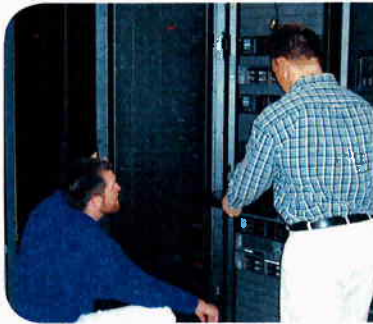
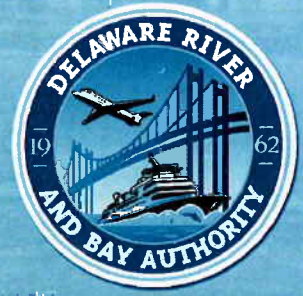


**DELAWARE RIVER  
& BAY AUTHORITY  
COMPREHENSIVE  
FINANCIAL ANNUAL REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2010**



# ***DELAWARE RIVER & BAY AUTHORITY***

The seal of the Delaware River & Bay Authority is a large circular emblem. It features a central illustration of a suspension bridge spanning a river. Below the bridge are two circular medallions: the left one is the seal of the State of Delaware, and the right one is the seal of the State of New Jersey. At the bottom of the seal is a depiction of a ship. The outer ring of the seal contains the text "DELAWARE RIVER & BAY AUTHORITY" at the top and "by compact between the states of Delaware & New Jersey" at the bottom.

## ***COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2010***

Prepared by:

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

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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  
N. Cape May, New Jersey 08204  
Tel.: (609) 889-7200  
Fax: (609) 886-1021

June 9, 2011

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

The Comprehensive Annual Financial Report of the Delaware River and Bay Authority ("Authority") for the fiscal year ended December 31, 2010, 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 Clifton Gunderson, LLP, a firm of licensed certified public accountants, selected by the Authority through a competitive process. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended December 31, 2010, are free of material misstatement. Their audit was performed in accordance with generally accepted auditing standards and governmental auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as they considered necessary during the audit. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the fiscal year ended December 31, 2010, 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 28 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, 2010, the Authority maintained 42,220 customer accounts and 69,212 transponders in circulation, as compared to 41,236 and 67,578 from the same period ending December 31, 2009. E-ZPass usage increased slightly as current statistics show 61.7 percent of our overall traffic utilize E-ZPass as compared to 60.3 percent a year ago. During the weekday commute period, the percentage of our customers using E-ZPass has risen to 74.7 percent versus 74 percent in FY 2009.

The Cape May – Lewes Ferry transports approximately 300,000 vehicles and 900,000 passengers annually, along a 17 mile, 70 minute ride, connecting the towns of Lewes, DE and Cape May, NJ. A total staff of 59 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 fiscal year. Each of the Authority's department Managers contributes to the development of a preliminary operating budget based on the expected staffing and funding levels necessary to operate the Authority's facilities in an efficient manner. Individual Budget hearings are conducted by the Chief Financial Officer and Director of Finance 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 drafted and presented by the Chief Financial Officer to the Budget and Finance Committee and the Board of Commissioners for their review and adoption. Any subsequent amendments to the total adopted operating budget require the approval of the Budget and Finance Committee and Board of Commissioners.

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

The Authority prepares an annual capital budget through a similar process, weighing the requirements of both the crossing and economic development facilities. The Chief Operating Officer presents the capital budget to the Projects Committee and the Board of Commissioners for their review and adoption. The capital budget is a planning document identifying the Authority's priorities and potential commitments. The approval of the capital budget does not, in itself, authorize any specific project. Specific 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 3 of the notes to the financial statements.

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

## INVESTMENT MANAGEMENT

Financial operations of the Authority are substantially controlled by the provisions of a Trust Agreement, dated October 1, 1993, 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 advisors to assist with the fulfillment of its fiduciary responsibilities. The Authority's investment portfolio is managed pursuant to the guidelines established by the Authority, which are in compliance with the Trust Agreements. Additional information on the Authority's trust agreement and cash and investments can be found in Notes 1, 3 and 4 of the notes to financial statements.

## ACCOMPLISHMENTS AND INITIATIVES

During Fiscal Year 2010, 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:

Ferry Operations. On August 30, 2010, the Cape May – Lewes Ferry reached a milestone celebrating its 40 millionth passenger to use the ferry service since its inception on July 1, 1964. As a comparison, in 1965, the Ferry's first full year of operation, 541,973 passengers used its services as compared to 900,000 in 2010. The Ferry launched new social media sites to cultivate relationships with users, build brand awareness, and promote events, ticket packages and tourism opportunities in the Cape May, NJ and Lewes, DE region. The Ferry adopted a new fare schedule in 2010 promoting a new "Friends and Family" fare category for high occupancy vehicles and a new 12-pack discount program.

GASB 45 – OPEB Trust. Fiscal year 2010 marked the first year the Authority made a contribution into its OPEB Trust beyond paying for retirees' current costs, contributing \$8.2 million into the Trust. The total unfunded liability on the Authority's books as of December 31, 2010 was \$9.2 million. The Authority continues toward its goal of fully funding its Annual Required Contribution (ARC) by increasing the amount budgeted in its operating budget by 20%. The Authority budgeted \$6.2 million or 70% of its ARC for FY2011. Additional information about GASB 45 can be found in Note 5 of the notes to the financial statements.

Safety. During 2010, the Authority received the Leadership Safety Award given by CNA Insurance Companies. This award is given to an elite group of CNA's policyholders who have successfully and consistently implemented loss prevention and mitigation strategies. The Authority continues to commit to a culture of safety and has consistently demonstrated best practices to avoid losses and to keep the traveling public and its employees safe. On an annual basis the Authority provides group training in the areas of defensive driving, confined space, fall protection, CPR, First Aid, Aerial platform and fire extinguisher along with promoting active safety committees at all of its facilities. In July 2010, the Authority and the Delaware Emergency Management Agency (DEMA) conducted an emergency disaster exercise at the New Castle Airport facility. The full scale emergency exercise tested emergency plans and procedures, communication framework and coordination abilities of all participants. This successful exercise served as the Airport's official emergency drill that satisfies the Federal Aviation Administration requirement that all certified airports must conduct a full-scale emergency exercise at a minimum once every three years.

Infrastructure Improvements. During 2010, the Authority awarded \$26.2 million in infrastructure contracts throughout its facilities. The major contracts awarded include, \$12 million for Elevator Replacement for both spans of the Delaware Memorial Bridge, \$4.9 million for Bridge Deck Resurfacing and Painting, \$2.5 million for Drydocking and Repairs for two Ferry Vessels and \$5.3 million for Taxiway Rehabilitation at New Castle, Millville and Cape May Airports. The Authority completed construction of two major approach road projects in 2010. The first being, Phase III of the I-295 Approach Road Improvement to the Delaware Memorial Bridge and the second, Freeman Highway and Bridge Rehabilitation on the approach road to the Ferry in Lewes, DE. Both projects were designed to improve roadway safety and rehabilitate aging roadways. For Fiscal Year 2011, the Authority foresees an estimated \$40.7 million for Capital projects.

Federal Grants. During 2010, the Authority was awarded \$8,965,271 in grants from the Federal Aviation Administration and the Federal Emergency Management Agency for Bridge and Airport related projects.

These projects include runway and taxiway construction and rehabilitation, obstruction removal and disaster recovery. Over the past five years, the Authority has been awarded \$46,797,466 in Federal and State grants related to infrastructure and safety projects.

Economic Development. In April 2010, the Authority celebrated the opening of the Boeing Chinook Modification Center at the Millville Airport. Earlier in the year, the Authority signed a multi-year lease with Boeing Global Services for two aviation hangars at the airport. To facilitate the transaction, the Authority invested approximately \$350,000 to update the hangar infrastructure. The helicopter modification facility is expected to add 45 manufacturing jobs in the first year and has the potential to create as many as 100 total new jobs for the region during the lease term.

Community Outreach. The Authority continued to identify and implement initiatives to support families in need located throughout Delaware and the four southern counties in New Jersey. Initiatives included a school outreach project providing backpacks and school supplies to 100 children in disadvantaged communities, Thanksgiving food baskets for 100 families, "Hope for the Holidays", clothing and gifts for 61 children. Through its Volunteerism Policy, Authority employees donated approximately 589 hours of time to well deserving community programs. In addition, the Authority's Police Department participated in the following outreach programs; child passenger safety seat program, children's fingerprint and identification program, national night out, visits to area schools with a K-9 officer and dog, and providing guided tours of the Troop offices and dispatch center.

DBE Goals. During 2010, the Authority established expanded Disadvantaged Business Enterprise (DBE) Program Participation Goals for the 2011 Federal Fiscal Year. In accordance with 49 CFR Part 26, the Authority established the following overall goals for DBE participation on its Federal Aviation Administration assisted projects; New Castle Airport (7.0%), Delaware Airpark (2.2%), Millville Airport (4.9%) and Cape May Airport (3.9%). For the 2010 Federal Fiscal Year ending 6/30/10, the Authority exceeded its goals at Millville and Cape May Airports of 4.4% and at New Castle Airport of 10.2% with actual participation of 17.3% and 11.6%, respectively.

## LONG TERM FINANCIAL PLANNING

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

A Five-Year Capital Plan is developed in conjunction with the Annual Capital Budget mentioned earlier in this document. The Five-Year Capital Plan details the anticipated capital expenditures for the period. The 2010 Five Year Capital Plan outlines numerous bridge, ferry system, airport infrastructure and technology expenditures which total \$274 million. The Plan anticipated that the 2010 fiscal year expenditures would be funded from cash held in the General Fund. Future capital expenditures will depend on an anticipated 2011 toll increase at the Delaware Memorial Bridge to increase bonding capacity to finance the remaining capital plan.

## 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, 2009. This was the sixth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

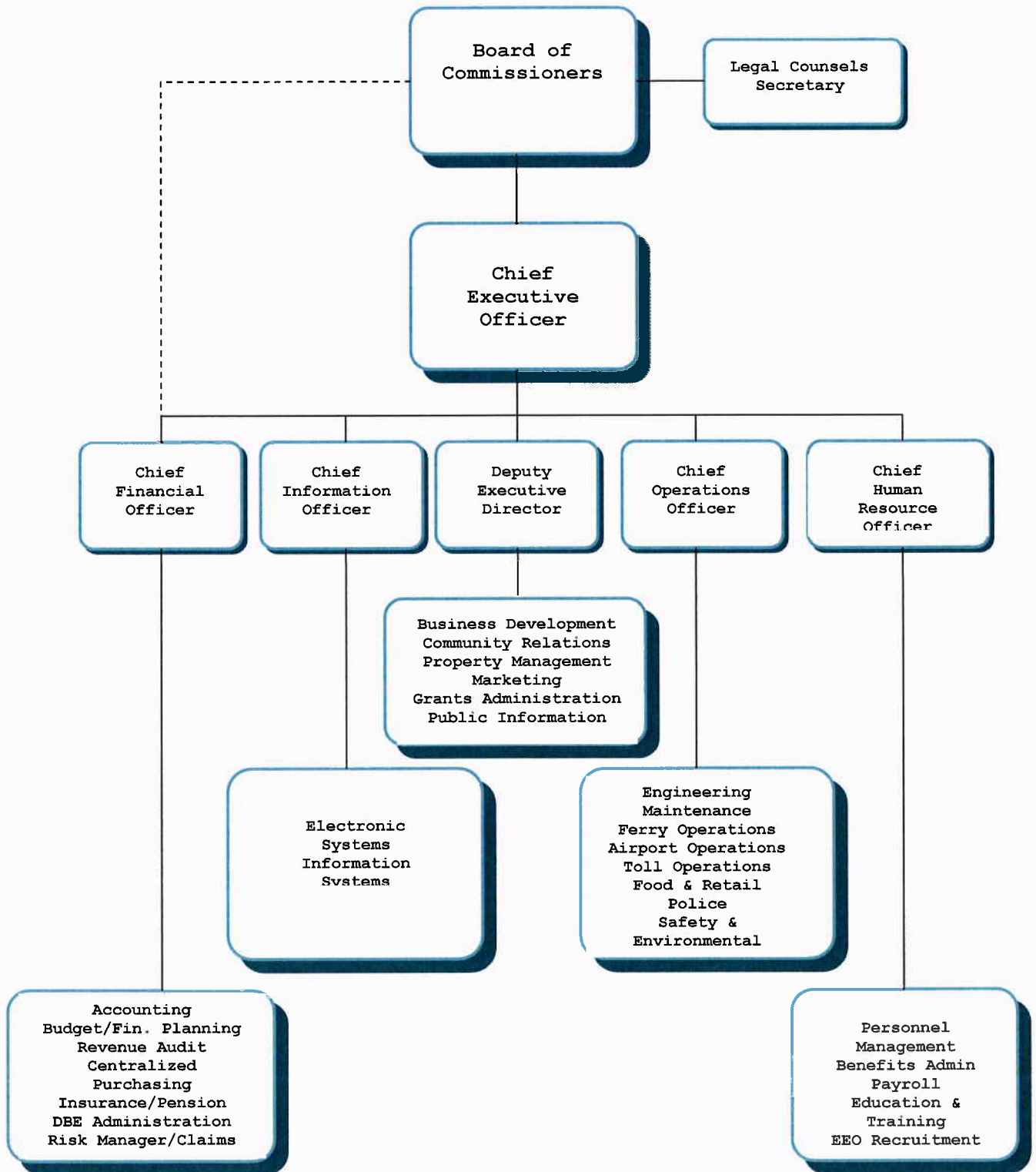
The preparation of this comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would especially like to express my appreciation to the Director of Finance and each member of the accounting staff who contributed to the preparation of this Report. Special thanks must also be given to the Chairman, Vice-Chairman, Chief Executive Officer and the Budget and Finance Committee for 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 AND BAY AUTHORITY ORGANIZATIONAL CHART AND FUNCTIONAL RESPONSIBILITIES



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

***STATE OF DELAWARE***

GOVERNOR  
JACK A. MARKELL

William E. Lowe, III, Chairperson  
Lewes, DE, Term Expires July 1, 2012

Richard W. Downes, Vice-Chairperson, Economic Development, Audit  
Committees  
Smyrna, DE, Term Expires July 1, 2011

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

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

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

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

***STATE OF NEW JERSEY***

GOVERNOR  
CHRISTOPHER J. CHRISTIE

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

Susan Atkinson DeLanzo  
Cape May Court House, NJ Term Expires July 1, 2011

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

Niels S. Favre, Vice-Chairperson, Budget & Finance Committee  
Cape May, NJ, Term Expires July 1, 2010

Ceil Smith, Chairperson, Economic Development & Audit Committees  
Salem, New Jersey, Term Expires July 1, 2014

Douglas L. VanSant, Vice-Chairperson, Projects Committee  
Bridgeton, NJ, 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, 2009

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 statement of net assets of the Delaware River and Bay Authority (the Authority) as of December 31, 2010, and the related statements of revenues, expenses and changes in net assets, and cash flows together with the financial statements of the fiduciary funds of the Authority as of and for the year then ended, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit. The basic financial statements of the Authority as of and for the year ending December 31, 2009 were audited by other auditors whose report dated May 28, 2010, expressed an unqualified opinion on those basic financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Delaware River and Bay Authority as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying management's discussion and analysis and schedules of funding progress and employer contributions for the OPEB and Pension Plans 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 principally 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying other supplementary schedules 5 through 21 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clifton Gundersen LLP*

Philadelphia, Pennsylvania  
June 9, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2010**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

The Statements of Net 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 the employee contributions and investment earnings and the deductions are comprised mainly of benefits paid to plan participants and administrative fees.

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

**DELAWARE RIVER AND BAY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2010**

**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 as of December 31, 2010, 2009 and 2008 were \$309 million, \$309 million and \$291 million, respectively.

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).

<b>NET ASSET SUMMARY</b>						
	<b>2010</b>	<b>%</b>	<b>2009</b>	<b>%</b>	<b>2008</b>	<b>%</b>
<b>ASSETS</b>						
Current and other assets	\$ 135,688	21.3%	\$ 149,068	22.9%	\$ 155,495	24.5%
Capital assets	502,346	78.7%	501,139	77.1%	478,488	75.5%
<b>TOTAL ASSETS</b>	<b>\$ 638,034</b>		<b>\$ 650,207</b>		<b>\$ 633,983</b>	
<b>LIABILITIES</b>						
Current liabilities	\$ 59,600	18.1%	\$ 32,205	9.4%	\$ 31,252	9.1%
Long-term liabilities	269,328	81.9%	308,924	90.6%	311,767	90.9%
<b>TOTAL LIABILITIES</b>	<b>\$ 328,928</b>		<b>\$ 341,129</b>		<b>\$ 343,019</b>	
<b>NET ASSETS</b>						
Invested in capital assets, net of debt	\$ 216,524	70.0%	\$ 203,956	66.0%	\$ 173,537	59.6%
Restricted	24,779	8.0%	33,603	10.9%	33,757	11.6%
Unrestricted	67,803	21.9%	71,519	23.1%	83,669	28.8%
<b>TOTAL NET ASSETS</b>	<b>\$ 309,106</b>		<b>\$ 309,078</b>		<b>\$ 290,963</b>	

The largest portion of the Authority's net assets at December 31, 2010 (70.0%), 2009 (66.0%) and 2008 (59.6%), 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, 2010 (8.0%), 2009 (10.9%) and 2008 (11.6%), represents resources that are subject to the external restrictions on how they can be used under Trust Agreement covenants. The remaining unreserved net assets at December 31, 2010 (21.9%), 2009 (23.1%) and 2008 (28.8%) may be used to meet the Authority's capital and ongoing obligations.

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**SUMMARY OF CHANGES IN NET ASSETS**

Net Assets increased in the amount of \$28 thousand during 2010. As compared to 2009, the annual change in net assets decreased \$18.1 million or 99.8%. This decrease can be attributable to increases in operating expenses and depreciation expenses and decreases in non-operating income and capital contributions. During 2009, net assets increased in the amount of \$18.1 million. As compared to 2008, the annual change in net assets increased \$12.9 million or 245.8%. This increase can be attributable to decreases in operating expenses and non-operation expenses and increases in capital contributions. A condensed summary of the Authority's changes in net assets is shown below (in thousands).

	2010 Actual	Percent Increase/ (Decrease)	2009 Actual	Percent Increase/ (Decrease)	2008 Actual	Percent Increase/ (Decrease)
Operating revenues (see Exhibit B)	\$ 106,362	0.3%	\$ 106,080	-2.7%	\$ 108,985	8.0%
Operating expenses (see Exhibit B)	<u>79,283</u>	<u>3.1%</u>	<u>76,912</u>	<u>-4.5%</u>	<u>80,526</u>	<u>14.3%</u>
Operating income before depreciation	27,079	-7.2%	29,168	2.5%	28,459	-6.6%
Depreciation	<u>21,343</u>	<u>-2.0%</u>	<u>20,919</u>	<u>6.9%</u>	<u>19,576</u>	<u>-3.0%</u>
Operating income	5,736	-30.5%	8,249	-7.1%	8,883	-13.8%
Non-operating income (expenses)	<u>(10,863)</u>	<u>61.5%</u>	<u>(6,727)</u>	<u>-47.7%</u>	<u>(12,868)</u>	<u>59.0%</u>
Income before capital contributions	(5,127)	-436.9%	1,522	-138.2%	(3,985)	-280.5%
Capital contributions	<u>5,155</u>	<u>-68.9%</u>	<u>16,592</u>	<u>79.9%</u>	<u>9,224</u>	<u>-4.3%</u>
<b>INCREASE IN NET ASSETS</b>	<u>\$ 28</u>	<u>-99.8%</u>	<u>\$ 18,114</u>	<u>245.8%</u>	<u>\$ 5,239</u>	<u>-55.8%</u>

**FINANCIAL HIGHLIGHTS**

**Fiscal 2010**

- Operating revenues increased \$.28 million or .3% from \$106,080 million during FY 2010.
- Operating expenses, before depreciation and other general expenses increased \$2.4 million or 3.1% from \$76.9 million to \$79.3 million during 2010. The increase was the result of increased pension and OPEB expenses and a change in accounting estimate resulting in a large write off of uncollectable tolls at the Delaware Memorial Bridge.
- As a result of the above, operating income before depreciation and other general expenses decreased \$2.1 million or 7.2% from \$29.2 million to \$27.1 million in 2010.
- Non-operating income (expense) increased \$4.1 million or 61.5% from a net expense of \$6.7 million in 2009 to a net expense of \$10.9 million in 2010. The increase in net expense is the result of decreases in net investment income of \$.68 million, a decrease

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of \$3.5 million in gain on sale of capital assets and sale of lease rights and increase of \$.33 million in write off of construction in progress.

- Capital contributions received in the form of grants from the Federal Aviation Administration and other sources decreased \$11.4 million or 68.9% from \$16.6 million in 2009 to \$5.2 million in 2010.

**Fiscal 2009**

- Operating revenues decreased \$2.9 million or 2.7% from \$108,985 million during FY 2009.
- Operating expenses, before depreciation, and other general expenses decreased \$3.6 million or 4.5% from \$80.5 to \$76.9 million during 2009. The decrease was the result of reduced vessel operating costs and reduced facility/equipment maintenance expenses related to the Bridge facilities.
- As a result of the above, operating income before depreciation and other general expenses increased \$.7 million or 2.5% from \$28.4 million to \$29.1 million in 2009.
- Non-operating income (expense) decreased \$6.2 million or 47.7% from a net expense of \$12.9 million in 2008 to a net expense of \$6.7 million in 2009. The decrease in net expense is the result of an increase in investment income of \$.9 million, a decrease of \$1.8 million in interest on bonds, a decrease of \$.8 million in write off construction in progress and a \$3.5 million increase in gain on the sale of capital assets.
- Capital contributions received in the form of grants from the Federal Aviation Administration and other sources increased \$7.4 million or 79.9% from \$9.2 million in 2008 to \$16.6 million in 2009.

**OPERATIONAL HIGHLIGHTS**

Overall traffic at the Delaware Memorial Bridge decreased .8% during 2010 as compared to 2009, with commercial traffic decreasing 2.5% and non-commercial traffic decreasing .6%. It is important to note that in 2010 commercial traffic represented 12.1% of total traffic and accounted for 47.6% of total revenue as compared to 12.3% of total traffic and 48.1% of total revenue in 2009. 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 2.0% during 2010 as compared to 2009 as vehicles decreased 3.0% and Ferry passengers decreased 1.6%. Ferry passengers comprised approximately 74.4% of total traffic in 2010 and accounted for 28.4% of total revenue.

Traffic for the Three Forts Ferry Crossing decreased 8.9% during 2010 as compared to 2009. Traffic for the 2010 Ferry services is comprised as follows: 72.3% of passengers visit Fort Delaware State Park, 15.5% visit Fort Mott, NJ and 12.2% sail various special tours offered by the State of Delaware. The Ferry service normally runs from April through October.

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During 2009, the Authority's traffic increased as compared to 2008. Overall traffic at the Delaware Memorial Bridge increased 1.2% during 2009 as compared to 2008, with commercial traffic decreasing 8.3% and non-commercial traffic increasing 2.7%. Overall traffic at the Cape May-Lewes Ferry decreased 8.0% during 2009 as compared to 2008 as vehicles decreased 7.2% and Ferry passengers decreased 8.3%. Traffic for the Three Forts Ferry Crossing increased 12.2% during 2009 as compared to 2008.

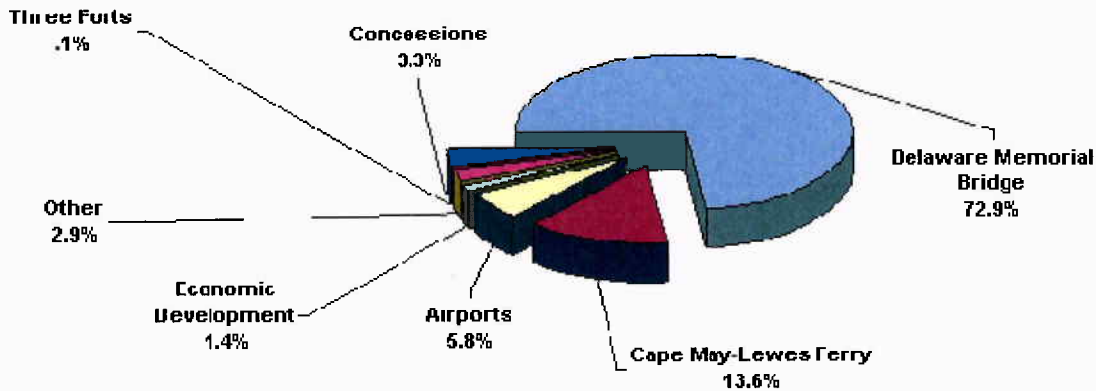
**SUMMARY OF CHANGES IN TRAFFIC**

	2010 <u>Actual</u>	Percent Increase/ (Decrease)	2009 <u>Actual</u>	Percent Increase/ (Decrease)	2008 <u>Actual</u>	Percent Increase/ (Decrease)
<b>Delaware Memorial Bridge</b>						
Commercial	2,061,931	-2.5%	2,114,271	-8.3%	2,304,661	-7.5%
Non-Commercial	<u>14,921,768</u>	<u>-0.6%</u>	<u>15,012,605</u>	<u>2.7%</u>	<u>14,615,952</u>	<u>-3.5%</u>
Total DMB:	16,983,699	-0.8%	17,126,876	1.2%	16,920,613	-4.1%
<b>Cape May-Lewes Ferry</b>						
Vehicles	286,462	-3.0%	295,256	-7.2%	318,000	-6.2%
Passengers	<u>831,686</u>	<u>-1.6%</u>	<u>845,362</u>	<u>-8.3%</u>	<u>921,809</u>	<u>-6.4%</u>
Total CMLF:	1,118,148	-2.0%	1,140,618	-8.0%	1,239,809	-6.3%
<b>Three Forts</b>						
Passengers	22,693	-8.9%	24,909	12.2%	22,209	-1.4%

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**REVENUES**

The following chart shows the major sources and the percentage of operating revenues for the fiscal year ended December 31, 2010.



A summary of total revenues for the fiscal years ended December 31, 2009, 2008 and 2007 and the amount and percentage of change in relation to prior fiscal year amounts as follows (in thousands).

**REVENUES**

	2010 Actual	Percent Increase/ (Decrease)	2009 Actual	Percent Increase/ (Decrease)	2008 Actual	Percent Increase/ (Decrease)
<b>OPERATING</b>						
Delaware Memorial Bridge	\$ 75,875	-1.8%	\$ 77,272	-2.8%	\$ 79,468	8.1%
Cape May-Lewes Ferry	14,185	-0.3%	14,234	0.3%	14,194	5.1%
Airports	7,405	18.3%	6,262	-3.2%	6,469	10.8%
Economic Development	1,467	21.0%	1,212	5.8%	1,146	47.1%
Three Forts	74	-1.3%	75	-2.6%	77	45.3%
Food and Novelty	3,565	-1.1%	3,604	-8.6%	3,944	-10.5%
Other	3,791	10.8%	3,421	-7.2%	3,687	71.6%
<b>TOTAL OPERATING</b>	<b>106,362</b>	<b>0.3%</b>	<b>106,080</b>	<b>-2.7%</b>	<b>108,985</b>	<b>8.0%</b>
<b>NON-OPERATING</b>						
Investment Income	4,176	-14.5%	4,882	23.0%	3,970	-47.4%
Sale of Lease Rights	-	-100.0%	1,675	201.3%	556	-91.6%
Sale of Equipment	107	-94.4%	1,897	1624.5%	110	-91.6%
<b>TOTAL NON-OPERATING</b>	<b>4,283</b>	<b>-49.3%</b>	<b>8,454</b>	<b>82.4%</b>	<b>4,636</b>	<b>-47.6%</b>
Capital Contributions	5,155	-68.9%	16,592	79.9%	9,224	-4.3%
<b>TOTAL REVENUES</b>	<b>\$ 115,800</b>	<b>-11.7%</b>	<b>\$ 131,126</b>	<b>6.7%</b>	<b>\$ 122,845</b>	<b>2.9%</b>

**DELAWARE RIVER AND BAY AUTHORITY  
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**REVENUES**

**Fiscal 2010**

- Total Operating Revenue increased .3% during 2010 to \$106.4 million as compared to \$106 million during 2009.
- Delaware Memorial Bridge toll revenue decreased \$1.4 million or 1.8% during 2010, as commercial revenue decreased \$1.2 million or 3.2% and non-commercial revenue decreased \$.25 million or .87% as compared to 2009.
- Cape May – Lewes Ferry toll revenue decreased \$49 thousand or .3% in 2010 as vehicle revenue increased \$45 thousand or .44% and passenger revenue decreased \$94 thousand or 2.28% as compared to 2009.
- Food and novelty revenues decreased \$39 thousand or 1.1% in 2009, as food and beverage sales increased \$5 thousand or .2% and novelty sales decreased \$33 thousand or 3.5% as compared to 2009. Cafeteria sales at the Bridge decreased \$10 thousand or 9.2% as compared to 2009.
- Airport lease revenues increased \$1.1 million or 18.3% in 2010, as lease revenues increased \$.75 million or 13.6% at New Castle Airport and \$.35 million or 70.9% at Millville Airport as compared to 2009. Other Airport revenues increased \$57 thousand or 11% in 2010 as fuel flowage fees increased \$30 thousand or 9.4% and landing fees increased \$27 thousand or 30.6% as compared to 2009.
- Economic Development revenues increased \$.26 million or 21% in 2010 as revenues increased at the Salem Business Center \$.15 million or 16.6% and increased at the Riverfront Market \$.11 million or 33.8% as compared to 2009.
- Other Operating Income increased \$.37 million or 10.8% as compared to 2009, as the Authority recognized increases in unused ticket revenue and bus and trolley revenue at the Ferry, landing and fuel flow sales at New Castle Airport, property lease revenues within the Economic Development facilities and a reduction in E-ZPass account adjustments at the Bridge.
- Non-operating income decreased \$4.2 million or 49.3% in 2010. The decrease can be attributable to a \$.71 million or 14.5% decrease in investment income, \$1.8 million or 94.4% decrease in sale of equipment and a \$1.7 million decrease in sale of lease rights.
- Capital contributions decreased \$11.4 million or 68.9% in 2011 as compared to 2010.

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**REVENUES**

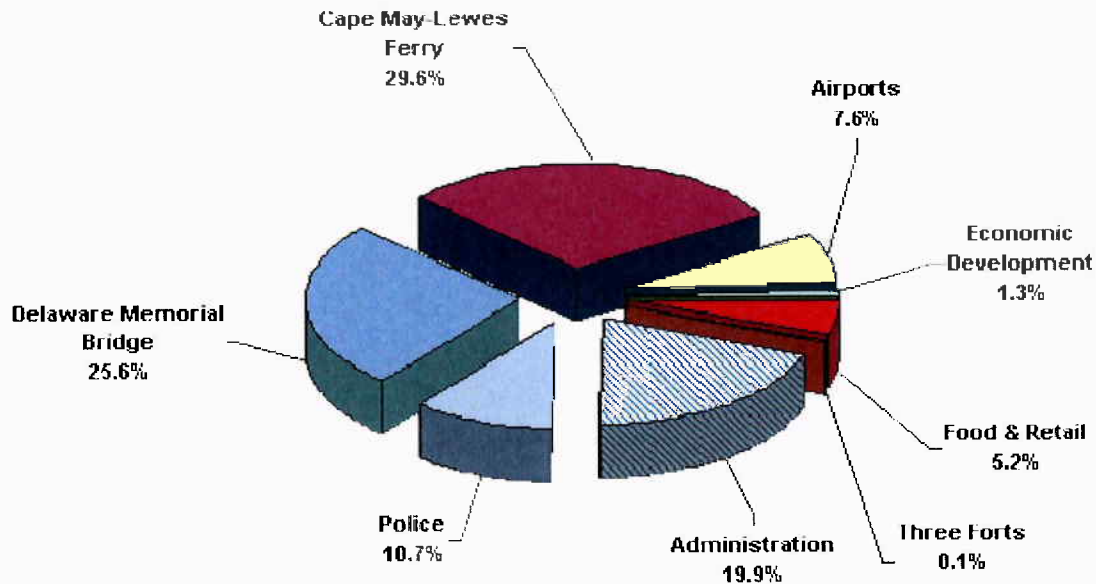
**Fiscal 2009**

- Total Operating Revenue decreased 2.7% during 2009 to \$106 million as compared to \$109 million during 2008.
- Bridge toll revenue decreased 2.8% over 2008, as commercial revenue decreased \$3.4 million or 8.4% and non-commercial revenue increased \$1.3 million or 3.2% as compared to 2008.
- Ferry toll revenue increased .3% in 2009 as vehicle revenue increased \$105 thousand or 1% and passenger revenue decreased \$65 thousand or 1.6% as compared to 2008.
- Food and novelty revenues decreased \$.34 million or 8.6% in 2009, as food and beverage sales decreased \$.17 million or 6.1% and novelty sales decreased \$.17 million or 13.6% as compared to 2008.
- Airport revenues decreased \$.21 million or 3.2% in 2009. During 2009, lease revenues increased \$.15 million or 3.4%, landing fees revenues decreased \$43 thousand or 32.8%, fuel flowage fees decreased \$.17 million or 34.5% and aviation fuel sales decreased \$33 thousand or 24% as compared to 2008.
- Non-operating income increased \$3.8 million or 82.4% in 2009. The increase can be attributable to a \$.91 million or 23.0% increase in investment income to \$1.1 million increase in sale of lease rights for a parcel located at the New Castle Airport and a \$1.8 million increase in sale of capital assets attributable to the sale of a hangar at New Castle Airport and the sale of a parcel of land at the Salem Business Park.
- Capital contributions increased \$7.4 million or 79.9% in 2009 compared to 2008.

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**EXPENSES**

The following chart shows the Authority's operating divisions and the percentage of budgetary expenses for the year ended December 31, 2010.



A summary of total expenses for the fiscal years ended December 31, 2010, 2009 and 2008 and the amount and percentage of change in relation to the prior fiscal amounts as follows (in thousands).

	2010 Actual	Percent Increase/ (Decrease)	2009 Actual	Percent Increase/ (Decrease)	2008 Actual	Percent Increase/ (Decrease)
<b>OPERATING</b>						
Administration	\$ 15,353	-3.1%	\$ 15,846	0.2%	\$ 15,812	8.3%
Delaware Memorial Bridge	20,224	11.5%	18,146	-7.4%	19,590	24.8%
Cape May-Lewes Ferry	23,123	4.8%	22,066	-11.4%	24,919	19.6%
Authority Police	7,992	2.4%	7,807	2.2%	7,639	13.3%
Airports Division	5,806	3.0%	5,635	23.2%	4,574	-9.9%
Economic Development	1,069	-1.9%	1,090	-15.4%	1,289	8.0%
Three Forts	122	8.9%	112	-10.4%	125	-9.4%
Food & Novelty	4,078	-2.6%	4,185	-23.2%	5,452	17.3%
Depreciation	21,343	2.0%	20,919	6.9%	19,576	-3.0%
Other Expenses	1,516	-25.1%	2,025	79.8%	1,126	-58.8%
<b>TOTAL OPERATING</b>	<b>100,626</b>	<b>2.9%</b>	<b>97,831</b>	<b>-2.3%</b>	<b>100,102</b>	<b>9.0%</b>
<b>NON-OPERATING</b>						
Interest on Bonds	12,918	-2.5%	13,246	-11.7%	14,998	1.1%
Other Non-Operating	2,227	15.0%	1,936	-22.7%	2,506	62.4%
<b>TOTAL NON-OPERATING</b>	<b>15,145</b>	<b>-0.2%</b>	<b>15,182</b>	<b>-13.3%</b>	<b>17,504</b>	<b>6.8%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 115,771</b>	<b>2.4%</b>	<b>\$ 113,013</b>	<b>-3.9%</b>	<b>\$ 117,606</b>	<b>8.7%</b>

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**EXPENSES**

**Fiscal 2010**

Total Authority expenses increased \$2.8 million or 2.4% from \$113.0 million in 2009 to \$115.8 million in 2010. Listed below are the major highlights which affected Authority expenses in 2010.

- Employment costs, consisting of wages and benefits increased \$2.1 million or 4.31% in 2010 to \$51.5 million as compared to \$49.4 in 2009. Employment costs accounted for 52.3% of total operating expenses in 2010 as compared to 50.5% in 2009. Total wages for 2010 decreased \$23 thousand or .09% to \$26.43 million in 2010 as compared to \$26.45 million in 2009. Total benefits increased \$2.2 million or 9.4% in 2010 to \$25.2 million as compared to \$23 million in 2009. During 2010, the major contributors toward this increase include: annual pension benefits increased \$.54 million or 9.6%, \$1.8 million or 33.3% increase in OPEB funding, \$.68 thousand or .8% in health benefits and a \$.67 thousand or 30.2% decrease in unemployment insurance.
- Administrative expenses increased \$1 million or 12.6% in 2010. The major areas of expense variations include: education and training decreased \$55 thousand or 24.2%, advertising and marketing decreased by \$.11 million or 15.5%, office and computer supplies decreased \$.16 million or 15%, electronic toll processing decreased \$77 thousand or 2.96%, write off of uncollectable tolls at the Delaware Memorial Bridge of \$1.87 million and the elimination of a \$.36 million community donation program as compared to 2009.
- Facility maintenance and operating supplies decreased \$.73 million or 6.8% in 2010 as compared to 2009. The major areas of expense variance include: annual maintenance painting on the Delaware Memorial Bridge decreased \$.87 million as compared to 2009, operating supplies increased \$.41 million or 12.5%, maintenance and repair expenses increased \$.68 thousand or 2.9% and utilities decreased \$.29 million or 8.13% as compared to 2009.
- Vessel operating expenses increased \$.59 million or 25.9% in 2010 as compared to 2009. The increase in vessel operating costs can be directly attributable to increased fuel costs as the average cost per gallon rose 41 cents or 23% during 2010 to \$2.20 per gallon as compared to \$1.79 per gallon in 2009.
- Insurance expenses decreased \$.13 million or 2.9% in 2010 as compared to 2009. Property insurance for the Delaware Memorial Bridge increased \$.67 thousand or 6.9%, protection and indemnity insurance for the Ferry operations increased \$.12 million or 17% and other insurance expense, property casualty, general liability and workers compensation, decreased \$.29 million or 12% as compared to 2009.
- Depreciation expense increased \$.42 million or 2% in 2010 as compared to 2009. Overall, total capital assets to be depreciated increased \$17.5 million or 1.8% as compared to 2009.

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- Other operating expenses decreased \$.50 million or 25.1% as compared to 2009, the result of a \$.60 million decrease in self insurance expenses and a \$.10 million increase in employee severance payouts as compared to 2009.
- Non-operating expenses decreased \$37 thousand or .20% as compared to 2009 as interest on outstanding bonds decreased \$.33 million or 2.5% investment fees decreased \$28 thousand or 4.5% and write off of construction in progress increased \$.33 million or 31.5% as compared to 2009.

**EXPENSES**

**Fiscal 2009**

Total Authority expenses decreased \$.6 million or 3.9% from \$117.6 million in 2008 to \$113 million in 2009. Listed below are the major highlights which affected Authority expenses in 2009.

- Employment costs, consisting of wages and benefits decreased \$.42 million or .83% in 2009 to \$49.4 million as compared to \$49.8 in 2008.
- Administrative expenses decreased \$.3 million or 11.4% in 2009.
- Facility maintenance and operating supplies decreased \$1.5 million or 20.4% in 2009.
- Vessel operating expenses decrease \$2.3 million or 51% in 2009.
- Depreciation expense increased \$1.3 million or 6.9% in 2009.
- Other operating expenses increased \$.7 million or 28.9% in 2009.
- Non-operating expenses decreased \$2.3 million or 13.3% in 2009.

**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, 2010, 2009 and 2008. Cash equivalents are considered highly liquid investments with a maturity of three months or less (in thousands).

	2010 Actual	Percent Increase/ (Decrease)	2009 Actual	Percent Increase/ (Decrease)	2008 Actual	Percent Increase/ (Decrease)
Cash Flow from Operating Activities	\$ 19,646	-42.8%	\$ 34,323	-4.4%	\$ 35,905	11.5%
Cash Flow from Capital and Related Financing Activities	(39,246)	-12.2%	(44,702)	-8.5%	(48,840)	16.0%
Cash Flow from Investing Activities	21,673	124.3%	9,663	-39.0%	15,842	93.2%
Net Increase (Decrease) in Cash and Cash Equivalents	2,073	-389.5%	(716)	-124.6%	2,907	-271.6%
Cash and Cash Equivalents, Jan. 1, 2010	6,011	-10.6%	6,727	76.1%	3,820	-30.7%
Cash and Cash Equivalents, Dec. 31, 2010	<u>\$ 8,084</u>	34.5%	<u>\$ 6,011</u>	-10.6%	<u>\$ 6,727</u>	76.1%

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The Authority's available cash equivalents increased \$2.1 million or 34.5% during 2010 from \$6.0 million at the end of 2009 to \$8.1 million at the end of 2010. During 2009, the available cash equivalents decreased \$.71 million or 10.6% from \$6.7 million at the end of 2008 to \$6.0 million at the end of 2009

**CAPITAL ASSETS**

The Authority's investment in capital assets for its activities through December 31, 2010 amounted to \$502.3 million (net of depreciation), which represents a .2% increase in capital assets over 2009.

At December 31, 2009, the amount invested in capital assets was \$501.1 million (net of depreciation), which represented a 4.7% increase in capital assets over 2008.

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

The following table shows a summary of the Authority's investment in capital assets (net of depreciation) for the periods ending December 31, 2010, 2009, and 2008 (in thousands).

**SUMMARY OF CHANGES IN CAPITAL ASSETS**

	2010 Actual	Percent Increase/ (Decrease)	2009 Actual	Percent Increase/ (Decrease)	2008 Actual	Percent Increase/ (Decrease)
Land	\$ 10,966	0.0%	\$ 10,966	-3.9%	\$ 11,416	0.0%
Land Improvements	53,211	-4.4%	55,663	-3.3%	57,563	0.0%
Buildings	99,275	-0.1%	99,416	-4.9%	104,504	3.0%
Machinery & Equipment	17,473	-2.4%	17,901	4.7%	17,096	-12.1%
Infrastructure	186,805	1.0%	184,919	0.6%	183,861	18.4%
Vessels	61,648	-3.5%	63,865	-5.8%	67,806	-2.4%
Construction in Progress	72,968	6.7%	68,410	88.8%	36,241	-36.6%
	<u>\$ 502,346</u>	0.2%	<u>\$ 501,140</u>	4.7%	<u>\$ 478,487</u>	1.4%

The major capital investments undertaken during 2010 include:

- West Approach Repaving Modifications – Delaware Memorial Bridge (\$3.3 million)
- Tower Elevator Replacement – Delaware Memorial Bridge (\$3.0 million)
- Freeman Highway & Bridge Rehabilitation – Cape May Lewes Ferry (\$2.6 million)
- Miscellaneous Dock Work & Repairs – Cape May Lewes Ferry (\$2.3 million)
- Miscellaneous Vessel Improvements – Cape May Lewes Ferry (\$2.3 million)
- Runway, Taxiway & Safety Improvements – New Castle Airport (\$3.3 million)
- First Structure Improvement Program – Delaware Memorial Bridge (\$1.5 million)

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- Deck Resurfacing & Steel Repainting – Delaware Memorial Bridge (\$1.2 million)
- Maintenance Dredging – Cape May Lewes Ferry (\$.41 million)
- Obstruction Removal – New Castle & Millville Airports (\$.71 million)

**DEBT ADMINISTRATION**

The Authority's total long term debt decreased by \$38.5 million or 13.2% during 2010 and \$8.1 million or 2.7% during 2009. As of December 31, 2010, the Authority had \$253 million of revenue bonds outstanding, compared to \$291.5 million at December 31, 2009 and \$299.6 million at December 31, 2008. 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 fiscal year. The Authority has satisfied this requirement for the years ended December 31, 2010, 2009 and 2008 with debt coverage ratios of 152%, 186% and 158% respectively.

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

<u>Issue</u>	<u>Moody's</u>	<u>S&amp;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+

As of December 31, 2010, 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 5 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 AUTHORITY**  
**STATEMENTS OF NET ASSETS**  
**December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Unrestricted Assets:		
Cash and cash equivalents	\$ 8,084,012	\$ 6,010,994
Investments	59,959,389	78,101,512
Operating revenues receivable (net of allowance for uncollected tolls of \$0 for 2010 and \$73,987 for 2009)	3,757,144	5,149,044
Accrued investment income receivable	437,789	420,208
Note receivable (current portion)	213,743	210,563
Other accounts receivable	137,719	575,338
Federal grants receivable	677,550	1,353,291
Inventory	5,455,216	5,394,818
Prepaid expenses	<u>609,285</u>	<u>581,045</u>
Total unrestricted assets	<u>79,331,847</u>	<u>97,796,813</u>
Restricted assets		
Investments	44,463,648	44,427,306
Accrued investment income receivable	<u>117,017</u>	<u>120,558</u>
Total restricted assets	<u>44,580,665</u>	<u>44,547,864</u>
Total current assets	<u>123,912,512</u>	<u>142,344,677</u>
Noncurrent assets:		
Property, plant and equipment		
Completed (net of accumulated depreciation)	429,378,241	432,729,692
Construction-in-progress	<u>72,968,101</u>	<u>68,409,753</u>
Total property, plant and equipment	<u>502,346,342</u>	<u>501,139,445</u>
Net pension asset	5,538,066	-
Other assets		
Note receivable	3,062,893	3,276,635
Unamortized debt issue costs	<u>3,174,019</u>	<u>3,446,193</u>
Total noncurrent assets	<u>514,121,320</u>	<u>507,862,273</u>
<b>TOTAL ASSETS</b>	<u>638,033,832</u>	<u>650,206,950</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF NET ASSETS**  
**December 31, 2010 and 2009**  
(Continued)

	<u>2010</u>	<u>2009</u>
<b>LIABILITIES</b>		
Current liabilities		
Payable from unrestricted assets		
Accounts payable	\$ 5,305,248	\$ 6,843,616
Accrued wages payable	1,125,788	1,151,265
Electronic toll liability	666,756	613,428
Unearned revenue	850,744	806,762
Liability for unpaid health claims	926,272	764,437
Customer and security deposits	1,111,998	1,151,720
Compensated absences	901,446	669,588
Payable from restricted assets		
Accounts payable	50,000	1,460,702
Unearned revenue	3,780,422	4,056,991
Interest payable	6,446,144	6,633,390
Loans payable	35,609	33,208
Revenue bonds payable	<u>38,400,000</u>	<u>8,020,000</u>
Total current liabilities	<u>59,600,427</u>	<u>32,205,107</u>
Long-term liabilities		
Compensated absences, less current portion	5,139,033	5,340,417
Net OPEB liability	10,161,964	11,007,028
Loans payable	1,066,712	1,102,321
Revenue bonds payable net, less current portion	<u>252,959,858</u>	<u>291,474,582</u>
Total long-term liabilities	<u>269,327,567</u>	<u>308,924,348</u>
Total liabilities	<u>328,927,994</u>	<u>341,129,455</u>
<b>NET ASSETS</b>		
Invested in capital assets, net	216,524,550	203,955,527
Restricted		
Trust agreement covenants	35,067,720	33,603,155
Unrestricted	<u>57,513,568</u>	<u>71,518,813</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 309,105,838</u>	<u>\$ 309,077,495</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>OPERATING REVENUES</b>		
Bridge tolls	\$ 75,875,461	\$ 77,272,069
Ferry tolls	14,258,255	14,309,464
Food and novelty sales	3,565,176	3,604,068
Airport lease revenue	7,404,691	6,261,850
Economic development leases	1,466,981	1,212,518
Other operating revenue	<u>3,791,207</u>	<u>3,420,307</u>
Total operating revenue	<u>106,361,771</u>	<u>106,080,276</u>
<b>OPERATING EXPENSES</b>		
Administrative and general		
Wages and benefits	8,568,821	8,336,660
Other expenses	8,300,376	10,623,925
Operations		
Wages and benefits	43,272,135	41,273,503
Other expenses	19,141,607	16,677,644
Depreciation expense	<u>21,342,782</u>	<u>20,919,311</u>
Total operating expenses	<u>100,625,721</u>	<u>97,831,043</u>
Total operating income	<u>5,736,050</u>	<u>8,249,233</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>		
Investment income	4,175,792	4,882,170
Investment fees	(594,488)	(622,419)
Interest on bonds	(12,917,905)	(13,245,688)
Amortization of debt issue costs	(272,174)	(279,008)
Write-off construction-in-progress	(1,360,795)	(1,034,571)
Sale of lease rights	-	1,674,583
Gain on sale of capital assets	<u>106,742</u>	<u>1,897,440</u>
Net non-operating expense	<u>(10,862,828)</u>	<u>(6,727,493)</u>
Income (loss) before contributions	(5,126,778)	1,521,740
Capital contributions	<u>5,155,121</u>	<u>16,592,112</u>
<b>CHANGE IN NET ASSETS</b>	28,343	18,113,852
<b>TOTAL NET ASSETS, BEGINNING OF YEAR</b>	<u>309,077,495</u>	<u>290,963,643</u>
<b>TOTAL NET ASSETS, END OF YEAR</b>	<u>\$ 309,105,838</u>	<u>\$ 309,077,495</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 104,181,102	\$ 101,274,268
Payments to employees	(58,057,254)	(44,136,015)
Payments to suppliers	(30,479,691)	(27,655,357)
Other operating receipts	<u>4,001,769</u>	<u>4,840,255</u>
Net cash provided by operating activities	<u>19,645,926</u>	<u>34,323,151</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Costs of issuance	-	(207,072)
Acquisition and construction of capital assets	(23,904,050)	(45,408,752)
Proceeds from sale of capital assets	100,318	5,531,194
Capital contributions	5,830,862	16,673,305
Principal paid on capital debt	(8,053,208)	(7,700,969)
Interest paid on capital debt	<u>(13,219,875)</u>	<u>(13,589,944)</u>
Net cash used in capital and related financing activities	<u>(39,245,953)</u>	<u>(44,702,238)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	4,161,752	4,779,480
Investment fees	(594,488)	(622,419)
Net change in short term investments	<u>18,105,781</u>	<u>5,505,596</u>
Net cash provided by investing activities	<u>21,673,045</u>	<u>9,662,657</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,073,018	(716,430)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>6,010,994</u>	<u>6,727,424</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 8,084,012</u>	<u>\$ 6,010,994</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2010 and 2009**  
(Continued)

	<u>2010</u>	<u>2009</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACITIVITIES</b>		
Operating income	\$ 5,736,050	\$ 8,249,233
Adjustments to reconcile operating income to cash provided by operating activities		
Depreciation expense	21,342,782	20,919,311
Changes in operating assets and liabilities:		
Accounts receivable	1,829,519	(68,209)
Note receivable	210,562	207,430
Inventory	(60,398)	(276,139)
Prepaid expenses	(28,240)	14,969
Net pension asset	(5,538,066)	-
Accounts payable	(2,974,547)	(92,618)
Unpaid health claims	161,835	138,581
Net OPEB liability	(845,064)	5,258,794
Electronic toll liability	53,328	17,847
Deferred revenue	(232,587)	(6,534)
Customer and security deposits	(39,722)	(116,287)
Compensated absences	30,474	76,773
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 19,645,926</u>	<u>\$ 34,323,151</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF ASSETS AVAILABLE FOR BENEFITS**  
**FIDUCIARY FUND**  
**Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b> (As Restated)
<b>ASSETS</b>		
Investments at fair value		
Money market funds	\$ 8,589,609	\$ 852,588
Mutual funds	40,202,229	34,974,729
Corporate bonds	2,368,667	3,688,098
U.S. Government bonds	17,401,267	9,414,713
Municipal bonds	3,984,539	3,936,825
Fixed income funds	16,220,478	14,358,584
Total investments at fair value	88,766,789	67,225,537
Accrued interest	15,860	-
Other assets		
Employer contribution receivable	-	143,842
Total other assets	-	143,842
Total assets	88,782,649	67,369,379
<b>LIABILITIES</b>		
Accounts payable	5,421	16,207
<b>TOTAL NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 88,777,228</b>	<b>\$ 67,353,172</b>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**FIDUCIARY FUND**  
**Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b> (As Restated)
	<u>2010</u>	<u>2009</u>
<b>ADDITIONS</b>		
Investment income		
Net appreciation in fair value of assets	\$ 5,287,200	\$ 8,042,346
Dividends	680,904	675,060
Interest	<u>1,298,935</u>	<u>1,181,491</u>
	7,267,039	9,898,897
Less investment expense	<u>110,507</u>	<u>88,742</u>
Total investment income	<u>7,156,532</u>	<u>9,810,155</u>
Contributions		
Employer	19,440,424	5,605,251
Plan member	<u>652,280</u>	<u>671,937</u>
Total contributions	<u>20,092,704</u>	<u>6,277,188</u>
Total additions	<u>27,249,236</u>	<u>16,087,343</u>
<b>DEDUCTIONS</b>		
Benefits paid to participants	5,534,227	4,463,578
Insurance expense	19,935	19,935
Administrative expenses	<u>271,018</u>	<u>319,668</u>
Total deductions	<u>5,825,180</u>	<u>4,803,181</u>
Net increase	21,424,056	11,284,162
<b>NET ASSETS AVAILABLE FOR PLAN BENEFITS</b>		
<b>BEGINNING OF YEAR</b>	<u>67,353,172</u>	<u>56,069,010</u>
<b>END OF YEAR</b>	<u>\$ 88,777,228</u>	<u>\$ 67,353,172</u>

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**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.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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 1<sup>st</sup> 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 3.

**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.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash, Cash Equivalents and Investments (Continued)**

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

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

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

The Trust Agreement does not place limits on the amount that may be invested in any one issuer. As a supplement to the provisions of the Trust Agreement, the Authority has adopted 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.

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash, Cash Equivalents and Investments (Continued)**

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

**Inventory**

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

**Prepaid Expenses**

Payments made to vendors for services that will benefit future periods beyond December 31, 2010 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.

**Property, Plant and Equipment**

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

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

Expenditures are capitalized when they meet the following requirements:

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property, Plant and Equipment (Continued)**

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

**Depreciation**

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

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

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

Depreciation begins when the asset is placed in service.

**Post-Retirement Benefits**

The Authority records post-retirement benefits as expenses in the year that they are disbursed. The liability for these benefits is not recorded on the statement of net assets.

**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.

**Operating and Non-Operating Revenues and Expenses**

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

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Operating and Non-Operating Revenues and Expenses (Continued)**

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

**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.

**Newly Adopted Statements Issued by the GASB**

The Authority adopted GASB Statement No. 51 Accounting and Financial Reporting for Intangible Assets, during the year ended June 30, 2010. This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative for capital assets. The adoption of this statement had no impact on the December 31, 2010

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Newly Adopted Statements Issued by the GASB (CONTINUED)**

financial statements.

The Authority adopted GASB Statement No. 53 Accounting and Financial Reporting for Derivative Instruments, during the year ended December 31, 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By entering into these arrangements, governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. Derivative instruments can be used as effective risk management or investment tools. Derivative instruments can also expose governments to significant risks and liabilities. This adoption of this statements had immaterial impact on the December 31, 2010 financial statements.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Compliance with Finance Related Legal and Contractual Provisions**

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

**Trust Agreement**

The Authority is subject to the provisions and restrictions of the Trust Agreement between the Trustee, 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.

**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, 2010 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, 2010 of \$26,182,351 meets the requirements of the Trust Agreement.

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**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, 2010 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, 2010. To arrive at Net Revenues as defined in the Trust Agreement, the following adjustments to operating income need to be made:

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Covenants as to Tolls (Continued)**

	<u>2010</u>	<u>2009</u>
Operating income	\$ 5,736,050	\$ 8,249,233
Add:		
Net investment income (excluding construction fund)	3,581,304	4,259,751
Depreciation expense	21,342,782	20,919,311
General fund expense	1,516,262	3,114,476
Economic development expense	1,068,659	-
Airport fund expense	5,806,306	5,634,848
OPEB liability adjustment	2,132,307	5,258,793
Uncollectible toll expense	1,897,416	-
Other miscellaneous adjustments	187,553	174,173
Liquidations of prior year encumbrances	<u>643,086</u>	<u>2,196,231</u>
	38,175,675	41,557,583
Less:		
Airport fund revenues	6,066,579	6,826,741
General fund revenues	2,313,632	1,975,398
Economic development revenue	1,839,715	-
Inventory adjustments	60,398	276,138
Encumbrances fiscal year ending December 31, 2010	<u>1,127,728</u>	<u>1,032,603</u>
	<u>11,408,052</u>	<u>10,110,880</u>
Net revenues available for debt service coverage	<u>\$32,503,673</u>	<u>\$ 39,695,936</u>
<b>Total debt service (principle and interest)</b>	<u><u>\$21,354,195</u></u>	<u><u>\$ 21,322,814</u></u>
<b>Debt service coverage</b>	152%	186%

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Annual Budget for the years ended December 31:**

	2010			2009		
	Projected Revenue	Actual Revenue	(Under) Over Budget	Projected Revenue	Actual Revenue	(Under) Over Budget
<b>Revenue (excluding Grant Revenue)</b>						
Delaware Memorial Bridge	\$ 79,900,000	\$ 75,875,461	\$ (4,024,539)	\$ 79,900,000	\$ 77,272,069	\$ (2,627,931)
Cape May-Lew es Ferry	14,261,000	14,184,619	(76,381)	15,050,000	14,234,150	(815,850)
Airports Division	5,400,000	5,997,946	597,946	5,000,000	6,261,850	1,261,850
Economic Development	1,717,900	1,466,981	(250,919)	-	-	-
Three Forts	75,000	73,636	(1,364)	70,000	75,314	5,314
Concessions	3,640,000	3,460,189	(179,811)	4,250,000	3,506,744	(743,256)
Investment income	3,700,000	3,581,304	(118,696)	3,824,360	4,259,751	435,391
Other income	1,900,000	2,989,307	1,089,307	1,950,000	4,730,149	2,780,149
<b>Total revenue</b>	<b>\$ 110,593,900</b>	<b>\$ 107,629,443</b>	<b>\$ (2,964,457)</b>	<b>\$ 110,044,360</b>	<b>\$ 110,340,027</b>	<b>\$ 295,667</b>
	Projected Expenses	Actual <sup>(1)</sup> Expenses	(Under) Over Budget	Revised Budget	Actual <sup>(1)</sup> Expenses	(Under) Over Budget
<b>Expenses</b>						
Administration	\$ 15,661,575	\$ 15,654,988	\$ (6,587)	\$ 16,032,343	\$ 15,028,701	\$ (1,003,642)
Delaware Memorial Bridge	20,128,332	20,127,754	(578)	17,654,510	16,107,945	(1,546,565)
Cape May-Lew es Ferry	23,310,033	23,300,354	(9,679)	24,071,594	20,762,716	(3,308,878)
Authority Police	8,459,467	8,456,414	(3,053)	7,427,873	7,380,825	(47,048)
Airports Division	6,010,465	5,939,358	(71,107)	5,945,052	5,371,788	(573,264)
Economic Development	1,072,681	1,050,969	(21,712)	-	-	-
Three Forts	118,180	112,729	(5,451)	131,767	123,390	(8,377)
Concessions	4,188,336	4,101,555	(86,781)	4,890,670	4,131,780	(758,890)
Total operating expenses <sup>(2)</sup>	78,949,069	78,744,121	(204,948)	76,153,809	68,907,145	(7,246,664)
Bond interest	13,492,288	12,954,195	(538,093)	14,166,780	13,302,814	(863,966)
Bond principal	8,400,000	8,400,000	-	8,020,000	8,020,000	-
<b>Total expenses</b>	<b>\$ 100,841,357</b>	<b>\$ 100,098,316</b>	<b>\$ (743,041)</b>	<b>\$ 98,340,589</b>	<b>\$ 90,229,959</b>	<b>\$ (8,110,630)</b>

(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:

	2010	2009
Operating expenditures (budgetary method)	\$ 78,744,121	\$ 68,907,145
Adjustments:		
Encumbrances - fiscal year ending December 31, 2010	(1,127,728)	(1,032,603)
Liquidation of prior year encumbrances	643,086	2,196,231
Depreciation expense	21,342,782	20,919,311
Uncollectible Toll Expense	2,132,307	-
Pension Contributions over ARC	(5,538,066)	-
OPEB liability expense adjustment	1,897,416	2,978,793
Merchant card services	888,382	849,655
Inventory adjustments	(60,398)	(276,138)
General fund expenses	1,516,264	3,114,476
Other miscellaneous adjustments	187,555	174,173
<b>Operating expenses</b>	<b>\$ 100,625,721</b>	<b>\$ 97,831,043</b>

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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, 2010 and 2009, the Authority held \$8,084,012 and \$5,895,621 in cash and cash equivalents in financial institutions, with \$2,309,775 and \$5,083,168 held in uncollateralized accounts in excess of federal depository insurance limits, respectively.

**Investments**

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

Of the Authority's \$104,423,037 investments in US Government Securities, US Government Agencies, Municipal Bond, Corporate Bonds and Money Market Funds, all \$104,423,037 of investments are registered in the name of the Authority and held by the counterparty.

Of the \$80,830,259 investments held in the Authority's Pension Trust Fund, \$67,462,635 are registered in the name of the Authority and held by the counterparty. The remaining \$13,367,624 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.

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009**

**NOTE 3 – DETAIL NOTES – ASSETS (CONTINUED)**

As of December 31, 2010 and 2009, the Authority had the following investments and maturities. (Amounts are in thousands)

	Fair Value	Investment Maturities (in Years)			More than 10
		Less than 1	1-5	6-10	
<b>December 31, 2010</b>					
Investment Type					
Corporate and municipal obligations	\$ 37,973	\$ 15,190	\$ 12,781	\$ 7,724	\$ 2,278
U.S. Government Agencies	33,362	702	856	7,910	23,894
U.S. Government Bonds/Notes	18,817	10,565	8,252	-	-
Money market funds	14,271	-	-	-	14,271
<b>Total</b>	<b>\$ 104,423</b>	<b>\$ 26,457</b>	<b>\$ 21,889</b>	<b>\$ 15,634</b>	<b>\$ 40,443</b>
<b>December 31, 2009</b>					
Investment Type					
Corporate and municipal obligations	\$ 45,738	\$ 21,257	\$ 10,851	\$ 11,960	\$ 1,670
U.S. Government Agencies	45,389	2,329	13,153	5,020	24,887
U.S. Government Bonds/Notes	17,835	10,257	6,783	795	-
Money market funds	13,567	-	-	-	13,567
<b>Total</b>	<b>\$ 122,529</b>	<b>\$ 33,843</b>	<b>\$ 30,787</b>	<b>\$ 17,775</b>	<b>\$ 40,124</b>

As of December 31, 2010 and 2009, the Pension Trust Fund had the following investments and maturities (amounts are in thousands).

	Fair Value	Investment Maturities (in Years)			More than 10
		Less than 1	1-5	6-10	
<b>December 31, 2010</b>					
Investment Type					
Corporate bonds/notes	\$ 2,369	\$ -	\$ 758	\$ 1,611	\$ -
Municipal obligations	3,985	203	524	1,032	2,226
U.S. Government Agencies	7,658	10	1,152	1,997	4,499
U.S. Government Bonds/Notes	6,269	4,057	2,212	-	-
Money market funds	6,602	-	-	-	6,602
Equity index funds	40,580	-	-	-	40,580
Other funds	-	-	-	-	-
<b>Total</b>	<b>\$ 67,463</b>	<b>\$ 4,270</b>	<b>\$ 4,646</b>	<b>\$ 4,640</b>	<b>\$ 53,907</b>
<b>December 31, 2009</b>					
Investment Type					
Corporate bonds/notes	\$ 3,688	\$ -	\$ 621	\$ 2,851	\$ 216
Municipal obligations	3,937	565	393	916	2,063
U.S. Government Agencies	6,976	-	503	673	-
U.S. Government Bonds/Notes	2,439	-	1,275	956	-
Money market funds	853	-	-	-	-
Equity index funds	34,974	-	-	-	34,974
Other funds	15,247	-	-	-	15,247
<b>Total</b>	<b>\$ 68,114</b>	<b>\$ 565</b>	<b>\$ 2,792</b>	<b>\$ 5,396</b>	<b>\$ 59,361</b>

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**NOTE 3 – DETAIL NOTES – ASSETS (CONTINUED)**

*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, 2010.

**Authority Investments**

<u>Investment Type</u>	<u>Rating *</u>	<u>% of Total Investments</u>
Corporate Bonds and Municipal Obligations	AAA	6.02%
Corporate Bonds and Municipal Obligations	AA+	3.61%
Corporate Bonds and Municipal Obligations	AA-	0.54%
Corporate Bonds and Municipal Obligations	AA	1.06%
Corporate Bonds and Municipal Obligations	A+	2.16%
Corporate Bonds and Municipal Obligations	A-	1.64%
Corporate Bonds and Municipal Obligations	A	2.53%
Corporate Bonds and Municipal Obligations	A1+	3.06%
Corporate Bonds and Municipal Obligations	A1	10.00%
Corporate Bonds and Municipal Obligations	BBB+	0.70%
Corporate Bonds and Municipal Obligations	NR	5.05%
Federal Home Loan	AAA	1.96%
Federal Home Loan Bank	AAA	1.31%
Federal Home Loan Mortgage	AAA	1.49%
Federal Home Loan Mortgage Corporation	AAA	4.78%
Federal National Mortgage Association	AAA	10.81%
Government National Mortgage Association	AAA	11.59%
U.S. Treasury Discount Bill	AAA	9.82%
U.S. Treasury Note Inflation Indexed Bond	AAA	6.64%
U.S. Treasury Notes	AAA	1.55%
Money Market Funds	AAA	9.16%
Money Market Funds	A	0.68%
Money Market Funds	NR	3.83%

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**NOTE 3 – DETAIL NOTES – ASSETS (CONTINUED)**

**Pension Fund Investments**

<u>Investment Type</u>	<u>Rating *</u>	<u>% of Total Investments</u>
Corporate Bonds/Notes	AA+	0.31%
Corporate Bonds/Notes	A+	0.70%
Corporate Bonds/Notes	A	1.34%
Corporate Bonds/Notes	BBB+	1.02%
Corporate Bonds/Notes	NR	0.15%
Municipal Obligations	AAA	2.53%
Municipal Obligations	AA	1.19%
Municipal Obligations	AA+	0.94%
Municipal Obligations	AA-	0.31%
Municipal Obligations	A+	0.78%
Municipal Obligations	A	0.16%
Federal Home Loan Mortgage Corporation	AAA	2.69%
Federal National Mortgage Association	AAA	5.94%
Government National Mortgage Association	AAA	2.71%
U.S. Treasury Notes	AAA	6.01%
U.S. Treasury Notes Treasury Inflation	AAA	3.28%
Money Market Funds	NR	9.79%
Equity Index Funds	NR	60.15%

\*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, 2010 and 2009 was \$3,276,636 and \$3,487,198, respectively.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3 – DETAIL NOTES – ASSETS (CONTINUED)**

**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, 2010:

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Capital assets					
Not being depreciated:					
Land	\$ 10,966,412	\$ -	\$ -	\$ -	\$ 10,966,412
Construction-in-progress	68,409,753	23,886,899	(7,133,824)	(12,194,727)	72,968,101
Total, not being depreciated	<u>79,376,165</u>	<u>23,886,899</u>	<u>(7,133,824)</u>	<u>(12,194,727)</u>	<u>83,934,513</u>
Capital assets, being depreciated					
Land improvements	229,746,666	2,665	-	278,264	230,027,595
Buildings	130,836,839	217,723	-	2,638,221	133,692,783
Machinery and equipment	51,843,089	992,456	(520,110)	2,260,073	54,575,508
Vessels	139,904,512	18,560	-	2,087,818	142,010,890
Infrastructure	405,228,353	4,558,776	-	4,930,351	414,717,480
Total, being depreciated	<u>957,559,459</u>	<u>5,790,180</u>	<u>(520,110)</u>	<u>12,194,727</u>	<u>975,024,256</u>
Accumulated depreciation					
Land improvements	(174,084,346)	(2,731,751)	-	-	(176,816,097)
Buildings	(31,420,708)	(2,997,418)	-	-	(34,418,126)
Machinery and equipment	(33,941,912)	(3,687,455)	526,534	-	(37,102,833)
Vessels	(76,040,335)	(4,322,489)	-	-	(80,362,824)
Infrastructure	(220,308,878)	(7,603,669)	-	-	(227,912,547)
Total accumulated depreciation	<u>(535,796,179)</u>	<u>(21,342,782)</u>	<u>526,534</u>	<u>-</u>	<u>(556,612,427)</u>
Total capital assets, being depreciated, net	<u>421,763,280</u>	<u>(15,552,602)</u>	<u>6,424</u>	<u>-</u>	<u>406,217,102</u>
<b>Total capital assets, net</b>	<u><b>\$ 501,139,445</b></u>	<u><b>\$ 8,334,297</b></u>	<u><b>\$ (7,127,400)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 502,346,342</b></u>

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009**

**NOTE 3 – DETAIL NOTES – ASSETS (CONTINUED)**

**Property, Plant and Equipment (Continued)**

Total depreciation expense for Fiscal Year 2010 and 2009 was \$21,342,782 and \$20,919,311, respectively. Depreciation expense was charged to operating activities as follows:

	<u>2010</u>	<u>2009</u>
Delaware Memorial Bridge	\$ 7,364,098	\$ 7,082,241
Cape May - Lewes Ferry	8,656,024	8,562,952
Administration	330,062	365,552
Police	131,368	95,418
Concessions	29,111	28,966
Three Forts Ferry	75,069	75,069
Airports	4,353,026	4,310,142
Salem Business Park	369,536	366,147
Riverfront Marketplace	34,488	32,824
<b>Total depreciation expense</b>	<b>\$ 21,342,782</b>	<b>\$ 20,919,311</b>

**Toll Revenue**

<u>2010</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	12,397,831	\$ 37,073,673	266,064	\$ 9,342,832
	2	258,758	2,053,592		
	3	168,341	2,000,412		
	4	124,772	1,979,408	1,812	76,708
	5	1,470,937	28,981,660	3,181	162,190
	6	29,825	706,608	2,234	131,043
	7	1,993	99,650	2,349	168,941
	8	7,305	202,468		
	9	1,139,850	854,887	329	29,763
	10	1,234,491	1,234,491	7,669	237,607
	11	67,196	298,434		
	12	61,109	363,642	4	590
	13	4,046	26,535		
Passengers:	Adults			699,596	3,694,962
	Child			67,316	313,466
	Bus Adult			5,005	24,106
	Bus Child			450	1,401
Special groups				202	1,010
Non-revenue		17,245		61,937	
<b>Total</b>		<b>16,983,699</b>	<b>\$ 75,875,460</b>	<b>1,118,148</b>	<b>\$ 14,184,619</b>

\* Includes children under 6 years of age.

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009**

**NOTE 3 – DETAIL NOTES – ASSETS (CONTINUED)**

**Toll Revenue (Continued)**

2009		Bridge		Ferry	
Toll Class		Vehicles	Revenue	Vehicles or Passengers	Revenue
1		12,508,110	\$ 37,408,311	270,046	\$ 9,286,207
2		261,472	2,079,184		
3		164,491	1,955,232		
4		125,940	2,001,968	1,903	79,213
5		1,523,964	30,210,240	3,247	163,340
6		31,196	740,256	2,248	131,094
7		1,781	89,050	2,394	169,925
8		5,427	150,472		
9		1,109,589	832,192	325	28,788
10		1,241,834	1,241,828	7,961	245,859
11		70,080	312,480		
12		63,323	377,856	3	558
13		3,901	27,143		
Passengers:	Adults			714,773	3,754,570
	Child			74,988	348,349
	Bus Adult			5,160	25,651
	Bus Child			217	596
Special groups					
Non-revenue		15,768		57,353	*
Total		<u>17,126,876</u>	<u>77,426,212</u>	<u>1,140,618</u>	<u>\$ 14,234,150</u>
Adjustment: Write-off of uncollected tolls			(154,143)		
			<u>\$ 77,272,069</u>		

\* Includes children under 6 years of age.

**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 2010 and 2009 were \$75,875,461 and \$77,872,610, while the adjustments for uncollectible tolls were \$0 and \$600,541, respectively.

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 – DETAIL NOTES – LIABILITIES**

**Compensated Absences**

The Authority has recorded a liability through December 31, 2010 totaling \$6,040,479 for vacation and sick pay, with \$287,010 accruing during Fiscal Year 2010. 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, 2010, there were 329 retired employees and retired spouses utilizing these benefits and 394 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.

**DELAWARE RIVER AND BAY AUTHORITY**  
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**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Post-Employment Benefits** (Continued)

*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:

	<u>2010</u>	<u>2009</u>
Normal cost	\$ 3,078,570	\$ 2,567,921
Amortization payment	8,054,573	6,067,237
Annual required contribution	<u>11,133,143</u>	<u>8,635,158</u>
Annual OPEB cost (expense)	11,133,143	8,635,159
Contributions made	<u>11,978,207</u>	<u>(3,376,365)</u>
Increase in net OPEB obligation	(845,064)	5,258,794
Net OPEB Obligation - Beginning of Year	<u>11,007,028</u>	<u>5,748,234</u>
<b>Net OPEB Obligation - End of Year</b>	<u><u>\$ 10,161,964</u></u>	<u><u>\$ 11,007,028</u></u>

*Funded Status and Funding Progress:* As of January 1, 2009, 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 \$95,774,143 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$95,774,143. The Authority accrued \$2,280,000 in fiscal year 2009 to prefund benefits. The covered payroll (annual payroll of active employees covered by the plan) was \$22,800,768, and the ratio of the UAAL to the covered payroll was 420%. 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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Post-Employment Benefits** (Continued)

the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, compares the assets used for funding purposes to the comparable liabilities to determine how well the Delaware River & Bay Authority Retiree Health Benefits Plan is funded and how this status has changed over the past several years. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Delaware River & Bay Authority Retiree Health Benefits Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

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

In the January 1, 2009, actuarial valuation, the entry age normal cost method was used. The significant actuarial assumptions included a phased funding investment return assumption (6.98% effective rate of return over thirty years), an annual healthcare cost trend rate of 8.5% initially, reducing by decrements to an ultimate rate of 4.5% after twenty years, an annual dental cost trend rate of 7.0% initially, reducing by decrements to an ultimate rate of 4.5% after twenty years, a 4% per year salary increase rate for life insurance purposes and the RP2000 mortality table (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, beginning January 1, 2008, on a closed basis. The remaining amortization period at December 31, 2010 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, 2010, there were 395 active participants, 128 terminated members entitled to, but not yet receiving benefits and 238 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

**DELAWARE RIVER AND BAY AUTHORITY**  
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**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Pension Plans** (Continued)

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.

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

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

*Annual Pension Cost:* For fiscal years ended December 31, 2010, 2009 and 2008, the Authority's annual pension costs for the DB Plan were \$6,147,831, \$5,605,251, and \$5,657,686, 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, 2010, 2009 and 2008 were \$652,280, \$671,937 and \$674,968, 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.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Pension Plans** (Continued)

The required contribution for the year ended December 31, 2010 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, 2010 include the following significant actuarial assumptions: (a) 7.5% investment rate of return, 4.5% 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.

*Funded Status and Funding Progress:* As of January 1, 2010, the most recent actuarial valuation date, the Delaware River & Bay Authority Employees Retirement Plan was 0% funded. The actuarial accrued liability for benefits was \$105,006,579 and the actuarial value of assets was \$73,412,768, resulting in an unfunded actuarial accrued liability (UAAL) of \$31,593,811. The covered payroll (annual payroll of active employees covered by the plan) was \$22,138,852, and the ratio of the UAAL to the covered payroll was 143%. 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.

**DELAWARE RIVER AND BAY AUTHORITY**  
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**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Pension Plans** (Continued)

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

Unfunded actuarial accrued liability is amortized over 19 years (20 years beginning on January 1, 2009) as a level dollar amount on a closed basis.

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.

Beginning January 1, 2009, the actuarial value of assets is calculated reflecting a 4.5% expected return on assets for the assets held by Allmerica and an 7.5% expected return on assets for the assets held by Cavanaugh.

**Defined Contribution Plan**

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

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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Defined Contribution Plan** (Continued)

*Funding Policy:* The contribution requirements for both the employees and employer are established and amended by the Authority as authorized by the Board of Commissioners. Authority employees are required to contribute 2% of their base salary. In addition, employees can contribute an optional 2% of their base salary into the plan. The Authority contributes a 25% match to the required 2% contribution and a 75% match to the optional 2% contribution. The employees' contributions were \$945,548, \$871,456 and \$953,914 for 2010, 2009 and 2008 respectively. The Authority's contribution was \$414,516, \$423,172 and \$417,701 for 2010, 2009 and 2008 respectively. As of December 31, 2010, the value of the DC Plan was \$20,023,420.

**Health Claims Liability**

The Authority maintains an Administrative Service Only (ASO) arrangement with Blue Cross Blue Shield of Delaware (BCBS of DE). Under the ASO, the Authority provides five health related Plans available to active employees and retirees. The Plans include: Preferred Provider Organization Plan, Managed Care Plan, Medicare Supplement Plan, Prescription Drug Plan and Dental Care Plan. BCBS of DE is paid a monthly fee to administer each Plan. The fee is based on the number and type of Plans utilized by each employee and retiree. The Authority is self insured for claims under the Plans, with stop loss protection of \$100,000 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 fiscal years ending December 31, 2010, 2009 and 2008.

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Health Claims Liability** (Continued)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Beginning claims liability - 1/1	\$ 646,700	\$ 625,856	\$ 639,383
Total incurred claims	9,033,419	6,751,609	5,477,875
Total paid claims	<u>(8,965,723)</u>	<u>(6,730,765)</u>	<u>(5,491,402)</u>
<b>Ending claims liability - 12/31</b>	<b><u>\$ 714,396</u></b>	<b><u>\$ 646,700</u></b>	<b><u>\$ 625,856</u></b>

**Loans Payable**

*Development Agreement – Cumberland Empowerment Zone Corp.*

In September 2002, the Authority entered into a development agreement with the City of Millville and the Cumberland Empowerment Zone Corp. (CEZC) to develop and construct a 40,000 square foot aviation maintenance hangar and aviation incubator building at the Millville Airport. The project was funded partially by the Authority (\$1,500,000), through grants provided by the United States Economic Development Administration (\$1,620,000) and the New Jersey Department of Transportation (\$250,000) and a loan from CEZC (\$1,200,000). Upon completion of the project and leasing of the facility, the Authority and the CEZC shall on a pari passu basis, share in the net proceeds generated from the lease of the project improvements. The proceeds shall be used to recover each party's respective investment over a twenty (20) year period with interest accruing at a rate of seven percent (7%) per year on the CEZC loan and at 7% per year on the Authority's investment. The hangar facility is fully leased. A total of \$111,643 was paid to the CEZC in FY 2010. The balance of the loan at December 31, 2010 is \$1,107,727.

**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.

**DELAWARE RIVER AND BAY AUTHORITY**  
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**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Lease Obligations** (Continued)

*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.

**Delaware Breakwater Lighthouse**

On November 12, 2001, the Authority entered into a lease with the State of Delaware, Division of Historical and Cultural Affairs to incorporate the Delaware Breakwater Lighthouse as an enhancement to the Cape May – Lewes ferry's foot passenger / educational outreach programs. The initial term of the lease is for ten years, expiring on June 30, 2011 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.

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

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**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Lease Obligations** (Continued)

**Diamond State Port Corporation**

On March 1, 2005, the Authority entered into a twenty year agreement to lease warehouse facilities from the Diamond State Port Corporation (“DSPC”) located at the Port of Wilmington, Delaware. Terms of the lease require the Authority to pay rent of \$4,000, 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, 2010, the Authority had \$292,095,000 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.

**Advanced Refunding and Defeased Debt**

In prior years, the Authority advance refunded certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The investments and fixed earnings from the trust investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Authority’s financial statements. As of December 31, 2010, \$20,630,000 of revenue bonds outstanding from prior years is considered defeased.

**DELAWARE RIVER AND BAY AUTHORITY**  
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**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Bonded Indebtedness** (Continued)

	<u>Annual Interest Rate</u>	<u>Bond Year Ending January 1,</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
<b>(4) Series 2003</b>	3.75%	2011	\$ 1,640,000	\$ 2,303,000	\$ 3,943,000
	4.00%	2012	1,700,000	2,241,500	3,941,500
	5.00%	2013	1,770,000	2,173,500	3,943,500
		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	25,480,000	1,274,000	26,754,000
<b>Total Series 2003</b>			<u>\$ 46,810,000</u>	<u>\$ 43,552,000</u>	<u>\$ 90,362,000</u>

**DELAWARE RIVER AND BAY AUTHORITY**  
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**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Bonded Indebtedness** (Continued)

	<u>Annual Interest Rate</u>	<u>Bond Year Ending January 1,</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
<b>(4) Series 2004</b>	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
<b>Total Series 2004</b>			<u>\$ 36,095,000</u>	<u>\$ 7,199,500</u>	<u>\$ 43,294,500</u>
<b>(4) Series 2005</b>	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
	4.37/5.00%	2025	13,465,000	3,094,250	16,559,250
	4.125/5.00%	2026	14,135,000	2,421,250	16,556,250
	5.00%	2027	14,840,000	1,714,500	16,554,500
5.00%	2028	15,585,000	972,500	16,557,500	
4.35/5.00%	2029	4,060,000	193,250	4,253,250	
<b>Total Series 2005</b>			<u>\$ 179,190,000</u>	<u>\$ 107,534,767</u>	<u>\$ 286,724,767</u>

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009**

**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Bonded Indebtedness** (Continued)

	<u>Annual Interest Rate</u>	<u>Bond Year Ending January 1,</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
<b>(4) Series 2008</b>	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>
<b>Total Series 2008</b>			<u>\$ 30,000,000</u>	<u>\$ 25,096,500</u>	<u>\$ 55,096,500</u>

(1) Series 2008 are variable rate revenue bonds. The interest rate is adjusted weekly as determined by the Remarketing Agent. The assumed interest rate for Fiscal years 2011 - 2029 is 4.5%. The Letter of Credit securing these bonds expires on December 16, 2011, therefore the bonds have been classified as current liabilities.

Total bonded indebtedness	\$ 292,095,000
Less:	
Current portion	(38,400,000)
Deferred loss on defeasance	(9,641,650)
Premium on bonds	<u>8,906,508</u>
Total long-term bond indebtedness	<u>\$ 252,959,858</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.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Summary of Long-Term Liabilities**

	Principal Outstanding Jan. 1, 2010	Additions	Reductions	Principal Outstanding Dec. 31, 2010	Current Due Within One Year
Revenue bonds payable, net	\$ 299,494,583	\$ 964,127	\$ (9,098,853)	\$ 291,359,857	\$ 38,400,000
Loans payable	1,135,528	-	(33,208)	1,102,320	35,609
OPEB obligation	11,007,028	11,133,143	(11,978,207)	10,161,964	-
Compensated absences	6,010,005	287,010	(256,536)	6,040,479	901,446
<b>Total long-term liabilities</b>	<b>\$ 317,647,144</b>	<b>\$ 12,384,280</b>	<b>\$ (21,366,804)</b>	<b>308,664,620</b>	<b>\$ 39,337,055</b>

**Deferred Revenue**

*Forward Purchase Agreement*

On December 4, 1997, the Authority entered into a forward purchase agreement with a forward commitment provider. Under the terms of the agreement, the Authority received a lump sum cash payment of \$8,191,000 in exchange for granting the provider the right to invest the monies in the Debt Service Reserve Funds for the Authority's Series 1993 and Series 1996 Revenue Bonds and the right to the income thereon through 2026. The terms of the original agreement were amended through the issuance of a Supplemental Agreement dated September 1, 2004, which corresponded with the Authority's 2004 refunding of portions of the Series 1993 and Series 1996 Revenue Bonds. The Debt Service Reserve Fund investments remain the property of the Authority and are deposited with the Trustee. As of December 31, 2010, the Authority held \$10,257,000 in the Debt Service Reserve Fund with the Trustee that was subject to the provisions of the agreement.

*Forward Delivery Agreements – 1993 & 1996 Debt Service Funds*

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

Under the terms of the agreements, as awarded, the Authority receives guaranteed interest rates of return on investments held in the Debt Service Funds in exchange for granting the provider the right to invest the monies in the Debt Service Funds over the terms of the agreements. The initial periods ran from August 16, 2000 to May 30, 2025. The guaranteed interest rates are reset on May 20th of each year based on the 5 year Constant Maturity.

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009**

**NOTE 4 – DETAIL NOTES – LIABILITIES (CONTINUED)**

**Deferred Revenue** (Continued)

Treasury rate. The rate determined in a given year is then applied to the Forward Purchase Agreement securities delivered to the Trustee for the year from and including 4 years after the reset date. The applied rates in effect for the Authority's year ending December 31, 2010 were reset on May 20, 2005 and May 20, 2006, respectively. The 2005 reset was applicable to the deliveries from 1/1/10 through 5/25/2010 and the 2006 reset was applicable to the deliveries from 5/26/2010 through 12/31/10. For both agreements, the 2005 reset was 3.94% and the 2006 reset was 5.06%.

*Commitments*

The Authority has outstanding commitments of approximately \$16,467,703 on construction projects entered into through December 31, 2010.

**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.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**NOTE 5 – AGREEMENTS (CONTINUED)**

**Salem Business Center**

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

The operating results for the Salem Business Center for Fiscal Years 2010, 2009 and 2008 were as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating income	\$ 1,366,747	\$ 1,266,758	\$ 1,580,362
Operating expenses	<u>(710,436)</u>	<u>(725,266)</u>	<u>(884,263)</u>
<b>Net income</b>	<b><u>\$ 656,311</u></b>	<b><u>\$ 541,492</u></b>	<b><u>\$ 696,099</u></b>

As of December 31, 2010, two (2) tenants are under lease at the Salem Business Center. Based on the current tenant situation, projected revenues for Fiscal Years 2011 and 2012 are \$1,265,667 and \$1,265,667, respectively. The office building contains 73,415 square feet of available lease able space, of which 32,369 is rented.

**Riverfront Market and Restaurant**

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

The operating results for the Riverfront Market and Restaurant for Fiscal Years 2010, 2009 and 2008 were as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating income	\$ 472,968	\$ 369,419	\$ 389,701
Operating expenses	<u>(340,533)</u>	<u>(364,915)</u>	<u>(404,866)</u>
<b>Net income (loss)</b>	<b><u>\$ 132,435</u></b>	<b><u>\$ 4,504</u></b>	<b><u>\$ (15,165)</u></b>

As of December 31, 2010, nine (9) tenants are under lease at the Riverfront Market and Restaurant. Based on the current tenant lease structure, available square footage and current economic condition, projected revenues for Fiscal Years 2011 and 2012 are \$433,250 and \$441,915, respectively. The Marketplace contains 9,201 square feet of available leasable space of which 8,729 is rented.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**NOTE 5 – AGREEMENTS (CONTINUED)**

**Delaware State University**

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

**Collective Bargaining Agreement**

On March 29, 2001, a unit of marine employees at the Cape May-Lewes Ferry elected the Marine Engineers Beneficial Association to become their exclusive bargaining representatives. The marine employee unit is comprised of all permanent full time Pilots, Chief Engineers and First Assistant Engineers and all permanent full time and permanent part time Able Bodied Seaman, Ordinary Seaman, Oilers, Third Assistant Engineers and Mates. 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. On December 15, 2009, the Authority entered into a new collective bargaining agreement with MEBA. The term of the agreement is retroactive to July 1, 2007 and expires on June 30, 2012. As of December 31, 2010, the marine unit accounts for fifty-nine (59) 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, 2010, this group consisted of one hundred thirty two (132) employees working throughout all Authority facilities. An agreement with Local 542 was entered into on March 16, 2010. The term of the agreement is retroactive to January 1, 2009 and expires on December 31, 2012. As of December 31, 2009, no new collective bargaining agreement has been entered into, but on-going negotiations continue between the Authority and Local 542.

On February 19, 2010, a group of employees at the Authority elected the Fraternal Order of Police, Lodge #14 to become their exclusive bargaining representatives. The group is comprised of all permanent full time Patrol Officers, Patrol Officers First Class, Corporals, Senior Corporals and Master Corporals. As of December 31, 2010 this group consisted of thirty three (33) employees throughout all Authority facilities. As of December 31, 2010, no collective bargaining agreement has been entered into, but on-going negotiations continue between the Authority and FOP Lodge #14.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**NOTE 6 – 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 2010, 2009 and 2008, 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 2010, 2009 and 2008 are as follows:

	2010	2009	2008
Self insurance expenses	\$ 1,084,175	\$ 1,330,063	\$ 707,444

**Workers Compensation Plan – Letter of Credit**

The Authority provides workers compensation insurance to protect its employees for on the job injuries. The Authority utilizes a high deductible plan through American Casualty Company of Reading (CNA). Under this plan, the Authority is required to provide collateral to protect CNA against a default by the Authority for not reimbursing the insurer for claims. As collateral, the Authority has in place a Letter of Credit with Wilmington Trust Company in the amount of \$1,480,800. The collateral wraps the workers compensation policy periods, 1/1/07-1/1/08, 1/1/08-1/1/09, 1/1/09-1/1/10 and 1/1/10-1/1/11. Since its inception, the Letter of Credit has never been called upon.

**NOTE 7 – CONTINGENCIES**

**Litigation**

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

**NOTE 8 – PRIOR PERIOD ADJUSTMENT**

During the current year it was discovered that the Fixed Income Funds held at Allmerica Financial were misstated in the Authority's Pension Trust Fund. The misstatement was caused by a footing error in the reconciliation between Allmerica's investment statement and the Authority's financial statements.

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010 and 2009**

**NOTE 8 – PRIOR PERIOD ADJUSTMENT (CONTINUED)**

The restatement is detailed below:	<u>January 1, 2009</u>	<u>December 31, 2009</u>
Net Assets available for Plan Benefits, as Previously Reported	\$ 56,957,212	
Prior Period Adjustment	<u>(888,202)</u>	
Net Assets available for Plan Benefits, as Restated	<u>\$ 56,069,010</u>	
Investments – Fixed Income Funds, as Previously Reported		\$ 15,246,786
Prior Period Adjustment		<u>(888,202)</u>
Investments – Fixed Income Funds, as Restated		<u>\$ 14,358,584</u>

**NOTE 9 – SUBSEQUENT EVENTS**

**Rating Change**

On March 30, 2011, Standard & Poor's (S&P) Ratings Services lowered its rating on the Delaware River and Bay Authority's Revenue Bonds outstanding to "A" from "A+" with a stable outlook.

The stable outlook reflects S & P's expectations that in the next two years, traffic, liquidity, and debt service coverage will remain stable. Should all elements demonstrate consistent growth or sustainably higher margins, and the full capital plan is implemented with a corresponding toll increase, S & P would consider raising the rating. Conversely, a downgrade could result from consistently negative traffic trends, as well as declining debt service coverage and liquidity.

According to S&P, the downgrade reflects their view of lower liquidity, the result of the Authority having recently funded more of its capital improvement plan (CIP) with cash than it has historically and no toll increase since 2008. S & P also commented that while certain major capital projects in its CIP would not leave the Authority's most important asset (Delaware Memorial Bridge) structurally deficient, they had concerns that these projects cannot be completed without additional debt, which the Authority cannot issue in the amount it requires without violating bond covenants.

**REQUIRED SUPPLEMENTARY INFORMATION**

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2010**

**Schedule 1**

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

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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)
01/01/09	---	\$ 95,774	\$ 95,774	---	\$ 22,801	420%

**Schedule 2**

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

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<u>Year Ended December 31,</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
2010	\$ 11,133	100.00%
2009	\$ 8,635	39.10%
2008	\$ 8,635	33.43%

**DELAWARE RIVER AND BAY AUTHORITY**  
**FIDUCIARY FUND**  
**PENSION TRUST FUND**  
**SCHEDULE OF FUNDING PROGRESS**  
**December 31, 2010**

**Schedule 3**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Total Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability to Annual Covered Payroll</u>
1/1/2001	\$53,582,540	\$46,055,280	\$7,527,260	116.3%	\$20,263,720	37.1%
1/1/2002	56,338,510	49,986,866	6,351,644	112.7%	21,920,799	29.0%
1/1/2003	52,376,226	58,559,634	(6,183,408)	89.4%	23,126,442	26.7%
1/1/2004	57,051,336	61,515,132	(4,463,796)	92.7%	19,596,929	22.8%
1/1/2005	58,984,201	63,283,149	(4,298,948)	93.2%	20,778,374	20.7%
1/1/2006	62,437,338	69,671,370	(7,234,032)	89.6%	22,106,492	32.7%
1/1/2007	66,361,928	72,532,005	(6,170,077)	91.5%	22,730,636	27.1%
1/1/2008	68,388,865	74,890,933	(6,502,068)	91.3%	22,235,761	29.2%
1/1/2009	57,055,573	83,940,365	(26,884,792)	68.0%	22,800,768	117.9%
1/1/2010	73,412,768	105,006,579	(31,593,811)	69.9%	22,138,852	142.7%

**DELAWARE RIVER AND BAY AUTHORITY  
FIDUCIARY FUND  
PENSION TRUST FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
December 31, 2010**

**Schedule 4**

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<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%
2009	5,529,631	100%
2010	5,965,828	100%

**DELAWARE RIVER AND BAY AUTHORITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2010**

**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 – BASIC 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	1/01/2009	1/01/2008
Actuarial Cost Method	Entry Age Normal Method	Aggregate Method
Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions:		
Investment Rate of Return	7.5%	8.0%
Projected Salary Increases	4.0%	4.0%

**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

**DELAWARE RIVER AND BAY AUTHORITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2010**

**NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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

**OTHER SUPPLEMENTARY SCHEDULES**

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 COMBINING SCHEDULE OF NET ASSETS  
 December 31, 2010**

	Totals	Combined Revenue Funds	Airport	General	Restricted				
					Reserve Maintenance	Construction Funds	Debt Service Funds	Debt Service Reserve Funds	
<b>ASSETS</b>									
Current Assets:									
Unrestricted Assets:									
Cash and Cash Equivalents	8,084,012	\$ 5,244,698	\$ 2,557,601	\$ 281,713					
Investments	59,959,389	5,822,416		54,136,973					
Operating Revenues Receivable Net of Allowance for Uncollected Tolls	3,757,144	3,266,267	454,757	36,120					
Accrued Investment Income Receivable	437,789	261		437,528					
Note Receivable (Current Portion)	213,743			213,743					
Other Accounts Receivable	137,719	128,344		9,375					
Federal Grants Receivable	677,550			677,550					
Inventory	5,455,216	5,380,616	74,600						
Interfunds Receivable	74,690,703	61,109,255	255,480	13,325,968					
Prepaid Expenses	609,285	485,923	123,362						
Total Unrestricted Assets	154,022,550	81,437,780	3,465,800	69,118,970					
Restricted Assets:									
Investments	44,463,648				\$ 4,000,000	\$ 14,281,297	\$ 26,182,351		
Accrued Investment Income Receivable	117,017						117,017		
Interfunds Receivable	48,960,002				2,088,385	5,772,884	18,902,371	22,196,362	
Total Restricted Assets	93,540,667				6,088,385	5,772,884	33,183,668	48,495,730	
Total Current Assets	247,563,217	81,437,780	3,465,800	69,118,970	6,088,385	5,772,884	33,183,668	48,495,730	
Noncurrent Assets:									
Property, Plant and Equipment:									
Completed (Net of Accumulated Depreciation)	429,378,241		96,780,072	332,598,169					
Construction in Progress	72,968,101		27,107,822	45,860,279					
Total Property, Plant and Equipment	502,346,342		123,887,894	378,458,448					
Net Pension Asset	5,538,066	5,538,066							
Other Assets:									
Note Receivable	3,062,893			3,062,893					
Unamortized Debt Issue Costs	3,174,019			2,410,399		763,620			
Total Noncurrent Assets	514,121,320	5,538,066	123,887,894	383,931,740		763,620			
Total Assets	761,684,537	86,975,846	127,553,694	453,050,710	6,088,385	6,536,504	33,183,668	48,495,730	

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 COMBINING SCHEDULE OF NET ASSETS  
 December 31, 2010**

	Totals	Restricted				Debt Service Reserve Funds
		Combined Revenue Funds	Airport	General	Reserve Maintenance	
<b>LIABILITIES</b>						
Current Liabilities Payable from Unrestricted Assets:						
Accounts Payable	\$ 5,305,248	\$ 1,392,172	\$ 267,139	\$ 3,645,937		
Accrued Wages Payable	1,125,788	1,040,152	85,636			
Electronic Toll Liability	666,756	666,756				
Unearned Revenue	850,744	850,744				
Liability for Unpaid Health Claims	926,272		926,272			
Customer and Security Deposits	1,111,998	855,664	256,334			
Compensated Absences (Current Portion)	901,446	901,446				
Interfunds Payable	74,690,703	46,975,893	1,081,560	26,633,250		
<b>Total Current Liabilities Payable from Unrestricted Assets</b>	<b>85,578,955</b>	<b>51,781,381</b>	<b>1,690,669</b>	<b>32,106,905</b>	<b>—</b>	<b>—</b>
Current Liabilities Payable from Restricted Assets:						
Accounts Payable	50,000			\$ 50,000		
Unearned Revenue	3,780,422					\$ 3,780,422
Interfunds Payable	48,960,002			\$ 2,100,000	3,230,335	\$ 21,781,610
Interest Payable	6,446,144					6,446,144
Loans Payable (Current Portion)	35,609		35,609			
Revenue Bonds Payable (Current Portion)	38,400,000		38,400,000			
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>97,672,177</b>	<b>—</b>	<b>38,435,609</b>	<b>2,100,000</b>	<b>3,280,335</b>	<b>28,227,754</b>
<b>Total Current Liabilities</b>	<b>183,251,132</b>	<b>51,781,381</b>	<b>1,690,669</b>	<b>70,542,514</b>	<b>2,100,000</b>	<b>28,227,754</b>
Long Term Liabilities:						
Compensated Absences	5,139,033		5,139,033			
Net OPEB Liability	10,161,964	10,161,964				
Loans Payable	1,066,712		1,066,712			
Revenue Bonds Payable, net	252,959,858		252,959,858			
<b>Total Long Term Liabilities</b>	<b>269,327,567</b>	<b>10,161,964</b>	<b>—</b>	<b>259,165,603</b>	<b>—</b>	<b>—</b>
<b>Total Liabilities</b>	<b>452,578,699</b>	<b>61,943,345</b>	<b>1,690,669</b>	<b>2,100,000</b>	<b>3,280,335</b>	<b>28,227,754</b>

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 COMBINING SCHEDULE OF NET ASSETS  
 December 31, 2010**

	Totals	Combined Revenue Funds	Airport	General	Restricted			
					Reserve Maintenance	Construction Funds	Debt Service Funds	Debt Service Reserve Funds
Invested in Capital Assets, Net of Related Debt	\$ 216,524,550	\$ 5,538,066	\$ 123,887,894	\$ 87,098,590				
Restricted:	35,067,719				\$ 3,988,385	\$ 3,256,169	\$ 4,955,914	\$ 22,867,251
Trust Agreement Covenants Unrestricted	57,513,569	19,494,435	1,775,131	36,244,003				
Total Net Assets	\$ 309,105,838	\$ 25,032,501	\$ 125,663,025	\$ 123,342,593	\$ 3,988,385	\$ 3,256,169	\$ 4,955,914	\$ 22,867,251

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
Year Ended December 31, 2010**

	Unrestricted					Restricted			
	Combined Revenue Funds	Airport	Salem Business Parks	Riverfront Market	General	Reserve Maintenance	Construction Funds	Debt Service Funds	Debt Service Reserve Funds
<b>Operating Revenues:</b>									
Bridge Tolls	\$ 75,875,461								
Ferry Tolls	14,258,255								
Food and Novelty Sales	3,565,176								
Airport Lease Revenue	7,404,691	\$ 5,420,463		\$ 413,657	\$ 1,984,228				
Economic Development Leases	1,466,981								
Other Operating Revenue	3,791,207	646,116	\$ 1,053,324	\$ 59,310	\$ 329,404				
<b>Operating Expenses:</b>									
Administrative and General:									
Wages and Benefits	(8,568,821)				(8,312,285)				
Other Expenses	(8,300,376)				(7,040,650)				(256,536)
Operations:									(1,259,726)
Wages and Benefits	(43,272,135)				(39,796,651)				
Other Expenses	(19,141,607)				(16,810,785)				
Depreciation Expense	(21,342,782)				(16,989,756)				
<b>Operating Income (Loss)</b>	<b>5,736,050</b>	<b>7,191,718</b>	<b>1,366,748</b>	<b>472,967</b>	<b>797,370</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Non-operating Income (Expenses):</b>									
Investment Income	4,175,792				2,726,624			\$ 199,253	\$ 1,234,005
Investment Fees	(594,488)				(333,007)			(25,000)	(36,745)
Interest on Debt	(12,917,905)				(76,086)			112,375	(12,954,196)
Amortization of Debt Issue Costs	(272,174)				(237,464)			(34,710)	
Write Off Construction in Progress	(1,360,795)				(1,360,795)				
Gain on Sale of Capital Assets	106,742				106,742				
<b>Net Non-Operating Income (Expense)</b>	<b>(10,862,828)</b>	<b>(17,217)</b>	<b>--</b>	<b>--</b>	<b>826,015</b>	<b>(11,615)</b>	<b>77,665</b>	<b>(12,779,942)</b>	<b>1,197,260</b>
<b>Net Income (Loss) before Transfers and Contributions</b>	<b>(5,126,778)</b>	<b>7,036,724</b>	<b>1,366,748</b>	<b>472,967</b>	<b>1,623,385</b>	<b>(11,615)</b>	<b>77,665</b>	<b>(12,779,942)</b>	<b>1,197,260</b>
Capital Contributions	5,155,121				5,155,121				
Transfers									
<b>Increase (Decrease) in Net Assets</b>	<b>28,343</b>	<b>7,036,724</b>	<b>1,045,151</b>	<b>472,967</b>	<b>1,623,385</b>	<b>(11,615)</b>	<b>77,665</b>	<b>(12,779,942)</b>	<b>1,197,260</b>
<b>Net Assets Jan. 1</b>	<b>309,077,495</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>158,798,067</b>	<b>4,000,000</b>	<b>4,421,905</b>	<b>--</b>	<b>25,181,250</b>
<b>Net Assets Dec. 31</b>	<b>\$ 309,105,838</b>	<b>\$ 7,036,724</b>	<b>\$ 1,117,214,424</b>	<b>\$ 472,967</b>	<b>\$ 160,421,452</b>	<b>\$ 3,988,385</b>	<b>\$ 4,499,570</b>	<b>\$ (12,779,942)</b>	<b>\$ 26,378,510</b>

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 Year Ended December 31, 2010**

	Total	Bridge Revenue Fund	Ferry Revenue Fund	Operations Fund	Three-Forts Ferry Revenue Fund	Concessions Fund	General Fund	Airport	Salem Business Park	Riverfront Market
<b>Operating Revenues:</b>										
Bridge Tolls	\$ 75,875,461	75,875,461								
Ferry Tolls	14,258,255		14,184,619		73,636					
Food and Novelty Sales	3,565,176	104,987				3,460,189	1,984,228	5,420,463		
Airport Leases	7,404,691								1,053,324	413,657
Economic Development Leases	1,466,981									
Other Operating Revenue	3,791,207	2,054,225	372,749			15,979	329,404	646,116	313,424	59,310
<b>Operating Expenses:</b>										
Administrative and General:										
Wages and Benefits	(8,568,821)			(8,312,285)			(256,536)			
Other Expenses	(8,300,376)			(7,040,650)			(1,259,726)			
Operations:										
Wages and Benefits	(43,272,135)	(13,362,066)	(16,331,969)	(7,771,150)	(75,168)	(2,256,298)		(3,475,484)		
Other Expenses	(19,141,607)	(6,862,111)	(6,790,775)	(221,284)	(46,364)	(1,821,592)		(2,330,822)	(710,436)	(358,223)
Depreciation Expense	(21,342,782)	(7,364,098)	(8,656,024)	(461,430)	(75,069)	(29,111)		(4,353,026)	(369,536)	(34,488)
<b>Operating Income (Loss)</b>	<b>5,736,050</b>	<b>50,446,398</b>	<b>(17,221,400)</b>	<b>(23,806,799)</b>	<b>(122,965)</b>	<b>(630,833)</b>	<b>797,370</b>	<b>(4,092,753)</b>	<b>286,776</b>	<b>80,256</b>
<b>Non-operating Income (Expenses):</b>										
Investment Income	4,175,792	13,651	2,247	1,433,258		12	2,726,624			
Investment Fees	(594,489)	(170,905)		(73,380)			(333,007)	(17,217)		
Interest on Debt	(12,917,904)			(12,841,819)			(76,085)			
Amortization of Debt Issue Costs	(272,174)			(34,710)			(237,464)			
Write Off Construction in Progress	(1,360,795)						(1,360,795)			
Gain on Sale of Capital Assets	106,742						106,742			
<b>Net Non-Operating Income (Expense)</b>	<b>(10,862,828)</b>	<b>(157,254)</b>	<b>2,247</b>	<b>(11,516,631)</b>	<b>-</b>	<b>12</b>	<b>826,015</b>	<b>(17,217)</b>	<b>-</b>	<b>-</b>
<b>Net income (Loss) before Transfers and Contributions</b>	<b>(5,126,778)</b>	<b>50,289,144</b>	<b>(17,219,153)</b>	<b>(35,323,430)</b>	<b>(122,965)</b>	<b>(630,821)</b>	<b>1,623,385</b>	<b>(4,109,970)</b>	<b>286,776</b>	<b>80,256</b>
<b>Capital Contributions</b>	<b>\$ 5,155,121</b>						<b>5,155,121</b>			

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 SCHEDULE OF OTHER OPERATING REVENUES  
 Year Ended December 31, 2010**

	Total	Bridge Revenue Fund	Ferry Revenue Fund	Concessions Fund	Airport Fund	Salem Business Park	Riverfront Market	General Fund
Over & (Short)	\$ 16,783	\$ 12,001	\$ 1,392	\$ 2,868	\$ 522			
Income from Unused Tickets	132,247		132,247					
Miscellaneous Income	275,011	80,421	9,624	6,874	55,846	\$ 4,774	\$ 117,472	
Interest Income	5,846						857	
Bus & Trolley Fares	112,489		112,489			\$ 4,989		
Golf Fares	94		94					
Internet Reservation Fees	17,810		17,810					
Binocular Fees	2,477		2,477					
Amusement Sales	96,616		96,616					
Insurance Claims	63,063				9,567		15,843	
Room Rental Fees	6,237			6,237				
Vending Commissions	5,131				2,698			
Income from Unused Tolls	575,100	2,433						
Electronic Toll Violation Fees	394,843	575,100						
E-Z Pass Membership Fees	745,197	394,843						
Credit Card Fee Income	300,107	745,197						
E-Z Pass Transponder Sales	78,222	300,107						
EZPass Account Adjustments	(172,002)	78,222						
Non-Toll Transaction Fees	250	(172,002)						
Landing Fees	116,949	250			116,949			
Fuel Sales & Fees	460,534	460,534			460,534			
Interest on Economic Dev Loans	50,864						50,864	
Police Grants	3,000						3,000	
Property Leases	142,225						142,225	
Common Area Maintenance	60,917					7,238		
Electric Reimbursements	94,778					94,778		
Property Tax Reimbursements	206,419					206,419		
	\$ 3,791,207	\$ 2,054,225	\$ 372,749	\$ 15,979	\$ 646,116	\$ 313,424	\$ 59,310	\$ 329,404

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 SCHEDULE OF FUNCTIONAL OPERATING EXPENSES  
 Year Ended December 31, 2010**

	<u>Actual</u>
<b>Delaware Memorial Bridge:</b>	
Wages	\$ 5,620,516
Benefits	7,741,548
Administrative	21,269
Professional services	37,659
Office supplies	14,886
Operating supplies	579,395
Merchant Card Processing Fees	427,193
Facility/equipment maintenance	146,924
Uniforms and safety	63,134
Non-recurring	68,340
Utilities	1,084,645
Electronic Toll Expenses	2,521,250
Bad Debt Expense	1,897,416
Depreciation	7,364,098
	27,588,273
<b>Cape May - Lewes Ferry:</b>	
Wages	8,178,499
Benefits	8,153,470
Administrative	35,246
Professional services	73,453
Advertising	510,767
Office supplies	35,289
Operating supplies	783,141
Internet Reservation Discount	178,358
Merchant Card Processing Fees	437,304
Facility/equipment maintenance	542,867
Uniforms and safety	82,458
Vessel operations	2,853,601
Utilities	1,258,291
Depreciation	8,656,024
	31,778,768
<b>Administration:</b>	
Wages	4,919,826
Benefits	3,392,459
Administration	275,255
Education and training	170,730
Professional services	1,013,715
Office supplies	315,033
Computer supplies	524,772
Facility/equipment maintenance	882,007
Uniforms and safety	5,644
Insurance	3,744,630
Utilities	108,864
Depreciation	330,062
	15,682,997
	(Continued)

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 SCHEDULE OF FUNCTIONAL OPERATING EXPENSES  
 Year Ended December 31, 2010**

SCHEDULE 9

	<u>Actual</u>
Authority Police:	
Wages	\$ 4,220,881
Benefits	3,550,269
Administrative	20,181
Office supplies	4,480
Operating supplies	125,104
Uniforms and safety	71,519
Depreciation	131,368
	<hr/>
	8,123,802
	<hr/>
Concessions:	
Wages	1,447,935
Benefits	808,363
Administration	2,630
Advertising	-
Professional services	9,535
Office supplies	6,913
Operating supplies	1,505,794
Merchant Card Processing Fees	21,603
Facility/equipment maintenance	90,106
Uniforms and safety	10,157
Insurance	174,854
Depreciation	29,111
	<hr/>
	4,107,001
	<hr/>
Three Forts Ferry:	
Wages	70,419
Benefits	4,749
Professional services	-
Operating supplies	16,216
Facility/equipment maintenance	2,306
Uniforms and Safety	281
Vessel operations	9,629
Insurance	16,700
Utilities	1,232
Depreciation	75,069
	<hr/>
	196,601
	<hr/>

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**SCHEDULE OF FUNCTIONAL OPERATING EXPENSES**  
**Year Ended December 31, 2010**

SCHEDULE 9

	<u>Actual</u>
Airports Division:	
Wages	\$ 1,972,610
Benefits	1,502,874
Administration	6,078
Professional services	393,166
Advertising	72,655
Office supplies	5,398
Operating supplies	504,764
Merchant Card Processing Fees	2,282
Facility/equipment maintenance	431,462
Uniforms and safety	8,442
Insurance	261,978
Utilities	644,597
Sinking Fund Expense	-
Depreciation	4,353,026
	<hr/>
	10,159,332
	<hr/>
Economic Development:	
Professional services	43,691
Advertising	14,230
Operating supplies	209,895
Facility/equipment maintenance	326,834
Utilities	184,437
Real Estate Taxes	289,572
Sinking Fund Expense	-
Depreciation	404,024
	<hr/>
	1,472,683
	<hr/>
General Fund:	
Severance Payout	256,536
Insurance	1,084,175
Miscellaneous Projects	109,613
Economic Development	65,940
Depreciation	-
	<hr/>
	1,516,264
	<hr/>
Total Operating Expenses - Exhibit B	<u><u>\$ 100,625,721</u></u>

**DELAWARE RIVER AND BAY AUTHORITY  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
As of December 31, 2010 and 2009**

	Pension Trust Funds			OPEB Trust	(As Restated)
	2010	Total	PNC		
<b>ASSETS</b>					
Investments at Fair Value:					
Money Market Funds	\$ 8,589,609	\$ 6,603,477	\$ 6,603,477	\$ 1,986,132	\$ 852,588
Mutual Funds	40,202,229	37,104,685	37,104,685	3,097,544	34,974,729
Corporate Bonds	2,368,667	2,368,667	2,368,667	-	3,688,098
US Government Bonds	17,401,267	17,401,267	17,401,267	-	9,414,713
Municipal Bonds	3,984,539	3,984,539	3,984,539	-	3,936,825
Fixed Income Funds	16,220,478	13,367,624	-	2,852,854	14,358,584
<b>Total</b>	<b>88,766,789</b>	<b>80,830,259</b>	<b>67,462,635</b>	<b>7,936,530</b>	<b>67,225,537</b>
Accrued Interest	15,860	-	-	15,860	-
Other Assets:					
Dividends Receivable	-	-	-	-	-
Employee Contribution Receivable	-	-	-	-	-
Employer Contribution Receivable	-	-	-	-	143,842
<b>Total Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,842</b>
<b>Total Assets</b>	<b>88,782,649</b>	<b>80,830,259</b>	<b>67,462,635</b>	<b>7,952,390</b>	<b>68,257,581</b>
<b>LIABILITIES</b>					
Accounts Payable	-	-	-	-	16,207
Total Liabilities	-	-	-	-	16,207
<b>NET ASSETS</b>					
Assets Held in Trust for Pension Benefits	\$ 88,782,649	\$ 80,830,259	\$ 67,462,635	\$ 7,952,390	\$ 67,353,172

**DELAWARE RIVER AND BAY AUTHORITY  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
Years Ended December 31, 2010 and 2009**

	Pension Trust Funds			OPEB Trust	(As Restated)
	2010	Total	PNC		
<b>ADDITIONS</b>					
Investment Income:					
Net Appreciation in Fair Value of Assets	\$ 5,287,200	\$ 5,287,200	\$ -	\$ -	\$ 8,042,346
Dividends	680,904	680,904	-	-	675,060
Interest	1,298,935	1,283,075	867,181	15,860	1,181,491
Less: Investment Expense	7,267,039	7,251,179	6,835,285	15,860	9,898,897
	110,507	110,507	110,507	-	88,742
	7,156,532	7,140,672	6,724,778	15,860	9,810,155
Contributions:					
Employer	19,440,424	11,503,894	11,503,894	7,936,530	5,605,251
Plan Member	652,280	652,280	652,280	-	671,937
Total Contributions	20,092,704	12,156,174	12,156,174	7,936,530	6,277,188
Total Additions	27,249,236	19,296,846	18,880,952	7,952,390	16,087,343
<b>DEDUCTIONS</b>					
Net Depreciation in Fair Value of Assets					
Benefits Paid to Participants	5,534,227	5,534,227	4,267,586	-	4,463,578
Insurance Expense	19,935	19,935	19,935	-	19,935
Administrative Expenses	271,018	271,018	130,805	-	319,668
Total Deductions	5,825,180	5,825,180	4,418,326	-	4,803,181
Net Increase	21,424,056	13,471,666	14,462,626	7,952,390	11,284,162
Net Assets Available for Plan Benefits:					
Beginning of Year, as restated	67,353,172	67,353,172	52,994,588	-	56,069,010
End of Year	\$ 88,777,228	\$ 80,824,838	\$ 67,457,214	\$ 7,952,390	\$ 67,353,172

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**SCHEDULE OF INVESTMENTS**  
**Year Ended December 31, 2010**

SCHEDULE 12

<u>Face</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Date of Maturity</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Rating S &amp; P</u>	
<b>CORPORATE AND MUNICIPAL OBLIGATIONS</b>							
\$	570,000	Abbott Laboratories	11/30/2017	5.600%	\$ 521,439	\$ 651,687	AA
	675,000	American Express Credit Company	8/25/2014	5.125%	656,056	727,772	BBB+
	635,000	AT&T Inc	2/15/2014	4.850%	604,375	686,695	A-
	330,000	Bank of America Corporation	6/15/2012	3.125%	330,070	341,788	AAA
	615,000	Bank of America Corporation	8/1/2016	6.500%	578,028	667,330	A
	1,000,000	Cargill Inc Disc Note	1/21/11	0.22%	999,872	999,823	A1
	655,000	Deere & Co	4/25/2014	6.950%	577,361	760,514	A
	700,000	Dexia Delaware LLC	1/03/11	0.15%	699,991	699,991	A1
	510,000	General Electric Capital Corporation	9/16/2013	1.875%	510,696	510,270	AA+
	240,000	Hawaii State	2/1/2016	3.380%	238,925	246,295	AA
	520,000	Hewlett Packard Company	9/13/2015	2.125%	520,553	513,464	A
	172,000	Household Funding LLC	1/3/2011	var.	175,158	168,842	A1+
	500,000	IBM Corporation	10/15/2018	7.625%	364,215	636,480	A+
	4,262,000	Intesa Funding LLC	1/3/2011	var.	4,306,824	4,217,176	A1
	665,000	JP Morgan Chase & Company	1/20/2015	3.700%	667,528	688,202	A+
	1,210,000	Lehman Brothers Holdings	9/5/2016	var.	1,210,956	257,125	NR
	775,000	Maryland State Community Development	9/1/2037	6.000%	782,378	755,834	NR
	210,000	Massachusetts State	7/1/2011	3.000%	207,377	212,228	AA
	1,185,000	Menasha Wis Steam Util Rev	9/1/2009	5.700%	1,185,000	817,650	NR
	25,000	MetLife Short Term Funding	1/11/11	0.25%	24,998	24,997	A1+
	1,000,000	MetLife Short Term Funding	1/25/11	0.24%	999,833	999,780	A1+
	3,575,000	Naxtaxis US Finance Company	1/3/2011	var.	3,627,793	3,522,207	A1
	900,000	New Jersey State Turnpike Authority	1/1/2016	4.252%	943,892	931,401	A+
	1,165,000	New York City Transitional Finance Authority	5/1/2013	1.500%	1,156,015	1,165,792	AAA
	350,000	New York City Transitional Finance Authority	2/1/2016	3.500%	333,319	360,987	AAA
	520,000	New York State Environmental	12/15/2011	4.900%	513,598	527,800	AAA
	1,000,000	Nordea North America Inc	1/13/11	0.23%	999,917	999,866	A1+
	2,053,075	Northstar Education Finance Inc	4/28/2016	var.	2,073,798	1,998,540	AAA
	1,000,000	Old Line Funding LLC	1/21/11	0.23%	999,866	999,815	A1+
	620,000	Oracle Corporation	1/15/2016	5.250%	577,953	697,054	A
	760,000	Oregon School Boards Association	6/30/2017	5.123%	717,785	825,200	AA+
	330,000	Oregon State Dept Administration Svcs Lottery	4/1/2012	4.180%	330,000	337,607	AAA
	750,000	Oregon State Dept of Transportation	11/15/2018	4.383%	750,000	775,598	AA+
	250,000	Pepsico Inc	1/15/2015	3.100%	250,204	260,780	A-
	3,440,000	Riverfront Dev Corp Del Amtrak	12/1/2017	var.	3,440,000	3,440,000	NR
	940,000	SLM Student Loan Trust	1/25/2022	var.	959,067	923,420	AAA
	1,000,000	Societe General N America Inc	1/06/11	0.25%	999,958	999,903	A1
	535,000	South Carolina State Pub Svc Authority	1/1/2013	5.000%	535,098	564,425	AA-
	585,000	Verizon Communications	11/1/2018	8.750%	445,132	763,905	A-
	590,000	Virginia Commonwealth Transportation Board	5/15/2022	4.450%	588,616	598,862	AA+
	1,030,000	Virginia State Public Bldg Authority	8/1/2016	3.500%	1,021,533	1,064,835	AA+
	625,000	West Va Economic Dev Auth Excess Lottery	7/1/2020	5.370%	619,948	631,319	AAA
<hr/>					<hr/>	<hr/>	
\$	38,472,075			\$ 38,045,121	\$ 37,973,257		

**DELAWARE RIVER AND BAY AUTHORITY**  
**PROPRIETARY FUND**  
**SCHEDULE OF INVESTMENTS**  
**Year Ended December 31, 2010**  
(Continued)

SCHEDULE 12

<u>Face</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Date of Maturity</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Rating S &amp; P</u>	
<b>U.S. GOVERNMENT AGENCIES</b>							
\$ 469,092	Federal Home Loan		1/1/2035	4.400%	\$ 469,754	\$ 488,295	AAA
1,349,980	Federal Home Loan		11/1/2035	var.	1,361,738	1,439,205	AAA
115,211	Federal Home Loan		5/1/2036	var.	115,486	122,700	AAA
700,000	Federal Home Loan Bank		3/16/2011	1.625%	699,328	701,890	AAA
156,811	Federal Home Loan Bank		1/25/2017	4.780%	156,178	164,583	AAA
500,000	Federal Home Loan Bank		1/21/2020	4.500%	491,704	501,055	AAA
663,469	Federal Home Loan Mortgage		5/1/2018	4.500%	648,073	700,789	AAA
7,922	Federal Home Loan Mortgage		3/1/2021	6.000%	7,814	8,696	AAA
784,608	Federal Home Loan Mortgage		4/1/2037	6.000%	781,169	850,809	AAA
200,000	Federal Home Loan Mortgage Corporation		11/15/2013	4.875%	196,313	221,690	AAA
500,000	Federal Home Loan Mortgage Corporation		3/9/2020	4.500%	489,195	503,585	AAA
2,000,000	Federal Home Loan Mortgage Corporation		3/17/2021	5.400%	1,835,368	2,198,800	AAA
140,000	Federal Home Loan Mortgage Corporation		1/15/2025	var.	138,125	140,140	AAA
94,115	Federal Home Loan Mortgage Corporation		6/1/2035	5.500%	94,494	100,880	AAA
227,590	Federal Home Loan Mortgage Corporation		11/1/2035	5.000%	227,095	242,632	AAA
173,388	Federal Home Loan Mortgage Corporation		3/1/2036	4.000%	176,580	185,363	AAA
684,348	Federal Home Loan Mortgage Corporation		2/1/2037	6.000%	678,002	743,801	AAA
630,000	Federal Home Loan Mortgage Corporation		4/16/2037	6.000%	585,375	653,171	AAA
200,000	Federal National Mortgage Association		1/28/2013	4.000%	193,978	212,804	AAA
397,557	Federal National Mortgage Association		5/1/2015	4.500%	399,698	414,019	AAA
1,590,000	Federal National Mortgage Association		8/9/2018	3.000%	1,567,068	1,573,623	AAA
187,495	Federal National Mortgage Association		10/1/2018	4.500%	185,198	198,627	AAA
538,623	Federal National Mortgage Association		11/1/2019	4.500%	519,443	568,447	AAA
1,048,030	Federal National Mortgage Association		7/1/2021	5.500%	973,445	1,128,106	AAA
694,430	Federal National Mortgage Association		4/1/2024	4.000%	670,867	716,239	AAA
374,425	Federal National Mortgage Association		8/1/2024	5.000%	370,025	409,235	AAA
168,843	Federal National Mortgage Association		10/1/2025	4.000%	160,841	174,541	AAA
82,964	Federal National Mortgage Association		7/1/2029	6.500%	86,123	93,283	AAA
42,348	Federal National Mortgage Association		1/1/2035	var.	42,369	44,081	AAA
580,066	Federal National Mortgage Association		10/1/2035	5.000%	588,331	619,764	AAA
1,079,378	Federal National Mortgage Association		4/1/2036	6.000%	1,077,642	1,155,155	AAA
825,923	Federal National Mortgage Association		5/1/2036	6.500%	815,144	920,904	AAA
701,106	Federal National Mortgage Association		6/1/2036	5.500%	708,030	751,827	AAA
44,470	Federal National Mortgage Association		7/1/2036	5.000%	44,124	47,507	AAA
560,427	Federal National Mortgage Association		8/1/2036	var.	555,953	604,648	AAA
185,694	Federal National Mortgage Association		9/1/2036	5.500%	181,688	202,146	AAA
339,488	Federal National Mortgage Association		5/1/2037	var.	329,356	365,724	AAA
947,290	Federal National Mortgage Association		10/1/2039	var.	904,396	981,037	AAA
3,730	Government National Mortgage Association		1/15/2015	7.000%	3,731	4,042	AAA
3,101	Government National Mortgage Association		3/16/2016	4.500%	3,063	3,115	AAA
28,570	Government National Mortgage Association		9/20/2017	5.000%	28,221	30,445	AAA
37,556	Government National Mortgage Association		12/15/2017	5.000%	37,038	40,273	AAA
30,210	Government National Mortgage Association		1/15/2018	4.500%	30,015	32,150	AAA
245,005	Government National Mortgage Association		12/15/2018	4.500%	242,989	260,739	AAA
51,092	Government National Mortgage Association		12/15/2022	7.000%	50,761	57,934	AAA
916,674	Government National Mortgage Association		11/16/2024	var.	897,681	945,478	AAA
195,000	Government National Mortgage Association		2/16/2025	4.439%	197,905	199,045	AAA
136,289	Government National Mortgage Association		3/16/2025	var.	133,697	137,906	AAA
318,444	Government National Mortgage Association		9/16/2026	var.	295,072	342,717	AAA
41,196	Government National Mortgage Association		2/16/2027	4.130%	41,196	41,407	AAA
231,980	Government National Mortgage Association		10/16/2027	6.269%	221,255	240,982	AAA
1,335,000	Government National Mortgage Association		12/16/2030	4.658%	1,226,995	1,433,311	AAA

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND  
SCHEDULE OF INVESTMENTS  
Year Ended December 31, 2010  
(Continued)**

<u>Face</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Date of Maturity</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Rating S &amp; P</u>
<b>U.S. GOVERNMENT AGENCIES (Continued)</b>						
\$ 2,350,000	Government National Mortgage Association	6/16/2032	4.520%	\$ 2,138,840	\$ 2,607,531	AAA
1,500,000	Government National Mortgage Association	8/16/2032	4.807%	1,477,674	1,587,990	AAA
73,816	Government National Mortgage Association	3/20/2033	4.000%	72,697	77,569	AAA
320,369	Government National Mortgage Association	6/20/2033	4.000%	323,613	334,642	AAA
780,191	Government National Mortgage Association	3/16/2037	4.022%	747,126	821,687	AAA
310,519	Government National Mortgage Association	4/15/2037	6.500%	300,082	350,935	AAA
26,447	Government National Mortgage Association	8/15/2037	6.500%	25,602	29,831	AAA
820,401	Government National Mortgage Association	10/15/2037	6.500%	794,107	925,386	AAA
139,553	Government National Mortgage Association	11/15/2037	6.000%	136,277	156,430	AAA
1,359,995	Government National Mortgage Association	11/16/2044	4.930%	1,286,252	1,441,369	AAA
<u>\$ 31,341,935</u>				<u>\$ 30,340,630</u>	<u>\$ 33,362,120</u>	
<b>U.S. GOVERNMENT BONDS AND NOTES</b>						
\$ 10,257,000	U S Treasury Disc Bill	2/10/2011	var.	\$ 10,257,000	\$ 10,257,000	AAA
6,786,735	US Treasury Inflation Indexed Bond	4/15/2015	0.500%	6,762,074	6,937,333	AAA
155,000	US Treasury Note	2/15/2011	5.000%	154,179	155,873	AAA
150,000	US Treasury Note	11/15/2011	1.750%	149,390	151,863	AAA
100,000	US Treasury Note	5/15/2012	1.375%	100,047	101,328	AAA
1,195,000	US Treasury Note	1/15/2013	1.375%	1,196,760	1,213,200	AAA
<u>\$ 18,643,735</u>				<u>\$ 18,619,450</u>	<u>\$ 18,816,597</u>	
<b>MONEY MARKETS</b>						
\$ 650,000	Goldman Sachs Group Inc	10/1/2016	5.750%	\$ 623,449	\$ 707,792	A
4,000,000	Treasury Trust Fund - Blackrock Liquidity Funds	var.	var.	4,000,000	4,000,000	NR
5,078,256	Wilmington Trust Government Fund	var.	var.	5,078,256	5,078,256	AAA
83,573	Wilmington Trust Prime Money Market	var.	var.	83,573	83,573	AAA
2,346,485	Wilmington Trust US Government Money Market	var.	var.	2,346,485	2,346,485	AAA
745,474	Wilmington US Government - Service	var.	var.	745,474	745,474	AAA
14,669	Wilmington US Government Fund W Class	var.	var.	14,669	14,669	AAA
1,294,816	Wilmington US Government Portfolio - Service	var.	var.	1,294,816	1,294,816	AAA
<u>\$ 14,213,273</u>				<u>\$ 14,186,722</u>	<u>\$ 14,271,064</u>	
<u>\$ 102,671,019</u>				<u>\$ 101,191,923</u>	<u>\$ 104,423,037</u>	

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 DELAWARE MEMORIAL BRIDGE  
 SCHEDULE OF MONTHLY TRAFFIC BY TOLL CLASSIFICATION  
 Year Ended December 31, 2010**

	Toll Class																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	16	16	Traffic	
January	868,798	18,654	11,584	8,804	112,387	2,017	158	258	91,775	100,174	3,336	3,461	565	1,497	1,223,468		
February	644,908	15,970	9,946	7,760	103,692	1,949	94	319	78,697	82,234	3,243	3,067	269	1,558	953,706		
March	925,937	22,125	13,931	9,681	130,045	2,538	231	523	103,432	110,058	4,160	4,278	298	1,590	1,328,827		
April	1,027,348	22,091	15,466	10,459	127,820	2,494	194	466	98,068	106,953	5,458	4,975	349	1,585	1,423,726		
May	1,106,744	22,875	15,426	10,689	126,640	2,624	188	594	94,267	103,666	6,742	6,057	328	1,430	1,498,270		
June	1,096,612	23,630	15,415	10,851	132,729	2,774	166	686	96,802	104,421	6,315	5,788	309	1,334	1,497,832		
July	1,322,183	23,852	15,202	11,848	125,974	2,523	123	665	91,251	100,659	8,610	7,043	292	1,403	1,711,628		
August	1,349,974	24,236	14,859	12,042	127,421	2,777	126	703	95,229	103,621	8,346	6,434	371	1,580	1,747,719		
September	1,007,531	22,474	13,559	11,543	121,944	2,481	144	708	97,667	104,164	6,104	5,959	212	1,313	1,395,803		
October	1,051,360	22,527	15,998	11,410	123,130	2,459	207	804	101,382	109,019	6,293	5,720	319	1,423	1,452,051		
November	1,023,080	20,583	13,898	10,233	119,582	2,412	211	701	96,559	104,879	4,769	4,508	379	1,302	1,403,096		
December	973,356	19,741	13,057	9,452	119,573	2,777	151	878	94,721	104,643	3,820	3,819	355	1,230	1,347,573		
<b>Twelve months ended December 31, 2010</b>	<b>12,397,831</b>	<b>258,758</b>	<b>168,341</b>	<b>124,772</b>	<b>1,470,937</b>	<b>29,825</b>	<b>1,993</b>	<b>7,305</b>	<b>1,139,850</b>	<b>1,234,491</b>	<b>67,196</b>	<b>61,109</b>	<b>4,046</b>	<b>17,245</b>	<b>16,983,699</b>		
<b>Average per month</b>	<b>1,033,153</b>	<b>21,563</b>	<b>14,028</b>	<b>10,398</b>	<b>122,578</b>	<b>2,485</b>	<b>166</b>	<b>609</b>	<b>94,988</b>	<b>102,874</b>	<b>5,600</b>	<b>5,092</b>	<b>337</b>	<b>1,437</b>	<b>1,415,308</b>		
<b>Average per day</b>	<b>33,967</b>	<b>709</b>	<b>461</b>	<b>342</b>	<b>4,030</b>	<b>82</b>	<b>5</b>	<b>20</b>	<b>3,123</b>	<b>3,382</b>	<b>184</b>	<b>167</b>	<b>11</b>	<b>47</b>	<b>46,531</b>		

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 DELAWARE MEMORIAL BRIDGE  
 SCHEDULE OF MONTHLY TRAFFIC AND REVENUE  
 Year Ended December 31, 2010**

	Total Traffic	Net Revenue
January	1,223,468	\$ 5,510,048
February	953,706	4,572,744
March	1,328,827	6,146,773
April	1,423,726	6,437,033
May	1,498,270	6,670,199
June	1,497,832	6,776,495
July	1,711,628	7,334,020
August	1,747,719	7,451,590
September	1,395,803	6,261,343
October	1,452,051	6,456,492
November	1,403,096	6,218,603
December	1,347,573	6,040,120
Twelve months ended December 31, 2010	<u>16,983,699</u>	<u>\$ 75,875,460</u>
Average per month	<u>1,415,308</u>	<u>\$ 6,322,955</u>
Average per day	<u>46,531</u>	<u>\$ 207,878</u>

Average toll per vehicle: \$75,875,460 divided by 16,983,699 = \$4.47

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND  
CAPE MAY – LEWES FERRY  
SCHEDULE OF TRAFFIC BY TOLL CLASSIFICATIONS  
Year Ended December 31, 2010**

REVENUE	Bus		Vehicle Total	Month												Calculated Revenue		
	Passengers	Passengers		1	2	3	4	5	6	7	8	9	10	11	12			
January	17,122	-	8,005	7,751	46	55	45	68	35	5	5	5	5	5	5	5	5	288,604
February	12,378	102	5,896	5,715	39	41	32	52	12	5	5	5	5	5	5	5	5	210,897
March	26,815	78	12,132	11,670	78	123	87	88	33	53	53	53	53	53	53	53	53	445,687
April	48,254	136	20,395	19,355	126	250	169	158	21	315	315	315	315	315	315	315	315	952,149
May	66,206	1,530	27,794	25,617	209	310	289	301	48	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,330,666
June	85,851	678	31,438	29,490	205	367	254	254	30	837	837	837	837	837	837	837	837	1,678,207
July	156,138	634	48,992	46,268	330	600	378	386	22	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	2,807,709
August	165,877	1,156	51,370	48,751	284	549	393	356	32	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	2,949,281
September	85,841	782	32,713	28,503	176	408	276	295	35	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	1,633,916
October	48,886	162	20,693	19,584	175	248	178	214	30	263	263	263	263	263	263	263	263	975,998
November	34,251	103	15,112	14,483	95	162	97	121	19	134	134	134	134	134	134	134	134	573,767
December	19,495	94	9,102	8,877	49	68	36	56	12	4	4	4	4	4	4	4	4	337,738
<b>Twelve months ended</b>																		
December 31, 2010	767,114	5,455	283,642	266,064	1,812	3,181	2,234	2,349	329	7,669	4	4	4	4	4	4	4	\$ 14,184,619
Average per month	63,926	455	23,637	22,172	151	265	186	196	27	639	0	0	0	0	0	0	0	\$ 1,182,052
Average per day	2,102	15	777	729	5	9	6	6	1	21	0	0	0	0	0	0	0	\$ 38,862

**NON-REVENUE\***

January	654	221
February	495	204
March	1,190	293
April	3,364	323
May	4,072	363
June	6,918	291
July	15,512	245
August	17,103	253
September	4,846	156
October	2,162	128
November	1,864	203
December	937	140
<b>Totals</b>	<b>59,117</b>	<b>2,820</b>

\* Includes children under 6 years of age

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 CAPE MAY – LEWES FERRY  
 SCHEDULE OF MONTHLY TRAFFIC AND REVENUE  
 Year Ended December 31, 2010**

<b>REVENUE</b>	<u>Passengers</u>	<u>Bus Passengers</u>	<u>Vehicle Total</u>	<u>Calculated Revenue</u>
January	17,122	-	8,005	\$ 288,604
February	12,378	102	5,896	210,897
March	26,815	78	12,132	445,687
April	48,254	136	20,395	952,149
May	66,206	1,530	27,794	1,330,666
June	85,851	678	31,438	1,678,207
July	156,138	634	48,992	2,807,709
August	165,877	1,156	51,370	2,949,281
September	85,841	782	32,713	1,633,916
October	48,886	162	20,693	975,998
November	34,251	103	15,112	573,767
December	19,495	94	9,102	337,738
<b>Twelve months ended December 31, 2010</b>	<u>767,114</u>	<u>5,455</u>	<u>283,642</u>	<u>\$ 14,184,619</u>
<b>Average per month</b>	<u>63,926</u>	<u>455</u>	<u>23,637</u>	<u>\$ 1,182,052</u>
<b>Average per day</b>	<u>2,102</u>	<u>15</u>	<u>777</u>	<u>\$ 38,862</u>
<b>NON-REVENUE*</b>				
January	654		221	
February	495		204	
March	1,190		293	
April	3,364		323	
May	4,072		363	
June	6,918		291	
July	15,512		245	
August	17,103		253	
September	4,846		156	
October	2,162		128	
November	1,864		203	
December	937		140	
<b>Totals</b>	<u>59,117</u>		<u>2,820</u>	

\* Includes children under 6 years of age

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 THREE FORTS FERRY  
 SCHEDULE OF TRAFFIC BY TOLL CLASSIFICATIONS  
 Year Ended December 31, 2010**

Leaving Delaware City

	<u>Traffic</u>	<u>Revenue</u>
Adult	4,663	\$ 16,787
Seniors & Military	4,292	15,451
Child	2,723	5,882
School Groups	4,581	9,895
Cruise/Special Events	2,768	15,292
Non-Revenue	<u>155</u>	<u>-</u>
Total Leaving Delaware City	<u><u>19,182</u></u>	<u><u>\$ 63,307</u></u>

Leaving Fort Mott

	<u>Traffic</u>	<u>Revenue</u>
Adult	926	\$ 3,334
Seniors & Military	1,061	3,820
Child	678	1,464
School Groups	792	1,711
Non-Revenue	<u>54</u>	<u>-</u>
Total Leaving Fort Mott	<u><u>3,511</u></u>	<u><u>\$ 10,329</u></u>
Total	<u><u>22,693</u></u>	<u><u>\$ 73,636</u></u>

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND  
DELAWARE MEMORIAL BRIDGE  
SCHEDULE OF HISTORICAL TOLL RATES  
Period January 1, 2000 to December 31, 2010**

Class No.	Description	Number of Axles	After 1/3/2008	After 9/30/2001	After 4/30/2000	After 1/1/2000
1	<b>PASSENGER CARS-</b> (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 Accommodation Tickets (4)				60.00	40.00
	Tokens (3) Roll of 40 Tokens-Includes: 4 tire types passenger cars, vans, pickups					20.00
2	<b>TWO AXLE TRUCKS</b> Includes-all types with reg. Wt. over 2 tons, buses, tractors	2	8.00	6.00	6.00	5.00
	Book of 20 Accommodation Tickets (4)				120.00	100.00
3	<b>THREE AXLE TRUCKS</b> Includes-Tractors or combination tractors & trailers, buses (3 axle)	3	12.00	9.00	9.00	7.50
	Book of 20 Accommodation Tickets (4)				180.00	150.00
4	<b>FOUR AXLE TRUCKS</b> Includes-Tractors or combination tractors & trailers	4	16.00	12.00	12.00	10.00
	Book of 20 Accommodation Tickets (4)				240.00	200.00
5	<b>FIVE AXLES TRUCKS &amp; TRUCK COMBINATION</b>	5	20.00	15.00	15.00	12.50
	Book of 20 Accommodation Tickets (4)				300.00	250.00
6	<b>SIX AXLES TRUCKS &amp; TRUCK COMBINATION</b>	6	24.00	18.00	18.00	15.00
	Book of 20 Accommodations (4) (Class 10 through 8/30/94)				360.00	300.00
7	<b>VEHICLES REQUIRING SPECIAL PERMIT</b> Includes-Contractors' equip. & mach. Vehicles exceed 1 or more limit of DE/NJ	N/A	50.00	40.00	40.00	25.00
8	<b>SPECIALS (OVER 6 AXLES)</b>		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  
 Period January 1, 2000 to December 31, 2010**

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

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

**DELAWARE RIVER AND BAY AUTHORITY  
PROPRIETARY FUND  
CAPE MAY – LEWES FERRY  
SCHEDULE OF HISTORICAL TOLL RATES  
Period January 1, 2000 to December 31, 2010**

Class No.	Description	After 4/01/10			After 4/01/09			After 4/01/08			After 4/01/06			After 5/27/05			After 3/31/02			After 1/1/00		
		Off Season**	Peak Season***	Weekend/Holiday Season****	Off Season**	Peak Season***	Weekend/Holiday Season****	Off Season**	Peak Season***	Weekend/Holiday Season****	Off Season**	Peak Season***	Weekend/Holiday Season****	Off Season**	Peak Season***	Weekend/Holiday Season****	Off Season**	Peak Season***	Weekend/Holiday Season****	Off Season**	Peak Season***	Weekend/Holiday Season****
1	Passenger Car, station wagon, carry all, pickup, panel, self-contained camper w/2 axes and 4 tires (overall length 20', including driver) Return Trip Value Fare*****	\$30.00	\$36.00	\$44.00	\$29.50	\$36.00	\$43.25	\$28.00	\$34.00	\$41.00	\$23.00	\$29.00	\$20.00	\$25.00	\$20.00	\$20.00	\$25.00	\$20.00	\$25.00	\$18.00	\$20.00	N/A
4	20' to 25'	\$34.00	\$42.00	\$50.00	\$33.75	\$41.25	\$49.75	\$32.00	\$39.00	\$47.00	\$27.00	\$34.00	\$24.00	\$29.00	\$24.00	\$24.00	\$29.00	\$24.00	\$29.00	\$22.00	\$24.00	N/A
5	25' to 35'	\$43.00	\$50.00	\$61.00	\$42.25	\$49.75	\$60.25	\$40.00	\$47.00	\$57.00	\$35.00	\$42.00	\$31.00	\$36.00	\$31.00	\$31.00	\$36.00	\$31.00	\$36.00	\$29.00	\$31.00	\$24.00
6	35' to 45'	\$50.00	\$57.00	\$69.00	\$49.75	\$57.00	\$68.75	\$47.00	\$54.00	\$65.00	\$42.00	\$49.00	\$37.00	\$42.00	\$37.00	\$37.00	\$42.00	\$37.00	\$42.00	\$35.00	\$37.00	\$31.00
7	45' to 60'	\$62.00	\$70.00	\$85.00	\$61.25	\$69.75	\$84.50	\$58.00	\$66.00	\$80.00	\$53.00	\$61.00	\$47.00	\$52.00	\$47.00	\$47.00	\$52.00	\$47.00	\$52.00	\$45.00	\$47.00	\$40.00
8	55' to 65'	\$85.00	\$93.00	\$113.00	\$84.50	\$93.00	\$113.00	\$80.00	\$88.00	\$107.00	\$75.00	\$83.00	\$66.00	\$71.00	\$66.00	\$66.00	\$71.00	\$66.00	\$71.00	\$64.00	\$66.00	\$60.00
9	Over 60'	\$25.00	\$31.00	\$36.00	\$24.25	\$30.75	\$36.00	\$23.00	\$29.00	\$34.00	\$18.00	\$24.00	\$17.00	\$22.00	\$17.00	\$17.00	\$22.00	\$17.00	\$22.00	\$15.00	\$17.00	\$14.00
10	Motorbike or Motorcycle (includes driver) with sidecar or trailer Return Trip Value Fare	\$22.00	\$27.00	\$27.00	\$21.25	\$26.50	\$26.50	\$20.00	\$25.00	\$25.00	\$15.00	\$20.00	\$15.00	\$20.00	\$15.00	\$15.00	\$20.00	\$15.00	\$20.00	N/A	N/A	N/A
11	Bicycle (ridden or hand carried) (including passenger)	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	FREE	\$5.00	\$6.00	\$7.00
12	Over Width Vehicles (all vehicles exceeding limitation of DE/NJ)	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
	Foot Passengers & Vehicle Pass. (not driver, after 12th b-day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Foot Passengers & Vehicle Pass. (not driver, after 14th b-day)	\$8.00	\$10.00	\$10.00	\$7.50	\$10.00	\$10.00	\$7.00	\$9.50	\$9.50	\$7.00	\$9.50	\$6.00	\$8.00	\$6.00	\$6.00	\$8.00	\$6.00	\$8.00	N/A	N/A	N/A
	Foot Passengers & Vehicle Pass. (not driver, after 6th b-day)	\$6.00	\$8.00	\$8.00	\$5.25	\$8.00	\$8.00	\$5.00	\$7.50	\$7.50	\$5.00	\$7.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Foot Passengers & Vehicle Pass. (after 6th and before 14th b-day)	\$4.00	\$5.00	\$5.00	\$3.75	\$5.00	\$5.00	\$3.50	\$4.75	\$4.75	\$3.50	\$4.75	\$3.00	\$4.00	\$3.00	\$3.00	\$4.00	\$3.00	\$4.00	N/A	N/A	N/A
	Return Trip Value Fare	\$3.00	\$4.00	\$4.00	\$2.75	\$4.00	\$4.00	\$2.50	\$3.75	\$3.75	\$2.50	\$3.75	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5.00	\$6.00	\$7.00

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

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 CAPE MAY – LEWES FERRY  
 SCHEDULE OF HISTORICAL TOLL RATES  
 Period January 1, 2000 to December 31, 2010**

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

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

**DELAWARE RIVER AND BAY AUTHORITY  
 PROPRIETARY FUND  
 THREE FORTS FERRY  
 SCHEDULE OF HISTORICAL TOLL RATES  
 Period January 1, 2000 to December 31, 2010**

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

**DELAWARE RIVER AND BAY AUTHORITY  
SCHEDULE OF INSURANCE COVERAGE  
Year Ended December 31, 2010**

Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	WC 249208869		
Policy Term:	1/1/10 - 1/1/11		
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:	1/1/10 - 1/1/11		
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:	1/1/10 - 1/1/11		
Coverage/ Limits:	Business Automobile - Fleet:	Comprehensive Liability	\$ 1,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	BUAC2057118842		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Primary Business Automotive - Buses:	Liability	\$ 5,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	CCPC302049491		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Public Liability		\$ 1,000,000
Insurance Company:	ACE American Insurance Company		
Policy Number:	PHFD37042419		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Foreign Workers' Compensation, Auto and Public Liability		\$ 1,000,000
Insurance Company:	Insurance Company of the State of Pennsylvania		
Policy Number:	14550182		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Primary Umbrella Excess Liability		\$ 5,000,000
Insurance Company:	Crum and Forster Specialty Insurance Company		
Policy Number:	XSO131147		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Second Layer Excess Umbrella Liability		\$ 10,000,000
Insurance Company:	Catlin Insurance Company (UK), Ltd.		
Policy Number:	XSA937060111		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Third Layer Excess Umbrella Liability		\$ 10,000,000
Insurance Company:	AXIS Surplus Insurance Company		
Policy Number:	EAU706027/01/2010		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Fourth Layer Excess Umbrella Liability		\$ 25,000,000
Insurance Company:	Westchester Fire Insurance Company		
Policy Number:	G23925448003		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Fifth Layer Excess Umbrella Liability		\$ 25,000,000
Insurance Company:	Continental Insurance Company		
Policy Number:	RMP2088637664		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Commercial Account Package:	Blanket over Buildings and Contents	\$ 276,855,423

(Continued)

**DELAWARE RIVER AND BAY AUTHORITY  
SCHEDULE OF INSURANCE COVERAGE  
Year Ended December 31, 2010**

Insurance Company:	Hartford Fire Insurance Company		
Policy Number:	00FA022743010		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Commercial Crime:	Primary and Excess	\$ 1,000,000
Insurance Company:	Underwriters at Lloyd's		
Policy Number:	B080112538U10		
Policy Term:	1/31/10 - 1/31/11		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue		\$ 385,561,000
Insurance Company:	Lloyd's, London		
Policy Number:	B080112590U10		
Policy Term:	1/31/10 - 1/31/11		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue (Primary Terrorism)		\$ 385,561,000
Policy Number:	B080110342M10		
Policy Term:	2/20/10 - 2/20/11		
Coverage/ Limits:	Protection and Indemnity		\$ 3,050,000,000
Insurance Company:	Lloyd's and Scheduled Companies		
Policy Number:	BO80110704M10		
Policy Term:	7/1/10 - 7/1/11		
Coverage/ Limits:	Vessel Hull and Machinery		Various
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	01-425-51-58		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Public Officials and Employment Practices Liability		\$ 10,000,000
Insurance Company:	National Union Fire Insurance Co. of Pittsburgh, PA		
Policy Number:	GTP9052960A		
Policy Term:	1/1/08 - 1/1/11		
Coverage/ Limits:	Group Travel Accident		\$ 250,000
Insurance Company:	Federal Insurance Company		
Policy Number:	8211-2113		
Policy Term:	1/1/09 - 1/1/12		
Coverage/ Limits:	Special Contingent		\$ 10,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	AV339475311		
Policy Term:	6/30/10 - 6/30/11		
Coverage/ Limits:	Helicopter Liability		\$ 50,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	AE338750611		
Policy Term:	6/30/10 - 6/30/11		
Coverage/ Limits:	Airport Liability		\$ 100,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	C4017235831		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Liquor Liability		\$ 1,000,000
Insurance Company:	Federal Insurance Company		
Policy Number:	81531326		
Policy Term:	12/31/09 - 12/31/10		
Coverage/ Limits:	Public Entity Fiduciary Liability		\$ 10,000,000
Insurance Company:	Columbia Casualty Company		
Policy Number:	LEO223457783		
Policy Term:	1/1/10 - 1/1/11		
Coverage/ Limits:	Law Enforcement Liability		\$ 1,000,000

**STATISTICAL SECTION**

## STATISTICAL SECTION

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

### Contents

### Schedules

#### **Financial Trends**

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

22 to 30

#### **Debt Capacity**

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

31 to 32

#### **Demographic and Economic Information**

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

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#### **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.

34 to 38

**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 Seven Fiscal Years**

	Fiscal Year						
	2010	2009	2008	2007	2006	2005	2004
Invested in Capital Assets,							
Net of Related Debt	\$ 216,524,550	\$ 203,955,527	\$ 180,759,778	\$ 159,314,405	\$ 167,286,079	\$ 172,540,587	\$ 163,878,735
Restricted	24,778,658	33,603,155	33,757,140	33,911,805	32,903,520	32,036,520	32,170,771
Unrestricted	67,802,630	71,518,813	83,669,245	99,720,796	80,913,272	74,601,928	71,881,008
<b>Total Net Assets</b>	<b>\$ 309,105,838</b>	<b>\$ 309,077,495</b>	<b>\$ 298,186,163</b>	<b>\$ 292,947,006</b>	<b>\$ 281,102,871</b>	<b>\$ 279,179,035</b>	<b>\$ 267,930,514</b>

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 AUTHORITY**  
**CHANGE IN NET ASSETS**  
**Last Seven Fiscal Years**

SCHEDULE 23

	Fiscal Year						
	2010	2009	2008	2007	2006	2005	2004
<b>Operating Revenues:</b>							
Bridge Tolls	\$75,875,461	\$ 77,272,069	\$ 79,467,667	\$ 73,525,058	\$ 73,031,619	\$ 72,348,723	\$ 71,868,471
Ferry Tolls	14,258,255	14,309,464	14,271,389	13,555,342	13,778,387	12,723,114	13,063,913
Food and Novelty Sales	3,565,176	3,604,068	3,943,413	4,404,874	4,137,079	4,185,985	3,917,391
Airport Lease Revenue	7,404,691	6,261,850	6,469,182	5,837,345	5,363,724	4,898,749	5,062,799
Economic Development Revenue	1,466,981	1,212,518					
Other Operating Revenue	3,791,207	3,420,307	4,833,281	3,625,730	3,544,050	3,122,164	3,437,091
<b>Total Operating Revenue</b>	<b>106,361,771</b>	<b>106,080,276</b>	<b>108,984,932</b>	<b>100,948,349</b>	<b>99,854,859</b>	<b>97,278,735</b>	<b>97,349,665</b>
<b>Operating Expenses:</b>							
<b>Administrative and General</b>							
Wages	5,176,362	4,897,360	4,908,518	7,107,897	5,108,181	4,774,236	4,169,110
Benefits	3,392,459	3,439,300	3,172,373	2,200,219	1,999,716	1,802,235	1,705,203
Other Expenses	8,300,376	10,623,925	10,145,745	10,171,324	12,915,924	10,034,100	9,955,248
<b>Operations:</b>							
Wages	21,510,862	21,713,362	22,518,595	22,321,874	22,515,138	21,471,595	21,459,564
Benefits	21,761,273	19,560,141	19,466,853	13,368,871	13,838,526	12,353,251	11,731,539
Other Expenses	19,141,607	16,677,644	20,313,648	15,297,497	16,648,022	14,184,485	14,549,857
Depreciation	21,342,782	20,919,311	19,575,853	20,179,522	18,684,272	16,602,820	16,506,024
<b>Total Operating Expenses</b>	<b>100,625,721</b>	<b>97,831,043</b>	<b>100,101,585</b>	<b>90,647,204</b>	<b>91,709,779</b>	<b>81,222,722</b>	<b>80,076,545</b>
<b>Operating Income</b>	<b>5,736,050</b>	<b>8,249,233</b>	<b>8,883,347</b>	<b>10,301,145</b>	<b>8,145,080</b>	<b>16,056,013</b>	<b>17,273,120</b>
<b>Nonoperating Revenue (Expenses):</b>							
Investment Income	4,175,792	4,882,170	3,970,463	7,542,228	6,179,702	4,285,404	2,965,178
Investment Fees	(594,488)	(622,419)	(387,587)	(431,091)	(460,384)	(480,836)	(258,016)
Interest on Bonds	(12,917,905)	(13,245,688)	(14,998,314)	(14,842,098)	(14,921,709)	(15,451,686)	(15,931,209)
Amortization of Bond Issue Costs	(272,174)	(279,008)	(282,588)	(289,078)	(328,184)	(432,224)	(228,513)
Expense Construction in Progress	(1,360,795)	(1,034,571)	(1,836,027)	(822,965)	(1,568,448)	(580,179)	(2,517,888)
Miscellaneous Income							7,344
Sale of Lease Rights		1,674,583	556,000				
Sale of Fixed Assets	106,742	1,897,440	110,229	750,160	88,544	102,291	177,126
Interest Rebate Expense					(2,485,404)		
<b>Net Non Operating (Expenses)</b>	<b>(10,862,828)</b>	<b>(6,727,493)</b>	<b>(12,867,824)</b>	<b>(8,092,845)</b>	<b>(13,495,882)</b>	<b>(12,557,230)</b>	<b>(15,785,978)</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>(5,126,778)</b>	<b>1,521,740</b>	<b>(3,984,477)</b>	<b>2,208,300</b>	<b>(5,350,802)</b>	<b>3,498,783</b>	<b>1,487,142</b>
<b>Capital Contributions:</b>							
Grant Income				9,569,724	7,850,160	7,749,738	7,104,984
Capital Contributions	5,155,121	16,592,112	9,223,634	66,111	624,478		
<b>Total Capital Contributions</b>	<b>5,155,121</b>	<b>16,592,112</b>	<b>9,223,634</b>	<b>9,635,835</b>	<b>8,474,638</b>	<b>7,749,738</b>	<b>7,104,984</b>
<b>Change in Net Assets</b>	<b>\$ 28,343</b>	<b>\$ 18,113,852</b>	<b>\$ 5,239,157</b>	<b>\$ 11,844,135</b>	<b>\$ 3,123,836</b>	<b>\$ 11,248,521</b>	<b>\$ 8,592,126</b>

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 AUTHORITY  
CHANGE IN NET ASSETS  
PENSION TRUST FUND  
Last Seven Fiscal Years**

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

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001 (1)
<b>Delaware Memorial Bridge</b>										
Class 1 - Passenger Cars	\$37,073,673	\$37,408,311	\$36,121,749	\$37,572,672	\$37,750,076	\$37,496,001	\$37,629,843	\$36,580,395	\$36,260,561	\$33,084,142
Class 2 - Two Axel Trucks	2,053,592	2,079,184	2,231,996	1,843,644	1,915,980	1,969,644	2,020,944	1,972,578	2,032,626	2,132,478
Class 3 - Three Axel Trucks	2,000,412	1,955,232	1,944,594	1,485,828	1,495,602	1,519,479	1,476,522	1,397,889	1,390,482	1,507,716
Class 4 - Four Axel Trucks	1,979,408	2,001,968	2,269,236	1,819,476	1,759,728	1,798,488	1,791,828	1,714,452	1,793,280	1,645,440
Class 5 - Five Axel Trucks & Truck Combination	28,981,660	30,210,240	33,212,285	27,139,155	26,530,920	25,985,010	25,198,605	23,793,555	23,703,045	22,607,553
Class 6 - Six Axel Trucks & Truck Combinations	706,608	740,256	777,606	602,388	479,196	495,558	552,528	677,268	399,996	307,494
Class 7 - Vehicles Requiring Special Permits	99,650	89,050	110,390	106,720	117,320	121,240	114,360	83,320	80,280	86,120
Class 8 - Special(Over Six Axels)	202,468	150,472	130,348	141,144	121,821	115,521	176,778	229,908	81,312	12,843
Class 9 - Commutation Plan	854,887	832,192	845,348	842,768	847,396	853,654	854,533	842,222	877,900	704,805
Class 10 - Frequent Traveler Plan	1,234,491	1,241,828	1,266,047	1,314,555	1,350,179	1,327,018	1,358,553	1,369,507	1,396,148	2,083,936
Class 11 - Passenger Cars w/ 1 Axel Trailer	298,434	312,480	301,887	328,163	335,858	348,534	352,229	322,601	300,704	281,052
Class 12 - Passenger Cars w/ 2 Axel Trailer	363,642	377,856	382,740	410,670	412,242	414,444	425,850	398,988	341,004	311,088
Class 13 - Passenger Cars w/ 3 Axel Trailer	26,535	27,143	25,485	31,755	24,600	25,838	41,033	47,460	29,228	16,088
Class 14 - Senior Citizens (3)	0	0	0	0	0	0	0	1	0	15
Class 15 - Tokens (3)	0	0	0	0	0	0	0	0	1	1,752
Allowance - Uncollected Tolls	0	(154,142)	(152,044)	(113,879)	(109,299)	(121,705)	(125,134)	(201,963)	(220,770)	0
<b>Total Bridge Net Tolls</b>	<b>\$75,875,460</b>	<b>\$77,272,070</b>	<b>\$79,467,667</b>	<b>\$73,525,058</b>	<b>\$73,031,619</b>	<b>\$72,348,723</b>	<b>\$71,868,471</b>	<b>\$69,228,181</b>	<b>\$68,465,796</b>	<b>\$64,792,522</b>

(1) DRBA began the use of Electronic Tolls (E-Zpass) effective 7/18/2001  
(2) Discontinued use of all tickets (including senior citizens) and token with the implementation of E-ZPass

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Cape May - Lewes Ferry</b>										
Passengers	\$ 4,009,438	\$ 4,102,919	\$ 4,160,592	\$ 5,922,713	\$ 6,067,617	\$ 5,740,774	\$ 6,013,991	\$ 6,205,639	\$ 6,829,304	\$ 6,331,396
Bus Passengers	25,507	26,247	33,655	42,086	38,189	43,964	59,581	63,949	82,724	72,335
Class 1 - Passenger Car	9,342,832	9,286,207	9,159,072	6,830,396	6,924,879	6,216,681	6,281,962	6,412,152	6,898,517	5,622,181
Class 4 - 20' to 25'	76,708	79,213	89,800	91,920	90,806	70,857	64,200	49,898	50,436	45,460
Class 5 - 25' to 35'	162,190	163,340	163,482	143,673	141,285	131,577	128,340	128,126	133,629	119,585
Class 6 - 35' to 45'	131,043	131,094	129,463	118,491	119,101	109,633	108,958	104,633	108,602	98,634
Class 7 - 45' to 55'	168,941	169,925	171,351	149,034	150,843	126,123	113,498	108,963	109,147	94,760
Class 9 - Over 65'	29,763	28,788	58,678	45,730	38,614	38,852	52,787	78,150	78,970	87,045
Class 10 - Motorbike or Motorcycle	237,607	245,859	227,148	156,899	129,486	116,780	110,255	82,319	93,189	65,862
Class 11 - Bicycle	0	0	0	0	120	19,858	10,458	9,686	11,804	9,484
Class 12 - Over Width Vehicles	590	558	1,115	973	128	275	388	1,040	307	86
Peak Period Surcharge (1)	0	0	0	0	0	0	0	0	0	0
<b>Total Cape May - Lewes Ferry:</b>	<b>\$ 14,184,619</b>	<b>\$ 14,234,150</b>	<b>\$ 14,194,354</b>	<b>\$ 13,501,913</b>	<b>\$ 13,701,066</b>	<b>\$ 12,615,372</b>	<b>\$ 12,944,416</b>	<b>\$ 13,244,553</b>	<b>\$ 14,396,627</b>	<b>\$ 12,546,825</b>
<b>Three Forts Ferry (2)</b>										
Adult	\$ 39,392	\$ 41,310	\$ 44,307	\$ 35,703	\$ 44,394	\$ 67,020	\$ 75,222	\$ 70,104	\$ 96,210	\$ 94,734
Child	7,346	8,100	8,115	8,529	10,836	17,308	20,804	17,968	23,996	25,244
School Groups	11,606	13,830	12,550	4,011	18,900	17,832	21,456	20,068	23,488	23,468
Cruise/Special Events	15,292	12,150	12,063	5,185	3,191	5,582	2,015	2,972	23,436	27,886
<b>Total Three Forts Ferry:</b>	<b>\$ 73,636</b>	<b>\$ 75,390</b>	<b>\$ 77,035</b>	<b>\$ 53,428</b>	<b>\$ 77,321</b>	<b>\$ 107,742</b>	<b>\$ 119,497</b>	<b>\$ 111,112</b>	<b>\$ 167,130</b>	<b>\$ 171,332</b>
<b>Total Ferry Tolls</b>	<b>\$ 14,258,255</b>	<b>\$ 14,309,540</b>	<b>\$ 14,271,389</b>	<b>\$ 13,555,342</b>	<b>\$ 13,778,387</b>	<b>\$ 12,723,114</b>	<b>\$ 13,063,913</b>	<b>\$ 13,355,665</b>	<b>\$ 14,563,758</b>	<b>\$ 12,718,157</b>

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

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

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

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Delaware Memorial Bridge</b>										
Class 1 - Passenger Cars	12,397,831	12,508,110	12,073,390	12,554,899	12,615,946	12,530,542	12,582,105	12,256,304	12,149,635	11,063,981
Class 2 - Two Axel Trucks	258,758	261,472	280,946	308,773	320,844	330,077	338,687	332,732	343,102	357,384
Class 3 - Three Axel Trucks	168,341	164,491	163,668	166,322	167,370	170,362	166,723	158,938	157,867	169,129
Class 4 - Four Axel Trucks	124,772	125,940	142,927	152,343	147,290	150,756	150,072	144,596	151,680	138,106
Class 5 - Five Axel Trucks & Truck Combinations	1,470,937	1,523,964	1,677,383	1,822,294	1,780,752	1,746,467	1,693,932	1,607,780	1,601,311	1,516,553
Class 6 - Six Axel Trucks & Truck Combinations	29,825	31,196	32,832	33,720	26,801	27,739	30,865	37,966	22,527	17,278
Class 7 - Vehicles Requiring Special Permits	1,993	1,781	2,211	2,668	2,933	3,033	2,859	2,083	2,007	2,153
Class 8 - Special(Over Six Axels)	7,305	5,427	4,694	6,053	5,867	5,616	8,498	11,146	3,965	603
Class 9 - Commutation Plan	1,139,850	1,109,589	1,127,130	1,123,691	1,129,861	1,138,205	1,139,377	1,122,963	1,170,533	939,740
Class 10 - Frequent Traveler Plan	1,234,491	1,241,834	1,266,053	1,314,561	1,350,179	1,327,018	1,358,553	1,369,507	1,396,148	2,083,936
Class 11 - Passenger Cars w/ 1 Axel Trailer	67,196	70,080	67,477	73,385	74,988	77,904	79,118	73,105	67,403	62,679
Class 12 - Passenger Cars w/ 2 Axel Trailer	61,109	63,323	64,062	68,755	68,894	69,510	71,409	66,994	57,112	51,982
Class 13 - Passenger Cars w/ 3 Axel Trailer	4,046	3,901	3,601	4,453	3,402	3,639	5,892	7,134	4,415	2,526
Class 14 - Senior Citizens (With Token Only)	0	0	0	0	0	0	0	0	0	15
Class 15 - Tokens	0	0	0	0	0	0	0	0	0	1,751
Class 16 - Non Revenue	17,245	15,768	14,239	11,964	12,367	12,542	12,948	24,202	16,922	9,031
<b>Total Bridge Traffic</b>	<b>16,983,699</b>	<b>17,126,876</b>	<b>16,920,613</b>	<b>17,643,881</b>	<b>17,707,494</b>	<b>17,593,410</b>	<b>17,641,038</b>	<b>17,215,450</b>	<b>17,144,627</b>	<b>16,416,847</b>

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Cape May - Lewes Ferry</b>										
Passengers	767,114	789,761	862,618	914,064	931,389	952,141	944,472	970,332	1,078,175	1,201,964
Bus Passengers	5,455	5,377	7,149	7,501	6,560	6,420	8,685	9,317	12,133	12,720
Class 1 - Passenger Car	266,064	270,046	293,599	317,105	328,343	336,501	335,243	340,084	371,771	381,181
Class 4 - 20' to 25'	1,812	1,903	2,492	3,273	3,273	3,016	2,741	2,134	2,168	2,397
Class 5 - 25' to 35'	3,181	3,247	3,603	3,950	3,943	4,288	4,190	4,177	4,396	4,585
Class 6 - 35' to 45'	2,234	2,248	2,464	2,728	2,771	2,983	2,965	2,845	2,970	3,075
Class 7 - 45' to 55'	2,349	2,394	2,620	2,691	2,758	2,699	2,433	2,331	2,347	2,252
Class 8 - 55' to 65'	0	0	0	0	0	0	0	0	0	0
Class 9 - Over 65'	329	325	705	596	522	598	811	1,200	1,224	1,435
Class 10 - Motorbike or Motorcycle	7,669	7,961	8,156	8,592	6,959	6,756	6,370	4,794	5,390	5,376
Class 11 - Bicycle	0	0	0	0	20	2,557	3,052	2,817	3,446	3,959
Class 12 - Over Width Vehicles	4	3	7	8	1	2	4	8	3	1
CMLF Non-Revenue Passengers	59,117	50,224	52,042	60,849	63,219	67,435	67,245	70,401	78,967	22,263
CMLF Non-Revenue Vehicles	2,820	7,129	4,354	2,497	2,618	2,607	2,222	2,060	2,650	3,823
<b>Total Cape May-Lewes Ferry Traffic:</b>	<b>1,118,148</b>	<b>1,140,618</b>	<b>1,239,809</b>	<b>1,323,854</b>	<b>1,352,376</b>	<b>1,388,003</b>	<b>1,380,433</b>	<b>1,412,500</b>	<b>1,565,640</b>	<b>1,645,031</b>
<b>Three Forts Ferry</b>										
Adult	10,942	11,475	11,402	12,265	7,399	11,170	12,537	11,684	16,035	15,789
Child	3,401	3,750	3,757	4,726	2,709	4,327	5,201	4,492	11,871	12,178
School Groups	5,373	6,403	4,980	4,552	3,780	4,458	5,364	5,017	0	0
Cruise/Special Events	2,768	2,994	1,848	782	1,110	1,256	424	1,655	2,683	2,827
Three Forts Non-Revenue	209	287	222	194	725	931	1,600	999	0	0
<b>Total Three Forts Ferry Traffic:</b>	<b>22,693</b>	<b>24,909</b>	<b>22,209</b>	<b>22,519</b>	<b>15,723</b>	<b>22,142</b>	<b>25,126</b>	<b>23,847</b>	<b>30,589</b>	<b>30,794</b>
<b>Total Ferry Traffic:</b>	<b>1,140,841</b>	<b>1,165,527</b>	<b>1,262,018</b>	<b>1,346,373</b>	<b>1,368,099</b>	<b>1,410,145</b>	<b>1,405,559</b>	<b>1,436,347</b>	<b>1,596,229</b>	<b>1,675,825</b>

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Delaware Memorial Bridge</b>										
Class 1 - Passenger Cars	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Class 2 - Two Axel Trucks	8.00	8.00	8.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Class 3 - Three Axel Trucks	12.00	12.00	12.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Class 4 - Four Axel Trucks	16.00	16.00	16.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Class 5 - Five Axel Trucks & Truck Combinations	20.00	20.00	20.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Class 6 - Six Axel Trucks & Truck Combinations	24.00	24.00	24.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Class 7 - Vehicles Requiring Special Permits	50.00	50.00	50.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Class 8 - Special(Over Six Axels)	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Class 9 - Commuter Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.75
Class 9 - Commutation Plan	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Class 10 - Discount Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.00
Class 10 - Frequent Traveler Plan	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
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	4.50
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	6.00
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	7.50
Class 14 - Senior Citizens (With Token Only)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Cape May - Lewes Ferry</b>										
Foot/Vehicle Passenger (under 6 yrs)	Free	Free	Free	Free	Free	Free	Free	Free	Free	2
Foot/Vehicle Passenger (6 yrs & over)	\$3-\$10	\$2.75-\$10.00	\$2.50-\$9.50	\$2.50-\$9.50	\$2.50-\$9.50	\$6-\$8	\$6-\$8	\$6-\$8	\$6-\$8	\$4.50-\$6.50
Foot Passengers(round trip)	6-10	5.25-10.00	6-17	6-17	6-17	10-15	10-15	10-15	10-15	8.50-12.50
Bus Passengers	2-5	1.50-5.25	1.50-5	2-6	2-6	5-7	5-7	5-7	5-7	4-6
Class 1 - Passenger Car	26-44	25.25-43.25	19-41	19-29	19-29	20-25	20-25	20-25	20-25	18-20
Class 4 - 20' to 25'	34-50	33.75-49.75	27-47	27-34	27-34	24-29	24-29	24-29	24-29	22-24
Class 5 - 25' to 35'	43-61	42.25-60.25	35-57	35-42	35-42	31-36	31-36	31-36	31-36	29-31
Class 6 - 35' to 45'	50-69	49.75-68.75	42-65	42-49	42-49	37-42	37-42	37-42	37-42	35-37
Class 7 - 45' to 60'	62-85	61.25-84.50	53-80	53-61	53-61	47-52	47-52	47-52	47-52	45-47
Class 9 - Over 60'	85-113	84.50-113.00	75-107	75-83	75-83	66-71	66-71	66-71	66-71	64-66
Class 10 - Motorbike or Motorcycle	25-36	24.25-36.00	15-34	15-24	15-24	17-22	17-22	17-22	17-22	15-17
Class 10 w/ Side Car or trailer	22-27	21.25-26.50	15-34	15-24	15-24	18-23	18-23	18-23	18-23	N/A
Class 11 - Bicycle	Free	Free	Free	Free	Free	6-8	6-8	6-8	6-8	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	10-11	10-11	6-10	6	6	6	6	6	6
Child	6-7	6-7	6-7	4-6	4	4	4	4	4	4
Cruise/Special Events	10	10	10	10	10	10	10	10	10	10

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

Fiscal Year	Outstanding Revenue Bonds	Total Annual Debt Service	Total Traffic (1)	Outstanding Debt Per Customer	Debt Service Per Customer
2010	\$ 292,095,000	\$ 21,354,195	18,124,540	\$ 16.12	\$ 1.18
2009	300,115,000	20,972,814	18,289,162	16.41	1.15
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

(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	
2010	\$ 99,723,149	\$ 67,219,476	\$ 32,503,673	\$ 8,400,000	\$ 12,954,195	1.52
2009	101,537,888	61,841,952	39,695,936	8,020,000	13,302,814	1.86
2008	102,866,626	67,088,144	35,778,482	7,718,750	15,092,551	1.58
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

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

<b>NEW JERSEY</b>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b><u>Cape May County</u></b>									
Population	101,864	101,421	101,335	99,920	98,558	97,814	96,700	96,470	96,091
Total Personal Income	\$1,065,010	\$1,127,117	\$1,188,248	\$1,285,105	\$1,330,501	\$1,357,256	\$1,369,686	\$1,395,943	\$1,360,988
Per Capita Personal Income	\$26,710	\$27,778	\$28,873	\$30,227	\$31,033	\$31,801	\$32,452	\$33,529	\$33,477
Unemployment Rate	6.7%	8.0%	8.1%	6.9%	6.6%	6.9%	6.6%	8.1%	11.4%
<b><u>Cumberland County</u></b>									
Population	146,673	147,590	148,722	150,227	152,489	153,910	155,402	156,784	157,745
Total Personal Income	\$1,886,351	\$1,976,359	\$2,052,149	\$2,207,839	\$2,279,327	\$2,359,502	\$2,429,227	\$2,492,454	\$2,462,772
Per Capita Personal Income	\$32,571	\$33,625	\$34,508	\$36,228	\$36,387	\$37,749	\$39,408	\$40,709	\$41,145
Unemployment Rate	6.5%	7.6%	7.9%	6.6%	6.3%	6.9%	6.5%	8.0%	12.7%
<b><u>Gloucester County</u></b>									
Population	259,050	263,518	268,257	273,020	276,680	281,936	286,056	288,168	289,920
Total Personal Income	\$2,967,506	\$3,093,025	\$3,305,661	\$3,583,035	\$3,839,077	\$4,067,667	\$4,157,198	\$4,245,476	\$4,106,572
Per Capita Personal Income	\$33,119	\$33,794	\$34,549	\$36,291	\$37,233	\$39,018	\$40,004	\$41,392	\$41,332
Unemployment Rate	4.0%	5.2%	5.4%	4.7%	4.4%	4.7%	4.3%	5.4%	9.4%
<b><u>Salem County</u></b>									
Population	64,133	64,516	64,407	64,914	65,465	65,929	65,981	66,194	66,342
Total Personal Income	\$854,760	\$908,818	\$950,860	\$1,021,336	\$1,007,053	\$1,024,486	\$1,052,845	\$1,078,606	\$1,062,053
Per Capita Personal Income	\$39,920	\$41,466	\$42,063	\$43,920	\$43,557	\$44,201	\$45,857	\$48,251	\$49,183
Unemployment Rate	4.4%	5.8%	6.0%	5.2%	4.8%	5.0%	5.0%	6.2%	10.7%
<b>STATE OF DELAWARE</b>									
<b><u>All Counties</u></b>									
Population	794,620	804,131	814,905	826,639	839,906	853,022	864,896	876,211	885,122
Total Personal Income (in millions)	\$25,492.4	\$26,529.9	\$27,140.1	\$29,330.9	\$29,010.2	\$32,947.1	\$34,574.7	\$35,667.4	\$35,360.0
Per Capita Personal Income	\$32,142	\$33,007	\$33,644	\$35,523	\$36,793	\$38,745	\$40,112	\$40,852	\$39,949
Unemployment Rate	3.4%	3.9%	4.1%	3.9%	3.9%	3.6%	3.5%	5.0%	8.0%

**Sources:**  
 United States Department of Labor, Bureau of Labor Statistics  
 United States Census Bureau, Population Division  
 State of Delaware CAFR Report

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Airports</b>										
<b>New Castle Airport</b>										
Lease Revenues	\$ 4,826,165	\$ 4,185,960	\$ 3,936,180	\$ 3,630,836	\$ 3,118,445	\$ 2,656,667	\$ 2,858,242	\$ 2,901,598	\$ 2,942,883	\$ 2,780,717
Fuel Flowage Fees	337,994	293,876	419,947	492,057	489,864	476,895	455,804	516,770	517,917	466,377
Ramp Fees				19,813	9,310					
Landing Fees	98,809	68,233	123,301	139,367	144,218	161,056	143,226	187,531	138,465	138,606
<b>Total New Castle Airport</b>	<b>5,262,968</b>	<b>4,548,069</b>	<b>4,479,428</b>	<b>4,282,073</b>	<b>3,761,837</b>	<b>3,294,618</b>	<b>3,457,272</b>	<b>3,605,899</b>	<b>3,599,265</b>	<b>3,385,700</b>
<b>Cape May Airport (1)</b>										
Lease Revenues	153,738	127,051	159,358	147,247	146,879	155,906	158,414	150,065	159,903	175,839
Fuel Flowage Fees	5,007	3,895	4,409	5,309	5,289	2,224				
Aviation Fuel Sales					26,792	198,069	198,445	138,445	48	
<b>Total Cape May Airport</b>	<b>158,745</b>	<b>130,946</b>	<b>163,767</b>	<b>152,556</b>	<b>152,168</b>	<b>184,922</b>	<b>356,483</b>	<b>288,510</b>	<b>159,951</b>	<b>175,839</b>
<b>Millville Airport (2)</b>										
Lease Revenues	374,277	337,874	357,584	337,663	308,108	417,445	398,236	409,024	378,930	377,549
Fuel Flowage Fees	13,081	27,847	72,430	88,212	73,080	49,380	18,051	19,951	28,767	35,427
<b>Total Millville Airport</b>	<b>387,358</b>	<b>365,721</b>	<b>430,014</b>	<b>425,875</b>	<b>381,188</b>	<b>466,825</b>	<b>416,287</b>	<b>428,975</b>	<b>407,697</b>	<b>412,976</b>
<b>Civil Air Terminal (3)</b>										
Lease Revenues			2,081					710	2,663	20,662
Landing Fees	18,141	21,296	9,873	19,999	20,300	18,723	15,454	15,485	14,005	18,945
<b>Total Civil Air Terminal</b>	<b>18,141</b>	<b>21,296</b>	<b>11,954</b>	<b>19,999</b>	<b>20,300</b>	<b>18,723</b>	<b>15,454</b>	<b>16,195</b>	<b>16,668</b>	<b>39,607</b>
<b>Delaware Air Park (4)</b>										
Lease Revenues	66,283	53,265	95,306	51,430	55,864	63,346	62,606	60,008	60,007	44,547
Aviation Fuel Sales	104,452	104,934	138,110	129,339	121,928	93,388	85,512	76,272	84,088	87,891
Aviation Chart Sales	18	1,119	1,452	1,507	1,730	1,594				
<b>Total Delaware Air Park</b>	<b>170,753</b>	<b>159,318</b>	<b>234,868</b>	<b>182,276</b>	<b>179,522</b>	<b>158,328</b>	<b>148,118</b>	<b>136,280</b>	<b>144,095</b>	<b>132,438</b>
<b>Total Airports</b>	<b>\$ 5,997,965</b>	<b>\$ 5,225,350</b>	<b>\$ 5,320,031</b>	<b>\$ 5,062,779</b>	<b>\$ 4,495,015</b>	<b>\$ 4,123,416</b>	<b>\$ 4,393,614</b>	<b>\$ 4,475,859</b>	<b>\$ 4,327,676</b>	<b>\$ 4,146,560</b>
<b>Concessions</b>										
Food & Beverage	\$ 2,550,753	\$ 2,546,211	\$ 2,712,037	\$ 3,013,071	\$ 2,794,829	\$ 2,817,535	\$ 2,580,194	\$ 2,691,862	\$ 3,106,039	\$ 3,184,250
Novelty	909,436	942,349	1,090,470	1,263,874	1,197,668	1,227,005	1,206,244	1,255,104	1,354,036	1,468,810
<b>Total Concessions</b>	<b>\$ 3,460,189</b>	<b>\$ 3,488,560</b>	<b>\$ 3,802,507</b>	<b>\$ 4,276,945</b>	<b>\$ 3,992,497</b>	<b>\$ 4,044,540</b>	<b>\$ 3,786,438</b>	<b>\$ 3,946,966</b>	<b>\$ 4,460,075</b>	<b>\$ 4,653,060</b>

(1) Cape May Airport acquired 6/99  
 (2) Millville Airport acquired 10/99  
 (3) Civil Air Terminal acquired 8/99  
 (4) Delaware Air Park acquired 7/00

**DELAWARE RIVER AND BAY AUTHORITY  
OPERATING STATISTICS  
Last Ten Fiscal Years**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Delaware Memorial Bridge</b>										
Total Traffic	16,983,699	17,126,876	16,920,613	17,643,881	17,707,494	17,593,410	17,641,038	17,215,450	17,144,627	16,416,847
Non-Commercial Traffic	14,921,768	15,012,605	14,615,952	15,151,708	15,255,637	15,159,360	15,249,402	14,920,209	14,862,168	14,215,641
Commercial Traffic	2,061,931	2,114,271	2,304,661	2,492,173	2,451,857	2,434,050	2,391,636	2,295,241	2,282,459	2,201,206
Average Daily Traffic	46,531	46,923	46,358	48,339	48,514	48,201	48,332	47,166	46,972	44,978
Average Toll per Customer	\$4.47	\$4.51	\$4.69	\$4.16	\$4.12	\$4.11	\$4.08	\$4.07	\$4.04	\$3.95
E-Z Pass Traffic (1)	10,460,787	10,313,946	10,073,221	10,100,635	9,724,593	9,161,304	8,489,812	7,606,259	7,026,729	2,684,340
% of E-Z Pass Traffic (1)	61.66%	60.28%	59.58%	57.29%	54.96%	52.11%	48.16%	44.22%	41.03%	30.40%
<b>Cape May - Lewes Ferry</b>										
Total Traffic	1,118,148	1,140,618	1,239,809	1,323,854	1,352,376	1,388,003	1,380,433	1,412,500	1,565,640	1,645,031
Vehicle Traffic	286,462	295,256	318,000	341,440	351,188	359,450	360,031	362,450	396,365	408,084
Passenger Traffic	831,686	845,362	921,809	982,414	1,001,188	1,028,553	1,020,402	1,050,050	1,169,275	1,236,947
Average Daily Traffic-Passengers	2,117	2,164	2,526	2,525	2,570	2,634	2,612	3,684	2,987	3,328
Average Daily Traffic-Vehicles	777	804	871	929	955	978	980	987	1,079	1,108
Average Fare per Customer	\$12.69	\$12.48	\$11.44	\$10.20	\$10.13	\$9.09	\$9.88	\$7.77	\$9.71	\$7.75
Total Vessel Crossings	4,983	5,056	5,308	5,533	5,676	5,828	6,205	6,139	6,340	6,374
Average Daily Trips	14	14	15	15	16	16	17	17	17	17
<b>Three Forts Ferry</b>										
Total Passenger Traffic	22,693	24,909	22,209	22,519	15,723	21,211	25,126	23,847	30,589	30,794

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

**DELAWARE RIVER AND BAY AUTHORITY  
OPERATING STATISTICS  
Last Ten Fiscal Years**

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Airports</b>										
Number of Landings	79,388	73,487	45,279	72,907	82,239	66,856	54,477	59,123	65,970	60,549
New Castle Airport	17,000	15,000	15,000	17,000	15,000	17,500	10,200	9,500	10,200	10,050
Cape May Airport	40,000	40,000	30,000	35,000	30,000	30,000	21,200	19,800	21,200	21,000
Millville Airport	271	301	326	350	436	320	320	394	338	282
Civil Air Terminal	11,500	11,500	12,000	20,000	17,000	18,000	18,000	18,000	18,000	15,000
Delaware Air Park										
<b>Concessions</b>										
Number of Customers Food/Beverage	431,603	446,488	522,762	594,621	603,849	628,636	589,814	603,936	702,985	781,817
Number of Customers Novelty	79,344	86,256	106,254	129,779	129,655	138,417	138,943	146,767	163,071	175,088
Average Purchase Food/Beverage	\$5.94	\$5.70	\$5.21	\$5.07	\$4.48	\$4.48	\$4.37	\$4.46	\$4.42	\$4.07
Average Purchase Novelty	\$11.46	\$10.93	\$10.26	\$9.53	\$9.24	\$8.86	\$8.68	\$8.55	\$8.30	\$8.39
<b>Police</b>										
Arrests	498	630	560	740	1,138	724	337	213	302	355
Traffic Violations	9,162	9,928	9,453	8,521	8,640	4,968	5,615	2,480	1,128	8,357
Traffic Reprimands	6,341	6,726	5,152	3,553	3,476	5,336	12,685	9,299	9,180	12,602
Accident Investigations	215	280	339	296	295	338	307	297	273	311

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

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>	<u>2003</u>	<u>2002 (2)</u>	<u>2001</u>
Delaware Memorial Bridge										
Operating Expenditures	\$ 25,690,857	\$ 25,228,586	\$ 25,860,557	\$ 23,789,442	\$ 23,932,453	\$ 19,984,171	\$ 21,681,600	\$ 20,778,095	\$ 14,167,656	\$ 13,829,220
Capital Expenditures	9,191,779	26,720,643	16,551,342	10,045,347	11,318,358	9,491,685	7,659,601	13,088,567	17,915,462	18,766,866
Cape May - Lewes Ferry										
Operating Expenditures	31,778,768	30,629,359	33,271,770	29,226,668	29,178,709	26,952,433	25,956,214	32,025,328	17,827,333	17,851,222
Capital Expenditures	8,102,616	2,656,490	6,971,741	1,820,793	4,268,791	7,401,779	3,435,589	3,742,336	4,170,037	21,289,904
Airports										
Operating Expenditures	10,159,332	9,944,990	9,569,059	8,707,198	7,330,841	6,946,389	7,441,859	6,970,699	4,309,121	4,177,090
Capital Expenditures	5,944,317	16,074,289	9,481,862	10,641,592	9,081,921	14,418,289	9,762,160	13,922,201	21,139,457	19,418,422
Concessions (3)										
Operating Expenditures	4,107,001	4,213,682	4,597,062	4,686,253	4,669,262	4,365,502	4,030,312	4,012,482	4,299,690	4,356,828
Three Forts Crossing										
Operating Expenditures	196,601	186,705	192,221	204,236	207,104	175,932	215,369	172,054	263,646	293,626
Capital Expenditures	-	-	88,680	1,495	406,972	20,566		458,226	7,113	205,371
Police										
Operating Expenditures	8,123,802	7,902,613	7,741,485	6,838,008	6,574,019	5,866,749	5,697,573	5,682,821	5,482,340	5,136,784
Administration										
Operating Expenditures	15,682,997	16,211,661	16,052,433	14,832,051	15,371,088	14,383,334	13,248,804	11,395,887	9,903,379	9,320,873

(1) Operating expenses for fiscal year 2004 and fiscal year 2003 are based on GAAP - Generally Accepted Accounting Principles.

(2) Operating expenses for fiscal year 2002 to fiscal year 1995 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, which assumed operations in fiscal year 1996.

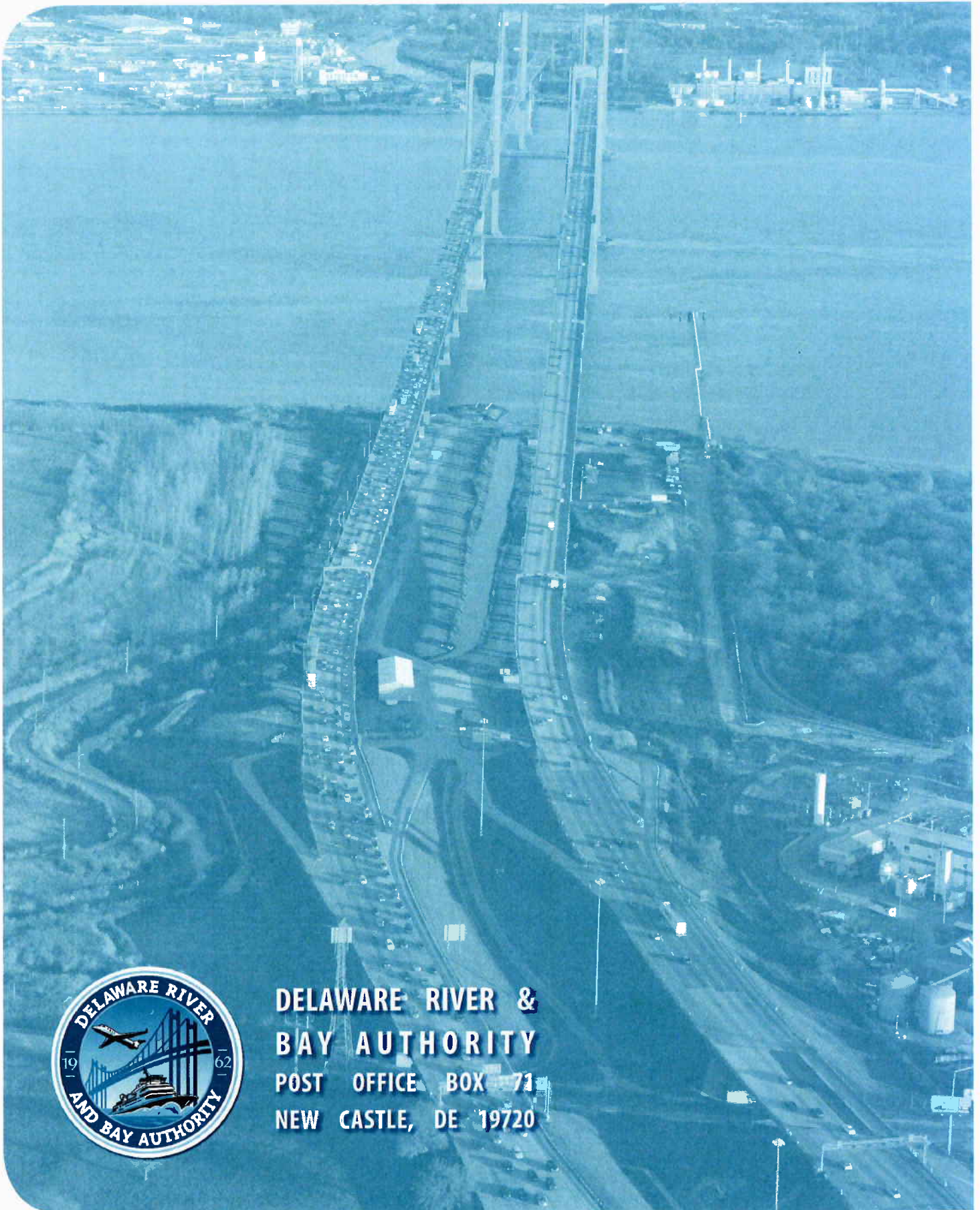
\*Note: In 2008, for reporting purposes, the credit card fees/merchant card fees were reclassified as operating expenses. Previously, they were netted with credit card fee income on the schedule of other operating revenues. This required changing the totals of operating expenditures and other operating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

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

	Full-time Employees as of Dec 31									
	2010	2009	2008	2007	2006	2005	2004	2003 (2)	2002	2001
Administration	69	72	68	62	71	65	67	65	66	68
Delaware Memorial Bridge	101	101	103	107	111	122	107	126	160	165
Cape May - Lewes Ferry	111	115	123	130	145	142	140	128	156	166
Police	59	63	66	62	61	64	62	66	74	72
Airports	28	34	36	29	38	28	36	34	34	37
Concessions	16	12	15	20	20	25	20	18	25	25
Three Forts Crossing (1)	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>384</b>	<b>397</b>	<b>411</b>	<b>410</b>	<b>446</b>	<b>446</b>	<b>432</b>	<b>437</b>	<b>515</b>	<b>533</b>

(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.



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