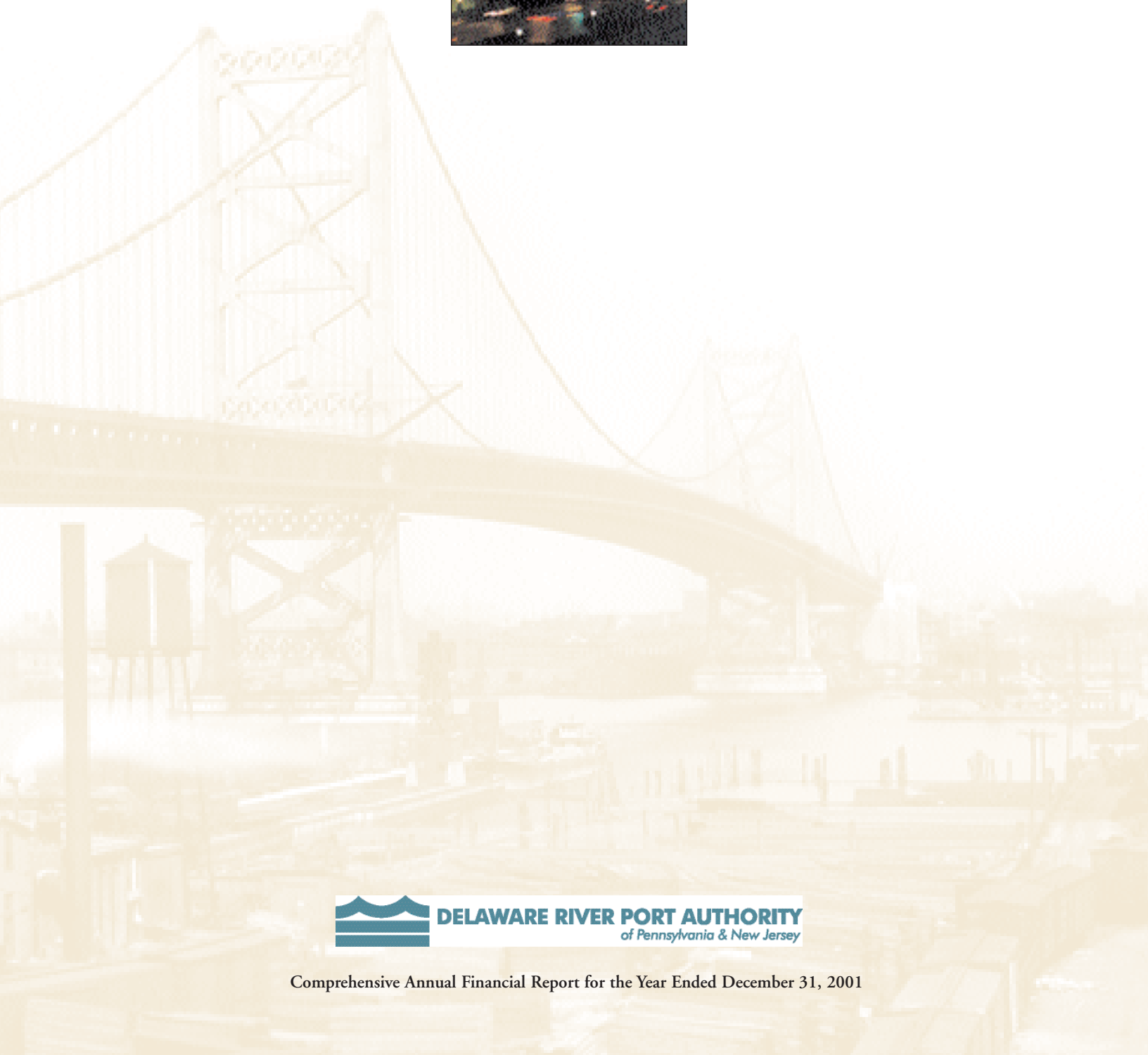




BALDWIN  
SAW & PLANING MILL

***We Keep the Region Moving!***



# Mission Statement

## We Keep the Region Moving!

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

### 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, 2000

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.

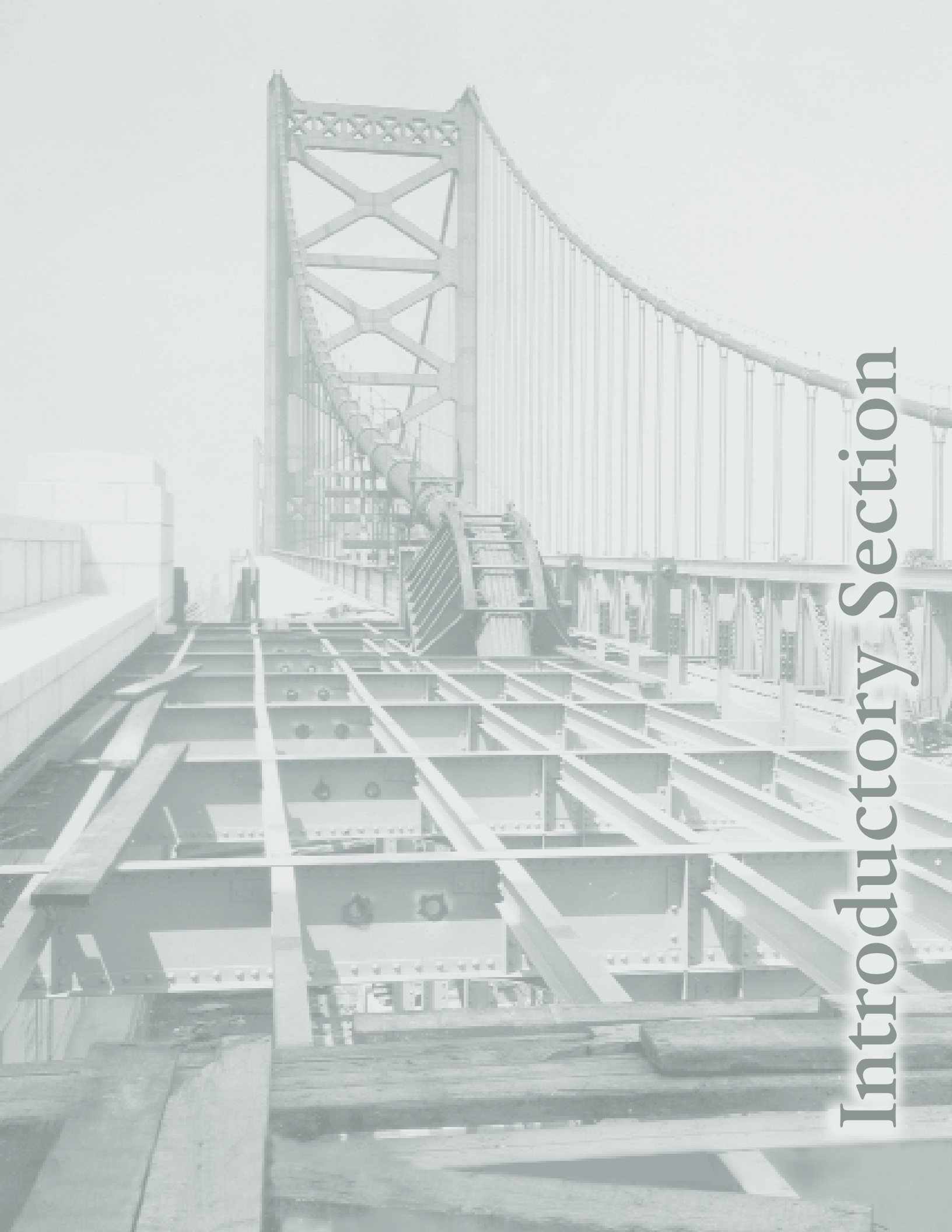


*Imelda Bruce*  
President  
*Jeffrey L. East*  
Executive Director

For the ninth 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 2000 Comprehensive Annual Financial Report.

*The Philadelphia Waterfront as seen from the Benjamin Franklin Bridge.*





# Introductory Section

# История строительства





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Prepared by the  
Office of the Treasurer and Chief Financial Officer

◀ As part of its enhanced security, DRPA began bicycle patrols on the Benjamin Franklin Bridge's pedestrian walkway and in PATCO parking lots.

# To Our Governors

On July 1, the commissioners and staff of the Delaware River Port Authority welcomed tens of thousands of pedestrians to the Benjamin Franklin Bridge's 75th birthday celebration. By dawn of that day, hundreds had lined up to stroll across the span and enjoy 1920s-era entertainment. At midmorning, the bridge was packed with spectators as we unveiled our newly restored Winged Victory statues, symbols that bridges help bind communities together.

The celebration highlighted the Year 2001, and gave us the opportunity to focus attention on our continuing capital

improvement program. That program touches each of DRPA's core transportation facilities, keeping them structurally sound and operationally safe. Two of the capital projects -- E-ZPass and placement of moveable median barriers -- dramatically reduced traffic congestion on our four bridges. Other projects are addressing the structural needs of the PATCO Speedline, RiverLink Ferry and Philadelphia Cruise Terminal at Pier 1.

DRPA's regional development also enjoyed success in 2001. We played an important role in opening six major projects, each contributing to the region's economic vitality in a different way.

- In the spring, we completed work along Camden's Admiral Wilson Boulevard, transforming this stretch of formerly blighted land into a public park.
- On May 11, we opened Campbell's Field, a minor-league baseball stadium on the Camden Waterfront.

**Winged Victory statues, symbols that bridges help bind communities together**

- In the summer, we reopened South Philadelphia's Pier 122. Closed since 1995, the marine terminal immediately began handling large volumes of bulk cargo, creating jobs for dockworkers, truck drivers and railroad employees.

- In September, we welcomed the Battleship *New Jersey* as a permanent attraction on the Philadelphia-Camden Waterfront.

- On Nov. 20, we helped open Philadelphia's Independence Visitor Center, a key facility in the region's campaign to increase tourism.

- And on Dec. 14, we helped open the Kimmel Center for the Performing Arts. Receiving international acclaim, this magnificent center solidifies the region's cultural base and serves as an anchor for redevelopment of Philadelphia's Avenue of the Arts.

DRPA helped start new projects in 2001. These include the \$1 billion construction of South Philadelphia sports stadiums, expansion of the Palmyra Cove Nature Park, and development of family entertainment centers on both the Philadelphia and Camden waterfronts. DRPA also took a lead role in planning for the rebirth of the North Philadelphia Waterfront, Philadelphia's University City District and the waterfront districts in Chester, Pa., and West Deptford, N.J.

In 2002, we will help those projects unfold. We will continue upgrading our core transportation assets. We will work to keep the Port of Philadelphia and Camden competitive as a center of international trade. And we will advance projects to strengthen our regional economy. DRPA's commissioners and staff look forward to these challenges and await your direction.

Sincerely,



Manuel N. Stamatakis  
Chairman

◀ One of four newly restored Winged Victory statues unveiled during the Benjamin Franklin Bridge's 75th birthday celebration.





*Penn's Landing, Old City and the Philadelphia skyline ▲*

*One Port Center, N.J. State Aquarium and the Camden Waterfront ▼*



COMMONWEALTH OF  
**Pennsylvania**



**Mark Schweiker**  
Governor

Governor Schweiker took the oath of office on October 5, 2001, following **Gov. Tom Ridge's** appointment by President George W. Bush to head the nation's Office of Homeland Security.

STATE OF  
**New Jersey**



**Donald T. DiFrancesco**  
Acting Governor

Governor DiFrancesco took the oath of office January 2001, following **Gov. Christine Todd Whitman's** appointment by President George W. Bush to head the U.S. Environmental Protection Agency.



**Manuel N. Stamatakis**  
Chairman



**Glenn Paulsen, Esquire**  
Vice Chairman



**Paul Drayton, Jr.**  
Chief Executive Officer, DRPA  
President, PATCO

**Marc H. Krassan**  
Treasurer and Chief Financial Officer

**Robert A. Judge**  
Secretary

*Flags from the Colonial Era decorate the Betsy  
Ross Bridge on its 25th birthday, April 30, 2001.*



## Pennsylvania Commissioners



**Robert W. Bogle**  
 Publisher  
 Philadelphia Tribune



**Hon. Robert P. Casey, Jr.**  
 Auditor General  
 Commonwealth of Pennsylvania



**Hon. Barbara Hafer**  
 Treasurer  
 Commonwealth of Pennsylvania



**Bernadine Munley**  
 Attorney, Ballard Spahr  
 Andrews & Ingersoll



**Capt. Michael Linton<sup>1</sup>**  
 Pilot's Association of the  
 Bay and River Delaware



**Hon. John M. Perzel**  
 State Representative  
 Commonwealth of Pennsylvania



**Frank Salvatore**  
 Former State Senator

## New Jersey Commissioners



**Joan Davis**  
 Former teacher  
 and bank executive



**Michael H. Facemyer**  
 Executive  
 Bell Atlantic Corp.



**John T. Hanson<sup>2</sup>**  
 General Manager  
 SJAP Naturalink



**David Kotok**  
 Partner  
 Cumberland Consulting



**Gerald P. McNamara<sup>3</sup>**  
 Recording Secretary  
 Teamsters Local 115



**Robert A. Mossman**  
 Professor  
 Gloucester County College



**Clara Ruvolo<sup>4</sup>**  
 Director  
 Palmyra Cove Nature Park

<sup>1</sup> Commissioner Linton replaced F. Joseph Loeper  
<sup>2</sup> Commissioner Hanson replaced Anthony Pugliese

<sup>3</sup> Commissioner McNamara was replaced by Albert F. Frattali in January 2002  
<sup>4</sup> Commissioner Ruvolo replaced Carol Beske

# Facilities



**BENJAMIN FRANKLIN BRIDGE**



**WALT WHITMAN BRIDGE**



**BETSY ROSS BRIDGE**



**COMMODORE BARRY BRIDGE**



**PATCO SPEEDLINE**



**RIVERLINK FERRY**

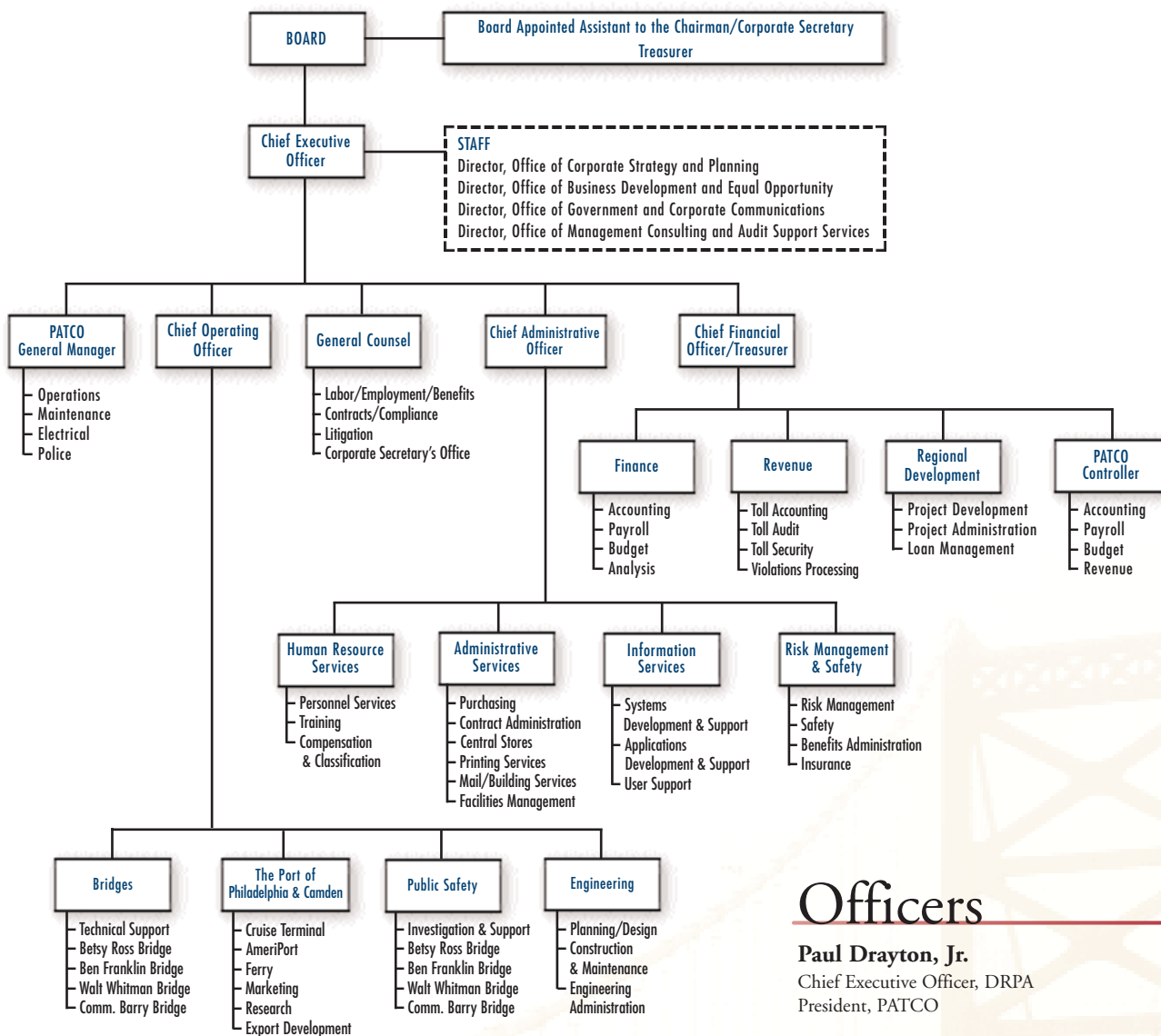


**PHILADELPHIA CRUISE TERMINAL AT PIER 1**



**AMERIPORT INTERMODAL RAIL CENTER**

# Organization



## Officers

**Paul Drayton, Jr.**  
 Chief Executive Officer, DRPA  
 President, PATCO

**Barbara G. Jones, Esquire**  
 Chief Administrative Officer

**Marc H. Krassan**  
 Treasurer and Chief Financial Officer

**Elizabeth Murphy**  
 Chief Operating Officer

**Richard Brown, Esquire**  
 General Counsel

**T.R. Hickey**  
 PATCO General Manager



July 1, 2001

# Snapshots

## from the 75th



### BEN FRANKLIN AT 75

On Sunday morning, July 1, DRPA closed the Benjamin Franklin Bridge to traffic and invited the public to walk the span and enjoy 1920s-era entertainment. The event, which drew approximately 50,000 participants, duplicated the bridge's opening on July 1, 1926. Jazz musicians, vintage cars, "flappers" and entertainers made the day special, along with a group of senior citizens who, as children, had walked across the bridge at its dedication 75 years earlier.



*Enjoying the 1920s theme of the celebration were a quartet of "flappers" and 50,000 pedestrians.*

### TIMELINE

**1919**

New Jersey and Pennsylvania form the Delaware River Bridge Joint Commission.

**1920**

Ralph Modjeski selected as chief engineer.

**Feb. 15, 1921**

Congress passes an act authorizing the construction, and the President signs it into law.

**Jan. 6, 1922**

Construction begins after a parade with local dignitaries. During construction, it is called "Camden-Philadelphia Bridge."

**Winter 1922-23**

Anchorage foundations laid.

**1923**

Bridge is named "Delaware River Bridge."

**Nov. 1925**

Anchorage completed. The New Jersey anchorage is completed first, two weeks earlier than the Philadelphia anchorage.

**July 1, 1926**

Bridge opens as the longest suspension bridge in the world at 1,750 feet at center span (the hanging distance between the towers).

**July 5, 1926**

President Calvin Coolidge dedicates the bridge.

**1929**

Detroit's Ambassador Bridge stretching 1,850 feet overtakes it as the longest suspension bridge.

**Jan. 17, 1956**

Delaware River Bridge renamed "Benjamin Franklin Bridge" to commemorate Ben Franklin's 250th birthday.

**1976**

Bridge celebrated its 50th anniversary.

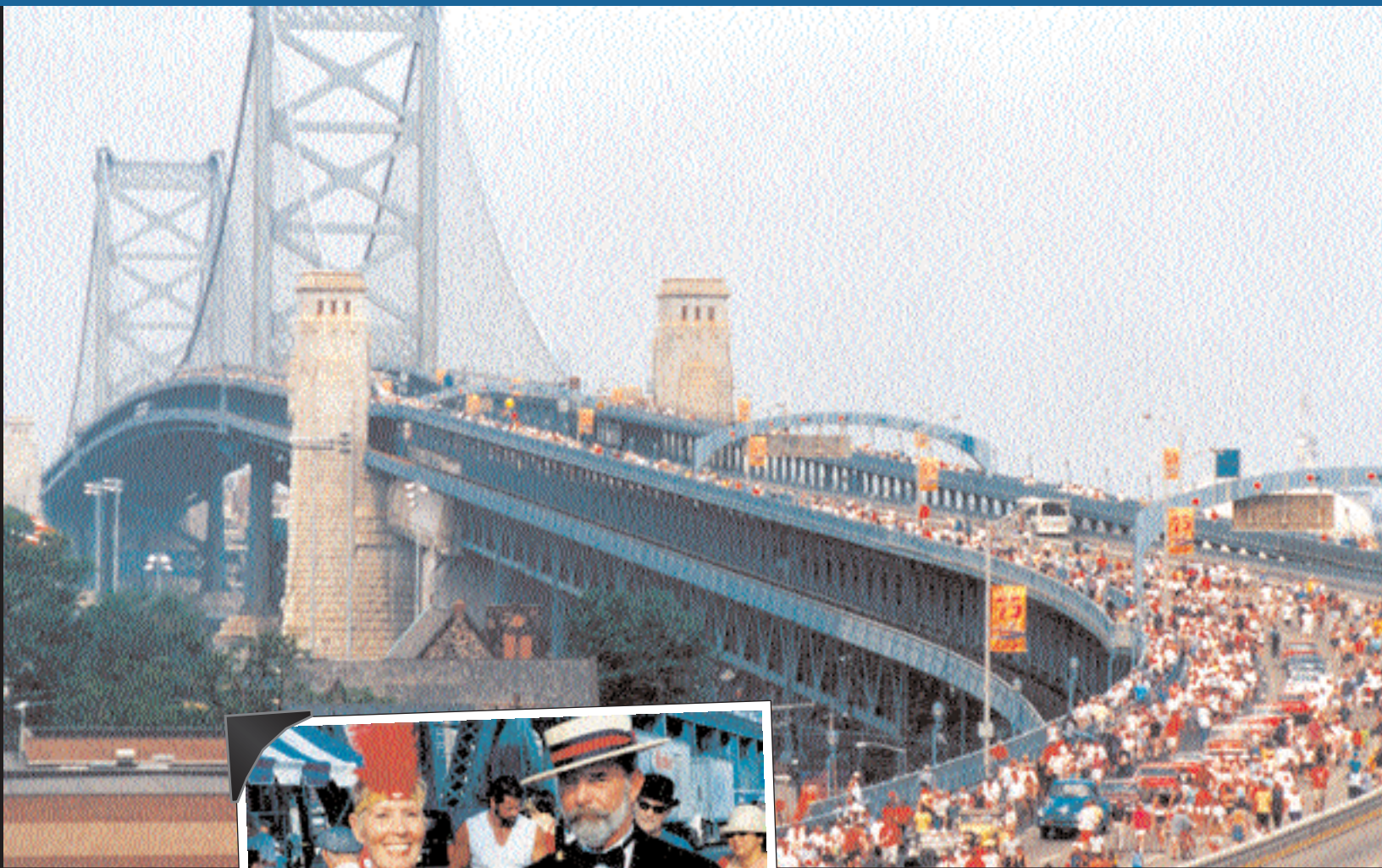
**January 20, 1978**

Bridge carries its one billionth vehicle.

**July 1, 2001**

Tens of thousands of pedestrians celebrate the Bridge's 75th birthday. The ceremony also features the first public showing in more than 50 years of the restored Winged Victory statues.





*The bridge closed to traffic on the morning of its birthday and welcomed those in Roaring 20s costumes, antique cars and old-time bicycles. Even Ben Franklin showed up to host the ceremony.*



# Report from the Chief Executive Officer

During 2001, the urban blight that marred the Admiral Wilson Boulevard completed its transition to a riverfront park. A mile away, a minor league baseball stadium opened on the Camden Waterfront. Pier 122 reopened in South Philadelphia and nearly \$1 billion worth of construction began on new sports stadiums. The Delaware River Port Authority helped advance all these projects, and more, as we improved our core facilities and exercised leadership in regional development.

During the year, we hosted the Benjamin Franklin Bridge's 75th birthday celebration. We helped open the Independence Visitor Center and the Kimmel Center for the Performing Arts, and we welcomed the Battleship *New Jersey* as a permanent waterfront attraction.

During 2001, DRPA and PATCO employees developed our new mission statement and adopted a corporate slogan: ***We Keep the Region Moving!*** The slogan refers to our roles in providing regional transportation, in encouraging cargo flow through the Port of Philadelphia and Camden and in helping to create a vibrant local economy.

This report details what was an extraordinary year. It describes DRPA's aggressive facility improvement program, improvements to traffic flow, our response to new security concerns and a series of regional development successes. We accomplished these milestones while operating in a corporate culture that stresses safety, customer service and operating efficiency.

## RESPONSE TO NATIONAL EMERGENCY

As one port authority to another, DRPA offered support to the brave men and women of the Port Authority of New York and New Jersey following the events of Sept. 11. DRPA employees volunteered at Ground Zero, and our foundation provided financial support to affected families. We enhanced security at our facilities and participated with other law enforcement agencies in intelligence gathering and dissemination.

## FINANCIAL SUMMARY

DRPA maintained among the lowest bridge toll rates in the country when compared with other interstate bridges and tunnels. We continue to provide an automatic 10 percent discount to all E-ZPass customers, a 33 percent discount for commuters and a 67 percent discount for senior citizens. PATCO fares also compare favorably to other transit systems, and PATCO continues to offer free and low-cost parking.

Taking advantage of market conditions, we conducted an alternate method of bond refunding that saved approximately \$40 million in interest payments. And, for the ninth consecutive year, DRPA received a Certificate of Achievement for our annual financial statement.

◀ Opening in 2001, Campbell's Field brought minor league baseball to the shadow of the Ben Franklin Bridge.

Following the Sept. 11, 2001, terrorist attacks in New York and Washington, ▶ DRPA - like transportation agencies everywhere - heightened security.





**BRIDGES**

With safety always a primary objective, we are pleased to report that DRPA's four bridges carried more than 100 million vehicles in 2001 without recording a fatal accident. We also improved traffic flow by installing median barriers on the bridges, which eliminate the need for buffer lanes. The barriers on the Ben Franklin, Walt Whitman and Commodore Barry bridges are moveable, so we can provide an extra travel lane in the direction of peak traffic flow. Other bridge improvements included:

**Benjamin Franklin Bridge.** Workers completed the first phase and started the second phase of a multi-year project to strip all paint from the 75-year-old bridge and repaint the structure. Initial painting activity took place on the Camden approach with almost no impact on traffic flow or PATCO service.

**Walt Whitman Bridge.** We finalized plans for the last stage of the corridor improvement program, which will rebuild the ramp linking the bridge to I-676, U.S. Route 130 and N.J. Route 168.

**Commodore Barry Bridge.** Workers completed steel repairs, replaced vibration dampers, resurfaced the New Jersey approaches, rebuilt the toll plaza and began rebuilding portions of the bridge deck.

**Betsy Ross Bridge.** Crews completed steel repairs, repaired roadway joints, installed new compression seals and activated a new traffic-control system.

**Traffic Management Center.** In a move to reduce congestion and improve operational efficiency, staff began designing a traffic management center. The center will improve communications and interface with other traffic reporting and management entities.

**E-ZPASS**

At the end of our second year of operation, we had opened almost 100,000 E-ZPass accounts and distributed more than 175,000 transponders. Almost 60 percent of DRPA's morning commuters use E-ZPass, and each month DRPA credits more than 20,000 accounts with its E-ZPass commuter discount. We also distribute an E-ZPass newsletter that offers discount coupons and travel information.

**PATCO SPEEDLINE**

Workers replaced 30-year-old roofs at the New Jersey stations, repaired heating elements in transit cars and rebuilt the Lindenwold Shop access road. PATCO made plans for a comfortable customer transfer with the NJ TRANSIT light rail system that will open in 2003. The transfer will take place at Broadway Station's West Headhouse near Camden's Walter Rand Transportation Center. We also completed preparations for a \$100 million program that we call "PATCO at Work." The initiative will impact almost every facet of the transit system including fire control systems, embankment restoration, station enhancements, replacing 51,000 rail ties, escalator repairs and electrical system upgrades.

In 2001, PATCO began offering free parking during off-peak hours and made it easier for those who wish to bring bicycles on PATCO trains. We announced plans to start a transit assessment for Gloucester County, northern Cumberland County and Center City Philadelphia.



◀ Maintenance crews at the Betsy Ross Bridge.

*PATCO prepared for the largest maintenance and improvement program in its history -- "PATCO at Work."*



**RIVERLINK FERRY**

In its second year under DRPA operation, the RiverLink Ferry carried more than 304,000 customers and provided needed transportation support for the growing list of riverfront attractions. To improve passenger movements, we designed a new boarding system and agreed to purchase a second vessel and place it into service in 2002.

**PHILADELPHIA CRUISE TERMINAL AT PIER 1**

Because the Sept. 11 attack forced the closure of New York Harbor, the Philadelphia Cruise Terminal at Pier 1, located inside the Philadelphia Naval Business Center, responded quickly to accommodate an additional 20 cruise ships.

**PORT OF PHILADELPHIA AND CAMDEN**

Despite the national recession, the marine terminals of Philadelphia and Camden handled the same amount of international general cargo as they did in 2000.

Helping the total was an increase in bulk cargo generated by the opening of Philadelphia’s Pier 122. DRPA assisted in reopening the pier, which had been closed since 1995. We also provided cargo statistics and analysis to help port terminal operators attract new cargo to the Delaware River.

To keep the Delaware River competitive with other East Coast ports, we provided information to the U.S. Congress as it appropriated funds to modernize the Delaware River shipping channel and thereby protect 73,000 cargo-related jobs. To boost the flow of containerized cargo, we reached an agreement with Norfolk Southern Railroad to develop a cargo-transfer center at the Philadelphia Naval Business Center.

**EXPORT DEVELOPMENT**

Using federal and state funding, we led the regional effort to help firms export products and services to overseas markets. PPC sponsored several trade-development events and seminars, with special emphasis on companies in the biotechnology field.

**REGIONAL DEVELOPMENT**

Working with the two states, we continued to exercise leadership in the region’s economic revitalization. During 2001, DRPA played a key role in bringing four major projects to completion. They were:

- Bringing the Battleship *New Jersey* to the Camden Waterfront.
- Opening the Independence Visitor Center.
- Opening Campbell’s Field, the minor league baseball stadium that is home to the Camden Riversharks and Rutgers University teams.
- Opening Philadelphia’s Kimmel Center for the Performing Arts.

In addition, we launched an initiative to create a brand identity for the Philadelphia-Camden Waterfront. Using Baltimore’s Inner Harbor as an example, our goal is to establish a unified waterfront identity that will achieve international recognition.

Other projects that DRPA helped advance included:

**Pennsylvania Development**

- **Sports stadiums.** More than \$1 billion worth of construction began for two new stadiums in South Philadelphia. DRPA anticipates \$600,000 annually in additional bridge revenue when the stadiums open.

◀ *The Port of Philadelphia and Camden remains one of the country’s largest and most diverse port complexes.*

*The RiverLink Ferry sails past the Battleship New Jersey. DRPA joined the effort to bring the “Big J” to the Camden Waterfront.*





- **Penn's Landing.** At year's end, we announced a partnership agreement to redevelop Penn's Landing including retail, entertainment and an expanded Please Touch Museum.

- **Greater Philadelphia World Trade Center.** This partnership could lead to development of an office/hotel/residential complex on Philadelphia's North Waterfront.

- **University City** redevelopment master plan.
- **Fairmount Water Works.** We joined the partnership to reopen the historic site and develop an environmental center focusing on water purity.

- **Gazela Philadelphia.** Restoration of Philadelphia's official tall ship.

- **Rivertown.** We agreed to help Chester develop highway access for its waterfront district near the Commodore Barry Bridge.

- **North Philadelphia Waterfront.** In partnership with Philadelphia, we developed a master plan to redevelop 11-miles of waterfront property from the Benjamin Franklin Bridge to the Bucks County line.

- **Dockside.** With DRPA infrastructure improvements, construction continued on a 16-story apartment complex on a former abandoned pier south of Penn's Landing.

### New Jersey Development

- **Admiral Wilson Boulevard.** After acquiring and demolishing approximately 40 structures, we planted more than 12,000 trees, plants and shrubs on the boulevard's south side and advanced planning for commercial redevelopment of the north side.

- **Victor Lofts.** We completed environmental remediation with the goal of converting Camden's historic "Nipper" Building into a residential complex.

- **RiverWinds.** Showing how dirt from the Delaware River can be used for beneficial purposes, we moved dredged soil to create a community complex in West Deptford Township.

- **Holmes Lounge.** Through a low-interest loan, we enabled the Camden landmark to expand.

- **Millennium Waterfront Park.** To help a South Camden neighborhood, we developed plans to create a waterfront park.

- **Black Horse Pike Shopping Center.** We agreed to make highway improvements near a Walt Whitman Bridge ramp that will help revitalize an aging retail center in Audubon.

- **LEAP Academy High School.** In partnership with Rutgers University, we agreed to develop the charter school as part of an "education corridor" taking shape on Cooper Street.

- **New Jersey State Aquarium.** At year's end, we announced negotiations to expand the aquarium, including possible development of restaurants and an I-MAX theater.

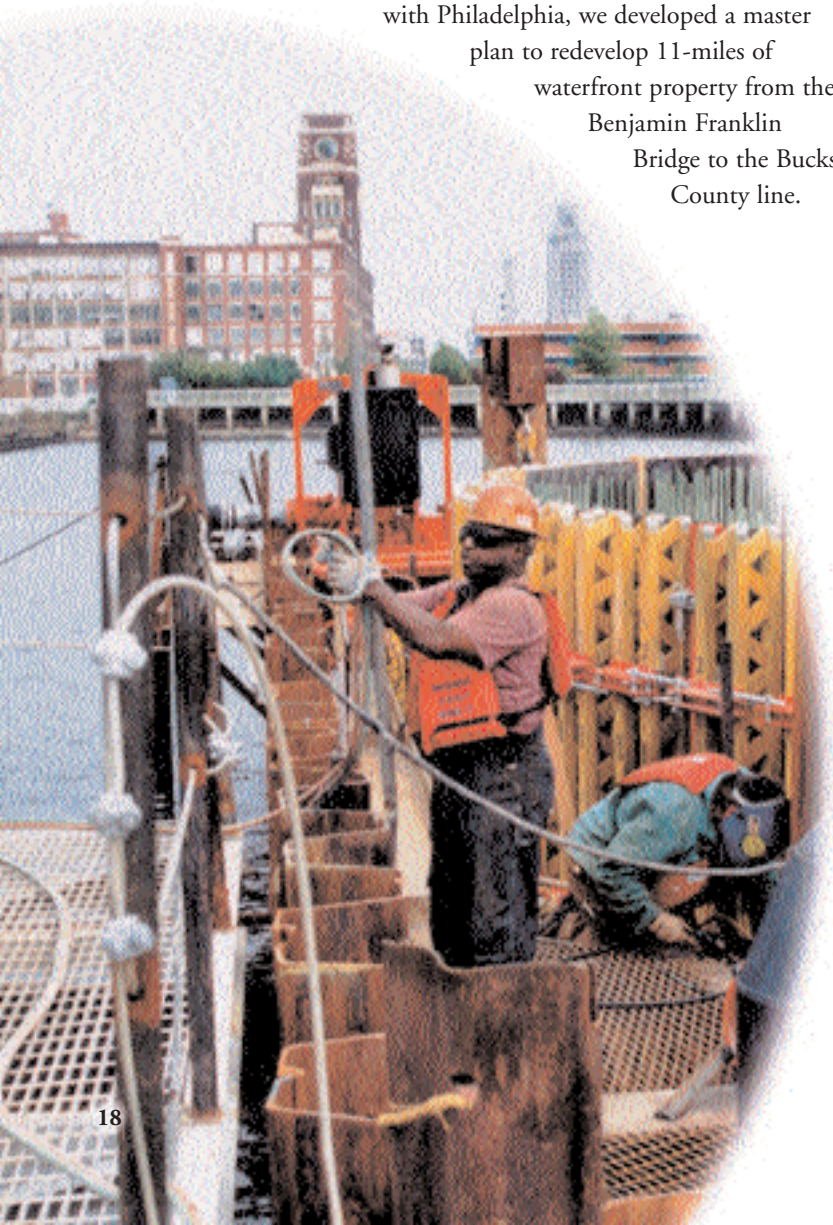
- **Palmyra Cove Nature Park.** After helping to create a public amenity from a dredge disposal site, we joined the partnership to expand the Burlington County attraction.

### DELAWARE RIVER AERIAL TRAM

We completed the foundation for the Pennsylvania tower of the Delaware River Aerial Tram and began building the New Jersey foundation. Design work progressed on the towers, haul-rope

◀ Workers build the foundation of the Delaware River Aerial Tram.

Formerly an example of urban blight, DRPA created a park ▶ on the south side of Camden's Admiral Wilson Boulevard.





system and the stations. The aerial tram will advance the "two cities - one waterfront" concept by giving waterfront visitors a quick and convenient vehicle to cross from one river bank to the other. It will link the Penn's Landing and Camden Waterfront attractions by carrying visitors up and over the Delaware River in enclosed gondola cars.

### ONE PORT CENTER

Our headquarters building on the Camden Waterfront, One Port Center, remained fully occupied. Tenants included Public Service Electric and Gas Co. and a Marriott Corp. restaurant. In December, we announced plans to negotiate an agreement with a company interested in building an adjacent office complex.

### BUSINESS DEVELOPMENT

In 2001, we recorded our best year ever in outreach to businesses owned by minorities, women and those with disabilities. For the year, 28.6 percent of DRPA's contracts

and purchases went to these firms with a value of more than \$17 million. In the years before we began our outreach effort, only about 3 percent of our work went to businesses in these classifications.

### COMMUNITY ACTIVITIES

Our employees took an active role in improving performance by fashioning a new mission statement and motto: "*We Keep the Region Moving!*" They also developed seven key corporate values and a three-part public service statement. Employees showed their commitment to local communities with programs such as PATCO's Valentine's Day Food Drive, the "Ben Franklin Bridge Challenge" for Special Olympics, and the annual United Way campaign. We worked with Camden schoolchildren to create artistic tiles depicting a "Tree of Life," installed at the Ben Franklin Bridge's pedestrian tunnel.

### AWARDS

In October, we accepted the "Corporate Citizen of the Year Award" from the Greater Philadelphia African American Chamber of Commerce. The chamber cited our success in opening our procurement process to small businesses. Chairman Manuel Stamatakis received "Man of the Year" honors during Maritime Day festivities, Commissioner Michael Linton received the Port of Philadelphia Maritime Society Award, and Benjamin Franklin Bridge Director Valerie Bradford received a Tribute to Women in Industry Award.

### 2002 WORK AGENDA

The following is a summary of our anticipated areas of activity in 2002:

- **Security.** We will continue to participate in the federal government's information-dissemination program to assess possible threats.
- **Finances.** We will begin to implement the recommendations of an independent management review. When advantageous, we will seek savings through bond refunding.
- **Bridges.**

Benjamin Franklin - Complete the painting program on the bridge's Camden approach and begin painting the Camden tower. Rehabilitate the approach spans and study the Vine Street connection.



◀ Working with Camden school children, DRPA created a "Tree of Life" mural on the Ben Franklin Bridge's pedestrian tunnel.



*Fireworks combine with the Ben Franklin Bridge's new decorative lighting system to create a waterfront spectacular. ▲*

Walt Whitman - Begin repairs and upgrades on the ramp linking the bridge with New Jersey's Route 168. Begin a study of the cable suspension system.

Commodore Barry - Complete bridge deck repairs. Begin retrofitting the pin-and-hanger assembly that provides structural support.

Betsy Ross - Complete improvements to the New Jersey roadway and ramps.

- **All Bridges.** Begin building a traffic management center.

- **PATCO.** Launch "PATCO at Work" including station and escalator improvements, replacing 51,000 crossties, strengthening embankments and making electrical system improvements. Complete improvements to Broadway Station's West Headhouse. Proceed with a transit assessment for Gloucester County, northern Cumberland County and Center City Philadelphia.

- **RiverLink Ferry.** Improve the passenger loading system and bring the second ferry into service.

- **Port of Philadelphia and Camden.** Look for opportunities to increase both imports and exports. Establish the Greater Philadelphia World Trade Center. Begin moving dirt from the Fort Mifflin dredge disposal site to an abandoned Pennsylvania mine.

- **Delaware River Aerial Tram.** Complete the Camden foundation. Issue a construction contract for the towers. Select an operator.

- **Regional Development.** Using Baltimore's Inner Harbor as an example, formalize a name and a preliminary marketing structure for the combined Philadelphia-Camden Waterfront.

- **Pennsylvania Development.** Assist in opening the Docksider residential complex, the restored Philadelphia Water Works and the Hog Island Road extension surrounding Philadelphia International Airport. Advance the plans for Penn's Landing and for Chester's Rivertown redevelopment.

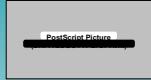
- **New Jersey Development.** Assist in the opening of the Camden Yards Steel Co., the expanded Palmyra Cove Nature Park, South Camden's Millennium Park, and West Deptford's RiverWinds. Start the Camden Waterfront Promenade. Advance plans for the New Jersey State Aquarium expansion and nearby Victor Lofts. Begin highway improvements that will lead to the revitalization of Audubon's Black Horse Pike Shopping Center.

Sincerely,

Paul Drayton, Jr.  
Chief Executive Officer, Delaware River Port Authority  
President, PATCO

*E-ZPass significantly reduced traffic congestion at all four DRPA bridges. ▼*





**DELAWARE RIVER PORT AUTHORITY**  
*OF PENNSYLVANIA & NEW JERSEY*

One Port Center

2 Riverside  
Drive  
Camden NJ

June 30, 2002

**TO THE BOARD OF COMMISSIONERS  
OF THE DELAWARE RIVER PORT AUTHORITY**

The comprehensive annual financial report of the Delaware River Port Authority for the year ended December 31, 2001, 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 comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes a report to the Governors of New Jersey and Pennsylvania from the Chairman of the Authority, a list of Commissioners and principal officers of the organization, a report from the Chief Executive Officer which includes a review of 2001's activities, the Authority's organizational chart, and this letter of transmittal. The financial section includes the combined financial statements and supplemental schedules by fund and total and the report of the independent auditors thereon. The statistical section includes selected financial, operating and demographic information, presented on a multi-year basis, where appropriate.

**REPORTING ENTITY**

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. Among its powers, the Authority is vested with the 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 also owns a high-speed transit facility which is operated by the Port Authority Transit Corporation (PATCO), which operates between Philadelphia, Pennsylvania, and Lindenwold, New Jersey. The Authority is also empowered through its compact to undertake projects for regional economic and port development. The Authority's Port of Philadelphia and Camden (PPC) Maritime department manages the AmeriPort intermodal facility and is also responsible for the marketing and operation of the Philadelphia Cruise Terminal at Pier 1 and the RiverLink Ferry. Prior to 2000, PPC was a division of the Authority. PPC became a department within the Authority in 2000 in order to achieve operational efficiencies and to permit the Authority to exercise direct control over PPC's activities. The AmeriPort intermodal facility, operated under contract, serves three Class I railroads and is in operation

*DRPA is an equal opportunity employer*

five days a week meeting the needs of regional customers. The Cruise Terminal has enabled the region to capitalize on the growing cruise business while promoting the Greater Philadelphia area. The terminal is also being marketed for events and exhibitions. The Authority acquired the RiverLink Ferry in 2000. The ferry is in its third year of operation under PPC management and runs daily between Penn's Landing in Philadelphia and the Camden waterfront. PPC plans to have an additional ferry, the "*Freedom*," in 2002. The Authority's export development program is managed by the Export Development unit within PPC. This program assists small and medium-size export-potential businesses in the Greater Philadelphia and southern New Jersey regions to develop and implement customized export business plans. PPC is overseeing development of a membership-based World Trade Center of Greater Philadelphia (WTCGP) which will provide international expertise and services to regional firms. The Authority's current export program will be incorporated into the WTCGP. The WTC building is in the planning phase with a private developer. The Authority is the non-federal sponsor of the Delaware River Main Channel Deepening Project. The project's intent is to deepen the main channel from the present 40-ft. depth to 45 ft., a distance of 103 miles from Delaware Bay to Philadelphia/Camden. Technical support for implementing the project is provided by PPC.

The Authority is empowered to operate in the Port District, which includes 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.

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 manage the daily operations of the Authority.

## ACTIVITIES OF THE AUTHORITY DURING 2001

Information relating to the activities of the Authority during 2001 is included in Chief Executive Officer's Report in this section of the report.

## FINANCIAL OPERATING ACTIVITIES

**Bridge Operations:** Bridge operating revenues, consisting primarily of toll revenues, increased by \$6.6 million or 3.9 percent to \$176.4 million over 2000 revenues of \$169.8 million. Bridge operating expenses, totaled \$39.9 million in 2001, showing an increase of 3.6 percent or \$1.4 million from 2000's operating expenses of \$38.5 million. Total bridge operating income (revenues less operating expenses and depreciation) equaled \$118.4 million in 2001 which represents an increase of 2.6 percent, or \$3.0 million, over 2000's bridge operating income of \$115.4 million.

**PATCO:** Total transit system operating revenues, consisting primarily of passenger fares, were \$20.5 million in 2001, representing an increase of \$1.7 million or 9 percent over 2000's revenues of \$18.8 million. Transit system operating expenses were \$29.6 million in 2001 compared to \$28.5 million in 2000. This represents a slight increase of \$1.1 million or 3.9 percent. Transit system operating losses (revenues less operating expenses, lease and community impact expense and depreciation) totaled \$17.5 million in 2001, representing a decrease of \$1.6 million or 8.4 percent, as compared to 2000's operating loss of \$19.1 million.

General administration expenses, which are incurred primarily in the administration of the Authority's bridge operations, increased by 16.2 percent or \$3.7 million in 2001 to total \$26.5 million as compared to 2000's general administration expenses of \$22.8 million.

Operating income, calculated as bridge operating income less transit system operating subsidies and general administration expenses, equaled \$74.4 million in 2001, representing a slight increase of \$0.9 million or 1.2 percent as compared to 2000's operating income of \$73.5 million.

The Authority deducts net interest expense and other nonoperating expenses, net of other revenues, from operating income to determine income or loss before economic development activities. Net interest expense, which includes interest income of \$50.3 million and interest expense on outstanding long-term debt of \$77.2 million, was \$26.9 million in 2001 compared to \$27.0 million incurred in 2000. Other nonoperating expenses, net of other revenues, totaled \$4.6 million in 2001. Income before economic development activities was \$42.9 million in 2001 compared to \$40.5 million in 2000.

From these amounts, the Authority then deducts the cost of its economic development activities to determine the net income or loss for the year. Economic development activity expenditures are undertaken in accordance with the Authority's compact responsibilities to promote regional economic development within the Port District. Economic development expenditures in 2001 were \$72.8 million compared to \$67.1 million in 2000. This increase in economic development investment resulted in a net loss of \$29.9 million in 2001 as compared to a \$26.7 million net loss incurred in 2000. After adding depreciation on assets acquired with government contributions, equity from operations at December 31, 2001 totaled \$233.6 million.

## **BRIDGE TOLLS AND E-ZPASS**

During 2001, DRPA maintained its bridge toll rates, which offer an automatic 10 percent discount to all E-ZPass customers, a 33 percent discount for commuters and a 67 percent discount for senior citizens. DRPA tolls remain among the lowest in the country when compared with other major interstate bridges and tunnels. For further discussion regarding E-ZPass, please refer to the Chief Executive Officer's Report in this section of the report.

## **PATCO FARE AND PARKING SCHEDULE**

In July 2001, PATCO implemented the third and final phase of its three-part schedule to raise PATCO revenue. After maintaining level transit fares from 1983 to 1999, the phased approach avoided a sharp increase for PATCO customers. PATCO fares compare favorably to those of other transit systems, and PATCO continues to offer free and low-cost parking and round-the-clock service. Approximately 60 percent of the total parking spaces still remain free of charge.

## **BASIS OF ACCOUNTING**

The combined financial statements of the Authority are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States.

## **INTERNAL CONTROL**

Management of the Authority is responsible for establishing and maintaining internal controls 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 accounting principles generally accepted 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 Management Consulting and Audit Support Services department and by the management of the Authority.

### **BUDGETARY CONTROLS**

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. Based on budget hearings conducted by the Strategic Management Committee, which consists of the Chief Executive Officer, Chief Administrative Officer, Chief Financial Officer, Chief Operating Officer, General Counsel, Director of Strategic Planning and General Manager of PATCO, 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, is prepared by the Authority and distributed to the States, county and municipal governments, commissions, public corporations and authorities, and the private sector. The Authority updates the Master Plan annually and approves amendments to each annual 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.

### **PENSION PLANS**

Employees of the Authority participate in either the Pennsylvania State Employees' Retirement System or the Teamsters Pension Plan of Philadelphia and Vicinity, both of 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 5 percent of their gross payroll to the plan. The Authority is required to contribute an actuarially determined amount to the plan, which in 2001 equaled 0.51 percent of participating payroll.

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 8.1 percent of participating payroll in 2001. Employees are not required to make any contributions to the plan.

### **DEBT ADMINISTRATION**

At December 31, 2001, the Authority had \$934.0 million in outstanding revenue and refunding revenue bonds, issued in 1995, 1998 and 1999 and \$506.6 million of outstanding Port District Project Bonds issued in 1998, 1999 and 2001, for an aggregate total of \$1,440.6 billion. The 1995 Bonds were issued pursuant to an Indenture of Trust dated November 15, 1995 and the First Supplemental Indenture thereto. Under the terms of the Indenture of Trust, the Authority covenanted not to issue any

additional bonds under its 1985 General Bond Resolution. The 1998 Refunding Bonds were issued pursuant to an Indenture of Trust dated July 1, 1998 and a First Supplemental Indenture thereto. Under the terms of the 1998 Refunding Bonds Indenture of Trust, the Authority covenanted not to issue any additional bonds under its 1995 Indenture of Trust. 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 1995 Bonds were issued to finance, refinance or reimburse a portion of the costs of certain bridge and transit system capital projects.

The 1998 Revenue Refunding Bonds, Series A, were issued to advance refund the principal amount of the Authority's Capital Appreciation Bonds, Series of 1989, at maturity. The 1998 Revenue Refunding Bonds, Series B, were issued for the purpose of refunding the 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 Port District Project Bonds were issued pursuant to the Indenture of Trust dated August 15, 1998 to provide funds to finance all or a portion of the cost of certain economic development projects, including the reimbursement of the Authority for certain costs associated with projects financed with Authority funds.

The 1999 Revenue Bonds were issued to finance certain capital projects undertaken or to be undertaken by the Authority.

The 1999 Port District Project Bonds, Series A and B, were issued pursuant to the Indenture of Trust dated December 1, 1999 to provide funds to finance all or a portion of the cost of certain port improvement and economic development projects within the Port District.

The 2001 Port District Project Bonds, Series A and B, were issued pursuant to the Indenture of Trust dated December 1, 2001. Series A refunded a portion of the 1999 Port District Project Bonds, Series A. Series B Bonds were issued to provide funds to finance all or a portion of the cost of certain economic development projects within the Port District.

Debt Service on the Authority's outstanding long-term debt is as follows:

| YEAR         | PRINCIPAL                 | INTEREST                  | DEBT SERVICE              |
|--------------|---------------------------|---------------------------|---------------------------|
| 2002         | \$22,495                  | \$74,203                  | \$96,698                  |
| 2003         | 25,960                    | 72,386                    | 98,346                    |
| 2004         | 27,650                    | 71,083                    | 98,733                    |
| 2005         | 28,075                    | 69,664                    | 97,739                    |
| 2006-2026    | <u>1,221,395</u>          | <u>865,865</u>            | <u>2,087,260</u>          |
| <b>TOTAL</b> | <u><u>\$1,325,575</u></u> | <u><u>\$1,153,201</u></u> | <u><u>\$2,478,776</u></u> |

Debt service shown above is calculated in accordance with the Authority's 1995 and 1998 Indentures of Trust. Annual debt service includes interest due July 1st of the year indicated, and interest and principal due January 1st of the following year. Accordingly, principal and interest payments due January 1, 2002, totaling \$22.5 million and \$64.4 million, respectively, which were paid by the Authority on January 1, 2002, are accounted for as 2001 debt service.

The 1995 Bonds are secured by a lien on and security interest in the net revenues of the Authority and certain moneys and securities held under the 1995 Indenture.

The 1998 Revenue Refunding Bonds are secured by the 1998 Indenture. The 1998 Refunding Bonds are payable solely from and secured by a lien on and security interest in (a) until the 1995 Indenture Defeasance Date, all moneys, investments and securities at any time and from time to time on deposit to the credit of the 1995 General Fund, (b) after the 1995 Indenture Defeasance Date, the Net Revenues and (c) 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 Indenture, except for the moneys, instruments and securities held in the 1998 General Fund. The 1998 Refunding Revenue Bonds Series A are not subject to mandatory redemption prior to maturity. The 1998 Refunding Revenue 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 \$5,000 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 Refunding Revenue Bonds Series B or portions thereof to be redeemed together with accrued interest to the redemption date.

The 1998 Port District Project Bonds are general corporate obligations of the Authority. Except as expressly provided in the 1998 Indenture, the 1998 Bonds are not secured by a lien or charge on, or pledge of any revenues or other assets of the Authority. The 1998 Port District Project Bonds shall be 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 together with accrued interest to the redemption date.

The 1999 Revenue Bonds, together with the Authority's Revenue Refunding Bonds, Series A and 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) until the date (the "1995 Indenture Defeasance Date") on which the Authority's Revenue Bonds, Series of 1995 (the "1995 Revenue Bonds") are no longer outstanding under the Indenture of Trust dated as of November 15, 1995, as supplemented as of November 15, 1995 (the "1995 Revenue Bond Indenture"), the amounts on deposit in the 1995 Revenue Bond Indenture, (ii) after the 1995 Indenture Defeasance Date, the Net Revenues and (iii) the funds on deposit in the Funds established under the 1998 Revenue Bond Indenture, except for the 1998 General Fund. So long as 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 Authority has no current plans to defease the 1995 Revenue Bonds, which have a final maturity date of January 1, 2026.

The 1999 and 2001 Port District Project Bonds are general corporate obligations of the Authority. The 1999 and 2001 Port District Project Bonds are not secured by a lien or a charge on, or pledge of any revenues or other assets of the Authority other than the moneys, if any, on deposit from time to time in the Funds established under the 1999 and 2001 Port District Bond Indentures. No tolls, rents, rates or other charges are pledged for the benefit of the 1999 and 2001 Port District Project Bonds. The 1999 and 2001 Port District Project Bonds are equally and ratably secured by any moneys or investments on deposit in the Funds established under the 1999 and 2001 Port District Project Bond Indentures, except for the Rebate Funds. The 1999 and 2001 Port District Project Bonds are payable from such Funds and from other moneys of the Authority legally available therefore.

In accordance with the Indentures of Trust for its Revenue Bonds, the Authority calculates net revenues available for debt service on these bonds by adding bridge operating revenues and interest income available to pay debt service, then deducts the sum of bridge operating expenses (without considering

depreciation, amortization or interest) and administrative expenses. Pursuant to this calculation, net revenues available for debt service in 2001 totaled \$127.1 million. Debt service, payable from net revenues, is comprised of interest payments on July 1, 2001 and principal and interest payments on January 1, 2002. Outstanding bonds totaled \$1.4 billion for the year ending December 31, 2001. Net revenues available for debt service were sufficient to cover 2.10 times debt service in 2001, compared to 2.23 times debt service in 2000.

### SWAP AGREEMENTS

In May 2001, the Authority entered into three separate fixed to floating interest rate swap agreements. These swaptions consisted of a synthetic fixed rate refunding of the 1995 Revenue Bonds, 1999 Revenue Bonds and the 1999 Port District Project Bonds, Series B. In consideration for entering into the agreements, the Authority has received net up-front, non-refundable option payments totaling \$40.1 million, which have been recorded as deferred revenue and are being amortized.

In November 2001, the Authority entered into a fixed to floating interest rate swap agreement. This swaption consisted of a synthetic fixed rate refunding of the 1998 Port District Project Bonds, Series B. In consideration for entering into the agreement, the Authority has received a net up-front, non-refundable option payment of \$2.5 million which has been recorded as deferred revenue and is being amortized.

The Authority will continue to evaluate debt reduction opportunities.

### INVESTMENT MANAGEMENT

Investments of the Authority are purchased in accordance with the Authority's 1995 and 1998 Indentures 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 Corporation or Moody's Investors Service, and commercial paper rated A-1 by Standard and Poor's Corporation. 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 two 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 shown above.

### RISK MANAGEMENT

The Authority is self-insured for public liability up to a limit of \$5 million per occurrence. Excess liability insurance provides coverage of \$95 million over the Authority's \$5 million self-insured retention. The DRPA is self-insured for workers' compensation up to a limit of \$350,000 per occurrence with excess workers' compensation coverage providing \$5 million in coverage over the DRPA's \$350,000 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 for the needs of the Authority.

### INDEPENDENT AUDITS

The Authority's By-Laws as well as the 1995 and 1998 Indentures 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 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.

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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, 2000. This was the ninth 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 accounting principles generally accepted in the United States 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, Administration and Government & Corporate Communications Divisions. I would especially like to express my appreciation to the members of these Divisions who contributed to the preparation of this report. Special thanks must also be given to the Chairman, Vice-Chairman and Chief Executive Officer for maintaining the highest standards in the management of the Delaware River Port Authority's finances.

Sincerely,



Marc H. Krassan

Treasurer and Chief Financial Officer



# Financial Section

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*An enhanced decorative lighting ▼  
system on the Benjamin Franklin  
Bridge highlights the bridge's  
architectural features.*

# Financial Section



◀ Our busiest bridge, the Walt Whitman, carried approximately 38,690,000 vehicles in 2001.

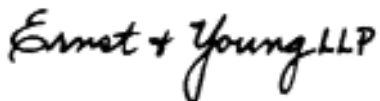
**REPORT OF INDEPENDENT AUDITORS  
TO THE COMMISSIONERS OF THE DELAWARE RIVER PORT AUTHORITY**

We have audited the accompanying combined financial statements of the Delaware River Port Authority and subsidiaries, as of and for the years ended December 31, 2001 and 2000, as listed in the Financial Section of the foregoing table of contents. These financial statements and the supplemental schedules discussed below are the responsibility of the Delaware River Port Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the Delaware River Port Authority and subsidiaries, as of December 31, 2001 and 2000, and the combined results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The supplemental schedules listed in the Financial Section of the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in our audits 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.



March 30, 2002

## COMBINED BALANCE SHEETS: December 31, 2001 and 2000 (In Thousands)

| ASSETS  | Notes | 2001                   | 2000                   |
|---|-------|------------------------|------------------------|
| <b>UNRESTRICTED ASSETS</b>                      |       |                        |                        |
| Cash  | 2     | \$5,114                | \$12,623               |
| Investment in securities                        | 1,2   | 121,999                | 74,736                 |
| Accounts receivable                             | 3     | 9,731                  | 8,945                  |
| Accrued interest receivable                     |       | 171                    | 82                     |
| Transit system and storeroom inventory          | 1     | 4,146                  | 4,068                  |
| Economic development loans - net                | 10    | 12,588                 | 15,251                 |
| Prepaid expenses and other assets               | 10    | 1,492                  | 1,631                  |
| Total Unrestricted Assets                       |       | <u>155,241</u>         | <u>117,336</u>         |
| <b>RESTRICTED ASSETS</b>                        |       |                        |                        |
| Cash  | 2     | 767                    | 356                    |
| Investment in securities                        | 1,2,7 | 807,201                | 727,265                |
| Accrued interest receivable                     |       | 780                    | 1,122                  |
| Total Restricted Assets                         |       | <u>808,748</u>         | <u>728,743</u>         |
| <b>INVESTMENT IN FACILITIES</b>                 |       |                        |                        |
| Accumulated depreciation                        | 1,4,8 | 1,236,923<br>(326,203) | 1,176,038<br>(304,361) |
| Investment in facilities - net                  |       | <u>910,720</u>         | <u>871,677</u>         |
| <b>DEBT ISSUANCE COSTS, NET OF AMORTIZATION</b> |       |                        |                        |
|   | 7     | 40,569                 | 39,744                 |
| <b>TOTAL ASSETS</b>                             |       | <u>\$1,915,278</u>     | <u>\$1,757,500</u>     |

See accompanying notes.

| LIABILITIES AND EQUITY                                   | Notes | 2001               | 2000               |
|--|-------|--------------------|--------------------|
| <b>ACCOUNTS PAYABLE</b>                                  |       |                    |                    |
| Retained amounts on contracts                            |       | \$4,810            | \$5,093            |
| Other  |       | 10,706             | 15,981             |
| Total accounts payable                                   |       | 15,516             | 21,074             |
| <b>ACCRUED LIABILITIES</b>                               |       |                    |                    |
| Pension  | 6     | 62                 | 226                |
| Sick and vacation leave benefits                         |       | 5,238              | 5,750              |
| Other  |       | 722                | 772                |
| Total accrued liabilities                                |       | 6,022              | 6,748              |
| <b>DEFERRED REVENUE</b>                                  |       | 45,921             | 6,582              |
| <b>ACCRUED INTEREST (Payable from Restricted Assets)</b> | 7     | 37,745             | 37,604             |
| <b>FUNDED AND LONG-TERM DEBT</b>                         | 7     | 1,445,977          | 1,302,387          |
| <b>OTHER LIABILITIES</b>                                 |       |                    |                    |
| Repainting   | 1     | 28,486             | 22,089             |
| Other  | 9     | 3,967              | 4,035              |
| Total other liabilities                                  |       | 32,453             | 26,124             |
| Total liabilities  |       | 1,583,634          | 1,400,519          |
| <b>EQUITY</b>  |       |                    |                    |
| From contributed capital                                 | 8     | 98,034             | 95,909             |
| Retained earnings:                                       |       |                    |                    |
| Reserved   |       | 233,610            | 261,072            |
| Total equity from operations                             |       | 233,610            | 261,072            |
| Total equity   |       | 331,644            | 356,981            |
| <b>TOTAL LIABILITIES AND EQUITY</b>                      |       | <b>\$1,915,278</b> | <b>\$1,757,500</b> |

See accompanying notes.

**COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN EQUITY FROM OPERATIONS:**  
 Years ended December 31, 2001 and 2000 (In Thousands)

|  | Notes | 2001             | 2000             |
|--|-------|------------------|------------------|
| <b>OPERATING REVENUES AND EXPENSES</b>   |       |                  |                  |
| Bridges:   |       |                  |                  |
| Tolls  |       | \$173,665        | \$167,951        |
| Other operating revenues   |       | 2,724            | 1,799            |
| Total bridge operating revenues  |       | <u>176,389</u>   | <u>169,750</u>   |
| Operating expenses   |       | 39,879           | 38,547           |
| Depreciation   | 4,8   | 18,096           | 15,755           |
| Total bridge operating expenses  |       | <u>57,975</u>    | <u>54,302</u>    |
| Bridge operating income  |       | <u>118,414</u>   | <u>115,448</u>   |
| Transit system:  |       |                  |                  |
| Passenger fares  |       | 18,942           | 17,247           |
| Other operating revenues   |       | 1,531            | 1,533            |
| Total transit system operating revenues  |       | <u>20,473</u>    | <u>18,780</u>    |
| Operating expenses   |       | 29,648           | 28,469           |
| Lease and community impact expense   | 10    | 2,857            | 4,072            |
| Depreciation   | 4,8   | 5,439            | 5,333            |
| Total transit system operating expenses  |       | <u>37,944</u>    | <u>37,874</u>    |
| Transit system operating loss  |       | <u>(17,471)</u>  | <u>(19,094)</u>  |
| General administration expenses  |       | <u>26,549</u>    | <u>22,845</u>    |
| <b>OPERATING INCOME</b>  |       | <u>74,394</u>    | <u>73,509</u>    |
| <b>NONOPERATING REVENUES AND EXPENSES</b>  |       |                  |                  |
| Interest income (expense):   |       |                  |                  |
| Interest income  |       | 50,301           | 50,884           |
| Interest on funded debt  | 7     | (77,195)         | (77,884)         |
| Interest income (expense) - net  |       | <u>(26,894)</u>  | <u>(27,000)</u>  |
| Other nonoperating revenues (expenses):  |       |                  |                  |
| Port of Philadelphia and Camden  |       | (3,449)          | (3,989)          |
| Depreciation and amortization  |       | (771)            | (532)            |
| Other  |       | (401)            | (1,512)          |
| Other nonoperating revenues (expenses) - net   |       | <u>(4,621)</u>   | <u>(6,033)</u>   |
| Income before economic development activities  |       | 42,879           | 40,476           |
| Economic development activities  | 10    | (72,779)         | (67,138)         |
| <b>NET LOSS</b>  |       | <u>(29,900)</u>  | <u>(26,662)</u>  |
| <b>ADD DEPRECIATION ON ASSETS ACQUIRED WITH GOVERNMENT CONTRIBUTIONS - charged against contributed capital</b> | 8     | <u>2,438</u>     | <u>2,428</u>     |
| <b>DECREASE IN EQUITY FROM OPERATIONS</b>  |       | <u>(27,462)</u>  | <u>(24,234)</u>  |
| <b>EQUITY FROM OPERATIONS, BEGINNING OF YEAR</b>   |       | <u>261,072</u>   | <u>285,306</u>   |
| <b>EQUITY FROM OPERATIONS, END OF YEAR</b>   |       | <u>\$233,610</u> | <u>\$261,072</u> |

See accompanying notes.

**COMBINED STATEMENTS OF CASH FLOWS:**  
**Years ended December 31, 2001 and 2000 (In Thousands)**

|   | <u>2001</u>           | <u>2000</u>            |
|---|-----------------------|------------------------|
| <b>OPERATING ACTIVITIES</b>   |                       |                        |
| Operating income  | \$74,394              | \$73,509               |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                       |                        |
| Depreciation and amortization   | 24,307                | 21,620                 |
| Port of Philadelphia and Camden   | (3,449)               | (3,989)                |
| Economic development activities   | (72,779)              | (67,138)               |
| Changes in assets and liabilities which provided (used) cash:                           |                       |                        |
| Accounts receivable   | (787)                 | 922                    |
| Economic development loans - net  | 2,663                 | 714                    |
| Transit system and storeroom inventory  | (78)                  | (196)                  |
| Prepaid expenses and other assets   | 139                   | (91)                   |
| Accounts payable  | (5,558)               | 5,640                  |
| Accrued liabilities   | (726)                 | (1,674)                |
| Deferred revenue  | 39,338                | (518)                  |
| Other liabilities   | 6,330                 | 3,966                  |
| Other   | (1,172)               | (2,042)                |
| Net cash provided by operating activities   | <u>62,622</u>         | <u>30,723</u>          |
| <br><b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                     |                       |                        |
| Acquisition and construction of capital assets  | (63,349)              | (71,916)               |
| Proceeds from disposal of facilities  | 0                     | 4                      |
| Cash provided by capital and other grants   | 4,562                 | 2,648                  |
| Proceeds from bond issues   | 162,092               | 0                      |
| Repayment of funded debt  | (19,455)              | (15,125)               |
| Interest paid   | (76,924)              | (56,134)               |
| Net cash provided by (used in) capital and related financing activities                 | <u>6,926</u>          | <u>(140,523)</u>       |
| <br><b>INVESTMENT ACTIVITIES</b>  |                       |                        |
| Unrestricted:   |                       |                        |
| Purchases of investments  | (1,001,085)           | (441,100)              |
| Proceeds from sale of investments   | 953,823               | 436,235                |
| Increase in unrestricted investments  | <u>(47,262)</u>       | <u>(4,865)</u>         |
| Restricted:   |                       |                        |
| Purchases of investments  | (6,468,128)           | (7,056,183)            |
| Proceeds from sale of investments   | 6,388,192             | 7,127,139              |
| (Increase) decrease in restricted investments   | <u>(79,936)</u>       | <u>70,956</u>          |
| Receipts of interest  | <u>50,552</u>         | <u>51,325</u>          |
| Net cash provided by (used in) investing activities                                     | <u>(76,646)</u>       | <u>117,416</u>         |
| <b>NET DECREASE INCREASE IN CASH</b>  | <b>(7,098)</b>        | <b>7,616</b>           |
| <b>CASH, BEGINNING OF YEAR</b>  | <b>12,979</b>         | <b>5,363</b>           |
| <b>CASH, END OF YEAR</b>  | <b><u>\$5,881</u></b> | <b><u>\$12,979</u></b> |
| <br><b>CASH AT DECEMBER 31, 2001 and 2000</b>   |                       |                        |
| Unrestricted  | \$5,114               | \$12,623               |
| Restricted  | 767                   | 356                    |
| <b>TOTAL</b>  | <b><u>\$5,881</u></b> | <b><u>\$12,979</u></b> |

See accompanying notes.

**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years ended December 31, 2001 and 2000 (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 facility which is operated by the Port Authority Transit Corporation (PATCO), a blended component unit of the Authority. The transit facility 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 Authority's intermodal transfer facility, Ameriport, which facilitates the movement of containerized cargo through the regional ports. PPC is also responsible for the marketing and operation of the Philadelphia Regional Cruise Terminal at the former Navy Yard and the RiverLink Ferry. In 1997, the Authority created the Delaware River Port Authority Foundation (Foundation) to support educational programs and initiatives of community groups. The costs of providing facilities and services to the general public on a continuing basis are funded primarily in the form of tolls and fares. In December 1999, the Authority implemented the electronic collection of tolls at its four bridges. Through December of 2001, customer participation in the E-ZPass electronic toll collection process grew to approximately 54.8% of its toll collection activity during rush hour.

**B. Basis of Presentation** - The combined financial statements of the Authority are prepared on the accrual basis of accounting and include the accounts of PATCO, PPC, and the Foundation. Material balances and transactions between the entities have been eliminated.

The Authority has adopted Governmental Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Government Entities," which provides for the consistent application of GASB pronouncements and only pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989, except where those FASB pronouncements conflict with GASB pronouncements.

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, "Basic Financial Statements - and Managements Discussion and Analysis - for State and Local Governments." The Statement is effective in 2002. The application of the statement could significantly affect the way the Authority reports its financial information. Management has not yet performed the analysis to determine those effects.

**C. Investment in Securities** - Investment in securities is stated at fair value. In 1998, the Authority adopted GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". The effect of adoption was not material to the financial statements. Certain investments are maintained in connection with the Authority's funded debt (Notes 2 and 7).

**D. 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.

**E. Investment in Facilities** - Investment in facilities is stated at cost, which generally includes expenses in connection with the offering, selling and issuance of bonds as well as 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 nonoperating revenues or expenses.

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 (Note 8). A charge representing depreciation on assets acquired with contributions is made directly to the related contribution capital.

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 |

The bridge facilities are stated at cost, net of contributions by New Jersey Department of Transportation. The PATCO system first phase capital improvement program is stated at cost, net of reimbursements prior to 1981 from the Federal Transit Administration and other governmental agencies (Note 4). The PATCO system includes the expenditures of federal and state grants for capital improvements and additions (Note 8).

**F. Maintenance and Repainting** - Maintenance and repair costs considered necessary to maintain bridge facilities in good operating condition are charged to operations as incurred. Amounts sufficient to meet the estimated cost to repaint the bridges are provided by periodic charges to operations.

**G. 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 9).

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

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

**J. Net Assets** - The Authority reserves available net assets to the extent amounts are committed for projects or Economic Development.

**K. Debt Management** - The Authority has entered into two floating to fixed interest rate swap agreements with the Bank of America, N.A., three fixed to floating interest rate swap agreements with UBS AG (Paine Webber) and two with Lehman Brothers Special Financing Inc./Financial Products, Inc. to hedge interest rates on a portion of its outstanding long-term debt. Other than the net upfront option payments resulting from these agreements, which have been recorded as deferred revenue, no amounts are recorded in the financial statements.

## 2. CASH AND INVESTMENTS

The Authority maintains cash and investments for all funds. The investments in various securities are maintained for specified funds in accordance with the provisions of the General Bond Resolution adopted as of April 17, 1985 and the Indenture of Trust adopted as of November 15, 1995.

At December 31, 2001 and 2000, cash balances and certificates of deposits were \$18,081 and \$18,810, respectively, of which \$1,512 and \$1,510, respectively, was cash on hand. Cash in banks amounted to \$16,659 and \$17,300 at December 31, 2001 and 2000. Balances of \$602 at December 31, 2001 and \$600 at December 31, 2000 were insured by federal depository insurance.

Demand deposit bank balances, excluding those held in foreign bank accounts, are either insured by federal depository insurance or are collateralized with the collateral being held by the Authority's agent in the name of the Authority. At December 31, 2001 and 2000, the Authority had \$46 and \$46 in uncollateralized demand deposits in foreign bank accounts.

Investments are purchased in accordance with the General Bond Resolution and the Indenture of Trust, and generally include U.S. government obligations, obligations of U.S. agencies or instrumentalities, and obligations of public agencies or municipalities rated in either of the two highest rating categories by Standard and Poor's Corporation or Moody's Investors Services. In accordance with the 1995 and 1998 Indentures of Trust, the Authority invests in commercial paper rated A-1 by Standard and Poor's Corporation. Investments in securities are categorized below to give an indication of the credit risk assumed at December 31, 2001 and 2000. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party, or by its trust department or agent, but not in the Authority's name. Certain investments have not been categorized because securities are not used as evidence of the investment. The carrying amount and fair value of the Authority's investments are shown below. 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 Investors Service or Standard and Poor's Rating Services.

|  | Category | 2001<br>Fair Value | 2000<br>Fair Value |
|--|----------|--------------------|--------------------|
| U.S. agency securities                     | 1        | \$358,999          | \$402,065          |
| U.S. government securities                 | 1        | 0                  | 0                  |
| Commercial paper                           | 1        | 252,849            | 292,451            |
| Total                                      |          | 611,848            | 694,516            |
| Investments not susceptible to credit risk |          |                    |                    |
| Money market funds                         |          | 247,096            | 44,581             |
| Guaranteed investment contracts            |          | 58,056             | 57,073             |
| Total investments in securities            |          | \$917,000          | \$796,170          |

### 3. ACCOUNTS RECEIVABLE

Accounts receivable include the following:

|   | <u>2001</u>    | <u>2000</u>    |
|---|----------------|----------------|
| Reimbursements from governmental agencies - Capital improvements to the PATCO system due from the Federal Transit Administration and New Jersey Transit | \$934          | \$513          |
| Port of Philadelphia and Camden Trade Receivables   | 447            | 235            |
| Deposits with claims administrators   | 366            | 366            |
| Port Development Projects   | 7,517          | 6,865          |
| Miscellaneous   | 467            | 966            |
| Total   | <u>\$9,731</u> | <u>\$8,945</u> |

### 4. INVESTMENT IN FACILITIES

Investment in facilities is comprised of the following:

|   | <u>2001</u>      | <u>2000</u>      |
|---|------------------|------------------|
| Bridges:  |                  |                  |
| Benjamin Franklin                                 | \$258,354        | \$239,410        |
| Walt Whitman                                      | 279,517          | 274,922          |
| Commodore Barry                                   | 164,399          | 156,139          |
| Betsy Ross  | 161,907          | 157,244          |
| Total   | <u>864,177</u>   | <u>827,715</u>   |
| Accumulated depreciation                          | <u>(212,352)</u> | <u>(198,692)</u> |
| Net book value - bridges                          | <u>651,825</u>   | <u>629,023</u>   |
| Transit system:                                   |                  |                  |
| PATCO System                                      | 279,552          | 265,985          |
| Accumulated depreciation                          | <u>(100,742)</u> | <u>(95,303)</u>  |
| Net book value - transit system                   | <u>178,810</u>   | <u>170,682</u>   |
| Port and administrative building                  | 93,194           | 82,338           |
| Accumulated depreciation and amortization         | <u>(13,109)</u>  | <u>(10,366)</u>  |
| Net book value - port and administrative building | <u>80,085</u>    | <u>71,972</u>    |
| Total investment in facilities - net              | <u>\$910,720</u> | <u>\$871,677</u> |

Certain costs of facilities of the Commodore Barry Bridge, the Betsy Ross Bridge and the Transit system, totaling \$71,213, have not been included in the Authority's investment in facilities at December 31, 2001, as title to the respective assets has been retained by certain state, federal or local government agencies.

## 5. 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.

## 6. PENSION PLANS

Employees of the Authority participate in either the Pennsylvania State Employees' Retirement System or the Teamsters Pension Plan of Philadelphia and Vicinity, both of which are cost-sharing multiple employer defined benefit pension plans.

### Pennsylvania State Employees' Retirement System

*Plan Description:* Certain permanent full-time and part-time employees are eligible and required to participate in the plan which provides pension, death and disability benefits. A member may retire after completing three years of service and after reaching normal retirement age (the age of sixty, except police officers at age fifty, or the age at which thirty-five years of service has been completed, whichever occurs first). Benefits vest after ten years of service. If an employee terminates his or her employment after at least ten years of service but before the normal retirement age, he or she may receive pension benefits immediately or defer pension benefits until reaching retirement age. Employees who retire after reaching the normal retirement age with at least three years of credited service are entitled to receive pension benefits equal to 2.0% of their final average compensation (average of the three highest years in earnings) times the number of years for which they were employed by a participant in the plan. The pension benefits received by an employee who retires after ten years of credited service but before normal retirement age are reduced for the number of years that person is under normal retirement age.

Pension provisions include death benefits, under which the surviving beneficiary may be entitled to receive the employee's accumulated 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. Employees are required to contribute 5.00% of their gross earnings to the plan. The Authority is required to, and did, contribute an actuarially determined amount to the plan, which equaled 0.51%, 3.93% and 5.93% of covered payroll in 2001, 2000 and 1999, respectively. In 2001, 2000 and 1999 the Authority contributed \$198, \$1,026 and \$2,618, respectively, to the plan.

### 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 which vary according to employer daily contribution rates. Members may also receive benefits after early retirement at reduced rates depending on age at retirement.

An employee who qualifies for disability retirement benefits (total and permanent disability with 10 years of vested service 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 contribution requirements of the Authority are established and amended by Teamsters Pension Plan of Philadelphia and Vicinity Board. The Authority is required to, and did, contribute the following amounts for PATCO employees; seventeen dollars per day from January 1 through June 15 and seventeen dollars and eighty cents per day from June 16 through December 31 per participating employee. The Authority's contributions totaled 8.11%, 8.83% and 8.94% of covered payroll in 2001, 2000 and 1999, respectively. The employees of the Authority make no contributions to the plan. The Authority contributed \$775, \$805 and \$805 in 2001, 2000 and 1999, respectively. As of July 1, 1999, Teamsters no longer worked for the DRPA at the Ameriport facilities due to outsourcing of activities.

**Other Retirement Benefits**

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. Employees become eligible for retirement benefits once they have been determined pension-eligible. At December 31, 2001, 614 retirees were eligible to receive benefits. These, and similar benefits for active employees, are now provided through insurance companies and the Authority recognizes the cost of providing these benefits by expensing annual insurance premiums. The cost of providing these retirement benefits, net of retiree contributions, totaled \$3,396 and \$3,013 for 2001 and 2000, respectively. In certain instances, retirees are required to contribute approximately 5% of the cost of health care benefits.

**7. FUNDED AND LONG-TERM DEBT**

At December 31, 2001, the Authority had \$1,440,614 in revenue and refunding revenue bonds outstanding, consisting of bonds issued in 1995, 1998, 1999 and 2001. The 1995 Bonds were issued pursuant to an Indenture of Trust, dated November 15, 1995, and the First Supplemental Indenture thereto. The 1998 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 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 Refunding Bonds Indenture of Trust, the Authority covenanted not to issue any additional bonds under the 1995 Indenture of Trust. The 2001 Bonds were issued pursuant to an Indenture of Trust dated December 1, 2001.

*1995 Bonds:* On December 12, 1995, the Authority issued \$357,185 of Revenue Bonds, Series of 1995, to provide funds to (1) finance, refinance or reimburse a portion of the cost of certain capital projects undertaken or to be undertaken by the Authority; (2) make a deposit to the Debt Service Reserve Fund equal to the Debt Service Reserve Requirement for the 1995 Bonds; (3) pay a portion of the interest on the 1995 Bonds from the date of delivery through July 1, 1998; and (4) pay certain costs incurred in connection with the issuance of the 1995 Bonds.

**The 1995 Bonds outstanding at December 31, 2001 are as follows:**

| Maturity Date<br>(January 1)              | Interest<br>Rate/Yield | Principal<br>Amount | Maturity Date<br>(January 1) | Interest<br>Rate/Yield | Principal<br>Amount |
|---|------------------------|---------------------|------------------------------|------------------------|---------------------|
| Serial Bonds                              |                        |                     |                              |                        |                     |
| 2010                                      | 5.30%                  | \$11,065            | 2014                         | 5.40%                  | \$16,650            |
| 2011                                      | 5.40                   | 11,650              | 2015                         | 5.40                   | 17,550              |
| 2012                                      | 5.45                   | 14,980              | 2016                         | 5.40                   | 18,495              |
| 2013                                      | 5.40                   | 15,795              |                              |                        |                     |
|   |                        |                     |                              |                        | <u>\$106,185</u>    |
| Term Bonds                                |                        |                     |                              |                        |                     |
|   |                        |                     | 2026                         | 5.50%                  | <u>\$251,000</u>    |
| Total par value of 1995 Bonds outstanding |                        |                     |                              |                        | <u>\$357,185</u>    |
| Less unamortized bond discount            |                        |                     |                              |                        | <u>4,300</u>        |
| Total 1995 Bonds - net                    |                        |                     |                              |                        | <u>\$352,885</u>    |

The 1995 Term Bonds maturing on January 1, 2026 are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption on January 1 in the years and the amounts specified below:

## 1995 Term Bonds Due January 1, 2026

| <u>Date</u>       | <u>Amount</u>    |
|-------------------|------------------|
| 2017              | \$19,495         |
| 2018              | 20,565           |
| 2019              | 21,695           |
| 2020              | 22,890           |
| 2021              | 24,150           |
| 2022              | 25,480           |
| 2023              | 26,880           |
| 2024              | 28,360           |
| 2025              | <u>29,920</u>    |
| Total             | 219,435          |
| At maturity, 2026 | <u>31,565</u>    |
| Total             | <u>\$251,000</u> |

| <u>Redemption Dates (Inclusive)</u>       | <u>Redemption Price</u> |
|---|-------------------------|
|   | <u>1995 Bonds</u>       |
| January 1, 2006 through December 31, 2006 | 102%                    |
| January 1, 2007 through December 31, 2007 | 101                     |
| January 1, 2008 and thereafter            | 100                     |

If less than all of the 1995 Bonds are to be called for optional redemption, the Trustee will select the bonds to be redeemed from among such maturity or maturities thereof as the Authority may designate to the Trustee.

The 1995 Bonds are secured by a lien on and security interest in the net revenues of the Authority and certain moneys and securities held under the 1995 Indenture.

*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 outstanding at December 31, 2001 are as follows:

| Maturity Date<br>(January 1)     | Interest<br>Rate/Yield | Principal<br>Amount | Maturity Date<br>(January 1) | Interest<br>Rate/Yield | Principal<br>Amount |
|----------------------------------|------------------------|---------------------|------------------------------|------------------------|---------------------|
| Serial Bonds, Series A           |                        |                     |                              |                        |                     |
| 2002                             | 5.91%                  | \$14,615            | 2003                         | 5.94%                  | \$15,365            |
|                                  |                        |                     |                              |                        | <u>\$29,980</u>     |
| Maturity Date<br>(January 1)     | Interest<br>Rate/Yield | Principal<br>Amount | Maturity Date<br>(January 1) | Interest<br>Rate/Yield | Principal<br>Amount |
| Serial Bonds, Series B           |                        |                     |                              |                        |                     |
| 2004                             | 5.25%                  | \$17,295            | 2008                         | 5.25%                  | \$21,695            |
| 2005                             | 5.25                   | 18,605              | 2009                         | 5.25                   | 22,795              |
| 2006                             | 5.25                   | 19,590              | 2010                         | 5.25                   | 2,245               |
| 2007                             | 5.25                   | 20,610              | 2011                         | 5.25                   | 2,365               |
|                                  |                        |                     |                              |                        | <u>\$125,200</u>    |
| Total Refunding Bonds            |                        |                     |                              |                        | <u>\$155,180</u>    |
| Plus unamortized bond premium    |                        |                     |                              |                        | <u>4,446</u>        |
| Total 1998 Refunding Bonds - net |                        |                     |                              |                        | <u>\$159,626</u>    |

The 1998 Refunding Bonds are secured by a lien on and security interest in (a) until the 1995 Indenture Defeasance Date, all moneys on deposit to the credit of the 1995 General Fund (b) after the 1995 Indenture Defeasance Date, the net revenues of the Authority, and certain moneys and securities held under the 1998 Refunding Indenture.

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 \$5,000 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 Refunding Bonds Series B or portions thereof to be redeemed as set forth below, together with accrued interest to the redemption date:

| Redemption Dates (Inclusive)              | Redemption Price              |
|---|-------------------------------|
|   | 1998 Refunding Bonds Series B |
| January 1, 2009 through December 31, 2009 | 101%                          |
| January 1, 2010 and thereafter            | 100                           |

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. In connection with the 1998 issuance, the 1989 Capital Appreciation bonds were defeased and removed from the balance sheet of the Authority. The amount of 1989 Capital Appreciation Bonds outstanding at December 31, 2001 is \$12,302.

*1998 Port District Project Bonds (PDPB):* On September 2, 1998, the Authority issued \$84,705 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 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 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 (PDPB) shall be 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:

| Redemption Dates (Inclusive)              | Redemption Price |
|---|------------------|
|   | PDPB             |
| January 1, 2008 through December 31, 2008 | 101%             |
| January 1, 2009 and thereafter            | 100              |

**The 1998 Port District Project Bonds (PDPB) outstanding at December 31, 2001 are as follows:**

| Maturity Date<br>(January 1)             | Interest<br>Rate/Yield | Principal<br>Amount | Maturity Date<br>(January 1) | Interest<br>Rate/Yield | Principal<br>Amount |
|--|------------------------|---------------------|------------------------------|------------------------|---------------------|
| Serial Bonds                             |                        |                     |                              |                        |                     |
| 2002                                     | 4.00%                  | \$1,760             | 2009                         | 5.00%                  | \$2,365             |
| 2003                                     | 4.00                   | 1,830               | 2010                         | 4.50                   | 2,485               |
| 2004                                     | 4.10                   | 1,900               | 2011                         | 4.63                   | 2,600               |
| 2005                                     | 4.10                   | 1,980               | 2012                         | 4.75                   | 2,720               |
| 2006                                     | 4.20                   | 2,060               | 2013                         | 5.00                   | 2,845               |
| 2007                                     | 5.00                   | 2,145               | 2014                         | 4.75                   | 2,990               |
| 2008                                     | 5.00                   | 2,255               | 2015                         | 5.00                   | 3,130               |
|  |                        |                     |                              |                        | <u>\$33,065</u>     |
| 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               |
|  |                        |                     |                              |                        | <u>\$46,510</u>     |
| Total par value of 1998 PDPB outstanding |                        |                     |                              |                        | <u>\$79,575</u>     |
| Less unamortized bond discount           |                        |                     |                              |                        | <u>502</u>          |
| Total 1998 PDPB - net                    |                        |                     |                              |                        | <u>\$79,073</u>     |

*The 1999 Revenue Bonds:* On December 22, 1999, the 1999 Revenue Bonds were issued pursuant to an Indenture of Trust dated as of July 1, 1998, by and between the Authority and Commerce Bank, National Association, Cherry Hill, New Jersey, as trustee (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 and a Third Supplemental Indenture dated as of December 1, 1999. The 1999 Revenue Bonds were issued 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 Authority has no current plans to defease the 1995 Revenue Bonds, which have a final maturity date of January 1, 2026.

**The 1999 Revenue Bonds outstanding at December 31, 2001 are as follows:**

| Maturity Date<br>(January 1)          | Interest<br>Rate/Yield | Principal<br>Amount | Maturity Date<br>(January 1) | Interest<br>Rate/Yield | Principal<br>Amount |
|---------------------------------------|------------------------|---------------------|------------------------------|------------------------|---------------------|
| Revenue 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                            |                        |                     |                              |                        |                     |
|                                       |                        |                     | 2022                         | 5.75%                  | \$85,150            |
|                                       |                        |                     | 2026                         | 5.75                   | 138,200             |
|                                       |                        |                     |                              |                        | 223,350             |
| Total Par Value of 1999 Revenue Bonds |                        |                     |                              |                        | 422,310             |
| Less unamortized bond discount        |                        |                     |                              |                        | 764                 |
| Total - 1999 Revenue Bonds - net      |                        |                     |                              |                        | \$421,546           |

*The 1999 Port District Project Bonds:* On December 22, 1999, the Port District Project Bonds, Series A and B of 1999, were issued pursuant to the Indenture of Trust dated December 1, 1999 (the "1999 Port District Project Bond Indenture"), by and between the Authority and Summit Bank, trustee (the "Trustee"). The 1999 Port District Project Bonds were issued 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 moneys, 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 therefore.

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

The scheduled payment of principal of 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, 2001 are as follows:**

| Maturity Date<br>(January 1)                   | Interest<br>Rate/Yield | Principal<br>Amount | Maturity Date<br>(January 1) | Interest<br>Rate/Yield | Principal<br>Amount |
|--|------------------------|---------------------|------------------------------|------------------------|---------------------|
| Series A Bonds                                 |                        |                     |                              |                        |                     |
| 2002   | 6.71%                  | \$4,110             | 2008                         | 7.32%                  | \$6,180             |
| 2003   | 6.89                   | 4,385               | 2009                         | 7.37                   | 6,635               |
| 2004   | 6.99                   | 4,690               | 2010                         | 7.42                   | 7,125               |
| 2005   | 7.15                   | 5,015               | 2011                         | 7.46                   | 7,650               |
| 2006   | 7.22                   | 5,375               | 2012                         | 7.50                   | 8,235               |
| 2007   | 7.27                   | 5,765               | 2013                         | 7.54                   | 8,840               |
|  |                        |                     |                              |                        | \$74,005            |
| Term Bonds                                     |                        |                     |                              |                        |                     |
|  |                        |                     |                              | 2021                   | \$86,740            |
| Series B Bonds                                 |                        |                     |                              |                        |                     |
|  |                        |                     |                              | 2021                   | \$13,060            |
|  |                        |                     |                              | 2022                   | 16,930              |
|  |                        |                     |                              | 2023                   | 17,895              |
|  |                        |                     |                              |                        | \$47,885            |
| Term Bonds                                     |                        |                     |                              |                        |                     |
|  |                        |                     |                              | 2026                   | 59,995              |
| Total Par Value of 1999 PDPB Bonds             |                        |                     |                              |                        | \$268,625           |
| Less unamortized bond discount                 |                        |                     |                              |                        | 3,225               |
| Total - 1999 Port District Project Bonds - net |                        |                     |                              |                        | \$265,400           |

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

|      | 1998 Revenue Bonds | 1998 PDP Bonds | 1999 PDP Bonds | 2001 PDP Bonds |
|------|--------------------|----------------|----------------|----------------|
| 2002 | \$14,615           | \$1,760        | \$4,110        | \$0            |
| 2003 | 15,365             | 1,830          | 4,385          | 1,190          |
| 2004 | 17,295             | 1,900          | 4,690          | 5,190          |
| 2005 | 18,605             | 1,980          | 5,015          | 5,385          |
| 2006 | 19,590             | 2,060          | 5,375          | 4,625          |

Interest on the 1995, 1998 and 1999 Bonds is payable semi-annually on January 1 and July 1 in each year. Interest expense includes interest on the bonds and amortization of debt issuance costs and debt issuance discount.

*The 2001 Port District Project Bonds:* On December 27, 2001, the Authority issued \$128,395,000 Port District Project Refunding Bonds, Series A of 2001 and \$31,180,000 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 \$100,500,000 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 Refunding Bonds outstanding at December 31, 2001 are as follows:**

| Maturity Date<br>(January 1)              | Interest<br>Rate/Yield | Principal<br>Amount | Maturity Date<br>(January 1) | Interest<br>Rate/Yield | Principal<br>Amount |
|---|------------------------|---------------------|------------------------------|------------------------|---------------------|
| Series A Bonds                            |                        |                     |                              |                        |                     |
| 2003                                      | 3.50%                  | \$ 390              | 2013                         | 5.50%                  | \$5,570             |
| 2004                                      | 4.00                   | 4,335               | 2014                         | 5.50                   | 6,880               |
| 2005                                      | 4.50                   | 4,505               | 2015                         | 5.50                   | 7,260               |
| 2006                                      | 5.00                   | 3,715               | 2016                         | 5.50                   | 7,660               |
| 2007                                      | 5.00                   | 3,800               | 2017                         | 5.50                   | 8,080               |
| 2008                                      | 5.25                   | 5,085               | 2018                         | 5.50                   | 8,525               |
| 2009                                      | 5.25                   | 4,350               | 2019                         | 5.10                   | 8,995               |
| 2009                                      | 5.00                   | 1,000               | 2020                         | 5.10                   | 9,450               |
| 2010                                      | 5.50                   | 2,625               | 2021                         | 5.10                   | 1,580               |
| 2010                                      | 5.25                   | 3,000               | 2022                         | 5.13                   | 1,300               |
| 2011                                      | 5.25                   | 5,935               | 2023                         | 5.15                   | 1,300               |
| 2012                                      | 5.25                   | 6,255               | 2027                         | 5.20                   | 16,800              |
| Total par value Series A Refunding Bonds  |                        |                     |                              |                        | \$128,395           |
| Plus unamortized bond premium             |                        |                     |                              |                        | 2,871               |
| Total 2001 Series A Refunding Bonds - net |                        |                     |                              |                        | <u>\$131,266</u>    |

| Maturity Date<br>(January 1)                      | Interest<br>Rate/Yield | Principal<br>Amount | Maturity Date<br>(January 1) | Interest<br>Rate/Yield | Principal<br>Amount |
|---|------------------------|---------------------|------------------------------|------------------------|---------------------|
| Series B Bonds                                    |                        |                     |                              |                        |                     |
| 2003  | 3.50%                  | \$ 800              | 2014                         | 4.75%                  | \$1,270             |
| 2004  | 3.00                   | 855                 | 2015                         | 4.85                   | 1,335               |
| 2005  | 3.40                   | 880                 | 2016                         | 5.00                   | 1,400               |
| 2006  | 3.70                   | 910                 | 2017                         | 5.00                   | 1,470               |
| 2007  | 4.00                   | 940                 | 2018                         | 5.00                   | 1,540               |
| 2008  | 4.20                   | 980                 | 2019                         | 5.10                   | 1,620               |
| 2009  | 4.35                   | 1,020               | 2020                         | 5.10                   | 1,700               |
| 2010  | 4.45                   | 1,065               | 2021                         | 5.10                   | 1,785               |
| 2011  | 4.50                   | 1,115               | 2022                         | 5.13                   | 1,880               |
| 2012  | 4.60                   | 1,165               | 2023                         | 5.15                   | 1,975               |
| 2013  | 4.63                   | 1,215               | 2025                         | 5.20                   | 4,260               |
| Total per value Series B Refunding Bonds          |                        |                     |                              |                        | \$31,180            |
| Less unamortized bond discount Series B refunding |                        |                     |                              |                        | 362                 |
| Total 2001 Series B Refunding Bonds - net         |                        |                     |                              |                        | <u>\$30,818</u>     |
| Total 2001 PDP Refunding Bonds                    |                        |                     |                              |                        | <u>\$162,084</u>    |
| Total Funded Debt                                 |                        |                     |                              |                        | <u>\$1,440,614</u>  |

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 moneys, 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.

The Series A Port District Project 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.

The Series A Port District Project Bonds maturing January 1, 2027 are subject to redemption by the Authority prior to maturity, in part, in amounts required by the 2001 Port District Project Bond Indenture, as drawn by lot within a maturity by the Trustee, but only from moneys required to be deposited therefor in the Sinking Fund Account of the Debt Service Fund established under the 2001 Port District Project Bond Indenture, upon payment of a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, on January 1 of the following years in the amounts set forth below:

Series A Port District Project Bonds Maturing January 1, 2027

| Year | Principal Amount of Mandatory<br>Sinking Fund Redemption |
|------|--|
| 2024 | \$ 1,300   |
| 2025 | 1,300  |
| 2026 | 1,300  |
| 2027 | 12,900   |

In addition to the above funded debt, the Authority has a \$2,160 long term loan outstanding at an interest rate of 7.64%, which matures on April 1, 2008, a \$1,703 long-term note due March 1, 2008 at an interest rate of 5.50%, and a \$1,500 long-term loan at an interest rate of 3.5% maturing on February 1, 2021. Total funded debt and long-term debt as of December 31, 2001 totaled \$1,445,977.

**Swap Agreements:** In August and December of 2000, the Authority entered into several interest rate swap agreements, which may commence at certain future dates subject to options for the execution of the swaps at the discretion of the counter-parties to the agreements (Bank of America N.A. and Lehman Brothers Special Financing, Inc.). The initial exercise dates for the swaps with the Bank of America are two business days prior to July 2, 2005 with respect to a notional amount of \$39,656,531 and two business days prior to January 2, 2006 with respect to a notional amount of \$10,436,184. The Bank of America N.A. can exercise its option to commence the swaps twice annually after these dates, and the agreement(s) would continue irrevocably through an ending date of January 1, 2026. The sole exercise date for the swap with Lehman Brothers Special Financing, Inc. is July 1, 2002 with respect to a notional amount of \$50,000,000. The agreement would continue irrevocably through an ending date of July 1, 2017.

If the swap agreement options are exercised by the counter-party, net payments by the parties would commence wherein the Authority would owe semi-annual interest payments calculated at a variable rate based on TBMA Index (The Bond Market Association Municipal Bond Index, a tax-exempt variable rate index) to the counter-party to the swap. In return, the Bank of America N.A. and Lehman Brothers Special Financing Inc. would owe the Authority semi-annual interest payments based on a fixed rate of 5.9229% and 4.735%, respectively, that matches the interest rate paid to the bondholders. Only the net difference in the interest payments is actually exchanged with the counter-party. The combined aggregate notional amounts of \$100,092,715 in bond principal are not exchanged; it is only the basis on which the interest payments are calculated. The Authority would continue to pay interest to the bondholders at the fixed rate provided by the bonds, even in the event of default by the counter-party. As a result, during the term of the swap agreements, the Authority effectively pays a variable rate on the debt.

In consideration for entering into the agreements, the Authority has received net up-front, non-refundable option payments of \$1,125,000 and \$ 925,000 from the Bank of America, N.A. and Lehman Brothers Special Financing Inc., respectively, which have been recorded as deferred revenue and are being amortized.

In May and November of 2001, the Authority entered into several interest rate swap agreements, which may commence at certain future dates subject to options for the execution of the swaps at the discretion of the counter-parties to the agreements (UBS AG/Paine Webber and Lehman Brothers Financial Products, Inc.) The starting dates for the swaps with UBS AG, if exercised, are January 1, 2006 with respect to a notional amount of \$358,215,000 and January 1, 2010 with respect to notional amounts of \$403,035,000 and \$108,470,000. UBS AG can exercise its option to commence the swap(s) on any one of three consecutive annual exercise dates commencing with the initial exercise date. The agreement(s), if exercised, would continue through an ending date of January 1, 2026. The starting date for the swap with Lehman Brothers Financial Products, Inc., if exercised, is January 1, 2008 with respect to a notional amount of \$ 66,065,000. Lehman Brothers Financial Products Inc. can exercise its option to commence the swap on any one of three consecutive annual exercise dates commencing on January 1, 2008, and the agreement would continue irrevocably through an ending date of January 1, 2026.

If the swap agreement options are exercised by UBS AG and/or Lehman Brothers Financial Products, Inc., net payments by the parties would commence wherein the Authority would owe periodic interest payments based on fixed rates of 5.4470%, 5.738% and 5.595%, respectively for the agreements with UBS AG and 4.865% for the swap agreement with Lehman Brothers Financial Products, Inc. In return, UBS AG and/or Lehman Brothers Financial Products, Inc. would owe the Authority periodic interest payments based on a variable rate based on 66% of USD-LIBOR-BBA. Only the net difference in the interest payments is actually exchanged between the parties. The combined aggregate notional amount of any swap agreement is not exchanged; it is only the basis upon which the interest payments are calculated.

In consideration for entering into the agreements, the Authority has received net up-front, non-refundable option payments from UBS AG and Lehman Brothers Financial Products, Inc. totaling \$40,065,000 and \$2,837,000, respectively, which have been recorded as deferred revenue and are being amortized.

## 8. GOVERNMENT CONTRIBUTIONS FOR CAPITAL IMPROVEMENTS, ADDITIONS AND OTHER PROJECTS

The Authority receives contributions in aid for financing capital improvements and additions to the rapid transit system from the Federal Transit Administration and New Jersey Transit. Capital improvement grant funds of \$4,562 and \$2,648 were received in 2001 and 2000, respectively. Charges representing depreciation on assets relating to federal and state contributions were \$2,438 at December 31, 2001 and \$2,428 at December 31, 2000. In addition, the Authority has received grants from other governmental agencies for non rapid transit system projects.

|  | 2001            | 2000            |
|--|-----------------|-----------------|
| Assets acquired with federal and state contributions           | \$125,787       | \$121,226       |
| Accumulated depreciation on assets acquired with contributions | (28,754)        | (25,317)        |
| Net contributed capital for improvements and additions         | <u>\$97,033</u> | <u>\$95,909</u> |

## 9. CONTINGENCIES

Public liability claim exposures are self-insured by the Authority within its retention limit of \$5,000 per occurrence; after which, exists \$95,000 of excess liability insurance to respond to any large losses exceeding the retention. The Authority, excluding PATCO, self-insures the initial \$350, per occurrence, for workers' compensation claims, after which \$5,000 of excess workers' compensation insurance is retained to respond to significant claims. PATCO is completely self-insured for workers' compensation claims.

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.

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.

The Authority has not incurred any significant reduction in insurance coverage, for any risk category, from the level of coverage provided in prior periods. In addition, the amounts of settlements for the last three years have not exceeded the insurance coverage provided in those years. The following table provides a reconciliation of changes in the provision for self insured claims for the years ended December 31, 2001 and 2000.

|                             | 2001           | 2000           |
|-----------------------------|----------------|----------------|
| Beginning balance           | \$4,692        | \$4,428        |
| Incurred claims             | 1,763          | 1,876          |
| Payment of claims           | (1,752)        | (2,456)        |
| Other - administrative fees | (736)          | 844            |
| Closing balance             | <u>\$3,967</u> | <u>\$4,692</u> |

## 10. 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 \$1,286 for its economic development loans outstanding.

The Authority has invested \$7,000 in Fastship Atlantic, Inc. (FSA) to complete the development of high speed transatlantic cargo vessels. Under a master agreement between the Authority and FSA, the Authority had certain financial commitments to FSA, however, the agreement provided that such commitments were contingent upon FSA obtaining financing for its vessels on or before December 31, 1997. FSA was unable to obtain such financing before December 31, 1997. The agreement provides that in this circumstance the parties to the agreement should meet to

discuss the status of the project and the parties are involved in discussions at present. In 1999, the Authority guaranteed a \$2,000 line of credit for FSA.

In January 1998, the DRPA authorized and disbursed \$50 million for the purpose of establishing a Kvaerner ASA shipbuilding facility at the Philadelphia Naval Shipyard. In addition, the Authority approved up to \$30 million for complimentary economic development projects.

**B. Leases:**

To provide for the operations of its intermodal transfer facility (AmeriPort), which is currently operated by Logistical Transportation Services, Inc. under contract with PPC, the Authority leases from CSX Transportation approximately 20.51 acres of the CSX facility in Philadelphia. Under the lease, which expires January 31, 2021, the annual base rental is effective July 1, of each year, and is currently \$287. The annual base rent is subject to adjustment annually on the anniversary date (July 1) based on the increase in the Consumer Price Index. In addition to the annual base rent, the Authority must pay, as "Additional Rent," its equitable share of all taxes, assessments, charges, fees and other legal impositions, as well as the cost and expenses of any labor or materials furnished by CSX Transportation to the Authority. The Authority has the right to terminate this lease at any time upon the payment of three years' base rent and Additional Rent.

The Authority has an agreement for maintenance services for the toll collection system at its bridges. The agreement, effective May 1, 1996, has a term of 6 years, and provides for monthly maintenance fees of \$40. The monthly maintenance fee is subject to adjustment annually based on the increase in the CPI, with the maximum annual CPI adjustment not to exceed 5% per annum. The Authority may terminate the agreement with 30 days prior written notice.

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 2001, the base rent payable to the City totaled \$2,357 as adjusted for the cumulative increases in the Consumer Price Index (CPI) between 1995 and 2000. Base rent payments for 2002 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 create annually 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.

**C. Americans with Disabilities Act (ADA):**

In July 1990, the ADA was enacted to ensure that persons with disabilities have access to public accommodations. The Authority has made all key transit system stations accessible and is in compliance with the significant provisions of the law. Under a separate voluntary compliance agreement with the Federal Transit Administration, the Authority brought the transit public address system into full compliance at year end 1999.

**D. Other:**

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

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

The significant minimum lease and maintenance fee commitments, based on current operations and including future adjustments for CPI, are as follows:

|      |         |
|------|---------|
| 2002 | \$3,018 |
| 2003 | 3,060   |
| 2004 | 3,103   |
| 2005 | 3,147   |
| 2006 | 3,191   |

## E. Contractual Commitments:

As of December 31, 2001, the Authority had contractual commitments as follows:

|   |          |
|---|----------|
| <b>Benjamin Franklin Bridge (BFB):</b>                          |          |
| Engineering services - task orders                              | \$3,426  |
| Part time & temporary toll collectors                           | 2,841    |
| BFB steel painting - phase two                                  | 1,155    |
| Engineering services - BFB, WWB                                 | 770      |
| Part time & temporary office staff                              | 428      |
| BFB movable maintenance platform                                | 334      |
| Maintenance agreement for toll system                           | 285      |
| Median barrier system - all bridges                             | 261      |
| E-Z pass Implementation/toll upgrades - all bridges             | 258      |
| BFB steel painting - phase one                                  | 197      |
| Computer consultants  | 108      |
| Other   | 376      |
| <b>Walt Whitman Bridge (WWB):</b>                               |          |
| Bridge redecking  | 24,895   |
| Administration bldg. HVAC improvements                          | 73       |
| WWB outbound & topographic survey                               | 68       |
| Bridge Inspection   | 48       |
| <b>Commodore Barry Bridge (CBB):</b>                            |          |
| Pin & Hanger retrofit - Design & Construction                   | 4,195    |
| Deck rehabilitation   | 4,079    |
| Engineering services - Infrastructure investigation phase 1 & 2 | 922      |
| Other   | 187      |
| <b>Betsy Ross Bridge (BRB):</b>                                 |          |
| Roadway rehabilitation & traffic enhancements                   | 7,704    |
| Other   | 78       |
| <b>PATCO System:</b>  |          |
| Embankment restoration  | 7,012    |
| Smoke & fire - subway tunnel improvements                       | 2,893    |
| Power cable and pole line replacement                           | 1,881    |
| Roof replacement  | 912      |
| Rehab New Road & Lindenwold shop access road                    | 628      |
| Final design station improvements                               | 376      |
| Lindenwold shop HVAC rehab.                                     | 367      |
| Public address & train identification & announcement system     | 179      |
| Rehab of five passenger stations                                | 127      |
| Other   | 154      |
| <b>Other:</b>   |          |
| Delaware river tram and light & sound project                   | 8,397    |
| Gateway project   | 915      |
| Port enhancement projects                                       | 221      |
| Other   | 177      |
|   | \$76,927 |

**SUPPLEMENTAL SCHEDULE OF BALANCE SHEET INFORMATION BY FUND AND TOTAL:  
December 31, 2001 and 2000 Total (In Thousands)**

|   | Capital<br>Fund  | Revenue<br>Fund | Restricted             |                  | Restricted                |                              | 2001<br>Total      | 2000<br>Total      |
|---|------------------|-----------------|------------------------|------------------|---------------------------|------------------------------|--------------------|--------------------|
|   |                  |                 | Maint.<br>Res.<br>Fund | General<br>Fund  | Combined<br>Bond<br>Funds | Combined<br>Project<br>Funds |                    |                    |
| <b>ASSETS</b>                                       |                  |                 |                        |                  |                           |                              |                    |                    |
| <b>UNRESTRICTED ASSETS</b>                          |                  |                 |                        |                  |                           |                              |                    |                    |
| Cash  |                  | \$2,604         |                        | \$2,510          |                           |                              | \$5,114            | \$12,623           |
| Investment in securities                            |                  | 9,661           |                        | 112,338          |                           |                              | 121,999            | 74,736             |
| Accounts receivable                                 |                  | 647             |                        | 9,084            |                           |                              | 9,731              | 8,945              |
| Accrued interest receivable                         |                  |                 |                        | 172              |                           |                              | 172                | 82                 |
| Transit system and stores<br>inventory              |                  | 309             |                        | 3,838            |                           |                              | 4,147              | 4,068              |
| Economic development loans                          |                  |                 |                        | 12,588           |                           |                              | 12,588             | 15,251             |
| Prepaid expenses and other assets                   |                  | 614             |                        | 878              |                           |                              | 1,492              | 1,631              |
| <b>Total</b>  |                  | <u>13,835</u>   |                        | <u>141,408</u>   |                           |                              | <u>155,243</u>     | <u>117,336</u>     |
| <b>RESTRICTED ASSETS</b>                            |                  |                 |                        |                  |                           |                              |                    |                    |
| Cash  |                  |                 | \$23                   |                  |                           | \$744                        | 767                | 356                |
| Investment in securities                            |                  |                 | 3,303                  |                  | \$289,073                 | 514,825                      | 807,201            | 727,265            |
| Accrued interest receivable                         |                  |                 |                        |                  | 146                       | 634                          | 780                | 1,122              |
| <b>Total restricted assets</b>                      |                  |                 | <u>3,326</u>           |                  | <u>289,219</u>            | <u>516,203</u>               | <u>808,748</u>     | <u>728,743</u>     |
| <b>INVESTMENT IN FACILITIES</b>                     |                  |                 |                        |                  |                           |                              |                    |                    |
| Investment in facilities                            | \$1,236,069      |                 |                        | 854              |                           |                              | 1,236,923          | 1,176,038          |
| Accumulated depreciation                            | (325,994)        |                 |                        | (210)            |                           |                              | (326,204)          | (304,361)          |
| Investment in facilities - net                      | <u>910,075</u>   |                 |                        | <u>644</u>       |                           |                              | <u>910,719</u>     | <u>871,677</u>     |
| <b>DEBT ISSUANCE COSTS,<br/>NET OF AMORTIZATION</b> |                  |                 |                        |                  |                           |                              |                    |                    |
|   | 26,954           |                 |                        | 13,614           |                           |                              | 40,568             | 39,744             |
| <b>TOTAL ASSETS</b>                                 | <u>\$937,029</u> | <u>\$13,835</u> | <u>\$3,326</u>         | <u>\$155,668</u> | <u>\$289,219</u>          | <u>\$516,203</u>             | <u>\$1,915,278</u> | <u>\$1,757,500</u> |

|  | Capital Fund     | Restricted      |                  | Restricted       |                     | 2001 Total         | 2000 Total         |
|--|------------------|-----------------|------------------|------------------|---------------------|--------------------|--------------------|
|  |                  | Revenue Fund    | Maint. Res. Fund | General Fund     | Combined Bond Funds |                    |                    |
| <b>LIABILITIES AND EQUITY</b>          |                  |                 |                  |                  |                     |                    |                    |
| <b>ACCOUNTS PAYABLE</b>                |                  |                 |                  |                  |                     |                    |                    |
| Retained amounts on contracts          |                  | \$14            |                  | \$4,796          |                     | \$4,810            | \$5,093            |
| Other                                  |                  | 2,317           |                  | 8,389            |                     | 10,706             | 15,981             |
| Total accounts payable                 |                  | <u>2,331</u>    |                  | <u>13,185</u>    |                     | <u>15,516</u>      | <u>21,074</u>      |
| <b>ACCRUED LIABILITIES</b>             |                  |                 |                  |                  |                     |                    |                    |
| Pension                                |                  | 6               |                  | 56               |                     | 62                 | 226                |
| Sick and vacation leave benefits       |                  | 3,492           |                  | 1,746            |                     | 5,238              | 5,750              |
| Other                                  |                  | 722             |                  |                  |                     | 722                | 772                |
| Total accrued liabilities              |                  | <u>4,220</u>    |                  | <u>1,802</u>     |                     | <u>6,022</u>       | <u>6,748</u>       |
| <b>DEFERRED REVENUE</b>                |                  |                 |                  |                  |                     |                    |                    |
|  |                  | <u>7,524</u>    |                  | <u>38,397</u>    |                     | <u>45,921</u>      | <u>6,582</u>       |
| <b>ACCRUED INTEREST</b>                |                  |                 |                  |                  |                     |                    |                    |
| (Payable from Restricted Assets)       |                  |                 |                  |                  | <u>\$37,745</u>     | <u>37,745</u>      | <u>37,604</u>      |
| <b>FUNDED DEBT</b>                     |                  |                 |                  |                  |                     |                    |                    |
|  | <u>\$934,057</u> |                 |                  | <u>511,920</u>   |                     | <u>1,445,977</u>   | <u>1,302,387</u>   |
| <b>OTHER LIABILITIES</b>               |                  |                 |                  |                  |                     |                    |                    |
| Repainting                             |                  | 28,486          |                  |                  |                     | 28,486             | 22,089             |
| Other                                  |                  | 2,415           |                  | 1,552            |                     | 3,967              | 4,035              |
| Total other liabilities                |                  | <u>30,901</u>   |                  | <u>1,552</u>     |                     | <u>32,453</u>      | <u>26,124</u>      |
| Total liabilities                      | <u>934,057</u>   | <u>44,976</u>   | 0                | <u>566,856</u>   | <u>37,745</u>       | 0                  | <u>1,583,634</u>   |
| <b>EQUITY (DEFICIT)</b>                |                  |                 |                  |                  |                     |                    |                    |
| From contributed capital               | <u>98,034</u>    |                 |                  |                  |                     | <u>98,034</u>      | <u>95,909</u>      |
| From operations:                       |                  |                 |                  |                  |                     |                    |                    |
| Invested in capital facilities         | (95,062)         |                 |                  |                  |                     | (95,062)           | (148,300)          |
| Reserved for:                          |                  |                 |                  |                  |                     |                    |                    |
| DRPA bonds                             |                  |                 |                  |                  | 114,033             | 114,033            | 15,125             |
| Bond service                           |                  |                 |                  |                  | 137,441             | 137,441            | 109,988            |
| Construction                           |                  |                 |                  |                  |                     | 292,573            | 325,686            |
| Port projects                          |                  |                 |                  |                  |                     | 223,630            | 237,169            |
| Revenue fund                           |                  |                 | 3,326            |                  |                     | 3,326              | 3,171              |
| Unreserved                             |                  | (31,141)        |                  | (411,190)        |                     | (442,331)          | (281,767)          |
| Total equity (deficit) from operations | (95,062)         | (31,141)        | 3,326            | (411,190)        | 251,474             | 516,203            | 261,072            |
| Total equity (deficit)                 | 2,972            | (31,141)        | 3,326            | (411,190)        | 251,474             | 516,203            | 356,981            |
| <b>TOTAL LIABILITIES AND EQUITY</b>    |                  |                 |                  |                  |                     |                    |                    |
|  | <u>\$937,029</u> | <u>\$13,835</u> | <u>\$3,326</u>   | <u>\$155,666</u> | <u>\$289,219</u>    | <u>\$516,203</u>   | <u>\$1,915,278</u> |
|  |                  |                 |                  |                  |                     | <u>\$1,915,278</u> | <u>\$1,757,500</u> |

**SUPPLEMENTAL SCHEDULE OF CHANGES IN EQUITY BY FUND AND TOTAL:**  
**Year ended December 31, 2001 and 2000 (In Thousands)**

|   | Restricted        |                   |                     | Restricted         |                           | 2001<br>Total    | 2000<br>Total    |
|---|-------------------|-------------------|---------------------|--------------------|---------------------------|------------------|------------------|
|   | Capital<br>Fund   | Revenue<br>Fund   | Maint.<br>Res. Fund | General<br>Fund    | Combined<br>Bond<br>Funds |                  |                  |
| <b>EQUITY (DEFICIT AT<br/>BEGINNING OF YEAR</b>                                       | <u>(\$52,391)</u> | <u>(\$28,175)</u> | <u>\$3,171</u>      | <u>(\$253,591)</u> | <u>\$125,113</u>          | <u>\$562,854</u> | <u>\$356,981</u> |
| Revenues and expenses:  |                   |                   |                     |                    |                           |                  |                  |
| Operating revenues  |                   | 176,342           |                     | 20,521             |                           | 196,863          | 188,529          |
| Operating expenses  | (23,535)          | (39,879)          |                     | (32,505)           |                           | (95,919)         | (92,176)         |
| General administration expenses   |                   | (26,549)          |                     |                    |                           | (26,549)         | (22,845)         |
| Interest income   |                   | 356               | 155                 | 9,809              | 6,851                     | 33,131           | 50,884           |
| Interest on funded debt   | (2,358)           |                   |                     | (636)              | (74,200)                  | (77,194)         | (77,884)         |
| Other income (expenses)   | (772)             | 92                |                     | (3,942)            |                           | (4,622)          | (6,033)          |
| Economic development activities   |                   |                   |                     | (72,779)           |                           | (72,779)         | (67,138)         |
| Total   | <u>(26,665)</u>   | <u>110,362</u>    | <u>155</u>          | <u>(79,532)</u>    | <u>(67,349)</u>           | <u>33,131</u>    | <u>(29,898)</u>  |
| Government contributions for<br>capital improvements, additions<br>and other projects |                   |                   |                     |                    |                           |                  |                  |
|   |                   |                   |                     | <u>4,562</u>       |                           | <u>4,562</u>     | <u>2,649</u>     |
| Interfund transfers and payments:   |                   |                   |                     |                    |                           |                  |                  |
| Bond service  |                   | (60,414)          |                     | (26,529)           | 86,942                    |                  |                  |
| Funds free and clear of any<br>lien or pledge   |                   | (52,914)          |                     | 54,901             | (1,987)                   |                  |                  |
| Retirement of bonds   | 13,740            |                   |                     | 5,715              | (19,455)                  |                  |                  |
| Funds for capital additions   |                   |                   |                     | 53,427             |                           | (53,427)         |                  |
| Funds for port projects   |                   |                   |                     | 56,355             |                           | (56,355)         |                  |
| Net equity from 2001 Bonds  |                   |                   |                     | (158,210)          | 128,210                   | 30,000           |                  |
| Capital additions   | <u>68,288</u>     |                   |                     | <u>(68,288)</u>    |                           |                  |                  |
| Total   | <u>82,028</u>     | <u>(113,328)</u>  | <u>0</u>            | <u>(82,629)</u>    | <u>193,710</u>            | <u>(79,782)</u>  |                  |
| <b>EQUITY (DEFICIT)<br/>AT END OF YEAR</b>  | <u>\$2,972</u>    | <u>(\$31,141)</u> | <u>\$3,326</u>      | <u>(\$411,190)</u> | <u>\$251,474</u>          | <u>\$516,203</u> | <u>\$331,644</u> |

**SUPPLEMENTAL SCHEDULE OF COMBINED BOND AND PROJECT FUNDS BALANCE SHEET INFORMATION:  
December 31, 2001 (In Thousands)**

|   | Bond<br>Reserve<br>Funds | Bond<br>Service<br>Funds | 1995<br>Project<br>Fund | 1998 Port<br>District<br>Project Fund | 1999<br>Project<br>Fund | 1999 Port<br>District<br>Project Fund | 2001 Port<br>District<br>Project Fund | Total<br>Combined<br>Funds |
|---|--------------------------|--------------------------|-------------------------|---------------------------------------|-------------------------|---------------------------------------|---------------------------------------|----------------------------|
| <b>ASSETS</b>                           |                          |                          |                         |                                       |                         |                                       |                                       |                            |
| <b>RESTRICTED ASSETS</b>                |                          |                          |                         |                                       |                         |                                       |                                       |                            |
| Cash                                    |                          |                          | \$9                     | \$735                                 |                         |                                       |                                       | \$744                      |
| Investment in securities                | \$113,866                | \$175,186                |                         | 25,103                                | \$292,565               | \$167,145                             | \$30,013                              | 803,898                    |
| Accrued interest                        | 147                      |                          |                         | 634                                   |                         |                                       |                                       | 781                        |
| Total restricted assets                 | 114,033                  | 175,186                  | 9                       | 26,472                                | 292,565                 | 167,145                               | 30,013                                | 805,423                    |
| <b>TOTAL ASSETS</b>                     | <b>\$114,033</b>         | <b>\$175,186</b>         | <b>\$9</b>              | <b>\$26,472</b>                       | <b>\$292,565</b>        | <b>\$167,145</b>                      | <b>\$30,013</b>                       | <b>\$805,423</b>           |
| <b>LIABILITIES AND EQUITY</b>           |                          |                          |                         |                                       |                         |                                       |                                       |                            |
| <b>ACCRUED INTEREST</b>                 |                          |                          |                         |                                       |                         |                                       |                                       |                            |
| (Payable from Restricted Assets)        |                          | \$37,745                 |                         |                                       |                         |                                       |                                       | \$37,745                   |
| Total liabilities                       |                          | 37,745                   |                         |                                       |                         |                                       |                                       | 37,745                     |
| <b>EQUITY</b>                           |                          |                          |                         |                                       |                         |                                       |                                       |                            |
| From contributed capital                |                          |                          |                         |                                       |                         |                                       |                                       |                            |
| From operations:                        |                          |                          |                         |                                       |                         |                                       |                                       |                            |
| Reserved for:                           |                          |                          |                         |                                       |                         |                                       |                                       |                            |
| Revenue and Port District Project Bonds | \$114,033                |                          |                         |                                       |                         |                                       |                                       | \$114,033                  |
| Revenue and Port District Bond Service  |                          | 137,441                  |                         |                                       |                         |                                       |                                       | 137,441                    |
| Construction                            |                          |                          | \$9                     |                                       | \$292,565               |                                       |                                       | 292,574                    |
| Port Projects                           |                          |                          |                         | \$26,472                              |                         | \$167,145                             | \$30,013                              | 223,630                    |
| Total equity from                       | 114,033                  | 137,441                  | 9                       | 26,472                                | 292,565                 | 167,145                               | 30,013                                | 767,678                    |
| Total equity                            | 114,033                  | 137,441                  | 9                       | 26,472                                | 292,565                 | 167,145                               | 30,013                                | 767,678                    |
| <b>TOTAL LIABILITIES AND EQUITY</b>     | <b>\$114,033</b>         | <b>\$175,186</b>         | <b>\$9</b>              | <b>\$26,472</b>                       | <b>\$292,565</b>        | <b>\$167,145</b>                      | <b>\$30,013</b>                       | <b>\$805,423</b>           |

**SUPPLEMENTAL SCHEDULE OF COMBINED BOND AND PROJECT FUNDS CHANGES IN EQUITY:  
December 31, 2001 (In Thousands)**

|                                      | Bond<br>Reserve<br>Funds | Bond<br>Service<br>Funds | 1995<br>Project<br>Fund | 1998 Port<br>District<br>Project<br>Fund | 1999<br>Project<br>Fund | 1999 Port<br>District<br>Project<br>Fund | 2001 Port<br>District<br>Project<br>Fund | Total<br>Combined<br>Funds |
|--------------------------------------|--------------------------|--------------------------|-------------------------|--|-------------------------|--|--|----------------------------|
| <b>EQUITY</b>                        |                          |                          |                         |  |                         |  |  |                            |
| <b>AT BEGINNING OF YEAR</b>          | \$102,631                | \$22,482                 | \$9                     | \$25,189                                 | \$325,676               | \$211,980                                | \$0                                      | \$687,967                  |
| Revenues and expenses:               |                          |                          |                         |  |                         |  |  |                            |
| Interest Income                      | 5,731                    | 1,120                    |                         | 1,283                                    | 20,316                  | 11,520                                   | 13                                       | 39,983                     |
| Interest on funded debt              |                          | (74,200)                 |                         |  |                         |  |  | (74,200)                   |
| Economic Development<br>Activities   |                          |                          |                         |  |                         |  |  | 0                          |
| <b>Total</b>                         | <u>5,731</u>             | <u>(73,080)</u>          | <u>0</u>                | <u>1,283</u>                             | <u>20,316</u>           | <u>11,520</u>                            | <u>13</u>                                | <u>(34,217)</u>            |
| Interfund transfers and<br>payments: |                          |                          |                         |  |                         |  |  |                            |
| Bond service                         |                          | 86,942                   |                         |  |                         |  |  | 86,942                     |
| Retirement of bonds                  |                          | (19,455)                 |                         |  |                         |  |  | (19,455)                   |
| Construction                         |                          |                          |                         |  | (53,427)                |  |  | (53,427)                   |
| Net Equity from 2001 Bonds           | 13,571                   | 114,639                  |                         |  |                         |  | 30,000                                   | 158,210                    |
| Interfund cash transfers             | (7,900)                  | 5,913                    |                         |  |                         |  |  | (1,987)                    |
| Funds for port projects              |                          |                          |                         |  |                         | (56,355)                                 |  | (56,355)                   |
| <b>Total</b>                         | <u>5,671</u>             | <u>188,039</u>           | <u>0</u>                | <u>0</u>                                 | <u>(53,427)</u>         | <u>(56,355)</u>                          | <u>30,000</u>                            | <u>113,928</u>             |
| <b>EQUITY AT END OF YEAR</b>         | <u>\$114,033</u>         | <u>\$137,441</u>         | <u>\$9</u>              | <u>\$26,472</u>                          | <u>\$292,565</u>        | <u>\$167,145</u>                         | <u>\$30,013</u>                          | <u>\$767,678</u>           |



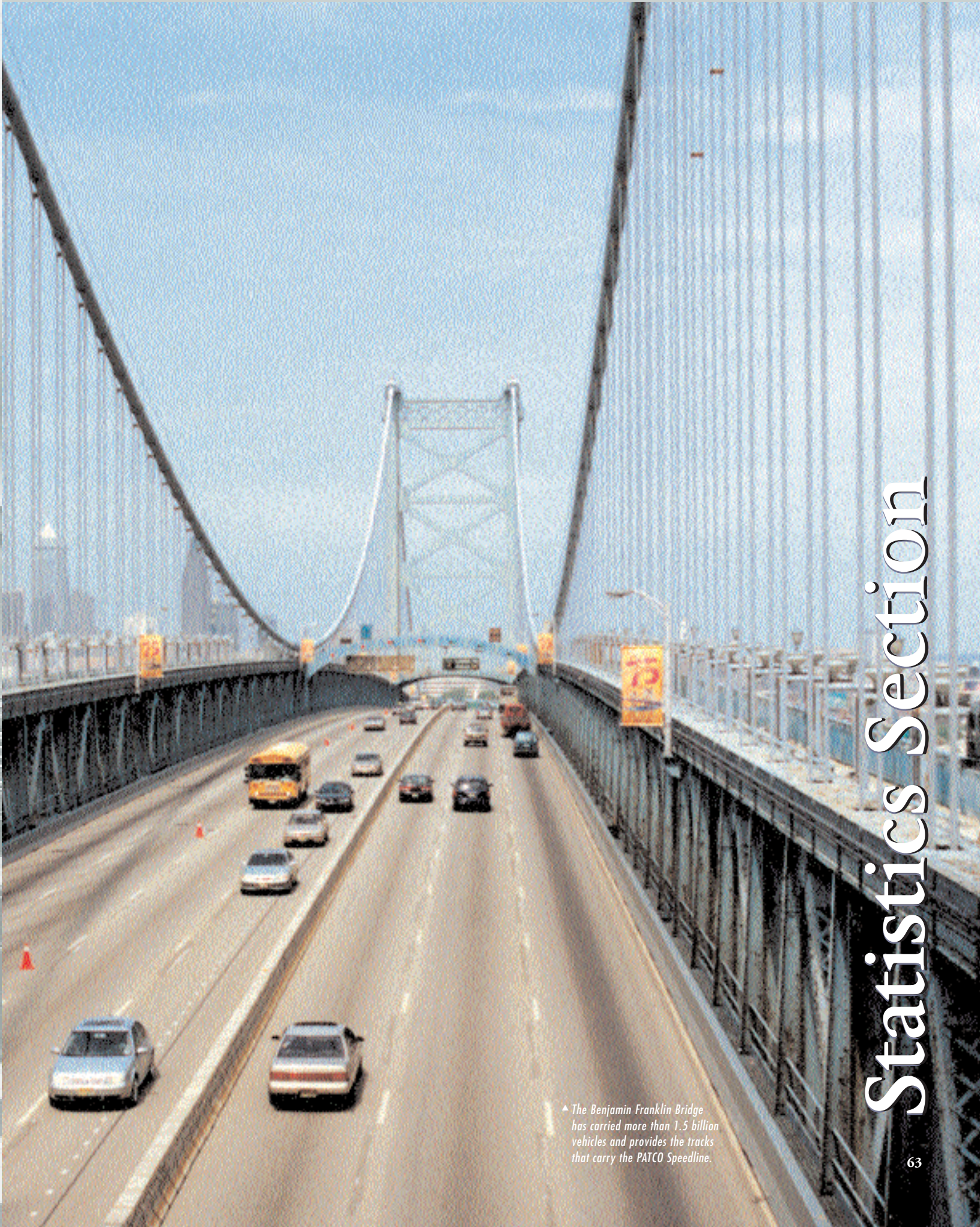
# Statistics Section

*Truss Structure - Looking West from  
of Main Span 7-3*



# noit292 scitst2

ned structure look at west from  
of main span



# Statistics Section

▲ The Benjamin Franklin Bridge has carried more than 1.5 billion vehicles and provides the tracks that carry the PATCO Speedline.

Last Ten Fiscal Years (In Thousands)

**GENERAL EXPENSES BY FUNCTION**

|                                   | 2001             | 2000             | 1999             | 1998             | 1997             | 1996             | 1995             | 1994             | 1993             | 1992            |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| <b>Bridge operations :</b>        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                 |
| Salaries and employee benefits    | \$23,884         | \$23,500         | \$23,443         | \$23,229         | \$20,049         | \$31,969         | \$33,836         | \$33,753         | \$30,589         | \$30,162        |
| Equipment and supplies            | 66               | 85               | 47               | 103              | 845              | 1,220            | 2,077            | 2,808            | 2,502            | 4,092           |
| Maintenance and repairs           | 2,349            | 2,251            | 1,811            | 4,253            | 3,879            | 4,364            | 3,950            | 3,000            | 2,705            | 2,456           |
| Utilities                         | 1,253            | 1,257            | 1,158            | 1,152            | 1,333            | 1,413            | 1,391            | 1,271            | 1,245            | 1,365           |
| Insurance                         | 1,220            | 1,212            | 1,184            | 1,881            | 1,450            | 1,585            | 1,899            | 1,710            | 1,165            | 1,252           |
| Other                             | 11,025           | 10,242           | 7,752            | 1,365            | 399              | 1,850            | 258              | 1,038            | 262              | 303             |
| <b>Total bridge operations</b>    | <b>39,879</b>    | <b>38,547</b>    | <b>35,393</b>    | <b>37,485</b>    | <b>38,010</b>    | <b>42,196</b>    | <b>43,011</b>    | <b>43,380</b>    | <b>38,580</b>    | <b>38,479</b>   |
| <b>PATCO transit system :</b>     |                  |                  |                  |                  |                  |                  |                  |                  |                  |                 |
| Maintenance of way and power      | 658              | 7,085            | 5,707            | 6,250            | 6,125            | 5,992            | 5,568            | 5,715            | 6,003            | 5,178           |
| Maintenance of equipment          | 524              | 4,899            | 4,997            | 4,571            | 4,220            | 4,499            | 4,334            | 4,702            | 5,002            | 4,479           |
| Purchased power                   | 293              | 9,448            | 2,754            | 3,039            | 3,425            | 3,873            | 3,938            | 3,911            | 3,709            | 3,884           |
| Transportation                    | 859              | 3,481            | 9,102            | 9,517            | 8,592            | 8,845            | 8,336            | 9,265            | 8,435            | 7,810           |
| General insurance                 | 735              | 711              | 3,340            | 3,000            | 3,303            | 3,873            | 3,504            | 3,270            | 3,262            | 3,078           |
| Superintendence and office        | 290              | 2,887            | 384              | 471              | 637              | 493              | 1,045            | 1,107            | 1,420            | 1,123           |
| <b>Total PATCO transit system</b> | <b>3,359</b>     | <b>28,469</b>    | <b>27,302</b>    | <b>26,569</b>    | <b>26,242</b>    | <b>27,045</b>    | <b>26,725</b>    | <b>27,110</b>    | <b>27,911</b>    | <b>25,130</b>   |
| <b>Lease and community impact</b> |                  |                  |                  |                  |                  |                  |                  |                  |                  |                 |
| General administration            | 20,540           | 22,846           | 18,919           | 16,727           | 15,270           | 14,804           | 15,759           | 13,911           | 12,790           | 11,411          |
| Port of Philadelphia and Camden   | 6,820            | 5,338            | 4,916            | 4,905            | 5,485            | 4,517            | 5,252            | 5,259            | 5,591            | 3,946           |
| Interest                          | 77,195           | 77,884           | 38,441           | 34,100           | 34,526           | 35,244           | 18,747           | 20,552           | 20,694           | 20,804          |
| <b>Total expenses</b>             | <b>\$156,440</b> | <b>\$177,155</b> | <b>\$130,071</b> | <b>\$127,251</b> | <b>\$127,013</b> | <b>\$131,395</b> | <b>\$117,960</b> | <b>\$118,960</b> | <b>\$105,946</b> | <b>\$97,719</b> |

**REVENUES BY SOURCE**

|   | 2001             | 2000             | 1999             | 1998             | 1997             | 1996             | 1995             | 1994             | 1993             | 1992             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Bridge operating revenues               | \$176,389        | \$169,750        | \$119,467        | \$117,242        | \$115,032        | \$110,930        | \$109,500        | \$104,888        | \$102,609        | \$91,304         |
| PATCO transit system operating revenues | 20,673           | 18,780           | 18,354           | 15,234           | 15,005           | 14,906           | 15,118           | 15,429           | 15,379           | 15,285           |
| Port of Philadelphia and Camden         | 3,160            | 1,349            | 1,347            | 2,327            | 1,885            | 1,073            | 1,489            | 1,305            | 1,200            |                  |
| Interest income                         | 50,201           | 50,884           | 14,208           | 15,371           | 15,945           | 17,747           | 4,304            | 7,845            | 7,732            | 8,954            |
| <b>Total revenues</b>                   | <b>\$250,343</b> | <b>\$240,763</b> | <b>\$151,976</b> | <b>\$150,174</b> | <b>\$149,248</b> | <b>\$144,858</b> | <b>\$127,520</b> | <b>\$129,607</b> | <b>\$126,980</b> | <b>\$115,443</b> |

**PATCO TRANSIT SYSTEM OPERATING REVENUES**

|                                 | 2001            | 2000            | 1999            | 1998            | 1997            | 1996            | 1995            | 1994            | 1993            | 1992            |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Passenger fares                 | \$18,942        | \$17,247        | \$19,587        | \$14,412        | \$14,248        | \$14,234        | \$14,472        | \$14,301        | \$14,917        | \$14,821        |
| Other revenues                  | 1,581           | 1,533           | 767             | 822             | 757             | 674             | 644             | 638             | 692             | 464             |
| <b>Total operating revenues</b> | <b>\$20,473</b> | <b>\$18,780</b> | <b>\$19,354</b> | <b>\$15,234</b> | <b>\$15,005</b> | <b>\$14,906</b> | <b>\$15,116</b> | <b>\$15,429</b> | <b>\$15,979</b> | <b>\$15,285</b> |

In July 2001, PATCO implemented the third and final phase of the fare increases.

**PATCO TRANSIT SYSTEM RIDERSHIP**

|            | 2001   | 2000   | 1999   | 1998   | 1997   | 1996   | 1995   | 1994   | 1993   | 1992   |
|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Passengers | 10,037 | 10,581 | 10,919 | 10,702 | 10,880 | 10,898 | 10,880 | 11,134 | 11,232 | 11,151 |

## Last Ten Fiscal Years (In Thousands)

**DEBT SERVICE COVERAGE**

|   | 2001             | 2000             | 1999            | 1998            | 1997            | 1996            | 1995            | 1994            | 1993            | 1992            |
|---|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenues available for Debt Service:    |                  |                  |                 |                 |                 |                 |                 |                 |                 |                 |
| Bridge operating                        | \$178,389        | \$169,750        | \$119,467       | \$117,242       | \$115,832       | \$110,830       | \$106,600       | \$104,088       | \$102,099       | \$91,304        |
| Interest income                         | 17,170           | 13,421           | 8,870           | 4,775           | 5,788           | 6,562           | 3,524           | 7,045           | 7,732           | 8,854           |
| Reserved funds                          |                  |                  |                 |                 |                 |                 |                 | 4,135           | 4,608           | 5,031           |
|   | <u>195,559</u>   | <u>183,171</u>   | <u>128,337</u>  | <u>122,017</u>  | <u>121,620</u>  | <u>117,392</u>  | <u>110,124</u>  | <u>116,068</u>  | <u>115,000</u>  | <u>105,189</u>  |
| Less expenses:                          |                  |                  |                 |                 |                 |                 |                 |                 |                 |                 |
| Bridge operating                        | 38,878           | 38,547           | 35,393          | 37,469          | 38,010          | 42,198          | 43,011          | 43,390          | 38,500          | 36,429          |
| General administration                  | 36,548           | 22,845           | 18,919          | 16,727          | 15,270          | 14,804          | 15,755          | 13,911          | 12,790          | 11,411          |
|   | <u>65,426</u>    | <u>61,392</u>    | <u>54,312</u>   | <u>54,196</u>   | <u>53,280</u>   | <u>57,002</u>   | <u>58,766</u>   | <u>57,301</u>   | <u>51,290</u>   | <u>47,840</u>   |
| Net revenues available for Debt Service | <u>\$127,131</u> | <u>\$121,779</u> | <u>\$73,965</u> | <u>\$67,821</u> | <u>\$68,340</u> | <u>\$60,390</u> | <u>\$51,358</u> | <u>\$58,767</u> | <u>\$63,699</u> | <u>\$57,349</u> |
| Debt Service:                           |                  |                  |                 |                 |                 |                 |                 |                 |                 |                 |
| Interest                                | 45,798           | 40,248           | 25,809          | \$27,308        | \$15,767        | \$11,940        | \$14,085        | \$14,000        | \$15,077        | \$15,499        |
| Principal                               | 14,815           | 13,740           | 12,380          | 5,510           | 3,595           | 12,368          | 10,196          | 10,200          | 6,795           | 5,250           |
| Total Debt Service                      | <u>\$60,613</u>  | <u>\$54,008</u>  | <u>\$38,189</u> | <u>\$33,006</u> | <u>\$24,362</u> | <u>\$24,317</u> | <u>\$24,291</u> | <u>\$24,660</u> | <u>\$20,812</u> | <u>\$20,749</u> |
| Debt Service coverage (Times)           | <u>2.10</u>      | <u>2.23</u>      | <u>1.91</u>     | <u>2.00</u>     | <u>2.80</u>     | <u>2.40</u>     | <u>2.11</u>     | <u>2.99</u>     | <u>3.08</u>     | <u>2.76</u>     |

Calculated in accordance with the Authority's General Bond Resolution and Indenture of Trust.

**FUNDED DEBT**

|                  | 2001        | 2000        | 1999        | 1998      | 1997      | 1996      | 1995      | 1994      | 1993      | 1992      |
|------------------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Outstanding debt | \$1,440,614 | \$1,298,040 | \$1,313,221 | \$690,979 | \$912,394 | \$923,813 | \$937,378 | \$234,011 | \$236,404 | \$244,352 |

**BRIDGE OPERATING REVENUES**

|  | 2001             | 2000             | 1999             | 1998             | 1997             | 1996             | 1995             | 1994             | 1993             | 1992            |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| Toll revenues by vehicle classification: |                  |                  |                  |                  |                  |                  |                  |                  |                  |                 |
| Automobiles, light trucks and commuters  | \$129,431        | \$128,747        | \$83,512         | \$83,695         | \$83,604         | \$81,183         | \$78,415         | \$76,768         | \$75,854         | \$68,811        |
| Trucks                                   | 41,210           | 40,280           | 30,906           | 29,076           | 28,182           | 26,922           | 26,482           | 25,443           | 23,328           | 19,833          |
| Buses                                    | 1,528            | 1,649            | 1,474            | 1,476            | 1,474            | 1,495            | 1,421            | 1,404            | 1,385            | 1,181           |
| Senior citizens                          | 2,002            | 1,882            | 1,019            | 1,099            | 1,732            | 1,710            | 1,743            | 1,737            | 1,667            | 1,327           |
| Other                                    | 282              | 647              | 693              | 580              | 502              | 502              | 470              | 460              | 432              | 372             |
| Discounts and deductions                 | (879)            | (3,254)          | (1,120)          | (1,248)          | (1,154)          | (1,075)          | (1,003)          | (976)            | (857)            | (591)           |
| Total toll revenues                      | <u>173,665</u>   | <u>167,651</u>   | <u>116,944</u>   | <u>116,049</u>   | <u>114,850</u>   | <u>110,706</u>   | <u>106,536</u>   | <u>104,026</u>   | <u>102,410</u>   | <u>91,072</u>   |
| Other bridge operating revenues          | 2,724            | 1,799            | 2,023            | 1,193            | 582              | 224              | 84               | 82               | 259              | 232             |
| Total bridge operating revenues          | <u>\$176,389</u> | <u>\$169,450</u> | <u>\$118,967</u> | <u>\$117,242</u> | <u>\$115,432</u> | <u>\$110,930</u> | <u>\$106,620</u> | <u>\$104,088</u> | <u>\$102,669</u> | <u>\$91,304</u> |

The Authority increased toll rates on October 1, 1992 and January 2, 2000. E-ZPass was fully implemented on DRPA facilities on January 2, 2000 in conjunction with the toll increase.

Last Ten Fiscal Years (In Thousands)

**BRIDGE TRAFFIC BY VEHICLE CLASSIFICATION**

|                                | 2001          | 2000          | 1999          | 1998          | 1997          | 1996          | 1995          | 1994          | 1993          | 1992          |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Vehicle classification:</b> |               |               |               |               |               |               |               |               |               |               |
| Automobiles & light trucks     | 45,411        | 43,883        | 38,205        | 34,379        | 34,368        | 33,184        | 31,785        | 30,685        | 29,777        | 28,423        |
| Commuter vehicles              |               |               | 10,328        | 11,545        | 11,747        | 11,298        | 11,318        | 11,510        | 12,207        | 14,052        |
| Trucks                         | 2,789         | 2,718         | 2,883         | 2,859         | 2,677         | 2,669         | 2,434         | 2,620         | 2,293         | 2,239         |
| Buses                          | 340           | 351           | 374           | 376           | 374           | 371           | 380           | 354           | 347           | 349           |
| Railor citizens                | 2,005         | 1,884         | 1,820         | 1,701         | 1,735         | 1,717         | 1,757         | 1,768         | 1,842         | 1,858         |
| Other                          | 126           | 161           | 205           | 237           | 204           | 198           | 191           | 181           | 186           | 152           |
| <b>Total traffic</b>           | <b>50,696</b> | <b>48,975</b> | <b>50,700</b> | <b>51,017</b> | <b>51,045</b> | <b>49,297</b> | <b>47,825</b> | <b>46,938</b> | <b>46,710</b> | <b>47,061</b> |

On October 1, 1992, the DRPA implemented the collection of one-way tolls in the west bound direction on its bridges. Traffic reported prior to October 1, 1992 has been halved for the purpose of showing comparative one-way traffic. Commuter vehicle traffic has been included in Automobiles & light trucks for Year 2000.

**TOLL REVENUE BY BRIDGE**

|                            | 2001             | 2000             | 1999             | 1998             | 1997             | 1996             | 1995             | 1994             | 1993             | 1992            |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| Wall Whitman Bridge        | \$46,929         | \$42,985         | \$43,050         | \$43,862         | \$43,161         | \$41,567         | \$40,067         | \$42,607         | \$41,226         | \$38,410        |
| Ben Franklin Bridge        | 56,893           | 54,897           | 37,800           | 36,525           | 35,973           | 35,772           | 36,311           | 33,097           | 32,138           | 28,424          |
| Betsy Ross Bridge          | 24,316           | 24,842           | 18,412           | 18,547           | 19,481           | 18,044           | 18,181           | 15,354           | 14,805           | 13,401          |
| Commodore Barry Bridge     | 25,199           | 25,287           | 17,882           | 17,110           | 16,035           | 15,323           | 14,597           | 13,788           | 12,501           | 10,897          |
| <b>Total toll revenues</b> | <b>\$173,655</b> | <b>\$167,651</b> | <b>\$116,944</b> | <b>\$116,049</b> | <b>\$114,650</b> | <b>\$110,706</b> | <b>\$106,599</b> | <b>\$104,828</b> | <b>\$102,410</b> | <b>\$91,072</b> |

The Authority increased toll rates on October 1, 1992 and January 2, 2000. E-ZPass was fully implemented on DRPA facilities on January 2, 2000 in conjunction with the toll increase.

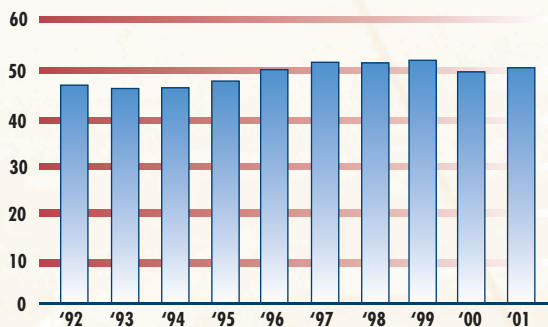
**BRIDGE TRAFFIC BY BRIDGE**

|                        | 2001          | 2000          | 1999          | 1998          | 1997          | 1996          | 1995          | 1994          | 1993          | 1992          |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Wall Whitman Bridge    | 19,345        | 18,314        | 16,470        | 18,008        | 18,739        | 18,051        | 17,748        | 18,711        | 19,237        | 18,196        |
| Ben Franklin Bridge    | 18,579        | 18,019        | 16,472        | 18,233        | 17,987        | 17,813        | 17,055        | 16,511        | 16,284        | 16,156        |
| Betsy Ross Bridge      | 6,627         | 6,587         | 6,368         | 7,624         | 8,289         | 7,837         | 6,775         | 6,425         | 6,258         | 6,017         |
| Commodore Barry Bridge | 6,115         | 6,065         | 7,391         | 6,264         | 6,050         | 5,826         | 5,707         | 5,291         | 4,953         | 4,602         |
| <b>Total traffic</b>   | <b>50,666</b> | <b>48,975</b> | <b>50,701</b> | <b>51,017</b> | <b>51,045</b> | <b>49,297</b> | <b>47,025</b> | <b>46,938</b> | <b>46,710</b> | <b>47,061</b> |

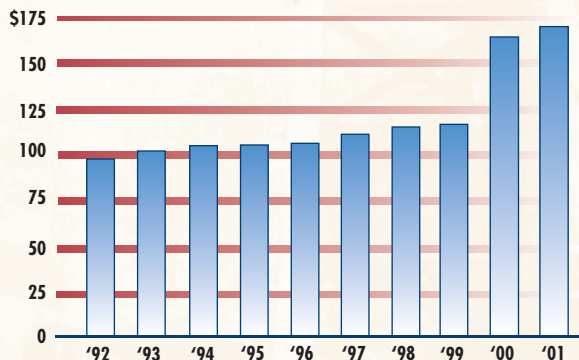
On October 1, 1992, the DRPA implemented the collection of one-way tolls in the west bound direction on its bridges. Traffic reported prior to October 1, 1992 has been halved for the purpose of showing comparative one-way traffic.

# Bridge and PATCO Operations

**DRPA BRIDGE TRAFFIC 1992-2001** <sup>(1)(2)</sup>  
(in millions of vehicles)



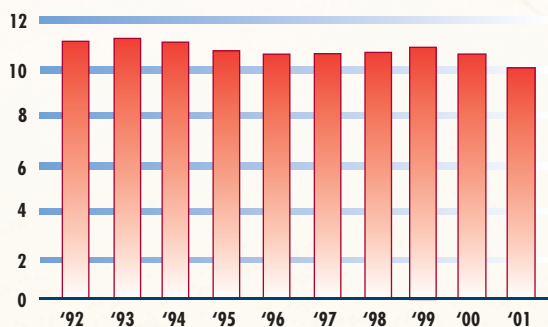
**DRPA BRIDGE TOLL REVENUES 1992-2001** <sup>(1)(2)</sup>  
(in millions of dollars)



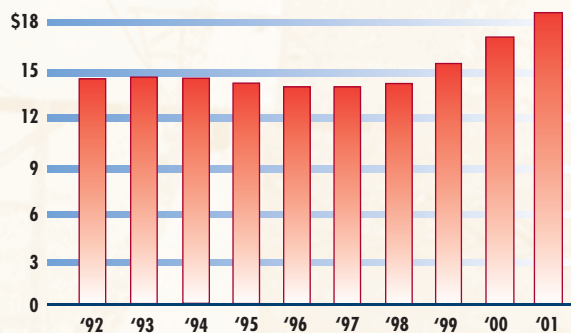
(1) On October 1, 1992, the DRPA implemented the collection of one-way tolls in the west-bound direction on its bridges. Traffic reported prior to October 1, 1992 has been halved for the purposes of showing comparative one-way traffic.

(2) The DRPA increased toll rates October 1, 1992 and January 2, 2000. E-ZPass was fully implemented on DRPA facilities on January 2, 2000 in conjunction with the toll increase.

**PATCO PASSENGER RIDERSHIP 1992-2001** <sup>(3)</sup>  
(in millions of passengers)



**PATCO PASSENGER FARE REVENUES 1992-2001** <sup>(3)</sup>  
(in millions of dollars)

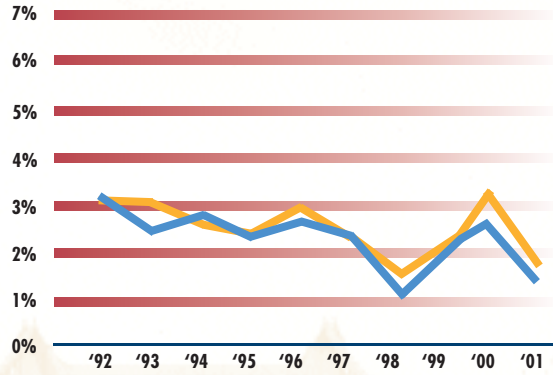


(3) In July, 2001 PATCO implemented the third phase of a three-part program to raise PATCO fares.

# Regional Demographics

## CONSUMER PRICE INDEX

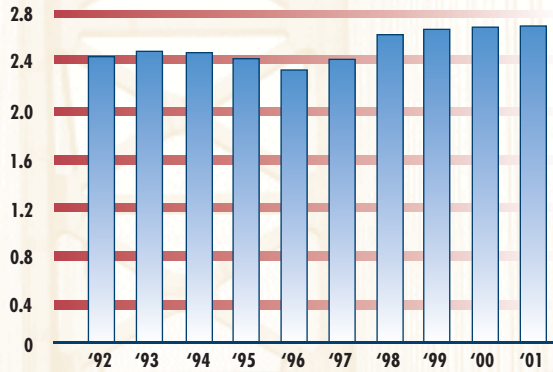
Philadelphia, PA - New Jersey PMSA and U.S.



Source: U.S. Bureau of Labor Statistics  
 — U.S. — Philadelphia, PA - New Jersey PMSA

## CIVILIAN LABOR FORCE

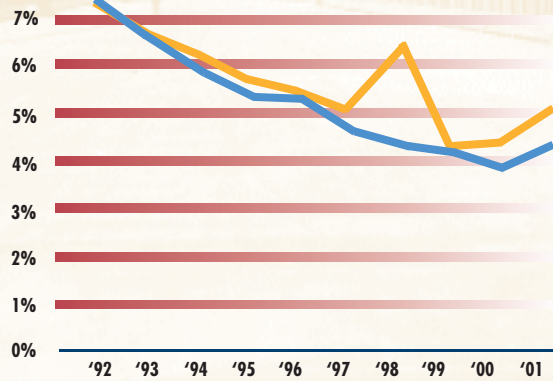
Philadelphia, PA - New Jersey PMSA



Source: U.S. Bureau of Labor Statistics

## UNEMPLOYMENT RATE

Philadelphia, PA - New Jersey PMSA and U.S.



Note: The Philadelphia, PA - New Jersey PMSA consists of the counties of Bucks, Chester, Delaware, Montgomery and Philadelphia in Pennsylvania; and the counties of Burlington, Camden, and Gloucester in New Jersey.

— U.S. — Philadelphia, PA - New Jersey PMSA



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**DELAWARE RIVER PORT AUTHORITY**  
*of Pennsylvania & New Jersey*

Comprehensive Annual Financial Report  
for the Year Ended December 31, 2001

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◀ *The Commodore Barry Bridge. Construction crews began major roadway repairs on the bridge in 2001.*