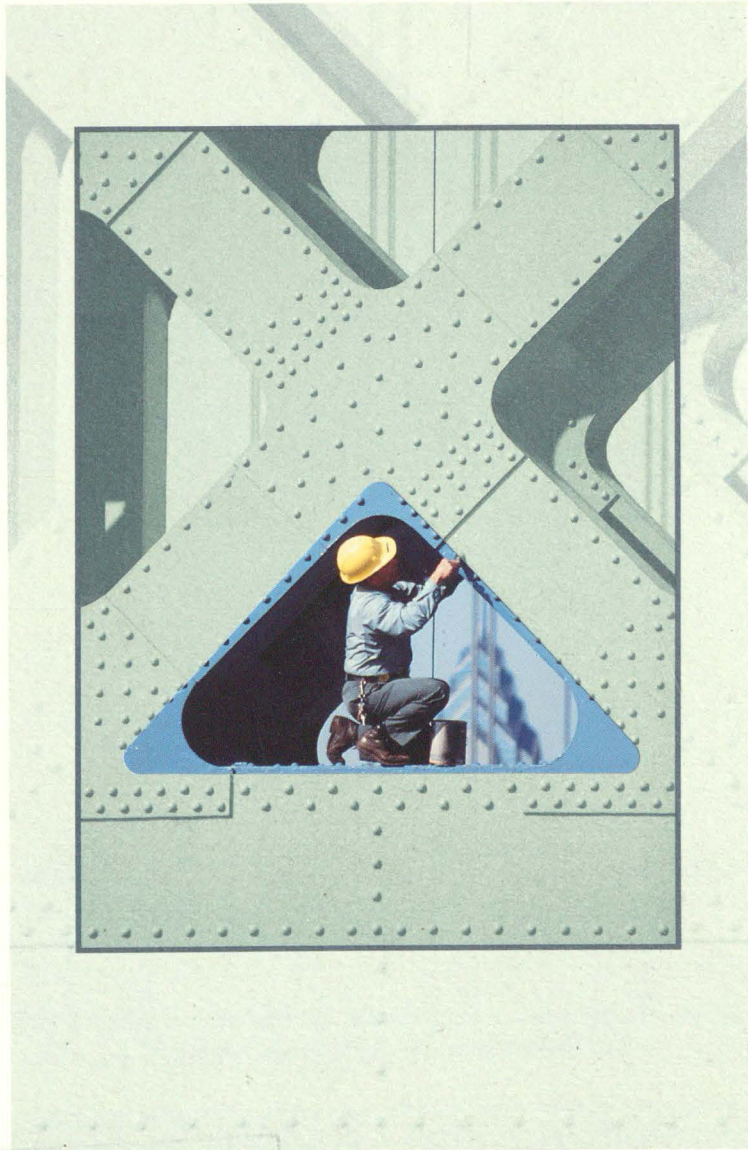


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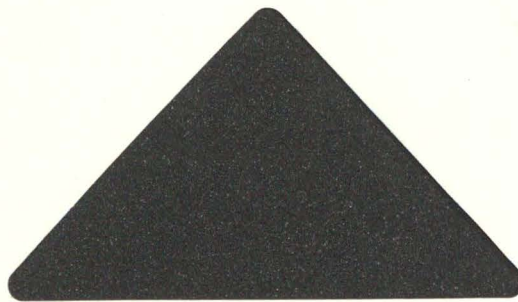


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ANNUAL REPORT 1990

DELAWARE RIVER PORT AUTHORITY





THE DELAWARE RIVER PORT AUTHORITY SERVICE TO THE DELAWARE VALLEY

... The Benjamin Franklin Bridge every weekday handles the equivalent of standing-room-only crowds at Veterans Stadium and the Spectrum combined.

... The Walt Whitman Bridge every day handles more vehicles than there are babies born in the State of New Jersey in an entire year.

... If all 12,000 vehicles which park at PATCO lots every weekday were instead driven to Philadelphia and placed bumper-to-bumper and side-by-side they would take up an area the size of Chestnut, Walnut, Locust and Spruce streets from river to river plus all of Rittenhouse Square.

... In 1973 (in its final year of operation), the ferry boats that shuttled between Chester, Pa., and Bridgeport, N.J., handled about 960,000 vehicles. In 1990 the Commodore Barry Bridge, built on the site of the ferry slip, carried 25½ times that many vehicles.

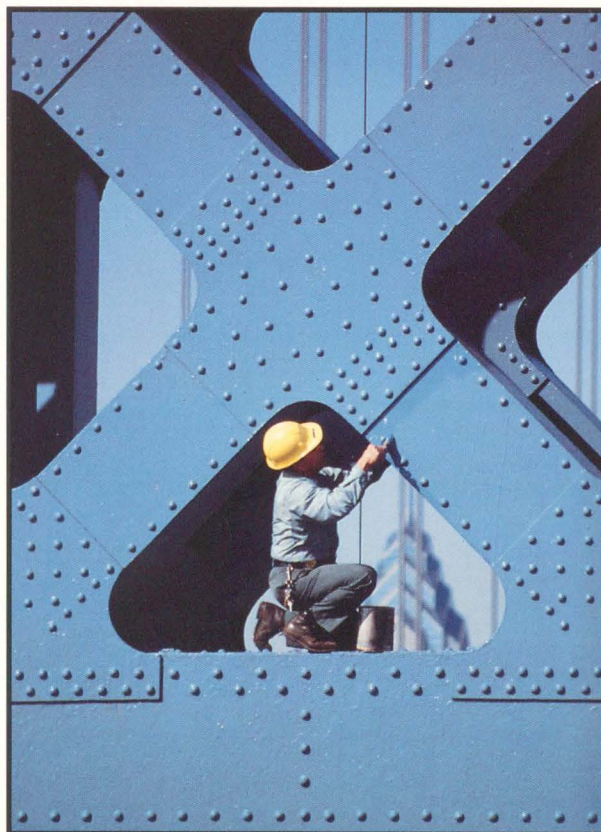
... Each year the equivalent of the entire population of the Commonwealth of Pennsylvania crosses the Betsy Ross Bridge.

... In 1990, the Delaware River Port Authority provided transportation corridors on its bridges and PATCO operations for more than 103 million travelers. That is more than the population of 167 of the world's nations.

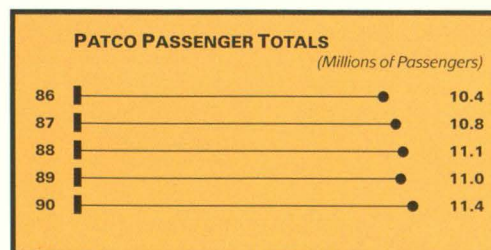
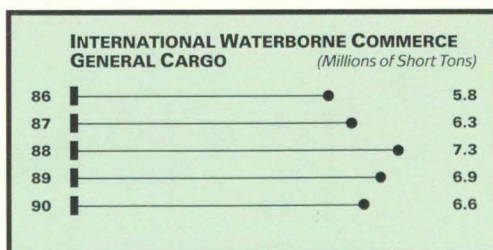
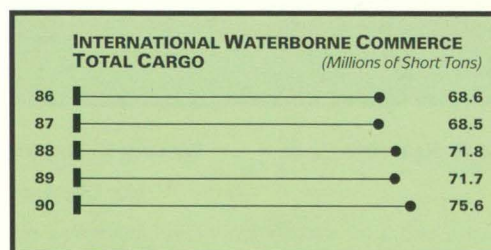
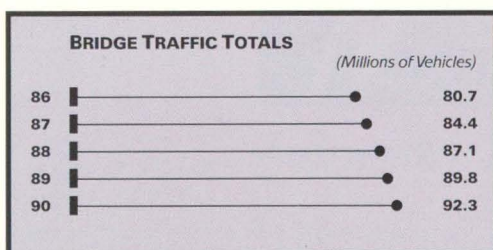
In the 64 years since the opening of the first Delaware River bridge, almost 2.8 billion trips have been made over DRPA facilities. The facilities will likely handle another billion trips before the end of the decade.

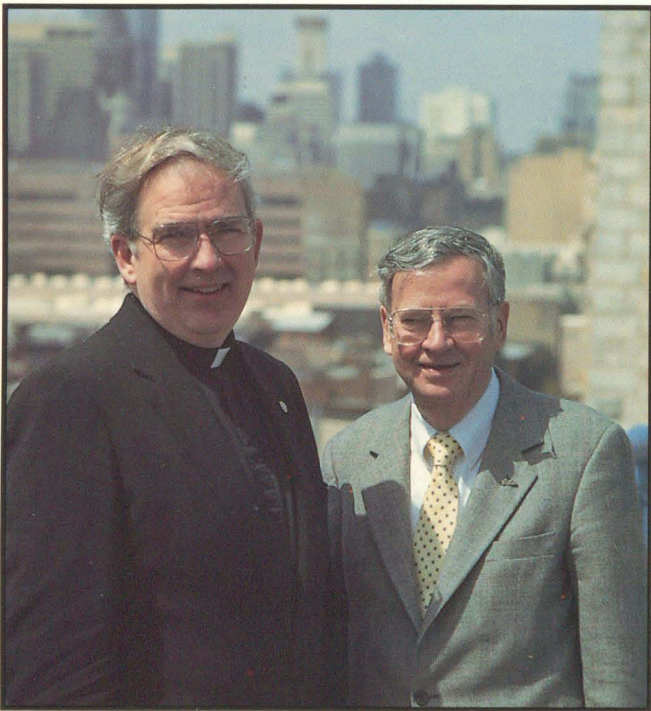


THE 1990 REPORT OF THE
DELAWARE RIVER PORT AUTHORITY



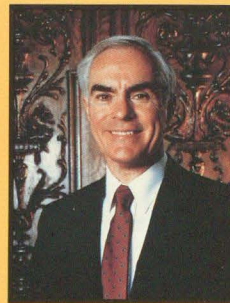
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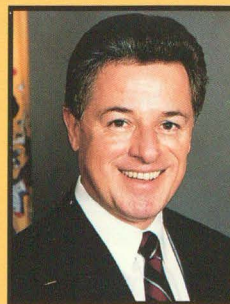


THE REV. NICHOLAS S. RASHFORD, S.J.
Chairman

WILLIAM K. DICKEY
Vice Chairman



GOVERNOR CASEY



GOVERNOR FLORIO

To: The Honorable

Robert P. Casey

Governor of

The Commonwealth

of Pennsylvania and

The Honorable

James J. Florio

Governor of the

State of New Jersey

The Delaware River Port Authority, now beginning its eighth decade of service to Pennsylvania and New Jersey, served the needs of more than 100 million travelers in 1990 and restructured its international marketing division in anticipation of Delaware River port unification. • The year was highlighted on July 3 when the one billionth vehicle crossed the Walt Whitman Bridge. The event gave Delaware Valley residents an opportunity to reflect on the enormous changes that have taken place since—and to some degree because of—the opening of the Walt Whitman Bridge on May 16, 1957.

• The South Philadelphia Food Distribution Center. Veterans Stadium. The Spectrum. The Atlantic City casinos. The Deptford Mall. The Black Horse Pike suburban communities. The port complexes on both sides of the river. • To some degree the Walt Whitman contributed to all of these and, more importantly, helped to link families and businesses on both sides of the river. It helped to make the Delaware Valley a single, integrated community. • Appropriately, the Walt Whitman Bridge in 1990 set a new traffic record, carrying more than 42 million vehicles for the first time in its history. • It was not the only record set by DRPA facilities. • The Commodore Barry Bridge topped the 8.9 million vehicle mark for the first time. The PATCO High-Speed Line had the best year in its history, carrying 11.4 million passengers and retaining its 99 percent "on time" record. And the Betsy Ross Bridge continued its phenomenal growth. It has notched a 30 percent traffic gain in the past three years. • Ship traffic in the Delaware River also continued to grow as the port facilities on both sides of the river once again enhanced their market share of the North Atlantic's general cargo. • DRPA, as the marketing agent for The Ports of Philadelphia, began an in-depth review of its international marketing efforts through the newly created Port Operations Division. This division, mindful of the emerging opportunities for global trade, is helping secure new cargo, jobs and economic development opportunities for the people of southeastern Pennsylvania and southern New Jersey. • The Board of Commissioners began the new decade with optimism and a sense of purpose. We have within our ability the chance to make positive economic contributions to our region. • We thank you, the governors of our parent states, for your continued support and we await your further challenges.

Yours Respectfully,

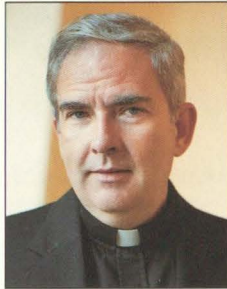


Nicholas S. Rashford, S.J., Chairman

THE COMMISSIONERS AND OFFICERS OF THE
DELAWARE RIVER PORT AUTHORITY

PENNSYLVANIA COMMISSIONERS

*Rev. Nicholas S. Rashford, S.J.,
Chairman; President
St. Joseph's University*



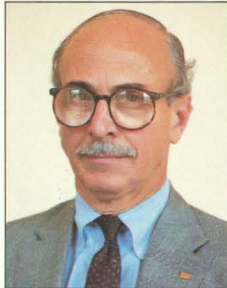
*Honorable Catherine Baker Knoll,
Treasurer, Commonwealth of
Pennsylvania*

*Honorable Lucien E. Blackwell,
Councilman,
City of Philadelphia*



*G. Edward DeSeve,
Office of the Governor,
Commonwealth of
Pennsylvania*

*G. Davis Greene, Jr.,
Office of the Governor,
Commonwealth of
Pennsylvania*



*Barbara G. Jones, Esquire,
Director of Legislative Affairs,
City of Philadelphia*

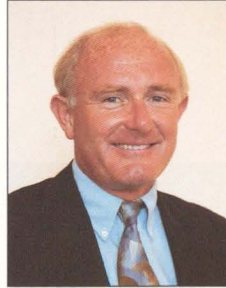
*Honorable Barbara Hafer,
Auditor General,
Commonwealth of
Pennsylvania*



*Max Pievsky,
State Representative,
Commonwealth of
Pennsylvania*

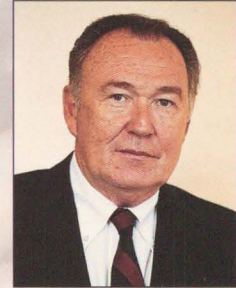
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Mayor,
Maple Shade Township*

OFFICERS

EXECUTIVE DIRECTOR'S REPORT

EUGENE J. McCAFFREY SR.

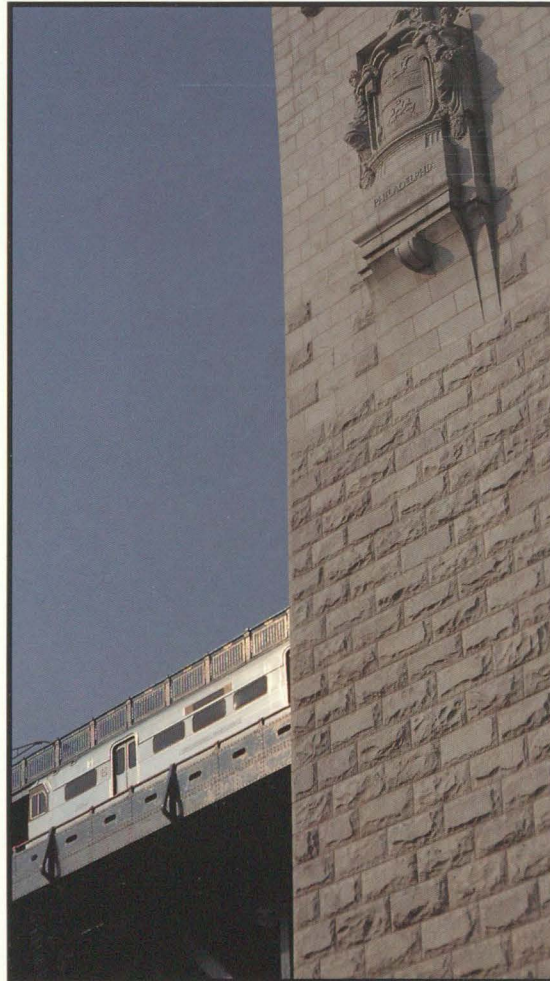
The Delaware River Port Authority in 1990 continued its management restructuring and computer enhancement while upgrading its transportation facilities and employee professional training programs.

The improvements made during the year will primarily benefit two groups, those who cross the authority's four bridges and those who operate Delaware River port terminals.

Much of the attention during the year focused on the Walt Whitman Bridge, which carried its 1 billionth vehicle in July. Perhaps even more indicative of the bridge's popularity and importance as an economic corridor was the fact that the Walt Whitman Bridge in 1990 topped the 42 million vehicle mark for the first time in its 33-year history. The bridge continues to be one of the Delaware Valley's most heavily used traffic corridors.

But while the heavy use is encouraging, it can cause considerable wear to the bridge's roadway and associated ramps.

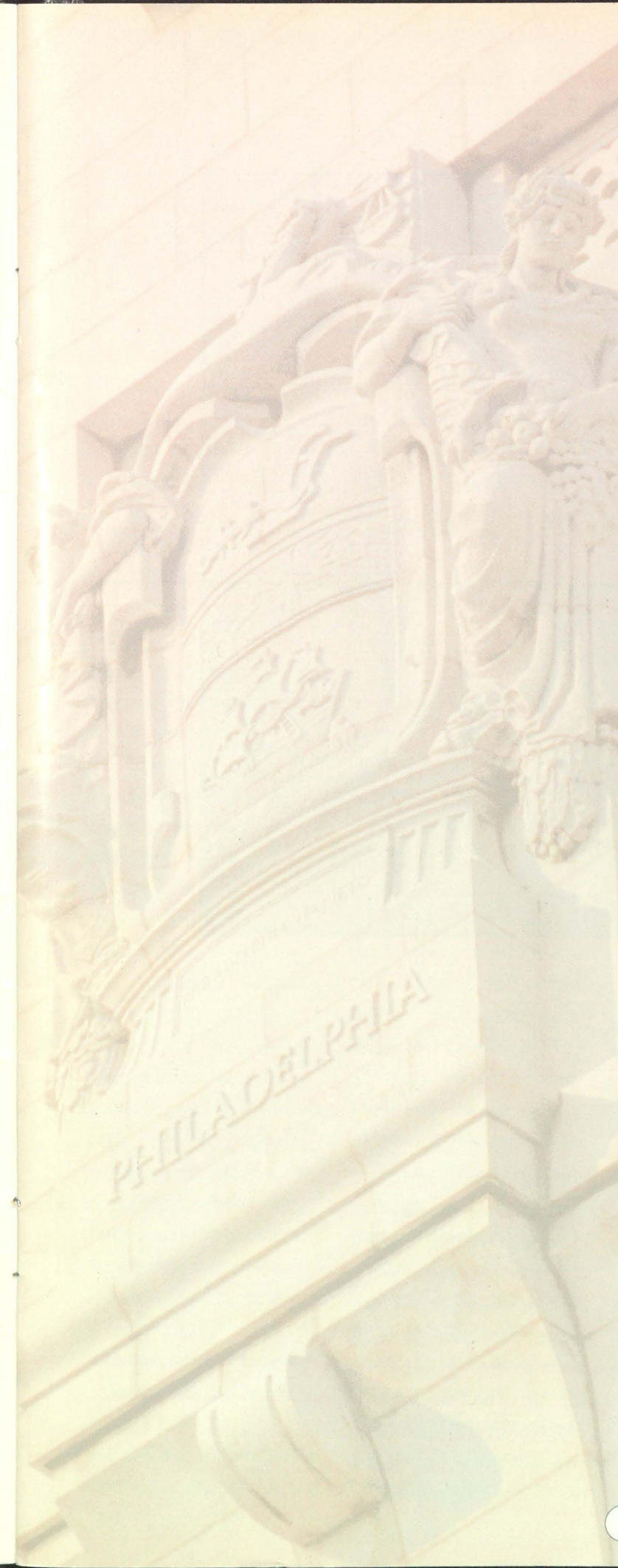
To keep the Walt Whitman



Bridge in prime condition, DRPA developed plans to begin painting the bridge in 1991. Staff engineers also continued reviewing options for redecking the bridge in order to extend its life and reduce maintenance costs.

The Walt Whitman was not the only DRPA bridge to set a new traffic volume record in 1990. For the first time the Commodore Barry Bridge went over the 8.9 million vehicle mark and the Betsy Ross Bridge experienced its third straight year of double-digit percentage growth. The Betsy Ross carried 12.5 million vehicles in 1990, an increase of 1.2 million vehicles over the previous year's total.

Despite its new-found popularity—a doubling of traffic volume in the past five years—the Betsy Ross can still handle more of the region's traffic load. With that in mind, DRPA continues to work with the Pennsylvania Department of Transportation to improve the highway network to the bridge. The work now focuses



on an environmental study to determine the feasibility of a proposed link between the bridge and Aramingo Avenue in Philadelphia.

The cornerstone of DRPA's activities, the Benjamin Franklin Bridge, also received attention during 1990. The painting of the 64-year-old span was completed, giving this Delaware Valley landmark a bright blue shine that is important for both aesthetic and maintenance purposes. The newly painted bridge, with its computerized light show, will make a fine backdrop for the Delaware Valley's upcoming celebration of the 500th anniversary of Columbus' discovery of the New World.

Driver on the Benjamin Franklin Bridge, meanwhile, experienced some inconvenience as a result of the reconstruction of Philadelphia's Vine Street Expressway. That inconvenience should disappear early in 1991 and drivers will find the bridge provides easy access to Center City, the historic district and the Schuylkill Expressway.

The Vine Street reconstruction contributed to a slight reduction in traffic on the Benjamin Franklin Bridge.

Motorists found their commuting time reduced as a result of innovative computer scanning equipment. The equipment, installed in phases, allows those who purchase

DRPA's popular commuter stickers to use any toll lane at any time. Previously,



the commuters were limited to exact-change lanes. The scanning equipment speeds rush-hour traffic and keeps DRPA at the forefront of traffic flow technology.

DRPA also made it easier for senior citizens to purchase discount tickets by instituting a convenient mail-back program.

The program, in addition to making it easier for senior citizens to obtain the tickets, also reduces congestion and parking problems around the bridge administration buildings.

Traffic congestion and parking continue to be a problem in and around the Philadelphia area. With that in mind—and in response to rising gasoline

prices—DRPA used the media to remind commuters that the agency offers two alternatives to single-occupant commuting trips. The first alternative is DRPA's car pool discount program and the second is by riding the PATCO High-Speed Line.

PATCO in 1990 continued its high level of operating efficiency and, like the Walt Whitman, Commodore Barry and Betsy Ross bridges, set a new record for passenger service. PATCO's 11.4 million passengers represented a gain of 400,000 passengers over the previous year.

But the success of PATCO is not just measured in terms of numbers. The line's popularity is highly dependent on the individual attention given to each passenger, which means providing clean, comfortable transit cars, maintaining a rigorous time schedule and providing ample parking.

It also requires attention to special passenger needs which caused PATCO to begin the installation of the system's first elevator to provide greater access to handicapped individuals. The elevator, located at the Woodcrest Station, marks a continuing commitment by DRPA and PATCO to make all facilities fully accessible as required by the recently enacted Americans with Disabilities Act. Planning continues for additional handicapped access facilities at PATCO.

Planning also centered on the need for additional capacity at

most PATCO parking lots. The lots are filled most weekdays and additional parking capacity may be required. DRPA also cooperated with other regional mass transit operators in a study to determine how government agencies can work with private employers to encourage the use of mass transit systems.

These initiatives, involving both the bridges and PATCO, were aimed at improved services to commuters.

But DRPA also passed along a stern warning. It let drivers know the DRPA police force had upgraded its training and officers were watching closely for those driving under the influence of drugs and alcohol. More than 280 DWI arrests were made by DRPA police during 1990.

The intensified police training was part of an overall strategy to improve the professional qualifications of the entire DRPA and PATCO staffs. It coincided with the appointment of several new members of the agency's senior staff including a new bridge director, chief counsel and DRPA police chief. All were named to fill existing vacancies.

The field of international trade occupied a high priority for the DRPA staff during 1990. The World Trade Division was upgraded in anticipation of DRPA's expanding role in port unification and development. It received a new name, Port Operations Division, a new



director and the assistance of a newly established economic development division.

The restructuring of the World Trade Division was accompanied by a systematic review of DRPA's foreign and domestic trade offices to ensure maximum efficiency.

DRPA also took the lead in forming a special task force to address port problems and opportunities. The executive directors of DRPA, the Philadelphia Regional Port Authority and the South Jersey Port Corp., as well as other key port executives, comprise the task force.

Among the areas of greatest concern to this group are the maintenance of the Delaware River shipping channel, the planning for DRPA's regional intermodal transfer facility and the improved efficiency of The Ports of Philadelphia international marketing effort.

These new responsibilities—especially the planned construction by DRPA of the regional intermodal transfer facility—present exciting challenges to the DRPA staff.

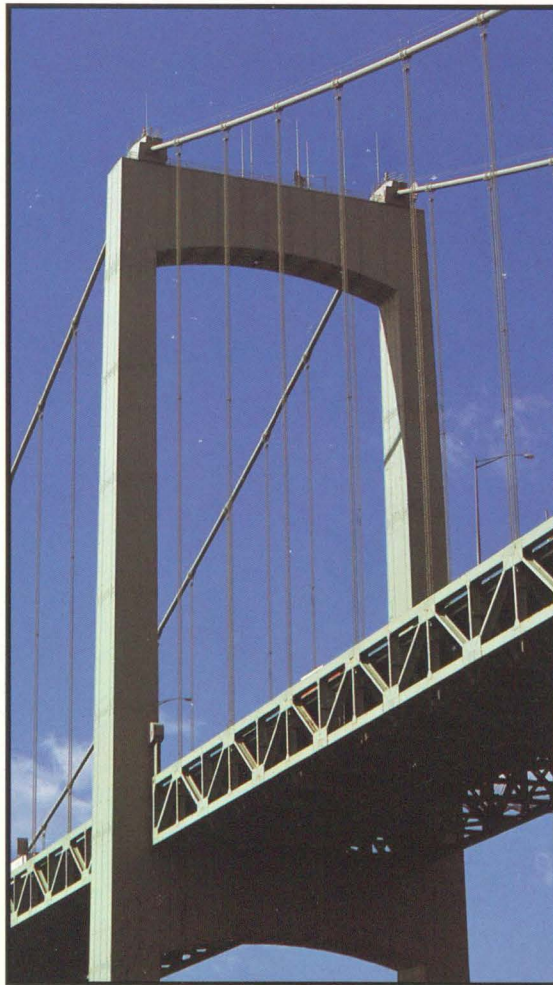
The growth in traffic and mass transit volumes, the growing sophistication of automatic toll equipment and DRPA's additional port-related responsibilities require that the agency upgrade and integrate its information processing network. This task is being handled by the newly formed Management Information Services Department which oversees



the selection and installation of required hardware and software and training of the DRPA staff.

DRPA is also provided professional management training and has improved internal information sharing. Planning has also begun to ensure all employees are aware of DRPA's affirmative action goals and objectives.

These initiatives will continue into 1991 as will DRPA's commitment to provide fair services at a reasonable cost. DRPA's sound financial management enabled the agency to hold the line on bridge tolls, PATCO fares and related fees and to maintain the highest credit rating possible.



DRPA has always been an important force in the Delaware Valley's transportation infrastructure. The State of New Jersey and Commonwealth of Pennsylvania have indicated they wish the agency to provide even greater leadership in the coming years.

Issues such as one-way toll structures, integrated mass transportation systems, handicapped access to public facilities and expanded international trade opportunities will require innovative thinking and a willingness to work closely with other public agencies.

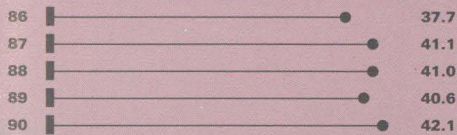
The DRPA staff, with the support and guidance of its board of commissioners, stands ready to accept these challenges.

BRIDGES

Total traffic crossing DRPA's four bridges increased for the 18th consecutive year. Traffic volume in 1990 was 92,356,502, an increase of 2.8 percent or more than 2.5 million vehicles as compared to 1989. • Faced with steadily increasing volumes, the Bridge Division began installing new computerized toll equipment that speeds traffic and helps to ensure that accurate records are maintained on each transaction. • The equipment, now in place at the Walt Whitman, Commodore Barry and Betsy Ross bridges, allows drivers using commuter stickers to use any traffic lane—not just exact change lanes—in order to assist commuters during peak traffic periods. Using closed-circuit television, the system also enables the toll security department to review vehicles as they pass through a collector's lane to make sure a proper toll was collected. • Commuter stickers continued to increase in popularity. More than 600,000 stickers were sold during the year, an increase of 1,464 per month. Sales of senior citizen tickets also increased with more than 9,400 persons aged 65 or older using the discount tickets each day. However, the sale of car-pool discount tickets declined slightly during the year. • The Walt Whitman, Commodore Barry and Betsy Ross bridges all set new annual traffic records. • For the Betsy Ross Bridge, 1990 was the third consecutive year of double-digit

SIEGFRIED DAHMS
Director of Bridges

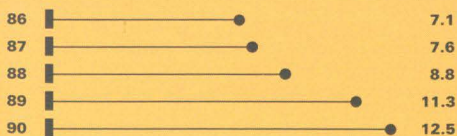
FIVE YEAR BRIDGE TRAFFIC VOLUME WALT WHITMAN BRIDGE (Millions of Vehicles)



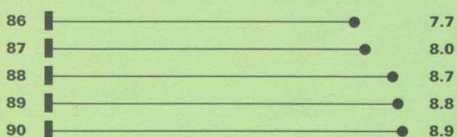
BENJAMIN FRANKLIN BRIDGE (Millions of Vehicles)



BETSY ROSS BRIDGE (Millions of Vehicles)

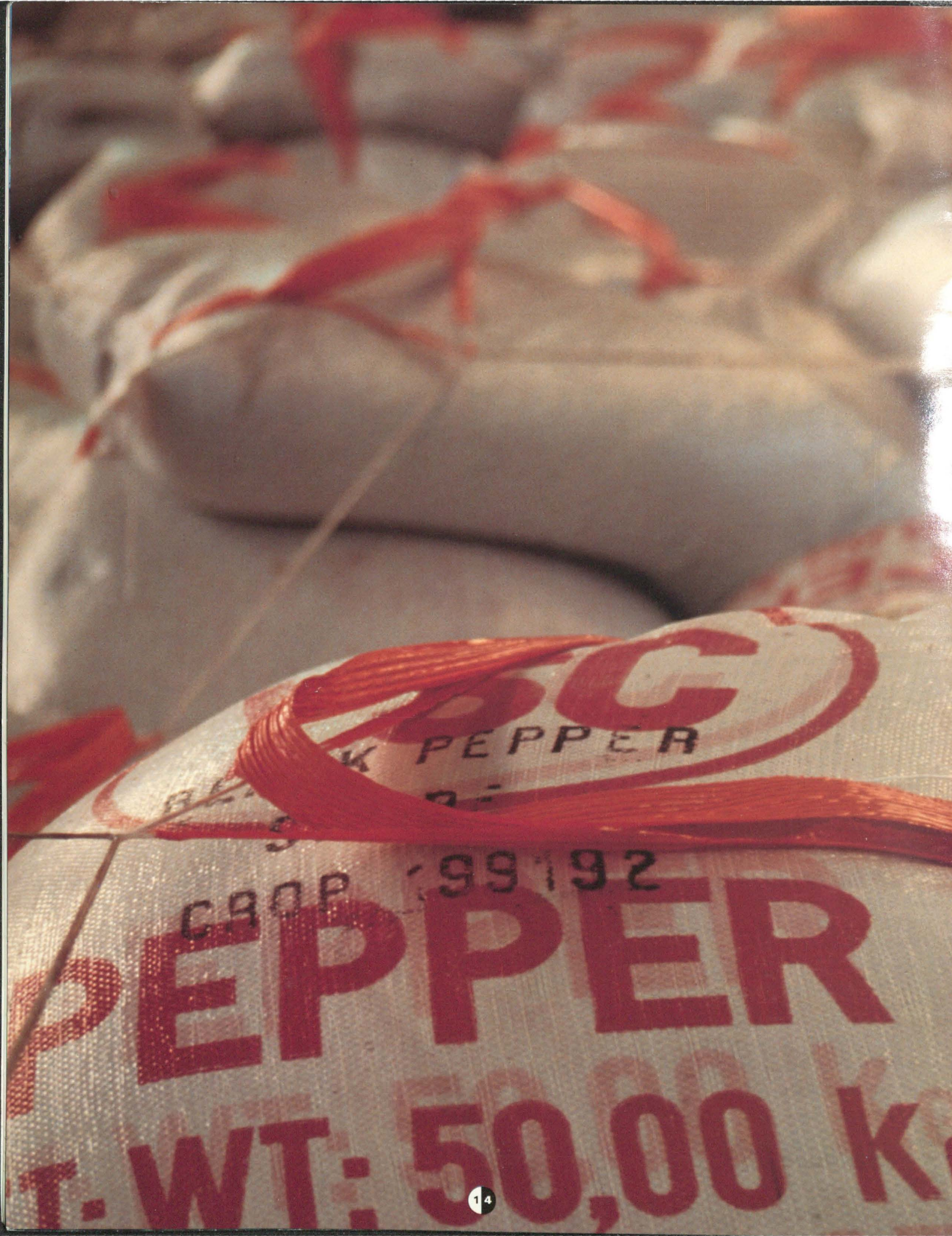


COMMODORE BARRY BRIDGE (Millions of Vehicles)



percentage growth. The newest DRPA span handled 10.65 percent more traffic than it did in 1989 and now carries more than twice as much traffic as it did in 1985.

• The reconstruction of Philadelphia's Schuylkill Expressway caused motorists to divert from the Benjamin Franklin Bridge to the Walt Whitman Bridge in order to avoid construction delays. The Walt Whitman established a new DRPA annual traffic record with 42,055,080 crossings, an increase of more than 1.4 million crossings. A ceremony on July 3 commemorated the 1 billionth vehicle to cross the Walt Whitman since it opened in 1957. • The DRPA police traveled 1.1 million miles while patrolling approximately 30 miles of bridges, roadway and ramps. Their service to the public included no-charge pushing and towing for almost 7,300 disabled vehicles. Police helped transport 555 people injured on DRPA property to hospitals and rendered assistance to police on both sides of the river. • Police placed special emphasis on keeping unsafe drivers off the roadways. Of the more than 620 arrests made during the year, almost half were charged with driving under the influence of drugs or alcohol. • Maintaining safe roadways is also the responsibility of DRPA's highway department. Highway workers salted, sanded and plowed the bridges, ramps and expressways during snow and ice storms.



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WORLD TRADE

RAYMOND G. HEIZELMANN, PH.D.
Director of World Trade

The Delaware River port facilities weathered the 1990 recession in good shape. Although total general cargo shipments were down throughout the entire Northeast, the local ports handled half of all the North Atlantic's bulk and general international cargo and increased the region's market share in both imports and exports when compared to New York, Baltimore and Norfolk, VA. • Collectively known as "The Ports of Philadelphia," the marine terminals in southeastern Pennsylvania and southern New Jersey handled 75.6 million tons of international cargo in 1990, a 5 percent increase over 1989. • The recession slowed the flow of certain commodities—specifically construction materials—into and out of the North Atlantic. But The Ports of Philadelphia's broad cargo mix, wide range of facilities and newly emerging unified marketing program resulted in a healthier year-end total than was seen in neighboring ports. • Especially noteworthy in the trade statistics was the 110 million boxes of fresh fruit shipped from Chile to The Ports of Philadelphia. This cargo strongly identifies The Ports of Philadelphia as an important load center for perishable commodities which must be moved quickly and efficiently into temperature-controlled warehouses and then transported by trucks to the eastern United States and Canada. • The government of Chile recognized the important role DRPA's Port Operations Division (formerly known as the "World Trade Division") played in securing and main-



taining this valuable trade. At a ceremony at the Chilean Embassy in Washington, D.C., it cited the work performed by port operation's deputy director and bestowed on him the highest honor available to a foreign citizen. • The same expertise shown by DRPA in securing the Chilean fruit trade was also put to use in identifying other important cargoes. The Port Operations Division is working to encourage imports of fresh fruit from other South American countries, the export of U.S. fruit to Western Europe and the opening of trade routes to the Soviet Union and China. • Specific trade initiatives were aimed at Argentina, the Soviet Union, Finland, Germany and Chile. A special relationship has been built with the port officials in Shanghai who spent a week in the Philadelphia region learning about U.S. business practices and promoting U.S.-China trade. • But DRPA does not undertake these marketing initiatives on its own. It welcomes the entire port community, including public and private terminal operators, port-related business and organized labor. In order to further this emerging spirit of cooperation within the port, DRPA organized a labor/management task force which identifies and targets specific marketing opportunities. • DRPA also contributed to labor/management relations by sponsoring specialized training for longshoremen who handle perishable goods. This innovative program demonstrated the commitment by DRPA and the entire port community.



PATCO

For the Port Authority Transit Corp., a wholly owned subsidiary of the Delaware River Port Authority, 1990 marked the sixth consecutive year of ridership growth and its most successful ridership year in history. • Total ridership for 1990 was 11,404,517 compared to 11,025,287 for 1989, a 3.4 percent increase. The average weekday ridership of 41,340 was also the highest in PATCO's 22-year history. • The increased ridership resulted in a heavier demand for the 12,337 parking spaces at the suburban New Jersey stations. The average weekday utilization of all parking lots was close to 95 percent of capacity, with several stations averaging close to 100 percent. • Revenues in 1990 were \$15,615,638, an increase of 3.5 percent from 1989. The increase was the result of higher ridership levels. • Operating expenses increased by 7 percent, from \$20,327,192 in 1989 to \$21,753,674 in 1990. The increase was primarily due to labor and labor-related costs resulting from contractual wage increases and the higher cost of providing medical benefits. The number of PATCO employees was 325, the same as the previous year. • Despite the fact that PATCO has not raised its fares since March 1983, the system's net operating revenue-to-operating expense ratio was 71.8 percent. • While ridership grew during the year, operating expenses were held in line by carefully monitoring transit



ROBERT G. SCHWAB
PATCO General Manager

car mileage. The mileage total, which is adjusted throughout the day to match patronage for maximum efficiency, rose by less than 1 percent. The 1990 total exceeded 4.2 million miles, an average of 34,950 miles per rail car. • PATCO trains were "on-time" for 99.2 percent of the 83,589 train trips scheduled in 1990. That rate enabled PATCO to maintain its average "on-time" performance at more than 99 percent for the past six years. • Major DRPA and federally funded capital improvements to the PATCO facility in 1990 included: • *Completed reconstruction of the 22-year-old parking lot at the Ferry Avenue Station;* • *Completed concrete and steel super-structure and deck repair work on the 17, 80-year-old bridges that carry PATCO over the Camden street system;* • *The mid-life overhaul and upgrading of six of the 75 car-fleet of 22-year-old rail cars to extend the useful service life of these cars another 15-to-20 years. One of these cars was the first to receive internal modifications to provide wheelchair accommodations;* • *Upgrade PATCO's computer and implement an expanded on-line, maintenance-management information system and an on-line financial system;* • *Renew worn or unserviceable track system components;* • *Improve handicapped accessibility to the Woodcrest Station;* • *Complete the testing and installation of a high security ticket encoder.*

With more than 103 million trips taken over DRPA and PATCO facilities in 1990, the Engineering and Planning Division was active in the maintenance of current assets and the planning for future capabilities. • Among the improvements high on the division's agenda is to increase both the parking capability and handicapped access to the PATCO High-Speed Line. PATCO in 1990 handled a record number of passengers, but its future passenger growth could be limited unless additional parking spaces are available and its accessibility is improved. • The division in 1990 completed repaving and reconfiguring six PATCO parking lots in order to provide additional parking spaces. It is also designing an expansion of the parking area to the south of the Ashland Station to accommodate an additional 400 vehicles. • Traffic flow to the Ferry Avenue Station was improved by the installation of an off-site traffic light near the parking lot's main entrance. • On the PATCO line itself, the division completed the rehabilitation of 16 PATCO bridges in the City of Camden, including replacement of ballast, ties and track. The work was performed with little disruption to passenger service. • Because service to the public is PATCO's prime commodity, the division has commenced development of several handicapped-access improvements to the line. These include reconstruction of parking lots, curbs, sidewalks and doorways and the installation of two elevators at the Woodcrest Station. • Work has also proceeded on DRPA bridges, including completion of the biennial bond-holders inspection. • The division continues working closely with the Commonwealth of Pennsylvania in testing the feasibility of constructing additional connector ramps linking sections of North Philadelphia to the Betsy Ross Bridge. • On the Benjamin Franklin Bridge, the cleaning and pointing of the anchorages was completed, as was in-house designs for reconstruction of the north and south pedestrian walkways. Planning also proceeded on the rehabilitation of the bridge's deteriorating toll tunnel. • The treadle and vehicle detectors at the Walt Whitman Bridge were replaced as part of the improved toll-recording system and a design was begun to upgrade the lighting on the bridge plaza. • The division worked closely with Pennsylvania to improve access from the Ben Franklin Bridge to the reconstructed Vine Street Expressway.



The Administration Division provides a wide range of services to Delaware River Port Authority employees and the public they serve. • It is the prime point of contact for DRPA employees, for applicants seeking to join the DRPA work force and to those companies and individuals seeking to provide goods and services to meet the agency's varied needs. • One of DRPA's most important needs is to properly serve the motorists who buy bridge tickets and script. This function is handled by the Toll Accounting Department, which expeditiously counts all revenues received and deposits those revenues in a timely manner. • Another vital need is to keep DRPA employees well trained and to give them the tools needed to carry out their responsibilities. To accomplish this, DRPA maintains an active employee safety program that last year included 26 safety seminars attended by almost 700 employees. DRPA has also instituted supervisory training programs in such fields as personnel support specialization and public management.

• During 1990 the division made several specific improvements. • In October a mail order program was estab-

lished to make it easier for senior citizens to purchase reduced fare tickets for DRPA's four bridges.

At the same time the Toll Audit Department cooperated in the successful installation of a new automatic toll system to report all traffic and revenue statistics for the Walt Whitman, Commodore Barry and Betsy Ross bridges. Hourly counts were provided to the engineering division. The toll

audit department also instituted periodic inventory checks at all bridges as well as cash and ticket-count audits. •

The Purchasing and Material Management Department completed the upgrade of its central storeroom inventory system.

The new modular, high-density storage system provides cost effective inventory control and additional storage space.

• And the Personnel Relations Department selected a human resource information system that will track and analyze all human resources information in a timely, accurate manner. During 1990 the personnel department processed 2,706 job applications resulting in 450 interviews from which 48 individuals were hired. The criteria for both employment and promotion is to select the best qualified candidates, and to carry out DRPA's affirmative action policies regarding both hiring and encouraging upward mobility. • This same criteria, along with financial need, was used to select 145 college students for summer employment to provide relief for full-time employees in the prime vacation period.



For the year 1990, total operating revenues increased \$2,261,000 or 2.3 percent over comparable 1989 figures due to the continued increase in bridge traffic, as outlined elsewhere in this report, and an increase in PATCO total operating revenues of \$530,000. • Total operating and administrative expenses, including depreciation of \$10,753,000, were \$74,516,000. This resulted in operating revenues exceeding expenses by \$27,713,000 as compared to \$27,463,000 in 1989. • The PATCO operating loss in 1990, including depreciation of \$3,703,000, was \$9,841,000 as compared to \$8,689,000 in 1989. • In spite of generally lower interest rates during 1990, an increase of funds available for investment resulted in investment income increasing from \$10,859,000 to \$12,036,000. All investments of the authority were in accordance with the General Bond Resolution adopted by the Commissioners on April 15, 1985. The earnings level reflects the continued prudent investment management by the DRPA Finance Committee. • After the deduction for interest on "outstanding" funded debt of \$20,956,000, there remained revenues of \$18,793,000 available for other DRPA expenditures. These expenditures include necessary capital expenditures and support for the World Trade Division. This was approximately \$1,355,000 more than the amount available for similar expenditures in 1989.

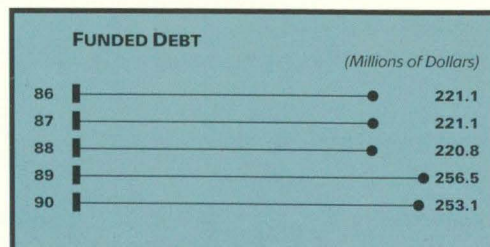
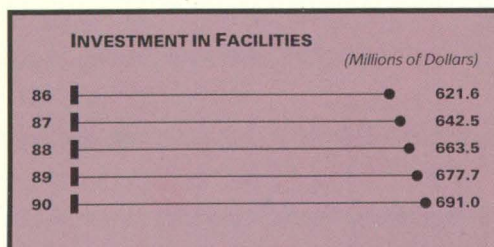
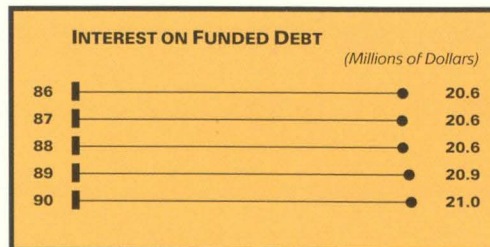
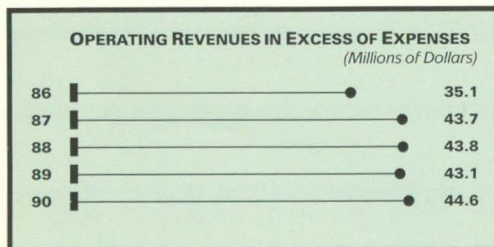
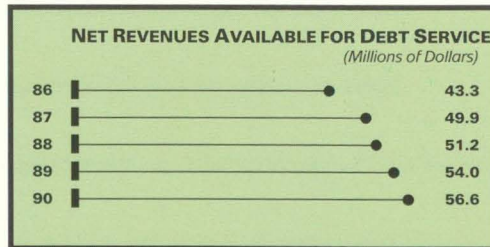
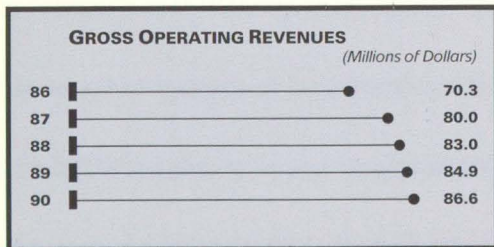




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INDEPENDENT AUDITORS' REPORT

Commissioners
Delaware River Port Authority:

We have audited the consolidated financial statements of the Delaware River Port Authority and its subsidiary Port Authority Transit Corporation as of December 31, 1990 and 1989 and for the years then ended, listed in the foregoing table of contents. These consolidated financial statements and the supplemental schedules discussed below are the responsibility of the Delaware River Port Authority's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits:

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Delaware River Port Authority and its subsidiary Port Authority Transit Corporation at December 31, 1990 and 1989 and the results of their operations for the years then ended, their cash flows for the year ended December 31, 1990, and changes in their financial position for the year ended December 31, 1989, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such supplemental schedules, have been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic consolidated financial statements taken as a whole.

As discussed in Note 1 to the financial statements, the Delaware River Port Authority and its subsidiary Port Authority Transit Corporation adopted Government Accounting Standards Board Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting, for the year ended December 31, 1990.

Deloitte + Touche

Cherry Hill, New Jersey
March 28, 1991

**CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS**
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989 (In Thousands)



DELAWARE
RIVER PORT
AUTHORITY

	NOTES	1990	1989
OPERATING REVENUES AND EXPENSES:			
Bridges:	7		
Tolls		\$ 86,461	\$ 84,838
Other operating revenues		152	44
Total		<u>86,613</u>	<u>84,882</u>
Operating expenses		32,050	33,063
Depreciation	4, 9	7,050	6,957
Total		<u>39,100</u>	<u>40,020</u>
Bridges net operating income		<u>47,513</u>	<u>44,862</u>
Transit system:			
Passenger fares		15,197	14,708
Other operating revenues		419	378
Total		<u>15,616</u>	<u>15,086</u>
Operating expenses		21,754	20,327
Depreciation	4, 9	3,703	3,448
Total		<u>25,457</u>	<u>23,775</u>
Transit system net operating loss		<u>(9,841)</u>	<u>(8,689)</u>
General administration expenses		<u>9,959</u>	<u>8,710</u>
OPERATING INCOME		<u>27,713</u>	<u>27,463</u>
INTEREST INCOME (EXPENSE):			
Interest income		12,036	10,859
Interest on funded debt	7	(20,956)	(20,884)
Interest expense—net		<u>(8,920)</u>	<u>(10,025)</u>
INCOME BEFORE OTHER NONOPERATING REVENUES (EXPENSES)		<u>18,793</u>	<u>17,438</u>
NONOPERATING REVENUES (EXPENSES):			
Other interest income—Construction Fund		913	866
World Trade development expenses		(3,691)	(3,198)
Loss on early retirement of facilities		(150)	(12)
Other		15	71
Nonoperating expenses—net		<u>(2,913)</u>	<u>(2,273)</u>
NET INCOME BEFORE EXTRAORDINARY ITEM		<u>15,880</u>	<u>15,165</u>
EXTRAORDINARY LOSS—1989 BOND REFUNDING	7		<u>(24,182)</u>
NET INCOME (LOSS)		<u>15,880</u>	<u>(9,017)</u>
ADD DEPRECIATION ON ASSETS ACQUIRED WITH GOVERNMENT CONTRIBUTIONS—Charged against contributed capital	9	<u>1,240</u>	<u>1,014</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		<u>17,120</u>	<u>(8,003)</u>
NET ASSETS FROM OPERATIONS, BEGINNING OF PERIOD		<u>348,286</u>	<u>356,289</u>
NET ASSETS FROM OPERATIONS, END OF PERIOD		<u>\$365,406</u>	<u>\$348,286</u>

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS
 DECEMBER 31, 1990 AND 1989 (In Thousands)

ASSETS	NOTES	1990	1989
Cash	2	\$ 736	\$ 836
Investment in securities	1, 2, 5	106,520	95,414
Accrued interest receivable		1,393	1,019
Accounts receivable	3	1,508	1,227
Transit system inventory	1	2,734	2,558
Prepaid expenses		1,027	1,005
Total		<u>113,918</u>	<u>102,059</u>
RESTRICTED ASSETS:			
Cash		11	6
Investment in securities	1, 2, 7	62,783	51,814
Accrued interest receivable		1,420	1,186
Total restricted assets		<u>64,214</u>	<u>53,006</u>
INVESTMENT IN FACILITIES			
Less accumulated depreciation	1, 4	691,468	677,667
		(165,540)	(155,108)
Investment in facilities—net		<u>525,928</u>	<u>522,559</u>
DEBT ISSUANCE COSTS, NET OF AMORTIZATION			
	7	6,646	7,334
FUNDED DEBT INTEREST COST			
	7	18,219	20,460
TOTAL ASSETS		<u>\$728,925</u>	<u>\$705,418</u>

See notes to consolidated financial statements.



LIABILITIES AND NET ASSETS	NOTES	1990	1989
ACCOUNTS PAYABLE:			
Contracts		\$ 7,789	\$ 8,531
Retained amounts on contracts		720	990
Other	5	4,913	4,305
Total accounts payable		<u>13,422</u>	<u>13,826</u>
ACCRUED LIABILITIES:			
Pension	6	1,081	1,072
Sick and vacation leave benefits		11,662	10,756
Other		1,354	1,423
Total accrued liabilities		<u>14,097</u>	<u>13,251</u>
DEFERRED INCOME ON TRUCK TICKETS			
		<u>2,168</u>	<u>2,005</u>
ACCRUED INTEREST PAYABLE FROM RESTRICTED ASSETS			
	7	<u>14,658</u>	<u>11,087</u>
FUNDED DEBT			
Total liabilities	7	<u>253,054</u>	<u>256,527</u>
RESERVES:			
Repainting	1	18,443	19,227
Other	10	3,705	4,044
Total reserves		<u>22,148</u>	<u>23,271</u>
NET ASSETS:			
From contributed capital	9	<u>43,972</u>	<u>37,165</u>
From operations:			
Designated for capital		227,644	229,039
Reserved for:			
Revenue bonds		17,212	17,829
Revenue bond service		14,445	7,612
Revenue bond interest		16,417	18,658
Construction		11,888	10,975
Working capital and maintenance		21,004	20,886
Unreserved	8, 10	<u>56,796</u>	<u>43,287</u>
Total net assets from operations		<u>365,406</u>	<u>348,286</u>
Total net assets		<u>409,378</u>	<u>385,451</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$728,925</u>	<u>\$705,418</u>

CONSOLIDATED STATEMENT OF CASH FLOWS (Note 1)
FOR THE YEAR ENDED DECEMBER 31, 1990 (In Thousands)



DELAWARE
 RIVER PORT
 AUTHORITY

	<u>1990</u>
OPERATING ACTIVITIES:	
Operating income	\$ 27,713
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	10,753
Amortization of funded debt interest costs	2,241
World Trade Development expenses	(3,691)
Changes in assets and liabilities which provided (used) cash:	
Accounts receivable	(281)
Transit system inventory	(176)
Accounts payable	(404)
Accrued liabilities	846
Deferred income on truck tickets	163
Repainting reserve	(784)
Other reserves	(339)
Other	(7)
Net cash provided by operating activities	<u>36,034</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(14,401)
Cash provided by capital grants	8,047
Proceeds from facilities disposals	279
Repayment of funded debt	(3,815)
Interest paid	(16,355)
Loss on early retirement of facilities	(150)
Net cash used for capital and related financing activities	<u>(26,395)</u>
NET INCREASE IN CASH BEFORE INVESTING ACTIVITIES	<u>9,639</u>
INVESTING ACTIVITIES:	
Unrestricted:	
Purchases of investments	(290,593)
Proceeds from sale of investments	279,487
Increase in investments	<u>(11,106)</u>
Restricted:	
Purchases of investments	(69,929)
Proceeds from sale of investments	58,960
Increase in investments	<u>(10,969)</u>
Receipts of interest	12,341
Net cash used in investing activities	<u>(9,734)</u>
NET DECREASE IN CASH	(95)
CASH, BEGINNING OF YEAR	842
CASH, END OF YEAR	<u>\$ 747</u>
CASH AT DECEMBER 31, 1990:	
Unrestricted	\$ 736
Restricted	11
Total	<u>\$ 747</u>

See notes to consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES
IN FINANCIAL POSITION**
FOR THE YEAR ENDED DECEMBER 31, 1989 (In Thousands)



DELAWARE
RIVER PORT
AUTHORITY

	<u>1989</u>
CASH PROVIDED (USED) BY OPERATIONS:	
Net income before extraordinary item	\$15,165
Extraordinary loss	(24,182)
Items not using cash:	
Depreciation	10,405
Amortization of:	
Bond discount	290
Bond issuance costs	635
Funded debt interest costs	564
Effect of other balance sheet items:	
Accrued interest receivable and accounts receivable	369
Transit system inventory	(187)
Accounts payable	(1,282)
Accrued liabilities	805
Deferred income on truck tickets	178
Funded debt interest	(20,460)
Repainting reserve	(152)
Self-insurance reserve	(217)
Restricted assets	2,324
Other	932
Cash used for operations	<u>(14,813)</u>
CASH PROVIDED (USED) BY FINANCING ACTIVITIES:	
Defeasance of funded debt	(134,015)
Repayment of funded debt	(3,720)
Proceeds from 1989 Refunding Revenue Bond Series	173,128
Cash provided by financing activities	<u>35,393</u>
CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES:	
Investment in facilities additions	(15,898)
Cash provided by capital grants	8,290
Facilities disposals — net	1,346
Cash used for investment activities	<u>(6,262)</u>
UNRESTRICTED CASH AND INVESTMENT IN SECURITIES:	
Increase for the year	14,318
Balance, beginning of year	81,932
BALANCE, END OF YEAR	<u>\$96,250</u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989 (In Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Operations—The Delaware River Port Authority (the "Authority") is a public corporate instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") and the State of New Jersey (the "State") created with the consent of Congress by compact legislation between the Commonwealth and the State. The Authority has no stockholders or equity holders. Among its other powers, the Authority (referred to herein as DRPA) is vested with the control, operation and collection of tolls and revenues of certain bridges spanning the Delaware River (Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross bridges). The Authority has also constructed and operates a high-speed transit facility known as the Port Authority Transit Corporation (PATCO). The facility, a wholly owned subsidiary, operates between Philadelphia, Pennsylvania, and Lindenwold, New Jersey. Through its World Trade Division, the Authority promotes the development and use of the Delaware River as a highway of commerce. The costs of providing facilities and services to the general public on a continuing basis are recovered primarily in the form of tolls and fares.

Basis of Presentation—The consolidated financial statements of the Authority include the accounts of the DRPA and PATCO. Material balances and transactions between the entities have been eliminated.

Investment in Securities—Investment in securities is stated at amortized cost (which approximates market), because it is the Authority's intention to hold these investments until maturity. Certain investments are required as reserves in connection with the Authority's funded debt (Notes 2 and 7).

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

Investment in Facilities—Investment in facilities is stated at cost, which generally includes expenses in connection with the offering, selling and issuance of bonds as well as interest expenses and administrative and legal expenses incurred during the construction period. Investment in facilities also includes the cost of improvements, enlargements and betterments to the original facility. Replacements of existing facilities (except for primarily police and certain other vehicles whose estimated useful life is two years or less) are also recorded at cost. The related costs and accumulated depreciation of the property replaced are removed from the respective accounts and any gain or loss on disposition is credited or charged to income.

Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, including those financed by Federal contributions (Note 9). A charge representing depreciation on assets acquired with contributions is made directly to the related contribution accounts.

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

Bridges, freeways and tunnels	100 years
Buildings, stations and certain bridge components	35-40 years
Electrification, signals and communication systems	30-40 years
Transit cars, machinery and equipment	10-25 years

The bridge facilities are stated at cost, net of contributions by the New Jersey Department of Transportation. The PATCO system first phase capital improvement program is stated at cost, net of reimbursements prior to 1981 from the Urban Mass Transportation Administration and other governmental agencies (Note 4). The PATCO system includes expenditures of Federal grants for capital improvements and additions (Note 9).

Reserve for Repainting—Effective January 1, 1990, the Authority changed its accounting policy to capitalize, as part of investment in facilities, the cost of replacement of road surfaces and fenders of bridge facilities as such costs are incurred. These costs were previously charged to operations as incurred. Reserves created in prior years, by periodic charges to operations deemed sufficient to meet the estimated cost to replace road surfaces and fenders of bridge facilities, were transferred to reserves for repainting for use through the next repainting cycle. Maintenance and repair costs considered necessary to maintain bridge facilities in good operating condition are charged to operations

as incurred. Reserves sufficient to meet the estimated cost to repaint the bridges continue to be provided by periodic charges to operations.

Debt Issuance Costs and Bond Discount— Debt issuance costs and the discount arising from the issuance of the revenue bonds are amortized by the straight-line method from the issue date to maturity.

Insurance Expense— The Authority provides for the uninsured portion of potential public liability and workers' compensation claims through self-insurance programs and charges current operations for estimated claims to be paid (Note 10).

Reclassifications— Certain amounts from the 1989 financial statements have been reclassified to conform with the 1990 presentation.

Statement of Cash Flows— In September 1989, the Government Accounting Standards Board issued Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting (GASB No. 9). The Authority adopted GASB No. 9 for the year ended December 31, 1990 and has prepared a statement of cash flows for the year then ended.

2. CASH AND INVESTMENTS

The Authority maintains cash and investments for all funds. The investments in various securities are maintained for specified funds in accordance with the general bond resolution adopted on April 17, 1985.

At December 31, 1990 and 1989 cash balances were \$747 and \$842, respectively, of which \$596 and \$766, respectively, was cash on hand. Balances of \$156 at December 31, 1990 and \$76 at December 31, 1989 were insured by federal depository insurance.

Investments are purchased in accordance with the General Bond Resolution of April 17, 1985. They include U.S. Government obligations, obligations of U.S. agencies or instrumentalities, and obligations of public agencies or municipalities rated in either of the two highest rating categories by Standard and Poor's Corporation or Moody's Investors Service.

Investments also include the assets of the Authority's deferred compensation plan. As indicated in Note 5, the Authority does not make contributions to the plan. The Authority considers the assets to be property of the Authority until disbursed.

The Authority's investments are categorized below to give an indication of the credit risk assumed by the Authority at December 31, 1990: Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by its bank's trust department or agent, but not in the Authority's name (the Authority had no Category 1 or Category 2 investments at December 31, 1990).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989 (In Thousands)

	Category 3	Carrying Amount	Market Value	1989	
				Carrying Amount	Market Value
U.S. Agency securities	\$ 59,482	\$ 59,482	\$ 59,684	\$ 54,479	\$ 54,474
U.S. Government securities	74,098	74,098	74,253	84,736	84,732
Total	133,580	133,580	133,937	139,215	139,206
Cash on hand		596	596	766	766
Demand deposits	15,768	15,919	15,919	6,394	6,394
Guaranteed Income Contract collateralized by U.S. Government and Agency securities	17,194	17,194	17,194		
Mutual Funds (deferred compensation)		2,336	2,336	1,695	1,695
Other	350	425	425		
Total	\$166,892	\$170,050	\$170,407	\$148,070	\$148,061

	1990			1989		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Reported as:						
Cash	\$ 11	\$ 736	\$ 747	\$ 6	\$ 836	\$ 842
Investments	62,783	106,520	169,303	51,814	95,414	147,228
Total	\$62,794	\$107,256	\$170,050	\$51,820	\$96,250	\$148,070

3. ACCOUNTS RECEIVABLE

Accounts receivable include the following:

	1990	1989
Reimbursements from governmental agencies — capital improvements to the PATCO system due from the Urban Mass Transportation Administration	\$ 851	\$ 995
Other:		
Deposits with insurance companies	266	181
Rent receivable	103	
Miscellaneous	288	51
Total	\$1,508	\$1,227

Construction costs and accounts receivable relative thereto are generally subject to approval and audit by the applicable governmental agency.

4. INVESTMENT IN FACILITIES

Investment in facilities is composed of the following:

	<u>1990</u>	<u>1989</u>
Bridges:		
Benjamin Franklin	\$136,183	\$134,484
Walt Whitman	102,937	102,135
Commodore Barry (a)	141,708	141,384
Betsy Ross (a)	138,791	138,820
Total	<u>519,619</u>	<u>516,823</u>
Less accumulated depreciation	<u>114,499</u>	<u>107,706</u>
Net book value	<u>405,120</u>	<u>409,117</u>
Transit system:		
PATCO system (b) (Note 9)	167,173	157,006
PATCO system first phase capital improvement program (c)	1,938	1,938
Total	<u>169,111</u>	<u>158,944</u>
Less accumulated depreciation	<u>51,041</u>	<u>47,402</u>
Net book value	<u>118,070</u>	<u>111,542</u>
Regional Port Projects in Progress	<u>2,738</u>	<u>1,900</u>
Total investment in facilities—net	<u>\$525,928</u>	<u>\$522,559</u>

The following costs of facilities have not been included in the Authority's investment in facilities at December 31, 1990, since title to the respective assets has been retained by the participating agency.

(a) Commodore Barry Bridge, \$4,431 and Betsy Ross Bridge, \$5,472—construction, engineering, land and utility relocation costs by the New Jersey Department of Transportation.	
(b) \$1,700 by the New Jersey Transit Corporation.	
(c) \$59,610 at December 31, 1990 by the following participating agencies:	
Urban Mass Transportation Administration	\$44,531
State of New Jersey	13,165
Commonwealth of Pennsylvania	1,189
City of Philadelphia	725
Total	<u>\$59,610</u>

5. DEFERRED COMPENSATION PLAN

Both the DRPA and PATCO have a deferred compensation plan which was established in 1985. All hourly and salaried employees are eligible to participate in the plan, which permits the participants to defer annually a portion of their salaries. The DRPA and PATCO do not make any contributions to the plan. The plan assets were \$1,676 and \$660 at December 31, 1990 and \$1,210 and \$485 at December 31, 1989 for the DRPA and PATCO, respectively. These assets are included in the accompanying financial statements in investments in securities as they are considered to be assets of the Authority and therefore are subject to the Authority's creditors until disbursement (see Note 2). The liability to employees is included in accounts payable—other.

6. PENSION PLANS

All full-time and part-time employees of the DRPA and nonrepresented employees of PATCO are covered by the Pennsylvania State Employees Retirement System, which is a cost-sharing, multiple-employer Public Employees Retirement System (PERS). PATCO represented employees are covered by the Teamsters Pension Plan of Philadelphia and Vicinity which is a cost-sharing, multiple-employer plan.

A. *Plan Description and Provisions*

Pennsylvania State Employees Retirement System

All permanent full-time and part-time employees are eligible and required to participate in the Pennsylvania State PERS. The PERS provides pension, death and disability benefits. A member may retire after completing three years of service and after reaching normal retirement age (the age of sixty or the age at which thirty-five years of service has been completed, whichever occurs first). Benefits vest after ten years of service. If an employee terminates his or her employment after at least ten years of service but before the normal retirement age, he or she may receive pension benefits immediately or defer pension benefits until reaching retirement age. Employees who retire after reaching the normal retirement age with at least three years of credited service are entitled to receive pension benefits for the rest of their lives equal to 2% of their final average compensation (average of the three highest years in earnings) times the number of years for which they were employed by a participant in the State PERS. The pension benefits received by an employee who retires after ten years of credited service but before normal retirement age are reduced for the number of years that person is under normal retirement age.

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

The Authority's 1990 covered payroll and total payroll was \$30,331 and \$37,672, respectively.

Teamsters Pension Plan of Philadelphia and Vicinity

All PATCO union employees are eligible and required to participate in the Teamsters Pension Plan of Philadelphia and Vicinity. The plan provides pension, death and disability benefits. A member may retire at the later of (a) the date the employee reaches age 65 or (b) the tenth anniversary of the employee's commencement of participation in the plan. Additionally, employees are eligible for early retirement after 10 years of participation in the plan and (a) completion of 30 years vested service or (b) attainment of age 50 and completion of 10 years of vested service. Benefits vest after 10 years of service. An employee who retires on or after his or her normal retirement age is entitled to receive benefits based on his or her credited years of service multiplied by a monthly benefit rate, which is determined based on the employer's daily contributions. The benefits are subject to maximum rates which vary according to employer daily contribution rates. Members may also receive benefits after early retirement at reduced rates depending on age at retirement.

An employee who qualifies for disability retirement benefits (total and permanent disability with 10 years of vested service, 5 years of service under a collective bargaining agreement and at least 300 covered days of contributions) is entitled to receive \$200 per month until retirement age, when retirement benefits would commence.

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

PATCO's 1990 covered payroll and total payroll was \$6,091 and \$11,680, respectively.

B. *Contributions Required and Made*

Pennsylvania State Employees Retirement System

Employees of the Authority who were employed prior to July 22, 1983 and on or subsequent to July 22, 1983 are required to pay 5% and 6.25%, respectively, of their gross earnings to the pension plan. During 1990, the Authority was required to contribute 12.84% of covered payroll to the plan.

Total contributions made during 1990 amounted to \$5,557, of which \$3,893 and \$1,664 were made by the Authority and its employees, respectively.

Teamsters Pension Plan of Philadelphia and Vicinity

PATCO contributes nine dollars and eighty cents per day per participating union employee. The employees make no contributions to the plan. During 1990, PATCO contributed \$476, which is approximately 8% of covered payroll to the plan.

C. *Funding Status and Progress*

The amount of the total pension benefit obligation is based on a standardized measurement established by Governmental Accounting Standards Board Statement No. 5 (GASB 5) that, with some exceptions, must be used by a PERS. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date, and is adjusted for the effects of projected salary increases. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of PERS financial statements to (a) assess the PERS funding on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among other PERS and among other employers.

Pennsylvania State Employees Retirement System

Total unfunded benefit obligation of the State PERS as of December 31, 1989 (the most recent plan information available) was as follows:

I. Projected benefit obligation:	
Retirees and beneficiaries:	
Superaunuation retirements	\$2,366,288
Early retirements	723,050
Disabled	170,460
Beneficiaries	145,460
Total	<u>3,405,258</u>
Inactive participants	<u>69,010</u>
Active members:	
Employee contributions and interest	1,725,724
Employer-financed liability—vested	3,277,541
Employer-financed liability—nonvested	303,985
Total	<u>5,307,250</u>
Total obligation for all members	<u>\$8,781,518</u>
II. Market value of assets available for benefits	<u>\$9,784,574</u>
III. Excess of market value of assets available for benefits over projected benefit obligation	<u>\$1,003,056</u>

The Authority's required contribution to the State PERS represents approximately 1.06% of the total current year actuarially determined contribution requirements for all employers covered by the pension plan.

Ten-year historical trend information is presented in the 1989 Pennsylvania State Public Employees Retirement System Financial Report. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

Teamsters Pension Plan of Philadelphia and Vicinity

Total unfunded benefit obligation of the Teamsters Pension Plan of Philadelphia and Vicinity as of January 1, 1989 (the most recent plan information available) was as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989 (In Thousands)

1. Accrued liability:	
(a) Active members:	
Retirement benefits	\$334,283
Termination benefits	15,395
Death benefits	8,527
Disability benefits	19,802
Total	378,007
(b) Retired members and beneficiaries	299,024
(c) Terminated vested members	86,432
Total	<u>\$763,463</u>
2. Actuarial value of assets	<u>\$374,675</u>
3. Unfunded accrued liability as of January 1, 1989	<u>\$388,788</u>

PATCO'S required contribution to the Teamsters Pension Plan of Philadelphia and Vicinity represents less than .9% of total employer contributions to the plan. Ten-year historical trend information regarding this plan is not available.

D. Related Party Investments

During 1990, neither the State PERS or the Teamsters Pension Plan of Philadelphia and Vicinity held any securities issued by the Authority or other related parties.

In addition to providing pension benefits, the Authority provides certain health care and life insurance benefits for retired employees. Substantially all of the Authority's employees may become eligible for those benefits if they reach normal retirement age (the age of sixty or the age at which thirty-five years of service has been completed, whichever occurs first) while working for the Authority. These, and similar benefits for active employees, are provided through an insurance company whose premiums are based on the benefits paid during the year. The Authority recognizes the cost of providing these benefits by expensing annual insurance premiums, which were \$1,449 and \$735 for 1990 and 1989, respectively.

7. FUNDED DEBT

In 1985, the Authority issued \$222,235 of revenue bonds. Such issue was established and authorized by the Authority pursuant to the General Bond Resolution and First Supplemental Resolution dated April 17, 1985. The 1985 bonds were authorized and issued as an issue of Subordinate Bonds, to refund all of the Authority's then outstanding bonds and to pay certain costs incurred in connection with the issuance of the 1985 bonds. The Authority's refunding program was undertaken to restructure the Authority's debt with the objective of reducing its debt service requirements during the years 1985 through 1989, although the Authority's aggregate debt service requirements while the 1985 bonds are outstanding remains approximately the same as the aggregate debt service requirements prior to the refunding.

On March 7, 1989 the Authority issued \$179,464 of Refunding Revenue Bonds, Series 1989. Such issue, dated February 1, 1989, was established and authorized by the Authority pursuant to the General Bond Resolution and Second Supplemental Resolution, dated February 27, 1989, which authorized the 1989 Bonds as Subordinate Bonds to 1) provide payment for all interest and the redemption price of the 1985 Term Bonds due January 1, 2011 (principal amount \$124,165) due and payable on July 1 and January 1 of each year, commencing July 1, 1989 to and including January 1, 1995, the date fixed for the redemption as a whole of such 1985 Term Bonds; 2) provide payment for all interest on 1985 Term Bonds due 2002 and the redemption price of \$10,865 of such bonds (total principal amount \$49,305) due and payable on July 1 and January 1 of each year, commencing July 1, 1989 to and including January 1, 1995, the date fixed for the redemption of such portion of the 1985 Term Bonds; 3) provide for payment on a portion of the interest for the 1985 Serial Bonds due and

payable on July 1 and January 1 of each year, commencing July 1, 1991 to and including January 1, 1995; 4) deposit moneys to the Bond Reserve Fund in order to satisfy the bond reserve requirement under the Resolution; and 5) pay costs and expenses incurred in connection with the issuance of the 1989 Bonds.

The 1989 Refunding Revenue Bond net proceeds and the balance in the 1985 Bond Reserve Fund were used to purchase U.S. Government securities which were placed in irrevocable trust accounts with a trustee to provide debt service payments as described above until the term bonds are called on January 1, 1995 at 103%. The debt to be serviced from the irrevocable trusts is considered defeased and thus was removed from the Authority's balance sheet as of March 7, 1989.

The undefeased 1985 bonds outstanding at December 31, 1990 are as follows:

<u>Maturity Date (January 1)</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
	Serial Bonds	
1991	7.50%	\$ 4,500
1992	7.75	4,885
1993	8.00	5,290
1994	8.25	5,735
1995	8.50	6,245
1996	8.60	6,800
1997	8.70	7,410
		40,865
	Term Bonds	
2002	9.375	38,440
		79,305

Total par value of 1985 bonds outstanding

The 1989 bonds outstanding at December 31, 1990 are as follows:

<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>
	Serial Bonds	
1995	6.80%	4,015
1996	6.90	7,295
		11,310
	Capital Appreciation Bonds	
1997	7.05	4,538
1998	7.10	8,595
1999	7.15	8,003
2000	7.20	7,435
2001	7.25	6,901
2002	7.30	6,413
2003	7.35	5,889
		47,774
	Term Bonds	
2007	7.375	71,535

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989 (In Thousands)

Maturity Date: (January 1)	Interest Rate/Yield	Principal Amount
	Serial Bonds	
2008	6.50%	\$ 21,295
2009	6.50	22,645
2010	7.00	2,370
2011	6.50	2,535
		<u>48,845</u>
Total par value of 1989 bonds outstanding		179,464
Less unamortized bond discount on serial and term bonds		5,715
Total — net		<u>173,749</u>
Total funded debt		<u>\$253,054</u>

Interest on the 1985 and 1989 Serial and Term bonds is payable semi-annually on January 1 and July 1 in each year. The 1989 bonds (other than the 1989 Capital Appreciation Bonds) bear interest from the February 1, 1989 issue date and the first payment of interest commenced July 1, 1989. The 1989 Capital Appreciation Bonds bear interest from the date of original issuance and delivery, March 7, 1989. Interest on these bonds is compounded on January 1 and July 1 of each year, commencing July 1, 1989 and is payable only at maturity. Interest expense includes interest on the bonds and amortization of debt issuance costs and debt issuance discount.

The Bond Service Fund (a component of restricted assets) has a net asset deficiency of \$2,048 at December 31, 1990. Such amount is net of \$6,550 of accrued interest expense on the Authority's \$47,774 principal amount of 1989 Capital Appreciation Bonds. None of this expense was or is required to be funded by the Authority until the 1996 calendar year. The Second Supplemental Resolution dated February 27, 1989 requires that, commencing January 20, 1996, the Authority shall make monthly deposits with the Trustee to the Bond Service Fund for the payment of the accreted value on the 1989 Capital Appreciation Bonds, as they mature and become due on a principal payment date.

The 1985 Term bonds maturing on January 1, 2002 and the 1989 Term bonds maturing on January 1, 2007 are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption on January 1 in the years and the amounts specified below:

1985 Term Bonds Due January 1, 2002		1989 Term Bonds Due January 1, 2007	
Date	Amount	Date	Amount
1998	\$ 6,315	2004	\$16,025
1999	6,950	2005	17,200
2000	7,620	2006	<u>18,480</u>
2001	<u>8,360</u>		
Total	29,245	Total	51,705
At maturity, 2002	<u>9,195</u>	At maturity, 2007	<u>19,830</u>
Total	<u>\$38,440</u>	Total	<u>\$71,535</u>

The 1985 bonds maturing on or after January 1, 1996 and the 1989 bonds maturing on or after January 1, 2000 (other than the Capital Appreciation Bonds which are not subject to redemption prior to maturity) are subject to optional redemption prior to maturity on or after January 1, 1995 (the 1985 bonds) and January 1, 1999 (the 1989 bonds), as a whole at any time, or in part on any interest payment date on or after such dates, at the respective redemption prices set forth below, in each case together with accrued interest to the redemption date:

Redemption Dates (Inclusive)	Redemption Price	
	1985 Bonds	1989 Bonds
January 1, 1995 to December 31, 1995	103%	
January 1, 1996 to December 31, 1996	102	
January 1, 1997 to December 31, 1997	101	
January 1, 1998 and thereafter	100	
January 1, 1999 to December 31, 1999		102 %
January 1, 2000 to December 31, 2000		101 ½
January 1, 2001 to December 31, 2001		101
January 1, 2002 to December 31, 2002		100 ½
January 1, 2003 and thereafter		100

If less than all of the 1985 bonds are to be called for optional redemption, the Trustee will select the 1985 bonds to be redeemed in inverse order of maturity. If less than all of the 1989 bonds are to be called for optional redemption, the Trustee will select the 1989 bonds to be redeemed as the Authority may designate to the Trustee.

The 1985 and 1989 bonds are payable from and solely secured by a pledge of (1) net revenues of the DRPA and (2) all moneys and securities from time to time deposited in the funds and accounts established by the General Bond Resolution, except for unrestricted assets in the General Fund, and the 1989 Escrow Account B, in the Bond Redemption Fund (a component of restricted assets). The Authority's General Fund may also be used to repay these bonds.

The Bond Service requirements for the 1985 and 1989 bonds of \$6,186 and \$4,619, respectively, and the bond reserve requirement of \$34,600, established by and defined in the General Bond Resolution and the First Supplemental Resolution adopted April 17, 1985, and the Second Supplemental Resolution adopted February 27, 1989, were met by the Authority. On February 27, 1989, the Authority authorized the purchase of a surety bond for the purpose of funding approximately one-half of the Bond Reserve Fund.

In accordance with the terms and provisions of the Arbitrage Compliance Agreement and the Investment Agreement, both dated March 7, 1989 and the Second Supplemental Resolution dated February 27, 1989, the Authority makes semi-annual General Fund deposits with the Bayerische Landesbank Girozentrale. The Authority expects to use these deposits for the January 1, 1995 redemption of the undefeased 1985 Term bonds due January 1, 2002.

Maturities on the Authority's outstanding long-term debt during the next five years are as follows:

	1985 Bonds	1989 Bonds
1991	\$4,500	\$ —
1992	4,885	—
1993	5,290	—
1994	5,735	—
1995	6,245	4,015

To accomplish the 1985 refunding, the Authority deposited proceeds from the 1985 bond sale, together with U.S. Treasury obligations transferred from its 1974 Debt Service Reserve Fund, into a separate irrevocable trust fund pursuant to an Escrow Deposit Agreement dated May 15, 1985.

The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the following outstanding debt has been defeased by the 1985 refunding and therefore removed as a liability from the Authority's balance sheet:

\$100,000, 5.625%, 1969 First Series Revenue Bonds, maturing January 15, 2009.

\$100,000, 6.50%, Series 1972 Revenue Bonds, maturing January 15, 2011.

\$77,400, 6.00%, Series 1972 Refunding Revenue Bonds, maturing January 15, 2010.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989 (In Thousands)

To accomplish the 1989 refunding program, the Authority on March 7, 1989 deposited with First Fidelity Bank National Association, New Jersey, Trustee, proceeds of \$151,283 from the sale of the \$179,464 Refunding Revenue Bonds, Series 1989, together with \$24,941 cash transferred from its 1985 Bond Reserve Fund. These funds were credited to two separate accounts, "1989 Escrow Account A" and "1989 Escrow Account B", and immediately thereafter invested by the Trustee in United States Treasury obligations. Each of the 1989 Escrow Accounts shall be held by the Trustee as trust funds and deemed irrevocably set aside as such for the safe and exclusive benefit of the holders of the 1985 bonds to the extent and in the manner set forth in the Second Supplemental Resolution dated February 27, 1989.

The maturing principal of and interest on the United States Treasury obligations and other available moneys are sufficient to fully service the defeased debt until the debt is called. For financial reporting purposes, the following outstanding portions of the 1985 Revenue Bonds have been defeased by the 1989 refunding and therefore removed as a liability from the Authority's balance sheet:

\$124,165 9.375%, Series 1985 Term Bonds due January 1, 2011
 10,865 9.375%, Series 1985 Term Bonds due January 1, 2002

The defeasance of debt resulted in an extraordinary loss of \$24,182, which was recognized in 1989. However, on an economic basis, such extraordinary loss will be more than recovered over the original term of the defeased debt. As a result of this advance refunding, the Authority expects to reduce its total debt service requirements over the original period that the 1985 Term Bonds would have been outstanding by approximately \$16,000.

The extraordinary loss from the bond refunding was determined as follows:

1989 bonds issued	\$179,464
1985 debt -- defeased	<u>(135,030)</u>
Difference	44,434
Increased by:	
1985 Bond Reserve Fund transferred	24,941
Unamortized costs of 1985 defeased debt	6,212
Other	121
Decreased by:	
Funded interest on undefeased 1985 debt	(21,024)
Accrued interest on 1985 bonds	(2,321)
1989 bonds:	
Reserve Fund	(17,194)
Discount	(6,337)
Insurance premiums	(2,284)
Underwriter's discount	(2,108)
Other costs	<u>(258)</u>
Extraordinary loss	<u>\$ 24,182</u>

8. COMMITMENTS

As of December 31, 1990 the Authority had contractual commitments as follows:

	<u>Total</u>
Benjamin Franklin Bridge:	
Roadway connections (a)	\$ 500
Engineering services:	
Toll plaza rehabilitation	22
Inspection roadway deck	9
Biennial inspection	3
Material inspecting and testing	8
Contracts — Material inspecting and testing	13
AT&T System, maintenance and service	105
Consulting services for installation of computer systems	75
Maintenance agreement for communications network	203
Strategic plan for MIS department	56
Walt Whitman Bridge:	
Engineering services:	
Transformer retrofill	9
Biennial inspection	2
Commodore Barry Bridge:	
Engineering services:	
Design and construction of a sewer force main and pumping station	4
Transformer retrofill	16
Betsy Ross Bridge:	
Engineering services:	
Preliminary and final design for the connection of Torresdale and Aramingo Avenues to the Betsy Ross Bridge and I-95	2,654
Transformer retrofill	2
PATCO System:	
Engineering services:	
Design modifications for Woodcrest Station	14
Reconstruction of Ashland Station parking facilities	183
Parking facilities at six passenger stations	20
Rehabilitation of bridges from Newton Avenue to Crescent Boulevard	62
Biennial inspection	10
Contracts:	
Rehabilitation of bridges:	
Substructure	72
Superstructure	275
Transformer retrofill	31
Parking lot rehabilitation — N.J. Stations	592
Elevator improvements at Woodcrest Station	353
World Trade development	78
Regional port projects:	
Feasibility planning:	
Regional Intermodal Transfer Facility	260
Port enhancement project	26
Total	<u>\$5,657</u>

(a) The Authority has agreed to contribute funds to the Commonwealth of Pennsylvania for roadway connections between the Benjamin Franklin Bridge, the Vine Street Expressway and I-95 in an amount not-to-exceed \$500.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989 (In Thousands)

The Authority has entered into an Agreement with the Pennsylvania Department of Transportation (PennDOT) relating to construction and other costs involving contemplated highway and roadway connections between Interstate 95, Aramingo-Torresdale Avenues and the Betsy Ross Bridge, and the treatment of certain related funds held by the Authority and claimed by PennDOT. The funds claimed by PennDOT amount to approximately \$7,789. Under certain circumstances, the Authority may be required to pay to PennDOT the balance of these funds not committed to properly allocable costs of the project.

Under an agreement dated June 12, 1986, the Authority leases sixty-three lanes of toll collection equipment. On May 24, 1989 (as amended in 1990) the Authority entered into a new long-term lease agreement, which provides for the installation and maintenance of a computerized toll collection and audit system for sixty-seven toll lanes, at the Authority's four bridges. The agreement covers a minimum period of ten years, with an option for an additional three years which commences after the equipment is completely installed at all four bridges. Rental and maintenance expense will be fixed at \$1,644 for the first two years. The balance of the ten-year agreement includes annual increases in the maintenance portion tied to the Consumer Price Index (CPI) with a 5% annual cap, and a cumulative 43% cap. The three-year option period requires 5% annual increases for both the rental and maintenance fee. At December 31, 1990, sixteen lanes of the new toll collection equipment at the Betsy Ross Bridge and ten lanes at the Commodore Barry Bridge have been installed, tested, accepted and placed in operation. The tentative completion schedule for installation of the remaining new leased equipment is as follows:

<u>Bridge</u>	<u>Completion Date</u>
Walt Whitman	March 1991
Benjamin Franklin	September 1991

Certain subway properties are leased from the City of Philadelphia. The lease expires December 31, 1997 and provides for rental payments of one dollar per year plus 9.6% of net profits of the Transit System. For the year ended December 31, 1990, no additional rent is payable since operations of the Transit System resulted in a loss when computed in accordance with terms of the lease agreement.

Under the terms of the Authority's agreements with the Pennsylvania and New Jersey Departments of Transportation and the City of Philadelphia, the Authority leases, for the annual rental of one dollar, certain of the facilities constructed or acquired under the PATCO System first phase capital improvement program. Title to the facilities will vest in the several agencies participating in the project, but the Authority is required to provide the insurance and maintenance of the leased property (Note 4).

Minimum lease and maintenance fee commitments, excluding adjustments for CPI, are as follows:

1991	\$1,490
1992	1,644
1993	1,644
1994	1,644
1995	1,644

Rent expense for the years ended December 31, 1990 and 1989 amounted to \$1,395 and \$1,097, respectively.

In July 1990, the Americans With Disabilities Act (ADA) was enacted to ensure that persons with disabilities have access to public accommodations. Compliance with the significant provisions of the law will require the Authority to make accessible existing key PATCO stations by July 1993, and one railcar per train by July 1995. Any newly constructed transit facilities must be accessible by January 1992 and any new railcars ordered after August 25, 1990 must be accessible.

The Authority has pledged to comply with the applicable regulations of the ADA, and has undertaken preliminary planning and implementation activities. The ultimate cost of compliance can not now be determined because the actual requirements and accessibility standards are not scheduled to be issued by the U.S. Department of Justice and Department of Transportation until July 1991; however, capital costs to be incurred are expected to be significant.

9. GOVERNMENT CONTRIBUTIONS FOR CAPITAL IMPROVEMENTS AND ADDITIONS

The Authority receives contributions in aid for financing capital improvements and additions to the rapid transit system from the Urban Mass Transportation Administration. Capital improvement grant funds of \$8,047 and \$8,290 were received in 1990 and 1989, respectively. Charges representing depreciation on assets relating to these contributions were \$1,240 in 1990 and \$1,014 in 1989.

	<u>1990</u>	<u>1989</u>
Cumulative contributions	\$49,446	\$41,399
Less accumulated depreciation on assets acquired with contributions	<u>5,474</u>	<u>4,234</u>
Total contributed capital	<u>\$43,972</u>	<u>\$37,165</u>

10. CONTINGENCIES

The Authority is self-insured for the initial \$5,000 and \$300, per occurrence, of public liability and workers' compensation insurance; respectively. PATCO is self-insured for the initial \$5,000, per occurrence, of public liability insurance and is totally self-insured for workers' compensation.

The Authority and PATCO are involved in various actions arising in the ordinary course of business and from workers' compensation claims. In the opinion of management, the ultimate outcome of these actions will not have a material adverse effect on the consolidated financial position.

SUPPLEMENTAL BALANCE SHEETS - BY FUNDS AND COMBINED TOTALS
DECEMBER 31, 1990 WITH 1989 COMBINED TOTALS (In Thousands)

ASSETS	RESTRICTED						1990	1989	
	Capital Fund	Revenue Fund	Bond Service Fund	Bond Reserve Fund	Bond Redemption Fund	Construction Fund	General Fund	Combined Totals	Combined Totals
Cash		\$ 548					\$ 188	\$ 736	\$ 836
Investment in securities		102,947					3,573	106,520	95,414
Accrued interest receivable		1,393						1,393	1,019
Accounts receivable		455					1,053	1,508	1,227
Transit system inventory							2,734	2,734	2,558
Prepaid expenses		560					467	1,027	1,005
Total		<u>105,903</u>					<u>8,015</u>	<u>113,918</u>	<u>102,059</u>
RESTRICTED ASSETS:									
Cash						\$ 11		11	6
Investment in securities			\$10,475	\$17,194		19,346	15,768	62,783	51,814
Accrued interest receivable			333	18		344	725	1,420	1,186
Total restricted assets			<u>10,808</u>	<u>17,212</u>		<u>19,701</u>	<u>16,493</u>	<u>64,214</u>	<u>53,006</u>
INVESTMENT IN FACILITIES									
		\$683,207					8,261	691,468	677,667
Less accumulated depreciation		<u>(165,183)</u>					<u>(357)</u>	<u>(165,540)</u>	<u>(155,108)</u>
Investment in facilities—net		518,024					7,904	525,928	522,559
DEBT ISSUANCE COSTS, NET OF AMORTIZATION									
		6,646						6,646	7,334
FUNDED DEBT INTEREST COST									
					\$18,219			18,219	20,460
TOTAL ASSETS		<u>\$524,670</u>	<u>\$105,903</u>	<u>\$10,808</u>	<u>\$17,212</u>	<u>\$18,219</u>	<u>\$19,701</u>	<u>\$32,412</u>	<u>\$728,925</u>

RESTRICTED

LIABILITIES AND NET ASSETS	RESTRICTED						1990	1989	
	Capital Fund	Revenue Fund	Bond Service Fund	Bond Reserve Fund	Bond Redemption Fund	Construction Fund	General Fund	Combined Totals	Combined Totals
ACCOUNTS PAYABLE:									
Contracts						\$ 7,789	\$ 7,789	\$ 8,531	
Retained amounts on contracts						24	720	990	
Other		\$ 1,984					2,929	4,305	
Total accounts payable		<u>1,984</u>				<u>7,813</u>	<u>3,625</u>	<u>13,422</u>	<u>13,826</u>
ACCRUED LIABILITIES:									
Pension		800					281	1,081	1,072
Sick and vacation leave benefits		8,754					2,908	11,662	10,756
Other		1,354						1,354	1,423
Total accrued liabilities		<u>10,908</u>					<u>3,189</u>	<u>14,097</u>	<u>13,251</u>
DEFERRED INCOME ON TRUCK TICKETS		<u>2,168</u>						<u>2,168</u>	<u>2,005</u>
PAYABLE FROM RESTRICTED ASSETS—ACCRUED INTEREST			<u>\$12,856</u>		<u>\$ 1,802</u>			<u>14,658</u>	<u>11,087</u>
FUNDED DEBT	<u>\$253,054</u>							<u>253,054</u>	<u>256,527</u>
Total liabilities	<u>253,054</u>	<u>15,060</u>	<u>12,856</u>		<u>1,802</u>	<u>7,813</u>	<u>6,814</u>	<u>297,399</u>	<u>296,696</u>
RESERVES:									
Replacement and repainting		18,443						18,443	19,227
Other		2,143					1,562	3,705	4,044
Total reserves		<u>20,586</u>					<u>1,562</u>	<u>22,148</u>	<u>23,271</u>
NET ASSETS (DEFICIENCY):									
From contributed capital	<u>43,972</u>							<u>43,972</u>	<u>37,165</u>
From operations:									
Designated for capital	<u>227,644</u>							<u>227,644</u>	<u>229,039</u>
Reserved for:									
Revenue bonds				\$17,212				17,212	17,829
Revenue bond service			(2,048)				16,493	14,445	7,612
Revenue bond interest					16,417			16,417	18,658
Construction						11,888		11,888	10,975
Working capital and maintenance		21,004						21,004	20,886
Unreserved		49,253					7,543	56,796	43,287
Total net assets (deficiency) from operations	<u>227,644</u>	<u>70,257</u>	<u>(2,048)</u>	<u>17,212</u>	<u>16,417</u>	<u>11,888</u>	<u>24,036</u>	<u>365,406</u>	<u>348,286</u>
Total net assets (deficiency)	<u>271,616</u>	<u>70,257</u>	<u>(2,048)</u>	<u>17,212</u>	<u>16,417</u>	<u>11,888</u>	<u>24,036</u>	<u>409,378</u>	<u>385,451</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$524,670</u>	<u>\$105,903</u>	<u>\$10,808</u>	<u>\$17,212</u>	<u>\$18,219</u>	<u>\$19,701</u>	<u>\$32,412</u>	<u>\$728,925</u>	<u>\$705,418</u>

SUPPLEMENTAL STATEMENTS OF CHANGES IN NET ASSETS - BY FUNDS AND COMBINED TOTALS

FOR THE YEAR ENDED DECEMBER 31, 1990 WITH 1989 COMBINED TOTALS
(In Thousands)



DELAWARE
RIVER PORT
AUTHORITY

	RESTRICTED						General Fund	1990 Combined Totals	1989 Combined Totals
	Capital Fund	Revenue Fund	Bond Service Fund	Bond Reserve Fund	Bond Redemption Fund	Construction Fund			
NET ASSETS AT BEGINNING OF YEAR	\$266,204	\$58,361	\$ 1,003	\$17,829	\$18,658	\$10,975	\$12,421	\$385,451	\$386,178
Revenues and expenses:									
Operating revenues		86,613					15,616	102,229	99,968
Operating expenses	(10,753)	(32,050)					(21,754)	(64,557)	(63,795)
General administration expenses		(9,959)						(9,959)	(8,710)
Interest income		7,635	424	1,290	1,363		1,324	12,036	10,859
Interest on funded debt	(1,032)		(16,320)		(3,604)			(20,956)	(20,884)
Other income (expenses)	(150)	(22)				913	(3,654)	(2,913)	(2,273)
Extraordinary loss from bond refunding									(24,182)
Total	(11,935)	52,217	(15,896)	1,290	(2,241)	913	(8,468)	15,880	(9,017)
Government contributions for capital improvements and additions		8,047						8,047	8,290
Interfund transfers and payments:									
Bond Service		(16,660)	16,660						
Funds in excess of Bond Reserve requirement		1,907		(1,907)					
Funds free and clear of any lien or pledge		(25,568)					25,568		
Retirement of bonds -- Revenue Bonds Series 1985	3,815		(3,815)						
Completed capital additions	5,485						(5,485)		
NET ASSETS (DEFICIENCY) AT END OF YEAR	\$271,616	\$70,257	(\$ 2,048)	\$17,212	\$16,417	\$11,888	\$24,036	\$409,378	

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