2014 Annual Report

Delaware River Port Authority

Stewardship. Service. Community.

Comprehensive Annual Financial Report
For Years Ended December 31, 2014 and 2013

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Delaware River Port Authority

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

For the twenty-second consecutive year the Delaware River Port Authority was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its 2013 Comprehensive Annual Financial Report.

Some pedestrians and bicyclists use the Ben Franklin Bridge walkway for recreation; others use it to commute between Camden and Philadelphia.

DELAWARE RIVER PORT AUTHORITY

Comprehensive Annual Financial Report For Years Ended December 31, 2014 and 2013

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*The rehabilitation of PATCO tracks over the Ben Franklin Bridge —
a two-year, $103 million project — is proceeding on time and on budget.*

Chairman's Letter

Ryan N. Boyer
Chairman, DRPA

June 19, 2015

To Our Customers and Bondholders:

On February 20, 2015, Pennsylvania Governor Tom Wolf appointed me to serve as the chairman of the Board of Commissioners of the Delaware River Port Authority. I am honored to serve the region and am committed to leading the Authority towards the positive goals and priorities we have established.

As Business Manager of Laborers' District Council of Philadelphia and Vicinity, I recognize the importance to the region's economy of the four DRPA bridges and PATCO. More than a quarter of a million vehicles a day cross our bridges and 10 million passengers a year ride PATCO.

The Board and I are already hard at work to further the DRPA's mission of delivering and maintaining safe and efficient transportation services and assets, but we are building on the significant progress made in 2014. Last year, the Authority made changes in both debt service and spending to solidify our financial status; as a result, in December the Board voted not to raise tolls on the bridges, since we project sufficient funds to pay for needed capital projects.

Those projects include two that are currently underway: the rehabilitation of the PATCO tracks over the Ben Franklin Bridge (projected for completion by early 2016) and the refurbishment of the entire 120-car PATCO fleet (projected for completion by late 2016).

Looking forward, the Board's priorities are to make the DRPA more open and transparent; to seek innovations to improve operations and customer service; and to improve the authority's financial stability and find more resources for improvements.

Working alongside my board colleagues and the hardworking employees of the DRPA and PATCO, we are determined to achieve one of Governor Wolf's bedrock principles of government that works.

Sincerely,

Ryan N. Boyer
Chairman
Delaware River Port Authority

Board of Commissioners

Honorable
Tom Wolf
Governor
Commonwealth
of Pennsylvania

Pennsylvania

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

Hon. Christopher
CRAIG
State Treasurer
Commonwealth
of Pennsylvania

Hon. Eugene
DEPASQUALE
Auditor General
Commonwealth
of Pennsylvanial

Antonio
FIOL-SILVA
Principal
Wallace Robert
& Todd, LLC

Elinor
HAIDER
Vice President,
Market Development
Veolia North America

Rohan K.
HEPKINS
Mayor
Yeadon Borough

Marian
Moskowitz
Real Estate Developer

Whitney R.
WHITE
Chairman
Global Institute for
Strategic Investment

New Jersey

Honorable Chris Christie
Governor
State of New Jersey

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

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

Charles
FENTRESS
Retired Police Sergeant
Delaware River Port Authority

Albert F.
FRATTALI
Business Manager
Reinforced Iron Workers Local 405

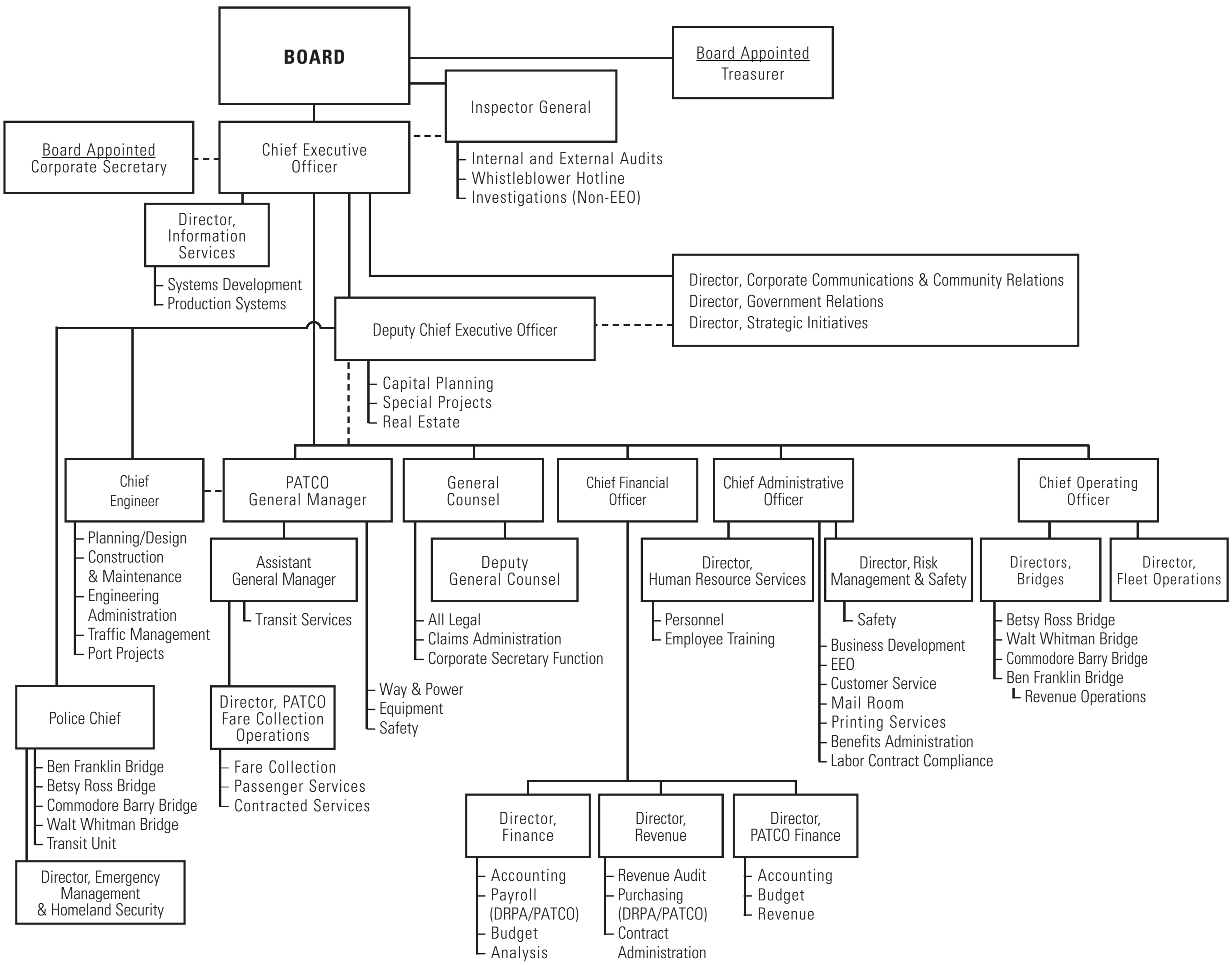
Tamarisk L.
JONES
Director of Health and Senior Services
Gloucester County

Denise Y.
MASON
Vice President
HSBC Bank USA

Richard
SWEENEY
Financial Secretary, Business Representative
Ironworkers #399

Ricardo V.
TAYLOR, JR.
School Administrator
Pennsauken Township

ORGANIZATIONAL CHART



Officers & Executive Staff

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

Michael J. Conallen, Jr.
Deputy Chief Executive Officer

Kristen K. Mayock
Acting General Counsel
Corporate Secretary

Archer & Greiner
New Jersey Counsel

Duane Morris, LLP
Pennsylvania Counsel

James M. White
Chief Financial Officer
Treasurer

Toni P. Brown, Esq.
Chief Administrative Officer

Daniel J. Auletto
Acting Chief Operating Officer

Michael P. Venuto
Chief Engineer

David J. Aubrey
Acting Inspector General

John D. Rink
PATCO General Manager

Bennett M. Cornelius
PATCO Assistant
General Manager

Facilities

Benjamin Franklin Bridge
Opened: July 1,1926

Walt Whitman Bridge
Opened: May 16,1957

Commodore Barry Bridge
Opened: February 1,1974

Betsy Ross Bridge
Opened: April 30,1976

PATCO
Opened: February 15,1969

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

Report of the Chief Executive Officer

The Delaware River Port Authority (DRPA) and Port Authority Transit Corporation (PATCO) made significant progress in 2014 toward our goals of continuing to improve our financial situation and focusing on our core mission of preserving and improving the transportation assets we hold in trust for the community.

Our four bridges carry an average of 260,000 vehicles each day, and PATCO moves almost 40,000 passengers each workday, or an estimated 10 million people a year. These figures demonstrate the public's reliance on the Authority's transportation infrastructure and our importance to the region's economy. We are committed to improving the effectiveness of our operations, and to finding opportunities to enhance the value we create in serving our customers, our employees, the community and the entire region.

FINANCIAL ACCOMPLISHMENTS

The DRPA entered 2014 with a total overall budget of $277.1 million, compared to the 2013 budget of $257.7 million. The increases were primarily attributable to a $16.3 million increase in bond debt service after the Authority issued $476 million in bonds in late 2013. There were also increased operational costs related to pensions, insurance, and other ongoing obligations.

While the overall budget increased, strategic actions taken in 2012 and 2013 minimized the debt service and bank letter of credit costs during 2014. The DRPA saved over $6 million in letter of credit facility fees in 2014 compared to 2012 by restructuring revenue refunding letters of credit. An $11 million savings on debt service for our Port District Project Bonds, first achieved in 2013, was realized again in 2014.

An important step toward financial self-sufficiency came in mid-2014, when the DRPA created a "pay-go capital" account within its general fund, in which funds are set aside to fund a portion of the capital program once bond project funds are exhausted.

The Authority also continued to disengage from economic development, as seen by a Board resolution reallocating $3.69 million in unspent funds to pay for the BFB/PATCO track rehabilitation project.

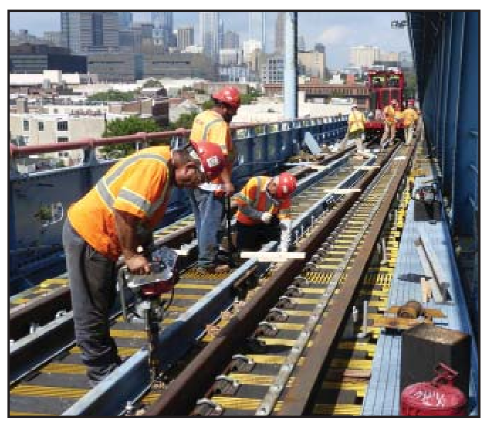
Significant savings were achieved in spending, including $2 million on electricity and $1.5 million on healthcare, by rethinking the process of finding suppliers and negotiating better deals.

The Authority's 11-year history of being under budget, coupled with its recent financial initiatives, resulted in a ratings increase by Standard & Poor's in late 2013. The new ratings ("A" on revenue bonds and "BBB" on port district project bonds) were affirmed in December 2014.

In December, the DRPA Board voted to defer the toll increase originally scheduled for January 2015, projecting there will be sufficient funds for the next three to four years of the Authority's capital plan without it.

For all of the returns produced through strategic financial management and aggressive cost-cutting, our progress in identifying and implementing operating efficiencies has proved to be just as important. The results are clear; we made solid progress toward completion of several significant capital projects.

OPERATIONAL ACCOMPLISHMENTS



The rehabilitation of the PATCO tracks and systems over the Ben Franklin Bridge is proceeding on schedule. The two-year, $103 million project is about 75 percent completed (as of June 2015), with a final completion date projected for early 2016. A cross-functional team managed the project, and the track outages in particular, with minimal passenger disruption. Transit companies from around the country are looking to PATCO as a model for how to perform major track work while maintaining 24/7 service across a major artery.

Work continues on the $195 million program of overhauling PATCO's rail car fleet. Extensive testing of the prototype cars, and resolution of problems revealed by that testing, were completed in 2014. The first six cars re-entered active service in May 2015 and all 120 cars are scheduled to be completed by the fourth quarter of 2016.

Planning is underway for a new bicycle/pedestrian ramp for the south walkway of the Ben Franklin Bridge. Two grants, totaling $1.2 million, have been secured to pay for the project, which will encourage the use of alternative modes of transport.

In October 2014, the second-largest capital project undertaken in DRPA history, the $140 million re-decking of the Walt Whitman Bridge, was completed on-time and under budget.

ADMINISTRATIVE ACCOMPLISHMENTS

The Authority continues to move forward in implementing its new Enterprise Resource Planning (ERP) system. At the end of a competitive bidding process in May 2014, Quintel was selected to create, support and implement SAP, one of the world's leading ERP systems. The rest of 2014 was spent researching business requirements and creating high-level process maps of existing processes to understand how work is currently done and how processes will change once SAP is implemented. A new ERP system will improve communication and efficiency within the Authority.

The Authority has placed a new emphasis on transparency and communication. This includes improving channels of communication within the Authority, as well as better quality communication with our larger community — bridge customers, PATCO passengers, residents who live in the vicinity of the Authority's facilities, and all stakeholders.

LOOKING FORWARD

We are particularly proud of our operational excellence, strategic financial management programs, capital infrastructure renovations, and ongoing efforts to introduce management efficiencies. Our collaborative efforts will continue to enhance the public value we create for our customers and our community. They are possible because of the hard work and dedication of our people — DRPA and PATCO employees — who serve as stewards of important public assets. We are also grateful for the commitment and support of our Board of Commissioners, who devote their time and efforts to help guide decisions that enable the Authority to develop and improve performance and accountability.

We are inspired to keep the bar high as we pursue our vision of stewardship and service. We will learn from both the challenges and the achievements of 2014 as we look forward with a strong sense of commitment to building credibility, earning public trust and creating public value.

Yours truly,

John T. Hanson

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

New PATCO tracks have been laid over the Ben Franklin Bridge in 2014; now the related signal, power and communications cables are being installed.

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DELAWARE RIVER PORT AUTHORITY

June 19, 2015

TO THE BOARD OF COMMISSIONERS OF THE DELAWARE RIVER PORT AUTHORITY

The comprehensive annual financial report of the Delaware River Port Authority ("the Authority") for the year ended December 31, 2014, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the combined financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The Authority's Indentures of Trust require an annual audit of the Authority's financial statements by a firm of independent auditors. Additionally, as a recipient of funds from the Federal Transit Administration for projects involving the PATCO Transit System, the Authority is required to have a Single Audit performed annually by an independent auditor in accordance with the Single Audit Act of 1984, as amended in 1996, and OMB Circular A-133. The purpose of the Single Audit is to determine the adequacy of the Authority's internal controls and compliance with applicable laws and regulations relating to the receipt of federal assistance. The Authority retains an independent auditor to satisfy these audit requirements. The report of the independent auditor on the combined financial statements of the Authority is included in the financial section of this report. The Authority's management is responsible for the content and presentation of the audited financial report.

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

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

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

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

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

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

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

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

The Authority is vested with the ownership, control, operation, and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross bridges. The Authority has also constructed and owns a high-speed transit system, which is operated by its wholly owned subsidiary, the Port Authority Transit Corporation (PATCO). The transit system operates between Philadelphia, Pennsylvania and Lindenwold, New Jersey. The Authority's Office of the Chief Operating Officer manages the RiverLink Ferry System, which runs daily between Penn's Landing in Philadelphia and the Camden Waterfront during the months of May through September.

BUDGET PROCESS

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

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

Expenditures are monitored continuously throughout the year by the Finance Division to ensure that each department is in compliance with the approved operating budget and the established Policies and By-Laws of the Authority.

In accordance with the Authority's governing Revenue and Port District Project Bond Indentures, the next year's annual budget must be submitted to the respective bond trustees by December 31 of each year. Pursuant to the Indentures the Authority filed its 2014 budgets and the 2014 operating and capital budgets became effective in January 2014.

FACTORS AFFECTING FINANCIAL CONDITION

During the past several years, the Authority has taken significant strategic steps to strengthen its financial position through: cost-containment of personnel and non-personnel expenditures, increasing its liquidity through growth in its General Fund, and restructuring its debt and swap portfolios. The latter policy is primarily in response to: changing financial markets, the exercise of various swaptions (in 2006, 2008 and 2010), passage of a board resolution mandating the liquidation of the Authority's swap portfolio in an orderly and strategic fashion, the necessity of funding its various annual five-year Capital Programs, and the adoption of an annual Finance Action plan by the Authority's Board of Commissioners (which was implemented during the period 2012 through 2014).

The implementation of the aforementioned strategic initiatives were key factors in the ratings upgrade by Standard and Poor's on all of the Authority's bonds in late November 2013, just prior to the issuance of its new 2013 revenue bonds. In addition, in November 2013, Moody's Investor Services also increased the outlook on all of the Authority's bonds to "positive."

In December 2014, Standard & Poor's affirmed the Authority's "A" ratings on its revenue bonds and its "BBB" ratings on its port district project bonds.

At December 31, 2014 ratings by both S&P and Moody's, on the Authority's bond debt, remain unchanged from the previous year-end.

DEBT MANAGEMENT

In 2012, the Authority's Board approved a comprehensive finance plan to: use the Authority's General Fund for the early redemption of up to $120 million of its fixed-rate debt, reduce the costs of its underlying letters of credit (on its 2008 and 2010 Revenue Refunding Bonds), and refund a large portion of its Port District Project Bond debt. The Authority successfully took actions to pay down approximately $96 million in Revenue Bond and Port District Project Bond debt in April 2012, substantially reducing its 2012 debt service and improving its debt coverage ratio on its senior debt. In addition, the Authority executed the second part of its finance plan by issuing $153 million in Port District Project Refunding Bonds, Series 2012, to refund and redeem all of the outstanding principal balance and interest accrued on the Authority's outstanding Port District Project Bonds, Series B of 1998, Series B of 1999 and Series A of 2001. As a result of these actions, the par amount of the Authority's Port District Bond debt decreased from approximately $315 million to approximately $187 million.

In 2013, the Authority continued the execution of its financial plan by significantly reducing its Direct Pay Letter of Credit (DPLOC) facility costs for its 2008 and 2010 Revenue Refunding Bonds. DPLOC agreements were negotiated with three new LOC banks, significantly reducing its facility fees by approximately 50%. These actions, coupled with significantly lower facility fees on the LOCs supporting the 2008 Revenue Refunding Bonds, reduced the annual LOC facility fees in 2014 by $6 million annually from 2012 levels.

In August 2013, the Authority's Board authorized the issuance of up to $550 million in new revenue bonds, to fund a significant portion of its existing 2013 Capital Program. In late

December, the Authority issued new revenue bonds (the 2013 Revenue Bonds), at attractive fixed rates, in the amount of $476.6 million. The bonds were issued at a premium netting the Authority an additional $11.8 million in proceeds.

Debt service in 2014 rose principally due to the full-year impact of the late December 2013 bond issuance. The Authority's total bond debt decreased by $41.5 million, to total $1.61 billion at year-end.

The Authority took further steps to reduce its exposure to interest rate hedging derivative transactions, and to obtain "more favorable contract terms", by adopting a new swap management policy and authorizing the termination and replacement of its existing swap counterparty agreements, through replacement by a new counterparty(ies) (DRPA #14-116). (The proposed transaction(s) is (are) expected to be completed in July 2015).

LOCAL ECONOMY

From the latest data available (through 2013), it appears that population growth was essentially flat (a minor decrease) in the Pennsylvania counties, while exhibiting a slight one percentage (1%) growth in the New Jersey counties within the Port District since 2012. The unemployment rate in the Pennsylvania counties has decreased by 1% (after a slight rise in 2012) while decreasing slightly (a 1.3% drop) in the New Jersey counties since 2012, as well. Additional information can be found in the Statistical Section of this report.

LONG-TERM FINANCIAL PLANNING

An important component of the Authority's long-term financial plan is ensuring that it has sufficient revenue to meet its operating and capital requirements. With assistance from its Financial Advisors, the Authority uses a long-term forecasting model, which creates a multi-year forecast of its revenues and expenses. The model incorporates numerous independent variables (including operating revenue and expense estimates, debt service coverages and capacity, etc.) in order to determine the annual cash flow required to create sufficient bonding capacity to finance its five-year capital plan. Results from a traffic engineering study, completed in November 2013, which contains projections for a ten-year period, were incorporated into this model for use in developing forecasts for the 2013 revenue bond issue, later in the year. The Authority regularly updates this model based on changes in business conditions and its financial performance.

As mentioned in the "Budget Process" section of this document, each year, the Authority develops a five-year capital plan which details the anticipated capital expenditures during this five-year period. The 2014 Capital Plan, developed, during the year 2013, and approved in December 2013, outlined numerous bridge, transit system, security and technology project expenditures approaching $746.2 million (net of federal funding), for the five-year period commencing in 2014. The 2014 fiscal year budget for capital expenditures was $163.3 million. As of December 31, 2014, the Authority had funded approximately $132 million in capital expenditures using primarily its new bond project funds.

In December 2014, the Authority's Board approved its 2015 Capital Budget in the amount of $146.4 million and a total 5-year capital plan with project expenditures of $726.8 million.

BRIDGE TOLL AND PASSENGER FARE SCHEDULES

There have been no changes to the Authority's bridge toll and passenger fare schedules since July 2011. In December 2014, the Authority's Board postponed the bi-ennial COLA increase in the toll rates, which was to take effect on January 1, 2015, based on the Authority's projections that it has sufficient liquidity in its existing cash flows, bond project and general fund balances to meet its 2015 Capital Plan capital expenditures requirements for the next three or four years or more. Please see Note 17 for the current toll and fare schedules.

AWARDS AND ACCOMPLISHMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Delaware River Port Authority for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the twenty-second consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

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

Financial Section

Financial Section

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Delaware River Port Authority

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Delaware River Port Authority and subsidiary, which comprise the combined statement of net position as of December 31, 2014, and the related combined statement of revenues, expenses and changes in net position and cash flows for the year then ended, together with the combined statement of trust net position available for benefits as of December 31, 2014, and the combined statement of changes in trust net position for the year then ended, and the related notes to the combined financial statements, which collectively comprise the Delaware River Port Authority and subsidiary's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Delaware River Port Authority and subsidiary as of December 31, 2014, and its changes in financial position and its cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Combined Financial Statements for the Year Ended December 31, 2013

The combined statement of net position as of December 31, 2013, and the related combined statement of revenues, expenses and changes in net position and cash flows for the year then ended of the Delaware River Port Authority and subsidiary were audited by other auditors whose report dated June 30, 2014 expressed an unmodified opinion on those combined financial statements.

Required Supplementary Information

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

Other Information

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 19, 2015

Management's Discussion & Analysis
(Unaudited)

As management of the Delaware River Port Authority (the Authority), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2014 and 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 15-20 of this report. All amounts are expressed in thousands of dollars unless otherwise indicated.

FINANCIAL HIGHLIGHTS (IN THOUSANDS)

- Total operating revenues were $330.9 million in 2014, an increase of $2.8 million or 0.84% over 2013. The increase was primarily related to the slight increase in toll revenues.
- The $3.4 million increase in toll revenues (up 1.2%) during the year was primarily attributable to a slightly higher commercial vehicle volume and a slightly reduced automobile volume resulting in an average toll increase from $6.1 in 2013 to $6.2 in 2014..
- Bridge traffic decreased by 50 thousand vehicles (down 0.10%) during the year 2014. Traffic on the bridges was largely impacted by general economic conditions in the region and inclement weather during the first quarter of the year.
- Bridge and general administration expenses increased by a combined $2.8 million or by 3.1% vs. 2013 expenses. The increase is principally attributable to the large increase in biennial inspection costs in 2014 v. 2013 (there was no biennial inspection in 2013).
- The Port Authority Transit Corporation (PATCO) is a wholly-owned subsidiary of the Delaware River Port Authority (DRPA) and is subsidized by the DRPA. Operating expenses exceeded operating revenues for PATCO by $21.4 million in 2014 and by $16.8 million in 2013. The operating loss increased by $4.6 million from 2013 to 2014, an increase of 27.6%.
- PATCO passenger fare revenues decreased by 6.4%, primarily resultant from the impact of decreased PATCO ridership of 535 thousand (down 5.1%). Net fare revenues decreased by $1.7 million, or by 6.4%. PATCO ridership was impacted by inclement weather and track outages due to the BFB/PATCO track rehabilitation project.
- Total "non-restricted" investments increased by $43.9 million, an increase of 11.2%. This

increase primarily was related to the increase in the General Fund balances attributable to cash equivalents and investment balances increasing by $51.4 million (up 12.4%) to total $465.2 million at year end.

- Restricted investments, including the bond project fund, decreased by $81.3 million (from $561.7 million to $480.4 million). At year-end, the bond project fund (used for funding capital projects) totaled $239.7 million, down $105.5 million or 30.6% from 2013.
- Total debt outstanding decreased by $41.5 million to total $1.61 billion at year-end.
- In March and July of 2013, the Authority renewed and restructured its Direct Pay letter of credit facilities with its five (5) banks. The 2014 full year impact of these renewals was a $2.0 million reduction in letter of credit facility and remarketing fees (annual letter of credit and remarketing fees have dropped by $6.0 million from 2012 levels).
- Economic development expenditures totaled $2.4 million in 2014, a decrease in such expenditures of nearly $2.0 million vs. 2013 (a 45.1% decrease). (The Authority's economic development spending now reflects only previously committed projects, as the Authority's Board approved a discontinuation of any new economic development projects in 2010).
- The assets of the Authority exceeded its liabilities at the close of 2014 resulting in a net position of $587.8 million. Net position increased by $76.5 million during the year.
- Debt service coverage for revenue bond debt (as calculated based on the 1998 Bond Indenture) decreased to 2.20 times from 3.28 times in 2013, as net revenues available for debt service increased by $6.1 million, but senior bond debt service increased by $34.5 million due to the full year impact of the 2013 revenue bond issue.
- The Authority made its initial funding contribution of $10.8 million to its OPEB irrevocable trust, thereby reducing its net OPEB obligation to $31.4 million at year end.

FINANCIAL POSITION SUMMARY

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

Delaware River Port Authority's Net Position

	2014	2013	2012 (Restated)
Current and other assets	$988,892	$1,023,586	$494,319
Capital assets	1,348,022	1,273,454	1,240,928
Total assets	2,336,914	2,297,040	1,735,247
Deferred outflows of resources	128,763	129,029	183,951
Long-term liabilities outstanding	1,756,105	1,823,498	1,430,965
Other liabilities	121,727	91,182	69,404
Total liabilities	1,877,832	1,914,680	1,500,369
Net position:			
Net investment in capital assets	174,762	213,138	272,905
Restricted	215,004	159,521	143,692
Unrestricted (deficiency)	198,079	138,730	2,232
Total net position	$587,845	$511,389	$418,829

In 2014, the Authority's net position increased in the amount of $76.5 million. The main factors impacting this increase include: continued strong operating revenues, and an increase in total non-operating income. However, the increase in operating expenses and total net non-operating expenses reduced the net income before capital contributions to $60.0 million (down $14.9 million from net income before capital contributions of $74.9 million in 2013).

In 2013, net position increased in the amount of $92.6 million. Factors impacting this increase include: higher revenues and a significant decrease in non-operating expenses (which included a $7.8 million reduction in interest expense and a nearly 50.0% decrease in economic development activities). As a result, the net position increase for 2014 was $16.1 million below 2013 numbers.

Summary of Changes in Net Position

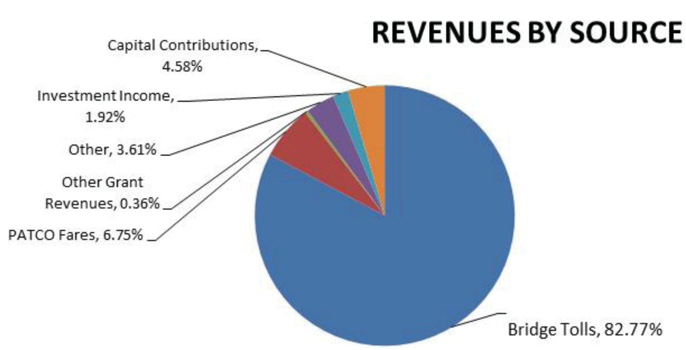
	2014	2013	2012 (Restated)
Operating revenues	$330,882	$328,124	$327,400
Operating expenses	(145,876)	(140,118)	(146,498)
Excess before depreciation and other non-operating income and expenses	185,005	188,006	180,902
Depreciation	(57,425)	(54,801)	(55,018)
Operating income	127,580	133,205	125,884
Non-operating loss and expenses, net	(67,555)	(58,318)	(64,795)
Income before capital contributions	60,025	74,887	61,089
Capital contributions	16,431	17,673	25,042
Change in net position	$76,456	$92,560	$86,131

REVENUE SUMMARY

Summary of revenues for the year ended December 31, 2014 and the amount and percentage change in relation to prior year amounts is as follows:

Operating:	2014 Amount	2013 Amount	Percent of Total	Increase/ (Decrease) From 2013	Percent Increase (Decrease)
Bridge tolls	$297,267	$293,863	82.77%	$3,404	1.16%
PATCO passenger fares	24,257	25,908	6.75%	(1,651)	-6.37%
Other	9,358	8,353	2.61%	1,005	12.03%
Total operating	330,882	328,124	92.13%	2,758	0.84%
Non-Operating:					
Investment income	6,909	5,581	1.92%	1,328	23.79%
Other	3,619	49	1.01%	3,564	7,274.40%
Other grant revenues	1,307	2,776	0.36%	(1,469)	-52.92%
Capital contributions	16,431	17,673	4.58%	(1,242)	-7.03%
Total Revenues (before change in fair value)	$359,142	$354,203	100.00%	$4,939	1.39%
Change in fair value of derivatives	1,570	(953)	-	2,523	264.75%
TOTAL REVENUES	$360,712	$353,250	-	$7,462	2.11%

- Total revenues in 2014 increased by $7.5 million, or by 2.1%, primarily due to the slight increase in operating revenues and the slight increases in non-operating revenue such as changes in fair value of derivatives, an increase of $2.5 million, and investment income, an increase of $1.3 million.
- Total operating revenues in 2014 increased slightly by $2.8 million or 0.84%, due to an increase in bridge toll revenue.
- Bridge toll revenue increased by $3.4 million, or by 1.2% during 2014 (Bridge tolls accounted for 82.4% of total revenues.) In 2014, traffic decreased by 0.1% but revenue increased $3.4 million due to a higher average toll.
- The year-to-year average toll rate increase, from $6.1375 to $6.2148, reflects a slight increase in commercial vehicle traffic and a small decrease in automobile traffic.
- PATCO passenger fare revenues decreased by 6.4%, primarily resultant from the impact of decreased PATCO ridership of 535 thousand (5.1%). This decrease was partially due to inclement weather and partially due to track outages resulting from the BFB/PATCO track rehabilitation project.

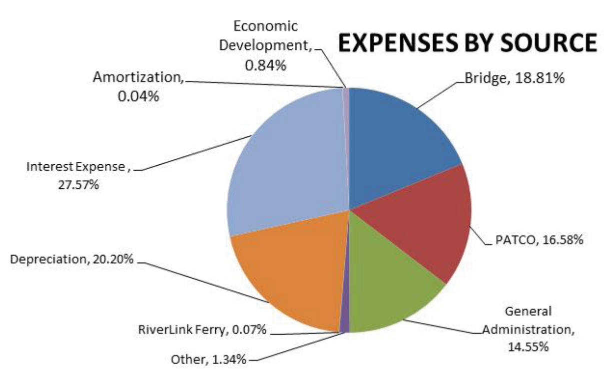


EXPENSE SUMMARY

A summary of expenses for the year ended December 31, 2014 and the amount and percentage change in relation to prior year amounts is as follows:

Operating:	2014 Amount	2013 Amount	Percent of Total	Increase/ (Decrease) From 2013	Percent Increase/ (Decrease)
Bridge	$53,466	$53,042	18.81%	$424	0.80%
PATCO	47,130	44,394	16.58%	2,736	6.16%
General Administration	41,347	38,932	14.55%	2,415	6.20%
Other	3,745	3,688	1.32%	57	1.55%
River Link Ferry	189	62	0.07%	127	204.84%
Depreciation	57,425	54,801	20.20%	2,624	4.79%
Total operating	203,302	194,919	71.52%	8,383	4.30%
Non-Operating:					
Interest Expense	78,377	58,784	27.57%	19,593	33.33%
Bond Issuance Costs	-	2,516	0.00%	(2,516)	-100.00%
Amortization	100	100	0.04%	0	0.00%
Other	76	-	0.03%	76	0.00%
Economic Development	2,401	4,371	0.84%	(1,970)	-45.08%
Total Non-Operating	80,954	65,771	28.48%	$15,183	23.08%
TOTAL EXPENSES	$284,256	$260,690	100.00%	$23,566	9.04%

- Total operating expenses increased by $8.4 million or 4.3%, attributable to the increases in Bridge and General Administration and depreciation expenses.
- Bridge and General Administration (G&A) expenses for DRPA operations increased by a combined $2.8 million (or 3.1%) versus 2013. The major factor impacting the increased expenses are the biennial inspection costs of $2.4 million for 2014 (there was no biennial inspection in 2013).
- PATCO operational expenses increased by $2.8 million (or by 6.4%), primarily attributable to an increase in insurance & claims and payroll-related expenses.
- Total non-operating expenses increased by $15.2 million, primarily attributable to higher interest expense (up $19.6 million).
- Interest expense increased by $19.6 million, which was primarily related to the full year impact of the 2013 revenue bond issuance.
- Economic development expenditures totaled $2.4 million in 2014, a decrease of nearly $2 million (or 45.1%) from expenditures in 2013. The decrease reflects a drop in the funding of previously authorized projects committed to prior to the Authority's discontinuation of any new economic development projects beyond 2010.
- Total expenses increased by $23.6 million largely attributable to the increases in both total operating expenses and non-operating expenses (primarily interest expense) cited above.



SUMMARY OF CASH FLOW ACTIVITIES

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

	2014	2013	2012
Cash flow from operating activities	$183,194	$186,605	$186,336
Cash flow from non-capital financing activities	186	(2,149)	(696)
Cash flow from capital and related financing activities	(223,565)	336,339	(338,655)
Cash flow from investing activities	43,952	(496,165)	153,002
Net increase (decrease) in cash and cash equivalents	3,767	24,630	(13)
Cash and cash equivalents, beginning	30,529	5,899	5,912
Cash and cash equivalents, ending	$34,296	$30,529	$5,899

Capital Assets and Debt Administration

Capital Assets. The Authority's investment in capital assets for its activities through December 31, 2014 amounted to $1.35 billion (net of accumulated depreciation), an increase of $74.6 million over the previous year. This investment in capital assets includes land, bridges, transit system, port enhancements, buildings and machinery. The total percentage increase in the Authority's investment in capital assets for the current year was 5.9%.

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

- PATCO track rehabilitation across the Ben Franklin Bridge in the amount of $70.5 million.
- PATCO transit car rehabilitation and overhaul in the amount of $12.8 million.
- Redecking suspended span and anchorage spans work at the Walt Whitman Bridge in the amount of $5.9 million.
- Replacing various escalators in PATCO stations in the amount of $4.7 million.
- Partially funding costs of implementing a new Enterprise Resource Planning system in the amount of $4.5 million.

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

	2014	2013	2012
Land	$74,200	$74,225	$74,225
Construction in progress	348,278	290,453	304,030
Bridges and related buildings and equipment	616,193	634,795	604,153
Transit property and equipment	307,436	271,767	256,381
Port enhancements	1,890	2,214	2,139
Total	$1,347,997	$1,273,454	$1,240,928

Additional information on the Authority's capital assets can be found in Note 7 on page 56 of this report.

Long-term debt. The Authority's total bond debt decreased to $1.61 billion (shown below by issue) at year-end, down from $1.65 billion at the prior's year end. Of this amount, $1.42 billion (or 88.1% of total debt) represents revenue bond debt backed by toll revenues from the Authority's bridges. The remaining debt of $0.19 billion (or 11.9% of total debt) represents subordinated obligations of the Authority. The Authority's debt portfolio consists of $0.98 billion (or 61.3% of total debt) in fixed-rate debt, with the remaining $0.63 billion (or 38.7% of total debt) in variable rate mode; the variable rate debt is backed by five (5) direct-pay bank letters of credit, from several banks.

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

	2014	2013	2012
1998 Port District Project Bonds	$ -	$ -	$ -
1999 Revenue Bonds	-	-	-
1999 Port District Project Bonds	27,675	31,080	34,250
2001 Port District Project Bonds	-	-	-
2008 Revenue Refunding Bonds	287,800	304,510	320,355
2010 Revenue Refunding Bonds	337,255	350,000	350,000
2010 Revenue Bonds	307,880	307,854	307,830
2012 Port District Project Refunding Bonds	164,779	172,915	175,353
2013 Revenue Bonds	487,789	488,356	-
Total (net of amortizing premium and discount and loss on refunding)	$1,613,178	$1,654,715	$1,187,788

Additional information on the Authority's outstanding debt can be found in the Letter of Transmittal on page 18 and in Note 12 beginning on page 63 of this report.

Bond Ratings. In late 2012, with the issuance of new port district project refunding bonds, both Moody's and S&P raised the outlook on the Authority's debt Moody's changed the outlook on all of the Authority's bonds from "negative" to "stable", while S&P increased the outlook on all bonds from "stable" to "positive".

During the latter part of 2013, the Authority experienced its first major change in its bond ratings since 2010. In November, just prior to the issuance of new revenue bonds, Standard and Poor's (S&P) upgraded the Authority's outstanding revenue bonds to "A" (from "A-"), with a stable outlook, and also raised the underlying rating on the outstanding port district project bonds to "BBB" (from "BBB-"). The ratings change reflected the Authority's strong financial management with historical operating results under budget, its strong liquidity position (especially in its General Fund), the Board of Commissioners' mandate to exit economic development, and its focus on debt management restructuring and "core infrastructure assets." In December 2014, S&P affirmed the existing rates on all Authority bonds, with a stable outlook.

Moody's underlying revenue bond ("A3") and port district project bond ("Baa3") ratings with a "stable" outlook remain unchanged during 2014.

The underlying debt ratings on the Authority's bond issues, as of December 31, 2014, are shown below:

Issue:	Moody's:	S&P:
Revenue and Revenue Refunding Bonds	A3	A
(2008, 2010 and 2013 bonds)	Stable	Stable
Port District Project and Port District Project	Baa3	BBB
Refunding Bonds (1999 and 2012 bonds)	Stable	Stable

Additional information related to the Authority's bond ratings, including its "jointly supported transactions" ratings on its 2008 and 2010 Revenue Refunding Bonds can be found in the sub-section entitled "Bond Ratings" under Note 12 on pages 63-75 and "Commitments" under Note 17 on page 82 of this report.

Economic Factors and Next Year's Budgets

The following factors were considered in preparing the Authority's budget for the 2015 year:

- Slow or little growth in the overall regional economy.
- No bridge toll or PATCO fare increases during 2015.
- Budgeted bridge traffic is expected to increase by 0.1 million vehicles to 47.4 million vehicles, attributable to little change in underlying economic factors.
- Bridge toll revenues are projected to approach $290.7 million, attributable to an increase of $0.3 million in budgeted toll revenues vs. 2014. (Net toll revenues include a three-day adjustment for the projected impact of inclement weather and an increase in average toll).
- Decrease of 0.85% in projected total PATCO fares and other revenues versus 2014, decreasing from $26.2 million to $26.0 million. The expected drop in revenues is resultant from an anticipated reduction in the passenger ridership, largely attributable to the major Ben Franklin Bridge/PATCO track rehabilitation project.
- Ridership is budgeted to decrease slightly by 66 hundred (or by 0.06%) vs. the 2014 budget, to a total of 10.2 million riders annually .
- Biennial inspection costs estimated to be $0.2 million in 2015, a budgeted decrease of $2.2 million (no biennial inspection in 2015).
- DRPA operating expense increase of nearly $3.0 million, or a 3.8% increase, primarily attributable to increased employer contribution for pension and insurance costs.
  The PATCO operating budget increased by $4.7 million, or by 9.8%, attributable primarily to payroll, pension-related and purchased power costs. The combined DRPA and PATCO budgeted operating expenses are expected to increase by $7.5 million to total $141.3 million, or a 5.6% increase over 2014.
- A decrease of approximately $0.87 million (or 0.6%) in budgeted total debt service. Total debt service is projected to be $130.9 million for 2014. (No bond issuance anticipated in 2015).
- Bank direct pay letters of credit and remarketing costs (related to the 2008 and 2010 Revenue Refunding variable rate bonds) are expected to decrease by approximately $0.46 million, a 10.1% decrease (this reduction in budgeted fees is attributable to the Authority's 2013 restructuring efforts and a reduction in total variable rate bonds outstanding in 2015).
- Capital Budget expenditures for 2015 are budgeted to be approximately $146.4 million down $16.9 million from $163.3 million budgeted for 2014. Large capital projects in 2015 include several significant projects, including the BFB/PATCO Track rehabilitation and PATCO fleet car rehabilitation projects, which together are budgeted to approach $81.5 million in expenditures (net of federal funding) in 2015.

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

Requests for Information

This financial report is designed to provide a general overview of the Authority's activities for all of those with an interest in the Authority's activities through December 31, 2014. Questions from interested parties concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, Delaware River Port Authority, One Port Center, 2 Riverside Drive, P.O. Box 1949, Camden, NJ 08101-1949.

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Net Position
December 31, 2014 and 2013
(amounts expressed in thousands)

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 31,049	$ 23,549
Investments	434,116	390,260
Accounts receivable, net of allowance for uncollectibles	9,137	11,691
Accrued interest receivable	426	475
Transit system and storeroom inventories	6,000	6,512
Economic development loans - current	3,774	1,925
Prepaid expenses	5,253	2,323
Restricted assets		
Cash and cash equivalents	3,247	6,981
Investments	240,692	216,479
Accrued interest receivable	4	4
Total current assets	733,698	660,198
Noncurrent Assets		
Restricted investments for capital projects	239,730	345,216
Capital assets, net of accumulated depreciation		
Land	74,225	74,225
Construction in progress	348,278	290,453
Bridges and related buildings and equipment	616,193	634,795
Transit property and equipment	307,436	271,767
Port enhancements	1,890	2,214
Total capital assets	1,348,022	1,273,454
Other		
Economic development loans, net of allowance for uncollectibles	14,169	16,776
Debt insurance costs, net of amortization	1,295	1,396
Total other assets	15,464	18,172
Total noncurrent assets	1,603,216	1,636,842
Total assets	2,336,914	2,297,040
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging derivatives	116,424	114,318
Loss on refunding of debt	12,339	14,711
Total deferred outflows of resources	128,763	129,029

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Net Position
December 31, 2014 and 2013
(amounts expressed in thousands)

	2014	2013
Liabilities		
Current Liabilities		
Accounts payable		
Retained amounts on contracts	$ 10,390	$ 8,938
Other	27,406	19,356
Accrued liabilities		
Claims and judgments	721	1,500
Self-insurance	2,000	1,709
Pension	2,660	1,867
Sick and vacation leave benefits	975	1,031
Other	1,484	1,189
Unearned revenue	4,421	3,408
Liabilities payable from restricted assets		
Accrued interest payable	24,285	13,534
Bonds payable - current	47,385	38,650
Total current liabilities	121,727	91,182
Noncurrent Liabilities		
Accrued liabilities		
Claims and judgments	1,936	5,354
Self-insurance	2,583	1,978
Sick and vacation leave benefits	2,922	3,091
Other postemployment benefits	31,445	41,502
Unearned revenue	4,908	5,274
Premium payment payable - derivative companion instrument	29,335	33,588
Derivative instrument - interest rate swap	117,182	116,646
Bonds payable, net of unamortized discounts and premiums	1,565,793	1,616,065
Total noncurrent liabilities	1,756,105	1,823,498
Total liabilities	1,877,832	1,914,680
Net Position		
Net investment in capital assets	174,762	213,138
Restricted for:		
Debt requirements	198,302	140,743
Port projects	16,702	18,778
Unrestricted	198,079	138,730
Total net position	$ 587,845	$ 511,389

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

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2014 and 2013
(amounts expressed in thousands)

	2014	2013
Operating Revenues		
Bridges		
Tolls	$ 297,267	$ 293,863
Other operating revenues	7,702	6,451
Total bridge operating revenues	304,969	300,314
Transit system		
Passenger fares	24,257	25,908
Other operating revenues	1,506	1,699
Total transit system operating revenues	25,763	27,607
Other		
Miscellaneous	150	203
Total operating revenues	330,882	328,124
Operating Expenses		
Operations	100,596	97,436
Community impact	3,745	3,688
General and administration	41,347	38,932
Port of Philadelphia and Camden	189	62
Depreciation	57,425	54,801
Total operating expenses	203,302	194,919
Operating Income	127,580	133,205

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2014 and 2013
(amounts expressed in thousands)

	2014	2013
Nonoperating Revenues (Expenses)		
Investment income	6,909	5,581
Change in fair value of derivative instruments	1,570	(953)
	8,479	4,628
Interest expense	(78,377)	(58,784)
Amortization expense	(100)	(100)
Economic development activities	(2,401)	(4,371)
Other nonoperating revenues	3,613	49
Other grant revenues	1,307	2,776
Bond issuance costs		(2,516)
Other nonoperating expenses	(76)	
Total nonoperating revenues (expenses)	(67,555)	(58,318)
Income before capital contributions	60,025	74,887
Capital Contributions		
Federal and state capital improvement grants	$ 16,431	$ 17,673
Change in net position	76,456	92,560
Net Position, January 1	511,389	418,829
Net Position, December 31	$ 587,845	$ 511,389

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

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013
(amounts expressed in thousands)

	2014	2013
Cash Flows from Operating Activities		
Receipts from customers and users	$ 334,374	$ 327,157
Payments for other goods or services	(55,606)	(69,415)
Payments for employees services	(99,187)	(71,186)
Other receipts	3,613	49
Net cash provided by operating activities	183,194	186,605
Cash Flows from Noncapital Financing Activities		
Payments for economic development activities	(1,743)	(4,371)
Repayments of economic development loans	737	521
Grants received	1,192	1,701
Net cash provided by (used in) noncapital financing activities	186	(2,149)
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(129,153)	(88,503)
Proceeds from sales of capital assets	-	49
Capital contributions received	16,632	16,770
Proceeds from capital debt	-	488,403
Payment of bond issuance costs	-	(2,698)
Principal paid on bonded debt	(38,650)	(19,015)
Interest paid on debt	(72,394)	(58,667)
Net cash provided by (used in) capital and related financing activities	(223,565)	336,339
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	819,383	633,140
Purchase of investments	(781,032)	(1,135,377)
Interest received	5,601	6,072
Net cash provided by (used in) provided by investing activities	43,952	(496,165)
Net increase in cash and cash equivalents	3,767	24,630
Cash and Cash Equivalents, January 1, (including $4,297 and $5,070 reported as restricted)	$ 30,529	$ 5,899
Cash and Cash Equivalents, December 31, (including $3,247 and $6,981 reported as restricted)	$ 34,296	$ 30,529

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013
(amounts expressed in thousands)

	2014	2013
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$ 127,580	$ 133,205
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	57,425	54,801
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	2,488	(665)
Decrease in transit system and storeroom inventories	512	282
(Increase) in prepaid expenses	(2,930)	(969)
Increase (decrease) in accounts payable and accrued wages	6,000	(2,460)
Increase in accrued pension payable	782	1,312
Increase (decrease) in unearned revenue	1,004	(304)
(Decrease) increase in claims and self-insurance	(3,300)	1,397
(Decrease) in sick and vacation leave benefits payable	(223)	(272)
(Decrease) increase in other accrued liabilities	(9,757)	229
Other revenues	3,613	49
Net cash provided by operating activities	$ 183,194	$ 186,605
Noncash Investing, Capital and Financing Activities:		
Accretion of interest on premium payment payable - derivative companion instrument	$ 1,571	$ 1,776
Increase (decrease) in accumulated change in fair value of hedging derivatives resulting from change in fair value	$ 2,106	$ (52,385)
Grant revenue included in accounts receivable	$ 709	$ 1,487
Capital contributions included in accounts receivable	$ 3,481	$ 4,199
Acquisition of capital assets included in accounts payable	$ 12,211	$ 8,938

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

DELAWARE RIVER PORT AUTHORITY

Other Postemployment Benefits Trust
Combined Statement of Trust Net Position Available for Benefits
December 31, 2014
(amounts expressed in thousands)

Assets	
Investments	$ 10,780
Total current assets	10,780
Net Position	
Held in trust for retiree health benefits	10,780
Total net position	$ 10,780

The accompanying notes to combined financial statements are an integral part of this statement.

DELAWARE RIVER PORT AUTHORITY

Other Postemployment Benefits Trust
Combined Statement of Changes in Trust Net Position
For the Year Ended December 31, 2014
(amounts expressed in thousands)

Additions	
Employer contributions	$ 15,600
Investment income	1
Total additions	15,601
Deductions	
Benefit payments	4,810
Administrative expenses	11
Total deductions	4,821
Increase in net position	10,780
Net Position, January 1	-
Net Position, December 31	$ 10,780

The accompanying notes to combined financial statements are an integral part of this statement.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies

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

The costs of providing facilities and services to the general public on a continuing basis are recovered primarily in the form of tolls and fares. The Authority is a member of the E-ZPass Interagency Group, the largest interoperable Electronic Toll Collection System in the world, comprised of twenty-five (25) agencies in fifteen (15) states. Through December 31, 2014, customer participation in the E-ZPass electronic toll collection process grew to almost sixty-nine percent (68.9%) of its toll collection activity during rush hour periods. Toll revenues collected through E-ZPass now exceed sixty-eight percent (68.1%) of total toll revenues. The Office of the Chief Operating Officer manages the RiverLink Ferry System, which runs daily between Penn's Landing in Philadelphia and the Camden Waterfront during its operating season, as well as the Authority's eleven-story office building in Camden, New Jersey.

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

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

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

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

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Investment in Facilities: Investment in facilities is stated at cost, which generally includes expenses for legal expenses incurred during the construction period. Investment in facilities also includes the cost incurred for port-related projects, and improvements, enlargements and betterments to the original facilities. Replacements of existing facilities (except for primarily police and certain other vehicles whose estimated useful life is two years or less) are also recorded at cost. The related costs and accumulated depreciation of the property replaced are removed from the respective accounts, and any gain or loss on disposition is credited or charged to non-operating revenues or expenses. Assets capitalizable generally have an original cost of five thousand dollars ($5) or more and a useful life in excess of three years. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, including those financed by federal and state contributions (Notes 7 and 14).

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

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

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

Self-insurance: The Authority provides for the uninsured portion of potential public liability and workers' compensation claims through self-insurance programs and charges current operations for estimated claims to be paid (Note 15).

Economic Development Activities: The Authority establishes loan loss provisions for economic development loans receivable, based upon collection history and analysis of creditor's ability to pay. The Authority has established a loss reserve in the amount of $1,345 as of December 31, 2014 and 2013 for its economic development loans outstanding.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Operating expenses include expenses associated with the operation, maintenance, and repair of the bridges, PATCO, Port of Philadelphia and Camden (“PPC”) operations, and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority’s interest on funded debt and economic development activities.

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

Debt Management: Total outstanding bond debt reflected on the statements of net position is net of unamortized bond discounts and premiums (Note 12). The Authority presently has two active interest rate hedge (swap) agreements (derivative instruments) with UBS AG to hedge interest rates on a portion of its outstanding long-term debt (Note 4).

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

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

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

The Authority filed the appropriate budgets as described above to its bond trustees by December 31, 2014 and 2013, in compliance with the bond indentures.

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

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

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

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

Note 2. Cash and Cash Equivalents

Custodial Credit Risk Related to Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Authority’s deposits might not be recovered. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2014 and 2013, the Authority’s bank balances of $52,130 and $55,146 (including certificates of deposit of $13,622 and $22,197 classified as investments in the statements of net position) respectively, were exposed to custodial credit risk as follows:

	2014	2013
Uninsured and uncollateralized	$ 49,982	$ 50,054
Uninsured and collateralized (collateral held by bank's department or agent, but not in the Authority's name)	$ 685	$ 855

Also, included in the Authority’s December 31, 2014 bank balance of $52,130 is a $25,000 certificate of deposit. Since the certificate of deposit is invested for a term of seven days, the Authority has reported it as “cash and cash equivalents” on the combined statements of net position and cash flows as of December 31, 2014.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 3. Investment in Securities

Excluding the investments of the OPEB Trust, the Authority's investments in various securities are maintained for specified funds in accordance with the provisions of the Indenture of Trust adopted as of July 1, 1998.

Custodial Credit Risk Related to Investments: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the Authority's investments at December 31, 2014 and 2013, $900,916 and $929,758, respectively, consisted of investments in asset backed securities, commercial paper, corporate bonds and notes, mortgage pass-through securities, municipal bonds, repurchase agreements, U.S. federal agency notes and bonds, and U.S. government treasuries, are uninsured, not registered in the name of the Authority, and held by the counterparty's trust department or agent but not in the Authority's name.

As of December 31, 2014 and 2013, the Authority had the following investments:

Investment	Maturities	2014	2013
Asset back securities	337.48 months average	$ 193	$ 914
Commercial paper	6.40 months average	50,092	51,575
Corporate bonds and notes	38.98 months average	44,714	49,728
Mortgage pass-through securities	216.95 months average		3,897
Municipal bonds	26.73 months average	110	2,556
Repurchase agreements	daily	1,001	933
Short-term investments	2.48 months average	746,452	771,245
U.S. federal agency notes and bonds	213.02 months average	11,751	1,304
U.S. government treasuries	31.86 months average	46,603	47,606
		900,916	929,758
Certificates of deposits held at banks		13,622	22,197
Total		$ 914,538	$ 951,955

The weighted average maturity of the Authority's investment portfolio was 8.85 and 4.97 months as of December 31, 2014 and 2013, respectively.

The short-term investments listed above consist of money market funds. Since it is the policy of the Authority to utilize these funds for the purchase of investments with longer maturities, these amounts have been classified as investments in the statements of net position as opposed to cash and cash equivalents.

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

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 3. Investment in Securities (Continued)

Credit Risk (Continued): On February 20, 2013, the Authority's Board approved Resolution 13-034, adopting a new comprehensive General Fund investment policy, which revised and refined its original investment policy. The policy redefined the approved, and non-approved, investment vehicles, in which its existing investment management firms can invest the Authority's funds. This policy became effective July 1, 2013.

As of December 31, 2014, the following are the actual ratings by Standard & Poor's:

Actual Rating	Asset Backed Securities	Commercial Paper	Corporate Bonds and Notes	Municipal Bonds	Repurchase Agreements	U.S. Federal Agency Notes and Bonds	US Government Treasuries
AAA	-	-	$ 1,189	-	-	-	$ 350
AA+	-	$ 50,092	2,097	$ 110	-	$ 10,789	45,303
AA	$ 4	-	3,038	-	-	-	-
AA1	-	-	7,047	-	-	-	-
A+	-	-	9,628	-	-	-	-
A	-	-	9,180	-	-	-	-
A1	-	-	9,340	-	-	-	-
BBB+	-	-	1,738	-	-	-	-
CC	56	-	-	-	-	-	-
D	133	-	-	-	-	-	-
Unrated	-	-	1,457	-	$ 1,001	962	950
	$ 193	$ 50,092	$ 44,714	$ 110	$ 1,001	$ 11,751	$ 46,603

As of December 31, 2014, the following are the actual ratings by Moody's:

Actual Rating	Asset Backed Securities	Commercial Paper	Corporate Bonds and Notes	Municipal Bonds	Repurchase Agreements	U.S. Federal Agency Notes and Bonds	US Government Treasuries
Aaa	-	-	$ 1,488	-	-	$ 10,789	$ 45,304
Aa1	-	-	1,517	-	-	-	-
Aa2	-	-	5,764	-	-	-	-
Aa3	-	$ 50,092	4,472	-	-	-	-
A	-	-	497	-	-	-	-
A1	-	-	6,411	-	-	-	-
A2	$ 4	-	10,256	$ 110	-	-	-
A3	-	-	6,675	-	-	-	-
Baa1	-	-	524	-	-	-	-
Baa2	-	-	4,605	-	-	-	-
Bbb	-	-	229	-	-	-	-
C	189	-	-	-	-	-	-
Unrated	-	-	2,276	-	$ 1,001	962	1,299
	$ 193	$ 50,092	$ 44,714	$ 110	$ 1,001	$ 11,751	$ 46,603

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

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 3. Investment in Securities (Continued)

Concentration of Credit Risk (Continued): For the purchase of investments in obligations of all other issuers, total investments held from any one issuer shall not exceed ten percent (10%) of the aggregate market value of the entire portfolio, except for repurchase agreements, which, from any one issuer, shall not exceed twenty-five percent (25%) of the aggregate market value of the portfolio.

As of December 31, 2014 and 2013, the Authority had $50,092 and $51,575 of investments in Fortis Funding commercial paper, respectively. These investments are held under the Indentures of Trust (Debt Service Reserve Funds) and represent 5% of the Authority's total investments for 2014 and 2013.

OPEB Trust:

As of December 31, 2014, the initial year of the OPEB Trust (Note 10), investments were as follows:

Investment	Maturities	2014
Mutual funds - money market	1.00 months average	$ 10,780

Interest Rate Risk: The Authority's investment policy for the OPEB Trust calls for highly liquid, short-term investments. As a result, the fund invests in a variety of high quality money market securities designed to allow the fund to maintain a stable net asset value of $1.00 per share. These instruments include commercial paper, U.S. government agency notes, certificates of deposit, time deposits, and other obligations issued by domestic and foreign banks. Such investments in an open-end mutual fund are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Credit Risk: As of December 31, 2014, the actual rating by Standard & Poor's for the mutual fund was A1+. The credit rating reflects Standard & Poor's short-term issuer debt rating.

Note 4. Derivative Instruments

In accordance with the requirements of Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASBS 53"), related to derivative instruments, the Authority engaged a financial advisory firm to analyze the effectiveness of the two "cash-flow hedges" (specifically the 1995 and 1999 Revenue Bond swaptions). Both swaptions were found to be substantially effective. At December 31, 2014 and 2013, the value of the pay-fixed interest rate swap (1995 Revenue Bond Swaption) was $52,714 and $51,708, respectively. At December 31, 2014 and 2013, the value of the pay-fixed interest rate swap (1999 Revenue Bond Swaption) was $63,710 and $62,610, respectively. The pay-fixed interest rate swaps are classified as deferred outflows of resources on the combined statement of net position, and total $116,424 and $114,318 at December 31, 2014 and 2013, respectively.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 4. Derivative Instruments (Continued)

The fair value balance and notional amounts of derivative instruments outstanding at December 31, 2014 and 2013, classified by type, and the changes in fair value of such derivative instruments for the year ended as reported in the 2014 and 2013 combined financial statements are as follows (debit (credit)):

	Changes in Fair Value			Fair Value at December 31,				
	Classifi-cation	Amount		Classifi-cation	Amount		Notional	
		2014	2013		2014	2013	2014	2013
Investment derivatives:								
Receive-fixed interest rate swaption (1999 PDP, Series B, Debt Service Reserve Fund)	Interest revenue	$ 161	$ (120)	Derivative instrument	$ (144)	$ (305)	$ 10,436	$ 10,436
Receive-fixed interest rate swaption (1999 Revenue Bonds Debt Service Reserve Fund)	Interest revenue	611	(458)	Derivative instrument	(548)	(1,159)	39,657	39,657
Pay-fixed interest rate swap	Interest revenue	49	(375)	Derivative instrument	(65)	(114)	24,595	24,595
Cash flow hedges:								
Pay-fixed interest rate swap (1995 Revenue Bonds Swaption)	Deferred outflow	(1,006)	24,096	Derivative instrument	(52,714)	(51,708)	287,800	304,510
Pay-fixed interest rate swap (1999 Revenue Bonds Swaption)	Deferred outflow	(1,100)	28,290	Derivative instrument	(63,710)	(62,610)	312,660	331,840

At December 31, 2010, the Authority determined that a portion of the 1999 Revenue Bonds cash flow hedge, pay-fixed interest rate swap no longer met the criteria for effectiveness due to the partial 2010 refunding of the 1999 Revenue Bonds; therefore, this cash flow hedge was reclassified as an investment derivative, with a notional value of $24,595 as of December 31, 2014. The fair values of the interest rate swaptions and swaps are indicative value based on mid-market levels as of the close of business on December 31, 2014 and 2013, and were derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions.

Objective and Terms of Hedging Derivative Instruments: The following table summarizes the objective and terms of the Authority's hedging instruments outstanding at December 31, 2014:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms
Pay-fixed interest rate swap (1995 Revenue Bonds Swaption)	Hedge of changes in cash flows of the 2008 Revenue Refunding Bonds	$ 287,800	01/01/06	01/01/26	Pay 5.447%; receive 66% of one-month LIBOR
Pay-fixed interest rate swap (1999 Revenue Bonds Swaption)	Hedge of changes in cash flows of the 2010 Revenue Refunding Bonds	$ 312,660	01/01/10	01/01/26	Pay 5.738%; receive 66% of one-month LIBOR

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
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Note 4. Derivative Instruments (Continued)

1995 Revenue Bonds Swaption: On May 2, 2001, the Authority entered into the 1995 Revenue Bonds Swaption with UBS AG in the initial notional amount of $358,215. Under the 1995 Revenue Bonds Swaption, UBS AG had the option, exercisable 120 days preceding January 1, 2006, January 1, 2007, and January 1, 2008, to elect to have the 1995 Revenue Bonds Swaption commence on the January 1 next succeeding the exercise of the option. Under the 1995 Revenue Bonds Swaption, (i) UBS AG was obligated to pay to the Authority $7,144 on January 1, 2006, as an exercise premium amount; (ii) UBS AG is obligated to pay periodic payments (payable monthly) to the Authority based upon a variable rate of 66% of the USD-LIBOR-BBA index; and (iii), the Authority is obligated to pay periodic payments (payable monthly) to UBS AG based upon a fixed rate of 5.447% per annum. The periodic interest rates are applied to the notional amount of the 1995 Revenue Bonds Swaption, which amortizes annually, commencing January 1, 2007, from its initial notional amount. Only the net difference in the periodic payments is to be exchanged between the Authority and UBS AG.

The periodic payment obligations of the Authority under the 1995 Revenue Bonds Swaption are secured and payable equally and ratably with Bonds issued under the 1998 Revenue Bond Indenture. Regularly scheduled periodic payments to be made by the Authority under the 1995 Revenue Bonds Swaption are insured by Ambac Assurance. In addition to other Events of Default and Termination Events (as defined in the 1995 Revenue Bond Swaption), there exists an Additional Termination Event with respect to the Authority if the credit rating of Bonds issued under the 1998 Revenue Bond Indenture (without reference to municipal bond insurance or credit enhancement) falls below “Baa3” with respect to Moody’s Investors Service (“Moody’s”) or “BBB-” with respect to Standard & Poor’s Ratings Group (“S&P”) or Fitch Ratings (“Fitch”), or the Bonds cease to be rated by one of Moody’s, S&P or Fitch (and such rating agencies are still in the business of rating obligations such as the Bonds). However, as provided in the 1995 Revenue Bond Swaption, so long as no Insurer Credit Event (as defined therein) has occurred, no Early Termination Date can be designated unless Ambac Assurance has consented in writing thereto.

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

On September 3, 2005, UBS AG advised the Authority that it was exercising its option on this swaption as of January 1, 2006. As a result, UBS AG paid the Authority $7,144 on January 3, 2006 as an exercise premium, which has been recorded as an unearned revenue and is being amortized as interest revenue over the life of the interest rate swap agreement. The Authority made its initial net monthly swap payment in February 2006. The Authority is current on its 2014 monthly net swap interest payments to UBS AG, which totaled $15,381 and $16,203 as of December 31, 2014 and 2013, respectively.

On June 21, 2012, Moody’s downgraded UBS’ long-term ratings from Aa3 to A2. The ratings of the counterparty (UBS AG) to the 1995 Revenue Bonds Swap by Moody’s, S&P, and Fitch are A2, A, and A, respectively, as of December 31, 2014. As of December 31, 2014, the 1995 Revenue Bond Swaption had a mark-to-mark value of ($70,166). As of December 31, 2014, the notional value of the swap was $287,800.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
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Note 4. Derivative Instruments (Continued)

1995 Revenue Bonds Swaption (Continued): The following schedule represents the accretion of interest and amortization of the premium payment payable – derivative companion instrument through the term of the interest rate swap agreement, at an effective interest rate of 4.62324%:

Year Ending December 31,	Beginning Balance	Interest Accrual	Imputed Debt Payment	Ending Balance
2015	$ 11,934	$ 552	$ (2,226)	$ 10,260
2016	10,260	474	(2,072)	8,662
2017	8,662	400	(1,911)	7,151
2018	7,151	331	(1,741)	5,741
2019	5,741	265	(1,561)	4,445
2020-2024	4,445	559	(4,755)	249
2025	249	11	(260)	-

1999 Revenue Bonds Swaption: On May 2, 2001, the Authority entered into the 1999 Revenue Bonds Swaption with UBS AG in the initial notional amount of $403,035. Under the 1999 Revenue Bonds Swaption, UBS AG had the option, exercisable 120 days preceding January 1, 2010, January 1, 2011, and January 1, 2012, to elect to have the 1999 Revenue Bonds Swaption commence on the January 1 next succeeding the exercise of the option. Under the 1999 Revenue Bonds Swaption, if exercised, (i) UBS AG is obligated to pay periodic payments (payable monthly) to the Authority based upon a variable rate of 66% of the USD-LIBOR-BBA index, and (ii), the Authority is obliged to pay periodic payments (payable monthly) to UBS AG based upon a fixed rate of 5.738% per annum. The periodic interest rates are applied to the notional amount of the 1999 Revenue Bonds Swaption, which amortizes annually, commencing January 1, 2011, from its initial notional amount. Only the net difference in the periodic payments is to be exchanged between the Authority and UBS AG.

Once exercised, the 1999 Revenue Bonds Swaption would continue (unless earlier terminated) through January 1, 2026. The periodic payment obligations of the Authority under the 1999 Revenue Bonds Swaption (if exercised) are secured and payable equally and ratably with Bonds issued under the 1998 Revenue Bond indenture. Regularly scheduled periodic payments to be made by the Authority under the 1999 Revenue Bonds Swaption are insured by Ambac Assurance. In addition to other Events of Default and Termination Events (as defined in the 1999 Revenue Bonds Swaption), there exists an Additional Termination Event with respect to the Authority if the credit rating of Bonds issued under the 1998 Revenue Bond Indenture (without reference to municipal bond insurance or credit enhancement), falls below “Baa3” with respect to Moody’s or “BBB-” with respect to S&P or Fitch, or the Bonds cease to be rated by one of Moody’s, S&P or Fitch (and such rating agencies are still in the business of rating obligations such as the Bonds).

However, as provided in the 1999 Revenue Bond Swap, so long as no Insurer Credit Event (as defined therein) has occurred, no Early Termination Date can be designated unless Ambac Assurance has consented in writing thereto.

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

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Note 4. Derivative Instruments (Continued)

1999 Revenue Bonds Swaption (Continued): On September 3, 2009, UBS AG advised the Authority that it was exercising its option on this swaption as of January 1, 2010. The Authority began making net interest payments to USB AG, the counterparty, commencing in February 2010, representing January's net interest payment. The Authority is current on its 2014 monthly net swap interest payments to UBS AG, which totaled $19,006 and $20,003 as of December 31, 2014 and 2013, respectively.

On June 21, 2012, Moody's downgraded UBS' long-term ratings from Aa3 to A2. The ratings of the counterparty (UBS AG) to the 1999 Revenue Bonds Swap by Moody's, S&P, and Fitch are A2, A, and A, respectively, as of December 31, 2014. As of December 31, 2014, the 1999 Revenue Bond Swaption had a mark-to-mark value of ($88,316). As of December 31, 2014, the notional value of the swap was $312,660.

The following schedule represents the accretion of interest and amortization of the premium payment payable - derivative companion instrument through the term of the interest rate swap agreement, at an effective interest rate of 4.71425%:

Year Ending December 31,	Beginning Balance	Interest Accrual	Imputed Debt Payment	Ending Balance
2015	$ 17,401	$ 820	$ (3,245)	$ 14,976
2016	14,976	706	(3,024)	12,658
2017	12,658	597	(2,793)	10,462
2018	10,462	493	(2,547)	8,408
2019	8,408	396	(2,287)	6,517
2020-2024	6,517	837	(6,987)	367
2025	367	17	(384)	-

Net Swap Payments: Using rates as of December 31, 2014 and assuming the rates are unchanged for the remaining term of the bonds, the following table shows the debt service requirements and net swap payments for the Authority's hedged variable rate bonds:

	Variable Rate Bonds			Swap Interest Payments			
Year Ending December 31,	Principal	Interest	Total	Fixed Pay	Variable Received	Net Pay	Total Bonds and Swaps
2015	$ 37,920	$ 126	$ 38,046	$ 35,028	$ 654	$ 34,374	$ 72,420
2016	40,035	118	40,153	32,904	609	32,295	72,448
2017	42,290	109	42,399	30,660	562	30,098	72,497
2018	44,645	100	44,745	28,291	513	27,778	72,523
2019	47,155	90	47,245	25,789	464	25,325	72,570
2020-2024	278,525	291	278,816	86,217	1,325	84,892	363,708
2025-2026	134,485	29	134,514	11,408	151	11,257	145,771
	$ 625,055	$ 863	$ 625,918	$ 250,298	$ 4,278	$ 246,020	$ 871,938

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Note 4. Derivative Instruments (Continued)

Objective and Terms of Investment Derivative Instruments: On August 21, 2000, the Authority entered into two (2) interest rate agreements with Bank of America, N.A. in the notional amounts of $39,657 (the "2000 Swaption #1") and $10,436 (the "2000 Swaption #2", and together with the 2000 Swaption #1, the "2000 Swaptions"). Under the 2000 Swaptions, Bank of America, N.A. has the option on certain future dates (two business days preceding July 1, 2005 and each January 1 and July 1 thereafter through and including July 1, 2025 with respect to the 2000 Swaption #1 and two business days preceding January 2, 2006 and each July 1 and January 1 thereafter through and including July 1, 2025 with respect to the 2000 Swaption #2) to cause the 2000 Swaption #1 or the 2000 Swaption #2, as applicable, to commence on the next succeeding January 1 or July 1. If an option is exercised, the 2000 Swaption #1, or the 2000 Swaption #2, as applicable, would continue (unless earlier terminated) through January 1, 2026. The Authority's obligations under the 2000 Swaptions are general unsecured corporate obligations.

If the options relating to the 2000 Swaption #1 or the 2000 Swaption #2 are exercised, Bank of America, N.A. is obligated to pay periodic interest payments (payable monthly) to the Authority based upon a fixed rate of 5.9229% per annum, and the Authority is obligated to pay periodic interest payments (payable monthly) to Bank of America, N.A. at a variable rate based upon the Securities Industry and Financing Markets Association (SIFMA) (formerly the BMA Municipal Swap Index) (a tax-exempt variable rate index). Only the net difference in the periodic payments owed would be exchanged between Bank of America, N.A. and the Authority. As of December 31, 2014, Bank of America, N.A. has not exercised its options on the aforementioned swaptions with a value totaling ($692).

In consideration for entering into the 2000 Swaptions, the Authority received net up-front, non-refundable option payments in the aggregate amount of $1,400 from Bank of America, N.A., which represented the time value for holding the written option. Such payments were recorded as unearned revenue and amortized as interest revenue in prior years. No balance remained as of December 31, 2014 and 2013.

Risks Related to Derivative Instruments:

Credit Risk: For the years ended December 31, 2014 and 2013, the Authority was not exposed to credit risk on its hedging derivative instruments or investment derivatives as all such derivative instruments were in a liability position based on their fair values. The credit ratings of the counterparties, however, are A_2, A, and A as rated by Moody's, S&P, and Fitch, respectively, as of December 31, 2014 and 2013.

Interest Rate Risk: The Authority is exposed to interest rate risk on its derivative instruments. On its pay-variable, received-fixed interest rate swaptions, as the Securities Industry and Financing Markets Association (SIFMA) rate increases, the Authority's net payments on the swaptions, if exercised, increases. On its pay-fixed, receive-variable interest rate swaps, as the LIBOR rate decreases, the Authority's net payments on the swaps increases. While the Authority's net payments may increase, these increases are partially offset by the variable rate bonds rate.

Basis Risk: The Authority is exposed to basis risk on its pay-fixed interest rate swap hedging derivative instruments because the variable-rate payments received by the Authority on these hedging derivative instruments are based on a rate or index other than interest rates the Authority pays on its hedged variable-rate debt, which is remarketed every five (5) days.

Termination Risk: The Authority or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract.

Rollover Risk: The Authority is not exposed to rollover risk on its hedging derivative instruments. The Authority's hedging derivative instruments terminate on the same day as the hedged debt matures, unless the Authority opts for earlier termination.

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Note 4. Derivative Instruments (Continued)

Risks Related to Derivative Instruments (Continued):

Market-Access Risk: If a particular option is exercised and refunding bonds are not issued, the affected series of bonds would not be refunded, and the Authority would make net swap payments as required by the terms of the applicable aforementioned contracts. If the option is exercised and the variable-rate bonds issued, the actual difference ultimately recognized by the transaction will be affected by the relationship between the interest rate terms of the to-be-issued variable-rate bonds versus the payment as stipulated in the swaption agreement.

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

At its September 2014 meeting, the Authority's Board approved resolution DRPA 14-116 entitled "*Authorization to Terminate and Replace Existing UBS Swaps with New Swap Counterparty(ies)*" which authorized the Authority to terminate its existing swaps with UBS "in order to reduce Authority swap exposure and to provide more favorable terms to the Authority." In addition, the Authority adopted a written swap policy. (Note: subsequent to the passage of DRPA-14-116, the Authority issued a RFQ related to the possible replacement of its existing counterparty, and is presently working with several respondents to complete the ISDA Master agreement and other documentation necessary to change the current counterparty.)

Note 5. Accounts Receivable

Accounts receivable for December 31, 2014 and December 31, 2013 are as follows:

	2014	2013
Reimbursements from governmental agencies - capital improvements to the PATCO system due from the Federal Transit Administration	$ 3,481	$ 4,199
Reimbursements from governmental agencies - FTA, DOT, FEMA, PEMA, and U.S. and NJ Homeland Security	709	1,487
Development projects	3,563	3,500
E-ZPass bridge tolls from other agencies	3,762	4,348
Other	1,122	1,657
Gross receivables	12,637	15,191
Less: allowance for uncollectibles	(3,500)	(3,500)
Net total receivables	$ 9,137	$ 11,691

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Note 6. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 Year
Bonds payable					
1999 Port District Project Bonds	$ 31,080		$ (3,405)	$ 27,675	$ 3,665
2008 Revenue Refunding Bonds	304,510		(16,710)	287,800	17,620
2010 Revenue Refunding Bonds	350,000		(12,745)	337,255	20,300
2010 Revenue Bonds	308,375			308,375	
2012 Port District Project Refunding Bonds	153,030		(5,790)	147,240	5,800
2013 Revenue Bonds	476,585			476,585	
Issuance discounts/premiums	31,135	$ 25	(2,912)	28,248	
Total bonds payable	1,654,715	25	(41,562)	1,613,178	47,385
Other liabilities					
Claims and judgments	6,854	6,234	(10,431)	2,657	721
Self-insurance	3,687	3,484	(2,588)	4,583	2,000
Sick and vacation leave	4,122	22	(246)	3,898	975
Unearned revenue	8,682	1,670	(1,023)	9,329	4,421
Other (includes net OPEB obligation)	41,502	5,543	(15,600)	31,445	
Premium payment payable - derivative companion instrument	33,588		(4,253)	29,335	5,471
Derivative instrument - interest rate swap	116,646	2,106	(1,570)	117,182	
	$ 1,869,796	$ 19,084	$ (77,273)	$ 1,811,607	$ 60,973

Long-term liability activity for the year ended December 31, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 Year
Bonds payable					
1999 Port District Project Bonds	$ 34,250		$ (3,170)	$ 31,080	$ 3,405
2008 Revenue Refunding Bonds	320,355		(15,845)	304,510	16,710
2010 Revenue Refunding Bonds	350,000			350,000	12,745
2010 Revenue Bonds	308,375			308,375	
2012 Port District Project Refunding Bonds	153,030			153,030	5,790
2013 Revenue Bonds		$ 476,585		476,585	
Issuance discounts/premiums	21,778	11,818	(2,461)	31,135	
Total bonds payable	1,187,788	488,403	(21,476)	1,654,715	38,650
Other liabilities					
Claims and judgments	5,892	3,330	(2,368)	6,854	1,500
Self-insurance	3,252	2,040	(1,605)	3,687	1,709
Sick and vacation leave	4,394	86	(358)	4,122	1,031
Unearned revenue	8,986	619	(923)	8,682	3,312
Other (includes net OPEB obligation)	41,363	5,443	(5,304)	41,502	
Premium payment payable - derivative companion instrument	37,969	1,776	(6,157)	33,588	5,824
Derivative instrument - interest rate swap	168,077		(51,431)	116,646	
	$ 1,457,721	$ 501,697	$ (89,622)	$ 1,869,796	$ 52,026

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Note 7. Investment in Facilities

Capital assets for the year ended December 31, 2014 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	$ 74,225			$ 74,225
Construction in progress	290,453	$ 131,992	$ (74,167)	348,278
Total capital assets not being depreciated	364,678	131,992	(74,167)	422,503
Capital assets being depreciated				
Bridges and related building and equipment	1,124,425	18,118	(4,358)	1,138,185
Transit property and equipment	506,193	56,012	(2,339)	559,866
Port enhancements	6,665	38		6,703
Total capital assets being depreciated	1,637,283	74,168	(6,697)	1,704,754
Less: accumulated depreciation for:				
Bridges and related building and equipment	(489,630)	(36,720)	4,358	(521,992)
Transit property and equipment	(234,427)	(20,342)	2,339	(252,430)
Port enhancements	(4,450)	(363)		(4,813)
Total accumulated depreciation	(728,507)	(57,425)	6,697	(779,235)
Total capital assets being depreciated, net	908,776	16,743	-	925,519
Total capital assets, net	$ 1,273,454	$ 148,735	$ (74,167)	$ 1,348,022

Capital assets for the year ended December 31, 2013 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	$ 74,225			$ 74,225
Construction in progress	304,030	$ 87,468	$ (101,045)	290,453
Total capital assets not being depreciated	378,255	87,468	(101,045)	364,678
Capital assets being depreciated				
Bridges and related building and equipment	1,059,369	65,056		1,124,425
Transit property and equipment	470,756	35,578	(141)	506,193
Port enhancements	6,254	411		6,665
Total capital assets being depreciated	1,536,379	101,045	(141)	1,637,283
Less: accumulated depreciation for:				
Bridges and related building and equipment	(455,216)	(34,414)		(489,630)
Transit property and equipment	(214,375)	(20,052)		(234,427)
Port enhancements	(4,115)	(335)		(4,450)
Total accumulated depreciation	(673,706)	(54,801)	-	(728,507)
Total capital assets being depreciated, net	862,673	46,244	(141)	908,776
Total capital assets, net	$ 1,240,928	$ 133,712	$ (101,186)	$ 1,273,454

Total depreciation expense for the years ended December 31, 2014 and 2013 was $57,425 and $54,801, respectively.

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Note 8. Deferred Compensation Plan

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

Note 9. Pension Plans

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

<u>Pennsylvania State Employees' Retirement System</u>:

<u>Plan Description</u>: Permanent full-time and part-time employees are eligible and required to participate in this cost-sharing multiple-employer defined benefit plan that provides pension, death and disability benefits.

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

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

The Pennsylvania State Employees' Retirement System issues a publicly available annual financial report, including financial statements, which may be obtained by writing to Pennsylvania State Employees' Retirement System, 30 North Third Street, Harrisburg, Pennsylvania 17108-1147.

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Note 9. Pension Plans (Continued)

Pennsylvania State Employees' Retirement System (Continued):

Funding Policy: The contribution requirements of plan members and the Authority are established and amended by the Pennsylvania State Employees' Retirement System Board. As of January 1, 2002, employees are required to contribute 6.25% (unless opting for 9.3% deductions in order to be eligible for the 2.5% pension compensation) of their gross earnings to the plan. The Authority was required to, and did, contribute an actuarially determined amount to the plan, which equaled 17.57%, 13.27% and 9.42%, of covered payroll in 2014, 2013 and 2012, respectively. In 2014, 2013 and 2012, the Authority's required contributions to the plan were $7,652, $5,728, and $4,058, respectively, which represented 100% of the required contribution for the aforementioned years.

New Jersey Public Employees Retirement System (NJ PERS):

Plan Description: Permanent full-time employees, hired after January 1, 2002, who were members of NJ PERS when they were hired, are eligible to participate in the cost-sharing multiple-employer defined benefit plan (administered by the New Jersey Division of Pensions and Benefits). The NJ PERS was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

Funding Policy: The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the NJ PERS were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase was effective with the payroll period that began immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate increased to 6.5%, plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Authority is billed annually for its normal contribution, plus any accrued liability. The Authority began sending employee contributions to NJ PERS beginning in January 2006. The year 2008 was the first year that the Authority was required to, and did, contribute an actuarially determined amount to the plan. For the years ended December 31, 2014, 2013 and 2012, the Authority's total contribution to the plan was $66, $83 and $117, respectively, which represented 100% of the required contribution for the aforementioned years. For the years ended December 31, 2014, 2013 and 2012, the contributions consisted of a normal contribution amount of $11, $24 and $33, respectively and an accrued liability amount of $51, $67 and $78, respectively.

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

Teamsters Pension Plan of Philadelphia and Vicinity:

Plan Description: Certain represented employees are eligible and required to participate in the Teamsters Pension Plan of Philadelphia and Vicinity, which is a cost-sharing, multiple-employer benefit plan which provides pension, death and disability benefits. A member may retire at the later of (a) the date the employee reaches 65 or (b) the tenth anniversary of the employee's commencement of participation in the plan.

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Note 9. Pension Plans (Continued)

Teamsters Pension Plan of Philadelphia and Vicinity (Continued):

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

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

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

Funding Policy: The Teamsters Pension Plan is controlled by the Teamsters Pension Plan of Philadelphia and Vicinity Board. The employer's contribution requirements are determined under the terms of one Collective Bargaining Agreement in force between the employer and the Teamsters. The daily contribution rate was $22.90 per participating employee, and increased to $24.02 per participating employee effective August 2014. The Authority's contributions totaled 7.67%, 8.02% and 8.22% of covered payroll in 2014, 2013 and 2012, respectively. The employees of the Authority make no contributions to the plan. The Authority contributed $1,001, $1,066, and $1,076 in 2014, 2013 and 2012, respectively, which represented 100% of the required contribution for the aforementioned years.

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

Note 10. Postemployment Healthcare Plan

Plan Description: The Authority provides certain health care and life insurance benefits for retired employees, where such benefits are established and amended by the Authority's Board of Commissioners. The Authority's Plan provides two agent multiple-employer post-employment healthcare plans which cover two retiree populations: eligible retirees under the age of sixty-five (65) receive benefits through Amerihealth and eligible retirees sixty-five (65) and over receive benefits through the United Health Group (in partnership with AARP) and Aetna. Life insurance benefits to qualifying retirees are provided through Prudential. The plans are administered by the Authority; therefore, premium payments are made directly by the Authority to the insurance carriers.

During 2014, the Authority's Board of Commissioners passed resolution DRPA-14-057 authorizing the Authority to make an initial OPEB contribution in the amount of $10,790 to the newly established OPEB Trust, which was established with PNC Institutional Management. The OPEB Trust is irrevocable and is exempt from federal and state income taxes under Internal Revenue Code Section 115. The sole purpose of the OPEB Trust is to provide funds to pay postemployment benefits to qualified retirees and their dependents.

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Note 10. Postemployment Healthcare Plan (Continued)

Funding Policy: Employees become eligible for retirement benefits based on hire date and years of service. For employees hired after January 1, 2007, no subsidized retiree benefits are offered. The contribution requirements of plan members and the Authority are established, and may be amended, by the Authority's Board of Commissioners. Plan members receiving benefits contribute the following amounts: $65 per month for retiree-only coverage for the base plan, $130 per month for retiree/spouse (or retiree/child) coverage, and $195 per month for retiree/family (or children) coverage to age sixty-five (65) for the base plan, and $55 per month per retiree, per dependent for both the United Health Group (in partnership with AARP) and Aetna coverages. An additional amount is required for those retirees, under age sixty-five (65), who opt to participate in the "buy-up plan" for retirees and their dependents.

As previous stated, the Authority made its initial irrevocable contribution to the OPEB Trust during 2014. Prior to 2014, the Authority funded its current retiree postemployment benefits cost on a "pay-as-you-go" basis, net of plan member contributions. The Authority's contributions to the Plan, which includes the "pay-as-you-go" costs, net of plan member contributions, for the years ended 2014, 2013, and 2012 were $15,600, $5,304 and $4,242, respectively.

Future Retirees: In accordance with GASBS No.45, the Authority is required to expense the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASBS 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be $5,056, at an unfunded discount rate of 5%. As stated above, the Authority has begun funding the actuarial accrued liability for postemployment benefits.

Annual OPEB Cost: The Authority's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for 2014, 2013 and 2012 are as follows:

	2014	2013	2012
Annual required contribution (arc)	$ 5,056	$ 4,963	$ 5,347
Interest on the net OPEB obligation	2,075	2,068	1,978
Adjustment to the arc	(1,588)	(1,588)	(1,270)
Annual OPEB cost	5,543	5,443	6,055
Pay-as-you go cost (existing retirees)	(4,810)	(5,304)	(4,242)
Increase (decrease) in the net OPEB obligation	733	139	1,813
Net OPEB Obligation, January 1	41,502	41,363	39,550
OPEB Obligation, December 31	42,235	41,502	41,363
OPEB Trust Contributions	(10,790)	-	-
Net OPEB Obligation, December 31	$ 31,445	$ 41,502	$ 41,363
Percentage of Annual OPEB Cost Contributed	281%	97%	70%

Funded Status and Funding Progress: Using the report from January 1, 2013, the most recent actuarial valuation date, the results were rolled forward to calculate year-end December 31, 2014. The actuarial accrued liability for benefits as of December 31, 2014 was $115,245, and the actuarial value of plan assets was $10,780, or 9.4% funded, resulting in an unfunded actuarial accrued liability (UAAL) of $104,465.

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Note 10. Postemployment Healthcare Plan (Continued)

Funded Status and Funding Progress (Continued): The covered payroll (annual payroll of active employees covered by the plan) was $43,453 and the ratio of the UAAL to the covered payroll was 240.4%. (For additional information, please refer to the "required supplementary information schedule of funding progress for health benefits plan" shown at the end of the footnote section.) Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the combined financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the January 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) year on an open basis. The actuarial assumptions included the following:

Mortality: The mortality table employed in the valuation was the RP2000 Healthy Table Male and Female.

Inflation Rate: 2.5% per annum compounded annually.

Discount Rate: Future costs have been discounted at the rate of 5.00% compounded annually for GASBS 45 purposes.

Turnover: Assumptions for terminations of employment other than for death or retirement will vary by age and years of service with rates of turnover based on State Employees Retirement System of Pennsylvania.

Disability: No terminations of employment due to disability were assumed. Retirees resulting from a disability were factored into the determination of age at retirement.

Age of Retirement: The assumption that the active participants, on average, will receive their benefits when eligible, but no earlier than age 55.

Spousal Coverage: Married employees will remain married.

Prior Service: No prior service for active employees was assumed.

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Note 10. Postemployment Healthcare Plan (Continued)

Actuarial Methods and Assumptions (Continued):

Health Care Cost Trend Rate:

	Year	Pre-65	Post-65
Initial Trend	01/01/15 to 01/01/18	9.0%	9.0%
Ultimate Trend	01/01/19 to later	5.0%	5.0%
Grading Per Year		1.0%	1.0%

Projected Salary Increase: Annual salary increase is 2.5%.

Administration Expenses: The annual cost to administer the retiree claims was assumed at 2.5% which was included in the annual health care costs.

Employee Contributions: It was assumed that employees will contribute two thousand six hundred and eleven ($2,611) per year for family medical coverage and eight hundred eighty four ($884) for single medical coverage.

Note 11. Indentures of Trust

The Authority is subject to the provisions of the following indentures of Trust: Revenue Refunding Bonds of 1998, dated July 1, 1998; the Revenue Refunding Bonds of 2008, dated July 25, 2008 and the Revenue Refunding Bonds of 2010 and the 2010 Revenue Bonds (Series D), dated May 15, 2010 and July 15, 2010 respectively; and the 2013 Revenue Bonds, dated December 1, 2013, respectively (collectively the “Bond Resolution”); the Port District Project Bonds of 1999, dated December 1, 1999,and the 2012 Port District Project Refunding Bonds, dated December 1, 2012.

The Bond Resolution requires the maintenance of the following accounts:

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

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

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

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

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

DELAWARE RIVER PORT AUTHORITY
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Note 11. Indentures of Trust (Continued)

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

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

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

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

Note 12. Funded and Long-Term Debt

At December 31, 2014, the Authority had $1,613,178 in Revenue, Revenue Refunding, and Port District Project Bonds outstanding, consisting of bonds issued in 1999, 2008, 2010, 2012 and 2013. The 1999 Port District Project Bonds were issued pursuant to an Indenture of Trust dated December 1, 1999. The 2008 Revenue Refunding Bonds were issued pursuant to the Indenture of Trust dated July 1, 1998, as supplemented by a Fourth Supplemental Indenture dated October 1, 2007 and a Fifth Supplemental Indenture dated July 15, 2008. The 2010 Revenue Refunding Bonds were issued pursuant to an Indenture of Trust as previously supplemented by five supplemental indentures thereto and as further supplemented by a Sixth Supplemental Indenture dated as of March 15, 2010. The 2010 Revenue Bonds were issued pursuant to Indenture of Trust, dated as of July 1, 1998, a Sixth Supplemental Indenture, dated as of March 15, 2010, and a Seventh Supplemental Indenture, dated as of July 1, 2010. The 2012 Port District Project Refunding Bonds were issued pursuant to an Indenture of Trust dated December 1, 2012. The 2013 Revenue Bonds were issued pursuant an Indenture of Trust, a Ninth Supplemental Indenture, dated as of December 1, 2013.

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

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

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

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

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

On December 20, 2012, all remaining 1999 Series B Port District Project Bonds were redeemed, prior to maturity, at a redemption price of 100%, using proceeds from the issuance of the 2012 Port District Project Refunding Bonds.

The 1999 Port District Project Bonds (Series A) outstanding at December 31, 2014 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
		Term Bonds			
2015	7.63%	$ 3,665	2019	7.63%	$ 4,920
2016	7.63%	3,945	2020	7.63%	5,295
2017	7.63%	4,245	2021	7.63%	1,035
2018	7.63%	4,570			
Total par value of 1999 Port District Project Bonds					$ 27,675

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

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Notes to Combined Financial Statements
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Note 12. Funded and Long-Term Debt (Continued)

2008 Revenue Refunding Bonds: On July 25, 2008, the Authority issued $358,175 in Revenue Refunding Bonds as variable rate demand obligations (VRDO's). The 2008 Revenue Refunding Bonds were issued to provide funds, together with other funds available: (a) to finance the current refunding of $358,175 aggregate principal amount of the Authority's Revenue Refunding Bonds, Series of 2007, consisting of all of the outstanding bonds of such series; and (b) to pay the costs of issuance of the 2008 Revenue Refunding Bonds.

The 2008 Revenue Refunding Bonds were issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act (as such terms are defined herein) and an Indenture of Trust dated as of July 1, 1998, by and between the Authority and TD Bank, N.A., Cherry Hill, New Jersey, as successor to Commerce Bank, N.A. (the "Trustee"), as supplemented by a First Supplemental Indenture dated as of July 1, 1998, a Second Supplemental Indenture dated as of August 15, 1998, a Third Supplemental Indenture dated as of December 1, 1999, a Fourth Supplemental Indenture dated as of October 1, 1997 and a Fifth Supplemental Indenture dated as of July 15, 2008 (the "Fifth Supplemental Indenture") (collectively, the "1998 Revenue Bond Indenture").

The 2008 Revenue Refunding Bonds, together with all other indebtedness outstanding under the 1998 Revenue Bond Indenture and any parity obligations hereafter issued under the 1998 Revenue Bond Indenture, are equally and ratably payable solely from and secured by a lien on and security interest in (i) the Net Revenues described herein, (ii) all moneys, instruments and securities at any time and from held by the Authority or the Trustee in any Fund created or established under the 1998 Revenue Bond Indenture and (iii) the proceeds of all the foregoing, except for the moneys, instruments and securities held in the 1998 General Fund and the 1998 Rebate Fund. The 2008A Letter of Credit (as defined herein) secures only the 2008A Revenue Refunding Bonds and the 2008B Letter of Credit (as defined herein) secures only the 2008B Revenue Refunding Bonds.

The 2008 Revenue Refunding Bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on seven days' notice and delivery to the Authority's tender agent, TD Bank, N.A. The tender agent shall provide a copy of said notice to the applicable remarketing agent, who is authorized to use its best efforts to sell the repurchased bonds at a price equal to 100 percent of the principal plus accrued interest to the purchase date.

Under irrevocable direct pay letters of credit ("DPLOC") issued by Bank of America, N.A. and TD Bank, N.A., the trustee or the remarketing agent is entitled to draw an amount sufficient to pay the purchase price of the bonds delivered to it. The letters of credit ("LOC") require the Authority to make immediate payment of any draws under the line and were valid through July 23, 2013. In 2013, the letters of credit were extended as noted below.

The Authority was initially required to pay annual facility fees to Bank of America, N.A. and TD Bank, N.A. for the letters of credit. The initial facility fee was calculated based on 1.35% of the gross amount available under the line based on the Authority's bond ratings, as determined by Moody's and S&P. In addition, the Authority was required to pay an annual remarketing fee, payable quarterly in arrears, equal to 0.07% of the aggregate principal amount of the bonds outstanding at the beginning of the period.

On June 28, 2013, the Authority amended and extended its DPLOC with TD Bank, N.A. supporting the 2008 Revenue Refunding Bonds, Series B, to expire on December 31, 2017. In addition, the Authority amended and extended its DPLOC with the Bank of America, N.A., effective on July 22, 2013, to expire on July 22, 2016. The new LOC fees range from 0.65% to 0.70%. The annual remarketing fees remained unchanged.

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

2008 Revenue Refunding Bonds (Continued): The 2008 Revenue Refunding Bonds outstanding at December 31, 2014 are as follows:

Maturity Date (January 1)	Series A Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Series B Interest Rate/Yield	Principal Amount
2026	Variable	$ 136,330	2026	Variable	$ 151,470
Total par value of 2008 Revenue Refunding Bonds					$ 287,800

Interest Rate Mode: Weekly
Rate Determination Date: Generally each Wednesday
Interest Rate Payment Dates: First Business day of each month
Rate in Effect at December 31, 2014: Series A - .020%; Series B - .020%

Optional Redemption: While in the Weekly Mode, the 2008A Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any Business Day, at redemption price equal to the principal amount thereof, plus accrued interest, if any, to the Redemption Date. While in the Weekly Mode, the 2008B Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any Business Day, at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the Redemption Date.

Sinking Fund Redemption: The 2008 Revenue Refunding Bonds are subject to mandatory redemption in part on January 1 of each year and in the respective principal amounts set forth below at one hundred percent (100%) of the principal amount of 2008 Revenue Refunding Bonds to be redeemed, plus interest accrued to the Redemption Date, from funds which the Authority covenants to deposit in the 2008A Bonds Sinking Fund Account created in the 1998 Debt Service Fund established pursuant to 1998 Revenue Bond Indenture, in amounts sufficient to redeem on January 1 of each year the principal amount of such 2008 Revenue Refunding Bonds for each of the years set forth below:

	Sinking Fund Installments		
January 1	Series A	Series B	Total
2015	$ 8,345	$ 9,275	$ 17,620
2016	8,800	9,775	18,575
2017	9,280	10,310	19,590
2018	9,785	10,870	20,655
2019	10,315	11,465	21,780
2020	10,880	12,090	22,970
2021	11,475	12,745	24,220
2022	12,100	13,440	25,540
2023	12,755	14,175	26,930
2024	13,455	14,945	28,400
2025	14,185	15,760	29,945
2026	14,955	16,620	31,575
	$ 136,330	$ 151,470	$ 287,800

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

2010 Revenue Refunding Bonds: On June 30, 2010, the Authority issued $350,000 in Revenue Refunding Bonds, Series A of 2010, Revenue Refunding Bonds, Series B of 2010 and Revenue Refunding Bonds, Series C of 2010 as variable rate demand obligations ("VRDOs"). The 2010 Revenue Refunding Bonds were issued pursuant to the Indenture of Trust dated as of July 1, 1998 by and between the Authority and TD Bank, N.A., Cherry Hill, New Jersey, as successor to Commerce Bank, N.A. ("Trustee"), as previously supplemented by five supplemental indentures thereto and as further supplemented by a Sixth Supplemental Indenture ("Sixth Supplemental Indenture") dated as of March 15, 2010 (collectively, "1998 Revenue Bond Indenture"). The 2010 Revenue Refunding Bonds were issued to provide funds, together with other available funds, to (i) currently refund $349,360 aggregate principal amount of the Authority's outstanding Revenue Bonds, Series of 1999, (ii) fund any required deposit to the 1998 Debt Service Reserve Fund (defined herein), and (iii) pay the costs of issuance of the 2010 Revenue Refunding Bonds.

The 2010 Revenue Refunding Bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on seven days' notice and delivery to the Authority's tender agent, TD Bank, N.A. The tender agent shall provide a copy of said notice to the applicable remarketing agent, who is authorized to use its best efforts to sell the repurchased bonds at a price equal to 100 percent of the principal plus accrued interest to the purchase date.

Under irrevocable letters of credit issued by J.P. Morgan Chase, N.A., Bank of America, N.A. and PNC Bank, N.A., the trustee or the remarketing agent is entitled to draw an amount sufficient to pay the purchase price of the bonds delivered to it. The letters of credit ("LOC") require the Authority to make immediate payment of any draws under the line and were valid through March 29, 2013. In 2013, the letters of credit were replaced as noted below.

Initially, the Authority was required to pay annual facility fees to J.P. Morgan Chase, N.A., Bank of America, N.A. and PNC Bank, N.A. for the letters of credit in percentages varying from 1.35% to 1.675% of the gross amount available under the LOC, through March 21, 2013, when these LOCs were replaced. In addition, the Authority was required to pay an annual remarketing fee, payable quarterly in arrears, equal to 0.10% of the aggregate principal amount of the bonds outstanding at the beginning of the period. On March 21, 2013, the Authority completed its LOC substitution/replacement program, replacing the existing LOC providers with three new banks: Royal Bank (Series A), Barclays Bank (Series B), and Bank of New York Mellon (Series C). The LOC fees were reduced, ranging from 0.45% to 0.70%, and the remarketing fee for each series was reduced to 0.08%/annum.

The 2010 Revenue Refunding Bonds outstanding at December 31, 2014 were as follows:

	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
Series A	2026	Variable	$ 144,540
Series B	2026	Variable	144,540
Series C	2026	Variable	48,175
Total par value of 2010 Revenue Refunding Bonds			$ 337,255

Interest Rate Mode: Weekly
Rate Determination Date: Generally each Wednesday
Rate in Effect at December 31, 2014: Series A - .020%; Series B - .020%; Series C - .030%

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

2010 Revenue Refunding Bonds (Continued):

Optional Redemption: While in the Weekly Mode, each Series of the 2010 Revenue Refunding Bonds is subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any Business Day, at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the applicable Redemption Date.

Mandatory Sinking Fund Redemption: The 2010 Revenue Refunding Bonds are subject to mandatory redemption in part on January 1 of each year and in the respective principal amounts set forth below at 100% of the principal amount of 2010 Revenue Refunding Bonds to be redeemed, plus interest accrued to the Redemption Date, from funds which the Authority covenants to deposit in the 2010A Bonds Sinking Fund Account, 2010B Bonds Sinking Fund Account, and 2010C Bonds Sinking Fund Account created in the 1998 Debt Service Fund established pursuant to 1998 Revenue Bond Indenture, in amounts sufficient to redeem on January 1 of each year the principal amount of such 2010 Revenue Refunding Bonds for each of the years set forth below:

	Sinking Fund Installments			
January 1	Series A	Series B	Series C	Total
2015	$ 8,700	$ 8,700	$ 2,900	$ 20,300
2016	9,195	9,195	3,070	21,460
2017	9,730	9,730	3,240	22,700
2018	10,280	10,280	3,430	23,990
2019	10,875	10,875	3,625	25,375
2020	11,500	11,500	3,830	26,830
2021	12,160	12,160	4,055	28,375
2022	12,855	12,860	4,285	30,000
2023	13,595	13,595	4,530	31,720
2024	14,375	14,375	4,790	33,540
2025	15,200	15,200	5,065	35,465
2026	16,075	16,070	5,355	37,500
	$ 144,540	$ 144,540	$ 48,175	$ 337,255

2010 Revenue Bonds: On July 15, 2010, the Authority issued $308,375 in Revenue Bonds, Series D of 2010 (the "2010 Revenue Bonds"). The 2010 Revenue Bonds were issued by means of a book-entry-only system evidencing ownership and transfer of 2010 Revenue Bonds on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants. Interest on the 2010 Revenue Bonds will be payable semi-annually on January 1 and July 1 of each year commencing January 1, 2011 (each an "Interest Payment Date").

The 2010 Revenue Bonds were issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act (as such terms are defined herein) and an Indenture of Trust, dated as of July 1, 1998, by and between the Authority and TD Bank, N.A., Cherry Hill, New Jersey, as successor to Commerce Bank, N.A. (the "Trustee"), as supplemented by a First Supplemental Indenture, dated as of July 1, 1998, a Second Supplemental Indenture, dated as of August 15, 1998, a Third Supplemental Indenture, dated as of December 1, 1999, a Fourth Supplemental Indenture, dated as of October 1, 2007, a Fifth Supplemental Indenture, dated as of July 15, 2008, a Sixth Supplemental Indenture, dated as of March 15, 2010, and a Seventh Supplemental Indenture, dated as of July 1, 2010 (collectively, the "1998 Revenue Bond Indenture").

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

2010 Revenue Bonds (Continued): The 2010 Revenue Bonds were issued for the purpose of: (i) financing a portion of the costs of the Authority's approved Capital Improvement Program; (ii) funding the Debt Service Reserve Requirement for the 2010 Revenue Bonds; and (iii) paying the costs of issuance of the 2010 Revenue Bonds (Series D). (Note: As per its 2008 Reimbursement Resolution, upon issuance of the 2010 Revenue Bonds, the Authority reimbursed its General Fund, for approximately $100 million, for prior capital expenditures made during the period October 2008 through July 2010).

The 2010 Revenue Bonds are limited obligations of the Authority and are payable solely from the sources referred to in the 2010 Revenue Bonds and the 1998 Revenue Bond Indenture. Neither the credit nor the taxing power of the Commonwealth of Pennsylvania (the "Commonwealth") or the State of New Jersey (the "State") or of any county, city, borough, village, township or other municipality of the Commonwealth or the State is or shall be pledged for the payment of the principal, redemption premium, if any, or interest on the 2010 Revenue Bonds. The 2010 Revenue Bonds are not and shall not be deemed to be a debt or liability of the Commonwealth or the State or of any such county, city, borough, village, township or other municipality, and neither the Commonwealth nor the State nor any such county, city, borough, village, township or other municipality is or shall be liable for the payment of such principal or, redemption premium, or interest. The Authority has no taxing power.

Mandatory Sinking Fund Redemption: The 2010 Revenue Bonds maturing January 1, 2035 and January 1, 2040 are subject to mandatory redemption prior to maturity by the Authority, in part, on January 1 of each year in the respective principal amounts set forth below at 100% of the principal amount thereof, plus accrued interest to the Redemption Date from sinking fund installments which are required to be paid in amounts sufficient to redeem on January 1 of each year the principal amount of such 2010 Revenue Bonds specified for each of the years set forth below. Payment of principal and interest on the 2010 Revenue Bonds (the "2010 Insured Bonds"), in the principal amount of $60,000 maturing January 1, 2040 is guaranteed under an insurance policy issued by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assured, Inc.).

The 2010 Revenue Bonds outstanding at December 31, 2014 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
		Serial Bonds			
			2027	5.00%	$ 3,465
			2028	5.00%	17,210
			2029	5.00%	18,070
			2030	5.00%	18,975
					57,720
		Term Bonds			
2031*	5.00%	$ 16,245	2036*	5.00%	14,575
2031*	5.05%	3,675	2036*	5.00%	10,860
2032*	5.00%	17,055	2037*	5.00%	15,310
2032*	5.05%	3,865	2037*	5.00%	11,400
2033*	5.00%	17,905	2038*	5.00%	16,075
2033*	5.05%	4,060	2038*	5.00%	11,970
2034*	5.00%	18,810	2039*	5.00%	16,875
2034*	5.05%	4,260	2039*	5.00%	12,570
2035	5.00%	19,750	2040	5.00%	17,720
2035	5.05%	4,475	2040	5.00%	13,200
					250,655
Total par value of 2010 Revenue Bonds					308,375
Less: unamortized bond discount					(495)
Total 2010 Revenue Bonds, net					$ 307,880

* Mandatory sinking fund payments

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

2010 Revenue Bonds (Continued):

Optional Redemption: The 2010 Revenue Bonds are subject to redemption at the option of the Authority, prior to maturity, in whole or in part (and if in part, in such order of maturity or within a maturity as the Authority shall specify, or if the Authority shall fail to specify, by lot or by such other method as the Paying Agent determines to be fair and reasonable and in any principal amount in Authorized Denominations) at any time on or after January 1, 2020. Any such redemption shall be made at a redemption price equal to 100% of the principal amount of the 2010 Bonds to be redeemed, plus accrued interest to the Redemption Date.

2012 Port District Project Refunding Bonds: On December 20, 2012, the Authority issued $153,030 in Port District Project Refunding Bonds, Series 2012. The Port District Project Refunding Bonds, Series 2012 (the "2012 Bonds") were issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act (as such terms are defined herein) and an Indenture of Trust (the "Indenture") dated as of December 1, 2012, between the Authority and TD Bank, N.A., Cherry Hill, New Jersey, as trustee (the "Trustee"). The 2012 Bonds were issued to (i) refund and redeem all of the outstanding principal balance of and interest accrued on the Authority's outstanding Port District Project Bonds, Series B of 1998, (the "1998 Refunded Bonds"), Port District Project Bonds, Series B of 1999 (the "1999 Refunded Bonds"), and Port District Project Bonds, Series A of 2001 (the "2001 Refunded Bonds").

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

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

Redemption Provisions:

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

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

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Notes to Combined Financial Statements
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Note 12. Funded and Long-Term Debt (Continued)

2012 Port District Project Refunding Bonds (Continued):

Redemption Provisions (Continued):

Selection of 2012 Bonds to be Redeemed: If less than all of the 2012 Bonds are to be redeemed and paid prior to maturity, 2012 Bonds registered in the name of the Authority shall be redeemed before other 2012 Bonds are redeemed. Thereafter, the portion of 2012 Bonds to be redeemed shall be selected by the Authority, or if no such selection is made, by lot by the Trustee from among all outstanding 2012 Bonds eligible for redemption. In the case of a partial redemption of 2012 Bonds when 2012 Bonds of denominations greater than the minimum Authorized Denomination are outstanding, then for all purposes in connection with such redemption, each principal amount equal to the minimum authorized denomination shall be treated as though it were a separate 2012 Bond for purposes of selecting the 2012 Bonds to be redeemed, provided that no 2012 Bonds shall be redeemed in part if the principal amount to be outstanding following such partial redemption is not an authorized denomination.

The 2012 Port District Project Refunding Bonds outstanding at December 31, 2014 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2015	4.00%	$ 5,800	2022	5.00%	$ 14,085
2016	5.00%	6,030	2023	5.00%	240
2017	5.00%	6,335	2023	3.00%	14,545
2018	2.00%	225	2024	5.00%	15,520
2019	5.00%	6,425	2025	5.00%	16,300
2020	5.00%	6,975	2026	5.00%	17,115
2021	5.00%	7,320	2027	5.00%	17,975
2021	5.00%	12,350			
Total par value of 2012 Port District Project Refunding Bonds					147,240
Add: unamortized bond premium					17,539
Total 2012 Port District Project Refunding Bonds, net					$ 164,779

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

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

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

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

The 2013 Revenue Bonds outstanding at December 31, 2014 are as follows:

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
2027	5.000%	$ 23,560	2034	5.000%	$ 33,355
2027	4.125%	845	2034	4.625%	810
2028	5.000%	25,615	2035	5.000%	35,870
2029	5.000%	26,895	2036	5.000%	37,660
2030	5.000%	28,070	2037	5.000%	36,540
2030	4.500%	170	2038	4.750%	3,000
2031	5.000%	29,650	2038	5.000%	41,515
2032	4.500%	31,135	2039	5.000%	43,590
2033	5.000%	32,535	2040	5.000%	45,770
Total par value of 2013 Revenue Bonds					476,585
Add: unamortized bond premium					11,204
Total 2013 Revenue Bonds, net					$ 487,789

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

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

Maturities of Principal and Interest on Bonds: The following presents the principal and interest due on all bonds outstanding as of December 31, 2014 (assuming the letter of credit agreements with respect to the variable rate 2008 and 2010 Revenue Refunding Bonds are renewed over the term of the bonds and the bonds are remarketed):

Years Ending December 31,	Principal	Interest *	Total
2015	$ 47,385	$ 48,358	$ 95,743
2016	50,010	47,793	97,803
2017	52,870	47,163	100,033
2018	55,865	46,496	102,361
2019	59,050	45,787	104,837
2020-2024	348,915	217,810	566,725
2025-2029	301,535	191,583	493,118
2030-2034	260,575	135,596	396,171
2035-2039	332,035	62,284	394,319
2040	76,690	1,917	78,607
	1,584,930	$ 844,787	$ 2,429,717
Net unamortized bond discounts and premiums	28,248		
	$ 1,613,178		

* does not include the net swap payments on the Authority's hedged variable rate bonds (Note 4)

The interest on variable rate debt is computed using the interest rate effective at December 31, 2014. The interest rates on the Authority's variable rate debt are set by the remarketing agent and are reset weekly.

In March 2013, the letters of credit supporting the 2010 variable rate bonds were replaced with new letters of credit from Royal Bank of Canada (Series A), Barclay's Bank PLC (Series B), and The Bank of New York Mellon (Series C), which expire in March 2016, March 2015, and March 2016, respectively. If the letter of credit agreements supporting the 2010 Series A and Series C variable rate bonds are not renewed in 2016 and the 2010 Series A and Series C bonds are mandatorily redeemed, the 2016 debt service requirements will be $206,595, rather than the $50,010 shown in the table above. If the letter of credit agreement supporting the 2010 Series B variable rate bonds is not renewed in 2015 and the 2010 Series B bonds are mandatorily redeemed, the 2015 debt service requirement will be $165,330, rather than the $47,385 shown in the table above.

In June 2013, the letters of credit supporting the 2008 variable rate bonds were renewed and extended with Bank of America, N.A. and TD Bank, N.A. to July 2016 and December 2017, respectively. If the letter of credit agreements supporting the 2008 variable rate bonds are not renewed in 2016 and 2017 and the 2008 bonds are mandatorily redeemed, the 2016 debt service requirements will be $169,195, rather than the $50,010 shown in the table above and the 2017 debt service requirements will be $174,980, rather than the $52,870 shown in the table above.

Interest on all of the Authority's fixed rate debt (revenue bonds and port district project bonds issued in 1999, 2010, 2012 and 2013) is payable semi-annually on January 1 and July 1 in each year. Interest on the 2008 and 2010 Revenue Refunding Bonds is payable monthly on the first business day of each month. The Authority is current on all of its monthly debt service payments on all obligations.

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

Debt Authorized but not Issued: At its August 2013 meeting, the Authority's Board authorized the issuance, sale and delivery of up to $550,000 in taxable or tax-exempt fixed rate bonds, to fund the 5-year 2013 Capital Plan (DRPA-13-094). This resolution rescinded and repealed all prior resolutions (DRPA-09-064 and DRPA-13-030) and any prior inconsistent resolutions. In December 2013, the Authority issued $476,600 in fixed rate bonds (the 2013 Revenue Bonds) based on this resolution. As of December 31, 2014, approximately $73,400 remains as authorized, but not issued.

Bond Ratings:

Moody's Investors Service Bond Ratings (Moody's): Concurrent with the issuance of the $153,030 in Port District Project Refunding Bonds, on November 30, 2012, Moody's affirmed the ratings on all Authority Revenue and Port District Project Bonds; however, the outlook improved from "negative" to "stable" on all bonds. (This represented the first change in Moody's ratings since it had assigned a "negative" outlook on all the Authority's bonds in March of 2010).

Concurrent with the Authority's issuance of the $476,600 in new revenue bonds, in its report dated November 22, 2013; Moody's assigned a rating of "A3" to the 2013 Revenue Bonds, and affirmed its existing ratings on all Authority bonds (revenue bonds at "A3", port district bonds at "Baa3"). The outlook remains at "stable" for all bonds. As of December 31, 2014, these ratings and outlook remain in place.

Standard & Poor's Ratings Services Bond Ratings (S&P): Concurrent with the issuance of $153,030 in Port District Project Refunding Bonds, on November 30, 2012, S&P affirmed the ratings on all Authority Revenue and Port District Project Bonds; however, the outlook improved from "stable" to "positive" on all bonds. (This represented the first change in S&P's ratings outlook since it had assigned a "stable" outlook on all the Authority's bonds in July 2009).

Concurrent with the Authority's issuance of $476,600 in new revenue bonds, in its report dated November 27, 2013, S&P assigned a rating of "A" on the new series, and upgraded the Authority's ratings on both its revenue and refunding bonds (from "A-" to "A") and on its port district project bonds (from "BBB-" to "BBB"). The outlook is "stable" for all Authority bonds.

On December 23, 2014, S&P reaffirmed the Authority's ratings for all of its Revenue/ Revenue Refunding and Port District Project bonds, at "A" and "BBB," respectively, with a stable outlook. At December 31, 2014, these ratings, and outlook, remained unchanged.

Ratings on Jointly Supported Transactions, 2008 Revenue Refunding Bonds: Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), initially assigned their municipal bond ratings to the 2008 Revenue Refunding Bonds based upon the understanding that upon delivery of the 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds, the respective Letter of Credit securing the payment when due of the principal of, or purchase price of 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds tendered for purchase and not otherwise remarketed and interest on the 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds will be delivered by Bank of America, N.A. and TD Bank, N.A., respectively.

The long-term ratings assigned by Moody's and S&P reflect each organization's approach to rating jointly supported transactions and are based upon the Direct Pay Letters of Credit provided by Bank of America, N.A. for the 2008A Revenue Refunding Bonds and TD Bank, N.A. for the 2008B Revenue Refunding Bonds. Since a loss to a bondholder of a 2008A Revenue Refunding Bond or a 2008B Revenue Refunding Bond would occur only if both the bank providing the applicable Letter of Credit and the Authority default in payment, Moody's and S&P have assigned a long-term rating to the 2008 Revenue Refunding Bonds based upon the joint probability of default by both applicable parties.

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

Ratings on Jointly Supported Transactions, 2008 Revenue Refunding Bonds: *(Continued)*: Set forth in the following chart are the jointly supported long term and short term ratings on the 2008 Revenue Refunding Bonds as of December 31, 2014:

		Long-term	Short-term
2008A Revenue Refunding Bonds	Moody's:	A1	VMIG 1
	S&P	AAA	A-1
2008B Revenue Refunding Bonds	Moody's	Aa3	VMIG 1
	S&P	AAA	A-1

No provider of a Letter of Credit is obligated to maintain its present or any other credit rating and shall have no liability if any such credit rating is lowered, withdrawn, or suspended

Ratings on Jointly Supported Transactions, 2010 Revenue Refunding Bonds: Moody's and S&P, initially assigned their municipal bond ratings to the 2010 Revenue Refunding Bonds based upon the understanding that upon delivery of the 2010A Revenue Refunding Bonds, the 2010B Revenue Refunding Bonds or the 2010C Revenue Refunding Bonds, the respective Letter of Credit securing the payment when due of the principal of, or purchase price of the 2010A Revenue Refunding Bonds, the 2010B Revenue Refunding Bonds or the 2010C Revenue Refunding Bonds tendered for purchase and not otherwise remarketed and interest on the 2010A Revenue Refunding Bonds, the 2010B Revenue Refunding Bonds or the 2010C Revenue Refunding Bonds would be delivered by JPMorgan Chase Bank, N.A., Bank of America, N.A. and PNC Bank, N.A. respectively. In 2013, the existing Direct Pay Letters of Credit provided by JPMorgan Chase Bank, N.A., Bank of America, N.A. and PNC Bank, N.A. were replaced with Direct Pay Letters of Credit provided by Royal Bank of Canada, Barclays Bank PLC and The Bank of New York Mellon, respectively.

The long-term ratings assigned by Moody's and S&P reflect each organization's approach to rating jointly supported transactions and are based upon the Direct Pay Letters of Credit provided by Royal Bank of Canada for the 2010A Revenue Refunding Bonds, Barclays Bank PLC for the 2010B Revenue Refunding Bonds and The Bank of New York Mellon for the 2010C Revenue Refunding Bonds. Since a loss to a bondholder of a 2010A Revenue Refunding Bond, a 2010B Revenue Refunding Bond or a 2010C Revenue Refunding Bond would occur only if both the bank providing the applicable Letter of Credit and the Authority default in payment, Moody's and S&P have assigned a long-term rating to the 2010 Revenue Refunding Bonds based upon the joint probability of default by both applicable parties.

Set forth in the following chart are the jointly supported long term and short term ratings on the 2010 Revenue Refunding Bonds as of December 31, 2014:

		Long-term	Short-term
2010A Revenue Refunding Bonds	Moody's:	Aa3	VMIG 1
	S&P	AAA	A-1+
2010B Revenue Refunding Bonds	Moody's	A1	VMIG 1
	S&P	AAA	A-1+
2010C Revenue Refunding Bonds	Moody's	Aa1	VMIG 1
	S&P	AAA	A-1+

No provider of a Letter of Credit is obligated to maintain its present or any other credit rating and shall have no liability if any such credit rating is lowered, withdrawn, or suspended.

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Note 13. Conduit Debt Obligations

The Authority is authorized to plan, finance, develop, acquire, construct, purchase, lease, maintain, market, improve and operate any project within the Port District including, but not limited to, any terminal, terminal facility, transportation facility, or any other facility of commerce or economic development activity, from funds available after appropriate allocation for maintenance of bridge and other capital facilities. Utilizing this authorization, the Authority has issued certain debt bearing its name to lower the cost of borrowing for specific governmental entities. This debt is commonly referred to as conduit (or non-commitment) debt. Typically, the debt proceeds are used to finance facilities within the Authority's jurisdiction that are transferred to the third party either by lease or by sale. The underlying lease or mortgage loan agreement, which serves as collateral for the promise of payments by the third party, calls for payments that are essentially the same as collateral for the promise of payments by the third party, calls for payments that are essentially the same as those required by the debt. These payments are made by the third-party directly to an independent trustee, who is appointed to service and administer the arrangement. The Authority assumes no responsibility for repayment of this debt beyond the resources provided by the underlying leases or mortgage loans.

As of December 31, 2014, there was one series of Charter School Project Bonds outstanding, issued for the LEAP Academy Charter School, Inc. The corresponding aggregate principal totaling $8,500 is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements. The following schedule details the series together with the amount outstanding:

Issue	Issue Date	Issue Amount	01/01/13 Beginning Balance	Paid	12/31/13 Ending Balance	Paid	12/31/14 Ending Balance
Charter School Project Bonds, Series 2003	09/01/03	$ 8,500	$ 6,755	$ (295)	$ 6,460	$ (310)	$ 6,150

In 2013, the Authority was advised by the bond trustee, and counsel for LEAP Academy, that LEAP had lost its tax exemption for failure to file Form 990 for the past three years. LEAP bonds were issued through the Authority; however, DRPA has no responsibility for repayment of this debt, as the debt is guaranteed by Rutgers University. After various appeals, in September 2013, the IRS rescinded its letter thereby fully reinstating LEAP's tax exemption.

Note 14. Government Contributions for Capital Improvements, Additions and Other Projects

The Authority receives contributions in aid for financing capital improvements to the rapid transit system from the Federal Transit Administration and other government agencies. Capital improvement grant funds of $16,431 and $17,673 were received in 2014 and 2013, respectively. The Authority receives federal and state grants for specific construction purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowances under terms of the grants, it is the opinion of management that any required reimbursements will not be material to the Authority's net position.

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Note 15. Contingencies

Public Liability claim exposures are self-insured by the Authority within its self-insured retention limit of $5 million for each occurrence, after which, exists a $25 million limit of Claims Made Excess Liability Insurance per occurrence, and in the aggregate, to respond to any large losses exceeding the retention. The Authority, including DRPA and PATCO, self-insures the initial $1 million limit, per accident, for Workers' Compensation claims, after which a $5 million limit of Excess Workers' Compensation insurance is retained to respond to significant claims. (Note: PATCO was completely self-insured for Workers' Compensation claims until 2014 when DRPA-14-020 approved the purchase of Excess Workers' Compensation insurance for PATCO.) PATCO self-insures the initial $1 million limit, per accident, for Workers' Compensation claims, after which a $5 million limit of Excess Workers' Compensation insurance is retained to respond to significant claims.

Self-Insurance	2014	2013
Beginning balance	$ 3,687	$ 3,252
Incurred claims	3,484	2,040
Payment of claims	(2,588)	(1,605)
Other - administrative fees, recoveries	-	-
Ending balance	$ 4,583	$ 3,687

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

The Authority purchases commercial insurance for all other risks of loss, e.g. bridge and non-bridge property, crime, terrorism, etc. The Authority reviews annually, and where appropriate, adjusts policy loss limits and deductibles as recommended by its insurance consultants in response to prevailing market conditions, loss experience, and revenues. Policy loss limits are established with the professional assistance of independent insurance broker consultants to ensure that sufficient coverage exists to accommodate the maximum probable loss that may result in the ordinary course of business. In addition, the amounts of settlements for the last three years have not exceeded the insurance coverage provided in those years.

Per Article 5.11 of the 1998 Bond Indenture, the Authority must certify and submit to the bond trustee, by April 30 of each year, that it has sufficient coverage with regards to "multi-risk insurance" (on DRPA and PATCO facilities), "use and occupancy insurance" (i.e., business interruption), etc. The Authority submitted its annual certification to the bond trustee, prior to the deadline, in April 2014.

Note 16. Commitments

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

As of December 31, 2014, the Authority had two (2) loan guarantees outstanding with various banks, totaling $10,900. The loan guarantees are as follows: L3 Communications ($10,000) and the Home Port Alliance ($900). These guarantees all remain in force; however, the Authority has made no cash outlays relating to these guarantees.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
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Note 16. Commitments (Continued)

Development Projects (Continued):

L3 Communications Loan Guarantee: At its March 2010 meeting, the Authority's Board approved a modification of the $10,000 guarantee relating to a letter of credit ("LOC") supporting the L3 Communications project in order to accommodate a change in the bank providing the letter of credit, following the expiration of the original LOC. The guarantee survives the expiration of the original LOC. Following the modification, in April 2010, NJ EDA provided a $20,000 guarantee to the LOC provider, while the Authority provided a $10,000 guarantee in favor of NJ EDA (and not the bank). The changes in the guarantee do not increase exposure or risk. As was the case with the original guarantee, the Authority's guarantee will be accessed only if NJ EDA must pay more than $10,000 on its guarantee. (Additional information can be found in Note 20, Subsequent Events).

Home Port Alliance Guarantee (extended 2012): On June 6, 2012, the Authority negotiated a three-year extension of the existing $900 loan guarantee that supports a loan from TD Bank, N.A. to the Home Port Alliance for the Battleship New Jersey. The loan guarantee expires on June 6, 2015. (Additional information can be found in Note 20, Subsequent Events).

Community Impact: The Authority has an agreement with the City of Philadelphia (City) for Community Impact regarding the PATCO high-speed transit system ("Locust Street Subway Lease"). The agreement expires on December 31, 2050. In 2015, the base amount payable to the City will total $3,281 as adjusted for the cumulative increases in the Consumer Price Index (CPI) between 1999 and 2014. Base payments remaining in 2016 through 2018 shall equal the previous year's base payment adjusted by any increase in the CPI for that year. For the years 2018 through 2050, the annual base payment shall equal one dollar.

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

The minimum commitment, adjusted for the effect of the increase in the CPI at December 31, 2014, is as follows:

Year	Amount
2015	$ 3,781
2016	3,787
2017	3,827
2018	500
2019	500
Thereafter	15,500
	$ 27,895

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

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

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Note 16. Commitments (Continued)

OCIP Letters of Credit (Continued): During 2012, the Authority extended its OCIP for a six-month period. As a consequence, in consultation with the insurance carrier, the Authority's LOC requirement supporting the program was reduced by $5,000. The Letter of Credit with TD Bank, N.A. was renewed on May 7, 2012 in the amount of $5,462 to expire on December 31, 2013, and again renewed on December 11, 2013 to expire December 31, 2014. The OCIP Letter of Credit with Wells Fargo Bank, in the amount of $5,000, was not renewed.

At its April 12, 2014 meeting, the Authority's Board passed resolution DRPA-14-052 to extend the OCIP from June 30, 2014 to December 31, 2014. In December 2014, the Authority extended the $5,462 letter of credit with TD Bank, to expire on December 31, 2015.

As of December 31, 2014, the unused amount of the Letter of Credit totaled $5,462. No drawdowns have been made against any Letter of Credit.

Direct Pay Letters of Credit (2008 Revenue Refunding Bonds): The Authority's 2008 Revenue Refunding Bonds (Series A and B), are secured by irrevocable transferable Direct Pay Letters of Credit (DPLOC) issued by two credit providers, the Bank of America, N.A. and TD Bank, N.A., in the initial amounts of $172,600 and $191,800, respectively. The Authority entered into separate Reimbursement Agreements with each credit provider to facilitate the issuance of said DPLOCs.

Each Letter of Credit is in an original stated amount which is sufficient to pay the unpaid principal amount of and up to fifty-three (53) days of accrued interest (at a maximum interest rate of 12%) on the related 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds, when due, and the Purchase Price of the 2008A Revenue Refunding Bonds or the 2008B Revenue Refunding Bonds tendered or deemed tendered for purchase and not remarketed. The Credit Provider for the 2008A Revenue Refunding Bonds is only responsible for payments with respect to the 2008A Revenue Refunding Bonds for which the 2008A Letter of Credit was issued and the Credit Provider for the 2008B Revenue Refunding Bonds is only responsible for payments with respect to the 2008B Revenue Refunding Bonds for which the 2008B Letter of Credit was issued. The 2008A Letter of Credit and the 2008B Letter of Credit were renewed in July of 2010 and which expired in July of 2013.

As described in the Official Statement for the 2008 Revenue Refunding Bonds, "any draw under Letter of Credit for principal, interest or Purchase Price creates a reimbursement obligation on the part of the Authority that is secured by the 1998 Revenue Bond Indenture on a parity basis with the 2008 Revenue Refunding Bonds." (Additional information related to this transaction and the accompanying Letters of Credit can be found under Note 12).

These letters of credit were renewed with the Bank of America, N.A. and TD Bank, N.A. in 2013. The new letters of credit with Bank of America, N.A. and TD Bank, N.A. expire on July 22, 2016 and December 31, 2017, respectively.

Letter of Credit Provider Ratings: Ratings for these banks as of December 31, 2014 are as follows:

	Long-Term			Short-Term		
	Moody's	S&P	Fitch *	Moody's	S&P	Fitch *
Bank of America, N.A. (Series A)	A2 Stable	A Negative	A Negative	P-1	A-1	F1
TD Bank, N.A. (Series B)	Aa3 Stable	AA- Negative	AA- Stable	P-1	A-1+	F1+

* In April 2012, at the Authority's request, Fitch Ratings assigned a rating of "A/F1" (stable outlook) to the Authority's 2008 Series A Revenue Refunding Bonds, based on the DPLOC support provided by the Bank of America, N.A. ("A/F1", stable outlook) on the bonds

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Note 16. Commitments (Continued)

Direct Pay Letters of Credit (2010 Revenue Refunding Bonds): The Authority's 2010 Revenue Refunding Bonds (Series A, B and C), were secured by irrevocable transferable Direct Pay Letters of Credit (DPLOC) issued by three credit providers, the Bank of America, N.A., JP Morgan Chase Bank, N.A. and PNC Bank, N.A. in the initial amounts of $152.6 million, $152.6 million and $50.9 million, respectively. The Authority entered into separate Reimbursement Agreements with each credit provider to facilitate the issuance of said DPLOCs. These DPLOC's were terminated in March 2013, and replaced with new letters of credit from Royal Bank of Canada (Series A), Barclay's Bank PLC (Series B), and Bank of New York Mellon (Series C). These new letters of credit expire on March 18, 2016, March 20, 2015, and March 18, 2016, respectively.

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

Letter of Credit Provider Ratings: Ratings for these banks as of December 31, 2014 are as follows:

	Long-Term			Short-Term		
	Moody's	S&P	Fitch	Moody's	S&P	Fitch *
Royal Bank of Canada	Aa3 Stable	AA- Stable	AA Stable	P-1	A-1+	F1+
Barclay's Bank PLC	A2 Negative	A Stable	A Stable	P-1	A-1	F1
Bank of New York Mellon	Aa2 Stable	AA- Stable	AA- Stable	P-1	A-1	F-1+

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
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Note 16. Commitments (Continued)

Contractual Commitments: As of December 31, 2014, the Authority had board-approved contracts with remaining balances as follows:

	Total
Benjamin Franklin Bridge:	
Bridge and pavement repairs and inspection	$ 3,640
Temporary toll, clerical, administration and custodial workers	3,702
Toll revenue, transportation, processing and systems upgrade	3,351
ERP consulting services	12,134
Engineering services - program management and task orders	14,177
Other	1,056
Walt Whitman Bridge:	
Camera installation	75
Deck design, construction, rehabilitation and inspection	3,386
Suspension span stiffening	130,012
Suspension rope investigation and painting	619
Commodore Barry Bridge:	
Bridge inspection	$ 281
Structural repairs and pavement markings	132
Painting design services	311
Betsy Ross Bridge:	
Resurfacing design services, structural repairs and inspection	17,997
PATCO System:	
Car overhaul program	151,899
Track rehabilitation across Ben Franklin Bridge	38,357
Escalator/elevator replacement	1,852
Other	3,350
Other:	
One Port Center remedial investigation	314
Other equipment and system upgrades and maintenance	273
	$ 386,918

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 17. Bridge and PATCO Fare Schedules

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

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

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

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

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

In December 2014, the Authority’s Board of Commissioners passed DRPA-14-147 (DRPA Resolution Authorizing Deferral of Biennial CPI toll increase) which deferred the CPI-indexed biennial toll increase from January 1, 2015 to January 1, 2017.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
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Note 18. New Governmental Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several statements that have effective dates that may impact future financial presentations. Management has not completed the process of evaluating the impact the following statements will have on the financial statements but has determined that the effect of implementing GASB Statements No. 68 and No. 71 will be material to the financial statements.

GASB Statement No. 68*, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, issued in June 2012, will be effective for the Authority beginning with the year ending December 31, 2015. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures,* as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

GASB Statement No. 71*, Pension Transition for Contributions Made Subsequent to Measurement Date,* issued in November 2013, will be effective for the Authority beginning with the year ending December 31, 2015. This statement amends paragraph 137 of GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. GASB Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of GASB Statement No. 71 should be applied simultaneously with the provisions of GASB Statement No. 68.

In 2013, the Authority adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34.* This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

Note 19. Blended Component Unit

In 2013, the Authority adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34.* This Statement intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

Port Authority Transit Corporation (PATCO) is a wholly-owned subsidiary of the DRPA, established to operate and maintain the rapid transit system owned and constructed by DRPA. PATCO and DRPA share the same Board of Commissioners. A financial benefit or burden relationship exists between DRPA and PATCO as DRPA subsidizes the losses of PATCO and intends to continue to do so. The financial results of PATCO have been blended with those of DRPA in the financial statements.

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
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Note 19. Blended Component Unit (Continued)

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

PATCO's outstanding liability to the DRPA for period January 1, 1974 to December 31, 2014 related to this agreement totals $250,852.

Net Position: The net position totaling ($644,424) and ($620,419) as of December 31, 2014 and December 31, 2013, respectively, represents the total losses for PATCO since inception.

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2014 is as follows:

Condensed Combining Statements of Net Position

	December 31, 2014		
	DRPA	PATCO	Total
Current assets	$ 720,900	$ 12,798	$ 733,698
Receivable from primary government	(1,028)	1,028	
Noncurrent assets	239,730		239,730
Capital assets	1,348,022		1,348,022
Other assets	15,464		15,464
Total assets	2,323,088	13,826	2,336,914
Deferred outflows of resources	128,763		128,763
Total assets and deferred outflows of resources	2,451,851	13,826	2,465,677
Current liabilities	114,181	7,546	121,727
Payables to primary government:			
Lease agreement	(250,852)	250,852	
Advances from DRPA	(385,339)	385,339	
Noncurrent liabilities	1,741,592	14,513	1,756,105
Total liabilities	1,219,582	658,250	1,877,832
Net investment in capital assets	174,762		174,762
Restricted	215,004		215,004
Unrestricted	842,503	(644,424)	198,079
Total net position	$ 1,232,269	$ (644,424)	$ 587,845

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 19. Blended Component Unit (Continued)

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2014 is as follows (continued):

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

	December 31, 2014		
	DRPA	PATCO	Total
Operating revenues			
Bridge revenues	$ 304,969		$ 304,969
Transit systems		$ 25,763	25,763
Other	150		150
Total operating revenues	305,119	25,763	330,882
Operating expenses			
Operations	98,747	47,130	145,877
Depreciation	57,425		57,425
Total operating expenses	156,172	47,130	203,302
Operating income	148,947	(21,367)	127,580
Nonoperating revenues (expenses)			
Interest expense	(78,377)		(78,377)
Economic development activities	(2,401)		(2,401)
Lease rental	6,122	(6,122)	
Other	9,739	3,484	13,223
Total nonoperating revenues (expenses)	(64,917)	(2,638)	(67,555)
Capital contributions	16,431	-	16,431
Change in net position	100,461	(24,005)	76,456
Net position, January 1	1,131,808	(620,419)	511,389
Net position, December 31	$ 1,232,269	$ (644,424)	$ 587,845

Condensed Combining Statements of Cash Flows

	December 31, 2014		
	DRPA	PATCO	Total
Net cash provided by (used in) operating activities	$ 205,247	$ (22,053)	$ 183,194
Net cash provided by (used in) provided by noncapital financing activities	(21,871)	22,057	186
Net cash provided by (used in) capital and related financing activities	(223,565)		(223,565)
Net cash provided by (used in) investing activities	43,951	1	43,952
Net increase in cash and cash equivalents	3,762	5	3,767
Cash and cash equivalents, January 1	29,472	1,057	30,529
Cash and cash equivalents, December 31	$ 33,234	$ 1,062	$ 34,296

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 19. Blended Component Unit (Continued)

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2013 is as follows:

Condensed Combining Statements of Net Position

	December 31, 2013		
	DRPA	PATCO	Total
Current assets	$ 649,840	$ 10,358	$ 660,198
Receivable from primary government	(712)	712	
Noncurrent assets	345,216		345,216
Capital assets	1,273,454		1,273,454
Other assets	18,172		18,172
Total assets	2,285,970	11,070	2,297,040
Deferred outflows of resources	129,029		129,029
Total assets and deferred outflows of resources	2,414,999	11,070	2,426,069
Current liabilities	84,716	6,466	91,182
Payables to primary government:			
Lease agreement	(244,730)	244,730	
Advances from DRPA	(360,760)	360,760	
Noncurrent liabilities	1,803,965	19,533	1,823,498
Total liabilities	1,283,191	631,489	1,914,680
Net investment in capital assets	213,138		213,138
Restricted	159,521		159,521
Unrestricted	759,149	(620,419)	138,730
Total net position	$ 1,131,808	$ (620,419)	$ 511,389

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 19. Blended Component Unit (Continued)

Condensed combining financial information applicable to DRPA and PATCO as of and for the year ended December 31, 2013 is as follows (continued):

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

	December 31, 2013		
	DRPA	PATCO	Total
Operating revenues			
Bridge revenues	$ 300,314		$ 300,314
Transit systems		$ 27,607	27,607
Other	165	38	203
Total operating revenues	300,479	27,645	328,124
Operating expenses			
Operations	95,724	44,394	140,118
Depreciation	54,801		54,801
Total operating expenses	150,525	44,394	194,919
Operating income	149,954	(16,749)	133,205
Nonoperating revenues (expenses)			
Interest expense	(58,784)		(58,784)
Bond issuance costs	(2,516)		(2,516)
Economic development activities	(4,371)		(4,371)
Lease rental	6,122	(6,122)	
Other	7,353		7,353
Total nonoperating revenues (expenses)	(52,196)	(6,122)	(58,318)
Capital contributions	17,673		17,673
Change in net position	115,431	(22,871)	92,560
Net position, January 1	1,016,377	(597,548)	418,829
Net position, December 31	$ 1,131,808	$ (620,419)	$ 511,389

Condensed Combining Statements of Cash Flows

	December 31, 2013		
	DRPA	PATCO	Total
Net cash provided by (used in) operating activities	$ 203,562	$ (16,957)	$ 186,605
Net cash provided by (used in) provided by noncapital financing activities	(19,589)	17,440	(2,149)
Net cash provided by (used in) capital and related financing activities	336,339		336,339
Net cash provided by (used in) investing activities	(496,167)	2	(496,165)
Net increase in cash and cash equivalents	24,145	485	24,630
Cash and cash equivalents, January 1	5,327	572	5,899
Cash and cash equivalents, December 31	$ 29,472	$ 1,057	$ 30,529

DELAWARE RIVER PORT AUTHORITY
Notes to Combined Financial Statements
For the Years Ended December 31, 2014 and 2013
(dollars expressed in thousands)

Note 20. Subsequent Events

Status of Union Labor Negotiations: The collective bargaining agreement between the Authority and the IUOE expired on December 31, 2012. Employees continue to work with an expired contract while contract negotiations are ongoing.

The second largest labor organization representing Authority personnel is FOP Local 30 (representing Authority and PATCO patrol officers, corporals and sergeants). The parties concluded interest arbitration litigation in the Federal District Court, Camden, New Jersey and received the interest arbitration decision on February 24, 2015. A finalized contract is forthcoming.

PATCO has a collective bargaining agreement with Teamsters' Union Local 676, representing operating and maintenance personnel at PATCO, which expired on May 31, 2011. Currently the parties are involved in contract negotiations and the employees continue to work with an expired contract.

The collective bargaining agreement with the IBEW expired by its terms on December 31, 2011. Employees continue to work with an expired contract while contract negotiations are ongoing.

Federal Subpoena: The Authority was served with a subpoena in March 2013 requiring document production concerning economic development spending from 2008 to the present. The Authority has fully cooperated with the government and had directed its special outside counsel to be open and transparent in providing assistance to the federal investigation. Compliance costs and counsel fees had been significant, but did not materially impact the Authority's financial position. On March 31, 2015, he Authority was granted permission by the government to lift the litigation holds in this matter. There has been no recent activity.

2010 Revenue Refunding Bonds - Extension of Barclays Bank Direct-Pay Letter of Credit: In March 2013, the Authority executed new Reimbursement Agreements with several banks, with various expiry dates. The Barclays Bank Direct-Pay Letter of Credit supporting the 2010 Revenue Refunding Bonds, Series B was issued for a term of two years with an expiry date of March 20, 2015.

At its January 2015 meeting, the Authority's Board authorized staff to extend the LOC with Barclays, for a "to-be-determined" term. In February 2015, the Authority requested that Barclays extend the letter of credit for a three-year period. On February 18, 2015, Barclays Bank PLC delivered a "Notice of Extension" to TD Bank (trustee for bonds), to extend the "stated Expiration Date" in the LOC to March 20, 2018. The Authority expects to reduce its annual LOC fees by approximately $95,000 annually, as a result of this extension.

Victor Lofts Loan: On January 30, 2015, the Authority received $4,280 in full repayment of the Victor Lofts economic development loan of $3,000, and accumulated interest.

Loan Guarantee - L3 Communications: On April 16, 2010, the DRPA provided a loan guaranty, of up to $10,000, to NJEDA related to properties leased by L3 Communications in Camden, NJ. On February 6, 2015, the Authority entered into a "Mutual Release of Guaranty" agreement with NJEDA, wherein both parties released each other from any obligations under the DRPA Guaranty of $10,000.

Loan Guarantee - Home Port Alliance: At the April 2015, meeting, the Authority's Board approved DRPA-15-048, entitled "Loan Guaranty Battleship", authorizing staff to provide a loan guaranty, in the amount of $800, for a period of ten (10) years, provided that the loan be fully amortized in that time period. In the meantime, the $900 loan guaranty, in place as of December 31, 2014 expired on June 6, 2015. At this writing, the Authority is working with the Home Port Alliance, and its bank, to complete all legal documentation necessary for the execution of the new loan guaranty.

DELAWARE RIVER PORT AUTHORITY

Required Supplementary Information (Unaudited)
Schedule of Funding Progress for Health Benefits Plan
(amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
01/01/13	-	$ 112,923	$ 112,923	-	$ 43,453	259.9%
01/01/11	-	$ 113,422	$ 113,422	-	$ 46,949	241.6%
01/01/09	-	$ 132,467	$ 132,467	-	$ 51,071	259.4%

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Net Position Information by Fund
December 31, 2014
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Assets							
Current Assets							
Cash and cash equivalents		$ 1,633		$ 29,416			$ 31,049
Investments		1,001		433,115			434,116
Accounts receivable, net of allowance for uncollectibles		4,064		5,073			9,137
Accrued interest receivable				426			426
Transit system and storeroom inventories		416		5,584			6,000
Economic development loans - current				3,774			3,774
Prepaid expenses		3,418		1,835			5,253
Restricted assets							
Cash and cash equivalents		2,710				$ 537	3,247
Investments		12,909	$ 4,689		$ 206,933	16,161	240,692
Accrued interest receivable						4	4
Total current assets	-	26,151	4,689	479,223	206,933	16,702	733,698
Noncurrent Assets							
Restricted investments for capital projects	-	-	-	-	-	239,730	239,730
Capital assets, net of accumulated depreciation							
Land	$ 74,200			25			74,225
Construction in progress	348,278						348,278
Bridges and related buildings and equipment	616,193						616,193
Transit property and equipment	307,436						307,436
Port enhancements	1,890						1,890
Total capital assets	1,347,997	-	-	25	-	-	1,348,022
Other							
Economic development loans, net of allowance for uncollectibles				14,169			14,169
Debt insurance costs, net of amortization	991			304			1,295
Total other assets	991	-	-	14,473	-	-	15,464
Total noncurrent assets	1,348,988	-	-	14,498	-	239,730	1,603,216
Total assets	1,348,988	26,151	4,689	493,721	206,933	256,432	2,336,914
Deferred Outflows of Resources							
Accumulated decrease in fair value of hedging derivatives	116,424						116,424
Loss on refunding of debt	7,735			4,604			12,339
Total deferred outflows of resources	124,159	-	-	4,604	-	-	128,763

(Continued)

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Net Position Information by Fund
December 31, 2014
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Liabilities							
Current Liabilities							
Accounts payable							
Retained amounts on contracts		$ 135		$ 10,255			$ 10,390
Other		12,540		14,866			27,406
Accrued liabilities							
Claims and judgments		58		663			721
Self-insurance		1,120		880			2,000
Pension		706		1,954			2,660
Sick and vacation leave benefits		663		312			975
Other		433		1,051			1,484
Unearned revenue		618		3,803			4,421
Liabilities payable from restricted assets							
Accrued interest payable					$ 24,285		24,285
Bonds payable - current	$ 37,920			9,465			47,385
Total current liabilities	37,920	16,273	-	43,249	24,285	-	121,727
Noncurrent Liabilities							
Accrued liabilities							
Claims and judgments		162		1,774			1,936
Self-insurance		1,435		1,148			2,583
Sick and vacation leave benefits		1,980		943			2,923
Other		21,175		10,270			31,445
Unearned revenue		4,908					4,908
Premium payment payable - derivative companion instrument	29,335						29,335
Derivative instrument - interest rate swap	116,490				692		117,182
Bonds payable, net of unamortized discounts and premiums	1,382,804			182,989			1,565,793
Total noncurrent liabilities	1,528,629	29,660	-	197,124	692	-	1,756,105
Total liabilities	1,566,549	45,933	-	240,373	24,977	-	1,877,832
Net Position							
Net investment in capital assets	(64,993)			25		$ 239,730	174,762
Restricted for:							
Debt requirements		13,346	$ 3,000		181,956		198,302
Port projects						16,702	16,702
Unrestricted (deficiency)	(28,409)	(33,128)	1,689	257,927			198,079
Total net position	$ (93,402)	$ (19,782)	$ 4,689	$ 257,952	$ 181,956	$ 256,432	$ 587,845

DELAWARE RIVER PORT AUTHORITY

Combined Supplemental Schedule of Changes in Fund Net Position Information by Fund
For the Year Ended December 31, 2014
(amounts expressed in thousands)

	Capital Fund	Revenue Fund	Maintenance Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Net Position (Deficiency), January 1	$ (201,717)	$ (27,253)	$ 4,541	$ 203,189	$ 168,635	$ 363,994	$ 511,389
Revenues and Expenses							
Operating revenues		304,969		25,913			330,882
Operating expenses	(57,425)	(49,824)		(54,706)			(161,955)
General administration expenses		(41,058)		(289)			(41,347)
Investment income	799	361	148	3,280	3,738	153	8,479
Interest expense	(718)			1,234	(78,893)		(78,377)
Economic development activities				(2,401)			(2,401)
Other nonoperating revenues (expenses)	(40)	(1)		3,478			3,437
Other grant revenues				1,307			1,307
Total revenues and expenses	(57,384)	214,447	148	(22,184)	(75,155)	153	60,025
Government Contributions for Capital Improvements, Additions and Other Projects	-	-	-	16,431	-	-	16,431
Interfund Transfers and Payments							
Bond service		(87,969)		(43,409)	131,378		
Funds free and clear of any lien or pledge		(119,033)		119,033			
Funds for permitted capital expenditures				105,638		(105,638)	
Retirement of bonds	29,455			9,195	(38,650)		
Funds for permitted port projects				2,077		(2,077)	
Capital additions	131,992			(131,992)			
Net equity transfers	4,252	26		(26)	(4,252)		
Total interfund transfers and payments	165,699	(206,976)	-	60,516	88,476	(107,715)	
Net Position (Deficiency), December 31	$ (93,402)	$ (19,782)	$ 4,689	$ 257,952	$ 181,956	$ 256,432	$ 587,845

DELAWARE RIVER PORT AUTHORITY

Supplemental Schedule of Net Position Information for Bond and Project Funds
December 31, 2014
(amounts expressed in thousands)

	Bond Reserve Fund	Bond Service Fund	1998 Port District Project Fund	1999 Project Fund	1999 Port District Project Fund	2001 Port District Project Fund	2013 Project Fund	Total Combined Funds
Assets								
Current Assets								
Cash and cash equivalents								
Restricted assets								
Cash and cash equivalents			$ 4	$ 60	$ 473			$ 537
Investments	$ 134,447	$ 72,486			15,156	$ 1,005		223,094
Accrued interest receivable					4			4
Total current assets	134,447	72,486	4	60	15,633	1,005	-	223,635
Noncurrent Assets								
Restricted investments for capital projects							$ 239,730	239,730
Total assets	134,447	72,486	4	60	15,633	1,005	239,730	463,365
Liabilities								
Current Liabilities								
Liabilities payable from restricted assets								
Accrued interest payable		24,285						24,285
Total current liabilities	-	24,285	-	-	-	-	-	24,285
Noncurrent Liabilities								
Derivative instrument - interest rate swap	692							692
Total noncurrent liabilities	692	-	-	-	-	-	-	692
Total liabilities	692	24,285	-	-	-	-	-	24,977
Net Position								
Net investment in capital assets							239,730	239,730
Restricted for								
Revenue and port district project bonds	133,755							133,755
Revenue and port district bond service		48,201						48,201
Port projects			4	60	15,633	1,005		16,702
Total net position	$ 133,755	$ 48,201	$ 4	$ 60	$ 15,633	$ 1,005	$ 239,730	$ 438,388

DELAWARE RIVER PORT AUTHORITY

Supplemental Schedule of Changes in Net Position Information for Bond and Project Funds
For the Year Ended December 31, 2014
(amounts expressed in thousands)

	Bond Reserve Fund	Bond Service Fund	1998 Port District Project Fund	1999 Project Fund	1999 Port District Project Fund	2001 Port District Project Fund	2013 Project Fund	Total Combined Funds
Net Position, January 1	$ 130,019	$ 38,616	$ 4	$ 60	$ 17,212	$ 1,502	$ 345,216	$ 532,629
Revenues and Expenses:								
Investment income	3,736	2			1		152	3,891
Interest expense		(78,893)						(78,893)
Total revenues and expenses	3,736	(78,891)		-	1		152	(75,002)
Interfund Transfers and Payments:								
Bond service		131,378						131,378
Funds for permitted capital expenditures							(105,638)	(105,638)
Retirement of bonds		(38,650)						(38,650)
Funds for permitted port projects					(1,580)	(497)		(2,077)
Net equity transfers		(4,252)						(4,252)
Total interfund transfers and payments	-	88,476	-	-	(1,580)	(497)	(105,638)	(19,239)
Net Position, December 31	$ 133,755	$ 48,201	$ 4	$ 60	$ 15,633	$ 1,005	$ 239,730	$ 438,388

Statistical Section

Statistical Section

FINANCIAL TREND DATA (Unaudited)

The Authority's net position improved significantly increasing by $76.5 million during 2014. It is the fourth consecutive year that the net position has increased by at least $50 million. The Authority's net position has improved from $286.9 million to $587.8 million (a $300.9 million increase), since 2010 largely due to higher toll revenues, which improved operating income. During 2014, operating revenues changed slightly, while total operating expenses increased by $8.4 million, $2.4 million of which is attributable to biennial inspection costs and $2.6 million attributable to an increase in depreciation expense. The overall decrease in the net position from 2013 (down $16.1 million) is primarily due to a significant increase of $19.6 million (or 33.3%) in interest expense and reduced operating income.

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

Last Ten Fiscal Years (In Thousands)

NET POSITION

	2014 *	2013 *	2012 *	2011 *	2010 *	2009 *	2008	2007	2006	2005
Net Investment in capital assets	$ 174,762	$ 213,138	$ 272,905	$ 214,632	$ 239,390	$ 325,973	$ 281,146	$ 245,959	$ 244,194	$ 245,211
Restricted	215,004	159,521	143,692	185,219	158,589	142,435	147,850	176,895	199,758	236,796
Unrestricted (deficiency)	198,079	138,730	2,232	(67,153)	(111,050)	(138,043)	(94,317)	(92,855)	(113,329)	(158,624)
Total Net Assets	$ 587,845	$ 511,389	$ 418,829	$ 332,698	$ 286,929	$ 330,365	$ 334,679	$ 329,999	$ 330,623	$ 323,383

* Figures for the years 2014, 2013, 2012, 2011, 2010 and 2009 include the implementation of Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments.*
Figures for 2013, 2012 and 2011 include the implementation of Governmental Accounting Standards Board Statement No. 65 *Items Previously Reported as Assets and Liabilities.*
Figures for the years 2010 and 2009 have been restated to remove the projected cost of bridge repainting.

CHANGES IN NET POSITION

	2014 *	2013 *	2012 *	2011 *	2010 *	2009 *	2008	2007	2006	2005
Operating Revenues										
Bridges:										
Tolls	$ 297,267	$ 293,863	$ 292,810	$ 267,685	$ 243,879	$ 242,620	$ 208,856	$ 196,069	$ 194,958	$ 190,930
Other operating revenues	7,702	6,451	6,372	5,049	4,753	4,944	5,815	5,540	4,170	4,219
Total bridge operating revenues	304,969	300,314	299,182	272,734	248,632	247,564	214,671	201,609	199,128	195,149
Transit system:										
Passenger fares	24,257	25,908	26,035	24,004	21,956	22,028	21,459	18,978	19,014	19,067
Other operating revenues	1,506	1,699	1,957	1,817	1,968	1,606	1,507	1,438	1,600	1,871
Total transit system operating revenues	25,763	27,607	27,992	25,821	23,924	23,634	22,966	20,416	20,614	20,938
Port of Philadelphia and Camden:										
AmeriPort	-	-	-	-	-	-	-	-	-	1,838
Cruise terminal	-	-	2	369	309	571	683	1,043	1,608	1,264
RiverLink Ferry	-	-	-	68	61	62	73	50	72	51
Total Port of Philadelphia and Camden	-	-	2	437	370	633	756	1,093	1,680	3,153
Other:										
Miscellaneous	150	203	224	556	1,801	1,456	590	852	1,697	623
Total operating revenues	330,882	328,124	327,400	299,548	274,727	273,287	238,983	223,970	223,119	219,863
Operating Expenses:										
Operations	100,596	97,436	98,581	94,259	99,518	97,735	100,515	94,762	88,482	82,239
Community impact	3,745	3,688	3,611	3,560	3,473	3,483	3,380	3,306	3,198	3,078
General and administration	41,347	38,932	44,277	40,536	46,272	35,457	34,974	31,025	27,780	26,857
Port of Philadelphia and Camden	189	62	29	246	824	1,269	1,447	1,698	1,824	3,548
Depreciation	57,425	54,801	55,018	49,216	47,751	45,776	45,486	44,634	42,355	38,432
Total operating expenses	203,303	194,919	201,516	187,817	197,838	183,720	185,802	175,425	163,639	154,154
Operating Income	127,579	133,205	125,884	111,731	76,889	89,567	53,181	48,545	59,480	65,709
Non-operating Revenues (Expenses)										
Interest revenue (net of change in fair value of derivative instruments)	8,479	4,628	7,638	13,633	(25,867)	8,718	17,592	26,704	28,383	27,282
Interest expense	(78,377)	(58,784)	(66,540)	(77,870)	(72,527)	(65,584)	(75,654)	(74,668)	(78,267)	(72,213)
Amortization expense	(100)	(100)	(100)	(100)	(1,511)	(1,356)	(1,353)	(1,353)	(1,346)	(2,059)
Economic development activities	(2,401)	(4,371)	(8,695)	(2,025)	(39,657)	(26,794)	(3,960)	(9,841)	(7,050)	(9,704)
Other	4,844	2,825	4,276	3,055	(1,366)	(985)	457	(35)	(1,065)	(1,533)
Bond issuance costs	-	(2,516)	(1,374)	-	-	-	-	-	-	-
Loss on abandonment of Aerial Tram project	-	-	-	(18,318)	-	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	(7,929)	-	-	-	-	-	-
Total non-operating revenues (expenses)	(67,555)	(58,318)	(64,795)	(89,554)	(140,928)	(86,001)	(62,918)	(59,193)	(59,345)	(58,227)
Income (Loss) Before Capital Contributions	60,024	74,887	61,089	22,177	(64,039)	3,566	(9,737)	(10,648)	135	7,482
Capital Contributions:										
Federal and state capital improvement grants	16,431	17,673	25,042	33,021	20,603	11,443	14,417	10,024	12,076	7,786
Discontinued Operations										
Loss on disposal of Ameriport	-	-	-	-	-	-	-	-	(4,971)	-
Change in Net Position	$ 76,456	$ 92,560	$ 86,131	$ 55,198	$ (43,436)	$ 15,009	$ 4,680	$ (624)	$ 7,240	$ 15,268

* Figures for the years 2014, 2013, 2012, 2011, 2010 and 2009 include the implementation of Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments.*
Figures for 2014, 2013, 2012 and 2011 include the implementation of Governmental Accounting Standards Board Statement No. 65 *Items Previously Reported as Assets and Liabilities.*
Figures for the years 2010 and 2009 have been restated to remove the projected cost of bridge repainting.

REVENUE CAPACITY DATA (Unaudited)

Major annual revenues (consisting primarily of bridge operating and PATCO transit system revenues, and interest income) have shown positive growth since 2005, increasing from $246.5 million to $337.6 million, an increase in annual revenues of $91.1 million. Revenues in the period from 2008 to 2014 reflect the two major increases in bridge tolls and transit system fares implemented in 2008 and 2011. During 2014, bridge toll revenues increased by $3.4 million from 2013, while PATCO transit system operating revenues declined by $1.8 million.

In 2014, traffic dropped by only 0.1%, or 48 thousand vehicles. Bridge traffic has declined since 2008, however the 2014 decline was the smallest decrease during this time frame. Factors for the decline since 2008 have been overall poor recovery of traffic due to economic conditions and the implementation of the aforementioned toll increases. In 2014, inclement weather during the first quarter was the principal cause of loss of traffic.

Until 2014 and 2013, total PATCO transit system operating revenues (inclusive of fare, parking, and advertising revenues) had increased since 2005. During 2014, total PATCO operating revenues declined by $1.8 million or 6.7% due to a drop in ridership of 535 thousand or 5.1%. The drop in PATCO ridership was primarily attributable to the Ben Franklin Bridge/PATCO track rehabilitation project and snow in early 2014.

Last Ten Fiscal Years (In Thousands)

MAJOR REVENUES BY SOURCE

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Bridge operating revenues	$ 304,969	$ 300,314	$ 299,182	$ 272,734	$ 248,632	$ 247,564	$ 214,671	$ 201,609	$ 199,128	$ 195,149
PATCO transit system operating revenues	25,763	27,607	27,992	25,821	23,924	23,634	22,966	20,416	20,614	20,938
Port of Philadelphia and Camden		-	2	437	370	633	756	1,093	1,680	3,153
Interest income	6,909	5,581	5,803	4,968	8,176	9,252	17,592	26,704	28,383	27,282
Total revenues	$ 337,641	$ 333,502	$ 332,979	$ 303,960	$ 281,102	$ 281,083	$ 255,985	$ 249,822	$ 249,805	$ 246,522

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

TOLL REVENUE BY BRIDGE

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Walt Whitman Bridge	$ 116,256	$111,256	$111,900	$ 103,191	$ 95,180	$ 96,319	$ 82,198	$ 77,109	$ 77,528	$ 76,255
Ben Franklin Bridge	97,923	101,094	100,443	89,824	80,083	79,848	67,188	62,235	61,577	60,550
Betsy Ross Bridge	33,408	33,578	34,084	32,295	30,610	29,062	27,590	26,734	26,906	26,305
Commodore Barry Bridge	49,680	47,935	46,383	42,375	38,006	37,391	31,880	29,991	28,947	27,820
Total toll revenues	$ 297,267	$ 293,863	$ 292,810	$ 267,685	$ 243,879	$ 242,620	$ 208,856	$ 196,069	$ 194,958	$ 190,930

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

BRIDGE CASH TOLL RATES

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Class 1 - Motorcycle	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 4.00	$ 4.00	$ 4.00	$ 2.00	$ 2.00	$ 2.00
Class 2 - Automobile	5.00	5.00	5.00	5.00	4.00	4.00	4.00	3.00	3.00	3.00
Class 3 - Two Axle Trucks	15.00	15.00	15.00	15.00	12.00	12.00	12.00	9.00	9.00	9.00
Class 4 - Three Axle Trucks	22.50	22.50	22.50	22.50	18.00	18.00	18.00	13.50	13.50	13.50
Class 5 - Four Axle Trucks	30.00	30.00	30.00	30.00	24.00	24.00	24.00	18.00	18.00	18.00
Class 6 - Five Axle Trucks	37.50	37.50	37.50	37.50	30.00	30.00	30.00	22.50	22.50	22.50
Class 7 - Six Axle Trucks	45.00	45.00	45.00	45.00	36.00	36.00	36.00	27.00	27.00	27.00
Class 8 - Bus	7.50	7.50	7.50	7.50	6.00	6.00	6.00	4.50	4.50	4.50
Class 9 - Bus	11.25	11.25	11.25	11.25	9.00	9.00	9.00	6.75	6.75	6.75
Class 10 - Senior Citizen (With Ticket Only)	2.50	2.50	2.50	2.50	2.00	2.00	2.00	1.00	1.00	1.00
Class 13 - Auto w/trailer (1 axle)	8.75	8.75	8.75	8.75	6.00	6.00	6.00	5.25	5.25	5.25
Class 14 - Senior Citizens (With 2 Tickets Only)	-	-	-	-	-	-	-	0.70	0.70	0.70

The toll rates shown above are cash toll rates in effect for the period indicated. On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. Additionally, passenger fares, with the exception of fares for elderly persons and persons with disabilities, were increased by 10% across all zones. On July 1, 2011, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class. The Authority also implemented a second 10% increase in PATCO passenger fares.

REVENUE CAPACITY DATA (Unaudited) (Continued)

BRIDGE TRAFFIC BY VEHICLE CLASSIFICATION

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Vehicle classification:										
Automobiles & light trucks	43,644	43,732	43,931	44,757	46,245	46,580	48,310	49,678	49,395	48,667
Trucks	2,713	2,571	2,505	2,542	2,603	2,548	2,890	3,038	3,035	2,974
Buses	228	231	236	250	260	276	287	301	314	317
Senior citizens	1,245	1,344	1,405	1,440	1,305	1,229	1,906	1,998	2,032	2,005
Other	2	2	3	3	1	4	6	61	89	102
Total traffic	47,832	47,880	48,080	48,992	50,414	50,637	53,399	55,076	54,865	54,065

BRIDGE TRAFFIC BY BRIDGE

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Walt Whitman Bridge	18,665	18,086	18,311	18,806	19,579	20,022	20,877	21,473	21,577	21,293
Ben Franklin Bridge	17,642	18,292	18,285	18,286	18,459	18,571	19,296	19,759	19,600	19,363
Betsy Ross Bridge	4,923	4,993	5,090	5,429	5,821	5,595	6,511	6,900	6,906	6,788
Commodore Barry Bridge	6,602	6,509	6,394	6,471	6,555	6,449	6,715	6,944	6,782	6,621
Total traffic	47,832	47,880	48,080	48,992	50,414	50,637	53,399	55,076	54,865	54,065

PATCO TRANSIT SYSTEM OPERATING REVENUES

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Passenger fares	$ 24,257	$ 25,908	$ 26,035	$ 24,004	$ 21,956	$ 22,028	$ 21,459	$ 18,978	$ 19,014	$ 19,067
Other revenues	1,506	1,699	1,957	1,817	1,968	1,606	1,507	1,438	1,600	1,871
Total operating revenues	$ 25,763	$ 27,607	$ 27,992	$ 25,821	$ 23,924	$ 23,634	$ 22,966	$ 20,416	$ 20,614	$ 20,938

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

PATCO PASSENGER FARES

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Lindenwold/Ashland/Woodcrest	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 2.70	$ 2.70	$ 2.70	$ 2.45	$ 2.45	$ 2.45
Haddonfield/West Haddonfield/Collingswood	2.60	2.60	2.60	2.60	2.35	2.35	2.35	2.15	2.15	2.15
Ferry Avenue	2.25	2.25	2.25	2.25	2.05	2.05	2.05	1.85	1.85	1.85
New Jersey	1.60	1.60	1.60	1.60	1.45	1.45	1.45	1.30	1.30	1.30
City Hall/Broadway/Philadelphia	1.40	1.40	1.40	1.40	1.25	1.25	1.25	1.15	1.15	1.15

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

PATCO TRANSIT SYSTEM RIDERSHIP

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Passengers	10,007	10,542	10,613	10,506	10,109	10,022	10,338	9,406	9,377	9,363

DEBT CAPACITY DATA (Unaudited)

During the period 2005 to 2014, the Authority's debt service coverage (DSC) as calculated under the 19998 Indenture, has grown from 1.93X to 2.20X.

During the period, 2010-2013, growth in net revenues from $157.5 million to $211.2 million helped propel an increase in DSC from 1.79X to a ten-year high of 3.28X in 2003. DSC grew during that time period despite higher debt service costs related to the issuance of the 2010 revenue bonds. Fortunately, debt service beginning in 2012 was reduced resultant from the early redemption of approx. $24 million in 1999 revenue bonds in early 2013, which was a major factor in the growth of the DSC from 2.07x to 3.28X in the period 2011 through 2013.

In 2014, net revenues available for debt service increased (by $6.1 million from 2013 levels), however, the higher net revenues were more than offset by higher debt service (for the 2013 revenue bonds), resulting in a reduction in coverage from the prior year ten-year high of 3.28X down to 2.20X.

Prior to the issuance of the 2013 revenue bonds, total outstanding debt had declined from $1.4 billion to $1.2 billion in the period 2010 to 2012. Total funded debt outstanding decreased to $1.61 billion during 2014.

Last Ten Fiscal Years (In Thousands)

DEBT SERVICE COVERAGE

	2014	2013	2012	2011 *	2010 *	2009 *	2008	2007	2006	2005
Revenues available for Debt Service:										
Bridge operating	$ 304,969	$ 300,314	$ 299,182	$ 272,734	$ 248,632	$ 247,564	$ 214,671	$ 201,609	$ 199,128	$ 195,149
Interest income	152	152	154	155	156	559	777	3,516	4,392	2,635
	305,120	300,466	299,336	272,889	248,788	248,123	215,448	205,125	203,520	197,784
Less expenses:										
Bridge operating	53,466	53,042	56,325	49,369	52,003	49,924	54,393	52,294	50,644	46,505
General and administration	41,347	38,932	44,277	40,536	46,272	35,457	34,974	31,025	27,780	26,856
	94,813	91,974	100,602	89,905	98,275	85,381	89,367	83,319	78,424	73,361
Net revenues available for Debt Service:										
1995 Revenue Bond Indenture	-	-	-	-	-	-	-	-	$ 125,096	$ 124,423
Add:										
Bridge Repainting Expense	-	-	-	-	-	-	4,363	4,498	3,892	3,779
GASB 45 Expense (exclusive of PATCO)	4,694	400	1,635	1,005	6,012	6,012	6,219	6,219	-	-
Interest Income:										
1998, 1999, 2008, 2010 and 2013 Revenue Bonds	2,349	2,352	2,086	2,387	983	2,602	3,226	2,989	2,776	3,195
	7,043	2,752	3,721	3,392	6,995	8,614	13,808	13,706	6,668	6,974
Net revenues available for Debt Service:										
1998 Revenue Bond Indenture	$ 217,350	$ 211,244	$ 202,455	$ 186,376	$ 157,508	$ 171,356	$ 139,889	$ 135,512	$ 131,764	$ 131,397
Debt Service (Revenue Bonds):										
1995 Revenue Bonds	-	-	-	-	-	-	-	$ 14,652	$ 19,535	$ 19,535
Swap Payments (net)	$ 30,134	$ 31,825	$ 33,248	$ 39,249	$ 40,687	$ 18,793	$ 12,634	7,045	7,538	-
1998, 1999 Revenue Bonds	-	-	6,450	19,391	26,956	42,026	56,839	51,803	48,519	48,527
2008 Revenue Bonds	16,836	16,091	16,337	15,532	12,497	12,189	3,584	-	-	-
2010 Revenue Refunding and Revenue Bonds	28,318	15,717	15,986	16,020	7,823	-	-	-	-	-
2013 Revenue Bonds	23,655	854	-	-	-	-	-	-	-	-
Total Debt Service	$ 98,944	$ 64,487	$ 72,021	$ 90,192	$ 87,963	$ 73,008	$ 73,057	$ 73,500	$ 75,592	$ 68,062
Debt Service coverage (Times) :										
1995 Bond Indenture	-	-	-	-	-	-	-	-	4.62	6.37
Debt Service coverage (Times) :										
1998 Bond Indenture	2.20	3.28	2.81	2.07	1.79	2.35	1.91	1.84	1.74	1.93

For 2006, the Authority has reflected the net swap debt service expense related to its annual payment under the 1995 Revenue Bond swap, which was exercised in January 2006. The Authority believes that this calculation, based on Generally Accepted Accounting Principles, fairly, clearly and completely represents the economic condition of the Authority as it relates to the debt service coverage calculation. For periods prior to 2006, the schedule reflects calculations made in accordance with the Authority's 1995 and 1998 Indentures of Trust. The Authority believes that this calculation is also consistent with Generally Accepted Accounting Principles and fairly, clearly and completely represents the economic condition of the Authority as it relates to the debt service coverage calculation for the periods specified. 'Under a "legally enacted basis" (as prescribed by the governing Revenue Bond Indentures), debt service coverage under the 1995 and 1998 Indentures, for 2006, would be 3.21 and 1.51 times, respectively. (Under a legally enacted basis, only the gross swap interest payment to the counter party, or $19.46 million, is used in the calculation, while the net interest revenue payment of $11.92 million to the DRPA is not included in the calculation). In 2007, the supplemental indenture to the 1998 Indenture was revised which changed the "legally enacted basis" calculation to allow for inclusion of the swap interest paid to the Authority in the debt service coverage calculation.

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

FUNDED DEBT

	2014	2013	2012 *	2011	2010	2009	2008	2007	2006	2005
Outstanding Revenue Bond related debt	$ 1,420,724	$ 1,450,720	$ 978,185	$ 1,034,519	$ 1,065,375	$ 785,075	$ 807,890	$ 820,392	$ 847,472	$ 867,277
Outstanding Port District Project Bond debt	192,454	203,995	209,603	314,470	303,554	321,915	339,645	360,510	364,715	377,932
Total outstanding debt	$ 1,613,178	$ 1,654,715	$ 1,187,788	$ 1,348,989	$ 1,368,929	$ 1,106,990	$ 1,147,535	$ 1,180,902	$ 1,212,187	$ 1,245,209

*Figures for 2014, 2013, 2012 and 2011 include the implementation of Governmental Accounting Standards Board Statement No. 65 *Items Previously Reported as Assets and Liabilities* .
Net of amortizing premiums and discounts.

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Outstanding Revenue Bond related debt	$ 1,420,724	$ 1,450,720	$ 978,185	$ 1,034,519	$ 1,065,375	$ 785,075	$ 807,890	$ 820,392	$ 847,472	$ 867,277
Total annual debt service related to revenue bonds	$ 98,944	$ 64,487	$ 72,021	$ 90,192	$ 87,963	$ 73,008	$ 73,057	$ 73,500	$ 75,592	$ 68,062
Total traffic	47,832	47,880	48,080	48,992	50,414	50,637	53,399	55,076	54,865	54,065
Outstanding revenue bond debt per customer	$ 29.70	$ 30.30	$ 20.34	$ 21.12	$ 21.13	$ 15.50	$ 15.13	$ 14.90	$ 15.45	$ 16.04
Outstanding total bond debt per customer	$ 33.73	$ 34.56	$ 24.70	$ 27.53	$ 27.15	$ 21.86	$ 21.49	$ 21.44	$ 22.09	$ 23.03
Debt service per customer	$ 2.07	$ 1.35	$ 1.50	$ 1.84	$ 1.74	$ 1.44	$ 1.37	$ 1.33	$ 1.38	$ 1.26

DEMOGRAPHIC AND ECONOMIC DATA (Unaudited)

The following figures provide four key external factors during the ten years from 2004-2013 that affected the geographic region in which the Authority functions; this region consists of the Port District comprising of the counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia in Pennsylvania, and the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem in New Jersey. schedules below for a historical view of the demographic information and area employers within the Port District.

Based on the most recent data, population growth in the region is at very modest levels with growth in the New Jersey counties at 4.1% since 2004 and in the Pennsylvania counties at 4.7% since 2004. The unemployment rate in the Philadelphia Metropolitan Region for the period of 2004 through 2013, reflected a high of 8.75% in 2012 and a low of 4.26% in 2006. The unemployment rate in the New Jersey Metropolitan Region for the period of 2004 through 2013, reflected a high of 11.51% in 2010 and a low of 5.14% in 2005. Five of the region's top ten major employers were health care organizations. Population and the unemployment rate dipped in Pennsylvania counties during 2013, whereas population increased in New Jersey counties while unemployment dropped slightly. Please refer to the following schedules below for a historical view of the demographic inforamtion and area employers within the Port District..

Last Ten Fiscal Years

PENNSYLVANIA PORT DISTRICT

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Population (1)	4,051,649	4,054,478	4,030,926	4,010,290	4,012,573	3,991,897	3,882,564	3,879,207	3,873,792	3,870,442
Total Personal Income (1)	$ 222,749,066	$ 212,668,430	$204,488,875	$195,158,270	$191,619,984	$189,058,438	$184,342,322	$174,120,302	$164,091,035	$155,961,239
Per Capita Personal Income (1)	$54,977	$52,453	$50,730	$48,664	$47,755	$47,361	$47,480	$44,886	$42,359	$40,295
Unemployment Rate (2)	8.67%	8.75%	8.50%	8.71%	7.91%	5.37%	4.36%	4.26%	4.58%	5.00%

Sources:
(1) Bureau of Economic Analysis, Regional Economic Accounts, Metropolitan Divisions (Philadelphia, PA Metropolitan Division)
(2) United States Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

PENNSYLVANIA PORT DISTRICT TOP TEN EMPLOYERS

	# of Employees	% of Employment		# of Employees	% of Employment
1. Albert Einstein Healthcare Network (Jefferson Health System)	12,632	0.34%	6. Aramark Corp.	10,026	0.27%
2. Merck & Co Inc	12,000	0.32%	7. Supervalu Inc. (Acme)	10,000	0.27%
3. University Of Pennsylvania Health System	11,908	0.32%	8. Temple University Health System	8,000	0.21%
4. Wal-Mart	11,445	0.30%	9. Children's Hospital	7,800	0.21%
5. Comcast Corporation	10,200	0.28%	10. Tenet Health System	6,021	0.16%

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

Source: Select Greater Philadelphia, Regional Data

NEW JERSEY PORT DISTRICT

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Population	2,462,132	2,438,673	2,425,526	2,422,041	2,419,475	2,411,118	2,401,441	2,391,435	2,378,301	2,364,176
Total Personal Income	$ 110,208,947	$ 103,930,739	$102,916,280	$101,195,650	$99,031,079	$98,568,702	$92,444,597	$89,285,614	$84,062,922	$80,794,632
Per Capita Personal Income	$44,762	$42,618	$42,430	$41,781	$40,931	$40,881	$38,495	$37,336	$35,346	$34,175
Unemployment Rate	10.07%	10.20%	11.10%	11.51%	10.84%	6.07%	5.16%	5.44%	5.14%	5.45%

Source: United States Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

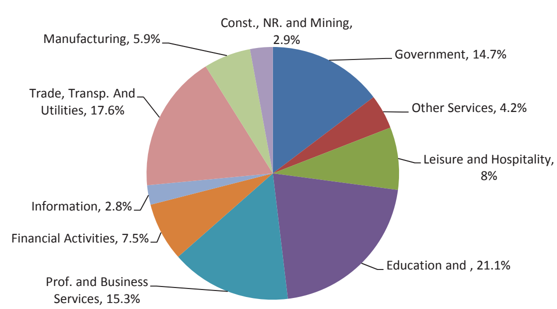
NEW JERSEY PORT DISTRICT TOP TEN EMPLOYERS

	# of Employees	% of Employment		# of Employees	% of Employment
1. Virtua Health	9,000	0.41%	6. Cooper Health System	5,000	0.22%
2. Wells Fargo	8,800	0.40%	7. Kennedy Health System	4,973	0.22%
3. TD Bank	5,900	0.26%	8. St. Barnabus Health Care Syster	4,600	0.21%
4. Lourdes Health System	5,500	0.25%	9. PHH Mortgage	4,400	0.20%
5. Lockheed Martin Corp.	5,000	0.22%	10. Six Flags Theme Park	4,340	0.19%

List excludes Federal Government Agencies, City Departments, area School Systems (including Board of Education) and NJ Casinos

Sources: Select Greater Philadelphia, Regional Data, Ocean County Data Book, The Press, Atlantic City

EMPLOYMENT SHARES BY SECTOR: GREATER PHILADELPHIA REGION 2013



OPERATING INFORMATION (Unaudited)

Overall bridge operating revenues, and more specifically bridge toll revenues, have shown positive growth for the ten-year period shown below. As mentioned earleir, revenues for the fiscal years 2008 through 2010 increased significantly due to the 2008 toll increase, while revenues from 2011 through 2014 increased sharply due to the mid-year 2011 toll increase. During 2014, total bridge operating revenues increased by $4.7 million to total nearly $305.0 million (an increase of 1.6%) despite the impact of inclement weather in early 2014.

Total expenses increased by $25.4 million (a 12.7% increase) during 2014, primarily due to increased interest expense on the Authority's 2013 Revenue Bonds, personnel costs, utilities, biennial inspection costs, and increase in PATCO operational expenses, more specifically, PATCO insurance claims and payroll-related expenses. Bridge operating expense growth was almost flat, while PATCO expenses increased by $2.7 million, an increase of 6.2%

The Authority's capital expenditures have increased since 2009, largely as a result of a strengthened General Fund and the issuance of new revenue bonds to fund the annual and five-year capital programs. During 2011 and 2012 capital expenditures, net of federal funding, exceeded $100 million for the first time during the ten-year period shown. In 2014 capital expenditures jumped to nearly $132.0 million, up from $87.5 million in 2013, a $44.5 million or 50.9% increase. The increase was related to several major projects such as the Ben Franklin Bridge/PATCO track rehabilitation project, PATCO transit car overhaul, and redecking anchorage spans on the Walt Whitman Bridge. 2014 capital expenditures were the second highest totals during the ten year historical period (2011 expenditures were the highest at $158.8 million).

Last Ten Fiscal Years (In Thousands)

BRIDGE OPERATING REVENUES

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Toll revenues by vehicle classification:											
Automobiles, light trucks and commuters	$ 219,197	$ 219,379	$ 220,379	$ 201,483	$ 184,439	$ 184,260	$ 155,009	$ 144,835	$ 143,843	$ 141,057	$ 139,471
Trucks	72,377	68,298	66,087	60,383	54,856	53,697	49,467	47,363	47,145	45,618	45,099
Buses	2,278	2,310	2,370	2,271	2,074	2,187	1,640	1,434	1,500	1,515	1,655
Senior citizens	3,113	3,360	3,512	3,123	2,308	2,268	2,389	1,999	2,033	2,005	2,054
Other	302	516	462	425	202	208	351	438	437	735	530
Discounts and deductions	-	-	-	-	-	-	-	-	-	-	-
Total toll revenues	297,267	293,863	292,810	267,685	243,879	242,620	208,856	196,069	194,958	190,930	188,809
Other bridge operating revenues	7,702	6,451	6,372	5,049	4,753	4,944	5,815	5,540	4,170	4,219	6,194
Total bridge operating revenues	$ 304,969	$ 300,314	$ 299,182	$ 272,734	$ 248,632	$ 247,564	$ 214,671	$ 201,609	$ 199,128	$ 195,149	$ 195,003

On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. Additionally, passenger fares, with the exception of fares for elderly persons and persons with disabilities, were increased by 10% across all zones. On July 1, 2011, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class. Please see Note 18 for the current toll schedule.

GENERAL EXPENSES BY FUNCTION

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Bridge operations:											
Salaries and employee benefits	$ 35,955	$ 34,184	$ 32,790	$ 30,743	$ 31,743	$ 32,496	$ 31,551	$ 30,047	$ 29,059	$ 26,954	$ 27,450
Equipment and supplies	187	209	159	194	259	212	212	176	156	136	106
Maintenance and repairs	3,905	3,356	1,990	3,327	3,433	3,234	3,417	3,277	2,966	1,511	1,599
Utilities	2,256	1,591	1,636	1,694	2,819	2,562	2,783	2,621	2,386	1,678	1,678
Insurance	3,053	5,719	2,877	4,974	5,765	5,130	4,644	5,093	5,813	6,617	6,727
Other	8,110	7,983	16,873	8,437	12,335	10,442	11,786	11,080	10,264	9,609	10,126
Total bridge operations	53,466	53,042	56,325	49,369	56,354	54,076	54,393	52,294	50,644	46,505	47,686
PATCO transit system:											
Maintenance of way and power	11,469	11,263	10,770	10,865	11,261	11,552	10,229	9,774	9,438	8,884	8,618
Maintenance of equipment	6,728	6,547	6,157	6,149	7,666	7,156	6,696	6,679	6,370	7,046	6,345
Purchased power	4,712	4,688	4,270	5,230	5,667	5,359	5,656	4,933	4,984	3,335	2,852
Transportation	16,070	16,015	15,012	14,347	13,986	15,114	14,489	13,015	11,800	11,622	11,725
General insurance	2,564	1,583	1,276	4,288	876	767	1,256	692	704	823	502
Administration	5,587	4,298	4,771	4,011	8,059	7,863	7,795	7,375	4,542	4,024	4,129
Total PATCO transit system	47,130	44,394	42,256	44,890	47,515	47,811	46,121	42,468	37,838	35,734	34,171
Community impact	3,745	3,688	3,611	3,560	3,473	3,483	3,380	3,306	3,198	3,078	3,021
General administration	41,347	38,932	44,277	40,536	46,272	35,457	34,974	31,025	27,780	26,857	29,355
Port of Philadelphia and Camden	189	62	29	246	824	1,269	1,447	1,698	1,824	3,548	3,683
Interest	78,377	58,784	66,540	77,870	72,527	65,584	75,654	74,668	78,267	72,213	73,621
Total expenses	$ 224,254	$ 198,902	$ 213,038	$ 216,471	$ 226,965	$ 207,680	$ 215,969	$ 205,459	$ 199,551	$ 187,935	$ 191,537

Since 2010, general expenses at DRPA and PATCO have shown a downward trend, decreasing from $226.96 million in 2010 to $198.55 million, a 12.5% decrease over the period. During 2014, there was a large $25.4 million increase in total expenses, a 12.7% increase, largely driven by $2.4 million biennial inspection costs and $19.6 million bond interest costs.

OPERATING INFORMATION (Unaudited) (Continued)

OPERATING STATISTICS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
DRPA											
Total Traffic	47,832	47,880	48,080	48,992	50,414	50,637	53,399	55,076	54,865	54,065	53,808
Non-Commercial Traffic	45,119	45,309	45,575	46,450	47,811	48,089	50,509	52,038	51,830	51,091	50,843
Commercial Traffic	2,713	2,571	2,505	2,542	2,603	2,548	2,890	3,038	3,035	2,974	2,965
Average Daily Traffic	131	131	132	134	138	139	146	151	150	148	147
Average Toll per Customer	$ 6.21	$ 6.14	$ 6.09	$ 5.46	$ 4.84	$ 4.79	$ 3.91	$ 3.56	$ 3.55	$ 3.53	$ 3.51
E-ZPass Traffic	30,182	29,635	29,098	28,983	28,911	28,367	28,130	27,987	26,946	25,522	24,481
% of E-ZPass Traffic	63.1%	61.9%	60.5%	59.2%	57.3%	56.0%	52.7%	50.8%	49.1%	47.2%	45.5%
PATCO											
Total Passengers	10,007	10,542	10,613	10,506	10,109	10,022	10,338	9,406	9,377	9,363	9,150
Average Daily Passengers	27	29	29	29	28	27	28	26	26	26	25
Average Fare Per Passenger	$ 2.42	$ 2.46	$ 2.46	$ 2.28	$ 2.18	$ 2.20	$ 2.08	$ 2.02	$ 2.03	$ 2.04	$ 2.04

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

FULL TIME AUTHORITY EMPLOYEES

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
DRPA	564	572	567	564	582	595	589	589	553	554	570
PATCO	302	308	296	302	309	305	301	302	355	358	373
Total Full-time	866	880	863	866	891	900	890	891	908	912	943

CAPITAL EXPENDITURES

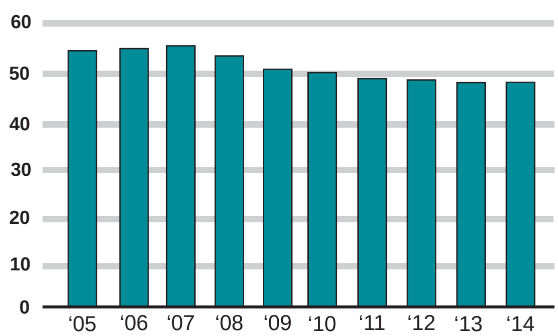
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Bridge and Transit System	$ 131,993	$ 87,468	$ 118,056	$ 158,812	$ 71,494	$ 75,481	$ 58,498	$ 23,395	$ 31,109	$ 44,501	$ 74,435

CAPITAL ASSET STATISTICS

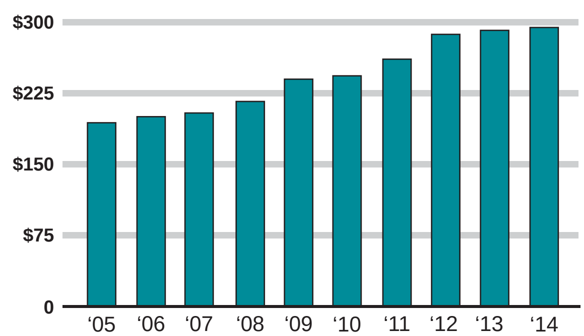
Facility - Lane Miles	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Walt Whitman Bridge											
Main Span (lane miles)	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7
Miles per Lane	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Number of Lanes	7	7	7	7	7	7	7	7	7	7	7
Ben Franklin Bridge											
Main Span (lane miles)	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67	12.67
Miles per Lane	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.81
Number of Lanes	7	7	7	7	7	7	7	7	7	7	7
Betsy Ross Bridge											
Main Span (lane miles)	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Miles per Lane	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Number of Lanes	6	6	6	6	6	6	6	6	6	6	6
Commodore Barry Bridge											
Main Span (lane miles)	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Miles per Lane	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Number of Lanes	5	5	5	5	5	5	5	5	5	5	5
Track Mileage											
PATCO Transit System	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9
Number of PATCO NJ Stations	9	9	9	9	9	9	9	9	9	9	9
Number of PATCO PA Stations	4	4	4	4	4	4	4	4	4	4	4

Bridge & PATCO Operations

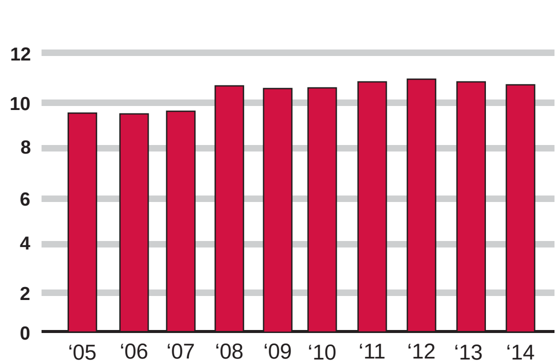
DRPA Bridge Traffic 2005-2014
(in millions of vehicles)



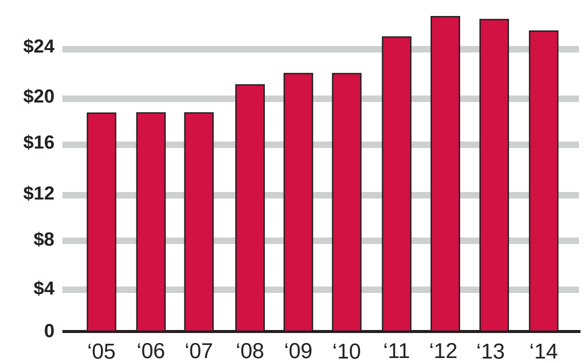
DRPA Bridge Toll Revenues 2005-2014
(in millions of dollars)



PATCO Passenger Ridership 2005-2014
(in millions of passengers)



PATCO Passenger Fare Revenues 2005-2014
(in millions of dollars)



Notes:

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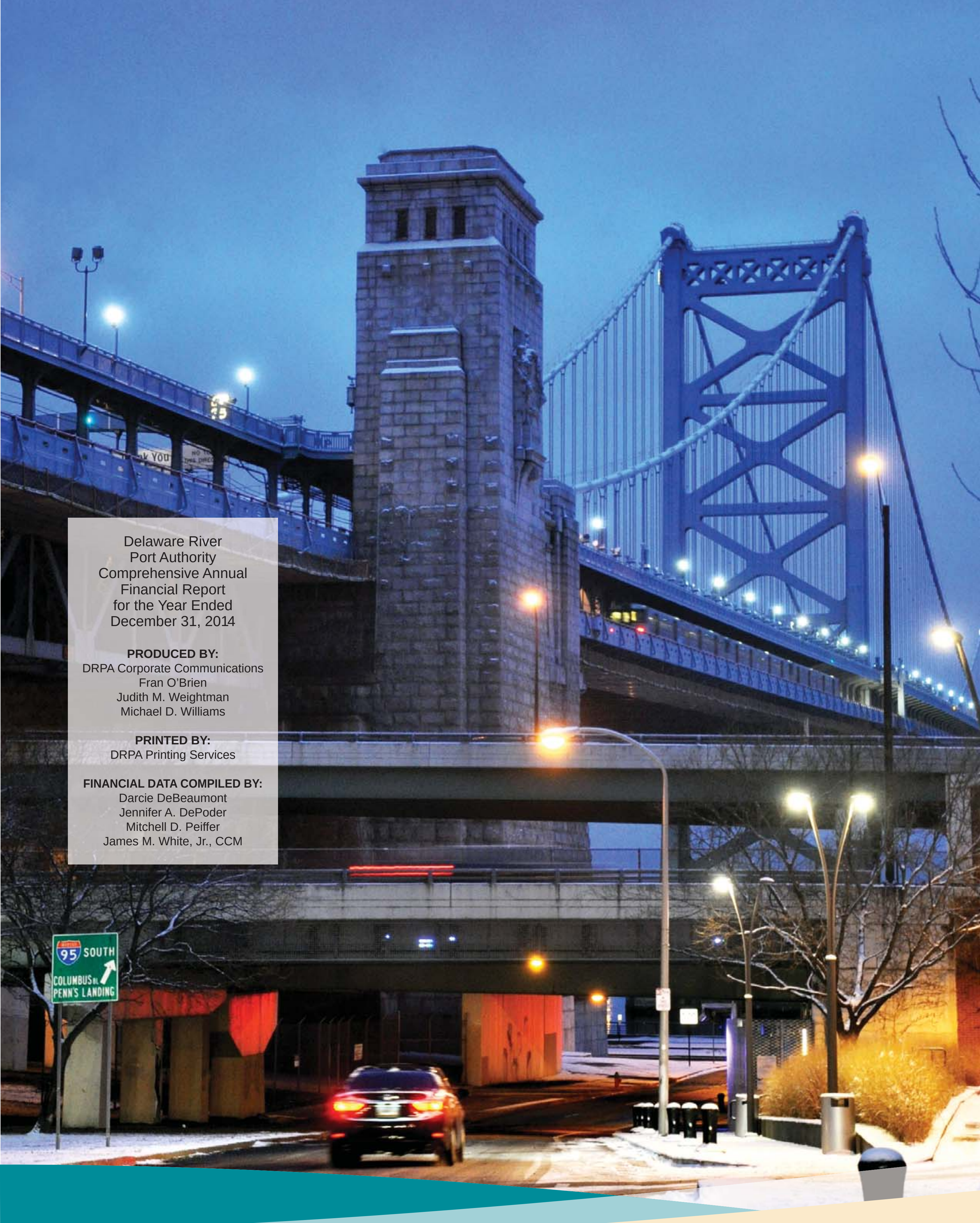
- On September 14, 2008, passenger fares, with the exception of fares for elderly persons and persons with disabilities, were increased by 10% across all zones. On July 1, 2011 the Authority implemented a second 10% increase in PATCO passenger fares.



Delaware River
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