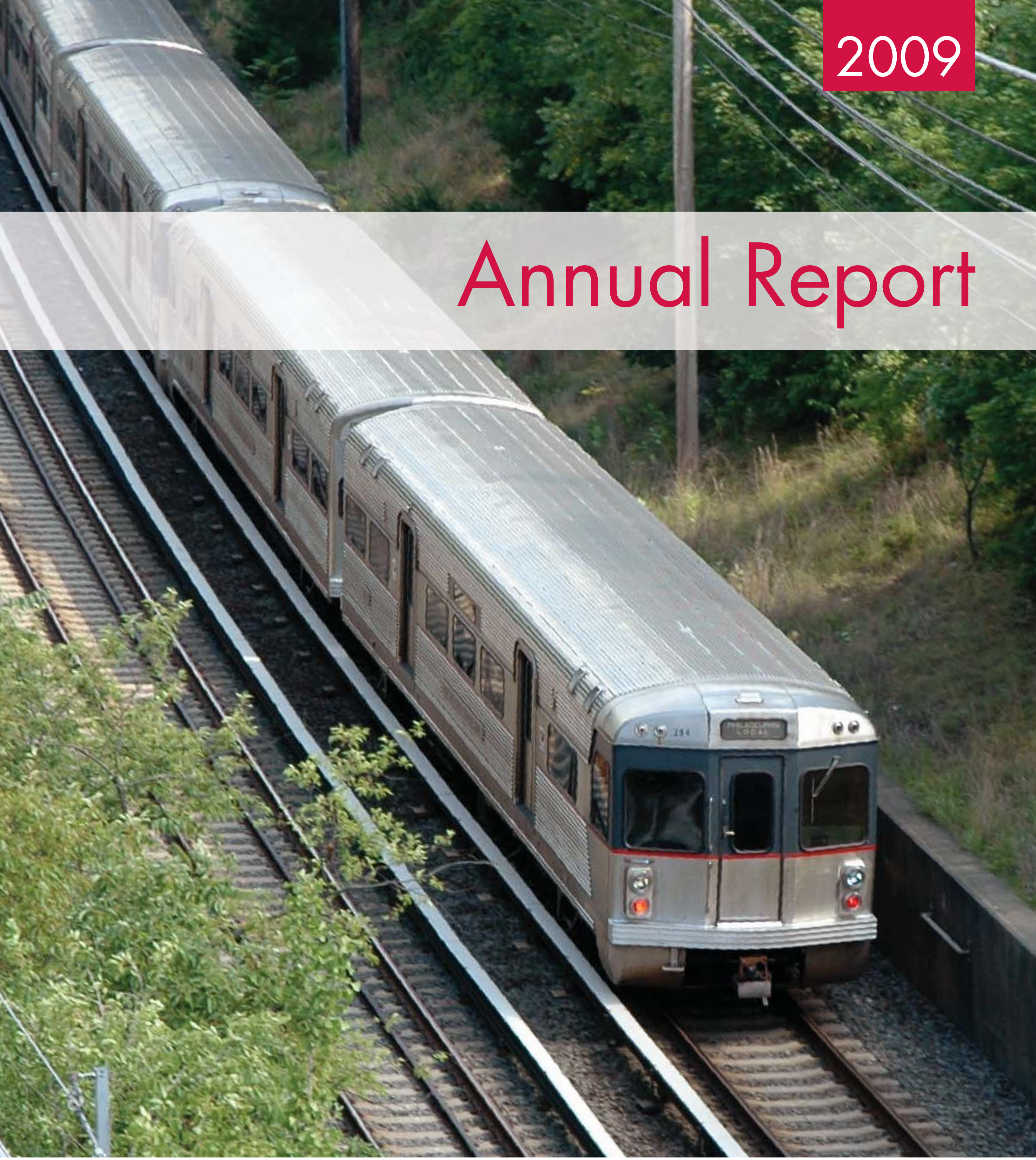


2009

Annual Report

DELAWARE RIVER PORT AUTHORITY
of Pennsylvania & New Jersey®

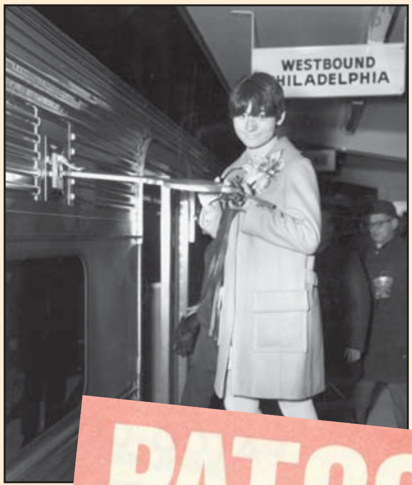
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED DECEMBER 31, 2009

40 YEARS

BETTER THAN EVER ★ 1969-2009

DRPA opened the 14.2 mile PATCO line in 1969 between Lindenwold, N.J., and Center City, Philadelphia. PATCO was a radical departure from previously built transit lines. For example, PATCO pioneered the use of automated ticket purchasing and closed circuit television monitoring of stations. Also revolutionary was the use of a single train operator regardless of the number of cars in the train. PATCO was built to be highly flexible. Dispatchers match the number of cars per train to the demand, thereby making the line both user friendly and highly cost efficient.

PATCO is moving forward to improve its services and facilities. As the first and only transit agency in the region to utilize a smart card, PATCO remains on the cutting edge of technology. Through our PATCO Expansion project, we are taking the lead in developing a larger transportation network in Southern New Jersey and Southeastern Pennsylvania. Within the past three years, we have introduced several new programs and initiatives aimed at bolstering the PATCO experience. For example, we began the FREEDOM to Save rider savings program and the PATCO Cares program, which provides an opportunity for local charitable organizations to promote their cause to PATCO riders.



A Subsidiary of the Delaware River Port Authority

PATCO

Your life. Your train.

Table of Contents

Prepared by the Office of the Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Delaware River Port Authority

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2008

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

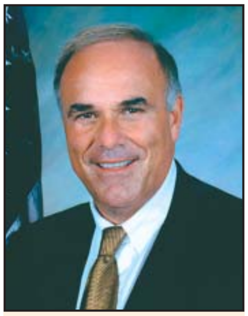
Government Finance Officers Association of the United States and Canada Corporation SEAL Chicago

President

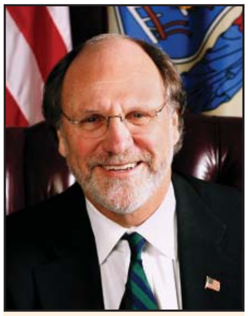
Executive Director

For the seventeenth consecutive year the Delaware River Port Authority was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its 2008 Comprehensive Annual Financial Report.

Chairman's Letter



**HONORABLE
EDWARD G. RENDELL**
Governor
Commonwealth of Pennsylvania



**HONORABLE
JON S. CORZINE**
Governor
State of New Jersey

To Our Governors:

Thank you for the opportunity to present this report of the Delaware River Port Authority's 2009 activities and financial information. In 2009, we continued to maintain tight fiscal controls on all areas of Authority operations while realizing significant achievement and progress at the bridges, PATCO, ferry and cruise terminal.

Thanks to the hard work of staff, we continued to maintain a high level of cost control, without sacrificing the safety, security or serviceability of our bridges and PATCO.

In 2009, we hosted a number of charity events such as food/clothing drives and bridge races to benefit local organizations. We celebrated the 40th anniversary of PATCO. We completed the fifth and final phase of the Ben Franklin Bridge Painting Project. At the Philadelphia Cruise Terminal, we welcomed the Norwegian Majesty for its second set of regular sailings from Philadelphia.

In 2010, we will take on many exciting opportunities. At PATCO, we will begin to overhaul our fleet of 121 rail cars. At the bridges, we will continue to provide safe roadways for motorists to travel. At the Walt Whitman Bridge in particular, we will begin the extraordinary task of re-decking the entire bridge roadway.

We are pleased to have accomplished so much in 2009 and look forward to the challenges that lie ahead. We will continue to hold ourselves to the highest standards of fiscal responsibility and customer service for the people of Southeastern Pennsylvania and Southern New Jersey.

Sincerely,

John H. Estey
Chairman
DRPA/PATCO
Board of Commissioners

Commissioners

PENNSYLVANIA

JOHN H.
ESTEY
CHAIRMAN
Attorney
Ballard Spahr, LLP

ROBERT W.
BOGLE
Publisher
The Philadelphia Tribune

HON. FRANK J.
DICICCO
Councilman
City of Philadelphia

JOHN J.
DOUGHERTY
Business Manager
IBEW Local Union 98

HON. ROBERT
MCCORD
State Treasurer
Commonwealth of Pennsylvania

KENNETH I.
TRUJILLO, ESQ.
Attorney
Trujillo Rodriquez
& Richards, LLC

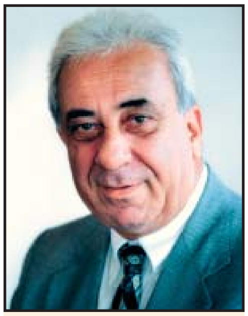
HON. JACK
WAGNER
Auditor General
Commonwealth of Pennsylvania

ROBIN L.
WIESSMANN
Investment Banker

NEW JERSEY

JEFFREY L.
NASH
VICE CHAIRMAN
Freeholder, Camden County
Board of Chosen Freeholders

VINCENT J.
DEVITO
President
United Food and Commercial
Workers Union Local 1245



E. FRANK
DIANTONIO
President & Business
Construction & General
Laborers Union Local 172

TAMARISK
JONES
Director of Health
and Senior Services
Gloucester County

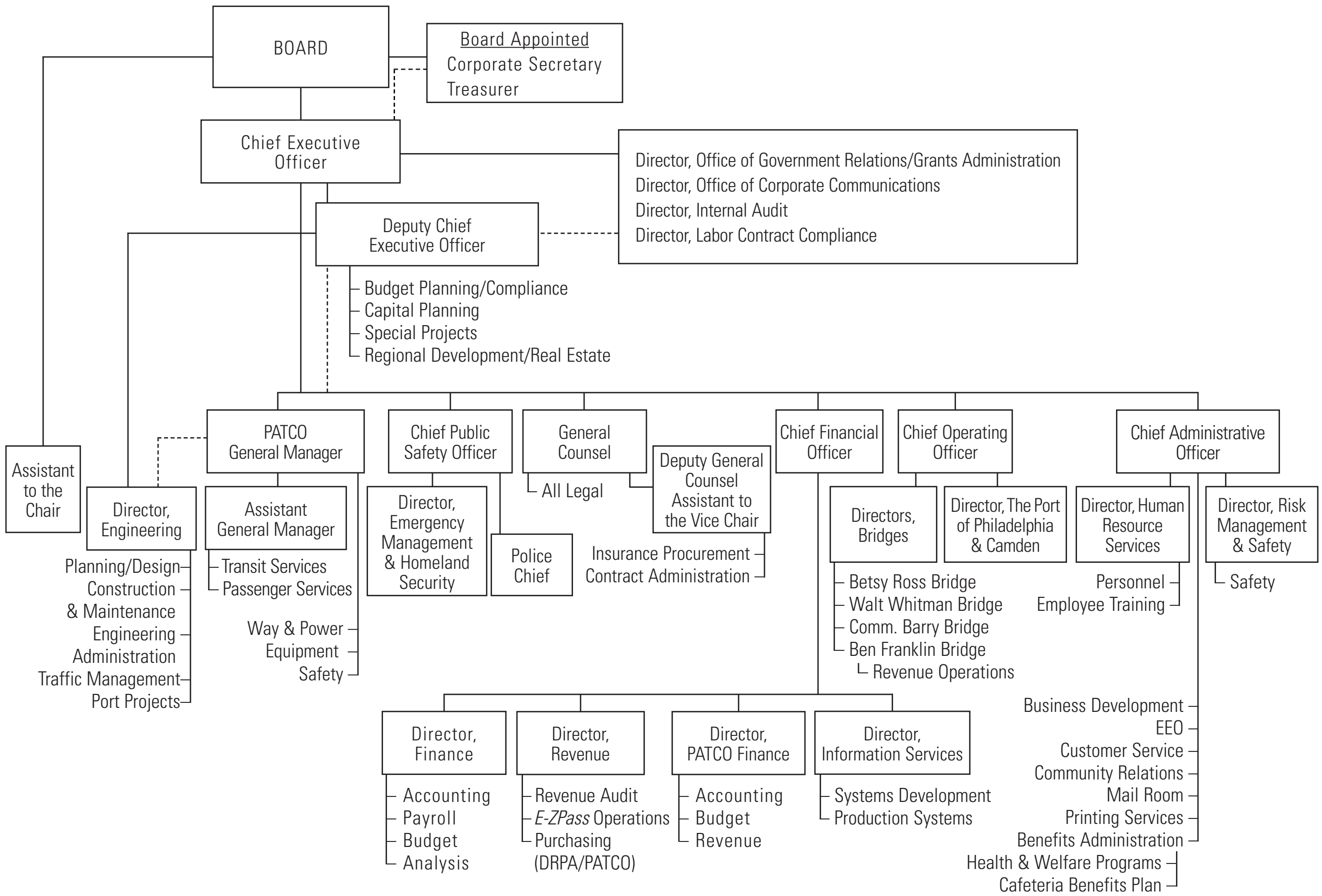
CHARLES
FENTRESS
Retired Police Sergeant
Delaware River
Port Authority

ALBERT F.
FRATTALI
Business Manager
Reinforced Iron Workers
Local 405

RICHARD
SWEENEY
Financial Secretary,
Business Representative
Ironworkers #399

RICARDO V.
TAYLOR, JR.
School Administrator
Pennsauken Township

organizational chart



Officers & Executive Staff

JOHN J. MATHEUSSEN
Chief Executive Officer, DRPA
President of PATCO

ROBERT P. GROSS
Deputy Chief Executive Officer

ARCHER & GREINER
New Jersey Counsel

BALLARD SPAHR ANDREW & INGERSOLL, LLP
Pennsylvania Counsel

ROBERT A. BOX
PATCO General Manager

RICHARD L. BROWN, ESQ.
General Counsel

TONI P. BROWN, ESQ.
Chief Administrative Officer

MARY-RITA D'ALESSANDRO
Assistant to the Chair

JOHN T. HANSON, CPA
Chief Financial Officer

MICHAEL E. JOYCE, ESQ.
Acting Chief Public Safety Officer
Deputy General Counsel

JOHN A. LAWLESS
Corporate Secretary

TIMOTHY M. PULTE
Chief Operating Officer

CHERYL Y. SPICER
PATCO Assistant
General Manager

JAMES M. WHITE, JR., CCM
Treasurer Pro-Tem

Facilities

Benjamin Franklin Bridge
Opened: July 1,1926
Average Weekday Traffic: 105,540

Walt Whitman Bridge
Opened: May 16,1957
Average Weekday Traffic: 112,956

Commodore Barry Bridge
Opened: February 1,1974
Average Weekday Traffic: 38,284

Betsy Ross Bridge
Opened: April 30,1976
Average Weekday Traffic: 32,988

PATCO
Opened: February 15,1969
Average Weekday Ridership: 35,362

RiverLink Ferry System
DRPA assumed operations
of the ferry on April 1, 2000
Ferry Ridership for 2009: 165,512

Philadelphia Cruise Terminal
Opened: May 25,1998
2009 Passengers: 23,982
2009 Cruises: 8
2009 Port Calls: 1

Mission

We Keep the Region Moving!

Emphasizing safety and customer service, the Delaware River Port Authority provides quality transportation services across the river, and invests in the economic growth of Southeastern Pennsylvania and Southern New Jersey.

24/7 SERVICE

Running 24 hours per day, seven days per week in all weather conditions for more than 40 years, PATCO has built a reputation as a reliable and low cost transportation system.

Report of the Chief Executive Officer

JOHN J. MATHEUSSEN
Chief Executive Officer, DRPA
President of PATCO

The year 2009 was marked with great success. We continued to work hard in our leadership position to address quality of life issues such as reducing traffic congestion and making mass transit an even greater asset on which the public can rely for convenience, safety and efficiency.

At our four bridges, toll revenue continued to rise to total $243 million compared to $209 million in 2008. We carried more than 101 million vehicles on all four bridges.

At the Philadelphia Cruise Terminal, nearly 24,000 passengers passed through our terminal. When not serving cruise passengers, the Philadelphia Cruise Terminal serves as a premier event venue. We are proud to have hosted a wide range of events from the WMMR Red Cross Blood Drive to weddings, special events to the ever popular Philadelphia Antique Show.

At PATCO, we celebrated a major milestone as we marked its 40th anniversary. On February 15, 1969, PATCO made its first trip from Lindenwold, NJ to Center City Philadelphia. In the beginning, PATCO had 12 stations and approximately 21,000 daily riders. Through the years, PATCO has spurred both residential and commercial development in Camden County, NJ. In addition to improving commuters quality of life, it is the original green technology. By removing 12,500 cars from the roadway each year, PATCO joins other public transportation agencies in reducing carbon dioxide emissions by approximately 7 million metric tons. Today, with 13 stations and 36,000 daily riders, PATCO is better than ever. We continue to build upon our record of excellence by providing safe and reliable service. As the first and only transit agency in the region to use a smart card for its fare collection system, PATCO remains on the cutting edge of technology. Through our Philadelphia Waterfront Transit Expansion and Glassboro-Camden Line projects, we are taking the lead in developing a larger transportation network in Southern New Jersey and Southeastern Pennsylvania. Within the past three years, we have introduced several new programs and initiatives aimed at bolstering the PATCO experience. For example, we began the FREEDOM to Save rider savings program and the PATCO Cares program, which provides an opportunity for local charitable organizations to promote their cause to PATCO riders.

Our list of successes, accomplishments and achievements serve as a testament to the tremendous support that we have received from Pennsylvania Governor Edward G. Rendell, New Jersey Governor Jon S. Corzine and our Board of Commissioners. Thanks to their guidance and the hard work of staff, I am proud to present our Comprehensive Annual Financial Report for the Fiscal Year ended December 31, 2009.

BRIDGES

We completed a full year under our new toll and fare structure enabling us to move forward with the necessary infrastructure repairs needed to be completed as part of our $1 billion 5-year Capital Program. Some of the significant regional projects include the re-decking of the main span of the Walt Whitman Bridge, completing the de-leading and repainting of the Ben Franklin and Walt Whitman bridges and beginning the process of rehabilitating the PATCO vehicle fleet.

In January, the contractor completed the Commodore Barry Bridge Joint Replacement Project, which involved replacing 74 compression seal joints. With this project complete, PENNDOT moved forward with its project to construct new ramps connecting the Commodore Barry Bridge to I-95 and the Chester, Pennsylvania, Waterfront. The project is expected to be completed in the summer of 2011.

In February, Engineering staff met with representatives from Ready Notify PA and the NJ511 to discuss the best methods for including DRPA and PATCO information in their systems. Both systems provide traveler and emergency information to subscribers.

In March, in preparation for the start of the fifth phase of the Ben Franklin Bridge De-leading and Painting project, we invited area residents, elected officials and community and business leaders to an open house to receive information on the final phase of the project.

In May, DRPA received $2 million from the Transportation Security Grant Program for security improvements on the Ben Franklin Bridge. The grant was administered by the Department of Homeland Security. Also in May, we held two public open house events to discuss short term and long term improvements identified as part of the Ben Franklin Bridge West Side Traffic Mitigation Project.

As more and more people look to find more environmentally friendly ways to travel, the Ben Franklin Bridge pedestrian walkway continued to be a viable option for those commuting between Philadelphia and New Jersey. In support of National Bike Week (May 5 – 11), the Ben Franklin Bridge walkway was open from 6 a.m. until 11 p.m., daily.

At the Walt Whitman Bridge, we began the second phase of the Walt Whitman Bridge De-leading and Painting Project. This project involves painting the nine deck trusses on the New Jersey approaches to the bridge.

In June, as part of the Ben Franklin Bridge West Side Traffic Mitigation Study, work began on the improvements to the west side of the Ben Franklin Bridge. Workers painted new pavement markings and adjusted traffic signal timing.

In July, we began investigating the implementation of Express E-ZPass at the Betsy Ross Bridge.

In September, we continued to work on the Commodore Barry Bridge Vessel Collision Protection project.

In October, the contractor completed the blast cleaning and painting of all nine deck trusses of the New Jersey approaches to the Walt Whitman Bridge.

In November, the Philadelphia Phillies made their way back to the World Series for the second straight year. In support of the home team, the Ben Franklin Bridge was lit red and white and banners reading "Fighting to the Finish. Go Phillies!" were placed on

In 1969, when PATCO began operation, it pioneered the use of automated ticket purchasing. Today, with the implementation of its automated fare collection system that utilizes smart card technology, PATCO once again shows the world that it is ahead of its time.

the west side of both the Ben Franklin and Walt Whitman bridges. In addition, toll collectors at DRPA's four bridges as well as the entire Authority staff were encouraged to wear Phillies shirts and jerseys during the 6-game series.

In December, we experienced the second largest snowfall in history, the most snow ever to fall in the month of December with roughly two feet of snow blanketing the region. Despite the challenges posed by the weather, DRPA and PATCO employees, provided outstanding service in keeping the bridges open and trains operating. Once again, our motto, "We Keep the Region Moving," played itself out in the most difficult of circumstances.

PATCO

The year 2009 was a very important year for PATCO, as it marked its 40th anniversary. We celebrated this milestone with a year long calendar of events and introduced several new initiatives and programs to help make PATCO better than ever.

On February 26, we held a 40th birthday celebration for PATCO at our Woodcrest Station. PATCO/DRPA Board members and staff, local elected officials and residents were all present as we celebrated 40 great years of PATCO service. It was also the day we launched our Rider Appreciation Thursday program. This program was developed as a way for PATCO to say thank you to our riders. One Thursday each month, staff traveled to a different PATCO station to say thanks and distribute a small token of our appreciation. In addition, the first ten riders spotted wearing PATCO red received a gift bag. Also in February, in another effort to thank our riders and to support the regional business community, PATCO launched its FREEDOM to Save Program. The program offers retailers, restaurants, service providers and other companies a unique opportunity to reach out to new customers. Program participants offer discounts or other perks to users of PATCO's FREEDOM card. More than 100 businesses in South Jersey and Philadelphia have signed up to participate.

In May, at a gathering of business and community leaders, Delaware River Port Authority/PATCO staff presented its recommendations for the extension of light rail in Southern New Jersey from Camden to Glassboro. At this same event, DRPA officials were

COMMUNITY

As an integral part of the region for 40 years, PATCO is a transit system that people depend on. To show its support for its surrounding community, PATCO hosts several events throughout the year such as the MS 150 and PATCO's Annual Yuletide Ride. In 2008, when the Philadelphia Phillies captured the World Series Championship, PATCO transported more than 112,000 passengers to Philadelphia for the Phillies victory parade.

joined by NJ Governor Jon S. Corzine as he endorsed the Transit Investment Vision for Southern New Jersey, a three-component approach including a light rail system from Camden to Glassboro, the addition of bus rapid transit along routes 42 and 55 and the improvement of the Atlantic City Rail Line connection between Southern New Jersey communities, Atlantic City and Philadelphia to increase access to the Atlantic City International Airport. The endorsement came at the end of a two-year Alternatives Analysis and planning study undertaken by DRPA to identify transportation needs and solutions for Southern New Jersey. The study concluded that expanding transit choices would improve accessibility to jobs and employment centers, reduce roadway congestion, carbon emissions in the atmosphere and enhance connectivity to recreational areas. In an extensive effort to bring the plan to the public, numerous open house events were held to obtain public input.

In July, the DRPA/PATCO Board of Commissioners voted to re-open PATCO's Franklin Square Station. This station closed 30 years ago due to low patronage. However, in recent years significant development has occurred in the area of the station prompting the Board's decision to re-open it.

In August, PATCO began partnering with the Philabundance Fresh for All program. Philabundance delivers fresh fruits and vegetables directly to people in areas with limited access to essential foods. PATCO donates space in its parking lot at the Lindenwold Station every Saturday afternoon for this worthwhile cause. After just a few short months in operation, the Lindenwold Station site served more households per week than any other Fresh for All site in the region.

In September, we began the next phase of the federal process for the Southern New Jersey Transit Expansion project, the Draft Environmental Impact Study. On the Philadelphia side, we continued our discussions with the City of Philadelphia, Delaware Valley Regional Planning Commission (DVRPC), SEPTA officials and others on the Philadelphia Waterfront Transit Expansion Alternatives Analysis and held two open house events to gain public feedback on our findings. Also in September, PATCO began a three month project to both repave the road and repair concrete curbs for access roads at six PATCO station in New Jersey – Ferry Avenue, Collingswood, Westmont, Haddonfield, Ashland and Lindenwold.

In October, PATCO introduced a new initiative called "PATCO Cares". The goal is to provide local charities with an opportunity to get their the message to PATCO riders. This year, organizations such as the Cathedral Kitchen, National Multiple Sclerosis Society, Ronald McDonald House, Center for Family Services, American Heart Association, Boys and Girls Club of Camden County and Wish Upon a Hero have participated in the program.

In November, the Authority took a big step toward enhancing mass transportation options in the Philadelphia region. Authority officials along with regional transportation partners, federal, state and local elected officials including Philadelphia Mayor Michael Nutter and Senator Arlen Specter from Pennsylvania announced the Locally Preferred Alternative for the Philadelphia Waterfront Transit Expansion project. Plans call for Light Rail Service along Market Street between City Hall and the Delaware River Waterfront initially serving Pier 70 to the South and SEPTA's Route 15 Trolley at Girard Avenue to the North. Locations served would include: Independence Mall, the Market East Regional Rail Station, City Hall, the Pennsylvania Convention Center, Reading Terminal Market, PATCO and SEPTA's 8th and Market Street stations, numerous other transportation facilities, Penn's Landing and other residential, employment and entertainment destinations along Columbus Boulevard. This project is also very scalable with the potential for future expansion south to the Navy Yard and Sports Complex, north to the North Delaware River Waterfront and even further west along Market Street.

PATCO has increased its presence on social networking sites. PATCO has been attracting followers and communicating with them on Twitter since the spring under 'RidePATCO' and in November added a Facebook page to keep the public informed and engaged.

PHILADELPHIA CRUISE TERMINAL

During the year, the Cruise Terminal continued to make gains as a high-profile event venue, hosting a number of events ranging from antique shows to corporate functions.

We continued to aggressively promote and market the Cruise Terminal for cruises and port calls. In March, we attended the Seatrade cruise shipping convention, where we met with cruise line officials from major lines in an effort to increase awareness of the Philadelphia Cruise Terminal as an outstanding destination.

In June, we received confirmation that Mainstream Cruise Lines' Deutschland ship would be making two port calls in Philadelphia in November. The ship last visited our terminal in 2004. For the second consecutive year, we hosted the 93.3 WMMR Preston & Steve Blood Drive. This drive has become one of the American Red Cross' most popular blood drive events in this region.

In August, we kicked off the 2009 cruise season with the Norwegian Majesty returning for its seventh straight year of cruising from Philadelphia. The cruise schedule included four sailings to Canada/New England in September and four sailings to Bermuda in October.

RIVERLINK FERRY

We welcomed Hornblower Marine Services back for its sixth consecutive season to operate the RiverLink Ferry. The RiverLink Ferry operated daily between Memorial Day and Labor Day, offering its express concert service from May through September. Annual ridership totaled 165,512.

PUBLIC SAFETY

In June, DRPA's Public Safety Department joined other law enforcement agencies in the region to participate in the "Click It or Ticket" campaign. The goal is to step up enforcement and education of New Jersey's Primary Seat Belt Law. The campaign was sponsored and funded by the National Highway Traffic Safety Administration.

In August, our Public Safety Department participated in the “Over the Limit Under Arrest 2009” statewide crackdown on motorists who may be driving while under the influence of alcohol or narcotics. Also in August, our Public Safety Department completed the reorganization of patrol vehicles at our four bridges, reducing the number of police cars from 42 to 29. It is expected this vehicle reorganization will save the Authority $55,575 during the next 12 months and $39,000 in each of the next two following years amounting to a total savings of $133,575 over the next three years. The Department of Homeland Security awarded the Delaware River Port Authority a $2,085,000 transit security grant from the American Recovery and Reinvestment Act. The DRPA will use its share to hire 8 additional police officers. They will be divided into two four person teams. One team will specialize in anti-terrorism efforts while the other will be trained in mobile explosives detective screenings.

In October, the DRPA Public Safety Department joined state and local police departments in New Jersey for “Put the Brakes on Fatalities Day”. This national initiative is designed to unite the country in moving toward zero fatalities for one full day by encouraging safe driving behavior. To promote the campaign, DRPA placed variable message signs at each bridge with the message, “Oct. 10, Be Safe, Be Alert, Drive to Arrive”.

Also in October, DRPA’s Central Communications Dispatch Center began operation. Located on the first floor of the Ben Franklin Bridge Administration Building, all police communications are now under one Central Communications Center.

AWARDS AND ACKNOWLEDGEMENTS

Throughout the year, our staff was recognized for its outstanding dedication to the region. Our congratulations are extended to the following employees who were selected as Employee of the Month: James Comose, January Employee of the Month; Robert A. Rodriguez, February Employee of the Month; Officer John Stermel, March Employee of the Month; Steve Sundy, April Employee of the Month; John Dawson, May Employee of the Month; Denis Moran, June Employee of the Month; Susan Squillace, July Employee of the Month; Amy Ash, August Employee of the Month; Rick Davis, September Employee of the Month; Dave Fullerton, October Employee of the Month; Kathleen Miller, November Employee of the Month and Richard Fite, December Employee of the Month.

Congratulations are extended to Public Safety Officer, Sergeant Robert Finnegan, for being honored by the Camden County Hero Scholarship Fund at its annual banquet. While in police headquarters at the Ben Franklin Bridge on October 24, 2008, around 11pm, he observed an armed robbery in progress via the closed circuit TV camera monitoring the 6th street tunnel in Camden. He immediately responded to the scene. Sgt. Finnegan was able to locate the suspect walking along Cooper Street and aided in the apprehension by physically taking the man to the ground and handcuffing him without incident. A .12 gauge shotgun and a .12 gauge shell were found a short distance from the original location of the armed robbery. Sgt. Finnegan’s professional handling of this incident is worthy of recognition.

The February edition of In-plant Graphics featured an article on our Printing Services Supervisor, Fritz Sims and his staff. The article focused on the mission of Printing Services to provide a high quality product to the Authority. Magazine Editor, Bob Neubauer, paid a visit to our print shop and wrote “His (Fritz) desire to produce everything his customers need, whatever it takes, has given his in-plant tremendous customer respect.”

Manager of Customer and Community Relations, Fran O’Brien, was elected President of the Philadelphia Council of the Navy League of the United States and will serve a two-year term. The NLUS is a non-profit

CENTER TOWER

PATCO's Center Tower is the control center for all PATCO operations and communications. In 2009, Center Tower was upgraded with new technology.

citizen group that supports sailors, Marines, and families of the sea services including the Coast Guard and Merchant Marines, youth programs, ROTC, Sea Cadets, Young Marines and Philadelphia-area service members wounded in Iraq and Afghanistan. The Philadelphia Council also welcomes and supports crews from ships that visit the port of Philadelphia.

In May, retired Commodore Barry Bridge plaza supervisor, Anthony Galasso, was presented with the prestigious Legion of Honor Award during a special ceremony at the United States Coast Guard Training Center Chapel in Cape May, New Jersey. The Legion of Honor Program was established shortly after President Harry Truman dedicated the organization in 1951 to publicly recognize people who have made exceptional, exemplary, and lasting contributions to humanity and their communities. The award was inspired by the courageous acts of the four Army Chaplains who were serving aboard the USAT DORCHESTER when it was hit by enemy fire and sank in the North Atlantic on February 3, 1943. Distinguished recipients of the Legion of Honor Award have included Presidents Truman, Eisenhower, Carter and Reagan. Notable luminaries who have received the award include Bob Hope, John Glenn and Tommy Lasorda.

Our Public Safety Department held its annual awards ceremony on May 28. Heroism awards were presented to Officer Jonathan McDonnell of the Transit Division and Sgt. Robert Finnegan from the Ben Franklin Bridge. Merit awards were presented to Cpl. Chris Bell and Officer Rich Ciaccia from the Ben Franklin Bridge and Officer Allison Mankoski and Sgt. Mike Vitelli from the Transit Division.

On June 19, Lt. John Stief and Sgt. Edward Cobbs from our Public Safety Department graduated from the prestigious Northwestern School of Police Staff and Command. This was an intense 10-week training class hosted by the Philadelphia Police Department. The class prepared law enforcement managers for senior positions by uniquely combining academic principles with practical applications. Lt. Stief is currently assigned to Police Administration at the Ben Franklin Bridge and has 25 years of service. Sgt. Cobbs has 15 years of service and is currently assigned to Platoon Number One at the Walt Whitman Bridge.

In November, Chief Administrative Officer, Toni Proffitt Brown, was honored by the Kappa Community Development Corporation of the Burlington/Camden Alumni Chapter of Kappa Alpha Psi. Ms. Brown was recognized for her achievements in the field of

LOOKING FORWARD

PATCO is moving forward to improve its services and facilities. In an effort to make its stations brighter and more appealing, PATCO's City Hall Station in Camden, NJ and 8th & Market Streets Station in Philadelphia are now undergoing renovations. Work to the stations includes, repair, replacement and improvements of architectural features and finishes, new lighting, new floors, fresh paint and new signage. In addition, PATCO is working on a project to rehabilitate all 121 of its train cars. The rehabilitation includes new braking and propulsion systems, HVAC systems, electrical systems and upgrades to the interiors.

Corporate and Business Affairs. The award was presented at the Kappa Alpha Psi annual dinner honoring African American Women Achievers.

COMMUNITY SERVICE

Our employees remained very active in 2009 with charity giving drives throughout the year. In February, Authority staff dressed in red tops and jeans in support of the American Heart Association's Wear Red for Women Day. We raised $430 for education and research of women and heart disease. In February, employees and PATCO customers donated 1,154 pounds of food as part of the annual Valentine Food Drive benefiting the Food Bank of South Jersey. Also in February, the Authority joined with Cooper Hospital Radiation Oncology Department for the American Cancer Society's "Daffodil Days," a campaign to raise awareness and money for the fight against cancer.

In April and again in October, we held our "ReadStrong" Community outreach program for local schoolchildren.

In June, employees donated workplace attire and accessories for men and women returning to work or seeking first jobs to Image and Attitude, Inc.

In September, staff volunteered for the Camden GreenUp Program. This was a five week program dedicated to cleaning up vacant lots and applying a basic landscaping treatment to the Camden City neighborhoods of Cooper Plaza and Lanning Square. Also in September, DRPA/PATCO staff participated in the Veterans Stand Down program sponsored by the National Coalition of Homeless Veterans designed to help the nation's homeless veterans.

In October, employees participated in the "Passionately Pink for the Cure" Breast Cancer Awareness Campaign to benefit Susan G. Komen Foundation. We raised $1,031 for breast cancer research.

In November, employees participated in the Authority's United Way Drive and in a Thanksgiving Food Drive for needy families in PA and NJ.

In December, employees participated in a Holiday Toy Drive benefiting local agencies in Philadelphia and Camden, NJ.

2010 WORK AGENDA

The following is a summary of DRPA's anticipated areas of activity in 2010:

Finances. DRPA and PATCO will continue our cost containment measures and manage costs to keep operating expenses under budget. In addition, the DRPA continues to monitor the financial markets to determine the most opportune time to issue revenue bonds to finance a portion of its 5-year capital plan. Our expectation is that approximately $366 million in fixed rate bonds will be issued during June of 2010. DRPA will continue to effectively manage its swap portfolio to maximize the flexibility of our debt portfolio and to minimize its debt service costs. At its December meeting, the Board approved a resolution discontinuing the use of future swaps and which also directed that staff evaluate existing swap agreements and make recommendations to the Board regarding options for terminating the Authority's current swap agreements. In early January, the DRPA terminated one of its existing swaps with UBS in conformity with this new policy.

Bridges. Looking ahead to 2010, the Authority is positioned to be a leader in economic stimulus efforts in our region. Our 5-year capital improvement plan will create jobs, maintain our iconic assets and provide outstanding transportation services to the public in a fiscally responsible manner. According to the Chief Economist at the U.S. Department of Transportation, every $1 Billion in capital spending on infrastructure supports 27,800 jobs over the next five years. Using this methodology, the Authority's $1.1 Billion in capital expenditures is estimated to support approximately 30,580 jobs.

Benjamin Franklin – Rehabilitate the bridge deck truss. On the Philadelphia side of the bridge, through our Ben Franklin Bridge West Side Traffic Mitigation Study, we will continue to implement alternatives identified to improve the flow and reduce congestion of westbound traffic from the Ben Franklin Bridge into the City of Philadelphia during the morning commute.

Walt Whitman – Begin work on the Walt Whitman Bridge Deck Replacement Project. This is a major capital project that involves removing the entire suspended portion of the bridge roadway down to the steel, lane by lane, over a four year period of time. We will be implementing a comprehensive traffic management plan and a public relations plan during the construction so as to cause the least amount of inconvenience for our customers. Examples of our plan include: utilization of 530 AM radio station and variable message signs to transmit timely traffic updates, a dedicated project website, www.DecktheWalt.com and coordination with transportation partners and regional employers on suggested travel routes and travel times. In 2010, we will also study the possibility of implementing Express E-ZPass at the Walt Whitman Bridge.

Commodore Barry - Continue bridge widening and ramp construction, a project that is funded and being undertaken by PennDOT and is scheduled for completion in 2011. Continue to research the feasibility of Express E-ZPass at the bridge.

Betsy Ross – Begin design work for Express E-ZPass.

PATCO. Begin to overhaul the fleet of 121 train cars. The estimated overall cost of the fleet upgrade is in excess of $200 million over the next four to six years. To date, we have a commitment of $67 million in federal funding for the project. Work with the Borough of Collingswood to select a developer and begin a Transit Oriented Development Project in Collingswood, NJ. Continue to discuss ideas with other partner communities along the PATCO line on the concept of Transit Oriented Development as outlined in our Transit Oriented Development Master Plan. Continue to provide enhanced services to PATCO riders. Continue to work on the Southern New Jersey and Philadelphia Watefront Transit expansion projects.

RiverLink Ferry. Welcome back Hornblower Marine Services for its seventh year of operating the ferry.

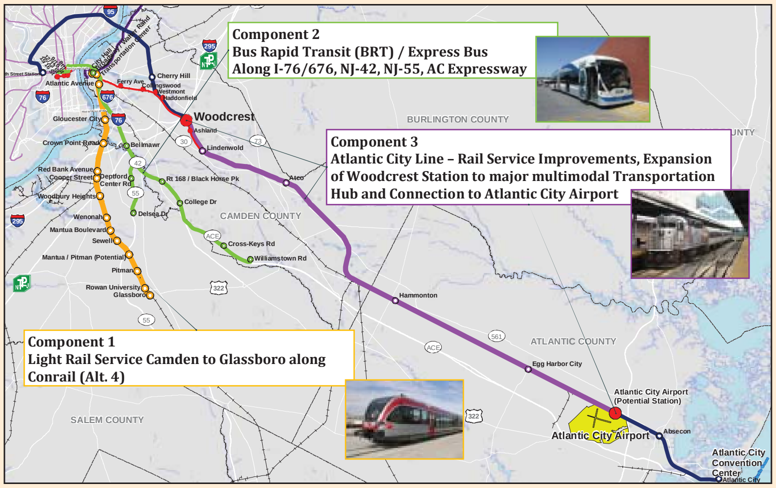
TRANSIT EXPANSION

PATCO is working to expand public transportation in both South Jersey and Philadelphia. In partnership with the City of Philadelphia, SEPTA and other stakeholders, PATCO is planning for the implementation of light rail transit along Columbus Boulevard. The proposed line would operate in the median of Columbus Boulevard from Pier 70 in the south to Girard Avenue and Front Street in the north. The light rail line would also serve City Hall via Market Street and provide a new, high-quality, one-seat link between the region's employment hub in Center City and the Central Delaware River Waterfront. A potential future phase could extend the proposed rail service to the Navy Yard and the Sports Complex. The project will support existing and proposed future development along Columbus Boulevard and is consistent with the City of Philadelphia's goals for sustainable investment.

On the New Jersey side of the Delaware River, PATCO is looking to expand transit further into Southern New Jersey. The plan, coined, "Transit Investment Vision for Southern New Jersey", includes a three-component approach including a light rail system from Camden to Glassboro, the addition of bus rapid transit along routes 42 and 55 and the improvement of the Atlantic City Rail Line connection between Southern New Jersey communities, Atlantic City and Philadelphia to increase access to the Atlantic City International Airport.

PHILADELPHIA

NEW JERSEY



Philadelphia Cruise Terminal. Continue to promote and market the Philadelphia Cruise Terminal as a premier cruise port and event venue.

Southern New Jersey Transit Expansion Project. Continue the Environmental Impact Study and Preliminary Engineering for the Southern New Jersey Expansion, now named the Glassboro Camden Line (GCL) project.

Philadelphia Waterfront Transit Expansion Project. Complete the Alternatives Analysis and begin Environmental Assessment with Preliminary Engineering for the Philadelphia Waterfront Expansion project.

Vendor Diversity and Affirmative Action. Continue to sponsor training and outreach programs to encourage small businesses to compete for contracts with DRPA and PATCO.

Community Activities. Encourage our staff to continue working on outreach projects as part of their everyday functions and as volunteers.

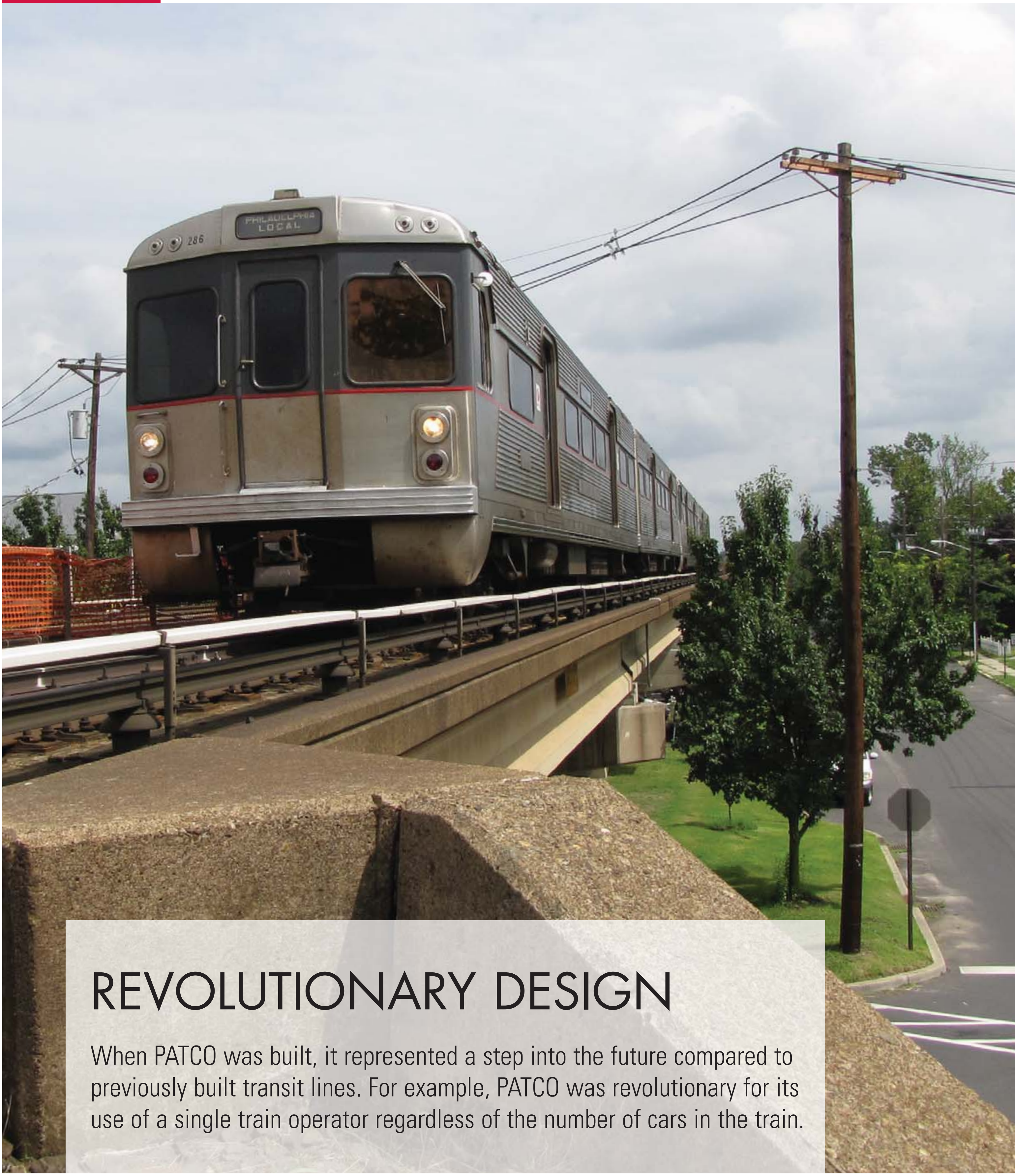
Green Ports Initiative. As part of our Green Ports Initiative currently underway, the DRPA will work to develop an energy management program to track energy consumption and costs across all Authority operations, and to identify cost-effective approaches to implement energy efficiency measures and, potentially, renewable energy projects.

As 2009 drew to a close, staff worked hard to produce a balanced budget for the upcoming year. The end result was a lean operating budget, reflective of the Authority's continued commitment to cost containment. In an effort to reduce the burden on our customers at a time of financial hardship, the DRPA Board of Commissioners took the prudent step of postponing the scheduled 2010 bridge toll and PATCO fare increases until July 1, 2011 and January 1, 2011 respectively.

We look forward to the many opportunities that lie ahead and, as always, we remain dedicated to our core mission of providing safe and reliable transportation services to the people of the Philadelphia and Southern New Jersey region.

Yours truly,

John J. Matheussen
CEO, Delaware River Port Authority
President, Port Authority Transit Corporation



REVOLUTIONARY DESIGN

When PATCO was built, it represented a step into the future compared to previously built transit lines. For example, PATCO was revolutionary for its use of a single train operator regardless of the number of cars in the train.

DELAWARE RIVER PORT AUTHORITY
of Pennsylvania & New Jersey

June 24, 2010

TO THE BOARD OF COMMISSIONERS
OF THE DELAWARE RIVER PORT AUTHORITY

The comprehensive annual financial report of the Delaware River Port Authority ("the Authority") for the year ended December 31, 2009, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the combined financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The Authority's By-Laws and the 1998 Indenture of Trust require an annual audit of the Authority's financial statements by a firm of independent auditors. As a recipient of funds from the Federal Transit Administration for projects involving the PATCO transit system, the Authority is required to have a single audit performed annually by an independent auditor in accordance with the Single Audit Act of 1984, as amended in 1996, and OMB Circular A-133. The purpose of the single audit is to determine the adequacy of the Authority's internal controls and compliance with applicable laws and regulations relating to the receipt of federal assistance. The Authority retains an independent auditor to satisfy these audit requirements. The report of the independent auditor on the combined financial statements of the Authority is included in the financial section of this report. The Authority's management is primarily and ultimately responsible for the content and presentation of the audited financial report.

Management of the Authority is responsible for establishing and maintaining a system of internal control designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the resulting benefits; and (2) the analysis of costs and benefits requires estimates and judgments by management.

As a recipient of federal financial assistance, the Authority is required to ensure that adequate internal controls are in place which ensure compliance with applicable laws and regulations relating to that assistance. These internal controls are subject to periodic evaluation by the Office of Internal Audit and by the management of the Authority.

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

Mailing Address: PO Box 1949 Camden New Jersey 08101-1949 Telephone: (856) 968-2000

PROFILE OF GOVERNMENT

The Delaware River Port Authority is a public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey created with the consent of Congress by compact legislation between the Commonwealth of Pennsylvania and the State of New Jersey. The Authority, which has no stockholders or equity holders, was created in 1952 as a successor to the Delaware River Joint Commission, which was created in 1931. The Authority is governed by a 16-member Board of Commissioners. The Governor of New Jersey appoints eight commissioners with the advice and consent of the Senate of New Jersey. The Governor of Pennsylvania appoints six commissioners, with the Auditor General and the State Treasurer of Pennsylvania serving as ex-officio commissioners for Pennsylvania. Commissioners serve five-year terms without compensation. The Board of Commissioners establishes policy and plans for the operations of the Authority. A Chief Executive Officer is appointed by the Board of Commissioners to implement policy and to manage the daily operations of the Authority.

The Authority is vested with the ownership, control, operation and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross bridges. The Authority has also constructed and owns a high-speed transit system which is operated by the Port Authority Transit Corporation (PATCO). The transit system operates between Philadelphia, Pennsylvania and Lindenwold, New Jersey. The Authority's Port of Philadelphia and Camden Department (PPC) is responsible for the marketing and operation of the Philadelphia Cruise Terminal at Pier 1 at the former Navy Yard and the RiverLink Ferry System. The Authority is also empowered through its compact to undertake projects for regional economic and port development. The Port District comprises the counties of Bucks, Chester, Delaware, Montgomery and Philadelphia in Pennsylvania, and the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem in New Jersey.

BUDGET PROCESS

The Authority prepares both operating and capital budgets annually. The annual operating budget is a financial planning tool for the associated fiscal year. Each of the Authority's Chief Officers contributes to the development of a preliminary operating budget based on the expected staffing and funding levels necessary to operate the Authority's facilities in an efficient manner. After individual departmental budgets are reviewed at budget hearings conducted by the Operating Budget Review Committee, which consists of the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Counsel, the General Manager of PATCO and other senior staff, a proposed operating budget is presented by the Chief Executive Officer to the Board of Commissioners for its review and approval. Any subsequent addition of funds to the total operating budget requires the approval of the Board of Commissioners.

Expenditures are monitored continuously throughout the year by the Finance Division to ensure that each department is in compliance with the approved operating budget and the established Policies and By-Laws of the Authority.

A capital budget is also prepared through a similar process and submitted to the Board of Commissioners for approval. The capital budget is a planning document identifying the Authority's potential commitments. The approval of the capital budget does not in itself authorize any specific project. Specific approval by the Board of Commissioners is required before any capital project may commence.

A Master Plan, detailing Port District and economic development projects, when prepared by the Authority is distributed to the States, county and municipal governments, commissions, public corporations and authorities, and the private sector. When updated, the Authority approves amendments to each Master Plan as necessary to facilitate the implementation of new projects within the Port District. Updates and amendments to the Master Plan are approved through the Board of Commissioners.

In accordance with the Authority's governing Revenue and Port District Project Bond Indentures, the next year's annual budget must be submitted to the respective Bond Trustees by December 31 of each year.

FACTORS AFFECTING FINANCIAL CONDITION

INVESTMENT MANAGEMENT

Investments of the Authority are purchased in accordance with the Authority's 1998 Indenture of Trust. Cash available during the year is generally invested in money market funds, repurchase agreements (collateralized by obligations of the U.S. Treasury), obligations of the United States Treasury, obligations of federal government agencies or their instrumentalities, obligations of public agencies or municipalities rated in either of the two highest rating categories by Standard and Poor's Ratings Services (S&P) or Moody's Investor Service (Moody's), and commercial paper rated A-1 by S&P. The Authority's investment policy is to match the maturities of its investments with the present and anticipated needs of the Authority, thereby maximizing the return on available funds. In addition, the Authority is required to maintain certain invested amounts as reserves for its debt obligations.

The Authority has also retained four investment advisory firms to manage a portion of its General Fund investments. Investment parameters for these investments are consistent with those authorized by the Authority's Indentures of Trust as described above.

DEBT MANAGEMENT

During the past several years, the Authority has taken significant strategic steps to restructure its debt and swap portfolios, primarily in response to: changing financial markets, the exercise of various swaptions issued in 2001, and in anticipation of funding its roughly $1.1 billion Five Year Capital Program.

In July 2008, the Authority issued $358.2 million in variable rate demand (VRDO) Revenue Refunding Bonds (Series A and B), under its 1998 Revenue Bond Indenture, as a current refunding of its 2007 Revenue Refunding Bonds. This refunding was its initial variable rate issue and created a much more efficient hedge against the 1995 Revenue Bond swaption which was exercised in January 2006.

Also, in September 2008, after approval of its new bridge toll and PATCO fare schedules, the Authority's Board authorized the issuance of up to $510 million in fixed and/or variable rate bonds to fund a portion of its $1.0 billion Capital Plan.

In September 2009, UBS, the counterparty to the 1999 Revenue Bond and 1999 Port District Project Bond (PDP) swaptions informed the Authority of its intention to exercise its option for the commencement of the swaps, effective on January 1, 2010. In response to these and other factors, towards the end of 2009, the Authority's Board approved various resolutions to position the Authority with the greatest amount of flexibility to address its debt and swap exposures. Two separate Board Resolutions provided the Authority with the flexibility to address the 1999 swaptions exercised by UBS by various methods including: refunding the underlying fixed rate bonds by issuing variable rate debt, terminating the swaptions and/or issuing basis swaps to hedge the instruments. In addition, the Authority's Board provided authorization to refund the 1998 Port District Project Bonds (formerly tied to the terminated 1998 PDP Swaption) as fixed or variable rate debt, if debt savings can be realized, and revised its initial "new money" capital funding authorization to allow for newly created debt instruments (i.e., Build America Bonds, etc.).

Finally, the Authority adopted a resolution at its December 2009 Board meeting, which prohibits the issuance of new interest rate hedge agreements (swaptions) and authorizes the Authority's staff to take prudent steps to reduce its exposure to its existing swaptions. (At year-end 2009, only the 1995 Revenue Bond swap was in effect).

As of this writing, the Authority has: terminated its 1999 PDP swaption with UBS (January 2010), has completed a partial current refunding of its 1999 Revenue Bonds with the issuance of its 2010 Revenue Refunding Bonds (Series A, B and C) as of March 31, 2010, and is in the process of issuing its "new money bonds" to finance a portion of its Capital Program, and new refunding bonds to complete the current refunding of the $57.6 million in outstanding 1999 Revenue Bonds.

RISK MANAGEMENT

In accordance with Section 5.11 of its governing Revenue Bond Indentures, the Authority is required to "maintain with responsible insurers all insurance required and reasonably obtainable…. to provide against loss or damage to the Facilities and loss of Revenues therefore and public liability insurance to the extent necessary to protect the interests of the Authority and the Bondholders." Insurances required include: multi-risk insurance, use and occupancy insurance, public liability insurance, and customary construction insurances, etc. The Authority is required annually to file provide certifications by the Insurance Consultant(s) with the Bond Trustee, and filed such certifications prior to the April 30, 2010 deadline.

Property insurance is placed with commercial insurance carriers with limits and deductibles as deemed appropriate for the needs of the Authority. Additional information can be found in the financial statements (Note 16).

PENSION PLANS

Employees of the Authority participate in either the Pennsylvania State Employees' Retirement System, the Public Employees' Retirement System of New Jersey or the Teamsters Pension Plan of Philadelphia and Vicinity, which are cost-sharing, multiple employer defined benefit pension plans which provide pension, death and disability benefits. Under the Pennsylvania State Employees' Retirement System, employees are required to contribute 6.25% of their gross applicable payroll to the plan. The Authority is required to contribute an actuarially determined amount to the plan, which in 2009 equaled 3.68% of participating payroll.

Legislation passed by the State of New Jersey in early 2004 gives eligible Authority employees the option of participation in the New Jersey Public Employees Retirement System (NJ PERS). Under NJ PERS, eligible employees are required to contribute 5.5% of their applicable gross payroll to the plan. The Authority began submitting eligible employee contributions to the state in 2006. The Authority began its actuarially determined contribution to the plan during 2008.

Under the Teamsters Pension Plan of Philadelphia and Vicinity, the Authority is required to contribute a fixed amount per hour for each qualified PATCO employee. Contributions to the plan totaled 7.94% of participating payroll in 2009. Employees are not required to make any contributions to the plan.

Additional information can be found in the financial statements (Note 9).

GASB 45 (POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS)

The Authority has recognized an additional book expense of $9.5 million during 2009 in order to comply with GASB 45. The total unfunded liability on the Authority's books as of December 31, 2009 equaled $29.2 million. In 2009, the Authority engaged an actuarial firm to update its initial calculations performed two years ago and to recommend various funding options for approval by its executive management and Board of Commissioners. The Authority anticipates making its initial funding contribution in 2010 and has budgeted $2.8 million to fund a portion of its annual requirement. Additional information about GASB 45 can be found within the financial statements (Note 10).

LOCAL ECONOMY

From the latest data available, it appears that population growth in the region is still at very modest levels, with growth in Pennsylvania counties at a slightly more rapid rate than that experienced in New Jersey counties. The unemployment rate in the Philadelphia Port District averaged 4.71% in the five year period from 2004 to 2008 with a high of 5.37% in 2008. The unemployment rate in the New Jersey Port District averaged 5.45% in the five year period from 2004 to 2008 with a high of 6.07% in 2008. Additional information can be found in the Statistical Section of this report.

LONG TERM FINANCIAL PLANNING

An important component of the Authority's long-term financial plan is ensuring that it has sufficient revenue to meet its operating and capital requirements. With assistance from its Financial Advisors, the Authority uses a long-term forecasting model, which creates a multi-year forecast of its revenues and expenses. The model incorporates numerous independent variables (including operating revenue and expense estimates, debt service coverages and capacity, etc.) in order to determine the annual cash flow required to create sufficient bonding capacity to finance its five-year capital plan. Results from this model assisted the Authority in the development of its multi-year strategy to increase bridge tolls and PATCO system passenger fares in mid-2008, and is updated regularly to determine new revenue bond capacity and sizing. In addition, the Authority engaged a traffic engineering firm to conduct a traffic study during 2009 to project traffic and revenues over a ten-year horizon using the existing toll schedule and one alternative toll scenario. The traffic engineers report will be included in the Official Statement for the upcoming revenue bond issue scheduled for the second quarter of 2010.

As mentioned in an earlier section of this document, each year, the Authority develops a five-year capital plan which details the annual anticipated capital expenditures during this five-year period. The 2009 Capital Plan, developed in late 2008, outlined numerous bridge, transit system, security and technology project expenditures approaching $1.0 billion for the 5-year period commencing in 2009. The Plan anticipated that the 2009 fiscal year capital expenditures would, in large part, be funded from its General Fund, until completion of an anticipated new money revenue bond issue. (Since October 2008, the Authority has funded capital expenditures in excess of $90 million via use of its surplus funds held in the General Fund. These expenditures are subject to reimbursement from bond proceeds once a new bond issuance has been completed.)

The 2010 Capital Plan, developed in late 2009, outlines capital projects, which are expected to require capital funding (including federal/state grants) in excess of $1.1 billion during the next five year period.

BRIDGE TOLL AND PASSENGER FARE SCHEDULES

In 2008, the Authority's Board of Commissioners enacted a comprehensive toll increase plan; tolls were increased by 33.3% (or $1.00 for passenger vehicles) in September 2008, and were scheduled to be increased by another 25% (another $1.00 per passenger vehicle) in September, 2010. Cost of living toll increases are scheduled to occur every two years thereafter. Additional information on the new toll and fare schedules can be found in the financial footnotes and in the statistical section of this report.

The new schedules became effective on September 14, 2008, resulting in an increase for all vehicle classes, restructuring of the E-ZPass discount program, the elimination of the senior citizen ticket program (as of December 31) and a 10% increase in PATCO passenger fares.

At its December 2009 meetings, the Board postponed the implementation of the September 2010 passenger fare and toll increases until January 1, 2011 and July 1, 2011, respectively. Additional information on the new toll and fare schedules can be found in the financial footnotes and in the statistical section of this report.

AWARDS AND ACCOMPLISHMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Delaware River Port Authority for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the seventeenth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the dedication and efficiency of the entire staff of the Finance, Administrative Services and Corporate Communications Departments. I would especially like to express my appreciation to the members of these Departments who contributed to the preparation of this report. Special thanks must also be given to the Chairman, Vice-Chairman, Chief Executive Officer, Deputy Chief Executive Officer and the Finance Committee of the Board for maintaining the highest standards in the management of the Delaware River Port Authority's finances.

Respectfully submitted,

John T. Hanson

John T. Hanson
Chief Financial Officer

FINANCIAL SECTION

FINANCIAL SECTION

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of the
Delaware River Port Authority:

We have audited the accompanying financial statements of the Delaware River Port Authority and subsidiaries, as of December 31, 2009 and 2008, as listed in the Financial Section of the foregoing table of contents, which collectively comprise the Authority's combined financial statements. These combined financial statements and supplemental schedules are the responsibility of the Delaware River Port Authority's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined 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 provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the net asests of the Delaware River Port Authority as of December 31, 2009 and 2008, and the statements of revenues, expenses, and changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying management's discussion and analysis and schedule of funding progress for health benefits plan, as listed in the table of contents is not a required part of the combined financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In addition, the introductory section, supplemental schedules, and statistical information listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the combined financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, are fairly stated in all material respects in relation to the combined financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the combined financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 24, 2010

601 White Horse Road | Voorhees, NJ 08043 | P 856.435.6200 | F 856.435.0440 | www.bowmanllp.com

Management's Discussion & Analysis

As management of the Delaware River Port Authority (the Authority), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2009, 2008 and 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 23-28 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS (IN THOUSANDS)

- Operating revenues were $273,287 in 2009, an increase of $34,304 or 14.35% over 2008, and resultant from the large increase in toll revenues during the year.
- Toll revenues increased significantly during the year, increasing by $33.8 million over 2008 totals, attributable to the full year impact of the toll increase enacted on September 14, 2008.
- Bridge traffic decreased by 2,763 vehicles (down 5.17%) during the year 2009, however, toll revenues increased by $33,764 (or by 16.17%). Traffic on the bridges was largely impacted by general economic conditions in the region.
- PATCO passenger fare revenues increased by 2.65% primarily resultant from the impact of the 10% increase in passenger fare rates, effective in September 2008.
- Bridge, PATCO and general administration expenses increased a combined $1,855 (or by 1.37%) vs. 2008 expenses. Total expenses and net assets included the impact of the Authority's non-cash accrual of $9.5 million in expenses related to GASB 45 (other post-employment benefits other than pensions).
- The Authority's total debt decreased by $32,359 or by 2.82% during the current year.
- General Fund investment balances decreased by $7,696 (down by 4%) to total $184,213 at year end, attributable to the Authority's self-funding of a portion of its capital expenditures. The Authority exhausted its existing capital bond proceeds in October 2008 and used its General Fund to fund approximately $62.0 million in capital expenditures, during 2009. (General Fund monies spent in support of the Authority's Capital Plan will be reimbursed from the proceeds of a future revenue bond issue.)
- Economic development expenditures were $26,794 in 2009, an increase of $22,834 over 2008. The large increase is primarily attributable to the transfer of $18.3 million to the Philadelphia Regional Port Authority, the new sponsor of the federal Delaware River dredging project.
- The assets of the Authority exceeded its liabilities at the close of the year by $345,286 (net assets). Net assets increased by $10,607 during the year.

FINANCIAL POSITION SUMMARY

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by $345,286 at the close of the year 2009.

A portion of the Authority's net assets are capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets mainly to provide bridge facilities and transit services to customers; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Delaware River Port Authority's Net Assets

	2009	2008	2007
Current and other assets	$537,877	$572,712	$595,053
Capital assets	1,073,436	1,045,907	1,033,676
Total assets	1,611,313	1,618,619	1,628,729
Long-term liabilities outstanding	1,178,559	1,204,348	1,224,55
Other liabilities	87,468	79,592	74,175
Total liabilities	1,266,027	1,283,940	1,298,730
Net assets:			
Invested in capital assets, net of related debt	325,973	271,231	245,959
Restricted	142,435	147,850	176,895
Unrestricted (deficit)	(123,122)	(84,402)	(92,855)
Total net assets	$345,286	$334,679	$329,999

Net assets increased during 2009 in the amount of $10,607. This increase was primarily attributable to higher operating revenues resulting from the 2008 bridge toll and passenger fare increases. Net assets increased during 2008 in the amount of $4,680. This increase was primarily attributable to higher operating revenues resulting from the 2008 bridge toll and passenger fare increases, decreased economic development spending and an increase in capital contributions in the form of grants from federal and state agencies. During 2007, net assets decreased in the amount of ($624) from the previous year. This decrease was primarily attributable to flat operating revenues, increased operating expenses, an increase in economic development spending and a decrease in capital contributions in the form of grants from federal and state agencies from the previous year.

Summary of Changes in Net Assets

	2009	2008	2007
Operating revenues (See page 42 for detail)	$273,287	$238,983	$223,970
Operating expenses (See page 42 for detail)	(142,096)	(140,316)	(130,791)
Excess before depreciation and other non-operating income and expenses	131,191	98,667	93,179
Depreciation	(45,776)	(45,486)	(44,634)
Operating income	85,415	53,181	48,545
Non-operating income and expenses, net	(86,251)	(62,918)	(59,193)
Income before capital contributions and special item	836	9,737	(10,648)
Capital contributions	11,443	14,417	10,024
Discontinued operations	-	-	-
Change in net assets	$10,607	$4,680	($624)

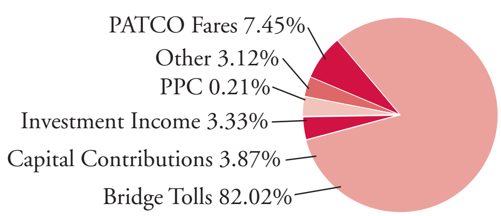
REVENUE SUMMARY

Summary of revenues for the year ended December 31, 2009 and the amount and percentage change in relation to prior year amounts is as follows:

Operating:	2009 Amount	Percent of Total	Increase/ (Decrease) From 2008	Percent Increase (Decrease)
Bridge tolls	$242,620	82.02%	$33,764	16.17%
PATCO fares	22,028	7.45%	569	2.65%
Other	8,006	2.71%	94	1.19%
River Link Ferry	62	0.02%	(11)	(15.07%)
Cruise Terminal	571	0.19%	(112)	(16.40%)
Total Operating	273,287	92.39%	34,304	14.38%
Non-Operating:				
Investment income	9,838	3.33%	(7,754)	(44.08%)
Other	1,227	0.41%	345	39.12%
Capital contributions	11,443	3.87%	2,974	(20.63%)
TOTAL REVENUES	$295,795	100.00%	$23,921	8.80%

- Total revenues increased by 8.80%, primarily due to an increase in bridge toll and PATCO passenger fares. Bridge toll revenue increased 16.17% despite a 4.8% decrease in total traffic during 2009. The average toll increased from $3.91 in 2008 to $4.79 during 2009, as a result of the bridge toll rate increases (across all vehicle classes) and the restructuring of the E-ZPass and senior citizen discount programs.
- Investment income decreased primarily attributable to lower interest rates and a decrease in the General Fund balance and project funds.
- PATCO's passenger fare revenue increased by 2.65% primarily resulting from the increase in passenger fare rates.
- Cruise Terminal revenue decrease of 16.40% was due to a decrease in the number of cruises during 2009.

REVENUES BY SOURCE



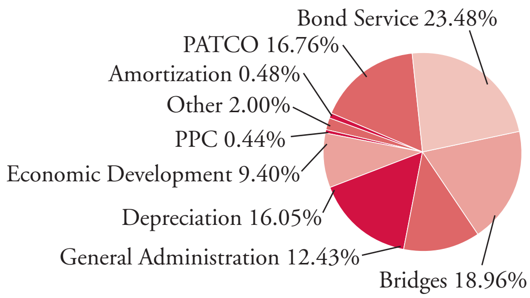
EXPENSE SUMMARY

A summary of expenses for the year ended December 31, 2009 and the amount and percentage change in relation to prior year amounts is as follows:

Operating:	2009 Amount	Percent of Total	Increase/ (Decrease) From 2008	Percent Increase (Decrease)
Bridge	$54,076	18.96%	($318)	(0.58%)
PATCO	47,811	16.76%	1,690	3.66%
General Administration	35,457	12.43%	483	1.38%
Other	3,483	1.22%	103	3.05%
River Link Ferry	10	0.00%	(169)	(94.41%)
Cruise Terminal	1,022	0.36%	(13)	(1.26%)
Maritime Services	237	0.08%	4	(1.72%)
Depreciation	45,776	16.05%	290	0.64%
Total Operating	187,872	65.86%	2,070	69.54%
Non-Operating:				
Bond Service	66,954	23.48%	(8,700)	(11.50%)
Amortization	1,356	0.48%	3	0.22%
Other	2,212	0.78%	1,787	420.47%
Economic Development	26,794	9.40%	22,834	576.62%
Total Non-Operating	97,316	34.14%	15,924	19.56%
TOTAL EXPENSES	$285,188	100.00%	$17,994	6.73%

- Overall bridge and general administration expenses for DRPA operations were flat, increasing by a combined $165, although 2008 expenses included roughly $2.5 million in biennial inspection expenses. After factoring out the biennial inspection expenses, increases in employee-related expenses were the primary factor increasing overall expenses.
- PATCO expenses increased by $1,690 or 3.66%, primarily attributable to an increase in employee related expenses and other non-payroll related costs (materials, communications, etc.).
- General administrative costs increased by 1.38% primarily resulting from letter of credit and other fees associated with the revenue refunding bonds issued in 2008.
- Total operating expenses before depreciation increased by $1,780 (or 1.27%), attributable to the increase in PATCO expenses and other factors cited above.
- Depreciation expenses increased by $290 up 0.64% during the year. This increase was attributable to a $20,470 increase in total capital assets being depreciated in 2009 (Note 7).

EXPENSES BY SOURCE



SUMMARY OF CASH FLOW ACTIVITIES

The following shows a summary of the major sources and uses of cash and cash equivalents. Cash equivalents are considered highly liquid investments with a maturity of three months or less.

	2009	2008	2007
Cash flow from operating activities	$143,124	$109,466	$108,068
Cash flow from non-capital financing activities	(22,743)	(15,113)	(10,510)
Cash flow from capital and related financing activities	(162,919)	(148,996)	(125,769)
Cash flow from investing activities	42,528	52,942	26,808
Net (decrease) increase in cash and cash equivalents	(10)	(1,701)	(1,403)
Cash and cash equivalents, beginning of year	5,887	7,588	8,991
Cash and cash equivalents, end of year	$5,877	$5,887	$7,588

Capital Assets and Debt Administration

Capital Assets. The Authority's investment in capital assets for its activities through December 31, 2009 amounted to $1,073,436 (net of accumulated depreciation). This investment in capital assets includes land, bridges, transit system, port enhancements, buildings and machinery. The total percentage increase in the Authority's investment in capital assets for the current year was 2.63%.

Major capital asset events during the current year included the following:

- Structural repairs at all bridges in the amount of $11,639.
- Removal of existing paint coatings and repaint structural steel at Ben Franklin Bridge in the amount of $11,122.
- Rehabilitation of track structure on viaducts at Collingswood Station in the amount of $8,000.
- Fender rehabilitation at the Commodore Barry Bridge in the amount of $7,956.
- Deleading and repainting truss spans at the Walt Whitman Bridge in the amount of $5,850.
- Structural retrofit at One Port Center Office Building in the amount of $2,236.

Delaware River Port Authority's Capital Assets
(Net of depreciation)

	2009	2008	2007
Land	$74,225	$76,325	$76,325
Bridges and related buildings and equipment	619,303	631,628	658,727
Transit property and equipment	232,061	240,654	227,822
Port enhancements	13,703	15,744	13,695
Construction in progress	134,144	81,556	57,107
Total	$1,073,436	$1,045,907	$1,033,676

Additional information on the Authority's capital assets can be found in Note 7 on page 52 of this report.

Long-term debt. The Authority's total debt decreased by $32,359 (or by 2.82%) during 2009. At the end of the current year, the Authority had total bonded debt outstanding of $1,115,176 (shown below by issue). Of this amount, $776,178 represents debt backed by toll revenue from the Authority's bridges. The remaining debt of $338,998 represents subordinated obligations of the Authority. The Authority's debt portfolio consists of $765.9 million in fixed rate debt, with the remaining $349.3 million in variable rate mode.

Delaware River Port Authority's Outstanding Debt

(Revenue, Revenue Refunding and Port District Project Bonds)

	2009	2008	2007
1995 Revenue Bonds	-	-	-
1998 Revenue Refunding Bonds	$5,066	$26,911	$47,581
1998 Port District Project Bonds	62,940	65,285	67,520
1999 Revenue Bonds	421,810	421,777	421,743
1999 Port District Project Bonds	148,276	150,515	152,589
2001 Port District Project Bonds	127,782	134,244	140,402
2007 Revenue Refunding Bonds	-	-	351,067
2008 Revenue Refunding Bonds	349,302	348,803	-
Total (net of amortizing premium and discount)	$1,115,176	$1,147,535	$1,180,902

Bond Ratings: In July 2009, Standard and Poor's raised the Authority's underlying ratings on all of its outstanding revenue bond from "BBB+" to "A-", with a "stable" outlook. No other changes were made to the Authority's ratings during 2009. The underlying debt ratings on the Authority's bond issues, as of December 31, 2009, are shown below:

Issue:	Moody's:	S & P:
1998 Revenue Refunding and 1999 Revenue Bonds	A3	A-
1998, 1999 and 2001 Port District Project Bonds	Baa3	BBB-
2008 Revenue Refunding Bonds	A3	A-

Additional information related to the Authority's bond ratings, including its "jointly supported transactions" ratings on its 2008 Revenue Refunding Bonds, can be found in the sub-section entitled "Bond Ratings" under Note 12 and "Subsequent Events"Note 20 on pages 65 and 70 of this report.

Economic Factors and Next Year's Budgets

The following factors were considered in preparing the Authority's budget for the 2010 year:

- Bridge tolls and PATCO fares will remain unchanged for the year 2010.
- Bridge toll revenues projected to increase by $1.4 million vs. 2009 budgeted revenues, attributable to a small increase in the average toll per vehicle and a slight increase in traffic (Net toll revenues include a three-day adjustment for the projected impact of snowstorms)
- Continuation of the restructured E-ZPass commuter credit discount program wherein commuters receive a discount of $6 for taking 18 trips a month across the Authority's bridges, until its elimination on September 1, 2010
- Increase of 1.2% in PATCO fares and budgeted revenues over 2009 attributable to a small increase in the projected average passenger fare.
- Projected $0.3 million decrease in revenues for the Cruise Terminal attributable to anticipated decrease in the number of cruises and port calls scheduled for 2010.
- Operating budget-to-budget increase of $2.3 million (0.47% increase) for all DRPA operations
- Biennial inspection costs of $2.9 million
- Increase of approximately $2.3 million in total debt service primarily related to the anticipated issuance of new revenue bonds to finance a portion of the Authority's five year capital plan. Debt service costs on its variable rate bonds are expected to remain stable

Requests for Information

This financial report is designed to provide a general overview of the Authority's activities for all of those with an interest in the Authority's activities through December 31, 2009. Questions from interested parties concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, Delaware River Port Authority, One Port Center, 2 Riverside Drive, P.O. Box 1949, Camden NJ 08101-1949.

COMBINED STATEMENTS OF NET ASSETS
December 31, 2009 and 2008 (In Thousands)

ASSETS	Notes	2009	2008
CURRENT ASSETS			
Cash and cash equivalents	1, 2	$ 4,508	$ 5,350
Investments	1, 2	185,163	194,089
Accounts receivable (net of allowance for uncollectibles)	5	12,051	10,982
Accrued interest receivable		781	714
Transit system and storeroom inventory	1	6,561	6,228
Economic development loans - current	1	561	791
Prepaid expenses		4,051	3,845
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	1, 2	1,369	537
Investments	1, 3	262,095	286,154
Accrued interest receivable		4	4
Total current assets		477,144	508,694
NONCURRENT ASSETS			
Capital assets (net of accumulated depreciation):			
Land	7	74,225	76,325
Bridges and related buildings and equipment	7	619,304	631,628
Transit property and equipment	7	232,060	240,654
Port enhancements	7	13,702	15,744
Construction in progress	7	134,145	81,556
Total capital assets		1,073,436	1,045,907
Economic development loans - net of allowance for uncollectibles	1	22,192	22,642
Deferred charges:			
Debt issuance costs (net of amortization)	1	38,541	41,376
Total other assets		60,733	64,018
Total noncurrent assets		1,134,169	1,109,925
TOTAL ASSETS		$ 1,611,313	$ 1,618,619

The notes to the financial statements are an integral part of this statement.

COMBINED STATEMENTS OF NET ASSETS
December 31, 2009 and 2008 (In Thousands)

LIABILITIES	Notes	2009	2008
CURRENT LIABILITIES:			
Accounts payable:			
Retained amounts on contracts		$ 3,943	$ 3,962
Other		14,693	11,365
Accrued liabilities:			
Pension	9	569	583
Sick and vacation leave benefits		2,499	3,442
Other		755	648
Deferred revenue	1, 4	2,675	2,562
Liabilities payable from restricted assets:			
Accrued interest payable	12	21,889	23,100
Bonds payable - current	12	40,445	33,930
Total current liabilities		87,468	79,592
NONCURRENT LIABILITIES:			
Accrued liabilities:			
Repainting	1	60,034	55,882
Self- insurance	16	4,946	5,086
Sick and vacation leave benefits		2,038	1,148
Other (GASB 45 Liability)	10	29,201	19,689
Deferred Revenue	1, 4	7,609	8,938
Bonds payable (net of unamortized discounts, premiums and loss on deafeasance)	12	1,074,731	1,113,605
Total noncurrent liabilities		1,178,559	1,204,348
Total liabilities		1,266,027	1,283,940
NET ASSETS			
Invested in capital assets, net of related debt		325,973	271,231
Restricted for:			
Debt requirements		105,970	101,859
Port projects		36,465	45,991
Unrestricted (deficit)		(123,122)	(84,402)
Total net assets		$ 345,286	$ 334,679

The notes to the financial statements are an integral part of this statement.

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years ended December 31, 2009 and 2008 (In Thousands)

	Notes	2009	2008
OPERATING REVENUES:			
Bridges:			
Tolls	5, 18	$ 242,620	$ 208,856
Other operating revenues		4,944	5,815
Total bridge operating revenues		247,564	214,671
Transit system:			
Passenger fares	18	22,028	21,459
Other operating revenues		1,606	1,507
Total transit system operating revenues		23,634	22,966
Port of Philadelphia and Camden:			
Cruise Terminal		571	683
River Link Ferry		62	73
Total Port of Philadelphia and Camden		633	756
Other:			
Miscellaneous		1,456	590
Total operating revenues		273,287	238,983
OPERATING EXPENSES:			
Operations		101,887	100,515
General and administrative		35,457	34,974
Depreciation	1, 7	45,776	45,486
Lease and community impact	17	3,483	3,380
Port of Philadelphia and Camden		1,269	1,447
Total operating expenses		187,872	185,802
OPERATING INCOME		85,415	53,181
NONOPERATING REVENUES (EXPENSES):			
Investment income	3	9,838	17,592
Interest expense	12	(66,954)	(75,654)
Amortization expense	1	(1,356)	(1,353)
Economic development activities		(26,794)	(3,960)
Other nonoperating revenues		1,227	882
Other nonoperating expenses		(2,212)	(425)
Total other nonoperating revenues (expenses)		(86,251)	(62,918)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS		(836)	(9,737)
CAPITAL CONTRIBUTIONS:			
Federal and state capital improvement grants	15	11,443	14,417
CHANGE IN NET ASSETS		10,607	4,680
NET ASSETS, JANUARY 1		334,679	329,999
NET ASSETS, DECEMBER 31		$ 345,286	$ 334,679

The notes to the financial statements are an integral part of this statement.

COMBINED STATEMENTS OF CASH FLOWS
Years ended December 31, 2009 and 2008 (In Thousands)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 269,643	$ 236,191
Payments for other goods or services	(65,129)	(68,454)
Payments for employees services	(61,390)	(58,271)
Net cash provided by operating activities	143,124	109,466
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Economic development activities	(24,709)	(3,960)
Proceeds from exercised derivative transactions	-	656
Payments for termination of derivative transactions	-	(13,286)
Proceeds from other nonoperating sources	1,171	-
Proceeds from other economic development activity	54	604
Proceeds from economic development loans	741	873
Net cash used by noncapital financing activities	(22,743)	(15,113)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(76,808)	(55,269)
Proceeds from sales of capital assets	-	150
Capital contributions	12,385	13,657
Repayment of funded debt	(33,930)	(33,930)
Interest paid on debt	(64,566)	(73,604)
Net cash used in capital and related financing activities	(162,919)	(148,996)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	33,141	37,147
Purchase of investments	-	(725)
Interest received	9,387	16,520
Net cash provided by investing activities	42,528	52,942
Net decrease in cash and cash equivalents	(10)	(1,701)
Cash and cash equivalents, January 1 (including $537 and $2,782 reported as restricted)	$ 5,887	$ 7,588
Cash and cash equivalents, December 31 (including $1,369 and $537) reported as restricted)	$ 5,877	$ 5,887

	2009	2008
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 85,415	$ 53,181
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	45,776	45,486
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,822)	(3,320)
(Increase) in transit system and storeroom inventories	(333)	(510)
(Increase) in prepaid expenses	(205)	(1,164)
Increase in accounts payable and accrued wages	2,689	593
(Decrease) increase in accrued pension payable	(14)	48
(Decrease) increase in deferred revenue	(821)	527
Increase in repainting reserves	4,152	4,363
(Increase) decrease in self-insurance reserves	(140)	325
(Increase) decrease in sick and vacation leave benefits payable	(53)	126
Increase in other accrued liabilities	9,480	9,811
Net cash provided by operating activities	$ 143,124	$ 109,466

The notes to the financial statements are an integral part of this statement.

NOTES TO COMBINED FINANCIAL STATEMENTS
For the Year Ending December 31, 2009 (Dollars in Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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. The Authority is vested with the ownership, control, operation, and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry, and Betsy Ross bridges. The Authority has also constructed and owns a high-speed transit system that is operated by the Port Authority Transit Corporation (PATCO). The transit system operates between Philadelphia, Pennsylvania and Lindenwold, New Jersey. Among its powers, the Authority is responsible for regional economic development and the unification of certain port facilities of the Delaware River. The Authority's Port of Philadelphia and Camden Department (PPC) is responsible for the operation of the Philadelphia Cruise Terminal at Pier 1 at the former Navy Yard and the Riverlink Ferry System. 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. The Authority is a member of the E-ZPass Interagency Group, the largest interoperable Electronic Toll Collection System in the world, comprised of twenty-two (22) agencies in eleven (11) states. Through December of 2009, customer participation in the E-ZPass electronic toll collection process grew to approximately sixty-five percent (65%) of its toll collection activity during rush hour periods. E-ZPass revenues now exceed sixty percent (61%) of total toll revenues.

B. Basis of Presentation - The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred. The Authority has elected not to follow any FASB pronouncements issued after November 30, 1989.

C. Cash and Cash Equivalents - The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents (Note 2). In addition, according to the various Indentures of Trust which govern the flow and accounting of the Authority's financial resources, certain accounts are required to be maintained in order to comply with the provisions of the Indentures of Trust. For the accounts that are restricted, the Authority has recorded the applicable cash and cash equivalents as restricted on the combined financial statements (Note 11).

D. Investment in Securities - Investment in securities is stated at amortized cost, which approximates fair value. Certain investments are maintained in connection with the Authority's funded debt (Notes 3 and 12). Likewise, as with cash and cash equivalents, the accounts that are restricted as per the various Indentures of Trust have been recorded as restricted investments on the combined financial statements (Note 11).

E. 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.

F. Debt Issuance Costs, Bond Premiums, and Bond Discounts - Debt issuance costs and the premiums and discounts arising from the issuance of the revenue bonds and port district project bonds are amortized by the straight-line method from the issue date to maturity.

G. Investment in Facilities - Investment in facilities is stated at cost, which generally includes expenses for administrative and legal expenses incurred during the construction period. Investment in facilities also includes the cost incurred for port-related projects, and improvements, enlargements and betterments to the original facilities. 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 non-operating revenues or expenses. Assets capitalizable generally have an original cost of five thousand dollars ($5) or more and a useful life in excess of three years. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, including those financed by federal and state contributions (Notes 7 and 15).

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 - 50 years
Electrification, signals, and communication system	30 - 40 years
Transit cars, machinery, and equipment	10 - 25 years
Computer equipment, automobiles, and other equipment	3 - 10 years

H. Maintenance and Repainting - Maintenance and repair costs considered necessary to maintain bridge facilities in good operating condition are charged to operations as incurred. The Authority uses accrual accounting to record the projected cost of bridge repainting (a non-cash charge that involves debiting an expense and crediting an associated liability). Amounts sufficient to meet the estimated cost to repaint the bridges are provided by periodic charges to operations.

I. Other Provisions - The Authority provides for the uninsured portion of potential public liability claims and workers' compensation claims through self-insurance programs and charges current operations for estimated claims to be paid (Note 16).

J. Economic Development Activities - The Authority establishes loan loss provisions for economic development loans receivable.

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

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted - This component of net assets consists of external constraints imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation, that restricts the use of net assets.

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

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

Operating expenses include expenses associated with the operation, maintenance and repair of the bridges, PATCO, PPC operations, and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt and economic development activities.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

M. Debt Management - Total outstanding bond debt reflected on the balance sheet is net of unamortized bond discounts, premiums, and loss on defeasance (Note 12). The Authority presently has two interest rate hedge (swap) agreements with the Bank of America, N.A. and three interest rate hedge (swap) agreements with UBS AG (Paine Webber) to hedge interest rates on a portion of its outstanding long-term debt. Other than the net upfront option and exercise payments resulting from these agreements, which have been recorded as deferred revenue, no amounts are recorded in the financial statements (Note 4). Swap Termination costs are amortized over the life of the bond issue.

N. Budget - In accordance with Section 5.15 of the 1998 Revenue Refunding Bonds Indenture of Trust and Section 5.07 of the 1998, 1999, and 2001 Port District Project Bond Indentures of Trust, the Authority must annually adopt an Annual Budget on or before December 31 for the ensuing year. Section 5.15 of the 1998 Revenue Bond Indenture of Trust requires that the Authority, on or before December 31, in each fiscal year, adopt a final budget for the ensuing fiscal year of (i) operational expenses, (ii) the PATCO Subsidy, (iii) the amount to be deposited to the credit of the Maintenance Reserve Fund, and (iv) the estimated amounts to be deposited into the Debt Service Fund, the Debt Service Reserve Fund, and the Rebate Fund. Each Annual Budget must also contain the Authority's projections of revenues for the ensuing fiscal year demonstrating compliance with the covenant as to facility charges as set forth in Section 5.09 of the Indentures of Trust. On or before December 31 in each fiscal year, the Authority must file a copy of the Annual Budget for the ensuing fiscal year with the Trustees.

The Port District Project Bond Indentures require the following: the adopted budget must set forth, inter alia, the PATCO Subsidiary, the amount of any operating subsidy paid or payable by the Authority to or for the account of any other subsidiary of the Authority (including, without limitation, the Port of Philadelphia and Camden) and all other material operating expenses of the Authority payable from the General Fund. The Authority must also include the debt service payable on the Bonds and any Additional Subordinated Indebtedness during the ensuing fiscal year and all amounts required to be paid by the Authority into the Debt Service Reserve Fund or the Rebate Fund or to any Reserve Fund Credit Facility Issuer during the ensuing fiscal year. On or before December 31, in each fiscal year, the Authority must file a copy of the Annual Budget for the ensuing fiscal year with the Trustees and Credit Facility Issuer.

The Authority may at any time adopt an amended or supplemental Annual Budget for the remainder of the then-current fiscal year, which shall be treated as the Annual Budget under the provisions of the Indentures of Trust. A copy of any amended or supplemental Annual Budget must be promptly filed with the Trustee.

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

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

Q. Income Taxes **-** The Authority is a public corporate instrumentality of the State of New Jersey and the Commonwealth of Pennsylvania, and as described in its amended governing Compact, has been "deemed to be exercising an essential government function in effectuating such purposes," and therefore is exempt from income taxes pursuant to the Internal Revenue Code (Section 115).

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits **-** Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2009 and December 31, 2008, the Authority's bank balances of $15,158 and $13,417, respectively, were exposed to custodial credit risk as follows:

	2009	2008
Uninsured and uncollateralized	$ 13,124	$ 11,750

3. INVESTMENT IN SECURITIES

The Authority's investments in various securities are maintained for specified funds in accordance with the provisions of the Indenture of Trust adopted as of July 1, 1998.

Custodial Credit Risk Related to Investments **-** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the Authority's total $447,258 of investments at December 31, 2009, $18,787 of investments in asset backed securities, collateralized mortgage obligations, commercial paper, corporate bonds and notes, mortgage pass-through securities, municipal bonds, repurchase agreements, U.S. federal agency notes and bonds, and U.S. government treasuries, are uninsured, not registered in the name of the Authority, and held by the counterparty, and $98,614 are uninsured, not registered in the name of the Authority, and held by the counterparty's trust department or agent but not in the Authority's name.

As of December 31, 2009, the Authority had the following investments:

Investment	Maturities	Amortized Cost
Asset backed securities	250.15 months average	$ 1,337
Collateralized mortgage obligations	262.79 months average	473
Commercial paper	5.21 months average	54,613
Corporate bonds and notes	33.32 months average	35,134
Mortgage pass-through securities	325.51 months average	3,190
Municipal bonds	497.37 months average	1,900
Mutual bond funds	not applicable	107,560
Repurchase agreements	daily	764
Short-term investments	1.77 months average	178,588
U.S. federal agency notes and bonds	33.89 months average	39,156
U.S. government treasuries	35.54 months average	24,544
Total		$ 447,258

The short-term investments listed above consist of cash reserve funds, money market funds, and certificates of deposit. Since it is the policy of the Authority to utilize these funds for the purchase of investments with longer maturities, these amounts have been classified as investments as opposed to cash and cash equivalents.

Interest Rate Risk - The Authority's policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increasing interest rates is as follows: the average effective duration of the portfolio is not to exceed twenty-four months, and the maximum effective duration of any individual security is not to exceed five years, unless otherwise specified.

Credit Risk - Investments are purchased in accordance with the 1998, 1999, and 2008 Indentures of Trust and General Fund investment parameters and generally include U.S. government obligations, money market funds, 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 & Poor's Rating Services or Moody's Investor Service. In accordance with the 1998, 1999, and 2008 Indentures of Trust, the Authority invests in corporate bonds and commercial paper rated "A-1" by Standard & Poor's Rating Services. Guaranteed Income Contracts are collateralized by U.S. government and agency securities, and debt obligations having a rating in the highest rating category from Moody's Investor Service or Standard & Poor's Rating Services.

As of December 31, 2009, the Authority's investments had the following ratings:

Investment	Standard & Poor's	Moody's
Asset backed securities	*	*
Collateralized mortgage obligations	*	*
Commercial paper	*	*
Corporate bonds and notes	* to AAA	* to Aaa
Mortgage pass-through securities	*	*
Municipal bonds	*	Baa3
Mutual bond funds	*	*
U.S. federal agency notes and bonds	* to AAA	* to Aaa
U.S. government treasuries	* to AAA	* to Aaa
Repurchase agreements	*	*

* investment not rated or no rating available.

Concentration of Credit Risk - The Authority's policy on the concentration of credit risk states that no limitations exist on the purchase of investments in obligations of the U.S. government and U.S. federal agencies since they are fully guaranteed by the U.S. government. For the purchase of investments in obligations of all other issuers, total investments held from any one issuer shall not exceed ten percent (10%) of the aggregate market value of the entire portfolio, except for repurchase agreements, which, from any one issuer, shall not exceed twenty-five percent (25%) of the aggregate market value of the portfolio. As of December 31, 2009, more than five percent (5%), or $40,830, of the Authority's investments is in HSBC Finance Corp Commercial Paper. These investments represent nine percent (9%) of the Authority's total investments.

4. DERIVATIVE INSTRUMENTS

Objective of the Derivatives - During 2000 and 2001, the Authority entered into seven interest rate hedge (swap) agreements that provided the Authority with net up-front payments totaling $44,642. In accordance with the 2000 Swaptions, the counterparty has the option to make the Authority enter into a pay-variable / receive fixed interest rate swap. In accordance with the 2001 Swaptions, the counterparty has the option to make the Authority enter into a pay-fixed / receive variable interest rate swap.

Of the seven interest rate hedge agreements, two have been terminated. One agreement with Lehman Brothers Financial Products Inc. ("Lehman Brothers"), with a notional amount $50,000, was terminated by its terms in 2002 at no cost to the Authority. A second swap agreement with Lehman Brothers, the 1998 Port District Project Bonds, Series B Swaption, with a notional amount of $66,065, was exercised by Lehman Brothers in January 2008. It was subsequently terminated in December 2008, when the Authority made a net termination payment of $13,286 to Lehman Brothers.

As of December 31, 2009, only the 1995 Revenue Bonds swaption, mentioned below, has commenced. However on September 3, 2009, UBS advised the Authority of its intent to exercise its option on the 1999 Revenue Bond and 1999B Port District Bond swaptions with an effective date of January 1, 2010.

Significant Terms of the Derivatives - The five (5) remaining interest rate hedge agreements are described as follows. As set forth below, all of the interest rate hedge agreements at year-end 2009 had negative value to the Authority, meaning that if such agreements were terminated as of such date and no substitute counterparty could be found to replace the existing counterparty, the Authority would have to pay the amounts shown in parentheses.

2000 Swaptions - On August 21, 2000, the Authority entered into two (2) interest rate hedge agreements with Bank of America N.A. in the notional amounts of $39,657 (the "2000 Swaption #1") and $10,436 (the "2000 Swaption #2", and together with the 2000 Swaption #1, the "2000 Swaptions"). Under the 2000 Swaptions, Bank of America N.A. has the option on certain future dates (two business days preceding July 1, 2005 and each January 1 and July 1 thereafter through and including July 1, 2025 with respect to the 2000 Swaption #1 and two business days preceding January 2, 2006 and each July 1 and January 1 thereafter through and including July 1, 2025 with respect to the 2000 Swaption #2) to cause the 2000 Swaption #1 or the 2000 Swaption #2, as applicable, to commence on the next succeeding January 1 or July 1. Neither option relating to the 2000 Swaptions has been exercised by Bank of America N.A. If an option is exercised, the 2000 Swaption #1 or the 2000 Swaption #2, as applicable, would continue (unless earlier terminated) through January 1, 2026. The Authority's obligations under the 2000 Swaptions are general unsecured corporate obligations.

If the options relating to the 2000 Swaption #1 or the 2000 Swaption #2 are exercised by Bank of America N.A., Bank of America N.A. is obligated to pay periodic interest payments (payable monthly) to the Authority based upon a fixed rate of 5.9229% per annum and the Authority is obligated to pay periodic interest payments (payable monthly) to Bank of America N.A. at a variable rate based upon the BMA Municipal Swap Index (a tax-exempt variable rate index). Only the net difference in the periodic payments owed would be exchanged between Bank of America N.A and the Authority.

In consideration for entering into the 2000 Swaptions, the Authority received net up-front, non-refundable option payments in the aggregate amount of $1,125 from Bank of America N.A., which was initially recorded as deferred revenue and amortized as investment income in prior years.

As of December 31, 2009, Swaption # 1 had a fair value of ($1,536) and Swaption #2 had a fair value of ($404). (For the method of valuation, see "Fair Value", Note 4).

2001 Swaptions

1995 Revenue Bonds Swap - On May 2, 2001, the Authority entered into the 1995 Revenue Bonds Swap with UBS AG in the notional amount of $358,215. Under the 1995 Revenue Bonds Swap, (i) UBS AG was obligated to pay to the Authority $7,144 on January 1, 2006 as an exercise premium amount, (ii) UBS AG is obligated to pay periodic payments (payable monthly) to the Authority based upon a variable rate of 66% of the USD-LIBOR-BBA index and (iii) the Authority is obligated to pay periodic payments (payable monthly) to UBS AG based upon a fixed rate of 5.447% per annum. The periodic interest rates are applied to the notional amount of the 1995 Revenue Bonds Swap which amortizes annually from its initial notional amount. Only the net difference in the periodic payments is to be exchanged between the Authority and UBS AG.

The periodic payment obligations of the Authority under the 1995 Revenue Bonds Swap are secured and payable equally and ratably with Bonds issued under the 1998 Revenue Bond Indenture. Regularly scheduled periodic payments to be made by the Authority under the 1995 Revenue Bonds Swap are insured by Ambac Assurance (Ambac). In addition to other Events of Default and Termination Events (as defined in the 1995 Revenue Bond Swap), there exists an Additional Termination Event with respect to the Authority if the credit rating of Bonds issued under the 1998 Revenue Bond Indenture (without reference to municipal bond insurance or credit enhancement) falls below "Baa3" with respect to Moody's Investor Service ("Moody's") or "BBB-" with respect to Standard & Poor's Rating Services ("S&P") or Fitch Ratings ("Fitch"), or the Bonds cease to be rated by one of Moody's, S&P or Fitch (and such rating agencies are still in the business of rating obligations such as the Bonds). However, as provided in the 1995 Revenue Bond Swap, so long as no Insurer Credit Event (as defined therein) has occurred, no Early Termination Date can be designated unless Ambac Assurance has consented in writing thereto.

In consideration for entering into the 1995 Revenue Bonds Swap, the Authority received a net up-front, non-refundable option payment in the amount of $18,401 from UBS AG, which was initially recorded as deferred revenue and amortized as investment income in prior years.

On September 3, 2005, UBS advised the Authority that it was exercising its option on this swap as of January 1, 2006. As a result, UBS AG paid the Authority $7,144 on January 3, 2006 as an exercise premium. On February 1, 2006, the first monthly net swap payment, for the period January 3rd thru January 31st, was made to UBS AG in the amount of $694. The Authority is current on all of its net swap payments payable to UBS, which totaled $18,793 during 2009.

As of December 31, 2009, the fair value of the 1995 Revenue Bond Swap was ($82,124). (For the method of valuation, see "Fair Value", Note 4).

1999 Revenue Bonds Swaption - On May 2, 2001, the Authority entered into an interest rate hedge agreement with UBS AG in the initial notional amount of $403,035 (the "1999 Revenue Bonds Swaption"). Under the 1999 Revenue Bonds Swaption, UBS AG has the option, exercisable 120 days preceding January 1, 2010, January 1, 2011, and January 1, 2012, to elect to have the 1999 Revenue Bonds Swaption commence on the January 1 next succeeding the exercise of the option. Under the 1999 Revenue Bonds Swaption, if exercised, (i) UBS AG is obligated to pay periodic payments (payable monthly) to the Authority based upon a variable rate of 66% of the USD-LIBOR-BBA index and (ii) the Authority is obligated to pay periodic payments (payable monthly) to UBS AG based upon a fixed rate of 5.738% per annum. The periodic interest rates are applied to the notional amount of the 1999 Revenue Bonds Swaption which amortizes annually commencing January 1, 2011 from its initial notional amount. Only the net difference in the periodic payments is to be exchanged between the Authority and UBS AG.

If exercised, the 1999 Revenue Bonds Swaption would continue (unless earlier terminated) through January 1, 2026. The periodic payment obligations of the Authority under the 1999 Revenue Bonds Swaption (if exercised) are secured and payable equally and ratably with Bonds issued under the 1998 Revenue Bond Indenture. Regularly scheduled periodic payments to be made by the Authority under the 1999 Revenue Bonds Swaption are insured by Ambac Assurance. In addition to other Events of Default and Termination Events (as defined in the 1999 Revenue Bonds Swaption), there exists an Additional Termination Event with respect to the Authority if the credit rating of Bonds issued under the 1998 Revenue Bond Indenture (without reference to municipal bond insurance or credit enhancement) falls below “Baa3” with respect to Moody’s or “BBB-” with respect to S&P or Fitch or the Bonds cease to be rated by one of Moody's, S&P or Fitch (and such rating agencies are still in the business of rating obligations such as the Bonds). However, as provided in the 1999 Revenue Bond Swaption, so long as no Insurer Credit Event (as defined therein) has occurred, no Early Termination Date can be designated unless Ambac Assurance has consented in writing thereto.

In consideration for entering into the 1999 Revenue Bonds Swaption, the Authority received a net up-front, non-refundable option payment in the amount of $16,478 from UBS AG, which was initially recorded as deferred revenue and amortized as investment income in prior years.

The 1999 Revenue Bonds Swaption was exercised by UBS AG on September 3, 2009. It is the expectation of the Authority (absent cash settling the 1999 Revenue Bonds Swaption) to currently refund the 1999 Revenue Bonds by issuing variable rate obligations with the same amortization as the notional amount amortization of the 1999 Revenue Bonds Swaption.

As of December 31, 2009, the fair value of the 1999 Revenue Bond Swaption was ($102,966). For the method of valuation, see “Fair Value”, (Note 4).

For additional information about the status of the 1999 Revenue Bond swaption, please refer to Note 20, (“Subsequent Events”).

1999 Port District Project Bonds, Series B Swaption - On May 2, 2001, the Authority entered into an interest rate hedge agreement with UBS AG with respect to the Authority's Port District Project Bonds, Series B of 1999 in the initial notional amount of $108,470 (the “1999 Port District Project Bonds Swaption”). Under the 1999 Port District Project Bonds Swaption, UBS AG has the option, exercisable 120 days preceding January 1, 2010, January 1, 2011, and January 1, 2012, to elect to have the 1999 Port District Project Bonds Swaption commence on the January 1 next succeeding the exercise of the option. Under the 1999 Port District Project Bonds Swaption, if exercised, (i) UBS AG is obligated to pay periodic payments (payable monthly) to the Authority based upon a variable rate of 66% of the USD-LIBOR-BBA index and (ii) the Authority is obligated to pay periodic payments (payable monthly) to UBS AG based upon a fixed rate of 5.595% per annum. The periodic interest rates are applied to the notional amount of the 1999 Port District Project Bonds Swaption which amortizes annually from its initial notional amount commencing January 1, 2011. Only the net difference in the periodic payments is to be exchanged between the Authority and UBS AG.

If exercised, the 1999 Port District Project Bonds Swaption would continue (unless earlier terminated) through January 1, 2026. The Authority's obligations under the 1999 Port District Project Bonds Swaption are unsecured general corporate obligations. Regularly scheduled periodic payments to be made by the Authority under the 1999 Port District Project Bonds Swaption are insured by Ambac Assurance. In addition to other Events of Default and Termination Events (as defined in the 1999 Revenue Bonds Swaption), there exists an Additional Termination Event with respect to the Authority if the credit rating of Bonds issued under the 1998 Revenue Bond Indenture or bonds issued under the 1999 Port District Project Bond Indenture (hereinafter defined) under which the 1999 Port District Project Bonds were issued (without consideration of municipal bond insurance or credit enhancement) falls below “Baa3” with respect to Moody’s or “BBB-” with respect to S&P or Fitch, or Bonds or bonds issued under the 1999 Port District Project Bond Indenture cease to be rated by Moody's, S&P or Fitch (and such rating agencies are still in the business of rating obligations such as the Bonds or bonds issued under the 1999 Port District Project Bond Indenture). However, as provided in the 1999 Revenue Bonds Swaption, so long as no Insurer Credit Event (as defined therein) has occurred, no Early Termination Date can be designated unless Ambac Assurance has consented in writing thereto. The 1999 Port District Project Bonds are currently rated “Baa3” and “BBB-” by Moody’s and S&P, respectively.

In consideration for entering into the 1999 Port District Project Bonds Swaption, the Authority received a net up-front, non-refundable option payment in the amount of $5,175 from UBS AG, which was initially recorded as deferred revenue and amortized as investment income in prior years.

The 1999 Port District Project Bonds Swaption was exercised by UBS AG on September 3, 2009, with an effective date of January 1, 2010. (The Authority subsequently terminated the Swaption in January of 2010. Please refer to Note 20, (“Subsequent Events.”)

As of December 31, 2009, the fair value of the 1999 Port District Project Bonds Swaption was ($34,854). For the method of valuation, see “Fair Value”, (Note 4).

Risks Related to the Derivatives

Fair Value **-** Fair values were estimated using the zero-coupon method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon rate bonds due on the date of each future net settlement on the swaps.

Basis Risk **-** Basis risk exists to the extent the Authority's fixed rate payments to the counterparties do not exactly equal the index on the swaption. The Authority's taxable and tax-exempt bonds are hedged with the BMA Municipal Swap Index and a percentage of the USD-LIBOR-BBA Index.

Market-Access Risk **-** If a particular option is exercised and refunding bonds are not issued, the affected series of bonds would not be refunded, and the Authority would make net swap payments as required by the terms of the applicable aforementioned contracts. If the option is exercised and the variable-rate bonds issued, the actual difference ultimately recognized by the transaction will be affected by the relationship between the interest rate terms of the to-be-issued variable-rate bonds versus the payment as stipulated in the swaption agreement.

Interest Rate Swap Ratings **-** In December 2005, Standard & Poor's assigned a Debt Derivative Profile (DDP) rating of "3" for the Authority's swap portfolio, which is considered a neutral credit risk position on a scale from 1 to 5 (with 1 being the most credit worthy).

In March 2006, S&P advised its clients that they had revised the criteria for the DDP scoring by placing "more emphasis on the near and intermediate term risks and less emphasis on the longer-term risks." As a result, S&P changed the Authority's rating from a 3.0 to 3.5. As of December 31, 2009, there have been no subsequent changes to the Authority's DDP ratings, since the issuance of S&P's March 2006 report (Note 20, "Subsequent Events").

Swap Management Policy

On December 28, 2009, the Authority's Board approved a resolution which, among other things, declared: (i) that the Authority not enter into any new debt-related swap agreements; and (ii) the staff of the Authority take all steps necessary to immediately begin the process of recommending to the Board whether, when, and how to terminate the Authority's current swaps, with all such terminations, if determined to be advisable, to occur in a methodical and careful manner which avoids to the fullest extent possible additional costs or risks that may be associated with termination; and that the staff report to the Finance Committee of the Board on a monthly basis the status of all current swap agreements.

5. ACCOUNTS RECEIVABLE AND TOLL REVENUES

Accounts receivable for December 31, 2009 and December 31, 2008 are as follows:

	2009	2008
Reimbursements from governmental agencies - capital improvements to the PATCO system due from the Federal Transit Administration and New Jersey Transit	$ 1,652	$ 2,594
Cruise terminal receivables	126	122
Development projects	3,537	3,598
Other	8,236	6,168
Gross receivables	13,551	12,482
Less: Allowance for uncollectibles	(1,500)	(1,500)
Net total receivables	$ 12,051	$ 10,982

Of the total development projects receivables of $3,537 above, $3,500 is not expected to be collected within one year. In addition, the Authority records toll revenue net of uncollectible tolls and commuter credits. Gross toll revenues for 2009 were $245,902, while adjustments for uncollectible tolls and commuter credits were $1,190 and $2,092, respectively.

6. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2009 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 Year
Bonds and loans payable:					
1998 Revenue Refunding Bonds	$ 27,405		$ (22,795)	$ 4,610	$ 2,245
1999 Revenue Bonds	422,310			422,310	15,385
1998 Port District Project Bonds	65,645		(2,365)	63,280	2,485
1999 Port District Project Bonds	152,755		(2,380)	150,375	2,555
2001 Port District Project Bonds	132,380		(6,370)	126,010	6,690
2008 Revenue Refunding Bonds	358,175		(20)	358,155	11,085
Less issuance discounts / premiums and loss on defeasance	(11,135)		1,571	(9,564)	
Total bonds payable	1,147,535	-	(32,359)	1,115,176	40,445
Other liabilities:					
Bridge repainting	55,882	4,152		60,034	
Self-insurance	5,086	2,361	(2,501)	4,946	
Sick and vacation leave	4,590		(53)	4,537	2,499
Deferred revenue	8,938		(1,329)	7,609	1,674
Other (OPEB unfunded liability)	19,689	9,512		29,201	
Total long-term liabilities	$ 1,241,720	$ 16,025	$ (36,242)	$ 1,221,503	$ 44,618

7. INVESTMENT IN FACILITIES

Capital assets for the period ending December 31, 2009 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 76,325		$ (2,100)	$ 74,225
Construction in progress	81,556	$ 57,254	(4,666)	134,144
Total capital assets not being depreciated	157,881	57,254	(6,766)	208,369
Capital assets being depreciated:				
Bridges and related building and equipment	989,478	16,575	(1,776)	1,004,277
Transit property and equipment	399,139	5,746	-	404,885
Port enhancements	27,220	-	(75)	27,145
Total capital assets being depreciated	1,415,837	22,321	(1,851)	1,436,307
Less accumulated depreciation for:				
Bridges and related building and equipment	(357,850)	(28,900)	1,776	(384,974)
Transit property and equipment	(158,485)	(14,910)	571	(172,824)
Port enhancements	(11,476)	(1,966)	-	(13,442)
Total accumulated depreciation	(527,811)	(45,776)	2,347	(571,240)
Total capital assets being depreciated, net	888,026	(23,455)	496	865,067
Total capital assets, net	$ 1,045,907	$ 33,799	$ (6,270)	$ 1,073,436

Total depreciation expense for the period ending December 31, 2009 was $45,776.

8. DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Authority does not make any contributions to the plan. To comply with changes in federal regulations and GASB 32, “Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans,” the Authority amended the Plan in 1998 so that all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property of the employees.

9. PENSION PLANS

Employees of the Authority participate in the Pennsylvania State Employees' Retirement System, the Public Employees' Retirement System of New Jersey, or the Teamsters Pension Plan of Philadelphia and Vicinity.

Pennsylvania State Employees' Retirement System

Plan Description **-** Permanent full-time and part-time employees are eligible and required to participate in the plan that 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 60, except police officers at age 50, or the age at which 35 years of service has been completed, whichever occurs first). Benefits vest after five years of service. If an employee terminates his or her employment after at least five 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 equal to 2.50% of their final average compensation (average of the three highest years in earnings) times the number of years for which they were a participant in the plan. The pension benefits received by an employee who retires after five 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 contributions 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 payment 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 Pennsylvania State Employees' Retirement System issues a publicly available annual financial report, including financial statements, which may be obtained by writing to Pennsylvania State Employees' Retirement System, 30 North Third Street, Harrisburg, Pennsylvania, 17108-1147.

Funding Policy **-** The contribution requirements of plan members and the Authority are established and amended by the Pennsylvania State Employees' Retirement System Board. As of January 1, 2002, employees are required to contribute 6.25% of their gross earnings to the plan. The Authority was required to, and did, contribute an actuarially determined amount to the plan, which equaled 3.68%, 3.72%, and 3.67% of covered payroll in 2009, 2008, and 2007, respectively. In 2009, 2008, and 2007, the Authority contributed $1,647, $1,607, and $1,507, respectively, to the plan.

New Jersey Public Employees Retirement System (NJ PERS)

Plan Description - Permanent full-time employees, hired after January 1, 2002, who were members of NJPERS when they were hired, are eligible to participate in this defined plan (administered by the New Jersey Division of Pensions and Benefits). The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

Funding Policy **-** The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist. The Authority is billed annually for its normal contribution, plus any accrued liability. The fiscal year 2008 was the first year that the Authority was required to contribute to the plan. For the year ended December 31, 2009, the Authority's total contribution to the plan was $63, which consisted of a normal contribution amount of $29 and an accrued liability amount of $34.

Teamsters Pension Plan of Philadelphia and Vicinity

Plan Description - Certain represented employees are eligible and required to participate in the Teamsters Pension Plan of Philadelphia and Vicinity, which provides pension, death and disability benefits. A member may retire at the later of (a) the date the employee reaches 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 of 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 that 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 and 5 years of continuous service with at least 300 covered days of contributions) is entitled to receive two hundred dollars 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.

The Teamsters Pension Plan of Philadelphia and Vicinity issues a publicly available annual financial report, including financial statements, which may be obtained by writing to Teamsters Pension Plan of Philadelphia and Vicinity, Fourth and Cherry Streets, Philadelphia, Pennsylvania, 19106.

Funding Policy - The Teamsters Pension Plan is controlled by the Teamsters Pension Plan of Philadelphia and Vicinity Board. The employer's contribution requirements are determined under the terms of one Collective Bargaining Agreement in force between the employer and the Teamsters. During 2009, the Authority was required to and did contribute the following amounts for PATCO employees: twenty one dollars ($21.00) per day from January 1, 2009 through May 31, 2009 and twenty-one dollars and forty cents ($21.40) from June 1, 2009 through December 31, 2009 per participating employee. The Authority's contributions totaled 7.94%, 8.45%, and 7.78% of covered payroll in 2009, 2008, and 2007, respectively. The employees of the Authority make no contributions to the plan. The Authority contributed $1,064, $1,025, and $997 in 2009, 2008, and 2007, respectively.

10. POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description - The Authority provides certain health care and life insurance benefits for retired employees, where such benefits are established and amended by the Authority's Board of Commissioners. The Authority's plan provides two agent multiple-employer post-employment healthcare plans which cover two retiree populations: eligible retirees under the age of sixty-five (65) receive benefits through Amerihealth and eligible retirees sixty-five (65) and over receive benefits through the United Health Group (in partnership with AARP) and Aetna. Life insurance benefits to qualifying retirees are provided through Prudential. The plans are administered by the Authority; therefore, premium payments are made directly by the Authority to the insurance carriers.

Funding Policy - Employees become eligible for retirement benefits based on hire date and years of service. The contribution requirements of plan members and the Authority are established and may be amended by the Authority's Board of Commissioners. Plan members receiving benefits contribute the following amounts: $55 per month for retiree-only coverage for the base plan, $110 per month for retiree/spouse (or retiree/child) coverage, and $165 per month for retiree/family (or children) coverage to age sixty-five (65) for the base plan, and $55 per month, per retiree, per dependent for both the United Health Group (in partnership with AARP) and Aetna coverages. An additional amount is required for those retirees, under age sixty-five (65), who opt to participate in the "buy-up plan" for retirees and their dependents.

Retirees - The Authority presently funds its current retiree post employment benefit costs on a "pay-as-you-go" basis and, as shown above, receives annual contributions from retirees to offset a portion of this annual cost. The Authority's contributions to the plan for the years ended 2009, 2008, and 2007 were $4,251, $4,625, and $4,626, respectively.

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Authority is required to expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be $13,763 at an unfunded discount rate of 5%. As stated above, the Authority has funded the cost of existing retirees in the amount of $4,251, and in 2009, the Authority has accrued the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability. The Authority plans to begin funding a portion of this outstanding liability in 2010.

Annual OPEB Cost - For 2009, the Authority's annual OPEB cost (expense) of $13,763 for the plan was equal to the ARC. The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009, 2008, and 2007 are as follows:

Year Ended	Annual OPEB Cost	Pay as You Go Cost (Existing Retirees)	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
2009	$ 13,763	$ 4,251	$ 29,201	31%
2008	14,470	4,625	19,689	32%
2007	14,470	4,626	9,844	32%

Funded Status and Funding Progress **-** As of January 1, 2009, the most recent actuarial valuation date, the Authority's Plan was 0% funded. The actuarial accrued liability for benefits was $132,467, and the actuarial value of plan assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $132,467. The covered payroll (annual payroll of active employees covered by the plan) was $56,034. (For additional information, please refer to the "Required Supplementary Information Schedule of Funding Progress for Health Benefits Plan" shown at the end of the footnote section.) Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the January 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The actuarial assumptions included the following:

- *Mortality*. The mortality table employed in the valuation was the 1994 sex distinct Group Annuity Mortality Table.
- *Discount Rate*. Future costs have been discounted at the rate of 5.00% compounded annually for GASB 45 purposes.
- *Turnover*. Assumptions for terminations of employment other than for death or retirement will occur in the future in accordance with the U.S. Office of Personnel Management regarding the experience of the employee group covered by the Federal Employees Retirement System, some excerpts from which are:

Age	% Terminating
20	70.4%
40	15.9%
50	0.0%

- *Disability*. No terminations of employment due to disability were assumed. Retirees resulting from a disability were factored into the determination of age at retirement.
- *Age of Retirement*. The assumption that the active participants, on average, will receive their benefits when eligible, but no earlier than age 55.
- *Spousal Coverage*. Married employees will remain married.
- *Prior Service*. No prior service for active employees was assumed.
- *Health Care Inflation*. Health care gross costs were assumed to increase at an annual rate of 7.0% for Pre-Medicare medical benefits and 5.0% for Post-Medicare medical benefits.
- *Administration Expenses*. The annual cost to administer the retiree claims was assumed at 2.0%, which was included in the annual health care costs.
- *Employee Contributions*. It was assumed that employees will contribute two thousand three hundred forty dollars ($2,340) per year for family medical coverage and seven hundred eighty dollars ($780) for single medical coverage.
- *PATCO Medical Expenses*. The medical and prescription drug expenses provided in the actuarial data were adjusted to be consistent with the medical and prescription drug expenses of $1,083 reflected in the 2008 financial report.
- *Change in Assumptions*. Effective January 1, 2009, assumptions were changed for medical trend costs, turnover, and retirement age; however, none of these changes were deemed significant changes compared to the assumptions utilized in the previous actuarial valuation.

11. INDENTURES OF TRUST

The Authority is subject to the provisions of the following Indentures of Trust: Revenue Refunding Bonds of 1998 with TD Bank N.A. (as successor trustee to Commerce Bank N.A.), dated July 1,1998; and the Revenue Bonds of 1999 with TD Bank N.A., dated December 1, 1999, and the Revenue Refunding Bonds of 2008, with TD Bank as Trustee, dated July 25, 2008 (collectively the "Bond Resolution"); Port District Project Bonds of 1998 with The Bank of New York Mellon (as successor trustee to U.S. Trust Company of New Jersey), dated August 15, 1998; Port District Project Bonds of 1999 with The Bank of New York Mellon (as successor trustee to Summit Bank), dated December 1, 1999; Port District Project Bonds of 2001 with TD Bank N.A., dated December 1, 2001. The Bond Resolution requires the maintenance of the following accounts:

Project Fund **-** This *restricted* account was established in accordance with Section 6.02 of the Bond Resolution. The Project Fund is held by the Trustee and is applied to pay the cost of the Projects and is pledged, pending application to such payment of costs for the security of the payment of principal and interest on the Revenue, Revenue Refunding, and Project Bonds (the "Bonds").

Debt Service Fund **-** This *restricted* account was established in accordance with Section 6.04 of the Bond Resolution for the payment of maturing interest and principal on the Bonds. The balance on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on the Bonds, principal amounts maturing on Bonds, accrued interest included in the purchase price of the Bonds purchased for retirement, and sinking fund installments when payments are required.

Debt Service Reserve Fund **-** This *restricted* account was established in accordance with Section 6.05 of the Bond Resolution. The amount of funds on deposit must be maintained at a level equal to the Maximum Debt Service to insure funds are available for payment of Debt Service.

Bond Redemption Fund **-** This *restricted* account was established in accordance with Section 6.06 of the Bond Resolution to account for amounts received from any source for the redemption of Bonds, other than mandatory sinking fund payments.

Rebate Fund - This *restricted* account was established in accordance with Section 6.07 of the Bond Resolution to account for amounts deposited from time to time in order to comply with the arbitrage rebate requirements of Section 148 of the Code as applicable to any Series of Tax-Exempt Bonds issued.

In addition, in accordance with the Indentures of Trust for the Revenue Refunding Bonds of 1998 the following additional accounts are required to be maintained:

Revenue Fund - This *unrestricted* account was established in accordance with Section 6.03 of the Bond Resolution for the Authority to deposit all Revenues. On or before the 20th day of each calendar month, the Trustee shall, to the extent money is available, transfer to or credit funds needed in the following order: (1) the Debt Service Fund, (2) the Debt Service Reserve Fund, (3) any Reserve Fund Credit Facility Issuer, (4) the Trustee's Rebate Fund, (5) the Maintenance Reserve Fund, (6) the General Fund.

Maintenance Reserve Fund **-** This *restricted* account was established in accordance with Section 6.08 of the Bond Resolution. These funds are maintained for reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements, additions, betterments, enlargements, improvements, and extraordinary expenses, all to the extent not provided for in the then current Annual Budget. Money in this account is pledged for the security of payment principal and interest on the Bonds. Whenever the amount in this account exceeds the "Maintenance Reserve Fund Requirement", the excess shall be deposited in the General Fund. The "Maintenance Reserve Fund Requirement" on any date is at least $3,000.

General Fund **-** This *unrestricted* account was established in accordance with Section 6.09 of the Bond Resolution. All excess funds of the Authority are recorded in the General Account. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the excess funds may be used by the Authority for any lawful purpose.

12. FUNDED AND LONG-TERM DEBT

At December 31, 2009 the Authority had $1,115,176 in Revenue, Revenue Refunding, and Port District Project Bonds outstanding, consisting of bonds issued in 1998, 1999, 2001, and 2008. The 1998 Revenue Refunding Bonds were issued pursuant to the Indenture of Trust, dated July 1, 1998, and a First Supplemental Indenture thereto. The 1998 Port District Project Bonds were issued pursuant to an Indenture of Trust dated August 15, 1998. The 1999 Revenue Bonds were issued pursuant to the Indenture of Trust dated July 1, 1998, a Second Supplemental Indenture dated August 15, 1998, and a Third Supplemental Indenture dated December 1, 1999. The 1999 Port District Project Bonds were issued pursuant to an Indenture of Trust dated December 1, 1999. Under the terms of the 1998 Revenue Refunding Bonds Indenture of Trust, the Authority covenanted not to issue any additional bonds under the 1995 Indenture of Trust. The 2001 Port District Project Bonds were issued pursuant to an Indenture of Trust dated December 1, 2001. The 2008 Revenue Refunding Bonds were issued pursuant to the Indenture of trust dated July 1, 1998, as supplemented by a Fourth Supplemental Indenture dated October 1, 2007 and a Fifth Supplemental Indenture dated July 15, 2008.

1998 Revenue Refunding Bonds - On July 6, 1998, the Authority issued $63,190 of Revenue Refunding Bonds, Series A, to provide funds, together with other funds available, to advance refund $79,980 principal amount of the Authority's Capital Appreciation Bonds, Series of 1989. In addition, the Authority issued on October 6, 1998, $125,200 of Revenue Refunding Bonds, Series B, for the purpose of refunding $120,380 aggregate principal amount of the Serial and Term Bonds, Series of 1989, which completed the defeasance of all bonds issued under the 1985 General Bond Resolution.

The 1998 Revenue Refunding Bonds, Series B, serial bonds outstanding at December 31, 2009 are as follows:

	Maturity Date (January 1)	Interest Rate / Yield	Principal Amount
	2010	5.25%	$ 2,245
	2011	5.25%	2,365
Total 1998 Refunding Bonds			4,610
Plus unamortized bond premium			956
Less unamortized loss on defeasance			(500)
Total 1998 Refunding Bonds, net			$ 5,066

The 1998 Revenue Refunding Bonds, together with the Authority's 1999 Revenue Bonds, and any parity obligations hereafter issued under the 1998 Revenue Bond Indenture, are equally and ratably payable solely from and secured by a lien on and security interest in (i) the amounts on deposit in the Funds established under the 1998 Revenue Bond Indenture, except for the 1998 General Fund and the 1998 Rebate Fund. With the defeasance of the Authority's Revenue Bonds, Series of 1995 (the "1995 Revenue Bonds"), the 1999 Revenue Bonds are now secured by a lien on or security interest in the Net Revenues of the Authority.

The 1998 Revenue Refunding Bonds Series A are not subject to mandatory redemption prior to maturity. The 1998 Revenue Refunding Bonds Series B are subject to redemption prior to maturity at the option of the Authority on or after January 1, 2009, in whole at any time or in part at any time and from time to time in any order of maturity as specified by the Authority, in any principal amount which is an integral multiple of $5 as specified by the Authority, and within a maturity as allocated by the Trustee or by lot at the respective redemption prices expressed as percentages of the principal amount of such 1998 Revenue Refunding Bonds Series B or portions thereof to be redeemed as set forth below, together with accrued interest to the redemption date:

Optional Redemption Dates (Inclusive)	Redemption Price 1998 Refunding Bonds, Series B
January 1, 2009 through December 31, 2009	101.00%
January 1, 2010 and thereafter	100.00%

The issuance of the 1998 Revenue Refunding Bonds resulted in a loss of $16,044 which represents the costs associated with the defeasance or call of the 1989 Bonds. These costs were deferred and will be amortized over the life of the 1998 issue to the year 2011.

1998 Port District Project Bonds - On September 2, 1998, the Authority issued $84,705 of Port District Project Bonds, Series of 1998, to provide funds to finance (a) all or a portion of the cost of certain economic development and capital projects, including reimbursing the Authority for the cost of economic development projects financed with Authority funds, (b) a deposit to the Port District Debt Service Reserve Fund established under the 1998 Port District Indenture, and (c) all or a portion of the costs and expenses of the Authority relating to the issuance and sale of the 1998 Port District Bonds.

The 1998 Port District Project Bonds are general corporate obligations of the Authority. Except as expressly provided in the 1998 Port District Indenture, the 1998 Port District Project Bonds are not secured by a lien or charge on, or pledge of, any revenues or other assets of the Authority. No tolls, rents, rates or other such charges are pledged for the benefit of the 1998 Port District Project Bonds. The 1998 Port District Project Bonds are payable from such funds and from other monies of the Authority legally available.

The 1998 Port District Project Bonds outstanding at December 31, 2009 are as follows:

Maturity Date (January 1)	Interest Rate / Yield	Principal Amount	Maturity Date (January 1)	Interest Rate / Yield	Principal Amount
		Serial Bonds			
			2012	4.75%	$ 2,720
			2013	5.00%	2,845
2010	4.50%	$ 2,485	2014	4.75%	2,990
2011	4.63%	2,600	2015	5.00%	3,130
					16,770
		Term Bonds			
2016	4.75%	$ 3,290	2021	5.00%	$ 4,175
2017	4.75%	3,445	2022	5.00%	4,385
2018	5.00%	3,605	2023	5.00%	4,605
2019	5.00%	3,790	2024	5.00%	4,835
2020	5.00%	3,975	2025	5.00%	5,075
			2026	5.00%	5,330
					46,510
Total par value of 1998 Port District Project Bonds outstanding					63,280
Less unamortized bond discount					(340)
Total 1998 Port District Project Bonds, net					$ 62,940

The 1998 Port District Project Bonds are subject to redemption prior to maturity on or after January 1, 2008, in whole at any time, or in part at any time and from time to time in any order of maturity as specified by the Authority, in any principal amount within a maturity as specified by the Authority, and within a maturity as selected by the Trustee by lot at the respective redemption prices expressed as percentages of the principal amount of such Port District Project Bonds or portions thereof to be redeemed as set forth below, together with accrued interest to the redemption date:

Optional Redemption Dates (Inclusive)	Redemption Price Port District Project Bonds
January 1, 2009 and thereafter	100.00%

1999 Revenue Bonds - On December 22, 1999, the Authority issued $422,310 of Revenue Bonds of 1999 to provide funds, together with other funds available, (i) to finance, refinance or reimburse a portion of the costs of certain capital projects undertaken or to be undertaken by the Authority, (ii) to fund a portion of the interest on the 1999 Revenue Bonds during the period of construction and acquisition of the aforesaid projects, (iii) to fund the Debt Service Reserve Requirement for the 1999 Revenue Bonds, and (iv) to pay the costs of issuance of the 1999 Revenue Bonds.

The 1999 Revenue Bonds, together with the Authority's Revenue Refunding Bonds, Series A of 1998 and Series B of 1998 (the "1998 Revenue Bonds") and any parity obligations hereafter issued under the 1998 Revenue Bond Indenture, are equally and ratably payable solely from and secured by a lien on and security interest in (i) the amounts on deposit in the 1995 General Fund established under the Indenture of Trust dated as of November 15, 1995, as supplemented as of November 15, 1995 (collectively, the "1995 Revenue Bond Indenture"), (ii) the amounts on deposit in the Funds established under the 1998 Revenue Bond Indenture, except for the 1998 General Fund and the 1998 Rebate Fund. So long as the Authority's Revenue Bonds, Series of 1995 (the "1995 Revenue Bonds") remain outstanding, the 1999 Revenue Bonds will not be secured by any lien on or security interest in the Net Revenues of the Authority.

The 1999 Revenue Bonds outstanding at December 31, 2009 are as follows:

Maturity Date (January 1)	Interest Rate / Yield	Principal Amount	Maturity Date (January 1)	Interest Rate / Yield	Principal Amount
		Serial Bonds			
2010	5.50%	$ 10,385	2014	5.40%	$ 5,000
2010	5.10%	5,000	2015	5.75%	20,145
2011	5.50%	16,230	2016	5.75%	16,300
2012	5.50%	12,110	2016	5.63%	5,000
2012	5.25%	5,000	2017	6.00%	22,525
2013	5.63%	18,055	2018	6.00%	18,865
2014	5.75%	14,050	2018	5.75%	5,000
			2019	6.00%	25,295
					198,960
		Term Bonds			
2020	5.75%	$ 26,810	2023	5.75%	$ 31,710
2021	5.75%	28,355	2024	5.75%	33,530
2022	5.75%	29,985	2025	5.75%	35,460
			2026	5.75%	37,500
					223,350
Total par value of 1999 Revenue Bonds					422,310
Less unamortized bond discount					(500)
Total 1999 Revenue Bonds, net					$ 421,810

Optional Redemption **-** The 1999 Revenue Bonds are subject to redemption prior to maturity at the option of the Authority on or after January 1, 2010, in whole at any time or in part at any time and from time to time in any order of maturity as specified by the Authority, in any principal amount which is an integral multiple of $5 as specified by the Authority, and within a maturity as allocated by the Trustee or by lot (and, if 1999 Revenue Bonds of a maturity bear interest at different rates, as allocated by the Trustee or by lot among 1999 Revenue Bonds of the interest rate or rates specified by the Authority) at a redemption price equal to 100% of the principal amount of such 1999 Revenue Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date.

1999 Port District Project Bonds **-** On December 22, 1999, the Authority issued $272,095 to provide funds to finance (a) all or a portion of the cost of certain port improvement and economic development projects within the Port District, (b) a deposit of cash or a Reserve Fund Credit Facility to the credit of the Debt Service Reserve Fund established under the 1999 Port District Project Bond Indenture, and (c) all or a portion of the costs and expenses of the Authority relating to the issuance and sale of the 1999 Port District Project Bonds.

The 1999 Port District Project Bonds are general corporate obligations of the Authority. The 1999 Port District Project Bonds are not secured by a lien or charge on, or pledge of, any revenues or other assets of the Authority other than the monies, if any, on deposit from time to time in the Funds established under the 1999 Port District Project Bond Indenture. No tolls, rents, rates or other such charges are pledged for the benefit of the 1999 Port District Project Bonds. The 1999 Port District Project Bonds are equally and ratably secured by the funds on deposit in the Funds established under the 1999 Port District Project Bond Indenture, except for the Rebate Fund. The 1999 Port District Project Bonds are payable from such Funds and from other monies of the Authority legally available.

The 1999 Port District Project Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as more fully described herein.

The scheduled payment of principal and interest on the 1999 Port District Project Bonds when due are guaranteed under an insurance policy issued concurrently with the delivery of the 1999 Port District Project Bonds by Financial Security Assurance Inc.

The 1999 Port District Project Bonds outstanding at December 31, 2009 are as follows:

Maturity Date (January 1)	Interest Rate / Yield	Principal Amount	Maturity Date (January 1)	Interest Rate / Yield	Principal Amount
		Series A Bonds			
			2011	7.46%	$ 2,740
			2012	7.50%	2,950
2010	7.42%	$ 2,555	2013	7.54%	3,170
					11,415
		Term Bonds			
2014	7.63%	$ 3,405	2018	7.63%	$ 4,570
2015	7.63%	3,665	2019	7.63%	4,920
2016	7.63%	3,945	2020	7.63%	5,295
2017	7.63%	4,245	2021	7.63%	1,035
					31,080
		Series B Bonds			
2021	5.70%	$ 13,060	2022	5.70%	$ 16,930
			2023	5.70%	17,895
					47,885
		Term Bonds			
2024	5.63%	$ 18,915	2025	5.63%	$ 19,980
			2026	5.63%	21,100
					59,995
Total par value of 1999 Port District Project Bonds					150,375
Less unamortized bond discount					(2,099)
Total 1999 Port District Project Bonds, net					$ 148,276

Optional Redemption - The Series A Port District Project Bonds are redeemable by the Authority on any interest payment date in whole or in part, and if in part, in any order of maturity specified by the Authority and in any principal amount within a maturity as specified by the Authority. Any such redemption shall be made at a redemption price equal to accrued interest to the redemption date plus the greater of: (i) the principal amount of the Series A Port District Project Bonds to be redeemed, and (ii) an amount equal to the discounted remaining fixed amount payments applicable to the Series A Port District Project Bonds to be redeemed. Allocation of the amounts of Series A Port District Project Bonds to be redeemed shall be proportionate nearly as reasonably possible having due regard for minimum authorized denominations of the 1999 Port District Project Bonds among the respective interest of the holders of the Series A Port District Project Bonds to be redeemed at the time of selection of such Series A Port District Project Bonds for redemption.

The Series B Port District Project Bonds shall be subject to redemption prior to maturity on or after January 1, 2010, in whole at any time, or in part at any time and from time to time in any order of maturity as specified by the Authority, in any principal amount within a maturity as specified by the Authority, and within a maturity as selected by the Trustee by lot at a redemption price equal to 100% of the principal amount of such Series B Port District Project Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date.

2001 Port District Project Bonds - On December 27, 2001, the Authority issued $128,395 of Port District Project Refunding Bonds, Series A of 2001, and $31,180 Port District Project Bonds, Series B of 2001. The 2001 Port District Project Bonds are being issued to provide funds to finance (a) the current refunding of $100,500 of the Authority's Port District Project Bonds, Series A of 1999 (Federally Taxable), (b) all or a portion of the cost of certain port improvement and economic development projects within the Port District, (c) a deposit of cash to the credit of the Debt Service Reserve Fund established under the 2001 Port District Project Bond Indenture, and (d) all or a portion of the costs and expenses of the Authority relating to the issuance and sale of the 2001 Port District Project Bonds.

The 2001 Port District Project Bonds outstanding at December 31, 2009 are as follows:

Maturity Date (January 1)	Interest Rate / Yield	Principal Amount	Maturity Date (January 1)	Interest Rate / Yield	Principal Amount
		Series A Refunding Bonds (Federally Taxable)			
			2015	5.50%	$ 7,260
			2016	5.50%	7,660
			2017	5.50%	8,080
2010	5.50%	$ 2,625	2018	5.50%	8,525
2010	5.25%	3,000	2019	5.10%	8,995
2011	5.25%	5,935	2020	5.10%	9,450
2012	5.25%	6,255	2021	5.10%	1,580
2013	5.50%	5,570	2022	5.13%	1,300
2014	5.50%	6,880	2023	5.15%	1,300
					84,415
		Term Bonds			
2024	5.20%	$ 1,300	2026	5.20%	$ 1,300
2025	5.20%	1,300	2027	5.20%	12,900
					16,800
Total par value of Series A Refunding Bonds					101,215
Plus unamortized bond premium					2,018
Total 2001 Series A Refunding Bonds, net					$ 103,233

Maturity Date (January 1)	Interest Rate / Yield	Principal Amount	Maturity Date (January 1)	Interest Rate / Yield	Principal Amount
		Series B Refunding Bonds			
2010	4.45%	$ 1,065	2017	5.00%	$ 1,470
2011	4.50%	1,115	2018	5.00%	1,540
2012	4.60%	1,165	2019	5.10%	1,620
2013	4.63%	1,215	2020	5.10%	1,700
2014	4.75%	1,270	2021	5.10%	1,785
2015	4.85%	1,335	2022	5.13%	1,880
2016	5.00%	1,400	2023	5.15%	1,975
					20,535
		Term Bonds			
2024	5.20%	$ 2,075	2025	5.20%	$ 2,185
					4,260
Total par value of Series B Bonds					24,795
Less unamortized bond discount					(246)
Total 2001Series B Bonds, net					24,549
Total 2001Port District Project Bonds, net					$ 127,782

The 2001 Port District Project Bonds are general corporate obligations of the Authority. The 2001 Port District Project Bonds are not secured by a lien or charge on, or pledge of, any revenues or other assets of the Authority other than the monies, if any, on deposit from time to time in the Funds established under the 2001 Port District Project Bond Indenture. No tolls, rents, rates or other such charges are pledged for the benefit of the 2001 Port District Project Bonds.

Optional Redemption - The Series A Port District Project Refunding Bonds maturing on or after January 1, 2013 are subject to redemption prior to maturity at the option of the Authority on or after January 1, 2012, in whole at any time, or in part at any time and from time to time, in any order of maturity as specified by the Authority and within a maturity as selected by the Trustee by lot, at a redemption price equal to 100% of the principal amount of such Series A Port District Project Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date.

2008 Revenue Refunding Bonds - On July 25, 2008, the Authority issued $358,175 in variable rate Revenue Refunding Bonds as variable rate demand obligations (VRDO's). The 2008 Refunding Revenue Bonds were issued to provide funds, together with other funds available: (a) to finance the current refunding of $358,175 aggregate principal amount of the Authority's Revenue Refunding Bonds, Series of 2007, constituting all of the outstanding bonds of such series; and (b) to pay the costs of issuance of the 2008 Revenue Refunding Bonds.

The 2008 Revenue Refunding Bonds were issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act (as such terms are defined herein) and an Indenture of Trust dated as of July 1, 1998, by and between the Authority and TD Bank, N.A, Cherry Hill, New Jersey, as successor to Commerce Bank, National Association (the "Trustee"), as supplemented by a First Supplemental Indenture dated as of July 1, 1998, a Second Supplemental Indenture dated as of August 15, 1998, a Third Supplemental Indenture dated as of December 1, 1999, a Fourth Supplemental Indenture dated as of October 1, 2007 and a Fifth Supplemental Indenture dated as of July 15, 2008 (the "Fifth Supplemental Indenture") (collectively, the "1998 Revenue Bond Indenture").

The 2008 Revenue Refunding Bonds, together with all other indebtedness outstanding under the 1998 Revenue Bond Indenture and any parity obligations hereafter issued under the 1998 Revenue Bond Indenture, are equally and ratably payable solely from and secured by a lien on and security interest in (i) the Net Revenues described herein, (ii) all moneys, instruments and securities at any time and from time to time held by the Authority or the Trustee in any Fund created or established under the 1998 Revenue Bond Indenture and (iii) the proceeds of all the foregoing, except for the moneys, instruments and securities held in the 1998 General Fund and the 1998 Rebate Fund. The 2008A Letter of Credit (as defined herein) secures only the 2008A Revenue Refunding Bonds and the 2008B Letter of Credit (as defined herein) secures only the 2008B Revenue Refunding Bonds.

The 2008 Revenue Refunding Bonds outstanding at December 31, 2009 are as follows:

Series A			Series B		
Maturity Date (January 1)	**Interest Rate / Yield**	**Principal Amount**	**Maturity Date (January 1)**	**Interest Rate / Yield**	**Principal Amount**
2026	Variable	$ 169,650	2026	Variable	$ 188,505

Total par value of 2008 Revenue Refunding Bonds	358,155
Less unamortized loss on defeasance	(8,853)
Total 2008 Revenue Refunding Bonds, net	$ 349,302

Interest Rate Mode: Weekly

Rate Determination Date: Generally each Wednesday

Interest Payment Dates: First Business Day of each month

Optional Redemption - While in the Weekly Mode, the 2008A Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any Business Day, at redemption price equal to the principal amount thereof, plus accrued interest, if any, to the Redemption Date. While in the Weekly Mode, the 2008B Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any Business Day, at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the Redemption Date.

Sinking Fund Redemption - The 2008 Revenue Refunding Bonds are subject to mandatory redemption in part on January 1 of each year and in the respective principal amounts set forth below at one hundred percent (100%) of the principal amount of 2008 Revenue Refunding Bonds to be redeemed, plus interest accrued to the Redemption Date, from funds which the Authority covenants to deposit in the 2008A Bonds Sinking Fund Account created in the 1998 Debt Service Fund established pursuant to 1998 Revenue Bond Indenture, in amounts sufficient to redeem on January 1 of each year the principal amount of such 2008 Revenue Refunding Bonds for each of the years set forth below:

Sinking Fund Installments

January 1	Series A	Series B	Total
2010	5,250	5,835	11,085
2011	5,535	6,155	11,690
2012	7,115	7,910	15,025
2013	7,505	8,340	15,845
2014	7,915	8,795	16,710
2015	8,345	9,275	17,620
2016	8,800	9,775	18,575
2017	9,280	10,310	19,590
2018	9,785	10,870	20,655
2019	10,315	11,465	21,780
2020	10,880	12,090	22,970
2021	11,475	12,745	24,220
2022	12,100	13,440	25,540
2023	12,755	14,175	26,930
2024	13,455	14,945	28,400
2025	14,185	15,760	29,945
2026	14,955	16,620	31,575
	$169,650	$188,505	$358,155

The following recapitulates the principal and interest due on all bonds outstanding as of December 31, 2009:

Year Ending December 31,	Principal	Interest	Total
2010	$ 40,445	$ 43,986	$ 84,431
2011	42,675	42,350	85,025
2012	45,225	40,661	85,886
2013	46,700	38,968	85,668
2014	50,305	37,125	87,430
2015-2019	297,840	153,142	450,982
2020-2024	397,900	85,962	483,862
2025-2027	203,650	11,484	215,134
	1,124,740	$ 453,678	$ 1,578,418
Net unamortized bond discounts, premiums, and loss on defeasance	(9,564)		
	$ 1,115,176		

Interest on the 1995, 1998, 1999, and 2001 Bonds is payable semi-annually on January 1 and July 1 in each year. Interest on the 2008 Revenue Refunding Bonds is payable monthly on the first business day of each month. Interest expense includes interest on the bonds and amortization of bond discounts and loss on defeasance.

Total funded debt and long-term debt as of December 31, 2009 totaled $1,115,176, of which $40,445 is short term and $1,074,731 is long term. The Authority is current on all of its monthly debt service payments on all obligations.

Debt Authorized but not Issued - On October 15, 2008, the Authority's Board approved the issuance of new revenue bonds to fund a portion of the Authority's five (5)-year capital program. The Board authorized the issuance of these bonds, which are supported by new toll revenues, in an amount "not-to-exceed" $510,000.

Also, at its December 2008 meeting, the Authority's Board approved a resolution authorizing the Authority to reimburse its General Fund for capital expenditures made sixty (60) days prior to the Board's action date. Expenditures subsequent to December 10, 2008 are also eligible for reimbursement.

In September 2009, as a result of UBS' exercise of its option on the underlying swaption, the Authority's Board approved Resolution DRPA#09-065 authorizing either the: refunding of the 1999B Port District Project Bonds, cash settlement (termination), or issuance of any necessary interest rate agreements.

At its November Board meeting, the Authority's Board approved the following resolutions related to its outstanding bonds and its proposed "new money bond issuance" to fund its Capital Program:

1. DRPA - # 09-064 authorized the Authority to issue new revenue bonds, up to a maximum of $510 million to fund a portion of the 2010 Capital Plan. (This resolution rescinded the earlier "new money" authorization passed in October 2008.) The new bonds can be issued as fixed or variable rate bonds, along with any interest rate hedge agreements, if necessary. (Note: This issuance is scheduled for execution in the second quarter of 2010)
2. DRPA- #09-066 authorized the Authority to: refund the 1999 Revenue Bonds (as either fixed or variable rate bonds), issue any necessary interest rate hedge agreements, if necessary, or terminate the swap. (Note: These bonds were partially redeemed with the issuance of $350 million in 2010 Revenue Refunding bonds , which was completed on March 31, 2010.)
3. DRPA- #09-067 authorized the Authority to: refund the 1998B Port District Project Bonds, as tax exempt or taxable, fixed or variable rate bonds, to achieve debt service savings and to issue any necessary interest rate hedge agreements to hedge interest costs. (Note: No further actions have been taken with regards to these bonds).

Please refer to Note 20, "Subsequent Events" for additional information regarding the status of the Authority's pending bond issuances.

Bond Ratings - *Moody's Investor Service Ratings* - In September 2007, concurrent with the issuance of the 2007 Revenue Refunding Bonds, Moody's affirmed the Authority's existing underlying ratings on all revenue and port district project bonds (which were "A3" and "Baa3", respectively) and assigned a rating of "A3" to the 2007 Revenue Refunding Bonds. In addition, Moody's revised its outlook on the Authority's bonds to "stable."

Concurrent with its issuance of $358 million in Revenue Refunding Bonds on July 9, 2008, Moody's assigned an "A3" rating to the new issue, with a "stable outlook." Moody's also affirmed the "A3" ratings on all outstanding revenue bond debt issued under the 1998 Indenture, and its "Baa3" ratings on all existing port district project bonds.

As of December 31, 2009, the Authority's underlying revenue bonds ratings remained at "A3", while its port district project bonds remained at "Baa3", with a "stable" outlook.

Standard & Poors Rating Services Ratings - On October 2, 2007, concurrent with the issuance of the 2007 Revenue Refunding Bonds, S&P affirmed the Authority's existing underlying "BBB+" ratings on all revenue bonds and assigned a rating of "BBB+" to the 2007 Revenue Refunding Bonds. S&P also affirmed its "BBB-" underlying ratings on all port district project bonds and revised its outlook on the Authority's bonds to "stable from negative."

On July 8, 2008, concurrent with the issuance of the 2008 Revenue Refunding Bonds described herein, S&P assigned its "BBB+" rating to the new bonds. S&P also affirmed its "BBB+" underlying ratings on all outstanding revenue bonds and revised its outlook on these bonds from "stable" to "positive." S&P also affirmed its "BBB-" ratings on all Port District Project Bonds, which carry a "stable" outlook.

On July 13, 2009, S&P raised the underlying rate (SPUR) on all of the Authority's revenue / revenue refunding bonds from "BBB+" to "A-" with a stable outlook. S&P reaffirmed the existing "BBB-" ratings on the port district project bonds with a "positive outlook." As of December 31, 2009, the Authority's underlying revenue bonds ratings remained at "A-", while its underlying port district project bonds ratings remained at "BBB-", all with a stable outlook.

Please refer to Note 20, "Subsequent Events" for additional information regarding the status of the Authority's bond ratings.

Ratings on Jointly Supported Transactions - Moody's Investor Service ("Moody's") and Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), assigned their municipal bond ratings to the 2008 Revenue Refunding Bonds as set forth in the following chart based upon the understanding that upon delivery of the 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds, the respective Letter of Credit securing the payment when due of the principal of, or purchase price of 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds tendered for purchase and not otherwise remarketed and interest on the 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds will be delivered by Bank of America, N.A. and TD Bank, N.A., respectively.

		Long-term	Short-term
2008A Revenue Refunding Bonds	Moody's:	Aaa	VMIG 1
	S&P:	AA+	A-1+
2008B Revenue Refunding Bonds	Moody's:	Aaa	VMIG 1
	S&P:	AA-	A-1+

The long-term ratings assigned by Moody's and S&P reflect each organization's approach to rating jointly supported transactions and are based upon the Direct Pay Letters of Credit provided by Bank of America, N.A for the 2008A Revenue Refunding Bonds and TD Bank, N.A. for the 2008B Revenue Refunding Bonds. Since a loss to a bondholder of a 2008A Revenue Refunding Bond or a 2008B Revenue Refunding Bond would occur only if both the bank providing the applicable Letter of Credit and the Authority default in payment, Moody's and S&P have assigned a long-term rating to the 2008 Revenue Refunding Bonds based upon the joint probability of default by both applicable parties. In determining the joint probability of default, Moody's considers the level of correlation between the bank providing the applicable Letter of Credit and the Authority. Moody's has determined that there is a low level of correlation between the bank providing the applicable Letter of Credit and the Authority. Given this correlation, Moody's believes the joint probability of default results in credit risk consistent with an "Aaa" rating for the 2008 Revenue Refunding Bonds.

No provider of a Letter of Credit is obligated to maintain its present or any other credit rating and shall have no liability if any such credit rating is lowered, withdrawn, or suspended.

In May 2009, the Authority was advised that Standard & Poor's Rating Services had updated its methodology and assumptions for rating "jointly supported obligations" when each obligor is fully responsible for the entire obligation. In this situation, a default on the obligation would occur only if both obligors default. As a result, in its report dated April 22, 2009 ("*List of U.S. Public Finance Ratings Placed on CreditWatch Positive As A Result of Joint-Supported Criteria Update*"), S&P changed its ratings on the 2008 Revenue Refunding Bonds (Series A), supported by a Letter of Credit by Bank of America, N.A., from "AA+/A-1+" to "A+/A-1".

13. DEFEASANCE OF DEBT

On October 4, 2007, the Authority issued 2007 Revenue Refunding Bonds at par value in the amount of $358,195 with a variable interest rate to finance the current refunding of $357,185 aggregate principal amount of the Authority's Revenue Bonds, Series of 1995, with interest rates ranging from 5.30% to 5.50%. The Revenue Bonds, Series of 1995, mature on January 1, 2026 and were callable during 2007 at 101.00% and at par as of January 1, 2008.

In addition, on July 25, 2008, the Authority issued the 2008 Revenue Refunding Bonds at par value in the amount of $358,175 with a variable interest rate to finance the current refunding of the Authority's 2007 Revenue Refunding Bonds, with a par value of $358,175 and a variable interest rate. The Authority issued the 2008 Revenue Refunding Bonds (as variable rate demand bonds) in response to sharply higher interest rates and instability in the auction rate securities market. The 2007 Revenue Refunding Bonds mature on January 1, 2026 and were callable during 2008 at 100% and at par as of January 1, 2008.

As a result of the current refunding of the 2007 Revenue Refunding Bonds, the Authority incurred a loss on defeasance of $9,564, which has been recorded as a contra-asset account against the noncurrent liability of bonded debt, and is being amortized as a component of interest expense over the life of the newly issued, refunding debt.

14. CONDUIT DEBT OBLIGATIONS

The Authority is authorized to plan, finance, develop, acquire, construct, purchase, lease, maintain, market, improve and operate any project within the Port District including, but not limited to, any terminal, terminal facility, transportation facility, or any other facility of commerce or economic development activity, from funds available after appropriate allocation for maintenance of bridge and other capital facilities. Utilizing this authorization, the Authority has issued certain debt bearing its name to lower the cost of borrowing for specific governmental entities. This debt is commonly referred to as conduit (or non-commitment) debt. Typically, the debt proceeds are used to finance facilities within the Authority's jurisdiction that are transferred to the third party either by lease or by sale. The underlying lease or mortgage loan agreement, which serves as collateral for the promise of payments by the third party, calls for payments that are essentially the same as those required by the debt. These payments are made by the third-party directly to an independent trustee, who is appointed to service and administer the arrangement. The Authority assumes no responsibility for repayment of this debt beyond the resources provided by the underlying leases or mortgage loans.

As of December 31, 2009, there was one series of Charter School Project Bonds outstanding, issued for the LEAP Academy Charter School, Inc. The corresponding aggregate principal totaling $8,500 is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements. The following schedule details the series together with the amount outstanding:

Issue	Issue Date	Issued Amount	Beginning Balance	Issued	Paid	Ending Balance
Charter School Project Bonds, Series 2003	09/01/03	$ 8,500	$ 8,500	-	$ 680	$ 7,820

15. GOVERNMENT CONTRIBUTIONS FOR CAPITAL IMPROVEMENTS, ADDITIONS AND OTHER PROJECTS

The Authority receives contributions in aid for financing capital improvements to the rapid transit system from the Federal Transit Administration and New Jersey Transit. Capital improvement grant funds of $11,361 and $14,417 were received in 2009 and 2008, respectively. The Authority receives federal and state grants for specific construction purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowances under terms of the grants, it is the opinion of management that any required reimbursements will not be material to the Authority's net assets.

16. CONTINGENCIES

In accordance with Section 5.11 of its governing Revenue Bond Indentures, the Authority is required to "maintain with responsible insurers all insurance required and reasonably obtainable, in the judgment of the Authority, to provide against loss or damage to the Facilities and loss of Revenues therefore and public liability insurance to the extent necessary to protect the interests of the Authority and the Bondholders." Insurances required include: multi-risk insurance, use and occupancy insurance, public liability insurance, and customary construction insurances, etc.

The Authority is self-insured for bridge and transit operations liability up to a limit of $5 million per occurrence. Excess Liability insurance provides coverage of $25 million per occurrence and aggregate over the Authority's $5 million self-insured retention. The DRPA is self-insured for Workers' Compensation up to a limit of $1 million per occurrence with Excess Workers' Compensation coverage providing $5 million in coverage over the DRPA's $1 million self-insured retention. PATCO is fully self-insured for Workers' Compensation. Property insurance is placed with commercial insurance carriers with limits and deductibles as deemed appropriate and recommended by the Authority's broker consultants.

The Authority is 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 Authority's combined financial position and combined results of operations. In addition, the amounts of settlements for the last three years have not exceeded the insurance coverage provided in those years.

The Authority reviews annually with the Authority's broker and insurance consultants and where advised, appropriately adjusts policy property loss limits, liability limits and deductibles as recommended by our insurance consultants in response to prevailing market conditions, loss experience, and revenues. Policy property loss limits are established with the professional assistance of independent appraisals, and insurance and engineering consultants to ensure that sufficient reconstruction coverage exists should a loss result in the ordinary course of business. In accordance with Section 5.11 of its governing Revenue Bond Indentures, the Authority is required to "maintain with responsible insurers all insurance required and reasonably obtainable, in the judgment of the Authority, to provide against loss or damage to the Facilities and loss of Revenues therefore and public liability insurance to the extent necessary to protect the interests of the Authority and the Bondholders." Insurances required include: multi-risk insurance, use and occupancy insurance, public liability insurance, and customary construction insurances, etc.

Self-insurance

	2009	2008
Beginning balance	$ 5,086	$ 4,761
Incurred claims	2,361	3,900
Payment of claims	(2,501)	(3,650)
Other - administrative fees, recoveries	-	75
Ending balance	$ 4,946	$ 5,086

17. COMMITMENTS

A. Development Projects - In accordance with the economic development powers and responsibilities granted to the Authority by its amended compact, the Board of Commissioners authorized the Authority to participate in the funding of certain projects or activities of various organizations in support of regional economic development. The funding of these projects is provided through loans, grants or other means. The Authority formalizes its participation with these organizations by written agreement, and may retain a legal or equitable interest in certain projects. The Authority has established a loss reserve in the amount of $1,345 for its economic development loans outstanding.

In support of various economic development projects, the Authority entered into loan guarantees with various banks to complete the financing aspects of a particular project. The Authority's Board has authorized loan guarantees in an amount not to exceed $27,000. As of December 31, 2009, the Authority has executed loan guarantees with various banks, totaling $25,000, including a $3,500 loan guarantee with FastShip, which was extended by the Authority's Board in August 2008, for up to three, one-year periods including the current extension. Other large loan guarantees include: L3 Communications ($10.0 million), World Trade Center ($8.0 million), and the Home Port Alliance ($1.0 million). These guarantees all remain in force; however, the Authority has made no cash outlays relating to these guarantees.

B. Leases - The Authority currently leases certain subway properties from the City of Philadelphia (City) for use by the PATCO high-speed transit system. During 1995, the Authority and City agreed to amend and extend the lease agreement, which will now expire on December 21, 2050. For the lease years 1998 through 2000, the Authority was required to pay $1,000 in base rent to the City and $6,000 annually in Special Economic and Community Development Grants (SECD Grants) to the City. In 2009, the base rent paid to the City totaled $2,983 as adjusted for the cumulative increases in the Consumer Price Index (CPI) between 1998 and 2008. Base rent payments for 2010 through 2017 shall equal the previous year's base rent adjusted by any increase in the CPI for that year. For the years 2018 through 2050, annual base rent shall equal one dollar. No SECD Grants are payable to the City for the lease years 2001 through 2050.

In addition, for the duration of the lease the Authority is required to annually create a PATCO Community Impact Fund in the amount of $500, with payment of such fund to be divided annually between communities within the Commonwealth and the State, based on PATCO track miles in the respective states. The significant minimum lease commitments, based on current operations and including future adjustments for CPI, are as follows:

Year	Amount
2010	$ 3,769
2011	3,862
2012	3,958
2013	4,057
2014	4,158

C. Letters of Credit - In May 2008, the Authority entered into two new separate irrevocable standby Letter of Credits with TD Bank, N.A. (formerly Commerce Bank) and Wachovia Bank, N.A. in support of the Authority's "Owner Controlled Insurance Program (OCIP)." Under this program, the Authority purchased coverage for all contractors working on major construction projects.

The Letter of Credit with Wachovia Bank, N.A. is for a four-year term in the amount of $5,000 with an expiration date of May 7, 2011. The Letter of Credit with TD Bank, N.A. (formerly Commerce Bank) is in an initial amount of $3,015 and automatically increases annually each May in the amount of $816 until its expires on May 7, 2011.

As of December 31, 2009, the unused amount of the Letter of Credits totaled $8,830. No draw downs have been made against any Letter of Credit.

D. Direct Pay Letters of Credit (2008 Revenue Refunding Bonds) -The Authority's 2008 Revenue Refunding Bonds (Series A and B), are secured by irrevocable transferable Direct Pay Letters of Credit (DPLOC) issued by two credit providers, the Bank of America, N.A. and TD Bank, N.A, in the initial amounts of $172.6 million and $191.8 million, respectively. The Authority entered into separate Reimbursement Agreements with each credit provider to facilitate the issuance of said DPLOCs.

Each Letter of Credit is in an original stated amount which is sufficient to pay the unpaid principal amount of and up to fifty-three (53) days' of accrued interest (at a maximum interest rate of 12%) on the related 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds, when due, and the Purchase Price of the 2008A Revenue Refunding Bonds or the 2008B Revenue Refunding Bonds tendered or deemed tendered for purchase and not remarketed. The Credit Provider for the 2008A Revenue Refunding Bonds is only responsible for payments with respect to the 2008A Revenue Refunding Bonds for which the 2008A Letter of Credit was issued and the Credit Provider for the 2008B Revenue Refunding Bonds is only responsible for payments with respect to the 2008B Revenue Refunding Bonds for which the 2008B Letter of Credit was issued. The 2008A Letter of Credit and the 2008B Letter of Credit will each expire on July 23, 2010, unless extended or sooner terminated in accordance with their respective terms.

As described in the Official Statement for the 2008 Revenue Refunding Bonds, "any draw under a Letter of Credit for principal, interest or Purchase Price creates a reimbursement obligation on the part of the Authority that is secured by the 1998 Revenue Bond Indenture on a parity basis with the 2008 Revenue Refunding Bonds." (Additional information related to this transaction and the accompanying Letters of Credit can be found under Notes 12 and 20).

E. Contractual Commitments - As of December 31, 2009, the Authority had contractual commitments as follows (in thousands):

	Total
Benjamin Franklin Bridge:	
Structural repairs	$1,233
Part time & temporary toll collectors	828
Bridge painting - Phase 5	1,035
Salt mine structural rehabilitation	1,176
Engineering services - task orders	6,346
Other	2,203
Walt Whitman Bridge:	
Anchorage dehumidification design	357
Deck condition assessment and design	1,031
Bridge painting	236
Engineering services - suspension cable and rope investigation	447
Commodore Barry Bridge:	
Salt storage building	270
Fender replacement	10,229
Administration building roof project	67
Other	1,099
Betsy Ross Bridge:	
Salt storage building	140
Other	403
PATCO System:	
PATCO interlocking & roadbed rehabilitation	1,354
Radio system upgrade	1,572
Power cable and pole line replacement	30,205
Design services - car overhaul	6,710
Rehab track structure on Collingswood viaduct	5,225
Design services - escalator replacement	614
Concourse improvements	2,876
Other	2,062
Other:	
Delaware River tram & riverfront development	10,459
Port enhancement projects	109
Cruise terminal and ferry operations	923
	$89,209

18. BRIDGE AND PATCO FARE SCHEDULES

At its monthly August 2008 commission meeting, the Authority's Board approved changes to the DRPA's bridge toll schedule and PATCO's passenger fare schedule. The increases were enacted to fund the Authority's on-going five-year $1.2 billion capital plan. (The Board Resolution includes language stating that no proceeds from toll schedule changes can be used for regional economic development purposes.)

Bridge Toll Schedule: Effective September 14, 2008 tolls for passenger cars increased from $3 to $4, with commercial truck pricing increasing by $1.50 /axle, across all commercial vehicle classes. The commuter discount was adjusted to provide commuters with a $12 discount for 18 trips during the month and the E-ZPass discount for commercial vehicles was eliminated. (The commuter discount will ultimately be phased out in 2010). Senior citizen discount program was restructured to include an increase of the toll from $1 to $2 for manual tolls. Senior citizens utilizing E-ZPass are subject to a $1.75 toll, a discount of $0.25 per trip. As of December 31, 2008, sale of the senior discount coupons were discontinued, although coupons can still be used until September 2010.

The toll schedule is shown below:

BRIDGE CASH TOLL RATES

	Old Schedule	New Schedule	Increase
Class 1 - Motorcycle	$2.00	$4.00	$2.00
Class 2 - Automobile	3.00	4.00	1.00
Class 3 - Two Axle Trucks	9.00	12.00	3.00
Class 4 - Three Axle Trucks	13.50	18.00	4.50
Class 5 - Four Axle Trucks	18.00	24.00	6.00
Class 6 - Five Axle Trucks	22.50	30.00	7.50
Class 7 - Six Axle Trucks	27.00	36.00	9.00
Class 8 - Bus	4.50	6.00	1.50
Class 9 - Bus	6.75	9.00	2.25
Class 10 - Senior Citizen (With 2 Tickets Only)	1.00	2.00	1.00
Class 13 - Auto w/trailer (1 axle)	5.25	6.00	0.75

Effective September 1, 2009, the commuter discount was adjusted to prorate commuters with a six ($6) dollar for eighteen trip discount during the month. The commuter discount program is scheduled to end as of September 2010.

At its December Board meeting, the Authority's Board approved a ten (10) month delay in the implementation of the previously authorized and scheduled September 1, 2010 toll increase. The next toll increase is scheduled for July 1, 2011.

PATCO Passenger Fares: Effective September 14, 2008, PATCO's passenger fares increased by 10% across all zones. The new fare schedule is shown below:

PATCO PASSENGER FARES

	Old Schedule	New Schedule	Increase
Lindenwold/Ashland/Woodcrest	$2.45	$2.70	$0.25
Haddonfield/West Haddonfield/Collingswood	2.15	2.35	0.20
Ferry Avenue	1.85	2.05	0.20
New Jersey	1.30	1.45	0.15
City Hall/Broadway/Philadelphia	1.15	1.25	0.10
Off-peak Reduced Fare Program	0.57	0.62	0.05

As noted above, PATCO has a federally mandated reduced off-peak fare program for "elderly persons and persons with disabilities." These off-peak rates increased from $0.57/trip to $0.62/trip.

At its December Board meeting the Authority's Board approved a four (4) month delay in the implementation of the previously authorized and scheduled September 1, 2010 fare increase. PATCO's 10% fare increase is now scheduled for implementation on January 1, 2011.

19. RECLASSIFICATION IN PRESENTATION OF COMPARATIVE STATEMENTS

In the combined financial statements for the year ended December 31, 2008, the Authority reclassified certain debt issuance costs (net of amortization) related to debt service issued for capital purposes between two components of net assets. As of December 31, 2008, $9,915 of such debt issuance costs (net of amortization) were reclassified from a component of the net asset category of invested in capital assets, net of related debt, to unrestricted. However, the reclassification, which was done for comparative purposes, had no impact on the total amount of net assets reported as of December 31, 2008.

20. SUBSEQUENT EVENTS

Direct Pay Letters of Credit (2008 Revenue Refunding Bonds) - As noted in an earlier section, the Direct Pay Letters of Credit (DPLOC) for the 2008 Revenue Refunding Bonds expire on July 23, 2010. On January 22, 2010, the Authority sent a letter to the two providers of the DPLOCs, requesting extensions of the existing LOCs for the Series A and B bonds. The Authority is presently reviewing the proposed extension proposals as of this writing.

Use of General Fund for Capital Expenditures /2008 thru 2010 Capital Plans) - The Authority began using its General Fund monies to fund its capital expenditures beginning in October 2008. Through end of year 2008, these expenditures totaled $13.5 million. Through April 30, 2010, these reimbursable expenditures have now totaled approximately $92.6 million. As authorized by the Authority's Board in its December 2008 meeting, General Fund monies spent in support of the Authority's Capital Plans will be reimbursed from the proceeds of a future revenue bond issue presently scheduled for June, 2010.

UBS Swaptions - In November 2008, AMBAC was downgraded by Moody's. Pursuant to the 1999 Port District Project (PDP) Bonds interest hedge agreement, UBS AG, counterparty to the agreement, on December 17, 2008, mailed notices to the Authority ("Notice of Insurer Credit Event") asserting that an Insurer Credit Event had occurred on all of the swap/swaptions insured by Ambac, including the 1999 Port District Project (PDP) Bonds swap and also on the 1995 and 1999 Revenue Bond swaptions. After discussions with the Authority and its co-bond counsel, UBS rescinded/withdrew, "without prejudice", the aforementioned insurer downgrade notices sent to the Authority, in separate letters dated January 21, 2009.

The Authority's position was that no Insurer Credit Event had occurred with respect to the 1995 and 1999 Revenue bond swap/swaption, as the underlying ratings are at the "A3" level. Furthermore, it was the Authority's position, and also the position of Ambac, that no Insurer Credit Event had occurred with respect to the 1999 PDP Bond swaption, since Ambac had maintained an "A" rating, from Standard & Poor's. Ambac also formally notified UBS of its objection to the notices sent to the Authority.

With respect to the swap and swaption tied to the senior debt (revenue bonds), the Authority has asserted that no insurer credit event had occurred, as its underlying bond ratings are sufficient. The Authority's ratings on these bonds are high enough that no insurer credit event can occur regardless of how Ambac is rated. The issue was resolved when UBS AG withdrew its notices in early 2009.

On June 24, 2009 S&P downgraded its rating of Ambac and, UBS issued three new separate letters asserting that an "Insurer Credit Event" had occurred on its swap/swaptions with the Authority. UBS' letters gave the Authority sixty (60) days in which to cure the defaults.

The Authority was in on-going negotiations with UBS related to the "cure period" and a proposed collateral agreement, with respect to the 1999 PDP Bond swaption. Regarding the 1995 and 1999 Revenue Bond swap/swaption, on August 21st, the Authority received written notice from UBS that the "Insurer Credit Event (s)" related to the Authority's 1995 and 1999 Revenue Bonds swap and swaption had been cured as a result of the receipt of an updated rating report from S&P. In a notice dated September 9, 2009, UBS offered to extend the cure period for the 1999 PDP Bond swaption relating to the Authority's Series 1999B Port District Bonds to October 9, 2009. UBS granted the Authority additional extensions for the remainder of the year, based on its understanding that the Authority would cash settle the swaption in late 2009 or early 2010.

On January 1, 2010, the 1999 Revenue Bond and 1999 Port District Project (PDP) Bond swaptions became "active" swaps and the Authority began accruing a net interest payment on both swaps. As authorized by its Board in September 2009, and in keeping with the Authority's strategy to reduce or eliminate its outstanding swap exposures where prudent (as per its resolution DRPA- #09-099 dated December 28, 2009), on January 11, 2010, the Authority cash settled the 1999 PDP Bond swap in the amount of $33.7 million. The payment represented the year-to-date interest and termination fee costs associated with the swap termination.

On February 1, 2010, the Authority made its initial net interest payment on the 1999 Revenue Bond swap. (The swap remained unhedged until completion of the 2010 Revenue Refunding Bond issuance on March 31, 2010, when the Authority issued $350 million in variable rate bonds. It is the intention of the Authority to cash settle the remaining unhedged portion of the $53 million swap sometime in the late second quarter and the Authority has commenced discussions with UBS and Ambac regarding possible termination of the remaining portion.)

Issuance of Debt in 2010 (Revenue Refunding Bonds and Revenue Bonds)

On March 31, 2010, the Authority issued $350,000 in Revenue Refunding Bonds, Series A, B and C of 2010, as variable rate demand bonds. The 2010 Revenue Bonds were initially issued in the Weekly Mode in denominations of $100,000 and any integral multiple of $5,000 in excess thereof, with interest payable the first Business Day (defined herein) of every month commencing May 3, 2010. The 2010 Revenue Bonds were issued to provide funds, together with other available funds, to (i) currently refund $349,360 aggregate principal amount of the Authority's outstanding Revenue Bonds, Series of 1999, (ii) fund any required deposit to the 1998 Debt Service Reserve Fund (defined herein), and (iii) pay the costs of issuance of the 2010 Revenue Bonds.

The Authority expects to execute a new fixed-rate debt money issuance of approximately $320 million in new fixed-rate revenue bonds, sometime in the late second quarter, in order to fund a portion of its 2010 five-year Capital Plan. Funds from this bond issuance will also be used to reimburse the Authority for capital expenditures paid during the period October 2008 through May 2010, from its General Fund.

Direct Pay Letters of Credit (2010 Revenue Refunding Bonds) - The Authority's 2010 Revenue Refunding Bonds (Series A,B and C), are secured by irrevocable transferable Direct Pay Letters of Credit (DPLOC) issued by three credit providers, the Bank of America, N.A., JP Morgan Chase Bank, National Association and PNC Bank, National Association in the initial amounts of $152.6 million, $152.6 million and $50.9 million, respectively. The Authority entered into separate Reimbursement Agreements with each credit provider to facilitate the issuance of said DPLOCs.

Each Letter of Credit will be an irrevocable transferable direct-pay obligation of the respective issuing Credit Provider to pay to the Trustee, upon request and in accordance with the terms thereof, amounts sufficient to pay the unpaid principal amount and up to fifty-three (53) days' (or such greater number of days as required by the rating agencies) accrued interest (at the maximum interest rate of 12%) on the related 2010 Revenue Refunding Bonds, 2010 Revenue Refunding Bonds or 2010 Revenue Refunding Bonds when due, whether at the stated maturity thereof or upon acceleration or call for redemption, and amounts sufficient to pay the Purchase Price of the 2010 Revenue Refunding Bonds, the 2010 Revenue Refunding Bonds or the 2010 Revenue Refunding Bonds, as applicable, tendered for purchase and not remarketed. A draw under a Letter of Credit for principal and interest or Purchase Price creates a Reimbursement Obligation (as defined in the 1998 Revenue Bond Indenture) on the part of the Authority.

Each Letter of Credit will expire on the earliest to occur of any of the following under the applicable Letter of Credit (the "Termination Date"): (i) the close of business on March 29, 2013 or if such date is extended pursuant to the terms of the corresponding Reimbursement Agreement, the date as so extended; (ii) earlier of (A) the date which is five (5) days following the date on which all of the applicable Series of 2010 Revenue Refunding Bonds are converted to a mode other than the Weekly Mode or (B) the date on which the Credit Provider honors a drawing under the Letter of Credit on or after the Conversion Date (as defined in each Letter of Credit); (iii) the date which is five (5) days following receipt by the Credit Provider of written notice from the Authority that no 2010 Revenue Refunding Bonds of the applicable Series remain outstanding, within the meaning of the 1998 Revenue Bond Indenture, all drawings required to be made under the 1998 Revenue Bond Indenture and available under the Letter of Credit have been made and honored or an Alternate Credit Enhancement has been issued to replace the Letter of Credit pursuant to the 1998 Revenue Bond Indenture and the Reimbursement Agreement; and (iv) the date which is fifteen (15) days following the date the Trustee receives a written notice from the Credit Provider specifying the occurrence of an "Event of Default" under the Reimbursement Agreement and directing the Trustee to cause a mandatory tender of the applicable Series of 2010 Revenue Refunding Bonds. (additional information related to this transaction can be found under Note 12).

Bond and Swap Ratings

Moody's Investor Services - Concurrent with the issuance of $350 million in revenue refunding bonds on March 31, 2010, in its report dated March 26, 2010, Moody's assigned its "A3" underlying ratings to the Authority's 2010 Revenue Refunding Bond Series A thru C. Moody's affirmed its "A3" underlying ratings on the Authority's existing revenue bond debt, and the "Baa3" long term ratings on its PDP Bonds. The outlook was changed from "stable" to a "negative" outlook on all of the Authority's bonds.

In a subsequent ratings report issued on May 4, 2010, with respect to an anticipated new revenue bond issuance, Moody's assigned an "A3" rating, with a negative outlook, to the new money fixed rate bonds, and affirmed the existing ratings on the other issues.

Standard & Poor's Rating Services - Concurrent with the issuance of $350 million in revenue refunding bonds on March 31, 2010, in its report dated February 24, 2010, S&P assigned its "A-" underlying rating (SPUR) to the Authority's 2010 Revenue Refunding Bond Series A thru C. S&P affirmed its "A-" underlying ratings on the Authority's existing revenue bond debt, and the "BBB-" long term ratings on its PDP Bonds. The outlook remains as "stable".

In a subsequent ratings report issued also issued on May 4, 2010 with respect to an anticipated new revenue bond issuance, S&P assigned an "A-" rating, with a stable outlook, to the new money fixed rate bonds, and affirmed the existing ratings on the other issues.

In addition, on February 24, 2010, Standard & Poor's raised the Authority debt derivative profile score to 3.0.

Governmental Accounting Standards Board Statement No. 53 - Effective for the year ending December 31, 2010, the Authority will be required to implement Statement No. 53 of the Governmental Accounting Standards Board - *Accounting and Financial Reporting for Derivative Instruments.* As described in Note 4, the Authority has entered into several interest rate hedge (swap) agreements for the purposes of managing its interest rate risk on certain debt obligations. Statement No. 53 requires that the fair value of such derivative instruments be reported in the financial statements as well as the change in fair value. If, however, a derivative is effectively hedging (reducing) the risk it was created to address, then the annual changes in the derivative's fair value are deferred and reported on the statement of net assets. Accounting changes adopted to conform to the provisions of this Statement are required to be applied retroactively by restating financial statements, if practical, for all prior periods presented. Based on the fair value of the Authority's derivative transactions disclosed in Note 4, as of December 31, 2009, the impact of the implementation of Statement 53 will be material on the 2009 financials.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR HEALTH BENEFITS PLAN
(In thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
01/01/09	-	$ 132,467	$ 132,467	-	$ 56,034	236.4%
01/01/07	-	$ 146,638	$ 146,638	-	$ 53,695	273.1%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

Other Postemployment Benefits

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

Valuation Date	January 1, 2009
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Straight - Line
Amortization Period	Open
Remaining Amortization Period	30 years
Asset Valuation Method	To be determined upon funding
Actuarial Assumptions:	
Mortality	1994 sex distinct Group Annuity Mortality Table
Discount Rate	5%
Turnover	age 20, 70.4%; age 40, 15.9%; age 50, 0.0%
Disability	no terminations of employment due to disability
Age of Retirement	no earlier than age 55
Spousal Coverage	married employees will remain married
Prior Service	non for active employees assumed
Health Care Inflation (annual increase)	70% for Pre-Medicare; 5.0% for Post-Medicare
Administration Expenses (annual cost)	2.0% (included in annual health care costs)
Employee Contributions (annual)	$2,340 family coverage; $780 single coverage

For determining the annual required contribution (ARC), the rate of employer contributions to the Plan is composed of the normal cost plus amortization of the unfunded actuarial accrued liability (UAAL), multiplied by the sum of 1 plus the discount rate, or 1.05. The normal cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The actuarial accrued liability (AAL) is that portion of the present value of projected benefits that will not be paid by future employer normal costs. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial liability (UAL).

COMBINED SUPPLEMENTAL SCHEDULE OF NET ASSET INFORMATION BY FUND
December 31, 2009 (In Thousands)

	Capital Fund	Revenue Fund	Maint. Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	2009 Total
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents		$ 2,674		$ 1,834			$ 4,508
Investments			$ 950	184,213			185,163
Accounts receivable (net of allowance for uncollectibles)		3,870		8,181			12,051
Accrued interest receivable				781			781
Transit system and storeroom inventories		391		6,170			6,561
Economic development loans - current				561			561
Prepaid Expenses		2,305		1,746			4,051
Restricted assets:							
Temporarily restricted:							
Cash and cash equivalents		832				$ 537	1,369
Investments		11,410	3,000		$ 176,661	71,024	262,095
Accrued interest receivable						4	4
Total current assets	-	21,482	3,950	203,486	176,661	71,565	477,144
NONCURRENT ASSETS:							
Capital assets (net of accumulated depreciation):							
Land	$ 74,200			25			74,225
Construction in progress	134,145						134,145
Bridges, related buildings and equipment	619,304						619,304
Transit property and equipment	232,060						232,060
Port enhancements	13,702						13,702
Total capital assets	1,073,411	-	-	25	-	-	1,073,436
Other:							
Economic development loans (net of allowance for uncollectibles)				22,192			22,192
Deferred charges:							
Debt issuance costs (net of amortization)	9,175			29,366			38,541
Total other assets	9,175	-	-	51,558	-	-	60,733
Total noncurrent assets	1,082,586	-	-	51,583	-	-	1,134,169
Total assets	$ 1,082,586	$ 21,482	$ 3,950	$ 255,069	$ 176,661	$ 71,565	$ 1,611,313

COMBINED SUPPLEMENTAL SCHEDULE OF NET ASSET INFORMATION BY FUND
December 31, 2009 (In Thousands)

	Capital Fund	Revenue Fund	Maint. Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
LIABILITIES							
CURRENT LIABILITIES:							
Accounts payable:							
Retained amounts on contracts		$ 5		$ 3,938			$ 3,943
Other		3,339		11,354			14,693
Accrued liabilities:							
Pension		365		204			569
Sick and vacation leave benefits		2,138		361			2,499
Other		415		340			755
Deferred revenue		138		2,537			2,675
Liabilities payable from restricted assets:							
Accrued interest payable					$ 21,889		21,889
Bonds payable - current					40,445		40,445
Total current liabilities	-	6,400	-	18,734	62,334	-	87,468
NONCURRENT LIABILITIES:							
Accrued liabilities:							
Repainting		60,034					60,034
Self-insurance		3,269		1,677			4,946
Sick and vacation leave benefits		713		1,325			2,038
Other		18,451		10,750			29,201
Deferred Revenue		6,994		615			7,609
Bonds payable (net of unamortized discounts, premiums and loss on defeasance)	$ 747,463			292,168		$ 35,100	1,074,731
Total noncurrent liabilities	747,463	89,461	-	306,535	-	35,100	1,178,559
Total liabilities	$ 747,463	$ 95,861	-	$ 325,269	$ 62,334	$ 35,100	$ 1,266,027
NET ASSETS							
Invested in capital assets, net of related debt	$ 325,948			$ 25			$ 325,973
Restricted for:							
Debt requirements		$ 12,242	$ 3,000		$ 90,728		105,970
Port projects						36,465	36,465
Unrestricted (deficit)	9,175	(86,621)	950	(70,225)	23,599		(123,122)
Total net assets	$ 335,123	$ (74,379)	$ 3,950	$ (70,200)	$ 114,327	$ 36,465	$ 345,286

COMBINED SUPPLEMENTAL SCHEDULE OF CHANGES IN FUND NET ASSETS INFORMATION BY FUND
December 31, 2009 (In Thousands)

	Capital Fund	Revenue Fund	Maint. Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Net assets (deficit), January 1	$ 281,046	$ (65,123)	$ 3,800	$ (40,470)	$ 109,435	$ 45,991	$ 334,679
Revenues and expenses:							
Operating revenues		247,564		25,723			273,287
Operating expenses	(45,776)	(51,348)		(55,291)			(152,415)
General administration expenses		(34,995)		(462)			(35,457)
Investment income	441	409	150	4,492	3,823	523	9,838
Interest expense	(1,943)			(1,656)	(63,355)		(66,954)
Economic development activities				(26,794)			(26,794)
Other nonoperating revenues (expenses)	(2,841)			500			(2,341)
Total revenues and expenses	(50,119)	161,630	150	(53,488)	(59,532)	523	(836)
Government contributions for capital improvements, additions and other projects	-	8	-	11,435	-	-	11,443
Interfund transfers and payments:							
Bond service		(70,409)		(35,169)	105,578		
Funds in excess on bond reserve requirement							
Funds free and clear of any lien or pledge		(100,485)		100,485			
Retirement of bonds	22,815			11,115	(33,930)		
Funds for permitted capital expenditures				-			
Funds for permitted port projects				34,157		(34,157)	
Net equity from 2001 port district bonds					(709)	709	
Net equity from 2007 revenue refunding bonds							
Net equity from 2008 revenue refunding bonds							
Capital additions	75,481			(75,481)			
Interfund transfers	5,900			(22,784)	(6,515)	23,399	
Total interfund transfers and payments	104,196	(170,894)	-	12,323	64,424	(10,049)	-
Net assets (deficit), December 31	$ 335,123	$ (74,379)	$ 3,950	$ (70,200)	$ 114,327	$ 36,465	$ 345,286

SUPPLEMENTAL SCHEDULE OF NET ASSET INFORMATION FOR BOND AND PROJECT FUNDS
December 31, 2009 (In Thousands)

	Bond Reserve Funds	Bond Service Funds	1998 Port District Project Fund	1999 Project Fund	1999 Port District Project Fund	2001 Port District Project Fund	Total Combined Funds
ASSETS							
CURRENT ASSETS:							
Restricted assets:							
Temporarily restricted:							
Cash and cash equivalents			$ 4	$ 60	$ 473		$ 537
Investments	$ 107,109	$ 69,552	7,748		53,829	$ 9,447	247,685
Accrued interest receivable					4		4
Total current assets	107,109	69,552	7,752	60	54,306	9,447	248,226
Total assets	107,109	69,552	7,752	60	54,306	9,447	248,226
LIABILITIES							
CURRENT LIABILITIES:							
Liabilities payable from restricted assets:							
Accrued interest payable		21,889					21,889
Bonds payable - current		40,445					40,445
Total current liabilities	-	62,334	-	-	-	-	62,334
NONCURRENT LIABILITIES:							
Bonds (net of unamortized discounts premiums, and loss on defeasance)					30,173	4,927	35,100
Total noncurrent liabilities	-	-	-	-	30,173	4,927	35,100
Total liabilities	-	62,334	-	-	30,173	4,927	97,434
NET ASSETS							
Restricted for:							
Revenue and port district project bonds	83,510						83,510
Revenue and port district bond service		7,218					7,218
Port projects			7,752	60	24,133	4,520	36,465
Unrestricted	23,599						23,599
Total net assets	$ 107,109	$ 7,218	$ 7,752	$ 60	$ 24,133	$ 4,520	$ 150,792

SUPPLEMENTAL SCHEDULE OF CHANGES IN NET ASSET INFORMATION FOR BOND AND PROJECT FUNDS
December 31, 2009 (In Thousands)

	Bond Reserve Funds	Bond Service Funds	1998 Port District Project Fund	1999 Project Fund	1999 Port District Project Fund	2001 Port District Project Fund	Total Combined Funds
Net assets, January 1	$ 106,996	$ 2,439	$ 7,707	$ 60	$ 31,259	$ 6,965	$ 155,426
Revenues and expenses:							
General administration expense							
Investment income	3,739	84	45	-	407	71	4,346
Interest expense		(63,355)					(63,355)
Total revenues and expenses	3,739	(63,271)	45	-	407	71	(59,009)
Government contributions for capital improvements, additions and other projects	-	-	-	-	-	-	-
Interfund transfers and payments:							
Bond service		105,578					105,578
Funds in excess of bond reserve requirement	(2,917)	2,917					-
Funds for permitted capital expenditures							-
Retirement of bonds		(33,930)					(33,930)
Funds for permitted port projects					(30,508)	(3,649)	(34,157)
Net equity from 2001 port district bonds	(709)					709	-
Net equity from 2007 revenue refunding bonds							-
Net equity from 2008 revenue refunding bonds							
Interfund transfers		(6,515)			22,975	424	16,884
Total interfund transfers and payments	(3,626)	68,050	-	-	(7,533)	(2,516)	54,375
Net assets, December 31	$ 107,109	$ 7,218	$ 7,752	$ 60	$ 24,133	$ 4,520	$ 150,792

STATISTICAL SECTION

STATISTICAL SECTION

PATCO 40 YEARS

BETTER THAN EVER

1969-2009

FINANCIAL TREND DATA

The Authority experienced positive growth in net assets during the period from 2004 through 2006. While a small decrease in net assets is apparent for 2007, this reduction is directly related to the $9.8 million accrued (non-cash) expenses charged to operating expenses due to the GASB 45 pronouncment concerning Accounting and Financial Reporting of Postemployment Benefits (OPEB). Net assets increased in 2008 and 2009 due to an increase in overall operating income. Total operating income for 2009 increased by $32.2 million from the previous year, in large part due to a significant rise in toll revenues. The large increase in economic development activities partially offset the increase in operating income resulting in a total increase in net assets of $5.9 million in 2009. As noted below, bridge operations generate the most revenue for the Authority, accounting for almost 90% of total operating revenues during 2008 and 2009. Please refer to the following schedules for a historical view of the Authority's financial performance.

Last Six Fiscal Years (In Thousands)

NET ASSETS

	2009	2008	2007	2006	2005	2004	2003
Invested in Capital Assets, Net of Related Debt	$ 325,973	$ 281,146	$ 245,959	$ 244,194	$ 245,211	$ 224,189	$ 180,741
Restricted	142,435	147,850	176,895	199,758	236,796	257,111	249,155
Unrestricted	(123,122)	(94,317)	(92,855)	(113,329)	(158,624)	(173,185)	(128,777)
Total Net Assets	$ 345,286	$ 334,679	$ 329,999	$ 330,623	$ 323,383	$ 308,115	$ 301,119

CHANGES IN NET ASSETS

	2009	2008	2007	2006	2005	2004	2003
Operating Revenues							
Bridges:							
Tolls	$ 242,620	$ 208,856	$ 196,069	$ 194,958	$ 190,930	$ 188,809	$ 175,622
Other operating revenues	4,944	5,815	5,540	4,170	4,219	6,194	5,914
Total bridge operating revenues	247,564	214,671	201,609	199,128	195,149	195,003	181,536
Transit system:							
Passenger fares	22,028	21,459	18,978	19,014	19,067	18,647	18,430
Other operating revenues	1,606	1,507	1,438	1,600	1,871	1,221	1,151
Total transit system operating revenues	23,634	22,966	20,416	20,614	20,938	19,868	19,581
Port of Philadelphia and Camden:							
AmeriPort		-	-	-	1,838	1,734	1,018
Cruise terminal	571	683	1,043	1,608	1,264	839	601
RiverLink	62	73	50	72	51	50	877
Total Port of Philadelphia and Camden	633	756	1,093	1,680	3,153	2,623	2,496
Other:							
Miscellaneous	1,456	590	852	1,697	623	142	701
Total operating revenues	273,287	238,983	223,970	223,119	219,863	217,636	204,314
Operating Expenses:							
Operations	101,887	100,515	94,762	88,482	82,239	81,857	80,179
Lease and community impact	3,483	3,380	3,306	3,198	3,078	3,021	2,952
General and administration	35,457	34,974	31,025	27,780	26,857	29,355	32,567
Port of Philadelphia and Camden	1,269	1,447	1,698	1,824	3,548	3,683	6,828
Depreciation	45,776	45,486	44,634	42,355	38,432	34,702	30,819
Total operating expenses	187,872	185,802	175,425	163,639	154,154	152,618	153,345
Operating Income	85,415	53,181	48,545	59,480	65,709	65,018	50,969
Nonoperating Revenues (Expenses)							
Investment income	9,838	17,592	26,704	28,383	27,282	28,391	38,111
Interest expense	(66,954)	(75,654)	(74,668)	(78,267)	(72,213)	(73,621)	(74,770)
Amortization expense	(1,356)	(1,353)	(1,353)	(1,346)	(2,059)	(2,114)	(1,871)
Economic development activities	(26,794)	(3,960)	(9,841)	(7,050)	(9,704)	(14,850)	(34,013)
Other	(985)	457	(35)	(1,065)	(1,533)	(2,280)	(526)
Total nonoperating revenues (expenses)	(86,251)	(62,918)	(59,193)	(59,345)	(58,227)	(64,474)	(73,069)
Income (Loss) Before Capital Contributions and Special Items and Discontinued Operations	(836)	(9,737)	(10,648)	135	7,482	544	(22,100)
Capital Contributions:							
Federal and state capital improvement grants	11,443	14,417	10,024	12,076	7,786	6,452	9,646
Special Items:							
Employee incentive and layoff expense	-	-	-	-	-	-	(1,595)
Special Items:							
Loss on disposal of AmeriPort	-	-	-	(4,971)	-	-	-
Change in Net Assets	$ 10,607	$ 4,680	$ (624)	$ 7,240	$ 15,268	$ 6,996	$ (14,049)

REVENUE CAPACITY DATA

Major revenues, consisting primarily of bridge operating and PATCO transit system revenues, have shown positive growth since 2004, increasing from $245.9 million to $281.7 million, or an increase of $35.8 million (or 14.6%), during this period. In September 2008, bridge tolls and transit system revenues increased with the passage by the Authority's Board of new bridge toll and transit system passenger rate schedules. Toll revenues grew from $201.6 million in 2007 to $247.6 million, or an increase of $46 million (or 22.8%). Interest income decreased significantly in 2008 and 2009, primarily attributable to lower interest rates and a decrease in the General Fund balance and project funds. Total revenues increased by $25.7 million over 2008 revenues (from $256.0 million to $281.7million), primarily attributable to the full year impact of higher bridge tolls and PATCO passenger fare revenue. PATCO operating revenues grew at a rate approaching an average of 3.5% per year over the period from 2003 to 2009. PATCO's revenue growth during the period was fueled by increases in ridership and the increase in passenger fare rates. For additional historical information on the Authority's bridge traffic, passenger trips and other revenues, please refer to the schedules below.

Last Ten Fiscal Years (In Thousands)

MAJOR REVENUES BY SOURCE

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Bridge operating revenues	$247,564	$214,671	$201,609	$199,128	$195,149	$195,003	$181,536	$177,638	$176,389	$169,750
PATCO transit system operating revenues	23,634	22,966	20,416	20,614	20,938	19,868	19,581	20,503	20,473	18,780
Port of Philadelphia and Camden	633	756	1,093	1,680	3,153	2,623	2,496	2,340	3,180	1,349
Interest income	9,838	17,592	26,704	28,383	27,282	28,391	38,111	45,072	50,301	50,884
Total revenues	$281,669	$255,985	$249,822	$249,805	$246,522	$245,885	$241,724	$245,553	$250,343	$240,763

The Authority increased toll rates on January 2, 2000. E-ZPass was fully implemented on DRPA facilities on January 2, 2000 in conjunction with the toll increase.
E-ZPass discount program was restructured on January 1, 2004. On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. Please see Note 18 for additional information.

TOLL REVENUE BY BRIDGE

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Walt Whitman Bridge	$96,319	$82,198	$77,109	$77,528	$76,255	$75,001	$68,214	$68,168	$66,923	$62,985
Ben Franklin Bridge	79,848	67,188	62,235	61,577	60,550	60,377	58,261	57,890	56,633	54,857
Betsy Ross Bridge	29,062	27,590	26,734	26,906	26,305	26,581	24,627	24,609	24,916	24,842
Commodore Barry Bridge	37,391	31,880	29,991	28,947	27,820	26,850	24,520	23,751	25,193	25,267
Total toll revenues	$242,620	$208,856	$196,069	$194,958	$190,930	$188,809	$175,622	$174,418	$173,665	$167,951

The Authority increased toll rates on January 2, 2000. E-ZPass was fully implemented on DRPA facilities on January 2, 2000 in conjunction with the toll increase.
E-ZPass discount program was restructured on January 1, 2004. On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. Please see Note 18 for additional information.

BRIDGE CASH TOLL RATES

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Class 1 - Motorcycle	$4.00	$4.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00
Class 2 - Automobile	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Class 3 - Two Axle Trucks	12.00	12.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Class 4 - Three Axle Trucks	18.00	18.00	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50
Class 5 - Four Axle Trucks	24.00	24.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Class 6 - Five Axle Trucks	30.00	30.00	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50
Class 7 - Six Axle Trucks	36.00	36.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Class 8 - Bus	6.00	6.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Class 9 - Bus	9.00	9.00	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Class 10 - Senior Citizen (With Ticket Only)	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Class 13 - Auto w/trailer (1 axle)	6.00	6.00	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Class 14 - Senior Citizens (With 2 Tickets Only	-	-	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70

The toll rates shown above are cash toll rates in effect for the period indicated. The Authority has always provided a commuter program for its passenger vehicle customers. In January 2000, the Authority fully implemented E-ZPass, an electronic toll collection system, in conjunction with a toll increase. At implementation, as an incentive to use E-ZPass, a 10% discount was offered to E-ZPass customers, and a modified commuter program became effective and available through E-ZPass. In 2004, most discount programs were eliminated and the commuter program was further modified. On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. Please see Note 18 for additional information.

REVENUE CAPACITY DATA (Continued)

BRIDGE TRAFFIC BY VEHICLE CLASSIFICATION

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Vehicle classification:										
Automobiles & light trucks	46,580	48,310	49,678	49,395	48,667	48,345	46,683	46,225	45,411	43,863
Trucks	2,548	2,890	3,038	3,035	2,974	2,965	2,824	2,724	2,786	2,716
Buses	276	287	301	314	317	331	327	333	340	351
Senior citizens	1,229	1,906	1,998	2,032	2,005	2,054	2,018	2,063	2,003	1,884
Other	4	6	61	89	102	113	115	286	126	161
Total traffic	50,637	53,399	55,076	54,865	54,065	53,808	51,967	51,631	50,666	48,975

BRIDGE TRAFFIC BY BRIDGE

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Walt Whitman Bridge	20,022	20,877	21,473	21,577	21,293	21,070	19,869	19,876	19,345	18,314
Ben Franklin Bridge	18,571	19,296	19,759	19,600	19,363	19,371	19,298	19,139	18,579	18,019
Betsy Ross Bridge	5,595	6,511	6,900	6,906	6,788	6,909	6,653	6,583	6,627	6,582
Commodore Barry Bridge	6,449	6,715	6,944	6,782	6,621	6,458	6,147	6,033	6,115	6,060
Total traffic	50,637	53,399	55,076	54,865	54,065	53,808	51,967	51,631	50,666	48,975

PATCO TRANSIT SYSTEM OPERATING REVENUES

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Passenger fares (net)	$22,028	$21,459	$18,978	$19,014	$19,067	$18,647	$18,430	$19,251	$18,942	$17,247
Other revenues	1,606	1,507	1,438	1,600	1,871	1,221	1,151	1,252	1,531	1,533
Total operating revenues	$23,634	$22,966	$20,416	$20,614	$20,938	$19,868	$19,581	$20,503	$20,473	$18,780

Fare increases for 2001, 2000 and 1999, were effective on July 29, 2001, August 25, 2000, and July 25, 1999, respectively. On September 14, 2008, passenger fares, were increased by 10% across all zones. Please see Note 18 for additional information.

PATCO PASSENGER FARES

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Lindenwold/Ashland/Woodcrest	$2.70	$2.70	$2.45	$2.45	$2.45	$2.45	$2.45	$2.45	$2.45	$2.10
Haddonfield/West Haddonfield/Collingswood	2.35	2.35	2.15	2.15	2.15	2.15	2.15	2.15	2.15	1.85
Ferry Avenue	2.05	2.05	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.60
New Jersey	1.45	1.45	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.10
City Hall/Broadway/Philadelphia	1.25	1.25	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.00

Fare increases for 2001, 2000 and 1999, were effective on July 29, 2001, August 25, 2000, and July 25, 1999, respectively. On September 14, 2008, passenger fares, were increased by 10% across all zones. Please see Note 18 for additional information.

PATCO TRANSIT SYSTEM RIDERSHIP

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Passengers	10,022	10,338	9,406	9,377	9,363	9,150	8,864	9,288	10,037	10,581

DEBT CAPACITY DATA

Debt service coverage, as calculated in accordance with the Authority's governing Bond Indenture (s), for the period 2000 through 2009, is shown below. For 2009, the net revenues available for debt service coverage increased by $31.4 million due primarily to higher bridge toll revenues and flat growth in expenses. Also, debt service expenses for 2009 were slightly below 2008 levels. As a result, the debt service coverage (times), under the 1998 Indenture, increased from 1.91x in 2008 to 2.35x in 2009. The total amount of outstanding funded debt has continued to decrease during the period since 2001. (The last new money bond issue by the Authority was in 2001). For additional historical information on the Authority's debt service coverage, total outstanding debt and the ratio of debt per customer, please refer to the schedules below.

Last Ten Fiscal Years (In Thousands)

DEBT SERVICE COVERAGE

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues available for Debt Service:										
Bridge operating	$247,564	$214,671	$201,609	$199,128	$195,149	$195,003	$181,536	$177,638	$176,389	$169,750
Interest income	559	777	3,516	4,392	2,635	2,249	2,247	2,347	2,604	3,530
	$248,123	$215,448	$205,125	$203,520	$197,784	$197,252	183,783	179,985	178,993	173,280
Less expenses:										
Bridge operating	54,076	54,393	52,294	50,644	46,505	47,686	43,241	41,574	39,879	38,547
General and administration	35,457	34,974	31,025	27,780	26,856	29,355	32,567	30,307	26,549	22,845
	$89,533	$89,367	$83,319	$78,424	$73,361	$77,041	$75,808	$71,881	$66,428	$61,392
Net revenues available for Debt Service:										
1995 Revenue Bond Indenture	-	-	-	$125,096	$124,423	$120,211	$107,975	$108,104	$112,565	$111,888
Add:										
Bridge Repainting Expense	$4,152	$4,363	$4,498	$3,892	$3,779	$3,973	$5,664	$5,653	$6,397	$4,367
GASB 45 Expense (exclusive of PATC	6,012	6,219	6,219	-	-	-	-	-	-	-
Interest Income:										
1998, 1999, 2007 Revenue Bonds	2,597	3,166	2,989	2,776	3,195	2,832	2,746	3,139	3,257	3,615
2008 Revenue Bonds	5	60	-	-	-	-	-	-	-	-
Net revenues available for Debt Service:										
1998 Revenue Bond Indenture	$171,356	$139,889	$135,512	$131,764	$131,397	$127,016	$116,385	$116,896	$122,219	$119,870
Debt Service (Revenue Bonds):										
1995 Revenue Bonds	-	-	14,652	19,535	19,535	19,535	19,535	19,535	19,535	19,535
Swap Payments (net)	18,793	12,634	7,045	7,538	-	-	-	-	-	-
1998, 1999, 2007 Revenue Bonds	53,111	56,839	51,803	48,519	48,527	48,519	48,117	47,100	47,214	35,153
2008 Revenue Bonds	1,104	3,584	-	-	-	-	-	-	-	-
Total Debt Service	$ 73,008	$ 73,057	$ 73,500	$75,592	$68,062	$68,054	$67,652	$66,635	$66,749	$54,688
Debt Service coverage (Times) :										
1995 Indenture	-	-	-	4.62	6.37	6.15	5.53	5.53	5.76	5.73
Debt Service coverage (Times) :										
1998 Indenture	2.35	1.91	1.84	1.74	1.93	1.87	1.72	1.75	1.83	2.19

For 2006, the Authority has reflected the net swap debt service expense related to its annual payment under the 1995 Revenue Bond swap, which was exercised in January 2006. The Authority believes that this calculation, based on Generally Accepted Accounting Principles, fairly, clearly and completely represents the economic condition of the Authority as it relates to the debt service coverage calculation. For periods prior to 2006, the schedule reflects calculations made in accordance with the Authority's 1995 and 1998 Indentures of Trust. The Authority believes that this calculation is also consistent with Generally Accepted Accounting Principles and fairly, clearly and completely represents the economic condition of the Authority as it relates to the debt service coverage calculation for the periods specified. 'Under a "legally enacted basis" (as prescribed by the governing Revenue Bond Indentures), debt service coverage under the 1995 and 1998 Indentures, for 2006, would be 3.21 and 1.51 times, respectively. (Under a legally enacted basis, only the gross swap interest payment to the counter party, or $19.46 million, is used in the calculation, while the net interest revenue payment of $11.92 million to the DRPA is not included in the calculation). In 2007, the supplemental indenture to the 1998 Indenture was revised which changed the "legally enacted basis" calculation to allow for inclusion of the swap interest paid to the Authority in the debt service coverage calculation.

FUNDED DEBT

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Outstanding debt	$1,115,176	$1,147,535	$1,180,902	$1,212,187	$1,245,209	$1,273,127	$1,299,338	$1,319,446	$1,440,614	$1,298,040

Net of amortizing premiums and discounts.

RATIO OF DEBT PER CUSTOMER

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Outstanding revenue bonds	$785,075	$807,890	$820,392	$847,472	$867,277	$886,098	$903,609	$919,191	$934,057	$948,013
Total annual debt service	$ 73,008	$ 73,057	$ 73,500	$75,592	$68,062	$68,054	$67,652	$66,635	$66,749	$54,688
Total traffic	50,637	53,399	55,076	54,865	54,065	53,808	51,967	51,631	50,666	48,975
Outstanding debt per customer	$15.50	$15.13	$14.90	$15.45	$16.04	$16.47	$17.39	$17.80	$18.44	$19.36
Debt service per customer	$1.44	$1.37	$1.33	$1.38	$1.26	$1.26	$1.30	$1.29	$1.32	$1.12

Reflects Revenue Bond debt only.

DEMOGRAPHIC AND ECONOMIC DATA

The following figures provide four external factors during the ten years from 1999 to 2008 that affected the geographic region in which the Authority functions; this region consists of the Port District comprising of the counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia in Pennsylvania, and the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem in New Jersey. Based on the most recent data, population growth in the region is at very modest levels, with growth in New Jersey counties occuring at a slightly higher rate than that experienced in Pennsylvania counties. The unemployment rate in the Philadelphia Metropolitan Region averaged 4.71% for the period 2004 through 2008, reflecting a high of 5.37% in 2008 and a low of 4.26% in 2006. Four of the region's top ten major employers were health care organizations. The unemployment rate in the New Jersey Metropolitan Region averaged 5.45% for the period 2004 through 2008, reflecting a high of 6.07% in 2008 and a low of 5.14% in 2005. Five of the region's top ten major employers were health care organizations. Please refer to the following schedules below for a historical view of the demographic information and area employers within the Port District.

Last Ten Fiscal Years

PENNSYLVANIA PORT DISTRICT

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Population (1)	3,991,897	3,882,564	3,879,207	3,873,792	3,870,442	3,863,296	3,859,756	3,855,162	3,852,215	3,837,569
Total Personal Income (1)	$189,058,438	$184,342,322	$174,120,302	$164,091,035	$155,961,239	$147,697,927	$142,858,681	$138,218,681	$135,225,323	$125,611,839
Per Capita Personal Income (1)	$47,361	$47,480	$44,886	$42,359	$40,295	$38,231	$37,012	$35,853	$35,103	$32,732
Unemployment Rate (2)	5.37%	4.36%	4.26%	4.58%	5.00%	5.22%	5.16%	4.28%	3.82%	3.88%

Sources:
(1) Bureau of Economic Analysis, Regional Economic Accounts, Metropolitan Divisions (Philadelphia, PA Metropolitan Division)
(2) United States Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

PENNSYLVANIA PORT DISTRICT TOP TEN EMPLOYERS

	# of Employees	% of Employment
1. Jefferson Health System	23,000	1.24%
2. University of Pennsylvania	20,000	1.07%
3. University Of Pennsylvania Health System	14,000	0.75%
4. Merck & Company, Inc	12,000	0.64%
5. Supervalu Inc	11,500	0.62%
6. Wal-Mart	11,445	0.61%
7. Catholic Health East	11,333	0.61%
8. UPS	10,261	0.55%
9. Christiana Care Health System	10,000	0.54%
10. Bank of America	10,000	0.54%

List excludes Federal Government Agencies (Federal Reserve Bank, U.S. Mint, U.S. District Court, Internal Revenue Service and U.S. Military), City Departments (Police and Fire Departments, Streets Department, Courts and the Water and Gas Company) and area School Systems (including Board of Education).

Source: Select Greater Philadelphia, Regional Data

NEW JERSEY PORT DISTRICT

	2008	5.45% 2007	2006	2005	2004	2003	2002	2001	2000	1999
Population	2,411,118	2,401,441	2,391,435	2,378,301	2,364,176	2,342,408	2,317,310	2,287,197	2,268,020	2,249,838
Total Personal Income	$98,568,702	$92,444,597	$89,285,614	$84,062,922	$80,794,632	$77,083,605	$74,580,994	$72,109,982	$69,029,512	$64,424,231
Per Capita Personal Income	$40,881	$38,495	$37,336	$35,346	$34,175	$32,908	$32,184	$31,528	$30,436	$28,635
Unemployment Rate	6.07%	5.16%	5.44%	5.14%	5.45%	6.29%	6.10%	4.81%	4.39%	5.81%

Source: United States Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

NEW JERSEY PORT DISTRICT TOP TEN EMPLOYERS

	# of Employees	% of Employment
1. Lockheed Martin Corporation	5,000	0.41%
2. Virtua	4,918	0.40%
3. Saint Barnabas Health Care System	4,700	0.39%
4. PHH Mortgage Corporation	4,500	0.37%
5. Six Flags Theme Parks, Inc.	4,340	0.36%
6. Lourdes Health System	3,408	0.28%
7. TD Bank Corp	3,172	0.26%
8. Cooper Health System	3,000	0.25%
9. United Parcel Service	2,500	0.21%
10. Kennedy Health System	2,331	0.19%

List excludes Federal Government Agencies, City Departments, area School Systems (inlcuding Board of Education) and NJ Casinos

Sources: Select Greater Philadelphia, Regional Data, Ocean County Data Book, The Press, Atlantic City

OPERATING INFORMATION

Overall bridge operating revenues have shown positive growth for the ten-year period shown below, although, until fiscal year 2009, the growth trend during the past few years had slowed relative to the growth experienced in the period 2000 through 2004. As mentioned earlier, revenues for the fiscal years 2008 and 2009, jumped significantly due to the 2008 toll increase. Since 2005, total general expense growth is explained by higher costs of bridge and PATCO operations, and, in most recent years, due to accrued expenses related to GASB 45. During this period, total expenses increased from $187.9 million to $209.1 million. General administrative expenses have trended downwards from a high of $32.6 million in 2003 to a low of $26.8 million in 2005, as a result of Authority-wide control measures adopted in fiscal year 2004. Total expenses decreased in 2009 by $6.9 million from the previous year. The reduction is primarily attributable to lower interest expense on the Authority's debt during 2009. (Note that biennial inspection costs impact the operating expenses for each even-numbered year). Please refer to the schedules below for a historical view of the Authority's bridge operating revenues and general expenses during the past ten fiscal years.

Last Ten Fiscal Years (In Thousands)

BRIDGE OPERATING REVENUES

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Toll revenues by vehicle classification:										
Automobiles, light trucks and commuters	$184,260	$155,009	$144,835	$143,843	$141,057	$139,471	$130,399	$129,888	$129,431	$126,747
Trucks	53,697	49,467	47,363	47,145	45,618	45,099	40,946	40,029	41,210	40,280
Buses	2,187	1,640	1,434	1,500	1,515	1,655	1,573	1,730	1,559	1,649
Senior citizens	2,268	2,389	1,999	2,033	2,005	2,054	2,018	2,065	2,002	1,882
Other	208	351	438	437	735	530	686	842	282	647
Discounts and deductions	-	-	-	-	-	-	-	(136)	(819)	(3,254)
Total toll revenues	$242,620	$208,856	$196,069	$194,958	$190,930	$188,809	$175,622	174,418	173,665	167,951
Other bridge operating revenues	4,944	5,815	5,540	4,170	4,219	6,194	5,914	3,220	2,724	1,799
Total bridge operating revenues	$247,564	$214,671	$201,609	$199,128	$195,149	$195,003	$181,536	177,638	$176,389	$169,750

The Authority increased toll rates on January 2, 2000. E-ZPass was fully implemented on DRPA facilities on January 2, 2000 in conjunction with the toll increase. E-ZPass discount program was restructured on January 1, 2004. On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. Please see Note 18 for additional information.

GENERAL EXPENSES BY FUNCTION

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Bridge operations:										
Salaries and employee benefits	$32,496	$31,551	$30,047	$29,059	$26,954	$27,450	$25,318	$24,931	$23,884	$23,500
Equipment and supplies	212	212	176	156	136	106	170	84	68	85
Maintenance and repairs	3,234	3,417	3,277	2,966	1,511	1,599	2,245	2,167	2,349	2,251
Utilities	2,562	2,783	2,621	2,386	1,678	1,678	1,862	1,320	1,353	1,257
Insurance	5,130	4,644	5,093	5,813	6,617	6,727	4,401	1,765	1,220	1,212
Other	10,442	11,786	11,080	10,264	9,609	10,126	9,245	11,307	11,005	10,242
Total bridge operations	54,076	54,393	52,294	50,644	46,505	47,686	43,241	41,574	39,879	38,547
PATCO transit system:										
Maintenance of way and power	11,552	10,229	9,774	9,438	8,884	8,618	8,140	6,681	7,364	7,085
Maintenance of equipment	7,156	6,696	6,679	6,370	7,046	6,345	6,417	6,195	5,533	4,899
Purchased power	5,359	5,656	4,933	4,984	3,335	2,852	3,041	2,772	2,905	3,461
Transportation	15,114	14,489	13,015	11,800	11,622	11,725	11,217	10,713	9,377	9,446
General insurance	767	1,256	692	704	823	502	856	1,373	1,210	711
Administration	7,863	7,795	7,375	4,542	4,024	4,129	3,943	3,655	3,258	2,867
Total PATCO transit system	47,811	46,121	42,468	37,838	35,734	34,171	33,614	31,389	29,647	28,469
Lease and community impact	3,483	3,380	3,306	3,198	3,078	3,021	2,952	2,920	2,857	4,072
General administration	35,457	34,974	31,025	27,780	26,857	29,355	32,567	30,307	26,549	22,845
Port of Philadelphia and Camden	1,269	1,447	1,698	1,824	3,548	3,683	6,828	6,884	6,629	5,338
Interest	66,954	75,654	74,668	78,267	72,213	73,621	74,770	77,039	77,195	77,884
Total expenses	$209,050	$215,969	205,459	$199,551	$187,935	$191,537	$193,972	$190,113	$182,756	$177,155

OPERATING INFORMATION (Continued)

OPERATING STATISTICS

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
DRPA										
Total Traffic	50,637	53,399	55,076	54,865	54,065	53,808	51,967	51,631	50,666	48,975
Non-Commercial Traffic	48,089	50,509	52,038	51,830	51,091	50,843	49,143	48,907	47,880	46,259
Commercial Traffic	2,548	2,890	3,038	3,035	2,974	2,965	2,824	2,724	2,786	2,716
Average Daily Traffic (365 day basis)	139	146	151	150	148	147	142	141	139	134
Average Toll per Customer	$4.79	$3.91	$3.56	$3.55	$3.53	$3.51	$3.38	$3.37	$3.43	$3.43
E-ZPass Traffic	28,367	28,130	27,987	26,946	25,522	24,481	22,819	21,458	15,669	15,669
% of E-ZPass Traffic	56.0%	52.7%	50.8%	49.1%	47.2%	45.5%	43.9%	41.6%	30.9%	32.0%
PATCO										
Total Passengers	10,022	10,338	9,406	9,377	9,363	9,150	8,864	9,288	10,037	10,581
Average Passengers (365 day basis)	27	28	26	26	26	25	24	25	27	29
Average Fare Per Passenger	$2.20	$2.08	$2.02	$2.03	$2.04	$2.04	$2.08	$2.07	$1.89	$1.63

Average fare per passenger based on PATCO net passenger fare revenues.

FULL TIME AUTHORITY EMPLOYEES

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
DRPA	595	589	589	553	554	570	632	625	554	550
PATCO	305	301	302	355	358	373	373	368	344	325
Total Full-time	900	890	891	908	912	943	1005	993	898	875

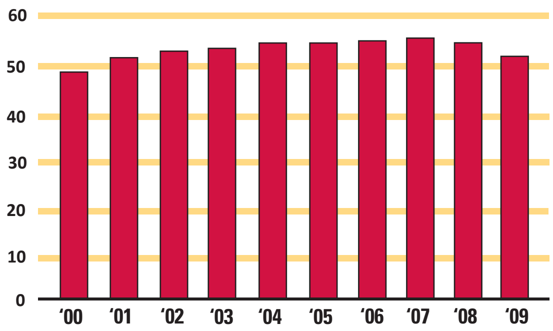
CAPITAL EXPENDITURES

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Bridge and Transit System	$75,481	$58,498	$23,395	$31,109	$44,501	$74,435	$98,108	$98,154	$68,288	$71,719

Bridge & Patco Operations

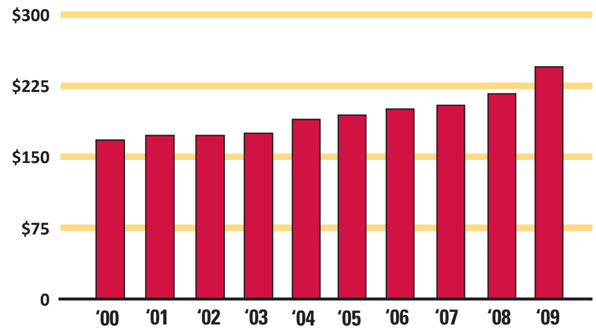
DRPA Bridge Traffic 2000-2009[1][2]

(in millions of vehicles)



DRPA Bridge Toll Revenues 2000-2009[1][2]

(in millions of dollars)

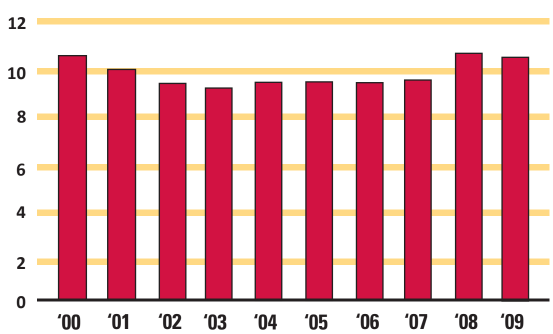


(1) The Authority increased toll rates on January 2, 2000. E-ZPass was fully implemented on DRPA facilities on January 2, 2000 in conjunction with the toll increase.

(2) On September 14, 2008, the Authority implemented a new bridge toll schedule which increased tolls in each vehicle class and restructured the E-ZPass and senior citizen programs. Please see Note 18 for additional information.

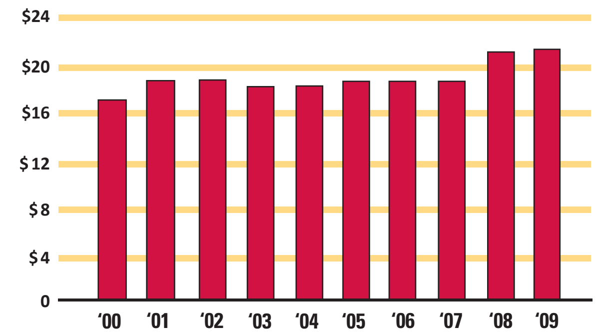
PATCO Passenger Ridership 2000-2009[3][4]

(in millions of passengers)



PATCO Passenger Fare Revenues 2000-2009[3][4]

(in millions of dollars)



(3) In July 2001, PATCO Implemented the third and final phase of the fare increases.

(4) On September 14, 2008, passenger fares, with the exception of fares for elderly persons and persons with disabilities, were increased by 10% across all zones. Please see Note 18 for addiitonal information.

Delaware River
Port Authority
Comprehensive Annual
Financial Report
for the Year Ended
December 31, 2009

PRODUCED BY:
The Office of
Corporate Communications

EDITED BY:
Danelle G. Hunter

DESIGNED BY:
Michael D. Williams

PHOTOGRAPHY BY:
C. Carlton Read

PRINTED BY:
DRPA Printing Services

FINANCIAL DATA COMPILED BY:
James M. White, Jr., CCM
Ronnie Gilbert
Jennifer A. DePoder

PATCO 40 YEARS
BETTER THAN EVER
1969-2009

JUNE 7, 1936 – The Bridge Line begins service between Philadelphia and Camden, NJ

JUNE 11, 1964 – Construction begins on the PATCO line

SEPTEMBER 20, 1967 – PATCO incorporates

JANUARY 4, 1969 – Revenue service begins between Lindenwold and Camden

FEBRUARY 15, 1969 – PATCO begins operation between Lindenwold, NJ and 16th & Locust Streets

OCTOBER 3, 1979 – PATCO has its 3rd highest ridership day when Pope John Paul II visited Philadelphia

1980 – 46 new Vickers cars are acquired, bringing the total PATCO car fleet to 121

FEBRUARY 1, 1980 – Woodcrest Station in Cherry Hill, NJ opens

OCTOBER 22, 1980 – PATCO has its second highest ridership day with 77,557 trips for the Phillies World Series Parade

JANUARY 21, 1984 – Broadway Station closes and rebuilt as the Camden Transportation Center

2001 – PATCO records 10 million trips

JANUARY 16, 2002 – PATCO starts the most comprehensive renovation and modernization initiative in its history called "PATCO at Work"

OCTOBER 2005 – PATCO completes a feasibility study which strongly endorsed pursuing increased rail transit options in Southern New Jersey and the Philadelphia Waterfront to address transportation and mobility needs

NOVEMBER 26, 2007 – Equipment installation begins on PATCO's new state-of-the-art FREEDOM Fare Collection System

JULY 20, 2007 – PATCO begins providing an email notification service to deliver up-to-the-second transit information for riders' on the go

NOVEMBER 14, 2007 – Transit Ambassadors begin working at PATCO stations, providing assistance to customers traveling during off-peak hours

MARCH 6, 2008 – Ribbon cutting for the launch of the FREEDOM Fare Collection System

OCTOBER 31, 2008 – PATCO celebrates Phillies World Series Championship with a one day record of 112,000 trips

DECEMBER 17, 2008 – PATCO records 10 million trips in a year

APRIL 6, 2009 – PATCO enters the world of social media by joining Twitter

JANUARY 2009 – PATCO launches its FREEDOM to Save rider reward program

MAY 2009 – NJ Governor Jon S. Corzine endorses DRPA/PATCO's Transit Investment Vision for Southern New Jersey, a three-component approach including a light rail system from Camden to Glassboro, the addition of bus rapid transit along routes 42 and 55 and the improvement of the Atlantic City Rail Line connection between Southern New Jersey communities, Atlantic City and Philadelphia to increase access to the Atlantic City International Airport

JULY 15, 2009 – DRPA/PATCO Board of Commissioners voted to re-open PATCO's Franklin Square Station

OCTOBER 2009 – PATCO launches its PATCO Cares Program, an initiative to give select charities a chance to share their vision and goals with a large audience – PATCO's 36,000 daily riders

OCTOBER 26, 2009 – Announcement of Locally Preferred Alternative for Light Rail Service along Market Street between City Hall and the Delaware River Waterfront initially serving Pier 70 to the South and SEPTA's Route 15 Trolley at Girard Avenue to the North

MAY 26, 2010 – Installation of digital monitors at PATCO's 8th & Market Streets Station. The monitors display advertising and PATCO information

DELAWARE RIVER PORT AUTHORITY
One Port Center • 2 Riverside Drive, PO Box 1949 • Camden, NJ 08101-1949
(856) 968-2000 • (215) 218-3750 • www.drpa.org