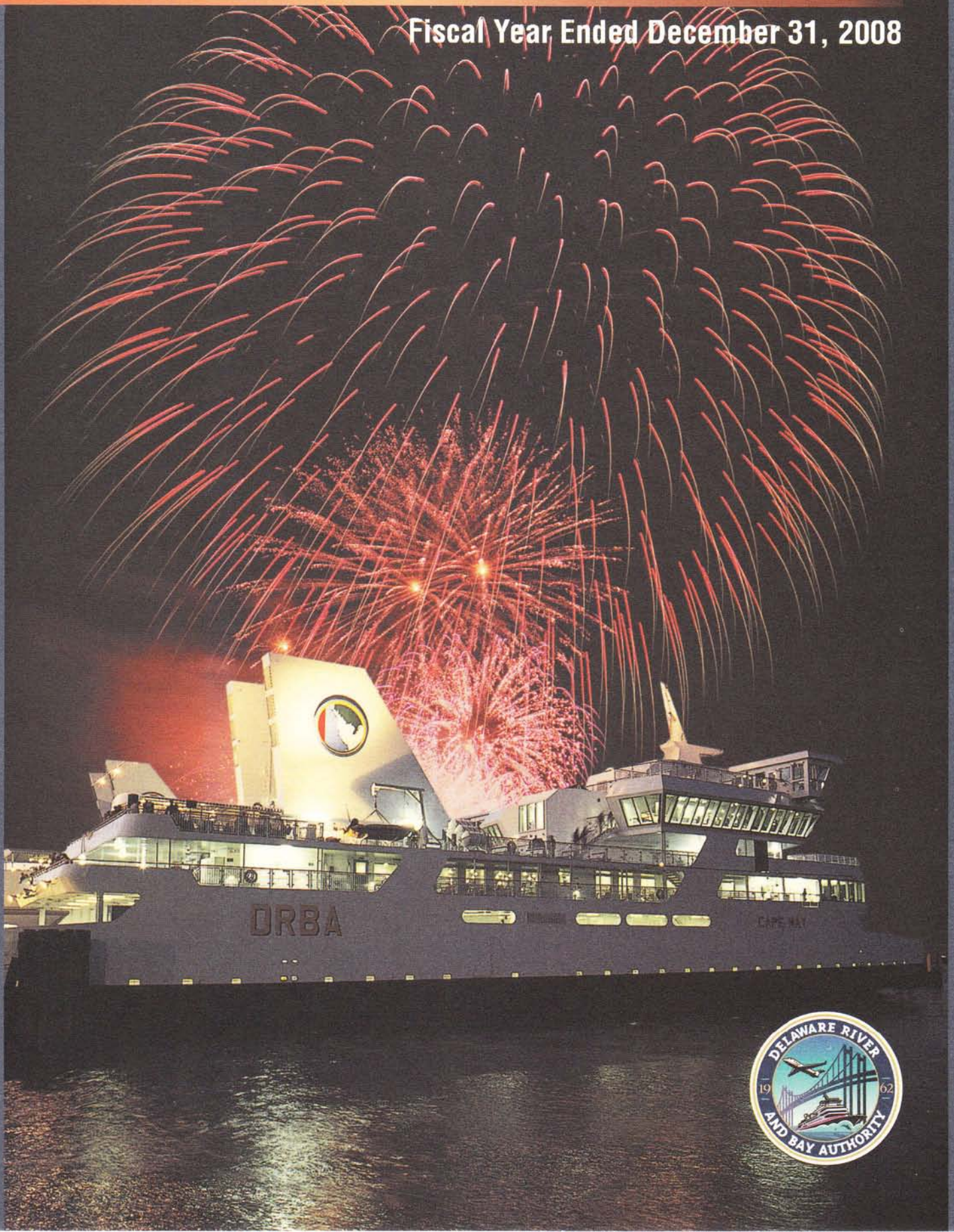


Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2008



DELAWARE RIVER & BAY AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2008

Prepared by:
Joseph Larotonda, Controller
Michele Cleary, Senior Accountant
Dana Read, Assistant Controller

DELAWARE RIVER AND BAY AUTHORITY
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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

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

May 20, 2009

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 year ended December 31, 2008, 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 Bowman and Company, 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 year ended December 31, 2008, are free of material misstatement. The 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 year ended December 31, 2008, 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 and Insurance, 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 plans for the operations of the Authority. A Chief Executive Officer is appointed by the Board of Commissioners to implement policy and to manage the daily operations of the Authority.

The 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 34 million vehicles annually. A staff of 30 full-time toll employees keeps the toll facilities operational 24 hours a day, 365 days a year. The Authority has completed its seventh year of providing E-ZPass services at the Delaware Memorial Bridge. As of December 31, 2008, the Authority maintained 40,667 customer accounts and 65,398 transponders in circulation, as compared to 41,669 and 66,706 from the same period ending December 31, 2007. E-ZPass usage remained flat as current statistics show 59.6 percent of our overall traffic utilize E-ZPass as compared to 59.9 percent a year ago. During the weekday commute period, the percentage of our customers using E-ZPass has risen to 73.5 percent versus 72 percent during FY 2007.

The Cape May – Lewes Ferry transports approximately 320,000 vehicles and 920,000 passengers annually, along a 17 mile, 70 minute ride, connecting the towns of Lewes, DE and Cape May, NJ. A total staff of 55 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 Cheswald, 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 both operating and capital budgets annually. The annual operating budget serves as a financial planning and control tool for the associated 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 hearings are conducted by the Chief Financial Officer as an opportunity for Department Managers to highlight their respective staffing and operational needs. A proposed operating budget representing the organization goals and objectives for the upcoming year is developed 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 Budget and Finance Committee and Board of Commissioners.

Expenditures are monitored continuously throughout the year by the CFO and Controller 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 approval by the Projects Committee and 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 2 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, with Wilmington Trust Company, as Trustee, and all subsequent Supplemental Trust Agreements. 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 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 three (3) investment management firms 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, 2 and 3 of the notes to financial statements.

ACCOMPLISHMENTS AND INITIATIVES

During Year 2008, 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:

DBE Awards. The Authority was one of two recipients of the Federal Aviation Administration's (FAA) 2008 Disadvantaged Business Enterprise (DBE) Advocate and partner Award. The national award recognizes an airport sponsor who has developed an aggressive outreach program, built an effective support system for participating DBE's, prepared and administered a fully responsive DBE program or has reached out to meet the intent of the DBE program in the sponsor's federally-assisted contracting and/or concessions program. In addition to the federal program, the Authority extended the DBE goal methodology to its local contracting efforts, which expanded the opportunities for DBE's, resulting in more than \$3,000,000 in sub-contracts being awarded by prime contractors to disadvantaged, minority and woman owned businesses under its local program since 2006.

Toll Violations. A newly enacted law allows Delaware Police enhanced civil enforcement authority if a vehicle owner has outstanding unpaid tolls, fees and penalties that exceed \$1,000. Once stopped, a vehicle can be immobilized to prevent its operation, and notification given to other toll facilities along Interstate 95 to be cross-checked for possible excessive toll violations. The Authority became the first transportation agency in Delaware to immobilize a vehicle using a "Denver Boot" for habitual toll violators. The Authority collected \$2,620 in unpaid tolls, fees and penalties from the vehicle owner as a result of the stop. Since 2005, the collaborative efforts between EZ-Pass and Authority Police have collected \$64,859 in unpaid tolls, fees and penalties from habitual toll violators.

Re-Accreditation. In December 2008, the Authority's Police Department was re-accredited by the Commission on Accreditation for Law Enforcement. This represents the fourth time the department was re-accredited since its original accreditation in 1996 and the third consecutive 100% compliance rating during the assessment process. The accreditation process examines all Police department policies and procedures, management, operations and support services and carries with it a highly prized recognition of professional excellence in law enforcement.

Ferry Operations. During 2008, the Cape May – Lewes Ferry implemented several operational enhancements aimed at improving customer service and promoting Ferry travel. In April, a new rate schedule was established which eliminated reservation pre-booking fees and was designed to promote and encourage round trip vehicle and passenger travel and reservation usage. In June, the Ferry launched a new Reservation and Departure Control System "CarRes", which

provided significant improvements for Ferry staff and customers. The improvements included management of multi-trip tickets, gift voucher issuing and redemption, enhanced scheduling, availability and booking through the DRBA website and automation of the boarding process. Finally, in July, the Ferry introduced a new website, www.capemaylewesferry.com, which contains real time vehicle-space availability information, more detail on ferry programs and events, links to local tourism partners and an on-line gift shop.

Bridge Improvements. The Authority began construction of Phase III of the I-295 Delaware Approach Road Improvement Project to the Delaware Memorial Bridge. The improvements will rehabilitate the Approach's roadways, ramps and overpass bridges, provide greater operational capacity to meet future traffic demands and improve roadway safety. The Authority is collaborating with DelDOT on the project to complete a portion of state highway improvements to minimize the impact to the traveling public. The project will cost \$26 million and is expected to be completed by 2010.

2008 Bond Refunding. In December 2008, based on the 2008 market disruptions and the downgrade in financial strength of Ambac Assurance Corporation which issued the insurance policy for the 2000B Bonds, the Authority refunded all \$30,000,000 of outstanding, variable rate 2000B Bonds. The refunding provided a reduction in debt service costs attributable to the 2000B Bonds. The Authority maintained its A1 and A+ ratings.

Economic Development. Throughout 2008, the Authority collaborated with private and public entities to encourage economic development in the States of DE and NJ. At Cape May Airport, the Authority invested \$175,000 of infrastructure improvements to assist in the development of a 10,000 square foot state-of-the art hangar complex. At Millville Airport, the Authority participated in the creation of a motorsports park by making available 140 acres of land at the Airport. The Motorsports Park is expected to stimulate economic activity in Millville and Cumberland County.

Community Initiatives. The Authority continued to identify and implement initiatives to support families in need located throughout Delaware and the four southern counties in New Jersey. Initiatives included a school outreach project providing backpacks and school supplies to 100 children in disadvantaged communities, Thanksgiving food baskets for over 101 families, "Hope for the Holidays", clothes and gifts for 68 children and through its Volunteerism Policy, employees donated approximately 500 hours of time to well deserving community programs. In addition, the Authority through its Community Contribution Program, furnished over \$455,000 to non-profit organizations throughout its surrounding areas.

RISK MANAGEMENT

The Authority has established policies and procedures whose objectives are to minimize the risks associated with the diverse activities of its operations. Management retains an Insurance Consultant to ensure that all Authority assets have proper insurance coverage to protect the Authority and its bondholders. In accordance with the Trust Agreement, the Authority is required to maintain insurance on various assets. To satisfy this requirement, the Authority maintains insurance in the following categories:

- Physical loss or damage insurance on the twin span bridges, ferry vessels, buildings and toll facilities.
- Use and occupancy insurance covering loss of revenues due to interruption in the use of the twin spans resulting from damage or destruction of any part of the bridges.
- Workers Compensation and Protection and Indemnity Insurance.
- Property Damage and Public Liability Insurance.

Additional information on the Authority's insurance program can be found in Schedule 14 of the Required Supplementary Information.

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, 2007. This was the fourth 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 to legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another 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 Controller 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 maintaining the highest standards in the management of the Delaware River and Bay Authority's finances.

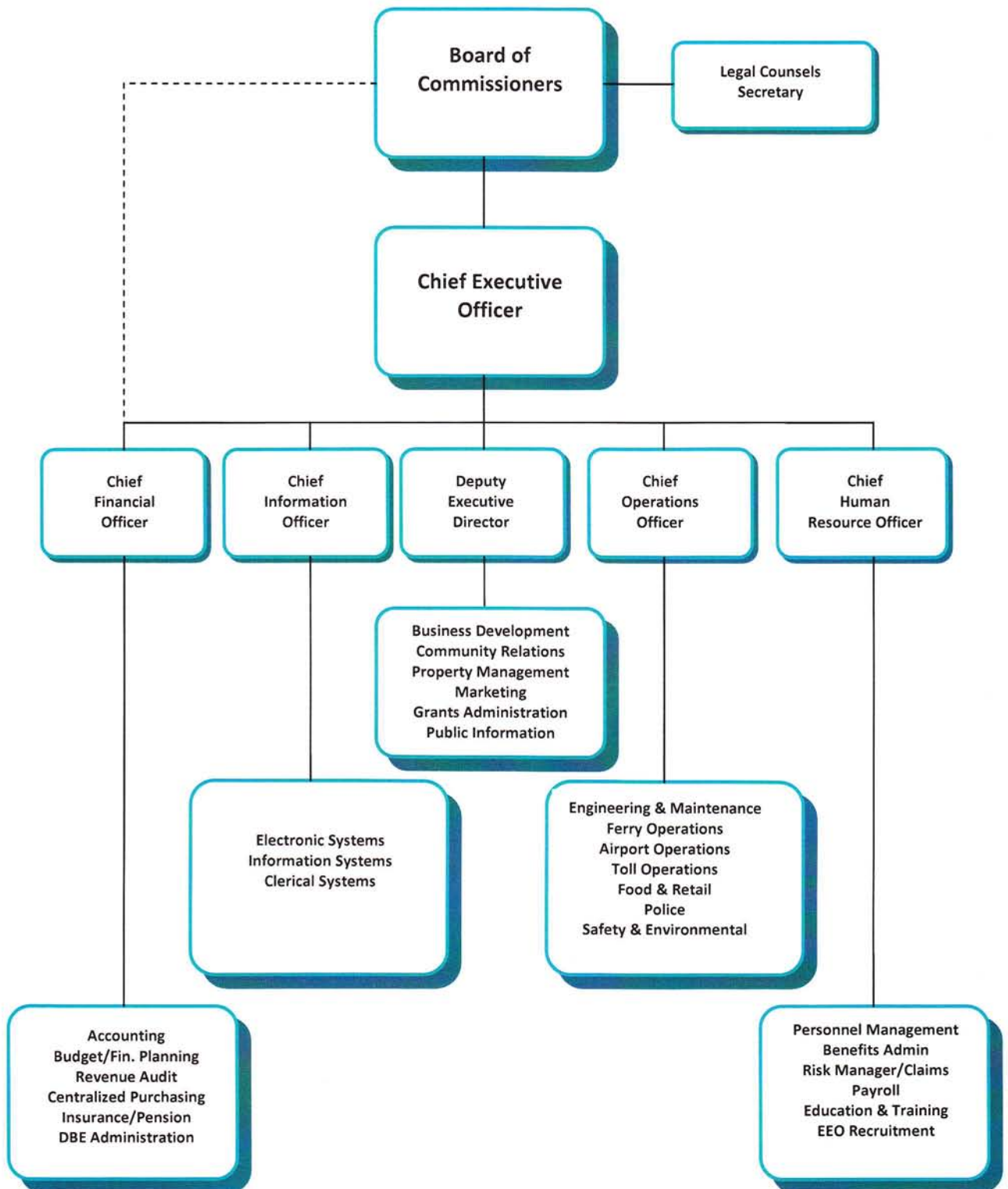
Respectfully submitted,



Victor Ferzetti
Chief Financial Officer

DELAWARE RIVER & BAY AUTHORITY

ORGANIZATIONAL CHART AND FUNCTIONAL RESPONSIBILITIES



DELAWARE RIVER AND BAY AUTHORITY
BOARD OF COMMISSIONERS
STATE OF NEW JERSEY

GOVERNOR
JON S. CORZINE

James N. Hogan, Chairperson
Franklinville, NJ, Term Expires July 1, 2011

Susan Atkinson DeLanzo, Vice-Chairperson, Ad-Hoc By-Laws Committee
Cape May Court House, NJ Term Expires July 1, 2011

Rev. Edward Dorn, Chairperson, Personnel Committee
Pedricktown, NJ, Term Expires July 1, 2012

Niels S. Favre, Chairperson, Chairperson, Projects & Vice-Chairperson Audit Committees
Cape May, NJ, Term Expires July 1, 2010

Gary F. Simmerman, Chairperson, Budget & Finance Committee
Hopewell Township, NJ, Term Expired July 1, 2008

Ceil Smith, Vice-Chairperson, Economic Development Committee
Salem, New Jersey, Term Expires July 1, 2009

STATE OF DELAWARE

GOVERNOR
JACK A. MARKELL

Scott A. Green, Vice-Chairperson
Rehoboth Beach, DE, Term Expires July 1, 2012

Richard W. Downes, Chairperson, Audit & Ad Hoc By-Laws Committee
Smyrna, DE, Term Expired July 1, 2011

Verna W. Hensley, Chairperson, Economic Development Committee
Middletown, DE, Term Expired July 1, 2009

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

William E. Lowe, III, Vice-Chairperson, Projects Committee
Lewes, DE, Term Expires July 1, 2012

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



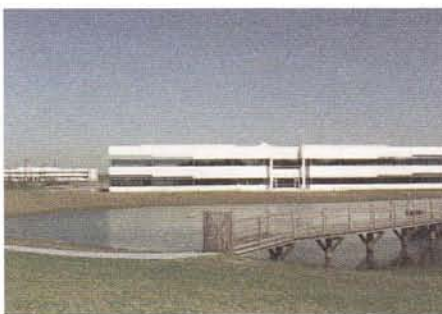
MILLVILLE AIRPORT
October 1999



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, 2007

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.



President

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of net assets, and the statements of revenues, expenses and changes in net assets, and cash flows together with the financial statements of the fiduciary fund of the Delaware River and Bay Authority as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Delaware River and Bay Authority's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Governmental 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 of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Delaware River and Bay Authority as of December 31, 2008 and 2007 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.

In accordance with Government Auditing Standards, we have also issued our report dated May 20, 2009 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

32200

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The introductory section, supplementary schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements. The supplementary schedules and schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

The accompanying management's discussion and analysis, Schedule of Funding Progress for the OPEB Plan, and Pension Trust Fund Schedule of Funding Progress and Schedule of Employer Contributions as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Stephen E. Ryan
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 20, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

The statements 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 Assets Available for Benefits presents information on the Authority's fiduciary pension fund's assets and liabilities, with the difference reported as net assets. The net assets represent the funds that are available to pay future plan participant benefits.

The Statement of Changes in Accumulated Plan 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 of 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.

FINANCIAL POSITION SUMMARY

Total Net Assets, 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 assets were \$298 million as of December 31, 2008.

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

NET ASSETS SUMMARY

	<u>2008</u>	<u>%</u>	<u>2007</u>	<u>%</u>	<u>2006</u>	<u>%</u>
ASSETS:						
Current and Other Assets	\$ 155,494	24.3%	\$ 164,998	25.9%	\$ 166,631	26.4%
Capital Assets	<u>485,711</u>	75.7%	<u>471,842</u>	74.1%	<u>465,407</u>	73.6%
Total Assets	641,205		636,840		632,038	
LIABILITIES:						
Current Liabilities	31,252	9.1%	29,339	8.5%	28,912	8.3%
Long-Term Liabilities	<u>311,767</u>	90.9%	<u>314,554</u>	91.5%	<u>320,823</u>	91.7%
Total Liabilities	343,019		343,893		349,735	
NET ASSETS:						
Invested in Capital Assets, Net of Debt	180,760	60.6%	159,314	54.4%	168,486	59.7%
Restricted	33,757	11.3%	33,912	11.6%	32,904	11.7%
Unrestricted	<u>83,669</u>	28.1%	<u>99,721</u>	34.0%	<u>80,913</u>	28.7%
TOTAL NET ASSETS	<u>\$ 298,186</u>		<u>\$ 292,947</u>		<u>\$ 282,303</u>	

The largest portion of the Authority's net assets at December 31, 2008 (60.6%), 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 assets at December 31, 2008 (11.3%), represents resources that are subject to the external restrictions on how they can be used under Trust Agreement covenants. The remaining unreserved net assets (28.1%) may be used to meet the Authority's capital and ongoing obligations.

SUMMARY OF CHANGES IN NET ASSETS

Net Assets increased in the amount of \$5.2 million during 2008. As compared to 2007, the annual change in net assets decreased \$6.6 million or 55.8%. This decrease can be attributable to increases in operating expenses and non-operating expenses and decreases in investment income. A condensed summary of the Authority's changes in net assets is shown below (in thousands).

	2008 Actual	Percent Increase/ (Decrease)	2007 Actual	Percent Increase/ (Decrease)	2006 Actual	Percent Increase/ (Decrease)
Operating Revenues (See Exhibit B)	\$ 108,985	8.0%	\$ 100,948	1.1%	\$ 99,854	2.7%
Operating Expenses (See Exhibit B)	<u>80,526</u>	<u>14.3%</u>	<u>70,468</u>	<u>-3.5%</u>	<u>73,025</u>	<u>13.0%</u>
Income Before Depreciation and Other Non-Operating Income and Expenses	28,459	-6.6%	30,480	13.6%	26,829	-17.8%
Depreciation	<u>19,576</u>	<u>-3.0%</u>	<u>20,179</u>	<u>8.0%</u>	<u>18,684</u>	<u>12.5%</u>
Operating Income	8,883	-13.8%	10,301	26.5%	8,145	-49.3%
Non-Operating Income (Expenses)	<u>(12,868)</u>	<u>59.0%</u>	<u>(8,093)</u>	<u>-40.0%</u>	<u>(13,496)</u>	<u>7.5%</u>
Income Before Capital Contributions	(3,985)	-280.5%	2,208	-141.3%	(5,351)	-253.2%
Capital Contributions	<u>9,224</u>	<u>-4.3%</u>	<u>9,636</u>	<u>13.7%</u>	<u>8,475</u>	<u>9.4%</u>
Increase in Net Assets	<u>\$ 5,239</u>	<u>-55.8%</u>	<u>\$ 11,844</u>	<u>279.1%</u>	<u>\$ 3,124</u>	<u>-72.2%</u>

FINANCIAL HIGHLIGHTS

- Operating revenues increased \$8 million or 8% from \$100.9 million during 2008.
- Operating expense, before depreciation, and other general expenses increased \$10 million or 14.3% from \$70.5 to \$80.5 million during 2008. The increase was the result of rising vessel fuel prices, increased facility/equipment maintenance and increased benefit costs due to OPEB expenses.
- As a result of the above, operating income before depreciation and other general expenses decreased \$2 million or 6.6% from \$30.5 million to \$28.5 million in 2008.
- Non-operating income (expense) increased \$4.8 million or 59% from a net expense of \$8.1 million in 2007 to a net expense of \$12.9 million in 2008. This increase in net expense is the result of a \$3.6 million decrease in investment income, a \$1 million increase in write off of construction in progress, a \$.64 million decrease in gain on sale of capital assets and a one time sale of lease rights at Millville Airport as compared to 2007.
- Capital Contributions received in the form of grants from the Federal Aviation Administration and other services decreased \$.41 million or 4.3% from \$9.6 million in 2007 to \$9.2 million in 2008.

OPERATIONAL HIGHLIGHTS

During 2008, the Authority's traffic decreased as compared to 2007. Overall traffic at the Delaware Memorial Bridge decreased 4.1% during 2008 as compared to 2007, with commercial traffic decreasing 7.5% and non-commercial traffic decreasing 3.5%. It is important to note that while commercial traffic represented approximately 13.6% of total traffic in 2008, it accounted for approximately 51% of total revenue. More detailed information on traffic and revenue can be found in Note 4 in the notes to the financial statements.

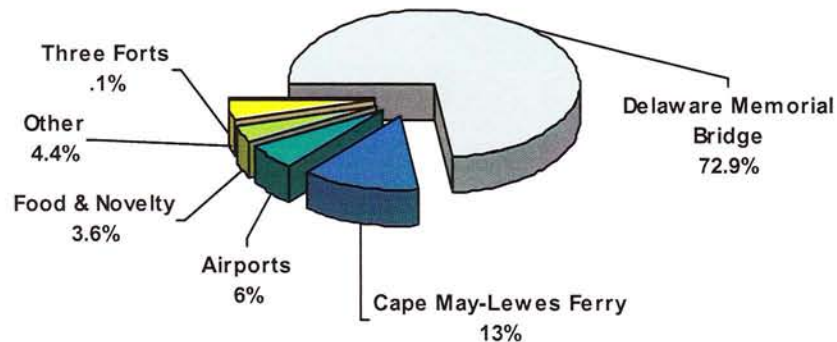
Overall traffic at the Cape May-Lewes Ferry decreased 6.3% during 2008 as compared to 2007 as vehicles decreased 6.2% and Ferry passengers decreased 6.4%. Ferry passengers comprised approximately 74.3% of total traffic in 2008 and accounted for 29.5% of total revenue.

Traffic for the Three Forts Ferry Crossing decreased 1.4% during 2008 as compared to 2007. 2008 was the second full season of activity at Fort Delaware State Park after the Park underwent an extensive rehabilitation in 2006. The Ferry service normally runs from April through October.

	2008 <u>Actual</u>	Increase/ <u>(Decrease)</u>	2007 <u>Actual</u>	Increase/ <u>(Decrease)</u>	2006 <u>Actual</u>	Increase/ <u>(Decrease)</u>
Delaware Memorial Bridge						
Commercial	2,304,661	-7.5%	2,492,173	1.6%	2,451,857	0.7%
Non-Commercial	<u>14,615,952</u>	<u>-3.5%</u>	<u>15,151,708</u>	<u>-0.7%</u>	<u>15,255,637</u>	<u>0.6%</u>
Total DMB:	<u>16,920,613</u>	<u>-4.1%</u>	<u>17,643,881</u>	<u>-0.4%</u>	<u>17,707,494</u>	<u>0.6%</u>
 Cape May-Lewes Ferry						
Vehicles	318,000	-6.2%	338,943	-3.5%	351,188	-2.3%
Passengers	<u>921,809</u>	<u>-6.4%</u>	<u>984,911</u>	<u>-1.6%</u>	<u>1,001,188</u>	<u>-2.7%</u>
Total CMLF:	<u>1,239,809</u>	<u>-6.3%</u>	<u>1,323,854</u>	<u>-2.1%</u>	<u>1,352,376</u>	<u>-2.6%</u>
 Three Forts						
Passengers	<u>22,209</u>	<u>-1.4%</u>	<u>22,519</u>	<u>43.2%</u>	<u>15,723</u>	<u>-29.0%</u>

REVENUES

The following chart shows the major sources and the percentage of operating revenues for the year ended December 31, 2008.



A summary of total revenues for the years ended December 31, 2008, 2007 and 2006 and the amount and percentage of change in relation to prior year amounts as follows (in thousands).

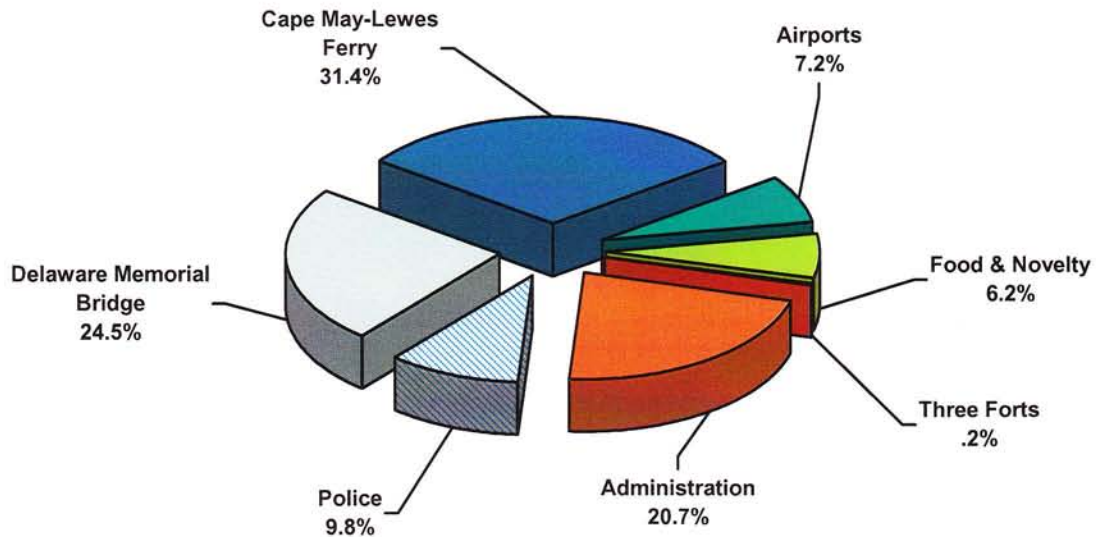
	2008 Actual	Increase/ (Decrease)	2007 Actual	Increase/ (Decrease)	2006 Actual	Increase/ (Decrease)
OPERATING						
Delaware Memorial Bridge	\$ 79,468	8.1%	\$ 73,525	0.7%	\$ 73,031	0.9%
Cape May-Lewes Ferry	14,194	5.1%	13,502	-1.5%	13,701	8.6%
Airports	6,469	10.8%	5,837	8.8%	5,364	9.5%
Three Forts	77	45.3%	53	-31.2%	77	-28.7%
Food and Novelty	3,944	-10.5%	4,405	6.5%	4,137	-1.2%
Other	4,833	34.4%	3,596	1.5%	3,544	13.5%
TOTAL OPERATING	108,985	8.0%	100,918	1.1%	99,854	2.6%
NON-OPERATING						
Investment Income	3,970	-47.4%	7,542	22.0%	6,180	44.2%
Sale of Lease Rights	556		-		-	
Sale of Equipment	110	-91.6%	1,303	1364.0%	89	-12.7%
TOTAL NON-OPERATING	4,636	-47.6%	8,845	41.1%	6,269	42.9%
Capital Contributions	9,224	-4.3%	9,636	13.7%	8,475	9.4%
TOTAL REVENUES	\$ 122,845	2.9%	\$ 119,399	4.2%	\$ 114,598	4.7%

Total Authority revenues increased \$3.4 million or 2.9% from \$119.4 in 2007 to \$122.8 in 2008. The increase in revenues is attributable to the following operating and non-operating activities:

- Total Operating Revenue increased 8.0% during 2008 to \$109 million as compared to \$101 million during 2007.
- Bridge toll revenue increased 8.1% over 2007, as commercial revenue increased \$7.5 million or 22.7% and non-commercial revenue decreased \$1.6 million or 4% as compared to 2007. The increase in commercial revenue was the result of a toll increase of \$1 per axle for commercial vehicles.
- Ferry toll revenue increased 5.1% in 2008 as vehicle revenue increased \$.94 million or 10.3% and passenger revenue decreased \$.25 million or 5.5% as compared to 2007. The Ferry increase was the result of a fare increase implemented 4/1/08.
- Food and novelty revenues decreased \$.46 million or 10.5% in 2008, as food sales decreased \$.30 million or 10% and novelty sales decreased \$.17 million or 13.7% as compared to 2007.
- Airport revenues increased \$.63 million or 10.8% in 2008 as lease revenues at New Castle County Airport increased \$.55 million or 10.4% as compared to 2007.
- Non-operating income decreased \$4.2 million or 47.6% in 2008. This decrease can be attributed to a \$3.6 million or 47.4% decrease in investment income and a \$1.2 million decrease in sales of equipment.
- Capital contribution decreased \$.41 million or 4.3% in 2008 as compared to 2007.

EXPENSES

The following chart shows the Authority's operating divisions and the percentage of budgetary expenses for the year ended December 31, 2008. For more detailed information, see Note 2 – Annual Budget in the notes to the financial statements.



A summary of total expenses for the years ended December 31, 2008, 2007 and 2006 and the amount and percentage of change in relation to the prior amounts as follows (in thousands).

	2008 Actual	Increase/ (Decrease)	2007 Actual	Increase/ (Decrease)	2006 Actual	Increase/ (Decrease)
OPERATING						
Administration	\$ 15,812	8.3%	\$ 14,597	-4.1%	\$ 15,228	7.1%
Delaware Memorial Bridge	19,590	24.8%	15,696	-1.9%	15,992	11.3%
Cape May-Lewes Ferry	24,919	19.6%	20,837	-2.0%	21,259	10.6%
Authority Police	7,639	13.3%	6,742	4.0%	6,480	12.1%
Airports Division	4,574	-9.9%	5,074	13.8%	4,457	7.2%
Three Forts	125	-9.4%	138	-23.3%	180	18.4%
Food & Novelty	5,452	17.3%	4,648	0.3%	4,634	7.0%
Depreciation	19,576	-3.0%	20,180	8.0%	18,684	12.5%
Other Expenses	2,415	-11.7%	2,735	-43.0%	4,795	100.6%
TOTAL OPERATING	100,102	10.4%	90,647	-1.2%	91,709	12.9%
NON-OPERATING						
Interest on Bonds	14,998	1.1%	14,842	-0.5%	14,922	-3.4%
Other Non-Operating	2,506	62.4%	1,543	-68.1%	4,842	224.3%
TOTAL NON-OPERATING	17,504	6.8%	16,385	-17.1%	19,764	16.6%
TOTAL EXPENSES	\$ 117,606	9.9%	\$ 107,032	-4.0%	\$ 111,473	13.6%

EXPENSES

Total Authority expenses increased \$10.6 million or 9.9% from \$107.0 million in 2007 to \$117.6 million in 2008. Listed below are the major highlights which affected Authority expenses in 2008.

- Employment costs, consisting of wages and benefits increased \$5.2 million or 11.7% in 2008 to \$49.8 million as compared to \$44.6 in 2007. Total wages for 2008 increased \$.31 million or 1.1% to \$27.3 million in 2008 as compared to \$26.9 million in 2007. Total benefits increased \$4.9 million or 27.8% in 2008, as the Authority recorded a \$5.7 million net OPEB liability at 12/31/08. Healthcare benefits decreased \$1.7 million or 19% in 2008 and pension benefits increased \$.62 million or 11.3% in 2008.
- Insurance costs decreased \$.17 million or 3.8% in 2008, the result of decreases in workers compensation and liability coverage and increases in bridge property and protection and indemnity insurances.
- Facility and Equipment Maintenance expenses increased \$2.7 million in 2008 as compared to 2007. Annual maintenance painting on the Delaware Memorial Bridge was the primary reason for the increase as the Authority took advantage of favorable pricing and a longer painting season during 2008.
- Utility costs increased \$.15 million or 4.5% over 2007 from \$3.3 million to \$3.4 million in 2008. Electric costs decreased 2% in 2008 as the Authority extended supplier contracts at reduced prices. All other utilities, natural gas, heat, telephone, water and sewer increased \$.20 million or 22% in 2008.
- Depreciation expense decreased \$.6 million or 3% in 2008 as larger capital assets were fully depreciated in 2008. Overall, total capital assets to be depreciated increased \$46.6 million in 2008.
- Other operating expenses decreased \$.32 million or 11.7% from 2007, the result of reduced expenditures from the Authority's General Fund for severance payouts and other economic development related projects.
- Non-operating expenses increased \$1.1 million or 6.8% as compared to 2007 as interest on outstanding bonds increased \$.16 million and write off of construction in progress increased \$.95 million as compared to 2007.

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, 2008, 2007 and 2006. Cash equivalents are considered highly liquid investments with a maturity of three months or less (in thousands).

	2008 Actual	Percent Increase/ (Decrease)	2007 Actual	Percent Increase/ (Decrease)	2006 Actual	Percent Increase/ (Decrease)
Cash Flow from Operating Activities	\$ 36,152	12.2%	\$ 32,211	31.5%	\$ 24,499	-31.0%
Cash Flow from Capital and Related Financing Activities	(49,087)	16.6%	(42,105)	-2.7%	(43,287)	8.3%
Cash Flow from Investing Activities	15,837	93.1%	8,200	-59.2%	20,104	318.7%
Net Increase (Decrease) in Cash and Cash Equivalents	2,902	271.3%	(1,694)	-228.7%	1,316	270.7%
Cash and Cash Equivalents, Jan. 1, 2008	3,820	-30.7%	5,514	31.3%	4,198	9.2%
Cash and Cash Equivalents, Dec. 31, 2008	<u>\$ 6,722</u>	76.0%	<u>\$ 3,820</u>	-30.7%	<u>\$ 5,514</u>	31.3%

The Authority's available cash equivalents increased from \$3.8 million at the end of 2007 to \$6.7 million at the end of 2008.

CAPITAL ASSETS

The Authority's investment in capital assets for its activities through December 31, 2008 amounted to \$485.7 million (net of depreciation), which represents a 2.9% increase in capital assets over 2007.

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

The following table shows a summary of the Authority's investment in capital assets (net of depreciation) for the periods ending December 31, 2008, 2007, and 2006 (in thousands).

	2008 Actual	Percent Increase/ (Decrease)	2007 Actual	Percent Increase/ (Decrease)	2006 Actual	Percent Increase/ (Decrease)
Land	\$ 12,826	12.4%	\$ 11,416	0.0%	\$ 11,416	0.0%
Land Improvements	57,563	0.0%	57,583	-2.4%	58,985	0.7%
Buildings	104,504	3.0%	101,508	4.3%	97,357	15.9%
Machinery & Equipment	17,096	-12.1%	19,455	-12.5%	22,231	70.5%
Infrastructure	183,861	18.4%	155,243	1.6%	152,853	6.4%
Vessels	67,806	-2.4%	69,485	-1.0%	70,156	-1.8%
Construction in Progress	42,054	-26.4%	57,152	9.0%	52,410	-30.6%
	<u>\$ 485,710</u>	2.9%	<u>\$ 471,842</u>	1.4%	<u>\$ 465,408</u>	1.7%

The major capital investments undertaken or completed during 2008 include:

- South Railroad Bridge Replacement – Delaware Memorial Bridge (\$6.1 million)
- West Approach Repaving Modifications – Delaware Memorial Bridge (\$6 million)
- Runway 1 – 19 Safety Improvements – New Castle Airport (\$2.3 million)
- Vessel Drydocking, Repairs and Improvements – Cape May-Lewes Ferry (\$2.5 million)
- Runway 9 – 27 Rehab and Safety Improvements – New Castle Airport (\$2.9 million)
- Office Space Fit Out and Renovation – Salem Business Park (\$1.1 million)
- Repaint East Truss Span – 2nd Structure – Delaware Memorial Bridge (\$.82 million)
- Rehabilitation Expansion Joints – Delaware Memorial Bridge (\$.82 million)
- Deck Resurfacing – Delaware Memorial Bridge (\$1 million)
- Miscellaneous Terminal Improvements – Cape May–Lewes Ferry (\$2.9 million)
- Runway 14 – 32 Rehabilitation – Millville Airport (\$.6 million)
- Drainage Improvements – Cape May Airport (\$.6 million)
- Miscellaneous Capital Improvements – Delaware Air Park (\$1.3 million)

DEBT ADMINISTRATION

The Authority's total long term debt decreased by 8.2 million or 2.7% during 2008. As of December 31, 2008, the Authority had \$299.6 million of revenue bonds outstanding, compared to \$307.9 million at December 31, 2007. These bonds were issued in 2000, 2003, 2004, 2005 and 2008 under a Trust Agreement which stipulates that the Authority shall, at all times, fix, revise, charge and collect tolls and other charges each year equal to not less than 125% of the principal and interest requirements for such year. The Authority has satisfied this requirement for the years ended December 31, 2008, 2007 and 2006 with debt coverage ratios of 161%, 157% and 148% respectively.

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 2000A Revenue Bonds	A1	A+
Series 2003 Revenue Bonds	A1	A+
Series 2004 Refunding Revenue Bonds	A1	A+
Series 2005 Refunding Revenue Bonds	A1	A+
Series 2008 Variable Rate Revenue Bonds	A1/VMIG1	A+/A-1+

All ratings for the Authority's outstanding bonds have remained the same since their original issue. Moody's continues to view the Authority with a long-term stable outlook, while Standard & Poor's dropped their outlook from stable to negative. Additional information on the Authority's long-term debt can be found in Note 4 in the notes 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 AUTHORITYStatements of Net Assets
As of December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 6,724,187	\$ 3,807,578
Investments	83,891,736	80,872,317
Operating Revenues Receivable (Net of Allowance for Uncollected Tolls of \$69,369 for 2008 and \$54,047 for 2007)	5,031,664	3,945,212
Accrued Investment Income Receivable	574,672	435,235
Note Receivable (Current Portion)	207,430	204,343
Other Accounts Receivable	624,509	300,914
Federal Grants Receivable	1,434,484	2,369,031
Inventory	5,118,679	5,010,250
Prepaid Expenses	596,014	474,840
Restricted Assets:		
Cash and Cash Equivalents	3,237	12,103
Investments	44,142,678	59,571,292
Accrued Investment Income Receivable	139,940	406,509
Total Current Assets	<u>148,489,230</u>	<u>157,409,624</u>
Noncurrent Assets:		
Property, Plant and Equipment:		
Completed (Net of Accumulated Depreciation)	443,656,351	415,243,456
Construction in Progress	42,054,179	56,598,828
	<u>485,710,530</u>	<u>471,842,284</u>
Other Assets:		
Note Receivable	3,487,198	3,694,628
Unamortized Debt Issue Costs	3,518,129	3,893,651
Total Noncurrent Assets	<u>492,715,857</u>	<u>479,430,563</u>
Total Assets	<u>641,205,087</u>	<u>636,840,187</u>

(Continued)

DELAWARE RIVER AND BAY AUTHORITYStatements of Net Assets
As of December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
LIABILITIES		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable	\$ 7,199,350	\$ 4,086,160
Accrued Wages Payable	888,149	585,620
Electronic Toll Liability	595,581	430,467
Unearned Revenue	813,296	409,478
Liability for Unpaid Health Claims	625,856	1,247,221
Customer and Security Deposits	1,268,007	1,390,202
Compensated Absences (Current Portion)	682,169	534,778
Payable from Restricted Assets:		
Accounts Payable	304,966	1,600,273
Unearned Revenue	4,333,527	4,610,203
Interest Payable	6,839,845	7,070,946
Loans Payable (Current Portion)	30,969	33,502
Revenue Bonds Payable (Current Portion)	7,670,000	7,340,000
	<u>31,251,715</u>	<u>29,338,850</u>
Total Current Liabilities		
Long Term Liabilities:		
Compensated Absences	5,251,063	5,506,305
Net OPEB Liability	5,748,234	
Loans Payable	1,135,529	1,166,498
Revenue Bonds Payable	299,632,383	307,881,528
	<u>311,767,209</u>	<u>314,554,331</u>
Total Long Term Liabilities		
Total Liabilities	<u>343,018,924</u>	<u>343,893,181</u>
Invested in Capital Assets, Net of Related Debt	180,759,778	159,314,407
Restricted:		
Trust Agreement Covenants	33,757,140	33,911,805
Unrestricted	83,669,245	99,720,794
	<u>83,669,245</u>	<u>99,720,794</u>
Total Net Assets	<u>\$ 298,186,163</u>	<u>\$ 292,947,006</u>

See the accompanying Notes to Financial Statements.

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Exhibit B

DELAWARE RIVER AND BAY AUTHORITY
Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
OPERATING REVENUES:		
Bridge Tolls	\$ 79,467,667	\$ 73,525,058
Ferry Tolls	14,271,389	13,555,341
Food and Novelty Sales	3,943,413	4,404,875
Airport Lease Revenue	6,469,182	5,837,345
Other Operating Revenue	4,833,281	4,351,911
	<hr/>	<hr/>
Total Operating Revenue	108,984,932	101,674,530
	<hr/>	<hr/>
OPERATING EXPENSES:		
Administrative and General:		
Wages and Benefits	8,080,891	7,160,957
Other Expenses	10,145,745	10,171,324
Operations:		
Wages and Benefits	41,985,448	37,837,764
Other Expenses	20,313,648	16,023,819
Depreciation Expense	19,575,853	20,179,522
	<hr/>	<hr/>
Total Operating Expenses	100,101,585	91,373,386
	<hr/>	<hr/>
Operating Income	8,883,347	10,301,144
	<hr/>	<hr/>
NON-OPERATING INCOME (EXPENSE):		
Investment Income	3,970,463	7,542,228
Investment Fees	(387,587)	(431,091)
Interest on Bonds	(14,998,314)	(14,842,098)
Amortization of Debt Issue Costs	(282,588)	(289,078)
Write-Off Construction in Progress	(1,836,027)	(822,965)
Sale of Lease Rights	556,000	
Gain on Sale of Capital Assets	110,229	750,160
	<hr/>	<hr/>
Net Non-Operating Income (Expense)	(12,867,824)	(8,092,844)
	<hr/>	<hr/>
Income (Loss) Before Contributions	(3,984,477)	2,208,300
	<hr/>	<hr/>
Capital Contributions	9,223,634	9,635,835
	<hr/>	<hr/>
Change in Net Assets	5,239,157	11,844,135
	<hr/>	<hr/>
Net Assets Jan. 1	292,947,006	281,102,871
	<hr/>	<hr/>
Net Assets Dec. 31	\$ 298,186,163	\$ 292,947,006
	<hr/>	<hr/>

See the accompanying Notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITY
Statements of Cash Flows
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers and Users	\$ 103,188,341	\$ 97,850,668
Payments to Employees	(45,047,321)	(44,277,009)
Payments to Suppliers	(27,273,277)	(24,784,081)
Other Operating Receipts	5,037,624	3,421,246
Net Cash Provided by Operating Activities	<u>35,905,367</u>	<u>32,210,824</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(36,567,027)	(32,122,703)
Proceeds from Sale of Capital Assets	171,612	4,159,742
Capital Contributions	10,158,181	8,122,879
Principal Paid on Capital Debt	(7,373,502)	(7,095,000)
Interest Paid on Capital Debt	(15,229,415)	(15,169,981)
Net Cash (Used in) Provided by Capital and Related Financing Activities	<u>(48,840,151)</u>	<u>(42,105,063)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment Income	3,820,919	7,394,456
Investment Fees	(387,587)	(431,091)
Net Change in Investments	<u>12,409,195</u>	<u>1,236,895</u>
Net Cash Provided by Investing Activities	<u>15,842,527</u>	<u>8,200,260</u>
Net (Decrease) Increase in Cash and Cash Equivalents	2,907,743	(1,693,979)
Cash and Cash Equivalents -- Jan 1	<u>3,819,681</u>	<u>5,513,660</u>
Cash and Cash Equivalents -- Dec 31	<u><u>\$ 6,727,424</u></u>	<u><u>\$ 3,819,681</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 8,883,347	\$ 10,301,144
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:		
Depreciation Expense	19,575,853	20,179,522
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(1,410,047)	481,346
(Increase) Decrease in Note Receivable	204,343	(204,343)
(Increase) Decrease in Inventory	(108,429)	(12,247)
(Increase) Decrease in Prepaid Expenses	(121,174)	(191,567)
Increase (Decrease) in Accounts Payable	3,415,719	1,183,182
Increase (Decrease) in Unpaid Health Claims	(621,365)	593,187
Increase (Decrease) in OPEB Liability	5,748,234	
Increase (Decrease) in Electronic Toll Liability	165,114	(190,578)
Increase (Decrease) in Deferred Revenue	403,818	(223,256)
Increase (Decrease) in Customer and Security Deposits	(122,195)	165,909
Increase (Decrease) in Compensated Absences	(107,851)	128,525
Net Cash Provided by Operating Activities	<u><u>\$ 35,905,367</u></u>	<u><u>\$ 32,210,824</u></u>
Non-Cash Investing, Capital and Financing Activities	<u><u>\$ ---</u></u>	<u><u>\$ ---</u></u>

See the accompanying notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITY
Statements of Net Assets Available for Benefits
Fiduciary Fund
Pension Trust Fund
As of December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Investments at Fair Value:		
Money Market Funds	\$ 875,511	\$ 575,370
Mutual Funds	24,960,008	30,756,096
Corporate Bonds	2,160,479	450,800
US Government Bonds	6,232,913	13,560,578
Municipal Bonds	5,425,538	5,972,345
Fixed Income Funds	16,531,012	16,289,063
	<u>56,185,461</u>	<u>67,604,252</u>
Accrued Interest	<u>155,630</u>	<u>178,728</u>
Other Assets:		
Dividends Receivable	164,879	
Employee Contribution Receivable	409	734
Employer Contribution Receivable	500,591	500,591
Total Other Assets	<u>665,879</u>	<u>501,325</u>
Total Assets	<u>57,006,970</u>	<u>68,284,305</u>
LIABILITIES		
Accounts Payable	<u>49,758</u>	<u>15,390</u>
Total Liabilities	<u>49,758</u>	<u>15,390</u>
NET ASSETS		
Assets Held in Trust for Pension Benefits	<u>\$ 56,957,212</u>	<u>\$ 68,268,915</u>

See the accompanying Notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITY
Statements of Changes in Net Assets Available for Benefits
Fiduciary Fund
Pension Trust Fund
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ADDITIONS		
Investment Income:		
Net Appreciation in Fair Value of Assets		\$ 1,212,401
Dividends	\$ 650,876	465,195
Interest	1,643,211	1,853,108
	<u>2,294,087</u>	<u>3,530,704</u>
Less: Investment Expense	122,703	86,756
	<u>2,171,384</u>	<u>3,443,948</u>
Contributions:		
Employer	5,657,686	5,038,045
Plan Member	674,968	690,238
	<u>6,332,654</u>	<u>5,728,283</u>
Total Contributions	<u>6,332,654</u>	<u>5,728,283</u>
Total Additions	<u>8,504,038</u>	<u>9,172,231</u>
DEDUCTIONS		
Net Depreciation in Fair Value of Assets	13,337,052	
Benefits Paid to Participants	6,144,990	7,485,316
Insurance Expense	21,897	23,050
Administrative Expenses	311,802	297,131
	<u>19,815,741</u>	<u>7,805,497</u>
Total Deductions	<u>19,815,741</u>	<u>7,805,497</u>
Net Increase (Decrease)	(11,311,703)	1,366,734
Net Assets Available for Plan Benefits:		
Beginning of Year	68,268,915	66,902,181
End of Year	<u>\$ 56,957,212</u>	<u>\$ 68,268,915</u>

See the accompanying Notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITY

Notes To Financial Statements For the Year Ended December 31, 2008

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 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.

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.

Governmental Accounting Standards Board – Statement No. 20

The Authority is required to follow all statements of the Governmental Accounting Standards Board (GASB). GASB Statement No. 20 was issued to give guidance in determining Generally Accepted Accounting Principles (GAAP) for governmental proprietary funds. It provides that all proprietary fund activities follow all Financial Accounting Standards Board (FASB) Statements issued prior to November 30, 1989, unless they conflict with GASB standards. It also provides that the governmental unit must elect whether to follow FASB Statements issued after that date.

The Authority has elected not to follow any FASB pronouncements issued after November 30, 1989.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 Assets 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 were reclassified from cash and cash equivalents to investments as a result in a change to accounting application following GASB 40.

The Authority's depository and investment options are subject to the provisions and restrictions of the Trust Agreement, as supplemented, between the Trustee, Wilmington Trust Company 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.

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 U S 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

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

<u>Fund</u>	<u>Maturity Limit</u>
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 policies 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.

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, 2008 are recorded as prepaid expenses.

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

Debt issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Bond discounts/premiums and loss on defeasance are deferred and amortized over the life of the bonds using the effective interest method. Bond discounts/premiums and loss on defeasance are presented as an adjustment of the face amount of the revenue bonds payable whereas issuance costs are recorded as other assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 \$1,000 or more.
- 2.) Useful life of five years or more.
- 3.) Increases value of an asset.

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.

Interfunds

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 appropriately is exempt from income taxes under Section 115.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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.

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.

Net Assets

Net assets comprise the various earnings from operating income, non-operating revenues, expenses, and capital contributions. Net assets are classified in the following three components:

Invested in Capital Assets, net of Related Debt – This component of net assets 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 assets component as the unspent proceeds.

Restricted – This component of net assets 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 assets.

Unrestricted – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." This component includes net assets that may be allocated for specific purposes by the Board.

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.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**Compliance with Finance Related Legal and Contractual Provisions**

Management of the Authority is unaware of any 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, Wilmington Trust Company, 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 the Trustee and applied to the payment of current expenses and debt service.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**Trust Agreement (cont'd)****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. The balance on December 31, 2008 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. The balance on December 31, 2008 of \$25,757,881 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, 2008 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.

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, 2008.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**Covenants as to Tolls (Cont'd)**

To arrive at Net Revenues as defined in the Trust Agreement, the following adjustments to operating income need to be made:

Operating Income (Exhibit B)		\$ 8,883,347
Add:		
Net Investment Income (Excluding Construction Fund)	\$ 3,262,514	
Depreciation Expense	19,575,853	
General Fund Expense	2,414,957	
Airport Fund Expense (Budgetary)	5,147,499	
OPEB Liability Adjustment	4,608,234	
Merchant Card Services	801,271	
Other Miscellaneous Adjustments	133,676	
Liquidations of Prior Year Encumbrances	<u>2,643,731</u>	
		38,587,735
Less:		
Airport Fund Revenues	7,259,791	
General Fund Revenues	2,121,029	
Inventory Adjustments	108,427	
Encumbrances Fiscal Year Ending 12/31/08	<u>1,234,371</u>	
		<u>10,723,618</u>
Net Revenues Available for Debt Service Coverage		<u>\$ 36,747,464</u>
Total Debt Service (Principal and Interest)		<u>\$ 22,811,301</u>
Debt Service Coverage		161%

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**Annual Budget - 2008**Revenue (Excluding Grant Revenue)

	2008 Projected <u>Revenue</u>	2008 Actual <u>Revenue</u>	(Under) Over <u>Budget</u>
Delaware Memorial Bridge	\$ 84,750,000	\$ 79,467,667	\$ (5,282,333)
Cape May-Lewes Ferry	14,450,000	14,194,354	(255,646)
Airports Division	5,571,542	6,469,182	897,640
Three Forts	60,000	77,035	17,035
Concessions	4,473,775	3,802,507	(671,268)
Investment Income	5,328,669	3,582,876	(1,745,793)
Other Income	1,928,000	4,833,281	2,905,281
Total Revenue	<u>\$ 116,561,986</u>	<u>\$ 112,426,902</u>	<u>\$ (4,135,084)</u>

Expenses

	2008 Revised <u>Budget</u>	2008 Actual (1) <u>Expenses</u>	Under (Over) <u>Budget</u>
Administration	\$ 15,892,156	\$ 14,377,682	\$ 1,514,474
Delaware Memorial Bridge	17,488,071	17,095,975	392,096
Cape May-Lewes Ferry	23,296,990	21,973,296	1,323,694
Authority Police	7,308,341	7,009,340	299,001
Airport Division	5,570,393	5,147,499	422,894
Three Forts	125,182	123,834	1,348
Concessions	5,097,837	4,399,035	698,802
Total Operating Expenses (2)	74,778,970	70,126,661	4,652,309
Bond Interest	14,594,883	15,092,551	(497,668)
Bond Principal	7,670,000	7,718,750	(48,750)
Total Expenses	<u>\$ 97,043,853</u>	<u>\$ 92,937,962</u>	<u>\$ 4,105,891</u>

(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:

Operating Expenditures (Budgetary Method)	\$ 70,126,661
Adjustments:	
Encumbrances - Fiscal Year Ending 12/31/08	(1,234,371)
Liquidation of Prior Year Encumbrances	2,643,731
Depreciation Expense	19,575,853
OPEB Liability Expense Adjustment	5,748,234
Merchant Card Services	801,271
Inventory Adjustments	(108,427)
General Fund Expenses	2,414,957
Other Miscellaneous Adjustments	133,676
Operating Expenses (Exhibit B)	<u>\$ 100,101,585</u>

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, 2008, the Authority held \$6,555,739 in cash and cash equivalents in financial institutions, with \$4,367,509 held in uncollateralized accounts in excess of federal depository insurance limits.

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. Of the Authority's \$131,866,835 investments in US Government Securities, US Government Agencies, Municipal Bond, Corporate Bonds and Money Market Funds, all \$128,034,414 of investments are registered in the name of the Authority and held by the counterparty.

Of the \$56,185,461 investments held in the Authority's Pension Trust Fund, \$40,784,600 are registered in the name of the Authority and held by the counterparty. The remaining \$15,400,861 of Other Investments are held by Allmerica Financial Life Insurance Company within their general investment portfolio.

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 arising 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 Fund's investment policy is 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, 2008, the Proprietary Fund had the following investments and maturities. (Amounts are in thousands)

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Corporate and Municipal Obligations	\$ 46,983	\$ 14,686	\$ 11,865	\$ 8,958	\$ 11,474
U.S. Government Agencies	42,519	716	10,399	4,705	26,699
U.S. Government Bonds/Notes	13,817	10,771	2,244	802	-
Money Market Funds	24,715	-			24,715
Total	<u>\$ 128,034</u>	<u>\$ 26,173</u>	<u>\$ 24,508</u>	<u>\$ 14,465</u>	<u>\$ 62,888</u>

Note 3: DETAIL NOTES – ASSETS (CONT'D)

As of December 31, 2008, the Pension Trust Fund had the following investments and maturities. (Amounts are in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Corporate Bonds/Notes	\$ 1,882	\$ -	\$ 1,289	\$ 593	\$ -
Municipal Obligations	5,325		1,469	1,331	2,525
U.S. Government Agencies	7,204		922	1,193	5,089
U.S. Government Bonds/Notes	159			-	159
Money Market Funds	672	-			672
Equity Index Funds	24,871	24,871			
Other Obligations	16,072	15,693			379
Total	<u>\$ 56,185</u>	<u>\$ 40,564</u>	<u>\$ 3,680</u>	<u>\$ 3,117</u>	<u>\$ 8,824</u>

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. Presented below are summaries of the Authority's investments by type and credit rating as of December 31, 2008.

Authority Investments

<u>Investment Type</u>	<u>Rating *</u>	<u>% of Total Investments</u>
Corporate and Municipal Obligations	AAA/Aaa	12.65%
Corporate and Municipal Obligations	AA+/Aaa	1.39%
Corporate and Municipal Obligations	AA/Aa	6.66%
Corporate and Municipal Obligations	AA-/A2	0.25%
Corporate and Municipal Obligations	A+/A1+	3.87%
Corporate and Municipal Obligations	A/A1	4.23%
Corporate and Municipal Obligations	A-/A1-	0.11%
Corporate and Municipal Obligations	SP1+	0.21%
Corporate and Municipal Obligations	NR	7.41%
Federal Home Loan	AAA/Aaa	3.08%
Federal Home Loan Bank	AAA/Aaa	2.18%
Federal Home Loan Mortgage Corporation	AAA/Aaa	2.94%
Federal National Mortgage Association	AAA/Aaa	17.83%
Government National Mortgage Association	AAA/Aaa	5.23%
U.S. Treasury Notes	AAA/Aaa	13.05%
Money Market Funds	AAA/Aaa	15.90%
Money Market Funds	AA-/A2	1.51%
Money Market Funds	NR	1.51%

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

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Pension Fund Investments**

<u>Investment Type</u>	<u>Rating *</u>	<u>% of Total Investments</u>
Corporate Bonds/Notes	AAA/Aaa	1.61%
Corporate Bonds/Notes	AA/Aa	0.00%
Corporate Bonds/Notes	AA-/A2	0.00%
Corporate Bonds/Notes	A+/A1+	0.35%
Corporate Bonds/Notes	A-/A1-	0.31%
Corporate Bonds/Notes	BBB+	0.35%
Corporate Bonds/Notes	BBB	0.35%
Corporate Bonds/Notes	BBB-	0.35%
Corporate Bonds/Notes	NR	0.86%
Municipal Obligations	AAA/Aaa	2.27%
Municipal Obligations	AA	2.58%
Municipal Obligations	A-/A1	1.04%
Municipal Obligations	BBB-	0.31%
Municipal Obligations	NR	3.40%
Federal Home Loan Mortgage Corporation	AAA/Aaa	1.50%
Federal National Mortgage Association	AAA/Aaa	8.46%
Government National Mortgage Association	AAA/Aaa	2.36%
U.S. Treasury Notes	AAA/Aaa	0.49%
Money Market Funds	NR	1.18%
Equity Index Funds	NR	43.87%
Other Obligations	AA	28.39%

*AAA/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.

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, 2008 was \$3,694,628.

Note 3: DETAIL NOTES – ASSETS (CONT'D)**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, 2008:

	Balance Dec. 31, 2007	Additions	Deletions	Transfers	Balance Dec. 31, 2008
<i>Capital Assets, not being Depreciated:</i>					
Land	\$ 11,416,470			1,409,364	\$ 12,825,834
Construction in Progress	56,598,827	\$ 35,341,511	\$ (1,836,027)	\$ (48,050,132)	42,054,179
Total Capital Assets, not being Depreciated	68,015,297	35,341,511	(1,836,027)	(46,640,768)	54,880,013
<i>Capital Assets, being Depreciated:</i>					
Land Improvements	225,939,411			2,919,869	228,859,280
Buildings	127,294,546			5,892,113	133,186,659
Machinery and Equipment	49,786,979		(1,026,339)	956,385	49,717,025
Vessels	137,202,175			2,402,713	139,604,888
Infrastructure	362,333,512			34,469,689	396,803,201
Total Capital Assets, being Depreciated	902,556,623	-	(1,026,339)	46,640,769	948,171,053
<i>Accumulated Depreciation:</i>					
Land Improvements	(168,356,562)	(2,939,477)			(171,296,039)
Buildings	(25,786,614)	(2,896,193)			(28,682,807)
Machinery and Equipment	(30,332,409)	(3,253,784)	965,058		(32,621,135)
Vessels	(67,716,787)	(4,081,828)			(71,798,615)
Infrastructure	(206,537,267)	(6,404,673)			(212,941,940)
Total Accumulated Depreciation	(498,729,639)	(19,575,955)	965,058	---	(517,340,536)
Total Capital Assets, being Depreciated, Net	403,826,984	(19,575,955)	(61,281)	46,640,769	430,830,517
Total Capital Assets, Net	\$ 471,842,281	\$ 15,765,556	\$ (1,897,308)	---	\$ 485,710,530

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Property, Plant and Equipment (Cont'd)**

Total depreciation expense for Fiscal Year 2008 was \$19,575,853. Depreciation expense was charged to operating activities as follows:

Delaware Memorial Bridge	\$ 6,270,397
Cape May - Lewes Ferry	8,352,691
Administration	240,754
Police	103,007
Concessions	23,261
Three Forts Ferry	66,803
Airports	4,116,899
Salem Business Park	366,147
Riverfront Marketplace	<u>35,996</u>
Total Depreciation Expense	<u>\$ 19,575,955</u>

Toll Revenue

<u>2008</u>	<u>Bridge</u>		<u>Ferry***</u>	
<u>Toll Class</u>	<u>Vehicles</u>	<u>Revenue</u>	<u>Vehicles or Passengers</u>	<u>Revenue</u>
1	12,073,390	\$ 36,121,749	293,599	\$ 9,159,072
2	280,946	2,231,996		
3	163,668	1,944,594		
4	142,927	2,269,236	2,492	89,800
5	1,677,383	33,212,285	3,603	163,482
6	32,832	777,606	2,464	129,463
7	2,211	110,390	2,620	171,351
8	4,694	130,348		
9	1,127,130	845,348	705	58,678
10	1,266,053	1,266,047	8,156	227,148
11	67,477	301,887		
12	64,062	382,740	7	1,114
13	3,601	25,485		
Passengers: Adult			780,040	3,804,437
Child			82,554	355,974
Bus Adult			6,751	32,649
Bus Child			398	1,006
Special Groups			24	180
Non-Revenue	14,239		56,396	**
	<u>16,920,613</u>	<u>79,619,711</u>	<u>1,239,809</u>	<u>\$ 14,194,354</u>
Adjustment: Write-Off of Uncollected Tolls		<u>(152,044)</u>		
		<u>\$ 79,467,667</u>		

** Includes children under 6 years of age.

***The Cape May-Lewes Ferry adopted a new fare schedule effective April 1, 2008. More details can be found in Schedule 15, "Schedule of Historical Toll Rates" contained in the Other Supplementary Statements and Schedules.

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Toll Revenue (Cont'd)**

<u>2007</u>	<u>Bridge</u>		<u>Ferry***</u>	
<u>Toll Class</u>	<u>Vehicles</u>	<u>Revenue</u>	<u>Vehicles or Passengers</u>	<u>Revenue</u>
1	12,554,899	\$ 37,572,672	317,105	\$ 6,830,396
2	308,773	1,843,644		
3	166,322	1,485,828		
4	152,343	1,819,476	3,273	91,919
5	1,822,294	27,139,155	3,950	143,673
6	33,720	602,388	2,728	118,491
7	2,668	106,720	2,691	149,033
8	6,053	141,144		
9	1,123,691	842,768	596	45,730
10	1,314,561	1,314,555	8,592	156,899
11	73,385	328,162		
12	68,755	410,670	8	973
13	4,453	31,755		
Passengers: Adult			826,642	5,540,663
Child			86,479	377,022
Bus Adult			7,000	40,618
Bus Child			501	1,468
Special Groups			943	5,028
Non-Revenue	11,964		63,346 **	
	<u>17,643,881</u>	<u>73,638,937</u>	<u>1,323,854</u>	<u>\$ 13,501,913</u>
Adjustment: Write-Off of Uncollected Tolls		<u>(113,879)</u>		
		<u>\$ 73,525,058</u>		

** Includes children under 6 years of age, for the periods January through April and November through December.

Cape May Lewes Ferry – Toll System

Beginning in 2008, the Authority changed the way it reports vehicle and passenger revenue. Vehicle drivers are now reported with the vehicle revenue. In previous fiscal years, vehicle drivers were separated from vehicles and included under adult passenger revenue. Vehicle and passenger traffic statistics are reported in the same manner as in previous years.

Delaware Memorial Bridge – Electronic Tolls

On July 18, 2001, the Authority initiated electronic toll collection and E-Z Pass at the Delaware Memorial Bridge. The Authority records toll revenue net of uncollectible tolls. Gross toll revenues for 2008 and 2007 were \$80,049,987 and \$73,969,202, while the adjustments for uncollectible tolls were \$582,320 and \$444,143, respectively.

Note 4: DETAIL NOTES – LIABILITIES**Compensated Absences**

The Authority has recorded a liability through December 31, 2008 totaling \$5,933,232 for vacation and sick pay, with \$194,602 accruing during 2008. 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.

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, 2008, there were 313 retired employees and retired spouses utilizing these benefits and 414 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.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Post-Employment Benefits (Cont'd)**

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 a 5 year phase in policy, beginning with fiscal year 2008 and fully funding its ARC by fiscal year 2012. Plan members are not required to make any contributions to the plan.

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 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:

Normal cost	\$2,567,921
Amortization Payment	<u>6,067,237</u>
Annual Required Contribution	<u>8,635,158</u>
Interest on net OPEB obligation	---
Adjustment to annual required contribution	---
Annual OPEB cost (expense)	8,635,158
Contributions Made	<u>(2,886,924)</u>
Increase in net OPEB obligation	5,748,076
Net OPEB Obligation – Beginning of Year	---
Net OPEB Obligation – End of Year	<u>\$5,748,234</u>

Funded Status and Funding Progress: As of January 1, 2007, the most recent actuarial valuation date, the Delaware River & Bay Authority Retiree Health Benefit Plan was 0% funded. The actuarial accrued liability for benefits was \$75,207,725 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$75,207,725. The Authority budgeted \$2,280,000 in fiscal year 2009 to prefund benefits. The covered payroll (annual payroll of active employees covered by the plan) was \$22,730,636, and the ratio of the UAAL to the covered payroll was 331%. 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.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Post-Employment Benefits (Cont'd)**

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.

In the January 1, 2007, actuarial valuation, the entry age normal cost method was used. The significant actuarial assumptions included a phased funding investment return assumption (7.36% effective rate of return over thirty years), an annual healthcare cost trend rate of 10.5% initially, reducing by decrements to an ultimate rate of 5.5% after six years, an annual dental cost trend rate of 6.5% initially, reducing by decrements to an ultimate rate of 4.5% after four years, a 4% per year salary increase rate for life insurance purposes and the RP2000 mortality table (projected to 2010). The Delaware River & Bay Authority Retiree Health Benefits Plan's unfunded actuarial liability is being amortized using a level dollar amount with a 30 year amortization period on a closed basis. The remaining amortization period at December 31, 2008 was 29 years.

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, 2007, there were 437 active participants, 114 terminated members entitled to, but not yet receiving benefits and 217 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.

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.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Defined Benefit Plan (Cont'd)**

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 years ended December 31, 2008, 2007 and 2006, the Authority's annual pension costs for the DB Plan were \$5,657,686, \$5,038,045 and \$6,688,088, 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, 2008, 2007 and 2006 were \$674,968, \$690,238 and \$694,206, 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 2 as part of the Required Supplementary Section.

The required contribution for the year ended December 31, 2008 was determined using the aggregate method. Under the aggregate method, normal cost percent is the level percent of future covered payroll required to fund the present value of future plan benefits in excess of actuarial value of assets. The normal cost for the plan year is the product of the normal cost percentage and covered payroll for the current year. Under this actuarial cost method, plan changes and actuarial gains/losses are not separately recognized and amortized. Beginning January 1, 2003, 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.

The current actuarial valuation report showing contributions for the Plan Year ending December 31, 2008 include the following significant actuarial assumptions: (a) 8% investment rate of return, 5% for retirees under 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.

Actuarial Cost Method: Liabilities and contributions shown in this report are computed using the aggregate cost method of funding. This method does not identify or separately amortize unfunded actuarial accrued liabilities.

Beginning January 1, 2003, 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.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Defined Benefit Plan (Cont'd)**

Beginning January 1, 2004, the actuarial value of assets will be calculated reflecting a 5% expected return on assets for the assets held by Allmerica and an 8% expected return on assets for the assets held by Cavanaugh. Please note, this change is not reflected in the actuarial value of assets used to calculate the 2005 contribution, but will be incorporated into the calculation of the 2006 contribution and beyond.

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.

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 \$953,914, \$901,680 and \$836,301 for 2008, 2007 and 2006 respectively. The Authority's contribution was \$417,701, \$420,684 and \$410,414 for 2008, 2007 and 2006 respectively. As of December 31, 2008, the value of the DC Plan was \$13,195,917.

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: Traditional Indemnity 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 \$90,000 per claim. 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 years ending December 31, 2008, 2007 and 2006.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Beginning Claims Liability – 1/1	\$ 639,383	\$ 526,777	\$ 444,060
Total Incurred Claims	5,477,875	6,326,251	5,624,912
Total Paid Claims	<u>(5,491,402)</u>	<u>(6,213,645)</u>	<u>(5,542,195)</u>
Ending Claims Liability – 12/31	<u>\$ 625,856</u>	<u>\$ 639,383</u>	<u>\$ 526,777</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**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 \$130,250.06 was paid to the CEZC in FY 2008. The balance of the loan at December 31, 2008 is \$1,166,498.

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.

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.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Lease Obligations (Cont'd)****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 a ten year period and is automatically extended for a successive ten year period unless either party shall deliver notice of its intention not to renew, not less than twelve months prior to the expiration of the then current term. Lease payments will be one dollar per year.

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, 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. 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, 2008, the Authority had \$307,785,000 in revenue and refunding revenue bonds outstanding. The bonds were issued in 2000, 2003, 2004, 2005 and 2008. These bonds were issued pursuant to the Trust Agreement dated October 1, 1993 between the Authority and the Wilmington Trust Company.

Series 2000A

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
5.10%	2009	\$ 1,565,000	\$ 164,532	\$ 1,729,532
5.15%	2010	1,645,000	84,717	1,729,717
Total Series 2000A		<u>\$ 3,210,000</u>	<u>\$ 249,249</u>	<u>\$ 3,459,249</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)Bonded Indebtedness (Cont'd)

Series 2003

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
3.25%	2009	\$ 1,535,000	\$ 2,358,475	\$ 3,893,475
3.50%	2010	1,585,000	2,303,000	3,888,000
3.75%	2011	1,640,000	2,241,500	3,881,500
4.00%	2012	1,700,000	2,173,500	3,873,500
5.00%	2013	1,770,000	2,085,000	3,855,000
	2014		2,085,000	2,085,000
	2015		2,085,000	2,085,000
	2016		2,085,000	2,085,000
	2017		2,085,000	2,085,000
	2018		2,085,000	2,085,000
	2019		2,085,000	2,085,000
	2020		2,085,000	2,085,000
	2021		2,085,000	2,085,000
	2022		2,085,000	2,085,000
	2023		2,085,000	2,085,000
	2024		2,085,000	2,085,000
	2025		2,085,000	2,085,000
	2026		2,085,000	2,085,000
5.00%	2027	16,220,000	2,085,000	18,305,000
	2028		1,274,000	1,274,000
	2029		1,274,000	1,274,000
	2030		1,274,000	1,274,000
	2031		1,274,000	1,274,000
	2032		1,274,000	1,274,000
5.00%	2033	<u>25,480,000</u>	<u>1,274,000</u>	<u>26,754,000</u>
Total Series 2003		<u>\$ 49,930,000</u>	<u>\$ 47,995,475</u>	<u>\$ 97,925,475</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Bonded Indebtedness (Cont'd)**

Series 2004

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
5.00%	2009	\$ 4,315,000	\$ 2,247,000	\$ 6,562,000
5.00%	2010	4,530,000	2,031,250	6,561,250
5.00%	2011	4,755,000	1,804,750	6,559,750
5.00%	2012	4,995,000	1,567,000	6,562,000
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>\$ 44,940,000</u>	<u>\$ 11,477,750</u>	<u>\$ 56,417,750</u>

Series 2005

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
3.00%	2009	\$ 255,000	\$ 8,799,988	\$ 9,054,988
3.00%	2010	260,000	8,792,337	9,052,337
3.25%	2011	2,005,000	8,784,537	10,789,537
3.40%	2012	2,065,000	8,719,375	10,784,375
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
4.375/5.00%	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
4.350/5.00%	2029	4,060,000	193,250	4,253,250
Total Series 2005		<u>\$ 179,705,000</u>	<u>\$ 125,127,092</u>	<u>\$ 304,832,092</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Bonded Indebtedness (Cont'd)**

Series 2008

<u>Annual Interest Rate 1</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
4.50%	2009		\$ 48,750	\$ 48,750
4.50%	2010		1,350,000	1,350,000
4.50%	2011		1,350,000	1,350,000
4.50%	2012		1,350,000	1,350,000
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	<u>17,700,000</u>	<u>796,500</u>	<u>18,496,500</u>
Total Series 2008		<u>\$ 30,000,000</u>	<u>\$ 26,495,250</u>	<u>\$ 56,495,250</u>

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 2009 – 2029 is 4.50%

Total Bonded Indebtedness	\$ 307,785,000
Less:	
Current Portion	(7,670,000)
Deferred Loss on Defeasance	(11,565,879)
Discount on Bonds	(2,030)
Premium on Bonds	<u>11,085,292</u>
Total Long Term Bond Indebtedness	<u>\$ 299,632,383</u>

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.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Summary of Long-Term Liabilities:**

	Principal Outstanding Jan. 1, 2008	Additions	Reductions	Principal Outstanding Dec. 31, 2008	Current Due Within One Year
Revenue Bonds	\$ 315,221,529	\$ 940,953	\$ (8,860,099)	\$ 307,302,383	\$ 7,670,000
Loans Payable	1,200,000		(33,502)	1,166,498	30,969
Compensated Absences	<u>6,041,083</u>	<u>194,602</u>	<u>(302,453)</u>	<u>5,933,232</u>	<u>682,169</u>
Total Long Term Liabilities	<u>\$ 322,462,612</u>	<u>\$ 1,135,555</u>	<u>\$ (9,196,054)</u>	<u>\$ 314,402,113</u>	<u>\$ 8,383,138</u>

Summary of 2008 Bond Refunding

On December 18, 2008, the Authority issued \$30,000,000 in Revenue Bonds to refund all \$30,000,000 of the Series 2000B Revenue Bonds. The Series 2008 Bonds were issued pursuant to and secured by the Trust Agreement, dated October 1, 1993, between the Authority and Wilmington Trust Company, as Trustee and a Supplemental Trust Agreement, Number 8, dated as of December 1, 2008.

The Authority advance refunded the series 2000B Revenue Bonds in order to free AMBAR Corporation from its obligations as municipal insurer on the 2000B Revenue Bonds. The advance refunding lowered the variable interest rate from the 7% to 9% range to a 2% to 3% range immediately after the refunding.

The payment of the principal and interest on the Series 2008 Bonds is secured by and payable initially from drawings under an irrevocable direct pay letter of credit issued by TD Bank, N.A., pursuant to a Reimbursement Agreement between the Authority and TD Bank. Costs of issuance of the Series 2008 Bonds were paid by the Authority from internal sources.

The sources and uses of funds for the refunding are as follows:

Sources:

Revenue Bonds	\$30,000,000
Transfer from General Fund	63,450
Transfer from 2000B Debt Service Account	<u>32,421</u>
	<u>\$30,095,871</u>

Uses:

Underwriter's Discount	\$ 63,450
Escrow Deposits	<u>30,032,421</u>
	<u>\$30,095,871</u>

Deferred Revenue**Forward Purchase Agreement**

In 1997, the Authority entered into a forward purchase agreement (the 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 Fund and the right to the income thereon through 2026. The Debt Service Reserve Fund investments remain the property of the Authority and are invested through the Trustee.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Forward Delivery Agreements – 1993 & 1996 Debt Service Funds**

On August 16, 2000, the Authority entered into Forward Delivery Agreements with a forward commitment provider. Under the terms of the agreements, as awarded, the Authority received a guaranteed interest rate on investments held in the Debt Service Fund in exchange for granting the provider the right to invest the monies in the Debt Service Fund over the term of the agreements. The initial guaranteed rates are 6.79% and 6.95%. The initial period ran from August 16, 2000 to May 30, 2025. The Debt Service Fund investments remain the property of the Authority and are deposited with the Trustee.

Commitments

The Authority has outstanding commitments of approximately \$28,264,736 on construction projects entered into through December 31, 2008.

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:

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 October 1, 2003, the Authority entered into an agreement with the Commonwealth Group, LTD, to manage the land and buildings at the Salem Business Center located in Carney's Point, New Jersey. The initial term of the agreement is for twenty four months, with an option for an additional term of one year.

On October 1, 2006, the Authority extended its agreement with the Commonwealth Group, LTD, on a month to month basis, to manage the land and buildings at the Salem Business Center.

Note 5: AGREEMENTS (CONT'D)**Salem Business Center (cont'd)**

The operating results for the Salem Business Center for Fiscal Years 2008, 2007 and 2006 were as follows:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Operating Income	\$ 1,580,362	\$ 392,951	\$ 335,439
Operating Expenses	<u>(884,263)</u>	<u>(795,726)</u>	<u>(627,536)</u>
Net Income (Loss)	<u>\$ 696,099</u>	<u>\$ (402,775)</u>	<u>\$ (292,097)</u>

As of December 31, 2008, three (3) tenants are under lease at the Salem Business Center. Based on the current tenant situation, projected revenues for Fiscal Years 2009 and 2010 are \$1,401,098 and \$1,443,130, respectively. The office building contains 73,420 square feet of available leaseable space, of which 62,777 is rented.

Riverfront Market and Restaurant

On October 1, 2006, the Authority entered into an agreement with Emory Hill Real Estate Services, Inc., to manage the land and buildings at the Riverfront Market and Restaurant, located in Wilmington, Delaware. The initial term of the agreement is for twenty four months, with an option for an additional term of one year.

The operating results for the Riverfront Market and Restaurant for Fiscal Years 2008, 2007 and 2006 were as follows:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Operating Income	\$ 389,701	\$ 395,176	\$ 398,347
Operating Expenses	<u>(404,866)</u>	<u>(397,925)</u>	<u>(322,318)</u>
Net Income (Loss)	<u>\$ (15,165)</u>	<u>\$ (2,749)</u>	<u>\$ 76,029</u>

As of December 31, 2008, ten (10) 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 2009 and 2010 are \$470,802 and \$484,924, respectively.

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.

Note 5: AGREEMENTS (CONT'D)**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. On August 20, 2002, the Authority entered into a collective bargaining agreement with the Marine Engineers Beneficial Association ("MEBA"). The term of the agreement is retroactive to January 1, 2002, and expired on June 30, 2004. On December 21, 2004, the Authority entered into a new collective bargaining agreement with MEBA. The term of the agreement is retroactive to July 1, 2004 and expires on June 30, 2007. As of December 31, 2008, no new collective bargaining agreement has been entered into, but on-going negotiations continue between the Authority and MEBA. As of December 31, 2008, the marine unit accounts for sixty-two (62) 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. 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, 2008, this group consisted of one hundred forty one (141) employees working throughout all Authority facilities. An agreement with Local 542 was entered into on December 20, 2005. The term of the agreement is retroactive to January 1, 2005 and expires on December 31, 2008. As of December 31, 2008, no new collective bargaining agreement has been entered into, but on-going negotiations continue between the Authority and Local 542.

Note 6: NON-OPERATING INCOME**Sale of Land at New Castle Airport**

On April 18, 2008, the Authority, in conjunction with New Castle County, sold 5.514 acres of land to the Easter Seals Delaware and Maryland's Eastern Shore Inc. The sale amount was based on an appraised value of \$175,000 per acre for a total sale price of \$965,002.50. This parcel of land was part of New Castle Airport property and was restricted by the Federal Aviation Administration (FAA) regarding the usage and the ability of the property to be sold. In cooperation, the Authority (airport sponsor) and New Castle County (airport owner), requested and received a Deed of Release from the FAA. The Release required that all proceeds from the sale be invested back into New Castle Airport by the Authority (airport sponsor). The amount was deposited in the Authority's Airport Fund and recorded as a Capital Contribution on Exhibit B in the Financial Statements.

Release of Land at Millville Airport

In February 2008, the Authority received \$556,000 from the City of Millville, New Jersey for releasing 139 acres of land located at Millville Airport. The funds were the result of amendments to the Ground Lease and the Acquisition Agreement between the Authority and the City of Millville. This transaction allows for the future development of an Airpark Motorsports Commercial District. The release of land was based on an appraised value of \$4,000 per acre for a total price of \$556,000. This parcel of land was part of Millville Airport property and was restricted by the Federal Aviation Administration (FAA) regarding the usage and the ability of the property to be sold or transferred. In cooperation, the Authority (airport sponsor) and the City of Millville (airport owner), requested and received a Deed of Release from the FAA. The Release required that all proceeds from the transfer be invested back into Millville Airport by the Authority (airport sponsor). The amount was deposited in the Authority's Airport Fund and recorded as "Non-Operating Income – Sale of Lease Rights" on Exhibit B in the Financial Statements.

Note 7: RISK MANAGEMENT**Net Assets 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 2008, 2007 and 2006 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 2008, 2007 and 2006 are as follows:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Self Insurance Expenses:	<u>\$ 707,444</u>	<u>\$ 577,220</u>	<u>\$ 395,917</u>

Note 8: 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 9: SUBSEQUENT EVENTS**Millville Jet Center**

Millville Jet Center is a tenant of the Authority located at the Millville Airport. During 2009 Millville Jet Center filed for bankruptcy, however, due to an error in their application, they were denied bankruptcy protection. It is not known whether or not they will re-file. As of December 31, 2008 Millville Jet Center had unpaid invoices of \$253,432.59 that were owed to the Authority. The unpaid invoices are recorded as a receivable in the financial statements. Total billings for 2008 and 2007 were \$561,268.81 and \$648,026.19, respectively. As of the audit date it is not estimable how much of the receivable may be uncollectable or how much future revenue the Authority will derive from this tenant.

Revised Cape May-Lewes Ferry Schedule

On February 17, 2009, the Authority adopted a revised fare schedule for the Cape May- Lewes Ferry. The new schedule becomes effective April 1, 2009. In addition to the fare increase, the Authority authorized the implementation of a fuel surcharge. The fuel surcharge will be effective when the price the Authority pays for marine diesel fuel rises above the 8 year trend in price of \$2.50 per gallon. If the fuel price rises above \$2.50 per gallon, the Authority will implement a \$1 surcharge per vehicle for each \$0.25 increment above \$2.50.

Note 9: SUBSEQUENT EVENTS (CONT'D)**Revised Cape May-Lewes Ferry Schedule (Cont'd)**

The new fare schedule is listed below.

	<u>Nov-Mar</u>	<u>Apr-Oct</u>	<u>Peak*</u>
<u>Vehicle & Driver</u>			
Car, SUV, Van, Pickup Truck (vehicles less than 20' length)	\$29.50	\$36.00	\$43.25
Return Trip Value Fare	25.25	30.75	31.75
Motorcycle or Motorbike	24.25	30.75	36.00
Return Trip Value Fair	21.25	26.50	26.50
Discount Book of Six (6) Tickets (all vehicles less than 20' length)	153.00	153.00	153.00
Discount Book of Six (6) Tickets (commercial vehicles)		15% off scheduled fare	
(Memorial Day to Labor Day: not valid Sat, Sun or Holidays Between 9 am and 5 pm)			

Vehicle and Foot Passengers

Under 6 years of age	Free	Free	Free
Children, age 6-13	3.75	5.00	5.00
Return Trip Value Fare	2.75	4.00	4.00
14 Years of age and older	7.50	10.00	10.00
Return Trip Value Fare	5.25	8.00	8.00
Discount Book of Six (6) Adult Tickets		43.50	43.50

***Note: Return Trip Value Fares must be purchased with initial Sailing**

Bus Passengers

Under 6 years of age	Free	Free	Free
Children, age 6-13	1.50	2.75	2.75
14 Years of age and older	3.25	5.25	5.25

Ferry Terminal Shuttle Fares

Under 6 years of age	Free	Free	Free
6 Years of age and older	3.00	3.00	3.00

Reservation Fees & Discounts

Internet Reservation Fee Discount	2.00	2.00	2.00
Non-Refundable Reservation Cancellation Fee	5.00	5.00	5.00

Other Vehicles & Driver

20' to under 25'	33.75	41.25	49.75
25' to under 35'	42.25	49.75	60.25
35' to under 45'	49.75	57.00	68.75
45' to under 60'	61.25	69.75	84.50
More than 60'	84.50	93.00	113.00

***Peak Fares** valid from Memorial Day to Labor Day – Friday, Saturdays, Sundays and Holidays

Ticket Expiration: Purchased ferry tickets expire two years after purchase date

REQUIRED SUPPLEMENTARY INFORMATION

32200

Schedule 1

DELAWARE RIVER AND BAY AUTHORITY
 Required Supplementary Information
 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%

32200

Schedule 2

DELAWARE RIVER AND BAY AUTHORITY
 Required Supplementary Information
 Schedule of Employer Contributions to the OPEB Plan (in thousands)

Year Ended December 31,	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2008	\$ 8,635	33.43%

DELAWARE RIVER AND BAY AUTHORITY
Fiduciary Fund
Pension Trust Fund
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Total Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability to Annual Covered Payroll
1/1/2001	\$53,582,540	\$46,055,280	\$7,527,260	116.3%	\$20,263,720	100.0%
1/1/2002	56,338,510	49,986,866	6,351,644	112.7%	21,920,799	100.0%
1/1/2003	52,376,226	58,559,634	(6,183,408)	89.4%	23,126,442	100.0%
1/1/2004	57,051,336	61,515,132	(4,463,796)	92.7%	19,596,929	100.0%
1/1/2005	58,984,201	63,283,149	(4,298,948)	93.2%	20,778,374	100.0%
1/1/2006	62,437,338	69,671,370	(7,234,032)	89.6%	22,106,492	100.0%
1/1/2007	66,361,928	72,532,005	(6,170,077)	91.5%	22,730,636	100.0%

DELAWARE RIVER AND BAY AUTHORITY

Fiduciary Fund

Pension Trust Fund

Schedule of Employer Contributions

<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
2002	\$3,137,167	100%
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%

DELAWARE RIVER AND BAY AUTHORITY
Notes to Required Supplementary Information
For the Year Ended December 31, 2008

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	1/01/2008
Actuarial Cost Method	Entry Age
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	4%

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, 2007
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Closed, Level Dollar Method
Remaining Amortization Period	29 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.36% effective rate over 30 years
Rate of Salary Increases	4%
Rate of Medical Inflation	10.5% grading to 5.5% in 2013 and later
Rate of Dental Inflation	6.5% grading to 4.5% in 2013 and later

Note 5: **OTHER POST EMPLOYMENT BENEFITS (CONT'D)**

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 accrued liability (UAAL).

OTHER SUPPLEMENTARY SCHEDULES

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Combining Schedule of Net Assets
For the Year Ended December 31, 2008

ASSETS

Current Assets:

Unrestricted Assets:

Cash and Cash Equivalents
Investments
Operating Revenues Receivable Net of
Allowance for Uncollected Tolls
Accrued Investment Income Receivable
Note Receivable (Current Portion)
Other Accounts Receivable
Federal Grants Receivable
Inventory
Interfunds Receivable
Prepaid Expenses

Total Unrestricted Assets

Restricted Assets:

Cash and Cash Equivalents
Investments
Accrued Investment Income Receivable
Interfunds Receivable

Total Restricted Assets

Total Current Assets

Noncurrent Assets:

Property, Plant and Equipment:
Completed (Net of Accumulated Depreciation)
Construction in Progress

Total Property, Plant and Equipment

Other Assets:

Note Receivable
Unamortized Debt Issue Costs

Total Noncurrent Assets

Total Assets

	<u>Totals</u>	<u>Revenue</u>	<u>Airport</u>	<u>General</u>	Restricted			
					<u>Reserve Maintenance</u>	<u>Construction Funds</u>	<u>Debt Service Funds</u>	<u>Debt Service Reserve Funds</u>
\$	6,724,187	\$ 3,521,351	\$ 1,900,078	\$ 1,302,758				
	83,891,736	9,724,217		74,167,519				
	5,031,664	4,462,860	568,804					
	574,672			574,672				
	207,430			207,430				
	624,509	108,897		515,612				
	1,434,484		1,434,484					
	5,118,679	5,054,366	64,313					
	108,337,093	81,377,269		26,959,824				
	596,014	441,509	149,982	4,523				
	212,540,468	104,690,469	4,117,661	103,732,338	---	---	---	---
	3,237					3,237		
	44,142,678				\$ 4,078,955	\$ 14,428,584	\$ 25,635,139	
	139,940				17,198		122,742	
	101,564,796				2,003,847	58,251,421	37,552,632	3,756,896
	145,850,651	---	---	---	6,100,000	58,254,658	51,981,216	29,514,777
	358,391,119	104,690,469	4,117,661	103,732,338	6,100,000	58,254,658	51,981,216	29,514,777
	443,656,351		98,673,137	344,983,214				
	42,054,179		18,863,100	23,191,079				
	485,710,530	---	117,536,237	368,174,293	---	---	---	---
	3,487,198			3,487,198				
	3,518,129	---	---	2,679,428	---	838,701	---	---
	492,715,857	---	117,536,237	374,340,919	---	838,701	---	---
	851,106,976	104,690,469	121,653,898	478,073,257	6,100,000	59,093,359	51,981,216	29,514,777

(Continued)

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Combining Schedule of Net Assets
For the Year Ended December 31, 2008

LIABILITIES

	<u>Totals</u>	<u>Revenue</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>
Current Liabilities Payable from Unrestricted Assets:								
Accounts Payable	\$ 7,199,350	\$ 2,035,559	\$ 190,349	\$ 4,973,442				
Accrued Wages Payable	888,149	826,819	61,330					
Electronic Toll Liability	595,581	595,581						
Unearned Revenue	813,296	677,195	136,101					
Liability for Unpaid Health Claims	625,856			625,856				
Customer and Security Deposits	1,268,007	1,023,972	241,212	2,823				
Compensated Absences (Current Portion)	682,169			682,169				
Interfunds Payable	108,337,093	93,203,526	15,133,567					
Total Current Liabilities Payable from Unrestricted Assets	120,409,501	98,362,652	15,762,559	6,284,290	---	---	---	---
Current Liabilities Payable from Restricted Assets:								
Accounts Payable	304,966					\$ 304,966		
Unearned Revenue	4,333,527						\$ 4,333,527	
Interfunds Payable	101,564,796	579,583		53,743,842	\$ 2,100,000		\$ 45,141,371	
Interest Payable	6,839,845						6,839,845	
Loans Payable (Current Portion)	30,969			30,969				
Revenue Bonds Payable (Current Portion)	7,670,000			7,670,000				
Total Current Liabilities Payable from Restricted Assets	120,744,103	579,583	---	61,444,811	2,100,000	304,966	51,981,216	4,333,527
Total Current Liabilities	241,153,604	98,942,235	15,762,559	67,729,101	2,100,000	304,966	51,981,216	4,333,527
Long Term Liabilities:								
Compensated Absences	5,251,063			5,251,063				
Net OPEB Liability	5,748,234	5,748,234						
Loans Payable	1,135,529			1,135,529				
Revenue Bonds Payable	299,632,383			245,419,880		54,212,503		
Total Long Term Liabilities	311,767,209	5,748,234	---	251,806,472	---	54,212,503	---	---
Total Liabilities	552,920,813	104,690,469	15,762,559	319,535,573	2,100,000	54,517,469	51,981,216	4,333,527

(Continued)

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Combining Schedule of Net Assets
For the Year Ended December 31, 2008

	<u>Totals</u>	<u>Revenue</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 ASSETS								
Invested in Capital Assets, Net of Related Debt	\$ 180,759,778		\$ 117,536,237	\$ 63,223,541				
Restricted:								
Trust Agreement Covenants	33,757,140				\$ 4,000,000	\$ 4,575,890		\$ 25,181,250
Unrestricted	83,669,245		(11,644,898)	95,314,143				
Total Net Assets	\$ 298,186,163	---	\$ 105,891,339	\$ 158,537,684	\$ 4,000,000	\$ 4,575,890	---	\$ 25,181,250

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2008

	Unrestricted			Restricted			
	Total	Combined Revenue Funds	Airport	General	Reserve Maintenance	Construction Funds	Debt Service Reserve Funds
Operating Revenues:							
Bridge Tolls	\$ 79,467,667	\$ 79,467,667					
Ferry Tolls	14,271,389	14,271,389					
Food and Novelty Sales	3,943,413	3,943,413					
Airport Lease Revenue	6,469,182	\$ 6,469,182					
Other Operating Revenue	4,833,281	1,921,643	790,609	\$ 2,121,029			
Operating Expenses:							
Administrative and General:							
Wages and Benefits	(8,080,891)	(7,886,258)		(194,633)			
Other Expenses	(10,145,745)	(7,925,421)		(2,220,324)			
Operations:							
Wages and Benefits	(41,985,448)	(38,820,254)	(3,165,194)				
Other Expenses	(20,313,648)	(18,026,682)	(2,286,966)				
Depreciation Expense	(19,575,853)	(15,056,913)	(4,116,899)	(402,041)			
Operating Income (Loss)	8,883,347	11,888,584	(2,309,268)	(695,969)	---	---	---
Non-operating Income (Expenses):							
Investment Income	3,970,463	325,789	59,978	1,601,056	\$ 176,850	\$ 260,384	\$ 170,423
Investment Fees	(387,587)	(72,641)		(225,558)	(12,204)	(15,786)	(22,800)
Interest on Debt	(14,998,314)			(23,383)		117,620	(15,092,551)
Amortization of Debt Issue Costs	(282,588)			(217,161)		(65,427)	
Write Off Constuction in Progress	(1,836,027)			(1,384,571)		(451,456)	
Sale of Lease Rights	556,000		556,000				
Gain on Sale of Capital Assets	110,229			110,229			
Net Non-Operating Income (Expense)	(12,867,824)	253,148	615,978	(139,388)	164,646	(154,665)	1,337,385
Net Income (Loss) before Transfers and Contributions	(3,984,477)	12,141,732	(1,693,290)	(835,357)	164,646	(154,665)	1,337,385
Capital Contributions	9,223,634		9,001,134	222,500			
Transfers		(12,141,732)	(1,521,002)	219,837	(164,646)	14,944,928	(1,337,385)
Increase (Decrease) in Net Assets	5,239,157	---	5,786,842	(393,020)	---	(154,665)	---
Net Assets Jan. 1	292,947,006	---	100,104,497	158,930,704	4,000,000	4,730,555	25,181,250
Net Assets Dec. 31	\$ 298,186,163	---	\$ 105,891,339	\$ 158,537,684	\$ 4,000,000	\$ 4,575,890	\$ 25,181,250

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund - Revenue Funds
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2008

	Total	Bridge Revenue Fund	Ferry Revenue Fund	Operations Fund	Three-Forts Ferry Revenue Fund	Concessions Fund
Operating Revenues:						
Bridge Tolls	\$ 79,467,667	\$ 79,467,667				
Ferry Tolls	14,271,389		\$ 14,194,354		\$ 77,035	
Food and Novelty Sales	3,943,413	140,906				\$ 3,802,507
Other Operating Revenue	1,921,643	1,538,242	371,941			11,460
Operating Expenses:						
Administrative and General:						
Wages and Benefits	(7,886,258)			\$ (7,886,258)		
Other Expenses	(7,925,421)			(7,925,421)		
Operations:						
Wages and Benefits	(38,820,254)	(12,005,568)	(16,666,429)	(7,397,634)	(69,996)	(2,680,627)
Other Expenses	(18,026,682)	(7,584,592)	(8,252,650)	(240,844)	(55,422)	(1,893,174)
Depreciation Expense	(15,056,913)	(6,270,397)	(8,352,691)	(343,761)	(66,803)	(23,261)
Operating Income (Loss)	11,888,584	55,286,258	(18,705,475)	(23,793,918)	(115,186)	(783,095)
Non-operating Income (Expenses):						
Investment Income	325,789	309,411	13,876			2,502
Investment Fees	(72,641)	(72,641)				
Net Non-Operating Income (Expense)	253,148	236,770	13,876	---	---	2,502
Net Income (Loss) before Transfers	12,141,732	55,523,028	(18,691,599)	(23,793,918)	(115,186)	(780,593)
Transfers	\$ (12,141,732)	\$ (55,523,028)	\$ 18,691,599	\$ 23,793,918	\$ 115,186	\$ 780,593

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund - Revenue Funds
Schedule of Other Operating Revenues
For the Year Ended December 31, 2008

	<u>Total</u>	<u>Bridge Revenue Fund</u>	<u>Ferry Revenue Fund</u>	<u>Concessions Fund</u>	<u>Airport Fund</u>	<u>General Fund</u>
Over/(Short)	\$ (1,390)	\$ 4,566	\$ (4,681)	\$ (1,326)	\$ 51	\$ 1,216,565
Property Leases	1,216,565					70,059
Common Area Maintenance	70,059					
E-Z Pass Membership Fees	669,005	669,005				
E-Z Pass Transponder Sales	73,431	73,431				
E-Z Pass Account Adjustments	(391,628)	(391,628)				
Electronic Toll Collection Violation	224,419	224,419				
Internet Reservation Fees	84,178		84,178			
Credit Card Fee Income	254,815	254,815				
Insurance Claims	63,191	26,241	35,915		1,035	
Vending Commissions	3,761	1,897			1,864	
Income from Unused Tolls	541,810	585,287	(43,477)			
Bus & Trolley Fares	177,856		177,856			
Golf & Carousel Fares	2,933		2,933			
Landing Fees	133,174				133,174	
Fuel Sales & Fees	636,348				636,348	
Room Rental	2,625			2,625		
Binocular Fees	2,651		2,651			
Amusement Sales	98,184		98,184			
Ticket Sales Adjustment	(2,919)		(2,919)			
Interest on Economic Development Loans	57,083					57,083
Property Tax Reimbursement	281,727					281,727
Electric Reimbursements	471,237					471,237
Police Grants	14,010					14,010
Miscellaneous Income	150,156	90,209	21,301	10,161	18,137	10,348
	<u>\$ 4,833,281</u>	<u>\$ 1,538,242</u>	<u>\$ 371,941</u>	<u>\$ 11,460</u>	<u>\$ 790,609</u>	<u>\$ 2,121,029</u>

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DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Functional Operating Expenses

For the Year Ended December 31, 2008

	<u>Actual</u>
Delaware Memorial Bridge:	
Wages	\$ 5,483,665
Benefits	6,521,903
Administrative	13,216
Professional services	33,434
Office supplies	18,248
Operating supplies	943,501
Merchant Card Processing Fees	377,265
Facility/equipment maintenance	145,355
Uniforms and safety	59,604
Non-recurring	2,216,334
Utilities	1,298,261
Electronic Toll Expenses	2,479,374
Depreciation	6,270,397
	<hr/>
	25,860,557
	<hr/>
Cape May - Lewes Ferry:	
Wages	8,938,583
Benefits	7,727,846
Administrative	58,184
Professional services	24,767
Advertising	568,621
Office supplies	49,642
Operating supplies	598,276
Internet Reservation Discount	123,676
Merchant Card Processing Fees	401,180
Facility/equipment maintenance	439,300
Uniforms and safety	71,552
Vessel operations	4,564,776
Utilities	1,352,676
Depreciation	8,352,691
	<hr/>
	33,271,770
	<hr/>
Administration:	
Wages	4,713,885
Benefits	3,172,373
Administration	780,464
Education and training	301,281
Professional services	1,151,503
Office supplies	418,585
Computer supplies	459,313
Facility/equipment maintenance	766,865
Uniforms and safety	11,242
Insurance	3,905,709
Utilities	130,459
Depreciation	240,754
	<hr/>
	16,052,433
	<hr/>
	(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Functional Operating Expenses

For the Year Ended December 31, 2008

	<u>Actual</u>
Authority Police:	
Wages	\$ 4,390,613
Benefits	3,007,021
Administrative	46,195
Office supplies	7,760
Operating supplies	92,624
Uniforms and safety	94,265
Depreciation	103,007
	<hr/> 7,741,485 <hr/>
Concessions:	
Wages	1,648,915
Benefits	1,031,712
Administration	6,967
Professional services	8,305
Office supplies	6,988
Operating supplies	1,669,254
Merchant Card Processing Fees	19,378
Facility/equipment maintenance	46,541
Uniforms and safety	14,539
Insurance	121,202
Depreciation	23,261
	<hr/> 4,597,062 <hr/>
Three Forts Ferry:	
Wages	65,582
Benefits	4,414
Professional services	3,000
Operating supplies	6,202
Uniforms and Safety	542
Vessel operations	27,579
Insurance	16,900
Utilities	1,199
Depreciation	66,803
	<hr/> 192,221 <hr/>

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Functional Operating Expenses

For the Year Ended December 31, 2008

	<u>Actual</u>
Airports Division:	
Wages	\$ 1,991,237
Benefits	1,173,957
Administration	10,933
Professional services	427,455
Advertising	105,391
Office supplies	9,817
Operating supplies	428,682
Merchant Card Processing Fees	3,448
Facility/equipment maintenance	392,033
Uniforms and safety	12,735
Insurance	277,620
Utilities	618,852
Depreciation	4,116,899
	<u>9,569,059</u>
General Fund:	
Severance Payout	194,633
Insurance	720,664
Miscellaneous Projects	87,654
Economic Development	1,411,151
Unfunded Pension Expense	855
Depreciation	402,041
	<u>2,816,998</u>
Total Operating Expenses - Exhibit B	<u><u>\$ 100,101,585</u></u>

DELAWARE RIVER AND BAY AUTHORITY

Statement of Accumulated Plan Benefits

As of January 1, 2007

Pension Trust Fund

Actuarial Present Value of Accumulated Plan Benefits

Active Participants	\$ 33,998,217
Vested Participants Not Yet Receiving Payments	4,957,806
Participants Currently Receiving Payments	<u>33,575,982</u>
Total Actuarial Present Value of Accumulated Plan Benefits	<u><u>\$ 72,532,005</u></u>

DELAWARE RIVER AND BAY AUTHORITY
Statement of Changes in Accumulated Plan Benefits
For the Year Ended January 1, 2007
Pension Trust Fund

Accumulated Present Value of Accumulated Plan Benefits at January 1, 2006	<u>\$ 69,671,370</u>
Increase During Year Attributable to:	
Benefits accumulated and miscellaneous	4,053,781
Interest due to decrease in discount period	4,900,732
Benefits paid	<u>(6,093,878)</u>
Net Increase	<u>2,860,635</u>
Actuarial Present Value of Accumulated Benefits at January 1, 2007	<u><u>\$ 72,532,005</u></u>

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Schedule 12

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Schedule of Investments
For the Year Ended December 31, 2008

Face	Description	Coupon Rate	Date of Maturity	Amortized Cost	Fair Market Value	Rating S & P
CORPORATE AND MUNICIPAL OBLIGATIONS						
\$ 250,000.00	Atlanta Downtown Development Authority Rev. Bonds	6.250%	2/1/2009	\$ 250,594.74	\$ 250,555.00	AAA
1,007,650.27	Aurora Ill Single Family Mtg Rev Taxable	5.500%	12/1/2044	848,300.46	848,300.46	AAA
1,000,000.00	Austin Tx Rent Car Spl Fac Rev Taxable	6.000%	11/15/2009	1,003,287.12	1,001,140.00	A
1,000,000.00	Baltimore MD Rev Ref Taxable	4.780%	7/1/2009	1,011,570.00	1,011,570.00	AAA
245,000.00	Baltimore MD Rev Ref Taxable	4.850%	7/1/2010	249,959.86	249,926.95	AAA
330,000.00	Bank of America Corporation	3.125%	6/15/2012	342,864.38	342,929.40	AAA
160,000.00	CA Statewide Community Development Authority Taxable	5.840%	6/1/2016	141,105.76	145,699.20	A
125,000.00	CA Statewide Community Development Authority Taxable	4.590%	8/1/2010	125,304.92	126,411.25	A
3,165,000.00	CA St Department Water, Power	5.000%	5/1/2021	3,169,575.55	3,228,584.85	AAA
200,000.00	Caylon Non-Inversion Note	Var	11/7/2018	180,000.00	180,000.00	AA-
260,000.00	Citigroup Inc	2.875%	12/9/2011	267,958.39	268,104.20	AAA
150,000.00	Cumberland R I Taxable	5.143%	6/1/2018	147,504.00	147,504.00	AAA
355,000.00	DeKalb County GA Development Authority VA Regl Office	6.200%	3/1/2010	361,038.12	354,939.65	AA
1,400,000.00	Erie County PA Taxable	5.250%	9/1/2017	1,391,250.00	1,391,250.00	AA
135,000.00	Fulton County GA Development Authority Rev Taxable	6.020%	11/1/2010	144,824.27	143,147.25	AA+
1,480,000.00	General Elec Capital Corp	Var	10/6/2010	1,373,374.09	1,373,839.60	AAA
125,000.00	Groton City Conn Taxable	5.500%	2/15/2009	125,470.76	125,408.75	AA-
900,000.00	Illinois EDL FACS Auth Revs Taxable - Loyola University	7.120%	7/1/2011	928,512.68	966,258.00	A
1,790,000.00	Illinois St Taxable	5.000%	4/1/2024	1,788,480.39	1,807,917.90	AA
100,000.00	Illinois St Taxable	2.800%	6/1/2009	101,112.80	100,165.00	AA
5,123,000.00	Intesa Funding LLC	Var	1/2/2009	5,053,413.72	5,088,206.86	A+
1,400,000.00	JP Morgan Chase	3.125%	12/1/2011	1,455,304.99	1,454,460.00	AAA
85,000.00	Lake Geneva Wis Taxable	5.200%	3/1/2010	86,335.35	86,335.35	NR
1,210,000.00	Lehman Brothers Holdings	Var	9/5/2016	116,242.13	114,950.00	NR
145,000.00	Maryland St Cmnty Dev Admin Dept HSG	5.510%	3/1/2011	143,694.19	148,720.70	NR
950,000.00	Maryland St Cmnty Dev Admin Dept HSG	6.500%	3/1/2043	919,429.00	919,429.00	NR
1,390,000.00	Maryland St Cmnty Dev Admin Dept HSG	6.000%	9/1/2037	1,256,102.48	1,247,816.90	NR
1,000,000.00	Maryland St Health & Higher Edl Facs Auth Rev Taxable-FHA	5.300%	7/1/2010	987,670.00	987,670.00	AAA
1,000,000.00	Maryland St Stadium Auth Sports Facs Lease Rev Taxable	5.700%	9/15/2012	1,050,659.60	1,067,650.00	AA+
1,185,000.00	Menasha Wis Steam Util Rev Taxable	5.700%	9/1/2009	1,186,754.49	1,186,386.45	NR
2,000,000.00	Mississippi St Taxable	5.200%	10/1/2023	1,993,123.92	1,897,795.00	AA
200,000.00	Montgomery County, MD Rev Auth	5.000%	2/15/2011	208,178.07	206,698.00	AA+
585,000.00	Morristown NJ Ref Taxable	5.430%	5/1/2009	590,499.00	590,499.00	NR
1,100,000.00	New Jersey State Turnpike	4.252%	1/1/2016	1,121,745.96	1,049,048.00	A
150,000.00	Northern California Power Agency	4.050%	7/1/2010	151,618.50	151,618.50	AAA
1,890,757.63	Northstar Education Finance Inc	Var	4/28/2016	1,725,262.54	1,693,409.80	AAA
160,000.00	Oregon State Loc Govts Taxable	4.910%	6/1/2010	163,479.61	164,296.00	NR
155,000.00	Pennsylvania Hsg Fin Agy	5.090%	10/1/2011	159,164.85	159,164.85	AA+
345,000.00	Pennsylvania Hsg Fin Agy	5.050%	10/1/2010	352,276.05	352,276.05	AA+
2,475,000.00	Pennsylvania State Tpk Taxable	5.290%	10/15/2009	2,485,720.72	2,484,528.75	AA
700,000.00	Portland ORE SWR SYS REV REF	5.000%	6/15/2023	722,133.55	713,706.00	AAA
1,260,000.00	Regions Bank	3.250%	12/9/2011	1,311,712.59	1,310,853.60	AAA
4,090,000.00	Riverfront Dev. Corp. Del. Amtrak	Var	12/1/2017	4,089,999.96	4,090,000.00	NR
940,000.00	SLM Student Loan Trust	Var	1/25/2022	832,965.88	810,456.25	AAA
535,000.00	South Carolina St Pub Svc Auth Rev Taxable	5.000%	1/1/2013	553,446.70	553,532.40	AA
1,350,000.00	Suntrust Bank	3.000%	11/16/2011	1,400,067.89	1,396,035.00	AAA
150,000.00	Trenton NJ Refunding	3.800%	4/1/2009	150,086.32	150,076.50	AAA
2,307,000.00	UBS Finance (DE) Disc Note	Var	1/2/2009	2,236,366.16	2,271,683.08	A
275,000.00	West Allis WIS Taxable	3.500%	4/1/2009	275,269.54	275,838.75	SP1+
150,000.00	Wisconsin Hsg & Economic Dev Auth Home Ownership Taxable	4.040%	3/1/2009	149,904.09	150,105.00	AA
150,000.00	Yeadon Boro PA Taxable	4.750%	9/15/2015	152,690.74	145,309.50	A-
\$ 48,633,407.90				\$ 47,033,406.88	\$ 46,982,206.75	

U.S. GOVERNMENT AGENCIES

\$ 261,432.20	Federal Home Loan	5.000%	11/1/2035	\$ 265,555.21	\$ 266,007.29	AAA
296,128.03	Federal Home Loan	5.748%	5/1/2036	302,722.62	303,484.97	AAA
1,457,315.87	Federal Home Loan	4.400%	1/1/2035	1,457,605.18	1,455,494.27	AAA
2,051,720.11	Federal Home Loan	Var	11/1/2035	2,106,933.54	2,087,625.21	AAA
1,000,000.00	Federal Home Loan Bank	4.500%	12/28/2012	1,010,992.14	1,024,060.00	AAA
500,000.00	Federal Home Loan Bank	5.400%	7/23/2015	500,157.99	501,095.00	AAA
150,000.00	Federal Home Loan Bank	3.510%	6/24/2010	156,338.32	155,766.00	AAA

(Continued)

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Schedule 12

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Schedule of Investments
For the Year Ended December 31, 2008

Face	Description	Coupon Rate	Date of Maturity	Amortized Cost	Fair Market Value	Rating S & P
U.S. GOVERNMENT AGENCIES (CONT'D)						
\$ 230,768.20	Federal Home Loan Bank	4.780%	1/25/2017	\$ 231,933.61	\$ 230,694.35	AAA
1,000,000.00	Federal Home Loan Bank	4.875%	5/14/2010	1,046,557.06	1,049,150.00	AAA
1,000,000.00	Federal Home Loan Mortgage Corporation	4.500%	1/24/2013	1,012,372.35	1,001,890.00	AAA
1,000,000.00	Federal Home Loan Mortgage Corporation	4.000%	10/10/2013	1,026,695.22	1,000,630.00	AAA
700,000.00	Federal Home Loan Mortgage Corporation	4.000%	9/22/2009	714,780.37	715,967.00	AAA
750,000.00	Federal Home Loan Mortgage Corporation	5.000%	4/1/2010	751,011.39	750,000.00	AAA
300,000.00	Federal Home Loan Mortgage Corporation	4.875%	11/15/2013	344,063.47	334,689.00	AAA
133,719.05	Federal Home Loan Mortgage Corporation	6.000%	3/1/2014	141,460.30	138,650.87	AAA
500,000.00	Federal National Mortgage Association	4.750%	3/12/2010	520,690.29	521,370.00	AAA
1,000,000.00	Federal National Mortgage Association	5.000%	3/2/2015	1,029,615.46	1,120,310.00	AAA
1,000,000.00	Federal National Mortgage Association	4.600%	6/5/2018	1,016,580.22	1,120,630.00	AAA
3,000,000.00	Federal National Mortgage Association	4.000%	1/28/2013	2,976,540.00	3,153,750.00	AAA
125,000.00	Federal National Mortgage Association	3.750%	6/10/2011	126,122.33	126,485.00	AAA
702,085.41	Federal National Mortgage Association	3.500%	10/1/2010	700,632.13	697,916.78	AAA
13,190.49	Federal National Mortgage Association	6.000%	3/1/2021	13,887.25	13,670.71	AAA
51,879.22	Federal National Mortgage Association	6.000%	3/1/2014	52,702.24	53,792.27	AAA
161,065.97	Federal National Mortgage Association	5.500%	6/1/2035	164,366.49	165,067.45	AAA
1,706,602.98	Federal National Mortgage Association	6.000%	2/1/2037	1,750,640.84	1,759,934.38	AAA
277,185.77	Federal National Mortgage Association	4.000%	3/1/2036	282,030.98	281,646.71	AAA
145,727.63	Federal National Mortgage Association	0.000%	5/1/2037	149,961.91	148,505.57	AAA
194,843.46	Federal National Mortgage Association	Var	11/1/2019	197,416.89	196,913.66	AAA
341,419.02	Federal National Mortgage Association	5.744%	5/1/2037	344,515.34	347,927.33	AAA
120,387.66	Federal National Mortgage Association	6.500%	7/1/2029	131,151.33	125,993.36	AAA
200,000.00	Federal National Mortgage Association	4.000%	1/28/2013	222,064.00	210,250.00	AAA
8,314.04	Federal National Mortgage Association	6.000%	4/1/2011	8,500.64	8,514.07	AAA
1,379,246.80	Federal National Mortgage Association	5.500%	6/1/2036	1,430,143.89	1,415,452.05	AAA
48,155.12	Federal National Mortgage Association	6.500%	7/1/2029	48,334.15	50,397.34	AAA
269,551.05	Federal National Mortgage Association	4.500%	10/1/2018	277,867.19	277,258.53	AAA
1,482,613.29	Federal National Mortgage Association	5.000%	10/1/2035	1,512,393.18	1,489,563.01	AAA
1,642,383.95	Federal National Mortgage Association	5.500%	11/1/2035	1,713,883.57	1,685,496.54	AAA
398,716.27	Federal National Mortgage Association	6.000%	4/1/2036	411,162.89	410,926.95	AAA
1,753,815.20	Federal National Mortgage Association	6.500%	5/1/2036	1,804,138.31	1,823,693.78	AAA
1,131,880.26	Federal National Mortgage Association	Var	8/1/2036	1,164,244.74	1,165,836.68	AAA
98,990.04	Federal National Mortgage Association	5.000%	7/1/2036	102,775.21	101,944.28	AAA
269,929.14	Federal National Mortgage Association	5.500%	9/1/2036	272,378.43	277,014.79	AAA
609,186.99	Federal National Mortgage Association	5.000%	8/1/2024	620,965.60	629,175.98	AAA
806,297.09	Federal National Mortgage Association	4.500%	5/1/2015	833,554.61	827,210.43	AAA
2,486,391.21	Federal National Mortgage Association	Var	4/1/2036	2,548,478.23	2,544,666.02	AAA
225,000.00	Federal National Mortgage Association	Var	1/29/2013	225,666.59	225,281.25	AAA
123,477.43	Government National Mortgage Association	4.000%	3/20/2033	123,733.76	124,035.80	AAA
195,000.00	Government National Mortgage Association	4.439%	2/16/2025	194,057.69	197,373.93	AAA
60,595.78	Government National Mortgage Association	5.000%	12/15/2017	64,767.49	63,691.85	AAA
55,263.33	Government National Mortgage Association	4.500%	1/15/2018	57,905.89	57,447.96	AAA
51,894.77	Government National Mortgage Association	7.000%	12/15/2022	55,774.26	55,130.09	AAA
7,412.26	Government National Mortgage Association	7.000%	1/15/2015	7,834.59	7,838.47	AAA
402,407.12	Government National Mortgage Association	4.500%	12/15/2018	414,171.17	418,314.78	AAA
709,855.55	Government National Mortgage Association	6.500%	4/15/2037	713,796.68	739,469.86	AAA
1,476,549.97	Government National Mortgage Association	6.500%	10/15/2037	1,487,295.64	1,538,149.80	AAA
21,871.35	Government National Mortgage Association	7.000%	12/15/2022	23,321.35	23,234.90	AAA
53,660.41	Government National Mortgage Association	5.000%	9/20/2017	56,336.17	55,848.76	AAA
66,101.70	Government National Mortgage Association	6.500%	8/15/2037	71,128.09	68,859.38	AAA
192,018.80	Government National Mortgage Association	6.000%	11/15/2037	203,312.36	198,469.44	AAA
23,788.70	Government National Mortgage Association	4.500%	3/16/2016	23,697.35	24,096.66	AAA
147,359.35	Government National Mortgage Association	4.130%	2/16/2027	148,044.40	148,044.42	AAA
501,812.44	Government National Mortgage Association	4.000%	6/20/2033	506,114.28	500,581.50	AAA
1,738,364.70	Government National Mortgage Association	3.878%	12/16/2019	1,753,887.51	1,741,140.90	AAA
1,095,121.29	Government National Mortgage Association	3.112%	11/16/2029	1,122,669.87	1,091,913.70	AAA
<u>\$ 41,331,322.77</u>				<u>\$ 42,216,143.23</u>	<u>\$ 42,517,886.97</u>	

(Continued)

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Schedule 12

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Schedule of Investments
For the Year Ended December 31, 2008

Face	Description	Coupon Rate	Date of Maturity	Amortized Cost	Fair Market Value	Rating S & P
U.S. GOVERNMENT BONDS AND NOTES						
\$ 600,000.00	US Treasury Note	7.250%	5/15/2016	\$ 803,388.00	\$ 803,388.00	AAA
10,262,800.00	US Treasury Note	Var	8/15/2008	10,262,800.00	10,262,800.00	AAA
1,465,000.00	US Treasury Note	2.750%	2/28/2013	1,555,582.93	1,565,264.60	AAA
500,000.00	US Treasury Note	4.000%	6/15/2009	506,169.91	508,435.00	AAA
595,000.00	US Treasury Note	4.250%	11/15/2013	690,762.05	679,043.75	AAA
<u>\$ 13,422,800.00</u>				<u>\$ 13,818,702.89</u>	<u>\$ 13,818,931.35</u>	
MONEY MARKETS						
\$ 2,000,000.00	Goldman Sachs Group Inc Dtd	Var		\$ 1,692,309.37	\$ 1,693,400.00	AA-
2,000,000.00	Treasury Trust Fund - Blackrock Liquidity Funds	Var		2,000,000.00	2,000,000.00	NR
9,669,716.80	Wilmington Prime Money Market Port. - Service	Var		9,669,716.80	9,669,716.80	AAA
6,119,808.18	Wilmington US Government Portfolio - Service	Var		6,119,808.18	6,119,808.18	AAA
149,299.14	Wilmington Prime Money Market Port. - Service	Var		149,299.14	149,299.14	AAA
5,083,164.88	Wilmington US Government Portfolio - Service	Var		5,083,164.88	5,083,164.88	AAA
<u>\$ 25,021,989.00</u>				<u>\$ 24,714,298.37</u>	<u>\$ 24,715,389.00</u>	
<u>\$ 128,409,519.67</u>				<u>\$ 127,782,551.37</u>	<u>\$ 128,034,414.07</u>	

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Delaware Memorial Bridge
Schedule of Monthly Traffic by Toll Classification
For the Year Ended December 31, 2008

	Toll Class														Total Traffic
	1	2	3	4	5	6	7	8	9	10	11	12	13	16	
January	838,708	22,117	11,634	11,084	143,679	2,569	160	414	97,631	108,766	3,458	3,933	391	1,248	1,245,792
February	790,056	21,589	11,368	10,554	134,106	2,672	141	460	91,561	101,739	3,883	4,284	411	1,140	1,173,964
March	972,591	23,167	13,436	11,007	144,646	3,091	207	451	96,950	109,348	4,343	4,814	298	1,163	1,385,512
April	944,765	24,360	15,025	12,123	149,148	3,003	239	403	101,168	109,886	4,991	5,157	288	1,014	1,371,570
May	1,053,075	25,209	15,298	12,843	150,234	3,133	195	386	95,366	107,254	7,123	6,708	336	975	1,478,135
June	1,045,770	24,893	14,987	12,900	143,667	3,366	190	420	91,022	102,266	6,502	5,948	254	1,267	1,453,452
July	1,186,547	25,033	14,740	13,467	145,436	2,663	155	359	90,730	102,045	7,754	6,463	201	1,164	1,596,757
August	1,318,317	25,430	14,696	13,036	139,239	2,478	138	327	88,505	101,405	8,667	6,612	237	1,271	1,720,358
September	912,055	23,711	12,966	13,158	135,556	2,494	177	370	93,525	103,848	5,476	5,539	217	1,319	1,310,411
October	960,390	23,969	14,129	12,714	142,558	2,422	226	324	101,783	111,392	6,266	5,868	294	1,198	1,383,533
November	1,015,761	20,693	12,737	10,000	122,033	2,119	212	348	86,342	100,149	4,837	4,648	296	1,215	1,381,390
December	1,035,355	20,775	12,652	10,041	127,081	2,822	171	432	92,547	107,955	4,177	4,088	378	1,265	1,419,738
Twelve months ended															
December 31, 2008	12,073,390	280,946	163,668	142,927	1,677,383	32,832	2,211	4,694	1,127,130	1,266,053	67,477	64,062	3,601	14,239	16,920,613
Average per month	1,006,116	23,412	13,639	11,911	139,782	2,736	184	391	93,928	105,504	5,623	5,339	300	1,187	1,410,051
Average per day	33,078	770	448	392	4,596	90	6	13	3,088	3,469	185	176	10	39	46,358

Twelve months ended

December 31, 2008

Average per month

Average per day

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Delaware Memorial Bridge
Schedule of Monthly Traffic and Revenue
For the Year Ended December 31, 2008

	Total Traffic	Calculated Gross Revenue	Uncollected Tolls	Calculated Net Revenue	Allowance for Uncollectible Tolls	Net Revenue
January	1,245,792	\$ 6,116,284	\$ (31,556)	\$ 6,084,728	\$ (11,142)	\$ 6,073,586
February	1,173,964	5,831,008	(30,740)	5,800,268	(10,738)	5,789,530
March	1,385,512	6,663,258	(35,067)	6,628,191	(12,475)	6,615,716
April	1,371,570	6,723,033	(37,225)	6,685,808	(13,134)	6,672,674
May	1,478,135	7,103,991	(39,454)	7,064,537	(14,080)	7,050,457
June	1,453,452	6,935,467	(38,993)	6,896,474	(13,787)	6,882,687
July	1,596,757	7,387,962	(40,970)	7,346,992	(14,493)	7,332,499
August	1,720,358	7,651,862	(39,928)	7,611,934	(14,072)	7,597,862
September	1,310,411	6,315,654	(35,340)	6,280,314	(12,504)	6,267,810
October	1,383,533	6,628,893	(35,445)	6,593,448	(12,565)	6,580,883
November	1,381,390	6,254,311	(31,057)	6,223,254	(10,882)	6,212,372
December	1,419,739	6,438,264	(34,502)	6,403,762	(12,171)	6,391,591
Twelve months ended December 31, 2008	<u>16,920,613</u>	<u>\$ 80,049,987</u>	<u>\$ (430,277)</u>	<u>\$ 79,619,710</u>	<u>\$ (152,043)</u>	<u>\$ 79,467,667</u>
Average per month	<u>1,410,051</u>	<u>\$ 6,670,832</u>	<u>\$ (35,856)</u>	<u>\$ 6,634,976</u>	<u>\$ (12,670)</u>	<u>\$ 6,622,306</u>
Average per day	<u>46,358</u>	<u>\$ 219,315</u>	<u>\$ (1,179)</u>	<u>\$ 218,136</u>	<u>\$ (417)</u>	<u>\$ 217,720</u>

Average toll per vehicle: \$80,049,987 divided by 16,920,613 = \$4.73

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Cape May - Lewes Ferry
Schedule of Traffic by Toll Classifications
For the Year Ended December 31, 2008

REVENUE	Passengers	Bus Passengers	Vehicle Total	1	4	5	6	7	9	10	12	Calculated Revenue
January	21,116	102	10,179	9,801	108	89	74	68	31	8		\$ 293,248
February	22,450	26	10,508	10,137	117	86	70	65	26	6	1	306,120
March	38,411	182	16,826	16,125	178	160	115	142	74	32		506,187
April	43,828	153	19,210	18,093	199	233	176	163	81	263	2	824,487
May	67,922	870	28,150	25,660	301	399	306	307	101	1,076		1,241,017
June	101,174	1,192	36,106	33,573	268	473	277	314	95	1,106		1,791,834
July	163,980	1,136	49,611	46,458	375	628	427	392	78	1,253		2,616,731
August	198,136	1,552	57,932	54,831	400	591	395	445	54	1,214	2	3,124,806
September	83,359	1,382	32,293	28,460	219	377	268	319	68	2,581	1	1,467,198
October	58,473	313	24,496	23,057	179	291	213	263	41	452		1,072,544
November	37,068	83	16,347	15,775	84	154	79	73	31	151		545,986
December	26,701	158	11,988	11,629	64	122	64	69	25	14	1	404,196
Twelve months ended December 31, 2008	862,618	7,149	313,646	293,599	2,492	3,603	2,464	2,620	705	8,156	7	\$ 14,194,354
Average per month	71,885	596	26,137	24,467	208	300	205	218	59	680	1	\$ 1,182,863
Average per day	2,363	20	859	804	7	10	7	7	2	22	---	\$ 38,889
NON-REVENUE*												
January	913		219									
February	1,087		181									
March	2,297		260									
April	2,341		136									
May	3,465		203									
June	6,688		370									
July	12,179		756									
August	15,453		904									
September	3,080		499									
October	1,802		346									
November	1,575		170									
December	1,162		310									
Totals	52,042		4,354									

* Includes children under 6 years of age

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Schedule 16

DELAWARE RIVER & BAY AUTHORITY

Proprietary Fund

Cape May - Lewes Ferry

Schedule of Monthly Traffic and Revenue

For the Year Ended December 31, 2008

REVENUE	Passengers	Bus Passengers	Vehicle Total	Calculated Revenue
January	21,116	102	10,179	\$ 293,248
February	22,450	26	10,508	306,120
March	38,411	182	16,826	506,187
April	43,828	153	19,210	824,487
May	67,922	870	28,150	1,241,017
June	101,174	1,192	36,106	1,791,834
July	163,980	1,136	49,611	2,616,731
August	198,136	1,552	57,932	3,124,806
September	83,359	1,382	32,293	1,467,198
October	58,473	313	24,496	1,072,544
November	37,068	83	16,347	545,986
December	26,701	158	11,988	404,196
Twelve months ended December 31, 2008	<u>862,618</u>	<u>7,149</u>	<u>313,646</u>	<u>\$ 14,194,354</u>
Average per month	<u>71,885</u>	<u>596</u>	<u>26,137</u>	<u>\$ 1,182,863</u>
Average per day	<u>2,363</u>	<u>20</u>	<u>859</u>	<u>\$ 38,889</u>
NON-REVENUE*				
January	913		219	
February	1,087		181	
March	2,297		260	
April	2,341		136	
May	3,465		203	
June	6,688		370	
July	12,179		756	
August	15,453		904	
September	3,080		499	
October	1,802		346	
November	1,575		170	
December	<u>1,162</u>		<u>310</u>	
Totals	<u>52,042</u>		<u>4,354</u>	

* Includes children under 6 years of age

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Schedule 17

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Three Forts Ferry

Schedule of Traffic by Toll Classifications

For the Year Ended December 31, 2008

<u>Leaving Delaware City</u>		
	<u>Traffic</u>	<u>Revenue</u>
Adult	7,485	\$ 29,640
Seniors & Military	1,973	7,103
Child	3,001	6,482
School Groups	4,165	10,496
Cruise/Special Events	1,848	12,063
Non-Revenue	175	
Total Leaving Delaware City	<u>18,647</u>	<u>\$ 65,784</u>
<u>Leaving Fort Mott</u>		
	<u>Traffic</u>	<u>Revenue</u>
Adult	1,571	\$ 6,221
Seniors & Military	373	1,343
Child	756	1,633
School Groups	815	2,054
Non-Revenue	47	
Total Leaving Fort Mott	<u>3,562</u>	<u>\$ 11,251</u>
Total	<u>22,209</u>	<u>\$ 77,035.00</u>

DELAWARE RIVER AND BAY AUTHORITY
 Proprietary Fund
 Delaware Memorial Bridge
 Schedule of Historical Toll Rates
 For the Period January 1, 1999 to December 31, 2008

Class No.	Description	Number of Axles	After 1/3/2008	After 9/30/2001	After 4/30/2000	After 1/1/1999
1	PASSENGER CARS- (all types) Includes-Light delivery trucks-2 tons Hearses (except in funeral prcssn)	2	\$ 3.00	\$ 3.00	\$ 3.00	\$ 2.00
	Book of 20 Accomodation 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	8.00	6.00	6.00	5.00
	Book of 20 Accomodation Tickets (4)				120.00	100.00
3	THREE AXLE TRUCKS Includes-Tractors or combination tractors & trailers, buses (3 axle)	3	12.00	9.00	9.00	7.50
	Book of 20 Accomodation Tickets (4)				180.00	150.00
4	FOUR AXLE TRUCKS Includes-Tractors or combination tractors & trailers	4	16.00	12.00	12.00	10.00
	Book of 20 Accomodation Tickets (4)				240.00	200.00
5	FIVE AXLES TRUCKS & TRUCK COMBINATION	5	20.00	15.00	15.00	12.50
	Book of 20 Accomodation Tickets (4)				300.00	250.00
6	SIX AXLES TRUCKS & TRUCK COMBINATION	6	24.00	18.00	18.00	15.00
	Book of 20 Accomodations (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	50.00	40.00	40.00	25.00
8	SPECIALS (OVER 6 AXLES)		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
 For the Period January 1, 1999 to December 31, 2008

Class No.	Description	Number of Axles	After 1/3/2008	After 9/30/2001	After 4/30/2000	After 1/1/1999
9	COMMUTER TICKETS (25 tickets after 12/31/92)	2			\$0.75	\$0.75
	Book of 50 Accomodations (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	\$0.75	\$0.75		
9	SHOPPERS TICKETS (2) Book of 20 Accomodations (Good for 3 calendar months only) Issued to Passenger Cars only					
10	DISCOUNT TICKETS (4) (20 tickets after 6/30/95) (Good for 6 calender 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	1.00	1.00		
11	PASSENGER CARS Includes-Passenger Cars w/ 1 axle trailer	3	4.50	4.50	4.50	3.25
12	PASSENGER CARS Includes-Passenger Cars w/ 2 axle trailer	4	6.00	6.00	4.50	3.00
13	PASSENGER CARS Includes-Passenger Cars w/ 3 axle trailer	5	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 Accomodation 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

For the Period January 1, 1999 To December 31, 2008

Class No.	Description	After 4/01/08		Weekend/Holiday		After 4/01/06		After 5/27/05		After 3/31/02		After 1/1/99	
		Off Season(2)	Peak Season(3)	Peak Season(4)	Off Season(2)	Peak Season(3)	Off Season(2)	Peak Season(3)	Off Season(2)	Peak Season(3)	Off Season(2)	Peak Season(3)	
1	Passenger Car, station wagon, carry all, pickup, panel, self-contained camper w/ 2 axles and 4 tires (overall length 20', including driver)	\$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****	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'	32.00	39.00	47.00	27.00	34.00	24.00	29.00	24.00	29.00	22.00	24.00	24.00
5	25' to 35'	40.00	47.00	57.00	35.00	42.00	31.00	36.00	31.00	36.00	29.00	31.00	31.00
6	35' to 45'	47.00	54.00	65.00	42.00	49.00	37.00	42.00	37.00	42.00	35.00	37.00	37.00
7	45' to 60'	58.00	66.00	80.00	53.00	61.00	47.00	52.00	47.00	52.00	45.00	47.00	47.00
9	Over 60'	80.00	88.00	107.00	75.00	83.00	66.00	71.00	66.00	71.00	64.00	66.00	66.00
10	Motorbike or Motorcycle (includes driver) with sidecar or trailer	23.00	29.00	34.00	18.00	24.00	17.00	22.00	17.00	22.00	15.00	17.00	17.00
10	Return Trip Value Fare	20.00	25.00	25.00	15.00	20.00	N/A	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	6.00	8.00	6.00	8.00	5.00	7.00	7.00
12	Over Width Vehicles (all vehicles exceeding limitation of DE/NJ)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	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
	Foot Passengers & Vehicle Pass. (not driver, after 14th b-day)	7.00	9.50	9.50	7.00	9.50	6.00	8.00	N/A	N/A	N/A	N/A	N/A
	Return Trip Value Fare	5.00	7.50	7.50	5.00	7.50	N/A	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	6.00	8.00	4.50	6.50	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
	Foot Passengers & Vehicle Pass. (after 6th and before 14th b-day)	3.50	4.75	4.75	3.50	4.75	3.00	4.00	N/A	N/A	N/A	N/A	N/A
	Return Trip Value Fare	2.50	3.75	3.75	2.50	3.75	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Foot Passengers & Vehicle Pass. (before 6th b-day)	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	2.00	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	10.00	15.00	8.50	12.50	12.50

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- (1) Double rate of length
 (2) Off Season rates effective Jan 1 - March 31 and Nov 1 - Dec 31
 (3) Peak Season rates effective April 1 - Oct 31
 (4) Memorial Day to Labor Day between 9:30 a.m. and 7:30 p.m., Fri, Sat, Sun & Holidays
 (5) 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

For the Period January 1, 1999 To December 31, 2008

Class No.	Description	After 4/01/08		Weekend/Holiday		After 4/01/06		After 5/27/05		After 3/31/02		After 1/1/99	
		Off Season(2)	Peak Season(3)	Peak Season(4)	Off Season(2)	Peak Season(3)	Off Season(2)	Peak Season(3)	Off Season(2)	Peak Season(3)	Off Season(2)	Peak Season(3)	Peak Season(3)
	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	\$5.00	N/A	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	10.00	N/A	N/A	N/A	N/A	N/A
	Bus Passengers (not driver)	N/A	N/A	N/A	N/A	N/A	N/A	5.00	7.00	\$7.00	\$4.00	\$6.00	\$6.00
	Bus Passengers (not driver, after 14th b-day)	\$3.00	\$5.00	\$5.00	\$4.00	\$6.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Bus Passengers (after 6th and before 14th b-day)	1.50	2.50	2.50	2.00	3.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Bus Passengers - before 6th b-day	Free	Free	Free	Free	Free	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Special Group Rates Round trip (50 -99 & Seniors)	9.50	14.50	14.50	9.50	14.50	8.00	8.00	8.00	8.00	8.00	10.00	10.00
	Round trip (100 or more)	8.00	13.00	13.00	8.00	13.00	10.00	10.00	10.00	10.00	6.50	8.50	8.50

(1) Double rate of length

(2) Off Season rates effective Jan 1 - March 31 and Nov 1 - Dec 31

(3) Peak Season rates effective April 1 - Oct 31

(4) Memorial Day to Labor Day between 9:30 a.m. and 7:30 p.m., Fri, Sat, Sun & Holidays

(5) Return trip value fares must be purchased with initial sailing.

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DELAWARE RIVER AND BAY AUTHORITY
 Proprietary Fund
 Three Forts Ferry
 Schedule of Historical Toll Rates
 For the Period January 1, 1999 To December 31, 2008

<u>Passenger</u>	<u>After 4-1-08</u>	<u>After 6-30-07</u>	<u>After 1-1-99</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	---	---

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Schedule 21

DELAWARE RIVER AND BAY AUTHORITY

Schedule of Insurance Coverage
For the Year Ended December 31, 2008

Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	WC 249208869		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Delaware Workers' Compensation:	Occupational Injury Employers' Liability	Statutory \$ 1,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	WC 249208869		
Policy Term:	1/1/08 - 1/1/09		
Coverage/Limits:	NJ Workers' Compensation	Occupational Injury Employers' Liability	Statutory 1,000,000
Insurance Company:	National Fire Insurance Company of Hartford		
Policy Number:	BUAC266522098		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Business Automobile - Fleet:	Comprehensive Liability	1,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	BUAC2057118842		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Primary Business Automotive - Buses & Motorcycles: Liability		5,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	CCPC302049491		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Public Liability		1,000,000
Insurance Company:	ACE American Insurance Company		
Policy Number:	PHFD37042419		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Foreign Workers' Compensation, Auto and Public Liability		5,000,000
Insurance Company:	Insurance Company of the State of Pennsylvania		
Policy Number:	6543063		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Primary Umbrella Excess Liability		5,000,000
Insurance Company:	Crum and Forster Specialty Insurance Company		
Policy Number:	XSO081021		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Second Layer Excess Umbrella Liability		10,000,000
Insurance Company:	Catlin Specialty Insurance Company (UK), Ltd.		
Policy Number:	XSA80503-0109		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Third Layer Excess Umbrella Liability		10,000,000
Insurance Company:	AXIS Specialty Insurance Company		
Policy Number:	EAU706027/01/2008		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Fourth Layer Excess Umbrella Liability		25,000,000

(Continued)

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Schedule 21

DELAWARE RIVER AND BAY AUTHORITY

Schedule of Insurance Coverage
For the Year Ended December 31, 2008

Insurance Company:	Westchester Fire Insurance Umbrella Liability		
Policy Number:	G23925448001		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Fifth Layer Excess Umbrella Liability	\$	25,000,000
Insurance Company:	Continental Casualty Company		
Policy Number:	RMP2088637664		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Commercial Account Package:	Blanket over Buildings and Contents	261,578,267
Insurance Company:	Hartford Fire Insurance Company		
Policy Number:	44FA022743008		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Commercial Crime:	Primary and Excess	1,000,000
Insurance Company:	Underwriters at Lloyd's		
Policy Number:	MAHHY0800067		
Policy Term:	1/31/08 - 1/31/09		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue		360,213,000
Insurance Company:	Lloyd's, London		
Policy Number:	MAHHY0800666		
Policy Term:	1/31/08 - 1/31/09		
Insurance Company:	The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited		
Policy Number:	MAHHQ0900007		
Policy Term:	2/20/08 - 2/20/09		
Coverage/ Limits:	Protection and Indemnity		5,500,000,000
Insurance Company:	Lloyd's and Scheduled Companies		
Policy Number:	MAHHY0700428		
Policy Term:	7/1/08 - 7/1/09		
Coverage/ Limits:	Vessel Hull and Machinery		Various
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	542-31-16		
Policy Term:	1/1/08 - 1/1/09		
Coverage/ Limits:	Public Officials and Employment Practices Liability		7,000,000
Insurance Company:	AIG Life Insurance Company		
Policy Number:	GTP9052960A		
Policy Term:	1/1/08 - 1/1/11		
Coverage/ Limits:	Group Travel Accident		250,000
Insurance Company:	Great American Insurance Company		
Policy Number:	KR584-27-28-212		
Policy Term:	1/1/06 - 1/1/09		
Coverage/ Limits:	Special Contingent		10,000,000

(Continued)

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Schedule 21

DELAWARE RIVER AND BAY AUTHORITY

Schedule of Insurance Coverage
For the Year Ended December 31, 2008

Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA	
Policy Number:	AV339475309	
Policy Term:	6/30/08 - 6/30/09	
Coverage/ Limits:	Helicopter Liability	\$ 50,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA	
Policy Number:	AE338750609	
Policy Term:	6/30/08 - 6/30/09	
Coverage/ Limits:	Primary Airport Liability	50,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA	
Policy Number:	AX185591504	
Policy Term:	6/30/08 - 6/30/09	
Coverage/ Limits:	Excess Airport Liability	50,000,000
Insurance Company:	U.S. Underwriters Insurance Company	
Policy Number:	CL3043387G	
Policy Term:	1/1/08 - 1/1/09	
Coverage/ Limits:	Liquor Liability	1,000,000
Insurance Company:	Federal Insurance Company	
Policy Number:	81531326	
Policy Term:	12/31/07 - 12/31/08	
Coverage/ Limits:	Public Entity Fiduciary Liability	10,000,000
Insurance Company:	Columbia Casualty Company	
Policy Number:	LEO223457783	
Policy Term:	1/1/08 - 1/1/09	
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

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.

33 to 37

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 Assets
Last Six Fiscal Years

	Fiscal Year					
	<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	\$ 180,759,778	\$ 159,314,405	\$ 167,286,079	\$ 172,540,587	\$ 163,878,735	\$ 169,602,797
Restricted	33,757,140	33,911,805	32,903,520	32,036,520	32,170,771	31,650,480
Unrestricted	83,669,245	99,720,796	80,913,272	74,601,928	71,881,008	58,085,111
Total Net Assets	<u>\$ 298,186,163</u>	<u>\$ 292,947,006</u>	<u>\$ 281,102,871</u>	<u>\$ 279,179,035</u>	<u>\$ 267,930,514</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.

DELAWARE RIVER AND BAY AUTHORITYChange in Net Assets
Last Six Fiscal Years

	Fiscal Year					
	2008	2007	2006	2005	2004	2003
Operating Revenues:						
Bridge Tolls	\$ 79,467,667	\$ 73,525,058	\$ 73,031,619	\$ 72,348,723	\$ 71,868,471	\$ 69,228,180
Ferry Tolls	14,271,389	13,555,342	13,778,387	12,723,114	13,063,913	13,355,948
Food and Novelty Sales	3,943,413	4,404,874	4,137,079	4,185,985	3,917,391	4,122,219
Airport Lease Revenue	6,469,182	5,837,345	5,363,724	4,898,749	5,062,799	5,090,423
Other Operating Revenue	4,833,281	3,625,730	3,544,050	3,122,164	3,437,091	2,784,719
Total Operating Revenue	108,984,932	100,948,349	99,854,859	97,278,735	97,349,665	94,581,489
Operating Expenses:						
Administrative and General						
Wages	4,908,518	7,107,897	5,108,181	4,774,236	4,169,110	4,968,078
Benefits	3,172,373	2,200,219	1,999,716	1,802,235	1,705,203	1,607,818
Other Expenses	10,145,745	10,171,324	12,915,924	10,034,100	9,955,248	8,252,790
Operations:						
Wages	22,518,595	22,321,874	22,515,138	21,471,595	21,459,564	22,338,371
Benefits	19,466,853	13,368,871	13,838,526	12,353,251	11,731,539	11,112,748
Other Expenses	20,313,648	15,297,497	16,648,022	14,184,485	14,549,857	12,788,751
Depreciation	19,575,853	20,179,522	18,684,272	16,602,820	16,506,024	23,360,410
Total Operating Expenses	100,101,585	90,647,204	91,709,779	81,222,722	80,076,545	84,428,966
Operating Income	8,883,347	10,301,145	8,145,080	16,056,013	17,273,120	10,152,523
Nonoperating Revenue (Expenses):						
Investment Income	3,970,463	7,542,228	6,179,702	4,285,404	2,965,178	3,390,363
Investment Fees	(387,587)	(431,091)	(460,384)	(480,836)	(258,016)	(186,835)
Interest on Bonds	(14,998,314)	(14,842,098)	(14,921,709)	(15,451,686)	(15,931,209)	(16,217,959)
Amortization of Bond Issue Costs	(282,588)	(289,078)	(328,184)	(432,224)	(228,513)	(175,953)
Expense Construction in Progress	(1,836,027)	(822,965)	(1,568,448)	(580,179)	(2,517,888)	
Miscellaneous Income					7,344	218,574
Sale of Lease Rights	556,000					
Sale of Fixed Assets	110,229	750,160	88,544	102,291	177,126	761,181
Interest Rebate Expense			(2,485,404)			
Net Non Operating (Expenses)	(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	(3,984,477)	2,208,300	(5,350,802)	3,498,783	1,487,142	(2,058,106)
Capital Contributions:						
Grant Income		9,569,724	7,850,160	7,749,738	7,104,984	4,108,124
Capital Contributions	9,223,634	66,111	624,478			
Total Capital Contributions	9,223,634	9,635,835	8,474,638	7,749,738	7,104,984	4,108,124
Change in Net Assets	\$ 5,239,157	\$ 11,844,135	\$ 3,123,836	\$ 11,248,521	\$ 8,592,126	\$ 2,050,018

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.

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Schedule 24

DELAWARE RIVER AND BAY AUTHORITYChange in Net Assets
Pension Trust Fund
Last Six Fiscal Years

	Fiscal Year					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Additions						
Member Contributions	\$ 674,968	\$ 690,238	\$ 694,206	\$ 650,706	\$ 657,701	\$ 658,503
Employer Contributions	5,657,686	5,038,045	6,688,088	3,760,147	3,576,084	3,518,396
Investment Income (Net of Expense)		3,443,948	5,820,203	2,449,050	4,071,620	7,034,661
Total Additions to Plan Net Assets	6,332,654	9,172,231	13,202,497	6,859,903	8,305,405	11,211,560
Deductions						
Investment Loss (Net of Expense)	11,165,668					
Benefit Payment	6,144,990	7,485,316	6,093,878	5,446,391	5,791,807	6,230,842
Administrative Expenses	311,802	297,131	319,823	228,517	291,814	455,730
Insurance Expenses	21,897	23,050	23,050	24,250	24,250	22,045
Total Deductions from Plan Assets	17,644,357	7,805,497	6,436,751	5,699,158	6,107,871	6,708,617
Change in Net Assets	\$ (11,311,703)	\$ 1,366,734	\$ 6,765,746	\$ 1,160,745	\$ 2,197,534	\$ 4,502,943

DELAWARE RIVER AND BAY AUTHORITY
Delaware Memorial Bridge Tolls by Classification
Last Ten Fiscal Years

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001 (2)	2000 (1)	1999
Delaware Memorial Bridge										
Class 1 - Passenger Cars	\$36,121,749	\$37,572,672	\$37,750,076	\$37,496,001	\$37,629,843	\$36,580,395	\$36,260,561	\$33,094,142	\$28,640,792	\$21,586,064
Class 2 - Two Axel Trucks	2,231,996	1,843,644	1,915,980	1,969,644	2,020,944	1,972,578	2,032,626	2,132,478	2,076,909	1,794,400
Class 3 - Three Axel Trucks	1,944,594	1,485,828	1,495,602	1,519,479	1,476,522	1,397,889	1,390,482	1,507,716	1,453,980	1,257,323
Class 4 - Four Axel Trucks	2,269,236	1,819,476	1,759,728	1,798,488	1,791,828	1,714,452	1,793,280	1,645,440	1,612,358	1,433,930
Class 5 - Five Axel Trucks & Truck Combinations	33,212,285	27,139,155	26,530,920	25,985,010	25,198,605	23,793,555	23,703,045	22,607,553	21,452,240	18,676,525
Class 6 - Six Axel Trucks & Truck Combinations	777,606	602,388	479,196	495,558	552,528	677,268	399,996	307,494	229,833	218,775
Class 7 - Vehicles Requiring Special Permits	110,390	106,720	117,320	121,240	114,360	83,320	80,280	86,120	79,150	63,175
Class 8 - Special(Over Six Axels)	130,348	141,144	121,821	115,521	176,778	229,908	81,312	12,843	13,059	9,623
Class 9 - Commutation Plan	845,348	842,768	847,396	853,654	854,533	842,222	877,900	704,805	650,696	645,647
Class 10 - Frequent Traveler Plan	1,266,047	1,314,555	1,350,179	1,327,018	1,358,553	1,369,507	1,396,148	2,083,936	2,412,242	2,081,936
Class 11 - Passenger Cars w/ 1 Axel Trailer	301,887	328,163	335,858	348,534	352,229	322,601	300,704	281,052	255,471	196,758
Class 12 - Passenger Cars w/ 2 Axel Trailer	382,740	410,670	412,242	414,444	425,850	398,988	341,004	311,088	277,517	218,898
Class 13 - Passenger Cars w/ 3 Axel Trailer	25,485	31,755	24,600	25,838	41,033	47,460	29,228	16,088	5,115	4,060
Class 14 - Senior Citizens (3)	0	0	0	0	0	1	0	15	15	18
Class 15 - Tokens (3)	0	0	0	0	0	0	1	1,752	2,612	4,039
Gross Revenue	79,619,711	73,638,938	73,140,917	72,470,428	71,993,605	69,430,144	68,686,566	64,792,522	59,161,988	48,191,169
Allowance - Uncollected Tolls	(152,044)	(113,879)	(109,299)	(121,705)	(125,134)	(201,963)	(220,770)	0	0	0
Total Bridge Net Tolls	\$79,467,667	\$73,525,058	\$73,031,619	\$72,348,723	\$71,868,471	\$69,228,181	\$68,465,796	\$64,792,522	\$59,161,988	\$48,191,169

- (1) Toll increase effective 4/30/2000
(2) DRBA began the use of Electronic Tolls (E-Zpass) effective 7/18/2001
(3) 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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Cape May - Lewes Ferry										
Passengers	\$4,160,592	\$5,922,713	\$6,067,617	\$5,740,774	\$6,013,991	\$6,205,639	\$6,829,304	\$6,331,396	\$5,021,372	\$5,133,152
Bus Passengers	33,655	42,086	38,189	43,964	59,581	63,949	82,724	72,335	56,556	68,340
Class 1 - Passenger Car	9,159,072	6,830,396	6,924,879	6,216,681	6,281,962	6,412,152	6,898,517	5,622,181	5,034,779	5,035,274
Class 4 - 20' to 25'	89,800	91,920	90,806	70,857	64,200	49,898	50,436	45,460	39,708	39,358
Class 5 - 25' to 35'	163,482	143,673	141,285	131,577	128,340	128,126	133,629	119,585	113,999	115,738
Class 6 - 35' to 45'	129,463	118,491	119,101	109,633	108,958	104,633	108,602	98,634	90,067	92,395
Class 7 - 45' to 55'	171,351	149,034	150,843	126,123	113,498	108,963	109,147	94,760	91,692	98,861
Class 9 - Over 65'	58,678	45,730	38,614	38,852	52,787	78,150	78,970	87,045	82,765	80,028
Class 10 - Motorbike or Motorcycle	227,148	156,899	129,486	116,780	110,255	82,319	93,189	65,862	42,798	44,321
Class 11 - Bicycle	0	0	120	19,858	10,458	9,686	11,804	9,484	1,998	2,079
Class 12 - Over Width Vehicles	1,115	973	128	275	388	1,040	307	86	494	257
Peak Period Surcharge (1)	0	0	0	0	0	0	0	0	1,698,172	1,593,192
Total Cape May - Lewes Ferry:	\$14,194,354	\$13,501,913	\$13,701,066	\$12,615,372	\$12,944,416	\$13,244,553	\$14,396,627	\$12,546,825	\$12,274,398	\$12,302,980
Three Forts Ferry (2)										
Adult	\$44,307	\$35,703	\$44,394	\$67,020	\$75,222	\$70,104	\$96,210	\$94,734	\$91,584	\$79,578
Child	8,115	8,529	10,836	17,308	20,804	17,968	23,996	25,244	26,868	25,168
School Groups	12,550	4,011	18,900	17,832	21,456	20,068	23,488	23,468	21,326	20,000
Cruise/Special Events	12,063	5,185	3,191	5,582	2,015	2,972	23,436	27,886	17,484	23,194
Total Three Forts Ferry:	\$77,035	\$53,428	\$77,321	\$107,742	\$119,497	\$111,112	\$167,130	\$171,332	\$157,262	\$147,940
Total Ferry Tolls	\$14,271,389	\$13,555,342	\$13,778,387	\$12,723,114	\$13,063,913	\$13,355,665	\$14,563,758	\$12,718,157	\$12,431,660	\$12,450,920

(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

DELAWARE RIVER AND BAY AUTHORITY
Delaware Memorial Bridge Traffic by Classification
Last Ten Fiscal Years

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Delaware Memorial Bridge										
Class 1 - Passenger Cars	12,073,390	12,554,899	12,615,946	12,530,542	12,582,105	12,256,304	12,149,635	11,063,981	10,583,212	10,793,032
Class 2 - Two Axel Trucks	280,946	308,773	320,844	330,077	338,687	332,732	343,102	357,384	364,853	358,880
Class 3 - Three Axel Trucks	163,668	166,322	167,370	170,362	166,723	158,938	157,867	169,129	170,240	167,643
Class 4 - Four Axel Trucks	142,927	152,343	147,290	150,756	150,072	144,596	151,680	138,106	141,908	143,393
Class 5 - Five Axel Trucks & Truck Combinations	1,677,383	1,822,294	1,780,752	1,746,467	1,693,932	1,607,780	1,601,311	1,516,553	1,514,090	1,494,122
Class 6 - Six Axel Trucks & Truck Combinations	32,832	33,720	26,801	27,739	30,865	37,966	22,527	17,278	13,512	14,585
Class 7 - Vehicles Requiring Special Permits	2,211	2,668	2,933	3,033	2,859	2,083	2,007	2,153	2,281	2,527
Class 8 - Special(Over Six Axels)	4,694	6,053	5,867	5,616	8,498	11,146	3,965	603	599	502
Class 9 - Commutation Plan	1,127,130	1,123,691	1,129,861	1,138,205	1,139,377	1,122,963	1,170,533	939,740	867,595	860,862
Class 10 - Frequent Traveler Plan	1,266,053	1,314,561	1,350,179	1,327,018	1,358,553	1,369,507	1,396,148	2,083,936	2,413,447	2,081,936
Class 11 - Passenger Cars w/ 1 Axel Trailer	67,477	73,385	74,988	77,904	79,118	73,105	67,403	62,679	60,643	60,541
Class 12 - Passenger Cars w/ 2 Axel Trailer	64,062	68,755	68,894	69,510	71,409	66,994	57,112	51,982	49,554	48,644
Class 13 - Passenger Cars w/ 3 Axel Trailer	3,601	4,453	3,402	3,639	5,892	7,134	4,415	2,526	730	706
Class 14 - Senior Citizens (With Token Only)	0	0	0	0	0	0	0	15	15	18
Class 15 - Tokens	0	0	0	0	0	0	0	1,751	2,612	4,039
Class 16 - Non Revenue	14,239	11,964	12,367	12,542	12,948	24,202	16,922	9,031	7,293	8,195
Total Bridge Traffic	16,920,613	17,643,881	17,707,494	17,593,410	17,641,038	17,215,450	17,144,627	16,416,847	16,192,584	16,039,625

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Schedule 28

DELAWARE RIVER AND BAY AUTHORITY
Cape May-Lewes Ferry/Three Forts Ferry Traffic by Classification
Last Ten Fiscal Years

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Cape May - Lewes Ferry										
Passengers	862,618	914,064	931,389	952,141	944,472	970,332	1,078,175	1,201,964	1,130,514	1,157,191
Bus Passengers	7,149	7,501	6,560	6,420	8,685	9,317	12,133	12,720	14,139	17,085
Class 1 - Passenger Car	293,599	317,105	328,343	336,501	335,243	340,084	371,771	381,181	376,761	376,121
Class 4 - 20' to 25'	2,492	3,273	3,273	3,016	2,741	2,134	2,168	2,397	2,269	2,249
Class 5 - 25' to 35'	3,603	3,950	3,943	4,288	4,190	4,177	4,396	4,585	4,653	4,724
Class 6 - 35' to 45'	2,464	2,728	2,771	2,983	2,965	2,845	2,970	3,075	2,953	3,029
Class 7 - 45' to 55'	2,620	2,691	2,758	2,699	2,433	2,331	2,347	2,252	2,264	2,441
Class 8 - 55' to 65'	0	0	0	0	0	0	0	0	0	0
Class 9 - Over 65'	705	596	522	598	811	1,200	1,224	1,435	1,391	1,345
Class 10 - Motorbike or Motorcycle	8,156	8,592	6,959	6,756	6,370	4,794	5,390	5,376	4,076	4,221
Class 11 - Bicycle	0	0	20	2,557	3,052	2,817	3,446	3,959	3,995	4,157
Class 12 - Over Width Vehicles	7	8	1	2	4	8	3	1	4	3
CMLF Non-Revenue Passengers	52,042	60,849	63,219	67,435	67,245	70,401	78,967	22,263	87,986	78,705
CMLF Non-Revenue Vehicles	4,354	2,497	2,618	2,607	2,222	2,060	2,650	3,823	3,422	2,808
Total Cape May-Lewes Ferry Traffic:	1,239,809	1,323,854	1,352,376	1,388,003	1,380,433	1,412,500	1,565,640	1,645,031	1,634,427	1,654,079
Three Forts Ferry										
Adult	11,402	12,265	7,399	11,170	12,537	11,684	16,035	15,789	15,264	13,263
Child	3,757	4,726	2,709	4,327	5,201	4,492	11,871	12,178	6,717	11,281
School Groups	4,980	4,552	3,780	4,458	5,364	5,017	0	0	0	0
Cruise/Special Events	1,848	782	1,110	1,256	424	1,655	2,683	2,827	7,461	1,392
Three Forts Non-Revenue	222	194	725	931	1,600	999	0	0	0	0
Total Three Forts Ferry Traffic:	22,209	22,519	15,723	22,142	25,126	23,847	30,589	30,794	29,442	25,936
Total Ferry Traffic:	1,262,018	1,346,373	1,368,099	1,410,145	1,405,559	1,436,347	1,596,229	1,675,825	1,663,869	1,680,015

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Schedule 29

DELAWARE RIVER AND BAY AUTHORITY
Delaware Memorial Bridge Toll Rates
Last Ten Fiscal Years

	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Delaware Memorial Bridge										
Class 1 - Passenger Cars	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 2.00
Class 2 - Two Axel Trucks	8.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00
Class 3 - Three Axel Trucks	12.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	7.50
Class 4 - Four Axel Trucks	16.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	10.00
Class 5 - Five Axel Trucks & Truck Combinations	20.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	12.50
Class 6 - Six Axel Trucks & Truck Combinations	24.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	15.00
Class 7 - Vehicles Requiring Special Permits	50.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	25.00
Class 8 - Special(Over Six Axels)	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50
Class 9 - Commuter Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.75	0.75	0.75
Class 9 - Commutation Plan	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	N/A	N/A
Class 10 - Discount Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.00	1.00	1.00
Class 10 - Frequent Traveler Plan	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	N/A	N/A
Class 11 - Passenger Cars w/ 1 Axel Trailer	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.25
Class 12 - Passenger Cars w/ 2 Axel Trailer	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	4.50
Class 13 - Passenger Cars w/ 3 Axel Trailer	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	5.75
Class 14 - Senior Citizens (With Token Only)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.00	1.00

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

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Schedule 30

DELAWARE RIVER AND BAY AUTHORITY
Cape May-Lewes Ferry/Three Forts Ferry Toll Rates
Last Ten Fiscal Years

	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Cape May - Lewes Ferry										
Foot/Vehicle Passenger (under 6yrs)	Free	Free	Free	Free	Free	Free	Free	\$2	\$2	\$2
Foot/Vehicle Passenger (6yrs & over)	\$2.50-\$9.50	\$2.50-\$9.50	\$2.50-\$9.50	\$6-\$8	\$6-\$8	\$6-\$8	\$6-\$8	4.50-6.50	4.50-6.50	4.50-6.50
Foot Passengers(round trip)	N/A	6-17	6-17	10-15	10-15	10-15	10-15	8.50-12.50	8.50-12.50	8.50-12.50
Bus Passengers	1.50-5	2-6	2-6	5-7	5-7	5-7	5-7	4-6	4-6	4-6
Class 1 - Passenger Car	19-41	19-29	19-29	20-25	20-25	20-25	20-25	18-20	18-20	18-20
Class 4 - 20' to 25'	27-47	27-34	27-34	24-29	24-29	24-29	24-29	22-24	22-24	22-24
Class 5 - 25' to 35'	35-57	35-42	35-42	31-36	31-36	31-36	31-36	29-31	29-31	29-31
Class 6 - 35' to 45'	42-65	42-49	42-49	37-42	37-42	37-42	37-42	35-37	35-37	35-37
Class 7 - 45' to 60'	53-80	53-61	53-61	47-52	47-52	47-52	47-52	45-47	45-47	45-47
Class 9 - Over 60'	75-107	75-83	75-83	66-71	66-71	66-71	66-71	64-66	64-66	64-66
Class 10 - Motorbike or Motorcycle	15-34	15-24	15-24	17-22	17-22	17-22	17-22	15-17	15-17	15-17
Class 10 w/ Side Car or trailer	15-34	15-24	15-24	18-23	18-23	18-23	18-23	N/A	N/A	N/A
Class 11 - Bicycle	Free	Free	Free	6-8	6-8	6-8	6-8	5-7	5-7	5-7
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	\$6-10	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6
Child	6-7	4-6	4	4	4	4	4	4	4	4
Cruise/Special Events	10	10	10	10	10	10	10	10	10	10

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Schedule 31

DELAWARE RIVER AND BAY AUTHORITY
Ratio of Outstanding Debt Per Customer
Last Ten Fiscal Years

Fiscal Year	Outstanding Revenue Bonds	Total Annual Debt Service	Total Traffic (1)	Outstanding Debt Per Customer	Debt Service Per Customer
2008	\$ 307,785,000	\$ 22,811,301	18,182,631	\$ 16.93	\$ 1.25
2007	315,125,000	22,364,966	18,990,254	16.59	1.18
2006	322,220,000	22,227,918	19,075,593	16.89	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
2002	274,070,000	20,402,598	18,740,856	14.62	1.09
2001	280,950,000	20,742,667	18,092,672	15.53	1.15
2000	287,545,000	17,855,069	17,856,453	16.10	1.00
1999	165,130,000	14,461,465	17,719,640	9.32	0.82

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

DELAWARE RIVER AND BAY AUTHORITY
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Less: Budgetary Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2008	\$ 102,866,626	\$ 66,119,161	\$ 36,747,465	\$ 7,718,750	\$ 15,092,551	1.61
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
2002	94,625,727	53,219,674	41,406,053	7,175,000	13,227,598	2.03
2001	89,535,649	50,779,562	38,756,087	6,880,000	13,862,667	1.87
2000	81,459,878	48,162,903	33,296,975	6,595,000	11,260,069	1.86
1999	71,187,108	45,985,860	25,201,248	6,340,000	8,121,465	1.74

DELAWARE RIVER AND BAY AUTHORITY

Other Operating Revenues by Source

Last Ten Fiscal Years

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Airports										
New Castle Airport										
Lease Revenues	\$ 3,936,180	\$ 3,630,836	\$ 3,118,445	\$ 2,656,667	\$ 2,858,242	\$ 2,901,598	\$ 2,942,883	\$ 2,780,717	\$ 2,388,905	\$ 2,544,505
Fuel Flowage Fees	419,947	492,057	489,864	476,895	455,804	516,770	517,917	466,377	491,166	449,796
Ramp Fees		19,813	9,310							
Landing Fees	123,301	139,367	144,218	161,056	143,226	187,531	138,465	138,606	177,958	128,513
Total New Castle Airport	4,479,428	4,282,073	3,761,837	3,294,618	3,457,272	3,605,899	3,599,265	3,385,700	3,058,029	3,122,814
Cape May Airport										
Lease Revenues	159,358	147,247	146,879	155,906	158,414	150,065	159,903	175,839	144,432	10,977
Fuel Flowage Fees	4,409	5,309	5,289	2,224						
Aviation Fuel Sales				26,792	198,069	138,445	48			
Total Cape May Airport	163,767	152,556	152,168	184,922	356,483	288,510	159,951	175,839	144,432	10,977
Millville Airport										
Lease Revenues	357,584	337,663	308,108	417,445	398,236	409,024	378,930	377,549	317,750	72,449
Fuel Flowage Fees	72,430	88,212	73,080	49,380	18,051	19,951	28,767	35,427		
Total Millville Airport	430,014	425,875	381,188	466,825	416,287	428,975	407,697	412,976	317,750	72,449
Civil Air Terminal										
Lease Revenues	2,081					710	2,663	20,662	17,331	6,586
Landing Fees	9,873	19,999	20,300	18,723	15,454	15,485	14,005	18,945		
Total Civil Air Terminal	11,954	19,999	20,300	18,723	15,454	16,195	16,668	39,607	17,331	6,586
Delaware Air Park (1)										
Lease Revenues	95,306	51,430	55,864	63,346	62,606	60,008	60,007	44,547	20,221	
Aviation Fuel Sales	138,110	129,339	121,928	93,388	85,512	76,272	84,088	87,891		
Aviation Chart Sales	1,452	1,507	1,730	1,594						
Total Delaware Air Park	234,868	182,276	179,522	158,328	148,118	136,280	144,095	132,438	20,221	---
Total Airports	5,320,031	5,062,779	4,495,015	4,123,416	4,393,614	4,475,859	4,327,676	4,146,560	3,557,763	3,212,826
Concessions										
Food & Beverage	2,712,037	3,013,071	2,794,829	2,817,535	2,580,194	2,691,862	3,106,039	3,184,250	3,192,944	1,858,755
Novelty	1,090,470	1,263,874	1,197,668	1,227,005	1,206,244	1,255,104	1,354,036	1,468,810	1,501,209	1,440,602
Total Concessions	3,802,507	4,276,945	3,992,497	4,044,540	3,786,438	3,946,966	4,460,075	4,653,060	4,694,153	3,299,357

(1) Delaware Air Park acquired 7/00

DELAWARE RIVER AND BAY AUTHORITY
Operating Statistics
Last Ten Fiscal Years

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Delaware Memorial Bridge										
Total Traffic	16,920,613	17,643,881	17,707,494	17,593,410	17,641,038	17,215,450	17,144,627	16,416,847	16,192,584	16,039,625
Non-Commercial Traffic	14,615,952	15,151,708	15,255,637	15,159,360	15,249,402	14,920,209	14,862,168	14,215,641	13,985,101	13,857,973
Commercial Traffic	2,304,661	2,492,173	2,451,857	2,434,050	2,391,636	2,295,241	2,282,459	2,201,206	2,207,483	2,181,652
Average Daily Traffic	46,358	48,339	48,514	48,201	48,332	47,166	46,972	44,978	44,363	43,944
Average Toll per Customer	\$4.69	\$4.16	\$4.12	\$4.11	\$4.08	\$4.07	\$4.04	\$3.95	\$3.65	\$3.01
E-Z Pass Traffic (1)	10,073,221	10,100,635	9,724,593	9,161,304	8,489,812	7,606,259	7,026,729	2,684,340	N/A	N/A
% of E-Z Pass Traffic (1)	59.58%	57.29%	54.96%	52.11%	48.16%	44.22%	41.03%	30.40%	N/A	N/A
Cape May - Lewes Ferry										
Total Traffic	1,239,809	1,323,854	1,352,376	1,388,003	1,380,433	1,412,500	1,565,640	1,645,031	1,634,427	1,654,079
Vehicle Traffic	318,000	341,440	351,188	359,450	360,031	362,450	396,365	408,084	401,788	401,098
Passenger Traffic	921,809	982,414	1,001,188	1,028,553	1,020,402	1,050,050	1,169,275	1,236,947	1,232,639	1,252,981
Average Daily Traffic-Passengers	2,526	2,525	2,570	2,634	2,612	3,684	2,987	3,328	3,136	3,217
Average Daily Traffic-Vehicles	871	929	955	978	980	987	1,079	1,108	1,091	1,091
Average Fare per Customer	\$11.44	\$10.20	\$10.13	\$9.09	\$9.88	\$7.77	\$9.71	\$7.75	\$7.96	\$7.83
Total Vessel Crossings	5,382	5,516	5,676	5,828	6,205	6,139	6,340	6,374	6,492	6,548
Average Daily Trips	15	15	16	16	17	17	17	17	18	18
Three Forts Ferry										
Total Passenger Traffic	22,209	22,519	15,723	21,211	25,126	23,847	30,589	30,794	29,442	25,934

(1) Collection of Electronic Tolls (E-Zpass) began July 18, 2001

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Schedule 35

DELAWARE RIVER AND BAY AUTHORITY
Operating Statistics
Last Ten Fiscal Years

	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Airports										
Number of Landings										
New Castle Airport	45,279	72,907	82,239	66,856	54,477	59,123	65,970	60,549	67,338	73,819
Cape May Airport	15,000	17,000	15,000	17,500	10,200	9,500	10,200	10,050	11,400	13,950
Millville Airport	30,000	35,000	30,000	30,000	21,200	19,800	21,200	21,000	23,800	29,100
Civil Air Terminal	326	350	436	320	320	394	338	282	466	401
Delaware Air Park (1)	12,000	20,000	17,000	18,000	18,000	18,000	18,000	15,000	16,000	N/A
Concessions (2)										
Number of Customers Food/Beverage	522,762	594,621	603,849	628,636	589,814	603,936	702,985	781,817	734,172	N/A
Number of Customers Novelty	106,254	129,779	129,655	138,417	138,943	146,767	163,071	175,088	189,248	N/A
Average Purchase Food/Beverage	\$5.21	\$5.07	\$4.48	\$4.48	\$4.37	\$4.46	\$4.42	\$4.07	\$4.35	N/A
Average Purchase Novelty	\$10.26	\$9.53	\$9.24	\$8.86	\$8.68	\$8.55	\$8.30	\$8.39	\$7.93	N/A
Police										
Arrests	560	740	1,138	724	337	213	302	355	159	400
Traffic Violations	9,453	8,521	8,640	4,968	5,615	2,480	1,128	8,357	3,543	5,591
Traffic Reprimands	5,152	3,553	3,476	5,336	12,685	9,299	9,180	12,602	7,314	9,721
Accident Investigations	339	296	295	338	307	297	273	311	318	408

(1) Delaware Air Park acquired 7/00

(2) Information not available prior to FY2000.

DELAWARE RIVER AND BAY AUTHORITY
Operating & Capital Expenditures
Last Ten Fiscal Years

	Fiscal Year									
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003 (1)</u>	<u>2002 (2)</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Delaware Memorial Bridge										
Operating Expenditures	\$ 25,860,557	\$ 23,789,442	\$ 23,932,453	\$ 19,984,171	\$ 21,681,600	\$ 20,778,095	\$ 14,167,656	\$ 13,829,220	\$ 12,536,338	\$ 11,009,225
Capital Expenditures	16,551,342	10,045,347	11,318,358	9,491,685	7,659,601	13,088,567	17,915,462	18,766,866	15,608,700	8,751,774
Cape May - Lewes Ferry										
Operating Expenditures	33,271,770	29,226,668	29,178,709	26,952,433	25,956,214	32,025,328	17,827,333	17,851,222	17,459,366	16,321,616
Capital Expenditures	6,971,741	1,820,793	4,268,791	7,401,779	3,435,589	3,742,336	4,170,037	21,289,904	9,166,587	13,928,287
Airports										
Operating Expenditures	9,569,059	8,707,198	7,330,841	6,946,389	7,441,859	6,970,699	4,309,121	4,177,090	3,994,738	3,206,925
Capital Expenditures	9,481,862	10,641,592	9,081,921	14,418,289	9,762,160	13,922,201	21,139,457	19,418,422	38,775,205	7,677,538
Concessions (3)										
Operating Expenditures	4,597,062	4,686,253	4,669,262	4,365,502	4,030,312	4,012,482	4,299,690	4,356,828	4,429,512	4,678,912
Three Forts Crossing										
Operating Expenditures	192,221	204,236	207,104	175,932	215,369	172,054	263,646	293,626	289,576	292,565
Capital Expenditures	88,680	1,495	406,972	20,566		458,226	7,113	205,371	79,889	44,482
Police										
Operating Expenditures	7,741,485	6,838,008	6,574,019	5,866,749	5,697,573	5,682,821	5,482,340	5,136,784	5,046,176	4,613,385
Administration										
Operating Expenditures	16,052,433	14,832,051	15,371,088	14,383,334	13,248,804	11,395,887	9,903,379	9,320,873	8,382,215	8,936,425

- (1) Operating expenses from fiscal year 2004 and forward are based on GAAP - Generally Accepted Accounting Principles.
 (2) Operating expenses for fiscal year 2002 to fiscal year 1999 are based upon provisions of the Trust Agreement date 10/1/93.
 (3) Capital expenditures for the Concession operations are included within the Cape May - Lewes Ferry.

*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.

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Schedule 37

DELAWARE RIVER AND BAY AUTHORITY

Full-time Authority Employees

Last Ten Fiscal Years

	2008	2007	2006	2005	2004	2003 (2)	2002	2001	2000	1999
	Full-time Employees as of Dec 31									
Administration	68	62	71	65	67	65	66	68	65	71
Delaware Memorial Bridge	103	107	111	122	107	126	160	165	155	141
Cape May - Lewes Ferry	123	130	145	142	140	128	156	166	158	157
Police	66	62	61	64	62	66	74	72	79	79
Airports	36	29	38	28	36	34	34	37	33	34
Concessions	15	20	20	25	20	18	25	25	19	16
Three Forts Crossing (1)	0	0	0	0	0	0	0	0	0	0
Total	411	410	446	446	432	437	515	533	509	498

(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.

SINGLE AUDIT SECTION

**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**

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

We have audited the financial statements of the Delaware River and Bay Authority as of and for the year ended December 31, 2008, and have issued our report thereon dated May 20, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Delaware River and Bay Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Delaware River and Bay Authority's financial statements are free of 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 that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management of the Authority, 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.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Stephen E. Ryan
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 20, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the Delaware River and Bay Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2008. The Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Delaware River and Bay Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Delaware River and Bay Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Delaware River and Bay Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

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Internal Control Over Compliance

The management of the Delaware River and Bay Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Stephen E. Ryan
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 20, 2009

DELAWARE RIVER AND BAY AUTHORITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2008

Federal Grantor/ Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Match	Grant Period	Dec. 31, 2007		Dec. 31, 2008		
						Deferred Revenue (Accounts Receivable)	Local Match Provided	(Memo) Cash Received	Adjustments	Accrual Expenditures
U. S. Department of Transportation Passed -Through New Jersey Department of Transportation:										
Federal Aviation Administration-Airport Improvement Program	20.106	DAHA-07-02-2-2101	\$ 459,026	N/A	Open	\$ (16,963)			\$ 16,963	
Federal Aviation Administration-Airport Improvement Program	20.106	NJASP 01-16	360,000	\$ 40,000	Open	(648)			648	
Federal Aviation Administration-Airport Improvement Program	20.106	NJASP 02-09	150,000	16,667	Open	(1,229)			1,229	
U.S. Department of Transportation Federal Aviation Administration										
Airport Improvement Program	20.106	FA-3-10-0001-005-2004	1,400,000	73,684	Open		\$ 4,118	\$ 78,235	\$ 82,353	
Airport Improvement Program	20.106	FA-3-10-0006-021-2004	2,340,312	123,174	Open	(599,598)	22,015	1,017,889	440,306	
Airport Improvement Program	20.106	3-34-0045-16-04	2,162,470	113,814	Open	(1,829)	3,662	15,758	73,245	\$ (55,654)
Airport Improvement Program	20.106	3-34-0022-18-05	137,000	7,211	Open		4,961	94,258	1 99,219	1
Airport Improvement Program	20.106	3-34-0045-19-05	115,999	6,105	Open		4,802	91,243	96,045	
Airport Improvement Program	20.106	3-34-0045-21-06	304,442	16,023	Open	(205,105)		205,105		
Airport Improvement Program	20.106	3-34-022-19-06	150,000	7,895	Open	(101,897)	123	104,227	2,453	
Airport Improvement Program	20.106	3-34-0022-26-07	1,240,000	32,632	Open	(598,710)	33,283	1,194,395	665,669	(36,700)
Airport Improvement Program	20.106	3-34-0022-20-06	1,462,864	76,993	Open	(579,296)		579,296		
Airport Improvement Program	20.106	3-10-0006-026-2007	2,785,000	146,579	Open		101,595	1,806,311	2,031,900	(123,994)
Airport Improvement Program	20.106	3-34-0045-22-05	200,000	10,526	Open		124		(1) 2,481	(2,358)
Airport Improvement Program	20.106	3-10-0006-024-2006	565,696	29,773	Open	(263,756)	10,524	423,998	4 210,479	(39,709)
Airport Improvement Program	20.106	3-10-0006-025-2006	356,605	18,769	Open		6,288	114,183	125,766	(5,295)
Airport Improvement Program	20.106	3-10-0001-007-2006	4,013,156	211,219	Open					
Airport Improvement Program	20.106	3-34-0022-23-06	279,749	14,724	Open		1,353	12,560	(1) 27,054	(13,142)
Airport Improvement Program	20.106	3-10-0006-022-2005	3,823,098	191,155	Open		17,143	325,710	342,853	
Airport Improvement Program	20.106	3-10-0006-027-2008	10,026,716	501,336	Open		122,949	1,517,511	2,458,975	(818,515)
Airport Improvement Program	20.106	3-10-0006-028-2008	631,200	31,560	Open		3,006		60,120	(57,114)
(Continued)										

(Continued)

DELAWARE RIVER AND BAY AUTHORITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2008

Federal Grantor/ Grantor/Program Title U.S. Department of Transportation Federal Aviation Administration (Cont'd)	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Match	Grant Period	Dec. 31, 2007			Dec. 31, 2008		
						Deferred Revenue (Accounts Receivable)	Local Match Provided	(Memo) Cash Received	Adjustments	Accrual Expenditures	Deferred Revenue (Accounts Receivable)
Airport Improvement Program	20.106	3-10-0001-008-2007	\$3,633,755	\$181,688	Open		\$ 47,500	\$ 902,500		\$ 950,000	
Airport Improvement Program	20.106	3-10-0001-009-2008	90,000	4,500	Open		1,191	22,622		23,813	
Airport Improvement Program	20.106	3-34-0045-24-07	84,211	4,211	Open		3,610			72,202	\$ (68,592)
Airport Improvement Program	20.106	3-34-0045-25-08	701,698	35,085	Open		30,633	459,283		612,651	(122,735)
Airport Improvement Program	20.106	3-34-0045-26-08	72,500	3,625	Open		307			6,133	(5,826)
Airport Improvement Program	20.106	3-34-0022-27-07	84,211	4,211	Open		1,973			39,466	(37,493)
Airport Improvement Program	20.106	3-34-0022-28-08	614,737	30,737	Open		2,787	5,593		55,737	(47,357)
Total Federal Awards						\$ (2,369,031)	\$ 423,946	\$ 8,970,677	\$ 18,843	\$ 8,478,919	\$ (1,434,484)

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards are an integral part of this statement.

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DELAWARE RIVER AND BAY AUTHORITY
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2008

Note 1: **GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of the Delaware River and Bay Authority. The Authority is defined in Note 1 to the Authority's Notes to Financial Statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule of expenditures of federal awards.

Note 2: **BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is 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 FINANCIAL STATEMENTS**

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

Note 4: **RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Note 5: **LOCAL MATCH PROVIDED**

Amounts reported in the column entitled "Local Match Provided" represent the local match provided by the Delaware River and Bay Authority as required by the respective grant agreements.

Note 6: **MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

Note 7: **ADJUSTMENTS**

Amounts reported in the column entitled "Adjustments" represent amounts that were previously reported as grant expenditures and recorded as a receivable. During the current year it was determined that these expenditures are ineligible for the federal grant program and have therefore been cancelled.

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DELAWARE RIVER AND BAY AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2008

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

None

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DELAWARE RIVER AND BAY AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2008

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required by OMB Circular A-133.

None

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DELAWARE RIVER AND BAY AUTHORITY
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards and OMB Circular A-133.

Condition:

The Authority does not adequately review grants and agreements with other governmental entities and has not established financial controls to ensure that management, in the normal course of performing their assigned functions, can prevent or detect misstatements on a timely basis.

Current Status:

This condition has been corrected.

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APPRECIATION

I express my appreciation for the courtesies extended and assistance rendered to me during the course of this audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen E. Ryan". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Stephen E. Ryan
Certified Public Accountant
Registered Municipal Accountant