

**DELAWARE RIVER JOINT TOLL
BRIDGE COMMISSION
BRIDGE SYSTEM**

Financial Statements
and
Supplementary Information

Year Ended December 31, 2001

**DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
BRIDGE SYSTEM**

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of

**DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
BRIDGE SYSTEM**
Morrisville, Pennsylvania

We have audited the accompanying balance sheet of **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM** as of December 31, 2001, and the related statements of operations, fund equity and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 opinion.

As disclosed in the notes to the financial statements, the Commission has elected to carry investment in facilities at cost, and does not record depreciation on such assets. Accounting principles generally accepted in the United States of America require that investment in facilities should be depreciated.

In our opinion, except for the effects on the financial statements of not recording depreciation as explained in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM** as of December 31, 2001, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2002 on our consideration of **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM'S** internal control over financial reporting and our tests of its compliance with certain bond resolutions, regulations, contracts, and compact. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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- SEC PRACTICE SECTION

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules on pages 15 to 28 are presented for the 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.

Druker, Rahl & Fein

March 12, 2002

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

BALANCE SHEET

December 31, 2001

(With Comparative Totals for December 31, 2000)

	Total (Memorandum Only)		Construction Fund	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve Maintenance Fund	General Reserve Fund	Operating Maintenance Contingency Account
	December 31, 2000	December 31, 2001								
	ASSETS									
Cash and equivalents	\$ 10,064,964	\$ 10,463,128	\$ 2,660,267	\$ 1,915,806	\$ 477,343	\$ 1,787,457	\$ 1,095,819	\$ 12,353	\$ 2,512,977	\$ 1,106
Investments	42,760,839	70,007,136	16,866,326	-	6,889,344	2,973,597	5,967,063	905,375	35,408,031	997,400
Accrued interest on investments	603,589	760,168	-	760,168	-	-	-	-	-	-
Due from other funds	7,510,858	2,204,917	-	1,790,980	413,937	-	-	-	-	-
Accounts receivable	62,476	57,481	-	47,445	10,036	-	-	-	-	-
Deferred bond issuance costs	-	162,977	162,977	-	-	-	-	-	-	-
Prepaid expenses	278,122	503,695	-	-	503,695	-	-	-	-	-
Investment in facilities	106,260,379	106,310,187	106,310,187	-	-	-	-	-	-	-
Total Assets	\$ 167,541,227	\$ 190,469,689	\$ 125,999,757	\$ 4,514,399	\$ 8,294,355	\$ 4,761,054	\$ 7,062,882	\$ 917,728	\$ 37,921,008	\$ 998,506
LIABILITIES AND FUND EQUITY										
Accounts payable - trade vendors, payroll taxes and employees' payroll deductions	\$ 3,045,868	\$ 5,166,383	\$ -	\$ -	\$ 3,234,030	\$ -	\$ -	\$ -	\$ 1,932,353	\$ -
Accrued interest on bond indebtedness	1,479,753	1,547,656	-	-	-	1,547,656	-	-	-	-
Due to other funds	7,510,858	2,204,917	49,804	-	-	487,734	686,551	97,701	883,127	-
Deferred tolls	90,523	144,883	-	144,883	-	-	-	-	-	-
	12,127,002	9,063,839	49,804	144,883	3,234,030	2,035,390	686,551	97,701	2,815,480	-
Bond indebtedness										
Bond anticipation notes, 2001 series	-	29,625,000	29,625,000	-	-	-	-	-	-	-
Bridge system revenue refunding bonds, series 1992	48,520,000	46,975,000	46,975,000	-	-	-	-	-	-	-
Total Liabilities	60,647,002	85,663,839	76,649,804	144,883	3,234,030	2,035,390	686,551	97,701	2,815,480	-
Fund equity	106,894,225	104,805,850	49,349,953	4,369,516	5,060,325	2,725,664	6,376,331	820,027	35,105,528	998,506
Total Liabilities and Fund Equity	\$ 167,541,227	\$ 190,469,689	\$ 125,999,757	\$ 4,514,399	\$ 8,294,355	\$ 4,761,054	\$ 7,062,882	\$ 917,728	\$ 37,921,008	\$ 998,506

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM
STATEMENT OF OPERATIONS

Year Ended December 31, 2001
(With Comparative Totals for Year Ended December 31, 2000)

	Total		Construction Fund	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve Maintenance Fund	General Reserve Fund	Operating Maintenance Contingency Account
	(Memorandum Only)									
	Year Ended December 31, 2000	2001								
Toll bridge operations:										
Toll revenues	\$ 31,668,166	\$ 32,112,934	\$ -	\$ 32,112,934	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Toll shortage	(24,435)	(13,867)	-	(13,867)	-	-	-	-	-	-
Total toll revenues	<u>31,643,731</u>	<u>32,099,067</u>	-	<u>32,099,067</u>	-	-	-	-	-	-
Deduct:										
Operating and maintenance expenses	13,520,949	13,798,694	-	-	13,798,694	-	-	-	-	-
Administration expenses	4,757,367	5,238,087	-	-	5,238,087	-	-	-	-	-
Toll supported bridges expenses	4,252,034	4,225,731	-	-	4,225,731	-	-	-	-	-
	<u>22,530,350</u>	<u>23,262,512</u>	-	-	<u>23,262,512</u>	-	-	-	-	-
Net revenues from bridges	<u>9,113,381</u>	<u>8,836,555</u>	-	<u>32,099,067</u>	<u>(23,262,512)</u>	-	-	-	-	-
Fund operations:										
Investment return	3,167,919	2,742,628	9,665	1,286,374	181,481	377	82,875	17,147	389,067	775,642
Interest on bond indebtedness	(3,006,696)	(2,945,314)	-	-	-	(2,945,314)	-	-	-	-
Amortization of bond issuance cost	-	(14,815)	(14,815)	-	-	-	-	-	-	-
Renewals and replacements	(1,434,417)	(10,998,077)	-	-	-	-	-	-	(10,998,077)	-
Miscellaneous income	100,218	290,648	-	126,370	164,278	-	-	-	-	-
Net (expenses) revenues from fund operations	<u>(1,172,976)</u>	<u>(10,924,930)</u>	<u>(5,150)</u>	<u>1,412,744</u>	<u>345,759</u>	<u>(2,944,937)</u>	<u>82,875</u>	<u>17,147</u>	<u>(10,609,010)</u>	<u>775,642</u>
Net revenues (expenses)	<u>\$ 7,940,405</u>	<u>\$ (2,088,375)</u>	<u>\$ (5,150)</u>	<u>\$ 33,511,811</u>	<u>\$ (22,916,753)</u>	<u>\$ (2,944,937)</u>	<u>\$ 82,875</u>	<u>\$ 17,147</u>	<u>\$ (10,609,010)</u>	<u>\$ 775,642</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

STATEMENT OF FUND EQUITY

Year Ended December 31, 2001

	Total (Memorandum Only)	Construction Fund	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve Maintenance Fund	General Reserve Fund	Operating Maintenance Contingency Fund
Fund equity, beginning of year	\$ 106,894,225	\$ 57,747,926	\$ 9,385,673	\$ 6,594,152	\$ 1,734,057	\$ 4,527,352	\$ 767,984	\$ 12,159,593	\$ 13,977,488
Add or (deduct):									
Net revenues (expenses)	(2,088,375)	(5,150)	33,511,811	(22,916,753)	(2,944,937)	82,875	17,147	(10,609,010)	775,642
Operating transfers	-	(9,987,631)	(38,527,968)	21,432,734	5,481,544	1,766,104	34,896	33,554,945	(13,754,624)
Retirement of bridge system revenue refunding bonds, 1992 series	-	1,545,000	-	-	(1,545,000)	-	-	-	-
Investment in facilities:									
Equipment purchases	-	152,211	-	(152,211)	-	-	-	-	-
Equipment disposals	-	(102,403)	-	102,403	-	-	-	-	-
Fund equity, end of year	<u>\$ 104,805,850</u>	<u>\$ 49,349,953</u>	<u>\$ 4,369,516</u>	<u>\$ 5,060,325</u>	<u>\$ 2,725,664</u>	<u>\$ 6,376,331</u>	<u>\$ 820,027</u>	<u>\$ 35,105,528</u>	<u>\$ 998,506</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

STATEMENT OF CASH FLOWS

Year Ended December 31, 2001
(With Comparative Totals for the Year Ended December 31, 2000)

	<u>Year Ended December 31,</u>	
	<u>2001</u>	<u>2000</u>
Cash Flows from Operating Activities		
Net (expenses) revenues	\$ (2,088,375)	\$ 7,940,405
Adjustments to reconcile net (expenses) revenues to net cash (used in) provided by operating activities		
Interim investment of construction funds	-	329
Amortization of bond issuance costs	14,815	-
Unrealized gains on investments	(145,828)	(217,081)
Changes in assets and liabilities		
Accrued interest on investments	(156,579)	(2,698)
Accounts receivable	4,995	22,779
Prepaid expenses	(225,573)	138,999
Prepaid cost of bond issuance	(177,791)	-
Accounts payable	2,120,514	105,800
Accrued interest on bond indebtedness	67,903	(42,389)
Deferred tolls	54,359	6,669
Net cash (used in) provided by operating activities	<u>(531,560)</u>	<u>7,952,813</u>
Cash Flows from Investing Activities		
Purchases of investments	(225,184,739)	(25,204,642)
Purchases of investments in facilities	(152,211)	(240,041)
Proceeds from sales of investments	198,084,271	20,755,768
Sales of investments in facilities	102,403	179,215
Net cash used in investing activities	<u>(27,150,276)</u>	<u>(4,509,700)</u>
Cash Flows from Financing Activities		
Bond Anticipation Notes proceeds, net	29,625,000	-
Retirement of bonds	(1,545,000)	(1,465,000)
Net cash provided by (used in) financing activities	<u>28,080,000</u>	<u>(1,465,000)</u>
Net increase in cash	398,164	1,978,113
Cash, beginning of year	10,064,964	8,086,851
Cash, end of year	<u>\$ 10,463,128</u>	<u>\$ 10,064,964</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for		
Interest	<u>\$ 2,877,411</u>	<u>\$ 3,049,085</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

A. AUTHORIZING LEGISLATION AND NATURE OF ORGANIZATION

The **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM**, (The "Commission") a body corporate and politic, was created in 1934 by a compact, subsequently amended and supplemented, between the Commonwealth of Pennsylvania and the State of New Jersey with the approval of the Congress of the United States. The Commission is authorized and empowered, in certain cases with Federal Government approval required, to acquire, construct, administer, operate and maintain such bridges as the Commission deems necessary to advance the interests of the two States, to issue bonds and other obligations, and to make payment of interest thereon. The compact provides that Commission indebtedness shall not be deemed to constitute a debt or liability or a pledge of the faith and credit of the two States or any subdivision thereof.

In 1985 a proposed compact change was enacted and approved by the State of New Jersey that was similar to the legislation that had been enacted by the Commonwealth of Pennsylvania in 1984. This proposed compact change received the required consent of the Congress of the United States in early 1987. The compact, as approved, required the Commission to refinance its bonded indebtedness. In addition, the Commission was obligated to assume full financial responsibility for the cost of operating and maintaining the toll supported bridges which were financed by appropriations from the Commonwealth of Pennsylvania and the State of New Jersey. Accordingly, on July 1, 1987, the Commission defeased all of its then outstanding bonded indebtedness. Due to this compact change, the accompanying financial statements include the operations of the toll supported bridges.

The Commission has jurisdiction for vehicular and pedestrian traffic across the Delaware River between the Commonwealth of Pennsylvania and the State of New Jersey from the Philadelphia, Bucks County line to the New York State line. The Commission's duties include the maintenance and operations of all the bridges over the Delaware River in its jurisdiction, with the following exceptions: the New Jersey-Pennsylvania Turnpike Bridge and the Burlington-Bristol Toll Bridge, both South of Trenton, and the Dingman's Ferry Toll Bridge north of the Delaware Water Gap.

Effective with the issuance of the 1988 Bridge System and 1-78 Revenue Bonds, and pursuant to the respective bond resolutions, the financial activity of the 1-78 Bridge was previously reported separately from the Bridge System. Due to the insubstance defeasance of the 1988 Bridge System and 1-78 Revenue Bonds, effective with the June 30, 1992 financial statements, the financial activity of the 1-78 Bridge is included with the Bridge System.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The financial statements of the Commission are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of state and local government units, except that depreciation is not provided.

Basis of Investments

The Commission has adopted Statement of Government Accounting Standards Board No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Under Statement No. 31, investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of operations.

Investment in Facilities

All fixed assets are carried at cost and depreciation is not recorded.

Cash and Equivalents

For the purpose of the statement of cash flows, cash includes time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Revenues

Revenues consist primarily of toll revenues which are recognized as received. Investment income is recognized as it is earned.

Deferred Tolls

Proceeds from sale of toll tickets are deferred and recognized as revenue when such tokens and toll tickets are utilized.

Total Columns (Memorandum Only)

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to aid in financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

Fund Groups

In accordance with the Bond Resolution relating to the Bridge System Revenue Refunding Bonds, Series 1992, the Commission has established the following funds and accounts:

Construction Fund – Amounts on deposit in the Construction fund shall be applied to pay construction costs relating to the Bridge System.

Revenue Fund – All revenues received by the Commission are deposited in the Revenue Fund. Not later than the 20th day of each month, the Commission shall withdraw from the Revenue Fund and deposit to the Operating Fund, the amount required during the next succeeding calendar month to pay operating expenses and an amount sufficient to maintain an operating reserve equal at least to 20% of the annual bridge operating budget for the current year.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Groups (Continued)

Operating Fund – Amounts on deposit in the Operating Fund are used by the Commission to pay Bridge operating expenses. The fund shall at all times be at least 20% of the annual Bridge operating budget.

Debt Service Fund – Transfers are made from the Revenue Fund to the Debt Service Fund to provide for the debt service on all series of bonds. Payments are made from the Debt Service Fund for interest on the Bonds and for principal installments on the Bonds and for the redemption price for any bonds to be redeemed.

Debt Service Reserve Fund – Transfers are made to this fund from the Revenue Fund in an amount necessary to meet the Debt Service Reserve Requirement. The Debt Service Reserve Requirement is calculated, subject to certain adjustments provided in the Bond Resolution, to be the lesser of the (a) maximum aggregate debt service and (b) the sum of 10% of the net proceeds of the sale of the Bonds of each series of which bonds are outstanding.

Reserve Maintenance Fund – Amounts on deposit in the Reserve Maintenance Fund may be applied to the cost of major resurfacing, repainting, replacement or reconstruction of the Bridge System or major or extraordinary repairs, renewals or replacements of the Bridge System and major acquisitions of equipment. The amount of the Reserve Maintenance Requirement is established for each calendar year in the annual budget for that year on the basis of a certificate of the Consulting Engineer.

General Reserve Fund – Transfers are made to the General Reserve Fund from the Revenue Fund of monies remaining in the Revenue Fund after meeting the transfer requirements to the other various funds. Transfers are made from the General Reserve Fund to the various other funds the amounts necessary, (or all amounts in the General Reserve Fund if less than the amount necessary), to make up any deficiency in any other Fund.

Operation and Maintenance Contingency Account – Amounts in this account are not subject to the lien of the Bond Resolution and may be utilized by the Commission, subject to the concurrence of the Consulting Engineer, to meet unanticipated financial requirements relating to the Bridge System.

C. CASH AND EQUIVALENTS AND INVESTMENTS

General Information

Pursuant to the 1992 Bond Resolution, the Commission is permitted to invest funds in the following types of investments:

- a. Direct obligations of the United States Government or its agencies or instrumentalities.
- b. Direct obligations of any state or any subdivision or agency thereof having been rated at not less than “A” by Moody’s Investors Service and Standard & Poor’s Corporation.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

C. CASH AND EQUIVALENTS AND INVESTMENTS (CONTINUED)

General Information (continued)

- c. Commercial paper rated "P-1" by Moody's Investors Service and "A-1" or better by Standard & Poor's Corporation.
- d. Certificates of deposit that are insured by the FDIC or secured by obligations described above.
- e. Investments in money market funds rated "AAAm" or "AAAm-G" by Standard & Poor's Corporation.
- f. Fully collateralized direct repurchase agreements having a defined termination date, secured by direct obligations, GNMA's, FNMA's or FHLMC's with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC.

The Commission's cash and equivalents and investments are summarized as follows:

	December 31,	
	2001	2000
Cash and equivalents	\$ 10,463,128	\$ 10,064,964
Investments	70,007,136	42,760,839
Total	<u>\$ 80,470,264</u>	<u>\$ 52,825,803</u>

Deposits

At December 31, 2001, the bank balance of the Commission's deposits with financial institutions is categorized as follows:

	Carrying Amount	Bank Balance
Amount insured by the FDIC or collateralized with securities held by the commission in its name.	\$ 2,320,532	\$ 2,240,616
Amount collateralized with securities held by the pledging financial institution's trust department in the Commission's name.	8,117,036	8,117,036
Uncategorized:		
Cash on Hand	25,560	-
	<u>\$ 10,463,128</u>	<u>\$ 10,357,652</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

C. CASH AND EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

Investments made by the Commission are summarized below. These investments, which are represented by specific identifiable investment securities, are classified as to credit risk by the three categories described below:

Category 1 - Insured or registered, or security held by the Commission or its agent in the Commission's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Commission's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Commission's name. These items are covered by pledged assets which are pooled to secure deposits of public funds.

Description	1	2	3	Cost	Market Value
FNMA	\$ 9,078,375	\$ -	\$ -	\$ 9,078,375	\$ 9,129,138
FHLB	33,764,565	-	-	33,764,565	33,883,565
FFCB	907,200	-	-	907,200	930,656
FHLMC	11,132,403	-	-	11,132,403	11,188,650
FMCDN	1,974,829	-	-	1,974,829	1,978,400
FNDN	1,478,138	-	-	1,478,138	1,481,400
AMEX	5,950,100	-	-	5,950,100	5,950,100
COCA-COLA CO	1,992,125	-	-	1,992,125	1,992,125
GENRAL ELECTRIC	1,477,920	-	-	1,477,920	1,477,920
PHILIP MORRIS CO	1,995,182	-	-	1,995,182	1,995,182
	<u>\$69,750,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$69,750,837</u>	<u>\$70,007,136</u>

D. BOND INDEBTEDNESS

On May 7, 1992, Bridge System Revenue Refunding Bonds, Series 1992, were sold. The sale price included accrued interest from April 15, 1992. The aggregate principal amount of this issue was \$58,535,000. A portion of the proceeds of this issue were used to make escrow deposits sufficient to defease in whole the Commission's outstanding Bridge System Revenue Bonds, Series 1988 and I-78 Bridge Revenue Bonds and to pay the costs of issuance of the 1992 Bonds.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

D. BOND INDEBTEDNESS (CONTINUED)

Serial Bonds of varying interest rates (3.15% to 6.30%) with maturity dates from 1992 to 2005 were issued in the principal amount of \$15,555,000 with balance outstanding at December 31, 2001 of \$5,540,000. Total maturities of serial bonds at December 31, 2001 are as follows:

Year Ended December 31,	Amount
2003	\$ 1,740,000
2004	1,845,000
2005	1,955,000
	\$ 5,540,000

The remaining Bonds in the principal amount of \$41,435,000 were term Bonds with interest rates and maturities as follows:

Amount	Rate	Maturity
\$ 1,640,000	6.00%	July 1, 2002
\$ 17,605,000	6.25%	July 1, 2012
\$ 22,190,000	6.00%	July 1, 2018

Interest on the Bridge System Revenue Refunding Bonds, Series 1992 is payable January 1 and July 1.

Total Bridge System Revenue Refunding Bonds, Series 1992 outstanding balance as of December 31, 2001 and 2000 was \$46,975,000 and \$48,520,000, respectively.

A mandatory sinking fund of \$1,545,000 was established in 2001 to fund the July 1, 2002 maturity of term bonds. A mandatory sinking fund of \$2,080,000 will be established in 2006 to fund the July 1, 2012 maturity of term bonds.

The Bond Anticipation Notes (the "Notes"), Series 2001 of the Delaware River Joint Toll Bridge Commission (the "Commission") of total principal amount of \$29,625,000 and interest rate of 2.25% were issued on November 1, 2001 pursuant to the Resolution Authorizing the Issuance of Bond Anticipation Notes adopted by the Commission on October 22, 2001. The Notes constitute "Subordinated Indebtedness" under the Commission's Bridge System Revenue Bond Resolution adopted in April 1992. The principal and interest on the Notes are payable and mature on November 1, 2002.

E. PENSION PLAN

Plan Description

The Commission contributes to the Commonwealth of Pennsylvania State Employees' Retirement System (the System). The System is the administrator of a cost-sharing multiple-employer defined benefit retirement system. The System was established by the Commonwealth of Pennsylvania (Commonwealth) to provide retirement, death, and disability benefits for employees of state government and certain independent agencies. Ad hoc cost-of-living adjustments are provided at the discretion of the General Assembly. Article II of the Commonwealth's Constitution assigns the authority to establish and amend the benefit provisions of the plan to the General Assembly. The System issues a publicly available financial report that includes financial statements and

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

E. PENSION PLAN (CONTINUED)

Plan Description (Continued)

required supplementary information for the retirement plan. That report may be obtained by writing to the Commonwealth of Pennsylvania State Employees' Retirement System, 30 North Third Street, P.O. Box 1147, Harrisburg, PA 17108-1147 or by calling 1-717-787-9657.

Funding Policy

Employees of the Commission are required to pay 5% - 6.25% of their salary into the System and the Commission is required to contribute at an actuarially determined rate. The rate is computed based upon actuarial valuations on the System's fiscal year end of December 31, and applied to the Commonwealth based on its fiscal year end of June 30. Therefore, the employer contribution rate in effect for the System's year end of December 31 reflects a blended average of calculated rates. The contribution requirements of plan members and the Commission are established and may be amended by the System's Board of Trustees. The Commission's contributions to the System for the years ended December 31, 2001 and 2000 were \$41,254 and \$247,185, respectively, equal to the required contribution.

The Commission also has four employees of the Bridge System who participate in the State of New Jersey Public Employees Retirement System.

F. SELF INSURANCE

The Commission self insures the risk for health insurance claims. Coverage for claims in excess of \$75,000 per person is carried with an insurance company.

G. POSTEMPLOYMENT BENEFITS

The Commission provides certain postemployment life and health insurance benefits to its employees. Substantially all of the Commission's employees may become eligible for these benefits if they retire while working for the Commission. In accordance with the provisions of Statement No. 12 of the Governmental Accounting Standards Board, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers," expenditures for postemployment life and health insurance benefits are recognized on a pay-as-you-go basis and were approximately \$800,254 and \$683,000 in 2001 and 2000, respectively. Effective April 1, 1995 the Commission has suspended postemployment life and health insurance benefits for all new hires.

H. COMMITMENTS AND CONTINGENCIES

The Commission is in dispute with the New Jersey Department of Transportation (NJDOT) over certain amounts invoiced for the I-78 Bridge facility totaling \$568,839. The Commission does not believe it is liable for the entire amount of the charges and until resolved by NJDOT and the Commission (including approval by the Commission's consulting engineers) such amounts will not be paid.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

H. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Commission is involved in various claims and lawsuits arising in the normal course of business, including claims for right of way acquisition, handicapped discrimination and hiring practices. In the opinion of management, the ultimate outcome of these claims and lawsuits will not have a material adverse effect on the Commission's financial position.

The Commission has entered into various contracts for the structural repair, cleaning, painting and asphalt milling and resurfacing of some of its toll and toll supported bridges and a pedestrian bridge. The total cost of these projects is expected to approximate \$5,100,000.

I. NEW PRONOUNCEMENT

In June of 2000, the Government Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This Statement establishes new accounting and financial reporting standards for state and local governments. The Statement provides guidance established for special-purpose governments engaged only in business-type activities, and requires management to include a discussion and analysis of the financial activities of the organization in addition to the basic financial statements and other required supplementary information. The new Statement will be effective for the Commission beginning January 1, 2003.

J. RECLASSIFICATION

Certain 2000 amounts have been reclassified to conform with current year presentation.

SUPPLEMENTARY INFORMATION

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended December 31, 2001

	Total (Memorandum Only)	Construction Fund	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve Maintenance Fund	General Reserve Fund	Operating Maintenance Contingency Account
Cash and equivalents balance, beginning of year	\$ 10,064,964	\$ 7,547	\$ 4,345,019	\$ 642,997	\$ 2,210,063	\$ 302,909	\$ 51,226	\$ 429,713	\$ 2,075,490
Receipts:									
Toll	32,141,260	-	32,141,260	-	-	-	-	-	-
Bond anticipation note proceeds, net	29,682,646	29,682,646	-	-	-	-	-	-	-
Maturity or sale of investments	198,084,271	-	-	30,451,192	10,917,025	14,786,256	3,714,382	59,747,407	78,468,009
Interest income	2,440,221	9,665	1,129,795	181,061	-	365	-	277,408	841,927
Miscellaneous income	290,648	-	126,370	164,278	-	-	-	-	-
	<u>272,704,010</u>	<u>29,699,858</u>	<u>37,742,444</u>	<u>31,439,528</u>	<u>13,127,088</u>	<u>15,089,530</u>	<u>3,765,608</u>	<u>60,454,528</u>	<u>81,385,426</u>
Disbursements:									
Administrative expenses including equipment purchases and insurance expense	22,989,667	-	-	22,989,667	-	-	-	-	-
Renewals and replacements	9,466,274	-	-	-	-	-	-	9,466,274	-
Purchase of investments	225,184,739	16,866,326	-	29,161,606	12,070,168	16,651,873	3,806,156	69,791,451	76,837,159
Interest on bond indebtedness	2,877,411	-	-	-	2,877,411	-	-	-	-
Bond issuance costs	177,791	177,791	-	-	-	-	-	-	-
Retirement of bridge system revenue refunding bonds	1,545,000	-	-	-	1,545,000	-	-	-	-
	<u>262,240,882</u>	<u>17,044,117</u>	<u>-</u>	<u>52,151,273</u>	<u>16,492,579</u>	<u>16,651,873</u>	<u>3,806,156</u>	<u>79,257,725</u>	<u>76,837,159</u>
Transfer between funds	-	(9,995,474)	(35,826,638)	21,189,088	5,152,948	2,658,162	52,901	21,316,174	(4,547,161)
Cash and equivalents balance, end of year	<u>\$ 10,463,128</u>	<u>\$ 2,660,267</u>	<u>\$ 1,915,806</u>	<u>\$ 477,343</u>	<u>\$ 1,787,457</u>	<u>\$ 1,095,819</u>	<u>\$ 12,353</u>	<u>\$ 2,512,977</u>	<u>\$ 1,106</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF CASH AND EQUIVALENTS BALANCES

December 31, 2001

	Total (Memorandum Only)	Construction Fund	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve Maintenance Fund	General Reserve Fund	Operating Maintenance Contingency Account
The Bank of New York	\$ 8,117,035	\$ 2,660,267	\$ -	\$ 47,056	\$ 1,787,457	\$ 1,095,819	\$ 12,353	\$ 2,512,977	\$ 1,106
Yardville National Bank	262,941	-	163,816	99,125	-	-	-	-	-
First Union Bank	41,242	-	41,242	-	-	-	-	-	-
Fleet Bank	920,812	-	615,210	305,602	-	-	-	-	-
Vista Bank	670,528	-	670,528	-	-	-	-	-	-
PNC Bank	425,010	-	425,010	-	-	-	-	-	-
Petty cash and collectors' change funds	25,560	-	-	25,560	-	-	-	-	-
Total Cash and Equivalents Balances	\$ 10,463,128	\$ 2,660,267	\$ 1,915,806	\$ 477,343	\$ 1,787,457	\$ 1,095,819	\$ 12,353	\$ 2,512,977	\$ 1,106

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF INVESTMENTS

December 31, 2001

Construction Fund						
Security Description	Investment Description			Maturity Date	Cost	Market Value
	Face Value	Rate	Yield			
COCA-COLA CO.	\$ 2,000,000	1.80%	1.80%	03-08-02	\$ 1,992,125	\$ 1,992,125
FNMA DISCOUNT	2,000,000	1.75%	1.80%	04-16-02	1,988,563	1,991,200
AMERICAN EXPRESS	2,000,000	1.81%	1.80%	05-01-02	1,986,500	1,986,500
AMERICAN EXPRESS	2,000,000	1.82%	1.80%	06-03-02	1,983,200	1,983,200
AMERICAN EXPRESS	2,000,000	1.86%	1.80%	07-01-02	1,980,400	1,980,400
FMCDN	2,000,000	1.91%	2.00%	08-16-02	1,974,829	1,978,400
FHDN	1,500,000	1.96%	2.10%	09-09-02	1,478,136	1,481,400
GENERAL ELECTRIC	1,500,000	1.97%	2.00%	09-13-02	1,477,920	1,477,920
PHILIP MORRIS CO.	2,000,000	1.81%	1.80%	02-04-02	<u>1,995,180</u>	<u>1,995,181</u>
TOTAL CONSTRUCTION FUND					<u>16,856,853</u>	<u>16,866,326</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2001

Operating Fund						
Investment Type	Investment Description			Maturity Date	Cost	Market Value
	Face Value	Rate	Yield			
FHLB	\$ 2,400,000	2.38%	2.40%	10-29-02	\$ 2,398,500	\$ 2,402,250
FHLB	1,000,000	5.00%	5.00%	02-14-03	1,005,440	1,028,438
FHLB	1,500,000	4.50%	4.50%	05-15-03	1,508,775	1,536,094
FNMA	1,900,000	4.82%	4.80%	06-12-03	1,898,813	1,922,562
TOTAL OPERATING FUND					6,811,528	6,889,344

Debt Service Fund						
Investment Type	Investment description			Maturity Date	Cost	Market Value
	Face Value	Rate	Yield			
FHLB	\$ 3,000,000	0.00%	1.80%	06-14-02	2,973,597	2,973,597

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2001

Debt Service Reserve Fund

Investment Type	Investment Description			Maturity Date	Cost	Market Value
	Face Value	Rate	Yield			
FHLB	\$ 1,200,000	3.45%	3.40%	10-15-03	\$ 1,200,375	\$ 1,203,750
FHLB	750,000	5.27%	5.30%	06-04-04	750,000	759,844
FHLMC	1,000,000	6.25%	6.00%	07-15-04	1,042,100	1,062,188
FFCB	900,000	5.73%	5.70%	01-24-05	907,200	930,656
FNMA	1,000,000	5.90%	5.90%	02-07-05	1,000,000	1,003,750
FNMA	1,000,000	5.25%	5.30%	04-05-06	991,250	1,006,875
TOTAL DEBT SERVICE RESERVE FUND					5,890,925	5,967,063

Reserve Maintenance Fund

Investment Type	Investment Description			Maturity Date	Cost	Market Value
	Face Value	Rate	Yield			
FNMA	\$ 400,000	4.82%	4.80%	06-12-03	\$ 399,750	\$ 404,750
FHLB	500,000	3.30%	3.30%	10-29-03	499,766	500,625
TOTAL RESERVE MAINTENANCE FUND					899,516	905,375

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2001

General Reserve Fund						
Investment Type	Investment Description			Maturity	Cost	Market Value
	Face Value	Rate	Yield	Date		
FHLB	\$ 2,500,000	5.12%	5.10%	01-16-02	\$ 2,515,625	\$ 2,503,125
FHLB	1,500,000	6.75%	6.70%	02-01-02	1,516,875	1,505,625
FHLB	1,900,000	2.38%	2.40%	10-29-02	1,898,813	1,901,781
FHLB	4,000,000	4.50%	4.40%	07-07-03	4,088,800	4,055,288
FHLB	5,000,000	4.50%	4.40%	07-07-03	5,111,000	5,161,275
FHLB	2,200,000	3.30%	3.30%	10-29-03	2,198,969	2,202,750
FHLMC	5,000,000	3.25%	3.30%	12-15-03	4,975,000	5,001,563
FHLMC	4,000,000	5.00%	4.90%	01-15-04	4,116,240	4,127,500
FHLB	2,000,000	5.60%	5.60%	02-13-04	2,000,000	2,008,125
FHLB	2,000,000	4.74%	4.70%	02-20-04	2,000,000	2,006,875
FNMA	2,800,000	5.01%	5.00%	07-02-04	2,800,000	2,800,000
FHLB	2,100,000	4.90%	4.90%	08-06-04	2,098,031	2,134,124
TOTAL GENERAL RESERVE FUND					35,319,353	35,408,031

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2001

Operating and Maintenance Contingency Account						
Investment type	Investment Description			Maturity Date	Cost	Market Value
	Face Value	Rate	Yield			
FHLMC	\$ 1,000,000	3.50%	3.50%	04-19-04	<u>999,063</u>	<u>997,400</u>
TOTAL INVESTMENTS					<u><u>\$ 69,750,835</u></u>	<u><u>\$ 70,007,136</u></u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF INVESTMENT IN FACILITIES

December 31, 2001

	Total	Trenton- Morrisville Bridge	New Hope- Lambertville Bridge	I-78 Bridge	Easton- Phillipsburg Bridge	Portland- Columbia Bridge	Delaware Water Gap Bridge	Milford- Montague Bridge	Toll Supported Bridges			
									Southern Division	Northern Division	Feasibility Surveys	Bond Issue
Bond interest expense	\$ 3,069,825	\$ -	\$ -	\$ 3,069,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering and preliminary expense	5,935,959	946,149	412,024	219,833	740,307	423,246	981,174	402,533	-	-	1,810,693	-
Land, easements and rights of way	8,319,768	3,723,603	1,388,613	-	2,401,059	274,852	362,881	146,760	22,000	-	-	-
Construction costs	61,800,739	14,944,148	10,479,394	8,109,209	9,100,785	3,548,025	12,546,961	3,055,291	16,926	-	-	-
Equipment	8,199,632	2,591,985	666,426	996,310	1,408,481	793,882	924,737	511,023	188,292	118,496	-	-
Legal fees, administrative salaries and related expense	1,057,150	106,937	79,332	531,376	145,308	50,423	114,598	27,712	-	1,464	-	-
Financial costs	8,314,636	579,454	2,143,955	339,498	344,711	244,708	581,707	115,409	-	15,035	-	3,950,159
Contribution to state for approach facilities	17,305,283	-	2,900,000	14,405,283	-	-	-	-	-	-	-	-
Income from interim investment of construction fund, etc.	(7,692,805)	(246,361)	(2,313,751)	(1,587,042)	(499,513)	(699,937)	(2,228,841)	(63,728)	(1,541)	(52,091)	-	-
Totals	\$ 106,310,187	\$ 22,645,915	\$ 15,755,993	\$ 26,084,292	\$ 13,641,138	\$ 4,635,199	\$ 13,283,217	\$ 4,195,000	\$ 225,677	\$ 82,904	\$ 1,810,693	\$ 3,950,159

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF RECONCILIATION OF INCREASE IN INVESTMENT IN FACILITIES

December 31, 2001

	Total	Trenton- Morrisville Bridge	New Hope- Lambertville Bridge	I-78 Bridge	Easton- Phillipsburg Bridge	Portland- Columbia Bridge	Delaware Water Gap Bridge	Milford- Montague Bridge	Toll Supported Bridges			
									Southern Division	Northern Division	Feasibility Surveys	Bond Issue
Balance, beginning of year	\$ 106,260,379	\$ 22,643,920	\$ 15,758,967	\$ 26,032,316	\$ 13,688,161	\$ 4,635,199	\$ 13,246,609	\$ 4,195,000	\$ 216,451	\$ 82,904	\$ 1,810,693	\$ 3,950,159
Add:												
Equipment purchases	152,211	17,063	19,277	51,976	-	-	54,669	-	9,226	-	-	-
Less:												
Equipment sold	102,403	15,068	22,251	-	47,023	-	18,061	-	-	-	-	-
Balance, end of year	<u>\$ 106,310,187</u>	<u>\$ 22,645,915</u>	<u>\$ 15,755,993</u>	<u>\$ 26,084,292</u>	<u>\$ 13,641,138</u>	<u>\$ 4,635,199</u>	<u>\$ 13,283,217</u>	<u>\$ 4,195,000</u>	<u>\$ 225,677</u>	<u>\$ 82,904</u>	<u>\$ 1,810,693</u>	<u>\$ 3,950,159</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF OPERATIONS - OPERATING FUND

Year Ended December 31, 2001

(With Comparative Totals for the Year Ended December 31, 2000)

	Total (Memorandum Only)		Trenton- Morrisville Bridge	New Hope- Lambertville Bridge	I-78 Bridge	Easton- Phillipsburg Bridge	Portland- Columbia Bridge	Delaware Water Gap Bridge	Milford- Montague Bridge
	Year Ended December 31,								
	2000	2001							
Toll Revenue	\$ 31,668,166	\$ 32,112,935	\$ 3,967,664	\$ 1,495,649	\$ 9,160,366	\$ 5,982,930	\$ 558,272	\$ 10,238,894	\$ 709,160
Toll overage (shortage)	(24,435)	(13,868)	(5,431)	1,602	(4,151)	(1,314)	(197)	(3,437)	(940)
Total Toll Revenues	<u>31,643,731</u>	<u>32,099,067</u>	<u>3,962,233</u>	<u>1,497,251</u>	<u>9,156,215</u>	<u>5,981,616</u>	<u>558,075</u>	<u>10,235,457</u>	<u>708,220</u>
Operating and Maintenance Expenses									
Salaries and wages									
Toll	3,364,950	3,137,061	501,038	264,936	650,369	480,488	203,771	793,635	242,824
Maintenance	2,533,242	2,538,233	302,254	231,459	634,390	386,788	177,573	564,038	241,731
Clerical	616,308	879,089	122,262	118,978	152,237	143,261	123,632	127,743	90,976
Supervision	1,948,709	2,182,239	427,676	184,785	431,141	410,477	133,608	422,713	171,839
	<u>8,463,209</u>	<u>8,736,622</u>	<u>1,353,230</u>	<u>800,158</u>	<u>1,868,137</u>	<u>1,421,014</u>	<u>638,584</u>	<u>1,908,129</u>	<u>747,370</u>
Social security taxes	664,899	641,877	102,284	57,697	125,688	103,187	55,797	146,248	50,976
Pension contribution	190,799	27,658	5,790	1,944	3,767	7,580	2,018	4,837	1,722
Group insurance	1,663,743	1,858,093	284,772	175,998	417,597	305,105	133,614	392,465	148,542
Unemployment contribution	13,796	11,306	7,055	-	-	1,222	-	3,029	-
Heat, light and power	440,488	373,776	82,508	62,889	51,220	66,641	33,426	42,768	34,324
Office expense	146,100	122,702	27,020	14,849	16,258	18,747	15,527	20,181	10,120
Operating supplies and expense	123,181	110,602	19,091	8,757	15,747	18,697	16,608	22,309	9,393
Toll tickets and tokens	25,996	1,542	-	-	2,457	-	-	(915)	-
Education and conference expense	12,731	48,305	20,191	2,153	5,621	10,450	2,640	5,518	1,732
Uniforms	31,149	41,514	21,474	1,126	2,728	5,368	1,950	7,500	1,368
Maintenance supplies and expense									
Automotive	192,275	149,163	22,861	15,625	37,016	16,681	15,384	26,902	14,694
Buildings and grounds	105,135	301,391	43,718	29,410	56,219	35,169	15,171	95,575	26,129
Toll collecting equipment	222,457	215,625	30,059	17,888	55,643	50,856	17,171	25,962	18,046
Roadways, sidewalks and approaches	263,742	139,377	11,798	30,816	30,806	14,510	15,983	16,926	18,538
Insurance	703,111	922,974	128,670	107,071	286,727	122,407	62,721	166,458	48,920
Equipment purchases, net of disposals	241,705	78,263	21,128	31,354	(38,891)	52,230	9,517	(10,053)	12,978
Replacements and renewals	16,433	17,904	10,273	3,318	3,154	(16)	-	1,175	-
Total Operating and Maintenance Expenses	<u>13,520,949</u>	<u>13,798,694</u>	<u>2,191,922</u>	<u>1,361,053</u>	<u>2,939,894</u>	<u>2,249,848</u>	<u>1,036,111</u>	<u>2,875,014</u>	<u>1,144,852</u>
Net Revenues (expenses) from Toll Bridges - Before Administration expenses and toll supported bridges expenses	<u>18,122,782</u>	<u>18,300,373</u>	<u>\$ 1,770,311</u>	<u>\$ 136,198</u>	<u>\$ 6,216,321</u>	<u>\$ 3,731,768</u>	<u>\$ (478,036)</u>	<u>\$ 7,360,443</u>	<u>\$ (436,632)</u>
Administration expenses	4,757,367	5,238,087							
Toll supported bridges expenses	<u>4,252,034</u>	<u>4,225,731</u>							
	<u>9,009,401</u>	<u>9,463,818</u>							
Net revenues from bridges	9,113,381	8,836,555							
Equipment cost adjustment									
Reduction (addition) of expense									
Toll bridges	114,663	57,461							
Toll supported bridges	<u>(5,909)</u>	<u>9,226</u>							
Adjusted net revenues from toll bridges	<u>\$ 9,222,135</u>	<u>\$ 8,903,242</u>							

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF ADMINISTRATIVE EXPENSES – OPERATING FUND

Year Ended December 31, 2001
 (With Comparative Totals for the Year Ended December 31, 2000)

	Year Ended December 31,	
	2001	2000
Salaries and wages	\$ 2,265,104	\$ 2,214,632
Social security taxes	160,532	167,969
Trustee and paying agents' fees	27,520	28,828
Pension contribution	6,045	79,930
Group insurance	1,248,221	1,041,529
Unemployment compensation	9,653	4,137
Heat, light and power	14,846	6,602
Office expenses	145,417	123,089
Operating supplies and expenses	182,880	136,370
Travel and meeting expenses	13,272	21,896
Educational and conference expenses	188,321	176,845
Automotive repairs and expenses	1,303	2,981
Buildings and grounds	11,078	840
Professional services and legal expenses	813,238	644,588
Advertising	33,077	12,320
Insurance	117,580	94,811
	<u>\$ 5,238,087</u>	<u>\$ 4,757,367</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF TOLL SUPPORTED BRIDGE EXPENSES – OPERATING FUND

Year Ended December 31, 2001
(With Comparative Total for the Year Ended December 31, 2000)

	<u>Total</u>		<u>Year Ended December 31, 2001</u>	
	<u>(Memorandum Only)</u>		<u>Southern</u>	<u>Northern</u>
	<u>Year Ended December 31,</u>		<u>Division</u>	<u>Division</u>
	<u>2001</u>	<u>2000</u>	<u>Bridges</u>	<u>Bridges</u>
Salaries and wages	\$ 2,796,485	\$ 2,664,829	\$ 1,519,319	\$ 1,277,166
Social security taxes	201,623	203,531	107,915	93,708
Pension contribution	7,551	56,386	4,046	3,505
Group insurance	612,689	608,014	323,594	289,095
Unemployment compensation	2,708	-	2,010	698
Heat, light and power	67,319	60,565	48,291	19,028
Office expense	10,780	14,530	5,418	5,362
Operating supplies and expense	27,555	31,260	15,769	11,786
Education and conference expenses	991	330	741	250
Uniforms	7,324	2,357	5,259	2,065
Maintenance supplies and expenses				
Automotive	3,089	5,548	2,308	781
Buildings and grounds	2,962	1,355	1,673	1,289
Roadways, sidewalks and approaches	14,726	39,368	9,115	5,611
Insurance	440,482	544,703	285,586	154,896
Equipment purchases - net of disposals	14,447	4,258	14,273	174
Civil claim	15,000	15,000	15,000	-
	<u>\$ 4,225,731</u>	<u>\$ 4,252,034</u>	<u>\$ 2,360,317</u>	<u>\$ 1,865,414</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF EQUIPMENT COST ADJUSTMENT

Year Ended December 31, 2001

	Operating Fund Purchases	Original Cost of Equipment Disposals	Proceeds/ Benefits from Equipment Disposals	Net Reduction of (Additional) Expense)
Trenton - Morrisville Bridge	\$ 17,063	\$ (15,068)	\$ 3,594	\$ 5,589
New Hope - Lambertville Bridge	19,277	(22,251)	3,818	844
I-78 Bridge	51,976	-	-	51,976
Easton - Phillipsburg Bridge	-	(47,023)	6,047	(40,976)
Portland - Columbia Bridge	-	-	-	-
Delaware Water Gap Bridge	54,669	(18,061)	3,420	40,028
Milford - Montague Bridge	-	-	-	-
	<u>142,985</u>	<u>(102,403)</u>	<u>16,879</u>	<u>57,461</u>
Toll Supported Bridge				
Southern Division	9,226	-	-	9,226
Totals	<u>\$ 152,211</u>	<u>\$ (102,403)</u>	<u>\$ 16,879</u>	<u>\$ 66,687</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF TOLL BRIDGE TRAFFIC AND REVENUES

Year Ended December 31, 2001

(With Comparative Totals for the Year Ended December 21, 2000)

VEHICLE CLASSIFICATION	Total		Trenton- Morrisville Bridge	New Hope- Lambertville Bridge	I-78 Bridge	Easton- Phillipsburg Bridge	Portland- Columbia Bridge	Delaware Water Gap Bridge	Milford- Montague Bridge
	Year Ended December 31,								
	2000	2001							
Number of Vehicles Crossing Toll Bridges:									
Class									
1. Passenger Cars, Vans and Pickups	16,763,182	17,440,781	4,198,434	2,325,723	3,485,261	2,776,237	196,401	4,031,337	427,388
2. Passenger Cars, etc., Commutation Tokens	13,806,192	14,225,790	2,511,277	1,078,152	1,447,607	3,795,821	849,251	3,683,760	859,922
3. Two Axle Trucks, Buses and Tractors	855,335	848,768	164,115	111,676	180,536	183,098	24,818	163,370	21,155
4. Three Axle Trucks, Buses, Tractor and Trailer	396,899	393,661	79,227	52,953	80,875	78,914	8,859	87,635	5,198
5. Four axle Trucks, Tractor and Trailer	318,896	301,134	66,293	27,166	94,499	51,215	6,532	53,788	1,641
6. Five Axle Trucks, Tractor and Trailer	3,823,118	3,811,076	332,546	78,516	1,625,638	545,467	29,241	1,187,027	12,641
7. Six Axle Trucks, Tractor and Trailer	42,778	43,323	3,329	1,896	15,676	7,613	263	14,393	153
8. Vehicles Requiring Special Permit	51,104	54,449	223	226	27,325	6,643	65	19,898	69
10. Local Buses	6,618	3,297	-	-	4	3,293	-	-	-
11. Seven or More Axle Trucks, Tractor and Trailer	1,328	1,520	176	19	617	185	5	494	24
Non-Revenue Vehicles	37,800,632	38,700,777	10,649,437	-	8,900,261	8,718,697	1,102,270	9,330,112	-
	<u>73,866,082</u>	<u>75,824,576</u>	<u>18,005,057</u>	<u>3,676,327</u>	<u>15,858,299</u>	<u>16,167,183</u>	<u>2,217,705</u>	<u>18,571,814</u>	<u>1,328,191</u>
Toll Revenues of Vehicles Crossing Toll Bridges:									
Class									
1. Passenger Cars, Vans and Pickups	\$ 10,094,492	\$ 10,466,524	\$ 2,099,217	\$ 581,431	\$ 1,742,631	\$ 1,388,119	\$ 196,401	\$ 4,031,337	\$ 427,388
2. Passenger Cars, etc., Commutation Tokens	2,658,352	2,737,342	502,256	107,815	289,521	759,164	169,850	736,752	171,984
3. Two Axle Trucks, Buses and Tractors	1,369,573	1,363,907	164,115	55,838	361,072	366,196	49,636	324,740	42,310
4. Three Axle Trucks, Buses, Tractor and Trailer	963,565	942,995	118,840	39,715	242,622	236,742	26,577	262,905	15,594
5. Four axle Trucks, Tractor and Trailer	941,084	886,616	132,586	27,166	330,747	179,253	22,862	188,258	5,744
6. Five Axle Trucks, Tractor and Trailer	14,558,761	14,527,066	831,365	95,645	6,502,552	2,181,868	116,964	4,748,108	50,564
7. Six Axle Trucks, Tractor and Trailer	183,394	184,274	9,987	2,844	70,542	34,259	1,184	64,769	689
8. Vehicles Requiring Special Permit	739,259	769,393	3,810	2,132	346,942	90,865	931	323,744	969
10. Local Buses	6,618	3,297	-	-	4	3,293	-	-	-
11. Seven or More Axle Trucks, Tractor and Trailer	6,491	7,274	616	33	3,085	925	25	2,470	120
Total Toll Revenue Vehicles	<u>31,521,589</u>	<u>31,888,688</u>	<u>3,862,792</u>	<u>912,619</u>	<u>9,889,718</u>	<u>5,240,684</u>	<u>584,430</u>	<u>10,683,083</u>	<u>715,362</u>
Adjustment for difference in value between commutation tokens collected, as included in foregoing vehicle tabulation, and the value of commutation tokens sold and included in toll revenues									
	146,577	224,247	104,872	583,030	(729,352)	742,246	(26,158)	(444,189)	(6,202)
Total Toll Revenues	<u>\$ 31,668,166</u>	<u>\$ 32,112,935</u>	<u>\$ 3,967,664</u>	<u>\$ 1,495,649</u>	<u>\$ 9,160,366</u>	<u>\$ 5,982,930</u>	<u>\$ 558,272</u>	<u>\$ 10,238,894</u>	<u>\$ 709,160</u>

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners of
DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

We have audited the financial statements of **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM** as of and for the year ended December 31, 2001, and have issued our report thereon dated March 12, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM'S** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and bond resolutions, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM'S** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we provided certain recommendations regarding internal control strengthening in a separate letter addressed to Delaware River Joint Toll Bridge Commission Bridge System commissioners' dated March 12, 2002.

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- SEC PRACTICE SECTION

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (CONTINUED)

This report is intended for the information and use of the Authority's Commissioners, management, others within the Authority and is not intended to be used by anyone other than these specified parties.

Druker, Rahl & Fein

March 12, 2002

**DELAWARE RIVER JOINT TOLL
BRIDGE COMMISSION
BRIDGE SYSTEM**

Financial Statements
and
Supplementary Information

Year Ended December 31, 2002

**DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
BRIDGE SYSTEM**

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION BRIDGE SYSTEM Morrisville, Pennsylvania

We have audited the accompanying balance sheet of **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM** as of December 31, 2002, and the related statements of operations, fund equity and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Commission's 2001 financial statements and, in our report dated March 12, 2002, we expressed a qualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

As disclosed in the notes to the financial statements, the Commission has elected to carry investment in facilities at cost, and does not record depreciation on such assets. Accounting principles generally accepted in the United States of America require that investment in facilities should be depreciated.

In our opinion, except for the effects on the financial statements of not recording depreciation as explained in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM** as of December 31, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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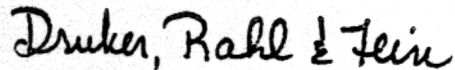
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INDEPENDENT AUDITORS' REPORT (CONTINUED)

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2003 on our consideration of **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM'S** internal control over financial reporting and our tests of its compliance with certain bond resolutions, regulations, contracts, and compact. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules on pages 16 to 28 are presented for the 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.



Druker, Rahl & Fein

March 18, 2003

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM
BALANCE SHEET

December 31, 2002
(With Comparative Totals for December 31, 2001)

	Total (Memorandum Only)		Construction Fund	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve Maintenance Fund	General Reserve Fund	Operating Maintenance Contingency Account
	December 31, 2001	December 31, 2002								
ASSETS										
Cash and equivalents	\$ 10,463,128	\$ 9,478,215	\$ 2,859,614	\$ 1,643,348	\$ 717,554	\$ 1,577,796	\$ 1,223,995	\$ 15,754	\$ 1,403,391	\$ 36,763
Investments	70,007,136	61,801,150	3,994,159	-	6,960,563	-	4,263,063	832,070	44,727,285	1,024,010
Accrued interest on investments	760,168	695,650	-	695,650	-	-	-	-	-	-
Due from other funds	2,204,917	5,683,621	-	4,436,539	413,937	-	-	833,145	-	-
EZ Pass clearing account	-	1,828,147	-	1,828,147	-	-	-	-	-	-
Deferred bond issuance costs	162,977	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	561,176	511,539	-	-	511,539	-	-	-	-	-
Investment in facilities	106,310,187	107,070,621	107,070,621	-	-	-	-	-	-	-
Total Assets	\$ 190,469,689	\$ 187,068,943	\$ 113,924,394	\$ 8,603,684	\$ 8,603,593	\$ 1,577,796	\$ 5,487,058	\$ 1,680,969	\$ 46,130,676	\$ 1,060,773
LIABILITIES AND FUND EQUITY										
Accounts payable - trade vendors, payroll taxes and employees' payroll deductions	\$ 5,166,383	\$ 3,439,682	\$ -	\$ -	\$ 3,092,158	\$ -	\$ -	\$ -	\$ 347,524	\$ -
EZ Pass customer account	-	765,759	-	765,759	-	-	-	-	-	-
Accrued interest on bond indebtedness	1,547,656	1,462,968	-	-	-	1,462,968	-	-	-	-
Due to other funds	2,204,917	5,683,621	49,808	3,132,761	-	-	686,551	930,846	883,127	528
Accrued refunds	-	303,995	-	303,995	-	-	-	-	-	-
Deferred tolls	144,883	-	-	-	-	-	-	-	-	-
	9,063,839	11,656,025	49,808	4,202,515	3,092,158	1,462,968	686,551	930,846	1,230,651	528
Bond indebtedness										
Bond anticipation notes, 2001 series	29,625,000	-	-	-	-	-	-	-	-	-
Bond anticipation notes, 2002 series	-	29,625,000	29,625,000	-	-	-	-	-	-	-
Bridge system revenue refunding bonds, series 1992	46,975,000	45,335,000	45,335,000	-	-	-	-	-	-	-
Total Liabilities	85,663,839	86,616,025	75,009,808	4,202,515	3,092,158	1,462,968	686,551	930,846	1,230,651	528
Fund equity	104,805,850	100,452,918	38,914,586	4,401,169	5,511,435	114,828	4,800,507	750,123	44,900,025	1,060,245
Total Liabilities and Fund Equity	\$ 190,469,689	\$ 187,068,943	\$ 113,924,394	\$ 8,603,684	\$ 8,603,593	\$ 1,577,796	\$ 5,487,058	\$ 1,680,969	\$ 46,130,676	\$ 1,060,773

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM
STATEMENT OF OPERATIONS

Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	Total (Memorandum Only)		Construction Fund	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve Maintenance Fund	General Reserve Fund	Operating Maintenance Contingency Account
	Year Ended December 31,									
	2001	2002								
Toll bridge operations:										
Toll revenues	\$ 32,112,934	\$ 36,022,863	\$ -	\$ 36,022,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tickets, tokens refund	-	(296,736)	-	(296,736)	-	-	-	-	-	-
Toll shortage	(13,867)	(5,489)	-	(5,489)	-	-	-	-	-	-
Total toll revenues	<u>32,099,067</u>	<u>35,720,638</u>	<u>-</u>	<u>35,720,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deduct:										
Operating and maintenance expenses	13,798,694	14,513,579	-	20,391	14,493,188	-	-	-	-	-
Administration expenses	5,238,087	6,147,884	-	-	6,147,884	-	-	-	-	-
Toll supported bridges expenses	4,225,731	4,545,327	-	-	4,545,327	-	-	-	-	-
	<u>23,262,512</u>	<u>25,206,790</u>	<u>-</u>	<u>20,391</u>	<u>25,186,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net revenues from bridges	<u>8,836,555</u>	<u>10,513,848</u>	<u>-</u>	<u>35,700,247</u>	<u>(25,186,399)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund operations:										
Investment return	2,742,628	2,754,483	264,762	(59,221)	209,848	43,955	374,176	30,623	1,828,601	61,739
Interest on bond indebtedness	(2,945,314)	(3,453,020)	-	-	-	(3,453,020)	-	-	-	-
BAN's issuance cost	(14,815)	(162,977)	(162,977)	-	-	-	-	-	-	-
Renewals and replacements	(10,998,077)	(14,232,533)	-	-	-	-	-	(14,232,533)	-	-
Miscellaneous income	290,648	227,267	-	214,879	12,388	-	-	-	-	-
Net (expenses) revenues from fund operations	<u>(10,924,930)</u>	<u>(14,866,780)</u>	<u>101,785</u>	<u>155,658</u>	<u>222,236</u>	<u>(3,409,065)</u>	<u>374,176</u>	<u>30,623</u>	<u>(12,403,932)</u>	<u>61,739</u>
Net (expenses) revenues	<u>\$ (2,088,375)</u>	<u>\$ (4,352,932)</u>	<u>\$ 101,785</u>	<u>\$ 35,855,905</u>	<u>\$ (24,964,163)</u>	<u>\$ (3,409,065)</u>	<u>\$ 374,176</u>	<u>\$ 30,623</u>	<u>\$ (12,403,932)</u>	<u>\$ 61,739</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

STATEMENT OF FUND EQUITY

Year Ended December 31, 2002

	Total (Memorandum Only)	Construction Fund	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve Maintenance Fund	General Reserve Fund	Operating Maintenance Contingency Account
Fund equity, beginning of year	\$ 104,805,850	\$ 49,349,953	\$ 4,369,516	\$ 5,060,325	\$ 2,725,664	\$ 6,376,331	\$ 820,027	\$ 35,105,528	\$ 998,506
Add or (deduct):									
Net (expenses) revenues	(4,352,932)	101,785	35,855,905	(24,964,163)	(3,409,065)	374,176	30,623	(12,403,932)	61,739
Operating transfers	-	(12,937,586)	(35,824,252)	26,175,707	2,438,229	(1,950,000)	(100,527)	22,198,429	-
Retirement of bridge system revenue refunding bonds, 1992 series	-	1,640,000	-	-	(1,640,000)	-	-	-	-
Investment in facilities:									
Equipment purchases	-	920,870	-	(920,870)	-	-	-	-	-
Equipment disposals	-	(160,436)	-	160,436	-	-	-	-	-
Fund equity, end of year	<u>\$ 100,452,918</u>	<u>\$ 38,914,586</u>	<u>\$ 4,401,169</u>	<u>\$ 5,511,435</u>	<u>\$ 114,828</u>	<u>\$ 4,800,507</u>	<u>\$ 750,123</u>	<u>\$ 44,900,025</u>	<u>\$ 1,060,245</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

STATEMENT OF CASH FLOWS

Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities		
Net expenses	\$ (4,352,932)	\$ (2,088,375)
Adjustments to reconcile net expenses to net cash used in operating activities		
Amortization of bond issuance costs	162,977	14,815
Realized and unrealized gains on investments	(300,743)	(145,828)
Changes in assets and liabilities		
Accrued interest on investments	64,518	(156,579)
EZ Pass clearing account	(1,828,147)	-
Deferred bond issuance costs	-	(177,791)
Prepaid expenses and other assets	49,637	(220,578)
Accounts payable	(1,726,701)	2,120,514
EZ Pass customer account	765,759	-
Accrued interest on bond indebtedness	(84,688)	67,903
Accrued refunds	303,995	-
Deferred tolls	(144,883)	54,359
Net cash and equivalents used in operating activities	<u>(7,091,208)</u>	<u>(531,560)</u>
Cash Flows from Investing Activities		
Purchases of investments	(119,934,033)	(225,184,739)
Purchases of investments in facilities	(920,870)	(152,211)
Proceeds from sales of investments	128,440,762	198,084,271
Sales of investments in facilities	160,436	102,403
Net cash and equivalents provided by (used in) investing activities	<u>7,746,295</u>	<u>(27,150,276)</u>
Cash Flows from Financing Activities		
Bond Anticipation Notes proceeds	29,625,000	29,625,000
Repayment of Bond Anticipation Notes	(29,625,000)	-
Retirement of bonds	(1,640,000)	(1,545,000)
Net cash and equivalents (used in) provided by financing activities	<u>(1,640,000)</u>	<u>28,080,000</u>
Net (decrease) increase in cash	(984,913)	398,164
Cash and equivalents, beginning of year	10,463,128	10,064,964
Cash and equivalents, end of year	<u>\$ 9,478,215</u>	<u>\$ 10,463,128</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 3,649,791</u>	<u>\$ 2,877,411</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

A. AUTHORIZING LEGISLATION AND NATURE OF ORGANIZATION

The **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM**, (the "Commission") a body corporate and politic, was created in 1934 by a compact, subsequently amended and supplemented, between the Commonwealth of Pennsylvania and the State of New Jersey with the approval of the Congress of the United States. The Commission is authorized and empowered, in certain cases with Federal Government approval required, to acquire, construct, administer, operate and maintain such bridges as the Commission deems necessary to advance the interests of the two States, to issue bonds and other obligations, and to make payment of interest thereon. The compact provides that Commission indebtedness shall not be deemed to constitute a debt or liability or a pledge of the faith and credit of the two States or any subdivision thereof.

In 1985 a proposed compact change was enacted and approved by the State of New Jersey that was similar to the legislation that had been enacted by the Commonwealth of Pennsylvania in 1984. This proposed compact change received the required consent of the Congress of the United States in early 1987. The compact, as approved, required the Commission to refinance its bonded indebtedness. In addition, the Commission was obligated to assume full financial responsibility for the cost of operating and maintaining the toll supported bridges which were financed by appropriations from the Commonwealth of Pennsylvania and the State of New Jersey. Accordingly, on July 1, 1987, the Commission defeased all of its then outstanding bonded indebtedness. Due to this compact change, the accompanying financial statements include the operations of the toll supported bridges.

The Commission has jurisdiction for vehicular and pedestrian traffic across the Delaware River between the Commonwealth of Pennsylvania and the State of New Jersey from the Philadelphia, Bucks County line to the New York State line. The Commission's duties include the maintenance and operations of all the bridges over the Delaware River in its jurisdiction, with the following exceptions: the New Jersey-Pennsylvania Turnpike Bridge and the Burlington-Bristol Toll Bridge, both South of Trenton, and the Dingman's Ferry Toll Bridge north of the Delaware Water Gap.

Effective with the issuance of the 1988 Bridge System and I-78 Revenue Bonds, and pursuant to the respective bond resolutions, the financial activity of the I-78 Bridge was previously reported separately from the Bridge System. Due to the insubstance defeasance of the 1988 Bridge System and I-78 Revenue Bonds, effective with the June 30, 1992 financial statements, the financial activity of the I-78 Bridge is included with the Bridge System.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The financial statements of the Commission are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of state and local government units, except that depreciation is not provided.

Basis of Investments

The Commission has adopted Statement of Government Accounting Standards Board No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Under Statement No. 31, investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of operations.

Investment in Facilities

All fixed assets are carried at cost and depreciation is not recorded.

Cash and Equivalents

For the purpose of the statement of cash flows, cash and equivalents includes time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Revenues

Revenues consist primarily of toll revenues. Toll revenues are recognized as received. EZ Pass revenues, which are included in toll revenues, are recognized when cars with EZ Pass utilize the Commission toll bridges. Proceeds received from the Commission's EZ Pass transactions are deferred and recognized as revenue as utilized at the Commission toll bridges. Investment income is recognized when earned.

Total Columns (Memorandum Only)

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to aid in financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

Rounding

Some schedules in the financial statements may have dollar differences due to rounding adjustments.

Reclassification

Certain 2001 amounts have been reclassified to conform with current year presentation.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Groups

In accordance with the Bond Resolution relating to the Bridge System Revenue Refunding Bonds, Series 1992, the Commission has established the following funds and accounts:

Construction Fund – Amounts on deposit in the Construction fund shall be applied to pay construction costs relating to the Bridge System.

Revenue Fund – All revenues received by the Commission are deposited in the Revenue Fund. Not later than the 20th day of each month, the Commission shall withdraw from the Revenue Fund and deposit to the Operating Fund, the amount required during the next succeeding calendar month to pay operating expenses and an amount sufficient to maintain an operating reserve equal at least to 20% of the annual bridge operating budget for the current year.

Operating Fund – Amounts on deposit in the Operating Fund are used by the Commission to pay Bridge operating expenses. The fund shall at all times be at least 20% of the annual Bridge operating budget.

Debt Service Fund – Transfers are made from the Revenue Fund to the Debt Service Fund to provide for the debt service on all series of bonds. Payments are made from the Debt Service Fund for interest on the Bonds and for principal installments on the Bonds and for the redemption price for any bonds to be redeemed.

Debt Service Reserve Fund – Transfers are made to this fund from the Revenue Fund in an amount necessary to meet the Debt Service Reserve Requirement. The Debt Service Reserve Requirement is calculated, subject to certain adjustments provided in the Bond Resolution, to be the lesser of the (a) maximum aggregate debt service and (b) the sum of 10% of the net proceeds of the sale of the Bonds of each series of which bonds are outstanding.

Reserve Maintenance Fund – Amounts on deposit in the Reserve Maintenance Fund may be applied to the cost of major resurfacing, repainting, replacement or reconstruction of the Bridge System or major or extraordinary repairs, renewals or replacements of the Bridge System and major acquisitions of equipment. The amount of the Reserve Maintenance Requirement is established for each calendar year in the annual budget for that year on the basis of a certificate of the Consulting Engineer.

General Reserve Fund – Transfers are made to the General Reserve Fund from the Revenue Fund of monies remaining in the Revenue Fund after meeting the transfer requirements to the other various funds. Transfers are made from the General Reserve Fund to the various other funds the amounts necessary, (or all amounts in the General Reserve Fund if less than the amount necessary), to make up any deficiency in any other Fund.

Operating Maintenance Contingency Account – Amounts in this account are not subject to the lien of the Bond Resolution and may be utilized by the Commission, subject to the concurrence of the Consulting Engineer, to meet unanticipated financial requirements relating to the Bridge System.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

C. CASH AND EQUIVALENTS AND INVESTMENTS

General Information

Pursuant to the 1992 Bond Resolution, the Commission is permitted to invest funds in the following types of investments:

- a. Direct obligations of the United States Government or its agencies or instrumentalities.
- b. Direct obligations of any state or any subdivision or agency thereof having been rated at not less than "A" by Moody's Investors Service and Standard & Poor's Corporation.
- c. Commercial paper rated "P-1" by Moody's Investors Service and "A-1" or better by Standard & Poor's Corporation.
- d. Certificates of deposit that are insured by the FDIC or secured by obligations described above.
- e. Investments in money market funds rated "AAAm" or "AAAm-G" by Standard & Poor's Corporation.
- f. Fully collateralized direct repurchase agreements having a defined termination date, secured by direct obligations, GNMA's, FNMA's or FHLMC's with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC.

The Commission's cash and equivalents and investments are summarized as follows:

	December 31,	
	2002	2001
Cash and equivalents	\$ 9,478,215	\$ 10,463,128
Investments	61,801,150	70,007,136
Total	<u>\$ 71,279,365</u>	<u>\$ 80,470,264</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

C. CASH AND EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

At December 31, 2002, the bank balance of the Commission's deposits with financial institutions is categorized as follows:

	Carrying Amount	Bank Balance
Amount insured by the FDIC or collateralized with securities held by the commission in its name.	\$ 2,113,193	\$ 3,871,818
Amount collateralized with securities held by the pledging financial institution's trust department in the Commission's name.	7,298,422	7,298,422
Uncategorized:		
Petty cash and collectors change funds	66,600	-
	<u>\$ 9,478,215</u>	<u>\$ 11,170,240</u>

Investments

Investments made by the Commission are summarized below. These investments, which are represented by specific identifiable investment securities, are classified as to credit risk by the three categories described below:

- Category 1 - Insured or registered, or security held by the Commission or its agent in the Commission's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Commission's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Commission's name. These items are covered by pledged assets which are pooled to secure deposits of public funds.

Description	1	2	3	Cost	Market Value
FHLBDN	\$ 1,998,040	\$ -	\$ -	\$ 1,998,040	\$ 1,998,040
FHLMCD	1,996,119	-	-	1,996,119	1,996,119
FHLB	22,180,529	-	-	22,180,529	22,214,001
FNMA	7,330,885	-	-	7,330,885	7,375,399
FHLMC	19,147,971	-	-	19,147,971	19,289,494
FFCB	5,918,431	-	-	5,918,431	5,929,376
FNMADN	1,983,430	-	-	1,983,430	1,989,294
PA INVEST	1,000,000	-	-	1,000,000	1,009,427
	<u>\$ 61,555,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,555,405</u>	<u>\$ 61,801,150</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

D. BOND INDEBTEDNESS

On May 7, 1992, Bridge System Revenue Refunding Bonds, Series 1992, were sold. The sale price included accrued interest from April 15, 1992. The aggregate principal amount of this issue was \$58,535,000. A portion of the proceeds of this issue were used to make escrow deposits sufficient to defease in whole the Commission's outstanding Bridge System Revenue Bonds, Series 1988 and I-78 Bridge Revenue Bonds and to pay the costs of issuance of the 1992 Bonds.

Serial Bonds of varying interest rates (3.15% to 6.30%) with maturity dates from 1992 to 2005 were issued in the principal amount of \$15,555,000 with balance outstanding at December 31, 2002 of \$5,540,000. Total maturities of serial bonds at December 31, 2002 are as follows:

Year Ending December 31,	<u>Amount</u>
2003	\$ 1,740,000
2004	1,845,000
2005	1,955,000
	<u>\$ 5,540,000</u>

The remaining Bonds issued in the principal amount of \$42,980,000 were term Bonds with a balance outstanding at December 31, 2002 of \$39,795,000. Total interest rates and maturities of term bonds at December 31, 2002 are as follows:

<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>
\$ 17,605,000	6.25%	July 1, 2012
\$ 22,190,000	6.00%	July 1, 2018

Interest on the Bridge System Revenue Refunding Bonds, Series 1992 is payable January 1 and July 1.

Total Bridge System Revenue Refunding Bonds, Series 1992 outstanding balance as of December 31, 2002 and 2001 were \$45,335,000 and \$46,975,000, respectively (Refer to Note I).

The Bond Anticipation Notes (the "Notes"), Series 2001 of the Delaware River Joint Toll Bridge Commission (the "Commission") of total principal amount of \$29,625,000 and interest rate of 2.25% were issued on November 1, 2001 pursuant to the Resolution Authorizing the Issuance of Bond Anticipation Notes adopted by the Commission on October 22, 2001. The Notes constitute "Subordinated Indebtedness" under the Commission's Bridge System Revenue Bond Resolution adopted in April 1992. The principal and interest on the Notes matured and were paid on November 1, 2002.

Bond Anticipation Notes, Series 2002 of the Delaware River Joint Toll Bridge Commission (the "Commission") of total principal amount of \$29,625,000 and interest rate of 1.55% were issued on October 30, 2002 pursuant to the Resolution Authorizing the Issuance of Bond Anticipation Notes adopted by the Commission on October 21, 2002. The Notes were issued for the purpose of raising funds to pay the principal on the Bond Anticipation Notes, Series 2001. The principal and interest on the Notes mature on April 30, 2003.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

D. BOND INDEBTEDNESS (CONTINUED)

The Notes are subject to redemption, in whole or in part, prior to their stated maturity, upon seven days notice, at a redemption price of 100% of the principal amount plus accrued interest to the date of redemption at any time after December 1, 2002. (Refer to Note I).

E. PENSION PLAN

Plan Description

The Commission contributes to the Commonwealth of Pennsylvania State Employees' Retirement System (the "System"). The System is the administrator of a cost-sharing multiple-employer defined benefit retirement system. The System was established by the Commonwealth of Pennsylvania (the "Commonwealth") to provide retirement, death, and disability benefits for employees of state government and certain independent agencies. Ad hoc cost-of-living adjustments are provided at the discretion of the General Assembly. Article II of the Commonwealth's Constitution assigns the authority to establish and amend the benefit provisions of the plan to the General Assembly. The System issues a publicly available financial report that includes financial statements and required supplementary information for the retirement plan. That report may be obtained by writing to the Commonwealth of Pennsylvania State Employees' Retirement System, 30 North Third Street, P.O. Box 1147, Harrisburg, PA 17108-1147 or by calling 1-717-787-9657.

Funding Policy

Employees of the Commission are required to pay 5% - 6.25% of their salary into the System and the Commission is required to contribute at an actuarially determined rate. The rate is computed based upon actuarial valuations on the System's fiscal year end of December 31, and applied to the Commonwealth based on its fiscal year end of June 30. Therefore, the employer contribution rate in effect for the System's year end of December 31 reflects a blended average of calculated rates. The contribution requirements of plan members and the Commission are established and may be amended by the System's Board of Trustees. The Commission's contributions to the System for the years ended December 31, 2002 and 2001 were \$3,686 and \$41,254, respectively, equal to the required contribution.

The Commission also has four employees of the Bridge System who participate in the State of New Jersey Public Employees Retirement System.

F. SELF INSURANCE

The Commission self insures the risk for health insurance claims. Coverage for claims in excess of \$125,000 per person is carried with an insurance company.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

G. POSTEMPLOYMENT BENEFITS

The Commission provides certain postemployment life and health insurance benefits to its employees if they retire while working for the Commission. In accordance with the provisions of Statement No. 12 of the Governmental Accounting Standards Board, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers," expenditures for postemployment life and health insurance benefits are recognized on a pay-as-you-go basis and were approximately \$925,931 and \$800,254 in 2002 and 2001, respectively. Effective April 1, 1995 the Commission has suspended postemployment life and health insurance benefits for all new hires. As of December 31, 2002, 104 retired employees were eligible for both life and health insurance benefits. An additional 56 retired employees were eligible for life insurance benefit only, in a range \$2,000 - \$4,000 per person.

H. COMMITMENTS AND CONTINGENCIES

The Commission is in dispute with the New Jersey Department of Transportation (NJDOT) over certain amounts invoiced for the I-78 Bridge facility totaling \$568,839. The Commission does not believe it is liable for the entire amount of the charges and until resolved by NJDOT and the Commission (including approval by the Commission's consulting engineers) such amounts will not be paid.

After the implementation of the toll rates increase on November 30, 2002 the Trucker Toll Increase case has been filed in the United States District Court for the Eastern District of Pennsylvania by the American Trucking Associations, Inc., PA Motor Truck Association, NJ Motor Truck Association and Roadway Express. A disposition of this matter adverse to the Commission might materially adversely affect future toll revenues. In the opinion of management, the Commission should prevail in this litigation.

The Commission is involved in various claims and lawsuits arising in the normal course of business, including claims for right of way acquisition, handicapped discrimination and hiring practices. In the opinion of management, the ultimate outcome of these claims and lawsuits will not have a material adverse effect on the Commission's financial position.

The Commission has entered into various contracts as part of its long-term capital program for the structural repair, cleaning, painting and asphalt milling and resurfacing of some of its toll and toll supported bridges and a pedestrian bridge. The total cost of these projects is expected to approximate \$11,340,000.

I. SUBSEQUENT EVENT

On January 1, 2003, the Commission issued Bridge System Revenue Bonds, Series 2003 ("the Bonds"), in the amount of \$158,530,000. A portion of the Bonds proceeds will be applied toward the Commission's \$526,500,000 Ten Year Capital Plan. The rest of the proceeds will be used to provide funds for the current refunding of the outstanding Bridge System Revenue Refunding Bonds, Series 1992, the current refunding of the Commission's outstanding Bond Anticipation Notes Series 2002, the funding of the interest due on the Commission's outstanding debt being refunded, the funding of the Debt Service Reserve Requirement for the Bonds, and the costs of issuance associated with the Bonds.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

NOTES TO FINANCIAL STATEMENTS

I. SUBSEQUENT EVENT (CONTINUED)

Bond Anticipation Notes, Series 2002 and Bridge System Revenue Refunding Bonds, Series 1992 outstanding principal and interest due were paid in full in January and February 2003, respectively.

J. NEW PRONOUNCEMENT

In June 2000, the Government Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended by Statement No. 37, *Basic Financial Statements- and Management’s Discussion and Analysis- the State and Local Governments: Omnibus*, and Statement No. 38, *Certain Financial Statement Note Disclosure’s* (“the Statements”). The Statements establish new accounting and financial reporting standards for state and local governments. The Statements provide guidance established for special-purpose governments engaged only in business-type activities, and requires management to include a discussion and analysis of the financial activities of the government in addition to the basic financial statements and other required supplementary information. Implementation of the new financial reporting model will be effective for the Commission beginning January 1, 2003.

SUPPLEMENTARY INFORMATION

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended December 31, 2002

	Total (Memorandum Only)	Construction Fund	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve Maintenance Fund	General Reserve Fund	Operating Maintenance Contingency Account
Cash and equivalents balance, beginning of year	\$ 10,463,128	\$ 2,660,267	\$ 1,915,806	\$ 477,343	\$ 1,787,457	\$ 1,095,819	\$ 12,353	\$ 2,512,977	\$ 1,106
Receipts:									
Toll and EZ pass	34,962,244	-	34,962,244	-	-	-	-	-	-
Bond anticipation note proceeds	29,625,000	29,625,000	-	-	-	-	-	-	-
Maturity or sale of investments	128,440,762	45,408,447	-	8,711,358	10,960,352	8,071,326	2,225,400	53,028,173	35,706
Interest income	2,581,824	262,467	4,345	240,369	43,955	307,166	24,277	1,664,171	35,074
Miscellaneous income	227,267	-	214,879	12,388	-	-	-	-	-
	<u>206,300,225</u>	<u>77,956,181</u>	<u>37,097,274</u>	<u>9,441,458</u>	<u>12,791,764</u>	<u>9,474,311</u>	<u>2,262,030</u>	<u>57,205,321</u>	<u>71,886</u>
Disbursements:									
Administrative expenses including equipment purchases and insurance expense	25,348,662	-	20,391	25,328,271	-	-	-	-	-
Renewals and replacements	16,624,524	-	-	-	-	-	-	16,624,524	-
Purchase of investments	119,934,033	32,525,810	-	8,956,770	7,815,642	6,420,828	2,153,400	62,025,926	35,657
Interest on bond indebtedness	3,649,791	-	-	-	3,649,791	-	-	-	-
Repayment of Bond Anticipation Notes	29,625,000	29,625,000	-	-	-	-	-	-	-
Retirement of bridge system revenue refunding bonds	1,640,000	-	-	-	1,640,000	-	-	-	-
	<u>196,822,010</u>	<u>62,150,810</u>	<u>20,391</u>	<u>34,285,041</u>	<u>13,105,433</u>	<u>6,420,828</u>	<u>2,153,400</u>	<u>78,650,450</u>	<u>35,657</u>
Interfund transactions		(12,945,757)	(35,433,535)	25,561,137	1,891,465	(1,829,488)	(92,876)	22,848,520	534
Cash and equivalents balance, end of year	<u>\$ 9,478,215</u>	<u>\$ 2,859,614</u>	<u>\$ 1,643,348</u>	<u>\$ 717,554</u>	<u>\$ 1,577,796</u>	<u>\$ 1,223,995</u>	<u>\$ 15,754</u>	<u>\$ 1,403,391</u>	<u>\$ 36,763</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF CASH AND EQUIVALENTS BALANCES

December 31, 2002

	Total (Memorandum Only)	Construction Fund	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve Maintenance Fund	General Reserve Fund	Operating Maintenance Contingency Account
The Bank of New York	\$ 7,298,422	\$ 2,859,614	\$	\$ 181,109	\$ 1,577,796	\$ 1,223,995	\$ 15,754	\$ 1,403,391	\$ 36,763
Yardville National Bank	127,807	-		127,807					
First Union Bank	1,411,185	-	1,430,831	(19,646)					
Fleet Bank	574,201	-	212,517	361,684					
Petty cash and collectors' change funds	66,600	-		66,600					
Total Cash and Equivalents Balances	<u>\$ 9,478,215</u>	<u>\$ 2,859,614</u>	<u>\$ 1,643,348</u>	<u>\$ 717,554</u>	<u>\$ 1,577,796</u>	<u>\$ 1,223,995</u>	<u>\$ 15,754</u>	<u>\$ 1,403,391</u>	<u>\$ 36,763</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF INVESTMENTS

December 31, 2002

Construction Fund

<u>Security Description</u>	<u>Investment Description</u>			<u>Maturity</u>	<u>Cost</u>	<u>Market Value</u>
	<u>Face Value</u>	<u>Rate</u>	<u>Yield</u>	<u>Date</u>		
FHLBDN - Zero coupon bond	2,000,000	0.00%	27%	01-17-03	\$ 1,998,040	\$ 1,998,040
FHLMCD - Zero coupon bond	2,000,000	0.00%	1.26%	02-13-03	1,996,119	1,996,119
TOTAL CONSTRUCTION FUND					3,994,159	3,994,159

Operating Fund

<u>Security Description</u>	<u>Investment Description</u>			<u>Maturity</u>	<u>Cost</u>	<u>Market Value</u>
	<u>Face Value</u>	<u>Rate</u>	<u>Yield</u>	<u>Date</u>		
FHLB	1,000,000	5.00%	4.97%	02-14-03	1,012,393	1,004,375
FHLB	1,500,000	4.50%	4.44%	05-15-03	1,525,088	1,517,813
FNMA	2,400,000	3.75%	3.71%	06-04-04	2,400,000	2,424,000
FHLMC	2,000,000	2.63%	2.60%	08-13-04	2,011,358	2,014,375
TOTAL OPERATING FUND					6,948,839	6,960,563

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2002

Debt Service Reserve Fund						
<u>Security Description</u>	<u>Investment Description</u>			<u>Maturity</u>	<u>Cost</u>	<u>Market Value</u>
	<u>Face Value</u>	<u>Rate</u>	<u>Yield</u>	<u>Date</u>		
FHLMC	\$ 1,000,000	6.25%	5.83%	07-15-04	1,054,774	1,071,250
FFCB	900,000	5.73%	5.71%	01-24-05	916,368	902,813
FHLB	2,100,000	5.38%	4.93%	02-15-06	<u>2,171,326</u>	<u>2,289,000</u>
TOTAL DEBT SERVICE RESERVE FUND					<u>4,142,468</u>	<u>4,263,063</u>

Reserve Maintenance Fund						
<u>Security Description</u>	<u>Investment Description</u>			<u>Maturity</u>	<u>Cost</u>	<u>Market Value</u>
	<u>Face Value</u>	<u>Rate</u>	<u>Yield</u>	<u>Date</u>		
FHLMC	\$ 400,000	3.20%	3.17%	07-08-04	400,000	403,484
FNMA	425,000	2.45%	2.42%	09-24-04	<u>425,000</u>	<u>428,586</u>
TOTAL RESERVE MAINTENANCE FUND					<u>825,000</u>	<u>832,070</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2002

<u>Security Description</u>	<u>General Reserve Fund</u>			<u>Maturity</u>	<u>Cost</u>	<u>Market</u>
	<u>Investment Description</u>					
	<u>Face Value</u>	<u>Rate</u>	<u>Yield</u>	<u>Date</u>		<u>Value</u>
FNMADN - Zero coupon bond	\$ 1,000,000	0.00%	0.82%	03-12-03	\$ 991,836	\$ 997,700
FNMADN - Zero coupon bond	1,000,000	0.00%	1.71%	03-14-03	991,594	991,594
PA INVEST	1,000,000	1.63%	1.60%	05-17-03	1,000,000	1,009,427
FHLB	9,000,000	4.50%	4.42%	07-07-03	9,383,360	9,149,063
FHLMC	5,000,000	3.25%	3.19%	12-15-03	4,976,354	5,093,750
FHLMC	4,000,000	5.00%	4.81%	01-15-04	4,202,351	4,151,250
FHLB	2,000,000	5.25%	5.03%	02-13-04	2,077,738	2,085,000
FNMA	2,000,000	3.30%	3.29%	02-25-04	2,000,000	2,005,625
FNMA	2,500,000	2.13%	2.11%	11-26-04	2,505,885	2,517,188
FHLMC	2,500,000	2.13%	2.11%	12-03-04	2,504,071	2,506,775
FFCB	3,000,000	4.25%	4.11%	02-14-05	3,002,063	3,010,313
FHLB	3,000,000	4.00%	3.83%	02-15-05	3,010,624	3,131,250
FHLB	3,000,000	4.45%	4.39%	06-03-05	3,000,000	3,037,500
FFCB	2,000,000	2.78%	2.97%	09-30-05	2,000,000	2,016,250
FHLMC	3,000,000	3.00%	2.97%	09-30-05	3,000,000	3,024,600
TOTAL GENERAL RESERVE FUND					44,645,876	44,727,285

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2002

Operating and Maintenance Contingency Account						
<u>Security Description</u>	<u>Investment Description</u>			<u>Maturity</u>	<u>Cost</u>	<u>Market Value</u>
	<u>Face Value</u>	<u>Rate</u>	<u>Yield</u>	<u>Date</u>		
FHLMC	\$ 1,000,000	3.50%	3.40%	04-19-04	<u>999,063</u>	<u>1,024,010</u>
TOTAL INVESTMENTS					<u><u>\$ 61,555,405</u></u>	<u><u>\$ 61,801,150</u></u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF INVESTMENT IN FACILITIES

December 31, 2002

	Total	Toll Supported Bridges											
		Trenton-Morrisville Bridge	New Hope-Lambertville Bridge	I-78 Bridge	Easton-Phillipsburg Bridge	Portland-Columbia Bridge	Delaware Water Gap Bridge	Milford-Montague Bridge	Southern Division	Northern Division	Feasibility Surveys	Bond Issue	
Bond interest expense	\$ 3,069,825	\$ -	\$ -	\$ 3,069,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering and preliminary expense	5,935,959	946,149	412,024	219,833	740,307	423,246	981,174	402,533	-	-	1,810,693	-	-
Land, buildings, easements and rights of way	8,580,362	3,723,603	1,388,613	-	2,401,059	274,852	362,881	146,760	282,594	-	-	-	-
Construction costs	61,800,739	14,944,148	10,479,394	8,109,209	9,100,785	3,548,025	12,546,961	3,055,291	16,926	-	-	-	-
Equipment	8,699,472	2,756,952	659,670	1,119,641	1,506,850	866,314	924,737	474,742	272,070	118,496	-	-	-
Legal fees, administrative salaries and related expense	1,057,150	106,937	79,332	531,376	145,308	50,423	114,598	27,712	-	1,464	-	-	-
Financial costs	8,314,636	579,454	2,143,955	339,498	344,711	244,708	581,707	115,409	-	15,035	-	-	3,950,159
Contribution to state for approach facilities	17,305,283	-	2,900,000	14,405,283	-	-	-	-	-	-	-	-	-
Income from interim investment of construction fund, etc.	(7,692,805)	(246,361)	(2,313,751)	(1,587,042)	(499,513)	(699,937)	(2,228,841)	(63,728)	(1,541)	(52,091)	-	-	-
Totals	\$ 107,070,621	\$ 22,810,882	\$ 15,749,237	\$ 26,207,623	\$ 13,739,507	\$ 4,707,631	\$ 13,283,217	\$ 4,158,719	\$ 570,049	\$ 82,904	\$ 1,810,693	\$ 3,950,159	

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF RECONCILIATION OF INCREASE IN INVESTMENT IN FACILITIES

Year Ended December 31, 2002

	<u>Total</u>	<u>Trenton- Morrisville Bridge</u>	<u>New Hope- Lambertville Bridge</u>	<u>I-78 Bridge</u>	<u>Easton- Phillipsburg Bridge</u>	<u>Portland- Columbia Bridge</u>	<u>Delaware Water Gap Bridge</u>	<u>Milford- Montague Bridge</u>	<u>Toll Supported Bridges</u>			
									<u>Southern Division</u>	<u>Northern Division</u>	<u>Feasibility Surveys</u>	<u>Bond Issue</u>
Balance, beginning of year	\$ 106,310,187	\$ 22,645,915	\$ 15,755,993	\$ 26,084,292	\$ 13,641,138	\$ 4,635,199	\$ 13,283,217	\$ 4,195,000	\$ 225,677	\$ 82,904	\$ 1,810,693	\$ 3,950,159
Add:												
Equipment purchases	920,870	164,967	29,804	174,316	134,979	72,432	-	-	344,372	-	-	-
Less:												
Equipment sold	<u>160,436</u>	<u>-</u>	<u>36,560</u>	<u>50,985</u>	<u>36,610</u>	<u>-</u>	<u>-</u>	<u>36,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 107,070,621</u>	<u>\$ 22,810,882</u>	<u>\$ 15,749,237</u>	<u>\$ 26,207,623</u>	<u>\$ 13,739,507</u>	<u>\$ 4,707,631</u>	<u>\$ 13,283,217</u>	<u>\$ 4,158,719</u>	<u>\$ 570,049</u>	<u>\$ 82,904</u>	<u>\$ 1,810,693</u>	<u>\$ 3,950,159</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF OPERATIONS - OPERATING FUND

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Total (Memorandum Only)		Trenton- Morrisville Bridge	New Hope- Lambertville Bridge	I-78 Bridge	Easton- Phillipsburg Bridge	Portland- Columbia Bridge	Delaware Water Gap Bridge	Milford- Montague Bridge
	Year Ended December 31,								
	2001	2002							
Toll revenue	\$ 32,112,935	\$ 36,022,863	\$ 4,211,386	\$ 1,022,220	\$ 12,928,905	\$ 4,439,144	\$ 708,977	\$ 11,865,139	\$ 847,092
Tickets, tokens refund	-	(296,736)	(296,736)	-	-	-	-	-	-
Toll (shortage) overage	(13,868)	(5,489)	(3,005)	739	(3,791)	(906)	(47)	1,860	(339)
Total Toll Revenues	<u>32,099,067</u>	<u>35,720,638</u>	<u>3,911,645</u>	<u>1,022,959</u>	<u>12,925,114</u>	<u>4,438,238</u>	<u>708,930</u>	<u>11,866,999</u>	<u>846,753</u>
Operating and Maintenance Expenses									
Salaries and wages									
Toll	3,137,061	3,315,264	555,031	244,117	745,172	411,103	218,698	891,574	249,569
Maintenance	2,538,233	2,690,467	344,341	251,818	681,829	427,414	178,075	565,750	241,240
Clerical	879,089	832,754	113,677	94,001	180,645	101,507	75,063	186,630	81,231
Supervision	2,182,239	2,349,072	437,861	197,095	448,792	454,833	124,046	490,491	195,954
	<u>8,736,622</u>	<u>9,187,557</u>	<u>1,450,910</u>	<u>787,031</u>	<u>2,056,438</u>	<u>1,394,857</u>	<u>595,882</u>	<u>2,134,445</u>	<u>767,994</u>
Social security taxes	641,877	696,985	110,214	59,178	156,698	105,803	45,045	162,133	57,914
Pension contribution	27,658	2,596	72	2,524	-	-	-	-	-
Group insurance	1,858,093	2,043,011	315,172	189,009	469,689	329,443	121,085	466,582	152,031
Unemployment contribution	11,306	20,377	3,735	-	-	1,389	-	15,253	-
Heat, light and power	373,776	374,639	91,803	56,781	61,604	77,700	35,884	39,340	11,527
Office expense	122,702	143,321	16,068	24,825	21,641	13,315	16,192	36,195	15,085
Operating supplies and expense	110,602	169,215	28,125	16,379	21,171	47,828	13,386	27,741	14,585
Toll tickets and tokens	1,542	-	-	-	-	-	-	-	-
Education, conference and communication expense	48,305	110,926	29,801	17,722	13,903	13,771	11,790	12,546	11,393
Uniforms	41,514	23,901	226	770	6,690	6,449	2,172	5,471	2,123
Maintenance supplies and expense									
Automotive	149,163	154,855	29,208	18,394	34,124	11,638	10,133	31,522	19,836
Buildings and grounds	301,391	117,154	29,272	12,552	24,319	18,507	10,844	9,556	12,104
Toll collecting equipment	215,625	99,438	17,605	9,538	9,634	20,234	14,858	14,390	13,179
Roadways, sidewalks and approaches	139,377	187,177	28,848	1,249	69,686	27,703	21,349	28,522	9,820
Insurance	922,974	1,051,888	150,968	124,765	275,364	180,485	73,196	191,721	55,389
Equipment purchases, net of disposals	78,263	79,558	9,246	6,381	10,457	3,649	5,973	8,317	35,535
Replacements and renewals	17,904	50,981	27,546	955	4,466	10,518	1,800	3,895	1,801
Total Operating and Maintenance Expenses	<u>13,798,694</u>	<u>14,513,579</u>	<u>2,338,819</u>	<u>1,328,053</u>	<u>3,235,884</u>	<u>2,263,289</u>	<u>979,589</u>	<u>3,187,629</u>	<u>1,180,316</u>
Net revenues (expenses) from Toll Bridges - Before Administration expenses and toll supported bridges expenses	<u>18,300,373</u>	<u>21,207,059</u>	<u>\$ 1,572,826</u>	<u>\$ (305,094)</u>	<u>\$ 9,689,230</u>	<u>\$ 2,174,949</u>	<u>\$ (270,659)</u>	<u>\$ 8,679,370</u>	<u>\$ (333,563)</u>
Administration expenses	5,238,087	6,147,884							
Toll supported bridges expenses	4,225,731	4,545,327							
	<u>9,463,818</u>	<u>10,693,211</u>							
Net revenues from bridges	8,836,555	10,513,848							
Equipment cost adjustment Reduction of expense									
Toll bridges	57,461	101,020							
Toll supported bridges	9,226	-							
Adjusted net revenues from toll bridges	<u>\$ 8,903,242</u>	<u>\$ 10,614,868</u>							

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF ADMINISTRATIVE EXPENSES – OPERATING FUND

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	<u>2002</u>	<u>2001</u>
Salaries and wages	\$2,555,825	\$ 2,265,104
Social security taxes	181,983	160,532
Trustee and paying agents' fees	28,475	27,520
Pension contribution	1,043	6,045
Group insurance	1,355,078	1,248,221
Unemployment compensation	11,362	9,653
Heat, light and power	9,799	14,846
Office expenses	203,100	145,417
Operating supplies and expenses	173,711	182,880
Travel and meeting expenses	9,267	13,272
Educational and conference expenses	131,012	188,321
Uniforms	862	-
Automotive repairs and expenses	37	1,303
Buildings and grounds	3,493	11,078
Professional services and legal expenses	909,866	813,238
Advertising	429,224	33,077
Insurance	71,125	117,580
Equipment purchases-Pubic Safety	72,622	-
	<u>\$6,147,884</u>	<u>\$ 5,238,087</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF TOLL SUPPORTED BRIDGES EXPENSES – OPERATING FUND

Year Ended December 31, 2002

(With Comparative Total for the Year Ended December 31, 2001)

	Total		Year Ended December 31, 2002	
	(Memorandum Only)		Southern	Northern
	Year Ended December 31,		Division	Division
	2001	2002	Bridges	Bridges
Salaries and wages	\$ 2,796,485	\$ 2,979,604	\$ 1,559,681	\$ 1,419,923
Social security taxes	201,623	224,808	117,752	107,056
Pension contribution	7,551	47	-	47
Group insurance	612,689	673,639	345,549	328,090
Unemployment compensation	2,708	198	-	198
Heat, light and power	67,319	60,272	39,880	20,392
Office expense	10,780	16,666	9,664	7,002
Operating supplies and expense	27,555	36,999	21,010	15,989
Education and conference expenses	991	1,181	617	564
Uniforms	7,324	8,562	223	8,339
Maintenance supplies and expenses				
Automotive	3,089	3,225	1,200	2,025
Buildings and grounds	2,962	546	131	415
Roadways, sidewalks and approaches	14,726	37,221	21,496	15,725
Insurance	440,482	485,588	314,352	171,236
Equipment purchases - net of disposals	14,447	1,771	517	1,254
Civil claim	15,000	15,000	15,000	-
	<u>\$ 4,225,731</u>	<u>\$ 4,545,327</u>	<u>\$ 2,447,072</u>	<u>\$ 2,098,255</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF EQUIPMENT COST ADJUSTMENT

Year Ended December 31, 2002

	Operating Fund Purchases	Original Cost of Equipment Disposals	Proceeds/ Benefits from Equipment Disposals	Net Reduction of Expense
Trenton - Morrisville Bridge	\$ 9,571	\$ (325)	\$ 293	\$ 9,539
New Hope - Lambertville Bridge	9,381	(3,000)	2,700	9,081
I-78 Bridge	16,277	(5,820)	5,328	15,785
Easton - Phillipsburg Bridge	11,624	(7,975)	7,088	10,737
Portland - Columbia Bridge	6,198	(225)	203	6,176
Delaware Water Gap Bridge	9,392	(1,075)	968	9,285
Milford - Montague Bridge	40,960	(5,425)	4,882	40,417
Totals	<u>\$ 103,403</u>	<u>\$ (23,845)</u>	<u>\$ 21,462</u>	<u>\$ 101,020</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

SCHEDULE OF TOLL BRIDGE TRAFFIC AND REVENUES

Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 21, 2001)

VEHICLE CLASSIFICATION	Total (Memorandum Only)		Trenton- Morrisville Bridge	New Hope- Lambertville Bridge	I-78 Bridge	Easton- Phillipsburg Bridge	Portland- Columbia Bridge	Delaware Water Gap Bridge	Milford- Montague Bridge
	Year Ended December 31,								
	2001	2002							
Number of Vehicles Crossing Toll Bridges:									
Class									
1. Passenger Cars, Vans and Pickups	17,440,781	20,323,041	4,687,442	2,349,954	4,640,728	3,017,472	316,075	4,755,917	555,453
2. Passenger Cars, etc., Commutation Tokens	14,225,790	12,471,390	2,034,702	926,094	1,687,182	2,925,012	761,168	3,359,933	777,299
3. Two Axle Trucks, Buses and Tractors	848,768	858,610	168,564	106,192	215,748	159,128	25,287	160,361	23,330
4. Three Axle Trucks, Buses, Tractor and Trailer	393,661	405,318	66,800	63,141	98,022	75,508	8,326	87,938	5,583
5. Four axle Trucks, Tractor and Trailer	301,134	299,867	63,157	29,167	111,582	36,343	5,839	52,109	1,670
6. Five Axle Trucks, Tractor and Trailer	3,811,076	3,766,137	279,071	72,739	1,883,403	323,098	28,203	1,166,886	12,737
7. Six Axle Trucks, Tractor and Trailer	43,323	41,722	2,350	1,466	18,236	4,454	191	14,797	228
8. Vehicles Requiring Special Permit	54,449	52,159	277	292	30,238	3,115	74	18,068	95
10. Local Buses	3,297	129	119	-	10	-	-	-	-
11. Seven or More Axle Trucks, Tractor and Trailer	1,520	1,343	-	32	794	142	4	353	18
Non-Revenue Vehicles	38,700,777	40,747,045	10,748,988	681	11,375,678	7,540,633	1,119,217	9,961,848	-
	<u>75,824,576</u>	<u>78,966,761</u>	<u>18,051,470</u>	<u>3,549,758</u>	<u>20,061,621</u>	<u>14,084,905</u>	<u>2,264,384</u>	<u>19,578,210</u>	<u>1,376,413</u>
Toll Revenues of Vehicles Crossing Toll Bridges:									
Class									
1. Passenger Cars, Vans and Pickups	\$ 10,466,524	\$ 13,161,152	\$ 2,530,221	\$ 662,420	\$ 2,532,247	\$ 1,679,948	\$ 330,476	\$ 4,856,470	\$ 569,370
2. Passenger Cars, etc., Commutation Tokens	2,737,342	2,401,667	406,939	92,609	337,436	585,002	152,234	671,987	155,460
3. Two Axle Trucks, Buses and Tractors	1,363,907	1,526,831	203,642	62,860	465,712	345,057	54,980	344,626	49,955
4. Three Axle Trucks, Buses, Tractor and Trailer	942,995	1,089,862	123,254	55,786	333,182	246,450	27,557	285,913	17,720
5. Four axle Trucks, Tractor and Trailer	886,616	990,515	147,229	32,778	438,097	143,315	22,191	200,541	6,365
6. Five Axle Trucks, Tractor and Trailer	14,527,066	16,266,903	818,473	109,708	8,463,824	1,435,788	124,077	5,259,059	55,976
7. Six Axle Trucks, Tractor and Trailer	184,274	211,227	8,214	2,811	98,416	22,362	921	77,399	1,105
8. Vehicles Requiring Special Permit	769,393	723,382	4,931	2,905	388,136	41,740	1,234	283,192	1,244
10. Local Buses	3,297	439	429	-	10	-	-	-	-
11. Seven or More Axle Trucks, Tractor and Trailer	7,274	8,756	-	150	5,208	839	31	2,428	101
Total Toll Revenue Vehicles	<u>31,888,688</u>	<u>36,380,734</u>	<u>4,243,333</u>	<u>1,022,027</u>	<u>13,062,267</u>	<u>4,500,499</u>	<u>713,699</u>	<u>11,981,613</u>	<u>857,296</u>
Adjustment for difference in value between commutation tokens collected, as included in foregoing vehicle tabulation, and the value of commutation tokens and EZ Pass sold but not utilized and included in toll revenues									
	224,247	(357,871)	(31,947)	193	(133,362)	(61,355)	(4,722)	(116,474)	(10,204)
Total Toll Revenues	<u>\$ 32,112,935</u>	<u>\$ 36,022,863</u>	<u>\$ 4,211,386</u>	<u>\$ 1,022,220</u>	<u>\$ 12,928,905</u>	<u>\$ 4,439,144</u>	<u>\$ 708,977</u>	<u>\$ 11,865,139</u>	<u>\$ 847,092</u>

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners of
DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM

We have audited the financial statements of **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM** as of and for the year ended December 31, 2002, and have issued our report thereon dated March 18, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM'S** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and bond resolutions, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION - BRIDGE SYSTEM'S** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we provided certain recommendations regarding internal control strengthening in a separate letter addressed to Delaware River Joint Toll Bridge Commission-Bridge System commissioners dated March 18, 2003.

This report is intended solely for the information and use of the Commissioners, management, others within the Commission and is not intended to be used by anyone other than these specified parties.

Druker, Rahl & Fein

March 18, 2003

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- ESMOND S. DRUKER, CPA
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- PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
- PRIVATE COMPANIES PRACTICE SECTION
- SEC PRACTICE SECTION





November 19, 2001
(Revised March 18, 2002)

Honorable Harry G. Parkin
Chairman
Delaware River Joint Toll Bridge Commission
110 Wood Street
Morrisville, Pennsylvania 19067

RE: Consulting Engineer's Sixty-Fourth Annual Inspection Report - 2001

Dear Chairman Parkin:

It is with great pleasure that we are submitting the Consulting Engineer's Sixty-Fourth Annual Inspection Report (2001) for the Commission's following facilities:

- A. The seven (7) Toll Bridges
- B. The thirteen (13) Toll Supported (Non-Toll) Bridges
- C. The thirty-two (32) approach bridges and roadways serving the above bridges
- D. The Commission's buildings and grounds
- E. The Commission's vehicles and equipment

This Annual Inspection Report summarizes our findings and recommendations. All facilities are in operating condition.

The Fifth Annual Maintenance Report has again been published separately.

We have identified that certain maintenance repairs and capital improvements be performed at an estimated cost of \$52,150,000. In addition an estimated expenditure of \$1,059,700 is recommended for new vehicular and maintenance equipment purchases. Therefore, the total amount for the proper operation and maintenance of the Commission's facilities is estimated to be \$53,209,700.

We recommend that \$1,512,700 of the above total amount be funded by the Operating Fund and \$51,697,000 be funded by the General Reserve Fund.



ADJO006
Honorable Harry G. Parkin
November 19, 2001
(Revised March 18, 2002)
Page 2

We express our sincere appreciation to all of the Commission's personnel who were very helpful in assisting Schoor DePalma during all phases of our report preparation, as well as during the inspections.

It has been more than a pleasure to serve the Commission. Please contact us if you require any additional information.

Very truly yours,

SCHOOR DEPALMA INC.

A handwritten signature in black ink that reads "Ronald F. Mieszkowski". The signature is written in a cursive style.

Ronald F. Mieszkowski, PE
Vice President
Professional Engineer
NJ License No. 26635
PA License No. PE055164 E

RFM/jwm/nac
Enclosure



SCHOOR DEPALMA
Engineers and Consultants

November 18, 2002

Honorable Harry G. Parkin
Chairman
Delaware River Joint Toll Bridge Commission
110 Wood Street
Morrisville, Pennsylvania 19067

RE: Consulting Engineer's Sixty-Fifth Annual Inspection Report - 2002

Dear Chairman Parkin:

It is with great pleasure that we are submitting the Consulting Engineer's Sixty-Fifth Annual Inspection Report (2002) for the Commission's following facilities:

- A. The seven (7) Toll Bridges
- B. The thirteen (13) Toll Supported (Non-Toll) Bridges
- C. The thirty-two (32) approach bridges and roadways serving the above bridges
- D. The Commission's buildings and grounds
- E. The Commission's vehicles and equipment

This Annual Inspection Report summarizes our findings and recommendations. All facilities are in operating condition.

The Sixth Annual Maintenance Report has again been published separately.

The report identifies certain maintenance repairs and capital expenditures amounting to \$49,662,500 be performed over the next two years. In addition an estimated expenditure of \$1,163,100 is recommended for new vehicular and maintenance equipment purchases. Therefore, the total amount over the next two years for the proper operation and maintenance of the Commission's facilities is estimated to be \$50,825,600. The report also identifies future maintenance repairs and capital improvements amounting to \$127,120,000 which should be programmed over the succeeding three to seven year period.

We recommend that \$1,730,100 of the above total amount be funded by the 2003 Operating Fund and \$49,095,500 be funded by the General Reserve Fund.

Your Bottom Line Results Partner™



ADJO006
Honorable Harry G. Parking
November 18, 2002
Page 2

We express our sincere appreciation to all of the Commission's personnel who were very helpful in assisting Schoor DePalma during all phases of our report preparation, as well as during the inspections.

It has been a pleasure to serve the Commission. Please contact us if you require any additional information.

Very truly yours,

SCHOOR DEPALMA INC.

Ronald F. Mieszkowski, PE
Vice President
Professional Engineer
NJ License No. 26635
PA License No. PE055164 E

RFM/jwm/nac
Enclosure