</u>	<u>(154,142)</u>	<u>(152,044)</u>	<u>(113,879)</u>	<u>(109,299)</u>	<u>(121,705)</u>	<u>(125,134)</u>	<u>(201,963)</u>	<u>(220,770)</u>
Total Bridge Net Tolls	<u>\$86,120,525</u>	<u>\$75,875,460</u>	<u>\$77,272,070</u>	<u>\$79,467,667</u>	<u>\$73,525,058</u>	<u>\$73,031,619</u>	<u>\$72,348,723</u>	<u>\$71,868,471</u>	<u>\$69,228,181</u>	<u>\$68,465,796</u>

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

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**CAPE MAY-LEWES FERRY/THREE FORTS FERRY TOLLS BY CLASSIFICATION**  
**Last Ten Fiscal Years**

SCHEDULE 26

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Cape May - Lewes Ferry</b>										
Passengers	\$3,850,667	\$ 4,009,438	\$ 4,102,919	\$ 4,160,592	\$ 5,922,713	\$ 6,067,617	\$ 5,740,774	\$ 6,013,991	\$ 6,205,639	\$ 6,829,304
Bus Passengers	21,594	25,507	26,247	33,655	42,086	38,189	43,964	59,581	63,949	82,724
Class 1 - Passenger Car	8,741,930	9,342,832	9,286,207	9,159,072	6,830,396	6,924,879	6,216,681	6,281,962	6,412,152	6,898,517
Class 4 - 20' to 25'	71,936	76,708	79,213	89,800	91,920	90,806	70,857	64,200	49,898	50,436
Class 5 - 25' to 35'	150,070	162,190	163,340	163,482	143,673	141,285	131,577	128,340	128,126	133,629
Class 6 - 35' to 45'	130,771	131,043	131,094	129,463	118,491	119,101	109,633	108,958	104,633	108,602
Class 7 - 45' to 55'	168,984	168,941	169,925	171,351	149,034	150,843	126,123	113,498	108,963	109,147
Class 9 - Over 65'	46,022	29,763	28,788	58,678	45,730	38,614	38,852	52,787	78,150	78,970
Class 10 - Motorbike or Motorcycle	223,207	237,607	245,859	227,148	156,899	129,486	116,780	110,255	82,319	93,189
Class 11 - Bicycle	0	0	0	0	0	120	19,858	10,458	9,686	11,804
Class 12 - Over Width Vehicles	1,014	590	558	1,115	973	128	275	388	1,040	307
Peak Period Surcharge (1)	0	0	0	0	0	0	0	0	0	0
Total Cape May - Lewes Ferry:	\$ 13,406,195	\$ 14,184,619	\$ 14,234,150	\$ 14,194,354	\$ 13,501,913	\$ 13,701,066	\$ 12,615,372	\$ 12,944,416	\$ 13,244,553	\$ 14,396,627
<b>Three Forts Ferry (2)</b>										
Adult	\$32,907	\$ 39,392	\$ 41,310	\$ 44,307	\$ 35,703	\$ 44,394	\$ 67,020	\$ 75,222	\$ 70,104	\$ 96,210
Child	5,983	7,346	8,100	8,115	8,529	10,836	17,308	20,804	17,968	23,996
School Groups	12,563	11,606	13,830	12,550	4,011	18,900	17,832	21,456	20,068	23,488
Cruise/Special Events	10,564	15,292	12,150	12,063	5,185	3,191	5,582	2,015	2,972	23,436
Total Three Forts Ferry:	\$ 62,017	\$ 73,636	\$ 75,390	\$ 77,035	\$ 53,428	\$ 77,321	\$ 107,742	\$ 119,497	\$ 111,112	\$ 167,130
Total Ferry Tolls	\$ 13,468,212	\$ 14,258,255	\$ 14,309,540	\$ 14,271,389	\$ 13,555,342	\$ 13,778,387	\$ 12,723,114	\$ 13,063,913	\$ 13,355,665	\$ 14,563,758

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

(2) DRBA assumed Three Forts Ferry service from the State of Delaware effective 1/1/97

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



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

SCHEDULE 27

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Delaware Memorial Bridge</b>										
Class 1 - Passenger Cars	12,096,813	12,397,831	12,508,110	12,073,390	12,554,899	12,615,946	12,530,542	12,582,105	12,256,304	12,149,635
Class 2 - Two Axel Trucks	255,501	258,758	261,472	280,946	308,773	320,844	330,077	338,687	332,732	343,102
Class 3 - Three Axel Trucks	173,774	168,341	164,491	163,668	166,322	167,370	170,362	166,723	158,938	157,867
Class 4 - Four Axel Trucks	129,518	124,772	125,940	142,927	152,343	147,290	150,756	150,072	144,596	151,680
Class 5 - Five Axel Trucks & Truck Combinations	1,459,524	1,470,937	1,523,964	1,677,383	1,822,294	1,780,752	1,746,467	1,693,932	1,607,780	1,601,311
Class 6 - Six Axel Trucks & Truck Combinations	31,677	29,825	31,196	32,832	33,720	26,801	27,739	30,865	37,966	22,527
Class 7 - Vehicles Requiring Special Permits	2,031	1,993	1,781	2,211	2,668	2,933	3,033	2,859	2,083	2,007
Class 8 - Special(Over Six Axels)	9,174	7,305	5,427	4,694	6,053	5,867	5,616	8,498	11,146	3,965
Class 9 - Commutation Plan	1,212,606	1,139,850	1,109,589	1,127,130	1,123,691	1,129,861	1,138,205	1,139,377	1,122,963	1,170,533
Class 10 - Frequent Traveler Plan	1,273,470	1,234,491	1,241,834	1,266,053	1,314,561	1,350,179	1,327,018	1,358,553	1,369,507	1,396,148
Class 11 - Passenger Cars w/ 1 Axel Trailer	64,337	67,196	70,080	67,477	73,385	74,988	77,904	79,118	73,105	67,403
Class 12 - Passenger Cars w/ 2 Axel Trailer	58,841	61,109	63,323	64,062	68,755	68,894	69,510	71,409	66,994	57,112
Class 13 - Passenger Cars w/ 3 Axel Trailer	3,747	4,046	3,901	3,601	4,453	3,402	3,639	5,892	7,134	4,415
Class 14 - Senior Citizens (With Token Only)	0	0	0	0	0	0	0	0	0	0
Class 15 - Tokens	0	0	0	0	0	0	0	0	0	0
Class 16 - Non Revenue	15,743	17,245	15,768	14,239	11,964	12,367	12,542	12,948	24,202	16,922
<b>Total Bridge Traffic</b>	<b>16,786,756</b>	<b>16,983,699</b>	<b>17,126,876</b>	<b>16,920,613</b>	<b>17,643,881</b>	<b>17,707,494</b>	<b>17,593,410</b>	<b>17,641,038</b>	<b>17,215,450</b>	<b>17,144,627</b>

**DELAWARE RIVER AND BAY AUTHORITY**  
**CAPE MAY-LEWES FERRY/THREE FORTS FERRY TRAFFIC BY CLASSIFICATION**  
**Last Ten Fiscal Years**

SCHEDULE 28

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Cape May - Lewes Ferry</b>										
Passengers	730,948	767,114	789,761	862,618	914,064	931,389	952,141	944,472	970,332	1,078,175
Bus Passengers	4,724	5,455	5,377	7,149	7,501	6,560	6,420	8,685	9,317	12,133
Class 1 - Passenger Car	250,393	266,064	270,046	293,599	317,105	328,343	336,501	335,243	340,084	371,771
Class 4 - 20' to 25'	1,641	1,812	1,903	2,492	3,273	3,273	3,016	2,741	2,134	2,168
Class 5 - 25' to 35'	2,899	3,181	3,247	3,603	3,950	3,943	4,288	4,190	4,177	4,396
Class 6 - 35' to 45'	2,187	2,234	2,248	2,464	2,728	2,771	2,983	2,965	2,845	2,970
Class 7 - 45' to 55'	2,328	2,349	2,394	2,620	2,691	2,758	2,699	2,433	2,331	2,347
Class 8 - 55' to 65'	0	0	0	0	0	0	0	0	0	0
Class 9 - Over 65'	507	329	325	705	596	522	598	811	1,200	1,224
Class 10 - Motorbike or Motorcycle	7,219	7,669	7,961	8,156	8,592	6,959	6,756	6,370	4,794	5,390
Class 11 - Bicycle	0	0	0	0	0	20	2,557	3,052	2,817	3,446
Class 12 - Over Width Vehicles	7	4	3	7	8	1	2	4	8	3
CMLF Non-Revenue Passengers	43,779	59,117	50,224	52,042	60,849	63,219	67,435	67,245	70,401	78,967
CMLF Non-Revenue Vehicles	<u>1,424</u>	<u>2,820</u>	<u>7,129</u>	<u>4,354</u>	<u>2,497</u>	<u>2,618</u>	<u>2,607</u>	<u>2,222</u>	<u>2,060</u>	<u>2,650</u>
Total Cape May-Lewes Ferry Traffic:	1,048,056	1,118,148	1,140,618	1,239,809	1,323,854	1,352,376	1,388,003	1,380,433	1,412,500	1,565,640
<b>Three Forts Ferry</b>										
Adult	9,141	10,942	11,475	11,402	12,265	7,399	11,170	12,537	11,684	16,035
Child	2,770	3,401	3,750	3,757	4,726	2,709	4,327	5,201	4,492	11,871
School Groups	5,816	5,373	6,403	4,980	4,552	3,780	4,458	5,364	5,017	0
Cruise/Special Events	1,983	2,768	2,994	1,848	782	1,110	1,256	424	1,655	2,683
Three Forts Non-Revenue	<u>13</u>	<u>209</u>	<u>287</u>	<u>222</u>	<u>194</u>	<u>725</u>	<u>931</u>	<u>1,600</u>	<u>999</u>	<u>0</u>
Total Three Forts Ferry Traffic:	<u>19,723</u>	<u>22,693</u>	<u>24,909</u>	<u>22,209</u>	<u>22,519</u>	<u>15,723</u>	<u>22,142</u>	<u>25,126</u>	<u>23,847</u>	<u>30,589</u>
Total Ferry Traffic:	<u>1,067,779</u>	<u>1,140,841</u>	<u>1,165,527</u>	<u>1,262,018</u>	<u>1,346,373</u>	<u>1,368,099</u>	<u>1,410,145</u>	<u>1,405,559</u>	<u>1,436,347</u>	<u>1,596,229</u>

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

SCHEDULE 29

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Delaware Memorial Bridge</b>										
Class 1 - Passenger Cars	\$ 4.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Class 2 - Two Axel Trucks	10.00	8.00	8.00	8.00	6.00	6.00	6.00	6.00	6.00	6.00
Class 3 - Three Axel Trucks	15.00	12.00	12.00	12.00	9.00	9.00	9.00	9.00	9.00	9.00
Class 4 - Four Axel Trucks	20.00	16.00	16.00	16.00	12.00	12.00	12.00	12.00	12.00	12.00
Class 5 - Five Axel Trucks & Truck Combinations	25.00	20.00	20.00	20.00	15.00	15.00	15.00	15.00	15.00	15.00
Class 6 - Six Axel Trucks & Truck Combinations	30.00	24.00	24.00	24.00	18.00	18.00	18.00	18.00	18.00	18.00
Class 7 - Vehicles Requiring Special Permits	60.00	50.00	50.00	50.00	40.00	40.00	40.00	40.00	40.00	40.00
Class 8 - Special(Over Six Axels)	5.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00
Class 9 - Commuter Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Class 9 - Commutation Plan	1.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Class 10 - Discount Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Class 10 - Frequent Traveler Plan	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Class 11 - Passenger Cars w/ 1 Axel Trailer	6.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Class 12 - Passenger Cars w/ 2 Axel Trailer	8.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Class 13 - Passenger Cars w/ 3 Axel Trailer	10.00	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Class 14 - Senior Citizens (With Token Only)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**CAPE MAY – LEWES FERRY/THREE FORTS FERRY TOLL RATES**  
**Last Ten Fiscal Years**

SCHEDULE 30

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Cape May - Lewes Ferry</b>										
Foot/Vehicle Passenger (under 6 yrs)	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free
Foot/Vehicle Passenger (6 yrs & over)	\$3-\$10	\$3-\$10	\$2.75-\$10.00	\$2.50-\$9.50	\$2.50-\$9.50	\$2.50-\$9.50	\$6-\$8	\$6-\$8	\$6-\$8	\$6-\$8
Foot Passengers(round trip)	6-10	6-10	5.25-10.00	6-17	6-17	6-17	10-15	10-15	10-15	10-15
Bus Passengers	2-5	2-5	1.50-5.25	1.50-5	2-6	2-6	5-7	5-7	5-7	5-7
Class 1 - Passenger Car	26-44	26-44	25.25-43.25	19-41	19-29	19-29	20-25	20-25	20-25	20-25
Class 4 - 20' to 25'	34-50	34-50	33.75-49.75	27-47	27-34	27-34	24-29	24-29	24-29	24-29
Class 5 - 25' to 35'	43-61	43-61	42.25-60.25	35-57	35-42	35-42	31-36	31-36	31-36	31-36
Class 6 - 35' to 45'	50-69	50-69	49.75-68.75	42-65	42-49	42-49	37-42	37-42	37-42	37-42
Class 7 - 45' to 60'	62-85	62-85	61.25-84.50	53-80	53-61	53-61	47-52	47-52	47-52	47-52
Class 9 - Over 60'	85-113	85-113	84.50-113.00	75-107	75-83	75-83	66-71	66-71	66-71	66-71
Class 10 - Motorbike or Motorcycle	25-36	25-36	24.25-36.00	15-34	15-24	15-24	17-22	17-22	17-22	17-22
Class 10 w/ Side Car or trailer	22-27	22-27	21.25-26.50	15-34	15-24	15-24	18-23	18-23	18-23	18-23
Class 11 - Bicycle	Free	Free	Free	Free	Free	Free	6-8	6-8	6-8	6-8
Class 12 - Over Width Vehicles (1)	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies

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

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

**Three Forts Ferry**

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

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

SCHEDULE 31

<u>Fiscal Year</u>	<u>Outstanding Revenue Bonds</u>	<u>Total Annual Debt Service</u>	<u>Total Traffic (1)</u>	<u>Outstanding Debt Per Customer</u>	<u>Debt Service Per Customer</u>
2011	\$ 283,695,000	\$ 21,331,889	17,854,535	\$ 15.89	\$ 1.19
2010	292,095,000	21,354,195	18,124,540	16.12	1.18
2009	300,115,000	20,972,814	18,289,162	16.41	1.15
2008	307,785,000	22,811,301	18,182,631	16.93	1.25
2007	315,125,000	22,364,966	18,990,254	16.59	1.18
2006	322,220,000	22,227,918	19,075,593	16.89	1.17
2005	328,845,000	22,051,686	19,003,555	17.30	1.16
2004	333,660,000	22,360,397	19,046,597	17.52	1.17
2003	343,195,000	23,732,959	18,651,797	18.40	1.27
2002	274,070,000	20,402,598	18,740,856	14.62	1.09

(1) Includes combined traffic for the Delaware Memorial Bridge, Cape May - Lewes Ferry and Three Forts Ferry.

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

SCHEDULE 32

Fiscal Year	Gross Revenues	Less: Budgetary Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2011	\$ 107,223,066	\$ 70,012,448	\$ 37,210,618	\$ 8,760,000	\$ 12,571,889	1.74
2010	99,723,149	67,219,476	32,503,673	8,400,000	12,954,195	1.52
2009	101,537,888	61,841,952	39,695,936	8,020,000	13,302,814	1.86
2008	102,866,626	67,088,144	35,778,482	7,718,750	15,092,551	1.58
2007	99,511,229	63,755,295	35,755,934	7,340,000	15,024,966	1.60
2006	97,324,442	64,196,500	33,127,942	7,095,000	15,132,918	1.49
2005	93,661,062	60,308,667	33,352,395	6,600,000	15,451,686	1.51
2004	92,444,083	57,379,218	35,064,865	6,345,000	16,015,397	1.57
2003	90,714,565	54,353,579	36,360,986	7,515,000	16,217,959	1.53
2002	94,625,727	53,219,674	41,406,053	7,175,000	13,227,598	2.03

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

SCHEDULE 33

**NEW JERSEY**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>Cape May County</u></b>										
Population	101,864	101,421	101,335	99,920	98,558	97,814	96,700	96,470	96,091	97,265
Total Personal Income	\$1,065,010	\$1,127,117	\$1,188,248	\$1,285,105	\$1,330,501	\$1,357,256	\$1,369,686	\$1,395,943	\$1,360,988	\$4,619,213
Per Capita Personal Income	\$26,710	\$27,778	\$28,873	\$30,227	\$31,033	\$31,801	\$32,452	\$33,529	\$33,477	\$47,498
Unemployment Rate	6.7%	8.0%	8.1%	6.9%	6.6%	6.9%	6.6%	8.1%	11.4%	11.9%

**Cumberland County**

Population	146,673	147,590	148,722	150,227	152,489	153,910	155,402	156,784	157,745	156,898
Total Personal Income	\$1,886,351	\$1,976,359	\$2,052,149	\$2,207,839	\$2,279,327	\$2,359,502	\$2,429,227	\$2,492,454	\$2,462,772	\$5,318,463
Per Capita Personal Income	\$32,571	\$33,625	\$34,508	\$36,228	\$36,387	\$37,749	\$39,408	\$40,709	\$41,145	\$33,907
Unemployment Rate	6.5%	7.6%	7.9%	6.6%	6.3%	6.9%	6.5%	8.0%	12.7%	13.3%

**Gloucester County**

Population	259,050	263,518	268,257	273,020	276,680	281,936	286,056	288,168	289,920	288,288
Total Personal Income	\$2,967,506	\$3,093,025	\$3,305,661	\$3,583,035	\$3,839,077	\$4,067,667	\$4,157,198	\$4,245,476	\$4,106,572	\$11,927,960
Per Capita Personal Income	\$33,119	\$33,794	\$34,549	\$36,291	\$37,233	\$39,018	\$40,004	\$41,392	\$41,332	\$41,337
Unemployment Rate	4.0%	5.2%	5.4%	4.7%	4.4%	4.7%	4.3%	5.4%	9.4%	10.0%

**Salem County**

Population	64,133	64,516	64,407	64,914	65,465	65,929	65,981	66,194	66,342	66,083
Total Personal Income	\$854,760	\$908,818	\$950,860	\$1,021,336	\$1,007,053	\$1,024,486	\$1,052,845	\$1,078,606	\$1,062,053	\$2,620,335
Per Capita Personal Income	\$39,920	\$41,466	\$42,063	\$43,920	\$43,557	\$44,201	\$45,857	\$48,251	\$49,183	\$39,704
Unemployment Rate	4.4%	5.8%	6.0%	5.2%	4.8%	5.0%	5.0%	6.2%	10.7%	11.3%

**STATE OF DELAWARE**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>All Counties</u></b>										
Population	794,620	804,131	814,905	826,639	839,906	853,022	864,896	876,211	885,122	897,934
Total Personal Income (in millions)	\$25,492.4	\$26,529.9	\$27,140.1	\$29,330.9	\$29,010.2	\$32,947.1	\$34,574.7	\$35,667.4	\$35,360.0	\$35,688.1
Per Capita Personal Income	\$32,142	\$33,007	\$33,644	\$35,523	\$36,793	\$38,745	\$40,112	\$40,852	\$39,949	\$39,664
Unemployment Rate	3.4%	3.9%	4.1%	3.9%	3.9%	3.6%	3.5%	5.0%	8.0%	8.5%

**Sources:**

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

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

SCHEDULE 34

**STATE OF NEW JERSEY**

	2010			2001		
	Employment	Rank	% of Total State	Employment	Rank	% of Total State
Health Care and Social Assistance	575,019	1	11.59%	466,844	2	9.85%
Retail Trade	517,553	2	10.43%	525,690	1	11.09%
Professional, Scientific and Technical Services	416,375	3	8.39%	388,694	4	8.20%
Local Government	408,217	4	8.23%	377,915	5	7.97%
Finance and Insurance	340,069	5	6.85%	271,673	8	5.73%
Accommodations and Food Services	307,684	6	6.20%	274,828	7	5.80%
Administrative and Waste Management Services	303,552	7	6.12%	297,322	6	6.27%
Manufacturing	271,518	8	5.47%	407,836	3	8.60%
Real Estate and Rental and Leasing	266,328	9	5.37%	178,996	12	3.78%
Other Services, Except Public Administration	241,896	10	4.87%	216,678	11	4.57%
Wholesale Trade	230,950	11	4.65%	257,759	9	5.44%
Construction	213,150	12	4.30%	224,569	10	4.74%
<b>TOTAL</b>	<b>4,092,311</b>		<b>82.47%</b>	<b>3,888,804</b>		<b>82.02%</b>
<b>TOTAL EMPLOYMENT</b>	<b>4,962,090</b>			<b>4,741,318</b>		

**STATE OF DELAWARE**

	2010			2001		
	Employment	Rank	% of Total State	Employment	Rank	% of Total State
Health Care and Social Assistance	63,055	1	11.91%	46,623	3	9.33%
Retail Trade	59,067	2	11.16%	58,132	1	11.63%
Finance and Insurance	52,609	3	9.94%	48,174	2	9.64%
Accommodations and Food Services	36,001	4	6.80%	30,358	7	6.07%
Professional, Scientific and Technical Services	34,001	5	6.42%	34,563	5	6.91%
State Government	32,273	6	6.10%	30,120	8	6.03%
Other Services, Except Public Administration	30,679	7	5.80%	24,646	10	4.93%
Construction	28,653	8	5.41%	32,111	6	6.42%
Administrative and Waste Management Services	28,074	9	5.30%	29,704	9	5.94%
Manufacturing	27,334	10	5.16%	40,076	4	8.02%
Local Government	25,298	11	4.78%	22,324	11	4.47%
Real Estate and Rental and Leasing	24,394	12	4.61%	15,745	12	3.15%
<b>TOTAL</b>	<b>441,438</b>		<b>83.41%</b>	<b>412,576</b>		<b>82.54%</b>
<b>TOTAL EMPLOYMENT</b>	<b>529,238</b>			<b>499,853</b>		



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

SCHEDULE 35

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Airports</b>										
New Castle Airport										
Lease Revenues	\$ 4,440,042	\$ 4,826,165	\$ 4,185,960	\$ 3,936,180	\$ 3,630,836	\$ 3,118,445	\$ 2,656,667	\$ 2,858,242	\$ 2,901,598	\$ 2,942,883
Fuel Flowage Fees	348,181	337,994	293,876	419,947	492,057	489,864	476,895	455,804	516,770	517,917
Ramp Fees					19,813	9,310				
Landing Fees	103,740	98,809	68,233	123,301	139,367	144,218	161,056	143,226	187,531	138,465
Total New Castle Airport	4,891,963	5,262,968	4,548,069	4,479,428	4,282,073	3,761,837	3,294,618	3,457,272	3,605,899	3,599,265
Cape May Airport										
Lease Revenues	165,610	153,738	127,051	159,358	147,247	146,879	155,906	158,414	150,065	159,903
Fuel Flowage Fees	4,207	5,007	3,895	4,409	5,309	5,289	2,224			
Aviation Fuel Sales							26,792	198,069	138,445	48
Total Cape May Airport	169,817	158,745	130,946	163,767	152,556	152,168	184,922	356,483	288,510	159,951
Millville Airport (1)										
Lease Revenues	310,367	374,277	337,874	357,584	337,663	308,108	417,445	398,236	409,024	378,930
Fuel Flowage Fees	(20,816)	13,081	27,847	72,430	88,212	73,080	49,380	18,051	19,951	28,767
Total Millville Airport	289,551	387,358	365,721	430,014	425,875	381,188	466,825	416,287	428,975	407,697
Civil Air Terminal										
Lease Revenues				2,081					710	2,663
Landing Fees	14,230	18,141	21,296	9,873	19,999	20,300	18,723	15,454	15,485	14,005
Total Civil Air Terminal	14,230	18,141	21,296	11,954	19,999	20,300	18,723	15,454	16,195	16,668
Delaware Air Park										
Lease Revenues	70,587	66,283	53,265	95,306	51,430	55,864	63,346	62,606	60,008	60,007
Aviation Fuel Sales	82,008	104,452	104,934	138,110	129,339	121,928	93,388	85,512	76,272	84,088
Aviation Chart Sales	-	18	1,119	1,452	1,507	1,730	1,594			
Total Delaware Air Park	152,595	170,753	159,318	234,868	182,276	179,522	158,328	148,118	136,280	144,095
<b>Total Airports</b>	<b>\$ 5,518,156</b>	<b>\$ 5,997,965</b>	<b>\$ 5,225,350</b>	<b>\$ 5,320,031</b>	<b>\$ 5,062,779</b>	<b>\$ 4,495,015</b>	<b>\$ 4,123,416</b>	<b>\$ 4,393,614</b>	<b>\$ 4,475,859</b>	<b>\$ 4,327,676</b>
<b>Concessions</b>										
Food & Beverage	\$ 2,567,588	\$ 2,550,753	\$ 2,546,211	\$ 2,712,037	\$ 3,013,071	\$ 2,794,829	\$ 2,817,535	\$ 2,580,194	\$ 2,691,862	\$ 3,106,039
Novelty	873,098	909,436	942,349	1,090,470	1,263,874	1,197,668	1,227,005	1,206,244	1,255,104	1,354,036
<b>Total Concessions</b>	<b>\$ 3,440,686</b>	<b>\$ 3,460,189</b>	<b>\$ 3,488,560</b>	<b>\$ 3,802,507</b>	<b>\$ 4,276,945</b>	<b>\$ 3,992,497</b>	<b>\$ 4,044,540</b>	<b>\$ 3,786,438</b>	<b>\$ 3,946,966</b>	<b>\$ 4,460,075</b>

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

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**OPERATING STATISTICS**  
**Last Ten Fiscal Years**

SCHEDULE 36

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Delaware Memorial Bridge										
Total Traffic	16,786,756	16,983,699	17,126,876	16,920,613	17,643,881	17,707,494	17,593,410	17,641,038	17,215,450	17,144,627
Non-Commercial Traffic	14,725,557	14,921,768	15,012,605	14,615,952	15,151,708	15,255,637	15,159,360	15,249,402	14,920,209	14,862,168
Commercial Traffic	2,061,199	2,061,931	2,114,271	2,304,661	2,492,173	2,451,857	2,434,050	2,391,636	2,295,241	2,282,459
Average Daily Traffic	45,991	46,531	46,923	46,358	48,339	48,514	48,201	48,332	47,166	46,972
Average Toll per Customer	\$5.13	\$4.47	\$4.51	\$4.69	\$4.16	\$4.12	\$4.11	\$4.08	\$4.07	\$4.04
E-Z Pass Traffic	10,758,138	10,460,787	10,313,946	10,073,221	10,100,635	9,724,593	9,161,304	8,489,812	7,606,259	7,026,729
% of E-Z Pass Traffic	64.15%	61.66%	60.28%	59.58%	57.29%	54.96%	52.11%	48.16%	44.22%	41.03%
Cape May - Lewes Ferry										
Total Traffic	1,048,056	1,118,148	1,140,618	1,239,809	1,323,854	1,352,376	1,388,003	1,380,433	1,412,500	1,565,640
Vehicle Traffic	268,605	286,462	295,256	318,000	341,440	351,188	359,450	360,031	362,450	396,365
Passenger Traffic	779,451	831,686	845,362	921,809	982,414	1,001,188	1,028,553	1,020,402	1,050,050	1,169,275
Average Daily Traffic-Passengers	2,016	2,117	2,164	2,526	2,525	2,570	2,634	2,612	3,684	2,987
Average Daily Traffic-Vehicles	732	777	804	871	929	955	978	980	987	1,079
Average Fare per Customer	\$12.79	\$12.69	\$12.48	\$11.44	\$10.20	\$10.13	\$9.09	\$9.88	\$7.77	\$9.71
Total Vessel Crossings	4,781	4,983	5,056	5,308	5,533	5,676	5,828	6,205	6,139	6,340
Average Daily Trips	13	14	14	15	15	16	16	17	17	17
Three Forts Ferry										
Total Passenger Traffic	19,723	22,693	24,909	22,209	22,519	15,723	21,211	25,126	23,847	30,589

**DELAWARE RIVER AND BAY AUTHORITY**  
**OPERATING STATISTICS**  
**Last Ten Fiscal Years**

SCHEDULE 37

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Airports</b>										
Number of Landings										
New Castle Airport	60,000	79,388	73,487	45,279	72,907	82,239	66,856	54,477	59,123	65,970
Cape May Airport	15,600	17,000	15,000	15,000	17,000	15,000	17,500	10,200	9,500	10,200
Millville Airport	50,450	40,000	40,000	30,000	35,000	30,000	30,000	21,200	19,800	21,200
Civil Air Terminal	130	271	301	326	350	436	320	320	394	338
Delaware Air Park	23,100	11,500	11,500	12,000	20,000	17,000	18,000	18,000	18,000	18,000
<b>Concessions</b>										
Number of Customers Food/Beverage	372,658	431,603	446,488	522,762	594,621	603,849	628,636	589,814	603,936	702,985
Number of Customers Novelty	66,019	79,344	86,256	106,254	129,779	129,655	138,417	138,943	146,767	163,071
Average Purchase Food/Beverage	\$6.93	\$5.94	\$5.70	\$5.21	\$5.07	\$4.48	\$4.48	\$4.37	\$4.46	\$4.42
Average Purchase Novelty	\$13.22	\$11.46	\$10.93	\$10.26	\$9.53	\$9.24	\$8.86	\$8.68	\$8.55	\$8.30
<b>Police</b>										
Arrests	353	498	630	560	740	1,138	724	337	213	302
Traffic Violations	5,260	9,162	9,928	9,453	8,521	8,640	4,968	5,615	2,480	1,128
Traffic Reprimands	3,934	6,341	6,726	5,152	3,553	3,476	5,336	12,685	9,299	9,180
Accident Investigations	240	215	280	339	296	295	338	307	297	273

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

SCHEDULE 38

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>	<u>2003</u>	<u>2002 (2)</u>
Delaware Memorial Bridge										
Operating Expenditures	\$ 27,202,747	\$ 25,690,857	\$ 25,228,586	\$ 25,860,557	\$ 23,789,442	\$ 23,932,453	\$ 19,984,171	\$ 21,681,600	\$ 20,778,095	\$ 14,167,656
Capital Expenditures	10,749,464	9,191,779	26,720,643	16,551,342	10,045,347	11,318,358	9,491,685	7,659,601	13,088,567	17,915,462
Cape May - Lewes Ferry										
Operating Expenditures	32,826,669	31,778,768	30,629,359	33,271,770	29,226,668	29,178,709	26,952,433	25,956,214	32,025,328	17,827,333
Capital Expenditures	4,159,107	8,102,616	2,656,490	6,971,741	1,820,793	4,268,791	7,401,779	3,435,589	3,742,336	4,170,037
Airports										
Operating Expenditures	10,494,638	10,159,332	9,944,990	9,569,059	8,707,198	7,330,841	6,946,389	7,441,859	6,970,699	4,309,121
Capital Expenditures	4,739,175	5,944,317	16,074,289	9,481,862	10,641,592	9,081,921	14,418,289	9,762,160	13,922,201	21,139,457
Concessions (3)										
Operating Expenditures	4,107,253	4,107,001	4,213,682	4,597,062	4,686,253	4,669,262	4,365,502	4,030,312	4,012,482	4,299,690
Three Forts Crossing (4)										
Operating Expenditures	167,963	196,601	186,705	192,221	204,236	207,104	175,932	215,369	172,054	263,646
Capital Expenditures	-	-	-	88,680	1,495	406,972	20,566		458,226	7,113
Police										
Operating Expenditures	7,942,622	8,123,802	7,902,613	7,741,485	6,838,008	6,574,019	5,866,749	5,697,573	5,682,821	5,482,340
Administration										
Operating Expenditures	15,976,134	15,682,997	16,211,661	16,052,433	14,832,051	15,371,088	14,383,334	13,248,804	11,395,887	9,903,379

(1) Operating expenses for fiscal year 2004 and fiscal year 2003 are based on GAAP - Generally Accepted Accounting Principles.

(2) Operating expenses for fiscal year 2002 to fiscal year 1995 are based upon provisions of the Trust Agreement date 10/1/93.

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

(4) Assumed operations in fiscal year 1997.

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

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

SCHEDULE 39

	Full-time Employees as of Dec 31									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003 (2)</u>	<u>2002</u>
Administration	70	69	72	68	62	71	65	67	65	66
Delaware Memorial Bridge	94	101	101	103	107	111	122	107	126	160
Cape May - Lewes Ferry	105	111	115	123	130	145	142	140	128	156
Police	57	59	63	66	62	61	64	62	66	74
Airports	28	28	34	36	29	38	28	36	34	34
Concessions	15	16	12	15	20	20	25	20	18	25
Three Forts Crossing (1)	0	0	0	0	0	0	0	0	0	0
Total	369	384	397	411	410	446	446	432	437	515

(1) Operate Three Forts Crossing with seasonal, temporary employees.

(2) Early Retirement option offered effective September 2003; A total of 68 employees took advantage of the option.



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

Board of Commissioners  
The Delaware River and Bay Authority  
P.O. Box 71  
New Castle, DE

We have audited the financial statements of the business-type activities and fiduciary fund of the Delaware River and Bay Authority (the Authority) as of and for the year ended December 31, 2011, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 15, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described below as Finding 2011-01 to be a material weakness in internal control over financial reporting.

**Finding: 2011-01 – Accounting for Intergovernmental Transactions**

**Condition:**

The Authority occasionally enters into transactions with certain other governmental entities during the course of their normal operations. We noted two material errors in accounting for these intergovernmental transactions during our audit testing.

During our testing of the Construction in Progress and Accounts Receivable accounts for 2011, it was noted that the Authority had not properly recorded certain intergovernmental reimbursement transactions. This resulted in incorrect Construction in Progress, Accounts Receivable and Net Asset balances at December 31, 2010. As such, a restatement of the December 31, 2010 financial statements was necessary to properly reflect these account balances at December 31, 2010.

During our testing for federal grant and contract revenue, we noted that the Authority had improperly netted the revenue and expense related to a grant received from the Federal Aviation Administration that was a pass-through to the Delaware Department of Transportation (DelDOT) for the purchase of additional land adjacent to the Delaware Air Park (DAP).

**Cause:**

The Authority erroneously recorded approximately \$2.3 million of reimbursements received from DelDOT as contributed capital (revenue) rather than as a reduction to the Construction in Progress balance in the 2009 financial statements. In addition, \$1.2M of reimbursements receivable as of December 31, 2010 were erroneously classified as CIP on the statement of net assets as of December 31, 2010. The error was identified when closing out this multi-year project in fiscal year 2011.

The Authority was not familiar with the accounting for pass-through grants, since this is an infrequent occurrence.

**Effect:**

The impact of the first item was an error of overstated Construction in Progress and Invested in Capital Asset-Net assets of \$3.5M and understatement of accounts receivable and Unrestricted-Net Assets of \$1.2M in the 2010 statement of net assets.

The impact of the second item was an understatement of \$2.2 million of grant revenue and grant expenses in the statement of revenues, expenses and changes in net assets for 2011 prior to the audit adjustment. There was no impact on the 2011 statement of net assets.

**Recommendation:**

We recommend that the Authority review and revise its current procedures to ensure that all intergovernmental transactions are properly recorded in accordance with the applicable accounting standards and to ensure that all transactions are recorded in the financial statements.

**Management response:**

Management agrees to develop a review process to ensure that grants and intergovernmental transactions are recorded correctly in the general ledger. Management will also document future intergovernmental transactions with a formal agreement between the all parties.

**Compliance and Other Matters**

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

We noted certain matters that we reported to management of the Authority in a separate letter dated May 15, 2012.

Management's response to the finding identified in our audit is described above. We did not audit Management's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners and management of the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton Larson Allen LLP*

Philadelphia, Pennsylvania  
May 15, 2012