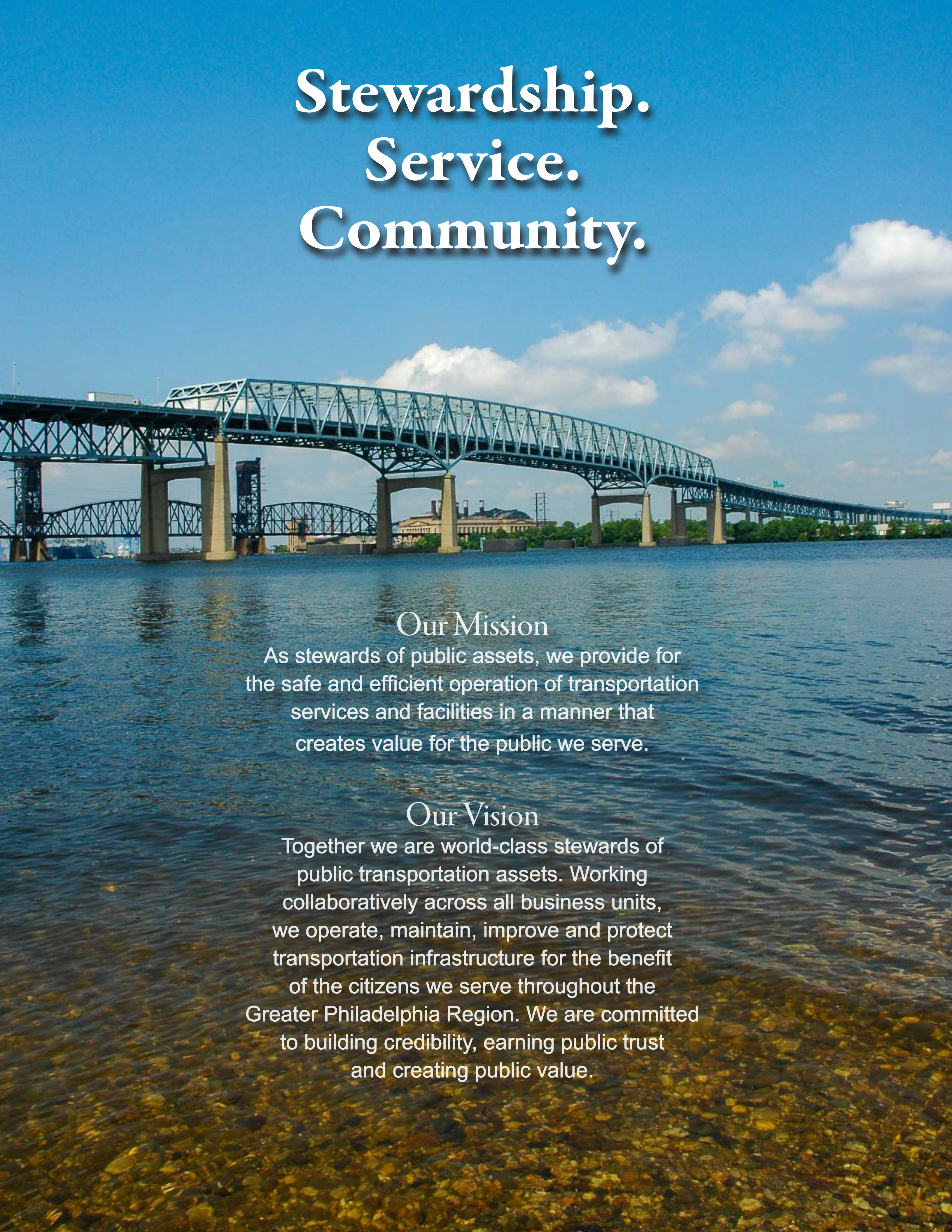
2020

Comprehensive Annual Financial Report for
Years Ended December 31, 2020 and 2019

DELAWARE RIVER
PORT AUTHORITY

STEWARDSHIP. SERVICE. COMMUNITY.



Stewardship. Service. Community.

Our Mission

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

Our Vision

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

DELAWARE RIVER PORT AUTHORITY
OF PENNSYLVANIA & NEW JERSEY

Comprehensive Annual Financial Report
For Years Ended December 31, 2020 and 2019

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Chairwoman's Letter

Cherelle L. Parker
Chairwoman, DRPA

June 30, 2021

Greetings,

In February 2021, Pennsylvania Gov. Tom Wolf appointed me to serve on the Board of Commissioners for the Delaware River Port Authority (DRPA) and the Port Authority Transit Corporation (PATCO). I was pleased to accept the call to serve and was honored to be elected by my Board colleagues to serve as Chairwoman.

DRPA's four bridges and PATCO's 14.2-mile high speed transit line serve millions of commuters and local businesses. Like companies nationwide, our Board and the executive leadership team have had to grapple with challenges presented by the COVID-19 pandemic. Our executive leadership team rose to the challenge and created a comprehensive plan that focused on the health, safety, and overall well-being of our employees and customers. The plan, which was based on science and guidance from the CDC, federal and state sources, has proven to be very successful.

Throughout all phases of the pandemic, our team has remained committed to the Authority's stewardship mission. We have focused on ensuring that all bridges, facilities, and PATCO trains are safe, secure and serviceable. We have controlled operating expenses and spending and have filled vacant positions strategically. As we emerge from the pandemic, I am pleased to report the following accomplishments:

- Bridge traffic is rebounding and is near 85% of pre-pandemic levels;
- PATCO ridership is improving. It has reached about 33% of the pre-pandemic ridership, with weekday ridership averaging more than 11,000 and continuing to grow;
- We are optimistic about our financial future.
- We invested a record $202.6 million in capital projects to upgrade and improve our bridge and PATCO assets. This represents an $84.3 million increase in total capital expenditures.
- We commenced work on the largest project in DRPA's history- the $217 million Ben Franklin Bridge Suspension Span and Anchorage Rehabilitation Project. This '2021 Philadelphia Major Bridge Project' award winner from the 28th Annual Transportation, Building & Construction Awards will provide for dehumidification of the main suspension cables, structural steel repairs, maintenance painting, pedestrian & bike walkway improvements and a state-of-the-art decorative bridge lighting system.

- In February 2020, we initiated the rehabilitation of the Walt Whitman Bridge Pennsylvania I-76 Corridor. This $74 million project will improve the 2.5-mile roadway from our toll plaza to Passyunk Avenue. Work involves the rehabilitation of the existing roadway, overpasses, lighting, signage and roadway drainage.
- We continued our $32 million project to install elevators in every PATCO station. The project adds elevators to six stations and will make the PATCO line fully ADA-compliant. To date, four stations have been completed with the final two stations are expected to be finished in spring of 2022.
- As part of our stewardship commitment, in 2020, we added the use of drones to supplement our biennial inspections and we have developed a progressive asset management program. The asset management program, combined with our biennial inspections, allows us to allocate resources more efficiently and extend the service life of existing assets.

From the start of my tenure, I have been clear about my commitment to innovation and continuous improvement. I have advocated policies, projects, and initiatives that will promote diversity, equity, inclusion and greater access for everyone, particularly those individuals without cars or other reliable means of transportation. Work on the following projects will continue in 2021. They demonstrate the Board's continued commitment to provide efficient transportation services and facilities in a manner that creates value for the public we serve.

- The PATCO Franklin Square Station in Philadelphia has been closed since 1979. To restore access to the Chinatown and Northern Liberties sections of Philadelphia, we will undertake a $30 million revitalization of this station that will be ADA compliant. To date, we have secured $12.9 million through a BUILD Grant Agreement with the Federal Transit Administration.
- We are nearing completion of a 22-megawatt solar array installation at seven DRPA/PATCO locations (One Port Center, Commodore Barry Bridge, Betsy Ross Bridge, and PATCO stations at, Lindenwold, Ferry Avenue, Ashland, and Woodcrest). This new system will provide for more than 50% of the DRPA and PATCO's power usage. This sustainability-led initiative was made possible through a power purchase agreement with a solar developer and will result in a substantial cost savings for the DRPA and PATCO over a 20-year period.
- The Environmental Impact Study for the Glassboro-Camden Line was completed in February 2021. In partnership with NJ Transit and South Jersey Transportation Authority, we will continue to advance this important regional project that will provide better access to educational and employment opportunities, health care, and other regional activities.

The next phase includes the selection of a Program Management Office Consultant and a Preliminary Engineering Consultant.

As we move forward, together, Vice Chairman Jeffrey Nash, the Board of Commissioners, and I will be focused on strategies that will result in fiscal prudence and a strong overall financial standing for DRPA and PATCO. In addition, we will continue to make smart and innovative investments to maintain, upgrade, and improve the assets for which we are responsible.

Best regards,

Cherelle L. Parker
Chairwoman

BOARD OF COMMISSIONERS

as of June 30, 2021

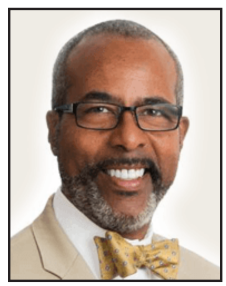
PENNSYLVANIA

Honorable Tom Wolf
Governor
Commonwealth of Pennsylvania

Cherelle L.
PARKER
Chairwoman
City Council Majority Leader & 9th District Councilwoman
City of Philadelphia

Hon. Timothy L.
DEFOOR
PA Auditor General
Ex-Officio

Hon. Stacy
GARRITY
PA State Treasurer
Ex-Officio



Christopher A.
LEWIS
Attorney
Blank Rome

Joseph S.
MARTZ
Board Chairman & CEO
NHS Human Services

Katie
MCGINTY
Vice President of Global Government Relations
Johnson Controls

Angelina
PERRYMAN
Vice President of Administration
Perryman Building & Construction Services

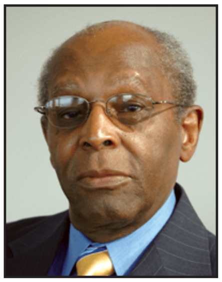
Donna
POWELL
Donna Powell, LLC
Fiduciary Services

NEW JERSEY

Honorable
Phil Murphy
Governor
State of New Jersey

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

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



Charles
FENTRESS
Retired Police Sergeant
Delaware River
Port Authority

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

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

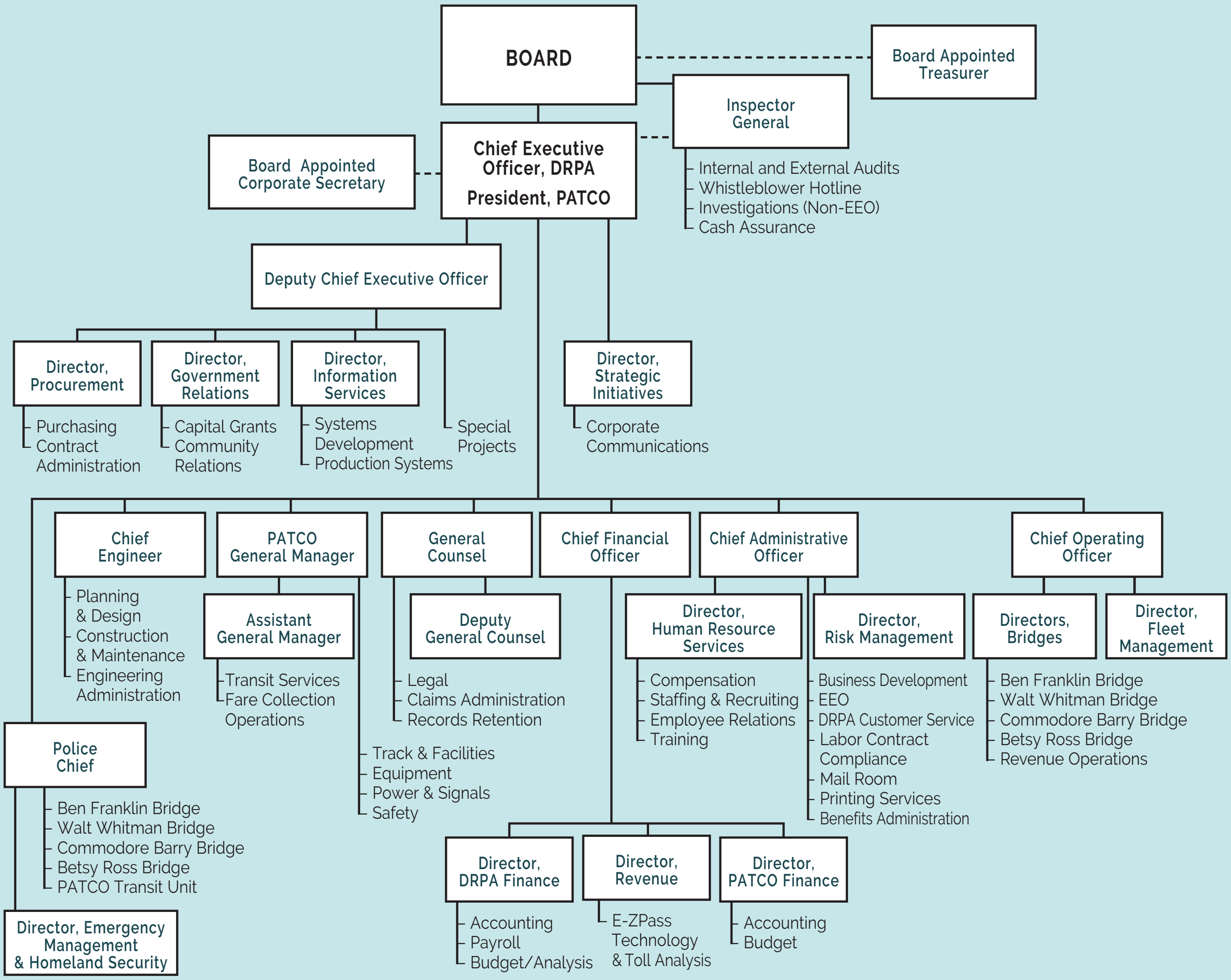
Sara
LIPSETT
Commissioner
Board of Fire
Commissioners,
Cherry Hill Township

Aaron T.
NELSON
Senior Vice President,
Investment Advisor
Evesham Capital
Management

Richard
SWEENEY
Financial Secretary,
Business Representative
Ironworkers #399

Organizational Chart

as of December 31, 2020



Officers & Executive Staff

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

Maria J. Wing
Deputy Chief Executive Officer

Raymond J. Santarelli
General Counsel
& Corporate Secretary

Archer & Greiner
New Jersey Counsel

Duane Morris, LLP
Pennsylvania Counsel

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

Toni P. Brown, Esq.
Chief Administrative Officer

Robert P. Hicks
Chief Operating Officer

Michael P. Venuto
Chief Engineer

John D. Rink
PATCO General Manager

Rohan K. Hepkins
PATCO Assistant
General Manager

David J. Aubrey
Inspector General

Facilities

Benjamin Franklin Bridge
Opened: July 1,1926

Walt Whitman Bridge
Opened: May 16, 1957

Commodore Barry Bridge
Opened: February 1, 1974

Betsy Ross Bridge
Opened: April 30, 1976

PATCO
Opened: February 15, 1969

One Port Center
Opened: 1996


1015
LINDENWOLD
126

Report of the Chief Executive Officer

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

June 30, 2021

During 2020, the Authority remained resolute in accomplishing the work needed to maintain its transportation infrastructure – bridges, trains, and facilities – in a state of good repair. DRPA continues to address the challenges of preserving aging infrastructure and the demand for safe, efficient, and reliable public transportation services. The year started with the DRPA proudly announcing "unprecedented investment in our future," reflecting the Authority's strong financial and operational performance and the most extensive capital program in the Authority's history. Less than three months later, we found ourselves in the midst of a global pandemic. COVID-19 represented a game-changer impacting every aspect of life and how organizations everywhere conduct business. Despite the pandemic's magnitude and the uncertainty in its aftermath, the safety, health, and well-being of our employees and customers remains paramount.

At DRPA, we are unwavering in our commitment to stewardship and sustaining the highest levels of service quality and system safety in operating, maintaining, improving, and protecting our transportation assets and infrastructure. We work tirelessly to preserve our customers' interests.

In 2020, annual traffic (one-way) on the DRPA's four bridges totaled 40.3 million vehicles with accompanying unaudited revenues exceeding $268.1 million. PATCO's net passenger revenue totaled $9.3 million, and PATCO ridership totaled 3.9 million riders. As a consequence of the COVID-19 pandemic, these numbers reflect a significant decrease, historically, and compared to budgeted projections. Estimated combined revenue decreases in bridge toll and PATCO fare revenues approached $82 million. Fortunately, the Authority received a $40.7 million Coronavirus Aid, Relief, and Economic Security (CARES) Act transit grant. The Authority drew down funds from the CARES grant which were used to partially offset PATCO revenue and operational losses.

Notwithstanding, the Authority continues to maintain strong financial discipline and transparency in its operations. The DRPA and PATCO actual unaudited operating expenses for 2020 will come in under budget for the 19th consecutive year. Actual operating expenditures were also down significantly, as the Authority strategically reduced personnel and non-personnel expenses due to the pandemic and lost revenues.

DRPA's investment in its 2021 capital plan is unparalleled in terms of the cost and scope of scheduled work. The Authority continues to have an aggressive five-year capital program totaling more than $846.3 million. As of December 31, 2020, DRPA had approximately $430 million in bond project funds and General Funds available to fund its five-year capital plan.

Employing the foundational elements of leadership, a highly skilled workforce, fiscal responsibility, and innovation, DRPA and PATCO are confronting the pandemic's risks and devastating impacts. Our focus on these elements is not a reaction to COVID-19. It is a deliberate and proactive strategy that underpins the Authority's strategic management framework. The core of this framework is the Authority's Strategic Plan entitled "Strategic Plan: Roadmap to World-Class Stewardship 2018-2022", which includes the mission, vision, shared values, strategic objectives, goals, and strategies to guide planning and project execution over the next several years. Despite the challenges presented by the pandemic, we continue to succeed in moving the Authority closer to realizing our vision of a world-class stewardship organization that consistently meets the highest standards of excellence in delivering its services.

We are proud of our 2020 achievements, and we look forward to facing our 2021 challenges with creativity, diligence, and an enduring commitment to **STEWARDSHIP**, **SERVICE**, and **COMMUNITY.**

Yours truly,

John T. Hanson

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

DELAWARE RIVER
PORT AUTHORITY

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

June 30, 2021

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

The comprehensive annual financial report of the Delaware River Port Authority ("the Authority") for the year ended December 31, 2020, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the combined financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included

The Authority's Indentures of Trust require an annual audit of the Authority's financial statements by a firm of independent auditors. Additionally, as a recipient of more than $750,000 in federal awards (primarily for projects involving the PATCO Transit System), the Authority is required to have a Single Audit performed annually by an independent auditor in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The purpose of the Single Audit is to determine the adequacy of the Authority's internal controls and compliance with applicable laws and regulations relating to the receipt of federal assistance. The Authority retains an independent auditor to satisfy these audit requirements. The report of the independent auditor on the combined financial statements of the Authority is included in the financial section of this report. The Authority's management is responsible for the content and presentation of the audited financial report.

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

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

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

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

The Board of Commissioners of the Delaware River Port Authority has established five (5) committees under the authority of its Bylaws. They are: the Operations and Maintenance Committee, the Projects Committee, the Executive Committee, the Finance Committee, and the Export Development and International Trade Committee. (The latter committee is now inactive). These committees adhere to the rules and leadership structure outlined in Article IX of the DRPA Bylaws. These Committees act pursuant to the power vested them under the Bylaws.

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

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

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

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

BUDGET PROCESS

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

A five-year capital budget, required by the Authority's Compact, is also prepared through a similar process and submitted to the Finance Committee, and subsequently to the Board of Commissioners for approval. The capital budget is a planning document identifying the Authority's potential commitments. The approval of the capital budget does not in itself authorize any specific project. Specific approval by the Board of Commissioners is required before any capital project may commence. The foundation for the major capital budget projects (those projects greater than $200K) is the biennial inspection, which results in the inspection all four bridges and PATCO. This inspection is required by the 1998 Revenue Bond Indenture, and was last completed in October 2020, prior to finalization of the 2021 Capital Budget. Smaller capital projects, primarily projects under $200K, are identified by various operating and administrative departments.

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

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

Pursuant to the Indentures, the Authority filed its 2020 operating budgets in late December 2019 with its bond trustees. The 2020 operating and capital budgets became effective on January 1, 2020. The Authority also filed its annual 2021 operating budgets (which include the debt service requirements) with its bond trustee in late December 2020 as required by the bond indentures. (The operating budgets became effective on January 1, 2021).

FACTORS AFFECTING FINANCIAL CONDITION

During the past several years, the Authority has taken significant strategic steps to strengthen its financial position through cost-containment of personnel and non-personnel expenditures, increasing its liquidity through growth in its General Fund, and restructuring its debt and swap portfolios. The latter strategy was primarily in response to: changing financial markets, the exercise of various swaptions (in 2006, 2008 and 2010), passage of a board resolution mandating the liquidation of the Authority's swap portfolio in "an orderly and strategic fashion," the necessity of funding its various annual five-year Capital Programs, and the adoption of annual Finance Action plans by the Authority's Board of Commissioners (which have been implemented during the period of 2012 through 2020).

Sustained traffic growth from 2014 through 2019, has been a major factor impacting the Authority's financial condition. Total vehicular traffic in 2018 was 5.4 million vehicles annually, higher than 2014 traffic numbers, thereby increasing the annual bridge toll revenues to historically high levels during 2018. Annual toll revenues increased from $297.3 million in 2014, rising to a high of $335.6 million in 2018. Revenue growth outpaced expense growth during the period, with the net effect producing higher annual net income levels and a resultant strengthening of the Authority's General Fund reserves. This strong cash flow increased the General Fund to approximately $548 million, (just prior to the use of $281.6 million to defease the 2010D bonds in the amount of $308.4 million) in November 2018, and helped create a higher net position (which increased to $779.8 million, up from $587.8 million in 2014). As mentioned elsewhere, the Authority then made the strategic decision to eliminate all variable rate debt and swaps from its debt portfolio in late December, significantly reducing exposure to its financial position.

In 2019, traffic trended slightly downwards, decreasing by 0.31%, which resulted in a $3.4 million decrease in toll revenues. However, 2019 was the still the second-highest year for toll revenues despite the dip in traffic. Total traffic and toll revenues dropped largely because of large construction projects on and around two (2) of the Authority's bridges during the year.

While 2020 started out with increased traffic and bridge toll revenue growth, beginning in mid-March, due to the explosion of the COVID-19 pandemic and implementation of various government pronouncements, traffic and toll revenues dropped precipitously, with traffic volumes dropping to a low of 23% of 2019 traffic volumes in April. PATCO ridership dropped to a low of 9% on certain days in April, measured against 2019 volumes, with ridership falling to approximately 83K riders during the month.

Impact of COVID-19

In March 2020, with the expansion of the COVID-19 virus and with various emergency pronouncements by the federal government and states (including Pennsylvania and New Jersey), many industries were severely impacted due to the expansion of the COVID-19 virus throughout the country and specifically in the region. The Authority's bridge toll revenues and PATCO passenger fare revenues were especially hit hard. At its lowest point, in April, the Authority's traffic dropped by 3.1 million vehicles, or by 70%, with toll revenues decreasing by $16.7 million, or by over 60% vs. 2019 volumes. During the period June through October traffic recovered to approximately 80% of pre-COVID volumes. By year-end, traffic and bridge toll revenues decreased by 12.8 million vehicles and by $64.0 million, from 2019 totals.

PATCO ridership and revenues also were adversely impacted. At its lowest levels, early during the pandemic, PATCO ridership dropped by 90% of pre-COVID volumes. For the year, PATCO's ridership and net passenger revenues were down by 7.1 million riders, or by 64%, and total net passenger revenues were down by approximately $18 million, respectively, from 2019 totals. Fortunately, the Authority was awarded a $40.7 million CARES Act FTA transit grant, which offset a large portion of PATCO's lost revenues and expenses. The Authority drew down $28.7 million against the grant for year 2020.

In response to the lost revenues, the Authority constrained its operational spending, including a hiring freeze, etc. such that expenses were under budget for both entities. Given its strong pre-COVID financial position, the Authority was able to continue an aggressive capital spending plan and make all of its required debt service requirements on its bonds without problem.

Please refer to Note 19, Subsequent Events, for more information on the impact of the pandemic thus far in 2021.

DEBT MANAGEMENT

As mentioned previously, in the period of 2012 through 2020, the Authority, and its Board, approved comprehensive financial plans to: reduce the Authority's debt, adopt a new swap strategy, renegotiate and replace various LOC agreements to reduce its annual LOC facility costs, and to finance its five-year capital programs. As described below, the Authority significantly restructured its overall debt and swap profiles by executing several large bond-related transactions during the fourth quarter of 2018, including the defeasement of its 2010 Revenue Bonds. The Authority's $700.5 million bond deal eliminated all variable rate debt, supporting letters of credit and all swaps, such that the Authority's bond portfolio consisted only of fixed rate debt as of December 31, 2018. At December 31, 2020, the Authority's fixed rate debt accounted for $1.12 billion or roughly 91.1% of its total debt of $1.31 billion.

2018 Bond Transactions

As mentioned in the previous section, in mid-December 2018, the Authority issued new fixed-rate bond debt in the amount of $700.5 million. The 2018 Series B and C bonds, in the amounts of $404.1 million and $22.97 million, respectively, were issued to fully redeem all its variable rate debt (in the amount of $460.2 million) and to terminate the swaptions supporting this debt. As a result, the two remaining LOCs, and the four (4) direct purchase loans, were also terminated.

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

Total Debt

As mentioned, previously, one of the cornerstones of the Authority's strategy has been to reduce debt exposure and the total amount of outstanding debt. During the past six (6) years, the Authority's total funded debt which exceeded $1.65 billion at year-end 2013, has been reduced by almost $350 million, down to $1.31 billion.

The Authority's total bonds outstanding decreased by $68.3 million in 2020 to total $1.23 billion at year-end, all of which is fixed rate debt. (An additional $70.8 million was paid down in January 2021). (Please see Note 12 for additional information).

Swap Management

In 2016, the Authority's Board specifically authorized the Authority's management "to the extent deemed economically advantageous and fiscally prudent for the Authority" the amendment, replacement and termination of any or all of the Authority's outstanding Interest Rate Swap Agreements." This authorization also provided for the issuance of fixed rate debt to refund all outstanding variable rate bonds.

With the issuance of the 2018 Revenue and Revenue Refunding Bonds in December 2018, specifically, Series B and C, the Authority cash-settled the 1995 and 1999 Revenue Bond swaptions in the amount of $63.8 million. (At the time of the termination, the notional amount was $460.2 million). Two smaller "inactive" swaptions were also cash-settled, thereby eliminating all swaps/swaptions.

At December 31, 2020, the Authority had no outstanding swaptions.

Bond Ratings

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

1. In October 2017, Moody's Investors Service upgraded **all** of the Authority's long term bond debt, increasing the ratings on the revenue bonds from "A3" to "A2," while also raising the port district bonds ratings from "Baa3" to "Baa2", all with a "stable" outlook.

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

   Moody's affirmed the ratings on the Authority's revenue and port project bonds at '"A2" and "Baa2," respectively, while changing the ratings outlook from "stable" to "positive".

3. In February 2020, Moody's raised the ratings on **all** of the Authority's bonds. The revenue bonds were raised to "A1" from "A2", while the Port District Project Bonds, were raised from "Baa2" to "Baa1", all with a "stable" outlook.

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

Shortly thereafter, in March 2020, as a result of the deteriorating operating environment, all toll road sector organizations were moved from "stable" to "negative" outlook by Moody's and S&P. S&P took further action by moving the Authority's outlook to negative.

(Please refer for additional information on ratings actions in early 2021 in Note 19, Subsequent Events).

LOCAL ECONOMY

2019 Data

From the latest data available (through 2019), it appears that population growth has increased by 0.18% in the Pennsylvania (PA) counties and increased by 0.05% in the New Jersey (NJ) counties within the Port District versus 2018 totals. Population growth increased in PA and NJ by 7,251 and 1,174 people, respectively.

Employment growth has receded slightly in the Pennsylvania Port counties. In Pennsylvania counties, the unemployment rate increased from 4.21% in 2018 to 4.29% in 2019. The 2019 overall rate of 4.29% is down from a high of 8.63% in 2012.

Employment growth in New Jersey has shown continual improvement since 2012, when unemployment peaked at 10.82%. During 2019, the unemployment rate, in the New Jersey counties, dropped to 4.09% from the previous year total of 4.69%. The 2019 overall rate of 4.09% is down from a high of 10.82% in 2012.

2020 Data

While not all information on the local economy is available, at this writing, we have located information on employment/unemployment numbers for PA and NJ. Unemployment in the Port District appears to have increased dramatically in 2020, as a result of the severe contraction of the economy.

PA unemployment increased from the 4.29% to 9.43%, while NJ unemployment increased from a decade year low of 4.09% in 2019 to 10.43%.

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

LONG-TERM FINANCIAL PLANNING

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

As mentioned in the *"Budget Process"* section of this document, each year, the Authority develops a five-year capital plan, which details the anticipated capital expenditures during this five-year period. (An annual 5-year Capital Plan is a requirement of the Authority's

Compact). The Authority also performs a 5-year analysis of potential funding sources (including bond project funds, general fund monies, its annual operational surplus, and federal funding) to ensure funding of the program. The major capital programs originate in large part from the biennial inspections of all DRPA/PATCO facilities, which are conducted in every even-numbered year, by individual engineering firms. This is a requirement of our Bond Indentures. (In compliance with our bond indenture, the 2020 biennial inspection was completed by the October 1 deadline).

The 2020 Capital Plan, developed during the year 2019, and approved by the Board of Commissioners in November 2019, outlined numerous bridge, transit system, security and technology project expenditures of approximately $810.3 million (net of federal funding), for the five-year period commencing in 2020. The 2020 fiscal year budget for capital expenditures totaled $200.1 million, net of federal funding.

In December 2020, the Authority's Board approved its 2021 Capital Budget in the amount of $196.7 million and a total 5-year capital plan with projected expenditures of $846.3 million, up almost $36 million from the total 2019 5-year capital plan. The Authority will continue to use both its General Fund reserves and bond project funds (resulting from the 2018 bond issuance) to fund these capital expenditures going forward. At year-end, roughly $430.7 million, in combined restricted and unrestricted funds, are available to fund a large portion of this 2021 Capital Plan.

BRIDGE TOLL AND PASSENGER FARE SCHEDULES

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

Frequent Bridge Traveler Credit:

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

The Authority paid out approximately $1.1 million during fiscal year 2020 related to this program, however this reduction in revenues was offset by an initiative established in 2016 ("delayed transaction processing"), which enabled the Authority to capture approximately $3.8 million in additional toll revenues in 2020.

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

AWARDS AND ACCOMPLISHMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Delaware River Port Authority for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the twenty-eighth (28th) consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

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

2020

Financial Section

2020

Financial Section

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Delaware River Port Authority

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Delaware River Port Authority and subsidiary (collectively referred to as the "Authority"), which comprise the combined statements of net position as of December 31, 2020 and 2019, and the related combined statements of revenues, expenses and changes in net position, and cash flows, for the years then ended, together with the combined statements of fiduciary net position as of December 31, 2020 and 2019, and the combined statements of changes in fiduciary net position for the years then ended, and the related notes to the combined financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Delaware River Port Authority and subsidiary as of December 31, 2020 and 2019, and its changes in financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

Subsequent Events

As discussed in note 19 to the combined financial statements, management of the Authority has evaluated the impact of the economic uncertainties caused by the COVID-19 coronavirus on its financial position subsequent to December 31, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 30, 2021

Management's Discussion & Analysis
(Unaudited)

As management of the Delaware River Port Authority (the "Authority"), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts are expressed in thousands of dollars unless otherwise indicated.

FINANCIAL OVERVIEW

- Total operating revenues were $287.2 million in 2020. 2020 revenues decreased $81.0 million or by 22.0% vs. 2019 revenues. (Note 2019 revenues were the second highest level in DRPA history). The decrease was primarily related to the impact of the COVID-19 pandemic and the shutdown of the economy.
- The $64.1 million net decrease in toll revenues (down 19.3%) during the year, was attributable to significantly lower automobile and commercial vehicle volume. The average toll, based on total vehicle volume, increased from $6.26 to $6.65 in 2020, a function of commercial vehicles accounting for a higher percentage of traffic (or 8.2%) than in 2019.
- Bridge traffic decreased by 12.8 million vehicles, or by 24.1% (during the period 2017-2019 traffic had averaged over 53 million vehicles), with 2018 and 2019 volumes being the highest totals in a decade. Passenger vehicles fell by 12.4 million (or by 25.5%.) Non-commercial traffic was stable at 3.3 million vehicles. Traffic volume on the bridges resulted from large closures throughout the regional economy.
- The Port Authority Transit Corporation ("PATCO") is a wholly-owned subsidiary of the Delaware River Port Authority (DRPA) and is subsidized by the DRPA. Total PATCO expenses exceeded total PATCO revenues by $43.9 million in 2020 vs. $27.7 million in 2019. The operating loss increased by $16.2 million from 2019 to 2020, an increase of 58.6%.
- PATCO net passenger fare revenues decreased by $17.9 million (or by 65.9%) to $9.3 million from $27.1 million in 2019. This decrease was primarily resultant from the impact of the pandemic, as total passenger ridership of 3.9 million riders decreased by 7.2 million riders, (down 64.4%), down from 11.1 million riders in 2019. Total PATCO revenues (inclusive of parking, advertising and other revenues) were down $19.0 million overall vs. 2019 totals. (2019 PATCO ridership, of 11.1 million passengers, was the highest level in the past twenty-five years).
- Total "non-restricted" investments, specifically the General Fund investments, decreased by $19.1 million to $269.2 million, a decrease of 6.6%. The reduction is in part due to use of the General Fund to fund the aggressive capital program during 2020, the PATCO subsidy, and attributable to the reduced internal cash flows, especially related to the bridge toll revenues and investment income. The Authority executed cash draw downs in CARES Act transit grant funds in 2020 which helped offset a large portion of the subsidy.
- Restricted investments, including the monies held in the 2018 revenue bond project fund, decreased by $114.1 million to $381.7 million, down from a total of $495.8 million in 2019. At year-end, the bond project fund (used for funding large capital projects) totaled $140.5 million, a decrease of $107.9 million (or 43.4%) from 2019's year-end total of $248.4 million.
- Total operating expenses decreased to $240.3 million, down $9.7 million, or by 3.9%, vs. 2019 expenses totaling $250.0 million. This decrease resulted from the Authority's strategic plan to minimize expenses, including personnel costs, as the pandemic deepened throughout 2020. Key decreases occurred in depreciation expense, which dropped by $3.6 million, coupled with combined decreases in bridge and PATCO operating expenses totaling $5.8 million.
- Total debt outstanding decreased by 6.0%, or by $83.0 million, to total $1.31 billion at year-end, down from the 2019 total of $1.39 billion. (Since year-end 2018, <u>all</u> of the Authority's debt is fixed-rate debt. Prior to year-end 2018, variable rate debt accounted for approx. 34% of the Authority's total debt).
- Capital expenditures totaled $202.6 million in 2020 vs. $118.3 million in 2019, a significant increase of $84.3 million (or 71.2%). The 2020 total is the highest in DRPA history. Much of the increase is attributable to expenditures of $128.3 million for seven (7) large capital projects, mentioned in the "*Capital Assets*" section,
- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of 2020 resulting in a net position of $933.7 million, an increase of $54.3 million from year-end 2019. Net income before capital contributions decreased to $32.3 million from $77.4 million, a year-to-year decrease of $45.1 million, or (58.3%).
- Debt service coverage for revenue bond debt (as calculated based on the 1998 Bond Indenture) decreased to 1.50x from 2.04x in 2019, as 2020 net revenues available for debt service of $170.1 million decreased by $62.0 million or by 26.7%, This decrease resulted primarily from the significantly reduced toll revenues (down $64.1) million and interest income (down $6.6.million) during 2020.

FINANCIAL POSITION SUMMARY (in Thousands)

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

Delaware River Port Authority's Net Position

	2020	2019	2018
Current and other assets	$ 731,491	$ 854,312	$ 778,309
Capital assets	1,827,072	1,699,278	1,659,336
Total assets	2,558,563	2,553,590	2,437,645
Deferred outflows of resources	62,730	107,498	88,049
Long-term liabilities outstanding	1,469,266	1,604,109	1,638,636
Other liabilities	188,225	169,892	93,674
Total liabilities	1,657,490	1,774,001	1,732,310
Deferred inflows of resources	30,078	7,681	13,545
Net position:			
Net investment in capital assets	803,307	722,577	727,790
Restricted	216,196	219,510	157,143
Unrestricted	(85,779)	(62,681)	(105,094)
Total net position	$ 933,724	$ 879,406	$ 779,839

The Authority's net position in 2020 increased by $54.3 million, or by 6.2%, largely due to "income before capital contributions" of $32.3 million and capital contributions of $22.0 million. (Note: CARES Act transit grant revenues of $32.7 million were included in "other non-operating revenues" figures).

The net position in 2019 increased by $99.6 million, down $10.2 million from the 2018 results. The 2019 net position reflected strong toll revenues, which contributed to a $118.2 million operating income figure. Higher operating income and total non-operating revenues were principally responsible for the 2018 net position increase of $109.8 million. (Note: The net position in 2018 was adjusted by $74.1 million due to a change in accounting rules related to "Other Post-Employment Benefits" (OPEB), wherein the entire OPEB liability of $82.5 million now resides on the balance sheet. The net position for 2018 increased by $35.7 million after this adjustment).

Delaware River Port Authority's Summary of Change in Net Position

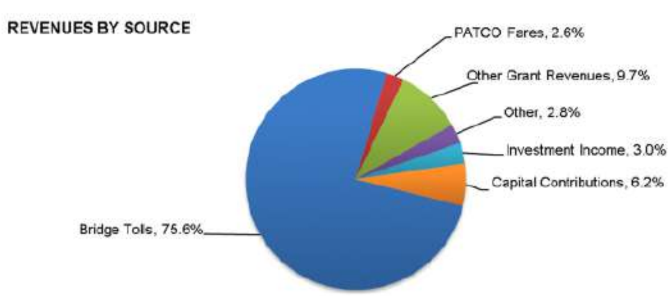
	2020	2019	2018
Operating revenues:			
Bridge tolls	$ 268,141	$ 332,231	$ 335,588
PATCO passenger fares	9,260	27,127	26,215
Other	9,804	8,846	10,104
Total operating revenues	287,205	368,204	371,907
Operating expenses	(165,546)	(171,627)	(167,646)
Excess before depreciation and other non-operating income and expenses	121,659	196,577	204,261
Depreciation	(74,791)	(78,365)	(71,816)
Operating income	46,868	118,212	132,444
Non-operating revenues:			
Investment income, net of change in fair value of derivative istruments	10,732	17,331	25,020
Other	34,764	2,271	3,022
Total non-operating revenues	45,495	19,602	28,042
Non-operating expenses:			
Interest expense	(58,377)	(61,671)	(66,736)
Amortization expense	-	(61)	(97)
Economic development activities	(104)	(95)	(68)
Loss of defeasance of debt	-	-	(9,266)
Gain (loss) on disposal of capital assets	7	2,739	-
Other	(1,564)	(1,298)	(1,473)
Total non-operating expenses	(60,038)	(60,386)	(77,640)
Income before capital contributions	32,326	77,428	82,846
Capital contributions	21,992	22,139	26,994
Change in net position	54,318	99,567	109,840
Net Position, January 1	879,406	779,839	744,134
Cumulative effect of change in accounting principles	-	-	(74,135)
Net Position, January 1 (Restated)	879,406	779,839	669,999
Net Position, December 31	$ 933,724	$ 879,406	$ 779,839

REVENUE SUMMARY

Summary of revenues for the year ended December 31, 2020 and the amount and percentage change in relation to prior year amounts is as follows:

	2020 Amount	2019 Amount	Percent of Total	Increase/ (Decrease) From 2019	Percent Increase/ (Decrease)
Operating					
Bridge tolls	$ 268,141	$ 332,231	75.6%	$ (64,090)	-19.3%
PATCO passenger fares	9,260	27,127	2.6%	(17,867)	-65.9%
Other	9,804	8,846	2.8%	958	10.8%
Total operating	287,205	368,204	81.0%	(80,999)	-22.0%
Non-Operating					
Investment income	10,732	17,331	3.0%	(6,599)	-38.1%
Other	235	782	0.1%	(547)	-70.0%
Other grant revenues	34,529	1,489	9.7%	33,040	2218.7%
Capital contributions	21,992	22,139	6.2%	(147)	-0.7%
Total revenues	$ 354,693	$ 409,945	100%	$ (55,252)	-13.5%

- Total revenues in 2020 dropped, from a $409.9 million in 2019, to $354.7 million. The decrease was $55.3 million or a 13.5% drop in total operating and non-operating revenues.
- DRPA experienced near historic highs in toll revenues of $332.2 million in 2019 and was on an upward trend for the first few months of 2020 before the pandemic spread in March 2020. 2020 toll revenues of $268.1 million dropped by $64.1 million vs. 2019's figures, or by 19.3%. Bridge toll revenues accounted for 93.4% of total operating revenues in 2020, up from the 90.2% figure in 2019.
- PATCO experienced a decrease in net passenger revenues to $9.3 million from $27.1 million, a 65.9% decrease primarily due to the precipitous drop in ridership during the last ten (10) months of the year.
- In 2020, bridge traffic totaled 40.3 million vehicles, or a decrease from 2019 totals (53.1 million). Traffic decreased by 24.1%, or by 12.8 million vehicles, attributable almost entirely from the impact of the COVID-19 impact on interstate traffic, particularly commuter and passenger traffic. Almost all of the decrease was related to a reduction in non-commercial traffic (passenger vehicles), whereas commercial vehicle volume was flat. The year-to-year average toll rate increased from $6.26 to $6.65, as commercial traffic volumes became a higher percentage of total volume .
- Investment income dropped by $6.6 million, primarily due to the significant drop-in interest rates from the beginning of the year to the present, and lower investment balances. Short-term rates in 2020 reached lows reminiscent of the rates after the 2008 deep recession. 2019 figures reflected a higher principal amount of investments and higher rates.
- The Authority received a $40.7 million CARES Act transit operating grant from which the Authority reported $32.7 million in revenue for 2021. The Authority drew down funds from that grant which were used to partially offset PATCO revenue and operational losses.

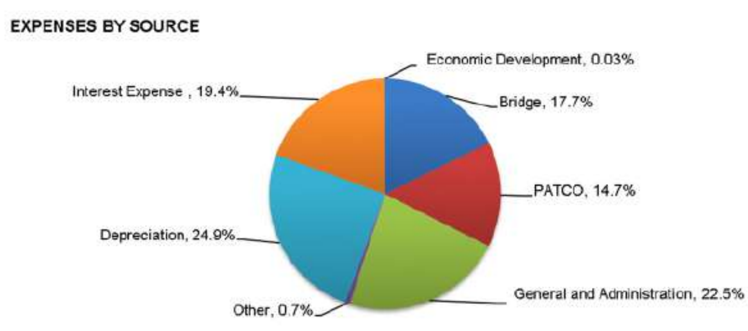


EXPENSE SUMMARY

A summary of expenses for the year ended December 31, 2020 and the amount and percentage change in relation to prior year amounts is as follows:

	2020 Amount	2019 Amount	Percent of Total	Increase/ (Decrease) From 2019	Percent Increase/ (Decrease)
Operating:					
Bridge	$ 53,180	$ 57,235	17.7%	$ (4,055)	-7.1%
PATCO	44,230	45,960	14.7%	(1,729)	-3.8%
General and Administration	67,636	67,932	22.5%	(296)	-0.4%
Other	500	500	0.2%	-	0.0%
Depreciation	74,791	78,365	24.9%	(3,574)	-4.6%
Total Operating	240,337	249,992	80.0%	(9,655)	-3.9%
Non-Operating:					
Interest Expense	58,377	61,671	19.4%	(3,293)	-5.3%
Amortization	-	61	0.0%	(61)	-100.0%
Other	1,564	1,298	0.5%	266	20.5%
Economic Development	104	95	0.0%	9	10.0%
Total Non-Operating	60,045	63,125	20.0%	(3,080)	-4.9%
Total Expenses	$ 300,382	$ 313,117	100.0%	$ (12,736)	-4.1%

- Total operating expenses decreased by $9.7 million (or by 3.9%) to $240.3 million, attributable primarily to decreases in bridge and PATCO operational and depreciation expenses. Operational expenses were purposely constrained to partially offset some of the significant revenue losses attributable to the pandemic. The Authority instituted a hiring freeze as part of its cost-containment strategy.
- Bridge operating expenses decreased by $4.1 million (or by 7.1%) versus 2019 figures. General administration expenses for DRPA and PATCO showed a slight combined decrease of $296 thousand, a 0.4% drop. Note, that the 2020 totals included costs related to the biennial inspection ($3.6. million).
- PATCO operational expenses also decreased, by $1.7 million (or by 3.8%) due to lower contractual services, direct materials and purchased power expenses. Certain expenses, especially contracted personnel at PATCO stations were eliminated during the pandemic, resulting in cost savings vs. 2019 costs.
- Total non-operating expenses also decreased vs. 2019 by $3.1 million, a direct result of reductions in debt service costs attributable to the 2018 bond transactions.
- Total expenses were $300.4 million, reflecting a year-to-year decrease of $12.7 million (or down 4.1%), largely attributable to the aforementioned decreases in depreciation, interest and bridge and PATCO operational expenses.



SUMMARY OF CASH FLOW ACTIVITIES:

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

	2020	2019	2018
Cash flow from operating activities	$ 138,462	$ 210,019	$ 194,095
Cash flow from non-capital financing activities	30,925	1,755	2,011
Cash flow provided by (used in) capital and related financing activities	(311,991)	(145,129)	(321,341)
Cash flow from investing activities	145,631	(76,647)	124,211
Net increase (decrease) in cash and cash equivalents	3,027	(10,002)	(1,024)
Cash and cash equivalents, beginning	27,699	37,701	38,725
Cash and cash equivalents, ending	$ 30,726	$ 27,699	$ 37,701

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Authority's investment in capital assets for its activities through December 31, 2020 increased to $1.83 billion (net of accumulated depreciation), an increase of $127.8 million over the previous year, primarily a result of an $165.0 million increase in construction-in-progress. This investment in capital assets includes land, bridges, transit system, port enhancements, buildings and machinery. The total percentage increase in the Authority's investment in capital assets for the current year was 7.5%.

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

- BFB Suspension Rehab - $41.1 million
- WWB PA Approach Overpass Rehab - $25.8 million
- BRB NJ Approach Roadway Resurfacing - $19.2 million
- CBB Deck Assessment - $11.72 million
- WWB NJ Approach Painting - $10.93
- WWB Anchorage Preservation - $9.6 million
- SAP Enterprise Resource Planning System - $10.0 million

Delaware River Port Authority's Capital Assets
(Net of Depreciation)

	2020	2019	2018
Land	$ 74,059	$ 74,059	$ 74,076
Construction in progress	684,280	519,295	418,117
Bridges and related buildings and equipment	634,373	667,342	714,463
Transit property and equipment	433,777	437,746	451,590
Port enhancements	583	836	1,090
Total	$ 1,827,072	$ 1,699,278	$ 1,659,336

Additional information on the Authority's capital assets can be found in Note 7, page 60 of this report.

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

In 2019, the Authority's total bond debt decreased to $1.39 billion (shown below by issue), down from $1.42 billion at the prior year-end, a decrease of $27.5 million. Of this amount, $1.26 billion (or 90.7% of total debt) represented revenue bond debt, which is backed by toll revenues from the Authority's bridges. The remaining debt of $123 million represented subordinated obligations of the Authority.

In 2020, the Authority's total bond debt decreased to $1.31 billion (shown below by issue), down from $1.39 billion at the prior year-end, a decrease of $82.9 million. Of this amount, $1.19 billion (or 91.2% of total debt) represents revenue bond debt, which is backed by toll revenues from the Authority's bridges. The remaining debt of $114.7 million represents subordinated obligations of the Authority. At year-end 2020, the Authority had no variable rate debt outstanding.

Delaware River Port Authority's Outstanding Debt
(Revenue, Port District Project and Port District Project Refunding Bonds)

	2020	2019	2018
1999 Port District Project Bonds	$ 1,035	$ 6,330	$ 11,250
2012 Port District Project Refunding Bonds	113,689	122,731	131,546
2013 Revenue Bonds	484,389	484,956	485,523
2018 Revenue Bonds	707,906	775,972	789,153
Total (net of amortizing premium and discount)	$ 1,307,019	$ 1,389,989	$ 1,417,472

Additional information on the Authority's outstanding debt can be found in the Letter of Transmittal on page 23 and in Note 12 which begins on page 77 of this report.

Bond Ratings

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

- In October 2017, Moody's upgraded **all** of the Authority's bond debt. The Authority's underlying revenue bond ratings increased to "A2" from "A3" and the port district project bonds moved to "Baa2" from "Baa3", all with a "stable outlook". **This was the first upgrade of the Authority's bond ratings by Moody's in more than a decade.** Moody's cited the "continued positive traffic momentum", a "manageable" capital program requiring no debt financing and solid liquidity reserves, as factors in the ratings upgrades.
- In November 2018, just prior to the issuance of new revenue and revenue refunding bonds, S&P upgraded **all** of the Authority's bond debt, increasing the revenue bond ratings from "'A" to "'A+", and increasing the port district project bonds from 'A-" to 'A', all with a "stable outlook." Moody's reaffirmed the Authority's existing ratings, but raised the "outlook" on all revenue, refunding and port district project bonds from "stable" to "positive."
- In February 2020, Moody's, for the **second** time in three years upgraded **all** of the Authority's bond debt. The revenue bonds were raised to "A1" from "A2", while the Port District Project Bonds, were raised from "Baa2" to "Baa1", all with a "stable" outlook.
- In March 2020, shortly after the pandemic decimated traffic in general across the tolling sector, both Moody's & S&P placed the toll sector agencies on "negative outlook", with S&P also adjusting the Authority's outlook to "negative." No changes were made to the Authority's underlying ratings.

The underlying debt ratings on the Authority's bond issues, as of December 31, 2020, are shown below:

Issue	Moody's	S&P
Revenue and Revenue Refunding Bonds	A1	A+
(2013 and 2018 bonds)	Stable	Negative *
Port District Project and Port District Project	Baa1	A
Refunding Bonds (1999 and 2012 bonds)	Stable	Negative *

* As a result of the COVID-19 pandemic, in March 2020, both Moody's and S&P changed the outlook for the entire toll sector to "negative". S&P also changed the Authority's outlook from "stable" to "negative", however, Moody's did not change the Authority's "stable" outlook.

Additional information related to the Authority's bond ratings, can be found in the sub-section entitled "*Bond Rating*s" under Note 12, page 84 and Note 19, Subsequent Events, page 97 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The following factors were considered in preparing the Authority's budget for the 2021 year:

- Slight to moderate growth in the overall regional economy (subject to the pace of vaccinations and lifting of COVID-19 related restrictions).
- No bridge toll or PATCO fare increases during 2021.
- Actual DRPA bridge toll revenues and PATCO passenger fare revenues were down significantly vs. the 2020 budget due to the impact of the pandemic. Operating expenses were also down considerably during the economic downturn. Expectation is that spending for 2021 will be constrained during at least the first half of the year.
- Budgeted bridge traffic is expected to decrease by 10.5 million vehicles to 42.5 million vehicles, a 19.86% budget-to-budget decrease, based on modest expectations of changes in underlying economic factors and the impact of bridge construction.
- Bridge toll revenues are projected to approach $278.3 million, which represents a $53.8 million decrease (or 16.21%) in budgeted toll revenues vs. 2020.
- Decrease of 58.81% in projected total PATCO fares and other revenues versus the 2020 budget, decreasing from $28.3 million to $11.7 million or by $16.6 million. PATCO ridership is budgeted to decrease by roughly 6.2 million passengers to total 4.6 million passengers vs. the 2020 budget.
- Biennial inspection costs are estimated to be $2.3 million in 2021, a year-to year budget decrease of $0.7 million or a 22.68%% decrease. (The biennial inspection of all DRPA/PATCO facilities last occurred in 2020).
- The DRPA budgets project $109.2 million in spending. DRPA operating expenses are expected to increase by nearly $0.8 million, or a 0.73 increase, primarily attributable to increased professional and contractual service expenses) and E-ZPass Customer Service Center processing costs.
- The PATCO operating budget, totaling $60.5 million in projected spending, increased by $0.4 million, or by 0.74%, attributable primarily due to increases in purchased power, insurance and contractual services.
- The combined DRPA and PATCO budgeted operating expenses are expected to increase from $168.9 million to total $170.2 million, or a 0.73% increase over 2020.
- Budgeted total debt service decreased by $2.6 million to a total of $129.5 million, down from the prior year's total ($132.2 million). 85.5% of the total debt service is attributable to the outstanding revenue bonds (senior debt).
- Capital budget expenditures for 2021 are budgeted at approximately $196.7 million, down $3.4 million from the $200.1 million budgeted for 2020. Large capital projects in 2021 include several significant projects, such as: the Ben Franklin Bridge Suspension Span Rehab, Commodore Barry Deleading & Painting. the Betsy Ross NJ Approach Resurfacing, the Corridor Rehab-PA Approach, and the installation of elevators in the remaining PATCO stations. Together these listed projects are budgeted to exceed $77 million in total expenditures (prior to federal funding) in 2021.

The Authority's actual financial results could vary materially from management's expectations because of changes in the above factors, and other risks and uncertainties that adversely impact the Authority's operations. This statement, as mentioned above, was the case during 2020, where revenues, including interest income, were significantly impacted by the COVID-19 pandemic.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's activities for all of those with an interest in the Authority's activities through December 31, 2020. Questions from interested parties concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, Delaware River Port Authority, One Port Center, 2 Riverside Drive, P.O. Box 1949, Camden, NJ 08101-1949.

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Net Position
December 31, 2020 and 2019
(amounts expressed in thousands)

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	$ 22,556	$ 21,240
Investments	269,234	288,373
Accounts receivable, net of allowance for uncollectibles	21,904	15,177
Accrued interest receivable	626	845
Transit system and storeroom inventories	7,146	6,347
Economic development loans - current	771	528
Prepaid expenses	5,945	4,604
Restricted assets		
Cash and cash equivalents	8,169	6,459
Investments	241,203	247,479
Accrued interest receivable	55	1,439
Total current assets	577,608	592,491
Noncurrent Assets		
Restricted investments for capital projects	140,490	248,358
Derivative instrument - forward delivery agreements	3,517	2,815
Capital assets, net of accumulated depreciation		
Land	74,059	74,059
Construction in progress	684,280	519,295
Bridges and related buildings and equipment	634,373	667,342
Transit property and equipment	433,777	437,746
Port enhancements	583	836
Total capital assets	1,827,072	1,699,278
Other		
Economic development loans, net of allowance for uncollectibles	9,876	10,648
Total noncurrent assets	1,980,955	1,961,099
Total assets	2,558,563	2,553,590
Deferred Outflows of Resources		
Pension related amounts	32,678	53,509
Postemployment benefit related amounts		12,304
Loss on refunding of debt	30,052	41,685
Total deferred outflows of resources	62,730	107,498

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Net Position
December 31, 2020 and 2019
(amounts expressed in thousands)

	2020	2019
Liabilities		
Current Liabilities		
Accounts payable		
Retained amounts on contracts	$ 23,257	$ 19,487
Other	48,410	23,638
Accrued liabilities		
Claims and judgments	740	584
Self-insurance	3,040	2,749
Pension	1,014	12,129
Sick and vacation leave benefits	2,216	2,491
Other	1,241	2,158
Unearned revenue	6,835	6,080
Liabilities payable from restricted assets		
Accrued interest payable	30,687	32,236
Bonds payable - current	70,785	68,340
Total current liabilities	188,225	169,892
Noncurrent Liabilities		
Accrued liabilities		
Claims and judgments	131	251
Self-insurance	1,496	1,480
Sick and vacation leave benefits	3,325	1,803
Net pension liability	157,711	182,856
Other postemployment benefits	69,404	95,104
Unearned revenue	965	966
Bonds payable, net of unamortized discounts and premiums	1,236,234	1,321,649
Total noncurrent liabilities	1,469,266	1,604,109
Total liabilities	1,657,491	1,774,001
Deferred Inflows of Resources		
Pension related amounts	16,467	4,866
Forward delivery agreement related amounts	3,517	2,815
Postemployment benefit related amounts	10,094	
Total deferred inflows of resources	30,078	7,681
Net Position		
Net investment in capital assets	803,307	722,577
Restricted for:		
Debt requirements	214,197	213,353
Capital and port district projects	1,999	6,157
Unrestricted (deficiency)	(85,779)	(62,681)
Total net position	$ 933,724	$ 879,406

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

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2020 and 2019
(amounts expressed in thousands)

	2020	2019
Operating Revenues		
Bridges		
Tolls	$ 268,141	$ 332,231
Other operating revenues	8,724	6,729
Total bridge operating revenues	276,865	338,960
Transit system		
Passenger fares	9,260	27,127
Other operating revenues	932	2,044
Total transit system operating revenues	10,192	29,171
Other		
Miscellaneous	148	73
Total operating revenues	287,205	368,204
Operating Expenses		
Operations	97,410	103,195
Community impact	500	500
General and administration	67,636	67,932
Depreciation	74,791	78,365
Total operating expenses	240,337	249,992
Operating Income	46,868	118,212
Nonoperating Revenues (Expenses)		
Investment income	10,732	17,331
Interest expense	(58,377)	(61,671)
Amortization expense		(61)
Economic development activities	(104)	(95)
Gain (loss) on disposal of capital assets	7	2,739
Other nonoperating revenues	235	782
Other grant revenues	34,529	1,489
Other nonoperating expenses	(1,564)	(1,298)
Total nonoperating revenues (expenses)	(14,542)	(40,784)

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2020 and 2019
(amounts expressed in thousands)

	2020	2019
Income before Capital Contributions	$ 32,326	$ 77,428
Capital Contributions		
Federal and state capital improvement grants	21,992	22,139
Change in Net Position	54,318	99,567
Net Position, January 1	879,406	779,839
Net Position, December 31	$ 933,724	$ 879,406

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

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019
(amounts expressed in thousands)

	2020	2019
Cash flows from operating activities		
Receipts from customers and users	$ 288,753	$ 369,030
Payments for other goods or services	(20,144)	(49,894)
Payments for employees services	(128,818)	(108,601)
Proceeds from other receipts	235	782
Payments for other services	(1,564)	(1,298)
Net cash provided by (used in) operating activities	138,462	210,019
Cash flows from noncapital financing activities		
Payments for economic development activities	(125)	(54)
Repayments of economic development loans	529	493
Grants received	30,521	1,316
Net cash provided by (used in) noncapital financing activities	30,925	1,755
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(199,022)	(116,772)
Proceeds from sales of capital assets		2,775
Capital contributions received	18,295	29,562
Principal paid on bonded debt	(68,340)	(11,895)
Interest paid on debt	(62,924)	(48,799)
Net cash provided by (used in) capital and related financing activities	(311,991)	(145,129)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	628,354	1,084,070
Purchase of investments	(495,058)	(1,176,366)
Interest received	12,335	15,649
Net cash provided by (used in) provided by investing activities	145,631	(76,647)
Net increase (decrease) in cash and cash equivalents	3,027	(10,002)
Cash and cash equivalents, January 1, (including $6,459 and $7,307 reported as restricted)	27,699	37,701
Cash and cash equivalents, December 31, (including $8,169 and $6,459 reported as restricted)	$ 30,726	$ 27,699

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019
(amounts expressed in thousands)

	2020	2019
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$ 46,868	$ 118,212
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	74,791	78,365
Other nonoperating revenues (expenses)	(1,329)	(516)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	979	166
(Increase) decrease in transit system and storeroom inventories	(797)	(215)
(Increase) decrease in prepaid expenses	(1,341)	913
Increase (decrease) in retained amounts on contracts	201	
Increase (decrease) in accounts payable	24,793	(5,299)
Increase (decrease) in claims and judgments	36	(533)
Increase (decrease) in self-insurance	307	(517)
Increase (decrease) in pension	(3,828)	19,401
Increase (decrease) in sick and vacation leave benefits payable	1,247	(273)
Increase (decrease) in other accrued liabilities	(917)	(472)
Increase (decrease) in other postemployment benefits	(3,302)	287
Increase (decrease) in unearned revenue	754	500
Net cash provided by operating activities	$ 138,462	$ 210,019
Noncash Investing, Capital and Financing Activities:		
Capital contributions included in accounts receivable	$ 10,027	$ 6,330
Acquisition of capital assets included in accounts payable	22,923	19,487
Economic development loans receivable	10,647	11,176

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

DELAWARE RIVER PORT AUTHORITY

Other Postemployment Benefits Trust
Combined Statements of Fiduciary Net Position
December 31, 2020 and 2019
(amounts expressed in thousands)

		2020		2019
Assets				
Investments	$	33,063	$	32,160
Accrued interest receivable		169		149
Total assets		33,232		32,308
Liabilities				
Accrued liabilities				
Other		26		24
Total liabilities		26		24
Net Position				
Restricted for postemployment benefits other than pensions		33,206		32,285
Total net position	$	33,206	$	32,285

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

DELAWARE RIVER PORT AUTHORITY

Other Postemployment Benefits Trust
Combined Statements of Changes in Fiduciary Net Position
For the Years Ended December 31, 2020 and 2019
(amounts expressed in thousands)

	2020	2019
Additions		
Employer contributions	$ 5,416	$ 5,012
Investment income (expenses)	1,022	1,298
Total additions	6,438	6,310
Deductions		
Benefit payments	5,416	5,012
Administrative expenses	101	96
Total deductions	5,517	5,108
Increase in Net Position	921	1,202
Net Position Restricted for Postemployment Benefits other than Pensions		
January 1	32,285	31,083
December 31	$ 33,206	$ 32,285

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2020 and 2019
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies

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

The costs of providing facilities and services to the general public on a continuing basis are recovered primarily in the form of tolls and fares. The Authority is a member of the E-ZPass Interagency Group, the largest interoperable electronic toll collection system in the world, comprised of thirty-three (33) agencies in nineteen (19) states. Through December 31, 2020, customer participation in the E-ZPass electronic toll collection process exceeded seventy-five percent (75.5%) of its toll collection activity during rush hour periods. Toll revenues collected through E-ZPass are seventy-four percent (74.1%) of total toll revenues.

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

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

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

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

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

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2020 and 2019
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2020 and 2019
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Economic Development Activities: The Authority establishes loan loss provisions for economic development loans receivable, based upon collection history and analysis of creditor's ability to pay. The Authority has established a loss reserve in the amount of $1,345 as of December 31, 2020 and 2019 for its economic development loans outstanding.

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

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

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

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

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

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

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2020 and 2019
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Debt Management: Total outstanding bond debt reflected on the combined statements of net position is net of unamortized bond discounts and premiums (Note 12).

Derivative Instruments: The Authority was a party to two (2) forward delivery agreements during 2020 and 2019; one related to its maintenance reserve and the other related to the debt service reserve for the 2012 Port District Project Bonds (Note 4). These forward delivery agreements allow the Authority to earn a guaranteed fixed rate of return over the life of the investments in both reserves.

Budget: In accordance with Section 5.15 of the 1998 Revenue Refunding Bonds Indenture of Trust and its Supplemental Indentures and Section 5.07 of the 1999 and 2012 Port District Project ("PDP") Bond Indentures of Trust, the Authority must annually adopt an Annual Budget on or before December 31 for the ensuing year. (Note: an Annual Budget for the 1999 PDP Bonds was not necessary in December 2020 as all remaining bonds matured on January 1, 2021.) For the Revenue Bonds, Section 5.15 of the 1998 Revenue Refunding Bond Indenture of Trust requires that the Authority, on or before December 31, in each year, adopt a final budget for the ensuing year of (i) operational expenses, (ii) the PATCO Subsidy, (iii) the amount to be deposited to the credit of the Maintenance Reserve Fund, and (iv) the estimated amounts to be deposited into the Debt Service Fund, the Debt Service Reserve Fund, and the Rebate Fund. Each Annual Budget must also contain the Authority's projections of revenues for the ensuing year demonstrating compliance with the covenant as to facility charges as set forth in Section 5.09 of the Indentures of Trust. On or before December 31 in each year, the Authority must file a copy of the Annual Budget for the ensuing year with the Trustee.

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

The Authority filed the appropriate budgets for 2020 and 2021, as described above, to its bond trustees by December 31, 2019 and 2020, in compliance with the bond indentures. These budgets became effective on January 1, 2020 and January 1, 2021, respectively.

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2020 and 2019
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

Note 2. Cash and Cash Equivalents

Custodial Credit Risk Related to Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. The Authority does not have a deposit policy for custodial credit risk, however, the Authority has agreements with various banks where most of the deposits are collateralized or secured by U.S. Treasury notes or through a Federal Home Loan Bank Letter of Credit. As of December 31, 2020 and 2019, the Authority's bank balances of $111,197 and $62,317 (including certificates of deposit of $76,259 and $30,988 classified as investments in the combined statements of net position), respectively, were exposed to custodial credit risk as follows:

	2020	2019
Uninsured and uncollateralized	$ 8,385	$ 8,310
Collateralized with securities held by the pledging financial institution in the Authority's name	$ 80,654	$ 52,111

Note 3. Investment in Securities

Excluding the investments of the OPEB Trust, the Authority's investments in various securities are maintained for specified funds in accordance with the provisions of the Indenture of Trust adopted as of July 1, 1998 (revised in 2018) or the Authority's General Fund investment policy (for unrestricted investments), which was revised and became effective on March 15, 2019 (see reference below under *Interest Rate Risk*).

Custodial Credit Risk Related to Investments: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Authority's investments at December 31, 2020 and 2019 totaled $650,927 and $784,210, respectively. These investments consisted of short-term investments, asset backed securities, commercial paper, corporate bonds and notes, U.S. federal agency notes and bonds, and U.S. government treasuries. All of the Authority's investments are maintained in the Authority's name, by a third-party financial institution acting as the Authority's agent.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2020 and 2019
(dollars expressed in thousands)

Note 3. Investment in Securities (Continued)

Custodial Credit Risk Related to Investments (Continued): As of December 31, 2020 and 2019, the Authority had the following investments:

Investment	Maturities (months average)	Fair Value Hierarchy Level *	2020	2019
Asset back securities	337.48	Level 1	$ 87	$ 80
Commercial Paper	6.67	Level 1	10,693	10,436
Corporate bonds and notes	46.68	Level 1	45,468	48,735
Short-term investments	20.37	Level 1	446,502	621,609
U.S. federal agency notes and bonds	333.98	Level 1	285	2,142
U.S. government treasuries	42.14	Level 1	71,633	70,220
			574,668	753,222
Certificates of deposits held at banks			76,259	30,988
Total			$ 650,927	$ 784,210

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

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

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

The weighted average maturity of the Authority's investment portfolio was 25.11 and 18.09 months as of December 31, 2020 and 2019, respectively.

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

Interest Rate Risk: The Authority's General Fund investment policy (approved by the Board in February 2019) limits investment maturities (on unrestricted investments) as a means of managing its exposure to fair value losses arising from increasing interest rates and is as follows: the average effective duration of the portfolio is not to exceed thirty-six (36) months, and the maximum effective duration of any individual security is not to exceed seven (7) years, unless otherwise specified.

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

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Note 3. Investment in Securities (Continued)

Credit Risk (Continued): Guaranteed income contracts are collateralized by U.S. government and agency securities, and debt obligations having a rating in the highest rating category from Moody's Investors Service or Standard & Poor's Rating Services. As of December 31, 2020, the following are the actual ratings by Standard & Poor's:

Actual Rating	Asset Backed Securities	Commercial Paper	Corporate Bonds and Notes	U.S. Federal Agency Notes and Bonds	U.S. Government Treasuries
AAA			$ 1,033		$ 2,382
AA+			2,428	$ 218	57,098
AA	$ 1		1,541		
AA-			5,136		
A+			8,269		
A-			11,778		
A			10,297		
BBB+			4,107		
D	86				
Unrated		$ 10,693	879	67	$ 12,153
	$ 87	$ 10,693	$ 45,468	$ 285	$ 71,633

As of December 31, 2020, the following are the actual ratings by Moody's:

Actual Rating	Asset Backed Securities	Commercial Paper	Corporate Bonds and Notes	U.S. Federal Agency Notes and Bonds	U.S. Government Treasuries
Aaa			$ 1,534	$ 218	$ 68,149
Aa1			2,368		
Aa2			4,190		
Aa3			7,752		
A1			9,487		
A2	$ 1		11,510		
A3			6,348		
Baa1			800		
C	86				
Unrated		$ 10,693	1,479	67	3,484
	$ 87	$ 10,693	$ 45,468	$ 285	$ 71,633

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

For the purchase of investments in obligations of all other issuers, total investments held from any one issuer shall not exceed ten percent (10%) of the aggregate market value of the entire portfolio, except for repurchase agreements, which, from any one issuer, shall not exceed twenty-five percent (25%) of the aggregate market value of the portfolio. As of December 31, 2020, more than 5% of the Authority's investments are with Santander Bank commercial paper, much of which represents the forward delivery agreement for the 2012 PDP bonds. This investment represents 18.91% of the Authority's total investments subject to credit risk.

DELAWARE RIVER PORT AUTHORITY
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Note 3. Investment in Securities (Continued)

OPEB Trust

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

Custodial Credit Risk Related to Investments: The Authority's investments at December 31, 2020 and 2019 totaled $33,063 and $32,160, respectively. These investments consisted of money market funds, corporate bonds and notes, U.S. federal agency notes and bonds, and U.S. government treasuries. All of the Authority's investments are maintained in the Authority's name, by a third-party financial institution acting as the Authority's agent.

As of December 31, 2020 and 2019, the Authority had the following investments in the OPEB Trust:

Investment	Maturities (months average)	Fair Value Hierarchy Level	2020	2019
Money market funds	0.03	Level 1	$ 136	$ 295
Corporate bonds and notes	35.00	Level 1	4,203	6,944
U.S. federal agency notes and bonds	47.15	Level 1	927	
U.S. government treasuries	30.08	Level 1	27,797	24,921
Total			$ 33,063	$ 32,160

The weighted average maturity of the Authority's investment portfolio was 31.06 and 30.50 months as of December 31, 2020 and 2019, respectively.

Interest Rate Risk: The Authority's investment policy for the OPEB Trust calls for investments predominately in fixed income assets (corporate bonds, US treasury and agency paper, totaling approximately 99% of the portfolio), with the remainder held in high quality money market securities.

Credit Risk: As of December 31, 2020, the actual ratings by Moody's for the OPEB Trust investments were as follows:

Actual Rating	Corporate Bonds and Notes	U.S. Federal Agency Notes and Bonds	U.S. Government Treasuries
Aaa		$ 601	$ 27,797
Aa1	$ 519		
Aa2	321		
Aa3	254		
A1	1,068		
A2	1,787		
A3	254		
Unrated		326	
	$ 4,203	$ 927	$ 27,797

Concentration of Credit Risk: As of December 31, 2020, more than 5% of the Authority's investments were with the following: Apple, Inc., Bank of America Corporation, Bank of Montreal, Exxon Mobile Corporation, Paccar Financial Corporation, and the Federal Home Loan Mortgage Corporation. These investments represent 5.11%, 5.27%, 5.86%, 5.01%, 5.15%, and 11.72%, respectively, of the Authority's OPEB Trust investments subject to credit risk.

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Notes to Combined Financial Statements
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Note 4. Derivative Instruments

Forward Delivery Agreements

The Authority is a party to two (2) forward delivery agreements that were in effect as of December 31, 2020 and 2019 (see Note 19, Subsequent Events). The forward delivery agreements require two counterparty financial institutions (Bank of America and Wells Fargo Bank) to deposit securities in the bond service fund, for the Port District Project Bonds, Series 2012, and also for the maintenance reserve fund, respectively. The forward delivery agreements provide the Authority with a guaranteed rate of return for these funds. The securities that are deposited into these accounts are timed to meet scheduled debt service requirements, and to ensure that the Authority maintenance reserve requirement, as mandated by its Indentures of Trust (Note 11), is preserved.

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

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

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

	Effective Date of Agreement	Termination Date	Scheduled Amount	Guaranteed Rate	Fair Value * 2020	Fair Value * 2019
Series 2012 port district project bonds bond service fund	12/22/99	01/01/26	$ 10,436	5.92%	$ 2,844	$ 2,310
Maintenance reserve fund	12/22/99	01/01/26	3,000	4.90%	673	505
					$ 3,517	$ 2,815

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

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

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

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
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Note 4. Derivative Instruments (Continued)

Forward Delivery Agreements (Continued)

Termination Risk: The Authority or the counterparty may terminate the forward delivery agreements if the other party fails to perform under the terms of the contract. If the forward delivery agreements have a negative fair value at the time of termination, the Authority would be liable to the counterparty for a payment equivalent to the fair value of the instrument at the time of termination (see Note 19, Subsequent Events).

Note 5. Accounts Receivable

Accounts receivable for December 31, 2020 and December 31, 2019 are as follows:

	2020	2019
Reimbursements from governmental agencies - Federal Transit Administration	$ 13,752	$ 5,421
Reimbursements from other governmental agencies	976	1,601
Development projects	3,500	3,500
E-ZPass bridge tolls from other agencies	6,171	7,378
Other	1,005	777
Gross receivables	25,404	18,677
Less: allowance for uncollectibles	(3,500)	(3,500)
Net total receivables	$ 21,904	$ 15,177

Note 6. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 Year
Bonds payable					
1999 Port District Project Bonds	$ 6,330		$ (5,295)	$ 1,035	$ 1,035
2012 Port District Project Refunding Bonds	115,450		(7,320)	108,130	12,350
2013 Revenue Bonds	476,585			476,585	
2018 Revenue Bonds	700,505		(55,725)	644,780	57,400
Issuance discounts/premiums	91,119		(14,630)	76,489	
Total bonds payable	1,389,989	-	(82,970)	1,307,019	70,785
Other liabilities					
Claims and judgments	835	$ 425	(389)	871	740
Self-insurance	4,229	3,043	(2,736)	4,536	3,040
Sick and vacation leave	4,294	5,672	(4,425)	5,541	2,216
Net pension liability	182,856	45,651	(70,796)	157,711	
Unearned revenue	7,046	8,303	(7,549)	7,800	6,835
Other postemployment benefits	95,104	1,827	(27,527)	69,404	
	$ 1,684,353	$ 64,921	$ (196,392)	$ 1,552,882	$ 83,616

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

Long-term liability activity for the year ended December 31, 2019 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 Year
Bonds payable					
1999 Port District Project Bonds	$ 11,250		$ (4,920)	$ 6,330	$ 5,295
2012 Port District Project Refunding Bonds	122,425		(6,975)	115,450	7,320
2013 Revenue Bonds	476,585			476,585	
2018 Revenue Bonds	700,505			700,505	55,725
Issuance discounts/premiums	106,707		(15,588)	91,119	
Total bonds payable	1,417,472	-	(27,483)	1,389,989	68,340
Other liabilities					
Claims and judgments	1,368	$ 549	(1,082)	835	584
Self-insurance	4,746	1,945	(2,462)	4,229	2,749
Sick and vacation leave	4,567	4,932	(5,205)	4,294	2,491
Net pension liability	144,357	77,265	(38,766)	182,856	
Unearned revenue	6,546	23,875	(23,375)	7,046	6,080
Other postemployment benefits	82,513	17,603	(5,012)	95,104	
	$ 1,661,569	$ 126,169	$ (103,385)	$ 1,684,353	$ 80,244

Note 7. Investment in Facilities

Capital assets for the year ended December 31, 2020 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	$ 74,059			$ 74,059
Construction in progress	519,295	$ 196,362	$ (31,377)	684,280
Total capital assets not being depreciated	593,354	196,362	(31,377)	758,339
Capital assets being depreciated				
Bridges and related building and equipment	1,371,382	16,166		1,387,548
Transit property and equipment	769,865	21,440	(1,871)	789,434
Port enhancements	6,703			6,703
Total capital assets being depreciated	2,147,950	37,606	(1,871)	2,183,685
Less: accumulated depreciation for:				
Bridges and related building and equipment	(704,040)	(49,135)		(753,175)
Transit property and equipment	(332,119)	(25,403)	1,865	(355,657)
Port enhancements	(5,867)	(253)		(6,120)
Total accumulated depreciation	(1,042,026)	(74,791)	1,865	(1,114,952)
Total capital assets being depreciated, net	1,105,924	(37,185)	(6)	1,068,733
Total capital assets, net	$ 1,699,278	$ 159,177	$ (31,383)	$ 1,827,072

DELAWARE RIVER PORT AUTHORITY
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Note 7. Investment in Facilities (Continued)

Capital assets for the year ended December 31, 2019 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	$ 74,076		$ (17)	$ 74,059
Construction in progress	418,117	$ 106,052	(4,874)	519,295
Total capital assets not being depreciated	492,193	106,052	(4,891)	593,354
Capital assets being depreciated				
Bridges and related building and equipment	1,386,348	6,068	(21,034)	1,371,382
Transit property and equipment	781,632	11,096	(22,863)	769,865
Port enhancements	6,703			6,703
Total capital assets being depreciated	2,174,683	17,164	(43,897)	2,147,950
Less: accumulated depreciation for:				
Bridges and related building and equipment	(671,885)	(53,191)	21,036	(704,040)
Transit property and equipment	(330,042)	(24,920)	22,843	(332,119)
Port enhancements	(5,613)	(254)		(5,867)
Total accumulated depreciation	(1,007,540)	(78,365)	43,879	(1,042,026)
Total capital assets being depreciated, net	1,167,143	(61,201)	(18)	1,105,924
Total capital assets, net	$ 1,659,336	$ 44,851	$ (4,909)	$ 1,699,278

Total depreciation expense for the years ended December 31, 2020 and 2019 was $74,791 and $78,365, respectively.

Note 8. Deferred Compensation Plan

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

Note 9. Pension Plans

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

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

General Information about the Plans

Plan Descriptions

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

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

The Pennsylvania State Employees' Retirement System issues a publicly available annual financial report, including financial statements, which may be obtained by writing to Pennsylvania State Employees' Retirement System, 30 North 3rd Street, Suite 150, Harrisburg, Pennsylvania 17101.

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

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

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

DELAWARE RIVER PORT AUTHORITY
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Note 9. Pension Plans (Continued)

General Information about the Plans (Continued)

Plan Descriptions (Continued)

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

Vesting and Benefit Provisions

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

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

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

The following represents the membership tiers for PERS:

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

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Note 9. Pension Plans (Continued)

General Information about the Plans (Continued)

Vesting and Benefit Provisions (Continued)

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

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

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

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

At December 31, 2020, 2019, and 2018, the Authority had 220, 203, and 218 employees, respectively, covered by the Fund.

Contributions

Pennsylvania State Employees' Retirement System: The contribution requirements of plan members and the Authority are established and amended by the Pennsylvania State Employees' Retirement System Board. As of January 1, 2011, employee's contribution rates range from 5% to 9.3% of their gross earnings depending on their plan selection.

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

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Note 9. Pension Plans (Continued)

General Information about the Plans (Continued)

Contributions (Continued)

Pennsylvania State Employees' Retirement System (Continued): The Authority's contractually required contribution rate for the years ended December 31, 2020 and 2019 was 34.37% and 30.78%, respectively, of the Authority's covered payroll, and the Authority's contractually required quarterly contributions to the pension plan for 2020 and 2019 totaled $17,006 (includes $940 of accrued pension liability) and $16,663 (includes $12,052 of accrued pension liability), respectively. Employee contributions to the plan during 2020 and 2019 were $3,599 and $3,593, respectively.

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

The Authority's contractually required contribution rate for the years ended December 31, 2020 and 2019 was 15.72% and 12.37%, respectively, of the Authority's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability. The Authority's contractually required contributions to the pension plan for the years ended December 31, 2020 and 2019 were $132 and $106, which is and was due on April 1, 2021 and April 1, 2020, respectively. Employee contributions to the plan during 2020 and 2019 were $63 and $66, respectively.

Teamsters Pension Plan of Philadelphia and Vicinity: The employer's contribution requirements are determined under the terms of one Collective Bargaining Agreement ("CBA") in force. The CBA between Port Authority Transit Corporation ("PATCO") and Teamsters Local 676 ("Teamsters") expired December 31, 2017. PATCO and Teamsters subsequently entered into an Agreement executed by PATCO on July 23, 2018. That Agreement extended the CBA without change and provided that PATCO will continue to make contributions to the Teamsters Health and Welfare Fund of Philadelphia and Vicinity and the Teamsters Pension Trust Fund of Philadelphia and Vicinity in the same manner and method as set forth in the CBA at the contribution rates established by the Trustees of the respective Funds, increasing effective June 1, 2018 and August 1, 2018, respectively, subject to increases on a yearly basis, until such time as a new CBA is reached or either party terminates the Agreement. During 2020, the Authority was required to and did contribute thirty dollars and seventy cents ($30.70) per day from January 1 through July 31, and thirty-two dollars and twenty-four cents ($32.24) per day from August 1 through December 31 for each PATCO participating employee. For the 2019 year, the Authority was required to and did contribute twenty-nine dollars and twenty-four cents ($29.24) per day from January 1 through June 30, and thirty dollars and seventy cents ($30.70) per day, from July 1 through December 31 for each PATCO participating employee. The Authority's contributions totaled 10.02%, 9.27%, and 9.55% of covered payroll in 2020, 2019 and 2018, respectively.

The employees of the Authority do not contribute to the Fund. The Authority contributed $1,608, $1,474, and $1,378 in 2020, 2019 and 2018, respectively, which represented 100% of the required contributions for the aforementioned years.

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Note 9. Pension Plans (Continued)

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

Pennsylvania State Employees' Retirement System: At December 31, 2020, the Authority's proportionate share of the SERS net pension liability was $155,749. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the December 31, 2019 measurement date, the Authority's proportion was .85679926%, which was a decrease of .01162913% from its proportion measured as of December 31, 2018.

At December 31, 2019, the Authority's proportionate share of the SERS net pension liability was $180,903. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the December 31, 2018 measurement date, the Authority's proportion was .86842839%, which was an increase of .04515274% from its proportion measured as of December 31, 2017.

At December 31, 2020 and 2019, the Authority's proportionate share of the SERS pension expense, calculated by the Plan as of the December 31, 2019 and 2018 measurement dates, was $24,216 and $28,225, respectively.

State of New Jersey Public Employees' Retirement System: At December 31, 2020, the Authority's proportionate share of the PERS net pension liability was $1,962. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Authority's proportion was .0120311762%, which was an increase of .0011909983% from its proportion measured as of June 30, 2019.

At December 31, 2019, the Authority's proportionate share of the PERS net pension liability was $1,953. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the Authority's proportion was .0108401779%, which was an increase of .0006893442% from its proportion measured as of June 30, 2018.

At December 31, 2020 and 2019, the Authority's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2020 and 2019 measurement dates, was $224 and $136, respectively.

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Note 9. Pension Plans (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	SERS	PERS	Total	SERS	PERS	Total
Differences between expected and actual experience	$ 1,942	$ 36	$ 1,978	$ 1,055	$ 7	$ 1,062
Changes of assumptions	6,002	64	6,066		821	821
Net difference between projected and actual earnings on pension plan investments		67	67	11,108		11,108
Differences between employer contributions and proportionate share of contributions	6		6	1,469		1,469
Changes in proportion	7,463	766	8,229	2,007		2,007
Employer contributions subsequent to the measurement date	16,266	66	16,332			
	$ 31,679	$ 999	$ 32,678	$ 15,639	$ 828	$ 16,467

At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	SERS	PERS	Total	SERS	PERS	Total
Differences between expected and actual experience	$ 2,715	$ 35	$ 2,750	$ 1,960	$ 9	$ 1,969
Changes of assumptions	4,820	195	5,015		678	678
Net difference between projected and actual earnings on pension plan investments	17,601		17,601		31	31
Differences between employer contributions and proportionate share of contributions	12		12	1,257		1,257
Changes in proportion	10,896	790	11,686	815	116	931
Employer contributions subsequent to the measurement date	16,392	53	16,445			
	$ 52,436	$ 1,073	$ 53,509	$ 4,032	$ 834	$ 4,866

At December 31, 2020, $16,266 and $66 for SERS and PERS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2021. These contributions were made by the Authority to the respective pension plans after the measurement date to satisfy the pension plans' net pension liability, but before the end of the financial statement period for the Authority.

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Note 9. Pension Plans (Continued)

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

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

For SERS, this amount was based on actual contributions made during 2020, which was subsequent to the measurement date of December 31, 2019. For PERS, the amount was based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2020 to the Authority's year-end of December 31, 2020.

At December 31, 2019, $16,392 and $53 for SERS and PERS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2020. These contributions were made by the Authority to the respective pension plans after the measurement date to satisfy the pension plan's net pension liability, but before the end of the financial statement period for the Authority. For SERS, this amount was based on actual contributions made during 2019, which was subsequent to the measurement date of December 31, 2018. For PERS, the amount was based on an estimated April 1, 2021 contractually required contribution, prorated from the pension plans measurement date of June 30, 2019 to the Authority's year-end of December 31, 2019.

The components of deferred outflows of resources and deferred inflows of resources for SERS and PERS are amortized into pension expense over the number of years in the table that follows. The years of amortization are based on a closed period for the December 31, 2019 and June 30, 2020 measurement periods, respectively, which reflect the weighted average remaining service life of all SERS and PERS members, beginning the year in which the deferred amount occurs.

	SERS		PERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments				
2020			5.00	
2019		5.00	5.00	
2018		5.00	5.00	
2017		5.00	5.00	
2016		5.00	5.00	
2015		5.00		
Differences between expected and actual experience				
2020			5.16	
2019	5.30		5.21	
2018	5.30			5.63
2017	5.20		5.48	
2016		5.20	5.57	
2015	5.20		5.72	
2014	5.60			
Changes of assumptions				
2020				5.16
2019				5.21
2018				5.63
2017				5.48
2016	5.20		5.57	
2015	5.20		5.72	
2014			6.44	

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Note 9. Pension Plans (Continued)

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

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

The amounts of deferred outflows of resources and deferred inflows of resources related to the respective net pension liabilities measured at December 31, 2019 for SERS and June 30, 2020 for PERS that will be recognized in pension expense in future periods are as follows:

Year Ending Dec. 31	SERS	PERS	Total
2021	$ 1,524	$ 44	$ 1,568
2022	23	23	46
2023	2,727	34	2,761
2024	(4,644)	6	(4,638)
2025	144	(2)	142
Totals	$ (226)	$ 105	$ (121)

Actuarial Assumptions

Since the measurement of the net pension liability of SERS is the same date as the actuarial valuation of the net pension liability, no roll forward procedures are required for the net pension liability. For PERS, however, the net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total PERS pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020.

The actuarial valuations for the year ended December 31, 2020 used the following actuarial assumptions applied to all periods included in the measurement dates of December 31, 2019 for SERS and June 30, 2020 for PERS:

	SERS	PERS
Inflation	2.60%	2.75%
Projected salary increases	average of 5.60% with range of 3.70% - 8.90% including inflation	2.00% - 6.00% based on years of service (through 2026); 3.00% - 7.00% based on years of service (thereafter)
Investment rate of return	7.125%	7.00%
Mortality rate table	projected RP-2000 mortality tables adjusted for actual plan experience and future improvement	Pub-2010 mortality tables adjusted for actual plan experience and future improvements
Period of actuarial experience study upon which actuarial assumptions were based	2011 - 2015	July 1, 2014 - June 30, 2018

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Note 9. Pension Plans (Continued)

Actuarial Assumptions (Continued)

The actuarial valuations for the year ended December 31, 2019 used the following actuarial assumptions applied to all periods included in the measurement dates of December 31, 2018 for SERS and June 30, 2019 for PERS:

	SERS	PERS
Inflation	2.60%	2.75%
Projected salary increases	average of 5.60% with range of 3.70% - 8.90% including inflation	2.00% - 6.00% based on years of service (through 2026) 3.00% - 7.00% based on years of service (thereafter)
Investment rate of return	7.25%	7.00%
Mortality rate table	projected RP-2000 mortality tables adjusted for actual plan experience and future improvement	Pub-2010 mortality tables adjusted for actual plan experience and future improvements
Period of actuarial experience study upon which actuarial assumptions were based	2011 - 2015	July 1, 2014 - June 30, 2018

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

Best estimates of arithmetic real rates of return for each major asset class included in current and target asset allocation as of the measurement dates of December 31, 2019 for SERS and June 30, 2020 for PERS, are summarized in the following table:

	SERS		PERS	
Asset Class	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Cash / cash equivalents	3.00%	0.00%	4.00%	0.50%
Emerging markets equity			5.50%	10.23%
Fixed income	11.00%	1.26%		
Global public equity	48.00%	5.15%		
High yield			2.00%	5.95%
Investment grade credit			8.00%	2.67%
Multi-Strategy	10.00%	4.44%		
Non-U.S. developed markets equity			13.50%	8.57%
Private credit			8.00%	7.59%
Private equity	16.00%	7.25%	13.00%	11.42%
Real assets			3.00%	9.73%
Real estate (property)	12.00%	5.26%	8.00%	9.56%
Risk mitigation strategies			3.00%	3.40%
U.S. equity			27.00%	7.71%
U.S. treasuries			5.00%	1.94%
Total	100.00%		100.00%	

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Note 9. Pension Plans (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in current and target asset allocation as of the measurement dates of December 31, 2018 for SERS and June 30, 2019 for PERS, are summarized in the following table:

	SERS		PERS	
Asset Class	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Cash / cash equivalents	3.00%	0.00%	5.00%	2.00%
Emerging markets equity			6.50%	11.37%
Fixed income	11.00%	1.26%		
Global public equity	48.00%	5.15%		
High yield			2.00%	5.37%
Investment grade credit			10.00%	4.25%
Multi-Strategy	10.00%	4.44%		
Non-U.S. developed markets equity			12.50%	9.00%
Private credit			6.00%	7.92%
Private equity	16.00%	7.25%	12.00%	10.85%
Real assets			2.50%	9.31%
Real estate (property)	12.00%	5.26%	7.50%	8.33%
Risk mitigation strategies			3.00%	4.67%
U.S. equity			28.00%	8.26%
U.S. treasuries			5.00%	2.68%
Total	100.00%		100.00%	

Discount Rate: The discount rate used to measure the total pension liability at December 31, 2019 and 2018 for SERS was 7.125% and 7.25%, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each member and that employer contributions will be made based on rates determined by the actuary. Based on those assumptions, SERS fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active SERS members; therefore, the long-term expected rate of return on SERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability at June 30, 2020 and 2019 for PERS was 7.00% and 6.28%, respectively. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% and 3.50%, as of June 30, 2020 and 2019, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers.

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Note 9. Pension Plans (Continued)

Actuarial Assumptions (Continued)

Discount Rate (Continued): Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Pennsylvania State Employees' Retirement System: The following presents the Authority's proportionate share of the net pension liability at the Plan's measurement date of December 31, 2019 and December 31, 2018, calculated using a discount rate of 7.125% and 7.25%, respectively, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	December 31, 2020		
	1% Decrease 6.125%	Current Discount Rate 7.125%	1% Increase 8.125%
Authority's proportionate share of the net pension liability - measurement date December 31, 2019	$ 197,905	$ 155,749	$ 119,659

	December 31, 2019		
	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Authority's proportionate share of the net pension liability - measurement date December 31, 2018	$ 222,134	$ 180,903	$ 145,570

State of New Jersey Public Employees' Retirement System: The following presents the Authority's proportionate share of the net pension liability at the Plan's measurement date of June 30, 2020 and June 30, 2019, calculated using a discount rate of 7.00% for June 30, 2020 and 6.28% for June 30, 2019, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	December 31, 2020		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Authority's proportionate share of the net pension liability - measurement date June 30, 2020	$ 2,470	$ 1,962	$ 1,531

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Note 9. Pension Plans (Continued)

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

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

	December 31, 2019		
	1% Decrease 5.28%	Current Discount Rate 6.28%	1% Increase 7.28%
Authority's proportionate share of the net pension liability - measurement date June 30, 2019	$ 2,467	$ 1,953	$ 1,520

Note 10. Postemployment Healthcare Plan ("OPEB")

General Information about the OPEB Plan

Plan Description: The Authority's defined benefit OPEB plan ("Plan") provides OPEB for all permanent full-time employees of the Authority hired prior to January 1, 2007. The Plan is a single-employer defined benefit OPEB plan administered by the Authority through a trust that meets the criteria of paragraph 4 of GASBS No. 75. The trust is fiscally dependent upon funding contributions from the Authority. The Authority's Board of Commissioners ("Commissioners") establish and amend the benefit terms of the Plan. As such, the Plan is considered a fiduciary component unit of the Authority. The Plan does not issue a stand-alone financial report.

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

Employees Covered by Benefit Terms: Based on the December 31, 2020 actuarial valuation, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	781
Inactive plan members entitled to but not yet receiving benefit payments	2
Active plan members	362
	1,145

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

Contributions: The contribution requirements of plan members and the Authority are established, and amended, by the Commissioners. For the years ended December 31, 2020 and 2019, the Authority's average contribution rate was 19.02% and 15.19%, respectively, of covered-employee payroll. Total contributions to the Plan by the Authority during 2020 and 2019 were $5,416 and $5,012, respectively. Contributions for 2020 and 2019 by plan members receiving benefits for medical and prescription ranged from $10.00 to $2,936.25 per month depending on the plan type and coverage selected.

Net OPEB Liability

The Authority's net OPEB liability was measured as of December 31, 2020, and had a valuation date as of January 1, 2020.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
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Note 10. Postemployment Healthcare Plan ("OPEB") (Continued)

Actuarial Assumptions: The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase	3.5 percent
Healthcare cost trend rates	The following assumptions are used for annual healthcare cost inflation (trend):

	Year	Pre-65	Post 65
Year 1 Trend	January 1, 2022	7.0%	7.0%
Ultimate Trend	January 1, 2032 & Later	4.5%	4.5%
Grading Per Year		0.25%	0.25%

Mortality rates were based on the RP 2014 Healthy Male and Female Tables that are based on the Employee and Healthy Annuitant Tables for both pre & post retirement projected with mortality improvement using the most current Society of Actuaries Mortality Improvement Scale MP-2019.

The OPEB Plan fiduciary net position was projected with an investment return of 2.02% and 2.90% for the years ended December 31, 2020 and 2019, respectively.

Discount Rate: The discount rate used to measure the total OPEB liability as of December 31, 2020 was 2.02%. This discount rate was based on the prescribed discount interest rate methodology under GASBS No. 75 using an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO - 2.12%, S&P Municipal Bond 20 Year High Grade Rate Index - 1.93%, Fidelity GA AA 20 Years - 2.00%).

The discount rate used to measure the total OPEB liability as of December 31, 2019 was 2.90%. This discount rate was based on the prescribed discount interest rate methodology under GASBS No. 75 using an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO - 2.74%, S&P Municipal Bond 20 Year High Grade Rate Index - 3.26%, and Fidelity GA AA 20 Years - 2.75%).

The projection of cash flows used to determine the discount rates assumed that Authority contributions would be made at rates equal to the actuarial determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees assuming that such payments are paid separate from the OPEB Plan fiduciary fund. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at January 1, 2020	$ 127,389	$ 32,285	$ 95,104
Changes for the year:			
Service cost	229		229
Interest	2,519		2,519
Differences between expected and actual experience	(22,111)		(22,111)
Contributions - employer:			
Pay-as-you-go costs		5,416	(5,416)
Net investment income		1,022	(1,022)
Benefit payments	(5,416)	(5,416)	
Administrative expense		(101)	101
Net changes	(24,779)	921	(25,700)
Balances at December 31, 2020	$ 102,610	$ 33,206	$ 69,404

DELAWARE RIVER PORT AUTHORITY
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Note 10. Postemployment Healthcare Plan ("OPEB") (Continued)

Changes in the Net OPEB Liability (Continued)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at January 1, 2019	$ 113,596	$ 31,083	$ 82,513
Changes for the year:			
Service cost	389		389
Interest	3,650		3,650
Differences between expected and actual experience	14,766		14,766
Contributions - employer:			
Pay-as-you-go costs		5,012	(5,012)
Net investment income		1,298	(1,298)
Benefit payments	(5,012)	(5,012)	
Administrative expense		(96)	96
Net changes	13,793	1,202	12,591
Balances at December 31, 2019	$ 127,389	$ 32,285	$ 95,104

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of the Authority as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate of 2.02% and 2.90% for December 31, 2020 and 2019, respectively, that is 1-percentage-point lower or 1-percentage-point higher than the aforementioned discount rates used:

	December 31, 2020		
	1% Decrease (1.02%)	Discount Rate (2.02%)	1% Increase (3.02%)
Net OPEB liability	$ 86,758	$ 69,404	$ 55,907

	December 31, 2019		
	1% Decrease (1.90%)	Discount Rate (2.90%)	1% Increase (3.90%)
Net OPEB liability	$ 115,049	$ 95,104	$ 79,151

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

	December 31, 2020		
	Trend Rate Less 1%	Healthcare Cost Trend Rates	Trend Rate Plus 1%
Net OPEB liability	$ 57,317	$ 69,404	$ 84,692

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Notes to Combined Financial Statements
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Note 10. Postemployment Healthcare Plan ("OPEB") (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates (Continued):

	December 31, 2019		
	Trend Rate Less 1%	Healthcare Cost Trend Rates	Trend Rate Plus 1%
Net OPEB liability	$ 77,377	$ 95,104	$ 117,604

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

For the years ended December 31, 2020 and 2019, the Authority recognized OPEB expense of $2,115 and $5,298, respectively. At December 31, 2020, the Authority reported deferred inflows of resources related to OPEB from the changes in assumptions of $10,094. No deferred outflows of resources were reported.

At December 31, 2019, the Authority reported deferred outflows of resources related to OPEB from the changes in assumptions of $12,304. No deferred inflows of resources were reported.

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows: $10,094 during the year ending December 31, 2021.

Payable to the OPEB Plan

At December 31, 2020 and 2019, there were no payables reported to the OPEB Plan.

Note 11. Indentures of Trust

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

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

The Bond Resolution requires the maintenance of the following accounts:

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

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Note 11. Indentures of Trust (Continued)

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

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

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

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

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

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

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

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

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Note 12. Funded and Long-Term Debt

Total Outstanding Funded Debt: At December 31, 2020, the Authority had $1,307,019 in Revenue, Revenue Refunding, and Port District Project and Project Refunding Bonds outstanding (including unamortized premiums), consisting of bonds issued in 1999, 2012, 2013, and 2018. The 1999 Port District Project Bonds were issued pursuant to an Indenture of Trust dated December 1, 1999. The 2012 Port District Project Refunding Bonds were issued pursuant to an Indenture of Trust dated December 1, 2012. The 2013 Revenue Bonds were issued pursuant to an Indenture of Trust, a Ninth Supplemental Indenture, dated as of December 1, 2013. The 2018 Revenue and Revenue Refunding Bonds were issued pursuant to a Fourteenth Supplemental Indenture dated December 18, 2018.

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

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

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

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

The 1999 Port District Project Bonds (Series A) outstanding at December 31, 2020 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
Term Bonds		
2021	7.63%	$ 1,035
Total par value of 1999 Port District Project Bonds		$ 1,035

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

1999 Port District Project Bonds (Continued):

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

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

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

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

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

Redemption Provisions:

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

DELAWARE RIVER PORT AUTHORITY
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Note 12. Funded and Long-Term Debt (Continued)

2012 Port District Project Refunding Bonds (Continued):

Redemption Provisions (Continued):

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

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

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

The 2012 Port District Project Refunding Bonds outstanding at December 31, 2020 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2021	5.00%	$ 12,350	2024	5.00%	$ 15,520
2022	5.00%	14,085	2025	5.00%	16,300
2023	3.00%	240	2026	5.00%	17,115
2023	5.00%	14,545	2027	5.00%	17,975
Total par value of 2012 Port District Project Refunding Bonds					108,130
Add: unamortized bond premium					5,559
Total 2012 Port District Project Refunding Bonds, net					$ 113,689

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

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

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

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

The 2013 Revenue Bonds outstanding at December 31, 2020 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2027	5.000%	$ 23,560	2034	4.625%	$ 810
2027	4.125%	845	2035	5.000%	34,870
2028	5.000%	25,615	2035	4.750%	1,000
2029	5.000%	26,895	2036	5.000%	36,660
2030	5.000%	28,070	2036	4.750%	1,000
2030	4.500%	170	2037	5.000%	38,540
2031	5.000%	29,650	2037	4.750%	1,000
2032	4.500%	31,135	2038	5.000%	41,515
2033	5.000%	32,535	2039	5.000%	43,590
2034	5.000%	33,355	2040	5.000%	45,770
Total par value of 2013 Revenue Bonds					476,585
Add: unamortized bond premium					7,804
Total 2013 Revenue Bonds, net					$ 484,389

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

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

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

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

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

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

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

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

2018 Revenue Bonds (Continued):

2018A Revenue Bonds (Continued): The 2018A Revenue Bonds outstanding at December 31, 2020 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2027	5.000%	$ 1,690	2034	5.000%	$ 20,565
2028	5.000%	15,345	2035	5.000%	21,590
2029	5.000%	16,110	2036	5.000%	22,670
2030	5.000%	16,920	2037	5.000%	23,805
2031	5.000%	17,760	2038	5.000%	24,995
2032	5.000%	18,650	2039	5.000%	26,240
2033	5.000%	19,580	2040	5.000%	27,555
Total par value of 2018A Revenue Bonds					273,475
Add: unamortized bond premium					38,277
Total 2018A Revenue Bonds, net					$ 311,752

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

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

The 2018B Revenue Refunding Bonds outstanding at December 31, 2020 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2021	5.000%	$ 57,400	2024	5.000%	$ 62,680
2022	5.000%	57,645	2025	5.000%	65,350
2023	5.000%	60,105	2026	5.000%	68,125
Total par value of 2018B Revenue Refunding Bonds					371,305
Add: unamortized bond premium					24,849
Total 2018B Revenue Refunding Bonds, net					$ 396,154

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

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

2018 Revenue Bonds (Continued):

2018C Revenue Bonds: On December 18, 2018, the Authority issued $22,970 in federally taxable fixed rate bonds, proceeds of which, along with a $5,200 contribution from the Authority, were used to pay the cash-settlement termination cost of the 1995 Swap with TD Bank, N.A., in the amount of $28,050. The Authority paid off the balance of the 2018C Revenue Bonds, in full, on January 1, 2020.

2018 Revenue Bonds: The total collective 2018 Revenue Bonds outstanding at December 31, 2020 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2021	5.000%	$ 57,400	2031	5.000%	$ 17,760
2022	5.000%	57,645	2032	5.000%	18,650
2023	5.000%	60,105	2033	5.000%	19,580
2024	5.000%	62,680	2034	5.000%	20,565
2025	5.000%	65,350	2035	5.000%	21,590
2026	5.000%	68,125	2036	5.000%	22,670
2027	5.000%	1,690	2037	5.000%	23,805
2028	5.000%	15,345	2038	5.000%	24,995
2029	5.000%	16,110	2039	5.000%	26,240
2030	5.000%	16,920	2040	5.000%	27,555
Total par value of 2018 Revenue Bonds					644,780
Add: unamortized bond premium					63,126
Total 2018 Revenue Bonds, net					$ 707,906

Maturities of Principal and Interest on Bonds: The following presents the principal and interest due on all bonds outstanding as of December 31, 2020:

Years Ending December 31,	Principal	Interest	Total
2021	$ 70,785	$ 59,591	$ 130,376
2022	71,730	56,015	127,745
2023	74,890	52,352	127,242
2024	78,200	48,527	126,727
2025	81,650	44,531	126,181
2026-2030	258,435	176,107	434,542
2031-2035	261,500	116,994	378,494
2036-2040	333,340	43,286	376,626
	1,230,530	$ 597,403	$ 1,827,933
Net unamortized bond premiums	76,489		
	$ 1,307,019		

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

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

Debt Authorized but not Issued: At its August 2013 meeting, the Authority's Board authorized the issuance, sale and delivery of up to $550,000 in taxable or tax-exempt fixed rate bonds, to fund the 5-year 2013 Capital Plan (DRPA-13-094). This resolution rescinded and repealed all prior resolutions (DRPA-09-064 and DRPA-13-030) and any prior inconsistent resolutions. In December 2013, the Authority issued $476,585 in fixed rate bonds (the 2013 Revenue Bonds) based on this resolution, and $73,415 remains authorized but not issued under this Board resolution.

Resolution DRPA-16-098: At its September 21, 2016 meeting, the Authority's Board authorized the Authority to issue Revenue Refunding Bonds "in an aggregate principal amount not to exceed $960,000," "to advance refund and redeem all or a portion of the outstanding" 2013D Revenue Bonds, "to effect interest cost savings for the Authority, and, to the extent deemed economically advantageous and fiscally prudent, amend, replace or terminate any or all of the Authority's outstanding Interest Rate Swap Agreements." Based on this resolution, $960,000 remains authorized but not issued.

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

These authorizations, which total $1,109,940 as of December 31, 2020, provide flexibility for the Authority to engage in the aforementioned transactions, under the right conditions, but do not obligate the Authority to execute any of the transactions.

Please refer to Note 19, Subsequent Events for additional information regarding "Debt Authorized but not Issued".

Bond Ratings:

Significant changes to the Authority's bond ratings, over the past four (4) years, are described below:

Moody's Investors Service Bond Ratings ("Moody's"): In its report dated October 31, 2017, Moody's upgraded its bond ratings on **all** Authority outstanding bonds. The revenue bonds were upgraded from 'A3' to 'A2' and the port district project bonds were upgraded from 'Baa3' to 'Baa2,' all bonds being assigned a "stable outlook." This was the first Moody's upgrade of the Authority's bonds in over a decade. In its report, Moody's cited a number of core strengths of the Authority including: "positive traffic momentum," "a strong liquidity profile," "a manageable capital program and, "no-near term debt needs until 2021", all key factors supporting the ratings increases.

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

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

In February 2020, Moody's increased the Authority's bond ratings on all of its bonds, raising the revenue bond rating to "A1" (from "A2") and the port district project bonds from "Baa2" to "Baa1." (The "outlook" on all bonds was changed from "positive" to "stable" due to the upgrade).

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

Bond Ratings (Continued):

Standard & Poor's Ratings Services Bond Ratings ("S&P"): On April 21, 2016, S&P issued a bond ratings report on the Authority's debt, using its new joint ratings criteria, wherein the Authority's Port District Project Bonds were upgraded from "BBB" to "A-" (with stable outlook) and the Revenue Bonds were affirmed at "A", with a stable outlook. S&P cited the Authority's historical performance against budget, its strong financial stability and liquidity (including its capital "pay-go" fund), and its affordable 5-year capital plan of $662,400, as underlying strengths supporting its ratings actions.

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

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

Impact of COVID-19 on Ratings Outlook:

As mentioned above, the Authority's bonds were upgraded by Moody's in February 2020, prior to the explosion of the COVID-19 pandemic. As a result of the pandemic impact on traffic and toll revenues, in March 2020, both Moody's and S&P changed the outlook for the entire toll sector to "negative". S&P also changed the Authority's outlook from "stable" to "negative"; however, Moody's did not change the Authority's "stable" outlook.

As of December 31, 2020, these ratings and outlook remained in place.

Please refer to Note 19, Subsequent Events for additional information related to bond ratings and/or outlook in early 2021.

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

The Authority receives contributions in aid for financing capital improvements to the rapid transit system from the Federal Transit Administration and other government agencies. Capital improvement grant funds of $21,992 and $22,139 were received in 2020 and 2019, respectively. The Authority receives federal and state grants for specific construction purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowances under terms of the grants, it is the opinion of management that any required reimbursements will not be material to the Authority's net position.

Note 14. Contingencies

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

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Note 14. Contingencies (Continued)

The claims and judgments liability of $871 and $835 reported at December 31, 2020 and 2019, respectively, is based on the requirements of GASBS No. 10, as amended, which requires that a liability for claims and judgments be reported if information prior to the issuance of the combined financial statements indicates that it is probable that a liability has been incurred at the date of the combined financial statements and the amount off the loss can be reasonably estimated. The amount of the loss liability, which includes incremental costs, is estimated based on known facts, circumstances, and prior experience of the Authority.

The following is a summary of the claims and judgments liability of the Authority for the years ended December 31, 2020 and 2019:

Claims and Judgments	2020	2019
Beginning balance	$ 835	$ 1,368
Incurred claims	425	549
Payment of claims	(389)	(1,082)
Ending balance	$ 871	$ 835

There have been no settlements that exceeded the Authority's insurance policies in any of the past three years.

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

The self-insurance (workers' compensation) liability of $4,536 and $4,229 reported at December 31, 2020 and 2019, respectively, is based on the requirements of GASBS No. 10, as amended, which requires that a liability for claims and judgments be reported if information prior to the issuance of the combined financial statements indicates that it is probable that a liability has been incurred at the date of the combined financial statements and the amount of the loss can be reasonably estimated. The amount of the loss liability, which includes incremental costs, is estimated based on known facts, circumstances, and prior experience of the Authority.

The following is a summary of the self-insurance liability of the Authority for Workers' Compensation claims for the years ended December 31, 2020 and 2019:

Self-Insurance (Workers' Compensation)	2020	2019
Beginning balance	$ 4,229	$ 4,746
Incurred claims	3,043	1,945
Payment of claims	(2,736)	(2,462)
Ending balance	$ 4,536	$ 4,229

There have been no settlements that exceeded the Authority's insurance policies in any of the past three years.

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Note 14. Contingencies (Continued)

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

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

Article 5.11 Certification

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

The Authority must submit in writing certifications, by "the Insurance Consultant" to the bond trustee, by April 30 of each year, stating that it has sufficient coverage with regards to "multi-risk insurance" (on DRPA and PATCO facilities), "use and occupancy insurance" (i.e., business interruption), etc., in compliance with the Indenture of Trust. The certifications must provide "in *reasonable detail the insurance then in effect pursuant to"* Section 5.11 and also must state whether, during the calendar year, any facility has been "materially damaged or destroyed, and if so, the amount of insurance proceeds covering such loss or damage…" The Authority filed its annual insurance certification for 2019 prior to the April 30, 2020 deadline, asserting that "no material damage occurred at any facility" during the year.

Note 15. Commitments

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

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

In April 2015, the Authority's Board authorized the Authority to extend the loan guaranty for a ten-year period (DRPA-15-048) in the amount of $800. (A loan agreement between TD Bank, N.A. and HPA was executed on July 31, 2015).

TD Bank advised the Authority that the bank had approved the release (or cancellation) of the corporate guaranty of the Authority as of July 18, 2019. (Note: The Authority had made no cash outlays related to the guarantee.) This was the last outstanding guarantee authorized by the Authority's Board. As a result, as of December 31, 2019, there are no longer any outstanding loan guarantees.

Community Impact: The Authority has an agreement with the City of Philadelphia ("City") for Community Impact regarding the PATCO high-speed transit system ("Locust Street Subway Lease"). The agreement expires on December 31, 2050. For the years 2019 through 2050, the annual base payment shall equal one dollar. The Authority made its annual payment in the amount of one dollar to the City in January 2020.

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Note 15. Commitments (Continued)

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

Community Impact (Continued): The estimated minimum commitment at December 31, 2020, is as follows:

Year	Amount
2021	$ 500
2022	500
2023	500
2024	500
2025	500
Thereafter	12,500
	$ 15,000

Redevelopment Fee: The Authority, pursuant to a January 2016 amendment to an original agreement dated December 31, 1991, is obligated to pay a net redevelopment fee to the City of Camden Redevelopment Agency in the net amount of $363 annually, as an "ongoing yearly obligation". This fee is paid annually on or about July 1. The Authority made its annual payment for this obligation in both 2019 and 2020.

OCIP Letters of Credit: In May 2008, the Authority entered into two new separate irrevocable (evergreen) standby Letters of Credit ("LOC") with TD Bank, N.A. (formerly Commerce Bank) and Wachovia Bank, in support of the Authority's "Owner Controlled Insurance Program ("OCIP")." Under this insurance program, the Authority purchased various insurance policies and eligible contractors working on major capital construction projects enrolled into the OCIP. The original LOC with Wells Fargo Bank (formerly Wachovia Bank) was for a four-year term in the amount of $5,000 with an expiration date of May 7, 2012. The LOC with TD Bank, N.A. was in an initial amount of $3,015 and automatically increased annually each May, in the amount of $816, until it expired on May 7, 2012.

The OCIP program was subsequently renewed in 2010, 2013 and 2014, and finally expired on December 31, 2014. During this period, the LOCs were reduced after consultation and approval by the insurance carrier. Although the OCIP program ended in 2015 (the Railroad Protective Liability policy was extended to March of 2015 to meet the completion date of the project), the insurance carrier, AIG required the Authority to maintain the required LOC coverage to cover anticipated workers' compensation and general liability claims.

Statutes of Limitations ("SOL") for filing workers' compensation claims, whether based on an occupational disability or a physical injury, vary from state-to-state. In New Jersey, there is a two-year SOL. Pennsylvania has a three-year SOL.

Pursuant to DRPA-15-064, the Board approved the renewal of the LOC in 2015, with TD Bank, N.A. with an expiration date of December 31, 2016 in the amount of $5,462. Based on its annual reviews since 2016, AIG agreed to lower the LOC from $5,462 to $216, as of December 10, 2018. The Authority renewed the LOC in the amount of $216, on December 31, 2018, for one year, to expire December 31, 2019. The LOC was subsequently renewed with the bank, in the amount of $216, on December 31, 2019, to expire on December 31, 2020. In March 2020, the LOC was reduced to $128. At December 31, 2020, the LOC was renewed at $128 to expire on December 31, 2021 (see Note 19, Subsequent Events).

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Note 15. Commitments (Continued)

Contractual Commitments: As of December 31, 2020, the Authority had board-approved contracts with remaining balances as follows:

	Total
Benjamin Franklin Bridge:	
Bridge, building and pavement repairs and inspection	$ 5,634
4th Street garage repairs	1,458
Suspension span rehabilitation	158,802
Temporary toll, clerical, administration and custodial workers	1,848
Toll revenue, transportation, processing and systems upgrade	1,251
ERP consulting services	5,656
Engineering services - program management and task orders	25,669
Pedestrian bike ramp	590
Other	4,436
Walt Whitman Bridge:	
Design services for New Jersey approach	6,339
Corridor rehabilitation	46,456
Suspended span link replacement phase 1	88
Cable investigation dehumidification	10,255
Painting spans and towers	3,657
Emergency generator replacement	103
Commodore Barry Bridge:	
Bridge painting phase I & II and inspection	1,653
Structural repairs & other	28,405
Betsy Ross Bridge:	
Bridge painting phase I & II and inspection	2,221
Bridge resurfacing and other	11,344
PATCO System:	
Car overhaul program	6,002
Elevators installation	14,534
Station enhancements	11,359
Westmont & Lindenwold viaduct and track rehabilitation	1,052
Subway structure, center tower & other rehabilitation	7,910
Other:	
Other equipment and system upgrades and professional services and maintenance	7,897
	$ 364,619

NJ Customer Service Center Contract: In 2015, the Authority signed a contract to participate in the NJ Customer Service Center Contract, related to the implementation of a new software system for the NJ E-ZPass group, of which the Authority is a member. The system went live in October 2017. The implementation of the software is in phase two.

In 2016, the Authority signed a memorandum of agreement (MOA) related to this implementation, which also sets forth how "certain non-toll revenues and expenses of the NJ E-ZPass Group" incurred will be shared among the Agencies…." (DRPA-16-125), including the resolution of prior "negative customer balances", which have accumulated under the old contract. Under this MOA, the Authority was assigned a "Revenue Allocation share" which resulted in an initial one-time cash payment of approximately $2,400 in 2017, representing the Authority's pro-rata share of the past negative balances. Since then, the Authority has received a bill annually for their pro-rata share of the negative balances.

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Note 16. Bridge and PATCO Fare Schedules

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

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

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

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

As noted above, PATCO has a federally mandated reduced off-peak fare program for “elderly persons and persons with disabilities.” This off-peak rate is $0.70/trip.

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

Programming to implement this initiative was finalized and the new “frequent bridge traveler credit” program became effective on December 1, 2015. In January 2016, frequent users received their first credit since reintroduction of the program.

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

The Authority performed a calculation to determine if a CPI-indexed toll rate change would be enacted for January 1, 2019, using CPI data for September 2018. Based on increases in the CPI for the calculation period, a toll rate increase would have become effective on January 1, 2019. However, the Authority’s Board determined that “sufficient revenues and bond project funds and General Fund “pay go” capital funds were available to fund the next four to five years of its capital plan. Therefore, on December 5, 2018, the Authority’s Board approved resolution DRPA#18-131, which authorized the deferral of the CPI-based biennial toll increase from January 1, 2019 to January 1, 2021. On December 9, 2020, the Authority’s Board approved resolution DRPA#20-133 that authorized the deferral of the CPI-based biennial toll increase again, this time for one year only, from January 1, 2021 to January 1, 2022.

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Note 17. New Governmental Accounting Pronouncements

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

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the Authority’s year ending December 31, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Authority.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The Statement will become effective for the Authority’s year ending December 31, 2021. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Authority.

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Statement will become effective for the Authority’s year ending December 31, 2023. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Authority.

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Note 18. Blended Component Unit

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

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

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

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

PATCO's outstanding liability to the DRPA for period January 1, 1974 to December 31, 2020 related to this agreement totals $287,584.

Net Position: The net position totaling ($865,343) and ($815,398) as of December 31, 2020 and December 31, 2019, respectively, represents the total losses for PATCO since inception.

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2020 is as follows:

	December 31, 2020		
	DRPA	PATCO	Total
Current assets	$ 565,847	$ 11,761	$ 577,608
Receivable from primary government	(3,011)	3,011	
Capital assets	1,827,072		1,827,072
Other noncurrent assets	153,883		153,883
Total assets	2,543,791	14,772	2,558,563
Deferred outflows of resources	52,967	9,763	62,730
Total assets and deferred outflows of resources	2,596,758	24,535	2,621,293
Current liabilities	175,337	12,888	188,225
Payables to primary government:			
Lease agreement	(287,584)	287,584	
Advances from DRPA	(554,365)	554,365	
Noncurrent liabilities	1,438,439	30,827	1,469,266
Total liabilities	771,827	885,664	1,657,491
Deferred inflows of resources	25,864	4,214	30,078
Net investment in capital assets	803,307		803,307
Restricted	216,196		216,196
Unrestricted (deficiency)	779,564	(865,343)	(85,779)
Total net position (deficiency)	$ 1,799,067	$ (865,343)	$ 933,724

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Note 18. Blended Component Unit (Continued)

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2020 is as follows (continued):

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

	December 31, 2020		
	DRPA	PATCO	Total
Operating revenues			
Bridge revenues	$ 276,865		$ 276,865
Transit systems		$ 10,192	10,192
Other	148		148
Total operating revenues	277,013	10,192	287,205
Operating expenses			
Operating - other	111,496	54,050	165,546
Depreciation	74,791		74,791
Total operating expenses	186,287	54,050	240,337
Operating income (loss)	90,726	(43,858)	46,868
Nonoperating revenues (expenses)			
Interest expense	(58,377)		(58,377)
Economic development activities	(104)		(104)
Lease rental	6,122	(6,122)	
Other	43,904	35	43,939
Total nonoperating revenues (expenses)	(8,455)	(6,087)	(14,542)
Capital contributions	21,992	-	21,992
Change in net position	104,263	(49,945)	54,318
Net position (deficiency), January 1	1,694,804	(815,398)	879,406
Net position (deficiency), December 31	$ 1,799,067	$ (865,343)	$ 933,724

Condensed Combining Statements of Cash Flows

	December 31, 2020		
	DRPA	PATCO	Total
Net cash provided by (used in) operating activities	$ 184,656	$ (46,194)	$ 138,462
Net cash provided by (used in) noncapital financing activities	(13,548)	44,473	30,925
Net cash provided by (used in) capital and related financing activities	(311,991)		(311,991)
Net cash provided by (used in) investing activities	145,631		145,631
Net increase (decrease) in cash and cash equivalents	4,748	(1,721)	3,027
Cash and cash equivalents, January 1	24,942	2,757	27,699
Cash and cash equivalents, December 31	$ 29,690	$ 1,036	$ 30,726

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Note 18. Blended Component Unit (Continued)

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2019 is as follows:

Condensed Combining Statements of Net Position

	December 31, 2019		
	DRPA	PATCO	Total
Current assets	$ 579,788	$ 12,703	$ 592,491
Receivable from primary government	(2,352)	2,352	
Capital assets	1,699,278		1,699,278
Other noncurrent assets	261,821		261,821
Total assets	2,538,535	15,055	2,553,590
Deferred outflows of resources	93,759	13,739	107,498
Total assets and deferred outflows of resources	2,632,294	28,794	2,661,088
Current liabilities	156,857	13,035	169,892
Payables to primary government:			
Lease agreement	(281,462)	281,462	
Advances from DRPA	(509,892)	509,892	
Noncurrent liabilities	1,564,868	39,241	1,604,109
Total liabilities	930,371	843,630	1,774,001
Deferred inflows of resources	7,119	562	7,681
Net investment in capital assets	722,577		722,577
Restricted	219,510		219,510
Unrestricted (deficiency)	752,717	(815,398)	(62,681)
Total net position (deficiency)	$ 1,694,804	$ (815,398)	$ 879,406

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Note 18. Blended Component Unit (Continued)

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2019 is as follows (continued):

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

	December 31, 2019		
	DRPA	PATCO	Total
Operating revenues			
Bridge revenues	$ 338,960		$ 338,960
Transit systems		$ 29,171	29,171
Other	73		73
Total operating revenues	339,033	29,171	368,204
Operating expenses			
Operating - Other	114,797	56,830	171,627
Depreciation	78,365		78,365
Total operating expenses	193,162	56,830	249,992
Operating income (loss)	145,871	(27,659)	118,212
Nonoperating revenues (expenses)			
Interest expense	(61,671)		(61,671)
Economic development activities	(95)		(95)
Lease rental	6,122	(6,122)	
Other	20,847	135	20,982
Total nonoperating revenues (expenses)	(34,797)	(5,987)	(40,784)
Capital contributions	22,139	-	22,139
Change in net position	133,213	(33,646)	99,567
Net position (deficiency), January 1	1,561,591	(781,752)	779,839
Net position (deficiency), December 31	$ 1,694,804	$ (815,398)	$ 879,406

Condensed Combining Statements of Cash Flows

	December 31, 2019		
	DRPA	PATCO	Total
Net cash provided by (used in) operating activities	$ 236,313	$ (26,294)	$ 210,019
Net cash provided by (used in) noncapital financing activities	(25,651)	27,406	1,755
Net cash provided by (used in) capital and related financing activities	(145,129)		(145,129)
Net cash provided by (used in) investing activities	(76,647)		(76,647)
Net increase (decrease) in cash and cash equivalents	(11,114)	1,112	(10,002)
Cash and cash equivalents, January 1	36,056	1,645	37,701
Cash and cash equivalents, December 31	$ 24,942	$ 2,757	$ 27,699

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Note 19. Subsequent Events

COVID-19 Impact: In late December of 2019, a novel strain of coronavirus causing the disease known as "COVID-19" was discovered in Wuhan, China. Since then, COVID-19 has spread throughout the world, including throughout the United States and the region in which the DRPA provides services, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic, the President of the United States declaring a national emergency, and the governors of the Commonwealth of Pennsylvania (the "Commonwealth") and the State of New Jersey (the "State") declaring states of emergency. The spread of COVID-19 has altered the behavior of businesses and people in a manner that has caused significant disruptions to the global, national, and regional economy. The effects of the spread of COVID-19 and the related governmental, non-profit, and private responses continue to evolve. However, COVID-19 has, in general, resulted in reduced traffic and corresponding reduced revenues for the Authority as described below.

Traffic/ Revenue: Audited traffic data through April 2021, shows a 6.82% increase in overall traffic, as compared to April 2020 year-to-date figures. Toll revenues YTD are $6.0 million, or 7.22% above 2020 figures. (Each 1.0% increase, or decrease, in traffic translates to a gain, or loss, about $275 thousand in (toll revenues). Notwithstanding the comparative year to date declines vs. 2019 volumes, DRPA traffic and toll revenues are 1.3 million (or 10.5%) and $9.9 million (or 12.5%) ahead of budget, respectively. These traffic and revenue figures are expected to continue to improve, based on traffic approaching the 85% of 2019 (i.e. pre-COVID) traffic level in recent weeks.

PATCO Ridership/Fare Revenues*:* PATCO ridership numbers through May 2021, were about 54.7% (or 1.4 million riders) below May 2020 figures, with revenues down approximately $3.5 million (or 57.3%). The drop in ridership and net passenger revenues since March 2020 has widened the overall subsidy provided by the Authority to PATCO and, therefore, has required increased funding by the Authority. PATCO ridership and net passenger revenue figures are approximately 17% under budget thru May YTD.

Federal Transit Grants – CARES Act : Fortunately, the Authority was able to draw down $32.7 million, through May 2021, against a CARES Act federal transit grant for 2020 and has roughly $8 million remaining from its grant to partially offset the continued loss in passenger fare revenues and operational losses.

Other Awards: FY 2021 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) - The Authority has been advised that it has been appropriated $15.7 million of CRRSAA grant funding. Drawdowns against the grant will commence once the award is executed.

FY 2021 American Rescue Plan Act (ARP) - In addition, the Authority has received notification it will be appropriated another $27.9 million, of ARP grant funding. The application and award of the ARP grant funding is projected to be completed in the fourth quarter of 2021. No assurances are given, however, as to the ultimate receipt of such Award.

Debt Service Payments and Liquidity: The Authority has made and continues to make all of its required monthly debt service payments for all outstanding revenue and port district bonds through May 2021 and such payments are expected to continue uninterrupted given the Authority's cash flow and sizeable General Fund balance of approximately $296 million, as of May 31, 2021.

Due to precipitous drops in interest rates and general market volatility, investment income has been significantly impacted year-to-date through 2020 and now into 2021. Management believes that investment income will continue to underperform versus 2019 and 2020 due to the almost historic low interest rates, not seen since the 2008 financial collapse.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2020 and 2019
(dollars expressed in thousands)

Note 19. Subsequent Events (Continued)

While no assurances can be given, and none is given, because of the evolving nature of the effects of COVID-19 on the Authority, based on the initial budget for 2021 management estimates that 2021 annual bridge toll revenues will improve versus 2020 figures by at least $10 million (or by 3.78%). Through May 31, 2021, estimated traffic/revenues are surpassing budget expectations. As a result, the Authority is cautiously optimistic that toll revenues will surpass the estimated $278.3 million budgeted for 2021 (however no assurances are given as to final results for 2021). Management's response, throughout the pandemic, has been among other things, implementation and continuation its cost-cutting strategies to help to offset the financial impact of reduced traffic/ridership volumes and revenues.

<u>Termination of Forward Delivery Agreement (Maintenance Reserve Fund)</u>: In February 2021, the Authority negotiated a termination of its Maintenance Reserve Fund forward delivery agreement with Wells Fargo Bank (see Note 4). The Authority received net proceeds of $574 as a result of this termination.

<u>Reduction in OCIP Letter of Credit ("LOC")</u>: On February 4, 2021, after a review of outstanding claims, AIG advised the Authority and its LOC bank that it was reducing the LOC requirement from $128 to $94. The LOC will mature on December 31, 2021.

<u>Labor Relations</u>: The DRPA Board approved two (2) resolutions authorizing staff to negotiate one-year extensions of its Collective Bargaining Agreements ("CBA") with the International Union of Operating Engineers Local 542 ("IUOE") and International Brotherhood of Electrical Workers Local 351 ("IBEW"), both of which were set to expire on December 31, 2020. The PATCO Board approved a resolution authorizing staff to negotiate a one-year extension for the CBA with the International Brotherhood of Teamsters Local 676 ("Teamsters") that expired effective December 31, 2020. The IUOE and Teamsters extension agreements are fully executed, and each CBA expires December 31, 2021; the IBEW has not yet returned the extension agreement and IBEW represented employees continue to work under the terms of the expired CBA. DRPA's CBA with FOP Lodge 30 of Pennsylvania and New Jersey ("FOP") expires on December 31, 2021.

<u>Possible Bond Refunding of the 2012 Port District Project Bonds</u>: On May 19, 2021, the Authority's Board passed DRPA resolution # 21-033, "*Authorization for Issuance of Port District Project Refunding Bonds to Refund and Redeem all or a Portion of the Outstanding Port District Project Refunding Bonds, Series 2012."* With the expiration of the veto period for the May meeting, the Authority can execute a refunding to effect interest cost savings, if prudent and if market conditions are favorable. The resolution <u>does not</u> obligate the Authority to execute any transaction. As a result of this resolution, the" total debt authorized not issued", has increased by $75,000 to total $1.18 billion as of May 2021.

<u>Bond Ratings</u>: In March 2021, S&P restored the "stable" outlook for the toll road sector and also on the Authority's bonds, from "negative", after its review of the on-going recovery in the toll road sector, since the beginning of 2021. (At the outset of the pandemic, both Moody's and S&P had previously changed the outlook for the entire toll sector in March of 2020 from "stable" to "negative").

S&P cited "still depressed but generally improving trends in key operating metrics… particularly large, inter- or intrastate systems with balances commercial and passenger traffic transactions. To further quote: "Many toll operators are at 75-85% of 2019 activity levels…We expect U.S. and regional economic growth will translate into continued improvement for these issuers. (Note, most recently, the Authority's traffic has reached the upper-end of this cited range, with numbers edging closer to 90% of pre-COVID volumes).

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2020 and 2019
(dollars expressed in thousands)

Note 19. Subsequent Events (Continued)

Bond Indenture Compliance: Insurance Coverages and Certification: Pursuant to Article 5.11 of the 1998 Bond Indenture, "...the Authority must maintain with responsible insurers all insurance required….to provide against loss of or damage to the Facilities and loss of Revenues...to protect the interests of the Authority and the Bondholders." The certifications must provide "in reasonable detail the insurance then in effect pursuant to" Section 5.11 and also must state whether, during the calendar year, any facility has been "materially damages or destroyed, and if so, the amount of insurance proceeds covering such loss or damage…" The Authority filed its annual certification for the year-ending 2020 prior to the April 30, 2021 deadline and certified that no material damage had occurred on its facilities.

DELAWARE RIVER PORT AUTHORITY

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

	Measurement Date Ended December 31,			
	2019	**2018**	**2017**	**2016**
Authority's proportion of the net pension liability	0.85679926%	0.86842839%	0.82327565%	0.79013936%
Authority's proportionate share of the net pension liability	$ 155,749	$ 180,903	$ 142,358	$ 152,183
Authority's covered payroll (plan measurement period)	$ 56,271	$ 55,870	$ 51,022	$ 47,939
Authority's proportionate share of the net pension liability as a percentage of covered payroll	276.78%	323.79%	279.01%	317.45%
Plan fiduciary net position as a percentage of the total pension liability	63.10%	56.40%	63.00%	57.80%

	2015	**2014**	**2013**
Authority's proportion of the net pension liability	0.79424655%	0.76453591%	0.78540134%
Authority's proportionate share of the net pension liability	$ 144,424	$ 113,590	$ 107,312
Authority's covered payroll (plan measurement period)	$ 48,461	$ 44,721	$ 43,165
Authority's proportionate share of the net pension liability as a percentage of covered payroll	298.02%	254.00%	248.61%
Plan fiduciary net position as a percentage of the total pension liability	58.90%	64.80%	66.70%

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

DELAWARE RIVER PORT AUTHORITY

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

	Year Ended December 31,			
	2020	**2019**	**2018**	**2017**
Authority's contractually required contribution	$ 17,006	$ 16,663	$ 16,395	$ 14,515
Authority's contribution in relation to the contractually required contribution	(17,006)	(16,663)	(16,395)	(14,515)
Authority's contribution deficiency (excess)	-	-	-	-
Authority's covered payroll (calendar year)	$ 49,483	$ 54,139	$ 52,434	$ 49,464
Authority's contributions as a percentage of covered payroll	34.37%	30.78%	31.27%	29.34%

	2016	**2015**	**2014**
Authority's contractually required contribution	$ 12,735	$ 10,332	$ 7,649
Authority's contribution in relation to the contractually required contribution	(12,735)	(10,332)	(7,649)
Authority's contribution deficiency (excess)	-	-	-
Authority's covered payroll (calendar year)	$ 46,615	$ 48,857	$ 44,721
Authority's contributions as a percentage of covered payroll	27.32%	21.15%	17.10%

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

DELAWARE RIVER PORT AUTHORITY

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

	Measurement Date Ended June 30,			
	2020	**2019**	**2018**	**2017**
Authority's proportion of the net pension liability	0.0120311762%	0.0108401779%	0.0101508337%	0.0069597877%
Authority's proportionate share of the net pension liability	$ 1,962	$ 1,953	$ 1,999	$ 1,620
Authority's covered payroll (plan measurement period)	$ 871	$ 770	$ 689	$ 406
Authority's proportionate share of the net pension liability as a percentage of covered payroll	225.26%	253.64%	290.13%	399.01%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%
	2016	**2015**	**2014**	**2013**
Authority's proportion of the net pension liability	0.0050105488%	0.0048616324%	0.0080229448%	0.0110310887%
Authority's proportionate share of the net pension liability	$ 1,484	$ 1,091	$ 1,502	$ 2,108
Authority's covered payroll (plan measurement period)	$ 345	$ 335	$ 594	$ 723
Authority's proportionate share of the net pension liability as a percentage of covered payroll	430.14%	325.67%	252.86%	291.56%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

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

DELAWARE RIVER PORT AUTHORITY

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

	Year Ended December 31,			
	2020	2019	2018	2017
Authority's contractually required contribution	$ 132	$ 106	$ 101	$ 64
Authority's contribution in relation to the contractually required contribution	(132)	(106)	(101)	(64)
Authority's contribution deficiency (excess)	-	-	-	-
Authority's covered payroll (calendar year)	$ 837	$ 852	$ 776	$ 692
Authority's contributions as a percentage of covered payroll	15.77%	12.44%	13.02%	9.25%

	2016	2015	2014	2013
Authority's contractually required contribution	$ 45	$ 42	$ 66	$ 83
Authority's contribution in relation to the contractually required contribution	(45)	(42)	(66)	(83)
Authority's contribution deficiency (excess)	-	-	-	-
Authority's covered payroll (calendar year)	$ 438	$ 369	$ 355	$ 601
Authority's contributions as a percentage of covered payroll	10.27%	11.38%	18.59%	13.81%

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

DELAWARE RIVER PORT AUTHORITY

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

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Authority's contractually required contribution	$ 1,608	$ 1,474	$ 1,378	$ 1,299	$ 1,293
Authority's contribution in relation to the contractually required contribution	(1,608)	(1,474)	(1,378)	(1,299)	(1,293)
Authority's contribution deficiency (excess)	-	-	-	-	-
	2015	2014	2013	2012	2011
Authority's contractually required contribution	$ 1,136	$ 1,001	$ 1,066	$ 1,076	$ 1,077
Authority's contribution in relation to the contractually required contribution	(1,136)	(1,001)	(1,066)	(1,076)	(1,077)
Authority's contribution deficiency (excess)	-	-	-	-	-

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part II (Unaudited)
Notes to Required Supplementary Information
For the Year Ended December 31, 2020

Pennsylvania State Employees' Retirement System (SERS)

Changes in benefit terms:

None

Changes in assumptions:

The December 31, 2019 actuarial valuation uses assumptions regarding future return (the "discount rate") and rates of retirement, withdrawal, death, and disability among SERS members and their beneficiaries. The current set of assumptions used in the December 31, 2019 actuarial valuation, with the exception of the discount rate and inflation assumptions, was adopted by the State Employees' Retirement Board (the "Board") based upon actual experience of SERS during the years 2011 through 2015. The discount rate assumptions are reviewed annually with the SERS Board. As a result of the review undertaken during June of 2019, the Board approved a reduction in the annual discount rate assumption from 7.25% to 7.125%. The annual inflation assumption remained at 2.60%, which was utilized during the December 31, 2018 actuarial valuation.

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

Changes in benefit terms:

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in assumptions:

The discount rate used as of the June 30 measurement date is as follows:

Year	Rate	Year	Rate
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of the June 30 measurement date is as follows:

Year	Rate	Year	Rate
2020	7.00%	2016	7.65%
2019	6.28%	2015	7.90%
2018	5.66%	2014	7.90%
2017	5.00%		

The mortality assumption was updated upon direction from the DPB.

Teamsters Pension Plan of Philadelphia and Vicinity

The Authority is required to contribute a collectively bargain amount per day for each participating PATCO employee. This daily amount ranged from $21.80 in 2011 to $32.24 in 2020.

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part III (Unaudited)
Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios
Last Three Years
(amounts expressed in thousands)

	Measurement Ended December 31,		
	2020	2019	2018
Total OPEB liability			
Service cost	$ 229	$ 389	$ 337
Interest	2,519	3,650	4,245
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	14,766	-
Changes of assumptions	(22,111)	-	-
Benefit payments	(5,416)	(5,012)	(5,366)
Net change in total OPEB liability	(24,779)	13,793	(784)
Total OPEB liability, January 1	127,389	113,596	114,380
Total OPEB liability, December 31	$ 102,610	$ 127,389	$ 113,596
Plan fiduciary net position			
Contributions - employer	$ 5,416	$ 5,012	$ 10,366
Net investment income	1,022	1,298	399
Benefit payments	(5,416)	(5,012)	(5,366)
Administrative expense	(101)	(96)	(82)
Net change in plan fiduciary net position	921	1,202	5,317
Plan fiduciary net position, January 1	32,285	31,083	25,766
Plan fiduciary net position, December 31	$ 33,206	$ 32,285	$ 31,083
Authority's net OPEB liability	$ 69,404	$ 95,104	$ 82,513
Plan fiduciary net position as a percentage of the total OPEB liability	32.36%	25.34%	27.36%
Covered-employee payroll	$ 28,476	$ 32,986	$ 32,986
Authority's net OPEB liability as a percentage of covered-employee payroll	243.73%	288.32%	250.15%

(Continued)

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part III (Unaudited)
Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios
Last Three Years
(amounts expressed in thousands)

Notes to Schedule:

Benefit changes. None

Changes of assumptions. All assumptions for 2020, except for the discount rate, are the same as the prior valuation in 2019, including for the starting plan costs health care costs, retiree contribution rates, salary (payroll), salary increase assumptions, healthcare inflation (trend) rates, decrement tables (e.g., probability of death, turnover, disability and retirement), actuarial cost method, and other provisions as reported in the prior valuation report. The selected discount rate for 2020 is based on the prescribed discount interest rate methodology under GASB No. 75 based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO - 2.12%, S&P Municipal Bond 20 Year High Grade Rate Index - 1.93%, Fidelity GA AA 20 Years - 2.00%) as of December 31, 2020, which is the measurement date. This discount rate is 2.02%, which is a change from the prior valuation discount rate of 2.90%.

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

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part III (Unaudited)
Schedule of Authority Contributions
For the Last Three Years
(amounts expressed in thousands)

	Year Ended December 31,		
	2020	2019	2018
Actuarially determined contribution	$ 3,782	$ 4,545	$ 5,337
Contributions in relation to the actuarially determined contribution	5,416	5,012	10,366
Contribution deficiency (excess)	$ (1,634)	$ (467)	$ (5,029)
Covered-employee payroll	$ 28,476	$ 32,986	$ 32,986
Contributions as a percentage of covered-employee payroll	19.02%	15.19%	31.43%

Notes to Schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal as a Level Percentage of Payroll
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	Current market value of assets placed in an irrevocable OPEB trust
Inflation	2.02 percent
Healthcare cost trend rates	The following assumptions are used for annual healthcare cost inflation (trend):

	Year	Pre-65	Post 65
Year 1 Trend	January 1, 2022	7.00%	7.00%
Ultimate Trend	January 1, 2032 & Later	4.50%	4.50%
Grading Per Year		0.25%	0.25%

Salary increases	3.5 percent

(Continued)

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information - Part III (Unaudited)
Schedule of Authority Contributions
For the Last Three Years
(amounts expressed in thousands)

Notes to Schedule (Cont'd):

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

Investment rate of return — 2.02 percent for 2020; 2.90 percent for 2019; 3.80 percent for 2018

Retirement age — In the 2020 actuarial valuation, Eligibility for retirement is based on a minimum of age and/or years of service (YOS). Eligibility varies by date of hire for DRPA and PATCO, which is as follows:

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

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

Mortality — In the 2020 actuarial valuation, the RP 2014 Healthy Male and Female Tables are based on the Employee and Healthy Annuitant Tables for both pre & post retirement projected with mortality improvement using the most current Society of Actuaries Mortality Improvement Scale MP-2019. This reflects an update of mortality improvement table from the prior valuation, which was MP-2018 table.

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

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Net Position Information by Fund
December 31, 2020
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Assets							
Current Assets							
Cash and cash equivalents		$ 1,566		$ 20,991			$ 22,557
Investments				269,234			269,234
Accounts receivable, net of allowance for uncollectibles		7,140		14,764			21,904
Accrued interest receivable				626			626
Transit system and storeroom inventories		744		6,400			7,144
Economic development loans - current				771			771
Prepaid expenses		4,398		1,547			5,945
Restricted assets							
Cash and cash equivalents		7,632				$ 537	8,169
Investments		7,034	$ 5,607		$ 228,562		241,203
Accrued interest receivable					51	4	55
Total current assets	-	28,514	5,607	314,333	228,613	541	577,608
Noncurrent Assets							
Restricted investments for capital projects						140,490	140,490
Derivative instrument - forward delivery agreements			673		2,844		3,517
Capital assets, net of accumulated depreciation							
Land	$ 74,034			25			74,059
Construction in progress	684,280						684,280
Bridges and related buildings and equipment	634,373						634,373
Transit property and equipment	433,777						433,777
Port enhancements	583						583
Total capital assets	1,827,047	-	-	25	-	-	1,827,072
Other							
Economic development loans, net of allowance for uncollectibles				9,876			9,876
Total noncurrent assets	1,827,047	-	673	9,901	2,844	140,490	1,980,955
Total assets	1,827,047	28,514	6,280	324,234	231,457	141,031	2,558,563
Deferred Outflows of Resources							
Pension related amounts		22,915		9,763			32,678
Loss on refunding of debt	29,499			553			30,052
Total deferred outflows of resources	29,499	22,915	-	10,316	-	-	62,730

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Net Position Information by Fund
December 31, 2020
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Liabilities							
Current Liabilities							
Accounts payable							
Retained amounts on contracts		$ 334		$ 22,923			$ 23,257
Other		7,426		40,984			48,410
Accrued liabilities							
Claims and judgments		21		719			740
Self-insurance		1,449		1,591			3,040
Pension		878		136			1,014
Sick and vacation leave benefits		1,776		440			2,216
Other		10		1,231			1,241
Unearned revenue				6,835			6,835
Liabilities payable from restricted assets							
Accrued interest payable					$ 30,687		30,687
Bonds payable - current	$ 57,400			13,385			70,785
Total current liabilities	57,400	11,894	-	88,244	30,687	-	188,225
Noncurrent Liabilities							
Accrued liabilities							
Claims and judgments		4		127			131
Self-insurance		713		783			1,496
Sick and vacation leave benefits		2,665		660			3,325
Net pension liability		137,738		19,973			157,711
Other postemployment benefits		60,069		9,335			69,404
Unearned revenue		965					965
Bonds payable, net of unamortized discounts and premiums	1,134,896			101,338			1,236,234
Total noncurrent liabilities	1,134,896	202,154	-	132,216	-	-	1,469,266
Total liabilities	1,192,296	214,048	-	220,460	30,687	-	1,657,491
Deferred Inflows of Resources							
Pension related amounts		14,004		2,463			16,467
Forward delivery agreements			$ 673		2,844		3,517
Postemployment benefit related amounts		8,343		1,751			10,094
Total deferred inflows of resources	-	22,347	673	4,214	2,844	-	30,078
Net Position							
Net investment in capital assets	664,250			25		$ 139,032	803,307
Restricted for:							
Debt requirements		16,705	3,000		194,492		214,197
Capital and port district projects						1,999	1,999
Unrestricted (deficiency)		(201,671)	2,607	109,851	3,434		(85,779)
Total net position (deficiency)	$ 664,250	$ (184,966)	$ 5,607	$ 109,876	$ 197,926	$ 141,031	$ 933,724

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Changes in Fund Net Position Information by Fund
For the Year Ended December 31, 2020
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Net Position (Deficiency), January 1	$ 479,140	$ (181,449)	$ 5,468	$ 127,730	$ 198,948	$ 249,569	$ 879,406
Revenues and Expenses							
Operating revenues		276,954		10,251			287,205
Operating expenses	(74,791)	(52,130)		(45,780)			(172,701)
General and administration expenses		(57,551)		(10,085)			(67,636)
Investment income		1,855	139	5,886	1,390	1,462	10,732
Interest expense	1,591			1,406	(61,374)		(58,377)
Economic development activities				(104)			(104)
Other nonoperating revenues (expenses)	7	(201)		(1,128)			(1,322)
Other grant revenues				34,529			34,529
Total revenues and expenses	(73,193)	168,927	139	(5,025)	(59,984)	1,462	32,326
Government Contributions for Capital Improvements, Additions and other projects	-	-	-	21,992	-	-	21,992
Interfund Transfers and Payments							
Bond service		(113,294)		(18,203)	131,497		
Funds in excess of bond reserve requirement				4,195	(4,195)		
Funds free and clear of any lien or pledge		(59,800)		59,800			
Funds for permitted capital expenditures				110,000		(110,000)	
Retirement of bonds	55,725			12,615	(68,340)		
Capital additions	202,592			(202,592)			
Net equity transfers	(14)	650		(636)			
Total interfund transfers and payments	258,303	(172,444)	-	(34,821)	58,962	(110,000)	
Net Position (Deficiency), December 31	$ 664,250	$ (184,966)	$ 5,607	$ 109,876	$ 197,926	$ 141,031	$ 933,724

DELAWARE RIVER PORT AUTHORITY

Supplemental Schedule of Net Position Information for Bond and Project Funds
December 31, 2020
(amounts expressed in thousands)

	Bond Reserve Fund	Bond Service Fund	1998 Port District Project Fund	1999 Project Fund	1999 Port District Project Fund	2018 Project Fund	Total Combined Funds
Assets							
Current Assets							
Restricted assets							
Cash and cash equivalents			$ 4	$ 60	$ 473		$ 537
Investments	$ 127,074	$ 101,488					228,562
Accrued interest receivable	50	1				$ 4	55
Total current assets	127,124	101,489	4	60	473	4	229,154
Noncurrent Assets							
Restricted investments for capital projects						140,490	140,490
Derivative instrument - forward delivery agreements		2,844					2,844
Total noncurrent assets	-	2,844	-	-	-	140,490	143,334
Total assets	127,124	104,333	4	60	473	140,494	372,488
Liabilities							
Current Liabilities							
Liabilities payable from restricted assets							
Accrued interest payable		30,687					30,687
Total current liabilities	-	30,687	-	-	-	-	30,687
Total liabilities	-	30,687	-	-	-	-	30,687
Deferred Inflows of Resources							
Forward delivery agreements	-	2,844	-	-	-	-	2,844
Net Position							
Net investment in capital assets						139,032	139,032
Restricted for							
Revenue and port district project bonds	123,690						123,690
Revenue and port district bond service		70,802					70,802
Capital and port district projects			4	60	473	1,462	1,999
Unrestricted	3,434						3,434
Total net position	$ 127,124	$ 70,802	$ 4	$ 60	$ 473	$ 140,494	$ 338,957

DELAWARE RIVER PORT AUTHORITY

Supplemental Schedule of Changes in Net Position Information for Bond and Project Funds
For the Year Ended December 31, 2020
(amounts expressed in thousands)

	Bond Reserve Fund	Bond Service Fund	1998 Port District Project Fund	1999 Project Fund	1999 Port District Project Fund	2018 Project Fund	Total Combined Funds
Net Position, January 1	$ 129,993	$ 68,955	$ 4	$ 60	$ 473	$ 249,032	$ 448,517
Revenues and Expenses:							
Investment income	1,326	64				1,462	2,852
Interest expense		(61,374)					(61,374)
Total revenues and expenses	1,326	(61,310)	-	-	-	1,462	(58,522)
Interfund Transfers and Payments:							
Bond service		131,497					131,497
Funds in excess of bond reserve requirement	(4,195)						(4,195)
Funds for permitted capital expenditures						(110,000)	(110,000)
Retirement of bonds		(68,340)					(68,340)
Total interfund transfers and payments	(4,195)	63,157	-	-	-	(110,000)	(51,038)
Net Position, December 31	$ 127,124	$ 70,802	$ 4	$ 60	$ 473	$ 140,494	$ 338,957

2020

Statistical Section

2020

Statistical Section

Financial Trend Data

Last Ten Fiscal Years

Unaudited

The Authority's net position in 2020 increased by $54.3 million despite poorer operating results than in previous years. (Changes in net position over the past three years averaged close to $100 million per year). Income before capital contributions in 2020 totaled $32.2 million down from $77.4 million in the previous year, despite a $32 million increase in other nonoperating revenues, principally new federal transit grants from the CARES Act. The $45.1 million decrease in income before capital contributions was directly related to a $62.1 million decrease in total bridge revenues and an $19.0 million decrease in total PATCO revenues. Fortunately, the combined $81.1 million reduction, in total bridge and PATCO operating revenues, was partially offset by $9.7 million in reduced overall expenses (incl. depreciation), and by CARES Act transit grant revenues of $32.7 million.

The Authority's net position has improved from $332.7 million to $933.7 million (a $601 million increase) since 2011, fueled largely by higher toll revenues and operating income since then. During the period 2011 through 2019, total operating revenues exceeded $325 million and the average increase in operating income averaged close to $130 million annually. As a result, net additions, or changes, to net position averaged an increase of over $86 million annually. As mentioned during 2020, this recent trend of past years was disrupted, as operating income fell to its lowest level during the decade, or $46.9 million.

NET POSITION ***(In Thousands)***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net investment in capital assets	$ 803,307	$ 722,577	$ 727,790	$ 271,323	$ 235,795	$ 203,366	$ 174,762	$ 213,138	$ 272,905	$ 214,632
Restricted	216,196	219,510	157,143	205,742	209,924	219,485	215,004	159,521	143,692	185,219
Unrestricted (deficiency)	(85,779)	(62,681)	(105,094)	267,069	209,522	165,519	198,079	138,730	2,232	(67,153)
Total Net Position	$ 933,724	$ 879,406	$ 779,838	$ 744,134	$ 655,241	$ 588,370	$ 587,845	$ 511,389	$ 418,829	$ 332,698

CHANGES IN NET POSITION ***(In Thousands)***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Revenues										
Bridges:										
Tolls	$ 268,141	$ 332,231	$ 335,588	$ 331,537	$ 319,778	$ 307,240	$ 297,267	$ 293,863	$ 292,810	$ 267,685
Other operating revenues	8,724	6,729	7,201	5,856	6,675	6,435	7,702	6,451	6,372	5,049
Total bridge operating revenues	276,865	338,960	342,789	337,393	326,453	313,675	304,969	300,314	299,182	272,734
Transit system:										
Passenger fares	9,260	27,127	26,215	26,562	26,073	24,943	24,257	25,908	26,035	24,004
Other operating revenues	932	2,044	2,733	1,799	1,943	1,661	1,506	1,699	1,957	1,817
Total transit system operating revenues	10,192	29,171	28,948	28,361	28,016	26,604	25,763	27,607	27,992	25,821
Port of Philadelphia and Camden:										
Cruise terminal									2	369
RiverLink					27	30				68
Total Port of Philadelphia and Camden	-	-	-	-	27	30	-	-	2	437
Other:										
Miscellaneous	148	73	170	226	216	985	150	203	224	556
Total operating revenues	287,205	368,204	371,907	365,980	354,712	341,294	330,882	328,124	327,400	299,548
Operating Expenses										
Operations	97,410	103,195	98,391	96,310	93,443	89,213	100,596	97,436	98,581	94,259
Community impact	500	500	500	3,791	3,790	3,781	3,745	3,688	3,611	3,560
General and administration	67,636	67,932	68,756	60,142	66,964	56,309	41,347	38,932	44,277	40,536
Port of Philadelphia and Camden						49	189	62	29	246
Depreciation	74,791	78,365	71,816	61,270	58,933	57,614	57,425	54,801	55,018	49,216
Total operating expenses	240,337	249,992	239,463	221,513	223,130	206,966	203,302	194,919	201,516	187,817
Operating Income	46,868	118,212	132,444	144,467	131,582	134,328	127,580	133,205	125,884	111,731
Nonoperating Revenues (Expenses)										
Investment income (net of change in fair value of derivative instruments)	10,732	17,331	25,020	9,128	7,944	7,834	8,479	4,628	7,638	13,633
Interest expense	(58,377)	(61,671)	(66,736)	(72,556)	(74,419)	(75,792)	(78,377)	(58,784)	(66,540)	(77,870)
Amortization expense		(61)	(97)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Economic development activities	(104)	(95)	(68)	(4,194)	(3,404)	(4,167)	(2,401)	(4,371)	(8,695)	(2,025)
Loss on defeasance of debt			(9,266)							
Other	33,200	973	1,549	4,591	3,115	5,156	4,844	2,825	4,276	3,055
Bond issuance costs								(2,516)	(1,374)	
Loss on abandonment of Aerial Tram project										(18,318)
Loss on disposal of capital assets	7	2,739			(84)	(1,732)				(7,929)
Total nonoperating revenues (expenses)	(14,542)	(40,784)	(49,598)	(63,131)	(66,948)	(68,801)	(67,555)	(58,318)	(64,795)	(89,554)
Income (Loss) Before Capital Contributions	32,326	77,428	82,846	81,336	64,634	65,527	60,025	74,887	61,089	22,177
Capital Contributions										
Federal and state capital improvement grants	21,992	22,139	26,994	7,557	2,237	36,758	16,431	17,673	25,042	33,021
Change in Net Position	$ 54,318	$ 99,567	$ 109,840	$ 88,893	$ 66,871	$ 102,285	$ 76,456	$ 92,560	$ 86,131	$ 55,198

Figures for 2015 through 2020 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* , and GASB Statement No. 71, P*ension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.*

Revenue Capacity Data

Last Ten Fiscal Years

Unaudited

The year-ending 2020 was a tremendously challenging year for the Authority and other tolling agencies. Total major annual revenues (consisting primarily of bridge operating revenues, PATCO transit system revenues and investment income) had grown significantly in the period 2011 through 2019, increasing from $304.0 million to $385.5 million, an increase in revenues of about $81.5 million, during the period. Revenue growth in the period from 2011 to 2019 reflected the impact of an increase in bridge toll revenues and transit system fares implemented in 2011. Major revenues during 2018 and 2019 were at the highest levels in DRPA history. Unfortunately, this positive upward trend was shattered with the dramatic decreases in overall major revenues attributable to the pandemic. Revenues dropped below 2011 totals as these revenues, inclusive of investment income, dropped by $87.7 million. DRPA and PATCO operating revenues decreased by a total of $81.1 million. Interest income decreased by $6.6 million, or by 38.1% resultant from significantly lower interest rates on lower principal amounts. (Note: 2018 income was "artificially" bolstered by a $7.9 million termination of a forward agreement and high investment balances and relatively higher rates.)

Up until 2015, bridge traffic had decreased steadily since 2008. Traffic volume then trended upwards through 2018. Traffic declines between 2008 and 2014, were largely attributable to overall poor economic conditions and the impact of previous toll increases. In 2018, bridge traffic reached its highest level since 2008. In 2019, bridge traffic decreased slightly by 166 thousand vehicles or by 0.31% vs. 2018 volumes, largely due to the impact of major construction projects on and/or near the Commodore Barry and Betsy Ross bridges. 2019 traffic was slightly below 2018 volumes but traffic still averaged 53 million during the period 2017 thru 2019. DRPA traffic for 2020 totaled 40.3 million vehicles, a decrease of 12.8 million vehicles, or a 24.1% decline, due to the pandemic. Traffic, which had dipped to a low of 30% of 2019 volumes in April, rebounded to reflect traffic at roughly 80% of 2019 volumes, during the second half of 2020.

In 2019, total PATCO transit system operating revenues (inclusive of fare, parking, and advertising revenues) increased vs. 2018 figures. Total PATCO revenues increased by $223 thousand, representing a 0.77% increase. During 2019, PATCO's passenger fare revenues increased by $912 thousand, or by 3.48%, due to an increase in ridership of 316 thousand. PATCO suffered severe reductions in its ridership and revenues in 2020, losing 7.2 million riders and $19.0 million in total revenues. Ridership began to slowly rebound from lows of 10% of 2019 volumes during March and April, towards 20- 25% at the end of the year.

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

MAJOR REVENUES BY SOURCE ***(In Thousands)***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Bridge operating revenues	$ 276,865	$ 338,960	$ 342,789	$ 337,393	$ 326,453	$ 313,675	$ 304,969	$ 300,314	$ 299,182	$ 272,734
PATCO transit system operating revenues	10,192	29,171	28,948	28,361	28,016	26,604	25,763	27,607	27,992	25,821
Port of Philadelphia and Camden					27	30			2	437
Investment income	10,732	17,331	25,014	9,013	7,720	7,450	6,909	5,581	5,803	4,968
Total revenues	$ 297,788	$ 385,462	$ 396,751	$ 374,767	$ 362,216	$ 347,759	$ 337,641	$ 333,502	$ 332,979	$ 303,960

On July 1, 2011, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class. On December 1, 2015, the Authority reinstituted the E-ZPass frequent bridge traveler credit program. The Authority also implemented a 10% increase in PATCO passenger fares. On December the Authority reinstituted the E-ZPass frequent bridge traveler program, which reduced annual toll revenues by approximately $1.8 million annually in 2016 through 2019. During 2020, toll revenues were reduced by only $1.1 million due to reduced commuter eligibility for the credit.

TOLL REVENUE BY BRIDGE ***(In Thousands)***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Walt Whitman Bridge	$ 98,209	$ 125,948	$ 125,790	$ 125,001	$ 124,379	$ 122,648	$ 116,256	$ 111,256	$ 111,900	$ 103,191
Ben Franklin Bridge	88,221	106,816	104,797	103,262	101,860	97,739	97,923	101,094	100,443	89,824
Betsy Ross Bridge	33,588	42,204	45,340	45,700	40,408	34,766	33,408	33,578	34,084	32,295
Commodore Barry Bridge	48,101	57,149	58,543	57,325	55,731	52,087	49,680	47,935	46,383	42,375
Total toll revenues	268,119	332,117	334,470	331,288	322,378	$ 307,240	$ 297,267	$ 293,863	$ 292,810	$ 267,685
E-ZPass CSC revenue allocation share			(200)	249	(2,600)					
Other toll revenues	22	114	1,318							
	$ 268,141	$ 332,231	$ 335,588	$ 331,537	$ 319,778					

On July 1, 2011, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class. On December 1, 2015, the Authority reinstituted the E-ZPass frequent bridge traveler credit

On November 16, 2016, the Authority's Board authorized an initial payment of $2.6 million to the NJ CSC based on a revenue allocation formula, under the new contract, which determined the DRPA's portion of past negative balance E-ZPass customer accounts. In May 2017, the actual invoice payment for this commitment came in at $2.351 million. Revenues for 2017 were adjusted upward by $249 thousand to reflect this reduction in the amount due. In 2018, revenues were reduced by $200 thousand to adjust for the DRPA's E-ZPass CSC Revenue Allocation Share. Other toll revenues were $1.32 million. Please see Note 15 for additional information.

BRIDGE CASH TOLL RATES

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Class 1 - Motorcycle	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00
Class 2 - Automobile	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Class 3 - Two axle trucks	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Class 4 - Three axle trucks	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50
Class 5 - Four axle trucks	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Class 6 - Five axle trucks	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50
Class 7 - Six axle trucks	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Class 8 - Bus	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Class 9 - Bus	11.25	11.25	11.25	11.25	11.25	11.25	11.25	11.25	11.25	11.25
Class 10 - Senior citizen	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Class 13 - Auto w/trailer (1 axle)	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75

The toll rates shown above are cash toll rates in effect for the period indicated. On July 1, 2011, the Authority implemented the second phase of a new bridge toll schedule which increased tolls in each vehicle class. The Authority also implemented a 10% increase in PATCO passenger fares. On December 1, 2015, the Authority reintroduced the frequent bridge traveler credit program, which pays $18 in monthly credits to passenger vehicles with a minimum of 18 bridge crossings per month.

Revenue Capacity Data (Continued)
Last Ten Fiscal Years
Unaudited

BRIDGE TRAFFIC BY VEHICLE CLASSIFICATION ***(In Thousands)***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Vehicle classification:										
Automobiles & light trucks	36,130	48,482	48,599	48,214	47,225	44,905	43,644	43,732	43,931	44,757
Trucks	3,306	3,335	3,343	3,304	3,137	2,865	2,713	2,571	2,505	2,542
Buses	141	227	241	239	236	217	228	231	236	250
Senior citizens	719	1,057	1,083	1,144	1,204	1,215	1,245	1,344	1,405	1,440
Other	4	3	4	3	3	3	2	2	3	3
Total traffic	40,300	53,104	53,270	52,904	51,805	49,205	47,832	47,880	48,080	48,992

BRIDGE TRAFFIC BY BRIDGE ***(In Thousands)***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Walt Whitman Bridge	14,843	20,173	20,063	19,901	19,945	19,634	18,665	18,086	18,311	18,806
Ben Franklin Bridge	14,920	19,076	18,713	18,532	18,367	17,591	17,642	18,292	18,285	18,286
Betsy Ross Bridge	4,917	6,554	6,990	6,983	6,182	5,158	4,923	4,993	5,090	5,429
Commodore Barry Bridge	5,620	7,301	7,504	7,488	7,311	6,822	6,602	6,509	6,394	6,471
Total traffic	40,300	53,104	53,270	52,904	51,805	49,205	47,832	47,880	48,080	48,992

PATCO TRANSIT SYSTEM OPERATING REVENUES ***(In Thousands)***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Passenger fares	$ 9,260	$ 27,127	$ 26,215	$ 26,562	$ 26,073	$ 24,943	$ 24,257	$ 25,908	$ 26,035	$ 24,004
Other revenues	932	2,044	2,733	1,799	1,943	1,661	1,506	1,699	1,957	1,817
Total operating revenues	$ 10,192	$ 29,171	$ 28,948	$ 28,361	$ 28,016	$ 26,604	$ 25,763	$ 27,607	$ 27,992	$ 25,821

On July 1, 2011, passenger fares were increased by 10%.

PATCO PASSENGER FARES

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Lindenwold / Ashland / Woodcrest	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00
Haddonfield / Westmont / Collingswood	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Ferry Avenue	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
New Jersey	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
City Hall / Broadway / Philadelphia	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40

On July 1, 2011, passenger fares were increased by 10%.

PATCO TRANSIT SYSTEM RIDERSHIP ***(In Thousands)***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Passengers	3,949	11,107	10,791	10,839	10,653	10,169	10,007	10,542	10,613	10,506

Debt Capacity Data

Last Ten Fiscal Years

Unaudited

Debt Service Coverage: In 2020, net revenues available for debt service, decreased to $170.1 million resulting primarily from lower toll revenues (down $64.1 million). Bridge operating expenses and general and administrative expenses decreased by $3.3 million, while annual debt service remained flat. Interest income in 2020 increased vs. 2019 due to a $1.8 million payment related to a one-time, multi-state class settlement with a former swap counterparty. The aforementioned factors caused the DSC (debt service coverage) to drop from 2.04x to 1.50x. Overall debt outstanding has decreased from a high of $1.65 billion to $1.31 billion since 2013, a decrease of almost $350 million in principal.

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

During the period, 2011 to 2013, net revenues available for debt service, which increased from $186.4 million to $211.2 million, helped propel an increase in DSC from 2.08x to a ten-year high of 2.66x in 2012. DSC grew during that time period despite higher debt service costs related to the issuance of the 2010 revenue bonds. Beginning in 2012, annual debt service was reduced by the early redemption of approximately $24 million of 1999 revenue bonds, which was a major factor in the growth of the DSC from 2.08x to 2.64x in the period 2011 through 2013. In 2014, DSC dropped as a result of the issuance of the 2013 revenue bonds and it has hovered around the 2.00x level for the period through 2019.

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

DEBT SERVICE COVERAGE *(In Thousands)*

	2020	2019 **	2018	2017	2016 *	2015 *	2014 *	2013 *	2012 *	2011 *
Revenues available for Debt Service:										
Bridge operating	$ 276,865	$ 338,960	$ 342,789	$ 337,393	$ 326,453	$ 313,675	$ 304,969	$ 300,314	$ 299,182	$ 272,734
Interest income	1,994	397	3,145	561	527	157	152	152	154	155
	278,859	339,357	345,934	337,954	326,980	313,832	305,121	300,466	299,336	272,889
Less expenses:										
Bridge operating	53,180	57,235	53,550	54,116	50,737	47,885	53,466	53,042	56,325	49,369
General and administration	57,817	57,063	59,939	51,938	59,558	48,378	41,347	38,932	44,277	40,536
	110,997	114,298	113,489	106,054	110,295	96,263	94,813	91,974	100,602	89,905
Add:										
OPEB Expense (exclusive of PATCO)	1,551	4,386	3,439	3,635	3,843	4,694	4,694	400	1,635	1,005
Interest income:										
1998, 1999, 2008, 2010, 2013 and 2018 Revenue Bonds	732	2,706	11,549	2,666	2,361	2,342	2,349	2,352	2,086	2,387
	2,283	7,092	14,988	6,301	6,204	7,036	7,043	2,752	3,721	3,392
Net revenues available for Debt Service:										
1998 Revenue Bond Indenture	$ 170,145	$ 232,151	$ 247,433	$ 238,201	$ 222,889	$ 224,605	$ 217,351	$ 211,244	$ 202,455	$ 186,376
Debt Service (Revenue Bonds): **										
Swap payments (net)			$ 18,430	$ 24,634	$ 28,835	$ 32,351	$ 34,681	$ 36,206	$ 37,736	$ 39,250
1998, 1999 Revenue Bonds									6,450	19,391
2008 Revenue Refunding Bonds			25,517	23,188	20,839	18,648	17,746	15,775	15,155	14,534
2010 Revenue Bonds			12,997	15,429	15,429	15,429	15,429	15,429	15,429	15,429
2010 Revenue Refunding Bonds			30,052	27,201	24,288	21,560	20,445	11,805	1,245	1,033
2013 Revenue Bonds	$ 23,655	$ 23,655	23,655	23,655	23,655	23,655	23,655	854		
2018 Revenue Bonds	89,639	90,291	1,248							
Total Debt Service	$ 113,294	$ 113,946	$ 111,899	$ 114,107	$ 113,046	$ 111,643	$ 111,956	$ 80,069	$ 76,015	$ 89,637
Debt Service coverage (times):										
1998 Bond Indenture	1.50	2.04	2.21	2.09	1.97	2.01	1.94	2.64	2.66	2.08

* Debt service for the years 2011 through 2016 have been restated.

** The Authority's variable rate debt (revenue refunding bonds) and swaps were terminated in 2018.

FUNDED DEBT *(In Thousands)*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Outstanding Revenue Bond related debt	$ 1,192,296	$ 1,260,928	$ 1,274,676	$ 1,298,855	$ 1,341,686	$ 1,382,263	$ 1,420,724	$ 1,450,720	$ 978,185	$ 1,034,519
Outstanding Port District Project Bond debt	114,723	129,061	142,796	155,966	168,603	180,735	192,454	203,995	209,603	314,470
Total outstanding debt	$ 1,307,019	$ 1,389,989	$ 1,417,472	$ 1,454,821	$ 1,510,289	$ 1,562,998	$ 1,613,178	$ 1,654,715	$ 1,187,788	$ 1,348,989

RATIO OF DEBT PER CUSTOMER (Based on Revenue Bond Debt) *(In Thousands)*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Outstanding Revenue Bond related debt	$ 1,192,296	$ 1,260,928	$ 1,274,676	$ 1,298,855	$ 1,341,686	$ 1,382,263	$ 1,420,724	$ 1,450,720	$ 978,185	$ 1,034,519
Total annual debt service related to Revenue Bonds	$ 113,294	$ 113,946	$ 111,899	$ 114,107	$ 113,046	$ 111,643	$ 111,956	$ 80,069	$ 76,015	$ 89,637
Total traffic	40,300	53,104	53,270	52,904	51,805	49,205	47,832	47,880	48,080	48,992
Outstanding Revenue Bond debt per customer	$ 29.59	$ 23.74	$ 23.93	$ 24.55	$ 25.90	$ 28.09	$ 29.70	$ 30.30	$ 20.34	$ 21.12
Outstanding total bond debt per customer	$ 32.43	$ 26.17	$ 26.61	$ 27.50	$ 29.15	$ 31.77	$ 33.73	$ 34.56	$ 24.70	$ 27.53
Debt service per customer	$ 2.81	$ 2.15	$ 2.10	$ 2.16	$ 2.18	$ 2.27	$ 2.34	$ 1.67	$ 1.58	$ 1.83

Source: The Authority

Demographic and Economic Data

Last Ten Fiscal Years

Unaudited

The following figures provide four key external factors during the ten years from 2010-2019 that affected the geographic region in which the Authority functions; this region is the Port District, which is comprised of the counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia in Pennsylvania, and the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem in New Jersey.

Based on the most recent data (2019 is the latest year for which this information is available), population increased in the Pennsylvania counties by 3.0% (about 121,500 people) since 2011. The unemployment rate in the Philadelphia counties for the period of 2011 through 2019 reflected a high of 8.63% in 2012 and a low of 4.21% in 2018. Six of the top ten employers in the Pennsylvania counties were health care organizations. There was an increase in the population of the Pennsylvania counties by approximately 0.18%, from 2018 to 2019, an increase of about 7,300 people. The unemployment rate increased from 4.21% to 4.29% during 2019.

Population decreased in the New Jersey counties by 0.24% (about 5,472 people) since 2010, however there was a population increase from 2018 to 2019, by 1,200 people, or 0.05%. The unemployment rate in the New Jersey counties for the period of 2010 through 2019 reflected a high of 10.82% in 2012 and a low of 4.09% in 2019. The unemployment rate decreased from 4.69% in 2018 to 4.09% in 2019. Two of the top ten employers were health care organizations and four of the top ten are universities.

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

PENNSYLVANIA PORT DISTRICT

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Population [1]	4,134,985	4,127,734	4,119,268	4,095,710	4,093,516	4,081,572	4,067,265	4,053,493	4,033,385	4,013,504
Total Personal Income [1]	$ 292,031,788	$ 282,112,667	$ 270,935,037	$260,561,830	$251,261,143	$241,144,698	$229,839,578	$227,744,849	$213,170,968	$201,303,429
Per Capita Personal Income [1]	$ 70,625	$ 68,346	$ 65,773	$63,618	$61,380	$59,081	$56,510	$56,185	$52,852	$50,157
Unemployment Rate [2]	4.29%	4.21%	4.78%	5.17%	5.30%	5.98%	7.60%	8.63%	8.14%	8.36%

Sources:

[1] *United States Dept of Commerce, Bureau of Economic Analysis. BEA Regional Economic Account data was used for each PA Port District county served by the DRPA. Figures here are totals for all counties in the PA Port District.*

[2] United States Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

PENNSYLVANIA PORT DISTRICT TOP TEN EMPLOYERS

		# of Employees	% of Employment
1.	University of Pennsylvania & Health System	46,554	1.48%
2.	Thomas Jefferson University & Jefferson Health	32,000	1.02%
3.	Children's Hospital of Philadelphia	22,051	0.70%
4.	Comcast Corporation	17,607	0.56%
5.	Vanguard Group	11,100	0.35%
6.	Drexel University	9,347	0.30%
7.	Independence Health Group	8,210	0.26%
8.	Wells Fargo Bank, N.A.	6,023	0.19%
9.	Einstein Healthcare Network	4,768	0.15%
10.	Universal Health Services, Inc.	4,500	0.14%

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

Source: Philadelphia Business Journal

NEW JERSEY PORT DISTRICT

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Population	2,418,263	2,417,089	2,428,265	2,425,552	2,426,511	2,429,015	2,427,966	2,429,417	2,427,092	2,424,005
Total Personal Income	$ 133,741,871	$ 130,016,858	$ 125,526,033	$ 120,512,111	$ 117,756,428	$ 113,026,005	$ 109,187,163	$ 107,985,081	$ 105,590,941	$ 101,444,769
Per Capita Personal Income	$ 55,305	$ 53,791	$ 51,694	$ 49,684	$ 48,529	$ 46,532	$ 44,971	$ 44,449	$ 43,505	$ 41,850
Unemployment Rate	4.09%	4.69%	5.29%	5.68%	6.82%	7.99%	9.62%	10.82%	10.75%	10.33%

Source:

[1] *United States Dept of Commerce, Bureau of Economic Analysis. BEA Regional Economic Account data was used for each NJ Port District county served by the DRPA. Figures here are totals for all counties in the NJ Port District.*

[2] United States Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

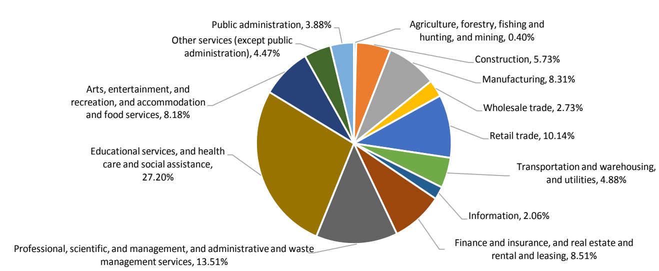
NEW JERSEY PORT DISTRICT TOP TEN EMPLOYERS

		# of Employees	% of Employment
1.	ACCU Staffing Services	20,260	0.65%
2.	Cooper University Health Care	7,500	0.24%
3.	Inspira Health	6,200	0.20%
4.	Rowan University	3,979	0.13%
5.	NFI	2,400	0.08%
6.	Stockton University	1,608	0.05%
7.	Rutgers University - Camden	1,100	0.04%
8.	American Water	950	0.03%
9.	Rastelli Foods Group	650	0.02%
10.	Georgian Court University	525	0.02%

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

Source: NJ.gov Leading Employers

EMPLOYMENT SHARES BY SECTOR: GREATER PHILADELPHIA REGION 2019



Source: American Community Survey

Operating Information

Last Ten Fiscal Years

Unaudited

In 2020, bridge toll revenues dropped to $268.1 million, while total bridge operating revenues were reduced to $276.9 million. Overall bridge operating revenues, and more specifically bridge toll revenues, had shown positive year-to-year growth for the ten-year period shown below, with the exception of activity during 2019 and 2020. Beginning in 2012, toll revenues increased sharply relative to prior years, due to the mid-year 2011 toll increase. In the period 2017-2019, bridge toll and operating revenues exceeded $330 million. During 2018, net toll revenues reached $335.6 million annually, the highest in DRPA history. These higher revenues were largely attributable to a $366 thousand increase in total traffic activity (especially commercial vehicles) during 2018. During 2019, bridge operating revenues decreased by $3.8 million, or by 1.12%, primarily due to the drop in traffic and net toll revenues of $3.4 million. (The lower toll revenues reflected reduced traffic of 166 thousand vehicles). Total revenues for 2019 still are the second highest total in DRPA history.

General expenses which had fallen below $200 million in 2013, increased beyond this level beginning in 2014, as interest expense rose due to the issuance of new bonds in December 2013. In 2019, general expenses totaled $233.3 million, down $1.1 million (or 0.46%), from the previous year, largely due to reduced interest expense of ($5.0 million), which offset most of the increases in DRPA and PATCO expenses. (2018 total expenses had reflected a small $1.6 million increase vs. 2017). During 2020, due to the Authority's cost-containment strategy during the pandemic, expenses decreased by $9.4 million to total $223.9 million, a 4.0% decrease from the previous year.

In 2020, capital expenditures exceeded $200 million annually for the first time in DRPA history, as seven (7) capital projects exceeded $10 million in expenditures. Capital expenditures of $202.6 million, which represented a $84.3 million higher level of expenditures vs. 2019 expenditures of $118.3 million. During 2011 and 2012, capital expenditures, exceeded $100 million for the first time during the ten-year period shown, with 2011 expenditures exceeding $158 million. During 2014 through 2017, capital expenditures averaged around $130 million a year while expenditures rose to $168.3 million, during 2018. The decrease in 2019 expenditures vs. 2018 was primarily due to major projects rolling off and delays in some major projects. Capital expenditures were funded with bond project and General Funds and some federal funding.

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

BRIDGE OPERATING REVENUES *(In Thousands)*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Toll revenues by vehicle classification:										
Automobiles, light trucks and commuters	$ 180,724	$ 241,636	$ 242,316	$ 240,079	$ 234,982	$ 225,263	$ 219,197	$ 219,379	$ 220,379	$ 201,483
Trucks	83,842	85,235	86,609	85,548	81,352	76,389	72,377	68,298	66,087	60,383
Buses	1,414	2,215	2,376	2,383	2,354	2,189	2,278	2,310	2,370	2,271
Senior citizens	1,797	2,641	2,709	2,860	3,010	3,037	3,113	3,360	3,512	3,123
Other	342	390	460	418	680	362	302	516	462	425
Total toll revenues	268,119	332,117	334,470	331,288	322,378	307,240	297,267	293,863	292,810	267,685
E-ZPass CSC revenue allocation			(200)	249	(2,600)					
Other toll revenues	22	114	1,318							
Net toll revenues	268,141	332,231	335,588	331,537	319,778					
Other bridge operating revenues	8,724	6,729	7,201	5,856	6,675	6,435	7,702	6,451	6,372	5,049
Total bridge operating revenues	$ 276,865	$ 338,960	$ 342,789	$ 337,393	$ 326,453	$ 313,675	$ 304,969	$ 300,314	$ 299,182	$ 272,734

On July 1, 2011, the Authority implemented the second phase of a new bridge toll schedule which increased tolls in each vehicle class. On December 1, 2015, the Authority reinstituted the E-ZPass frequent bridge traveler credit program.

On November 16, 2016, the Authority's Board authorized an initial payment of $2.6 million to the NJ CSC based on a revenue allocation formula, under the new contract, which determined the DRPA's portion of past negative balance E-ZPass customer accounts. In May 2017, the actual invoice payment for this commitment came in at $2.351 million. Revenues for 2017 were adjusted upward by $249 thousand to reflect this reduction in the amount due. In 2018, revenues were reduced by $200 thousand to adjust for the DRPA's E-ZPass CSC Revenue Allocation Share. Other toll revenues were $1.32 million. Please see Note 15 for additional information.

GENERAL EXPENSES BY FUNCTION *(In Thousands)*

	2020 *	2019 *	2018 *	2017 *	2016 *	2015 *	2014	2013	2012	2011
Bridge operations:										
Salaries and employee benefits	$ 48,097	$ 50,560	$ 46,665	$ 47,739	$ 44,836	$ 39,605	$ 35,955	$ 34,184	$ 32,790	$ 30,743
Equipment and supplies	868	1,242	984	1,323	991	203	187	209	159	194
Maintenance and repairs	1,444	2,140	2,511	1,807	1,996	3,408	3,905	3,356	1,990	3,327
Utilities	1,241	1,361	1,329	1,323	1,393	1,597	2,256	1,591	1,636	1,694
Insurance							3,053	5,719	2,877	4,974
Other	1,530	1,932	2,061	1,924	1,521	3,072	8,110	7,983	16,873	8,437
Total bridge operations	53,180	57,235	53,550	54,116	50,737	47,885	53,466	53,042	56,325	49,369
PATCO transit system:										
Maintenance of way and power	13,970	13,557	13,624	13,153	13,970	12,308	11,469	11,263	10,770	10,865
Maintenance of equipment	7,549	7,696	7,363	6,406	7,402	7,256	6,728	6,547	6,157	6,149
Purchased power	3,735	4,225	4,055	3,908	3,776	4,396	4,712	4,688	4,270	5,230
Transportation	18,976	20,483	19,799	18,727	17,558	17,368	16,070	16,015	15,012	14,347
General and administration										
General insurance	1,540	1,499	1,282	1,774	1,036	1,902	2,564	1,583	1,276	4,288
Administration	8,280	9,370	7,535	6,430	6,370	6,029	5,587	4,298	4,771	4,011
Total PATCO transit system	54,050	56,830	53,658	50,398	50,112	49,259	47,130	44,394	42,256	44,890
Community impact	500	500	500	3,791	3,790	3,781	3,745	3,688	3,611	3,560
General and administration	57,816	57,063	59,939	51,938	59,558	48,378	41,347	38,932	44,277	40,536
Port of Philadelphia and Camden						49	189	62	29	246
Interest	58,377	61,671	66,736	72,556	74,419	75,792	78,377	58,784	66,540	77,870
Total expenses	$ 223,923	$ 233,299	$ 234,383	$ 232,799	$ 238,616	$ 225,144	$ 224,254	$ 198,902	$ 213,038	$ 216,471

In 2020, total expenses decreased by $9.3 million or by 4.02%, largely a result of lower interest costs (down $3.2 million) and combined reductions in bridge and PATCO expenses totaling $6.8 million, which offset increases in bridge and PATCO transit system operating expenses. From 2010 through 2013, total general expenses at DRPA and PATCO reflected a downward trend, decreasing from $226.97 million in 2010 to $198.9 million, a 14.1% decrease over the period. Total expenses for 2013 dropped below $200 million annually, the first time this had happened since 2006. Beginning in 2014, interest expense increased significantly due to the issuance of the 2013 revenue bonds, which greatly impacted total expenses. In 2018, interest expense decreased to $66.74 million, a decrease of $5.82 million or 8.02%, in part due to defeasance of the 2010 bonds in November 2018. In 2018, DRPA G&A expenses increased by $8.0 million. The increase in G&A was principally attributable to the biennial inspection and bond issuance costs. (Note: biennial inspection costs of $3.6 million are included in the G&A costs for 2020, an increase of $3.4 million over 2019).

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

Operating Information (Continued)
Last Ten Fiscal Years
Unaudited

OPERATING STATISTICS ***(In Thousands)***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
DRPA:										
Total traffic	40,300	53,104	53,270	52,904	51,805	49,205	47,832	47,880	48,080	48,992
Non-commercial traffic	36,994	49,769	49,927	49,600	48,668	46,340	45,119	45,309	45,575	46,450
Commercial traffic	3,306	3,335	3,343	3,304	3,137	2,865	2,713	2,571	2,505	2,542
Average daily traffic	110	145	146	145	142	135	131	131	132	134
Average toll per customer	$ 6.65	$ 6.25	$ 6.28	$ 6.26	$ 6.22	$ 6.24	$ 6.21	$ 6.14	$ 6.09	$ 5.46
E-ZPass traffic	36,157	36,157	35,827	34,941	33,569	31,342	30,182	29,635	29,098	28,983
% of E-ZPass traffic	89.7%	68.1%	67.3%	66.0%	64.8%	63.7%	63.1%	61.9%	60.5%	59.2%
PATCO:										
Total passengers	3,949	11,107	10,791	10,839	10,653	10,169	10,007	10,542	10,613	10,506
Average daily passengers	11	30	30	30	29	28	27	29	29	29
Average fare per passenger	$ 2.34	$ 2.44	$ 2.43	$ 2.45	$ 2.45	$ 2.45	$ 2.42	$ 2.46	$ 2.45	$ 2.28

Average fare per passenger based on PATCO net passenger fare revenues.

For 2016 through 2020, average toll is calculated on the gross toll revenues. Please see Note 16 for more information.

Source: DRPA Revenue Audit

FULL-TIME AUTHORITY EMPLOYEES

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
DRPA	567	576	583	574	558	568	564	572	567	564
PATCO	315	326	313	315	309	306	302	308	296	302
Total full-time	882	902	896	889	867	874	866	880	863	866

Source: DRPA Human Resources

CAPITAL EXPENDITURES ***(In Thousands)***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Bridge and transit system	$ 202,592	$ 118,342	$ 168,336	$ 133,218	$ 124,092	$ 137,267	$ 131,992	$ 87,468	$ 118,056	$ 158,812

Source: DRPA Accounting

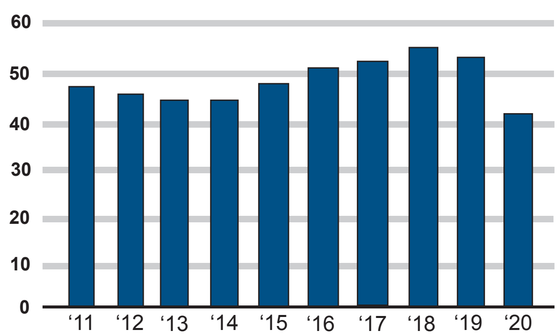
CAPITAL ASSET STATISTICS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Facility - Lane Miles										
Walt Whitman Bridge										
Main Span (lane miles)	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7
Miles per Lane	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Number of Lanes	7	7	7	7	7	7	7	7	7	7
Ben Franklin Bridge										
Main Span (lane miles)	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67
Miles per Lane	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81
Number of Lanes	7	7	7	7	7	7	7	7	7	7
Betsy Ross Bridge										
Main Span (lane miles)	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Miles per Lane	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Number of Lanes	6	6	6	6	6	6	6	6	6	6
Commodore Barry Bridge										
Main Span (lane miles)	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Miles per Lane	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Number of Lanes	5	5	5	5	5	5	5	5	5	5
Track Mileage										
PATCO Transit System	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9
Number of PATCO NJ Stations	9	9	9	9	9	9	9	9	9	9
Number of PATCO PA Stations	4	4	4	4	4	4	4	4	4	4

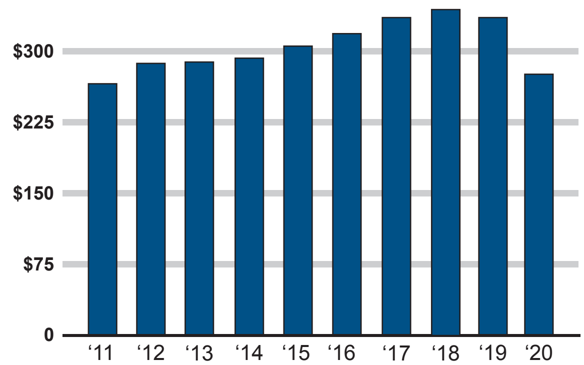
Source: DRPA Engineering

Bridge & PATCO Operations

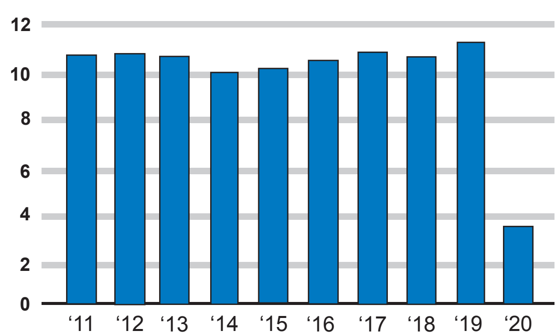
DRPA Bridge Traffic 2011-2020
(in millions of vehicles)



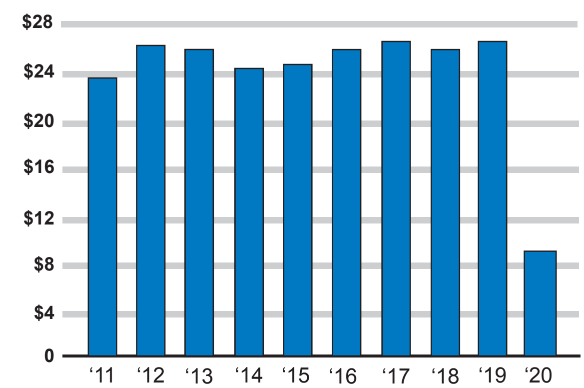
DRPA Bridge Toll Revenues 2011-2020
(in millions of dollars)



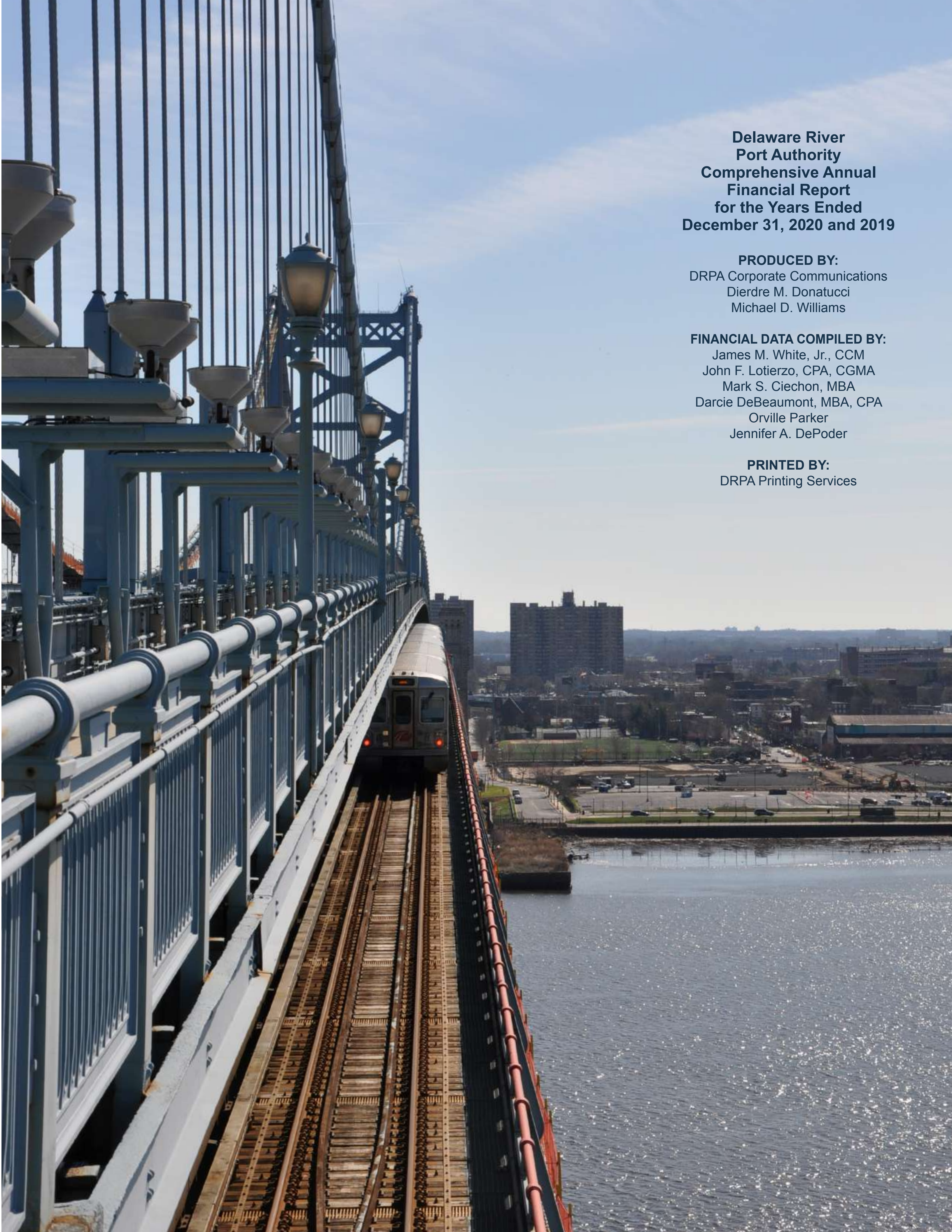
PATCO Passenger Ridership 2011-2020
(in millions of passengers)



PATCO Passenger Fare Revenues 2011-2020
(in millions of dollars)



Notes:
- On July 1, 2011, the Authority implemented the second phase of a new bridge toll schedule which increased tolls in each vehicle class and a 10% PATCO passenger fare increase.
- On December 1, 2015, the Authority reinstituted the E-ZPass frequent bridge traveler credit program.
- During 2020, bridge traffic, toll revenues, PATCO ridership and net passenger revenues were significantly impacted for the period from mid-March through December, as a result of the COVID-19 pandemic.



**Delaware River
Port Authority
Comprehensive Annual
Financial Report
for the Years Ended
December 31, 2020 and 2019**

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December 31, 2019

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Executive Director/CEO

For the twenty-eigth consecutive year the Delaware River Port Authority was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its 2019 Comprehensive Annual Financial Report.

DELAWARE RIVER PORT AUTHORITY
OF PENNSYLVANIA & NEW JERSEY

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