

AO 3737



**DELAWARE RIVER  
AUTHORITY**  
Annual Report

974.901  
D55  
1976  
copy 1



**1976 Annual Report**  
**DELAWARE RIVER PORT AUTHORITY**  
*of Pennsylvania and New Jersey*

**Monthly Meeting**

Port Authority Commissioners meet the third Wednesday of each month in the board room of the Administration Building, Benjamin Franklin Bridge Plaza, Camden, N.J.

**HEADQUARTERS**

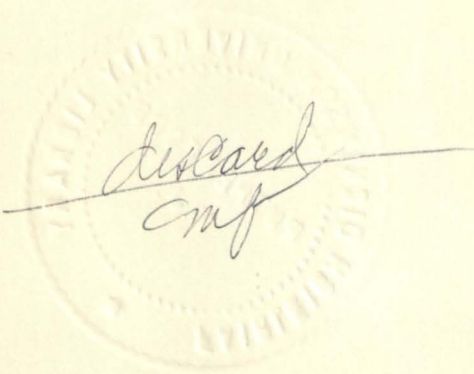
Camden, N.J.  
Bridge Plaza

**Regional Offices**

Philadelphia  
Public Ledger Building  
New York  
One Penn Plaza  
Chicago  
233 No. Michigan Avenue  
Pittsburgh  
United States Steel Building  
Bogota  
Calle 38—No. 8-12, Off. 401  
Tokyo  
World Trade Center Building  
Hong Kong  
14 Wellington St.  
Central District  
Brussels  
Avenue de Roodebeek 44  
Tehran  
P.O. Box 14-1778

**Contents**

Half Century of Service .....2  
Letter to the Governors .....3  
The Commissioners and Officers ....4  
Bridge Operations .....6  
World Trade .....8  
Projects .....10  
Planning.....10  
Administrative Services .....11  
Personnel .....12  
Finance .....12  
The Commission .....12  
PATCO .....13  
Financial Statements .....17



Half Century  
of Service...

**DEPOSITORY COPY**  
Do Not Remove From Library

The history of the Delaware River Port Authority and its predecessor agencies is the history of the growth and progress of the Delaware Valley in the last half century.

It is the story of the area's transition from the post World War I era to a new time of technological evolution, marked by the emergence of the automobile as the dominant form of transportation.

The Delaware River Port Authority was a creature of the era, born in response to the public demand for better regional transportation and communication. Beginning as a bi-state bridge commission, the agency met the challenge of the twenties by bridging the lower Delaware River and effectively joining Southern New Jersey and Southeastern Pennsylvania.

In the following decades, the self-sustaining agency, operating without tax funds, expanded its activities and facilities.

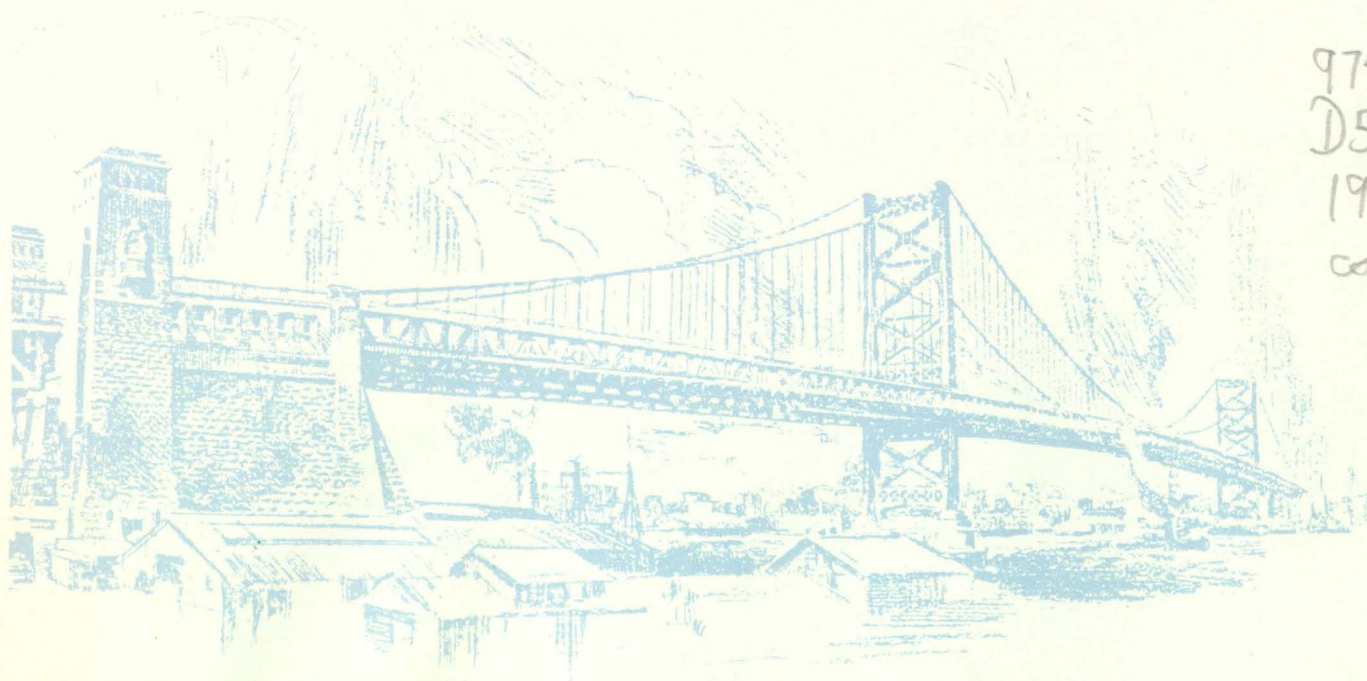
Its effectiveness is demonstrated by the fact that in the 50 years between the nation's Sesquicentennial, in 1926, and its Bicentennial, in 1976, Authority facilities accommodated more than one-and-a-half billion vehicle-crossings of the Delaware River.

The agency's services began with the opening on July 1, 1926 of the Delaware River Bridge—renamed the Benjamin Franklin Bridge in 1956—between Camden and Philadelphia. It was the world's largest single span bridge. A hundred thousand people walked across on the first day, and by the end of the first year, four million vehicles had crossed.

A high speed line, envisioned in the original plans for the Bridge, was added in 1936, operating under lease to the Philadelphia Rapid Transit Co. between Camden and Philadelphia.

Regional growth, the expansion of the suburbs and increased automobile registrations all contributed to the need for additional river crossing capacity. Revenues from the Benjamin Franklin Bridge made it possible for the Authority to construct the Walt Whitman Bridge between South Philadelphia and Gloucester City, N. J. It opened in May of 1957. On the Philadelphia side it was responsible for the conversion of a waste area into a new complex of sports facilities, food distribution center and hotels. Concurrently, townships near the New Jersey terminus of the Bridge experienced rapid commercial, residential and industrial growth.

In the interim, the Bridge Commission had been changed to a Port Authority with expanded responsibilities for regional mass transit and the promotion of the ports on the Delaware River, collectively known as Ameriport.



974.901  
D55  
1976  
copy 1

## Half Century of Service...

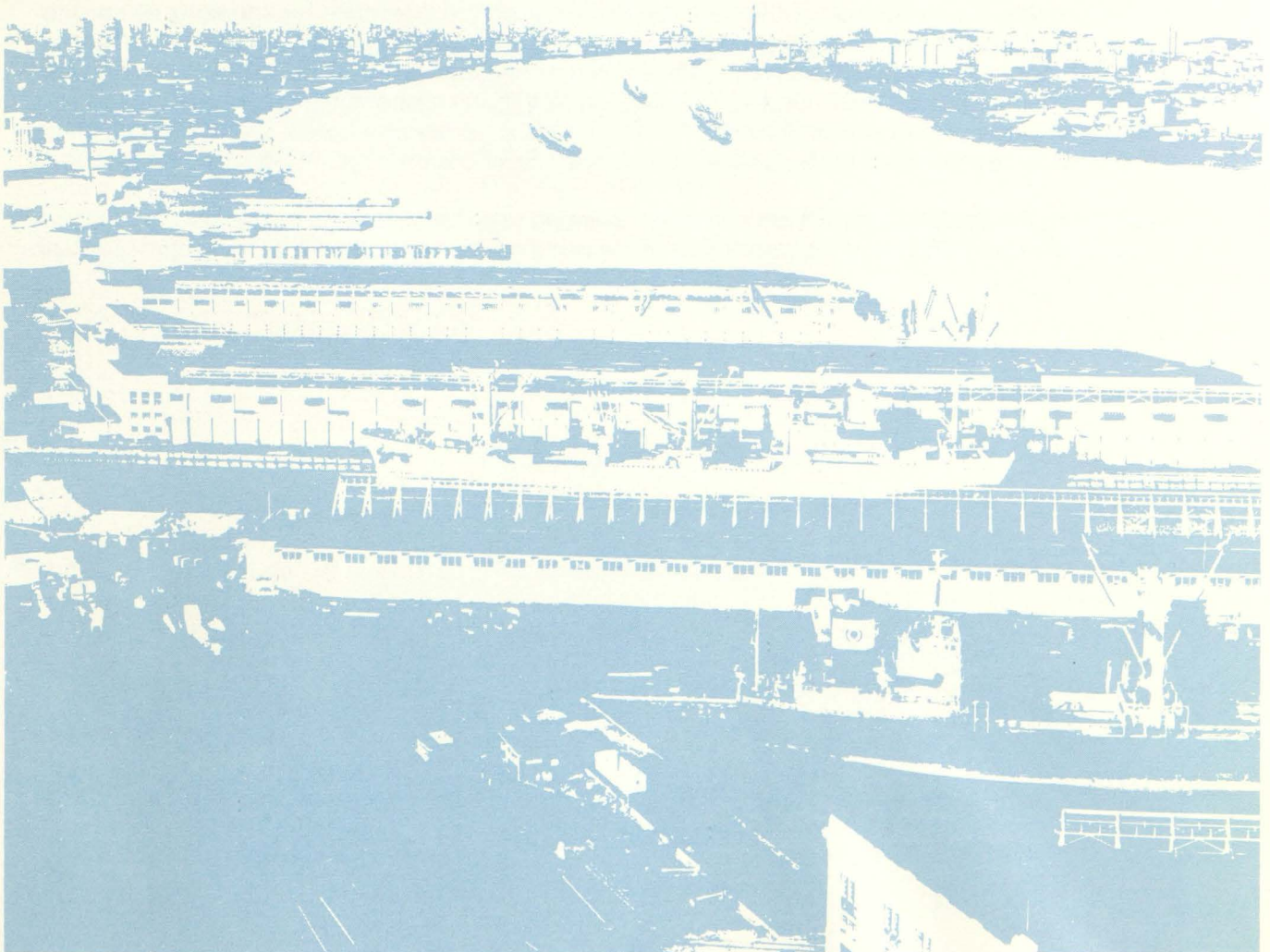
Beginning with the commission of a port survey in 1949, the scope of services performed for the regional maritime community has been gradually expanded through almost three decades. The Authority now provides a network of offices both in this country and abroad for the solicitation of maritime trade. Its World Trade Division has played a vital role in bringing Ameriport to the point where it now ranks first among the North Atlantic ports in the amount of international waterborne cargo handled.

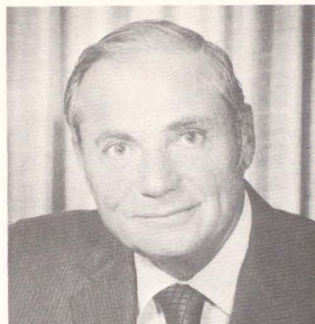
The Authority's greatest period of expansion came in the 1960's when three major projects were launched. The Lindenwold High Speed Line was completed in 1969, utilizing and upgrading the facilities of the old Bridge Line and adding ten miles of new construction from Camden to Lindenwold. It incorporated a high degree of automation and became the prototype for a new breed of rail rapid transit systems in major cities throughout the nation.

Two new bridges were also begun in the late 1960's. Completed and opened first was the Commodore John Barry Bridge between Chester, Pa. and Bridgeport, N.J., the second longest highway cantilever bridge in the world. It was dedicated on February 1, 1976.

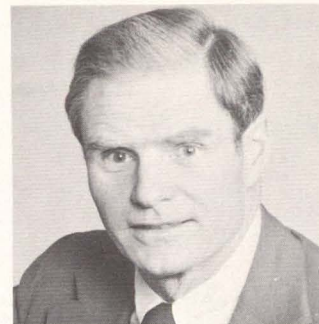
The Betsy Ross Bridge, between Northeast Philadelphia and Pennsauken, N.J. was begun about the same time, and although completed in 1974, could not be opened until April 1976 because connecting roads in both states were not ready.

As the Delaware River Port Authority begins its second half century of service, it sees the challenges in the future—as it saw the challenges in the past—as opportunities. As each is encountered and conquered, it will further enhance the quality of life for the residents of the Delaware Valley.





Honorable Milton J. Shapp  
Governor of the Commonwealth  
of Pennsylvania



Honorable Brendan T. Byrne  
Governor of the State  
of New Jersey

To:  
The Honorable Milton J. Shapp  
Governor of the Commonwealth of Pennsylvania  
and  
The Honorable Brendan T. Byrne  
Governor of the State of New Jersey

The Delaware River Port Authority's fiftieth year of public service was one of considerable accomplishment, somewhat tempered by a recognition of developing financial problems.

The Betsy Ross Bridge, substantially completed in 1974 but idled pending completion of ramps connecting it to I-95 in Philadelphia, was opened to traffic on April 30th, with officials of both parent States and of the Port Authority participating in the ceremonies. One of the widest bridges ever built, it is the first major bridge in this country to be named for a woman.

The Authority, with the financial participation of the City of Philadelphia, refurbished and reopened the Lindenwold High Speed Line's Franklin Square Station on May 14th, in time for Bicentennial visitors. The station is located in Philadelphia's most historic mile at Independence Mall. It experienced its busiest day on July 4th when some 23,000 persons passed through on their way to the City's colonial shrines. A program of reduced fares for the elderly and handicapped was inaugurated on the Lindenwold Line in late October, and received an enthusiastic response.

Another highlight of the year was the celebration commemorating the 50th anniversary of the opening of the Benjamin Franklin Bridge on July 1, 1926. Hundreds of officials and members of the general public joined in observing the event at the Philadelphia plaza of the Bridge.

Traffic for the year on the Benjamin Franklin, Walt Whitman and Commodore Barry bridges totaled 57,315,325 vehicles, an increase of 2,254,256 or 4.09 per cent over the previous year. The eight-months figure for the Betsy Ross added another 1,398,905, or a grand total for all four bridges of 58,713,230. A new one-day record was set on the Walt Whitman Bridge when 114,740 vehicles crossed on August 13th, 1976.

PATCO also recorded increased volumes on the Lindenwold High Speed Line with a total of 11,523,145 passengers for the year, up 403,157 or 3.6 per cent over the previous year. The increased costs of doing business, however, overshadowed both the patronage rise and a fare increase instituted in mid-year. As a result, PATCO sustained an operating loss of \$520,001.

The Authority's financial condition continues to be threatened by increased expenses resulting from inflation and by reduced revenues from a bridge toll rollback ordered by the Federal Highway Administrator in December 1975. The Authority has sought, unsuccessfully, to obtain relief in the courts. At year's end, an adverse decision of the U.S. District Court was being challenged in the U.S. Third Circuit Court of Appeals, and a favorable resolution of this problem is hoped for in 1977.

A more detailed account of our activities follows.

Yours respectfully,

  
Chairman

# MEMBERS OF THE COMMISSION

## Pennsylvania

*From left:*  
John R. Bunting  
*Chairman*  
Al Benedict  
Robert E. Casey  
Morris Gerber



Richard G. Gilmore  
Albert Levin  
Robert M. Potamkin  
Natalie Saxe



## New Jersey

David J. Goldberg  
*Vice Chairman*  
Joseph W. Cowgill  
Dante J. D'Anastasio  
William J. Doyle



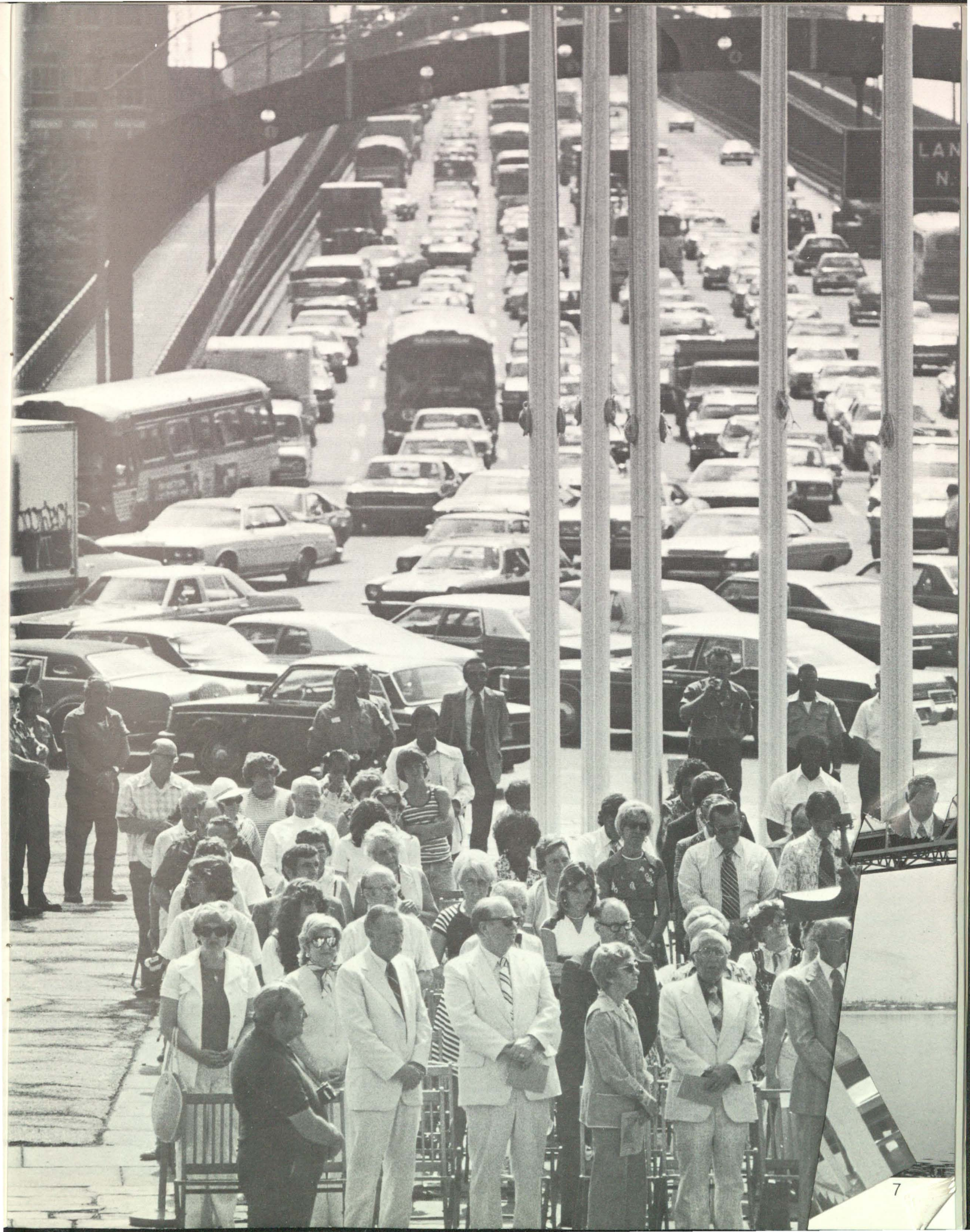
Irving K. Kessler  
Ceasare D. Napoliello  
Joseph J. McComb  
James A. Yates



## Officers



William W. Watkin, Jr., *Executive Director*  
Haldane King, *Deputy Executive Director for Administration and Port Affairs*  
Alfred L. Griebing, *Deputy Executive Director for Engineering and Operations*  
Edward P. Scullin, *Secretary/Special Assistant to the Executive Director*  
Thomas J. Auchter, *Treasurer/Director of Finance*



**...the Walt Whitman Bridge carried more traffic last year than in any other year of its history...**

## Bridge Operations

The Bicentennial Year was a noteworthy year for the operation of Delaware River Port Authority bridges.

The Betsy Ross Bridge was opened to traffic on April 30, 1976, connecting Pennsauken, New Jersey, with Interstate Highway 95 in the vicinity of the Bridesburg section of Northeast Philadelphia. And on July 1, 1976, the Benjamin Franklin Bridge reached its 50th year of operation. A festive birthday celebration, open to the public, was held at the Philadelphia end of the Bridge. The celebration was timed to coincide with the arrival of the Bicentennial Wagontrain which crossed over the Benjamin Franklin Bridge and stopped briefly at the ceremony

before proceeding to Independence Hall.

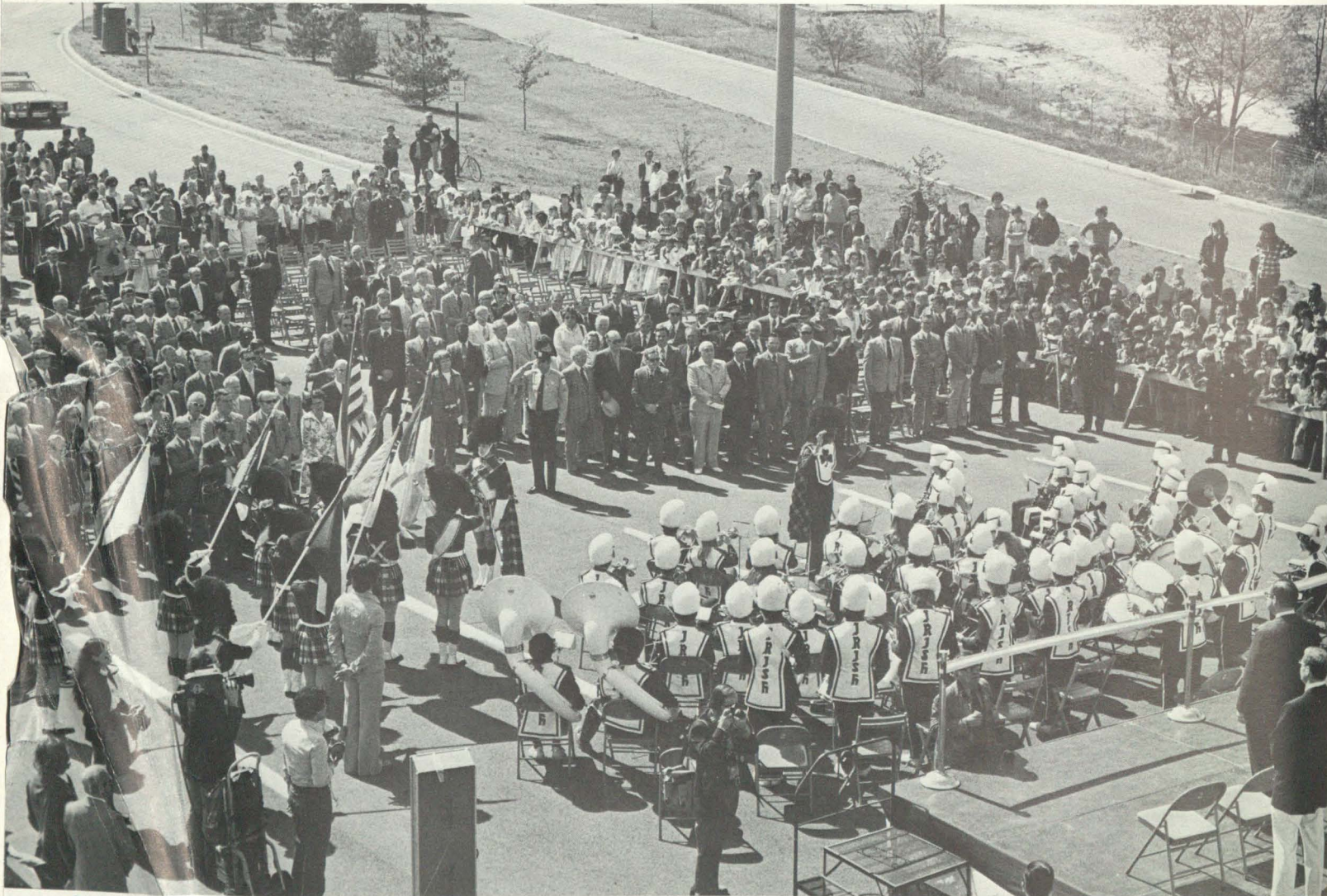
Also, as part of the Authority's program to commemorate the Bicentennial Year, metal plaques representing the flags of the thirteen original states were erected on each side of the roadways on each of the Authority's bridges. The thirteen state flags were also flown with the American flag on poles which were erected on the monument at the Philadelphia end of the Benjamin Franklin Bridge.

Traffic on each of the Authority's bridges in 1976 increased over 1975, as shown in the accompanying chart.

In addition to the across-the-board increase, the Walt Whitman Bridge carried more traffic last year than in any other year of its history, and on Friday, August 13, 1976 established a record high day with 114,740 vehicles.

Despite the extremely favorable traffic statistics, total revenues for the four bridges were \$608,905.46 or 1.75% below the 1975 total for three bridges. This anomaly was due to a roll-back of bridge tolls, ordered by the Federal Highway Administrator, which was in effect throughout 1976. The Authority continued to pursue diligently every available legal means to have the

***Star Spangled Banner begins dedication ceremony for Betsy Ross Bridge on opening day, April 30, 1976.***



Administrator's order reversed.

Traffic on the Betsy Ross Bridge developed at a much slower rate than predicted by Authority consultants. Costs for the operation and maintenance of the Bridge in 1976 exceeded revenues by approximately \$1.3 million. Management actions have been taken to cut operating costs to a point where it would cost approximately the same to secure and maintain the Bridge if closed as it does to keep it open.

Of greater importance, however, are actions currently underway to stimulate significant traffic increases. There is an intensive program underway to improve signs leading to the Bridge on both sides of the river. A consultant is studying the feasibility of decreasing tolls on the Betsy Ross Bridge to make it more competitive with the 10-cent toll of the nearby Tacony Palmyra Bridge. The Authority is also working closely with the State of New Jersey to expedite the funding and construction of that portion of New Jersey Route 90, which, when completed, will link the Bridge with New Jersey Route 73.

During 1976, our patrons travelled approximately 236 million vehicle-miles on our facilities, an increase of ap-

proximately 16 million vehicle-miles over 1975. Continuing efforts to enforce traffic and speed regulations and to promote safety, resulted in an eight per cent decrease in accidents from 572 in 1975 to 528 in 1976. The decrease in accidents per vehicle mile was approximately 14 per cent. There were six fatalities in 1976 compared to seven in 1975 and 133 injuries that required hospital treatment compared to 330 in 1975.

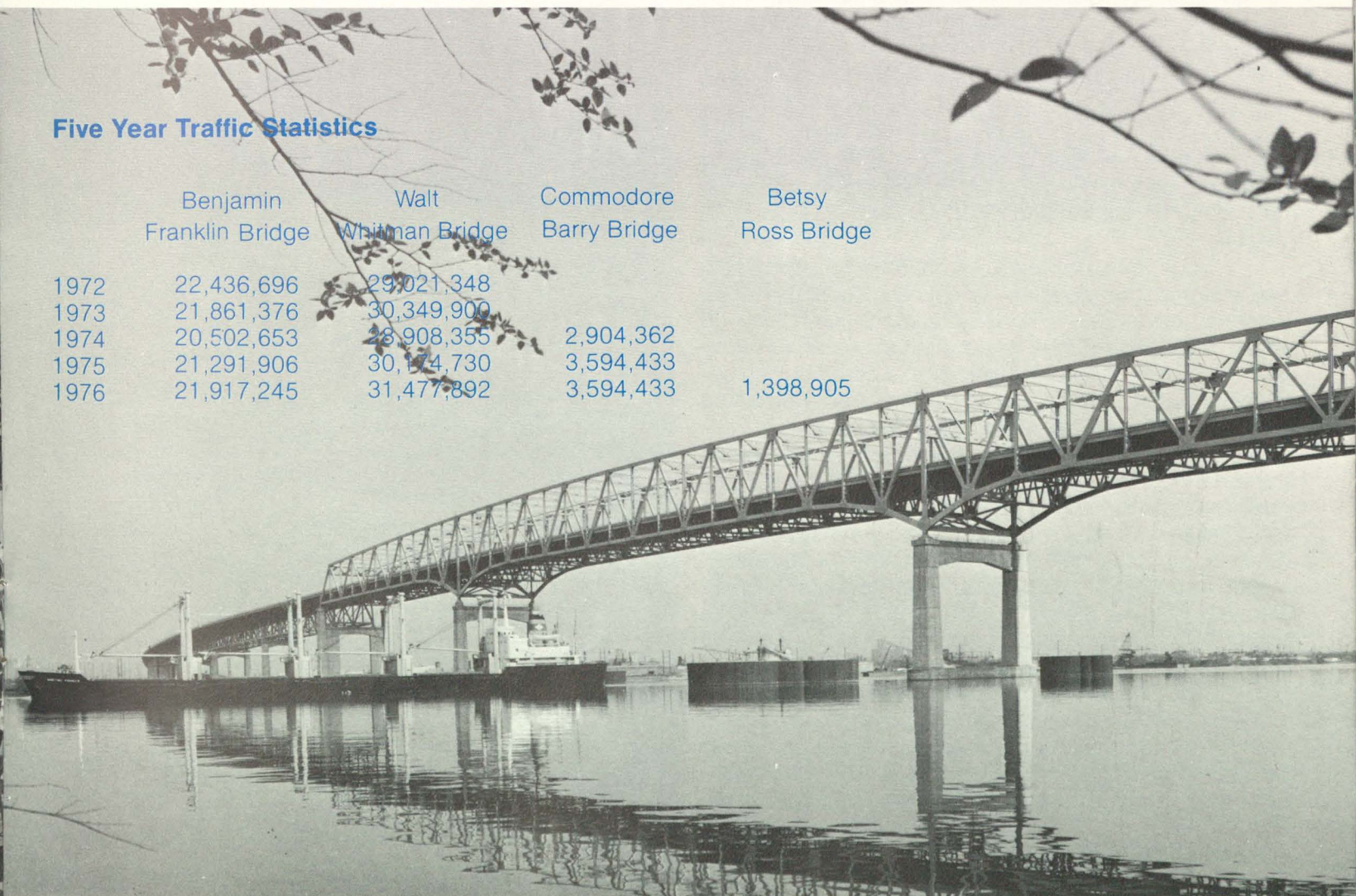
In performing their duties, our police travelled 1,529,528 miles, issued 7,874 citations for moving violations, and rendered no-charge removal service to 8,860 vehicles, an average of 24 per day. Port Authority police assisted area police departments in apprehending 203 criminal suspects attempting to use our facilities and they prevented 17 suicide attempts. Five deaths resulted from persons jumping from Port Authority bridges.

In addition to their primary mission of maintaining all Authority facilities in a safe and presentable condition, the Bridge Division maintenance forces furnished support to special Bicentennial events and displays of the Authority. They also made significant improvements to the number and quality of signs leading to the bridges.

***First major U.S. bridge to be named for a woman, the Betsy Ross links Pennsauken, N.J. with Northeast Philadelphia.***

### Five Year Traffic Statistics

|      | Benjamin Franklin Bridge | Walt Whitman Bridge | Commodore Barry Bridge | Betsy Ross Bridge |
|------|--------------------------|---------------------|------------------------|-------------------|
| 1972 | 22,436,696               | 29,021,348          |                        |                   |
| 1973 | 21,861,376               | 30,349,900          |                        |                   |
| 1974 | 20,502,653               | 28,908,355          | 2,904,362              |                   |
| 1975 | 21,291,906               | 30,174,730          | 3,594,433              |                   |
| 1976 | 21,917,245               | 31,477,892          | 3,594,433              | 1,398,905         |



**By its handling of approximately 33 per cent of the international waterborne commerce of the North Atlantic ports, AMERIPORT retained its number one ranking for the Region.**

## World Trade

World Trade Division efforts in 1976 were rewarded with a resurgence in the volume of AMERIPORT's maritime activity. Cargo movements were off to a slow start in the early months, but it became evident as the year progressed that the volume of international waterborne commerce through AMERIPORT in 1976 would match 1975's 76 million tons. By its handling of approximately 33 per cent of the international waterborne commerce of the North Atlantic ports, AMERIPORT retained its number one ranking for the Region.

The World Trade Division annually sets its objectives to increase waterborne commerce through the AMERIPORT area.

The Division's program for 1976 was divided into territorial objectives for each of its domestic and foreign solicitation offices.

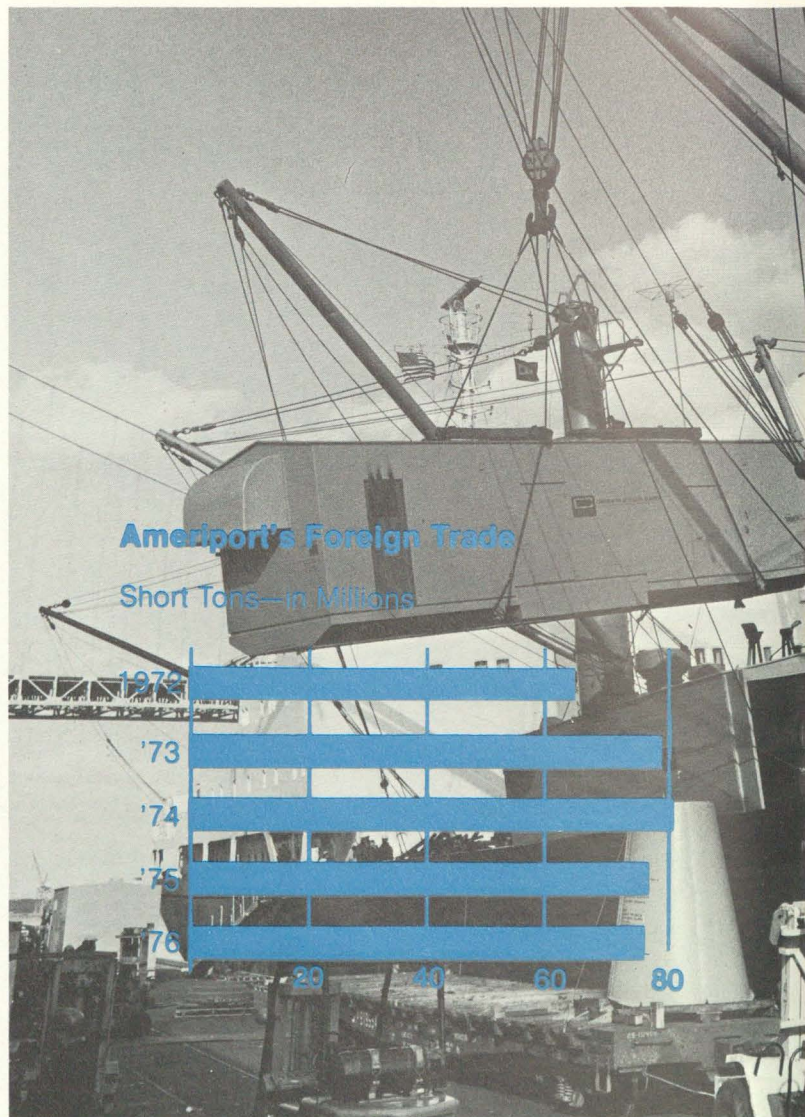
For the European/Middle East territory, concentration was focused on cargoes associated with major project work such as road building and port improvement in the Middle East countries, metal manufacturing and hydroelectric construction in Yugoslavia, and a variety of transportation and mining projects in North and West Africa.

In Europe, concentration was directed towards several specific commodities—chemicals, food products, alcoholic beverages and non-electrical machinery—in which AMERIPORT has not previously participated to any significant degree. As part of this commodities solicitation effort, we sought to attract the specialized steamship services handling certain commodities.

The World Trade Division's 1976 objective for its Australasia territory similarly included the solicitation of cargoes associated with the substantial project work being undertaken in Australia, the Malaysian peninsula and Indonesia; particularly the development of transportation, mining and power facilities. Our Australasia objectives also included the intensive investigation of a variety of commodities indigenous to the territory for increased importation through AMERIPORT.

The Division's efforts in the Americas territory during the past year continued its stress on the Andes Pact countries in South America. These countries are heavily involved in basic construction projects, with road building and railroad construction leading in expenditures and effort.

Much of our solicitation effort requires contact with the major engineering design and construction com-





panies in the United States who are involved in overseas project work. The World Trade Division's Operations Managers, in concert with its Regional Managers, established relations with these firms, their overseas counterparts, and the appropriate Federal agencies (Export-Import Bank, the International Development Fund, etc.) involved in project activity.

The reason for our priority interest in project work is that the port processing of project related commodities is highly labor intensive. In addition, project work tends to generate a return flow of import cargo.

During 1976, as in past years, the Division's three headquarters' staff bureaus—Marketing Services, Regulatory Matters and Traffic—provided the myriad supportive services that are vital to the attainment of territorial objectives.

The Marketing Services Bureau provided economic and statistical information to our domestic and foreign offices as well as to the port community. The Bureau's Industrial Development Department was active in its role of providing warehouse/distribution information and making available site information for the emerging offshore oil activity in our region. The Regulatory Matters Bureau concentrated on insuring that the steamship companies operating out of AMERIPOINT receive their full measure of cargo generated by this area and on preventing those lines not serving AMERIPOINT from diverting cargo out of our port area.

The Traffic Bureau concentrated on the analysis, evaluation and comparison of new and amended tariffs, rates rules, practices and regulations that affect AMERIPOINT's competitive standing vis-à-vis other ports.

The most valid measure of the World Trade Division's effort and effectiveness is the estimated 76 million short tons of international waterborne commerce handled through AMERIPOINT during 1976. This represented an increase of 39.3 per cent over the 54.1 million tons handled in 1970.

*Discussing cooperative efforts are, from left, DRPA's Commissioner Dante J. D'Anastasio, chairman of the World Trade Committee, and Deputy Executive Director Haldane King with South Jersey Port Corporation's Michael Conroy, Assistant to Executive Director, and Robert Pettegrew, Executive Director.*

*James R. Kelly, right, Director of DRPA's World Trade Division, receives gavel as memento of term as President of North Atlantic Ports Assn. from incoming President M. V. Craft.*

*Heavy equipment, being loaded here at Packer Avenue Marine Terminal, is an important commodity in Ameriport's cargo movements.*

**...the bridges were found to be in good condition and well maintained with no critical deficiencies.**

## Projects

Ramps connecting the Betsy Ross Bridge to I-95 were completed by the Pennsylvania Department of Transportation (PennDOT) in April which permitted the Bridge to be opened to traffic on April 30th.

Construction of three of the four ramps connecting the Commodore Barry Bridge to I-95 also was completed by PennDOT in November 1976; however, protests by local residents delayed opening of the ramps until late December. The fourth ramp is not yet under contract.

Construction of the roadway connecting the Benjamin Franklin Bridge Plaza to I-676 in Camden is being supervised by the New Jersey Department of Transportation (NJDOT) and was approximately 85 per cent complete by the end of 1976.

Projects accomplished under the direct supervision of the Authority included the renovation of the Franklin Square Station of the Port Authority Transit Corporation (PATCO), expansion of the Administration Building parking lot and replacement of building roofs at the Walt Whitman Bridge.

Three of eleven contracts for improvements to the PATCO system, including expansion of the Lindenwold Yard and waterproofing of the Locust Street Subway Stations, were completed in 1976. These contracts were accomplished under an existing grant, with Federal funds provided by the Urban Mass Transportation Administration.

The Authority awarded a competitively-bid contract to American Bridge Division of U.S. Steel Corporation to furnish and install vibration absorbers on designated truss members of the Commodore Barry Bridge in accordance with studies and designs accomplished by the firm of Howard Needles Tammen and Bergendoff. Much of the field work has been completed and materials are being delivered to the site in preparation for an early start in the 1977 construction season.

The Authority's program of removing, examining and testing suspender cables of the Benjamin Franklin Bridge continued. All planned field work was completed in 1976 and a report providing the results of the tests and analyzing the need for a cable replacement program is expected in early 1977.

The annual inspections of the Authority's bridges were accomplished by Modjeski and Masters (Walt Whitman and Benjamin Franklin), Michael Baker, Jr., Inc. (Betsy Ross) and Howard Needles Tammen and Bergendoff (Commodore Barry). In general, the bridges were found to be in good condition and well maintained with no critical deficiencies. The inspections of the Commo-

dore Barry Bridge did detect a number of hairline cracks in the cantilever portions of concrete piers on the New Jersey approach spans of the bridge. The firm of Howard Needles Tammen and Bergendoff has been retained to determine the cause and propose a method of repairing the cracks.

Design of the Woodcrest Station of PATCO progressed to the final stage. Construction contracts are expected to be advertised in late February to permit construction to begin in the Spring of 1977. In 1976, the Authority completed negotiations for the procurement of 46 additional PATCO transit cars and forwarded the contract to the Urban Mass Transportation Administration for approval. Action by UMTA is expected early in 1977. Delivery of the cars must be coordinated with completion of construction at Woodcrest Station.

**....The Regional Planning Division was instrumental in advancing transportation projects of significance to the Authority.**

## Planning

The principal planning efforts of the Authority in 1976 were devoted to the completion of the Mass Transportation Development Program. The program provides for expansion of the PATCO rail rapid transit system in New Jersey and Philadelphia. While awaiting consent of the Governors of Pennsylvania and New Jersey to proceed with the program, the Authority's staff and consultants reviewed, revised and completed the study documents, and studied two station sites in greater detail. The existing Broadway Station and the planned Morgan Boulevard Station were studied in sufficient detail to ensure that projects planned for construction by other agencies at those locations do not interfere with or prevent construction required as part of the Mass Transportation Development Program.

As a prerequisite for obtaining Federal funds, an Alternatives Analysis must be prepared to permit the analysis and evaluation of providing expanded transportation services by various modes other than rail rapid transit. The Authority has completed the preparation of a plan of study and has applied to the Delaware Valley Regional Planning Commission for Federal funds amounting to 80 per cent of the cost of making an Alternatives Analysis for planned extensions in New Jersey. The State of New Jersey has agreed to provide 10 per cent of the local share if the remaining 10 per cent is provided by the Authority.

During 1976, significant progress was made on seven

of eleven Federally funded study projects, all of which are expected to be completed by June 1977 as currently scheduled.

Through active participation in the Region's transportation planning activities of the Delaware Valley Regional Planning Commission, the Regional Planning Division was instrumental in advancing transportation projects of significance to the Authority. These efforts included the development of a Federally mandated annual Transportation Improvement Program and a Transportation Systems Management Plan establishing regional priorities necessary for Federal funding.

Through membership on the Technical Advisory Committees for Highway and Transit, the Authority participated in the region's ongoing Year 2000 Planning Program which will determine future transportation development. Special effort was devoted to supporting the approval and funding of regional and state highways which are important for enhancing access to Authority bridges and facilities. Of these, the two most important are the Pulaski Highway in Pennsylvania and New Jersey Route 90, both of which will provide improved access to the Betsy Ross Bridge.

### Direct benefits accrued to area businesses from Authority purchases of goods and services.

### Administrative Services

During 1976, Administrative Services Division provided a wide variety of goods and services to other divisions of the Delaware River Port Authority.

Items produced by the Print Shop included forms, business cards, letterheads and envelopes, engineering contract title pages and covers, toll receipts, staff telephone directories, monthly financial statements, planning reports, employee newspaper, Sailing Schedule, organization charts and posters.

It completed 639 jobs with the number of printed copies delivered totaling 7,492,229.

Direct benefits accrued to area businesses from Authority purchases of goods and services. The Purchasing Bureau processed 2,718 purchase orders to area firms for a total value of over \$1,892,693 worth of materials, ranging from routine office supplies through highway salt and on to big ticket items such as gasoline, fuel oil and heavy equipment.

As part of the DRPA's Affirmative Action Program, the Purchasing Division has developed an active list of 17 local minority vendors supplying items needed by DRPA.

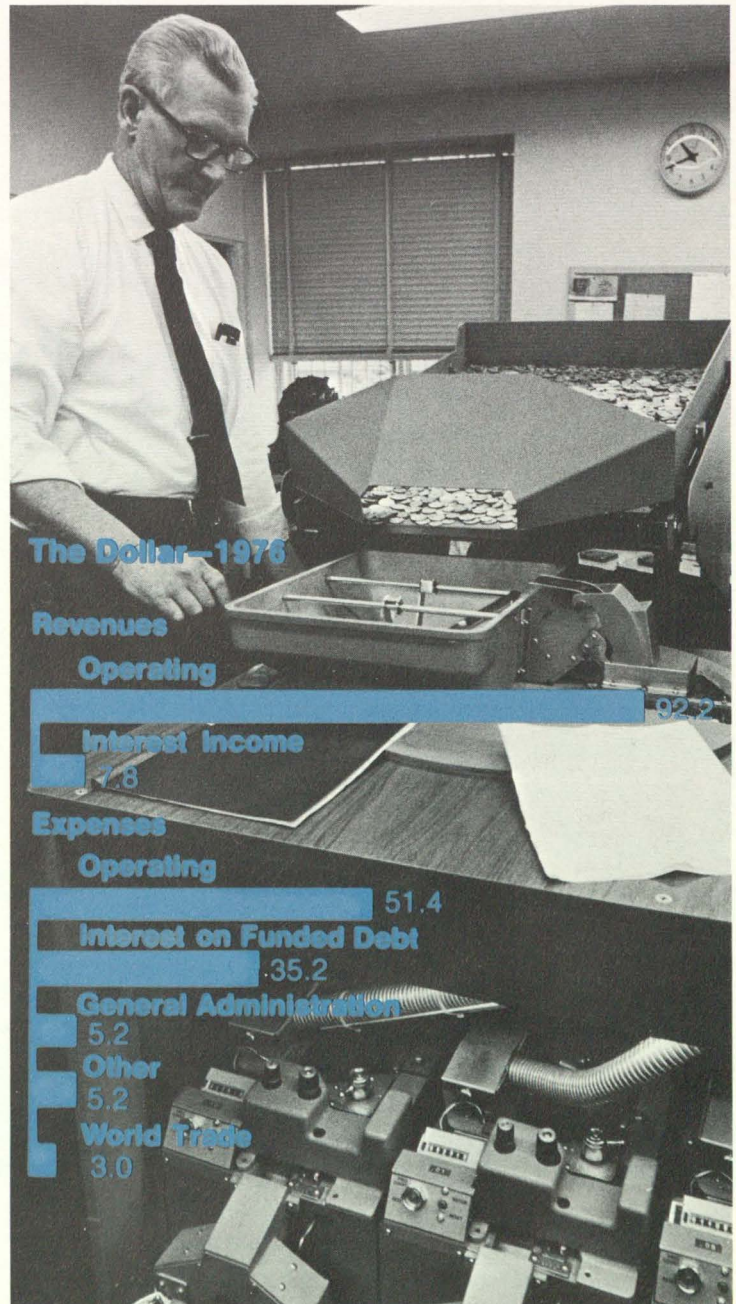
Ten used automobiles were disposed of as surplus, yielding \$4,377 to the Authority.

The DRPA Annual Report was mailed to more than 2,000 individuals and organizations throughout the United States and the DRPA Sailing Schedule was mailed bimonthly to more than 3,700 foreign and domestic port users.

Food, drink, cigarette and candy machines and pay telephones installed at DRPA facilities generated a profit of \$3,684 for the DRPA Employees' Association.

A total of 794 accident reports were processed. Thirty-nine claims were initiated for damages to DRPA property as a result of accidents caused by vehicles using our facilities. These resulted in collections totaling \$19,658 for the year.

*Coins are sorted and counted mechanically in machine operated by Clerk William Jones.*



**...an intensive safety program was initiated by the Personnel Relations Division in an attempt to make the Delaware River Port Authority a safer place to work...**

## **Personnel Relations**

The Personnel Relations Division was active the early part of the year processing and hiring 131 new employees in preparation for the opening of the Betsy Ross Bridge on April 30. This brought employment at the Delaware River Port Authority to an all time high of seven hundred and three. Half of the new employees were from Pennsylvania and half from New Jersey. Additionally, 50 per cent of the new employees were minorities, in keeping with the Authority's emphasis on Affirmative Action.

During the course of the year, an intensive safety program was initiated by the Personnel Relations Division in an attempt to make the Delaware River Port Authority a safer place to work, and to diminish on-the-job accidents.

The Personnel Division hosted the annual meeting of the Four-State Survey Group, at which representatives of similar authorities exchange salary, wage, benefit and policy data.

The Division also conducted a successful summer employment program for needy college students. A total of 52 students were hired as toll collectors and highway helpers to relieve permanent employees for vacations.

**All investments of the Port Authority... reflected the continued prudent investment management of the Finance Committee.**

## **Finance**

For the year 1976, total operating revenues amounted to \$41,969,828 as compared to \$41,379,548 in 1975. However, this slight increase was due to the new PATCO fare schedules adopted at mid-year. Bridge toll revenue actually declined 1.8 per cent as a result of the lower toll schedule ordered by the Federal Highway Administrator and outlined elsewhere in this report.

Total Operating and Administrative expenses were \$27,047,273, which resulted in operating revenues in excess of expenses of \$14,922,555 compared to \$19,085,279 for 1975. The increase in operating expenses was primarily caused by the staffing of the Betsy Ross Bridge which opened on April 30, and an 11 per cent increase in PATCO operating expenses. PATCO's operating loss for 1976 before depreciation was \$498,586 compared to \$634,049 in 1975.

Investment income in the Revenue, Bond Service and Bond Reserve Funds decreased from \$3,641,412 to \$3,526,203 as a result of generally lower interest rates throughout the investment community from a similar period one year earlier. All investments of the Port Authority were made in accordance with the 1969 Bond Resolution and reflected the continued prudent investment management by the Finance Committee.

As a result of our 1974 Refunding Program, interest on the "Outstanding" funded debt for the full year 1976 remained at \$16,829,036. This produced net revenues of \$1,619,722 available for other Port Authority activities such as World Trade Division and necessary Capital Expenditures as compared to \$5,897,655 one year earlier.



## **The Commission**

Three new commissioners were welcomed to the Board in 1976.

Joseph W. Cowgill, Camden attorney and former State Senator, was appointed by Governor Byrne to fill the vacancy on the New Jersey side left by the resignation of Manuel Carballo late in 1975. Sen. Cowgill began his term in January.

On the Pennsylvania side, Governor Shapp named Ms. Natalie Saxe, legislative consultant, to succeed Charles Simpson whose term had expired the previous year. She joined the Board in May. The following month, the Governor named Robert M. Potamkin, attorney and president of Potamkin Chevrolet, to fill the remaining vacancy created when Henry W. Sawyer III completed his term in 1975.

The appointments brought the Board to its full strength of 16 members.

**Installation of the new automatic fare collection gates was completed...enabling PATCO to inaugurate a Reduced Fare Program for the elderly and handicapped.**

### **Port Authority Transit Corporation**

PATCO entered the Bicentennial year of 1976 prepared to help its passengers celebrate the Nation's 200th Birthday.

The public's response far exceeded expectations for the July 4th celebration in Philadelphia.

Franklin Square Station, located at the northern end of historic Independence Mall in Philadelphia, was rehabilitated and reopened in time to serve Bicentennial visitors. PATCO received many compliments throughout the Bicentennial celebration for this station's cleanliness, decor and accessibility to the historic exhibit areas. On July 4th, 23,000 persons exited from this station enroute to Bicentennial activities.

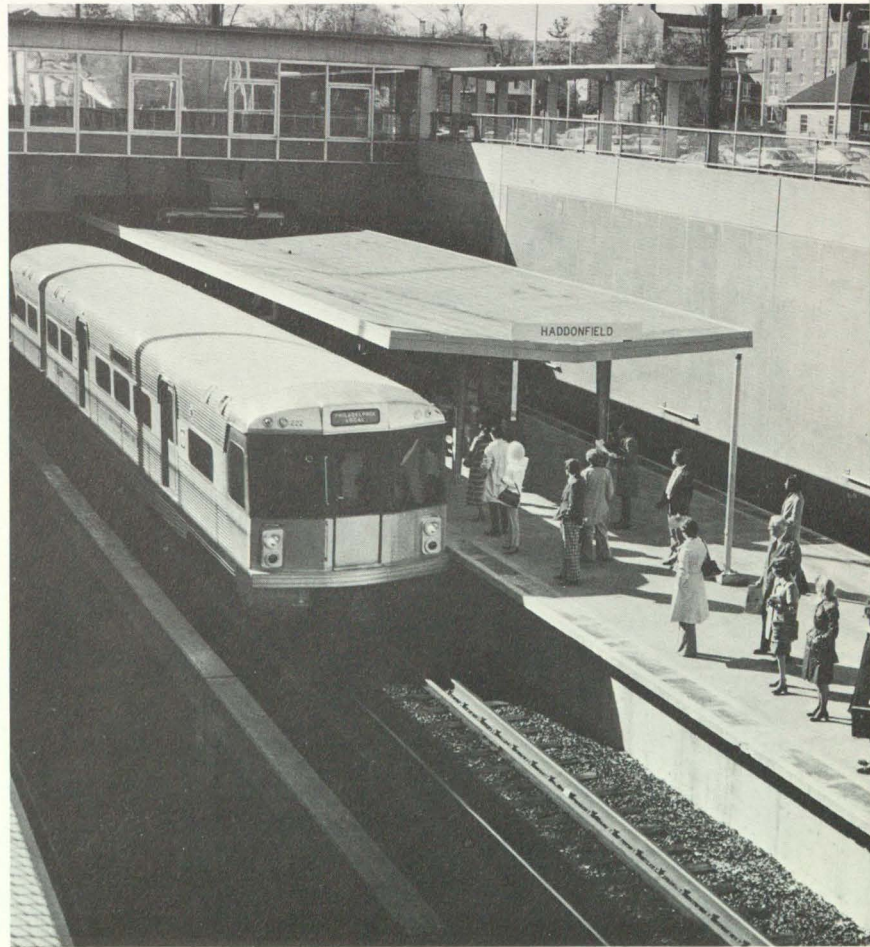
11,523,145 passengers were carried during the year, an increase of 403,157, or 3.6 per cent over 1975. Even with this growth in passengers, car mileage totaled only 4,122,678, a decrease of 70,112, or 1.7 per cent compared to 1975, for a savings of approximately \$39,000.

Installation of the new automatic fare collection gates was completed September 25th, enabling PATCO to inaugurate a Reduced Fare Program for the elderly and handicapped. This program permits patrons 65 years or older and those who are physically handicapped to use PATCO service during the off-peak hours at a substantially reduced fare. Participating patrons are required to present their I.D. Card when purchasing reduced fare tickets and to carry their card when using PATCO service.

First applicants were processed on October 28 and approximately 2,500 applications had been received by the end of November. Many of those applying tendered thankful and complimentary remarks in appreciation for the Authority granting this reduced fare privilege.

Equipment and apparatus required to implement the program of increasing the proportion of paid versus free parking in station parking lots was received in early Spring. Conversions were completed by late August, at which time approximately fifty-eight per cent of PATCO's parking spaces were in the paid category. Parking revenues for the year amounted to \$301,577 vs. \$229,930 collected in 1975.

In February, because of rising costs, the Directors decided that a fare increase was necessary. Pertinent information relating to this increase was presented to the public and to elected officials in open meetings both in Philadelphia and in Camden County. At the conclusion of these meetings, all participants who expressed their



**Top: Santa's helpers preparing to greet Christmas shoppers on the High Speed Line are Michele Liscio, left, and Vanessa Else.**

**Bottom: PATCO's Haddonfield Station.**

views, agreed that an increase in fares was justified. The fare increases, ranging from five to fifteen cents depending on distance travelled, became effective on June 2, 1976.

The Line was not without its share of operating problems. In January, a three-car train entering the turnback track at the Ferry Avenue Station failed to stop within the normal stopping distance and struck a bumping block at the track end. There were no injuries but the three cars sustained light to moderate damage. Corrective signal modifications were made to force a safety stop before entering the station pocket track and prevent a repetition of this type of accident.

On February 2, 1976 an ice storm created considerable disruption to service. The ice and sleet caused 10 motor generator failures, four traction motor flashovers, and short circuits which destroyed the 600 volt cables in two cars. As of 2:00 P.M., there were 24 cars out of service. However, because of a fine, concerted employee effort, 64 of our 75 cars were readied for evening peak hour service.

Another serious concern was a traction motor problem which surfaced early in June, with the failure of sev-

eral motors. Investigation by PATCO, our engineering consultants and the manufacturer, disclosed a deficiency in the armature banding system, making it necessary to impose a maximum speed limit of 60 mph until corrective measures are completed.

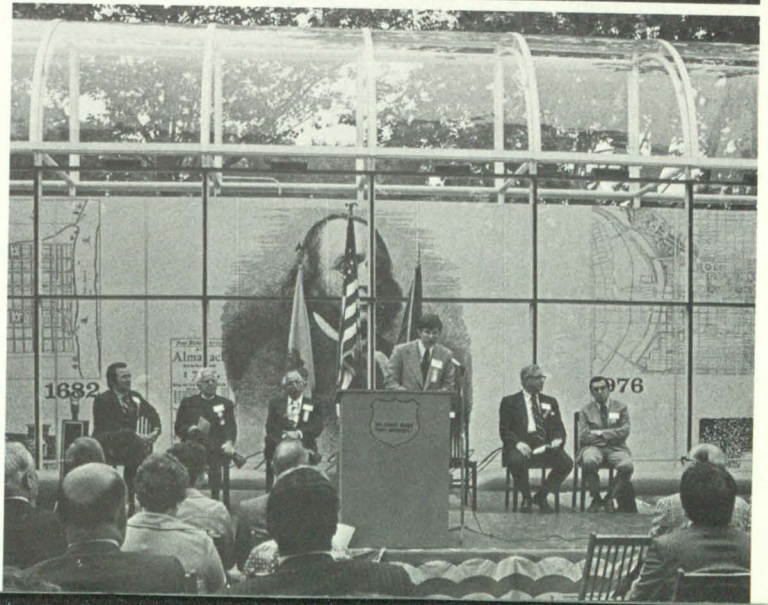
Track improvements and expansion at the Lindenwold Yard, required to provide greater flexibility in the movement of cars through the yard and into and out of the shop, are well underway. The electrical portion, signals and track controls, should be completed about mid-1977.

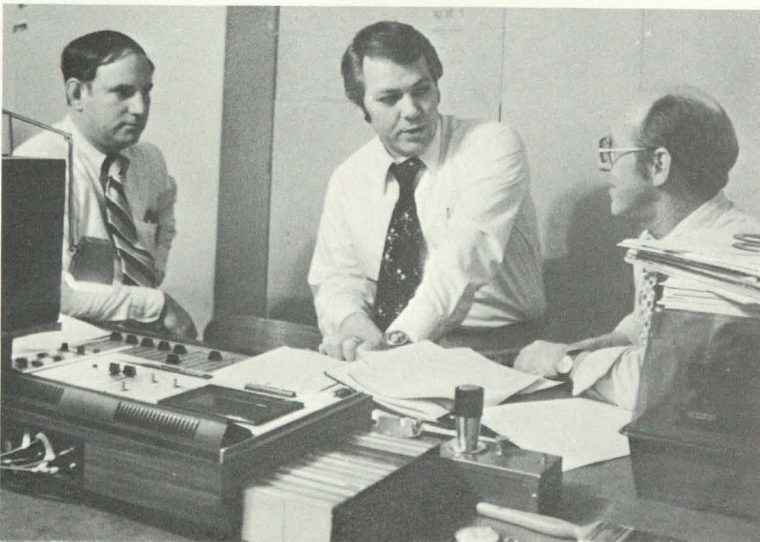
Bid documents for the new Woodcrest Station are nearing completion. Final plans for access roads connecting this station's parking lot to Interstate Highway 295 have been submitted to the New Jersey Department of Transportation along with final plans for the parking lot.

UMTA authorized DRPA to enter into negotiations with Canadian Vickers, Ltd., for the construction of 46 new transit cars. This Company was the only firm indicating an interest in a car order of this size and having the capability to produce them within the available time span.



1. 50th Anniversary of Ben Franklin Bridge
2. Opening ceremony at Betsy Ross Bridge
3. Twining ceremony with Port of Bordeaux
4. Franklin Square Station reopens





1. Gov. Byrne visits PATCO
2. American Association of Port Authorities meets in Philadelphia
3. PATCO's 76 millionth passenger
4. Recording sound for DRPA film

# FINANCIAL STATEMENTS

|                                     |           |
|-------------------------------------|-----------|
| <b>Financial Summary</b>            |           |
| Revenues and Expenses .....         | <b>19</b> |
| Balance Sheet .....                 | <b>20</b> |
| Changes in Fund Equities .....      | <b>22</b> |
| Notes to Financial Statements ..... | <b>24</b> |

LAVENTHOL & HORWATH

CERTIFIED PUBLIC ACCOUNTANTS

1845 WALNUT STREET  
PHILADELPHIA, PA 19103  
(215) 491-1700

OFFICES THROUGHOUT THE WORLD

Delaware River Port Authority  
Camden, New Jersey

We have examined the balance sheet of Delaware River Port Authority as at December 31, 1976 and 1975 and the related statements of revenues and expenses and of changes in fund equities for the years then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Delaware River Port Authority at December 31, 1976 and 1975 and the results of its operations and changes in fund equities for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

*Laventhol & Horwath*

February 18, 1977

DELAWARE RIVER PORT AUTHORITY  
STATEMENT OF REVENUES AND EXPENSES  
YEARS ENDED DECEMBER 31, 1976 AND 1975

|   | 1976                  | 1975                |
|---|-----------------------|---------------------|
| Operating revenues and expenses (Note 4):   |                       |                     |
| Bridge tolls  | \$34,091,689          | \$34,700,595        |
| Bridge operating expenses   | <u>14,060,946</u>     | <u>10,713,377</u>   |
|   | \$20,030,743          | \$23,987,218        |
| Transit system passenger fares  | 7,435,968             | 6,318,213           |
| Transit system operating expenses, including depreciation of \$2,174,976 in 1976 and \$2,173,412 in 1975              | <u>10,516,856</u>     | <u>9,453,736</u>    |
| Other operating revenues, including \$407,326 in 1976 and \$328,032 in 1975 from transit system                       | ( 3,080,888)          | ( 3,135,523)        |
|   | <u>442,171</u>        | <u>360,740</u>      |
|   | 17,392,026            | 21,212,435          |
| General administration expenses:  |                       |                     |
| Salaries, including employee benefits (Note 3)  | 1,891,382             | 1,629,111           |
| Other   | <u>578,089</u>        | <u>498,045</u>      |
|   | 2,469,471             | 2,127,156           |
| Operating revenues in excess of expenses  | 14,922,555            | 19,085,279          |
| Interest income on investment in securities of the Revenue, Bond Service and Bond Reserve Funds                       | 3,526,203             | 3,641,412           |
| Interest on funded debt:  |                       |                     |
| 1969 First Series Revenue Bonds   | 5,625,000             | 5,625,000           |
| Series 1972 Revenue Bonds   | 6,550,376             | 6,550,376           |
| Series 1972 Refunding Revenue Bonds   | <u>4,653,660</u>      | <u>4,653,660</u>    |
|   | ( 16,829,036)         | ( 16,829,036)       |
| Revenues in excess of expenses before other income (charges)  | 1,619,722             | 5,897,655           |
| Other income (charges):   |                       |                     |
| Interest on funded debt:  |                       |                     |
| 1969 First Series Revenue Bonds (Note 4)  | ( 1,965,602)          | ( 2,069,467)        |
| Series 1970 Revenue Bonds (Note 4)  | ( 5,425,000)          | ( 5,425,000)        |
| Series 1972 Special Obligation Refunding Bonds  | ( 1,705,000)          | ( 1,705,000)        |
| Series 1974 Special Revenue Refunding Bonds   | ( 1,907,159)          | ( 2,009,472)        |
| Series 1974 Special Obligation Refunding Bonds  | <u>( 907,019)</u>     | <u>( 1,080,559)</u> |
|   | ( 11,909,780)         | ( 12,289,498)       |
| Other interest income on investment in securities   | 10,810,734            | 12,010,770          |
| World trade development expenses, including salaries and employee benefits of \$929,550 in 1976 and \$840,487 in 1975 | ( 1,441,639)          | ( 1,325,132)        |
| Retirement of fare collection equipment (Note 7)  | ( 1,193,545)          |                     |
| Rehabilitation costs for Franklin Square Station  | ( 162,651)            |                     |
| Cost of other equipment retired   | <u>( 10,998)</u>      | <u>( 17,290)</u>    |
|   | ( 3,907,879)          | ( 1,621,150)        |
| Net income (loss)   | <u>(\$ 2,288,157)</u> | <u>\$ 4,276,505</u> |

See notes to financial statements.

DELAWARE RIVER PORT AUTHORITY  
BALANCE SHEET - DECEMBER 31, 1976 AND 1975

| ASSETS  | Capital<br>Fund      | Revenue<br>Fund     | Bond<br>Service<br>Fund | Bond<br>Reserve<br>Fund | 1972 Escrow<br>Deposit Fund | 1972<br>Bond Fund |
|---|----------------------|---------------------|-------------------------|-------------------------|-----------------------------|-------------------|
| Cash (Note 4)   |                      | \$ 326,524          |                         |                         |                             | \$ 1,026          |
| Investment in securities (Note 4)   |                      | 24,928,982          | \$10,522,918            | \$23,693,461            | \$105,305,000               | 182,641           |
| Accrued interest receivable   |                      | 454,956             |                         | 334,955                 | 2,949,627                   |                   |
| Accounts receivable (Note 2)  |                      | 45,387              |                         |                         |                             |                   |
| Transit system inventory  |                      |                     |                         |                         |                             |                   |
| Prepaid expenses  |                      | 49,506              |                         |                         |                             |                   |
| Investment in facilities:   |                      |                     |                         |                         |                             |                   |
| Benjamin Franklin Bridge  | \$ 44,765,772        |                     |                         |                         |                             |                   |
| Walt Whitman Bridge   | 86,923,657           |                     |                         |                         |                             |                   |
| Southern New Jersey Rapid Transit System,<br>net of accumulated depreciation, 1976,<br>\$15,635,947; 1975, \$13,670,369 | 85,651,541           |                     |                         |                         |                             |                   |
| Southern New Jersey Rapid Transit System,<br>first phase capital improvement program                                    |                      | 314,148             |                         |                         |                             |                   |
| Commodore Barry Bridge  |                      | 1,023,474           |                         |                         |                             |                   |
| Betsy Ross Bridge   |                      | 218,678,592         |                         |                         |                             |                   |
| Future extensions to Southern New Jersey<br>Rapid Transit System study  | 18,588               |                     |                         |                         |                             |                   |
|   | <u>\$218,697,180</u> | <u>\$25,805,355</u> | <u>\$10,522,918</u>     | <u>\$24,028,416</u>     | <u>\$108,254,627</u>        | <u>\$183,667</u>  |
| LIABILITIES AND FUND EQUITIES   |                      |                     |                         |                         |                             |                   |
| Accounts payable:   |                      |                     |                         |                         |                             |                   |
| Contracts   |                      |                     |                         |                         |                             |                   |
| Retained amount on contracts  |                      |                     |                         |                         |                             |                   |
| Other   |                      | \$ 681,176          |                         |                         |                             |                   |
|   |                      | <u>681,176</u>      |                         |                         |                             |                   |
| Accrued liabilities:  |                      |                     |                         |                         |                             |                   |
| Interest  |                      |                     | \$ 7,685,883            |                         | \$ 2,486,458                | \$781,458         |
| Pension (Note 3)  |                      | 347,008             |                         |                         |                             |                   |
| Sick leave benefits   |                      | 1,995,162           |                         |                         |                             |                   |
|   |                      | <u>2,342,170</u>    | <u>7,685,883</u>        |                         | <u>2,486,458</u>            | <u>781,458</u>    |
| Deferred income on truck tickets  |                      | <u>706,857</u>      |                         |                         |                             |                   |
| Reserves:   |                      |                     |                         |                         |                             |                   |
| Replacements and repaving   |                      | 2,860,232           |                         |                         |                             |                   |
| Other   |                      | <u>2,860,232</u>    |                         |                         |                             |                   |
| Funded debt (Note 4)  | \$110,717,612        |                     |                         | \$23,630,262            | 108,080,817                 |                   |
| Commitments and contingent liabilities<br>(Note 5)  |                      |                     |                         | 398,154                 | ( 2,312,648)                | ( 597,791)        |
| Fund equities (deficiencies) (Note 6)   | 107,979,568          | 19,214,920          | 2,837,035               |                         |                             |                   |
|   | <u>\$218,697,180</u> | <u>\$25,805,355</u> | <u>\$10,522,918</u>     | <u>\$24,028,416</u>     | <u>\$108,254,627</u>        | <u>\$183,667</u>  |

| Debt Service Fund  | Debt Service Reserve Fund | 1974 Escrow Deposit Fund          | 1974 Bond Fund  | Construction Fund                | General Fund           | Total   |   |
|--------------------|---------------------------|-----------------------------------|-----------------|----------------------------------|------------------------|---|---|
|                    |                           |                                   |                 |                                  |                        | 1976  | 1975  |
| \$1,397,539        | \$3,538,736<br>90,830     | \$ 813<br>47,790,000<br>1,588,042 | \$ 273<br>6,985 | \$ 4,392<br>10,534,507           | \$ 91,019<br>1,499,745 | \$ 424,047<br>229,400,514<br>5,418,410<br>4,150,816<br>961,253<br>208,887 | \$ 473,929<br>244,295,197<br>6,146,240<br>2,062,141<br>927,441<br>426,235 |
|                    |                           |                                   |                 | 500,000                          |                        | 45,265,772<br>86,923,657  | 44,995,235<br>86,906,471  |
|                    |                           |                                   |                 | 110,872                          | 56,352                 | 85,818,765  | 88,486,563  |
|                    |                           |                                   |                 | 122,756,985<br>101,337,197       | 424,785<br>3,636,625   | 424,785<br>126,707,758<br>102,360,671                                     | 297,479<br>126,230,026<br>99,711,354                                      |
|                    |                           |                                   |                 | 224,705,054                      | 4,117,762              | 447,501,408   | 446,627,128   |
|                    |                           |                                   |                 |                                  | 611,013                | 629,601   | 577,341   |
| <u>\$1,397,539</u> | <u>\$3,629,566</u>        | <u>\$49,378,855</u>               | <u>\$ 7,258</u> | <u>\$235,466,808</u>             | <u>\$11,322,747</u>    | <u>\$688,694,936</u>  | <u>\$701,535,652</u>  |
|                    |                           |                                   |                 | \$ 267,328<br>360,910<br>147,856 | \$ 328,587<br>744,613  | \$ 267,328<br>689,497<br>1,573,645  | \$ 5,024,870<br>2,756,752<br>1,057,339                                    |
|                    |                           |                                   |                 | 776,094                          | 1,073,200              | 2,530,470   | 8,838,961   |
| \$ 832,889         |                           | \$ 898,872                        | \$372,452       |                                  |                        | 13,058,012<br>464,595<br>2,274,521  | 13,208,276<br>353,977<br>1,927,136  |
| 832,889            |                           | 898,872                           | 372,452         | 2,068                            | 115,519<br>279,359     | 2,274,521   | 1,927,136   |
|                    |                           |                                   |                 | 2,068                            | 394,878                | 15,797,128  | 15,489,389  |
|                    |                           |                                   |                 |                                  |                        | 706,857   | 594,310   |
|                    |                           |                                   |                 |                                  |                        | 2,860,232<br>300,000  | 1,800,082<br>300,000  |
|                    |                           |                                   |                 |                                  | 300,000                | 3,160,232   | 2,100,082   |
|                    |                           | 39,509,631                        |                 | 170,812,243                      |                        | 452,750,565   | 458,475,069   |
| 564,650            | \$3,629,566               | 8,970,352                         | ( 365,194)      | 63,876,403                       | 9,554,669              | 213,749,684   | 216,037,841   |
| <u>\$1,397,539</u> | <u>\$3,629,566</u>        | <u>\$49,378,855</u>               | <u>\$ 7,258</u> | <u>\$235,466,808</u>             | <u>\$11,322,747</u>    | <u>\$688,694,936</u>  | <u>\$701,535,652</u>  |

See notes to financial statements.

DELAWARE RIVER PORT AUTHORITY  
STATEMENT OF CHANGES IN FUND EQUITIES  
YEARS ENDED DECEMBER 31, 1976 AND 1975

|  | Capital<br>Fund      | Revenue<br>Fund      | Bond<br>Service<br>Fund | Bond<br>Reserve<br>Fund | 1972 Escrow<br>Deposit Fund |
|--|----------------------|----------------------|-------------------------|-------------------------|-----------------------------|
| Balance, equities (deficiencies), beginning of year,<br>as previously reported | \$108,052,519        | \$21,183,175         | \$ 2,845,222            | \$ 363,217              | (\$1,492,150)               |
| Restatement of reserve for self-insurance (Note 6)                             |                      |                      |                         |                         |                             |
| Balance, equities (deficiencies), beginning of year,<br>as restated            | <u>108,052,519</u>   | <u>21,183,175</u>    | <u>2,845,222</u>        | <u>363,217</u>          | <u>( 1,492,150)</u>         |
| Revenues and expenses:   |                      |                      |                         |                         |                             |
| Operating revenues   |                      | 34,126,535           |                         |                         |                             |
| Operating expenses   | ( 2,153,560)         | ( 14,060,946)        |                         |                         |                             |
| General administration expenses  |                      | ( 2,469,471)         |                         |                         |                             |
| Interest income  |                      | 1,531,015            |                         | 1,627,152               |                             |
| Interest on funded debt  |                      |                      | ( 16,829,036)           |                         |                             |
| Other income (charges), net  | ( 1,237,945)         |                      |                         |                         | 908,014                     |
|  | <u>( 3,391,505)</u>  | <u>19,127,133</u>    | <u>( 16,461,000)</u>    | <u>1,627,152</u>        | <u>908,014</u>              |
| Interfund transfers and payments:  |                      |                      |                         |                         |                             |
| Bond Service Fund requirement  |                      | ( 16,392,777)        | 16,392,777              |                         |                             |
| Funds in excess of Bond Reserve requirement                                    |                      | 1,592,215            |                         | ( 1,592,215)            |                             |
| Completed capital additions  | 1,193,554            |                      |                         |                         |                             |
| Funds in excess of escrow requirement  |                      |                      |                         |                         | ( 1,718,852)                |
| Excess funds free of lien or pledge  |                      | ( 4,053,505)         |                         |                         |                             |
| Funds in excess of Debt Service Reserve Fund requirement                       |                      | 277,067              |                         |                         |                             |
| Debt Service Fund requirement  |                      | ( 2,516,458)         |                         |                         |                             |
| Retirement of bonds:   |                      |                      |                         |                         |                             |
| 1969 First Series Revenue Serial Bonds   | 2,125,000            |                      |                         |                         |                             |
| Series 1974 Special Obligation Refunding Serial Bonds                          |                      |                      |                         |                         |                             |
| Series 1974 Special Revenue Refunding Bonds                                    |                      |                      |                         |                         |                             |
| Other  |                      | ( 1,930)             | 60,036                  |                         | ( 9,660)                    |
|  | <u>3,318,554</u>     | <u>( 21,095,388)</u> | <u>16,452,813</u>       | <u>( 1,592,215)</u>     | <u>( 1,728,512)</u>         |
| Balance, equities (deficiencies), end of year                                  | <u>\$107,979,568</u> | <u>\$19,214,920</u>  | <u>\$ 2,837,035</u>     | <u>\$ 398,154</u>       | <u>(\$2,312,648)</u>        |



DELAWARE RIVER PORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1976 AND 1975

1. Summary of significant accounting policies:

Basis of presentation:

The following accounting policies are in accordance with generally accepted accounting principles of governmental agencies and with provisions of the Authority's Bond Resolutions.

Southern New Jersey Rapid Transit System operations are carried out by a subsidiary legal entity, the accounts of which are included herein. Material balances and transactions between the entities have been eliminated.

Investment in securities:

Investment in securities is stated at amortized cost, which approximates market value.

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.

Investment in facilities and reserve for replacements and repainting:

Investment in facilities is stated at cost, which generally includes expenses in connection with the offering, selling and issuance of bonds, and administrative and legal expenses during the construction period. Investment in facilities also includes cost of improvements, enlargements and betterments to the original facility.

Depreciation is not included as an operating expense or otherwise provided, except for the Southern New Jersey Rapid Transit System where it is provided by the straight-line method over the estimated useful lives of the components of the facility.

Maintenance and repair costs considered necessary to maintain bridge facilities in good operating condition are charged to operations as incurred. A reserve sufficient to meet the estimated cost to repaint and replace road surfaces and fenders of bridge facilities is provided by periodic charges to operations.

Southern New Jersey Rapid Transit System, first phase capital improvement program and future extensions to Southern New Jersey Rapid Transit System study:

Southern New Jersey Rapid Transit System, first phase capital improvement program and future extensions to Southern New Jersey Rapid Transit System study are stated at cost, net of reimbursements from the Urban Mass Transit Authority and other governmental agencies (see Note 2).

Funded debt discount:

Discount arising from the issuance of funded debt is amortized on the straight-line method from the issue date to maturity.

DELAWARE RIVER PORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1976 AND 1975

2. Accounts receivable:

General Fund accounts receivable include amounts due from governmental authorities for:

|   | <u>1976</u>        | <u>1975</u>        |
|---|--------------------|--------------------|
| Construction reimbursement for the Southern New Jersey Rapid Transit System, Locust traction power substation                                     | \$ 381,981         | \$ 353,381         |
| Reimbursement for a Mass Transit Capital Improvement Grant, the Southern New Jersey Rapid Transit System, first phase capital improvement program | 2,744,342          | 569,199            |
| Advance to N.J. Department of Transportation for right-of-way acquisition, Woodcrest Station  | 485,262            | 623,000            |
| Reimbursement for a Mass Transit Technical Study Grant  | 90,586             | 90,586             |
| Reimbursement for the rehabilitation and reactivation of the Franklin Square Station  | <u>50,000</u>      | <u>          </u>  |
|   | <u>\$3,752,171</u> | <u>\$1,636,166</u> |

The Construction Fund accounts receivable represents the amount due from the State of New Jersey for construction of highways leading to certain of the Authority's facilities.

Construction costs and accounts receivable are generally subject to approval and audit by the applicable governmental agency.

3. Pension plan:

The Authority participates in a money purchase pension plan administered by an agency of the Commonwealth of Pennsylvania which covers all permanent employees of the Authority. The nonrepresented employees of the Authority's wholly owned subsidiary are also covered by this plan. Contributions to the plan by the Authority and its subsidiary amounted to \$1,545,644 and \$1,175,146 in 1976 and 1975, respectively. The Authority's subsidiary also contributes to a union pension plan which covers its represented employees. Contributions totalling \$89,612 and \$72,052 in 1976 and 1975, respectively, were made to this plan. The excess, if any, of the actuarially computed value of vested benefits over the respective pension fund assets, was not available from the administrators of either plan.

4. Funded debt:

The First Series Revenue Bonds, Series 1970 Revenue Bonds, Series 1972 Revenue Bonds and Series 1972 Refunding Revenue Bonds are issued in accordance with the General Bond Resolution dated April 23, 1969 as supplemented; the Series 1972 Special Obligation Refunding Bonds are issued pursuant to Resolution dated September 13, 1972; the Series 1974 Special Revenue Refunding Bonds are issued in accordance with the Special Revenue Bond Resolution dated June 19, 1974 as supplemented; and the Series 1974 Special Obligation Refunding Bonds are issued pursuant to Resolution dated June 19, 1974.

DELAWARE RIVER PORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1976 AND 1975

4. Funded debt (continued):

Funded debt transactions for the two years ended December 31, 1976 and 1975 and outstanding funded debt are summarized as follows:

|                               | <u>Total</u>         | <u>1969 First Series Revenue Bonds</u> | <u>Series 1970 Revenue Bonds</u> |
|-------------------------------|----------------------|--|----------------------------------|
| Balance, January 1, 1975      | \$463,115,168        | \$140,000,000                          | \$70,000,000                     |
| Deduct:                       |                      |  |                                  |
| Bonds matured                 | ( 3,795,000)         | ( 1,000,000)                           |                                  |
| Bonds redeemed early          | ( 90,000)            |  |                                  |
| Sinking Fund payment          | ( 1,010,000)         |  |                                  |
| Add:                          |                      |  |                                  |
| Amortization of bond discount | <u>254,901</u>       |  |                                  |
| Balance, December 31, 1975    | 458,475,069          | 139,000,000                            | 70,000,000                       |
| Deduct:                       |                      |  |                                  |
| Bonds matured                 | ( 4,820,000)         | ( 2,125,000)                           |                                  |
| Sinking Fund payment          | ( 1,105,000)         |  |                                  |
| Add:                          |                      |  |                                  |
| Amortization of bond discount | <u>200,496</u>       |  |                                  |
| Balance, December 31, 1976    | <u>\$452,750,565</u> | <u>\$136,875,000</u>                   | <u>\$70,000,000</u>              |

The funded debt is payable and bears interest as follows:

| <u>Maturity date</u>  | <u>Rate</u> | <u>Principal, net of unamortized discount</u> |               |
|---|-------------|---|---------------|
| 1969 First Series Revenue Bonds:  |             |   |               |
| <u>January 15,</u>  |             |   |               |
| 1977  | 5.10%       | \$ 1,500,000                                  |               |
| 1978  | 5.15        | 2,050,000                                     |               |
| 1979  | 5.20        | 2,900,000                                     |               |
| 1980  | 5.25        | 3,575,000                                     |               |
| 1981  | 5.30        | 4,200,000                                     |               |
| 1982  | 5.35        | 4,825,000                                     |               |
| 1983  | 5.35        | 5,350,000                                     |               |
| 1984  | 5.40        | 5,975,000                                     |               |
| 1985  | 5.40        | <u>6,500,000</u>                              |               |
|   |             | 36,875,000                                    |               |
| Total serial bonds outstanding  |             |   |               |
| 2009 (term bonds)   | 5.625       | <u>100,000,000</u>                            | \$136,875,000 |
| Series 1970 Revenue Bonds,  |             |   |               |
| January 15, 2010  | 7.75        |   | 70,000,000    |
| Series 1972 Revenue Bonds,  |             |   |               |
| net of unamortized discount of \$1,714,883, January 15, 2011  | 6.50        |   | 98,285,117    |
| Series 1972 Refunding Revenue Bonds, net of unamortized discount of \$319,183, January 15, 2010         | 6.00        |   | 77,080,817    |
| Series 1972 Special Obligation Refunding Bonds, January 15, 1979  | 5.50        |   | 31,000,000    |
| Series 1974 Special Revenue Refunding Bonds, net of unamortized discount of \$502,833, January 15, 1990 | 7.25        |   | 24,562,167    |

| <u>Series 1972<br/>Revenue<br/>Bonds</u> | <u>Series 1972<br/>Refunding<br/>Revenue<br/>Bonds</u> | <u>Series 1972<br/>Special<br/>Obligation<br/>Refunding<br/>Bonds</u> | <u>Series 1974<br/>Special<br/>Revenue<br/>Refunding<br/>Bonds</u> | <u>Series 1974<br/>Special<br/>Obligation<br/>Refunding<br/>Bonds</u> |
|--|--|---|--|---|
| \$98,184,365                             | \$77,061,497   | \$31,000,000  | \$26,569,934   | \$20,299,372  |
|  |  |   |  | ( 2,795,000)  |
|  |  |   | ( 90,000)  |   |
|  |  |   | ( 1,010,000)   |   |
| <u>50,376</u>                            | <u>9,660</u>   |   | <u>110,624</u>   | <u>84,241</u>   |
| 98,234,741                               | 77,071,157   | 31,000,000  | 25,580,558   | 17,588,613  |
|  |  |   |  | ( 2,695,000)  |
|  |  |   | ( 1,105,000)   |   |
| <u>50,376</u>                            | <u>9,660</u>   |   | <u>86,609</u>  | <u>53,851</u>   |
| <u>\$98,285,117</u>                      | <u>\$77,080,817</u>                                    | <u>\$31,000,000</u>   | <u>\$24,562,167</u>  | <u>\$14,947,464</u>   |

| <u>Maturity date</u>                            | <u>Rate</u>     | <u>Principal, net of<br/>unamortized discount</u> |
|---|-----------------|---|
| Series 1974 Special Obligation Refunding Bonds: |                 |   |
| <u>January 15,</u>                              | <u>July 15,</u> |   |
| 1977  | 1977            | 5.30% \$ 1,320,000                                |
|   | 1977            | 5.30 1,285,000                                    |
| 1978  |                 | 5.30 1,290,000                                    |
|   | 1978            | 5.30 1,230,000                                    |
| 1979  |                 | 5.35 1,240,000                                    |
|   | 1979            | 5.35 1,145,000                                    |
| 1980  |                 | 5.40 1,145,000                                    |
|   | 1980            | 5.40 1,005,000                                    |
| 1981  |                 | 5.45 1,005,000                                    |
|   | 1981            | 5.45 840,000                                      |
| 1982  |                 | 5.50 840,000                                      |
|   | 1982            | 5.50 655,000                                      |
| 1983  |                 | 5.55 660,000                                      |
|   | 1983            | 5.55 455,000                                      |
| 1984  |                 | 5.60 460,000                                      |
|   | 1984            | 5.60 240,000                                      |
| 1985  |                 | 5.60 <u>240,000</u>                               |
| Outstanding issue                               |                 | 15,055,000  |
| Less unamortized discount                       |                 | <u>107,536</u> \$ <u>14,947,464</u>               |
|   |                 | <u>\$452,750,565</u>                              |

DELAWARE RIVER PORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1976 AND 1975

4. Funded debt (continued):

To effect the redemption of the \$40,000,000 Serial Bonds issued under the 1969 General Bond Resolution, on July 11, 1974 the Authority issued the Series 1974 Special Revenue Refunding Bonds and Series 1974 Special Obligation Refunding Bonds. Proceeds from the sale of these bonds, together with unencumbered amounts from the General Fund totalling \$6,448,458 and an amount previously deposited in the Bond Reserve Fund totalling \$1,843,950 were transferred into the 1974 Escrow Deposit Fund and applied to the purchase of specified investments which are held in a special and irrevocable trust fund under an escrow deposit agreement. The maturing principal of the specified investments will be used to redeem the 1969 Serial Bonds as they mature, and to pay the debt service thereon. The income from these specified investments, together with the accrued interest on the Series 1974 Special Obligation Refunding Bonds received at settlement will be used to redeem the Series 1974 Special Obligation Refunding Bonds as they mature, and to pay the related debt service.

As a result of the issuance of the Series 1974 Special Revenue Refunding Bonds and the Series 1974 Special Obligation Refunding Bonds, the 1969 Serial Bonds are, as of July 11, 1974, no longer "outstanding" as defined by the General Bond Resolution. Interest expense on the 1969 Serial Bonds is included in other income (charges) after July 15, 1974.

The Authority has given the Trustee under the 1969 General Bond Resolution notice of its irrevocable election to redeem the Series 1970 Revenue Bonds on January 15, 1979 at 103% of principal amount. To effect this redemption the entire proceeds from the sale of Series 1972 Refunding Revenue Bonds and Series 1972 Special Obligation Refunding Bonds, together with cash transferred from the Bond Service Fund, were deposited in the 1972 Escrow Deposit Fund and were applied to the purchase of certain specified investments which are held in a special and irrevocable trust fund under the 1972 Escrow Deposit Agreement. The maturing principal of and the interest income from the specified investments will be used to pay the principal, redemption premium and the interest on the Series 1970 Revenue Bonds, and to the extent available, the principal of and interest on the Series 1972 Special Obligation Refunding Bonds.

DELAWARE RIVER PORT AUTHORITY  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEARS ENDED DECEMBER 31, 1976 AND 1975

4. Funded debt (continued):

As a result of the issuance of the Series 1972 Refunding Revenue Bonds and the Series 1972 Special Obligation Refunding Bonds, the Series 1970 Bonds are, as of October 17, 1972, no longer "outstanding" as defined by the 1969 General Bond Resolution. Interest expense on the Series 1970 Bond is included in other income (charges).

Substantially all revenues, cash and securities of the Authority are pledged under the various Resolutions authorizing the bond issues.

The Series 1974 and 1972 Special Obligation Refunding Bonds are not subject to early redemption. All other issues are redeemable prior to maturity at various amounts not in excess of 104% of principal.

The several bond/debt service, bond/debt reserve, and escrow requirements established by and defined in the various Resolutions authorizing the bond issues were met by the Authority.

These requirements are summarized as follows:

|                      | December 31, |              |
|----------------------|--------------|--------------|
|                      | 1976         | 1975         |
| Bond Reserve         | \$21,600,550 | \$21,600,550 |
| Bond Service         | 9,125,762    | 9,121,690    |
| 1972 Escrow          | 85,662,500   | 91,087,500   |
| Debt Service Reserve | 3,176,837    | 3,176,837    |
| Debt Service         | 1,382,822    | 1,800,749    |
| 1974 Escrow          | 47,790,812   | 51,930,112   |

In addition, the several maintenance of revenues covenants established by the various Resolutions were exceeded by the Authority for the year ended December 31, 1976.

DELAWARE RIVER PORT AUTHORITY  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEARS ENDED DECEMBER 31, 1976 AND 1975

5. Commitments and contingent liabilities:

As of December 31, 1976 the Authority had contractual commitments as follows:

|   | Revenue<br>Fund | Construction<br>Fund | General<br>Fund    | Total              |
|---|-----------------|----------------------|--------------------|--------------------|
| Benjamin Franklin Bridge:   |                 |                      |                    |                    |
| Maintenance building  |                 | \$ 32,290            |                    | \$ 32,290          |
| Toll plaza modifications  |                 | 2,810                |                    | 2,810              |
| Installation of sprinkler system, maintenance<br>building                             |                 |                      | \$ 28,500          | 28,500             |
| Other   | \$ 9,329        |                      |                    | 9,329              |
| Commodore Barry Bridge  |                 | 1,511,080            |                    | 1,511,080          |
| Betsy Ross Bridge   | 17,000          | 2,153,555            |                    | 2,170,555          |
| Southern New Jersey Rapid Transit System:   |                 |                      |                    |                    |
| Rehabilitation of Franklin Square Station   |                 |                      | 1,394              | 1,394              |
| Boundry surveys, New Jersey properties  |                 | 29,962               |                    | 29,962             |
| Southern New Jersey Rapid Transit System, first<br>phase capital improvement program: |                 |                      |                    |                    |
| Automatic fare collection equipment   |                 |                      | 95,189             | 95,189             |
| Procurement of new rapid transit cars   |                 |                      | 588,205            | 588,205            |
| Consulting engineer services  |                 |                      | 352,326            | 352,326            |
| Procurement of electric switch apparatus  |                 |                      | 103,810            | 103,810            |
| Lindenwold yard and mainline improvements   |                 |                      | 682,020            | 682,020            |
| Station and concourse improvements, Locust<br>Street Subway                           |                 |                      | 212,373            | 212,373            |
| Installation of electric switches and<br>control apparatus                            |                 |                      | 128,370            | 128,370            |
| Procurement of signal cables and miscellaneous<br>equipment                           |                 |                      | 282,346            | 282,346            |
| Future extensions to Southern New Jersey Rapid<br>Transit System Study                |                 |                      | 107,850            | 107,850            |
|   | <u>\$26,329</u> | <u>\$3,729,697</u>   | <u>\$2,582,383</u> | <u>\$6,338,409</u> |

The current engineering estimate for the total cost of construction of the Commodore Barry and Betsy Ross Bridges aggregated approximately \$237,000,000 of which approximately \$229,068,000 has been incurred to date. The amount unearned or not billed under actual construction contracts for these facilities totals \$3,664,635.

The Authority has agreed to contribute \$1,500,000 to the State of New Jersey for highway construction leading to the Benjamin Franklin Bridge. In addition, the Authority is committed to the Commonwealth of Pennsylvania for construction of roadway connections between the Benjamin Franklin Bridge and the Vine Street Expressway. The agreement provides for 100% of the construction costs if 90% Federal funds are obtained. If Federal funding is not obtained, participation will be limited to \$3,375,000.

DELAWARE RIVER PORT AUTHORITY  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEARS ENDED DECEMBER 31, 1976 AND 1975

5. Commitments and contingent liabilities (continued):

In 1972, the Authority entered into a long-term lease agreement for the rental of toll collection equipment for approximately 63 toll lanes. The Agreement extends for a period of five years after the date on which all rental charges begin. The lease remains in full force and effect for an additional two year period unless the Authority gives termination notice in writing at least 120 days prior to the expiration of the five year period. The lease contains an option to purchase clause.

Certain subway properties are leased from the City of Philadelphia. The lease expires December 31, 1997 and provides for rental payments of \$1 per year plus 9.6% of net profits of the Transit System. For the years ended December 31, 1976 and 1975, no additional rent is payable since operations of the Transit System resulted in a loss when computed in accordance with terms of the lease agreement.

Minimum lease commitments under all noncancellable leases are as follows:

| Year ending<br>December 31, | Subway<br>properties | Automatic<br>toll<br>collection<br>equipment | Transit<br>system<br>fare collection<br>equipment | Other    | Total     |
|-----------------------------|----------------------|--|---|----------|-----------|
| 1977                        | \$1                  | \$718,000                                    | \$14,000  | \$25,000 | \$757,001 |
| 1978                        | 1                    | 718,000                                      | 14,000  | 11,000   | 743,001   |
| 1979                        | 1                    | 598,000                                      | 14,000  |          | 612,001   |

Rent expense for the years ended December 31, 1976 and 1975 amounted to \$834,000 and \$666,000, respectively.

The Authority anticipates renewing or replacing annual office and equipment leases that expire in the normal course of business. Several office and equipment leases require the Authority to pay maintenance and certain operating expenses.



DELAWARE RIVER PORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 1976 AND 1975

5. Commitments and contingent liabilities (continued):

By decision dated October 1, 1976, the U.S. District Court of New Jersey reaffirmed its previous decision to uphold a directive of the Federal Highway Administrator that tolls on major bridge facilities operated by the Authority be lowered, which Order was effective December 1, 1975. This decision was appealed by the Authority, and the latest arguments were presented before the Third Circuit Court of Appeals on February 15, 1977. The Authority is restricted in providing for toll fare increases until a decision is rendered.

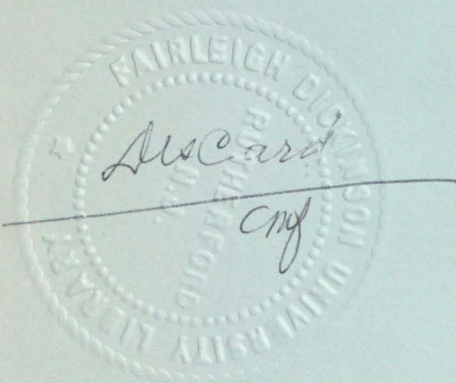
Several companies involved in the construction of facilities have filed various claims against the Authority which are being negotiated. The Authority is also engaged in several land condemnation proceedings relating to acquisition of land for construction of facilities. The aggregate amount claimed in this and other litigation approximates \$23,000,000. The Authority believes that the claims are highly inflated, has filed counter-claims in certain of the cases and feels that the ultimate liability, if any, in these actions would not materially affect its financial position. Accordingly, no provision has been made in the financial statements for any potential losses in these matters. Any payments which might be due upon settlement of construction claims or as a result of condemnation awards would be charged to investment in facilities.

6. Restatement of fund equities:

Pursuant to Financial Accounting Standards Board Statements 5 and 11, the Authority has reduced the reserve for self-insurance for the Port Authority Transit Corporation by restating fund equities.

7. Retirement of fare collection equipment:

Pursuant to a Federal grant from the Urban Mass Transit Authority, the Authority replaced substantially all of its fare collection equipment on the New Jersey Rapid Transit System. The old equipment was disposed of, resulting in a charge to operations for its net book value.



DATE DUE



