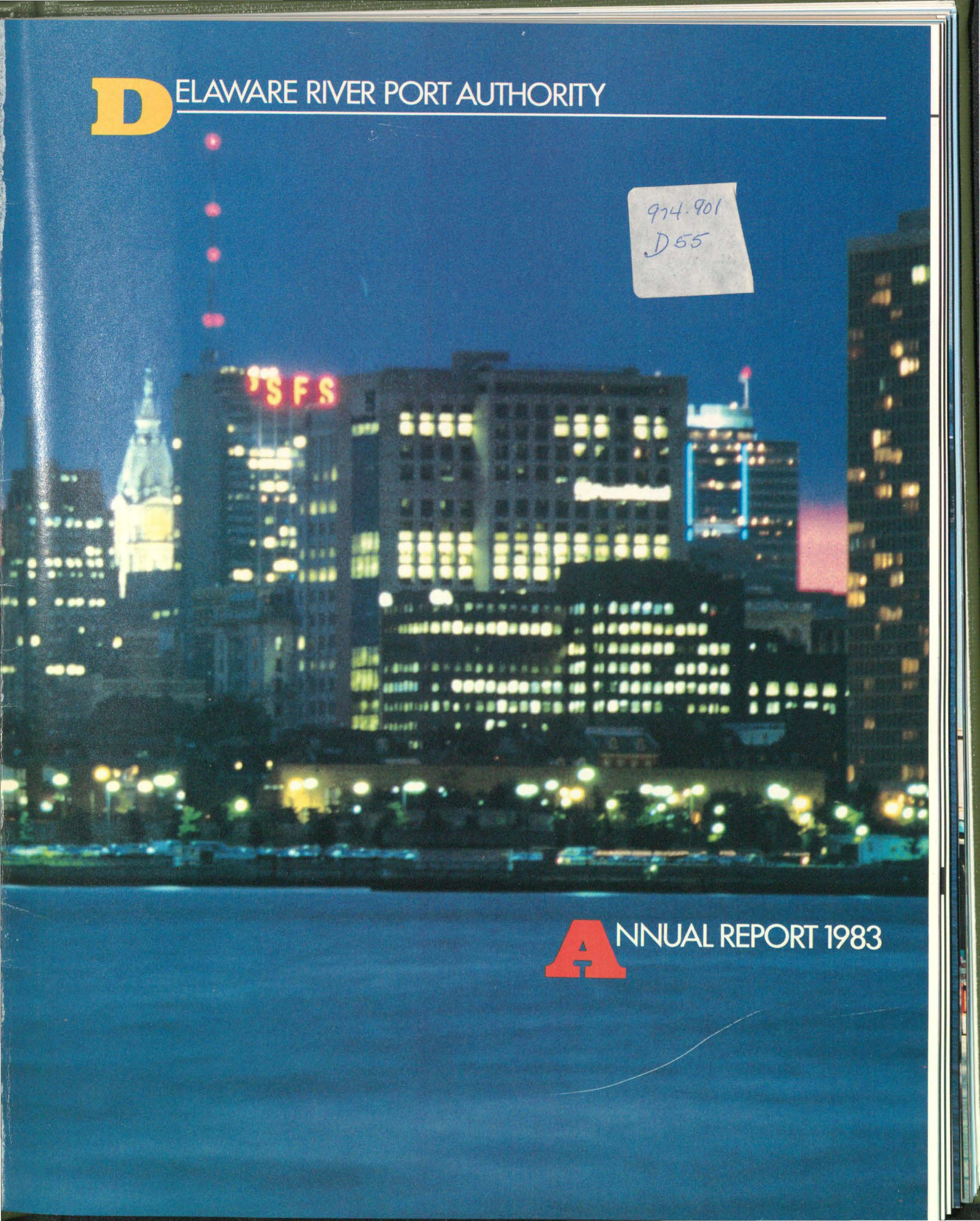


DELAWARE RIVER PORT AUTHORITY

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ANNUAL REPORT 1983

DELAWARE RIVER PORT AUTHORITY • ANNUAL REPORT 1983

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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, NJ, Bridge Plaza

REGIONAL OFFICES

NEW YORK 41 E. 42nd Street	PHILADELPHIA Public Ledger Building
PITTSBURGH United States Steel Building	CHICAGO O'Hare Atrium Office Center
TOKYO World Trade Center Building	BOGOTA Carrera 7a, No. 79-75
ANTWERP Braderijstraat 7, Bus 14 2000-Antwerpen, Belgium	HONG KONG Galuxe Building Central District

*Prepared by: Office of Public
Information*

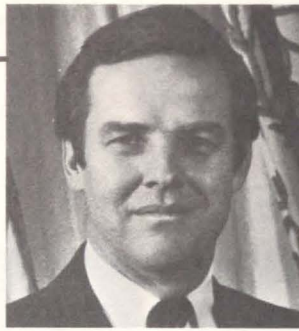
Design: Thomas J. Paul, Inc.

TO:



The Honorable
Dick Thornburgh
Governor of the
Commonwealth of
Pennsylvania

and



The Honorable
Thomas H. Kean
Governor of the
State of New Jersey

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NEW JERSEY STATE LIBRARY
SEP 18 1984
185 W. State St.
Trenton, N.J.

Increased travel spurred by reduced gasoline prices and the success of the Atlantic City casinos appears to account for most of the continued growth in traffic on the Authority's four bridges. Volume for the past five years has risen steadily, reaching a total of 72.2 million vehicles in 1983. It increased by 7.7 million vehicles, or 12 percent over the 64.5 million of 1979. In that same period, the Authority's personnel complement has remained constant at 672 employees, thereby demonstrating the successful efforts of Commission and staff to continue to improve the efficiency of the Authority's operations.

Ridership on the Port Authority Transit Corporation's (PATCO) Lindenwold High Speed Line declined 4.1 percent to 10,670,945 in 1983. The drop was attributed mostly to a fare increase of some 15 percent which went into effect on March 20. However, also as a result of the fare increase, revenues rose 8 percent to \$13,921,999.

New marketing and promotion programs contributed importantly to an encouraging revitalization of the Ports of Philadelphia. Even though total waterborne cargo tonnage was down, the volume of the lucrative general cargo increased 18 percent to a total of 5.1 million tons. The Ports of Philadelphia also regained their position as the nation's leading port for the handling of international waterborne commerce.

Progress continued on the solution to the Authority's two major problems: rehabilitation of the PATCO track bed on the Benjamin Franklin Bridge; and redecking of the Benjamin Franklin Bridge. Design contracts for the track work were awarded in the spring and completed before year's end in anticipation of the award of construction contracts early in 1984. Meanwhile, structural deterioration in the stringer beams under the Benjamin Franklin Bridge deck dictated closing the outermost lane on each side. Funding of the estimated \$70 million cost of deck rehabilitation was vigorously pursued. It is expected that the deck design will be completed in 1984 and that construction will take place in 1985 and 1986. The problems associated with the redecking are formidable, but will be resolved.

Details of the Authority's activities for the year follow.

Yours respectfully,

F. Eugene Dixon
Chairman

MEMBERS OF THE COMMISSION

PENNSYLVANIA



F. Eugene Dixon, Jr.
Chairman
Management Trustee



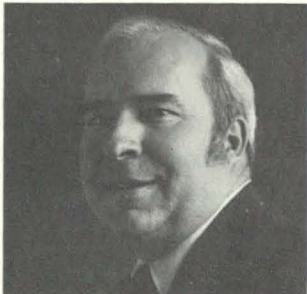
Alexander Talmadge
President, Local 1291
Intl. Longshoremens Assoc.



Alfred P. Benedict
Auditor General
Commonwealth of Pennsylvania



Robert S. Ross, Jr., Esq.
Attorney, Philadelphia



R. Budd Dwyer
Treasurer
Commonwealth of Pennsylvania



Malcolm B. Petrikin, Esq.
Attorney, Media



William H. Combs
Chairman, Tamaqua
Cable Products Corporation



James O. Pickard
Secretary of Commerce
Commonwealth of Pennsylvania

NEW JERSEY



William J. Doyle
Vice Chairman
Hill International, Inc.



William K. Dickey, Esq.
Counselor-at-Law
Collingswood



Harry Benn
Official, So. Jersey
Joint Board I.L.G.W.U.



John C. Gilmour
President
Holly Ravine Farm Dairy



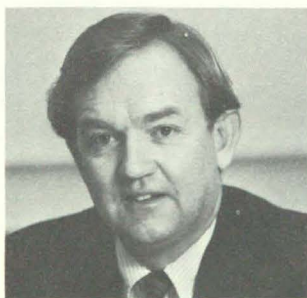
Francis L. Bodine
Sales Director
Datamedia Corporation



Mrs. Mary Ruth Talley
Restoration
Consultant



Joseph W. Cowgill, Esq.
Counselor-at-Law
Camden



H. Donald Stewart
Realtor

OFFICERS



James R. Kelly
President



Alfred L. Griebing
Executive Vice President



Dennis Rochford
Secretary



Thomas J. Auchter
Vice President/Treasurer

B BRIDGE OPERATIONS

The most significant event in Bridge Operations during 1983 occurred in February. A consultant's inspection of the Benjamin Franklin Bridge deck, in preparation for completely redecking the Bridge, revealed that the two outer lanes had deteriorated more rapidly than the rest of the deck. This discovery resulted in a decision to close them and to ban trucks with more than two axles from the Benjamin Franklin Bridge.

Despite the curtailment of heavy vehicles on the Benjamin Franklin Bridge, total traffic on the Authority's four bridges increased for the eleventh consecutive year. The increase in 1983 was 3.7 percent, or 2,600,224 vehicles for a total of 72,250,834 vehicles. Three of the four bridges set new annual traffic records. Traffic on the Benjamin Franklin increased by 623,677 to 25,056,859 vehicles. It has never topped its record of 32,198,966 vehicles set in 1956, the year prior to the opening of the Walt Whitman Bridge, but an increase in traffic during a year when two traffic lanes were closed and when large trucks were banned is a noteworthy record in itself.

The Walt Whitman Bridge continued to be the busiest of the four bridges with a volume of 35,568,899 vehicles in 1983, an increase of 1,071,252 over the previous year. The span set a new single day record on July 14, of 126,437 vehicles, surpassing by 671 vehicles the previous one-day high mark set on August 20, 1982. Annual traffic growth continued on the Commodore John Barry Bridge by 5 percent or 292,016 vehicles to a total of 6,163,895 and on the Betsy Ross Bridge by 12.7 percent, or 613,279 vehicles to a total of 5,461,181.

The use of commuter stickers increased three percent with sales that averaged 41,151 a month, while the use of reduced price tickets by senior citizens, a program now in its fifth year, increased by 14 percent to 5,047 daily.

In July, the Authority joined with the Burlington County Bridge Commission, and the Delaware River and Bay Authority to sponsor a study of the feasibility of implementing a one-way toll collection system on the bridges administered by the three agencies. Proposals were solicited and evaluated, and the firm of Wilbur Smith and Associates was selected to perform the study which is scheduled for completion early in 1984.

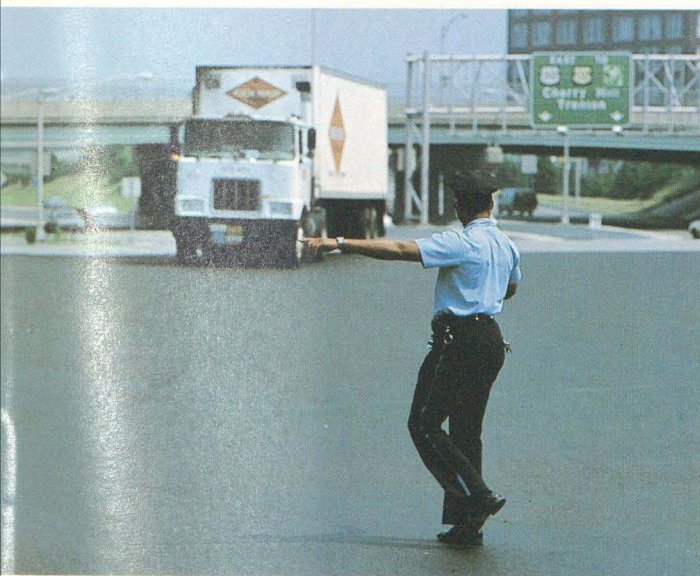
In September, a contract was approved for installation at the Walt Whitman Bridge of a single lane test model of a computerized toll collection, accounting and cash control system. A unique feature of this system is the use of closed circuit TV for security and transaction verification. Should this working model prove successful it will enable the Authority to increase the speed and decrease the cost of acquiring information, records and reports. A special feature of the system is the verification of all recorded transactions during a toll collector's tour of duty. The use of closed circuit TV provides an important potential for improving collector efficiency, decreasing shortages, and developing a photographic record of selected transactions. The test will continue into 1984.

Aggressive enforcement of traffic regulations resulted in a 3.7 percent decrease in accidents in 1983, dropping to 312 from the previous year's total of 324. There were five fatalities compared to three the previous year.

Authority police traveled 1,360,750 miles while patrolling approximately 30 miles of bridges, roadways and ramps 24 hours a day. Their assistance to the public included no-charge pushing and towing service to 9,605 disabled vehicles, an average of 26 per day, and they transported a total of 328 injured persons to local hospitals. The police issued 7,836 citations for moving violations and 10,165 warnings for lesser infractions. Authority police assisted area police departments in apprehending 278 criminal suspects. They arrested 194 persons for offenses committed on Port Authority property, and successfully intervened in 51 suicide attempts. Three deaths resulted from persons jumping from Authority bridges in comparison to two deaths the previous year.

FIVE YEAR BRIDGE TRAFFIC VOLUME

	Benjamin Franklin Br.	Walt Whitman Br.	Commodore Barry Br.	Betsy Ross Br.	Traffic Totals
1979	22,424,915	32,599,265	5,056,836	4,431,309	64,512,325
1980	22,832,684	34,371,718	5,316,251	4,608,527	67,129,180
1981	23,882,849	34,476,464	5,667,404	4,730,866	68,757,583
1982	24,433,182	34,497,647	5,871,879	4,847,902	69,650,610
1983	25,056,859	35,568,899	6,163,895	5,461,181	72,250,834



The consolidation of Police and Highway functions under the Chief Inspector of Police which took place in 1982 has proven to be operationally sound and highly efficient. It was particularly effective in snow removal operations during the record blizzard experienced in February. A follow-up on consolidation eliminated two highway foremen positions and redesignated the assistant foreman at each bridge as foreman. The Bureau's high standards of maintenance year 'round continued to insure safe and attractive conditions of the Authority's roadways, walkways, grounds and buildings.



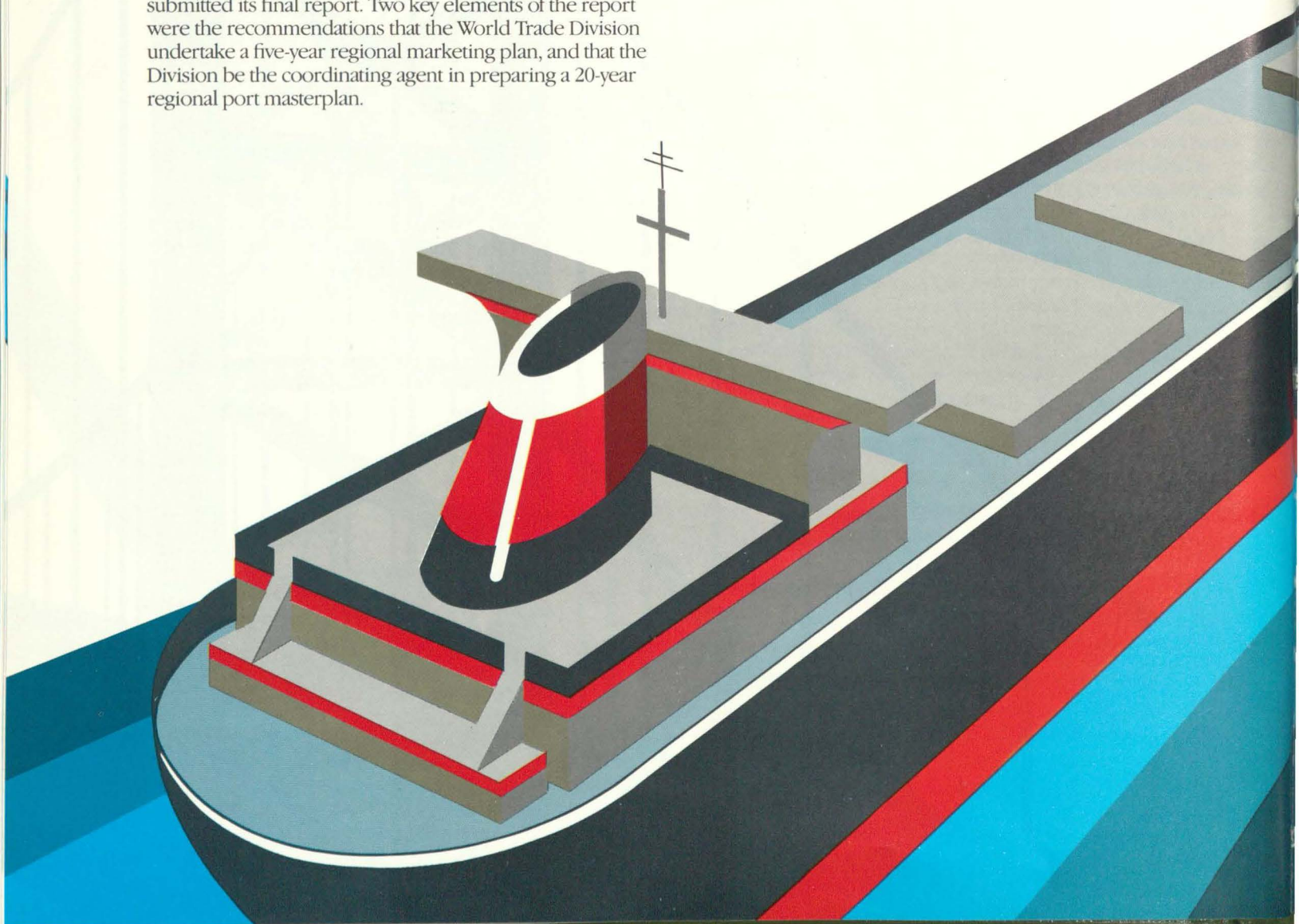
WORLD TRADE

The past year was one of significant and positive change in the maritime industry, one of the first business sectors to detect and respond to the swell of the improving economy. And the Ports of Philadelphia were among the first of the nation's major ports to reflect the improvement.

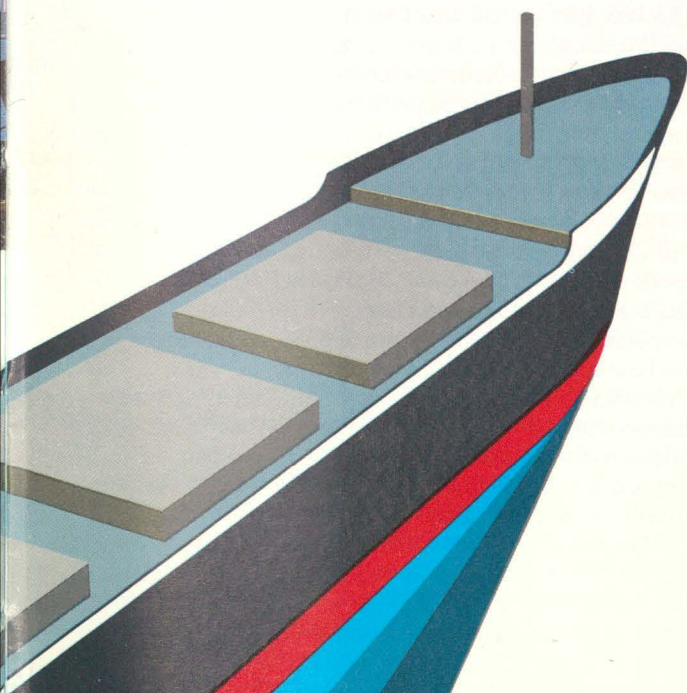
The overall total of cargo moving through the Port continued to decline because of reduced movements of petroleum, ore and grain, but there was a rewarding increase in the volume of general cargo. New programs of marketing and promotion, initiated last year, resulted directly in a general cargo increase of 18 percent or 784,674 tons to a total of 5,154,082 tons.

Even though total tonnage was down, the Port regained its position as the nation's number one port for total international waterborne commerce handled. It recorded 54,041,192 tons for the year to edge Hampton Roads out of first place.

The Regional Port Development Executive Committee, headed by DRPA Vice Chairman William J. Doyle, completed its two-year intensive study of the regional maritime industry, requested by Mayor William Green of Philadelphia, and submitted its final report. Two key elements of the report were the recommendations that the World Trade Division undertake a five-year regional marketing plan, and that the Division be the coordinating agent in preparing a 20-year regional port masterplan.



The industry-wide cooperative efforts generated by the Committee carried over to major projects launched during the year. Among the successful ventures was a port presentation to the Pittsburgh, Pa. shipping community. Twenty-eight businesses and agencies from the Ports of Philadelphia joined in journeying to Pittsburgh to make the presentation to 130



PORTS OF PHILADELPHIA FOREIGN TRADE

Short Tons in Millions

1979	80.4
1980	67.6
1981	65.8
1982	57.9
1983	54.0

exporters and importers. All arrangements were made by our Pittsburgh office. DRPA Commissioners James Pickard and Mary Ruth Talley were speakers at the function which was both well attended and well received.

The Division also coordinated a 15-member Ports of Philadelphia Trade Mission to four key European market areas of Antwerp, Rotterdam, Hamburg and Dusseldorf. Our Antwerp office arranged the itinerary which included receptions for more than 300 manufacturing and maritime executives in each of the cities visited.

The Division again took the lead in organizing a workshop for the importers of Chilean fruits, one of the Ports' most valuable labor-intensive cargoes. Some 15 million cases of fruit pass through the Port each year in the period from December to May. Attendants from as far as the West Coast and Canada participated in the program which helps define handling techniques and eliminates problem areas in advance.

Similarly, the Division joined with Lavino Shipping Corp. in hosting the prestigious Meat Importers Council of America's semi-annual conference. Our Port leads the nation in the importation of meat. The conference was the most successful in the Council's history with more than 300 in attendance.

Specific strategies and programs designed to secure a greater market share for the Port were initiated as part of the Division's new planning program. International commodity flow patterns were analyzed to identify markets where penetration possibilities are greatest. Research was also undertaken on commodities having high potential for intensive solicitation efforts.

By year's end, the Division was fully staffed with two new Assistant Directors and new Regional and District Managers for the New York office. Arrangements were also completed to share tenancy of our offices in Chicago, New York and Pittsburgh with Philadelphia Port Corp. field representatives.

Port changes expected to expand future cargo totals include improved high and wide rail cargo access; expansion of terminal berthing space; a new grain bagging operation, and a new temperature-controlled shed for handling fruit cargoes.

ADMINISTRATION

The Administration Division continued to expand its services to the other units of the Authority. The Office of Insurance Administration became fully operational. Major efforts were made to assess the Authority's present benefit structure, and to forecast future applications.

The office held a number of meetings with representatives of insurance companies, third-party administrators, benefit management companies and health maintenance organizations. A cadre of consultants was developed who, without compensation, provide on-going information and recommendations.

The Office of Insurance assumed responsibility for administering general liability and related self-insurance programs. Between April and December, the office processed and collected approximately \$30,000 from bridge damage activity. In addition, a procedure for handling complaints and incidences reduced claim referrals to an outside insurance agent by over 90%, resulting in savings of service fees.

Day-to-day operations of the Authority require a wide range of materials and services, and their purchase has an important, positive influence on the community. A measure of that importance is seen in the activities of the Purchasing Bureau which last year required 6,732 items valued at \$2,312,117.63. Of the total, some 12.6% represented 136 purchases valued at \$292,391.24 placed under the New Jersey State Contract.



And 167 Purchase Orders for goods and services with a value of \$63,640.13 were placed with local Minority vendors.

The Authority's employment level has remained stable at 672 employees. Personnel Relations processes approximately 5,000 applications in selecting candidates for vacancies created by retirement and other separations. The majority were at the entry level of Toll Collector. In all instances of hiring and promotion, affirmative action policies of the Authority were rigidly observed.

This was the fifteenth year that the Authority has employed area college students during the summer months as a means of assisting them financially with their educations. This year, 86 men and women participated in the program, which also enables regular Authority employees to take their vacations during the desirable summer months.

The Division successfully concluded contract negotiations for a new three-year agreement with the International Union of Operating Engineers representing 350 Authority employees in the Toll, Maintenance and Highway Bureaus.

And the Division-directed effort on behalf of the United Way campaign among Authority employees successfully exceeded the Authority's goal by 14 percent.

The Office of Public Information continued to maintain close liaison with the media by stressing open, accurate and rapid access to the information required to report on Authority activity. The 50 news releases issued during the year were supplemented with many times that number of telephone contacts and personal interviews. In addition, arrangements were made for television interviews and editorial board meetings.

Public Information also participated in a number of special events. Some of the most significant included the final report on the Regional Port Development Executive Committee; the public hearings on the PATCO fare increase; the World Trade Meat Convention; and World Trade's Pittsburgh Road Show and European Foreign Mission.

The Office carried out some 60 photo assignments, mostly for other Authority Divisions. And it continued its supervision of the regional Port advertising campaign. The various Port interests participating in that effort have unanimously praised the efficiency and effectiveness of the campaign and have enthusiastically renewed their support.

Administration Division's print shop, which provides graphic services to all Divisions, last year produced 666 print jobs for a total of 8,855,865 separate pieces.

Supplying the sophisticated commuter stickers has become a vital element in the print shop's operations. The stickers are purchased by commuters and used to activate equipment in the automatic toll lanes of our four bridges. In the six years since the shop began printing the stickers—which require critical accuracy—all equipment required for the operation has been paid for and a net savings of \$362,371.98 has been realized.

Construction and maintenance programs begun or completed in 1983 exceeded \$4,121,800 in value, representing funds fed back into the regional economy.

The largest single contract was to the Nu-Mor Electric Co. in the amount of \$1,479,000 to replace and modernize the total electrical and lighting systems of the 57-year-old Benjamin Franklin Bridge. The contract was awarded in December and the work is scheduled to be completed by late 1984.

Painting the Commodore Barry Bridge required the second largest expenditure. It was the first time the Bridge was re-painted since it opened in 1974. All documents were prepared by Engineering staff for the contract completed by late 1983.

Also at the Barry Bridge was the construction of two incomplete ramps to connect the Bridge with Interstate Rt. 95. Engineering Division, acting as agent for the Pennsylvania Department of Transportation, coordinated the assembly of contract documents and award of the contract. The ramps were not expected to open until early 1984 pending completion of a pedestrian ramp over the Bridge approach in Pennsylvania.

The Fifth Street Underpass at the Benjamin Franklin Bridge was improved. The \$84,000 contract consisted of removing existing paving and underlying base, placing new concrete base and new bituminous pavement and striping.

The Ben Franklin Bridge is also the site of two major projects, the largest undertaken since the construction of new bridges a decade ago. The first involves the rehabilitation of the PATCO track bed on the Bridge, where concrete installed in 1934 is now in an advanced stage of deterioration on the approach spans. The work consists of replacing 8,062 linear feet of track bed and rail with the installation of new continuous welded rail. An open deck support method will be employed on the approach spans, the same as the system previously used on the suspended spans. Also, 6,367 feet of the suspended span's rail will be replaced with continuous welded rail. Field work on the project is scheduled for the 1984-85 construction seasons.

Even more complex and expensive is the need to replace the entire bridge deck where deteriorated conditions have made it necessary to close the outermost lane on each side to all traffic. A final design engineering report submitted in September recommended replacing the existing deck with a new orthotropic steel plate deck that continuously spans over existing floor beams. It will be covered with a permanent waterproof surface and a bituminous wearing surface. It is expected that the construction contract will be awarded in early 1985.

Two future projects at the Ben Franklin currently being evaluated are repairs to the footwalks and installation of movable walkways under the roadway deck. The upper surface of the footwalks has eroded and there is advanced slab deterioration at most joints. Alternatives for correcting these conditions are being prepared. The movable walkways under the deck are needed to facilitate regular inspection and



maintenance and would be an invaluable aid in removing the present deck system.

At the Walt Whitman Bridge, a problem developed with the linkage connecting the stiffening trusses to the Philadelphia and Gloucester anchorages. All parts showed wear resulting in vertical displacements up to $\frac{7}{8}$ inch. All pins and links at both anchorages were replaced with a new support system using neoprene bearing pads and high strength anchor bolts at a cost of \$270,300.

The State of New Jersey continues to advance plans for the section of Route 90 to connect the Betsy Ross Bridge with Route 73, and the Port Authority sharing half the cost with the State. Preliminary plans are being developed and construction could begin by 1985.

While these major projects were underway, more than \$100,000 in lesser maintenance and repair projects were carried out at all four bridges including such items as fence replacement, boiler modifications, sidewalk replacement, roof repairs, railing repairs and various electrical installations.

Engineering Division also participated in various PATCO projects, both current and projected. All work was completed for dismantling the surface structures at the Franklin Square Station in Philadelphia. Entrances were covered with removable pre-fabricated concrete units and the stairs left intact for possible future use. The federally funded update analysis of transportation alternatives in the Lindenwold-Berlin corridor, including PATCO extensions, was completed. The PATCO extensions would require additional operating subsidies which is contrary to current DRPA policy, and were, accordingly, rejected. Meetings were held with New Jersey DOT to investigate possible improvements to the Ferry Avenue/White Horse Pike intersection, including modifications to PATCO's parking lot. The suggested changes are under consideration.

Also under study by New Jersey DOT and DRPA's Engineering Division is the potential of PATCO stations and adjacent areas for specific development which will increase PATCO patronage and revenue. The results, which will include materials for attracting developer interest for several PATCO New Jersey stations, should be completed in 1984.

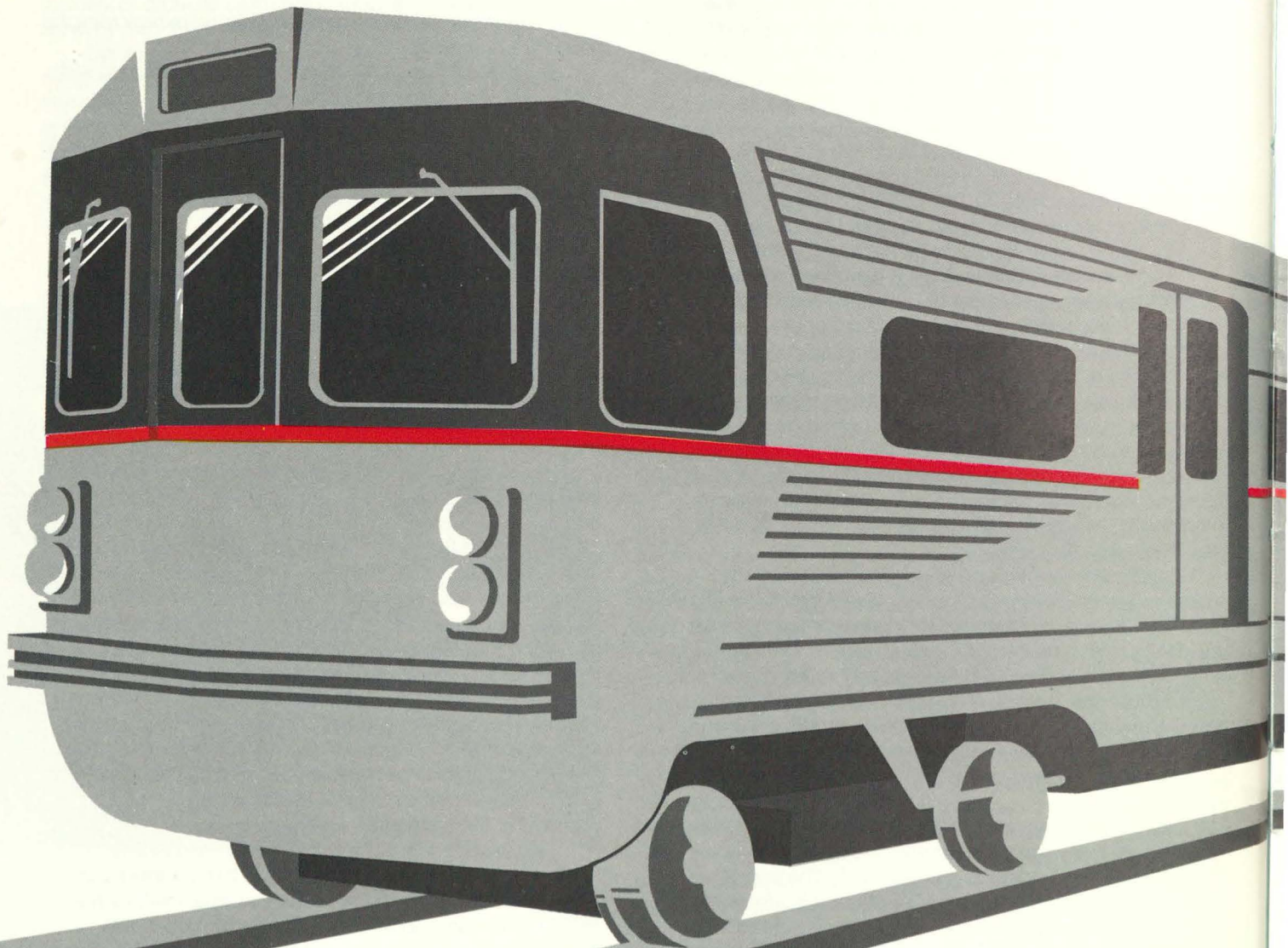
PATCO

The Port Authority Transit Corporation (PATCO) safely and expeditiously transported 10,670,945 passengers in 1983, a decline of 461,880, or 4.1 percent from 1982, due in part to a fare increase of about 15 percent on March 20. PATCO's average fare per passenger rose from \$1.15 in 1982 to \$1.31 last year, and generated revenues of \$13,921,999, an increase of \$1,068,318 or 8 percent.

Patronage at Woodcrest Station grew from about 1600 entries per day in January to about 1800 entries per day by year's end. This was partly a result of an advertising program. Each new Woodcrest patron generates \$3.20 revenues per weekday, or some \$770 per year. Thus 200 new passengers would generate about \$154,000 a year.

Expenses rose only \$235,536 or 1.47 percent from \$16,056,805 in 1982 to \$16,292,341 in 1983. This enabled PATCO to recover 85.45 percent of its expenses from revenues, the highest of any American transit property. The industry average is less than 50 percent. The greatly reduced growth in expenses was due, in part, to a reduction in overtime work, and, most significantly, to a reduction in PATCO's electric power bill, because of reduced fuel adjustment charges. Purchased electrical energy costs represent about 19 percent of PATCO's budget.

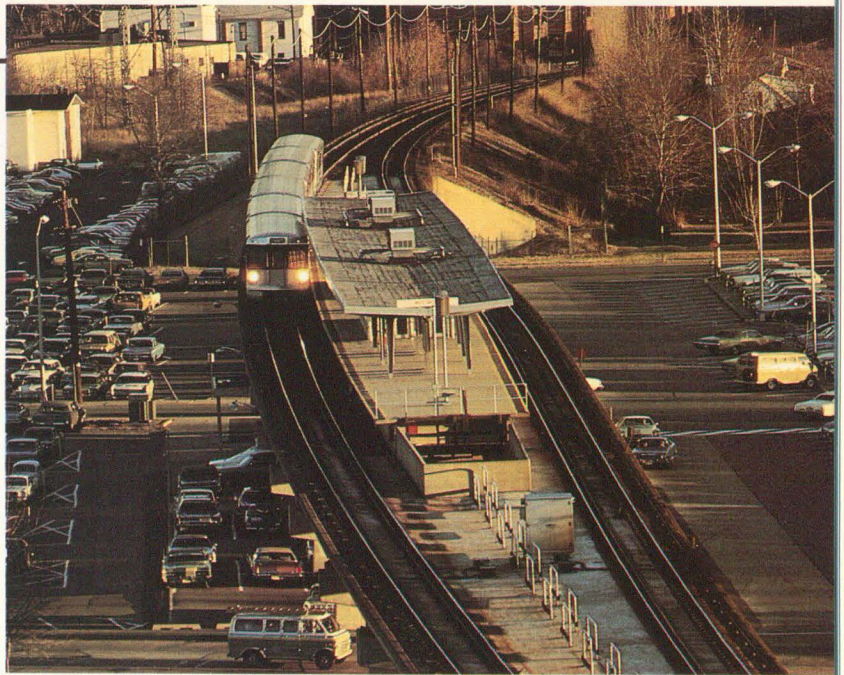
PATCO reduced car miles operated by 313,017 or 6.9 percent in 1983 compared to 1982 due, in part, to a reduced need for extra service in snowstorms in early 1983.



On time performance reached 98.69 percent for its 96,560 trips, up 0.35 percent from 98.34 in 1982. Improvement at this very high level is remarkable, and was aided by increased use of the more reliable 1980 Vickers cars. Twelve of the 1968 Budd cars, selected on the basis of reliability, were removed from service in late 1982, thereby improving the statistical reliability of the remainder of the fleet.

A major overhaul program of the Budd cars was begun in 1983. The prototype car was completed late in the year and returned to service with complete success. All work, done in-house, featured complete replacement of 25,500 feet of electrical wiring and complete overhaul of electrical control and propulsion systems. It is confidently expected that the revitalized 1968 cars should be good for another rigorous 15 years of service before again requiring major overhaul.

New Automatic Train Operation state-of-the-art electronic equipment was ordered under a \$1.4 million UMTA grant, and will be installed on the older cars as part of the program to enhance safety and reliability that will approach that of the newer 1980 cars.



The modification program—continuing at the rate of two cars a month—features the installation of new rubber flooring, passenger handrails in the doorways, replacement of safety glass windows with plastic safety glazing, replacement of the original seat backs with new low-flammability backs and a small number of electrical system improvements.

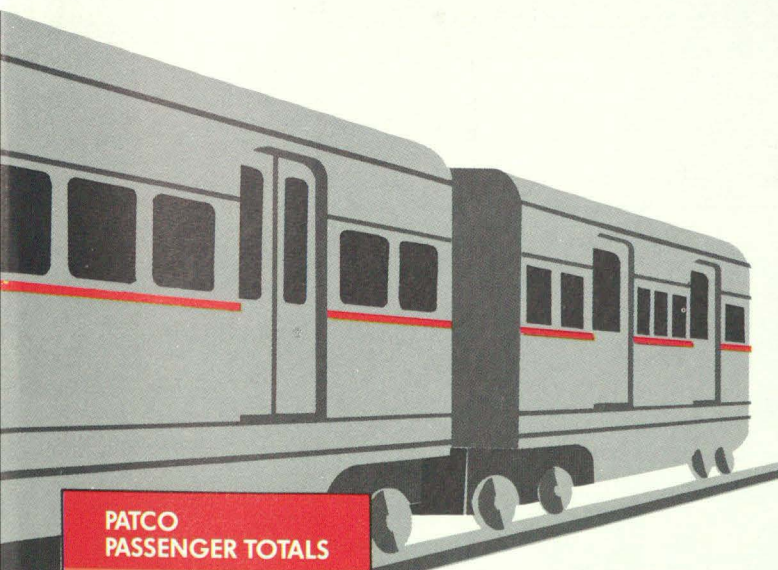
The first seven of PATCO's 61 fare collection system ticket vendors were completely overhauled and improved in 1983, and the number of vendors between failures increased by a factor of 30.

The fare control area at City Hall (North) Station, Camden was renovated, painted, and made ready to be opened in January 1984. It will accept the increased passenger traffic that should result from the temporary closure of Broadway Station during construction of the Camden Transportation Center.

A track grinder and a track tamper were purchased, financed in part by a grant from UMTA. In the past, grinding has been done under contract, with the contractor requiring exclusive occupancy of a section of line each night during a two-week period each year. Now, PATCO will do the work at less cost and less disruption to service.

The Lindenwold Administration Office and Maintenance Facility were rearranged and the computer moved to a new location. All work was done in-house by PATCO Way & Power Department employees. The same department restriped all parking lots.

Three key persons retired. They were instrumental in establishing PATCO as the most efficient and effective rail transit operation in the U.S. They were: Robert B. Johnston, General Manager; Robert S. Korach, Assistant General Manager; and George W. Emerick, Controller. The results of their efforts were enjoyed every day by PATCO's patrons.



PATCO PASSENGER TOTALS	
1979	11,078,330
1980	11,406,132
1981	11,263,926
1982	11,132,825
1983	10,670,945

FINANCE

For the year 1983, total operating revenues increased \$2,931,000 or 4.4% over comparable 1982 figures. The additional operating revenues were due to an overall increase in bridge traffic and a PATCO fare increase effective March 20, 1983. Total operating and administrative expenses, including depreciation of \$7,308,000 were \$51,627,000 which resulted in operating revenues in excess of expenses of \$18,580,000 as compared to \$17,459,000 for 1982. The PATCO net operating loss in 1983, including depreciation of \$2,453,000, was \$4,787,000 as compared to \$5,547,000 in 1982.

Investment income in the Revenue, Bond Service and Bond Reserve Funds decreased from \$8,728,000 to \$7,234,000 primarily as a result of lower overall interest rates throughout the investment community for the year. All investments of the

Authority were in accordance with the 1969 and 1974 Bond Resolutions and reflect the continued prudent investment management by the Finance Committee.

After the deduction for interest on "Outstanding" Funded Debt of \$16,829,000, there remained net revenues of \$8,985,000 available for other Port Authority activities such as World Trade Division expenses and necessary capital expenditures as compared to \$9,358,000 one year earlier.

The 1969 and 1974 General Bond Resolutions do not recognize the inclusion of depreciation as an "Operating Expense" and accordingly Statements of Revenues and Expenses are calculated in accordance with these Bond Resolutions and are shown as Note 9 to the Financial Statements.

FINANCIAL HIGHLIGHTS

	1983	1982
Gross Operating Revenues (1)	\$ 56,285,000	\$ 54,422,000
Operating Revenues in Excess of Expenses (1)	28,222,000	27,972,000
Net Revenues Available for Debt Service (1)	35,456,000	36,700,000
Interest on Funded Debt	16,829,000	16,829,000
Investment in Facilities (1)	534,156,000	532,300,000
Funded Debt	302,757,000	311,234,000

(1) In accordance with Port Authority Bond Resolution. See Note 9.

COMMISSIONERS

The Board of Commissioners resumed full strength in 1983 with the appointment of six new Commissioners.

Robert S. Ross, Jr., Executive Deputy General Counsel for Pennsylvania, was appointed by Gov. Dick Thornburgh on February 16, to succeed James Bodine who had resigned from the Board on November 15, 1982.

In March, Gov. Thomas H. Kean made three appointments to replace incumbent members of the New Jersey delegation. John C. Gilmour, Cherry Hill businessman, succeeded Dante J. D'Anastasio; William K. Dickey, Collingswood attorney, succeeded Irving K. Kessler and Harry Benn, Cherry

Hill labor leader, succeeded Cesare J. Napoliello. The three appointments were effective on March 16.

The complement of the Pennsylvania delegation was completed on June 1 with the appointment of James O. Pickard, Pennsylvania Secretary of Commerce, to fill the vacancy left by the resignation of Geoffrey Stengel on January 19.

And finally, the complement of the New Jersey delegation, and the entire Board was completed on June 23 when Francis L. Bodine, business executive and Mayor of Moores-town, succeeded Craig Yates who had resigned on November 19, 1982.

FINANCIAL STATEMENTS

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Notes to Financial Statements	22



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
1500 Walnut Street
Philadelphia, Pennsylvania 19102

Commissioners
Delaware River Port Authority:

We have examined the balance sheet of the various funds of Delaware River Port Authority as of December 31, 1983 and the related statements of revenues and expenses, changes in fund equities and changes in financial position for the year 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. The financial statements of the Delaware River Port Authority for the year ended December 31, 1982, which are presented for comparative purposes, were examined by other auditors whose report dated February 24, 1983 expressed an unqualified opinion on those statements.

In our opinion, the financial statements referred to above present fairly the financial position of the various funds of Delaware River Port Authority as of December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

February 17, 1984

DELAWARE RIVER PORT AUTHORITY
 Balance Sheets
 December 31, 1983 and 1982
 (Thousands of dollars)

<u>Assets</u>	<u>Capital fund</u>	<u>Revenue fund</u>	<u>Bond service fund</u>	<u>Bond reserve fund</u>
Cash	\$ -	437	-	-
Investment in securities (notes 5 and 6)	-	58,111	10,404	23,948
Accrued interest receivable	-	689	-	533
Accounts receivable (note 2)	-	38	-	-
Transit system inventory	-	-	-	-
Prepaid expenses	-	251	-	-
Investment in facilities (note 3)	268,088	-	-	-
Less accumulated depreciation	81,279	-	-	-
	<u>186,809</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 186,809</u>	<u>59,526</u>	<u>10,404</u>	<u>24,481</u>
<u>Liabilities and Fund Equities</u>				
Accounts payable:				
Contracts	\$ -	-	-	-
Retained amounts on contracts	-	9	-	-
Other	-	508	-	-
	<u>-</u>	<u>517</u>	<u>-</u>	<u>-</u>
Accrued liabilities:				
Interest	-	-	7,686	-
Pension (note 4)	-	637	-	-
Sick and vacation leave benefits (note 7)	-	5,400	-	-
	<u>-</u>	<u>6,037</u>	<u>7,686</u>	<u>-</u>
Deferred income on truck tickets	-	996	-	-
Reserves:				
Replacement and repainting	-	8,418	-	-
Other	-	829	-	-
	<u>-</u>	<u>9,247</u>	<u>-</u>	<u>-</u>
Funded debt (note 5)	86,737	-	-	24,187
Commitments and contingencies (notes 6 and 10)				
Fund equities (deficiencies) (notes 6, 7, and 8)	<u>100,072</u>	<u>42,729</u>	<u>2,718</u>	<u>294</u>
	<u>\$ 186,809</u>	<u>59,526</u>	<u>10,404</u>	<u>24,481</u>

See accompanying notes to financial statements.

1983							1982	
Debt service fund	Debt service reserve fund	1974 escrow deposit fund	1974 bond fund	Construction fund	General fund	Combined	Combined	
-	-	3	1	5	108	554	484	
448	3,526	13,633	-	11,235	13,378	134,683	126,685	
-	96	184	-	272	13	1,787	2,437	
-	-	-	-	2	1,963	2,003	1,449	
-	-	-	-	-	1,507	1,507	1,429	
-	-	-	-	-	230	481	480	
-	-	-	-	263,405	2,663	534,156	532,300	
-	-	-	-	25,613	164	107,056	99,986	
-	-	-	-	237,792	2,499	427,100	432,314	
<u>448</u>	<u>3,622</u>	<u>13,820</u>	<u>1</u>	<u>249,306</u>	<u>19,698</u>	<u>568,115</u>	<u>565,278</u>	
-	-	-	-	4,438	-	4,438	4,078	
-	-	-	-	-	241	250	245	
-	-	-	-	-	1,317	1,825	1,347	
-	-	-	-	4,438	1,558	6,513	5,670	
454	-	308	24	-	-	8,472	8,702	
-	-	-	-	-	225	862	903	
-	-	-	-	-	1,234	6,634	5,985	
<u>454</u>	<u>-</u>	<u>308</u>	<u>24</u>	<u>-</u>	<u>1,459</u>	<u>15,968</u>	<u>15,590</u>	
-	-	-	-	-	-	996	788	
-	-	-	-	-	-	8,418	7,552	
-	-	-	-	-	506	1,335	877	
-	-	-	-	-	506	9,753	8,429	
-	-	14,497	-	177,336	-	302,757	311,234	
<u>(6)</u>	<u>3,622</u>	<u>(985)</u>	<u>(23)</u>	<u>67,532</u>	<u>16,175</u>	<u>232,128</u>	<u>223,567</u>	
<u>448</u>	<u>3,622</u>	<u>13,820</u>	<u>1</u>	<u>249,306</u>	<u>19,698</u>	<u>568,115</u>	<u>565,278</u>	

DELAWARE RIVER PORT AUTHORITY
 Statements of Revenues and Expenses
 Years ended December 31, 1983 and 1982
 (Thousands of dollars)

	<u>1983</u>	<u>1982</u>
Operating revenues and expenses (note 5):		
Bridge:		
Tolls	\$ 56,262	54,360
Other operating revenues	<u>23</u> 56,285	<u>62</u> 54,422
Operating expenses	22,792	21,683
Depreciation	<u>4,855</u> <u>27,647</u>	<u>4,966</u> <u>26,649</u>
	<u>28,638</u>	<u>27,773</u>
Transit system:		
Passenger fares	13,392	12,300
Other operating revenues	<u>530</u> 13,922	<u>554</u> 12,854
Operating expenses	16,256	16,024
Depreciation	<u>2,453</u> <u>18,709</u>	<u>2,377</u> <u>18,401</u>
	<u>(4,787)</u>	<u>(5,547)</u>
	23,851	22,226
General administration expenses	<u>5,271</u>	<u>4,767</u>
Operating revenues in excess of expenses	18,580	17,459
Interest income	7,234	8,728
Interest on funded debt (note 5):		
First series revenue bonds	(5,625)	(5,625)
Series 1972 revenue bonds	(6,550)	(6,550)
Series 1972 refunding revenue bonds	<u>(4,654)</u> <u>(16,829)</u>	<u>(4,654)</u> <u>(16,829)</u>
Excess of revenues over expenses before other income (expenses)	8,985	9,358
Other income (expenses):		
Interest on funded debt - refunded issues (note 5):		
First series revenue bonds	(685)	(971)
Series 1974 special revenue refunding bonds	(1,121)	(1,263)
Series 1974 special obligation refunding bonds	<u>(70)</u>	<u>(140)</u>
	<u>(1,876)</u>	<u>(2,374)</u>
Other interest income (note 5)	3,269	3,417
World trade development expenses	(2,107)	(1,878)
Cost of future extensions to rapid transit system studies	(742)	-
Other	<u>25</u> <u>(1,431)</u>	<u>(43)</u> <u>(878)</u>
Net income	<u>\$ 7,554</u>	<u>8,480</u>

See accompanying notes to financial statements.

DELAWARE RIVER PORT AUTHORITY
 Statements of Changes in Financial Position
 Years ended December 31, 1983 and 1982
 (Thousands of dollars)

	<u>1983</u>	<u>1982</u>
Source of funds:		
Operations:		
Net income	\$ 7,554	8,480
Noncash expenses:		
Depreciation	7,308	7,343
Provision for maintenance of facilities	2,215	2,046
Provision for self-insurance	684	812
Amortization of bond discount	98	107
Deferred income on truck tickets	208	156
Charge-off of cost of future extensions to rapid transit system studies	<u>722</u>	<u>-</u>
Funds provided by operations	18,789	18,944
Increase in accounts payable	843	52
Increase in accrued liabilities	378	415
Government contributions for capital improvements and additions	<u>1,007</u>	<u>1,387</u>
	<u>21,017</u>	<u>20,798</u>
Application of funds:		
Retirement of bonds	8,575	8,280
Additions to facilities, net	2,816	2,332
Maintenance of facilities	1,349	1,127
Increase (decrease) in accounts receivable	(96)	1,085
Payment of self-insurance claims	226	242
Other	<u>79</u>	<u>130</u>
	<u>12,949</u>	<u>13,196</u>
Increase in cash and investments	8,068	7,602
Cash and investments:		
Beginning of year	<u>127,169</u>	<u>119,567</u>
End of year	<u>\$ 135,237</u>	<u>127,169</u>

See accompanying notes to financial statements.

DELAWARE RIVER PORT AUTHORITY
 Statements of Changes in Fund Equities
 Years ended December 31, 1983 and 1982
 (Thousands of dollars)

	<u>Capital fund</u>	<u>Revenue fund</u>	<u>Bond service fund</u>	<u>Bond reserve fund</u>
Fund equities (deficiencies) beginning of year, as previously reported	\$ 95,736	37,975	2,729	332
Adjustment for the cumulative effect on prior years of applying retroactively the new method of accounting for vacation leave benefits (note 7)	-	(800)	-	-
Fund equities (deficiencies) beginning of year, as adjusted	95,736	37,175	2,729	332
Revenues and expenses:				
Operating revenues	-	56,285	-	-
Operating expenses	(4,240)	(22,792)	-	-
General administration expenses	-	(5,271)	-	-
Interest income	-	4,826	586	1,822
Interest on funded debt	-	-	(16,769)	-
Other income (expenses), net	(149)	-	-	-
	<u>(4,389)</u>	<u>33,048</u>	<u>(16,183)</u>	<u>1,822</u>
Government contributions for capital improvements and additions (note 8)	1,007	-	-	-
Interfund transfers in (out) and payments:				
Bond service fund requirement	-	(16,172)	16,172	-
Funds in excess of bond reserve requirement	-	1,860	-	(1,860)
Debt service fund requirement	-	(3,114)	-	-
Funds in excess of debt service reserve fund requirement	-	255	-	-
Excess funds free of lien or pledge	-	(10,323)	-	-
Funds in excess of escrow requirement	-	-	-	-
Excess funds from escrow trust restructuring program	-	-	-	-
Completed capital additions	2,386	-	-	-
Retirement of bonds:				
First series revenue bonds	5,350	-	-	-
Series 1974 special obligation refunding serial bonds	-	-	-	-
Series 1974 special revenue refunding bonds	-	-	-	-
Other	(18)	-	-	-
Fund equities (deficiencies) end of year (notes 6, 7 and 8)	<u>\$ 100,072</u>	<u>42,729</u>	<u>2,718</u>	<u>294</u>

See accompanying notes to financial statements.

1983							1982
Debt service fund	Debt service reserve fund	1974 escrow deposit fund	1974 bond fund	Construction fund	General fund	Combined	Combined
(15)	3,628	1,841	(51)	70,019	12,221	224,415	214,548
-	-	-	-	-	(48)	(848)	(848)
(15)	3,628	1,841	(51)	70,019	12,173	223,567	213,700
-	-	-	-	-	13,922	70,207	67,276
-	-	-	-	(3,024)	(16,300)	(46,356)	(45,050)
-	-	-	-	-	-	(5,271)	(4,767)
-	-	-	-	-	-	7,234	8,728
-	-	-	-	(60)	-	(16,829)	(16,829)
(1,032)	249	651	(68)	589	(1,671)	(1,431)	(878)
(1,032)	249	651	(68)	(2,495)	(4,049)	7,554	8,480
-	-	-	-	-	-	1,007	1,387
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,114	-	-	-	-	-	-	-
-	(255)	-	-	-	-	-	-
-	-	-	-	-	10,323	-	-
-	-	(1,315)	1,315	-	-	-	-
-	-	-	(104)	-	104	-	-
-	-	-	-	-	(2,386)	-	-
-	-	(5,350)	-	-	-	-	-
-	-	1,115	(1,115)	-	-	-	-
(2,073)	-	2,073	-	-	-	-	-
-	-	-	-	8	10	-	-
<u>(6)</u>	<u>3,622</u>	<u>(985)</u>	<u>(23)</u>	<u>67,532</u>	<u>16,175</u>	<u>232,128</u>	<u>223,567</u>

(1) Summary of Significant Accounting Policies

Description of Business

The Delaware River Port Authority (the 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 and the State. The Authority has no stockholders or equity holders and, among other powers, is vested with the control, operation and collection of tolls and revenues of certain bridges spanning the Delaware River (Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross bridges). The Authority has also constructed and operates a high-speed transit facility known as the Port Authority Transit Corporation (PATCO). The facility, a wholly-owned subsidiary, operates between Philadelphia and Lindenwold, New Jersey. Through its World Trade Division, the Authority promotes the development and use of the Delaware River as a highway of commerce.

Basis of Presentation

The financial statements include the accounts of the Delaware River Port Authority and PATCO. Material balances and transactions between the entities have been eliminated.

Investment in Securities

Investment in securities is stated at amortized cost, because it is the Authority's intention to hold these investments until maturity.

Transit System Inventory

Transit system inventory, consisting principally of spare parts for maintenance of transit system facilities, is stated at cost (first-in, first-out method).

Investment in Facilities and Reserves for Replacement and Repainting

Investment in facilities is stated at cost, which generally includes expenses in connection with the offering, selling and issuance of bonds as well as interest expense and administrative and legal expenses incurred during the construction period. Investment in facilities also includes the cost of improvements, enlargements and betterments to the original facility, replacements of existing facilities (except police and other vehicles whose estimated useful life is two years or less) are

(Continued)

(1), Continued

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 operations.

Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, including those financed by Federal contributions (note 8). In distributing net income to equity, a charge representing depreciation on assets acquired with contributions is made against the related contribution accounts.

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

The PATCO system first phase capital improvement program is stated at cost, net of reimbursements prior to 1981 from the Urban Mass Transportation Administration and other governmental agencies. The PATCO system includes the expenditures of Federal grants for capital improvements and additions (note 8).

Funded Debt Discount

The discount arising from the issuance of funded debt is amortized by the straight-line method from the issue date to maturity.

Insurance Expense

The Authority provides for the uninsured portion of potential general liability and workmen's compensation claims through self-insurance programs and charges current operations for estimated claims to be paid.

Reclassifications

Certain reclassifications have been made to 1982 financial statements to conform to 1983 classifications.

(Continued)

DELAWARE RIVER PORT AUTHORITY
 Notes to Financial Statements, Continued

(2) Accounts Receivable

General fund accounts receivable include amounts due from governmental authorities as follows:

	<u>1983</u>	<u>1982</u>
New Jersey Transit Corp. for services performed on extension of PATCO platforms at six passenger stations	\$ 653	281
Reimbursement for capital improvements due from Urban Mass Transportation Administration	186	30
Reimbursement for a Mass Transit Capital Improvement Grant, the PATCO System first phase capital improvement program	482	687
Advance to N.J. Department of Transportation for right-of-way acquisition, Woodcrest Station	181	181
Reimbursement for Mass Transit Technical Study Grants	-	117
Pennsylvania Department of Transportation for construction of ramps F and H on the Commodore Barry Bridge	<u>215</u>	<u>-</u>
	<u>\$ 1,717</u>	<u>1,296</u>

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

(Continued)

DELAWARE RIVER PORT AUTHORITY
Notes to Financial Statements, Continued

(3) Investment in Facilities

	<u>1983</u>	<u>1982</u>
Bridges:		
Benjamin Franklin	\$ 58,038	57,520
Walt Whitman	97,243	96,985
Commodore Barry	139,997	139,461
Betsy Ross	<u>128,918</u>	<u>128,898</u>
	424,196	422,864
Less accumulated depreciation	<u>75,700</u>	<u>71,039</u>
	<u>348,496</u>	<u>351,825</u>
Transit system:		
PATCO System (note 8)	108,130	107,632
PATCO System first phase capital improvement program (a)	<u>1,830</u>	<u>1,804</u>
	<u>109,960</u>	<u>109,436</u>
Less accumulated depreciation	<u>31,356</u>	<u>28,947</u>
	<u>78,604</u>	<u>80,489</u>
	<u>\$ 427,100</u>	<u>432,314</u>

(a) Net of \$58,823 at December 31, 1983 contributed by the participating agencies under the first phase capital improvement program (see note 6 for additional information).

(4) 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 PATCO are also covered by this plan. Pension expense related to the plan amounted to \$3,324 and \$2,992 in 1983 and 1982, respectively. PATCO also has a union pension plan which covers its represented employees. Pension expense related to this plan totalled \$285 and \$148 in 1983 and 1982, respectively. Information pertaining to the actuarial present value of vested and nonvested accumulated benefits and net assets was not available from the administrators of either plan.

(Continued)

DELAWARE RIVER PORT AUTHORITY
Notes to Financial Statements; Continued

(5) Funded Debt

	<u>1983</u>	<u>1982</u>
To be paid from operations:		
First series revenue bonds, 5.625%, due 1/15/09	\$ 100,000	100,000
Series 1972 revenue bonds, 6.50%, due 1/15/11, less unamortized discount of \$1,362 in 1983 and \$1,413 in 1982	98,638	98,587
Series 1972 refunding revenue bonds, 6.00%, due 1/15/10, less unamortized discount of \$252 in 1983 and \$261 in 1982	77,148	77,139
Series 1974 special revenue refunding bonds, 7.25%, due 1/15/90, less unamortized discount of \$103 in 1983 and \$139 in 1982	<u>13,557</u>	<u>15,631</u>
	<u>289,343</u>	<u>291,357</u>
To be paid from escrow fund investments:		
First series revenue bonds, 5.35% to 5.40%, due in installments through 1985	12,475	17,825
Series 1974 special obligation refunding bonds, 5.55% to 5.60%, due in semiannual installments to 1985, less unamortized discount of \$1 in 1983 and \$2 in 1982	<u>939</u>	<u>2,052</u>
	<u>13,414</u>	<u>19,877</u>
	<u>\$ 302,757</u>	<u>311,234</u>

(Continued)

(5), Continued

To effect the redemption of \$40,000 first series revenue bonds, the Authority entered into a refunding program during 1974. Under this program, the entire proceeds from the issuance of the Series 1974 special obligation and revenue refunding bonds, together with certain other monies of the Authority, were deposited under an irrevocable escrow deposit agreement in the 1974 escrow deposit fund and invested in government obligations.

The interest and maturing principal of the government obligation investments are to be used to pay debt service on the first series revenue bonds and the 1974 special obligation refunding bonds.

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

The Series 1974 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:

	<u>1983</u>	<u>1982</u>
Bond reserve fund	\$ 21,601	21,601
Bond service fund	9,126	9,126
Debt service reserve fund	3,177	3,177
Debt service fund (a)	2,342	2,270
1974 escrow deposit fund	<u>13,163</u>	<u>19,330</u>

(a) Requirement includes the amount relating to the principal portion of 1974 special revenue refunding bonds retired prior to maturity of \$2,110 in 1983 and \$1,960 in 1982.

Current maturities and sinking fund payments on long-term debt are as follows:

1984	\$ 8,785
1985	9,005
1986	6,625
1987	7,070
1988	<u>7,555</u>

(Continued)

DELAWARE RIVER PORT AUTHORITY
Notes to Financial Statements, Continued

(6) Commitments

As of December 31, 1983, the Authority had contractual commitments as follows:

	<u>Revenue fund</u>	<u>General fund</u>	<u>Total</u>
Benjamin Franklin Bridge:			
One way toll collection study	\$ 21	-	21
Suspender rope replacement program	-	7	7
Lighting and wiring modifica- tions	-	1,479	1,479
Repaving 5th Street underpass	-	1	1
Other	5	2	7
Walt Whitman Bridge:			
Salt storage bins with ramp	-	37	37
Anchorage bearing assembly	-	2	2
High voltage cable replacement	-	30	30
Commodore Barry Bridge:			
Engineering service - I-95 ramps H and F	-	51	51
Steel painting	4	-	4
PATCO Transit System:			
First phase improvement program	-	159	159
BFB trackbed repairs	-	51	51
Platform extensions, N.J. stations	-	656	656
Installation of high speed circuit breakers	-	3	3
World trade development	<u>-</u>	<u>309</u>	<u>309</u>
	<u>\$ 30</u>	<u>2,787</u>	<u>2,817</u>

(Continued)

(6), Continued

Engineering studies have determined that the Benjamin Franklin roadway deck must be replaced and that the track envelope must be repaired. Although the cost of these projects cannot be determined at this time, in 1983 the Authority appropriated within the General Fund \$12,360 par value of investments to partially fund its share of the projects. In addition, the Board of Delaware River Port Authority passed a resolution to withdraw monthly up to \$500 of excess funds, if available, from the Revenue Fund and deposit it in the General Fund where it will be reserved for the Authority's share of the two projects.

The Authority has a long-term lease agreement for the rental of toll collection equipment for 65 toll lanes. The agreement expires April 29, 1985. 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 base period. If the Authority installs additional equipment pursuant to the provisions of the lease agreement, the terms of the lease shall be automatically extended for a period of two years. 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 one dollar per year plus 9.6% of net profits of the Transit System. For the years ended December 31, 1983 and 1982, 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.

Under the terms of the Authority's agreements with the Pennsylvania and New Jersey Departments of Transportation and the City of Philadelphia, the Authority leases for the annual rental of one dollar certain of the facilities constructed or acquired under the PATCO System first phase capital improvement program. Title to the facilities will vest in the several agencies participating in the project, but the Authority is required to provide the insurance and maintenance of the leased property (see note 3).

(Continued)

(6), Continued

Minimum lease commitments for the bridge automatic toll collection equipment and the transit system change makers are as follows:

1984	\$ 848
1985	328
1986	78
1987	78
1988	<u>78</u>

Rent expense for the years ended December 31, 1983 and 1982 amounted to \$1,085 and \$1,053, respectively.

The Authority has also agreed to contribute funds to the Commonwealth of Pennsylvania for roadway connections between the Benjamin Franklin Bridge, the Vine Street Expressway and I-95 in an amount not to exceed \$500.

(7) Change in Accounting Principle

Prior to 1983, the Authority followed the practice of accounting for the costs of its employees' vacation leave benefits in the period in which they were paid. In 1983, as a result of The National Council on Governmental Accounting Statement No. 4, the Authority began accruing such benefits as they were earned. In accordance with the Statement, the accounting change has been retroactively applied, resulting in a decrease in fund equities of \$848 as of December 31, 1981. The change did not materially affect operating expenses in 1983 or 1982.

(8) Government Contributions for Capital Improvements and Additions

The Authority receives contributions in aid for financing capital improvements and additions to the rapid transit system from the Urban Mass Transportation Administration. Capital improvement grant funds of \$1,007 were received in 1983 and \$1,387 in 1982. Charges representing depreciation on assets relating to these contributions were \$126 in 1983 and \$62 in 1982.

(Continued)

DELAWARE RIVER PORT AUTHORITY
Notes to Financial Statements, Continued

(8), Continued

	<u>1983</u>	<u>1982</u>
Contributions	\$ 3,420	2,413
Less accumulated charges (depreciation on assets acquired with contributions)	<u>192</u>	<u>66</u>
	<u>\$ 3,228</u>	<u>2,347</u>

(9) Statements of Revenues and Expenses in Accordance with
Authority Bond Resolutions

The following statements of revenues and expenses have been prepared in accordance with the provisions of the Authority's Bond Resolutions which do not provide for depreciation as an operating expense, except for the PATCO System, as would be required by generally accepted accounting principles. The Authority's total net assets and fund equities would be increased by \$75,700 as a result of excluding all accumulated depreciation through December 31, 1983.

	<u>1983</u>	<u>1982</u>
Operating revenues:		
Bridge tolls	\$ 56,262	54,360
Other operating revenues	23	62
	<u>56,285</u>	<u>54,422</u>
Bridge operating expenses	<u>22,792</u>	<u>21,683</u>
	<u>33,493</u>	<u>32,739</u>
General administration expenses	<u>5,271</u>	<u>4,767</u>
Operating revenues in excess of expenses	28,222	27,972
Interest income	7,234	8,728
	<u>35,456</u>	<u>36,700</u>
Interest on funded debt:		
First series revenue bonds	5,625	5,625
Series 1972 revenue bonds	6,550	6,550
Series 1972 refunding revenue bonds	4,654	4,654
	<u>16,829</u>	<u>16,829</u>
	<u>18,627</u>	<u>19,871</u>

(Continued)

DELAWARE RIVER PORT AUTHORITY
Notes to Financial Statements, Continued

(9), Continued

	<u>1983</u>	<u>1982</u>
Other income (expenses):		
Interest on funded debt - refunded issues:		
First series revenue bonds	\$ (685)	(971)
Series 1974 special revenue refunding bonds	(1,121)	(1,263)
Series 1974 special obligation refunding bonds	(70)	(140)
	<u>(1,876)</u>	<u>(2,374)</u>
Other interest income	3,269	3,417
World trade development expenses	(2,107)	(1,878)
Transit system operating loss (includes depreciation of \$2,453 in 1983 and \$2,377 in 1982)	(4,787)	(5,547)
Discount on bonds purchased, Series 1974 special revenue refunding bonds	35	193
Cost of equipment retired	(208)	(315)
Cost of future extensions to rapid transit system studies	<u>(742)</u>	<u>-</u>
	<u>(6,416)</u>	<u>(6,504)</u>
Net income	\$ <u><u>12,211</u></u>	<u><u>13,367</u></u>

(10) Contingencies

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

