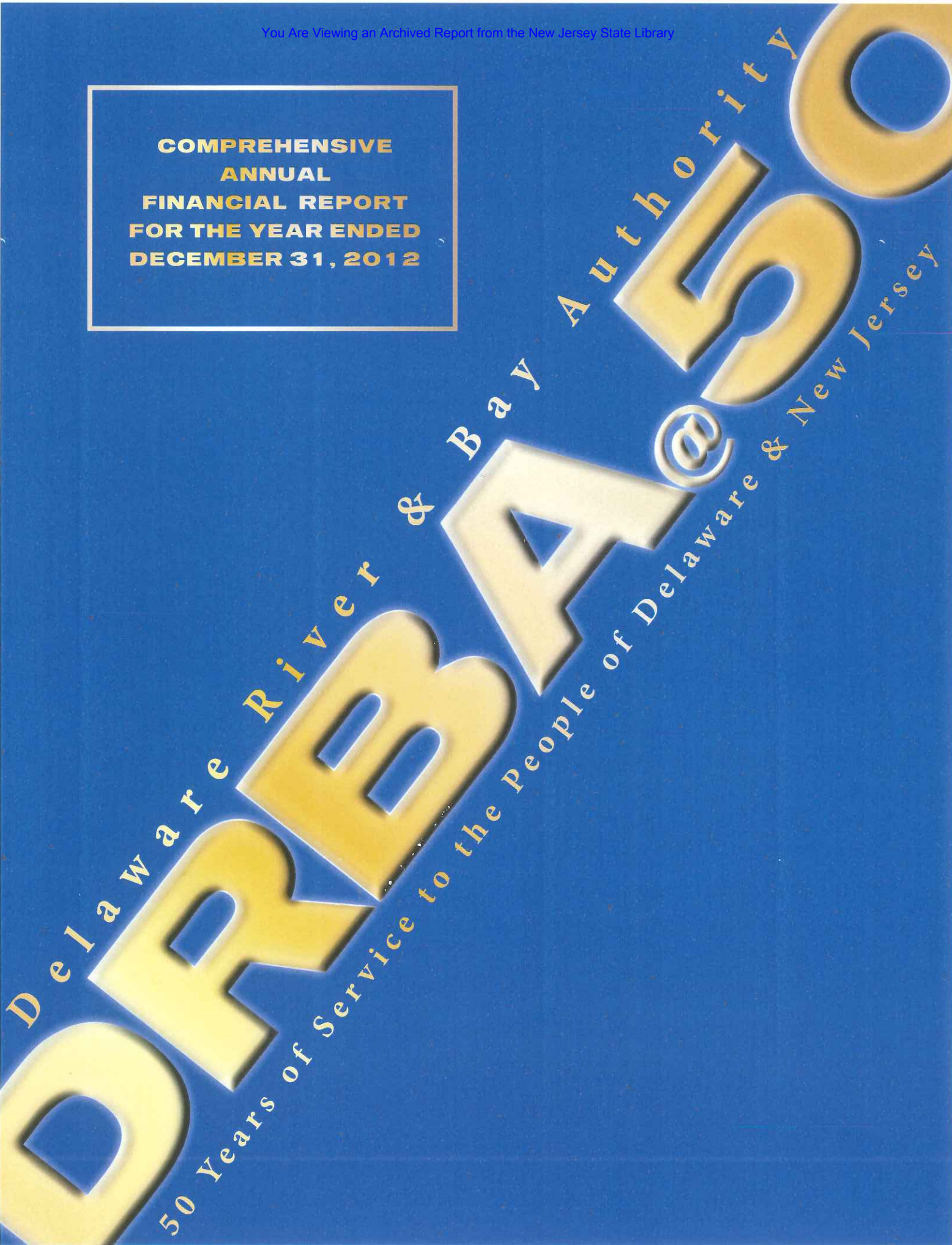
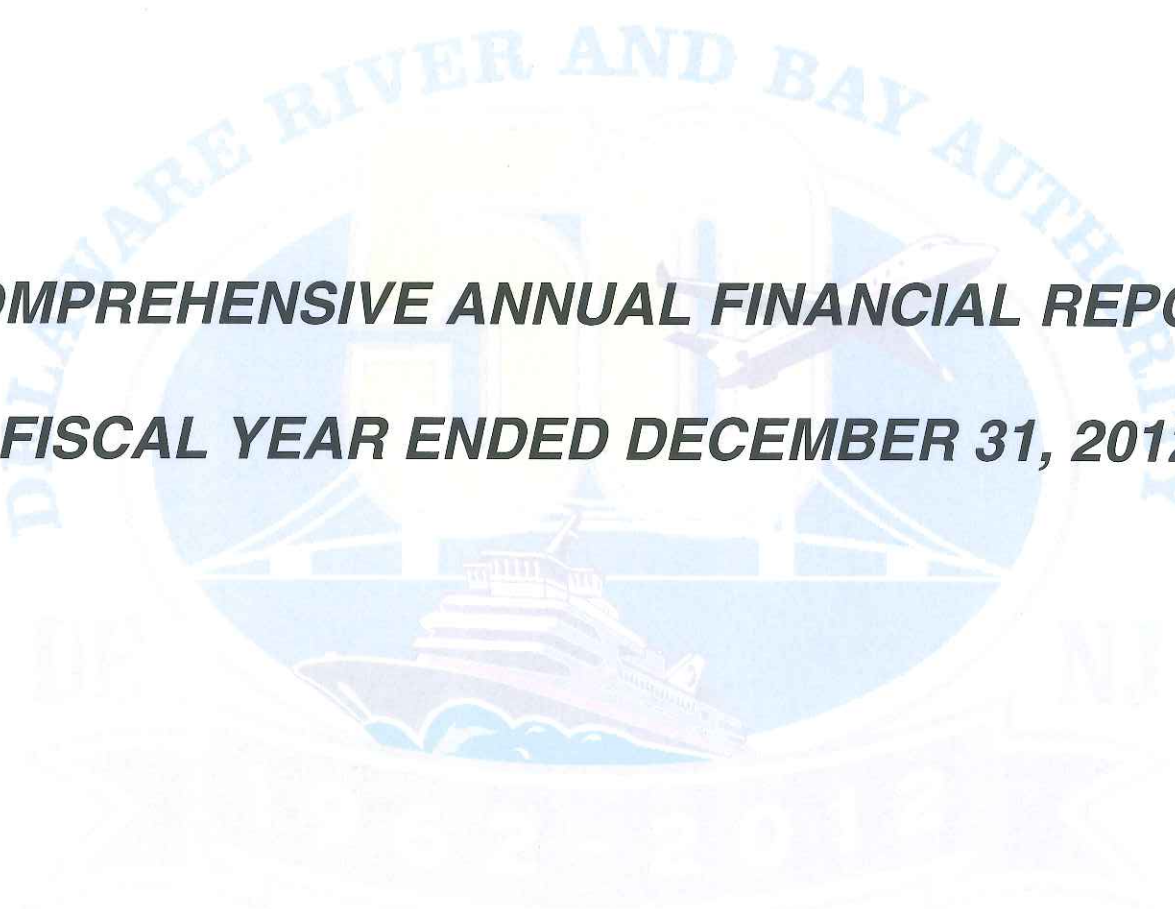


**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2012**



DELAWARE RIVER & BAY AUTHORITY



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2012

Prepared by:

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

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	1
Letter of Transmittal	2
Organizational Chart and Functional Responsibilities.....	8
Board of Commissioners.....	9
Facilities	10
Certificate of Achievement for Excellence in Financial Reporting.....	11
FINANCIAL SECTION	12
INDEPENDENT AUDITOR’S REPORT	13
MANAGEMENT’S DISCUSSION AND ANALYSIS	16
BASIC FINANCIAL STATEMENTS	31
Statements on Net Position.....	32
Statements of Revenues, Expenses and Changes in Net Position	34
Statements of Cash Flows	35
Fiduciary Fund:	
Statements of Net Position Available for Benefits.....	37
Statements of Changes in Net Position Available for Benefits.....	38
Notes to Financial Statements	39
REQUIRED SUPPLEMENTARY INFORMATION	77
Proprietary Fund:	
Schedule of Funding Progress for the OPEB Plan	78
Schedule of Employer Contributions to the OPEB Plan.....	78
Fiduciary Fund:	
Schedule of Funding Progress.....	79
Schedule of Employer Contributions.....	80
Notes to Required Supplementary Information	81
OTHER SUPPLEMENTARY SCHEDULES	83
Proprietary Fund:	
Combining Schedule of Net Position.....	84
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	87
Revenue Funds – Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	88
Schedule of Other Operating Revenues	89
Schedule of Functional Operating Expenses	90
Combining Schedule of Net Position Available for Benefits - Fiduciary Fund.....	93

TABLE OF CONTENTS
(CONTINUED)

	PAGE
OTHER SUPPLEMENTARY SCHEDULES (CONTINUED)	
Combining Schedule of Changes in Net Position Available for Benefits - Fiduciary Fund....	94
Proprietary Fund - Schedule of Investments.....	95
Schedule of Monthly Traffic by Toll Classification – Delaware Memorial Bridge	98
Schedule of Monthly Traffic and Revenue – Delaware Memorial Bridge	99
Schedule of Traffic by Toll Classifications – Cape May – Lewes Ferry	100
Schedule of Monthly Traffic and Revenue – Cape May – Lewes Ferry	101
Schedule of Traffic by Toll Classification – Three Forts Ferry	102
Schedule of Historical Toll Rates – Delaware Memorial Bridge.....	103
Schedule of Historical Toll Rates – Cape May – Lewes Ferry	105
Schedule of Historical Toll Rates – Three Forts Ferry	107
Schedule of Insurance Coverage.....	108
STATISTICAL SECTION.....	110
Net Position – Last Ten Fiscal Years.....	112
Change in Net Position – Last Ten Fiscal Years.....	113
Pension Trust Fund – Change in Net Position – Last Nine Fiscal Years	114
Delaware Memorial Bridge Tolls by Classification	115
Cape May – Lewes Ferry/Three Forts Ferry Tolls by Classification	116
Delaware Memorial Bridge Traffic by Classification.....	117
Cape May – Lewes Ferry/Three Forts Ferry Traffic by Classification	118
Delaware Memorial Bridge Toll Rates.....	119
Cape May – Lewes Ferry/Three Forts Ferry Toll Rates.....	120
Ratio of Outstanding Debt Per Customer.....	121
Pledged–Revenue Coverage	122
Demographic and Economic Data	123
Principal Employers by Industry	124
Other Operating Revenues by Source	125
Operating Statistics	126
Operating and Capital Expenditures	128
Full-Time Authority Employees	129
REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	130

INTRODUCTORY SECTION



THE DELAWARE RIVER AND BAY AUTHORITY

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

June 6, 2013

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

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

The Comprehensive Annual Financial Report of the Delaware River and Bay Authority ("Authority") for the fiscal year ended December 31, 2012, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Authority management. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect Authority assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not exceed their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is accurate in all material aspects; it is designed to present fairly the financial position and results of operations; and all disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The Authority's Trust Agreement, dated October 1, 1993, requires an annual audit of the Authority's financial statements by an independent audit firm. The Authority's financial statements have been audited by CliftonLarsonAllen, LLP, a firm of licensed certified public accountants, selected by the Authority through a competitive process. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended December 31, 2012, are free of material misstatement. Their audit was performed in accordance with generally accepted auditing standards and governmental auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as they considered necessary during the audit. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the fiscal year ended December 31, 2012, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF GOVERNMENT

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

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

The Authority owns and operates the twin spans of the Delaware Memorial Bridge, the Cape May – Lewes Ferry and the Three Forts Ferry Crossing. The Delaware Memorial Bridge spans across the Delaware River connecting New Castle, DE and Deepwater, NJ. The twin bridges handle approximately 33.7 million vehicles annually. A staff of 25 full-time and 45 casual toll employees keeps the toll facilities operational 24 hours a day, 365 days a year. E-ZPass usage increased slightly as current statistics show 66.5 percent of overall traffic utilized E-ZPass as compared to 64.2 percent a year ago. During the weekday commute period, the percentage of customers using E-ZPass has risen to 77.5 percent versus 75.8 percent in FY 2011.

The Cape May – Lewes Ferry transports approximately 275,000 vehicles and 800,000 passengers annually, along a 17 mile, 70 minute trip, connecting the towns of Lewes, DE and Cape May, NJ. A full time staff of 53 marine personnel operates and maintains up to five vessels year round. The Authority also provides food and retail services to ferry patrons. The Three Forts Ferry Crossing provides water transportation service to various points located in Delaware and New Jersey. Under the 1990 Compact Amendment, the Authority has expanded its economic activity in both Delaware and New Jersey. The Authority operates five Airports, located in New Castle, DE, Cape May, NJ, Millville, NJ, Dover, DE and Cheswold, DE. The Authority also operates the Salem County Business Park, a seventy-one acre complex located in Carney's Point Township, NJ and the Riverfront Market and Restaurant, a European style marketplace located in Wilmington, DE. Other current and authorized economic projects include financing activities with the Diamond State Port Corporation and Delaware State University.

FINANCIAL POLICIES/CONTROLS

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

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

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

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

INVESTMENT MANAGEMENT

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

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

The Authority retains the services of two (2) investment advisors to assist with the fulfillment of its fiduciary responsibilities. The Authority's investment portfolio is managed pursuant to the guidelines established by the Authority, which are in compliance with the Trust Agreements. Additional information on the Authority's trust agreement and cash and investments can be found in Notes 1, 3 and 4 of the notes to financial statements.

ACCOMPLISHMENTS AND INITIATIVES

During Fiscal Year 2012, the Authority achieved a number of improvements in operations and services provided to the public. Some of the more significant accomplishments for the year and major program initiatives are identified below:

Anniversary On September 20, 2012, the Authority celebrated its 50th anniversary, marking the consent granted by the United States Congress to Delaware and New Jersey to form the bi-state agency. To commemorate the historic anniversary, the Authority sponsored an art contest inviting the public to participate in the agency's anniversary by photographing, drawing or painting one of the agency's facility locations.

Bridge Operations The Delaware Memorial Bridge celebrated its one billionth customer on December 18, 2012. The first span opened to traffic on August 16, 1951. The average daily traffic in 1951 was 7,517 as compared to 46,038 in 2012.

To enhance customer travel plans, the Authority initiated a Delaware Memorial Bridge twitter page and traffic web cams. The twitter page allows followers to receive traffic advisories, construction updates and additional Bridge information. The traffic cams provide live feeds from both the Delaware Memorial Bridge and Cape May – Lewes Ferry terminals.

Ferry Operations Over the past 10 years, the Cape May – Lewes Ferry has been involved in an Underwater Inspection in Lieu of Drydocking (UWILD) program. The UWILD program is an innovative underwater inspection process that allows the U.S. Coast Guard to ensure that the vessel and operations are safe for the public and meet regulatory requirements and assist vessel owners to reduce operating costs. Typically, each ferry vessel must be dry-docked twice in a 5 year period at an average cost of \$275,000 per dry-docking contract. Each underwater survey costs approximately \$10,000. Utilizing this program, the ferry vessels are able to undergo one dry-docking in a 5 year period, collectively saving the Authority nearly \$3 million dollars.

In May, the MV Cape Henlopen participated in a drill with the Gloucester County Emergency Management to determine if mobile firefighting equipment could be used to transform the ferry into a firefighting vessel for incidents that may occur in the Delaware Bay and River. Emergency responders were pleased with the demonstration and the capabilities of the system aboard the ferry vessel.

The Authority completed a \$4.7 million approach road project to the Cape May Terminal. The project involved repaving and resurfacing approach roads, widening certain sections from 2 to 3 or 4 lanes, and improvements to intersection, drainage, signage and lighting. The project was partially funded through a \$2.3 million grant from the Federal Highway Administration.

Grants During 2012, the Authority was awarded \$4 million in grants from the Federal Aviation Administration for Airport related projects. These projects were for security enhancements, land acquisition, runway apron design and snow removal equipment at New Castle, Millville, Cape May Airports and Delaware Airpark. Over the past five years, the Authority has been awarded \$40.5 million in Federal and State grants related to infrastructure and safety projects.

Airport Operations. The New Castle Airport earned an ANTN Digicast Excellence in Airport Training Award for training completed in calendar year 2012. The award, presented by the American Association of Airport Executives, recognizes that the Airport's airfield operations staff has completed a specified amount of federally mandated airport specific and continuing education which demonstrates their dedication to improving operations, safety and preparedness. New Castle Airport is one of only 70 airports nationwide to earn the honor for 2012.

Financial Management In October 2012, the Authority issued two debt series, a 2012A new money issue of \$58.6 million and a 2012B refunding issue of \$38 million. The 2012A series represents the first time the Authority has been in the capital markets for new money since 2003. The new issue will provide funding for a portion of the Authority's capital improvement program. The 2012B series refunded the outstanding 2003 Series bonds, producing \$8.8 million in present value savings and \$14.4 million in actual savings over the life of the issue.

During 2012, the Authority successfully completed a Request for Quotes (RFQ) for Trustee Services. The Bank of New York Mellon was selected as the Authority's new Trustee and will be responsible to ensure the Authority complies with the provisions of Trust Agreement.

During 2012, the Authority modified its existing investment guidelines for the Employees Retirement Plan and Other Post Employment Benefits Trust. The modification allows for the use of venture capital, private equity, real estate, actively-managed emerging market small-cap, commodity and expanded fixed income investments. The goal was to increase potential returns in each fund by broadening the asset allocation to include higher growth opportunities and increasing the diversification and risk management of the investments.

Economic Development At the Salem Business Centre, the Authority entered into a lease with Energi Insurance Services to rent 3,000 square feet of office space. The space will allow the new tenant to expand its business and bring up to six new jobs to Salem County.

At the Cape May Airport, the Authority modified an existing lease with Cape May Brewing to allow the tenant to expand into two additional units bringing up to five new jobs to the Airport. The added space enables Cape May Brewery to expand brewing capacity and open up a tasting room.

In May 2012, the Authority assumed the role of Fixed-Base Operator (FBO) at the Cape May Airport, taking over from the previous FBO, who ceased operations in September 2011. Rebranded as the Cape May Jet Center, the FBO sold over \$263,000 of aviation fuel in seven and a half months of activity. These services brought about an increase in aviation activity to the airport and surrounding community.

Community Outreach The Authority continued to identify and implement initiatives to support families in need located throughout Delaware and the four southern counties in New Jersey. Authority employees participated in the following community outreach programs during 2012; partnering with area food banks and the Ministry of Caring to donate hundreds of pounds of food, partnering with the Blood Bank of Delmarva in their Summer Blood Challenge, partnering with the Salvation Army on a clothing drive and contributions to the United Way in both Delaware and New Jersey. Through its Volunteerism Policy, Authority employees donated approximately 584 hours of time to well deserving community programs.

In addition, the Authority's Police Department participated in several campaigns designed to educate the public on national and local issues that affect the surrounding communities. The campaigns included; World Elder Abuse Awareness Day, National Take Back Initiative, Distracted Driving Campaign and the Police Unity Tour.

LONG TERM FINANCIAL PLANNING

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

A Five-Year Strategic Plan is developed in conjunction with the Annual Capital Budget to identify short and long term capital priorities. The 2012 Five Year Strategic Plan outlines numerous bridge, ferry system, airport infrastructure and technology expenditures which total \$159 million. The Capital Improvement Budget for fiscal year 2012 was \$38.4 million. The Plan anticipated that the 2012 fiscal year expenditures would be funded from cash held in the General Fund and debt from a new issuance scheduled for the 4th Quarter of 2012. Future capital expenditures will be funded with a combination of debt and cash.

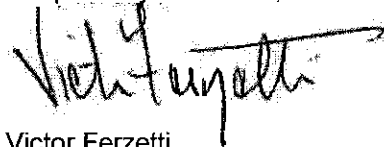
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Associations of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Delaware River and Bay Authority for its comprehensive annual financial report for the fiscal year ending December 31, 2011. This was the seventh consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

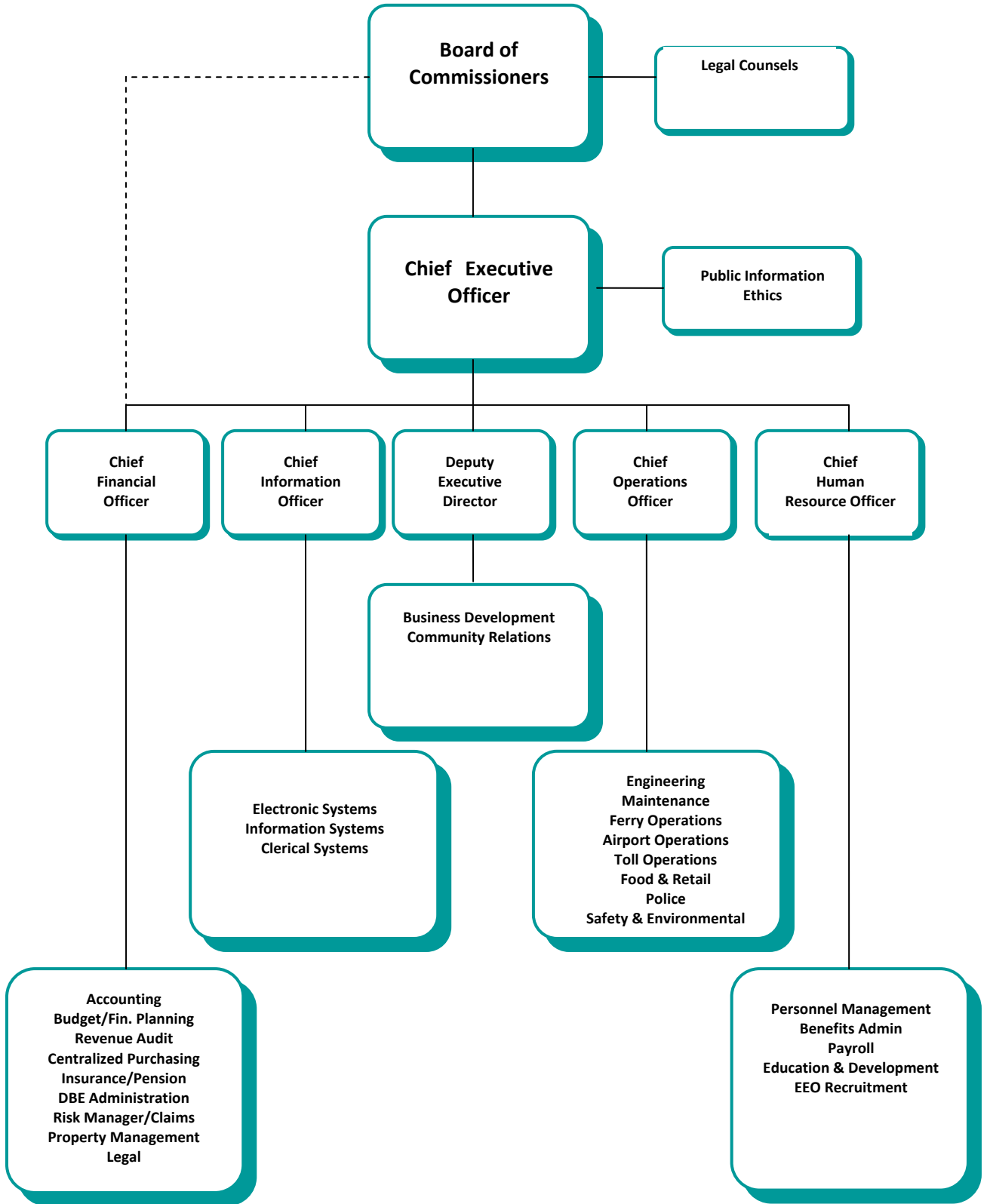
The preparation of this comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would especially like to express my appreciation to the Director of Finance and each member of the accounting staff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

Respectfully submitted,



Victor Ferzetti
Chief Financial Officer

DELAWARE RIVER AND BAY AUTHORITY ORGANIZATIONAL CHART AND FUNCTIONAL RESPONSIBILITIES



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

STATE OF NEW JERSEY

**GOVERNOR
CHRIS CHRISTIE**

**James N. Hogan, Chairperson
Franklinville, NJ, Term Expires July 1, 2016**

**Rev. Edward Dorn, Chairperson, Chairperson, Personnel Committee
Pedricktown, NJ, Term Expires July 1, 2017**

**Richard S. Mroz, Chairperson, Budget & Finance Committee
Haddonfield, NJ Term Expires July 1, 2015**

**Ceil Smith, Chairperson, Projects; Vice-Chairperson, Economic Development & Audit Committees
Salem, New Jersey, Term Expires July 1, 2014**

**Douglas L. VanSant
Bridgeton, NJ, Term Expires July 1, 2013**

**Shirley R. Wilson
Seaville, NJ, Term Expires July 1, 2016**

STATE OF DELAWARE

**GOVERNOR
JACK A. MARKELL**

**William E. Lowe III, Vice-Chairperson
Rehoboth Beach, DE, Term Expires July 1, 2017**

**Richard W. Downes, Chairperson, Audit & Governance Committee
Smyrna, DE, Term Expires July 1, 2016**

**Fernando N. Guajardo, Chairperson, Economic Development Committee
Lincoln, DE, Term Expires July 1, 2017**

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

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

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

DRBA Facilities

**DELAWARE
MEMORIAL BRIDGE**
August 1951



**CAPE MAY -
LEWES FERRY**
July 1964



**THREE FORTS FERRY
CROSSING**
March 1997



**NEW CASTLE
AIRPORT**
July 1995



CAPE MAY AIRPORT
June 1999



**CIVIL AIR
TERMINAL**
August 1999



MILLVILLE AIRPORT
October 1999



**DELAWARE
AIRPARK**
July 2000



**SALEM COUNTY
BUSINESS CENTER**
February 1998



**RIVERFRONT
MARKET**
April 2002



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Delaware River & Bay Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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



Christopher P. Mouill

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities and the fiduciary fund of the Delaware River and Bay Authority (the Authority) as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities and the fiduciary fund of the Delaware River and Bay Authority as of December 31, 2012 and 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 8 to the financial statements, the Authority implemented the provisions of Governmental Accounting Standards Board (GASB) Statements No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources* for the year ended December 31, 2012, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Also, the Authority adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of December 31, 2012, which. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The adoption of this standard requires the retroactive restatement of the financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, on pages 16 through 30 and the schedules of funding progress and employer contributions for the OPEB (proprietary fund) and Pension Plans (fiduciary fund), on pages 78 through 80, 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 financial statements that collectively comprise the Authority's basic financial statements. The accompanying other Supplementary Schedules on pages 84 through 109 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying other Supplementary Schedules on pages 84 through 109 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 other supplementary schedules on pages 84 through 109 are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2013 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

Philadelphia, Pennsylvania
June 6, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

FINANCIAL POSITION SUMMARY

Total Net Position, the difference between the Authority's assets and liabilities, over time, serve as a useful indicator of the Authority's financial position. The Authority's total net position as of December 31, 2012, 2011 and 2010 were \$329 million, \$311 million and \$307 million, respectively.

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

	<u>2012</u>		As Restated			
		<u>%</u>	<u>2011</u>		<u>%</u>	<u>2010</u>
				<u>%</u>		<u>%</u>
ASSETS & DEFERRED OUTFLOWS:						
Current and Other Assets	\$ 199,692	28.1%	\$ 131,656	20.6%	\$ 136,919	21.2%
Capital Assets	503,063	70.8%	498,269	78.0%	498,541	77.3%
Deferred Loss on Defeasance	<u>7,434</u>	1.1%	<u>8,715</u>	1.4%	<u>9,641</u>	1.5%
Total Assets & Deferred Outflows	710,189		638,640		645,101	
 LIABILITIES & DEFERRED INFLOWS:						
Current Liabilities	23,913	6.3%	23,436	7.1%	59,600	17.6%
Long-Term Liabilities	354,491	92.9%	301,154	91.8%	275,189	81.3%
Forward Purchase Agreement	<u>3,227</u>	0.8%	<u>3,504</u>	1.1%	<u>3,780</u>	1.1%
Total Liabilities & Deferred Inflows	381,631		328,094		338,569	
 NET POSITION:						
Invested in Capital Assets, Net of Debt	226,213	68.8%	213,586	68.8%	212,720	69.4%
Restricted	32,853	10.0%	35,868	11.5%	35,068	11.4%
Unrestricted	<u>69,492</u>	21.2%	<u>61,092</u>	19.7%	<u>58,744</u>	19.2%
TOTAL NET POSITION	<u><u>\$ 328,558</u></u>		<u><u>\$ 310,546</u></u>		<u><u>\$ 306,532</u></u>	

The largest portion of the Authority's net position at December 31, 2012 (68.8%), 2011 (68.8%) and 2010 (69.4%), represents its investment in capital assets (i.e. bridges, ferries, buildings, improvements and equipment); less the related debt outstanding used to acquire those capital assets. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net position at December 31, 2012 (10.0%), 2011 (11.5%) and 2010 (11.4%), represents resources that are subject to the external restrictions on how they can be used under Trust Agreement covenants. The remaining unreserved net position at December 31, 2012 (21.2%), 2011 (19.7%) and 2010 (19.2%) may be used to meet the Authority's capital and ongoing obligations.

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

SUMMARY OF CHANGES IN NET POSITION

Net Position increased in the amount of \$18.0 million during 2012. As compared to 2011, the annual change in net position increased \$11.0 million or 150.5%. This increase can be attributable to an increase in operating revenues and decreases in both operating expenses and non-operating expenses. As compared to 2010, the annual change in net position increased \$7.2 million or 25,575%. This increase can be attributable to increases in operating revenues and expenses, depreciation expense, non-operating expenses and capital contributions. A condensed summary of the Authority's changes in net position is shown below (in thousands).

	2012 <u>Actual</u>	Percent Increase/ (Decrease)	As Restated 2011 <u>Actual</u>	Percent Increase/ (Decrease)	2010 <u>Actual</u>	Percent Increase/ (Decrease)
Operating Revenues (See Exhibit B)	\$ 125,609	9.5%	\$ 114,677	7.8%	\$ 106,362	0.3%
Operating Expenses (See Exhibit B)	<u>77,362</u>	<u>-2.3%</u>	<u>79,216</u>	<u>-0.1%</u>	<u>79,283</u>	<u>3.1%</u>
Income Before Depreciation and Other Non-Operating Income and Expenses	48,247	36.1%	35,461	31.0%	27,079	-7.2%
Depreciation	<u>23,121</u>	<u>5.5%</u>	<u>21,921</u>	<u>2.7%</u>	<u>21,343</u>	<u>2.0%</u>
Operating Income	25,126	85.6%	13,540	136.1%	5,736	-30.5%
Non-Operating Income (Expenses)	<u>(13,417)</u>	<u>-3.8%</u>	<u>(13,944)</u>	<u>28.4%</u>	<u>(10,863)</u>	<u>61.5%</u>
Income Before Capital Contributions	11,709	-2998.3%	(404)	-92.1%	(5,127)	-436.9%
Capital Contributions	<u>6,303</u>	<u>-17.0%</u>	<u>7,593</u>	<u>47.3%</u>	<u>5,155</u>	<u>-68.9%</u>
Increase in Net Position	<u>\$ 18,012</u>	<u>150.5%</u>	<u>\$ 7,189</u>	<u>25,575.0%</u>	<u>\$ 28</u>	<u>-99.8%</u>

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

FINANCIAL HIGHLIGHTS

Fiscal 2012

- Operating revenues increased \$10.9 million or 9.5% from \$114.7 million in FY 2011 to \$125.6 million in FY2012. The increase in operating revenues is the result of a full year of the toll increase at the Delaware Memorial Bridge.
- Operating expenses before depreciation and other general expenses decreased \$1.8 million or 2.3% from \$79.2 million in 2011 to \$77.4 million in 2012.
- As a result of the above, operating income before depreciation and other general expenses increased \$12.8 million or 36.1% from \$35.4 million in 2011 to \$48.2 million in 2012.
- Non-operating income (expense) decreased \$.5 million or 3.8% from a net expense of \$13.9 million to a net expense of \$13.4 million in 2012. The decrease in net expense is the result of a decrease in investment income of \$1.5 million, an increase in debt issuance costs of \$.59 million and a decrease in the write-off of capital assets of \$.74 million.
- Capital contributions received in the form of grants from the Federal Aviation Administration and other sources decreased \$1.3 million or 17% from \$7.6 million in 2011 to \$6.3 million in 2012.

Fiscal 2011

- Operating revenues increased \$8.3 million or 7.8% from \$106.4 million during FY2011. The increase in operating revenues is the result of a toll increase at the Delaware Memorial Bridge that went into effect July 1, 2011.
- Operating expenses, before depreciation and other general expenses decreased slightly from \$79.28 million to \$79.22 million during 2011.
- As a result of the above, operating income before depreciation and other general expenses increased \$8.3 million or 30.6% from \$27.1 million to \$35.4 million in 2011.
- Non-operating income (expense) increased \$3.3 million or 30.8% from a net expense of \$10.9 million to a net expense of \$14.2 million in 2011. The increase in net expense is the result of a decrease in net investment income of \$1.6 million, a decrease in interest on bonds of \$.34 million and a one-time write off of \$2.2 million of other non-operating expenses.
- Capital contributions received in the form of grants from the Federal Aviation Administration and other sources increased \$2.4 million or 47.3% from \$5.2 million in 2010 to \$7.6 million in 2011.

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

OPERATIONAL HIGHLIGHTS

Overall traffic at the Delaware Memorial Bridge increased .1% during 2012 as compared to 2011, with commercial traffic decreasing 1.4% and non-commercial traffic increasing .3%. It is important to note in 2012, commercial traffic represented 12.1% of total traffic and accounted for 46.1% of total revenue as compared to 12.3% of total traffic and 46.8% of total revenue in 2011. More detailed information on traffic and revenue can be found in Note 2 in the notes to the financial statements.

Overall traffic at the Cape May – Lewes Ferry increased 1.9% during 2012 as compared to 2011 as vehicles increased 1.4% and Ferry passengers increased 2.1%. Vehicle traffic comprised 25.5% of total traffic and accounted for 29% of total revenue, while Ferry passengers comprised 74.5% of total traffic and accounted for 71% of total revenue in 2012.

Traffic for the Three Forts Ferry Crossing decreased 1.5% during 2012 as compared to 2011. Traffic for the 2012 Ferry services is comprised as follows: 81% of passengers visit Fort Delaware State Park, 11% visit Fort Mott, NJ and 9% sail various special tours offered by the State of Delaware. The Ferry service normally runs from April through October.

During 2011, the Authority's traffic decreased as compared to 2010. Overall traffic at the Delaware Memorial Bridge decreased 1.2% during 2011 as compared to 2010, with commercial traffic remaining flat and non-commercial traffic decreasing 1.3%. Overall traffic at the Cape May – Lewes Ferry decreased 6.3% during 2011 as compared to 2010 as vehicles decreased 6.2% and ferry passengers decreased 6.3%. Traffic for the Three Forts Ferry Crossing decreased 13.1% during 2011 as compared to 2010.

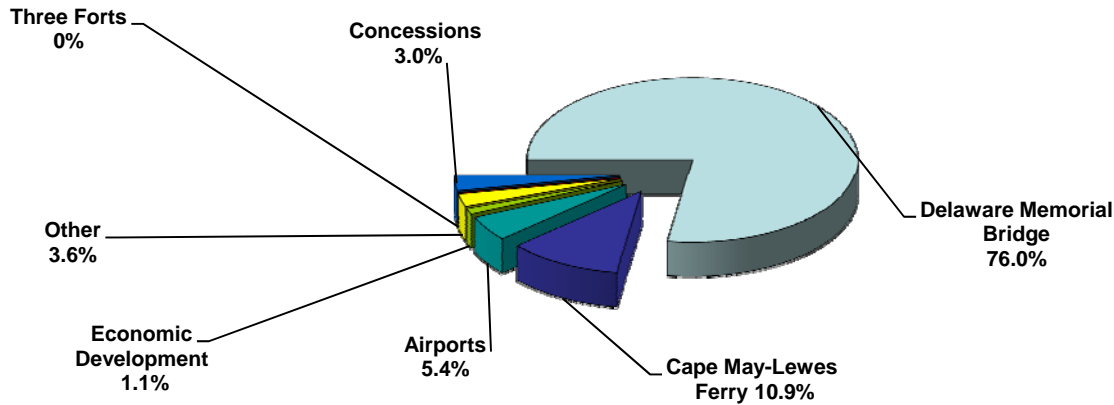
SUMMARY OF CHANGES IN TRAFFIC

	2012 <u>Actual</u>	Percent Increase/ (Decrease)	2011 <u>Actual</u>	Percent Increase/ (Decrease)	2010 <u>Actual</u>	Percent Increase/ (Decrease)
Delaware Memorial Bridge						
Commercial	2,031,341	-1.4%	2,061,199	0.0%	2,061,931	-2.5%
Non-Commercial	<u>14,772,625</u>	<u>0.3%</u>	<u>14,725,557</u>	<u>-1.3%</u>	<u>14,921,768</u>	<u>-0.6%</u>
Total DMB:	16,803,966	0.1%	16,786,756	-1.2%	16,983,699	-0.8%
Cape May-Lewes Ferry						
Vehicles	272,358	1.4%	268,605	-6.2%	286,462	-3.0%
Passengers	<u>795,541</u>	<u>2.1%</u>	<u>779,451</u>	<u>-6.3%</u>	<u>831,686</u>	<u>-1.6%</u>
Total CMLF:	1,067,899	1.9%	1,048,056	-6.3%	1,118,148	-2.0%
Three Forts						
Passengers	19,426	-1.5%	19,723	-13.1%	22,693	-8.9%

You Are Viewing an Archived Report from the New Jersey State Library
DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

REVENUES

The following chart shows the major sources and the percentage of operating revenues for the fiscal year ended December 31, 2012.



A summary of total revenues for the fiscal years ended December 31, 2012, 2011 and 2010 and the amount and percentage of change in relation to prior fiscal year amounts as follows (in thousands).

REVENUES

	2012 Actual	Percent Increase/ (Decrease)	2011 Actual	Percent Increase/ (Decrease)	2010 Actual	Percent Increase/ (Decrease)
OPERATING						
Delaware Memorial Bridge	\$ 95,461	10.8%	\$ 86,121	13.5%	\$ 75,875	-1.8%
Cape May-Lewes Ferry	13,665	1.9%	13,406	-5.5%	14,185	-0.3%
Airports	6,744	0.7%	6,694	-9.6%	7,405	18.3%
Economic Development	1,382	0.9%	1,370	-6.6%	1,467	47.1%
Three Forts	59	-4.8%	62	-16.2%	74	-1.3%
Food and Novelty	3,820	7.9%	3,541	-0.7%	3,565	-1.1%
Other	4,478	28.6%	3,483	-8.1%	3,791	71.6%
TOTAL OPERATING	125,609	9.5%	114,677	7.8%	106,362	0.3%
NON-OPERATING						
Investment Income	907	-64.4%	2,546	-39.0%	4,176	-14.5%
Sale of Equipment	19	-63.5%	52	-51.4%	107	-94.4%
TOTAL NON-OPERATING	926	-64.4%	2,598	-39.3%	4,283	-36.8%
Capital Contributions	6,303	-17.0%	7,593	47.3%	5,155	-68.9%
TOTAL REVENUES	<u>\$ 132,838</u>	6.4%	<u>\$ 124,868</u>	7.8%	<u>\$ 115,800</u>	-10.5%

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

REVENUES

Fiscal 2012

- Total Operating Revenue increased \$10.9 million or 9.5% during 2012 to \$125.6 million as compared to \$114.7 million during 2011.
- Delaware Memorial Bridge toll revenue increased \$9.3 million or 10.8% during 2012. The increase in revenue reflects a full year of the toll increase that went into effect on July 1, 2011. Commercial revenue increased \$3.7 million or 9.3% and non-commercial revenue increased \$5.6 million or 12.2% as compared to 2011.
- Cape May – Lewes Ferry toll revenue increased \$.26 million or 1.9% in 2012 as vehicle revenue increased \$.16 million or 1.7% and passenger revenue increased \$96 thousand or 2.48% as compared to 2011.
- Food and novelty revenues increased \$.28 million or 7.9% in 2012, as food and beverage sales increased \$52 thousand or 2.7%, alcohol sales increased \$.18 million or 27.9% and novelty sales increased \$35 thousand or 4% as compared to 2011. Cafeteria sales at the Delaware Memorial Bridge increased \$10 thousand or 10.4% as compared to 2011.
- Airport lease revenues increased \$50 thousand or .7% in 2012. Lease revenues decreased \$70 thousand or 1.1% at the New Castle Airport, increased \$17 thousand or 10% at Cape May Airport, increased \$91 thousand or 29.2% at Millville Airport and increased \$12 thousand or 17.4% at Delaware Air Park.
- Economic Development revenues increased \$12 thousand or .9% in 2012 as revenues increased at the Salem Business Center \$12 thousand or 1.2% and remained flat at the Riverfront Market as compared to 2011.
- Other Operating Income increased \$1 million or 28.6% from \$3.5 million in 2011 to \$4.5 million in 2012. This increase reflects gains in income from unused tickets at the Delaware Memorial Bridge, decreases in collection of electronic toll violation fees, increase in credit card fees collected from IAG members, a negative increase in EZ-Pass account adjustments and increased sale of aviation fuel at both Cape May Airport and Delaware Air Park.
- Non-operating income decreased \$1.7 million or 64.4% in 2012, the result of a \$1.6 million or 64.4% decrease in investment income and a \$33 thousand or 63.5% decrease in sale of equipment as compared to 2011.
- Capital contributions decreased \$1.3 million or 17% in 2012 as compared to 2011.

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

REVENUES

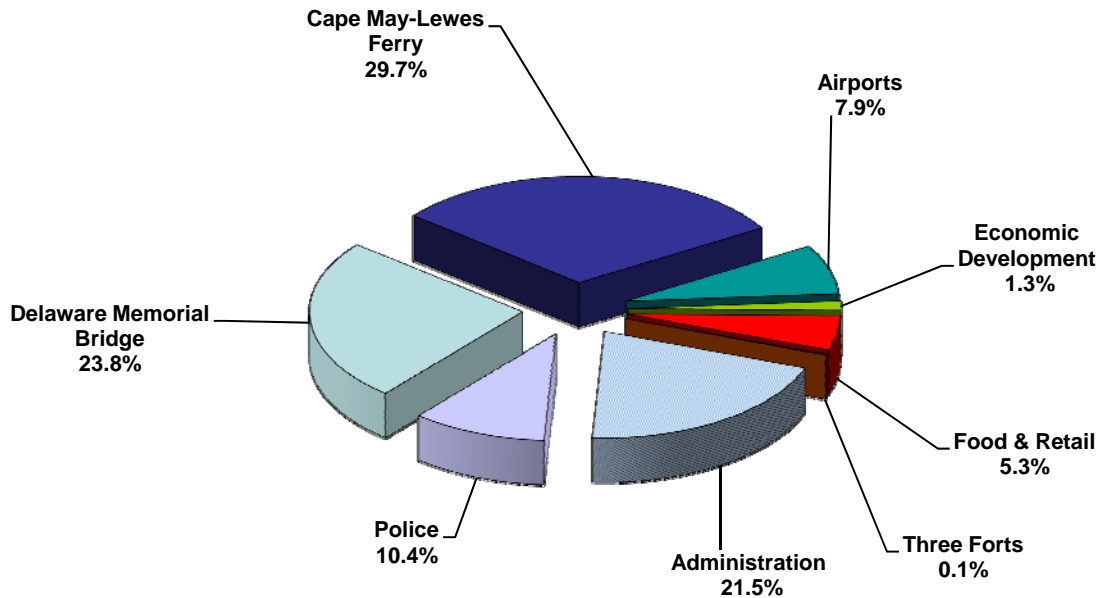
Fiscal 2011

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

You Are Viewing an Archived Report from the New Jersey State Library
DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

EXPENSES

The following chart shows the Authority's operating divisions and the percentage of budgetary expenses for the year ended December 31, 2012.



A summary of total expenses for the fiscal years ended December 31, 2012, 2011 and 2010 and the amount and percentage of change in relation to the prior fiscal amounts as follows (in thousands).

	2012 Actual	Percent Increase/ (Decrease)	2011 Actual	Percent Increase/ (Decrease)	2010 Actual	Percent Increase/ (Decrease)
OPERATING						
Administration	\$ 16,372	5.5%	\$ 15,514	1.0%	\$ 15,353	-3.1%
Delaware Memorial Bridge	17,160	-14.6%	20,097	-0.6%	20,224	11.5%
Cape May-Lewes Ferry	23,242	-2.7%	23,890	3.3%	23,123	4.8%
Authority Police	7,773	-0.6%	7,820	-2.2%	7,992	2.4%
Airports Division	6,161	7.3%	5,741	-1.1%	5,806	3.0%
Economic Development	1,060	-4.6%	1,111	3.9%	1,069	-1.9%
Three Forts	106	14.0%	93	-23.8%	122	8.9%
Food & Novelty	4,084	-0.1%	4,090	0.3%	4,078	-2.6%
Depreciation	23,121	5.5%	21,921	2.7%	21,343	2.0%
Other Expenses	1,404	63.3%	860	-43.3%	1,516	-25.1%
TOTAL OPERATING	100,483	-0.6%	101,137	0.5%	100,626	2.9%
NON-OPERATING						
Interest on Bonds	12,490	-0.7%	12,575	-2.7%	12,918	-2.5%
Other Non-Operating	1,887	-55.4%	4,230	89.9%	2,227	15.0%
TOTAL NON-OPERATING	14,377	-14.4%	16,805	11.0%	15,145	-0.2%
TOTAL EXPENSES	\$ 114,860	-2.6%	\$ 117,942	1.9%	\$ 115,771	2.4%

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

EXPENSES

Fiscal 2012

Total Authority expenses decreased \$3.0 million or 2.6% from \$117.9 million in 2011 to \$114.9 million in 2012. Listed below are the major highlights which affected Authority expenses in 2012.

- Employment costs, consisting of wages and benefits decreased \$1 million or 2% in 2012 to \$50.5 million as compared to \$51.5 million in 2011. Employment costs accounted for 50.1% of total operating expenses in 2012 as compared to 50.9% in 2011. Total wages for 2012 increased by \$13 thousand or .05% to \$25.77 million in 2012 as compared to \$25.75 million in 2011. This increase reflects an increase of \$44 thousand or .2% in full time wages, an increase \$28 thousand or .96% in temporary wages and a decrease of \$59 thousand 5.3% in overtime wages. Total benefits decreased \$1.1 million or 4.1% in 2012 to \$24.7 million as compared to \$25.8 million in 2011. The major factors toward the decrease in benefits include a \$3 million or 38% decrease in group health benefits, a \$.26 million or 61% decrease in life insurance, a \$64 thousand or 16.2% decrease in dental benefits and a \$2.4 million increase in OPEB costs.
- Administrative costs decreased \$42 thousand or .6% in 2012. The major areas of expense variation within this category include; professional services increase of \$262 thousand or 17%, education and development increase of \$71 thousand or 68%, office supply increase of \$64 thousand or 16.5%, computer supplies decreased \$64 thousand or 10.6%, electronic toll expenses decreased \$62 thousand or 2.8%, uncollected toll expenses decreased \$150 thousand or 57.5% and merchant card processing fees decreased \$142 thousand or 19.8% as compared to 2011.
- Facility maintenance and operating supplies decreased \$.69 million or 6% in 2012 as compared to 2011. The major areas of expense variation included; annual maintenance painting of the Delaware Memorial bridge decreased \$.78 million or 84%, operating supplies increased \$.22 million or 5.2%, facility/equipment maintenance decreased \$.11 million or 4%, uniforms and safety equipment increased \$84 thousand or 41% and utilities decreased \$.14 million or 4.5% as compared to 2011.
- Vessel operating expenses decreased \$.60 million or 14.4% in 2012 as compared to 2011. The largest expense variance was a decrease in drydocking expenses of \$.67 million or 95.7%, the result of no vessels going to the shipyard in 2012 as compared to three (3) vessels in 2011. Vessel fuel increased \$.20 million or 6.9% as the average cost per gallon rose to \$3.21 as compared to \$3.15 in 2011.
- Insurance expenses increased \$.16 million or 3.7% in 2012 as compared to 2011, the result of increases in premiums related to protection and indemnity insurance, workers compensation, business fleet automobile, public liability and public officials liability.
- Depreciation expense increased \$1.2 million or 5.5% in 2012 as compared to 2011. Overall, total capital depreciable assets increased \$1.6 million or .36% as compared to 2011.
- Other operating expenses increased \$.54 million or 63.3% in 2012 as compared to 2011, the result of a \$.76 million increase in self-insurance claims, a \$.26 million decrease in employee severance payouts and a \$43 thousand increase in economic development and miscellaneous projects.
- Non-operating expenses decreased \$2.4 million or 14.4% in 2012 as compared to 2011 as debt issuance costs increased \$.59 million or 225.6%, write-off of capital assets decreased \$.74 million or 63.4% and the elimination of a one-time non-operating expense of \$2.2 million that incurred in 2011.

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

EXPENSES

Fiscal 2011

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

- Employment costs, consisting of wages and benefits decreased \$72 thousand or .14% in 2011 to \$51.51 million as compared to \$51.58 in 2010. Employment costs accounted for 50.9% of total operating expenses in 2011 as compared to 51.3% in 2010. Total wages for 2011 decreased \$.68 million or 2.56% to \$25.75 million in 2011 as compared to \$26.43 million in 2010. This decrease reflects a reduction of \$.68 million or 3% in full time wages and an increase of \$48 thousand in temporary and overtime wages. Total benefits increased \$.60 million or 2.4% in 2011 to \$25.7 million as compared to \$25.1 million in 2010. The major factors toward the increase in benefits include a \$.49 million or 5.8% decrease in group health benefits and a \$1.2 million or 17.2% increase in OPEB funding.
- Administrative expenses decreased \$2 million or 22.1% in 2011. The major areas of expense variations include: education and training decreased \$67 thousand or 39%, advertising and marketing increased by \$73 thousand or 12%, computer supplies increased \$81 thousand or 15.4%, electronic toll processing decreased \$.31 million or 12.2%, write off of uncollectable tolls at the Delaware Memorial Bridge decreased \$1.6 million or 86% and merchant card processing decreased \$.17 million or 18.9% as compared to 2010.
- Facility maintenance and operating supplies increased \$1.3 million or 13.4% in 2011 as compared to 2010. The major areas of expense variance include: annual maintenance painting on the Delaware Memorial Bridge increased \$.83 million or 1,219%, operating supplies increased \$.54 million or 14.6%, facility maintenance and repair expenses increased \$.17 million or 7% and utility expenses decreased \$.18 million or 5.5% as compared to 2010.
- Vessel operating expenses increased \$1.3 million or 45% in 2011 as compared to 2010. The largest increase is due to rising fuel costs. Vessel fuel increased \$.51 million or 25% in 2011 as the average cost per gallon rose 95 cents in 2011 to \$3.15 per gallon as compared to \$2.20 in 2010. Vessel drydocking expenses increased \$.48 million or 1,135% in 2011, the result of three vessels going to drydock as compared to no vessels in 2010.
- Insurance expenses increased \$39 thousand or .92% in 2011 as compared to 2010. Property damage and loss of revenue insurance for the Delaware Memorial Bridge increased \$54 thousand or 5.2% in 2011 and other insurance expense consisting of property, casualty, general liability and workers compensation decreased \$19 thousand or .93% as compared to 2010.
- Depreciation expense increased \$.58 million or 2.71% in 2011 as compared to 2010. Overall, total capital depreciable assets increased \$25.6 million or 6.1% as compared to 2010.
- Other operating expenses decreased \$.66 million or 43.3% in 2011 as compared to 2010, the result of a \$.62 million decrease in self insurance expenses, an \$86 thousand increase in employee severance payouts and a \$95 thousand decrease in miscellaneous projects.
- Non-operating expenses increased \$1.7 million or 11% in 2011 as compared to 2010 as interest on bonds decreased \$.34 million or 2.7%, write off of capital assets decreased \$.20 million or 14.5% and a one-time expense related to land acquisition at Delaware Air Park.

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

SUMMARY OF CASH FLOW ACTIVITIES

The following table shows a summary of the major sources and uses of cash and cash equivalents for the periods ending December 31, 2012, 2011 and 2010. Cash equivalents are considered highly liquid investments with a maturity of three months or less (in thousands).

SUMMARY OF CASH FLOW ACTIVITIES

	2012 Actual	Percent Increase/ (Decrease)	2011 Actual	Percent Increase/ (Decrease)	2010 Actual	Percent Increase/ (Decrease)
Cash Flow from Operating Activities	\$ 47,010	53.9%	\$ 30,541	55.5%	\$ 19,646	-42.8%
Cash Flow from Capital and Related Financing Activities	13,102	-133.8%	(38,725)	-1.3%	(39,246)	-12.2%
Cash Flow from Investing Activities	<u>(59,453)</u>	-1109.9%	<u>5,887</u>	-72.8%	<u>21,673</u>	124.3%
Net Increase (Decrease) in Cash and Cash Equivalents	659	-128.7%	(2,297)	-210.8%	2,073	-389.5%
Cash and Cash Equivalents, Jan. 1, 2012	<u>5,787</u>	-28.4%	<u>8,084</u>	34.5%	<u>6,011</u>	-10.6%
Cash and Cash Equivalents, Dec. 31, 2012	<u>\$ 6,446</u>	11.4%	<u>\$ 5,787</u>	-28.4%	<u>\$ 8,084</u>	34.5%

The Authority's available cash equivalents increased \$.66 million or 11.4% during 2012 from \$5.8 million at the end of 2011 to \$6.4 million at the end of 2012. During 2011, the available cash equivalents decreased \$2.3 million or 28.4% from \$8.1 million at the end of 2010 to \$5.8 million at the end of 2011.

CAPITAL ASSETS

The Authority's investment in capital assets for its activities through December 31, 2012 amounted to \$503.1 million (net of depreciation), which represents a 1% increase in capital assets over 2011.

At December 31, 2011, the amount invested in capital assets was \$498.3 (net of depreciation), which represented a .81% decrease in capital assets over 2010.

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

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

The following table shows a summary of the Authority's investments in capital assets (net of depreciation) for the periods ending December 31, 2012, 2011 and 2010 (in thousands).

SUMMARY OF CHANGES IN CAPITAL ASSETS

	2012 Actual	Percent Increase/ (Decrease)	2011 Actual	Percent Increase/ (Decrease)	2010 Actual	Percent Increase/ (Decrease)
Land	\$ 10,966	0.0%	\$ 10,966	0.0%	\$ 10,966	0.0%
Land Improvements	48,080	-5.1%	50,673	-4.8%	53,211	-4.4%
Buildings	94,875	-2.7%	97,464	-1.8%	99,275	-0.1%
Machinery & Equipment	14,810	-7.9%	16,086	-7.9%	17,473	-2.4%
Infrastructure	232,277	5.7%	219,701	17.6%	186,805	1.0%
Vessels	55,520	-7.6%	60,061	-2.6%	61,648	-3.5%
Construction in Progress	46,535	7.4%	43,318	-37.4%	69,163	1.1%
	<u>\$ 503,063</u>	1.0%	<u>\$ 498,269</u>	-0.1%	<u>\$ 498,541</u>	-0.5%

CAPITAL ASSETS

The major capital investments undertaken during 2012 include:

- Cable Inspection – 1st & 2nd Structure – Delaware Memorial Bridge (\$5.5 million)
- Approach Road Repaving – Cape May – Lewes Ferry (\$5.2 million)
- Passenger Loader Tube Replacement – Cape May – Lewes Ferry (\$2.1 million)
- Tower Elevator Replacement – Delaware Memorial Bridge (\$1.7 million)
- Taxiway H Extension – New Castle Airport (\$1.5 million)
- I295 South Approach Road Phase IV – Delaware Memorial Bridge (\$1.3 million)
- First Structure Improvement Program – Delaware Memorial Bridge (\$1.2 million)
- Obstruction Removal – Millville Airport (\$.96 million)
- Taxiway B & G Rehabilitation – Millville Airport (\$.74 million)

**DELAWARE RIVER AND BAY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012**

DEBT ADMINISTRATION

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

<u>Issue</u>	<u>Moody's</u>	<u>S&P</u>
Series 2004 Refunding Revenue Bonds	A1	A
Series 2005 Refunding Revenue Bonds	A1	A
Series 2008 Variable Rate Revenue Bonds	A1/VMIG1	A
Series 2012A Revenue Bonds	A1	A
Series 2012B Refunding Revenue Bonds	A1	A

During 2012, the Authority's outstanding bonds were re-evaluated by both Moody's and Standard & Poor's. Moody's maintained its "A1" rating continuing to view the Authority with a long stable outlook. Standard & Poor's affirmed its "A" rating with a stable outlook. Additional information on the Authority's long term debt can be found in Note 4 to the financial statements.

ADDITIONAL FINANCIAL INFORMATION

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

BASIC FINANCIAL STATEMENTS

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF NET POSITION
BUSINESS-TYPE ACTIVITIES
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u> <u>(As Restated)</u>
CURRENT ASSETS		
Unrestricted Assets:		
Cash and cash equivalents	\$ 6,446,363	\$ 5,787,012
Investments	57,338,904	55,839,381
Operating revenues receivable	3,296,496	3,025,029
Accrued investment income receivable	214,894	287,892
Note receivable (current portion)	177,822	195,012
Other accounts receivable	1,744,412	1,622,574
Federal grants receivable	3,272,663	768,456
Inventory	4,658,386	4,884,743
Prepaid expenses	2,156,755	2,310,766
Total unrestricted assets	<u>79,306,695</u>	<u>74,720,865</u>
Restricted assets		
Investments	105,098,725	44,744,740
Accrued investment income receivable	363,181	162,101
Total restricted assets	<u>105,461,906</u>	<u>44,906,841</u>
Total current assets	<u>184,768,601</u>	<u>119,627,706</u>
NONCURRENT ASSETS		
Property, plant and equipment		
Completed (net of accumulated depreciation)	456,528,602	454,951,343
Construction-in-progress	46,534,525	43,317,979
Total property, plant and equipment	<u>503,063,127</u>	<u>498,269,322</u>
Net pension asset	12,233,484	9,160,780
Note receivable	2,690,059	2,867,881
Total noncurrent assets	<u>517,986,670</u>	<u>510,297,983</u>
TOTAL ASSETS	<u>702,755,271</u>	<u>629,925,689</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Defeasance		
Total Deferred Outflows of Resources	<u>7,434,487</u>	<u>8,715,150</u>

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF NET POSITION
BUSINESS-TYPE ACTIVITIES
December 31, 2012 and 2011
(Continued)

	2012	2011 (As Restated)
CURRENT LIABILITIES		
Payable from unrestricted assets		
Accounts payable	\$ 4,630,629	\$ 4,832,656
Accrued wages payable	1,102,840	989,790
Unearned revenue	899,903	886,650
Liability for unpaid health claims	537,115	664,395
Customer and security deposits	156,701	193,672
Compensated absences, current portion	684,986	806,252
Payable from restricted assets		
Accounts payable	2,849,160	247
Interest payable	5,621,133	6,263,938
Loans payable	40,943	38,183
Revenue bonds payable, current portion	7,390,000	8,760,000
Total current liabilities	23,913,410	23,435,783
LONG-TERM LIABILITIES		
Compensated absences, less current portion	4,629,213	5,143,400
Net OPEB liability	12,097,211	12,140,526
Loans payable	987,586	1,028,529
Revenue bonds payable net, less current portion	336,776,876	282,842,350
Total long-term liabilities	354,490,886	301,154,805
TOTAL LIABILITIES	378,404,296	324,590,588
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Forward Purchase Agreement		
Total Deferred Inflows of Resources	3,227,152	3,503,793
NET POSITION		
Net Investment in capital assets	226,213,343	213,586,500
Restricted		
Trust agreement covenants	32,853,327	35,867,773
Unrestricted	69,491,640	61,092,185
TOTAL NET POSITION	\$ 328,558,310	\$ 310,546,458

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUSINESS-TYPE ACTIVITIES
Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u> <u>(As Restated)</u>
OPERATING REVENUES		
Bridge tolls	\$ 95,461,044	\$ 86,120,525
Ferry tolls	13,723,565	13,468,212
Food and novelty sales	3,820,423	3,541,016
Airport lease revenue	6,743,760	6,694,249
Economic development leases	1,382,154	1,370,002
Other operating revenue	4,478,186	3,483,183
	<u>125,609,132</u>	<u>114,677,187</u>
OPERATING EXPENSES		
Administrative and general		
Wages and benefits	8,812,285	8,778,747
Other expenses	8,963,724	7,595,568
Operations		
Wages and benefits	41,658,065	43,076,760
Other expenses	17,928,375	19,764,805
Depreciation expense	23,120,869	21,920,970
	<u>100,483,318</u>	<u>101,136,850</u>
Operating income	<u>25,125,814</u>	<u>13,540,337</u>
NON-OPERATING REVENUES (EXPENSE)		
Investment income	907,520	2,546,802
Investment fees	(607,364)	(603,861)
Interest on bonds	(12,489,612)	(12,575,266)
Debt issuance costs	(821,336)	-
Write-off of capital assets	(425,479)	(1,163,518)
Other non-operating expenses	-	(2,200,072)
Gain on sale of capital assets	19,212	51,674
	<u>(13,417,059)</u>	<u>(13,944,241)</u>
Income/(Loss) before capital contributions	11,708,755	(403,904)
Capital contributions	6,303,097	7,592,584
CHANGE IN NET POSITION	18,011,852	7,188,680
NET POSITION, BEGINNING OF YEAR	<u>310,546,458</u>	<u>306,531,798</u>
EFFECT OF ADOPTION OF GASB 65	<u>-</u>	<u>(3,174,020)</u>
NET POSITION, BEGINNING OF YEAR, As Restated	<u>-</u>	<u>303,357,778</u>
NET POSITION, END OF YEAR	<u>\$ 328,558,310</u>	<u>\$ 310,546,458</u>

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 120,437,282	\$ 109,846,051
Payments to employees	(54,236,052)	(53,988,361)
Payments to suppliers	(23,864,845)	(29,013,726)
Other operating receipts	4,673,198	3,696,926
	<u>47,009,583</u>	<u>30,540,890</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(29,301,978)	(25,038,823)
Proceeds from sale of capital assets	29,415	78,324
Capital contributions	6,303,097	7,592,583
Capital federal grants	(2,504,207)	(90,906)
Principal paid on capital debt	(8,798,183)	(8,435,609)
Proceeds from revenue and refunding bonds	96,655,000	-
Premium on bonds	9,819,199	-
Payment to refunded bonds escrow agent	(43,470,000)	-
Costs of issuance	(821,336)	-
Interest paid on capital debt	(14,808,580)	(12,830,130)
	<u>13,102,427</u>	<u>(38,724,561)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	779,438	2,651,616
Investment fees	(607,364)	(603,861)
Net change in investments	(59,624,732)	3,838,916
	<u>(59,452,658)</u>	<u>5,886,671</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	659,352	(2,297,000)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		
	<u>5,787,012</u>	<u>8,084,012</u>
CASH AND CASH EQUIVALENTS, END OF YEAR		
	<u>\$ 6,446,364</u>	<u>\$ 5,787,012</u>

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

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
Years Ended December 31, 2012 and 2011
(Continued)

	<u>2012</u>	<u>2011</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACITIVITIES		
Operating income	\$ 25,125,814	\$ 13,540,337
Adjustments to reconcile operating income to cash provided by operating activities		
Noncash Transfers		
Depreciation expense	23,120,869	21,920,970
Changes in operating assets and liabilities:		
Accounts receivable	(393,305)	477,852
Note receivable	195,012	213,743
Inventory	226,357	570,473
Prepaid expenses	154,011	(1,701,481)
Net pension asset	(3,072,704)	(3,622,714)
Accounts payable	2,759,936	(658,343)
Unpaid health claims	(127,280)	(261,877)
Net OPEB liability	(43,315)	1,978,562
Electronic toll liability	-	(666,756)
Unearned revenue	(263,388)	(240,723)
Customer and security deposits	(36,971)	(918,326)
Compensated absences	(635,453)	(90,827)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 47,009,583</u>	<u>\$ 30,540,890</u>

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

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF NET POSITION AVAILABLE FOR BENEFITS
FIDUCIARY FUND
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Investments at fair value		
Money market funds	\$ 4,937,671	\$ 4,973,282
Mutual funds	68,555,613	51,010,848
Corporate bonds	8,926,213	4,580,772
U.S. Government bonds	16,865,732	18,868,352
Municipal bonds	3,340,285	3,720,252
Fixed income funds	<u>17,940,349</u>	<u>17,201,756</u>
Total investments at fair value	<u>120,565,863</u>	<u>100,355,262</u>
Accrued interest	<u>44,108</u>	<u>34,397</u>
Total assets	<u>120,609,971</u>	<u>100,389,659</u>
LIABILITIES		
Accounts payable	<u>33,444</u>	<u>31,895</u>
TOTAL NET POSITION HELD IN TRUST FOR BENEFITS	<u><u>\$ 120,576,527</u></u>	<u><u>\$ 100,357,764</u></u>

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

DELAWARE RIVER AND BAY AUTHORITY
STATEMENTS OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS
FIDUCIARY FUND
Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ADDITIONS		
Investment income		
Net depreciation in fair value of assets	\$ 6,937,861	\$ (310,453)
Dividends	1,098,984	941,768
Interest	1,395,316	1,418,950
	<u>9,432,161</u>	<u>2,050,265</u>
Less investment expense	<u>94,996</u>	<u>106,400</u>
Total investment income	<u>9,337,165</u>	<u>1,943,865</u>
Contributions		
Employer	17,397,866	16,145,154
Plan member	625,244	594,597
Total contributions	<u>18,023,110</u>	<u>16,739,751</u>
Total additions	<u>27,360,275</u>	<u>18,683,616</u>
DEDUCTIONS		
Benefits paid to participants	6,807,371	6,808,057
Administrative expenses	<u>334,141</u>	<u>295,023</u>
Total deductions	<u>7,141,512</u>	<u>7,103,080</u>
Change in Net Position	20,218,763	11,580,536
NET POSITION AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>100,357,764</u>	<u>88,777,228</u>
END OF YEAR	<u>\$ 120,576,527</u>	<u>\$ 100,357,764</u>

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Basis of Presentation, Fund Accounting

The financial statements of the Authority have been prepared in accordance with generally accepted accounting principles applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Authority also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its business-type activities and enterprise funds, provided they do not conflict with or contradict GASB pronouncements.

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

Fiduciary funds are used to account for the accumulation of pension resources held in trust for employees.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

Budgets and Budgetary Accounting

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

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash on hand, cash on deposit with public depositories and investment money market funds. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are recorded at fair market value. Money market funds are classified as investments.

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

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

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

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

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

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

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

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

Inventory

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

Prepaid Expenses

Payments made to vendors for services that will benefit future periods beyond December 31, 2012 are recorded as prepaid expenses.

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

Debt issuance costs are expensed in the year the cost was incurred. Bond discounts / premiums and loss on defeasance are deferred and amortized over the life of the bonds using the effective interest method. Unamortized bonds discounts / premiums are presented as an adjustment of the face amount of the revenue bonds payable. Deferred loss on defeasance is presented as a Deferred Outflow of Resources in the Statement of Net Position.

Property, Plant and Equipment

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

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

Expenditures are capitalized when they meet the following requirements:

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment (Continued)

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

Depreciation

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

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

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

Depreciation begins when the asset is placed in service.

Post Employment Benefits

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

Interfund Receivables/Payables

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

Income Taxes

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

Operating and Non-Operating Revenues and Expenses

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating and Non-Operating Revenues and Expenses (Continued)

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

Accounts Receivable

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

Unearned Revenue

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The Authority has one item that qualifies for reporting in the category, the deferred loss on defeasances, which is reported in the Statement of Net Position.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in the category, the forward purchase agreement, which is reported in the Statement of Net Position.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Net Position

Net Position comprises the various earnings from operating income, non-operating revenues, expenses, and capital contributions. Net Position is classified in the following three components:

Invested in Capital Assets, net of Related Debt – 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 Invested in Capital Assets, net of Related Debt. 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 Net Position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.” This component includes Net Position that may be allocated for specific purposes by the Board.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 2 — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions

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

Trust Agreement

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

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

Debt Service Fund: This account is maintained to pay bond interest and principal. The balance on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on bonds and principal amount maturing on bonds when such payments are required. Monies held in the Debt Service Fund are held by the Trustee. The balance on December 31, 2012 meets the requirements of the Trust Agreement.

Debt Reserve Fund: Funds on deposit must be maintained at a level equal to the maximum annual principal and interest requirements to insure funds are available for payment of debt service. Monies held in the Debt Reserve Fund are held by the Trustee. The balance on December 31, 2012 of \$24,325,064 meets the requirements of the Trust Agreement.

Reserve Maintenance Fund: This account is used for unusual or extraordinary maintenance or repairs, maintenance or repairs not recurring annually, repairs or replacements resulting from emergencies, providing improvements to approaches and highways, insurance premiums on crossing facilities and engineering expenses incurred under the provisions of Section 509 of the Trust Agreement. Funds on deposit must be equal to \$4,000,000 at fiscal year end. Any excess shall be promptly transferred to the General Fund Account. The balance on December 31, 2012 meets the requirements of the Trust Agreement.

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

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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

Covenants as to Tolls

The Authority is required to fix, revise, charge and collect tolls and other charges for traffic using the crossing facilities in order to provide an amount of Net Revenues in each fiscal year equal to not less than 125% of the principal and interest requirements for such fiscal year. The Authority satisfied this requirement for the year ending December 31, 2012. To arrive at Net Revenues as defined in the Trust Agreement, the following adjustments to operating income need to be made:

	<u>2012</u>	<u>2011</u>
Operating income	\$ 25,125,814	\$ 13,540,337
Add:		
Net investment income (excluding construction fund)	1,793,141	1,942,941
Depreciation expense	23,120,869	21,920,970
General fund expense	1,404,187	859,911
Economic development expense	1,060,178	1,111,103
Airport fund expense	6,165,399	5,740,661
OPEB liability adjustment	(43,305)	1,978,562
Uncollectible toll expense	111,063	261,384
Inventory adjustments	226,357	570,471
Other miscellaneous adjustments	206,728	325,029
Liquidations of prior year encumbrances	<u>658,537</u>	<u>1,457,238</u>
	34,703,154	36,168,270
Less:		
Airport fund revenues	6,093,345	5,627,873
General fund revenues	2,129,044	1,987,570
Economic development revenue	1,707,477	1,781,619
Encumbrances fiscal year ending December 31, 2012	<u>2,108,587</u>	<u>1,959,985</u>
	<u>12,038,453</u>	<u>11,357,047</u>
Net revenues available for debt service coverage	<u>\$ 47,790,515</u>	<u>\$ 38,351,560</u>
Total debt service (principal and interest)	<u><u>\$ 19,846,423</u></u>	<u><u>\$ 21,331,889</u></u>
Debt service coverage	241%	180%

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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

Annual Budget for the years ended December 31:

	2012			2011		
	Projected Revenue	Actual Revenue	(Under) Over Budget	Projected Revenue	Actual Revenue	(Under) Over Budget
Revenue (excluding Grant Revenue)						
Delaware Memorial Bridge	\$ 97,500,000	\$ 95,461,044	\$ (2,038,956)	\$ 87,861,514	\$ 86,120,525	\$ (1,740,989)
Cape May-Lewes Ferry	14,000,000	13,664,204	(335,796)	14,326,465	13,406,195	(920,270)
Airports Division	5,213,500	6,020,565	807,065	6,161,786	5,518,154	(643,632)
Economic Development	1,370,172	1,382,154	(43,613)	1,707,971	1,370,002	(337,969)
Three Forts	62,018	59,361	(2,657)	73,636	62,018	(11,618)
Concessions	3,575,000	3,709,640	134,640	3,680,000	3,440,686	(239,314)
Investment income	2,500,000	300,156	(2,199,844)	3,277,397	1,942,941	(1,334,456)
Other income	2,356,085	3,072,338	716,253	2,060,382	2,671,708	611,326
Total revenue	\$ 126,576,775	\$ 123,669,462	\$ (2,962,908)	\$ 119,149,151	\$ 114,532,229	\$ (4,616,922)
	Projected Expenses	Actual ⁽¹⁾ Expenses	(Under) Over Budget	Revised Budget	Actual ⁽¹⁾ Expenses	(Under) Over Budget
Expenses						
Administration	\$ 17,133,978	\$ 17,069,264	\$ (64,714)	\$ 15,933,875	\$ 15,928,046	\$ (5,829)
Delaware Memorial Bridge	18,986,128	18,904,542	(81,586)	19,421,863	19,417,740	(4,123)
Cape May-Lewes Ferry	24,288,150	23,556,498	(731,652)	24,003,979	23,994,789	(9,190)
Authority Police	8,282,146	8,239,559	(42,587)	8,039,860	8,039,020	(840)
Airports Division	6,395,784	6,244,251	(151,533)	6,194,608	5,925,934	(268,674)
Economic Development	1,132,110	1,060,178	(71,932)	1,132,400	1,111,103	(21,297)
Three Forts	119,485	112,319	(7,166)	92,683	89,987	(2,696)
Concessions	4,314,135	4,212,129	(102,006)	4,129,801	4,118,747	(11,054)
Total operating expenses ⁽²⁾	80,651,916	79,398,740	(1,253,176)	78,949,069	78,625,366	(323,703)
Bond interest	12,827,875	12,456,423	(271,364)	12,827,875	12,571,889	(255,986)
Bond principal	8,760,000	7,390,000	(1,700,000)	8,760,000	8,760,000	-
Total expenses	\$ 102,239,791	\$ 99,245,163	\$ (3,224,540)	\$ 100,536,944	\$ 99,957,255	\$ (579,689)

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

(2) Expense reconciliation to financial statements:

	2012	2011
Operating expenditures (budgetary method)	\$ 79,398,740	\$ 78,625,366
Adjustments:		
Encumbrances - fiscal year ending December 31, 2011	(2,108,587)	(1,959,985)
Liquidation of prior year encumbrances	658,537	1,457,238
Depreciation expense	23,120,869	21,920,970
Uncollectible Toll Expense	111,063	261,384
Pension Contributions over ARC	(3,072,704)	(3,622,715)
OPEB liability expense adjustment	(43,305)	1,978,562
Merchant card services	578,328	720,619
Inventory adjustments	229,462	570,473
General fund expenses	1,404,187	859,911
Other miscellaneous adjustments	206,728	325,027
Operating expenses	\$ 100,483,318	\$ 101,136,850

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

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

Toll Revenue

2012 Toll Class	Bridge		Ferry	
	Vehicles	Revenue	Vehicles or Passengers	Revenue
1	12,024,566	\$ 47,625,020	255,000	\$ 8,934,889
2	255,010	2,506,940		-
3	169,688	2,502,885		-
4	139,855	2,751,600	1,432	62,115
5	1,425,271	34,945,925	2,660	137,736
6	29,630	872,130	2,107	127,899
7	1,899	113,940	2,385	175,408
8	9,988	341,705		-
9	1,254,127	1,254,127	362	32,793
10	1,346,766	1,683,458	7,220	223,069
11	63,596	374,016		-
12	59,350	465,568	12	2,148
13	2,814	23,730		-
Passengers:	Adults	-	674,839	3,612,926
	Child	-	71,128	331,567
	Bus Adult	-	4,653	22,273
	Bus Child	-	437	1,381
Special groups				-
Non-revenue	21,406		45,664	*
Total	<u>16,803,966</u>	<u>\$ 95,461,044</u>	<u>1,067,899</u>	<u>\$ 13,664,204</u>

* Includes children under 6 years of age.

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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

Toll Revenue (Continued)

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

* Includes children under 6 years of age.

NOTE 3 — DETAIL NOTES — ASSETS

Cash and Cash Equivalents

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2012 and 2011, the Authority held \$6,963,962 and \$5,171,610 in cash and cash equivalents in financial institutions, with \$955,264 and \$3,923,960 held in uncollateralized accounts in excess of federal depository insurance limits, respectively.

Investments

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 3 — DETAIL NOTES — ASSETS (CONTINUED)

Investments (Continued)

Of the Authority's \$162,437,629 investments in US Government Securities, US Government Agencies, Municipal Bond, Corporate Bonds and Money Market Funds, all \$162,437,629 of investments are registered in the name of the Authority and held by the counterparty.

Of the \$97,847,766 investments held in the Authority's Pension Trust Fund, \$86,353,924 are registered in the name of the Authority and held by the counterparty. The remaining \$11,493,841 of Other Investments is held by Allmerica Financial Life Insurance Company within their general investment portfolio.

Of the \$22,718,097 investments held in the OPEB Trust Fund, all \$22,718,097 are in Money Market Funds, Mutual Funds, and Fixed Income Funds and are registered in the name of the Authority and held by the counterparty.

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

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

As of December 31, 2012 and 2011, the Authority had the following investments and maturities. (Amounts are in thousands)

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
December 31, 2012					
Investment Type					
Corporate and municipal obligations	\$ 51,173	\$ 18,254	\$ 28,863	\$ 1,654	\$ 2,402
U.S. Government Agencies	46,314	6,511	7,997	2,063	29,743
U.S. Government Bonds/Notes	29,973	16,935	13,038	-	-
Money market funds	34,977	-	-	-	34,977
Total	\$ 162,437	\$ 41,700	\$ 49,898	\$ 3,717	\$ 67,122
December 31, 2011					
Investment Type					
Corporate and municipal obligations	\$ 40,887	\$ 16,774	\$ 21,083	\$ 2,192	\$ 838
U.S. Government Agencies	24,715	-	3,606	1,104	20,005
U.S. Government Bonds/Notes	17,469	10,710	6,759	-	-
Money market funds	17,513	-	-	-	17,513
Total	\$ 100,584	\$ 27,484	\$ 31,448	\$ 3,296	\$ 38,356

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 3 — DETAIL NOTES — ASSETS (CONTINUED)

Investments (Continued)

As of December 31, 2012 and 2011, the Pension and OPEB Trust Funds had the following investments and maturities (amounts are in thousands).

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
December 31, 2012					
Investment Type					
Corporate bonds/notes	\$ 13,178	\$ 3,789	\$ 2,042	\$ 6,513	\$ 834
Municipal obligations	3,442	-	108	458	2,876
U.S. Government Agencies	11,667	-	1,320	183	10,164
U.S. Government Bonds/Notes	5,079	-	820	4,259	-
Money market funds	5,207	5,207	-	-	-
Equity index funds	70,499	70,499	-	-	-
Fixed Income Fund	11,494	11,494	-	-	-
Total	\$ 120,566	\$ 90,989	\$ 4,290	\$ 11,413	\$ 13,874
December 31, 2011					
Investment Type					
Corporate bonds/notes	\$ 5,183	\$ -	\$ 2,007	\$ 3,148	\$ 28
Municipal obligations	4,669	-	625	1,973	2,071
U.S. Government Agencies	11,412	-	63	908	10,441
U.S. Government Bonds/Notes	8,763	227	744	7,792	-
Money market funds	4,973	4,973	-	-	-
Equity index funds	52,927	52,927	-	-	-
Fixed Income Fund	12,428	12,428	-	-	-
Total	\$ 100,355	\$ 70,555	\$ 3,439	\$ 13,821	\$ 12,540

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 3 — DETAIL NOTES — ASSETS (CONTINUED)

Authority Investments

Presented below are summaries of the Authority's investments by type and credit rating as of December 31, 2012.

<u>Investment Type</u>	<u>Rating *</u>	<u>% of Total Investments</u>
Corporate Bonds and Municipal Obligations	AAA	2.59%
Corporate Bonds and Municipal Obligations	AA+	4.17%
Corporate Bonds and Municipal Obligations	AA-	1.83%
Corporate Bonds and Municipal Obligations	AA	3.31%
Corporate Bonds and Municipal Obligations	A+	0.85%
Corporate Bonds and Municipal Obligations	A-	2.42%
Corporate Bonds and Municipal Obligations	A	0.84%
Corporate Bonds and Municipal Obligations	A1+	3.64%
Corporate Bonds and Municipal Obligations	A1	6.60%
Corporate Bonds and Municipal Obligations	BBB+	1.37%
Corporate Bonds and Municipal Obligations	BBB	0.74%
Corporate Bonds and Municipal Obligations	NR	3.13%
Federal Home Loan	AA+	0.15%
Federal Home Loan Bank	AA+	0.27%
Federal Home Loan Mortgage Corporation	AA+	15.73%
Federal National Home Loan Mortgage Association	AA+	0.89%
Federal National Mortgage Association	AA+	5.14%
Government National Mortgage Association	AA+	6.33%
U.S. Treasury Notes	AAA	6.28%
U.S. Treasury Notes	AA+	12.17%
Money Markets Funds	AAA	1.83%
Money Markets Funds	A-	17.24%
Money Markets Funds	NR	2.48%

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 3 — DETAIL NOTES – ASSETS (CONTINUED)

Combined Pension Fund and OPEB Investments

<u>Investment Type</u>	<u>Rating *</u>	<u>Total Investments</u>
Corporate Bonds/Notes	AA+	0.27%
Corporate Bonds/Notes	A+	0.80%
Corporate Bonds/Notes	A-	1.58%
Corporate Bonds/Notes	A	0.33%
Corporate Bonds/Notes	BBB+	2.49%
Corporate Bonds/Notes	BBB	1.99%
Corporate Bonds/Notes	NR	3.47%
Municipal Obligations	AAA	0.95%
Municipal Obligations	AA+	0.15%
Municipal Obligations	A+	1.23%
Municipal Obligations	NR	0.52%
Federal Home Loan Bank Bond	AA+	0.85%
Federal Home Loan Mortgage Corporation	AA+	4.09%
Federal National Mortgage Association	AA+	3.61%
Government National Mortgage Association	AA+	1.12%
U.S. Treasury Notes	AA+	4.21%
Money Markets Funds	A-	0.22%
Money Markets Funds	NR	4.10%
Equity Index Funds	NR	58.49%
Fixed Income Funds	NR	9.53%

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

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 3 — DETAIL NOTES – ASSETS (CONTINUED)

Note Receivable

On March 1, 2005, the Authority entered into an agreement with the Diamond State Port Corporation (“DSPC”). Under the agreement, the Authority is required to fund DSPC’s warehouse project in the amount of \$4,000,000 (See Note 4, Lease Obligations). On April 20, 2006, the Authority sent \$3,400,000 to the DSPC, which represented 85% of the project’s funding. The Authority remitted the remaining \$600,000 to the DSPC on June 1, 2007. The note is payable over 20 years in equal monthly installments of \$21,785.57. Interest rates range from 1.50% (years 1-5), 3.00% (years 6-10) and 5.32% (years 11-20), for an internal rate of return of 2.80%. The DSPC began making payments July 1, 2007. The balance of the note at December 31, 2012 and 2011 was \$2,867,881 and \$3,062,893, respectively.

Property, Plant and Equipment

The following schedule details changes in Property, Plant and Equipment by major class that occurred during the year ended December 31, 2012:

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Capital assets					
Not being depreciated:					
Land	\$ 10,966,412	\$ -	\$ -	\$ -	\$ 10,966,412
Construction-in-progress	43,317,979	28,095,742	(1,353,430)	(23,525,766)	46,534,525
Total, not being depreciated	<u>54,284,391</u>	<u>28,095,742</u>	<u>(1,353,430)</u>	<u>(23,525,766)</u>	<u>57,500,937</u>
Capital assets, being depreciated					
Land improvements	230,242,005	65,872	-	113,911	230,421,788
Buildings	135,107,910	377,709	(26,000)	393,542	135,853,161
Machinery and equipment	55,840,947	80,397	(177,120)	1,648,640	57,392,864
Vessels	144,937,340	-	-	154,456	145,091,796
Infrastructure	455,939,172	669,587	-	21,215,217	477,823,976
Total, being depreciated	<u>1,022,067,374</u>	<u>1,193,565</u>	<u>(203,120)</u>	<u>23,525,766</u>	<u>1,046,583,585</u>
Accumulated depreciation					
Land improvements	(179,568,762)	(2,773,243)	-	-	(182,342,005)
Buildings	(37,644,273)	(3,352,168)	18,537	-	(40,977,904)
Machinery and equipment	(39,754,567)	(3,002,380)	174,380	-	(42,582,567)
Vessels	(84,876,690)	(4,694,935)	-	-	(89,571,625)
Infrastructure	(236,238,151)	(9,309,143)	-	-	(245,547,294)
Total accumulated depreciation	<u>(578,082,443)</u>	<u>(23,131,869)</u>	<u>192,917</u>	<u>-</u>	<u>(601,021,395)</u>
Total capital assets, being depreciated, net	<u>443,984,931</u>	<u>(21,938,304)</u>	<u>(10,203)</u>	<u>23,525,766</u>	<u>445,562,190</u>
Total capital assets, net	<u>\$ 498,269,322</u>	<u>\$ 6,157,438</u>	<u>\$ (1,363,633)</u>	<u>\$ -</u>	<u>\$ 503,063,127</u>

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 3 — DETAIL NOTES – ASSETS (CONTINUED)

Property, Plant and Equipment (Continued)

Total depreciation expense for Fiscal Year 2012 and 2011 was \$23,120,869 and \$21,920,970, respectively. Depreciation expense was charged to operating activities as follows:

	<u>2012</u>	<u>2011</u>
Delaware Memorial Bridge	\$ 7,773,077	\$ 7,105,927
Cape May - Lewes Ferry	9,220,534	8,936,874
Administration	444,134	461,730
Police	125,532	122,078
Concessions	19,855	17,505
Three Forts Ferry	75,069	75,069
Airports	5,014,725	4,753,977
Salem Business Park	409,238	407,020
Riverfront Marketplace	38,705	40,790
Total depreciation expense	<u>\$ 23,120,869</u>	<u>\$ 21,920,970</u>

NOTE 4 — DETAIL NOTES – LIABILITIES

Compensated Absences

The Authority has recorded a liability through December 31, 2012 totaling \$5,314,199 for vacation and sick pay, with \$80,821 accruing and \$716,273 paid out to employees during Fiscal Year 2012. Benefits are earned according to the following policies:

Vacation Leave

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

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

- Vacation hours not used during the fiscal year may be carried over, but may not exceed the maximum accumulation.
- Part-time employees do not accrue vacation time.
- Employees, who resign, retire or are terminated, are paid for unused accrued vacation time, up to the established maximum accumulation.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Sick Leave

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

Post-Employment Benefits

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

At December 31, 2012, there were 353 retired employees and retired spouses utilizing these benefits and 364 active employees accruing future benefits. One hundred percent of all future retirees will be covered under the medical, life insurance, dental and vision plans. The benefits are determined by the Authority's Board of Commissioners.

Funding Policy: The contribution requirement of the Authority is established by the Authority's Board of Commissioners and may be amended by the same. The Authority has adopted the policy to fully fund its ARC. Plan members are not required to make any contributions to the plan. The actual contributions for the years ended December 31, 2012, 2011 and 2010 are \$10,674,291, \$9,841,446, and \$11,978,207, respectively. See Schedule 2 of the Required Supplementary Information Section for more detail.

Annual OPEB Cost and Net OPEB Obligation: The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$10,654,324, at a funded discount rate of 7.5%. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the Delaware River & Bay Authority Retiree Health Benefits Plan, and changes in the Authority's net OPEB obligation to the Delaware River & Bay Authority's Retiree Health Benefits Plan:

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES – LIABILITIES (CONTINUED)

Post-Employment Benefits (Continued)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual Required Contribution (ARC)	\$ 10,654,324	\$ 11,909,895	\$ 11,133,143
Interest on the Net OPEB Obligation	910,539	708,993	767,953
Adjustment to the ARC	<u>(933,887)</u>	<u>(798,880)</u>	<u>(767,953)</u>
Annual OPEB cost	10,630,976	11,820,008	11,133,143
Contributions made	<u>(10,674,291)</u>	<u>(9,841,446)</u>	<u>(11,978,207)</u>
Increase (Decrease) in net OPEB obligation	(43,315)	1,978,562	(845,064)
Net OPEB Obligation - Beginning of Year	<u>12,140,526</u>	<u>10,161,964</u>	<u>11,007,028</u>
Net OPEB Obligation - End of Year	<u>\$ 12,097,211</u>	<u>\$ 12,140,526</u>	<u>\$ 10,161,964</u>

Funded Status and Funding Progress: As of January 1, 2012, the most recent actuarial valuation date, the Delaware River & Bay Authority Retiree Health Benefit Plan was 10.96% funded. The actuarial accrued liability for benefits was \$130,580,878 and the actuarial value of assets was \$14,314,439, resulting in an unfunded actuarial accrued liability (UAAL) of \$116,266,439. The covered payroll (annual payroll of active employees covered by the plan) was \$35,991,000, and the ratio of the UAAL to the covered payroll was 323%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the Delaware River & Bay Authority Retiree Health Benefits Plan is funded and how this status has changed over the past several years. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Delaware River & Bay Authority Retiree Health Benefits Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Post-Employment Benefits (Continued)

In the January 1, 2012 actuarial valuation, the entry age normal cost method was used. The objective under this method is to allocate the Actuarial Present Value of the Projected Benefits of each individual on a level dollar basis between entry age and assumed exit age(s). Entry age under this method is the age at hire. The Plan's Normal Cost is the sum of the individual Normal Costs, and the Plan's Actuarial Accrued Liability is the sum of the individual Actuarial Liabilities. Under this method, actuarial gains (losses), as they occur, reduce (Increase) the unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over 26 years (30 years from January 1, 2008) as a level dollar amount on a closed basis. The significant actuarial assumptions include a 7.5% long term funding investment return assumption, an annual healthcare cost trend rate of 7.8% initially, reducing by decrements to an ultimate rate of 4.5% after twenty years, an annual dental cost trend rate of 6.9% initially, reducing by decrements to an ultimate rate of 4.5% after twenty years, a 4% per year salary increase rate for life insurance purposes and the RP2000 mortality table for males and females, projected to 2018 with scale AA.

Pension Plans

Defined Benefit Plan

Plan Description: The Authority maintains a defined benefit contributory pension plan which provides benefits for all full time permanent employees. The Delaware River & Bay Authority Employees Defined Benefit Plan (the DB Plan) is a single employer plan administered by the Authority. As of the valuation date January 1, 2012, there were 364 active participants, 140 terminated members entitled to, but not yet receiving benefits and 265 retirees and/or beneficiaries currently receiving benefits. A member may retire after completing ten (10) years of service and after reaching normal retirement age (sixty (60) years old), except police officers at the age of fifty five (55) or at the age at which twenty five (25) years of service has been completed, whichever occurs first. A member may take early retirement after completing ten (10) years of service and after reaching the age of fifty five (55) or age fifty (50) for police officers. The accrued benefit under early retirement is reduced by 1/3 % for each month that early retirement proceeds normal retirement. Benefits are unreduced after 25 years of service. Employee benefits vest after five (5) years of service. Benefits and refunds of the defined benefit plan are paid when due and payable in accordance with the terms of the plan.

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Pension Plans (Continued)

Defined Benefit Plan (Continued)

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

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

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

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

Annual Pension Cost: For fiscal years ended December 31, 2012, 2011 and 2010, the Authority's annual pension costs for the DB Plan were \$6,027,652, \$6,253,210, and \$6,147,831, respectively. As a contributory plan, Authority employees are required to contribute 3% of annual base earnings up to the Social Security taxable wage base and 5% for amounts in excess of the base. Actual contributions from employees for plan years ending December 31, 2012, 2011 and 2010 were \$625,244, \$637,361, and \$652,280, respectively. In keeping with its funding policy, the Authority contributed 100% of the recommended contributions for those years. Employer contribution information can be found in Schedule 4 as part of the Required Supplementary Information Section.

The required contribution for the year ended December 31, 2012 was determined using the individual Entry Age Normal method. The objective under this method is to allocate the Actuarial Present Value of the Projected Benefits of each individual on a level basis over the earnings of the individual between entry age and assumed exit age. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability. The annual pension cost is calculated using a "one year" lag methodology of funding. Under this methodology, the pension cost for a given year is based on data and assets from the previous year projected forward for one year.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Pension Plans (Continued)

Defined Benefit Plan (Continued)

The current actuarial valuation report showing contributions for the Plan Year ending December 31, 2012 include the following significant actuarial assumptions: (a) 7.5% investment rate of return for assets held in the Pension Trust and a 4% return for assets held under the Allmerica Contract, (b) projected annual salary increases of 4%, (c) inflation rate of 3%, (d) RP 2000 mortality table and (e) 50% of DB Plan participants elect a life annuity and 50% elect a lump sum distribution. Post retirement benefit adjustments are addressed on an ad-hoc basis. DB Plan assets are adjusted for valuation purposes using a method based on market value of assets. Under this method, asset gains or losses will be spread over five (5) years. If the result is outside an 80% to 120% corridor around market value, an additional adjustment maintains the actuarial value of assets at the appropriate corridor limit. Funding progress information can be found in Schedule 1 as part of the Required Supplementary Section.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual Required Contribution (ARC)	\$ 5,954,948	\$ 6,172,705	\$ 5,965,828
Contributions made	<u>9,027,652</u>	<u>9,795,419</u>	<u>11,503,894</u>
Increase in net pension asset	3,072,704	3,622,714	5,538,066
Net pension asset - beginning of year	<u>9,160,780</u>	<u>5,538,066</u>	<u>-</u>
Net pension asset - end of year	<u>\$ 12,233,484</u>	<u>\$ 9,160,780</u>	<u>\$ 5,538,066</u>

Funded Status and Funding Progress: As of January 1, 2012, the most recent actuarial valuation date, the Delaware River & Bay Authority Employees Retirement Plan was 79% funded. The actuarial accrued liability for benefits was \$113,054,096 and the actuarial value of assets was \$89,263,803, resulting in an unfunded actuarial accrued liability (UAAL) of \$23,790,293. The covered payroll (annual payroll of active employees covered by the plan) was \$21,225,083, and the ratio of the UAAL to the covered payroll was 112.1%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the Delaware River & Bay Authority Employees Retirement Plan is funded and how this status has changed over the past several years. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Delaware River & Bay Authority Employees Retirement Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Pension Plans (Continued)

Defined Benefit Plan (Continued)

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

Unfunded actuarial accrued liability is amortized over 17 years (20 years beginning on January 1, 2009) as a level dollar amount on a closed basis.

The annual pension cost is calculated using a "one-year lag" methodology of funding. Under this methodology, the pension cost for a given year is based on data and assets from the previous year projected forward for one year.

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

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

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

Defined Contribution Plan

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

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Pension Plans (Continued)

Defined Contribution Plan (Continued)

Funding Policy: The contribution requirements for both the employees and employer are established and amended by the Authority as authorized by the Board of Commissioners. Authority employees are required to contribute 2% of their base salary. In addition, employees can contribute an optional 2% of their base salary into the plan. The Authority contributes a 25% match to the required 2% contribution and a 75% match to the optional 2% contribution. The employees' contributions were \$1,359,161, \$1,405,289, and \$1,350,359 for 2012, 2011 and 2010, respectively. The Authority's contribution was \$394,739, \$406,430, and \$400,348 for 2012, 2011 and 2010, respectively. As of December 31, 2012, the value of the DC Plan was \$21,878,368.

Health Claims Liability

The Authority maintains an Administrative Service Only (ASO) arrangement with Blue Cross Blue Shield of Delaware (BCBS of DE). Under the ASO, the Authority provides five health related Plans available to active employees and retirees. The Plans include: Preferred Provider Organization Plan, Managed Care Plan, Medicare Supplement Plan, Prescription Drug Plan and Dental Care Plan. BCBS of DE is paid a monthly fee to administer each Plan. The fee is based on the number and type of Plans utilized by each employee and retiree. The Authority is self insured for claims under the Plans, with stop loss protection of \$125,000 per claim. In 2012, the Authority insured for a monthly liability of \$825,673 with an annual aggregate liability of \$9,908,079. At the end of each fiscal year, BCBS of DE estimates the outstanding claims liability for the Plans. Scheduled below is a reconciliation of the changes in claims liability for the fiscal years ending December 31, 2012, 2011 and 2010.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Beginning claims liability - 1/1	\$ 625,895	\$ 714,396	\$ 646,700
Total incurred claims	5,816,463	8,410,835	9,033,419
Total paid claims	<u>(5,953,320)</u>	<u>(8,499,336)</u>	<u>(8,965,723)</u>
Ending claims liability - 12/31	<u>\$ 489,038</u>	<u>\$ 625,895</u>	<u>\$ 714,396</u>

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Loans Payable

Development Agreement – Cumberland Empowerment Zone Corp.

In September 2002, the Authority entered into a development agreement with the City of Millville and the Cumberland Empowerment Zone Corp. (CEZC) to develop and construct a 40,000 square foot aviation maintenance hangar and aviation incubator building at the Millville Airport. The project was funded partially by the Authority (\$1,500,000), through grants provided by the United States Economic Development Administration (\$1,620,000) and the New Jersey Department of Transportation (\$250,000) and a loan from CEZC (\$1,200,000).

Upon completion of the project and leasing of the facility, the Authority and the CEZC shall on a pari passu basis, share in the net proceeds generated from the lease of the project improvements. The proceeds shall be used to recover each party's respective investment over a twenty (20) year period with interest accruing at a rate of seven percent (7%) per year on the CEZC loan and at 7% per year on the Authority's investment. The hangar facility is fully leased. A total of \$111,643 was paid to the CEZC in FY 2012. The balance of the loan at December 31, 2012 is \$1,028,529.

Lease Obligations

New Castle County Airport Lease

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

Cape May County Airport Lease

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

Civil Air Terminal Lease

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Lease Obligations (Continued)

Millville Airport Lease

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

Delaware Air Park Lease

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

Delaware Breakwater Lighthouse

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

The initial term of the lease is for ten years expired on June 30, 2011. Lease payments were one dollar per year.

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

In January 2013, the Authority agreed to make a lease termination payment in the amount of \$100,000 to the State of Delaware, Department of Historical and Cultural Affairs for purposes of the continued maintenance and preservation of the Breakwater Lighthouse and obtain an appropriate release of liability.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Lease Obligations (Continued)

Diamond State Port Corporation

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

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

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

Bonded Indebtedness

At December 31, 2012, the Authority had \$328,120,000 in revenue and refunding revenue bonds outstanding. The bonds were issued in 2004, 2005, 2008 and 2012. These bonds were issued pursuant to the Trust Agreement dated October 1, 1993 between the Authority and the Bank of New York Mellon.

Advanced Refunding and Defeased Debt

In November 2012, the Authority issued \$58,635,000 in Series 2012A revenue bonds and \$38,020,000 in Series 2012B refunding bonds with interest rates ranging from 3% to 5%. The proceeds of the Series 2012A Bonds are to be used for funding a portion of various capital projects relating to the Authority's current five-year capital plan. The proceeds of the 2012B Bonds along with other available Authority funds were used to advance refund \$43,470,000 of outstanding 2003 revenue bonds which had interest rates ranging from 4% to 5%. The net proceeds of \$40,648,626 (including a \$2,941,205 of net original issue premium) along with \$3,908,124 of other available Authority funds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on refunded bonds until the call date of January 1, 2013. As a result, the 2003 bonds are considered defeased and the liability for those bonds has been removed from statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$397,841. This amount is recorded as a deferred charge on refunding and is amortized over the shorter of the life of the refunded or refunding debt. The Authority advance refunded the 2003 revenue bonds to reduce its total debt service payments over 20 years by \$12,722,377 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$8,810,995.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

In prior years, the Authority advance refunded certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The investments and fixed earnings from the trust investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Authority's financial statements. As of December 31, 2012, in addition to the \$43,470,000 of Series 2003 Bonds described above, \$20,630,000 of revenue bonds outstanding from prior years is considered defeased. All of the defeased bonds are callable on January 1, 2013.

Outstanding Bonds

	Annual Interest Rate	Bond Year Ending January 1,	Principal Amount	Interest	Total Debt Service
(4) Series 2004	5.00%	2013	5,250,000	1,317,250	6,567,250
	5.00%	2014	5,510,000	1,054,750	6,564,750
	5.00%	2015	5,785,000	779,250	6,564,250
	5.00%	2016	6,070,000	490,000	6,560,000
	5.00%	2017	3,730,000	186,500	3,916,500
Total Series 2004			<u>\$ 26,345,000</u>	<u>\$ 3,827,750</u>	<u>\$ 30,172,750</u>

	Annual Interest Rate	Bond Year Ending January 1,	Principal Amount	Interest	Total Debt Service
(4) Series 2005	3.5/5.00%	2013	2,140,000	8,649,165	10,789,165
	3.6/5.00%	2014	4,090,000	8,547,565	12,637,565
	3.75/5.00%	2015	4,240,000	8,400,325	12,640,325
	3.75/5.00%	2016	4,455,000	8,190,075	12,645,075
	5.00%	2017	7,415,000	7,967,325	15,382,325
	4.0/5.00%	2018	11,890,000	7,596,575	19,486,575
	4.0/5.00%	2019	12,490,000	7,003,575	19,493,575
	4.0/5.00%	2020	13,100,000	6,389,375	19,489,375
	4.125/5.00%	2021	13,750,000	5,741,875	19,491,875
	4.0/5.00%	2022	14,425,000	5,067,500	19,492,500
	5.00%	2023	12,215,000	4,346,250	16,561,250
	5.00%	2024	12,825,000	3,735,500	16,560,500
	4.37/5.00%	2025	13,465,000	3,094,250	16,559,250
	4.125/5.00%	2026	14,135,000	2,421,250	16,556,250
	5.00%	2027	14,840,000	1,714,500	16,554,500
	5.00%	2028	15,585,000	972,500	16,557,500
4.35/5.00%	2029	4,060,000	193,250	4,253,250	
Total Series 2005			<u>\$ 175,120,000</u>	<u>\$ 90,030,855</u>	<u>\$ 265,150,855</u>

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

(4) Series 2008	4.50%	2013	-	1,350,000	1,350,000
	4.50%	2014	-	1,350,000	1,350,000
	4.50%	2015	-	1,350,000	1,350,000
	4.50%	2016	-	1,350,000	1,350,000
	4.50%	2017	-	1,350,000	1,350,000
	4.50%	2018	-	1,350,000	1,350,000
	4.50%	2019	-	1,350,000	1,350,000
	4.50%	2020	-	1,350,000	1,350,000
	4.50%	2021	-	1,350,000	1,350,000
	4.50%	2022	-	1,350,000	1,350,000
	4.50%	2023	-	1,350,000	1,350,000
	4.50%	2024	-	1,350,000	1,350,000
	4.50%	2025	-	1,350,000	1,350,000
	4.50%	2026	-	1,350,000	1,350,000
	4.50%	2027	-	1,350,000	1,350,000
	4.50%	2028	12,300,000	1,350,000	13,650,000
	4.50%	2029	17,700,000	796,500	18,496,500
Total Series 2008			<u>\$ 30,000,000</u>	<u>\$ 22,396,500</u>	<u>\$ 52,396,500</u>

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

	<u>Annual Interest Rate</u>	<u>Bond Year Ending January 1,</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
(4) Series 2012	-	2013	-	637,926	637,926
	-	2014	-	4,175,513	4,175,513
	-	2015	-	4,175,513	4,175,513
	-	2016	-	4,175,513	4,175,513
	-	2017	-	4,175,513	4,175,513
	-	2018	-	4,175,513	4,175,513
	-	2019	-	4,175,513	4,175,513
	-	2020	-	4,175,513	4,175,513
	-	2021	-	4,175,513	4,175,513
	-	2022	-	4,175,513	4,175,513
	5.00%	2023	2,780,000	4,175,513	6,955,513
	5.00%	2024	2,915,000	4,036,513	6,951,513
	5.00%	2025	3,060,000	3,890,763	6,950,763
	3.00%	2026	3,220,000	3,737,763	6,957,763
	4.00%	2027	3,315,000	3,641,163	6,956,163
	4.00%	2028	3,445,000	3,508,563	6,953,563
	4.00%	2029	3,585,000	3,370,763	6,955,763
	4.00%	2030	3,725,000	3,227,363	6,952,363
	4.0/3.00%	2031	11,175,000	3,078,363	14,253,363
	4.0/3.125%	2032	11,585,000	2,670,113	14,255,113
	4.0/3.25%	2033	12,005,000	2,241,625	14,246,625
	5.00%	2034	3,250,000	1,792,250	5,042,250
	5.00%	2035	3,415,000	1,629,750	5,044,750
	5.00%	2036	3,585,000	1,459,000	5,044,000
	5.00%	2037	3,765,000	1,279,750	5,044,750
	5.00%	2038	3,950,000	1,091,500	5,041,500
	5.00%	2039	4,150,000	894,000	5,044,000
	5.00%	2040	4,355,000	686,500	5,041,500
	5.00%	2041	4,575,000	468,750	5,043,750
	5.00%	2042	4,800,000	240,000	5,040,000
Total Series 2012			<u>\$ 96,655,000</u>	<u>\$ 85,337,538</u>	<u>\$ 181,992,548</u>

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

Total bonded indebtedness	\$ 328,120,000
Less:	
Current portion	(7,390,000)
Premium on bonds	16,046,876
	16,046,876
Total long-term bond indebtedness	\$ 336,776,876

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

Summary of Long-Term Liabilities

	Outstanding Jan. 1, 2012	Additions	Reductions	Outstanding Dec. 31, 2012	Current Due Within One Year
Revenue bonds payable	\$ 283,695,000	\$ 96,655,000	\$ (52,230,000)	\$ 328,120,000	\$ 7,390,000
Premium on revenue bonds	7,907,350	9,819,199	(1,679,673)	16,046,876	-
Loans payable	1,066,712	-	(38,183)	1,028,529	40,943
OPEB obligation	12,140,526	10,630,976	(10,674,291)	12,097,211	-
Compensated absences	5,949,651	80,820	(716,272)	5,314,199	684,986
Total long-term liabilities	\$ 310,759,239	\$ 117,185,995	\$ (65,338,419)	362,606,815	\$ 8,115,929

Unearned Revenue

Forward Purchase Agreement

On December 4, 1997, the Authority entered into a forward purchase agreement with a forward commitment provider. Under the terms of the agreement, the Authority received a lump sum cash payment of \$8,191,000 in exchange for granting the provider the right to invest the monies in the Debt Service Reserve Funds for the Authority's Series 1993 and Series 1996 Revenue Bonds and the right to the income thereon through 2026. The terms of the original agreement were amended through the issuance of a Supplemental Agreement dated September 1, 2004, which corresponded with the Authority's 2004 refunding of portions of the Series 1993 and Series 1996 Revenue Bonds. The Debt Service Reserve Fund investments remain the property of the Authority and are deposited with the Trustee. As of December 31, 2012, the Authority held \$10,205,489 in the Debt Service Reserve Fund with the Trustee that was subject to the provisions of the agreement.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 4 — DETAIL NOTES — LIABILITIES (CONTINUED)

Deferred Revenue

Forward Delivery Agreements – 1993 & 1996 Debt Service Funds

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

Under the terms of the agreements, as awarded, the Authority receives guaranteed interest rates of return on investments held in the Debt Service Funds in exchange for granting the provider the right to invest the monies in the Debt Service Funds over the terms of the agreements. The initial periods ran from August 16, 2000 to May 30, 2025. The guaranteed interest rates are reset on May 20th of each year based on the 5 year Constant Maturity. The rate determined in a given year is then applied to the Forward Delivery Agreement securities delivered to the Trustee for the year from and including 4 years after the reset date. The applied rates in effect for the Authority's year ending December 31, 2012 were reset on May 20, 2005 and May 20, 2006 respectively. The 2005 reset was applicable to the deliveries from 1/1/10 through 5/25/2010 and the 2006 reset was applicable to the deliveries from 5/26/10 through 12/31/10. For agreements, the 2005 and 2006 resets were 5.06%.

Commitments

The Authority has outstanding commitments of approximately \$4,054,586 on construction projects entered into through December 31, 2012.

NOTE 5 – AGREEMENTS

Three Forts Ferry

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

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 5 — AGREEMENTS (CONTINUED)

Three Forts Ferry (Continued)

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

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

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

Salem Business Center

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

The operating results for the Salem Business Center for Fiscal Years 2012, 2011 and 2010 were as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Operating income	\$ 1,326,559	\$ 1,382,732	\$ 1,366,747
Operating expenses	<u>(747,977)</u>	<u>(791,761)</u>	<u>(710,436)</u>
Net income	<u>\$ 578,582</u>	<u>\$ 590,971</u>	<u>\$ 656,311</u>

As of December 31, 2012, two (2) tenants are under lease at the Salem Business Center. Based on the current tenant situation, projected revenues for Fiscal Years 2013 and 2014 are \$1,328,845 and \$1,342,133, respectively. The office building contains 73,415 square feet of available lease able space, of which 54,312 is rented.

Riverfront Market and Restaurant

On December 1, 2009, the Authority entered into an agreement with Deaton McCue and Company, Inc., to manage the land and buildings at the Riverfront Market and Restaurant, located in Wilmington, Delaware. The initial term of the agreement was for twenty four months, with three optional one year renewals. Effective December 31, 2011, Deaton McCue and Company elected to terminate the agreement to manage the Riverfront Market.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 5 — AGREEMENTS (CONTINUED)

Riverfront Market and Restaurant (Continued)

Effective January 1, 2012, Emory Hill Real Estate Services, Inc. has agreed to provide management services to the Riverfront Market and Restaurant until a new firm can be selected under the Authority’s formalized bid process.

The operating results for the Riverfront Market and Restaurant for Fiscal Years 2012, 2011 and 2010 were as follows:

	2012	2011	2010
Operating income	\$ 380,918	\$ 398,889	\$ 472,968
Operating expenses	(312,201)	(319,342)	(340,533)
Net income	\$ 68,717	\$ 79,547	\$ 132,435

As of December 31, 2012, nine (9) tenants are under lease at the Riverfront Market and Restaurant. Based on the current tenant lease structure, available square footage and current economic condition, projected revenues for Fiscal Years 2013 and 2014 are \$378,043 and \$381,823, respectively. The Marketplace contains 9,201 square feet of available leasable space of which 8,729 is rented.

Delaware State University

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

Collective Bargaining Agreement

On March 29, 2001, a unit of marine employees at the Cape May-Lewes Ferry elected the Marine Engineers Beneficial Association to become their exclusive bargaining representatives. The marine employee unit is comprised of all permanent full time Pilots, Chief Engineers and First Assistant Engineers and all permanent full time and permanent part time Able Bodied Seaman, Ordinary Seaman, Oilers, Third Assistant Engineers and Mates. Beginning in August 2002, the Authority has entered into collective bargaining agreements with the Marine Engineers Beneficial Association (“MEBA”). On December 15, 2009, the Authority entered into a new agreement, retroactive to July 1, 2007 which expired on June 30, 2012. As of December 31, 2012, the marine unit accounts for sixty-one (61) employees working at the Cape May-Lewes Ferry.

On September 23, 2004, a group of employees at the Authority elected the International Union of Operating Engineers, Local 542 to become their exclusive bargaining representatives.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 5 — AGREEMENTS (CONTINUED)

Collective Bargaining Agreement (Continued)

The group is comprised of all permanent full time and permanent part time maintenance employees, airport employees, toll collectors and food service employees. As of December 31, 2012, this group consisted of one hundred twenty two (122) employees working throughout all Authority facilities. An agreement with Local 542 was entered into on March 16, 2010. The term of the agreement is retroactive to January 1, 2009 and expired on December 31, 2012.

On February 19, 2010, a group of employees at the Authority elected the Fraternal Order of Police (FOP), Lodge #14 to become their exclusive bargaining representatives. The group is comprised of all permanent full time Patrol Officers, Patrol Officers First Class, Corporals, Senior Corporals and Master Corporals. On July 19, 2011, the Authority entered into a collective bargaining agreement with the (FOP), Lodge #14. The term of the agreement is retroactive to January 1, 2010 and expired on December 31, 2012. As of December 31, 2012, this group consisted of thirty five (35) employees throughout all Authority facilities.

The Authority is currently negotiating, separately, with each collective bargaining unit. It anticipates having agreements in place before the end of the calendar year 2013.

NOTE 6 — RISK MANAGEMENT

Net Position Designated for Self Insurance Fund Program

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

On January 1, 1987 the Authority established a self-insurance fund program. The purpose of this program is to increase the deductible amounts on various insurance policies thereby decreasing the premiums and to fund all or part of the remaining insurance premiums. The program is maintained within the General Fund. For fiscal years 2012, 2011 and 2010, the Authority internally designated and reserved \$8,000,000 as a General Fund Reserve for the Self Insurance Fund Program. Actual expenditures under the program for fiscal years 2012, 2011 and 2010 are as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Self insurance expenses	\$ 1,225,754	\$ 462,279	\$ 1,084,175

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 6 — RISK MANAGEMENT (CONTINUED)

Workers Compensation Plan – Letter of Credit

The Authority provides workers compensation insurance to protect its employees for on the job injuries. The Authority utilizes a high deductible plan through American Casualty Company of Reading (CNA). Under this plan, the Authority is required to provide collateral to protect CNA against default by the Authority for not reimbursing the insurer for claims. As collateral, the Authority has in place a Letter of credit with Wilmington Trust Company in the amount of \$1,747,200. The collateral covers the workers compensation policy periods, January 1, 2008 through January 1, 2009, January 1, 2009 through January 1, 2010, January 1, 2010 through January 1, 2011, January 1, 2011 through January 1, 2012 and January 1, 2012 through January 1, 2013. Since its inception, the Letter of Credit has never been called upon.

NOTE 7 — CONTINGENCIES

Litigation

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

NOTE 8 — NEW ACCOUNTING

Standards Adopted

For the year ending December 31, 2012, the Authority adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- GASB Statement No. 63, *Financial Reporting of Deferred outflows of Resources, Deferred Inflows of Resources, and Net Position*
- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*

The Authority adopted GASB Statement No. 63, *Financial Reporting of Deferred outflows of Resources, Deferred Inflows of Resources, and Net Position* as of December 31, 2012, which changed the Statement of Net Assets to the Statement of Net Position and provides guidance for reporting deferred outflows and inflows of resources.

The Authority adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of December 31, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The adoption of this standard requires the retroactive restatement of the financial statements.

**DELAWARE RIVER AND BAY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 8 — NEW ACCOUNTING (CONTINUED)

Standards Adopted (Continued)

On the December 31, 2011 Statement of Net Assets, the Authority presented unamortized bond issuance costs of \$3,174,020. GASB Statement No. 65 requires the debt issuance costs to be recognized as an expense in the period incurred. As a result, the net asset balances as of January 1, 2012 have been restated as net position in the Statement of Net Position as follows:

Net Assets, Beginning of Year, as Previously Reported	\$ 306,531,798
Cumulative Effect of Adoption of New Accounting Standard, GASB 65	<u>(3,174,020)</u>
Net Position, Beginning of Year, as Restated	<u>\$ 303,357,778</u>

NOTE 9 - Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through June 6, 2013, the date the financial statements were available to be issued.

Revised Fare Schedule – Cape May – Lewes Ferry: On February 12, 2013, the Authority adopted a revised fare schedule for the Cape May – Lewes Ferry. The new schedule becomes effective April 1, 2013. The revisions to the fare schedule are limited to the discontinuance of Vehicle & Driver Return-Trip Value fares on Fridays, Saturdays, Sundays and Holidays between Memorial Day and Labor Day and the discontinuance of \$2.00 Internet Reservation discounts. The revised fare schedule does not include any general increases to the current Vehicle & Driver, Passenger and Shuttle fares.

Sale of MV Cape May: On April 16, 2013, the Authority entered into an agreement of sale to sell the MV Cape May vessel and various equipment and parts on the vessel to Northstar Marine, Inc. for \$750,000. In July 2007, the Authority declared the MV Cape May surplus and no longer necessary to Ferry Operations. The sale will have no impact on Ferry Operations or the traveling public.

REQUIRED SUPPLEMENTARY INFORMATION

You Are Viewing an Archived Report from the New Jersey State Library
DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2012

Schedule 1

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability - (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/07	---	\$ 75,208	\$ 75,208	---	\$ 22,730	331%
01/01/09	---	\$ 95,774	\$ 95,774	---	\$ 22,351	428%
01/01/11	\$ 7,952	\$ 100,447	\$ 92,495	7.92%	\$ 21,562	429%
01/01/12	\$ 14,314	\$ 130,581	\$ 116,266	10.96%	\$ 35,991	323%

Schedule 2

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

Year Ended December 31,	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2012	\$ 10,611	100.00%
2011	\$ 11,820	100.00%
2010	\$ 11,133	100.00%
2009	\$ 8,635	39.10%
2008	\$ 8,635	33.43%

**DELAWARE RIVER AND BAY AUTHORITY
FIDUCIARY FUND
PENSION TRUST FUND
SCHEDULE OF FUNDING PROGRESS
December 31, 2012**

Schedule 3

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Total Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability to Annual Covered Payroll</u>
1/1/2003	52,376,226	58,559,634	(6,183,408)	89.4%	23,126,442	26.7%
1/1/2004	57,051,336	61,515,132	(4,463,796)	92.7%	19,596,929	22.8%
1/1/2005	58,984,201	63,283,149	(4,298,948)	93.2%	20,778,374	20.7%
1/1/2006	62,437,338	69,671,370	(7,234,032)	89.6%	22,106,492	32.7%
1/1/2007	66,361,928	72,532,005	(6,170,077)	91.5%	22,730,636	27.1%
1/1/2008	68,388,865	74,890,933	(6,502,068)	91.3%	22,235,761	29.2%
1/1/2009	57,055,573	83,940,365	(26,884,792)	68.0%	22,800,768	117.9%
1/1/2010	73,412,768	105,006,579	(31,593,811)	69.9%	22,138,852	142.7%
1/1/2011	82,999,104	111,987,288	(28,988,184)	74.1%	21,561,988	134.4%
1/1/2012	89,263,803	113,054,096	(23,790,293)	79.0%	21,225,083	112.1%

You Are Viewing an Archived Report from the New Jersey State Library
DELAWARE RIVER AND BAY AUTHORITY
FIDUCIARY FUND
PENSION TRUST FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
December 31, 2012

Schedule 4

<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
2003	3,454,844	100%
2004	3,565,080	100%
2005	3,741,569	100%
2006	4,273,545	100%
2007	4,982,362	100%
2008	5,581,258	100%
2009	5,529,631	100%
2010	5,965,828	100%
2011	6,172,705	100%
2012	5,954,948	100%

You Are Viewing an Archived Report from the New Jersey State Library
DELAWARE RIVER AND BAY AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2012

NOTE 1 — INTRODUCTION

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

NOTE 2 — BASIS OF ACCOUNTING

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

NOTE 3 — RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

	<u>Defined Benefit Plan</u>
Valuation Date	1/01/2012
Actuarial Cost Method	Entry Age Normal Method
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.5%
Projected Salary Increases	4.0%

DELAWARE RIVER AND BAY AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2012

NOTE 5 — OTHER POST EMPLOYMENT BENEFITS

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

Valuation Date	January 1, 2012
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Closed, Level Dollar Method
Remaining Amortization Period	26 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.5%
Rate of Salary Increases	4%
Rate of Medical Inflation	8.5% grading to 4.5% in 20 years
Rate of Dental Inflation	7.0% grading to 4.5% in 20 years

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

OTHER SUPPLEMENTARY SCHEDULES

**DELAWARE RIVER AND BAY AUTHORITY
 PROPRIETARY FUND
 COMBINING SCHEDULE OF NET POSITION
 DECEMBER 31, 2012**

	Totals	Combined Revenue Funds	Airport	General	Restricted			
					Reserve Maintenance	Construction Funds	Debt Service Funds	Debt Service Reserve Funds
ASSETS								
Current Assets:								
Unrestricted Assets:								
Cash and Cash Equivalents	\$ 6,446,363	\$ 5,222,845	\$ 531,311	\$ 692,207				
Investments	57,338,904	12,953,536		44,385,368				
Operating Revenues Receivable	3,296,496	3,133,447	152,834	10,215				
Accrued Investment Income Receivable	214,894	304		214,590				
Note Receivable (Current Portion)	177,822			177,822				
Other Accounts Receivable	1,744,412	513,820		1,230,592				
Federal Grants Receivable	3,272,663			3,272,663				
Inventory	4,658,386	4,602,669	55,717					
Interfunds Receivable	73,614,834	19,111,922	1,348,094	53,154,818				
Prepaid Expenses	2,156,755	2,053,393	103,362					
Total Unrestricted Assets	152,921,529	47,591,936	2,191,318	103,138,275	---	---	---	---
Restricted Assets:								
Investments	105,098,725				\$ 4,001,419	63,460,977	\$ 13,156,120	\$ 24,480,209
Accrued Investment Income Receivable	363,181					227,639		135,542
Interfunds Receivable	79,275,508				2,098,581	\$ 58,830,686	16,644,365	1,701,876
Total Restricted Assets	184,737,414	---	---	---	6,100,000	122,519,302	29,800,485	26,317,627
Total Current Assets	337,658,943	47,591,936	2,191,318	103,138,275	6,100,000	122,519,302	29,800,485	26,317,627
Noncurrent Assets:								
Property, Plant and Equipment:								
Completed (Net of Accumulated Depreciation)	456,528,602		103,545,281	352,983,321				
Construction in Progress	46,534,525		21,493,577	25,040,948				
Total Property, Plant and Equipment	503,063,127	---	125,038,858	378,024,269	---	---	---	---
Net Pension Asset	12,233,484	12,233,484						
Other Assets:								
Note Receivable	2,690,059			2,690,059				
Total Noncurrent Assets	517,986,670	12,233,484	125,038,858	380,714,328	---	---	---	---
Total Assets	\$ 855,645,613	\$ 59,825,420	\$ 127,230,176	\$ 483,852,603	\$ 6,100,000	\$ 122,519,302	\$ 29,800,485	\$ 26,317,627
Deferred Outflows of Resources	\$ 7,434,487			7,434,487				

**DELAWARE RIVER AND BAY AUTHORITY
 PROPRIETARY FUND
 COMBINING SCHEDULE OF NET POSITION
 DECEMBER 31, 2012**

	<u>Totals</u>	<u>Combined Revenue Funds</u>	<u>Airport</u>	<u>General</u>	<u>Restricted</u>			
					<u>Reserve Maintenance</u>	<u>Construction Funds</u>	<u>Debt Service Funds</u>	<u>Debt Service Reserve Funds</u>
LIABILITIES								
Current Liabilities Payable								
from Unrestricted Assets:								
Accounts Payable	\$ 4,630,629	\$ 3,123,606	\$ 483,806	\$ 1,023,217				
Accrued Wages Payable	1,102,840	1,013,989	88,851					
Unearned Revenue	899,903	899,903						
Liability for Unpaid Health Claims	537,115			537,115				
Customer and Security Deposits	156,701	5,516	151,185					
Compensated Absences (Current Portion)	684,986			684,986				
Interfunds Payable	73,614,834	42,685,195	1,041,332	29,888,307				
Total Current Liabilities Payable from Unrestricted Assets	81,627,008	47,728,209	1,765,174	32,133,625	---	---	---	---
Current Liabilities Payable from								
Restricted Assets:								
Accounts Payable	2,849,160					\$ 2,849,160		
Interfunds Payable	79,275,508				\$ 2,100,000	52,996,079	\$ 24,179,352	\$ 77
Interest Payable	5,621,133						5,621,133	
Loans Payable (Current Portion)	40,943			40,943				
Revenue Bonds Payable (Current Portion)	7,390,000			7,390,000				
Total Current Liabilities Payable from Restricted Assets	95,176,744	---	---	7,430,943	2,100,000	55,845,239	29,800,485	77
Total Current Liabilities	176,803,752	47,728,209	1,765,174	39,564,568	2,100,000	55,845,239	29,800,485	77
Long Term Liabilities:								
Compensated Absences	4,629,213			4,629,213				
Net OPEB Liability	12,097,211	12,097,211						
Loans Payable	987,586			987,586				
Revenue Bonds Payable, net	336,776,876			275,865,742		60,911,134		
Total Long Term Liabilities	354,490,886	12,097,211	---	281,482,541	---	---	---	---
Total Liabilities	\$ 531,294,638	\$ 59,825,420	\$ 1,765,174	\$ 321,047,109	\$ 2,100,000	\$ 55,845,239	\$ 29,800,485	\$ 77
Deferred Inflows of Resources	\$ 3,227,152							3,227,152

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY
 PROPRIETARY FUND
 COMBINING SCHEDULE OF NET POSITION
 DECEMBER 31, 2012**

	<u>Totals</u>	<u>Combined Revenue Funds</u>	<u>Airport</u>	<u>General</u>	<u>Restricted</u>			
					<u>Reserve Maintenance</u>	<u>Construction Funds</u>	<u>Debt Service Funds</u>	<u>Debt Service Reserve Funds</u>
NET POSITION								
Net Investment in capital assets	\$ 226,213,343	\$ -	\$ 125,038,858	\$ 101,174,485				
Restricted:								
Trust Agreement Covenants	32,853,327	-	426,144	69,065,496	\$ 4,000,000	\$ 5,762,929	\$ -	\$ 23,090,398
Unrestricted	69,491,640	-						
Total Net Position	<u>\$ 328,558,310</u>	<u>\$ -</u>	<u>\$ 125,465,002</u>	<u>\$ 170,239,981</u>	<u>\$ 4,000,000</u>	<u>\$ 5,762,929</u>	<u>\$ -</u>	<u>\$ 23,090,398</u>

**DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND**

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2012**

	Unrestricted						Restricted			Debt Service Reserve Funds
	Total	Combined Revenue Funds	Airport	Salem Business Park	Riverfront Market	General	Reserve Maintenance	Construction Funds	Debt Service Funds	
Operating Revenues:										
Bridge Tolls	\$ 95,461,044	\$ 95,461,044								
Ferry Tolls	13,723,565	13,723,565								
Food and Novelty Sales	3,820,423	3,820,423								
Airport Lease Revenue	6,743,760		\$ 5,083,351			\$ 1,660,409				
Economic Development Leases	1,382,154			\$ 1,049,289	\$ 332,865					
Other Operating Revenue	4,478,186	2,674,235	1,009,993	277,270	48,053	468,635				
Operating Expenses:										
Administrative and General:										
Wages and Benefits	(8,812,285)	(8,731,464)				(80,821)				
Other Expenses	(8,963,724)	(7,640,358)				(1,323,366)				
Operations:										
Wages and Benefits	(41,658,065)	(38,017,201)	(3,640,864)							
Other Expenses	(17,928,375)	(14,348,096)	(2,520,101)	(747,977)	(312,201)					
Depreciation Expense	(23,120,869)	(17,658,201)	(5,014,725)	(409,238)	(38,705)					
Operating Income (Loss)	25,125,814	29,283,947	(5,082,346)	169,344	30,012	724,857	---	---	---	---
Non-operating Income (Expenses):										
Investment Income	907,520	17,669				1,463,042	11,511	(1,492,985)	274,683	633,600
Investment Fees	(607,364)	(160,394)	(18,145)			(367,485)	(10,468)		(13,240)	(37,632)
Interest on Debt	(12,489,612)					(103,599)		70,410	(12,456,423)	
Debt Issue Costs	(821,336)							(821,336)		
Write Off Capital Assets	(425,479)					(425,479)				
Gain on Sale of Capital Assets	19,212					19,212				
Net Non-Operating Income (Expense)	(13,417,059)	(142,725)	(18,145)	---	---	585,691	1,043	(2,243,911)	(12,194,980)	595,968
Net Income (Loss) before Transfers and Contributions	11,708,755	29,141,222	(5,100,491)	169,344	30,012	1,310,548	1,043	(2,243,911)	(12,194,980)	595,968
Capital Contributions	6,303,097					6,303,097				
Transfers		(29,141,222)	10,914,442	(169,344)	(30,012)	4,459,392	(35,753)	4,494,337	12,194,980	(2,686,820)
Increase (Decrease) in Net Position	18,011,852		5,813,951			12,073,037	(34,710)	2,250,426		(2,090,852)
Net Assets Jan. 1 (as restated)	310,546,458	-	119,651,051	-	-	158,166,944	4,034,710	3,512,503	-	25,181,250
Net Assets Dec. 31	\$ 328,558,310	\$ -	\$ 125,465,002	\$ -	\$ -	\$ 170,239,981	\$ 4,000,000	\$ 5,762,929	\$ -	\$ 23,090,398

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND – REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2012

	<u>Total</u>	<u>Bridge Revenue Fund</u>	<u>Ferry Revenue Fund</u>	<u>Operations Fund</u>	<u>Three-Forts Ferry Revenue Fund</u>	<u>Concessions Fund</u>
Operating Revenues:						
Bridge Tolls	\$ 95,461,044	\$ 95,461,044	\$ -	\$ -	\$ -	\$ -
Ferry Tolls	13,723,565	-	13,664,204	-	59,361	-
Food and Novelty Sales	3,820,423	110,783	-	-	-	3,709,640
Airport Leases	-	-	-	-	-	-
Economic Development Leases	-	-	-	-	-	-
Other Operating Revenue	2,674,235	1,928,060	707,588	-	-	38,587
Operating Expenses:						
Administrative and General:						
Wages and Benefits	(8,731,464)	-	-	(8,731,464)	-	-
Other Expenses	(7,640,358)	-	-	(7,640,358)	-	-
Operations:						
Wages and Benefits	(38,017,201)	(12,723,018)	(15,512,128)	(7,530,543)	(60,899)	(2,190,613)
Other Expenses	(14,348,096)	(4,436,795)	(7,730,048)	(242,955)	(45,137)	(1,893,161)
Depreciation Expense	(17,658,201)	(7,773,077)	(9,220,534)	(569,666)	(75,069)	(19,855)
Operating Income (Loss)	<u>29,283,947</u>	<u>72,566,997</u>	<u>(18,090,918)</u>	<u>(24,714,986)</u>	<u>(121,744)</u>	<u>(355,402)</u>
Non-operating Income (Expenses):						
Investment Income	17,669	17,016	653	-	-	-
Investment Fees	(160,394)	(160,394)	-	-	-	-
Interest on Debt	-	-	-	-	-	-
Amortization of Debt Issue Costs	-	-	-	-	-	-
Write Off Capital Assets	-	-	-	-	-	-
Other Non-Operating Expenses	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-
Net Non-Operating Income (Expense)	<u>(142,725)</u>	<u>(143,378)</u>	<u>653</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) Before Transfers and Contributions	<u>\$ 29,141,222</u>	<u>\$ 72,423,619</u>	<u>\$ (18,090,265)</u>	<u>\$ (24,714,986)</u>	<u>\$ (121,744)</u>	<u>\$ (355,402)</u>

**DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
SCHEDULE OF OTHER OPERATING REVENUES
Year Ended December 31, 2012**

	<u>Total</u>	<u>Bridge Revenue Fund</u>	<u>Ferry Revenue Fund</u>	<u>Concessions Fund</u>	<u>Airport Fund</u>	<u>Salem Business Park</u>	<u>Riverfront Market</u>	<u>General Fund</u>
Over & (Short)	\$ 5,302	\$ 3,037	\$ (639)	\$ 2,835	\$ 69			
Income from Unused Tickets	982,171	846,118	136,053					
Miscellaneous Income	539,071	172,737	15,291	10,065	67,413	\$ (45)	\$ 150	\$ 273,460
Interest Income	6,736					5,904	832	
Bus & Trolley Fares	112,433		112,433					
Golf Fares								
Surcharge Revenue	347,031		347,031					
Internet Reservation Fees	17,721		17,721					
Binocular Fees	2,285		2,285					
Amusement Sales	75,545		75,545					
Lottery Sales Commission	1,868		1,868					
Insurance Claims	79,413	78,537				876		
Room Rental Fees	25,687			25,687				
Vending Commissions	4,740	2,433			2,307			
Income from Unused Tolls								
Electronic Toll Violation Fees	115,330	115,330						
E-Z Pass Membership Fees	560,706	560,706						
Credit Card Fee Income	253,984	253,984						
E-Z Pass Transponder Sales	20,734	20,734						
EZPass Account Adjustments	(73)	(73)						
Non-Toll Transaction Fees	9,950	9,950						
Disputed Electronic Tolls	(135,433)	(135,433)						
Ramp Fees	2,115				2,115			
Landing Fees	165,733				165,733			
Fuel Sales & Fees	771,480				771,480			
Interest on Economic Dev Loans	66,415							66,415
Police Grants	10,006							10,006
Property Leases	118,754							118,754
Land Lease Revenue								
Common Area Maintenance	93,132					46,061	47,071	
Electric Reimbursements	28,951					28,951		
Property Tax Reimbursements	196,399					196,399		
	<u>\$ 4,478,186</u>	<u>\$ 1,928,060</u>	<u>\$ 707,588</u>	<u>\$ 38,587</u>	<u>\$ 1,009,993</u>	<u>\$ 277,270</u>	<u>\$ 48,053</u>	<u>\$ 468,635</u>

**DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
SCHEDULE OF FUNCTIONAL OPERATING EXPENSES
Year Ended December 31, 2012**

	<u>Actual</u>
Delaware Memorial Bridge:	
Wages	\$ 5,434,794
Benefits	7,288,224
Administrative	10,976
Professional services	35,641
Office supplies	6,044
Operating supplies	920,544
Merchant Card Processing Fees	744
Facility/equipment maintenance	145,988
Uniforms and safety	65,868
Non-recurring	142,091
Utilities	846,709
Electronic Toll Expenses	2,151,127
Bad Debt Expense	111,063
Depreciation	<u>7,773,077</u>
	<u>24,932,890</u>
Cape May - Lewes Ferry:	
Wages	7,963,377
Benefits	7,548,751
Administrative	21,646
Professional services	70,044
Advertising	549,095
Office supplies	40,501
Operating supplies	878,006
Internet Reservation Discount	206,726
Merchant Card Processing Fees	501,153
Facility/equipment maintenance	541,025
Uniforms and safety	81,309
Vessel operations	3,543,082
Utilities	1,297,461
Depreciation	<u>9,220,534</u>
	<u>32,462,710</u>
Administration:	
Wages	4,926,226
Benefits	3,805,238
Administration	281,105
Education and training	174,903
Professional services	1,341,685
Office supplies	374,797
Computer supplies	541,472
Facility/equipment maintenance	872,554
Uniforms and safety	8,079
Insurance	3,947,858
Utilities	97,905
Depreciation	<u>444,134</u>
	<u>16,815,956</u>
	(Continued)

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
SCHEDULE OF FUNCTIONAL OPERATING EXPENSES
Year Ended December 31, 2012

SCHEDULE 9

Authority Police:		
Wages	\$	3,961,760
Benefits		3,568,783
Administrative		23,328
Office supplies		5,159
Operating supplies		97,026
Uniforms and safety		117,442
Depreciation		125,532
		<hr/>
		7,899,030
		<hr/>
Concessions:		
Wages		1,407,855
Benefits		782,758
Administration		6,304
Advertising		76,878
Professional services		15,797
Office supplies		7,609
Operating supplies		1,501,016
Merchant Card Processing Fees		63,403
Facility/equipment maintenance		86,121
Uniforms and safety		8,792
Insurance		127,241
Depreciation		19,855
		<hr/>
		4,103,629
		<hr/>
Three Forts Ferry:		
Wages		56,571
Benefits		4,328
Professional services		12,141
Operating supplies		3,845
Facility/equipment maintenance		-
Uniforms and Safety		-
Vessel operations		11,184
Insurance		16,700
Utilities		1,267
Depreciation		75,069
		<hr/>
		181,105
		<hr/>

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY
 PROPRIETARY FUND
 SCHEDULE OF FUNCTIONAL OPERATING EXPENSES
 Year Ended December 31, 2012**

	<u>Actual</u>
Airports Division:	
Wages	\$ 2,016,458
Benefits	1,624,406
Administration	6,976
Professional services	221,371
Advertising	99,457
Office supplies	18,202
Operating supplies	791,233
Merchant Card Processing Fees	13,028
Facility/equipment maintenance	539,791
Uniforms and safety	9,382
Insurance	305,336
Utilities	515,325
Sinking Fund Expense	-
Depreciation	5,014,725
	<hr/>
	11,175,690
	<hr/>
Economic Development:	
Professional services	50,423
Advertising	1,595
Operating supplies	196,399
Facility/equipment maintenance	299,497
Utilities	202,958
Real Estate Taxes	309,306
Sinking Fund Expense	-
Depreciation	447,943
	<hr/>
	1,508,121
	<hr/>
General Fund:	
Severance Payout	80,821
Insurance	1,225,754
Miscellaneous Projects	95,678
Economic Development	1,934
Depreciation	-
	<hr/>
	1,404,187
	<hr/>
Total Operating Expenses - Exhibit B	\$ 100,483,318
	<hr/> <hr/>

DELAWARE RIVER AND BAY AUTHORITY
COMBINING SCHEDULE OF NET POSITION AVAILABLE FOR BENEFITS
FIDUCIARY FUND
PENSION AND OPEB TRUST FUNDS
As of December 31, 2012

	2012	Pension Trust Funds			OPEB Trust	2011
		Total	PNC	Allmerica		
ASSETS						
Investments at Fair Value:						
Money Market Funds	\$ 4,937,671	\$ 4,307,238	\$ 4,307,238	\$ -	\$ 630,433	\$ 4,973,282
Mutual Funds	68,555,613	52,914,457	52,914,457	-	15,641,156	51,010,848
Corporate Bonds	8,926,213	8,926,213	8,926,213	-	-	4,580,772
US Government Bonds	16,865,732	16,865,732	16,865,732	-	-	18,868,352
Municipal Bonds	3,340,285	3,340,285	3,340,285	-	-	3,720,252
Fixed Income Funds	17,940,349	11,493,841	-	11,493,841	6,446,508	17,201,756
Total	120,565,863	97,847,766	86,353,925	11,493,841	22,718,097	100,355,262
Accrued Interest	44,108	-	-	-	44,108	34,397
Total Assets	120,609,971	97,847,766	86,353,925	11,493,841	22,762,205	100,389,659
LIABILITIES						
Accounts Payable	33,444	-	-	-	33,444	31,895
Total Liabilities	33,444	-	-	-	33,444	31,895
NET POSITION						
Held in Trust for Pension and OPEB Benefits	<u>\$120,576,527</u>	<u>\$ 97,847,766</u>	<u>\$86,353,925</u>	<u>\$ 11,493,841</u>	<u>\$22,728,761</u>	<u>\$100,357,764</u>

DELAWARE RIVER AND BAY AUTHORITY
COMBINING SCHEDULE OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS
FIDUCIARY FUND
PENSION AND OPEB TRUST FUNDS
Years Ended December 31, 2012

	2012	Pension Trust Funds			OPEB Trust	2011
		Total	PNC	Allmerica		
ADDITIONS						
Investment Income:						
Net Appreciation in Fair Value of Assets	\$ 6,937,861	\$ 6,937,861	\$ 6,937,861	\$ -	\$ -	\$ (310,453)
Dividends	1,098,984	1,098,984	1,098,984	-	-	941,768
Interest	1,395,316	1,351,208	992,373	358,835	44,108	1,418,950
	9,432,161	9,388,053	9,029,218	358,835	44,108	2,050,265
Less: Investment Expense	94,996	94,996	94,996	-	-	106,400
	9,337,165	9,293,057	8,934,222	358,835	44,108	1,943,865
Contributions:						
Employer	17,397,866	9,027,652	9,027,652	-	8,370,214	16,145,154
Plan Member	625,244	625,244	625,244	-	-	594,597
Total Contributions	18,023,110	9,652,896	9,652,896	-	8,370,214	16,739,751
Total Additions	27,360,275	18,945,953	18,587,118	358,835	8,414,322	18,683,616
DEDUCTIONS						
Net Depreciation in Fair Value of Assets	-	-	-	-	-	-
Benefits Paid to Participants	6,807,371	6,807,371	5,637,533	1,169,838	-	6,808,057
Insurance Expense	-	-	-	-	-	-
Administrative Expenses	334,141	334,141	210,569	123,572	-	295,023
Total Deductions	7,141,512	7,141,512	5,848,102	1,293,410	-	7,103,080
Net Increase	20,218,763	11,804,441	12,739,016	(934,575)	8,414,322	11,580,536
Net Position Available for Pension and OPEB Benefits:						
Beginning of Year	100,357,764	86,043,325	73,614,909	12,428,416	14,314,439	88,777,228
End of Year	\$120,576,527	\$ 97,847,766	\$ 86,353,925	\$ 11,493,841	\$22,728,761	\$100,357,764

DELAWARE RIVER AND BAY AUTHORITY

SCHEDULE 12

PROPRIETARY FUND

SCHEDULE OF INVESTMENTS

Year Ended December 31, 2012

<u>Face</u>	<u>Description</u>	<u>Date of Maturity</u>	<u>Coupon Rate</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Rating S & P</u>
CORPORATE AND MUNICIPAL OBLIGATIONS						
\$ 1,000,000	Air Products & Chemica	1/17/13	0.17%	\$ 999,920	\$ 999,887	A1
1,000,000	Air Products & Chemica	1/22/13	0.15%	999,908	999,867	A1
340,000	American Express	3/19/18	7.00%	254,052	429,566	BBB+
480,000	AT & T Inc	2/01/18	5.50%	389,534	571,819	A-
425,000	AvalonBay Communities	9/15/16	5.75%	368,901	487,020	BBB+
210,000	Baltimore MD Taxable Cons Pub Impt	10/15/16	2.60%	208,444	222,514	AA-
1,000,000	Bank of Nova Scotia	1/14/13	0.12%	999,953	999,953	A1
470,000	Barrick Gold Corp	5/30/14	1.75%	468,144	476,566	BBB+
1,704,000	Cargill Global Funding	1/04/13	0.17%	1,703,972	1,703,899	A1
435,000	Chicago II Public Bldg Commission	1/01/16	6.50%	369,092	509,990	AA+
400,000	Chicago III O'Hare	1/01/18	5.00%	344,714	463,640	A-
795,000	Columbus Ohio	12/01/14	3.00%	755,248	833,899	AAA
825,000	Connecticut State	12/01/14	5.00%	752,596	897,732	AA
2,000,000	CPPIB Capital Inc.	1/17/13	0.15%	1,999,858	1,999,788	A1+
1,100,000	Danaher Corporation	1/18/13	0.15%	1,099,918	1,099,895	A1
250,000	East Carolina Univ NC Univ Rev	10/01/14	2.79%	246,852	260,098	AA-
390,000	Eastman Chemical Co	6/01/17	2.40%	380,046	402,964	BBB
4,911,000	Fortis Funding LLC	1/02/13	var.	4,985,805	4,910,792	A1
500,000	Garfield Pitkin & Eagle County	12/15/14	5.00%	455,230	544,975	AA-
1,713,000	General Electric Cap Corp	1/02/13	var.	1,716,996	1,712,935	A1+
450,000	General Electric Cap Corp	9/23/15	1.07%	449,715	451,373	AA+
500,000	Harris County Texas	8/15/14	5.00%	463,179	537,550	AAA
240,000	Hawaii State Build America Bonds	2/01/16	3.38%	239,348	261,242	AA
760,000	Hawaii State	10/01/14	5.00%	699,769	821,583	AA
385,000	Home Depot Inc	3/01/16	5.40%	330,465	439,832	A-
340,000	John Deere Capital Corp	9/10/18	5.75%	264,117	414,613	A
365,000	Kohl's Corp	12/15/17	6.25%	300,498	437,453	BBB+
500,000	Leavenworth County Kansas	3/01/14	3.00%	485,601	514,390	AA-
1,210,000	Lehman Brothers Holdings	9/05/16	var.	1,210,000	258,638	NR
1,000,000	Louisville & Jefferson County KY	11/01/14	4.00%	934,194	1,065,010	AA+
695,000	Maryland St Cmnty Dev Admin	9/01/37	6.00%	701,136	743,402	NR
780,000	Massachusetts State Port Authority	7/01/13	1.30%	780,000	781,225	A
525,000	Massachusetts State Water Pollution	8/01/24	5.00%	486,825	563,913	AAA
425,000	Metropolitan Govt Nashville & Davidson County	7/01/14	4.00%	402,135	448,320	AA
140,000	Mississippi State	12/01/13	4.82%	135,824	145,736	AA
545,000	Mississippi State General Obligation	11/01/18	1.60%	545,000	550,497	AA
430,000	Morgan Stanley	4/29/16	3.80%	437,923	451,410	A-
825,000	Nassau County NY Fin Authority	11/15/15	0.86%	825,000	829,468	AAA
1,100,000	Nestle Fin Intl LTD	1/08/13	0.15%	1,099,963	1,099,940	A1+
2,085,000	New Jersey St EDL Facs Auth	7/01/14	5.25%	1,933,845	2,235,891	NR
550,000	New Jersey St EDL Facs Auth Prerfd Rev	7/01/14	5.00%	512,189	588,187	NR
1,315,000	New Jersey St Tpk Auth Tpk Rev	1/01/16	4.25%	1,292,943	1,386,417	A+
165,000	New York N Y City TransitionalFIN Auth	5/01/13	1.50%	164,760	165,561	AAA
350,000	New York N Y City TransitionalFin Auth	2/01/16	3.50%	339,882	374,997	AAA
1,305,000	North Carolina Infrastructure Prerfd	11/01/14	5.00%	1,195,427	1,415,795	AA+

DELAWARE RIVER AND BAY AUTHORITY

SCHEDULE 12

PROPRIETARY FUND
SCHEDULE OF INVESTMENTS
Year Ended December 31, 2012
(Continued)

<u>Face</u>	<u>Description</u>	<u>Date of Maturity</u>	<u>Coupon Rate</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Rating S & P</u>
995,259	Northstar Guarantee Inc Minnesota Revenue Bond	4/28/16	var.	1,001,529	995,130	AA+
370,000	Oneok Partners	10/01/16	6.15%	337,048	430,706	BBB
1,100,000	Overseas Private Invnt Corp	7/12/14	0.00%	944,962	1,258,554	NR
335,000	Port Authority NY & NJ Cons One Hundred Fiftieth	9/15/15	4.50%	312,072	365,840	AA-
355,000	Potash Corp	12/01/17	3.25%	325,777	388,430	A-
400,000	Simon Prop GP LP	9/15/17	2.15%	397,321	414,900	A-
940,000	SLM Student Loan Trust	1/25/22	var.	955,620	935,761	AA+
500,000	Snohomish Cnty Wash	12/01/14	5.00%	456,624	541,950	AA
535,000	South Carolina St Pub Svc Auth Rev Taxable	1/01/13	5.00%	535,000	535,000	AA-
525,000	South Carolina St Pub Svc AuthRev Var Taxable	6/02/14	var.	525,000	526,889	AA-
370,000	Southern Co	9/01/16	1.95%	370,410	381,307	A-
305,000	Spectra Energy Capital	7/15/18	6.75%	270,205	360,931	BBB
350,000	Starbucks Corp	8/15/17	6.25%	297,445	421,001	A-
100,000	Tennessee State School Bo0nd	5/01/18	1.77%	100,000	100,247	AA
170,000	Tobacco Securitization Auth Mntobacco Settlemr	3/01/14	2.64%	170,000	173,567	A
1,100,000	Toyota CDT DE PR Corp	1/25/13	0.13%	1,099,901	1,099,881	A1+
500,000	Union County NC	3/01/14	4.00%	479,061	521,255	AA
1,095,000	University of CA	7/01/41	0.64%	1,095,054	1,095,122	AA
175,000	University Texas	8/15/17	3.32%	176,550	190,187	AAA
390,000	Verizon Comm Inc	11/01/16	2.00%	374,013	403,623	A-
260,000	Virginia St HSG Auth Dev Auth	8/01/15	5.17%	243,716	284,755	AA+
1,030,000	Virginia St Pub Bldg Auth Pub	8/01/16	3.50%	1,024,567	1,118,729	AA+
370,000	W.R. Berkley Corp	5/15/15	5.60%	353,987	401,517	BBB+
625,000	West Va Economic Dev Auth Excess Lottery	7/01/20	5.37%	622,196	717,881	AAA
<hr/>						
\$ 49,828,259				\$ 48,196,977	\$ 51,173,397	

U.S. GOVERNMENT AGENCIES

\$ 210,459	Federal Home Loan	1/1/2035	4.400%	\$ 210,666	\$ 213,816	AA+
21,864	Federal Home Loan	5/1/2036	var.	21,912	23,495	AA+
83,445	Federal Home Loan Bank	1/25/2017	4.780%	83,218	89,208	AA+
350,000	Federal Home Loan Bank	9/17/2027	1.000%	350,000	350,249	AA+
6,500,000	Federal Home Loan Mortgage Corporation	11/27/2013	0.375%	6,490,158	6,511,440	AA+
2,460,000	Federal Home Loan Mortgage Corporation	11/14/2016	1.000%	2,445,269	2,475,277	AA+
1,300,000	Federal Home Loan Mortgage Corporation	8/14/2017	2.000%	1,285,933	1,314,794	AA+
755,000	Federal Home Loan Mortgage Corporation	11/7/2017	1.000%	750,399	757,831	AA+
3,160,000	Federal Home Loan Mortgage Corporation	12/26/2017	1.250%	3,121,869	3,194,444	AA+
1,000,000	Federal Home Loan Mortgage Corporation	3/13/2019	1.875%	984,749	1,017,870	AA+
4,098	Federal Home Loan Mortgage Corporation	3/1/2021	6.000%	4,053	4,455	AA+
609,714	Federal Home Loan Mortgage Corporation	5/15/2022	4.000%	564,361	638,309	AA+
945,000	Federal Home Loan Mortgage Corporation	2/15/2025	4.000%	872,099	1,024,702	AA+
1,050,000	Federal Home Loan Mortgage Corporation	2/15/2026	3.500%	1,013,958	1,121,579	AA+
972,152	Federal Home Loan Mortgage Corporation	8/1/2027	2.500%	938,190	1,016,404	AA+
136,780	Federal Home Loan Mortgage Corporation	8/15/2027	4.000%	132,014	140,038	AA+
1,656,599	Federal Home Loan Mortgage Corporation	5/1/2037	2.676%	1,513,540	1,767,028	AA+
357,114	Federal Home Loan Mortgage Corporation	4/1/2042	3.500%	336,729	380,048	AA+
1,922,153	Federal Home Loan Mortgage Corporation	6/1/2042	3.500%	1,816,341	2,049,803	AA+
2,081,594	Federal Home Loan Mortgage Corporation	9/15/2042	0.608%	2,073,488	2,092,439	AA+
353,796	Federal National Home Loan Mortgage Association	1/25/2025	4.500%	342,467	362,167	AA+
500,000	Federal National Home Loan Mortgage Association	10/25/2025	4.000%	461,741	542,654	AA+
525,801	Federal National Home Loan Mortgage Association	8/25/2034	5.750%	508,186	535,980	AA+
116,151	Federal National Mortgage Association	10/1/2018	4.500%	115,096	127,987	AA+
331,656	Federal National Mortgage Association	11/1/2019	4.500%	322,393	360,255	AA+
149,477	Federal National Mortgage Association	4/1/2024	4.000%	145,171	160,154	AA+
231,415	Federal National Mortgage Association	8/1/2024	5.000%	229,096	253,934	AA+
128,546	Federal National Mortgage Association	6/1/2025	4.500%	121,887	138,712	AA+
432,928	Federal National Mortgage Association	1/1/2026	3.500%	430,278	459,523	AA+
2,883,804	Federal National Mortgage Association	11/1/2026	3.000%	2,815,519	3,046,104	AA+
977,858	Federal National Mortgage Association	9/1/2027	2.500%	939,538	1,023,290	AA+
686,935	Federal National Mortgage Association	11/1/2027	2.500%	655,640	718,850	AA+
56,782	Federal National Mortgage Association	7/1/2029	6.500%	58,710	64,570	AA+
558,383	Federal National Mortgage Association	10/1/2035	5.000%	565,695	604,081	AA+
408,870	Federal National Mortgage Association	4/1/2036	var.	409,405	438,026	AA+

**DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND**

SCHEDULE 12

SCHEDULE OF INVESTMENTS

Year Ended December 31, 2012

(Continued)

<u>Face</u>	<u>Description</u>	<u>Date of Maturity</u>	<u>Coupon Rate</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Rating S & P</u>
9,367	Federal National Mortgage Association	7/1/2036	5.000%	9,300	10,125	AA+
106,952	Federal National Mortgage Association	9/1/2036	5.500%	104,825	122,591	AA+
404,499	Federal National Mortgage Association	10/1/2039	var.	387,458	429,477	AA+
382,930	Federal National Mortgage Association	11/1/2041	var.	372,097	398,010	AA+
1,149	Government National Mortgage Association	1/15/2015	7.000%	1,149	1,208	AA+
18,935	Government National Mortgage Association	12/15/2017	5.000%	18,749	20,749	AA+
14,634	Government National Mortgage Association	1/15/2018	4.500%	14,567	15,590	AA+
34,746	Government National Mortgage Association	12/15/2022	7.000%	34,558	41,897	AA+
590,611	Government National Mortgage Association	12/16/2030	4.658%	547,621	614,383	AA+
1,850,000	Government National Mortgage Association	6/16/2032	var.	1,687,868	1,975,541	AA+
241,655	Government National Mortgage Association	8/16/2032	4.807%	238,390	244,872	AA+
45,915	Government National Mortgage Association	3/20/2033	4.000%	45,281	49,041	AA+
216,733	Government National Mortgage Association	6/20/2033	4.000%	218,732	236,263	AA+
34,391	Government National Mortgage Association	9/16/2033	5.394%	31,904	34,681	AA+
1,756,260	Government National Mortgage Association	3/20/2036	3.500%	1,710,471	1,811,463	AA+
142,408	Government National Mortgage Association	3/16/2037	4.022%	136,834	145,346	AA+
211,337	Government National Mortgage Association	4/15/2037	6.500%	204,775	248,805	AA+
96,520	Government National Mortgage Association	11/15/2037	6.000%	94,423	109,393	AA+
1,335,318	Government National Mortgage Association	1/20/2038	4.000%	1,250,096	1,416,014	AA+
2,400,000	Government National Mortgage Association	3/16/2038	0.000%	2,207,605	2,576,074	AA+
400,000	Government National Mortgage Association	8/16/2043	2.954%	380,964	426,856	AA+
1,771,551	Government National Mortgage Association	6/16/2050	2.351%	1,746,134	320,726	AA+
<u>\$ 46,028,950</u>				<u>\$ 44,616,518</u>	<u>\$ 46,314,132</u>	
U.S. GOVERNMENT BONDS AND NOTES						
\$ 10,190,000	US Treasury Notes	2/15/2013	1.375%	\$ 10,172,581	\$ 10,205,489	AAA
6,500,000	US Treasury Notes	11/15/2013	4.250%	6,270,398	6,728,995	AA+
2,500,000	US Treasury Notes	1/15/2014	1.000%	2,478,878	2,520,900	AA+
5,460,000	US Treasury Notes	10/31/2015	1.250%	5,323,085	5,598,629	AA+
4,593,164	US Treasury Notes Treasury Inflation Index	4/15/2017	0.125%	4,323,670	4,918,635	AA+
<u>\$ 29,243,164</u>				<u>\$ 28,568,612</u>	<u>\$ 29,972,648</u>	
MONEY MARKETS						
\$ 27,566,495	Goldman Sachs Financial			\$ 27,566,495	\$ 27,566,495	A-
430,000	Goldman Sachs Group Inc	2/7/2014	var.	432,710	431,256	A-
3,997,323	Ishares Barclays Index	var.	var.	3,997,323	3,993,066	NR
8,353	Treasury Trust Fund - Blackrock Liquidity Funds	var.	var.	8,353	8,353	NR
27,856	Wilmington Trust Govt Fund	var.	var.	27,856	27,856	AAA
145,340	Wilmington Trust Prime MM Port	var.	var.	145,340	145,340	AAA
2,805,087	Wilmington US Govt Fund W Class	var.	var.	2,805,087	2,805,087	AAA
<u>\$ 34,980,454</u>				<u>\$ 34,983,164</u>	<u>\$ 34,977,453</u>	
<u>\$ 160,080,828</u>				<u>\$ 156,365,271</u>	<u>\$ 162,437,631</u>	

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
DELAWARE MEMORIAL BRIDGE
SCHEDULE OF MONTHLY TRAFFIC BY TOLL CLASSIFICATION
Year Ended December 31, 2012

	Toll Class													
	1	2	3	4	5	6	7	8	9	10	11	12	13	16
January	825,122	18,218	12,541	9,710	111,460	2,255	123	678	106,120	110,728	3,290	3,499	239	1,404
February	776,500	17,877	12,332	9,416	111,486	2,384	106	732	104,871	107,360	3,091	3,418	203	1,549
March	883,846	20,599	14,732	10,753	124,415	2,751	173	869	112,111	117,697	4,695	4,630	248	1,470
April	1,021,223	20,470	15,288	11,011	117,504	2,441	144	724	104,827	111,700	4,947	4,729	211	1,467
May	1,039,242	22,453	15,789	11,529	126,142	2,570	155	1,052	110,232	117,176	6,284	5,697	306	1,323
June	1,103,681	22,841	14,971	12,265	120,906	2,168	166	728	102,827	111,392	6,381	5,567	257	1,278
July	1,246,451	23,359	15,082	12,425	119,671	2,442	174	816	99,804	108,739	7,292	6,347	187	1,531
August	1,295,912	24,643	14,897	13,826	125,557	2,715	165	962	106,174	113,661	7,689	6,153	188	1,518
September	979,987	21,234	13,015	12,889	110,998	2,453	145	830	100,323	108,830	5,705	5,505	184	1,390
October	907,286	21,293	13,414	12,617	116,587	2,546	216	922	107,040	114,034	5,423	5,161	279	1,693
November	937,531	22,748	14,299	12,305	127,270	2,517	172	842	103,170	113,953	4,718	4,683	265	5,580
December	1,007,785	19,275	13,328	11,109	113,275	2,388	160	833	96,628	111,496	4,081	3,961	247	1,203
Twelve months ended December 31, 2012	12,024,566	255,010	169,688	139,855	1,425,271	29,630	1,899	9,988	1,254,127	1,346,766	63,596	59,350	2,814	21,406
Average per month	1,002,047	21,251	14,141	11,655	118,773	2,469	158	832	104,511	112,231	5,300	4,946	235	1,784
Average per day	32,944	699	465	383	3,905	81	5	27	3,436	3,690	174	163	8	59

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
DELAWARE MEMORIAL BRIDGE
SCHEDULE OF MONTHLY TRAFFIC AND REVENUE
Year Ended December 31, 2012

	Total Traffic	Net Revenue
January	1,205,387	\$ 6,944,199
February	1,151,325	6,758,669
March	1,298,989	7,671,832
April	1,416,686	8,003,666
May	1,459,950	8,345,751
June	1,505,428	8,444,255
July	1,644,320	9,005,416
August	1,714,060	9,405,735
September	1,363,488	7,671,118
October	1,308,511	7,537,602
November	1,350,053	7,907,352
December	1,385,769	7,765,448
Twelve months ended December 31, 2012	<u>16,803,966</u>	<u>\$ 95,461,043</u>
Average per month	<u>1,400,331</u>	<u>\$ 7,955,087</u>
Average per day	<u>46,038</u>	<u>\$ 261,537</u>

Average toll per vehicle: \$95,461,043 divided by 16,803,966 = \$5.68

DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
CAPE MAY – LEWES FERRY
SCHEDULE OF TRAFFIC BY TOLL CLASSIFICATIONS
Year Ended December 31, 2012

REVENUE	Passengers	Bus	Vehicle	1	4	5	6	7	9	10	12	Calculated Revenue
		Passengers	Total									
January	17,787	-	8,483	8,230	39	91	42	56	18	7	-	\$ 312,570
February	18,676	102	8,664	8,382	54	68	46	68	38	8	-	324,510
March	28,219	40	12,751	12,226	71	144	87	116	42	65	-	482,611
April	48,724	526	19,823	18,789	116	210	156	198	33	321	-	939,655
May	59,124	691	24,362	22,420	180	335	244	197	43	941	2	1,167,833
June	90,527	1,032	31,972	30,010	179	290	260	281	27	923	2	1,741,416
July	144,971	535	44,108	42,079	212	414	317	376	32	676	2	2,572,508
August	159,716	980	48,614	46,371	208	425	362	436	26	783	3	2,811,171
September	86,304	746	32,498	28,297	141	326	236	256	34	3,206	2	1,626,431
October	45,929	387	18,901	17,798	121	200	229	274	31	247	1	901,542
November	24,132	-	11,034	10,670	70	87	74	74	28	31	-	411,764
December	21,858	51	9,968	9,728	41	70	54	53	10	12	-	372,193
Twelve months ended December 31, 2012	745,967	5,090	271,178	255,000	1,432	2,660	2,107	2,385	362	7,220	12	\$ 13,664,204
Average per month	62,164	424	22,598	21,250	119	222	176	199	30	602	1	\$ 1,138,684
Average per day	2,044	14	743	699	4	7	6	7	1	20	0	\$ 37,436
NON-REVENUE*												
January	606		110									
February	736		115									
March	986		137									
April	2,694		84									
May	3,051		109									
June	5,870		107									
July	10,913		88									
August	12,337		76									
September	3,970		62									
October	1,431		106									
November	1,055		107									
December	835		79									
Totals	44,484		1,180									

* Includes children under 6 years of age

**DELAWARE RIVER AND BAY AUTHORITY
 PROPRIETARY FUND
 CAPE MAY – LEWES FERRY
 SCHEDULE OF MONTHLY TRAFFIC AND REVENUE
 Year Ended December 31, 2012**

REVENUE	<u>Passengers</u>	<u>Bus Passengers</u>	<u>Vehicle Total</u>	<u>Calculated Revenue</u>
January	17,787	-	8,483	\$ 312,570
February	18,676	102	8,664	324,510
March	28,219	40	12,751	482,611
April	48,724	526	19,823	939,655
May	59,124	691	24,362	1,167,833
June	90,527	1,032	31,972	1,741,416
July	144,971	535	44,108	2,572,508
August	159,716	980	48,614	2,811,171
September	86,304	746	32,498	1,626,431
October	45,929	387	18,901	901,542
November	24,132	-	11,034	411,764
December	21,858	51	9,968	372,193
Twelve months ended December 31, 2012	<u>745,967</u>	<u>5,090</u>	<u>271,178</u>	<u>\$ 13,664,204</u>
Average per month	<u>62,164</u>	<u>424</u>	<u>22,598</u>	<u>\$ 1,138,684</u>
Average per day	<u>2,044</u>	<u>14</u>	<u>743</u>	<u>\$ 37,436</u>
NON-REVENUE*				
January	606		110	
February	736		115	
March	986		137	
April	2,694		84	
May	3,051		109	
June	5,870		107	
July	10,913		88	
August	12,337		76	
September	3,970		62	
October	1,431		106	
November	1,055		107	
December	835		79	
Totals	<u>44,484</u>		<u>1,180</u>	

* Includes children under 6 years of age

**DELAWARE RIVER AND BAY AUTHORITY
 PROPRIETARY FUND
 THREE FORTS FERRY
 SCHEDULE OF TRAFFIC BY TOLL CLASSIFICATIONS
 Year Ended December 31, 2012**

Leaving Delaware City

	<u>Traffic</u>	<u>Revenue</u>
Adult	5,220	\$ 18,792
Seniors & Military	1,988	7,157
Child	2,080	4,493
School Groups	6,100	13,176
Cruise/Special Events	1,551	8,969
Non-Revenue	332	-
Total Leaving Delaware City	17,271	\$ 52,587

Leaving Fort Mott

	<u>Traffic</u>	<u>Revenue</u>
Adult	1,111	\$ 4,000
Seniors & Military	442	1,591
Child	470	1,015
School Groups	132	285
Non-Revenue	-	-
Total Leaving Fort Mott	2,155	\$ 6,891
Total	19,426	\$ 59,478

**DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
DELAWARE MEMORIAL BRIDGE
SCHEDULE OF HISTORICAL TOLL RATES
Year Ended December 31, 2012**

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

- (1) Conversion to one-way toll
- (2) Discontinued when tokens were implemented
- (3) Discontinued when class 10 discount tickets were implemented
- (4) Discontinued after Electronic Tolls were implemented, July 2001

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY
 PROPRIETARY FUND
 DELAWARE MEMORIAL BRIDGE
 SCHEDULE OF HISTORICAL TOLL RATES
 Year Ended December 31, 2012**

Class No.	Description	Number of Axles	After 6/30/2011	After 1/3/2008	After 9/30/2001	After 4/30/2000	After 1/1/2000
9	COMMUTER TICKETS (25 tickets after 12/31/92)	2				\$0.75	\$0.75
	Book of 50 Accommodations (4) (Good for 1 calendar month only) Issued to Passenger Cars only					18.75	18.75
9	COMMUTATION PLAN Provides 25 Trips good for a 30-day cycle period. (\$18.75 per cycle) Issued to account holders of Four Tire-Two Axle Types	2	\$1.00	\$0.75	\$0.75		
9	SHOPPERS TICKETS (2) Book of 20 Accommodations (Good for 3 calendar months only) Issued to Passenger Cars only						
10	DISCOUNT TICKETS (4) (20 tickets after 6/30/95) (Good for 6 calendar months only) Issued to Passenger Cars only	2				1.00	1.00
						20.00	20.00
10	FREQUENT TRAVELER PLAN Provides 20 Trips good for a 90-day cycle period. (\$20.00 per cycle) Issued to account holders of Four Tire-Two Axle Types	2	\$1.25	1.00	1.00		
11	PASSENGER CARS Includes-Passenger Cars w/ 1axle trailer	3	\$6.00	4.50	4.50	4.50	3.25
12	PASSENGER CARS Includes-Passenger Cars w/ 2 axle trailer	4	\$8.00	6.00	6.00	4.50	3.00
13	PASSENGER CARS Includes-Passenger Cars w/ 3 axle trailer	5	\$10.00	7.50	7.50	7.50	5.75
14	SENIOR CITIZENS-WITH TICKET ONLY (3) Restrictions Apply	2				1.00	1.00
	Book of 20 Accommodation Tickets (all 4 tired type passenger cars, vans, & pickups)						20.00
16	NON-REVENUE VEHICLES Includes-Bridge maintenance, ambulance, fire and police vehicles	Var.					

- (1) Conversion to one-way toll
- (2) Discontinued when tokens were implemented
- (3) Discontinued when class 10 discount tickets were implemented
- (4) Discontinued after Electronic Tolls were implemented, July 2001

**DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
CAPE MAY – LEWES FERRY
SCHEDULE OF HISTORICAL TOLL RATES
Period January 1, 2000 to December 31, 2012**

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

* Double rate of length
 ** Off Season rates effective Jan 1 - March 31 and Nov 1 - Dec 31
 *** Peak Season rates effective April 1 - Oct 31
 **** Memorial Day to Labor Day between 9:30 a.m. and 7:30 p.m., Fri, Sat, Sun & Holidays
 ***** Return trip value fares must be purchased with initial sailing.

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY
 PROPRIETARY FUND
 CAPE MAY – LEWES FERRY
 SCHEDULE OF HISTORICAL TOLL RATES
 Period January 1, 2000 to December 31, 2012**

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

**DELAWARE RIVER AND BAY AUTHORITY
PROPRIETARY FUND
THREE FORTS FERRY
SCHEDULE OF HISTORICAL TOLL RATES
Period January 1, 2000 to December 31, 2012**

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

**DELAWARE RIVER AND BAY AUTHORITY
SCHEDULE OF INSURANCE COVERAGE**

Year Ended December 31, 2012

Insurance Company:	American Casualty Company of Reading, PA			
Policy Number:	WC 249208869			
Policy Term:	1/1/12 - 1/1/13			
Coverage/ Limits:	Delaware Workers' Compensation:	Occupational Injury		Statutory
		Employers' Liability	\$	1,000,000
Insurance Company:	American Casualty Company of Reading, PA			
Policy Number:	WC 249208869			
Policy Term:	1/1/12 - 1/1/13			
Coverage/Limits:	NJ Workers' Compensation	Occupational Injury		Statutory
		Employers' Liability	\$	1,000,000
Insurance Company:	Continental Insurance Company			
Policy Number:	BUAC2066522098			
Policy Term:	1/1/12 - 1/1/13			
Coverage/ Limits:	Business Automobile - Fleet:	Comprehensive Liability	\$	1,000,000
Insurance Company:	American Casualty Company of Reading, PA			
Policy Number:	BUAC2057118842			
Policy Term:	1/1/12 - 1/1/13			
Coverage/ Limits:	Primary Business Automotive - Buses:	Liability	\$	5,000,000
Insurance Company:	American Casualty Company of Reading, PA			
Policy Number:	CCPC3002049491			
Policy Term:	1/1/12 - 1/1/13			
Coverage/ Limits:	Public Liability		\$	1,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA			
Policy Number:	01-410-28-10			
Policy Term:	1/1/12 - 1/1/13			
Coverage/ Limits:	Specialty Risk Protector (Cyber Coverage)		\$	1,000,000
Insurance Company:	Insurance Company of the State of Pennsylvania			
Policy Number:	14550182			
Policy Term:	1/1/12 - 1/1/13			
Coverage/ Limits:	Primary Umbrella Excess Liability		\$	5,000,000
Insurance Company:	First Mercury Insurance Company			
Policy Number:	NJEX000000326801			
Policy Term:	1/1/12 - 1/1/13			
Coverage/ Limits:	Second Layer Excess Umbrella Liability		\$	10,000,000
Insurance Company:	Alterra America Insurance Company			
Policy Number:	MAXA3EC30000115			
Policy Term:	1/1/12 - 1/1/13			
Coverage/ Limits:	Third Layer Excess Umbrella Liability		\$	10,000,000
Insurance Company:	AXIS Surplus Insurance Company			
Policy Number:	EAU706027/01/2012			
Policy Term:	1/1/12 - 1/1/13			
Coverage/ Limits:	Fourth Layer Excess Umbrella Liability		\$	25,000,000
Insurance Company:	Westchester Fire Insurance Company			
Policy Number:	G24182137002			
Policy Term:	1/1/12 - 1/1/13			
Coverage/ Limits:	Fifth Layer Excess Umbrella Liability		\$	25,000,000

**DELAWARE RIVER AND BAY AUTHORITY
SCHEDULE OF INSURANCE COVERAGE**

SCHEDULE 21

Year Ended December 31, 2012

Insurance Company:	Hartford Fire Insurance Company		
Policy Number:	00FA022743012		
Policy Term:	1/1/12 - 1/1/13		
Coverage/ Limits:	Commercial Crime:	Primary and Excess	\$ 1,000,000
Insurance Company:	Lloyd's and Scheduled Companies		
Policy Number:	B080112538U12		
Policy Term:	1/1/12 - 1/1/13		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue		\$ 428,871,000
Insurance Company:	Lloyd's, London		
Policy Number:	B080112590U12		
Policy Term:	1/31/12 - 1/31/13		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue (Primary Terrorism)		\$ 428,871,000
Policy Number:	B080110342M12		
Policy Term:	2/20/12 - 2/20/13		
Coverage/ Limits:	Protection and Indemnity		\$ 6,900,000,000
Insurance Company:	Lloyd's and Scheduled Companies		
Policy Number:	BO80110704M12		
Policy Term:	7/1/12 - 7/1/13		
Coverage/ Limits:	Vessel Hull and Machinery		Various
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	01-409-8731		
Policy Term:	1/1/12 - 1/1/13		
Coverage/ Limits:	Public Officials and Employment Practices Liability		\$ 10,000,000
Insurance Company:	National Union Fire Insurance Co. of Pittsburgh, PA		
Policy Number:	GTP9052960A		
Policy Term:	1/1/11 - 1/1/14		
Coverage/ Limits:	Group Travel Accident		\$ 250,000
Insurance Company:	Federal Insurance Company		
Policy Number:	8211-2113		
Policy Term:	1/1/12 - 1/1/13		
Coverage/ Limits:	Special Contingent		\$ 10,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	AV339475313		
Policy Term:	6/30/12 - 6/30/13		
Coverage/ Limits:	Helicopter Liability		\$ 50,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	AE338750613		
Policy Term:	6/30/12 - 6/30/13		
Coverage/ Limits:	Airport Liability		\$ 100,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	C4017235831		
Policy Term:	1/1/12 - 1/1/13		
Coverage/ Limits:	Liquor Liability		\$ 1,000,000
Insurance Company:	Federal Insurance Company		
Policy Number:	81531326		
Policy Term:	12/31/11 - 12/31/12		
Coverage/ Limits:	Public Entity Fiduciary Liability		\$ 10,000,000
Insurance Company:	Columbia Casualty Company		
Policy Number:	LEO223457783		
Policy Term:	1/1/12 - 1/1/13		
Coverage/ Limits:	Law Enforcement Liability		\$ 1,000,000

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

Schedules

Financial Trends

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

22 to 30

Debt Capacity

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

31 to 32

Demographic and Economic Information

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

33 to 34

Operating Information

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

35 to 39

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

DELAWARE RIVER AND BAY AUTHORITY
NET POSITION
Last Ten Fiscal Years

	Fiscal Year									
	<u>2012</u>	<u>2011*</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Invested in Capital Assets, Net of Related Debt	\$ 226,213,343	\$ 213,586,500	\$ 213,950,510	\$ 203,955,527	\$ 180,759,778	\$ 159,314,405	\$ 167,286,079	\$ 172,540,587	\$ 172,540,587	\$ 169,602,797
Restricted	32,853,327	35,867,773	35,067,720	33,603,155	33,757,140	33,911,805	32,903,520	32,036,520	32,036,520	31,650,480
Unrestricted	69,491,640	61,092,185	57,513,568	71,518,813	83,669,245	99,720,796	80,913,272	74,601,928	74,601,928	58,085,111
Total Net Position	<u>\$ 328,558,310</u>	<u>\$ 310,546,458</u>	<u>\$ 306,531,798</u>	<u>\$ 309,077,495</u>	<u>\$ 298,186,163</u>	<u>\$ 292,947,006</u>	<u>\$ 281,102,871</u>	<u>\$ 279,179,035</u>	<u>\$ 279,179,035</u>	<u>\$ 259,338,388</u>

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

*The Authority adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities as of December 31, 2012. On the December 31, 2011 Statement of Net Position, the Authority presented unamortized bond issuance costs of \$3,174,020. GASB Statement No. 65 requires the debt issuance costs to be recognized as an expense in the period incurred.

You Are Viewing an Archived Report from the New Jersey State Library
DELAWARE RIVER AND BAY AUTHORITY
CHANGE IN NET POSITION
Last Ten Fiscal Years

SCHEDULE 23

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Operating Revenues:										
Bridge Tolls	\$ 95,461,044	\$ 86,120,525	\$ 75,875,461	\$ 77,272,069	\$ 79,467,667	\$ 73,525,058	\$ 73,031,619	\$ 72,348,723	\$ 71,868,471	\$ 69,228,180
Ferry Tolls	13,723,565	13,468,212	14,258,255	14,309,464	14,271,389	13,555,342	13,778,387	12,723,114	13,063,913	13,355,948
Food and Novelty Sales	3,820,423	3,541,016	3,565,176	3,604,068	3,943,413	4,404,874	4,137,079	4,185,985	3,917,391	4,122,219
Airport Lease Revenue	6,743,760	6,694,249	7,404,691	6,261,850	6,469,182	5,837,345	5,363,724	4,898,749	5,062,799	5,090,423
Economic Development Revenue	1,382,154	1,370,002	1,466,981	1,212,518						
Other Operating Revenue	4,478,186	3,483,183	3,791,207	3,420,307	4,833,281	3,625,730	3,544,050	3,122,164	3,975,305	3,271,344
Total Operating Revenue	125,609,132	114,677,187	106,361,771	106,080,276	108,984,932	100,948,349	99,854,859	97,278,735	97,887,879	95,068,114
Operating Expenses:										
Administrative and General										
Wages	8,887,986	5,145,482	5,176,362	4,897,360	4,908,518	7,107,897	5,108,181	4,774,236	4,169,110	4,968,078
Benefits	7,374,021	3,633,265	3,392,459	3,439,300	3,172,373	2,200,219	1,999,716	1,802,235	1,705,203	1,607,818
Other Expenses	7,883,313	7,595,568	8,300,376	10,623,925	10,145,745	10,171,324	12,915,924	10,034,100	9,955,248	8,252,790
Operations:										
Wages	16,959,876	20,951,837	21,510,862	21,713,362	22,518,595	22,321,874	22,515,138	21,471,595	21,459,564	22,338,371
Benefits	17,248,467	22,124,923	21,761,273	19,560,141	19,466,853	13,368,871	13,838,526	12,353,251	11,731,539	11,112,748
Other Expenses	19,008,786	19,764,805	19,141,607	16,677,644	20,313,648	15,297,497	16,648,022	14,184,485	15,088,071	13,275,376
Depreciation	23,120,869	21,920,970	21,342,782	20,919,311	19,575,853	20,179,522	18,684,272	16,602,820	16,506,024	23,360,410
Total Operating Expenses	100,483,318	101,136,850	100,625,721	97,831,043	100,101,585	90,647,204	91,709,779	81,222,722	80,614,759	84,915,591
Operating Income	25,125,814	13,540,337	5,736,050	8,249,233	8,883,347	10,301,145	8,145,080	16,056,013	17,273,120	10,152,523
Nonoperating Revenue (Expenses):										
Investment Income	907,520	2,546,802	4,175,792	4,882,170	3,970,463	7,542,228	6,179,702	4,285,404	2,965,178	3,390,363
Investment Fees	(607,364)	(603,861)	(594,488)	(622,419)	(387,587)	(431,091)	(460,384)	(480,836)	(258,016)	(186,835)
Interest on Bonds	(12,489,612)	(12,575,266)	(12,917,905)	(13,245,688)	(14,998,314)	(14,842,098)	(14,921,709)	(15,451,686)	(15,931,209)	(16,217,959)
Debt Issue Costs	(821,336)	-	(272,174)	(279,008)	(282,588)	(289,078)	(328,184)	(432,224)	(228,513)	(175,953)
Expense Construction in Progress	(425,479)	(1,163,518)	(1,360,795)	(1,034,571)	(1,836,027)	(822,965)	(1,568,448)	(580,179)	(2,517,888)	-
Write-off of Capital Assets	-	(2,200,072)	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	7,344	218,574
Sale of Lease Rights	-	-	-	1,674,583	556,000	-	-	-	-	-
Sale of Fixed Assets	19,212	51,674	106,742	1,897,440	110,229	750,160	88,544	102,291	177,126	761,181
Interest Rebate Expense	-	-	-	-	-	-	(2,485,404)	-	-	-
Net Non Operating (Expenses)	(13,417,059)	(13,944,241)	(10,862,828)	(6,727,493)	(12,867,824)	(8,092,845)	(13,495,882)	(12,557,230)	(15,785,978)	(12,210,629)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	11,708,755	(403,904)	(5,126,778)	1,521,740	(3,984,477)	2,208,300	(5,350,802)	3,498,783	1,487,142	(2,058,106)
Capital Contributions:										
Grant Income	6,303,097	7,157,992				9,569,724	7,850,160	7,749,738	7,104,984	5,308,124
Capital Contributions	-	434,592	5,155,121	16,592,112	9,223,634	66,111	624,478			
Total Capital Contributions	6,303,097	7,592,584	5,155,121	16,592,112	9,223,634	9,635,835	8,474,638	7,749,738	7,104,984	5,308,124
Change in Net Position	\$ 18,011,852	\$ 7,188,680	\$ 28,343	\$ 18,113,852	\$ 5,239,157	\$ 11,844,135	\$ 3,123,836	\$ 11,248,521	\$ 8,592,126	\$ 3,250,018

DELAWARE RIVER AND BAY AUTHORITY
CHANGE IN NET POSITION
PENSION TRUST FUND
Last Nine Fiscal Years

	Fiscal Year								
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Additions									
Member Contributions	\$ 625,244	\$ 594,597	\$ 652,280	\$ 671,937	\$ 674,968	\$ 690,238	\$ 694,206	\$ 650,706	\$ 657,701
Employer Contributions	17,397,866	16,145,154	19,440,424	5,605,251	5,657,686	5,038,045	6,688,088	3,760,147	3,576,084
Investment Income (Net of Expense)	9,337,165	2,254,279	7,156,532	9,810,155	-	3,443,948	5,820,203	2,449,050	4,071,620
Total Additions to Plan Net Assets	<u>27,360,275</u>	<u>18,994,030</u>	<u>27,249,236</u>	<u>16,087,343</u>	<u>6,332,654</u>	<u>9,172,231</u>	<u>13,202,497</u>	<u>6,859,903</u>	<u>8,305,405</u>
Deductions									
Investment Loss (Net of Expense)	-	310,453	-	-	11,165,668	-	-	-	-
Benefit Payment	6,807,371	6,808,057	5,534,227	4,463,578	6,144,990	7,485,316	6,093,878	5,446,391	5,791,807
Administrative Expenses	334,141	295,023	271,018	319,668	311,802	297,131	319,823	228,517	291,814
Insurance Expenses	-	-	19,935	19,935	21,897	23,050	23,050	24,250	24,250
Total Deductions from Plan Assets	<u>7,141,512</u>	<u>7,413,533</u>	<u>5,825,180</u>	<u>4,803,181</u>	<u>17,644,357</u>	<u>7,805,497</u>	<u>6,436,751</u>	<u>5,699,158</u>	<u>6,107,871</u>
Change in Net Assets	<u>\$20,218,763</u>	<u>\$ 11,580,497</u>	<u>\$ 21,424,056</u>	<u>\$ 11,284,162</u>	<u>\$(11,311,703)</u>	<u>\$ 1,366,734</u>	<u>\$ 6,765,746</u>	<u>\$ 1,160,745</u>	<u>\$ 2,197,534</u>

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

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Delaware Memorial Bridge										
Class 1 - Passenger Cars	\$47,625,020	\$42,549,428	\$37,073,673	\$37,408,311	\$36,121,749	\$37,572,672	\$37,750,076	\$37,496,001	\$37,629,843	\$36,580,395
Class 2 - Two Axle Trucks	2,506,940	2,280,412	2,053,592	2,079,184	2,231,996	1,843,644	1,915,980	1,969,644	2,020,944	1,972,578
Class 3 - Three Axle Trucks	2,502,885	2,317,539	2,000,412	1,955,232	1,944,594	1,485,828	1,495,602	1,519,479	1,476,522	1,397,889
Class 4 - Four Axle Trucks	2,751,600	2,316,008	1,979,408	2,001,968	2,269,236	1,819,476	1,759,728	1,798,488	1,791,828	1,714,452
Class 5 - Five Axle Trucks & Truck Combination	34,945,925	32,148,900	28,981,660	30,210,240	33,212,285	27,139,155	26,530,920	25,985,010	25,198,605	23,793,555
Class 6 - Six Axle Trucks & Truck Combinations	872,130	833,172	706,608	740,256	777,606	602,388	479,196	495,558	552,528	677,268
Class 7 - Vehicles Requiring Special Permits	113,940	112,260	99,650	89,050	110,390	106,720	117,320	121,240	114,360	83,320
Class 8 - Special(Over Six Axels)	341,705	285,754	202,468	150,472	130,348	141,144	121,821	115,521	176,778	229,908
Class 9 - Commutation Plan	1,254,127	1,063,138	854,887	832,192	845,348	842,768	847,396	853,654	854,533	842,222
Class 10 - Frequent Traveler Plan	1,683,458	1,436,121	1,234,491	1,241,828	1,266,047	1,314,555	1,350,179	1,327,018	1,358,553	1,369,507
Class 11 - Passenger Cars w/ 1 Axle Trailer	374,016	337,875	298,434	312,480	301,887	328,163	335,858	348,534	352,229	322,601
Class 12 - Passenger Cars w/ 2 Axle Trailer	465,568	412,038	363,642	377,856	382,740	410,670	412,242	414,444	425,850	398,988
Class 13 - Passenger Cars w/ 3 Axle Trailer	23,730	27,880	26,535	27,143	25,485	31,755	24,600	25,838	41,033	47,460
Class 14 - Senior Citizens (2)	-	-	-	-	-	-	-	-	-	1
Class 15 - Tokens (2)	-	-	-	-	-	-	-	-	-	-
Allowance - Uncollected Tolls	-	-	-	(154,142)	(152,044)	(113,879)	(109,299)	(121,705)	(125,134)	(201,963)
Total Bridge Net Tolls	\$95,461,044	\$86,120,525	\$75,875,460	\$77,272,070	\$79,467,667	\$73,525,058	\$73,031,619	\$72,348,723	\$71,868,471	\$69,228,181

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

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

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Cape May - Lewes Ferry										
Passengers	\$3,944,493	\$3,850,667	\$ 4,009,438	\$ 4,102,919	\$ 4,160,592	\$ 5,922,713	\$ 6,067,617	\$ 5,740,774	\$ 6,013,991	\$ 6,205,639
Bus Passengers	23,654	21,594	25,507	26,247	33,655	42,086	38,189	43,964	59,581	63,949
Class 1 - Passenger Car	8,934,889	8,741,930	9,342,832	9,286,207	9,159,072	6,830,396	6,924,879	6,216,681	6,281,962	6,412,152
Class 4 - 20' to 25'	62,115	71,936	76,708	79,213	89,800	91,920	90,806	70,857	64,200	49,898
Class 5 - 25' to 35'	137,736	150,070	162,190	163,340	163,482	143,673	141,285	131,577	128,340	128,126
Class 6 - 35' to 45'	127,899	130,771	131,043	131,094	129,463	118,491	119,101	109,633	108,958	104,633
Class 7 - 45' to 55'	175,408	168,984	168,941	169,925	171,351	149,034	150,843	126,123	113,498	108,963
Class 9 - Over 65'	32,793	46,022	29,763	28,788	58,678	45,730	38,614	38,852	52,787	78,150
Class 10 - Motorbike or Motorcycle	223,069	223,207	237,607	245,859	227,148	156,899	129,486	116,780	110,255	82,319
Class 11 - Bicycle	-	-	-	-	-	-	120	19,858	10,458	9,686
Class 12 - Over Width Vehicles	2,148	1,014	590	558	1,115	973	128	275	388	1,040
Peak Period Surcharge (1)	-	-	-	-	-	-	-	-	-	-
Total Cape May - Lewes Ferry:	\$ 13,664,204	\$ 13,406,195	\$ 14,184,619	\$ 14,234,150	\$ 14,194,354	\$ 13,501,913	\$ 13,701,066	\$ 12,615,372	\$ 12,944,416	\$ 13,244,553
Three Forts Ferry (2)										
Adult	\$31,540	\$32,907	\$ 39,392	\$ 41,310	\$ 44,307	\$ 35,703	\$ 44,394	\$ 67,020	\$ 75,222	\$ 70,104
Child	5,508	5,983	7,346	8,100	8,115	8,529	10,836	17,308	20,804	17,968
School Groups	13,461	12,563	11,606	13,830	12,550	4,011	18,900	17,832	21,456	20,068
Cruise/Special Events	8,969	10,564	15,292	12,150	12,063	5,185	3,191	5,582	2,015	2,972
Total Three Forts Ferry:	\$ 59,478	\$ 62,017	\$ 73,636	\$ 75,390	\$ 77,035	\$ 53,428	\$ 77,321	\$ 107,742	\$ 119,497	\$ 111,112
Total Ferry Tolls	\$ 13,723,682	\$ 13,468,212	\$ 14,258,255	\$ 14,309,540	\$ 14,271,389	\$ 13,555,342	\$ 13,778,387	\$ 12,723,114	\$ 13,063,913	\$ 13,355,665

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

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

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

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

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Delaware Memorial Bridge										
Class 1 - Passenger Cars	12,024,566	12,096,813	12,397,831	12,508,110	12,073,390	12,554,899	12,615,946	12,530,542	12,582,105	12,256,304
Class 2 - Two Axle Trucks	255,010	255,501	258,758	261,472	280,946	308,773	320,844	330,077	338,687	332,732
Class 3 - Three Axle Trucks	169,688	173,774	168,341	164,491	163,668	166,322	167,370	170,362	166,723	158,938
Class 4 - Four Axle Trucks	139,855	129,518	124,772	125,940	142,927	152,343	147,290	150,756	150,072	144,596
Class 5 - Five Axle Trucks & Truck Combinations	1,425,271	1,459,524	1,470,937	1,523,964	1,677,383	1,822,294	1,780,752	1,746,467	1,693,932	1,607,780
Class 6 - Six Axle Trucks & Truck Combinations	29,630	31,677	29,825	31,196	32,832	33,720	26,801	27,739	30,865	37,966
Class 7 - Vehicles Requiring Special Permits	1,899	2,031	1,993	1,781	2,211	2,668	2,933	3,033	2,859	2,083
Class 8 - Special(Over Six Axels)	9,988	9,174	7,305	5,427	4,694	6,053	5,867	5,616	8,498	11,146
Class 9 - Commutation Plan	1,254,127	1,212,606	1,139,850	1,109,589	1,127,130	1,123,691	1,129,861	1,138,205	1,139,377	1,122,963
Class 10 - Frequent Traveler Plan	1,346,766	1,273,470	1,234,491	1,241,834	1,266,053	1,314,561	1,350,179	1,327,018	1,358,553	1,369,507
Class 11 - Passenger Cars w/ 1 Axle Trailer	63,596	64,337	67,196	70,080	67,477	73,385	74,988	77,904	79,118	73,105
Class 12 - Passenger Cars w/ 2 Axle Trailer	59,350	58,841	61,109	63,323	64,062	68,755	68,894	69,510	71,409	66,994
Class 13 - Passenger Cars w/ 3 Axle Trailer	2,814	3,747	4,046	3,901	3,601	4,453	3,402	3,639	5,892	7,134
Class 14 - Senior Citizens (With Token Only)	-	-	-	-	-	-	-	-	-	-
Class 15 - Tokens	-	-	-	-	-	-	-	-	-	-
Class 16 - Non Revenue	21,406	15,743	17,245	15,768	14,239	11,964	12,367	12,542	12,948	24,202
Total Bridge Traffic	<u>16,803,966</u>	<u>16,786,756</u>	<u>16,983,699</u>	<u>17,126,876</u>	<u>16,920,613</u>	<u>17,643,881</u>	<u>17,707,494</u>	<u>17,593,410</u>	<u>17,641,038</u>	<u>17,215,450</u>

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

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cape May - Lewes Ferry										
Passengers	745,967	730,948	767,114	789,761	862,618	914,064	931,389	952,141	944,472	970,332
Bus Passengers	5,090	4,724	5,455	5,377	7,149	7,501	6,560	6,420	8,685	9,317
Class 1 - Passenger Car	255,000	250,393	266,064	270,046	293,599	317,105	328,343	336,501	335,243	340,084
Class 4 - 20' to 25'	1,432	1,641	1,812	1,903	2,492	3,273	3,273	3,016	2,741	2,134
Class 5 - 25' to 35'	2,660	2,899	3,181	3,247	3,603	3,950	3,943	4,288	4,190	4,177
Class 6 - 35' to 45'	2,107	2,187	2,234	2,248	2,464	2,728	2,771	2,983	2,965	2,845
Class 7 - 45' to 55'	2,385	2,328	2,349	2,394	2,620	2,691	2,758	2,699	2,433	2,331
Class 8 - 55' to 65'	0	0	0	0	0	0	0	0	0	0
Class 9 - Over 65'	362	507	329	325	705	596	522	598	811	1,200
Class 10 - Motorbike or Motorcycle	7,220	7,219	7,669	7,961	8,156	8,592	6,959	6,756	6,370	4,794
Class 11 - Bicycle	0	0	0	0	0	0	20	2,557	3,052	2,817
Class 12 - Over Width Vehicles	12	7	4	3	7	8	1	2	4	8
CMLF Non-Revenue Passengers	44,484	43,779	59,117	50,224	52,042	60,849	63,219	67,435	67,245	70,401
CMLF Non-Revenue Vehicles	1,180	1,424	2,820	7,129	4,354	2,497	2,618	2,607	2,222	2,060
Total Cape May-Lewes Ferry Traffic:	1,067,899	1,048,056	1,118,148	1,140,618	1,239,809	1,323,854	1,352,376	1,388,003	1,380,433	1,412,500
Three Forts Ferry										
Adult	8,761	9,141	10,942	11,475	11,402	12,265	7,399	11,170	12,537	11,684
Child	2,550	2,770	3,401	3,750	3,757	4,726	2,709	4,327	5,201	4,492
School Groups	6,232	5,816	5,373	6,403	4,980	4,552	3,780	4,458	5,364	5,017
Cruise/Special Events	1,551	1,983	2,768	2,994	1,848	782	1,110	1,256	424	1,655
Three Forts Non-Revenue	332	13	209	287	222	194	725	931	1,600	999
Total Three Forts Ferry Traffic:	19,426	19,723	22,693	24,909	22,209	22,519	15,723	22,142	25,126	23,847
Total Ferry Traffic:	1,087,325	1,067,779	1,140,841	1,165,527	1,262,018	1,346,373	1,368,099	1,410,145	1,405,559	1,436,347

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

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Delaware Memorial Bridge										
Class 1 - Passenger Cars	4.00	\$ 4.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Class 2 - Two Axle Trucks	10.00	10.00	8.00	8.00	8.00	6.00	6.00	6.00	6.00	6.00
Class 3 - Three Axle Trucks	15.00	15.00	12.00	12.00	12.00	9.00	9.00	9.00	9.00	9.00
Class 4 - Four Axle Trucks	20.00	20.00	16.00	16.00	16.00	12.00	12.00	12.00	12.00	12.00
Class 5 - Five Axle Trucks & Truck Combinations	25.00	25.00	20.00	20.00	20.00	15.00	15.00	15.00	15.00	15.00
Class 6 - Six Axle Trucks & Truck Combinations	30.00	30.00	24.00	24.00	24.00	18.00	18.00	18.00	18.00	18.00
Class 7 - Vehicles Requiring Special Permits	60.00	60.00	50.00	50.00	50.00	40.00	40.00	40.00	40.00	40.00
Class 8 - Special(Over Six Axels)	5.00	5.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Class 9 - Commuter Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Class 9 - Commutation Plan	1.00	1.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Class 10 - Discount Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Class 10 - Frequent Traveler Plan	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Class 11 - Passenger Cars w/ 1 Axle Trailer	6.00	6.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Class 12 - Passenger Cars w/ 2 Axle Trailer	8.00	8.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Class 13 - Passenger Cars w/ 3 Axle Trailer	10.00	10.00	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Class 14 - Senior Citizens (With Token Only)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cape May - Lewes Ferry										
Foot/Vehicle Passenger (under 6 yrs)	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free
Foot/Vehicle Passenger (6 yrs & over)	\$3-\$10	\$3-\$10	\$3-\$10	\$2.75-\$10.00	\$2.50-\$9.50	\$2.50-\$9.50	2.50-\$9.5	\$6-\$8	\$6-\$8	\$6-\$8
Foot Passengers(round trip)	6-10	6-10	6-10	5.25-10.00	6-17	6-17	6-17	10-15	10-15	10-15
Bus Passengers	2-5	2-5	2-5	1.50-5.25	1.50-5	2-6	2-6	5-7	5-7	5-7
Class 1 - Passenger Car	26-44	26-44	26-44	25.25-43.25	19-41	19-29	19-29	20-25	20-25	20-25
Class 4 - 20' to 25'	34-50	34-50	34-50	33.75-49.75	27-47	27-34	27-34	24-29	24-29	24-29
Class 5 - 25' to 35'	43-61	43-61	43-61	42.25-60.25	35-57	35-42	35-42	31-36	31-36	31-36
Class 6 - 35' to 45'	50-69	50-69	50-69	49.75-68.75	42-65	42-49	42-49	37-42	37-42	37-42
Class 7 - 45' to 60'	62-85	62-85	62-85	61.25-84.50	53-80	53-61	53-61	47-52	47-52	47-52
Class 9 - Over 60'	85-113	85-113	85-113	84.50-113.00	75-107	75-83	75-83	66-71	66-71	66-71
Class 10 - Motorbike or Motorcycle	25-36	25-36	25-36	24.25-36.00	15-34	15-24	15-24	17-22	17-22	17-22
Class 10 w/ Side Car or trailer	22-27	22-27	22-27	21.25-26.50	15-34	15-24	15-24	18-23	18-23	18-23
Class 11 - Bicycle	Free	Free	Free	Free	Free	Free	Free	6-8	6-8	6-8
Class 12 - Over Width Vehicles (1)	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies

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

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

Three Forts Ferry

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

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

<u>Fiscal Year</u>	<u>Total Outstanding Debt (1)</u>	<u>Total Annual Debt Service (2)</u>	<u>Total Traffic (3)</u>	<u>Outstanding Debt Per Customer</u>	<u>Debt Service Per Customer</u>
2012	\$ 329,148,529	\$ 19,954,557	17,891,291	18.40	1.12
2011	284,761,712	21,443,532	17,854,535	15.95	1.20
2010	293,197,321	21,465,838	18,124,540	16.18	1.18
2009	301,250,529	21,434,457	18,292,403	16.47	1.17
2008	308,951,498	22,941,551	18,182,631	16.99	1.26
2007	316,325,000	22,364,966	18,990,254	16.66	1.18
2006	323,420,000	22,227,918	19,075,593	16.95	1.17
2005	328,845,000	22,051,686	19,003,555	17.30	1.16
2004	333,660,000	22,360,397	19,046,597	17.52	1.17
2003	343,195,000	23,732,959	18,651,797	18.40	1.27

(1) Includes Outstanding Revenue Bonds and outstanding loan payable to the Cumberland Empowerment Zone Corp.

(2) Includes the annual interest and principal paid on the outstanding Revenue Bonds and the loan payable to the Cumberland Empowerment Zone Corp.

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

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

Fiscal Year	Gross Revenues	Less: Budgetary Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2012	\$ 117,472,408	\$ 69,681,492	\$ 47,790,916	\$ 7,390,000	\$ 12,456,423	2.41
2011	107,223,066	70,012,448	37,210,618	8,760,000	12,571,889	1.74
2010	99,723,149	67,219,476	32,503,673	8,400,000	12,954,195	1.52
2009	101,537,888	61,841,952	39,695,936	8,020,000	13,302,814	1.86
2008	102,866,626	67,088,144	35,778,482	7,718,750	15,092,551	1.57
2007	99,511,229	63,755,295	35,755,934	7,340,000	15,024,966	1.60
2006	97,324,442	64,196,500	33,127,942	7,095,000	15,132,918	1.49
2005	93,661,062	60,308,667	33,352,395	6,600,000	15,451,686	1.51
2004	92,444,083	57,379,218	35,064,865	6,345,000	16,015,397	1.57
2003	90,714,565	54,353,579	36,360,986	7,515,000	16,217,959	1.53

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

	<u>Fiscal Year</u>									
NEW JERSEY	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Cape May County</u>										
Population	101,421	101,335	99,920	98,558	97,814	96,700	96,470	96,091	97,265	96,601
Total Personal Income	\$1,127,117	\$1,188,248	\$1,285,105	\$1,330,501	\$1,357,256	\$1,369,686	\$1,395,943	\$1,360,988	\$4,619,213	\$4,703,885
Per Capita Personal Income	\$27,778	\$28,873	\$30,227	\$31,033	\$31,801	\$32,452	\$33,529	\$33,477	\$47,498	\$48,694
Unemployment Rate	8.0%	8.1%	6.9%	6.6%	6.9%	6.6%	8.1%	11.4%	11.9%	12.6%
<u>Cumberland County</u>										
Population	147,590	148,722	150,227	152,489	153,910	155,402	156,784	157,745	156,898	157,095
Total Personal Income	\$1,976,359	\$2,052,149	\$2,207,839	\$2,279,327	\$2,359,502	\$2,429,227	\$2,492,454	\$2,462,772	\$5,318,463	\$5,541,121
Per Capita Personal Income	\$33,625	\$34,508	\$36,228	\$36,387	\$37,749	\$39,408	\$40,709	\$41,145	\$33,907	\$35,272
Unemployment Rate	7.6%	7.9%	6.6%	6.3%	6.9%	6.5%	8.0%	12.7%	13.3%	13.5%
<u>Gloucester County</u>										
Population	263,518	268,257	273,020	276,680	281,936	286,056	288,168	289,920	288,288	289,104
Total Personal Income	\$3,093,025	\$3,305,661	\$3,583,035	\$3,839,077	\$4,067,667	\$4,157,198	\$4,245,476	\$4,106,572	\$11,927,960	\$12,208,251
Per Capita Personal Income	\$33,794	\$34,549	\$36,291	\$37,233	\$39,018	\$40,004	\$41,392	\$41,332	\$41,337	\$42,228
Unemployment Rate	5.2%	5.4%	4.7%	4.4%	4.7%	4.3%	5.4%	9.4%	10.0%	9.8%
<u>Salem County</u>										
Population	64,516	64,407	64,914	65,465	65,929	65,981	66,194	66,342	66,083	65,902
Total Personal Income	\$908,818	\$950,860	\$1,021,336	\$1,007,053	\$1,024,486	\$1,052,845	\$1,078,606	\$1,062,053	\$2,620,335	\$2,691,931
Per Capita Personal Income	\$41,466	\$42,063	\$43,920	\$43,557	\$44,201	\$45,857	\$48,251	\$49,183	\$39,704	\$40,847
Unemployment Rate	5.8%	6.0%	5.2%	4.8%	5.0%	5.0%	6.2%	10.7%	11.3%	11.0%
STATE OF DELAWARE										
<u>All Counties</u>										
Population	804,131	814,905	826,639	839,906	853,022	864,896	876,211	885,122	897,934	908,137
Total Personal Income (in millions)	\$26,529.9	\$27,140.1	\$29,330.9	\$29,010.2	\$32,947.1	\$34,574.7	\$35,667.4	\$35,360.0	\$35,688.1	\$37,600.0
Per Capita Personal Income	\$33,007	\$33,644	\$35,523	\$36,793	\$38,745	\$40,112	\$40,852	\$39,949	\$39,664	\$41,560
Unemployment Rate	3.9%	4.1%	3.9%	3.9%	3.6%	3.5%	5.0%	8.0%	8.5%	7.3%

Sources:

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

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

STATE OF NEW JERSEY	2011			2002		
	Employment	Rank	% of Total State	Employment	Rank	% of Total State
Health Care and Social Assistance	583,340	1	11.70%	485,635	2	10.17%
Retail Trade	519,693	2	10.43%	529,903	1	11.09%
Professional, Scientific and Technical Services	425,855	3	8.54%	380,901	4	7.97%
Local Government	394,467	4	7.91%	390,019	3	8.17%
Finance and Insurance	330,052	5	6.62%	277,831	8	5.82%
Administrative and Waste Management Services	314,795	6	6.32%	308,805	6	6.46%
Accommodations and Food Services	309,208	7	6.20%	281,000	7	5.88%
Real Estate and Rental and Leasing	280,859	8	5.64%	192,607	12	4.03%
Manufacturing	265,567	9	5.33%	376,557	5	7.88%
Other Services, Except Public Administration	245,480	10	4.93%	229,797	10	4.81%
Wholesale Trade	230,631	11	4.63%	248,996	9	5.21%
Construction	210,703	12	4.23%	227,974	11	4.77%
TOTAL	4,110,650		82.48%	3,930,025		82.28%
TOTAL EMPLOYMENT	4,983,993			4,776,628		

STATE OF DELAWARE	2011			2002		
	Employment	Rank	% of Total State	Employment	Rank	% of Total State
Health Care and Social Assistance	64,375	1	12.10%	47,890	3	9.55%
Retail Trade	59,302	2	11.15%	59,093	1	11.79%
Finance and Insurance	51,613	3	9.70%	48,539	2	9.68%
Accommodations and Food Services	36,713	4	6.90%	30,878	7	6.16%
Professional, Scientific and Technical Services	36,349	5	6.83%	33,080	5	6.60%
State Government	32,484	6	6.11%	30,580	8	6.10%
Other Services, Except Public Administration	30,316	7	5.70%	26,937	9	5.37%
Administrative and Waste Management Services	28,745	8	5.40%	26,827	10	5.35%
Construction	28,235	9	5.31%	32,253	6	6.43%
Manufacturing	26,752	10	5.03%	37,754	4	7.53%
Local Government	25,694	11	4.83%	22,158	11	4.42%
Real Estate and Rental and Leasing	25,452	12	4.78%	16,532	12	3.30%
TOTAL	446,030		83.83%	412,521		82.30%
TOTAL EMPLOYMENT	532,061			501,222		

Unites State Department of Commerce, Bureau of Economic Analysis
State of Delaware CAFR Report

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Airports										
New Castle Airport										
Lease Revenues	\$ 4,417,327	\$ 4,440,042	\$ 4,826,165	\$ 4,185,960	\$ 3,936,180	\$ 3,630,836	\$ 3,118,445	\$ 2,656,667	\$ 2,858,242	\$ 2,901,598
Fuel Flowage Fees	347,071	348,181	337,994	293,876	419,947	492,057	489,864	476,895	455,804	516,770
Ramp Fees						19,813	9,310			
Landing Fees	134,099	103,740	98,809	68,233	123,301	139,367	144,218	161,056	143,226	187,531
Total New Castle Airport	4,898,497	4,891,963	5,262,968	4,548,069	4,479,428	4,282,073	3,761,837	3,294,618	3,457,272	3,605,899
Cape May Airport										
Lease Revenues	182,145	165,610	153,738	127,051	159,358	147,247	146,879	155,906	158,414	150,065
Fuel Flowage Fees	11,207	4,207	5,007	3,895	4,409	5,309	5,289	2,224	-	-
Aviation Fuel Sales	263,428	-	-	-	-	-	-	26,792	198,069	138,445
Ramp Fees	2,115	-	-	-	-	-	-	-	-	-
Landing Fees	9,750	-	-	-	-	-	-	-	-	-
Total Cape May Airport	468,645	169,817	158,745	130,946	163,767	152,556	152,168	184,922	356,483	288,510
Millville Airport (1)										
Lease Revenues	401,038	310,367	374,277	337,874	357,584	337,663	308,108	417,445	398,236	409,024
Fuel Flowage Fees	14,422	(20,816)	13,081	27,847	72,430	88,212	73,080	49,380	18,051	19,951
Total Millville Airport	415,460	289,551	387,358	365,721	430,014	425,875	381,188	466,825	416,287	428,975
Civil Air Terminal										
Lease Revenues	-	-	-	-	2,081	-	-	-	-	710
Landing Fees	21,883	14,230	18,141	21,296	9,873	19,999	20,300	18,723	15,454	15,485
Total Civil Air Terminal	21,883	14,230	18,141	21,296	11,954	19,999	20,300	18,723	15,454	16,195
Delaware Air Park										
Lease Revenues	82,841	70,587	66,283	53,265	95,306	51,430	55,864	63,346	62,606	60,008
Aviation Fuel Sales	135,352	82,008	104,452	104,934	138,110	129,339	121,928	93,388	85,512	76,272
Aviation Chart Sales	-	-	18	1,119	1,452	1,507	1,730	1,594	-	-
Total Delaware Air Park	218,193	152,595	170,753	159,318	234,868	182,276	179,522	158,328	148,118	136,280
Total Airports	\$ 6,022,678	\$ 5,518,156	\$ 5,997,965	\$ 5,225,350	\$ 5,320,031	\$ 5,062,779	\$ 4,495,015	\$ 4,123,416	\$ 4,393,614	\$ 4,475,859
Concessions										
Food & Beverage	2,801,322	\$ 2,567,588	\$ 2,550,753	\$ 2,546,211	\$ 2,712,037	\$ 3,013,071	\$ 2,794,829	\$ 2,817,535	\$ 2,580,194	\$ 2,691,862
Novelty	908,317	873,098	909,436	942,349	1,090,470	1,263,874	1,197,668	1,227,005	1,206,244	1,255,104
Total Concessions	\$ 3,709,639	\$ 3,440,686	\$ 3,460,189	\$ 3,488,560	\$ 3,802,507	\$ 4,276,945	\$ 3,992,497	\$ 4,044,540	\$ 3,786,438	\$ 3,946,966

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

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

DELAWARE RIVER AND BAY AUTHORITY
OPERATING STATISTICS
Last Ten Fiscal Years

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Delaware Memorial Bridge										
Total Traffic	16,803,966	16,786,756	16,983,699	17,126,876	16,920,613	17,643,881	17,707,494	17,593,410	17,641,038	17,215,450
Non-Commercial Traffic	14,772,625	14,725,557	14,921,768	15,012,605	14,615,952	15,151,708	15,255,637	15,159,360	15,249,402	14,920,209
Commercial Traffic	2,031,341	2,061,199	2,061,931	2,114,271	2,304,661	2,492,173	2,451,857	2,434,050	2,391,636	2,295,241
Average Daily Traffic	46,038	45,991	46,531	46,923	46,358	48,339	48,514	48,201	48,332	47,166
Average Toll per Customer	\$5.68	\$5.13	\$4.47	\$4.51	\$4.69	\$4.16	\$4.12	\$4.11	\$4.08	\$4.07
E-Z Pass Traffic	11,156,579	10,758,138	10,460,787	10,313,946	10,073,221	10,100,635	9,724,593	9,161,304	8,489,812	7,606,259
% of E-Z Pass Traffic	66.39%	64.15%	61.66%	60.28%	59.58%	57.29%	54.96%	52.11%	48.16%	44.22%
Cape May - Lewes Ferry										
Total Traffic	1,067,899	1,048,056	1,118,148	1,140,618	1,239,809	1,323,854	1,352,376	1,388,003	1,380,433	1,412,500
Vehicle Traffic	272,358	268,605	286,462	295,256	318,000	341,440	351,188	359,450	360,031	362,450
Passenger Traffic	795,541	779,451	831,686	845,362	921,809	982,414	1,001,188	1,028,553	1,020,402	1,050,050
Average Daily Traffic-Passengers	2,058	2,016	2,117	2,164	2,526	2,525	2,570	2,634	2,612	3,684
Average Daily Traffic-Vehicles	743	732	777	804	871	929	955	978	980	987
Average Fare per Customer	\$12.80	\$12.79	\$12.69	\$12.48	\$11.44	\$10.20	\$10.13	\$9.09	\$9.88	\$7.77
Total Vessel Crossings	4,700	4,781	4,983	5,056	5,308	5,533	5,676	5,828	6,205	6,139
Average Daily Trips	13	13	14	14	15	15	16	16	17	17
Three Forts Ferry										
Total Passenger Traffic	19,426	19,723	22,693	24,909	22,209	22,519	15,723	21,211	25,126	23,847

DELAWARE RIVER AND BAY AUTHORITY
OPERATING STATISTICS
Last Ten Fiscal Years

	<u>Fiscal Year</u>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Airports										
Number of Landings										
New Castle Airport	53,524	60,000	79,388	73,487	45,279	72,907	82,239	66,856	54,477	59,123
Cape May Airport	15,000	15,600	17,000	15,000	15,000	17,000	15,000	17,500	10,200	9,500
Millville Airport	35,000	50,450	40,000	40,000	30,000	35,000	30,000	30,000	21,200	19,800
Civil Air Terminal	264	130	271	301	326	350	436	320	320	394
Delaware Air Park	30,000	23,100	11,500	11,500	12,000	20,000	17,000	18,000	18,000	18,000
Concessions										
Number of Customers Food/Beverage	434,215	372,658	431,603	446,488	522,762	594,621	603,849	628,636	589,814	603,936
Number of Customers Novelty	64,986	66,019	79,344	86,256	106,254	129,779	129,655	138,417	138,943	146,767
Average Purchase Food/Beverage	\$6.44	\$6.93	\$5.94	\$5.70	\$5.21	\$5.07	\$4.48	\$4.48	\$4.37	\$4.46
Average Purchase Novelty	\$13.73	\$13.22	\$11.46	\$10.93	\$10.26	\$9.53	\$9.24	\$8.86	\$8.68	\$8.55
Police										
Arrests	514	353	498	630	560	740	1,138	724	337	213
Traffic Violations	8,309	5,260	9,162	9,928	9,453	8,521	8,640	4,968	5,615	2,480
Traffic Reprimands	5,056	3,934	6,341	6,726	5,152	3,553	3,476	5,336	12,685	9,299
Accident Investigations	210	240	215	280	339	296	295	338	307	297

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

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>	<u>2003</u>
Delaware Memorial Bridge										
Operating Expenditures	\$ 24,932,890	\$ 27,202,747	\$ 25,690,857	\$ 25,228,586	\$ 25,860,557	\$ 23,789,442	\$ 23,932,453	\$ 19,984,171	\$ 21,681,600	\$ 20,778,095
Capital Expenditures	12,408,737	10,749,464	9,191,779	26,720,643	16,551,342	10,045,347	11,318,358	9,491,685	7,659,601	13,088,567
Cape May - Lewes Ferry										
Operating Expenditures	32,462,710	32,826,669	31,778,768	30,629,359	33,271,770	29,226,668	29,178,709	26,952,433	25,956,214	32,025,328
Capital Expenditures	9,188,314	4,159,107	8,102,616	2,656,490	6,971,741	1,820,793	4,268,791	7,401,779	3,435,589	3,742,336
Airports										
Operating Expenditures	11,175,690	10,494,638	10,159,332	9,944,990	9,569,059	8,707,198	7,330,841	6,946,389	7,441,859	6,970,699
Capital Expenditures	6,145,081	4,739,175	5,944,317	16,074,289	9,481,862	10,641,592	9,081,921	14,418,289	9,762,160	13,922,201
Concessions (2)										
Operating Expenditures	4,103,629	4,107,253	4,107,001	4,213,682	4,597,062	4,686,253	4,669,262	4,365,502	4,030,312	4,012,482
Three Forts Crossing (3)										
Operating Expenditures	181,105	167,963	196,601	186,705	192,221	204,236	207,104	175,932	215,369	172,054
Capital Expenditures	-	-	-	-	88,680	1,495	406,972	20,566		458,226
Police										
Operating Expenditures	7,899,030	7,942,622	8,123,802	7,902,613	7,741,485	6,838,008	6,574,019	5,866,749	5,697,573	5,682,821
Administration										
Operating Expenditures	16,815,956	15,976,134	15,682,997	16,211,661	16,052,433	14,832,051	15,371,088	14,383,334	13,248,804	11,395,887

- (1) Operating expenses for fiscal year 2004 and fiscal year 2003 are based on GAAP - Generally Accepted Accounting Principles.
- (2) Capital expenditures for the Concession operations are included within the Cape May - Lewes Ferry, which assumed operations in fiscal year 1996.
- (3) Assumed operations in fiscal year 1997.

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

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

	Full-time Employees as of Dec 31									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003 (2)</u>
Administration	70	70	69	72	68	62	71	65	67	65
Delaware Memorial Bridge	103	94	101	101	103	107	111	122	107	126
Cape May - Lewes Ferry	109	105	111	115	123	130	145	142	140	128
Police	58	57	59	63	66	62	61	64	62	66
Airports	17	28	28	34	36	29	38	28	36	34
Concessions	14	15	16	12	15	20	20	25	20	18
Three Forts Crossing (1)	-	-	-	-	-	-	-	-	-	-
Total	371	369	384	397	411	410	446	446	432	437

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

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary fund of the Delaware River and Bay Authority (the Authority), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 6, 2013. Our report was unmodified and includes an emphasis-of-matter paragraph that the Authority adopted GASB Nos. 63 and 65.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

Philadelphia, Pennsylvania
June 6, 2013

