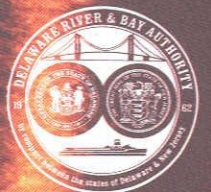


DELAWARE RIVER & BAY AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2007



DELAWARE RIVER & BAY AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2007



Prepared by:

Joseph Larotonda, Controller
Michele Cleary, Senior Accountant
Dana Read, Assistant Controller

DELAWARE RIVER AND BAY AUTHORITY

Table of Contents

<u>Exhibit</u>		<u>Page</u>
	INTRODUCTORY SECTION	
	Letter of Transmittal	2
	Organizational Chart	8
	Board of Commissioners	9
	Facilities	10
	Certificate of Achievement for Excellence in Financial Reporting	11
	FINANCIAL SECTION	
	Independent Auditor's Report	13
	Management's Discussion and Analysis	18
	Basic Financial Statements	
A	Statement of Net Assets	29
B	Statement of Revenues, Expenses and Changes in Net Assets	31
C	Statement of Cash Flows	32
	Fiduciary Fund:	
D	Pension Trust Fund-Statement of Net Assets Available for Benefits	33
E	Pension Trust Fund-Statement of Changes in Net Assets Available for Benefits	34
	Notes to Financial Statements	35
	Required Supplementary Information	
	<u>Schedule</u>	
	Fiduciary Fund:	
1	Pension Trust Fund-Schedule of Funding Progress	65
2	Pension Trust Fund-Schedule of Employer Contributions	66
	Notes to Required Supplementary Information	67
	Other Supplementary Schedules	
	Proprietary Fund:	
3	Combining Schedule of Net Assets	69
4	Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets	71
5	Revenue Funds-Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets	72
6	Revenue Funds-Schedule of Other Operating Revenues	73
7	Schedule of Functional Operating Expenses	74
8	Fiduciary Fund-Pension Trust Fund-Statement of Accumulated Plan Benefits	77
9	Fiduciary Fund-Pension Trust Fund-Statement of Changes in Accumulated Plan Benefits	78
10	Schedule of Investments	79
11	Schedule of Monthly Traffic by Toll Classification—Delaware Memorial Bridge	82
12	Schedule of Monthly Traffic and Revenue—Delaware Memorial Bridge	83
13	Schedule of Traffic by Toll Classifications—Cape May-Lewes Ferry	84
14	Schedule of Monthly Traffic and Revenue—Cape May-Lewes Ferry	85
15	Schedule of Traffic by Toll Classification—Three Forts Ferry	86

DELAWARE RIVER AND BAY AUTHORITY

Table of Contents (Cont'd)

<u>Exhibit</u>		<u>Page</u>
	Other Supplementary Statements and Schedules (Cont'd)	
16	Schedule of Historical Toll Rates—Delaware Memorial Bridge	87
17	Schedule of Historical Toll Rates—Cape May-Lewes Ferry	89
18	Schedule of Historical Toll Rates—Three Forts Ferry	90
19	Schedule of Insurance Coverage	91
	STATISTICAL SECTION	
20	Net Assets-Last Five Fiscal Years	96
21	Change in Net Assets-Last Five Fiscal Years	97
22	Pension Trust Fund-Change in Net Assets-Last Five Fiscal Years	98
23	Delaware Memorial Bridge Tolls by Classification	99
24	Cape May-Lewes Ferry/Three Forts Ferry Tolls by Classification	100
25	Delaware Memorial Bridge Traffic by Classification	101
26	Cape May-Lewes Ferry/Three Forts Ferry Traffic by Classification	102
27	Delaware Memorial Bridge Toll Rates	103
28	Cape May-Lewes Ferry/Three Forts Ferry Toll Rates	104
29	Ratio of Outstanding Debt Per Customer	105
30	Pledged-Revenue Coverage	106
31	Other Operating Revenues by Source	107
32	Operating Statistics	108
33	Operating Statistics (Cont'd)	109
34	Operating & Capital Expenditures	110
35	Full-time Authority Employees	111
	SINGLE AUDIT SECTION	
	Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	15
	Report on Compliance with Requirements Applicable to Each Major Program And on Internal Control Over Compliance in Accordance with OMB Circular A-133	113
	Schedule of Expenditures of Federal Awards, Schedule A	115
	Notes to Schedule of Expenditures of Federal Awards	117
	Schedule of Findings and Questioned Costs	
	Section 1 – Summary of Auditor's Results	118
	Section 2 – Schedule of Financial Statement Findings	119
	Section 3 – Schedule of Federal Award Findings and Questioned Costs	120
	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	121
	APPRECIATION	122

INTRODUCTORY SECTION



THE DELAWARE RIVER AND BAY AUTHORITY

Delaware Memorial Bridge
Post Office Box 71
New Castle, Delaware 19720
Tel.: (302) 571-6300
Fax: (302) 571-6367

Cape May-Lewes Ferry
Post Office Box 827
North Cape May, New Jersey 08204
Tel.: (609) 889-7200
Fax: (609) 886-1021

May 6, 2008

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

The Comprehensive Annual Financial Report of the Delaware River and Bay Authority ("Authority") for the fiscal year ended December 31, 2007, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Authority management. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect Authority assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not exceed their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is accurate in all material aspects; it is designed to present fairly the financial position and results of operations; and all disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The Authority's Trust Agreement, dated October 1, 1993, requires an annual audit of the Authority's financial statements by an independent audit firm. The Authority's financial statements have been audited by Bowman and Company, LLP, a firm of licensed certified public accountants, selected by the Authority through a competitive process. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended December 31, 2007, are free of material misstatement. Their audit was performed in accordance with generally accepted auditing standards and governmental auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as they considered necessary during the audit. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the fiscal year ended December 31, 2007, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Authority was part of a broader, federally mandated "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards.

Information related to this Single Audit, including the schedule of expenditures of federal awards, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations, are included in the Single Audit section of this report.

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

PROFILE OF GOVERNMENT

The Delaware River and Bay Authority is a bi-state agency of government of the State of Delaware and the State of New Jersey created in 1962 by a compact between those two States with the consent of Congress for the purpose of operating crossings of the Delaware River and Bay between the states and developing transportation and terminal facilities bordering the areas. The original Compact was amended in 1990 for the purpose of expanding the Authority's powers to undertake economic development projects within the State of Delaware or in the New Jersey counties of Cape May, Cumberland, Gloucester, and Salem.

The Authority is governed by a 12-member Board of Commissioners, consisting of 6 members from each State. Commissioners are appointed by the Governor of their State with the advice and consent of the Senate and hold office for terms of five years and until their successors have been appointed and confirmed. No action of the Authority is valid unless approved by at least four Commissioners from each State. The Governor of each State has the right to cancel the vote of any one or more of the Commissioners from their State within ten business days after receipt of the minutes of the meeting at which the vote is taken. The Board of Commissioners governs through a committee system. The Board is organized into five committees: Budget and Finance, Projects, Personnel and Insurance, Economic Development and Governance/Audit. Each committee is comprised of six Commissioners and meets on a quarterly or monthly basis. In addition, an Ad-Hoc Committee may be established as deemed desirable by the Chair and Vice Chair of the Board. Commissioners do not receive compensation for their service to the Authority. The Board of Commissioners establishes policy and plans for the operations of the Authority. A Chief Executive Officer is appointed by the Board of Commissioners to implement policy and to manage the daily operations of the Authority.

The Authority owns and operates the twin spans of the Delaware Memorial Bridge, the Cape May – Lewes Ferry and the Three Forts Ferry Crossing. The Delaware Memorial Bridge spans across the Delaware River connecting New Castle, DE and Deepwater, NJ. The twin bridges handle approximately 35 million vehicles annually. A staff of 28 full-time toll employees keeps the toll facilities operational 24 hours a day, 365 days a year. The Authority has completed its sixth year of providing E-ZPass services at the Delaware Memorial Bridge. As of December 31, 2007, the Authority maintained 41,669 customer accounts and 66,706 transponders in circulation, as compared to 39,351 and 62,117 from the same period ending December 31, 2006. E-ZPass usage continues to grow as current statistics show 59.9 percent of our overall traffic utilize E-ZPass as compared to 56.6 percent a year ago. During the weekday commute period, the percentage of our customers using E-ZPass has risen to 72 percent versus 70.6 percent during FY 2006.

The Cape May – Lewes Ferry transports approximately 341,000 vehicles and 980 thousand passengers annually, along a 17 mile, 70 minute ride, connecting the towns of Lewes, DE and Cape May, NJ. A total staff of 68 marine personnel operates and maintain up to five vessels year round. The Authority also provides food and retail services to ferry patrons. The Three Forts Ferry Crossing provides water transportation service to various points located in Delaware and

New Jersey. Under the 1990 Compact Amendment, the Authority has expanded its economic activity in both Delaware and New Jersey. The Authority operates five Airports, located in New Castle, DE, Cape May, NJ, Millville, NJ, Dover, DE and Cheswald, DE. The Authority also operates the Salem County Business Park, a seventy-one acre complex located in Carney's Point Township, NJ and the Riverfront Market and Restaurant, a European style marketplace located in Wilmington, DE. Other current and authorized economic projects include financing activities with the Diamond State Port Corporation, South Jersey Technology Park and Delaware State University.

FINANCIAL POLICIES/CONTROLS

The Authority prepares both operating and capital budgets annually. The annual operating budget serves as a financial planning and control tool for the associated fiscal year. Each of the Authority's department managers contributes to the development of a preliminary operating budget based on the expected staffing and funding levels necessary to operate the Authority's facilities in an efficient manner. Individual budget hearings are conducted by the Chief Financial Officer as an opportunity for department managers to highlight their respective staffing and operational needs. A proposed operating budget representing the organization goals and objectives for the upcoming year is developed and presented by the Chief Financial Officer to the Budget and Finance Committee and the Board of Commissioners for their review and adoption. Any subsequent amendments to the total adopted operating budget require the approval of the Budget and Finance Committee and Board of Commissioners.

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

The Authority prepares an annual capital budget through a similar process, weighing the requirements of both the crossing and economic development facilities. The Chief Operating Officer presents the capital budget to the Projects Committee and the Board of Commissioners for their review and adoption. The capital budget is a planning document identifying the Authority's priorities and potential commitments. The approval of the capital budget does not, in itself, authorize any specific project. Specific approval by the Projects Committee and the Board of Commissioners is required before any major capital project may commence. Additional information on the Authority's budgetary activity and compliance can be found in Notes 1 and 2 of the notes to the financial statements.

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

INVESTMENT MANAGEMENT

Financial operations of the Authority are substantially controlled by the provisions of a Trust Agreement, dated October 1, 1993, with Wilmington Trust Company, as Trustee, and all subsequent Supplemental Trust Agreements. The Authority's management and financial staff work closely with the Trustee, to ensure that the Authority is in compliance with the terms and covenants of its Trust Agreements.

Investments of the Authority are purchased in accordance with the provisions of the 1993 Trust Agreement. Cash available during the year is generally invested in money market funds, repurchase agreements (collateralized by obligations of the U.S. Treasury), obligations of federal

government securities or their instrumentalities, obligations of public agencies or municipalities and commercial paper, both which must be rated at the highest rating category by the rating services. In addition to the 1993 Trust Agreement, the Authority has adopted a separate investment policy for the Construction and General Funds, which supplements the provisions of the Agreement. The Authority's investment objective is to match the maturities of its investments with the present and anticipated needs of the Authority, thereby maximizing the return on available funds. In addition, the Authority is required to maintain invested amounts as reserves for its debt obligations. The Authority's retirement plan assets are managed under a separate investment policy adopted by the plan trustees. The policy is based on care and diligence and designed exclusively for the purpose of providing benefits to the retirement plan members and beneficiaries.

The Authority retains the services of three (3) investment management firms to assist with the fulfillment of its fiduciary responsibilities. The Authority's investment portfolio is managed pursuant to the guidelines established by the Authority, which are in compliance with the Trust Agreements. Additional information on the Authority's trust agreement and cash and investments can be found in Notes 1, 2 and 4 of the notes to financial statements.

ACCOMPLISHMENTS AND INITIATIVES

During Fiscal Year 2007, the Authority achieved a number of improvements in operations and services provided to the public. Some of the more significant accomplishments for the year and major program initiatives are identified below:

Toll Increase. The Authority approved a new toll rate schedule which is expected to generate an additional \$10.8 toward funding the \$85 million Capital Improvement Program through 2009. The new toll schedule, effective January 4, 2008, increases the commercial toll rate from \$3 per axle to \$4 per axle. In addition, effective January 1, 2008, all DRBA E-ZPass account holders will be charged a membership fee of \$1.50 per month and a transponder lease fee of \$21 or \$33 for all transponders issued to new accounts and for transponders that are replaced or added to existing accounts. Additional information on the new toll schedule can be found in Note 4 of the notes to the financial statements.

Economic Development. The Authority collaborated with the Delaware Economic Development office and New Castle County to encourage Dassault Aircraft Services to expand their Dassault Falcon's facility at New Castle Airport. The expansion plan includes the acquisition of a 22,000 square foot hangar for customized aircraft completions which will create an additional 100 jobs within the next 12 to 18 months. The impact of the expansion on Delaware's Gross Domestic Product is expected to be an estimated \$12 million.

Bridge Rating. The Delaware Memorial Bridge Twin Spans underwent an in-depth annual inspection of roadway deck, steelwork, towers, cable system and numerous other components. The inspection was performed by the original bridge design engineers, HNTB Corporation. The process, which conforms to federal bridge inspection standards, takes eight to ten weeks, resulting in a report on the condition and operation of the Bridge and its Appurtenances. Based on federal standards, the Bridges are rated in good condition with no structural deficiencies. To maintain the condition of the Bridge and its Appurtenances, the Authority combines a comprehensive five year Capital Improvement Program and an aggressive, on-going pro-active preventive maintenance program.

Ferry Operations. The Cape May-Lewes Ferry announced plans to consolidate marine operations into a single facility. Effective November 1, 2008, all marine crews and vessels will be stationed at the Cape May facility. Currently, one of five vessels is berthed at the Lewes Terminal. The decision to consolidate operations will offer greater flexibility and promote cost

efficiencies. This decision is part of a comprehensive plan to improve operations and to narrow the operating deficit at the Cape May-Lewes Ferry, which was \$6.44 million in 2007.

Disaster Planning. The Authority and the Delaware Emergency Management Agency (DEMA) held an emergency disaster exercise at the New Castle Airport, which simulated a coordinated terrorist threat to the airport involving aircraft and explosive materials. The full scale emergency exercise tested emergency plans, procedures, communication framework and the coordination abilities of federal, state and local emergency services, various law enforcement agencies and airfield personnel. The joint exercise satisfied regulatory requirements for both DEMA and the New Castle Airport.

Community Initiatives. The Authority continued to identify and implement initiatives to support families in need located throughout Delaware and the four southern counties in New Jersey. Initiatives included a school outreach project providing back packs and school supplies to 100 children in disadvantaged communities, Thanksgiving food baskets for over 100 families, "Hope for the Holidays", clothes and gifts for 68 children and through its Volunteerism Policy, employees donated over 500 hours of time to well deserving community programs. In addition, the Authority, through its Community Contribution Program, furnished over \$520,000 to non-profit organizations throughout its surrounding areas.

RISK MANAGEMENT

The Authority has established policies and procedures whose objectives are to minimize the risks associated with the diverse activities of its operations. Management retains an Insurance Consultant to ensure that all Authority assets have proper insurance coverage to protect the Authority and its bondholders. In accordance with the Trust Agreement, the Authority is required to maintain insurance on various assets. To satisfy this requirement, the Authority maintains insurance in the following categories:

- Physical loss or damage insurance on the twin span bridges, ferry vessels, buildings and toll facilities.
- Use and occupancy insurance covering loss of revenues due to interruption in the use of the twin spans resulting from damage or destruction of any part of the bridges.
- Workers compensation and Protection and Indemnity Insurance.
- Property Damage and Public Liability Insurance.

Additional information on the Authority's insurance program can be found in Schedule 14 of the Required Supplementary Information.

AWARDS AND ACKNOWLEDGEMENTS

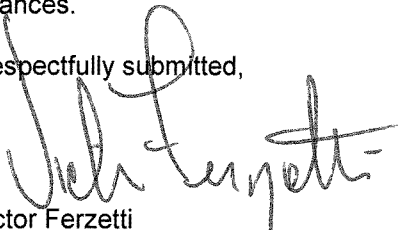
The Government Finance Officers Associations of the United States and Canada ("GFOA") award a Certificate of Achievement for Excellence in Financial Reporting to the Delaware River and Bay Authority for its comprehensive annual financial report for the fiscal year ending December 31, 2006. This was the third consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable to legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement

Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certification.

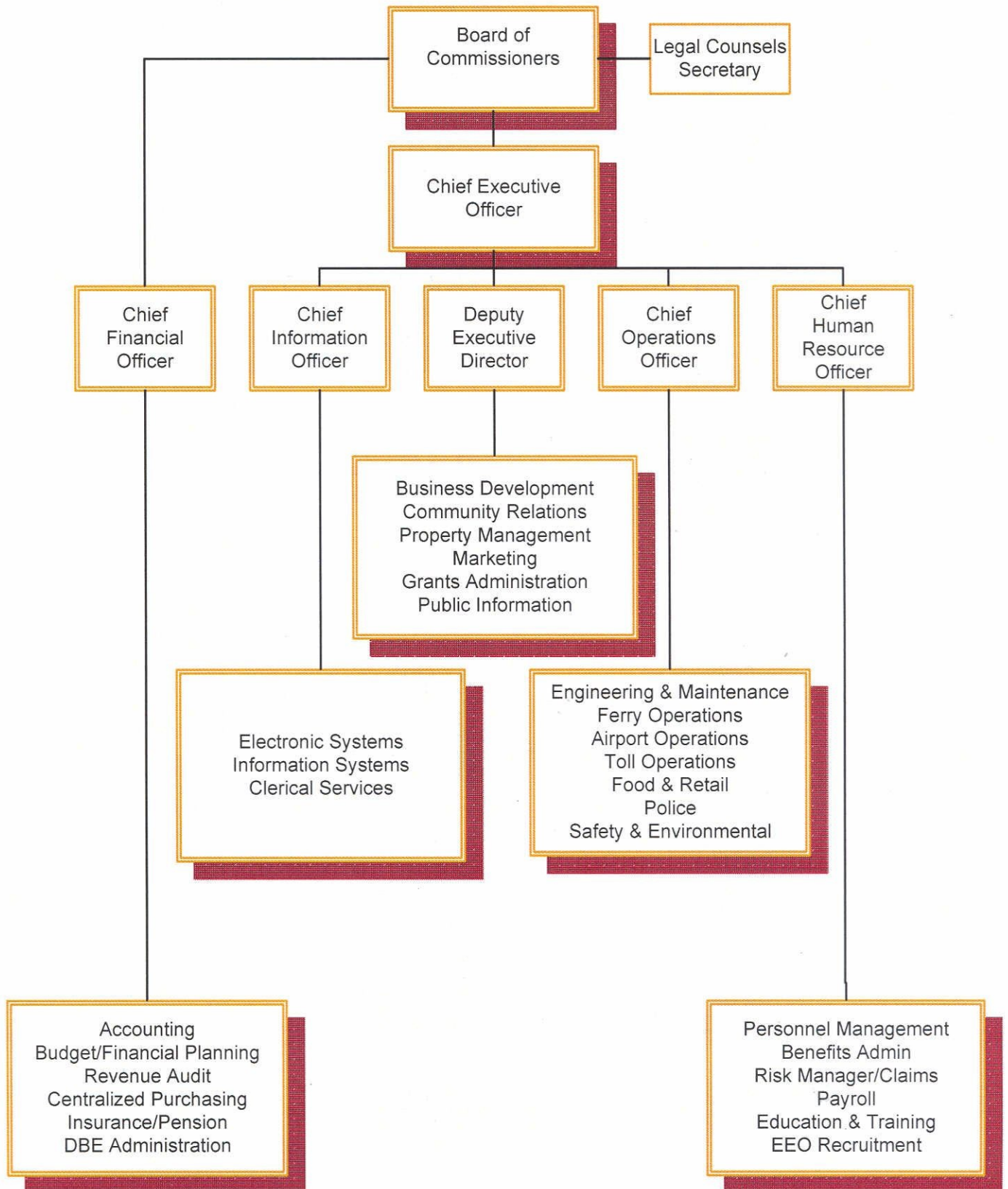
The preparation of this comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would especially like to express my appreciation to the Controller and each member of the accounting staff who contributed to the preparation of this Report. Special thanks must also be given to the Chairman, Vice-Chairman, Chief Executive Officer and the Budget and Finance Committee for maintaining the highest standards in the management of the Delaware River and Bay Authority's finances.

Respectfully submitted,



Victor Ferzetti
Acting Chief Financial Officer

ORGANIZATIONAL CHART AND FUNCTIONAL RESPONSIBILITIES



STATE OF NEW JERSEY:

GOVERNOR
JON S. CORZINE

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

Susan Atkinson DeLanzo, Chairperson Ad-Hoc By-Laws Committee
Cape May Court House, NJ, Term Expires July 1, 2011

Rev. Edward Dorn, Vice-Chairperson Personnel Committee
Pedricktown, NJ, Term Expired July 1, 2007

Niels S. Favre, Chairperson, Audit & Vice-Chairperson Projects Committees
Cape May, NJ, Term Expires July 1, 2010

Gary F. Simmerman, Vice-Chairperson, Budget & Finance Committee
Hopewell Township, NJ, Term Expires July 1, 2008

Ceil Smith, Chairperson Economic Development Committee,
Salem, New Jersey, Term Expires July 1, 2009

STATE OF DELAWARE:

GOVERNOR
RUTH ANN MINNER

F. Michael Parkowski, Chairperson
Dover, DE, Term Expires July 1, 2011

Thomas J. Cooper, Vice-Chairperson Audit Committee
Seaford, DE, Term Expired July 1, 2007

Verna W. Hensley, Vice-Chairperson, Economic Development Committee
Middletown, DE, Term Expires July 1, 2009

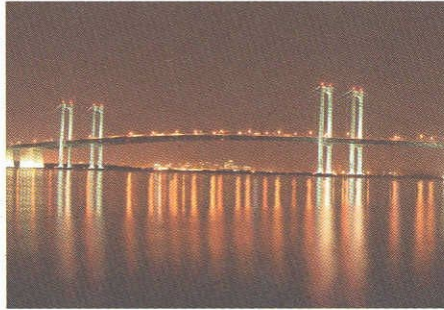
Samuel E. Lathem, Chairperson, Personnel Committee
Bear, DE, Term Expires July 1, 2010

William E. Lowe, III, Chairperson Projects Committee
Lewes, DE, Term Expires July 1, 2007

Gary B. Patterson, Chairperson Budget & Finance & Vice-Chairperson Ad Hoc By-Laws
Committees
Dover, DE, Term Expires July 1, 2008

DRBA Facilities

**DELAWARE
MEMORIAL BRIDGE**
August 1951



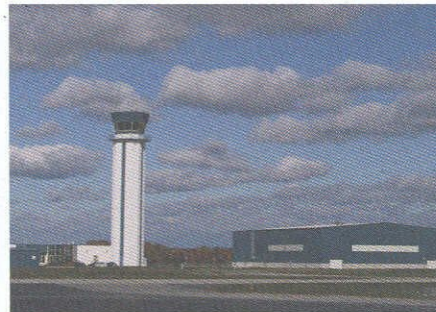
**CAPE MAY -
LEWES FERRY**
July 1964



**THREE FORTS FERRY
CROSSING**
March 1997



**NEW CASTLE
AIRPORT**
July 1995



CAPE MAY AIRPORT
June 1999



**CIVIL AIR
TERMINAL**
August 1999



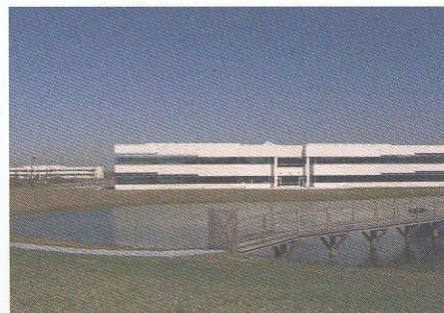
MILLVILLE AIRPORT
October 1999



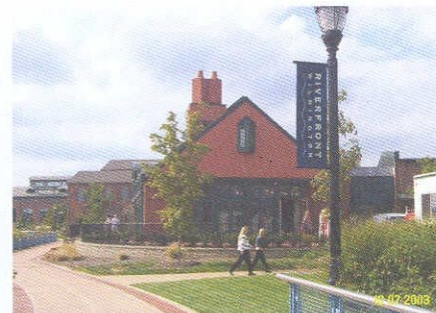
**DELAWARE
AIRPARK**
July 2000



**SALEM COUNTY
BUSINESS CENTER**
February 1998



**RIVERFRONT
MARKET**
April 2002



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Delaware River & Bay Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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



President

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
The Delaware River and Bay Authority
New Castle, Delaware

We have audited the accompanying statements of net assets, and the statements of revenues, expenses and changes in net assets, and cash flows together with the financial statements of the fiduciary fund of the Delaware River and Bay Authority as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Delaware River and Bay Authority's management. Our responsibility is to express opinions on these financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 present fairly, in all material respects, the financial position of the Delaware River and Bay Authority as of December 31, 2007 and 2006 and the respective changes in financial position and where applicable, cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated April 29, 2008 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming opinions on the financial statements taken as a whole. The introductory section, supplementary schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements. The supplementary schedules and schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

The accompanying management's discussion and analysis and Pension Trust Fund Schedule of Funding Progress and Schedule of Employer Contributions as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
April 29, 2008

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Chairman and Members of
The Delaware River and Bay Authority
New Castle, Delaware

We have audited the financial statements of the Delaware River and Bay Authority as of and for the year ended December 31, 2007, and have issued our report thereon dated April 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Delaware River and Bay Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting: 2007-1.

32200

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Delaware River and Bay Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

The Authority's response to the finding is identified in our report is described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management of the Authority, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
April 29, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF FINANCIAL STATEMENTS

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

The balance sheet presents information on all of the Authority's assets and liabilities, with the difference being reported as net assets. Over time, increases or decreases in net assets serve as a relative indicator of the change in financial position of the Authority.

The statement of revenues, expenses and changes in net assets shows the result of the Authority's total operations during the fiscal year and reflects both operating and non-operating activities. Changes in net assets reflect the current fiscal period's operating impact upon the overall financial position of the Authority.

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

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

FINANCIAL POSITION SUMMARY

Total Net Assets, the difference between the Authority's assets and liabilities, over time, serve as a useful indicator of the Authority's financial position. The Authority's total net assets were \$293 million as of December 31, 2007.

A condensed summary of the Authority's net assets at December 31, by amount and the percentage within each class is shown below (in thousands).

FINANCIAL POSITION SUMMARY

	<u>2007</u>	<u>%</u>	<u>2006</u>	<u>%</u>	<u>2005</u>	<u>%</u>
ASSETS:						
Current and Other Assets	\$ 164,998	25.9%	\$ 166,631	26.4%	\$ 177,273	27.9%
Capital Assets	<u>471,842</u>	<u>74.1%</u>	<u>465,407</u>	<u>73.6%</u>	<u>457,717</u>	<u>72.1%</u>
Total Assets	636,840		632,038		634,990	
LIABILITIES:						
Current Liabilities	29,339	8.5%	28,912	8.2%	27,899	7.8%
Long-Term Liabilities	<u>314,554</u>	<u>91.5%</u>	<u>322,023</u>	<u>91.8%</u>	<u>327,912</u>	<u>92.2%</u>
Total Liabilities	343,893		350,935		355,811	
NET ASSETS:						
Invested in Capital Assets, Net of Debt	159,314	54.4%	167,286	59.5%	172,541	61.8%
Restricted	33,912	11.6%	32,904	11.7%	32,036	11.5%
Unrestricted	<u>99,721</u>	<u>34.0%</u>	<u>80,913</u>	<u>28.8%</u>	<u>74,602</u>	<u>26.7%</u>
TOTAL NET ASSETS	<u>\$ 292,947</u>		<u>\$ 281,103</u>		<u>\$ 279,179</u>	

The largest portion of the Authority's net assets at December 31, 2007 (54.4%), represents its investment in capital assets (i.e. bridges, ferries, buildings, improvements and equipment); less the related debt outstanding used to acquire those capital assets. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net assets at December 31, 2007 (11.6%), represents resources that are subject to the external restrictions on how they can be used under Trust Agreement covenants. The remaining unreserved net assets (34.0%) may be used to meet the Authority's capital and ongoing obligations.

SUMMARY OF CHANGES IN NET ASSETS

Net Assets increased in the amount of \$11.8 million during FY 2007. As compared to FY 2006, net assets increased \$8.7 million or 279.1%. This increase can be attributable to increases in operating revenues, investment income and sales of capital assets and decreases in operating expenses and non-operating expenses. A condensed summary of the Authority's changes in net assets is shown below (in thousands).

	2007 <u>Actual</u>	Percent Increase/ (Decrease)	2006 <u>Actual</u>	Percent Increase/ (Decrease)	2005 <u>Actual</u>	Percent Increase/ (Decrease)
Operating Revenues (See Exhibit B)	\$ 100,948	1.1%	\$ 99,854	2.7%	\$ 97,273	-0.1%
Operating Expenses (See Exhibit B)	<u>70,468</u>	-3.5%	<u>73,025</u>	13.0%	<u>64,620</u>	1.7%
Income Before Depreciation and Other Non-Operating Income and Expenses	30,480	13.6%	26,829	-17.8%	32,653	-3.3%
Depreciation	<u>20,179</u>	8.0%	<u>18,684</u>	12.5%	<u>16,603</u>	0.6%
Operating Income	10,301	26.5%	8,145	-49.3%	16,050	-7.1%
Non-Operating Income (Expenses)	<u>(8,093)</u>	-40.0%	<u>(13,496)</u>	7.5%	<u>(12,557)</u>	-20.5%
Income Before Capital Contributions	2,208	-141.3%	(5,351)	-253.2%	3,493	134.9%
Capital Contributions	<u>9,636</u>	13.7%	<u>8,475</u>	9.4%	<u>7,750</u>	9.1%
Increase in Net Assets	<u>\$ 11,844</u>	279.1%	<u>\$ 3,124</u>	-72.2%	<u>\$ 11,243</u>	30.9%

FINANCIAL HIGHLIGHTS

- Operating revenues increased \$1.1 million or 1.1% from \$99.8 million to \$100.9 million during FY 2007.
- Operating expense, before depreciation, and other general expenses decreased \$2.5 million or 3.5% from \$73 to \$70.5 million. The decrease was the result of reductions in insurance, vessel operations and facility/equipment maintenance.
- As a result of the above, operating income before depreciation and other general expenses increased \$3.7 million or 13.6% from \$26.8 million to \$30.5 million in FY 2007.
- Non-operating income (expense) decreased \$5.4 million or 40% from a net expense of \$13.5 million in FY 2006 to a net expense of \$8.1 million in FY 2007. This decrease in net expense is the result of a \$1.4 million increase in investment income, a \$.75 million decrease in write off of construction in progress and a \$.66 million increase in gain on sale of capital assets as compared to FY 2006. In addition, there were no arbitrage rebate expenses incurred in FY 2007 as compared to the \$2.5 million in FY 2006.
- Capital Contributions received in the form of grants from the Federal Aviation Administration and other services increased \$1.1 million or 13.7% from \$8.5 million in FY 2006 to \$9.6 million in FY 2007.

OPERATIONAL HIGHLIGHTS

During FY 2007, the Authority's traffic decreased as compared to FY 2006. Overall traffic at the Delaware Memorial Bridge decreased .4% during FY 2007 as compared to FY 2006, with commercial traffic increasing 1.6% and non-commercial traffic decreasing .7%. It is important to note that while commercial traffic represented approximately 14.1% of total traffic in FY 2007, it accounted for approximately 45% of total revenue. More detailed information on traffic and revenue can be found in Note 4 in the notes to the financial statements.

Overall traffic at the Cape May-Lewes Ferry decreased 2.1% during FY 2007 as compared to FY 2006 as vehicles decreased 2.8% and Ferry passengers decreased 1.9%. Ferry passengers comprised approximately 74.2% of total traffic in FY 2007 and accounted for 44.2% of total revenue.

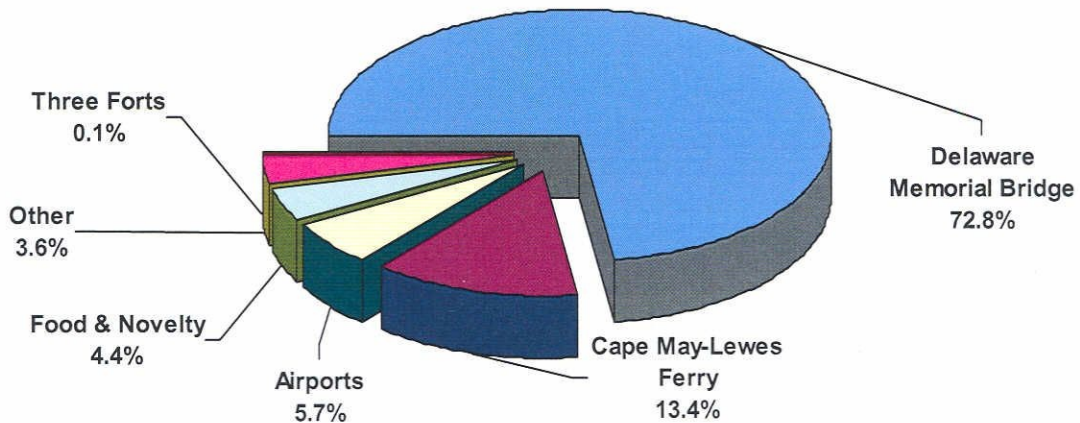
Traffic for the Three Forts Ferry Crossing increased 43.2% during FY 2007 as compared to FY 2006. This increase is attributable to a full season of activity at Fort Delaware State Park. During FY 2006 the State Park closed in August for renovations. The Ferry service normally runs from April through October.

OPERATIONAL HIGHLIGHTS

	2007 <u>Actual</u>	Percent Increase/ (Decrease)	2006 <u>Actual</u>	Percent Increase/ (Decrease)	2005 <u>Actual</u>	Percent Increase/ (Decrease)
Delaware Memorial Bridge						
Commercial	2,492,173	1.6%	2,451,857	0.7%	2,434,050	1.8%
Non-Commercial	<u>15,151,708</u>	-0.7%	<u>15,255,637</u>	0.6%	<u>15,159,360</u>	-0.6%
Total DMB:	17,643,881	-0.4%	17,707,494	0.6%	17,593,410	-0.3%
Cape May-Lewes Ferry						
Vehicles	341,440	-2.8%	351,188	-2.3%	359,450	-0.2%
Passengers	<u>982,414</u>	-1.9%	<u>1,001,188</u>	-2.7%	<u>1,028,553</u>	0.8%
Total CMLF:	1,323,854	-2.1%	1,352,376	-2.6%	1,388,003	0.5%
Three Forts						
Passengers	22,519	43.2%	15,723	-29.0%	22,142	-11.9%

REVENUES

The following chart shows the major sources and the percentage of operating revenues for the fiscal year ended December 31, 2007.



A summary of total revenues for the fiscal years ended December 31, 2007, 2006 and 2005 and the amount and percentage of change in relation to prior fiscal year amounts as follows (in thousands).

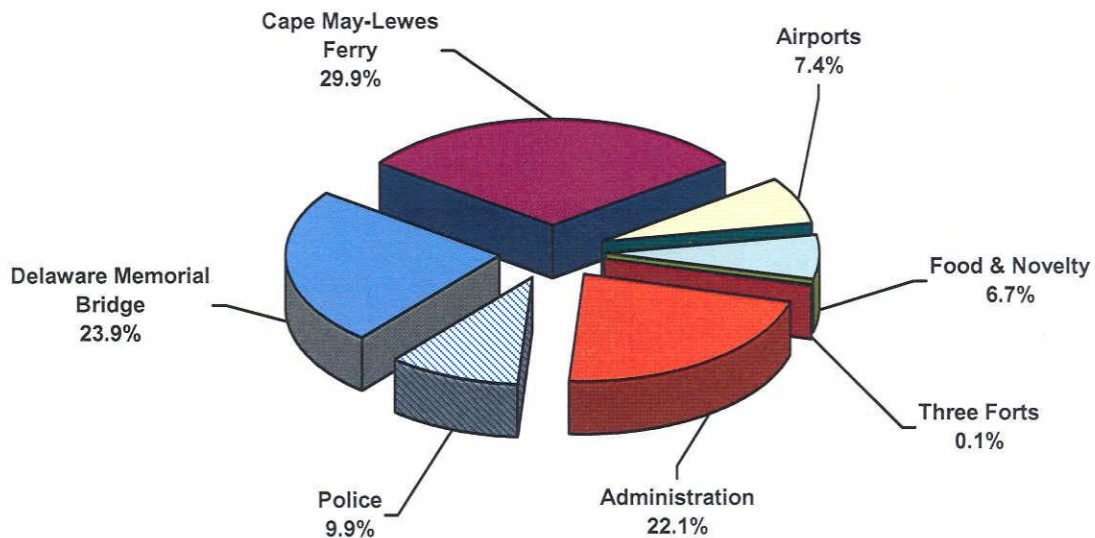
	2007 Actual	Percent Increase/ (Decrease)	2006 Actual	Percent Increase/ (Decrease)	2005 Actual	Percent Increase/ (Decrease)
OPERATING						
Delaware Memorial Bridge	\$ 73,525	0.7%	\$ 73,031	0.9%	\$ 72,349	0.7%
Cape May-Lewes Ferry	13,502	-1.5%	13,701	8.6%	12,615	-2.5%
Airports	5,837	8.8%	5,364	9.5%	4,899	-3.2%
Three Forts	53	-31.2%	77	-28.7%	108	-9.2%
Food and Novelty	4,405	6.5%	4,137	-1.2%	4,186	6.9%
Other	3,626	2.3%	3,544	13.5%	3,122	-9.2%
TOTAL OPERATING	100,948	1.1%	99,854	2.6%	97,279	-0.1%
NON-OPERATING						
Investment Income	7,542	22.0%	6,180	44.2%	4,285	44.5%
Sale of Equipment	750	742.7%	89	-12.7%	102	-44.9%
TOTAL NON-OPERATING	8,292	32.3%	6,269	42.9%	4,387	39.3%
Capital Contributions	9,636	13.7%	8,475	9.4%	7,750	9.1%
TOTAL REVENUES	\$ 118,876	3.7%	\$ 114,598	4.7%	\$ 109,416	1.7%

Total Authority revenues increased \$4.3 million or 3.7% from \$114.6 in FY 2006 to \$118.9 in FY 2007. The increase in revenues is attributable to the following operating and non-operating activities:

- Total Operating Revenue increased 1.1% during FY 2007 to \$101 million as compared to \$99.9 million during FY 2006.
- Bridge toll revenue increased .7% over FY 2006, as commercial revenue increased \$.72 million or 2.17% and non-commercial revenue decreased \$.22 million or .54% as compared to FY 2006.
- Ferry toll revenue decreased 1.5% in FY 2007 as both vehicle and passenger revenues decreased .8% and 2.3%, respectively as compared to FY 2006.
- Food and novelty revenues increased \$.3 million or 6.5% over FY 2006, while overall traffic at the Cape May-Lewes Ferry decreased 2.1% in FY 2007.
- Airport revenues increased \$.4 million or 8.8% in FY 2007 as lease revenues at New Castle and Millville Airports increased 16.4% and 9.6%, respectively.
- Non-operating income increased \$2.0 million or 32.3% over FY 2006. This increase can be attributed to a 22% increase in investment income and a \$1.2 million increase on sales of equipment as the Authority sold two (2) hangars located at the New Castle Airport.
- Capital contribution increased \$1.1 million or 13.7% over FY 2006.

EXPENSES

The following chart shows the Authority's operating divisions and the percentage of budgetary expenses for the year ended December 31, 2007.



A summary of total expenses for the fiscal years ended December 31, 2007, 2006 and 2005 and the amount and percentage of change in relation to the prior fiscal amounts as follows (in thousands).

	2007 Actual	Percent Increase/ (Decrease)	2006 Actual	Percent Increase/ (Decrease)	2005 Actual	Percent Increase/ (Decrease)
OPERATING						
Administration	\$ 14,597	-4.1%	\$ 15,228	7.1%	\$ 14,220	8.7%
Delaware Memorial Bridge	15,696	-1.9%	15,992	11.3%	14,368	-7.2%
Cape May-Lewes Ferry	20,837	-2.0%	21,259	10.6%	19,221	4.7%
Authority Police	6,742	4.0%	6,480	12.1%	5,780	3.0%
Airports Division	5,074	13.8%	4,457	7.2%	4,156	1.8%
Three Forts	138	-23.3%	180	18.4%	152	-24.0%
Food & Novelty	4,648	0.3%	4,634	7.0%	4,332	8.4%
Depreciation	20,180	8.0%	18,684	12.5%	16,603	0.6%
Other Expenses	2,735	-43.0%	4,795	100.6%	2,390	-13.1%
TOTAL OPERATING	90,647	-1.2%	91,709	12.9%	81,222	1.4%
NON-OPERATING						
Interest on Bonds	14,842	-0.5%	14,922	-3.4%	15,452	-3.0%
Other Non-Operating	1,543	-68.1%	4,842	224.3%	1,493	-50.3%
TOTAL NON-OPERATING	16,385	-17.1%	19,764	16.6%	16,945	-10.5%
TOTAL EXPENSES	\$ 107,032	-4.0%	\$ 111,473	13.6%	\$ 98,167	-0.9%

EXPENSES

Total Authority expenses decreased \$4.5 million or 4.0% from \$111.5 million in FY 2006 to \$107.0 million in FY 2007. Listed below are the major highlights which affected Authority expenses in FY 2007.

- Employment costs, consisting of wages and benefits increased \$1.8 million or 4.1% in FY 2007 to \$44.7 million as compared to \$42.9 in FY 2006. Total wages for FY 2007 decreased .4% from FY 2006 as the number of full time employees decreased 8% from FY 2006. Total benefits increased 11.9% in FY 2007 as health care and pension expenditures increased 17.1% and 17.4% respectively over FY 2006.
- Insurance costs decreased \$.74 million or 12.5% in FY 2007, primarily due to reductions in premiums for workers compensation and general and excess liability coverages.
- Facility and Equipment Maintenance expense decreased \$.82 million as compared to FY 2006. Annual maintenance painting on the Delaware Memorial Bridge decreased \$.76 million in FY 2007 as the majority of the work performed on the Twin Spans was for planned capital enhancements.
- Vessel operations for the Cape May-Lewes Ferry decreased \$.70 million in FY 2007.
- Utility expenses increased \$.29 million or 9.8% over FY 2006 from \$2.9 million for \$3.2 million in FY 2007. Electric and natural gas increased \$.33 million or 13.5% over FY 2006, while telephone expenses decreased \$52 thousand or 14.25% as compared to FY 2006.
- Depreciation expense increased \$1.5 million or 8% over FY 2006 as total capital assets increased \$25 million over FY 2006.
- Other operating expenses decreased \$2.1 million or 43% from FY 2006, the result of an one-time expenditure to the Authority's pension plan contributed in FY 2006.
- Non-operating expenses decreased \$3.4 million or 68.1% as compared to FY 2006, primarily due to FY 2006 expenditures for arbitrage rebates on the 2000A and 2000B Revenue Bonds.

SUMMARY OF CASH FLOW ACTIVITIES

The following table shows a summary of the major sources and uses of cash and cash equivalents for the periods ending December 31, 2007, 2006 and 2005. Cash equivalents are considered highly liquid investments with a maturity of three months or less (in thousands).

SUMMARY OF CASH FLOW ACTIVITIES

	2007 Actual	Percent Increase/ (Decrease)	2006 Actual	Percent Increase/ (Decrease)	2005 Actual	Percent Increase/ (Decrease)
Cash Flow from Operating Activities	\$ 32,211	31.5%	\$ 24,499	-31.0%	\$ 35,530	6.9%
Cash Flow from Capital and Related Financing Activities	(42,105)	-2.7%	(43,287)	8.3%	(39,976)	4.1%
Cash Flow from Investing Activities	8,200	-59.2%	20,104	318.7%	4,801	-5.3%
Net Increase (Decrease) in Cash and Cash Equivalents	(1,694)	-228.7%	1,316	270.7%	355	-419.8%
Cash and Cash Equivalents, Jan. 1, 2007	5,514	31.3%	4,198	9.2%	3,843	-2.6%
Cash and Cash Equivalents, Dec. 31, 2007	\$ 3,820	-30.7%	\$ 5,514	31.3%	\$ 4,198	9.5%

The Authority's available cash equivalents decreased from \$5.5 million at the end of FY 2006 to \$3.8 million at the end of FY 2007.

CAPITAL ASSETS

The Authority's investment in capital assets for its activities through December 31, 2007 amounted to \$471.8 million (net of depreciation), which represents a 1.5% increase in capital assets over FY 2006.

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

The following table shows a summary of the Authority's investment in capital assets (net of depreciation) for the periods ending December 31, 2007, 2006, and 2005 (in thousands).

	2007 Actual	Percent Increase/ (Decrease)	2006 Actual	Percent Increase/ (Decrease)	2005 Actual	Percent Increase/ (Decrease)
Land	\$ 11,416	0.0%	\$ 11,416	0.0%	\$ 11,416	0.0%
Land Improvements	57,583	-2.4%	58,985	0.7%	58,583	-0.5%
Buildings	101,508	4.3%	97,357	15.9%	84,029	-2.2%
Machinery & Equipment	19,455	-12.5%	22,231	70.5%	13,037	-9.8%
Infrastructure	155,796	1.9%	152,853	6.4%	143,668	0.4%
Vessels	69,485	-1.0%	70,156	-1.8%	71,433	-4.3%
Construction in Progress	56,599	8.0%	52,410	-30.6%	75,551	38.8%
	<u>\$ 471,842</u>	1.4%	<u>\$ 465,408</u>	1.7%	<u>\$ 457,717</u>	3.4%

The major capital investments undertaken or completed during FY 2007 include:

- Miscellaneous Steel Enhancements – Delaware Memorial Bridge (\$6.7 million)
- Vessel Drydocking, Repairs and Improvements – Cape May-Lewes Ferry (\$3.2 million)
- Deck Resurfacing – Delaware Memorial Bridge (\$2.0 million)
- Hangar Purchase and Improvements – New Castle Airport (\$4.9 million)
- Multi-Purpose Hangar – Delaware Air Park (\$2.7 million)
- Office Space Fit Out and Renovation – Salem Business Park (\$1.3 million)
- Miscellaneous Capital Improvements and Equipment – Delaware Memorial Bridge (\$1.1 million)
- Rehabilitation Lighting and Signage – Millville Airport (\$.5 million)

DEBT ADMINISTRATION

The Authority's total debt decreased by \$7.5 million or 2.4% during FY 2007. As of December 31, 2007, the Authority had \$307.9 million of revenue bonds outstanding, compared to \$315.4 million at December 31, 2006. These bonds were issued in 2000, 2003, 2004 and 2005 under a Trust Agreement which stipulates that the Authority shall, at all times, fix, revise, charge and collect tolls and other charges each year equal to not less than 125% of the principal and interest requirements for such fiscal year. The Authority has satisfied this requirement for the years ended December 31, 2007, 2006 and 2005 with debt coverage ratios of 160%, 148% and 151% respectively.

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

<u>Issue</u>	<u>Moody's</u>	<u>S&P</u>
Series 2000A Revenue Bonds	A1	A+
Series 2000B Variable Rate Revenue Bonds	Aaa/VMIG1	AAA/A-1+
Series 2003 Revenue Bonds	A1	A+
Series 2004 Refunding Revenue Bonds	A1	A+
Series 2005 Refunding Revenue Bonds	A1	A+

All ratings for the Authority's outstanding bonds have remained the same since their original issue. Both rating agencies continue to view the Authority with a long-term stable outlook. Additional information on the Authority's long-term debt can be found in Note 5 in the notes to the financial statements.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the Authority's customers, investors and other interested parties with an overview of Authority finances and to demonstrate the Authority's accountability for funds it receives. Questions regarding any information involved in this report or requests for additional information should be addressed to the office of the Chief Financial Officer, Delaware River and Bay Authority, P.O. Box 71, New Castle, Delaware 19720.

BASIC FINANCIAL STATEMENTS

DELAWARE RIVER AND BAY AUTHORITY

Statements of Net Assets

As of December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 3,807,578	\$ 5,479,728
Investments	80,872,317	69,351,659
Operating Revenues Receivable (Net of Allowance for Uncollected Tolls of \$54,047 for 2007 and \$48,478 for 2006)	3,945,212	4,801,356
Accrued Investment Income Receivable	435,235	430,897
Note Receivable (Current Portion)	204,343	
Other Accounts Receivable	300,914	220,743
Federal Grants Receivable	2,369,031	856,075
Inventory	5,010,250	4,998,004
Prepaid Expenses	474,840	283,274
Restricted Assets:		
Cash and Cash Equivalents	12,103	33,932
Investments	59,571,292	72,328,844
Accrued Investment Income Receivable	406,509	263,075
Total Current Assets	<u>157,409,624</u>	<u>159,047,587</u>
Noncurrent Assets:		
Property, Plant and Equipment:		
Completed (Net of Accumulated Depreciation)	415,243,456	412,997,842
Construction in Progress	56,598,828	52,409,834
	<u>471,842,284</u>	<u>465,407,676</u>
Other Assets:		
Unamortized Debt Issue Costs	3,893,651	4,182,729
Note Receivable	3,694,628	3,400,000
Total Noncurrent Assets	<u>479,430,563</u>	<u>472,990,405</u>
Total Assets	<u>636,840,187</u>	<u>632,037,992</u>

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Statements of Net Assets

As of December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
LIABILITIES		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable	\$ 4,086,160	\$ 2,980,277
Accrued Wages Payable	585,620	508,320
Unpaid Health Claims	1,247,221	654,035
Electronic Toll Liability	430,467	621,045
Unearned Revenue	5,019,681	5,242,937
Customer and Security Deposits	1,390,202	1,224,292
Compensated Absences	534,778	508,150
Payable from Restricted Assets:		
Accounts Payable	1,600,273	2,876,299
Interest Payable	7,070,946	7,201,975
Loans Payable (Current Portion)	33,502	
Revenue Bonds Payable (Current Portion)	7,340,000	7,095,000
	<hr/>	<hr/>
Total Current Liabilities	29,338,850	28,912,330
	<hr/>	<hr/>
Long Term Liabilities:		
Compensated Absences	5,506,305	5,404,408
Loans Payable	1,166,498	1,200,000
Revenue Bonds Payable	307,881,528	315,418,383
	<hr/>	<hr/>
Total Long Term Liabilities	314,554,331	322,022,791
	<hr/>	<hr/>
Total Liabilities	343,893,181	350,935,121
	<hr/>	<hr/>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	159,314,407	167,286,079
Restricted:		
Trust Agreement Covenants	33,911,805	32,903,520
Unrestricted	99,720,794	80,913,272
	<hr/>	<hr/>
Total Net Assets	\$ 292,947,006	\$ 281,102,871
	<hr/>	<hr/>

See the accompanying Notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITYStatements of Revenues, Expenses and Changes in Net Assets
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
OPERATING REVENUES:		
Bridge Tolls	\$ 73,525,058	\$ 73,031,619
Ferry Tolls	13,555,341	13,778,387
Food and Novelty Sales	4,404,875	4,137,079
Airport Lease Revenue	5,837,345	5,363,724
Other Operating Revenue	<u>3,625,589</u>	<u>3,544,050</u>
Total Operating Revenue	<u>100,948,208</u>	<u>99,854,859</u>
OPERATING EXPENSES:		
Administrative and General:		
Wages and Benefits	7,160,957	7,107,897
Other Expenses	10,171,324	12,915,924
Operations:		
Wages and Benefits	37,837,764	36,353,664
Other Expenses	15,297,497	16,648,022
Depreciation Expense	<u>20,179,522</u>	<u>18,684,272</u>
Total Operating Expenses	<u>90,647,064</u>	<u>91,709,779</u>
Operating Income	<u>10,301,144</u>	<u>8,145,080</u>
NON-OPERATING INCOME (EXPENSE):		
Investment Income	7,542,228	6,179,702
Investment Fees	(431,091)	(460,383)
Interest on Bonds	(14,842,098)	(14,921,709)
Amortization of Debt Issue Costs	(289,078)	(328,184)
Write-Off Construction in Progress	(822,965)	(1,568,448)
Interest Rebate		(2,485,404)
Gain on Sale of Capital Assets	<u>750,160</u>	<u>88,544</u>
Net Non-Operating Income (Expense)	<u>(8,092,844)</u>	<u>(13,495,882)</u>
Income (Loss) Before Contributions	2,208,300	(5,350,802)
Capital Contributions	<u>9,635,835</u>	<u>8,474,638</u>
Change in Net Assets	11,844,135	3,123,836
Net Assets Jan. 1, as previously reported	281,102,871	279,179,035
Prior Period Adjustment		<u>(1,200,000)</u>
Net Assets Jan. 1, as restated	<u>281,102,871</u>	<u>277,979,035</u>
Net Assets Dec. 31	<u>\$ 292,947,006</u>	<u>\$ 281,102,871</u>

See the accompanying Notes to Financial Statements.

Statements of Cash Flows
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers and Users	\$ 97,850,668	\$ 96,217,640
Payments to Employees	(44,277,009)	(43,015,913)
Payments to Suppliers	(24,489,453)	(31,721,695)
Other Operating Receipts	3,421,246	3,018,555
Net Cash Provided by Operating Activities	<u>32,505,452</u>	<u>24,498,587</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Interest Rebate		(2,485,404)
Acquisition and Construction of Capital Assets	(32,122,703)	(27,756,795)
Proceeds of Sale of Capital Assets	4,159,742	109,240
Capital Contributions	8,122,879	8,824,069
Principal Paid on Capital Debt	(7,095,000)	(6,625,000)
Interest Paid on Capital Debt	(15,169,981)	(15,352,985)
Net Cash (Used in) Provided by Capital and Related Financing Activities	<u>(42,105,063)</u>	<u>(43,286,875)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment Income	7,394,456	6,024,610
Investment Fees	(431,091)	(460,383)
Net Change in Investments	<u>1,236,895</u>	<u>14,539,424</u>
Net Cash Provided by (Used in) Investing Activities	<u>8,200,260</u>	<u>20,103,651</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(1,399,351)	1,315,363
Cash and Cash Equivalents -- Jan 1	<u>5,513,660</u>	<u>4,198,297</u>
Cash and Cash Equivalents -- Dec 31	<u>\$ 4,114,309</u>	<u>\$ 5,513,660</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 10,301,144	\$ 8,145,080
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:		
Depreciation Expense	20,179,522	18,684,272
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	775,974	(822,995)
(Increase) Decrease in Note Receivable	(204,343)	(3,400,000)
(Increase) Decrease in Inventory	(12,247)	87,993
(Increase) Decrease in Prepaid Expenses	(191,567)	422,293
Increase (Decrease) in Accounts Payable	1,183,182	710,300
Increase (Decrease) in Unpaid Health Claims	593,187	107,075
Increase (Decrease) in Electronic Toll Liability	(190,578)	136,391
Increase (Decrease) in Deferred Revenue	(223,256)	214,171
Increase (Decrease) in Customer and Security Deposits	165,909	44,861
Increase (Decrease) in Compensated Absences	128,525	169,146
Net Cash Provided by Operating Activities	<u>\$ 32,505,452</u>	<u>\$ 24,498,587</u>

See the accompanying notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITY
Statements of Net Assets Available for Benefits
Fiduciary Fund
Pension Trust Fund
As of December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Investments at Fair Value:		
Money Market Funds	\$ 575,370.00	\$ 4,563,504.00
Mutual Funds	30,756,096.00	27,916,884.00
Corporate Bonds	450,800	2,961,331
US Government Bonds	13,560,578	9,042,760
Municipal Bonds	5,972,345	4,995,480
Fixed Income Funds	16,289,063	17,280,170
	<u>67,604,252</u>	<u>66,760,129</u>
Accrued Interest	<u>178,728</u>	<u>188,068</u>
Other Assets:		
Employer Contribution Receivable	<u>501,325</u>	<u>1,130</u>
Total Other Assets	<u>501,325</u>	<u>1,130</u>
Total Assets	<u>68,284,305</u>	<u>66,949,327</u>
LIABILITIES		
Accounts Payable	<u>15,390</u>	<u>47,146</u>
Total Liabilities	<u>15,390</u>	<u>47,146</u>
NET ASSETS		
Assets Held in Trust for Pension Benefits	<u>\$ 68,268,915</u>	<u>\$ 66,902,181</u>

See the accompanying Notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITY
Statements of Changes in Net Assets Available for Benefits
Fiduciary Fund
Pension Trust Fund
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ADDITIONS		
Investment Income:		
Net Appreciation in Fair Value of Assets	\$ 1,212,401	\$ 3,723,416
Dividends	465,195	482,627
Interest	1,853,108	1,700,076
	<u>3,530,704</u>	<u>5,906,119</u>
Less: Investment Expense	86,756	85,916
	<u>3,443,948</u>	<u>5,820,203</u>
Contributions:		
Employer	5,038,045	6,688,088
Plan Member	690,238	694,206
	<u>5,728,283</u>	<u>7,382,294</u>
Total Contributions	<u>5,728,283</u>	<u>7,382,294</u>
Total Additions	<u>9,172,231</u>	<u>13,202,497</u>
DEDUCTIONS		
Benefits Paid to Participants	7,485,316	6,093,878
Insurance Expense	23,050	23,050
Administrative Expenses	297,131	319,823
	<u>7,805,497</u>	<u>6,436,751</u>
Total Deductions	<u>7,805,497</u>	<u>6,436,751</u>
Net Increase	1,366,734	6,765,746
Net Assets Available for Plan Benefits:		
Beginning of Year	66,902,181	60,136,435
End of Year	<u>\$ 68,268,915</u>	<u>\$ 66,902,181</u>

See the accompanying Notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITY

Notes To Financial Statements

For the Year Ended December 31, 2007

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Delaware River and Bay Authority (the "Authority") is a body politic and an agency of the Governments of the State of Delaware and the State of New Jersey, duly created with the consent of the Congress of the United States of America, approved September 20, 1962. As a governmental agency, the Authority has no stockholders or equity holders.

The Authority is authorized to plan, finance, develop, construct, purchase, lease, maintain, improve and operate crossings, including bridges, tunnels and ferries and all approaches thereto and connecting and service routes, between the State of Delaware and the State of New Jersey across the Delaware River and Bay, and transportation and terminal facilities, and to issue Revenue Bonds payable from revenues. Effective November 15, 1990, the Authority is further authorized to plan for, finance and operate commerce facilities or developments in Delaware or in the New Jersey counties of Cape May, Cumberland, Gloucester and Salem.

Basis of Presentation, Fund Accounting

The financial statements of the Authority have been prepared in accordance with generally accepted accounting principles applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Authority uses a single Enterprise fund to account for the bridge, ferry and airport activities and maintain their records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

Fiduciary funds are used to account for the accumulation of pension resources held in trust for employees.

Basis of Accounting

The Authority's Proprietary and Fiduciary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred, regardless of the timing of the related cash flows.

Governmental Accounting Standards Board – Statement No. 20

The Authority is required to follow all statements of the Governmental Accounting Standards Board (GASB). GASB Statement No. 20 was issued to give guidance in determining Generally Accepted Accounting Principles (GAAP) for governmental proprietary funds. It provides that all proprietary fund activities follow all Financial Accounting Standards Board (FASB) Statements issued prior to November 30, 1989, unless they conflict with GASB standards. It also provides that the governmental unit must elect whether to follow FASB Statements issued after that date.

The Authority has elected not to follow any FASB pronouncements issued after November 30, 1989.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets and Budgetary Accounting**

The Authority must adopt an annual budget in accordance with Section 505 of the Trust Agreement. Section 505 requires the Authority to adopt the final budget no later than December 1st for the ensuing fiscal year. The budget is adopted on the modified accrual basis of accounting with provisions for cash payments for bond principal. The Authority may not incur in any fiscal year an amount in excess of the amounts provided for current expenses in the annual budget.

The Authority records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. An encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles. The reconciliation between budgetary basis expenditures and expenditures as reported on the Statement of Revenue, Expenses and Changes in Fund Net Assets is included in Note 3.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash on hand, cash on deposit with public depositories and investment money market funds. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are recorded at fair market value. Money market funds were reclassified from cash and cash equivalents to investments as a result in a change to accounting application with the implementation GASB 40.

The Authority's depository and investment options are subject to the provisions and restrictions of the Trust Agreement, as supplemented, between the Trustee, Wilmington Trust Company and the Authority dated October 1, 1993. Section 601 of the Trust Agreement establishes the requirements for the security of deposits of the Authority. This section requires that all deposits with a depository, in excess of the amount insured by the Federal Deposit Insurance Corporation shall be continuously secured for the benefit of the Authority and the holders of the bonds.

Depositories must be a member of the Federal Deposit Insurance Corporation, subject to examination by federal or state authority, of good standing and have a combined capital, surplus and undivided profits aggregating not less than \$25,000,000.

Section 101 of the Trust Agreement defines the allowable Investment Obligations for all funds of the Authority, except the General fund. Permitted investments include (a1) Government Obligations guaranteed by the full faith and credit of the United States Government, (a2) Senior Debt Obligations of the Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Financing Bank, Farmers Home Administration, Federal Land Banks, Federal Home Loan Mortgage Association, Government National Mortgage Association and Federal National Mortgage Association, (b) repurchase agreements with respect to the obligation listed in (a1) and (a2), (c) certificates of deposits, (d) commercial paper rated in the highest category by the Rating Agencies, (e) obligations of state or local government issuers rated in the two highest categories by the Rating Agencies, (f) money market mutual funds rated in the highest category by the Rating Agencies, (g) bankers' acceptances rated in the three highest categories by the Rating Agencies, (h) full faith and credit obligations of state or local government issuers rated in one of the three highest categories by the Rating Agencies.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

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

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

The Trust Agreement does not place limits on the amount that may be invested in any one issuer. As a supplement to the provisions of the Trust Agreement, the Authority has adopted policies and guidelines for the investment of funds in both the Construction and General funds.

Construction Fund: Investments are limited that not more than 10% of the fund that may be invested in any one issuer and not more than 25% of the fund may be invested in the following types of obligations as described above (b) repurchase agreements, (c) certificates of deposits, (e) obligations of state or local governments, (g) bankers' acceptances and (h) full faith and credit obligations of state and local government issuers. Limits that not more than 10% of the fund may be invested in any one issuer of the following types of obligations as disclosed in Note 1: (a2) US Government Agency Obligations and Commercial paper. No limits are placed on obligations guaranteed by the full faith and credit of the US Government and money market funds.

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

Inventory

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

Prepaid Expenses

Payments made to vendors for services that will benefit future periods beyond December 31, 2007 are recorded as prepaid expenses.

Debt Issuance Costs, Bond Discounts/Premiums and Deferred Loss on Defeasance

Debt issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Bond discounts/premiums and loss on defeasance are deferred and amortized over the life of the bonds using the effective interest method. Bond discounts/premiums and loss on defeasance are presented as an adjustment of the face amount of the revenue bonds payable whereas issuance costs are recorded as other assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Property, Plant and Equipment**

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

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

Expenditures are capitalized when they meet the following requirements:

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

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

Depreciation

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

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

<u>Asset Class</u>	<u>Useful Life</u>
Land Improvements	20 – 50 years
Buildings	50 years
Machinery & Equipment	5 – 20 years
Vessels	40 years
Infrastructure (Bridges, Roadways & Runways)	20 – 100 years

Depreciation begins when the asset is placed in service.

Post-retirement Benefits

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

Interfunds

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

Income Taxes

The Authority operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Operating and Non-Operating Revenues and Expenses**

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

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

Net Assets

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

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

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

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

Use of Estimates

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

Note 2: PRIOR YEAR FINANCIAL STATEMENTS

Prior Year Adjustment - Correction of an Error – During the current year it was discovered that in 2003 a loan from the Cumberland Empowerment Zone Corporation had been recorded as grant revenue. This loan was used to construct a hanger at the Millville Airport. The Loan was for \$1,200,000 and is payable over 20 years at a rate of 7%. (For further details, see Note 5, Loans Payable)

The restatement is detailed below:

Net Assets January 1, 2006 as Previously Reported	\$ 279,179,035
Prior Period Adjustment	<u>(1,200,000)</u>
Net Assets January 1, 2006 as Restated	<u>\$ 277,979,035</u>

Note 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**Compliance with finance related legal and contractual provisions**

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

Trust Agreement

The Authority is subject to the provisions and restrictions of the Trust Agreement between the Trustee, Wilmington Trust Company, and the Authority dated October 1, 1993. The following is a summary of the activities of each account created by the Trust Agreement:

Revenue Fund:

All money collected by the Authority for toll charges or from any other source of revenue is deposited in this account. The monies in the Revenue account are held by the Trustee and applied to the payment of current expenses and debt service.

Debt Service Fund:

This account is maintained to pay bond interest and principal. The balance on deposit must be sufficient to enable the trustee to withdraw amounts equal to interest due on bonds and principal amount maturing on bonds when such payments are required. The balance on December 31, 2007 meets the requirements of the Trust Agreement.

Debt Reserve Fund:

Funds on deposit must be maintained at a level equal to the maximum annual principal and interest requirements to insure funds are available for payment of debt service. The balance on December 31, 2007 of \$26,741,440 meets the requirements of the Trust Agreement.

Reserve Maintenance Fund:

This account is used for unusual or extraordinary maintenance or repairs, maintenance or repairs not recurring annually, repairs or replacements resulting from emergencies, providing improvements to approaches and highways, insurance premiums on crossing facilities and engineering expenses incurred under the provisions of Section 509 of the Trust Agreement. Funds on deposit must be equal to \$4,000,000 at year end. Any excess shall be promptly transferred to the General Fund Account. The balance on December 31, 2007 meets the requirements of the Trust Agreement.

General Fund:

All excess funds of the Authority are recorded in the General Fund. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the excess funds may be used by the Authority for any lawful purpose.

Covenants as to Tolls

The Authority is required to fix, revise, charge and collect tolls and other charges for traffic using the crossing facilities in order to provide an amount of Net Revenues in each fiscal year equal to not less than 125% of the principal and interest requirements for such fiscal year. The Authority satisfied this requirement for the year ending December 31, 2007.

Note 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**Covenants as to Tolls (Cont'd)**

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

Operating Income (Exhibit B)		\$ 10,301,144
Add:		
Investment Income (Excluding Construction Fund)	\$ 6,254,097	
Depreciation Expense	20,179,522	
General Fund Expense	2,734,842	
Airport Fund Expense	5,074,434	
Liquidations of 12/31/06 Encumbrances	<u>1,467,481</u>	
		35,710,376
Less:		
Airport Fund Revenues	6,778,546	
General Fund Revenues	912,530	
Inventory Adjustments	12,247	
Encumbrances Fiscal Year Ending 12/31/07	<u>2,552,263</u>	
		<u>10,255,586</u>
Net Revenues Available for Debt Service Coverage		<u>\$ 35,755,934</u>
Total Debt Service (Principal and Interest)		<u>\$ 22,364,966</u>
Debt Service Coverage		<u>160%</u>

Note 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**Annual Budget - 2007**

	2007 Projected Revenue	2007 Actual Revenue	(Under) Over Budget
<u>Revenue</u> (Excluding Grant Revenue)			
Delaware Memorial Bridge	\$ 73,761,936	\$ 73,525,058	\$ (236,878)
Cape May-Lewes Ferry	13,801,066	13,501,913	(299,153)
Airports Division	5,132,347	5,062,779	(69,568)
Three Forts	105,000	53,428	(51,572)
Concessions	3,992,498	4,288,309	295,811
Investment Income	4,647,766	6,180,829	1,533,063
Other Income	1,905,300	2,032,446	127,146
Total Revenue	<u>\$ 103,345,913</u>	<u>\$ 104,644,762</u>	<u>\$ 1,298,849</u>
	2007 Revised Budget	2007 Actual (1) Expenses	Under (Over) Budget
<u>Expenses</u>			
Administration	\$ 15,565,802	\$ 15,187,982	\$ 377,820
Delaware Memorial Bridge	16,480,679	16,451,313	29,366
Cape May-Lewes Ferry	22,222,862	20,575,840	1,647,022
Authority Police	7,019,201	6,809,395	209,806
Airport Division	5,094,133	5,061,472	32,661
Three Forts	221,599	99,964	121,635
Concessions	4,914,057	4,643,740	270,317
Total Operating Expenses (2)	71,518,333	68,829,706	2,688,627
Bond Interest	15,003,678	15,024,966	(21,288)
Bond Principal	7,340,000	7,340,000	
Total Expenses	<u>\$ 93,862,011</u>	<u>\$ 91,194,672</u>	<u>\$ 2,667,339</u>

(1) Actual expenses are based on the Budgetary Method. Year end adjustments i.e., (inventory, fuel oil, etc.) are not included in the above schedule.

(2) Expense Reconciliation to Financial Statements:

Operating Expenditures (Budgetary Method)	\$ 68,829,706
Adjustments:	
Encumbrances - Fiscal Year Ending 12/31/07	(2,552,263)
Liquidation of 12/31/06 Encumbrances	1,467,481
Depreciation Expense	20,179,522
Inventory Adjustments	(12,247)
General Fund Expenses	2,734,842
Other Miscellaneous Adjustments	23
Operating Expenses (Exhibit B)	<u>\$ 90,647,064</u>

Note 4: DETAIL NOTES – ASSETS**Cash and Cash Equivalents**

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2007, the Authority held \$3,640,410 in cash and cash equivalents in financial institutions, with \$2,198,646 held in uncollateralized accounts in excess of federal depository insurance limits.

Investments

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent, but not in the Authority's name. Of the Authority's \$140,443,609 investments in US Government Securities, US Government Agencies, Municipal Bond, Corporate Bonds and Money Market Funds, all \$140,443,609 of investments are registered in the name of the Authority and held by the counterparty.

Of the \$67,604,252 investments held in the Authority's Pension Trust Fund, \$51,315,189 are registered in the name of the Authority and held by the counterparty. The remaining \$16,289,063 of Other Obligations are held by Allmerica Financial Life Insurance Company within their general investment portfolio.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's Trust Agreement limits the investment maturities by fund, depending on the fund's purpose, as disclosed in Note 1.

The Pension Fund's investment policy is to preserve the capital of the Fund and maximize investment earnings in excess of inflation with acceptable levels of volatility. The Fund's focus will reflect an intermediate time horizon of at least a complete market cycle, generally occurring over three to five years. The long term investment strategy objective is to achieve a total rate of return, net of fees, which exceeds the actuarial return assumption used for funding.

As of December 31, 2007, the Authority had the following investments and maturities. (Amounts are in thousands)

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Corporate Bonds/Notes	\$ 16,598	\$ 7,464	\$ 3,764	\$ 5,370	
Municipal Obligations	36,721	7,044	14,193	7,053	\$ 8,430
U.S. Government Agencies	42,068	2,872	4,140	2,726	32,331
U.S. Government Bonds/Notes	18,627	11,507	6,123	997	
Money Market Funds	26,430	26,430			
Total	<u>\$ 140,444</u>	<u>\$ 55,317</u>	<u>\$ 28,220</u>	<u>\$ 16,146</u>	<u>\$ 40,761</u>

Note 4: DETAIL NOTES – ASSETS (CONT'D)

As of December 31, 2007, the Pension Trust Fund had the following investments and maturities. (Amounts are in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Corporate Bonds/Notes	\$ 451			\$ 451	
Municipal Obligations	5,972		\$ 2,054	2,276	\$ 1,642
U.S. Government Agencies	9,758		26	535	9,197
U.S. Government Bonds/Notes	3,802			3,685	117
Money Market Funds	576	\$ 576			
Equity Index Funds	30,756	30,756			
Other Obligations	16,289	16,289			
Total	<u>\$ 67,604</u>	<u>\$ 47,621</u>	<u>\$ 2,080</u>	<u>\$ 6,947</u>	<u>\$ 10,956</u>

Credit Risk: Credit risk is the risk that an issuer or counterparty to an investor will not fulfill its obligations. The Authority limits its exposure to credit risk through the Trust Agreement which restricts the investment obligations that may be purchased, by type and credit rating, as disclosed in Note 1. The Pension's Fund's investment policy defines the type, quality and quantity of eligible investments that can be purchased. Presented below are summaries of the Authority's investments by type and credit rating as of December 31, 2007.

Authority Investments

<u>Investment Type</u>	<u>Rating *</u>	<u>% of Total Investments</u>
Corporate Bonds/Notes	AAA/Aaa	2.69%
Corporate Bonds/Notes	AA/Aa	3.13%
Corporate Bonds/Notes	AA-/A2	3.42%
Corporate Bonds/Notes	A+/A1+	0.88%
Corporate Bonds/Notes	A-/A1	1.71%
Municipal Obligations	AAA/Aaa	20.90%
Municipal Obligations	AA+/AA/AA-	0.50%
Municipal Obligations	AA/Aa2	3.11%
Municipal Obligations	AA-/A2	0.11%
Municipal Obligations	A-/A1	1.53%
Federal Home Loan	AAA/Aaa	3.19%
Federal Home Loan Bank Bonds	AAA/Aaa	3.08%
Federal Home Loan Mortgage Corporation Bonds	AAA/Aaa	0.68%
Federal National Mortgage Association Bonds	AAA/Aaa	0.73%
Federal National Mortgage Association Bonds	AAA/Aaa	16.48%
Government National Mortgage Association Bonds	AAA/Aaa	5.80%
U.S. Treasury Notes	AAA/Aaa	13.26%
Money Market Funds	AAA/Aaa	16.00%
Money Market Funds	NR	2.82%

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

Note 4: DETAIL NOTES – ASSETS (CONT'D)**Pension Fund Investments**

<u>Investment Type</u>	<u>Rating *</u>	<u>% of Total Investments</u>
Corporate Bonds/Notes	A+/A1+	0.67%
Municipal Obligations	AAA/Aaa	5.58%
Municipal Obligations	AA+/AA/AA-	1.19%
Municipal Obligations	AA/Aa2	2.06%
Federal Home Loan Mortgage Corporation Bonds	AAA/Aaa	1.71%
Federal National Mortgage Association Bonds	AAA/Aaa	7.00%
Government National Mortgage Association Bonds	AAA/Aaa	5.73%
U.S. Treasury Notes	AAA/Aaa	5.62%
Money Market Funds	AAA/Aaa	0.85%
Equity Index Funds	NR	45.49%
Other Obligations	NR	24.09%

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

Concentration of Credit Risk: The Authority does not place a limit on the amount that may be invested in any one issuer, except the Construction fund, as disclosed in Note 1. All permitted investments by the Authority must be rated in the three highest categories by the rating agencies. The Pension Fund's investment policy limits corporate securities to 5% of portfolio per issuer. All purchases must be of investment grade. Commercial paper must rate top quality by at least one rating agency.

Note Receivable

On March 1, 2005, the Authority entered into an agreement with the Diamond State Port Corporation ("DSPC"). Under the agreement, the Authority is required to fund DSPC's warehouse project in the amount of \$4,000,000 (See Note 4, Lease Obligations). On April 20, 2006, the Authority sent \$3,400,000 to the DSPC, which represented 85% of the project's funding. The Authority remitted the remaining \$600,000 to the DSPC on June 1, 2007. The note is payable over 20 years in equal monthly installments of \$21,785.57. Interest rates range from 1.50% (years 1-5), 3.00% (years 6-10) and 5.32% (years 11-20) for an internal rate of return of 2.80%. The DSPC began making payments July 1, 2007. The balance of the note at December 31, 2007 was \$3,898,971.

Note 4: DETAIL NOTES – ASSETS (CONT'D)**Property, Plant and Equipment**

The following schedule details changes in Property, Plant and Equipment by major class that occurred during the year ended December 31, 2007:

	Balance Dec. 31, 2006	Additions	Deletions	Transfers	Balance Dec. 31, 2007
<i>Capital Assets, not being</i>					
<i>Depreciated:</i>					
Land	\$ 11,416,470				\$ 11,416,470
Construction in Progress	52,409,834	\$ 30,818,755	\$ (822,965)	\$ (25,253,939)	57,151,685
Total Capital Assets, not being Depreciated	63,826,304	30,818,755	(822,965)	(25,253,939)	68,568,155
<i>Capital Assets, being</i>					
<i>Depreciated:</i>					
Land Improvements	224,779,577	9,540		1,150,295	225,939,412
Buildings	121,161,555	18,385	(3,630,000)	9,744,607	127,294,547
Machinery and Equipment	48,329,776		(806,491)	2,263,694	49,786,979
Vessels	134,089,635			3,112,541	137,202,176
Infrastructure	353,350,710		(552,858)	8,982,802	361,780,654
Total Capital Assets, being Depreciated	881,711,253	27,925	(4,989,349)	25,253,939	902,003,768
<i>Accumulated Depreciation:</i>					
Land Improvements	(165,794,512)	(2,562,050)			(168,356,562)
Buildings	(23,804,802)	(2,761,012)	779,200		(25,786,614)
Machinery and Equipment	(26,099,212)	(5,033,761)	800,564		(30,332,409)
Vessels	(63,933,257)	(3,783,530)			(67,716,787)
Infrastructure	(200,498,098)	(6,039,169)			(206,537,267)
Total Accumulated Depreciation	(480,129,881)	(20,179,522)	1,579,764	---	(498,729,639)
Total Capital Assets, being Depreciated, Net	401,581,372	(20,151,597)	(3,409,585)	25,253,939	403,274,129
Total Capital Assets, Net	\$ 465,407,676	\$ 10,667,158	\$ (4,232,550)	---	\$ 471,842,284

Note 4: DETAIL NOTES – ASSETS (CONT'D)**Property, Plant and Equipment (Cont'd)**

Total depreciation expense for Fiscal Year 2007 was \$20,179,522. Depreciation expense was charged to operating activities as follows:

Delaware Memorial Bridge	\$ 7,755,649
Cape May - Lewes Ferry	8,023,375
Administration	234,612
Police	96,502
Concessions	18,673
Three Forts Ferry	66,051
Airports	3,629,973
Salem Business Park	325,770
Riverfront Marketplace	28,917
Total Depreciation Expense	<u>\$ 20,179,522</u>

Toll Revenue

<u>2007</u>	<u>Bridge</u>		<u>Ferry***</u>	
<u>Toll Class</u>	<u>Vehicles</u>	<u>Revenue</u>	<u>Vehicles or Passengers</u>	<u>Revenue</u>
1	12,554,899	\$ 37,572,673	317,105	\$ 6,830,396
2	308,773	1,843,644		
3	166,322	1,485,828		
4	152,343	1,819,476	3,273	91,920
5	1,822,294	27,139,155	3,950	143,673
6	33,720	602,388	2,728	118,491
7	2,668	106,720	2,691	149,033
8	6,053	141,144		
9	1,123,691	842,768	596	45,730
10	1,314,561	1,314,555	8,592	156,899
11	73,385	328,163		
12	68,755	410,670	8	973
13	4,453	31,755		
Passengers: Adult			826,642	5,540,663
Child			86,479	377,022
Bus Adult			7,000	40,618
Bus Child			501	1,468
Special Groups			943	5,028
Non-Revenue	11,964		63,346	**
	<u>17,643,881</u>	<u>73,638,939</u>	<u>1,323,854</u>	<u>\$ 13,501,914</u>
Adjustment: Write-Off of Uncollected Tolls		<u>(113,880)</u>		
		<u>\$ 73,525,059</u>		

** Includes children under 6 years of age.

Note 4: DETAIL NOTES – ASSETS (CONT'D)**Toll Revenue (Cont'd)**

<u>2006</u>	<u>Bridge</u>		<u>Ferry***</u>	
<u>Toll Class</u>	<u>Vehicles</u>	<u>Revenue</u>	<u>Vehicles or Passengers</u>	<u>Revenue</u>
1	12,615,946	\$ 37,750,076	328,343	\$ 6,924,879
2	320,844	1,915,980		
3	167,370	1,495,602		
4	147,290	1,759,728	3,273	90,806
5	1,780,752	26,530,920	3,943	141,285
6	26,801	479,196	2,771	119,100
7	2,933	117,320	2,758	150,843
8	5,867	121,821		
9	1,129,861	847,396	522	38,614
10	1,350,179	1,350,179	6,959	129,486
11	74,988	335,858		
12	68,894	412,242	1	127
13	3,402	24,600		
Passengers: Adult			835,885	5,645,637
Child			89,123	389,998
Bus Adult			6,467	37,910
Bus Child			93	279
Special Groups			6,401	32,103
Non-Revenue	12,367		65,837 **	
	<u>17,707,494</u>	<u>73,140,918</u>	<u>1,352,376</u>	<u>\$ 13,701,067</u>
Adjustment: Write-Off of Uncollected Tolls		<u>(109,299)</u>		
		<u>\$ 73,031,619</u>		

** Includes children under 6 years of age, for the periods January through April and November through December.

***The Cape May-Lewes Ferry adopted a new fare schedule effective April 1, 2006. More details can be found in Schedule 17, "Schedule of Historical Toll Rates" contained in the Other Supplementary Statements and Schedules.

Delaware Memorial Bridge – Electronic Tolls

On July 18, 2001, the Authority initiated electronic toll collection and E-Z Pass at the Delaware Memorial Bridge. The Authority records toll revenue net of uncollectible tolls. Gross toll revenues for 2007 and 2006 were \$73,969,202 and \$73,454,839, while the adjustments for uncollectible tolls were \$444,143 and \$423,220, respectively.

Note 5: DETAIL NOTES – LIABILITIES**Compensated Absences**

The Authority has recorded a liability through December 31, 2007 totaling \$6,041,083 for vacation and sick pay, with \$486,743 accruing during Fiscal Year 2007. Benefits are earned according to the following policies:

Vacation Leave:

Employees accrue vacation leave each month based on years of service.

<u>Years of Service</u>	<u>Vacation Hours</u>	<u>Maximum Accumulation</u>
0 to 5	8 hours	200 hours
5 to 10	10 hours	240 hours
10 to 15	12 hours	280 hours
15 to 20	14 hours	300 hours
More Than 20	16 hours	400 hours

- Vacation hours not used during the fiscal year may be carried over, but may not exceed the maximum accumulation.
- Part-time employees do not accrue vacation time.
- Employees, who resign, retire or are terminated, are paid for unused accrued vacation time, up to the established maximum accumulation.

Sick Leave:

- Employees accrue 10 hours of sick leave each month.
- Accrual of sick leave begins on the date of hire as a permanent full-time employee.
- Part-time employees are not entitled to sick leave.
- Sick leave is cumulative with no maximum accumulation.
- Employees hired prior to 9/1/96, who resign, retire, are terminated or die, are paid 50% of their accumulated unused sick leave at their current rate of pay.
- Employees hired after 9/1/96, who retire or die, are paid 50% of their accumulated unused sick leave up to a maximum payout of 360 hours at their current rate of pay.

Post-Employment Benefits

The Authority provides healthcare, life insurance, dental and vision benefits to employees who have retired from the Authority. Employees become eligible for these benefits once they have met the service and age requirements of the Employee's Retirement Plan and upon retirement from active service.

At December 31, 2007, there were 315 retired employees and retiree spouses utilizing these benefits. The Authority recognizes the cost of these benefits, along with similar benefits for active employees, by expensing when benefits are disbursed. Retirees do not contribute towards the cost of these benefits. No liability for these benefits is recorded on the statement of net assets.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Post-Employment Benefits (Cont'd)**

The expenses associated with post-employment benefits for years ended December 31, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Healthcare	\$ 2,472,850	\$ 2,260,006
Life Insurance	151,492	143,803
Dental	82,927	80,741
Vision	4,682	9,357
	<u>\$ 2,711,951</u>	<u>\$ 2,493,907</u>

The Government Accounting Standards Board (GASB) has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (OPEB)", which addresses how governmental entities will have to account for and disclose the costs and obligations associated with post employment health care and other non-pension benefits to current and future retirees. Pursuant to this requirement, the Authority engaged an actuarial consulting firm to examine the Authority's benefits plans in order to determine the estimated unfunded "Other Post Employment Benefits" liability as of Jan. 1, 2007. Based on the actuarial study, the Authority's Actuarial Accrued Liability is \$75.1 million and the Annual Required Contribution (ARC) is \$8.7 million. The Authority has adopted a 5 year phase in approach, beginning in fiscal year 2008 when it is required to implement GASB 45. It is anticipated that the ARC will be fully funded by the year 2012.

Pension Plans**Defined Benefit Plan**

Plan Description: The Authority maintains a defined benefit contributory pension plan which provides benefits for all full time permanent employees. The Delaware River & Bay Authority Employees Defined Benefit Plan (the DB Plan) is a single employer plan administered by the Authority. As of the valuation date January 1, 2006, there were 444 active participants, 111 terminated members entitled to, but not yet receiving benefits and 212 retirees and/or beneficiaries currently receiving benefits. A member may retire after completing ten (10) years of service and after reaching normal retirement at age sixty (60), except police officers at the age of fifty five (55) or at the age at which twenty five (25) years of service has been completed, whichever occurs first. A member may take early retirement after completing ten (10) years of service and after reaching the age of fifty five (55) or age fifty (50) for police officers. The accrued benefit under early retirement is reduced by 1/3 % for each month that early retirement proceeds normal retirement. Benefits are unreduced after 25 years of service. Employee benefits vest after five (5) years of service. Benefits and refunds of the defined benefit plan are paid when due and payable in accordance with the terms of the plan.

Employees with 25 years or more of service who retire on their normal retirement date are entitled to monthly retirement benefits equal to 75% of their average monthly compensation, offset by 8.75% of their average monthly compensation up to the taxable wage base. For employees who have earned less than 25 years of service as of the end of the plan year in which they attain normal retirement age, such monthly benefits are reduced by one twenty fifth for each such year of service less than 25.

No disability benefits, other than those payable upon retirement, are provided in the plan. If an employee becomes disabled prior to a separation from service or their normal retirement date, then for purposes of determining the disabled employee's accrued benefit, the disabled employee will be deemed to continue to earn compensation at the rate such employee was earning compensation immediately prior to becoming disabled and will be credited with service for the period commencing on the date of disability and ending on the annuity starting date. A disabled employee may elect to receive his benefits on his early retirement date, normal retirement date or late retirement date.

If a participant dies before their retirement date and has been married for a one year period ending on his date of death and completed 10 years of service, the spouse of such participant shall be entitled to the monthly benefit.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Defined Benefit Plan (Cont'd)**

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

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

Annual Pension Cost: For fiscal years ended December 31, 2007, 2006 and 2005, the Authority's annual pension costs for the DB Plan were \$5,038,045, \$4,288,057 and \$3,767,802, respectively. As a contributory plan, Authority employees are required to contribute 3% of annual base earnings up to the Social Security taxable wage base and 5% for amounts in excess of the base. Actual contributions from employees for plan years ending December 31, 2007, 2006 and 2005 were \$663,729, \$659,983 and \$618,010, respectively. In keeping with its funding policy, the Authority contributed 100% of the recommended contributions for those years. Employer contribution information can be found in Schedule 2 as part of the Required Supplementary Section.

The required contribution for the year ended December 31, 2007 was determined using the aggregate method. Under the aggregate method, normal cost percent is the level percent of future covered payroll required to fund the present value of future plan benefits in excess of actuarial value of assets. The normal cost for the plan year is the product of the normal cost percentage and covered payroll for the current year. Under this actuarial cost method, plan changes and actuarial gains/losses are not separately recognized and amortized. Beginning January 1, 2003, the annual pension cost is calculated using a "one year" lag methodology of funding. Under this methodology, the pension cost for a given year is based on data and assets from the previous year projected forward for one year.

The current actuarial valuation report showing contributions for the Plan Year ending December 31, 2007 include the following significant actuarial assumptions: (a) 8% investment rate of return, 5% for retirees under Allmerica Contract, (b) projected annual salary increases of 4%, (c) inflation rate of 3%, (d) RP 2000 mortality table and (e) 75% of DB Plan participants elect a life annuity and 25% elect a lump sum distribution. Post retirement benefit adjustments are addressed on an ad-hoc basis. DB Plan assets are adjusted for valuation purposes using a method based on market value of assets. Under this method, asset gains or losses will be spread over five (5) years. If the result is outside an 80% to 120% corridor around market value, an additional adjustment maintains the actuarial value of assets at the appropriate corridor limit. Funding progress information can be found in Schedule 1 as part of the Required Supplementary Section.

Actuarial Cost Method: Liabilities and contributions shown in this report are computed using the aggregate cost method of funding. This method does not identify or separately amortize unfunded actuarial accrued liabilities.

Beginning January 1, 2003, the annual pension cost is calculated using a "one-year lag" methodology of funding. Under this methodology, the pension cost for a given year is based on data and assets from the previous year projected forward for one year.

Asset Valuation Method: Plan assets are adjusted for valuation purposes using a method based on market value of assets. Under this method, asset gains or losses (that is, investment earnings above or below expected earnings) will be spread over five years. If the result is outside an 80% to 120% corridor around market value, an additional adjustment maintains the actuarial value of assets at the appropriate corridor limit.

The actuarial asset value is allocated among the five covered groups in proportion to their present value of benefits.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)**

Beginning January 1, 2004, the actuarial value of assets will be calculated reflecting a 5% expected return on assets for the assets held by Allmerica and an 8% expected return on assets for the assets held by Cavanaugh. Please note, this change is not reflected in the actuarial value of assets used to calculate the 2005 contribution, but will be incorporated into the calculation of the 2006 contribution and beyond.

Defined Contribution Plan

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

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

Funding Policy: The contribution requirements for both the employees and employer are established and amended by the Authority as authorized by the Board of Commissioners. Authority employees are required to contribute 2% of their base salary. In addition, employees can contribute an optional 2% of their base salary into the plan. The Authority contributes a 25% match to the required 2% contribution and a 75% match to the optional 2% contribution. The employees' contributions were \$901,680, \$836,301 and \$787,373 for 2007, 2006 and 2005 respectively. The Authority's contribution was \$420,684, \$410,414 and \$385,811 for 2007, 2006 and 2005 respectively. As of December 31, 2007, the value of the DC Plan was \$18,222,376.

Health Claims Liability

The Authority maintains an Administrative Service Only (ASO) arrangement with Blue Cross Blue Shield of Delaware (BCBS of DE). Under the ASO, the Authority provides five health related Plans available to active employees and retirees. The Plans include: Traditional Indemnity Plan, Managed Care Plan, Medicare Supplement Plan, Prescription Drug Plan and Dental Care Plan. BCBS of DE is paid a monthly fee to administer each Plan. The fee is based on the number and type of Plans utilized by each employee and retiree. The Authority is self insured for claims under the Plans, with stop loss protection of \$75,000 per claim. AT the end of each fiscal year, BCBS of DE estimates the outstanding claims liability for the Plans. Scheduled below is a reconciliation of the changes in claims liability for the fiscal years ending December 31, 2007 and 2006.

	<u>2007</u>	<u>2006</u>
Beginning Claims Liability – 1/1	\$ 526,777	\$ 444,060
Total Incurred Claims	6,396,698	5,624,912
Total Paid Claims	<u>(6,284,092)</u>	<u>(5,542,195)</u>
Ending Claims Liability – 12/31	<u>\$ 639,383</u>	<u>\$ 526,777</u>

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Loans Payable****Development Agreement – Cumberland Empowerment Zone Corp.**

In September 2002, the Authority entered into a development agreement with the City of Millville and the Cumberland Empowerment Zone Corp. (CEZC) to develop and construct a 40,000 square foot aviation maintenance hangar and aviation incubator building at the Millville Airport. The project was funded partially by the Authority (\$1,500,000), through grants provided by the United States Economic Development Administration (\$1,620,000) and the New Jersey Department of Transportation (\$250,000) and a loan from CEZC (\$1,200,000). Upon completion of the project and leasing of the facility, the Authority and the CEZC shall on a pari passu basis, share in the net proceeds generated from the lease of the project improvements. The proceeds shall be used to recover each party's respective investment over a twenty (20) year period with interest accruing at a rate of seven percent (7%) per year on the CEZC loan and at 7% per year on the Authority's investment. The hangar facility is fully leased. No payments were made to the CEZC under the agreement in FY2007. The balance of the loan at December 31, 2007 is \$1,200,000.

A summary of loan at December 31, 2007 is as follows:

<u>Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 33,502	\$ 96,748	\$ 130,250
2009	30,969	177,135	208,104
2010	33,208	138,714	171,922
2011	35,609	96,349	131,957
2012	38,183	49,978	88,160
2013	236,531	321,684	558,215
2014	335,312	222,903	558,214
2015	456,685	82,922	539,607
	<u>\$ 1,200,000</u>	<u>\$ 1,186,432</u>	<u>\$ 2,386,431</u>

Lease Obligations**New Castle County Airport Lease**

The Authority leases real property from New Castle County constituting the New Castle County Airport for a period of thirty years. The lease commenced in 1995. The lease is automatically renewed for two additional periods of thirty years each unless not later than sixty months prior to the expiration of the initial or first renewal term, either party shall deliver notice to the other party of its intention not to renew. Lease payments will be one dollar per year together with a sum equal to the debt service on certain obligations of the lessor.

Cape May County Airport Lease

The Authority leases real property from Cape May County constituting the Cape May County Airport for a period of thirty years. The lease commenced in June 1999. The lease is automatically renewed for two additional periods of thirty years each, unless no later than sixty months prior to the expiration of the initial or first renewal term, either party shall deliver notice to the other party of its intention not to renew. Lease payments will be one dollar per year together with a sum equal to the debt service on certain obligations of the lessor.

Civil Air Terminal Lease

The Authority leases real property from the State of Delaware constituting the Civil Air Terminal for a period of thirty years. The lease commenced in August 1999. The lease is automatically renewed for two additional periods of thirty years each, unless not later than sixty months prior to the expiration of the initial or first renewal term, either party shall deliver notice to the other party of its intention not to renew. Lease payments will be one dollar per year.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Lease Obligations (Cont'd)****Millville Airport Lease**

The Authority leases real property from the City of Millville constituting the Millville Airport for a period of thirty years. The lease commenced in October 1999. The lease is automatically renewed for two additional periods of thirty years each, unless not later than sixty months prior to the expiration of the initial or first renewal term, either party shall deliver notice to the other party of its intention not to renew. Lease payments will be one dollar per year.

Delaware Air Park Lease

The Authority leases real property from the State of Delaware constituting the Delaware Air Park for a period of thirty years. The lease commenced in July 2000. The lease is automatically renewed for two additional periods of thirty years each, unless not later than sixty months prior to the expiration of the initial or first renewal term, either party shall deliver notice to the other of its intention not to renew. Lease payments will be one dollar per year.

Delaware Breakwater Lighthouse

On November 12, 2001, the Authority entered into a lease with the State of Delaware, Division of Historical and Cultural Affairs to incorporate the Delaware Breakwater Lighthouse as an enhancement to the Cape May-Lewes Ferry's foot passenger / educational outreach programs. The initial term of the lease is for a ten year period and is automatically extended for a successive ten year period unless either party shall deliver notice of its intention not to renew, not less than twelve months prior to the expiration of the then current term. Lease payments will be one dollar per year.

Diamond State Port Corporation

On March 1, 2005, the Authority entered into a twenty year agreement to lease warehouse facilities from the Diamond State Port Corporation ("DSPC") located at the Port of Wilmington, Delaware. Terms of the lease require the Authority to pay rent of \$4,000,000, which will be paid to the DSPC as construction of the warehouse progresses, but only after the DSPC's share of construction costs are paid by the DSPC.

On March 1, 2005, the Authority entered into an agreement with the DSPC to operate the warehouse facility. DSPC will guarantee monthly payments over a maximum term of twenty years for the repayment of the Authority's prepaid rent of \$4,000,000. DSPC's guaranteed monthly payments shall include interest at a rate which provides an internal rate of return on net present value of 2.8%.

The agreement also provides that the City of Wilmington, Delaware, will honor the lease in the event of default by DSPC.

Bonded Indebtedness

At December 31, 2007, the Authority had \$315,125,000 in revenue and refunding revenue bonds outstanding. The bonds were issued in 2000, 2003, 2004 and 2005. These bonds were issued pursuant to the Trust Agreement dated October 1, 1993 between the Authority and the Wilmington Trust Company.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Bonded Indebtedness (Cont'd)**

(1) Series 2000A

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
5.10%	2008	\$ 1,495,000	\$ 240,778	\$ 1,735,778
5.10%	2009	1,565,000	164,532	1,729,532
5.15%	2010	1,645,000	84,717	1,729,717
Total Series 2000A		<u>\$ 4,705,000</u>	<u>\$ 490,027</u>	<u>\$ 5,195,027</u>

(2) Series 2000B

<u>Annual Interest Rate ¹</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
4.50%	2008		\$ 1,350,000	\$ 1,350,000
4.50%	2009		1,350,000	1,350,000
4.50%	2010		1,350,000	1,350,000
4.50%	2011		1,350,000	1,350,000
4.50%	2012		1,350,000	1,350,000
4.50%	2013		1,350,000	1,350,000
4.50%	2014		1,350,000	1,350,000
4.50%	2015		1,350,000	1,350,000
4.50%	2016		1,350,000	1,350,000
4.50%	2017		1,350,000	1,350,000
4.50%	2018		1,350,000	1,350,000
4.50%	2019		1,350,000	1,350,000
4.50%	2020		1,350,000	1,350,000
4.50%	2021		1,350,000	1,350,000
4.50%	2022		1,350,000	1,350,000
4.50%	2023		1,350,000	1,350,000
4.50%	2024		1,350,000	1,350,000
4.50%	2025		1,350,000	1,350,000
4.50%	2026		1,350,000	1,350,000
4.50%	2027		1,350,000	1,350,000
4.50%	2028		1,350,000	1,350,000
4.50%	2029	\$ 12,300,000	1,350,000	13,650,000
4.50%	2030	17,700,000	796,500	18,496,500
Total Series 2000B		<u>\$ 30,000,000</u>	<u>\$ 30,496,500</u>	<u>\$ 60,496,500</u>

¹ Series 2000B are variable rate revenue bonds. The interest rate is adjusted weekly as determined by the Remarketing Agent. The actual interest rate for Fiscal Year 2007 was 3.588%. The assumed interest rate for Fiscal Years 2008 – 2030 is 4.50%.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Bonded Indebtedness (Cont'd)****(3) Series 2003**

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
3.00%	2008	\$ 1,490,000	\$ 2,408,362	\$ 3,898,362
3.25%	2009	1,535,000	2,358,475	3,893,475
3.50%	2010	1,585,000	2,303,000	3,888,000
3.75%	2011	1,640,000	2,241,500	3,881,500
4.00%	2012	1,700,000	2,173,500	3,873,500
5.00%	2013	1,770,000	2,085,000	3,855,000
5.00%	2027	16,220,000	2,085,000	18,305,000
5.00%	2033	25,480,000	1,274,000	26,754,000
Total Series 2003		<u>\$ 51,420,000</u>	<u>\$ 16,928,837</u>	<u>\$ 68,348,837</u>

(4) Series 2004

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
5.00%	2008	\$ 4,110,000	\$ 2,452,500	\$ 6,562,500
5.00%	2009	4,315,000	2,247,000	6,562,000
5.00%	2010	4,530,000	2,031,250	6,561,250
5.00%	2011	4,755,000	1,804,750	6,559,750
5.00%	2012	4,995,000	1,567,000	6,562,000
5.00%	2013	5,250,000	1,317,250	6,567,250
5.00%	2014	5,510,000	1,054,750	6,564,750
5.00%	2015	5,785,000	779,250	6,564,250
5.00%	2016	6,070,000	490,000	6,560,000
5.00%	2017	3,730,000	186,500	3,916,500
Total Series 2004		<u>\$ 49,050,000</u>	<u>\$ 13,930,250</u>	<u>\$ 62,980,250</u>

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Bonded Indebtedness (Cont'd)****(5) Series 2005**

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
3.00%	2008	\$ 245,000	\$ 8,807,338	\$ 9,052,338
3.00%	2009	255,000	8,799,988	9,054,988
3.00%	2010	260,000	8,792,337	9,052,337
3.25%	2011	2,005,000	8,784,537	10,789,537
3.40%	2012	2,065,000	8,719,375	10,784,375
3.5 / 5.00%	2013	2,140,000	8,649,165	10,789,165
3.6 / 5.00%	2014	4,090,000	8,547,565	12,637,565
3.75 / 5.00%	2015	4,240,000	8,400,325	12,640,325
3.75 / 5.00%	2016	4,455,000	8,190,075	12,645,075
5.00%	2017	7,415,000	7,967,325	15,382,325
4.0 / 5.00%	2018	11,890,000	7,596,575	19,486,575
4.0 / 5.00%	2019	12,490,000	7,003,575	19,493,575
4.0 / 5.00%	2020	13,100,000	6,389,375	19,489,375
4.125 / 5.00%	2021	13,750,000	5,741,875	19,491,875
4.0 / 5.00%	2022	14,425,000	5,067,500	19,492,500
5.00%	2023	12,215,000	4,346,250	16,561,250
5.00%	2024	12,825,000	3,735,500	16,560,500
4.375 / 5.00%	2025	13,465,000	3,094,250	16,559,250
4.125 / 5.00%	2026	14,135,000	2,421,250	16,556,250
5.00%	2027	14,840,000	1,714,500	16,554,500
5.00%	2028	15,585,000	972,500	16,557,500
4.350 / 5.00%	2029	4,060,000	193,250	4,253,250
Total Series 2005		<u>179,950,000</u>	<u>\$ 133,934,430</u>	<u>\$ 313,884,430</u>
Total Bonded Indebtedness		315,125,000		
Less:				
Current Portion		(7,340,000)		
Deferred Loss on Defeasance		(12,099,989)		
Discount on Bonds		(6,726)		
Premium on Bonds		<u>12,203,243</u>		
Total Long Term Bond Indebtedness		<u>\$ 307,881,528</u>		

Several of the series of bonds may be redeemed in whole or in part prior to their respective maturities, subject to certain requirements, including prepayment premiums.

Note 5: DETAIL NOTES – LIABILITIES (CONT'D)**Summary of Long-Term Liabilities:**

	<u>Principal Outstanding Jan. 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding Dec. 31, 2007</u>	<u>Current Due Within One Year</u>
Revenue Bonds	\$ 322,513,382	\$ 935,565	\$ (8,227,419)	\$ 315,221,528	\$ 7,340,000
Loans Payable	1,200,000			1,200,000	33,502
Compensated Absences	5,912,558	486,743	(358,218)	6,041,083	534,778
Total Long Term Liabilities	<u>\$ 329,625,940</u>	<u>\$ 1,422,308</u>	<u>\$ (8,585,637)</u>	<u>\$ 322,462,611</u>	<u>\$ 7,908,280</u>

Deferred Revenue**Forward Purchase Agreement**

In 1997, the Authority entered into a forward purchase agreement with a forward commitment provider. Under the terms of the agreement, the Authority received a lump sum cash payment of \$8,191,000 in exchange for granting the provider the right to invest the monies in the Debt Service Reserve Fund and the right to the income thereon through 2026. The Debt Service Reserve Fund investments remain the property of the Authority and are invested through the Trustee.

Commitments

The Authority has outstanding commitments of approximately \$15,549,439 on construction projects entered into through December 31, 2007.

Note 6: AGREEMENTS**Three Forts Ferry**

On March 18, 1997, the Commissioners authorized the execution of an agreement with the Delaware Division of Parks and Recreation and the New Jersey Division of Parks and Forestry to operate a ferry crossing between Fort Mott, New Jersey, Delaware City, Delaware and Fort Delaware on Pea Patch Island. The terms of the Agreement are as follows:

The Authority purchased the ferry vessel, Delafort, from the Delaware Division of Parks and Recreation. The Authority signed the Delaware Ferry Landing and Operating Agreement for an initial term of five years with three renewable five year terms. Under this Agreement, the Authority pays the Delaware Parks Department a monthly fee for each passenger who purchases a ticket to Fort Delaware. These funds will support historical programs and re-enactments at Fort Delaware.

Note 6: AGREEMENTS (CONT'D)

The Authority signed the New Jersey Ferry Landing and Operating Agreement with the New Jersey Division of Parks and Forestry for an initial period of ten years with two renewable five year terms. Under this agreement, the Authority pays the New Jersey Division of Parks and Forestry an annual fee for the initial ten year period. These funds will be used to off-set the cost of the refurbished historic pier and docking facility at Fort Mott.

On August 21, 2001, the Commissioners authorized the execution of an agreement with Delaware City and the New Castle Conservation District to purchase and lease five parcels of land to be used for the development of a parking facility and gateway area in support of the Three Forts Crossing Operation.

Salem Business Center

On October 1, 2003, the Authority entered into an agreement with the Commonwealth Group, LTD, to manage the land and buildings at the Salem Business Center located in Carney's Point, New Jersey. The initial term of the agreement is for twenty four months, with an option for an additional term of one year.

On October 1, 2006, the Authority extended its agreement with the Commonwealth Group, LTD, on a month to month basis, to manage the land and buildings at the Salem Business Center.

The operating results for the Salem Business Center for Fiscal Years 2007 and 2006 were as follows:

	<u>2007</u>	<u>2006</u>
Operating Income	\$ 392,951	\$ 335,439
Operating Expenses	<u>(795,726)</u>	<u>(627,536)</u>
Net Income (Loss)	<u>\$ (402,775)</u>	<u>\$ (292,097)</u>

As of December 31, 2007, three (3) tenants are under lease at the Salem Business Center. Based on the current tenant situation, projected revenues for Fiscal Years 2008 and 2009 are \$763,500 and \$1,173,623, respectively. The office building contains 77,474 square feet of available leaseable space, of which 62,775 is rented.

Riverfront Market and Restaurant

On October 1, 2006, the Authority entered into an agreement with Emory Hill Real Estate Services, Inc., to manage the land and buildings at the Riverfront Market and Restaurant, located in Wilmington, Delaware. The initial term of the agreement is for twenty four months, with an option for an additional term of one year.

The operating results for the Riverfront Market and Restaurant for Fiscal Years 2007 and 2006 and were as follows:

	<u>2007</u>	<u>2006</u>
Operating Income	\$ 395,176	\$ 398,347
Operating Expenses	<u>(397,925)</u>	<u>(322,318)</u>
Net Income (Loss)	<u>\$ (2,749)</u>	<u>\$ 76,029</u>

As of December 31, 2007, eleven (11) tenants are under lease at the Riverfront Market and Restaurant. Based on the current tenant lease structure, available square footage and current economic condition, projected revenues for Fiscal Years 2008 and 2009 are \$406,051 and \$415,885, respectively.

Note 6: AGREEMENTS (CONT'D)**Delaware State University**

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

South Jersey Technology Park at Rowan University

On June 15, 2004, the Authority was authorized to enter into an agreement with the South Jersey Technology Park at Rowan University ("SJTP") to purchase a 45,000 square foot building from SJTP for the sum of \$5,000,000, after construction is completed. Simultaneous with the purchase of the building, the Authority was authorized to enter into a lease purchase agreement with SJTP for a term of 20 years at monthly rental payments sufficient to repay the Authority's \$5,000,000 purchase. Payments shall include interest at a rate which over the term of the agreement provides an internal rate of return on net present value of 2.8%. Title to the building will be conveyed to SJTP when the \$5,000,000 purchase price, including interest, has been repaid.

Collective Bargaining Agreement

On March 29, 2001, a unit of marine employees at the Cape May-Lewes Ferry elected the Marine Engineers Beneficial Association to become their exclusive bargaining representatives. The marine employee unit is comprised of all permanent full time Pilots, Chief Engineers and First Assistant Engineers and all permanent full time and permanent part time Able Bodied Seaman, Ordinary Seaman, Oilers, Third Assistant Engineers and Mates. On August 20, 2002, the Authority entered into a collective bargaining agreement with the Marine Engineers Beneficial Association ("MEBA"). The term of the agreement is retroactive to January 1, 2002, and expired on June 30, 2004. On December 21, 2004, the Authority entered into a new collective bargaining agreement with MEBA. The term of the agreement is retroactive to July 1, 2004 and expired on June 30, 2007. As of December 31, 2007, no new collective bargaining agreement has been entered into, but on-going negotiations continue between the Authority and MEBA. As of December 31, 2007, the marine unit accounts for sixty-two (62) employees working at the Cape May-Lewes Ferry.

On September 23, 2004, a group of employees at the Authority elected the International Union of Operating Engineers, Local 542 to become their exclusive bargaining representatives. The group is comprised of all permanent full time and permanent part time maintenance employees, airport employees, toll collectors and food service employees. As of December 31, 2007, this group consisted of one hundred forty one (141) employees working throughout all Authority facilities. An agreement with Local 542 was entered into on December 20, 2005. The term of the agreement is retroactive to January 1, 2005 and expires on December 31, 2008.

Note 7: RISK MANAGEMENT**Net Assets Designated for Self Insurance Fund Program**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded coverage for the past several years.

On January 1, 1987 the Authority established a self-insurance fund program. The purpose of this program is to increase the deductible amounts on various insurance policies thereby decreasing the premiums and to fund all or part of the remaining insurance premiums. The program is maintained within the General Fund. For fiscal years 2007 and 2006 the Authority internally designated and reserved \$8,000,000 as a General Fund Reserve for the Self Insurance Fund Program. Actual expenditures under the program for fiscal years 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Self Insurance Expenses:	<u>\$ 577,220</u>	<u>\$ 395,917</u>

Note 8: CONTINGENCIES**Litigation**

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

Note 9: SUBSEQUENT EVENTS**Delaware Memorial Bridge – Toll Increase**

The Authority adopted a new toll rate schedule for the Delaware Memorial Bridge, effective January 4, 2008. The new toll rate schedule is expected to generate an additional \$10.8 million that will fund the Capital Improvement Program through 2009.

	<u>No. of Axles</u>	<u>Unit Cost</u>	<u>Class No.</u>
Passenger Cars (All Types) Including: All Four Tire Types: Vans, Pickups Hearses (except in Funeral Procession)	2	\$3.00	1
Commutation Plan Provides 25 Trips good for a 30-day cycle period. (\$18.75 per cycle) Issued to account holders of Four Tire-Two Axle Types	2	\$0.75	9
Frequent Travelers Plan Provides 20 Trips good for a 90-day cycle period. (\$20.00 per cycle) Issued to account holders of Four Tire-Two Axle Types	2	\$1.00	10
Passenger Car with One Axle Trailer	3	\$4.50	11
Passenger Car with Two Axle Trailer	4	\$6.00	12

Note 9: SUBSEQUENT EVENTS (Cont'd)**Delaware Memorial Bridge – Toll Increase (Cont'd)**

Passenger Car with Three Axle Trailer	5	\$7.50	
Two Axle Trucks	2	\$8.00	2
Including:			
All Six Tire Types			
Buses & Tractors			
Three Axle Trucks or Combination	3	\$12.00	3
Including:			
Tractors of Combination Tractor & Trailer			
Buses (All Three Axle Types)			
Four Axle Trucks or Combination	4	\$16.00	4
Including:			
Tractor or Combination Tractor & Trailer			
Five Axle Trucks or Combination	5	\$20.00	5
Any combination of axles amounting to five axles			
Six Axle Trucks or Combination	6	\$24.00	6
Any combination of axles amounting to six axles			
Special	Per Axle	\$4.00	
Any combination of axles over six axles			
Wide Load	N/A	\$50.00	
Any over width vehicle			

Delaware Memorial Bridge – E Z Pass

Beginning January 1, 2008, all Authority E Z Pass account holders will be charged a membership fee of \$1.50 per month. The membership fee is expected to generate \$700,000 annually, which will be used to help offset the operational cost of the E Z Pass system. The Authority will also charge transponder lease fees for all transponders issued to new accounts and for transponders that are replaced or added to existing accounts. The lease fee will be \$21 for an interior transponder and \$33 for an exterior or license plate mounted transponder.

Note 9: SUBSEQUENT EVENTS (CONT'D)**Revised Cape May-Lewes Ferry Schedule**

On February 26, 2008, the Authority adopted a revised fare schedule for the Cape May-Lewes Ferry. The new schedule becomes effective April 1, 2008. The new fare schedule is listed below.

	<u>Nov-Mar</u>	<u>Apr-Oct</u>	<u>Peak*</u>
<u>Vehicle & Driver</u>			
Car, SUV, Van, Pickup Truck (vehicles less than 20' length)	\$28.00	\$34.00	\$41.00
Return Trip Value Fare	\$24.00	\$29.00	\$30.00
Motorcycle or Motorbike	\$23.00	\$29.00	\$34.00
Return Trip Value Fair	\$20.00	\$25.00	\$25.00
Discount Book of Six (6) Tickets (all vehicles less than 20' length)	\$144.00	\$144.00	\$144.00
Discount Book of Six (6) Tickets (commercial vehicles)		15% off scheduled fare	
(Memorial Day to Labor Day: not valid Sat, Sun or Holidays Between 9 am and 5 pm)			

Vehicle and Foot Passengers

Under 6 years of age	Free	Free	Free
Children, age 6-13	\$3.50	\$4.75	\$4.75
Return Trip Value Fare	\$2.50	\$3.75	\$3.75
14 Years of age and older	\$7.00	\$9.50	\$9.50
Return Trip Value Fare	\$5.00	\$7.50	\$7.50
Discount Book of Six (6) Adult Tickets		\$42.00	\$42.00

***Note: Return Trip Value Fares must be purchased with initial Sailing**

Bus Passengers

Under 6 years of age	Free	Free	Free
Children, age 6-13	\$1.50	\$2.50	\$2.50
14 Years of age and older	\$3.00	\$5.00	\$5.00

Ferry Terminal Shuttle Fares

Under 6 years of age	Free	Free	Free
6 Years of age and older	\$3.00	\$3.00	\$3.00

Reservation Fees & Discounts

Internet Reservation Fee Discount	\$2.00	\$2.00	\$2.00
Non-Refundable Reservation Cancellation Fee	\$5.00	\$5.00	\$5.00

Other Vehicles & Driver

20' to under 25'	\$32.00	\$39.00	\$47.00
25' to under 35'	\$40.00	\$47.00	\$57.00
35' to under 45'	\$47.00	\$54.00	\$65.00
45' to under 60'	\$58.00	\$66.00	\$80.00
More than 60'	\$80.00	\$88.00	\$107.00

***Peak Fares:** Memorial Day to Labor Day between 9:30 am and 7:30 pm, Fri, Sat, Sun and Holidays

Ticket Expiration: Purchased ferry tickets expire two years after purchase date

REQUIRED SUPPLEMENTARY INFORMATION

DELAWARE RIVER AND BAY AUTHORITY
Fiduciary Fund
Pension Trust Fund
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Market Value of Assets</u>	<u>Present Value of Accrued Benefits</u>	<u>Funding Progress</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Percentage of Covered Payroll</u>
1/1/2001	\$53,582,540	\$46,055,280	\$7,527,260	116.3%	\$20,263,720	100.0%
1/1/2002	56,338,510	49,986,866	\$6,351,644	112.7%	21,920,799	100.0%
1/1/2003	52,376,226	58,559,634	(\$6,183,408)	89.4%	23,126,442	100.0%
1/1/2004	57,051,336	61,515,132	(\$4,463,796)	92.7%	19,596,929	100.0%
1/1/2005	58,984,201	63,283,149	(\$4,298,948)	93.2%	20,778,374	100.0%
1/1/2006	62,437,338	69,671,370	(\$7,234,032)	89.6%	22,106,492	100.0%

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DELAWARE RIVER AND BAY AUTHORITY

Fiduciary Fund

Pension Trust Fund

Schedule of Employer Contributions

<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
2002	\$ 3,137,167	100%
2003	3,454,844	100
2004	3,565,080	100
2005	3,741,569	100
2006	4,273,545	100
2007	4,982,362	100

DELAWARE RIVER AND BAY AUTHORITY

Notes to Required Supplementary Information
For the Year Ended December 31, 2007

Note 1: INTRODUCTION

The accompanying schedules related to the Pension Trust fund administered by the Authority are presented as required by GASB statement no. 25.

Note 2: BASIS OF ACCOUNTING

The accompanying schedules are presented using the accrual basis of accounting. This basis of accounting is described in Note 1 to the Authority's financial statements.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Authority's financial statements.

Note 4: SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER CONTRIBUTIONS

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

	Defined Benefit <u>Plan</u>
Valuation Date	1/01/2006
Actuarial Cost Method	Entry Age
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	4%

OTHER SUPPLEMENTARY SCHEDULES

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Combining Schedule of Net Assets

As of December 31, 2007

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	Restricted							
	Totals	Revenue	Airport	General	Reserve Maintenance	Construction Funds	Debt Service Funds	Debt Service Reserve Funds
ASSETS								
Current Assets:								
Unrestricted Assets:								
Cash and Cash Equivalents	\$ 3,807,578	\$ 2,855,872	\$ 46,255	\$ 905,451				
Investments	80,872,317	11,685,758	3,081,398	66,105,161				
Operating Revenues Receivable Net of Allowance for Uncollected Tolls	3,945,212	3,778,345	166,867					
Accrued Investment Income Receivable	435,235			435,235				
Note Receivable	3,898,971			3,898,971				
Other Accounts Receivable	300,914	118,525		182,389				
Federal Grants Receivable	2,369,031		2,369,031					
Inventory	5,010,250	4,949,373	60,877					
Interfunds Receivable	38,739,526			38,739,526				
Prepaid Expenses	474,840	363,663	86,031	25,146				
Total Unrestricted Assets	139,853,873	23,751,536	5,810,459	110,291,878	---	---	---	---
Restricted Assets:								
Cash and Cash Equivalents	12,103				\$ 12,103			
Investments	59,571,292				\$ 4,013,344	\$ 14,518,998	\$ 14,561,545	\$ 26,477,405
Accrued Investment Income Receivable	406,509				36,359	106,116		264,035
Interfunds Receivable	78,084,180			214,287		74,819,880		3,050,013
Total Restricted Assets	138,074,085	---	---	214,287	4,049,703	89,457,097	14,561,545	29,791,453
Total Current Assets	277,927,958	23,751,536	5,810,459	110,506,166	4,049,703	89,457,097	14,561,545	29,791,453
Noncurrent Assets:								
Property, Plant and Equipment:								
Completed (Net of Accumulated Depreciation)	415,243,456		91,820,450	323,423,006				
Construction in Progress	56,598,828		23,064,162	33,534,666				
Total Property, Plant and Equipment	471,842,284	---	114,884,612	356,957,672	---	-	---	---
Other Assets:								
Unamortized Debt Issue Costs	3,893,651	---	---	2,619,797	---	1,273,854	---	---
Total Noncurrent Assets	475,735,935	-	114,884,612	359,577,469	---	1,273,854	---	---
Total Assets	753,663,894	23,751,536	120,695,071	470,083,635	4,049,703	90,730,951	14,561,545	29,791,453

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund
Combining Schedule of Net Assets
As of December 31, 2007

LIABILITIES

Current Liabilities Payable
from Unrestricted Assets:

	Totals	Revenue	Airport	General	Reserve Maintenance	Construction Funds	Debt Service Funds	Debt Service Reserve Funds
\$	4,086,159	\$ 2,009,412	\$ 278,839	\$ 1,797,908				
Accounts Payable	585,620	540,303	45,317					
Accrued Wages Payable	430,467	430,467						
Electronic Toll Liability	5,019,681	409,478						
Unearned Revenue	1,247,221	500,591		746,630				\$ 4,610,203
Liability for Unpaid Health Claims	1,390,202	1,145,929	242,250	2,023				
Customer and Security Deposits	534,778			534,778				
Compensated Absences								
Interfunds Payable	38,739,526	18,715,356	20,024,170					

Total Current Liabilities Payable
from Unrestricted Assets

	52,033,654	23,751,536	20,590,576	3,081,339	---	---	---	4,610,203
--	------------	------------	------------	-----------	-----	-----	-----	-----------

Current Liabilities Payable from
Restricted Assets:

	1,600,273					\$ 1,600,273		
Accounts Payable	78,084,180			77,869,893	\$ 49,702		164,585	
Interfunds Payable	7,070,946			13,987			7,056,960	
Interest Payable	33,502			33,502				
Loans Payable								
Revenue Bonds Payable	7,340,000						7,340,000	

Total Current Liabilities Payable
from Restricted Assets

	94,128,902	---	---	77,917,382	49,702	1,600,273	14,561,545	---
--	------------	-----	-----	------------	--------	-----------	------------	-----

Total Current Liabilities

	146,162,556	23,751,536	20,590,576	80,998,721	49,702	1,600,273	14,561,545	4,610,203
--	-------------	------------	------------	------------	--------	-----------	------------	-----------

Long Term Liabilities:

Compensated Absences	5,506,305			5,506,305				
Loans Payable	1,166,498			1,166,498				
Revenue Bonds Payable	307,881,528			223,481,405		84,400,123		

Total Long Term Liabilities

	314,554,331	---	---	230,154,208	---	84,400,123	---	---
--	-------------	-----	-----	-------------	-----	------------	-----	-----

Total Liabilities

	460,716,887	23,751,536	20,590,576	311,152,929	49,702	86,000,396	14,561,545	4,610,203
--	-------------	------------	------------	-------------	--------	------------	------------	-----------

NET ASSETS

Invested in Capital Assets,
Net of Related Debt

Restricted:

Trust Agreement Covenants

Unrestricted

	159,314,407		114,884,612	44,429,795				
	33,911,805		(14,780,116)	114,500,910	4,000,000	4,730,555		25,181,250
	99,720,794							

Total Net Assets

	292,947,006	---	100,104,496	158,930,705	\$ 4,000,000	\$ 4,730,555	---	\$ 25,181,250
--	-------------	-----	-------------	-------------	--------------	--------------	-----	---------------

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2007

	Unrestricted			Restricted			
	Total	Combined Revenue Funds	Airport	General	Reserve Maintenance	Construction Funds	Debt Service Reserve Funds
Operating Revenues:							
Bridge Tolls	\$ 73,525,058	\$ 73,525,058					
Ferry Tolls	13,555,341	13,555,341					
Food and Novelty Sales	4,404,875	4,404,875					
Airport Lease Revenue	5,837,345		\$ 5,837,345				
Other Operating Revenue	3,625,589	1,771,858	941,201	\$ 912,530			
Operating Expenses:							
Administrative and General:							
Wages and Benefits	(7,160,957)	(6,802,739)		(358,218)			
Other Expenses	(10,171,324)	(7,794,700)		(2,376,624)			
Operations:							
Wages and Benefits	(37,837,764)	(35,015,435)	(2,822,329)				
Other Expenses	(15,297,497)	(13,045,392)	(2,252,105)				
Depreciation Expense	(20,179,522)	(16,194,862)	(3,629,973)	(354,687)			
Operating Income (Loss)	10,301,145	14,404,004	(1,925,860)	(2,176,999)	---	---	---
Non-operating Income (Expenses):							
Investment Income	7,542,228	554,247	84,584	3,773,286	\$ 317,786	\$ 1,288,131	\$ 1,218,937
Investment Fees	(431,091)	(101,420)		(210,177)	(12,218)	(47,733)	(36,718)
Interest on Debt	(14,842,098)			61,778		121,089	(15,024,966)
Amortization of Debt Issue Costs	(289,078)			(217,058)		(72,020)	
Write Off Construction in Progress	(822,965)			(541,784)		(281,182)	
Gain on Sale of Fixed Assets	750,160			750,160			
Net Non-Operating Income (Expense)	(8,092,845)	452,827	84,584	3,616,205	305,568	1,008,285	1,182,219
Net Income (Loss) before Transfers and Contributions	2,208,300	14,856,831	(1,841,276)	1,439,206	305,568	1,008,285	1,182,219
Capital Contributions	9,635,835			9,635,835			
Transfers		(14,856,831)		1,602,085	(305,568)		(1,182,219)
Increase (Decrease) in Net Assets	11,844,135	---	(1,841,276)	12,677,126	---	1,008,285	---
Net Assets Jan. 1, as restated	281,102,871	---	101,945,773	146,253,578	4,000,000	3,722,270	25,181,250
Net Assets Dec. 31	\$ 292,947,006	---	\$ 100,104,497	\$ 158,930,704	\$ 4,000,000	\$ 4,730,555	\$ 25,181,250

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund - Revenue Funds
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2007

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	<u>Total</u>	<u>Bridge Revenue Fund</u>	<u>Ferry Revenue Fund</u>	<u>Operations Fund</u>	<u>Three-Forts Ferry Revenue Fund</u>	<u>Concessions Fund</u>
Operating Revenues:						
Bridge Tolls	\$ 73,525,058	\$ 73,525,058				
Ferry Tolls	13,555,341		\$ 13,501,913		\$ 53,428	
Food and Novelty Sales	4,404,875	127,930				\$ 4,276,945
Other Operating Revenue	1,771,858	877,818	890,501			3,539
Operating Expenses:						
Administrative and General:						
Wages and Benefits	(6,802,739)			\$ (6,802,739)		
Other Expenses	(7,794,700)			(7,794,700)		
Operations:						
Wages and Benefits	(35,015,435)	(10,989,317)	(14,694,665)	(6,572,994)	(69,693)	(2,688,766)
Other Expenses	(13,045,392)	(4,706,307)	(6,142,709)	(168,512)	(68,492)	(1,959,372)
Depreciation Expense	(16,194,862)	(7,755,649)	(8,023,375)	(331,114)	(66,051)	(18,673)
Operating Income (Loss)	14,404,004	51,079,533	(14,468,335)	(21,670,059)	(150,808)	(386,327)
Non-operating Income (Expenses):						
Investment Income	554,247	515,976	30,445			7,826
Investment Fees	(101,420)	(101,420)				
Net Non-Operating Income (Expense)	452,827	414,556	30,445	---	---	7,826
Net Income (Loss) before Transfers	14,856,831	51,494,089	(14,437,890)	(21,670,059)	(150,808)	(378,501)
Transfers	\$ (14,856,831)	\$ (51,494,089)	\$ 14,437,890	\$ 21,670,059	\$ 150,808	\$ 378,501

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund - Revenue Funds
Schedule of Other Operating Revenues
For the Year Ended December 31, 2007

	<u>Total</u>	<u>Bridge Revenue Fund</u>	<u>Ferry Revenue Fund</u>	<u>Three-Forts Ferry Revenue Fund</u>	<u>Concessions Fund</u>	<u>Airport Fund</u>	<u>General Fund</u>
Over/(Short)	\$ (14,953)	\$ (14,320)	\$ 876		\$ (1,509)		\$ 778,407
Property Leases	778,407						39,226
Common Area Maintenance	39,226						5,141
E-Z Pass Transponder Sales	5,141	5,141					143,056
E-Z Pass Account Adjustments	143,056	143,056					163,288
Electronic Toll Collection Violation	163,288	163,288					(490,636)
Credit Card Discount/Fees	(490,636)	(102,484)	(365,919)		(19,442)	(2,791)	
Insurance Claims	54,590	46,622	7,968				
Vending Commissions	3,521	1,699				1,822	
Income from Unused Tolls	607,036	546,087	60,949				
Vehicle Rental	477	477					
Bus & Trolley Fares	201,376		201,376				
Golf & Carousel Fares	4,192		4,192				
Reservation Fees	857,050		857,050				
Landing Fees	159,366					159,366	
Ramp Fees	19,813					19,813	
Fuel Sales & Fees	716,424					716,424	
Room Rental	16,618				16,618		
Binocular Fees	3,306						
Amusement Sales	89,696		3,306				
Ticket Sales Adjustments	(10,864)		89,696				
Interest on Economic Development Loans	29,685		(10,864)				29,685
ATM Fees	5,402	1,562					3,840
Police Grants	53,920						53,920
Miscellaneous Income	190,453	86,690	41,871		7,872	46,568	7,452
	\$ 3,625,590	\$ 877,818	\$ 890,501	\$ -	\$ 3,539	\$ 941,201	\$ 912,530

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Functional Operating Expenses

For the Year Ended December 31, 2007

	<u>Actual</u>
Delaware Memorial Bridge:	
Wages	\$ 5,494,780
Benefits	5,494,537
Administrative	15,707
Professional services	38,237
Office supplies	27,599
Operating supplies	800,532
Facility/equipment maintenance	157,350
Uniforms and safety	78,027
Non-recurring	7,519
Utilities	1,164,437
Electronic Toll Expenses	2,416,899
Depreciation	7,755,649
	<hr/>
	23,451,273
	<hr/>
Cape May - Lewes Ferry:	
Wages	8,899,743
Benefits	5,794,922
Administrative	37,049
Professional services	23,526
Advertising	502,122
Office supplies	57,933
Operating supplies	727,839
Facility/equipment maintenance	468,819
Uniforms and safety	59,090
Vessel operations	2,899,239
Utilities	1,367,092
Depreciation	8,023,375
	<hr/>
	28,860,749
	<hr/>
Administration:	
Wages	4,602,520
Benefits	2,200,219
Administration	1,024,734
Education and training	299,966
Professional services	807,013
Office supplies	395,209
Computer supplies	507,154
Facility/equipment maintenance	589,535
Uniforms and safety	10,550
Insurance	4,049,852
Utilities	110,687
Depreciation	234,612
	<hr/>
	14,832,051
	<hr/>

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Functional Operating Expenses

For the Year Ended December 31, 2007

	<u>Actual</u>
Authority Police:	
Wages	\$ 4,187,119
Benefits	2,385,875
Administrative	23,887
Office supplies	8,391
Operating supplies	73,770
Uniforms and safety	62,464
Depreciation	96,502
	<hr/>
	6,838,008
	<hr/>
Concessions:	
Wages	1,764,559
Benefits	924,207
Administration	6,047
Office supplies	6,977
Operating supplies	1,757,838
Facility/equipment maintenance	47,560
Uniforms and safety	22,931
Insurance	118,019
Depreciation	18,673
	<hr/>
	4,666,811
	<hr/>
Three Forts Ferry:	
Wages	65,052
Benefits	4,641
Professional services	45,548
Operating supplies	3,206
Facility/equipment maintenance	1,602
Vessel operations	260
Insurance	16,700
Utilities	1,176
Depreciation	66,051
	<hr/>
	204,236
	<hr/>

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Functional Operating Expenses

For the Year Ended December 31, 2007

	<u>Actual</u>
Airports Division:	
Wages	\$ 1,910,621
Benefits	911,708
Administration	9,176
Professional services	305,238
Advertising	122,144
Office supplies	17,733
Operating supplies	425,225
Facility/equipment maintenance	448,266
Uniforms and safety	5,688
Insurance	306,527
Utilities	612,108
Depreciation	<u>3,629,973</u>
	<u>8,704,407</u>
General Fund:	
Severance Payout	358,218
Professional Services	370
Insurance	669,816
Miscellaneous Projects	280,287
Economic Development	1,426,151
Depreciation	<u>354,687</u>
	<u>3,089,529</u>
Total Operating Expenses - Exhibit B	<u><u>\$ 90,647,064</u></u>

DELAWARE RIVER AND BAY AUTHORITY

Statement of Accumulated Plan Benefits

Fiduciary Fund

Pension Trust Fund

As of January 1, 2006

Actuarial Present Value of Accumulated Plan Benefits

Active Participants	\$30,622,705
Vested Participants Not Yet Receiving Payments	5,234,744
Participants Currently Receiving Payments	<u>33,813,921</u>
Total Actuarial Present Value of Accumulated Plan Benefits	<u><u>\$69,671,370</u></u>

DELAWARE RIVER AND BAY AUTHORITY
Statement of Changes in Accumulated Plan Benefits
Fiduciary Fund
Pension Trust Fund
For the Year Ended January 1, 2006

Accumulated Present Value of Accumulated Plan Benefits at January 1, 2005	<u>\$63,283,149</u>
Increase During Year Attributable to:	
Benefits accumulated and miscellaneous	7,444,481
Interest due to decrease in discount period	4,390,555
Benefits paid	<u>(5,446,815)</u>
Net Increase	<u>6,388,221</u>
Actuarial Present Value of Accumulated Benefits at January 1, 2006	<u><u>\$69,671,370</u></u>

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DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Investments

For the Year Ended December 31, 2007

Face	Description	Coupon Rate	Date of Maturity	Amortized Cost	Fair Market Value	Rating S & P
CORPORATE AND MUNICIPAL OBLIGATIONS						
\$ 1,175,000.00	Alameda CA Public Financing Authority Taxable VRDB	3.270%	12/1/2033	\$ 1,175,000	\$ 1,175,000	AAA
485,000.00	Atlanta GA Development Authority Fed Ctr AL	6.250%	2/1/2009	486,020	485,951	AAA
1,770,000.00	Audora IL Single Family Taxable AL	5.500%	12/1/2044	1,770,000	1,782,691	AAA
1,000,000.00	Austin TX Special Fac Rev Taxable	6.000%	11/15/2011	1,004,610	1,004,840	AAA
1,000,000.00	Baltimore MD Parking Rev Taxable FSA	4.780%	7/1/2009	1,000,000	1,005,420	AAA
245,000.00	Baltimore MD Parking Rev Taxable FSA	4.850%	7/1/2010	244,945	247,460	AAA
160,000.00	CA Statewide Community Development Authority Taxable	5.840%	6/1/2016	165,214	167,894	AAA
200,000.00	Calyon Non-Inversion Note	8.000%	11/7/2008	200,000	200,000	AA-
525,000.00	Camden County NJ Improvement Authority Rev Taxable	5.670%	7/31/2008	525,739	527,363	AAA
565,000.00	Chicago IL O'Hare International Airport Taxable MBIA	3.780%	1/1/2008	565,026	565,000	AAA
800,000.00	Colorado Housing & Finance Authority VRDB	3.300%	11/1/2035	800,000	800,000	AAA
1,453,000.00	Concord Minutemen	Var	1/2/2008	1,473,056	1,423,776	A1P1
325,000.00	Connecticut State Hsg Fin Auth Taxable	6.780%	11/15/2008	330,175	330,964	AAA
425,000.00	Connecticut State Hsg Fin Auth Taxable	5.220%	6/15/2009	425,725	429,526	AAA
1,200,000.00	Dallas TX Set-Up Taxable GO MBIA	5.250%	2/15/2024	1,212,737	1,175,484	AAA
355,000.00	DeKalb County GA Development Authority VA Regl Office	6.200%	3/1/2010	366,350	361,873	AAA
2,220,000.00	Erie County NY Taxable MBIA	5.500%	12/1/2008	2,208,180	2,243,976	AAA
1,515,000.00	Erie County PA GO Taxable FGIC AL	5.250%	9/1/2017	1,515,000	1,516,030	AA
1,200,000.00	Evanston IL Sherman Plaza Project Taxable VRBD	3.260%	12/1/2018	1,200,000	1,200,000	NR
135,000.00	Fulton County GA Dev Auth Rev Taxable	6.020%	11/1/2010	137,593	140,485	AAA
1,480,000.00	General Electric Capital Corp	4.706%	10/6/2010	1,479,270	1,467,346	AAA
2,328,000.00	General Electric Capital Corp Disc Note	Var	1/2/2008	2,312,615	2,308,035	AAA
125,000.00	Groton City CT Go Unlimited Taxable XLCA	5.500%	2/15/2009	125,555	125,918	AAA
900,000.00	Illinois Edl Facs Auth Revs Taxable - Loyola University	7.120%	7/1/2011	847,107	972,693	AAA
100,000.00	Illinois State GO Taxable	2.800%	6/1/2009	96,770	97,876	AA
300,000.00	Indiana Bond Bank Sch Severance Taxable FGIC	3.570%	1/15/2008	300,024	299,910	AAA
2,000,000.00	Jersey City NJ AMBAC Taxable	5.380%	9/1/2016	2,000,000	2,028,760	AAA
790,000.00	Kansas City Development Finance Authority	4.070%	9/1/2008	785,429	788,286	AAA
150,000.00	Lake Geneva WI Taxable GO	5.200%	3/1/2010	150,000	151,329	NR
1,000,000.00	Lehman Brothers Holdings Non-Inversion Note	8.000%	9/5/2016	1,000,000	980,000	A-
225,000.00	Manchesney Park IL GO Taxable	4.950%	12/1/2011	225,000	225,187	A-
725,000.00	Manchesney Park IL GO Taxable	4.650%	12/1/2008	722,974	724,841	A-
200,000.00	Maryland State CDA Residential Revenue Taxable	6.000%	9/1/2037	200,000	197,524	NR
950,000.00	Maryland State CDA Residential Revenue Taxable	6.500%	3/1/2043	950,000	969,494	NR
1,000,000.00	Maryland State Health & Higher Edl Facs Taxable MBIA	5.300%	7/1/2010	1,000,000	1,019,600	AAA
1,000,000.00	Maryland State Stadium Auth Sports Facs Taxable	5.700%	9/15/2012	978,417	1,042,920	AAA
1,185,000.00	Menesha WI Steam Util Rev Taxable	5.700%	9/1/2009	1,185,920	1,195,061	NR
1,238,000.00	Merill Lynch & Co FRN	5.700%	9/9/2009	1,233,860	1,231,711	A+
2,090,000.00	Miami Beach FL Redevel Agy Taxable	6.700%	12/1/2014	2,044,592	2,140,285	AAA
200,000.00	Montgomery County MD Lease Rev Taxable	5.000%	2/15/2011	202,178	202,286	AA+
1,100,000.00	Morgan Stanley Group FRN	4.201%	1/18/2011	1,097,901	1,064,679	AA-
585,000.00	Morristown NJ GO Taxable FSA	5.430%	5/1/2009	585,000	592,634	NR
510,000.00	New Jersey State Turpike Authority Taxable	2.840%	1/1/2008	509,967	510,000	AAA
250,000.00	NY Sales Tax Asset Receivable Taxable FSA	3.600%	10/15/2008	246,747	248,148	AAA
250,000.00	Orange CA Redevel Agy Tax Allocation Taxable MBIA	3.650%	9/1/2008	247,762	248,913	AAA
160,000.00	Oregon State GO Taxable AMBAC	4.910%	6/1/2010	158,606	161,621	NR
345,000.00	Pennsylvania Hsg Fin Agy Taxable	5.050%	10/1/2010	345,000	347,429	AA+
155,000.00	Pennsylvania Hsg Fin Agy Taxable	5.090%	10/1/2011	155,000	156,101	AA+
3,100,000.00	Pennsylvania St Tpk Commn Taxable AMBAC	5.290%	10/15/2009	3,100,000	3,116,709	AAA
4,390,000.00	Riverfront Development Corporation of Delaware VRDB	5.125%	12/1/2017	4,390,000	4,390,000	NR
535,000.00	South Carolina Public Service Authority Utility Rev MBIA	5.000%	1/1/2013	534,756	540,848	AAA
995,000.00	Texas State Vets Housing SPA Dexia Taxable VRDB	3.270%	6/1/2020	995,000	995,000	AA
150,000.00	Trenton NJ School District GO Taxable FGIC	3.800%	4/1/2009	150,049	148,905	NR
3,550,000.00	UBS Finance (DE) Disc Note	Var	1/2/2008	3,538,218	3,532,094	AA1P1
1,335,000.00	Utah Housing SFM VRDB	3.300%	7/1/2028	1,335,000	1,335,000	AAA
275,000.00	West Allis WI Taxable	3.500%	4/1/2009	272,141	271,961	AAA
115,000.00	Wilkes Barre PA GO Taxable	6.350%	3/1/2008	115,219	115,350	AAA
205,000.00	Wisconsin Hsg & Economic Dev Auth Home Ownership T	5.560%	3/1/2008	205,000	205,252	AA
235,000.00	Wisconsin Hsg & Economic Dev Auth Home Ownership T	5.560%	9/1/2008	235,000	236,293	AA
150,000.00	Wisconsin Hsg & Economic Dev Auth Home Ownership T	4.040%	3/1/2009	148,574	148,457	AA
<u>\$ 53,129,000.00</u>				<u>\$ 53,010,021</u>	<u>\$ 53,318,183</u>	

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DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Investments

For the Year Ended December 31, 2007

Face	Description	Coupon Rate	Date of Maturity	Amortized Cost	Fair Market Value	Rating S & P
U.S. GOVERNMENT AGENCIES						
\$ 1,614,600.00	Federal Home Loan	4.424%	1/1/2035	\$ 1,616,879	\$ 1,580,038	AAA
2,564,284.00	Federal Home Loan	5.332%	11/1/2035	2,584,879	2,548,658	AAA
355,378.00	Federal Home Loan	5.748%	5/1/2036	354,430	357,377	AAA
400,000.00	Federal Home Loan Bank	6.050%	5/27/2008	402,020	402,376	AAA
365,000.00	Federal Home Loan Bank	4.000%	6/13/2008	363,366	364,201	AAA
500,000.00	Federal Home Loan Bank	4.450%	12/10/2009	493,253	500,000	AAA
1,000,000.00	Federal Home Loan Bank	4.875%	5/14/2010	1,004,495	1,029,480	AAA
422,808.00	Federal Home Loan Bank	4.780%	1/25/2017	424,340	413,032	AAA
500,000.00	Federal Home Loan Bank Bond	4.100%	3/14/2008	500,084	499,945	AAA
900,000.00	Federal Home Loan Bank Bond	3.350%	12/26/2008	913,102	894,096	AAA
220,000.00	Federal Home Loan Bank Bond	5.100%	3/6/2008	219,983	220,207	AAA
700,000.00	Federal Home Loan Mortgage Corporation	4.000%	9/22/2009	697,174	704,690	AAA
247,531.00	Federal Home Loan Mortgage Corporation	6.000%	3/1/2014	250,269	253,564	AAA
350,000.00	Federal National Mortgage Association	4.200%	11/10/2008	346,918	349,892	AAA
500,000.00	Federal National Mortgage Association	4.750%	3/12/2010	501,250	512,505	AAA
157,788.00	Federal National Mortgage Association	5.500%	12/1/2034	157,788	157,798	AAA
139,046.00	Federal National Mortgage Corporation	5.500%	1/1/2008	139,049	139,035	AAA
2,285.00	Federal National Mortgage Corporation	6.000%	6/1/2008	2,286	2,303	AAA
259,000.00	Federal National Mortgage Corporation	4.040%	3/16/2009	256,369	258,920	AAA
500,000.00	Federal National Mortgage Corporation	4.200%	10/20/2009	496,906	505,305	AAA
627,311.00	Federal National Mortgage Corporation	3.500%	10/1/2010	608,038	614,206	AAA
14,836.00	Federal National Mortgage Corporation	6.000%	4/1/2011	14,871	15,105	AAA
1,053,429.00	Federal National Mortgage Corporation	4.500%	5/1/2015	1,063,030	1,056,392	AAA
303,027.00	Federal National Mortgage Corporation	4.500%	10/1/2018	305,291	298,150	AAA
16,549.00	Federal National Mortgage Corporation	6.000%	3/1/2021	16,843	16,914	AAA
722,243.00	Federal National Mortgage Corporation	6.000%	8/1/2024	711,883	736,462	AAA
180,957.00	Federal National Mortgage Corporation	6.500%	7/1/2029	184,442	187,573	AAA
2,158,544.00	Federal National Mortgage Corporation	5.500%	12/1/2034	2,137,953	2,158,544	AAA
170,778.00	Federal National Mortgage Corporation	5.500%	6/1/2035	170,007	170,485	AAA
1,949,623.00	Federal National Mortgage Corporation	5.163%	10/1/2035	1,980,769	1,957,848	AAA
1,832,029.00	Federal National Mortgage Corporation	5.500%	11/1/2035	1,858,915	1,830,884	AAA
301,854.00	Federal National Mortgage Corporation	5.347%	3/1/2036	295,635	300,109	AAA
437,225.00	Federal National Mortgage Corporation	6.000%	4/1/2036	438,319	444,057	AAA
2,900,662.00	Federal National Mortgage Corporation	5.627%	4/1/2036	2,905,273	2,915,165	AAA
2,040,539.00	Federal National Mortgage Corporation	6.500%	5/1/2036	2,020,659	2,097,611	AAA
1,543,946.00	Federal National Mortgage Corporation	5.500%	6/1/2036	1,560,993	1,542,258	AAA
1,277,404.00	Federal National Mortgage Corporation	6.221%	7/1/2036	1,276,062	1,280,996	AAA
141,428.00	Federal National Mortgage Corporation	5.950%	7/1/2036	142,658	142,709	AAA
325,257.00	Federal National Mortgage Corporation	5.500%	9/1/2036	319,468	324,902	AAA
2,011,577.00	Federal National Mortgage Corporation	6.000%	2/1/2037	2,004,014	2,041,751	AAA
1,516,536.00	Federal National Mortgage Corporation	6.000%	4/1/2037	1,512,295	1,539,284	AAA
563,686.00	Federal National Mortgage Corporation	5.744%	5/1/2037	557,854	562,982	AAA
9,768.00	Government National Mortgage Association	7.000%	1/15/2015	9,762	10,179	AAA
35,601.00	Government National Mortgage Association	4.500%	3/16/2016	36,282	35,689	AAA
70,041.00	Government National Mortgage Association	5.000%	9/20/2017	70,750	70,008	AAA
73,254.00	Government National Mortgage Association	5.000%	12/15/2017	74,700	73,437	AAA
66,079.00	Government National Mortgage Association	4.500%	1/15/2018	66,687	65,047	AAA
457,089.00	Government National Mortgage Association	4.500%	12/15/2018	451,909	449,947	AAA
87,285.00	Government National Mortgage Association	7.000%	12/15/2022	87,992	92,576	AAA
195,000.00	Government National Mortgage Association	4.439%	2/16/2025	191,478	193,387	AAA
316,109.00	Government National Mortgage Association	4.130%	2/16/2027	316,109	313,153	AAA
598,766.00	Government National Mortgage Association	4.747%	4/16/2029	595,784	595,772	AAA
14,785.00	Government National Mortgage Association	4.500%	9/20/2029	15,152	14,710	AAA
1,158,673.00	Government National Mortgage Association	3.137%	11/16/2029	1,192,776	1,138,132	AAA
145,895.00	Government National Mortgage Association	4.000%	3/20/2033	145,523	139,238	AAA
581,620.00	Government National Mortgage Association	4.000%	6/20/2033	588,295	546,420	AAA
2,000,662.00	Government National Mortgage Association	6.500%	4/15/2037	1,974,886	2,059,158	AAA
99,641.00	Government National Mortgage Association	6.500%	8/15/2037	103,181	102,910	AAA
1,971,565.00	Government National Mortgage Association	6.500%	10/15/2037	1,901,298	2,036,257	AAA
199,757.00	Government National Mortgage Association	6.000%	11/15/2037	204,970	204,532	AAA
<u>\$ 41,868,750.00</u>				<u>\$ 41,837,646</u>	<u>\$ 42,068,357</u>	

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DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Investments

For the Year Ended December 31, 2007

Face	Description	Coupon Rate	Date of Maturity	Amortized Cost	Fair Market Value	Rating S & P
U.S. GOVERNMENT BONDS AND NOTES						
\$ 10,087,000.00	US Treasury Note	3.375%	2/15/2008	\$ 10,129,555	\$ 10,087,807	AAA
420,000.00	US Treasury Note	3.000%	2/15/2008	\$ 420,217	\$ 419,866	AAA
500,000.00	US Treasury Note	3.125%	9/15/2008	\$ 502,580	\$ 499,140	AAA
500,000.00	US Treasury Note	3.375%	12/15/2008	\$ 507,978	\$ 500,155	AAA
900,000.00	US Treasury Note	4.500%	3/31/2009	\$ 904,080	\$ 915,048	AAA
500,000.00	US Treasury Note	4.000%	6/15/2009	\$ 507,259	\$ 506,480	AAA
3,500,000.00	US Treasury Note	5.000%	2/15/2011	\$ 3,302,072	\$ 3,696,070	AAA
970,000.00	US Treasury Note	4.250%	11/15/2013	\$ 991,184	\$ 1,005,696	AAA
600,000.00	US Treasury Note	7.250%	5/15/2016	\$ 600,000	\$ 737,814	AAA
250,000.00	US Treasury Note	4.500%	5/15/2017	\$ 261,042	\$ 259,121	AAA
<u>\$ 18,227,000.00</u>				<u>\$ 18,125,967</u>	<u>\$ 18,627,197</u>	
MONEY MARKETS						
\$ 626,989.00	Goldman Sachs Financial	Var		\$ 626,989	\$ 626,989	NR
2,000,000.00	Goldman Sachs Group Inc	Var		1,998,557	1,940,560	AA-
45,773.00	Treasury Trust Fund - Blackrock Liquidity Funds	Var		45,773	45,773	NR
13,166,616.00	Wilmington Prime Money Market Port. - Service	Var		13,166,616	13,166,616	AAA
211,481.00	Wilmington Trust Cash Management Fund	Var		211,481	211,481	AAA
3,081,398.18	PNC BlackRock Liquidity Fund	Var		3,081,398	3,081,398	NR
7,357,054.00	Wilmington US Government Portfolio - Service	Var		7,357,054	7,357,054	AAA
<u>\$ 26,489,311.18</u>				<u>\$ 26,487,868</u>	<u>\$ 26,429,872</u>	
<u>\$ 139,714,061.18</u>				<u>\$ 139,461,502</u>	<u>\$ 140,443,609</u>	

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Delaware Memorial Bridge

Schedule of Monthly Traffic by Toll Classification
For the Year Ended December 31, 2007

Toll Class

	1	2	3	4	5	6	7	8	9	10	11	12	13	16	Total Traffic
January	880,271	23,431	11,499	11,076	145,876	2,516	216	426	97,648	112,195	3,672	4,044	282	875	1,294,027
February	774,147	21,536	10,614	10,143	135,251	2,437	302	181	86,546	97,998	3,571	3,897	538	937	1,148,098
March	919,307	25,488	14,352	12,745	159,602	2,688	274	490	99,435	114,328	5,152	5,182	511	1,056	1,360,610
April	1,031,642	25,070	14,822	11,791	150,372	2,890	213	452	93,173	109,607	5,320	5,517	314	1,127	1,452,310
May	1,081,396	27,943	15,696	13,847	167,129	3,012	190	452	98,073	114,862	7,894	6,789	343	923	1,538,549
June	1,137,289	28,364	15,021	13,795	162,144	3,144	206	503	92,921	110,377	7,333	6,615	278	1,134	1,579,124
July	1,286,903	27,528	14,892	14,264	154,706	2,994	156	597	89,958	106,795	8,995	7,388	283	1,051	1,716,510
August	1,350,973	29,103	15,132	14,562	160,948	3,169	200	658	94,934	110,942	9,129	7,248	331	986	1,798,315
September	1,053,810	26,058	13,728	13,872	143,644	2,849	212	717	89,108	104,949	6,844	6,606	335	960	1,463,692
October	990,793	27,138	14,006	13,753	160,200	2,786	280	758	102,765	116,517	6,459	6,153	379	1,011	1,442,998
November	1,034,942	24,582	13,638	11,492	145,018	2,614	212	403	92,022	108,789	5,014	5,192	453	1,045	1,445,416
December	1,013,426	22,532	12,922	11,003	137,404	2,621	207	416	87,108	107,202	4,002	4,124	406	859	1,404,232
Twelve months ended December 31, 2007	12,554,899	308,773	166,322	152,343	1,822,294	33,720	2,668	6,053	1,123,691	1,314,561	73,385	68,755	4,453	11,964	17,643,881
Average per month	1,046,242	25,731	13,860	12,695	151,858	2,810	222	504	93,641	109,547	6,115	5,730	371	997	1,470,323
Average per day	34,397	846	456	417	4,993	92	7	17	3,079	3,602	201	188	12	33	48,339

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Delaware Memorial Bridge

Schedule of Monthly Traffic and Revenue

For the Year Ended December 31, 2007

	Total Traffic	Calculated Gross Revenue	Uncollected Tolls	Calculated Net Revenue	Allowance for Uncollectible Tolls	Net Revenue
January	1,294,027	\$ 5,498,427	\$ (23,583)	\$ 5,474,844	\$ (8,288)	\$ 5,466,556
February	1,148,098	4,964,348	(22,420)	4,941,928	(7,968)	4,933,960
March	1,360,610	5,905,104	(27,416)	5,877,688	(9,296)	5,868,392
April	1,452,310	6,086,088	(27,803)	6,058,285	(8,820)	6,049,465
May	1,538,549	6,566,119	(30,118)	6,536,001	(10,456)	6,525,545
June	1,579,124	6,646,685	(28,231)	6,618,454	(9,649)	6,608,805
July	1,716,510	6,987,315	(30,465)	6,956,850	(10,333)	6,946,517
August	1,798,315	7,302,717	(30,110)	7,272,607	(10,406)	7,262,201
September	1,463,692	6,084,151	(27,677)	6,056,474	(9,718)	6,046,756
October	1,442,998	6,171,254	(28,958)	6,142,296	(10,126)	6,132,170
November	1,445,416	5,988,356	(27,111)	5,961,245	(9,521)	5,951,724
December	1,404,232	5,768,637	(26,371)	5,742,266	(9,299)	5,732,967
Twelve months ended December 31, 2007	<u>17,643,881</u>	<u>\$ 73,969,201</u>	<u>\$ (330,263)</u>	<u>\$ 73,638,938</u>	<u>\$ (113,880)</u>	<u>\$ 73,525,058</u>
Average per month	<u>1,470,323</u>	<u>\$ 6,164,100</u>	<u>\$ (27,522)</u>	<u>\$ 6,136,578</u>	<u>\$ (9,490)</u>	<u>\$ 6,127,088</u>
Average per day	<u>48,339</u>	<u>\$ 202,655</u>	<u>\$ (905)</u>	<u>\$ 201,751</u>	<u>\$ (312)</u>	<u>\$ 201,439</u>

Average toll per vehicle: \$73,525,059 divided by 17,643,881 = \$4.17

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Cape May - Lewes Ferry

Schedule of Traffic by Toll Classifications
For the Year Ended December 31, 2007

REVENUE	Passengers	Bus Passengers	Vehicle Total	1	4	5	6	7	9	10	11	12	Calculated Revenue
January	23,039	224	11,208	10,776	119	109	71	77	29	25		2	\$ 321,087
February	20,132		9,691	9,394	79	88	47	55	22	5		1	276,370
March	31,187	359	14,878	14,289	171	154	97	83	37	46		1	431,535
April	52,189	401	21,977	20,770	230	279	152	196	61	288		1	853,381
May	71,958	976	30,501	27,889	329	460	311	316	78	1,118			1,199,392
June	109,668	1,330	39,775	37,015	393	512	353	374	89	1,039			1,677,822
July	171,755	579	53,653	50,250	537	667	446	425	57	1,270		1	2,414,541
August	190,029	1,434	57,607	54,386	507	682	444	413	42	1,133			2,632,668
September	111,559	1,714	41,718	37,011	349	428	356	347	81	3,146			1,727,788
October	62,262	341	26,545	25,064	266	286	251	244	56	377		1	1,037,883
November	41,578	104	18,422	17,633	187	199	131	106	27	138		1	548,148
December	28,708	39	12,968	12,628	106	86	69	55	17	7			381,297
Twelve months ended December 31, 2007	914,064	7,501	338,943	317,105	3,273	3,950	2,728	2,691	596	8,592	---	8	\$ 13,501,918
Average per month	76,172	625	28,245	26,425	273	329	227	224	50	716	---	---	\$ 1,125,165
Average per day	2,504	21	929	869	9	11	7	7	2	24	---	---	\$ 36,992
NON-REVENUE*													
January	1,020		165										
February	981		160										
March	1,274		147										
April	2,848		150										
May	3,783		223										
June	7,640		272										
July	15,437		250										
August	15,975		196										
September	5,692		250										
October	2,527		251										
November	2,173		238										
December	1,499		195										
Totals	60,849		2,497										

* Includes children under 6 years of age

DELAWARE RIVER & BAY AUTHORITY

Proprietary Fund

Cape May - Lewes Ferry

Schedule of Monthly Traffic and Revenue

For the Year Ended December 31, 2007

REVENUE	<u>Passengers</u>	<u>Bus Passengers</u>	<u>Vehicle Total</u>	<u>Calculated Revenue</u>
January	23,039	224	11,208	\$ 321,087
February	20,132	-	9,691	276,370
March	31,187	359	14,878	431,535
April	52,189	401	21,977	853,381
May	71,958	976	30,501	1,199,394
June	109,668	1,330	39,775	1,677,822
July	171,755	579	53,653	2,414,541
August	190,029	1,434	57,607	2,632,666
September	111,559	1,714	41,718	1,727,788
October	62,262	341	26,545	1,037,885
November	41,578	104	18,422	548,148
December	28,708	39	12,968	381,297
Twelve months ended December 31, 2007	<u>914,064</u>	<u>7,501</u>	<u>338,943</u>	<u>\$ 13,501,914</u>
Average per month	<u>76,172</u>	<u>625</u>	<u>28,245</u>	<u>\$ 1,125,160</u>
Average per day	<u>2,504</u>	<u>21</u>	<u>929</u>	<u>\$ 36,992</u>
NON-REVENUE*				
January	1,020		165	
February	981		160	
March	1,274		147	
April	2,848		150	
May	3,783		223	
June	7,640		272	
July	15,437		250	
August	15,975		196	
September	5,692		250	
October	2,527		251	
November	2,173		238	
December	1,499		195	
Totals	<u>60,849</u>		<u>2,497</u>	

* Includes children under 6 years of age

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Three Forts Ferry

Schedule of Traffic by Toll Classifications

For the Year Ended December 31, 2007

Leaving Delaware City

	<u>Traffic</u>	<u>Revenue</u>
Adult	9,722	\$ 28,315
Child	3,751	6,804
School Groups	4,228	3,728
Cruise/Special Events	782	5,185
Non-Revenue	<u>187</u>	<u></u>
Total Leaving Delaware City	<u>18,670</u>	<u>\$ 44,032</u>

Leaving Fort Mott

	<u>Traffic</u>	<u>Revenue</u>
Adult	2,543	\$ 7,388
Child	975	1,725
School Groups	324	283
Non-Revenue	<u>7</u>	<u></u>
Total Leaving Fort Mott	<u>3,849</u>	<u>\$ 9,396</u>
Total	<u>22,519</u>	<u>\$ 53,428</u>

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Delaware Memorial Bridge

Schedule of Historical Toll Rates

For the Period October 1, 1992 to December 31, 2007

<u>Class No.</u>	<u>Description</u>	<u>Number of Axles</u>	<u>After 9/30/01</u>	<u>After 4/30/00</u>	<u>After 6/30/95</u>	<u>After 12/31/92</u>	<u>After 9/30/92*</u>
1	PASSENGER CARS- (all types) Includes-Light delivery trucks-2 tons Hearses (except in funeral procession)	2	\$3.00	\$3.00	\$2.00	\$2.00	\$1.50
	Book of 20 Accommodation Tickets***			60.00	40.00	40.00	30.00
	Tokens** Roll of 40 Tokens-Includes: 4 tire types passenger cars, vans, pickups				20.00	20.00	20.00
2	TWO AXLE TRUCKS Includes-all types with reg. Wt. over 2 tons, buses, tractors	2	6.00	6.00	5.00	5.00	3.00
	Book of 20 Accommodation Tickets***			120.00	100.00	100.00	60.00
3	THREE AXLE TRUCKS Includes-Tractors or combination tractors & trailers, buses (3 axle)	3	9.00	9.00	7.50	7.50	4.50
	Book of 20 Accommodation Tickets***			180.00	150.00	150.00	90.00
4	FOUR AXLE TRUCKS Includes-Tractors or combination tractors & trailers	4	12.00	12.00	10.00	10.00	6.00
	Book of 20 Accommodation Tickets***			240.00	200.00	200.00	120.00
5	FIVE AXLES TRUCKS & TRUCK COMBINATION	5	15.00	15.00	12.50	12.50	7.50
	Book of 20 Accommodation Tickets***			300.00	250.00	250.00	150.00
6	SIX AXLES TRUCKS & TRUCK COMBINATION	6	18.00	18.00	15.00	15.00	9.00
	Book of 20 Accommodations*** (Class 10 through 8/30/94)			360.00	300.00	300.00	180.00
7	VEHICLES REQUIRING SPECIAL PERMIT Includes-Contractors' equip. & mach. Vehicles exceed 1 or more limit of DE/NJ	N/A	40.00	40.00	25.00	25.00	15.00
8	SPECIALS (OVER 6 AXLES)		3.00	3.00	2.50	2.50	N/A
9	COMMUTER TICKETS (25 tickets after 12/31/92)	2		0.75	0.75	0.75	0.75
	Book of 50 Accommodations*** (Good for 1 calendar month only) Issued to Passenger Cars only			18.75	18.75	18.75	37.50

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Delaware Memorial Bridge

Schedule of Historical Toll Rates

For the Period October 1, 1992 to December 31, 2007

<u>Class No.</u>	<u>Description</u>	<u>Number of Axles</u>	<u>After 9/30/01</u>	<u>After 4/30/00</u>	<u>After 6/30/95</u>	<u>After 12/31/92</u>	<u>After 9/30/92*</u>
9	COMMUTATION PLAN Provides 25 Trips good for a 30-day cycle period. (\$18.75 per cycle) Issued to account holders of 4 Tire-2 Axle Types	2	\$0.75				
10	DISCOUNT TICKETS*** (20 tickets after 6/30/95) (Good for 6 calendar months only) Issued to Passenger Cars only	2		\$1.00	\$1.00		
				\$20.00	\$20.00		
10	FREQUENT TRAVELER PLAN Provides 20 Trips good for a 90-day cycle period. (\$20.00 per cycle) Issued to account holders of 4 Tire-2 Axle Types	2	\$1.00				
11	PASSENGER CARS Includes-Passenger Cars w/ 1axle trailer	3	\$4.50	\$4.50	\$3.25	\$3.25	\$2.50
12	PASSENGER CARS Includes-Passenger Cars w/ 2 axle trailer	4	\$6.00	\$6.00	\$4.50	\$4.50	\$3.00
13	PASSENGER CARS Includes-Passenger Cars w/ 3 axle trailer	5	\$7.50	\$7.50	\$5.75	\$5.75	
14	SENIOR CITIZENS-WITH TICKET ONLY** Restrictions Apply	2		\$1.00	\$1.00	\$1.00	\$0.50
	Book of 20 Accommodation Tickets (all 4 tired type passenger cars, vans, & pickups)				\$20.00	\$20.00	\$10.00
16	NON-REVENUE VEHICLES Includes-Bridge maintenance, ambulance, fire and police vehicles	Var.					

* Conversion to one-way toll

** Discontinued when class 10 discount tickets were implemented

*** Discontinued after Electronic Tolls were implemented, July 2001

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund
Cape May - Lewes Ferry
Schedule of Historical Toll Rates
For the Period January 1, 1997 To December 31, 2007

Class No.	Description	After 4/1/06		After 5/27/05		After 3/31/02		After 12/31/97		to 12/31/1997
		Off Season**	Peak Season***	Off Season**	Peak Season***	Off Season**	Peak Season***	Off Season**	Peak Season***	
1	Passenger Car , station wagon, carry all, pickup, panel, self-contained camper w/ 2 axles and 4 tires (overall length 20' including driver) Return Trip Value Fare ****	\$23.00	\$29.00	\$20.00	\$25.00	\$20.00	\$25.00	\$18.00	\$20.00	\$18.00
4	20' to 25'	\$19.00	\$24.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	25' to 35'	\$27.00	\$34.00	\$24.00	\$29.00	\$24.00	\$29.00	\$22.00	\$24.00	\$22.00
6	35' to 45'	\$42.00	\$49.00	\$31.00	\$36.00	\$31.00	\$36.00	\$29.00	\$31.00	\$29.00
7	45' to 60'	\$53.00	\$61.00	\$37.00	\$42.00	\$37.00	\$42.00	\$35.00	\$37.00	\$35.00
9	Over 60'	\$75.00	\$83.00	\$66.00	\$71.00	\$66.00	\$71.00	\$47.00	\$47.00	\$45.00
10	Motorbike or Motorcycle (includes driver with sidecar or trailer)	\$18.00	\$24.00	\$17.00	\$22.00	\$17.00	\$22.00	\$15.00	\$17.00	\$15.00
10	Return Trip Value Fare	N/A	N/A	\$18.00	\$23.00	\$18.00	\$23.00	N/A	N/A	N/A
11	Bicycle (ridden or hand carried) (including passenger)	Free	Free	\$6.00	\$8.00	\$6.00	\$8.00	\$5.00	\$7.00	\$5.00
12	Over Width Vehicles (all vehicles exceeding limitation of DE/NU)	*	*	*	*	*	*	*	*	*
	Foot Passengers & Vehicle Pass. (not driver, after 12th b-day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$4.50
	Foot Passengers & Vehicle Pass. (not driver, after 14th b-day)	\$7.00	\$9.50	\$6.00	\$8.00	N/A	N/A	N/A	N/A	N/A
	Return Trip Value Fare	\$5.00	\$7.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Foot Passengers & Vehicle Pass. (not driver, after 6th b-day)	N/A	N/A	N/A	N/A	\$6.00	\$8.00	\$4.50	\$6.50	N/A
	Foot Passengers & Vehicle Pass. (after 6th and before 12th b-day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2.25
	Foot Passengers & Vehicle Pass. (after 6th and before 14th b-day)	\$3.50	\$4.75	\$3.00	\$4.00	N/A	N/A	N/A	N/A	N/A
	Return Trip Value Fare	\$2.50	\$3.75	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Foot Passengers & Vehicle Pass. (before 6th b-day)	Free	Free	Free	Free	Free	Free	Free	\$2.00	Free
	Foot Passengers (round trip/same day) (not driver, after 6th b-day)	N/A	N/A	N/A	N/A	\$10.00	\$15.00	\$8.50	\$12.50	\$8.50
	Foot Passengers (round trip/same day) (after 6th and before 14th b-day)	N/A	N/A	\$5.00	\$7.50	N/A	N/A	N/A	N/A	N/A
	Foot Passengers (round trip/same day) (not driver, after 14th b-day)	N/A	N/A	\$10.00	\$15.00	N/A	N/A	N/A	N/A	N/A
	Bus Passengers (not driver)	N/A	N/A	\$5.00	\$7.00	\$5.00	\$7.00	\$4.00	\$6.00	\$4.00
	Bus Passengers (not driver, after 14th b-day)	\$4.00	\$6.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Bus Passengers (after 6th and before 14th b-day)	\$2.00	\$3.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Bus Passengers (before 6th b-day)	Free	Free	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Special Group Rates Round trip (50 or more & Seniors) Round trip (100 or more)	\$9.50 \$8.00	\$14.50 \$13.00	\$8.00 \$10.00	\$8.00 \$10.00	\$8.00 \$10.00	\$8.00 \$10.00	\$8.00 \$6.50	\$10.00 \$8.50	\$8.00 \$6.50

* Double rate of length
** Off Season rates effective Jan 1 - March 31 and Nov 1 - Dec 31
*** Peak Season rates effective April 1 - Oct 31
**** Return trip value fares must be purchased with initial sailing.

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Three Forts Ferry

Schedule of Historical Toll Rates

For the Period June 30 to December 31, 2007

<u>Passenger</u>	<u>After 6-30-07</u>	<u>After 4-1-97</u>
Adult	\$ 10.00	\$ 6.00
Children (ages 2 - 12)	6.00	4.00
Special Evening Cruise	10.00	10.00

DELAWARE RIVER AND BAY AUTHORITY

Schedule of Insurance Coverage
For the Year Ended December 31, 2007

Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	WC249208869		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Delaware Workers' Compensation:	Occupational Injury Employers' Liability	Statutory \$ 1,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	WC249208869		
Policy Term:	1/1/07 - 1/1/08		
Coverage/Limits:	NJ Workers' Compensation	Occupational Injury Employers' Liability	Statutory \$ 1,000,000
Insurance Company:	National Union Fire Insurance Company of Hartford		
Policy Number:	BUAC266522098		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Business Automobile - Fleet:	Comprehensive Liability	\$ 1,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	BUAC2057118842		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Primary Business Automotive - Buses & Motorcycles:	Liability	\$ 5,000,000
Insurance Company:	Continental Insurance Company		
Policy Number:	CCPC302049491		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Public Liability		\$ 1,000,000
Insurance Company:	ACE American Insurance Company		
Policy Number:	PHFD37042419		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Foreign Workers' Compensation, Auto and Public Liability		\$ 5,000,000
Insurance Company:	Insurance Company of the State of Pennsylvania		
Policy Number:	7235123		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Primary Umbrella Excess Liability		\$ 5,000,000
Insurance Company:	Crum and Forester Specialty Insurance Company		
Policy Number:	XSO017000		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Second Layer Excess Umbrella Liability		\$ 10,000,000
Insurance Company:	Catlin Insurance Company (UK), Ltd.		
Policy Number:	EXC8018		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Third Layer Excess Umbrella Liability		\$ 10,000,000
Insurance Company:	AXIS Specialty Insurance Company		
Policy Number:	EAU706027/01/2007		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Fourth Layer Excess Umbrella Liability		\$ 25,000,000
Insurance Company:	Continental Casualty Company		
Policy Number:	RMP2088637664		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Commercial Account Package:	Blanket over Buildings and Contents	\$ 250,667,426

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Schedule of Insurance Coverage
For the Year Ended December 31, 2007

Insurance Company:	Hartford Fire Insurance Company		
Policy Number:	44FA022743007		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Commercial Crime:	Primary and Excess	\$ 1,000,000
Insurance Company:	Underwriters at Lloyd's		
Policy Number:	MAHHY0600067		
Policy Term:	1/31/07 - 1/31/08		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue		\$ 334,443,000
Insurance Company:	Lloyd's		
Policy Number:	MAHHY0600666		
Policy Term:	1/31/07 - 1/31/08		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue (Primary Terrorism)		\$ 334,443,000
Insurance Company:	The United Kingdom Mutual Steam Ship Assurance Association		
Policy Number:	MAHHQ0600007		
Policy Term:	2/20/07 - 2/20/08		
Coverage/ Limits:	Protection and Indemnity		\$ 5,500,000,000
Insurance Company:	New York Marine and General Insurance Company		
Policy Number:	MM027688ML507		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Contingent Primary Charterer's Legal Liability		\$ 1,000,000
Insurance Company:	Lloyd's and Scheduled Companies		
Policy Number:	MAHHY0600428		
Policy Term:	7/1/07 - 7/1/08		
Coverage/ Limits:	Vessel Hull and Machinery		Various
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	966-01-36		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Public Officials and Employment Practices Liability		\$ 7,000,000
Insurance Company:	AIG Life Insurance Company		
Policy Number:	GTP9052960A		
Policy Term:	1/1/05 - 1/1/08		
Coverage/ Limits:	Group Travel Accident		\$ 250,000
Insurance Company:	Great American Insurance Company		
Policy Number:	KR584-27-28-212		
Policy Term:	1/1/06 - 1/1/08		
Coverage/ Limits:	Special Contingent		\$ 10,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	AV339475307		
Policy Term:	6/30/07 - 6/30/08		
Coverage/ Limits:	Helicopter Liability		\$ 50,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	AE338750607		
Policy Term:	6/30/07 - 6/30/08		
Coverage/ Limits:	Primary Airport Liability		\$ 50,000,000

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Schedule of Insurance Coverage
For the Year Ended December 31, 2007

Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA		
Policy Number:	AX185591503		
Policy Term:	6/30/07 - 6/30/07		
Coverage/ Limits:	Excess Airport Liability	\$	50,000,000
Insurance Company:	U.S. Underwriters Insurance Company		
Policy Number:	CL3043387F		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Liquor Liability	\$	1,000,000
Insurance Company:	Federal Insurance Company		
Policy Number:	81531326		
Policy Term:	12/31/06 - 12/31/07		
Coverage/ Limits:	Public Entity Fiduciary Liability	\$	10,000,000
Insurance Company:	Columbia Casualty Company		
Policy Number:	LEO223457783		
Policy Term:	1/1/07 - 1/1/08		
Coverage/ Limits:	Law Enforcement Liability	\$	1,000,000

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

Schedules

Financial Trends

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

20 to 29

Debt Capacity

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

30 to 31

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

32 to 35

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant year. The Authority implemented GASB Statement 34 in Fiscal Year 2003; schedules presenting government wide information include information beginning with that fiscal year.

DELAWARE RIVER AND BAY AUTHORITY

Net Assets
Last Five Fiscal Years

	Fiscal Year				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Invested in Capital Assets, Net of Related Debt	\$ 159,314,405	\$ 167,286,079	\$ 172,540,587	\$ 163,878,735	\$ 169,602,797
Restricted	33,911,805	32,903,520	32,036,520	32,170,771	31,650,480
Unrestricted	99,720,796	80,913,272	74,601,928	71,881,008	58,085,111
Total Net Assets	<u>\$ 292,947,006</u>	<u>\$ 281,102,871</u>	<u>\$ 279,179,035</u>	<u>\$ 267,930,514</u>	<u>\$ 259,338,388</u>

Note: The Authority implemented accounting principles generally accepted in the United States of America including the new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis, in their annual financial report for the year ended December 31, 2003. Prior to January 1, 2003, the Authority's accounts were maintained in accordance with practices based on the provisions of the Trust Agreement dated October 1, 1993 between the Authority and Wilmington Trust Company.

DELAWARE RIVER AND BAY AUTHORITY

Change in Net Assets
Last Five Fiscal Years

	Fiscal Year				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Operating Revenues:					
Bridge Tolls	\$ 73,525,058	\$ 73,031,619	\$ 72,348,723	\$ 71,868,471	\$ 69,228,180
Ferry Tolls	13,555,342	13,778,387	12,723,114	13,063,913	13,355,948
Food and Novelty Sales	4,404,874	4,137,079	4,185,985	3,917,391	4,122,219
Airport Lease Revenue	5,837,345	5,363,724	4,898,749	5,062,799	5,090,423
Other Operating Revenue	3,625,730	3,544,050	3,122,164	3,437,091	2,784,719
Total Operating Revenue	<u>100,948,349</u>	<u>99,854,859</u>	<u>97,278,735</u>	<u>97,349,665</u>	<u>94,581,489</u>
Operating Expenses:					
Administrative and General					
Wages	7,107,897	5,108,181	4,774,236	4,169,110	4,968,078
Benefits	2,200,219	1,999,716	1,802,235	1,705,203	1,607,818
Other Expenses	10,171,324	12,915,924	10,034,100	9,955,248	8,252,790
Operations:					
Wages	22,321,874	22,515,138	21,471,595	21,459,564	22,338,371
Benefits	13,368,871	13,838,526	12,353,251	11,731,539	11,112,748
Other Expenses	15,297,497	16,648,022	14,184,485	14,549,857	12,788,751
Depreciation	20,179,522	18,684,272	16,602,820	16,506,024	23,360,410
Total Operating Expenses	<u>90,647,204</u>	<u>91,709,779</u>	<u>81,222,722</u>	<u>80,076,545</u>	<u>84,428,966</u>
Operating Income (Loss)	<u>10,301,145</u>	<u>8,145,080</u>	<u>16,056,013</u>	<u>17,273,120</u>	<u>10,152,523</u>
Nonoperating Revenue (Expenses):					
Investment Income	7,542,228	6,179,702	4,285,404	2,965,178	3,390,363
Investment Fees	(431,091)	(460,384)	(480,836)	(258,016)	(186,835)
Interest on Bonds	(14,842,098)	(14,921,709)	(15,451,686)	(15,931,209)	(16,217,959)
Amortization of Bond Issue Costs	(289,078)	(328,184)	(432,224)	(228,513)	(175,953)
Expense Construction in Progress	(822,965)	(1,568,448)	(580,179)	(2,517,888)	-
Miscellaneous Income	-	-	-	7,344	218,574
Sale of Fixed Assets	750,160	88,544	102,291	177,126	761,181
Interest Rebate Expense	-	(2,485,404)	-	-	-
Net Non Operating Income	<u>(8,092,845)</u>	<u>(13,495,882)</u>	<u>(12,557,230)</u>	<u>(15,785,978)</u>	<u>(12,210,629)</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>2,208,300</u>	<u>(5,350,802)</u>	<u>3,498,783</u>	<u>1,487,142</u>	<u>(2,058,106)</u>
Capital Contributions:					
Grant Income	9,569,724	7,850,160	7,749,738	7,104,984	4,108,124
Capital Contributions	66,111	624,478	-	-	-
Total Capital Contributions	<u>9,635,835</u>	<u>8,474,638</u>	<u>7,749,738</u>	<u>7,104,984</u>	<u>4,108,124</u>
Change in Net Assets	<u>\$ 11,844,135</u>	<u>\$ 3,123,836</u>	<u>\$ 11,248,521</u>	<u>\$ 8,592,126</u>	<u>\$ 2,050,018</u>

Note: The Authority implemented accounting principles generally accepted in the United States of America including the new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis, in their annual financial report for the year ended December 31, 2003. Prior to January 1, 2003, the Authority's accounts were maintained in accordance with practices based on the provisions of the Trust Agreement dated October 1, 1993 between the Authority and Wilmington Trust Company.

32200

Schedule 22

DELAWARE RIVER AND BAY AUTHORITY

Change in Net Assets
Pension Trust Fund
Last Five Fiscal Years

	Fiscal Year				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Additions					
Member Contributions	\$ 690,238	\$ 694,206	\$ 650,706	\$ 657,701	\$ 658,503
Employer Contributions	5,038,045	6,688,088	3,760,147	3,576,084	3,518,396
Investment Income (Net of Expense)	3,443,948	5,820,203	2,449,050	4,071,620	7,034,661
Total Additions to Plan Net Assets	9,172,231	13,202,497	6,859,903	8,305,405	11,211,560
Deductions					
Benefit Payment	7,485,316	6,093,878	5,446,391	5,791,807	6,230,842
Refunds	297,131	319,823	228,517	291,814	455,730
Administrative Expenses	23,050	23,050	24,250	24,250	22,045
Other Expenses					
Total Deductions from Plan Assets	7,805,497	6,436,751	5,699,158	6,107,871	6,708,617
Change in Net Assets	\$ 1,366,734	\$ 6,765,746	\$ 1,160,745	\$ 2,197,534	\$ 4,502,943

DELAWARE RIVER AND BAY AUTHORITY
 Delaware Memorial Bridge Tolls by Classification
 Last Ten Fiscal Years

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001 (2)	2000 (1)	1999	1998
Delaware Memorial Bridge										
Class 1 - Passenger Cars	\$37,572,672	\$37,750,076	\$37,496,001	\$37,629,843	\$36,580,395	\$36,260,561	\$33,094,142	\$28,640,792	\$21,586,064	\$21,538,194
Class 2 - Two Axel Trucks	1,843,644	1,915,980	1,969,644	2,020,944	1,972,578	2,032,626	2,132,478	2,076,909	1,794,400	1,735,875
Class 3 - Three Axel Trucks	1,485,828	1,495,602	1,519,479	1,476,522	1,397,889	1,390,482	1,507,716	1,453,980	1,257,323	1,200,578
Class 4 - Four Axel Trucks	1,819,476	1,759,728	1,798,488	1,791,828	1,714,452	1,793,280	1,645,440	1,612,358	1,433,930	1,392,430
Class 5 - Five Axel Trucks & Truck Combinations	27,139,155	26,530,920	25,985,010	25,198,605	23,793,555	23,703,045	22,607,553	21,452,240	18,676,525	17,582,500
Class 6 - Six Axel Trucks & Truck Combinations	602,388	479,196	495,558	552,528	677,268	399,996	307,494	229,833	218,775	201,765
Class 7 - Vehicles Requiring Special Permits	106,720	117,320	121,240	114,360	83,320	80,280	86,120	79,150	63,175	59,025
Class 8 - Special(Over Six Axels)	141,144	121,821	115,521	176,778	229,908	81,312	12,843	13,059	9,623	8,598
Class 9 - Commutation Plan	842,768	847,396	853,654	854,533	842,222	877,900	704,805	650,696	645,647	641,789
Class 10 - Frequent Traveler Plan	1,314,555	1,350,179	1,327,018	1,358,553	1,369,507	1,396,148	2,083,936	2,412,242	2,081,936	1,979,591
Class 11 - Passenger Cars w/ 1 Axel Trailer	328,163	335,858	348,534	352,229	322,601	300,704	281,052	255,471	196,758	194,116
Class 12 - Passenger Cars w/ 2 Axel Trailer	410,670	412,242	414,444	425,850	398,988	341,004	311,088	277,517	218,898	210,168
Class 13 - Passenger Cars w/ 3 Axel Trailer	31,755	24,600	25,838	41,033	47,460	29,228	16,088	5,115	4,060	3,893
Class 14 - Senior Citizens (3)	0	0	0	0	1	0	15	15	18	51
Class 15 - Tokens (3)	0	0	0	0	0	1	1,752	2,612	4,039	7,613
Net Revenue	73,638,938	73,140,917	72,470,428	71,993,605	69,430,144	68,686,566	64,792,522	59,161,988	48,191,169	46,756,185
Allowance - Uncollected Tolls	(113,879)	(109,299)	(121,705)	(125,134)	(201,963)	(220,770)	0	0	0	0
Total Bridge Tolls	\$73,525,058	\$73,031,619	\$72,348,723	\$71,868,471	\$69,228,181	\$68,465,796	\$64,792,522	\$59,161,988	\$48,191,169	\$46,756,185

(1) Toll increase effective 4/30/2000

(2) DRBA began the use of Electronic Tolls (E-Zpass) effective 7/18/2001

(3) Discontinued use of all tickets (including senior citizens) and token with the implementation of E-ZPass

DELAWARE RIVER AND BAY AUTHORITY
Cape May-Lewes Ferry/Three Forts Ferry Tolls by Classification
Last Ten Fiscal Years

	Fiscal Year									
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Cape May - Lewes Ferry										
Passengers	\$5,922,713	\$6,067,617	\$5,740,774	\$6,013,991	\$6,205,639	\$6,829,304	\$6,331,396	\$5,021,372	\$5,133,152	\$5,314,920
Bus Passengers	42,086	38,189	43,964	59,581	63,949	82,724	72,335	56,556	68,340	79,202
Class 1 - Passenger Car	6,830,396	6,924,879	6,216,681	6,281,962	6,412,152	6,898,517	5,622,181	5,034,779	5,035,274	5,151,668
Class 4 - 20' to 25'	91,920	90,806	70,857	64,200	49,898	50,436	45,460	39,708	39,358	41,633
Class 5 - 25' to 35'	143,673	141,285	131,577	128,340	128,126	133,629	119,585	113,999	115,738	121,986
Class 6 - 35' to 45'	118,491	119,101	109,633	108,958	104,633	108,602	98,634	90,067	92,385	86,620
Class 7 - 45' to 55'	149,034	150,843	126,123	113,498	108,963	109,147	94,760	91,692	98,861	171,882
Class 9 - Over 65'	45,730	38,614	38,852	52,787	78,150	78,970	87,045	82,765	80,028	8,449
Class 10 - Motorbike or Motorcycle	156,899	129,486	116,780	110,255	82,319	93,189	65,862	42,798	44,321	40,341
Class 11 - Bicycle	0	120	19,858	10,458	9,686	11,804	9,484	1,998	2,079	3,030
Class 12 - Over Width Vehicles	973	128	275	388	1,040	307	86	494	257	820
Peak Period Surcharge (1)	0	0	0	0	0	0	0	1,698,172	1,593,192	1,685,863
Total Cape May - Lewes Ferry:	\$13,501,913	\$13,701,066	\$12,615,372	\$12,944,416	\$13,244,553	\$14,396,627	\$12,546,825	\$12,274,398	\$12,302,980	\$12,706,412
Three Forts Ferry (2)										
Adult	\$35,703	\$44,394	\$67,020	\$75,222	\$70,104	\$96,210	\$94,734	\$91,584	\$79,578	\$106,230
Child	8,529	10,836	17,308	20,804	17,968	23,996	25,244	26,868	25,168	29,772
School Groups	4,011	18,900	17,832	21,456	20,068	23,488	23,468	21,326	20,000	20,428
Cruise/Special Events	5,185	3,191	5,582	2,015	2,972	23,436	27,886	17,484	23,194	8,313
Total Three Forts Ferry:	\$53,428	\$77,321	\$107,742	\$119,497	\$111,112	\$167,130	\$171,332	\$157,262	\$147,940	\$164,743
Total Ferry Tolls	\$13,555,342	\$13,778,387	\$12,723,114	\$13,063,913	\$13,355,665	\$14,563,758	\$12,718,157	\$12,431,660	\$12,450,920	\$12,871,155

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

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

DELAWARE RIVER AND BAY AUTHORITY
 Delaware Memorial Bridge Traffic by Classification
 Last Ten Fiscal Years

	Fiscal Year									
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Delaware Memorial Bridge										
Class 1 - Passenger Cars	12,554,899	12,615,946	12,530,542	12,582,105	12,256,304	12,149,635	11,063,981	10,583,212	10,793,032	10,769,097
Class 2 - Two Axel Trucks	308,773	320,844	330,077	338,687	332,732	343,102	357,384	364,853	358,880	347,175
Class 3 - Three Axel Trucks	166,322	167,370	170,362	166,723	158,938	157,867	169,129	170,240	167,643	160,077
Class 4 - Four Axel Trucks	152,343	147,290	150,756	150,072	144,596	151,680	138,106	141,908	143,393	139,243
Class 5 - Five Axel Trucks & Truck Combinations	1,822,294	1,780,752	1,746,467	1,693,932	1,607,780	1,601,311	1,516,553	1,514,090	1,494,122	1,406,600
Class 6 - Six Axel Trucks & Truck Combinations	33,720	26,801	27,739	30,865	37,966	22,527	17,278	13,512	14,585	13,451
Class 7 - Vehicles Requiring Special Permits	2,668	2,933	3,033	2,859	2,083	2,007	2,153	2,281	2,527	2,361
Class 8 - Special(Over Six Axels)	6,053	5,867	5,616	8,498	11,146	3,965	603	599	502	453
Class 9 - Commutation Plan	1,123,691	1,129,861	1,138,205	1,139,377	1,122,963	1,170,533	939,740	867,595	860,862	855,719
Class 10 - Frequent Traveler Plan	1,314,561	1,350,179	1,327,018	1,358,553	1,369,507	1,396,148	2,083,936	2,413,447	2,081,936	1,979,591
Class 11 - Passenger Cars w/ 1 Axel Trailer	73,395	74,988	77,904	79,118	73,105	67,403	62,679	60,643	60,541	59,728
Class 12 - Passenger Cars w/ 2 Axel Trailer	68,755	68,894	69,510	71,409	66,994	57,112	51,982	49,554	48,644	46,704
Class 13 - Passenger Cars w/ 3 Axel Trailer	4,453	3,402	3,639	5,892	7,134	4,415	2,526	730	706	677
Class 14 - Senior Citizens (With Token Only)	0	0	0	0	0	0	15	15	18	51
Class 15 - Tokens	0	0	0	0	0	0	1,751	2,612	4,039	7,613
Class 16 - Non Revenue	11,964	12,367	12,542	12,948	24,202	16,922	9,031	7,293	8,195	9,345
Total Bridge Traffic	<u>17,643,881</u>	<u>17,707,494</u>	<u>17,593,410</u>	<u>17,641,038</u>	<u>17,215,450</u>	<u>17,144,627</u>	<u>16,416,847</u>	<u>16,192,584</u>	<u>16,039,625</u>	<u>15,797,885</u>

DELAWARE RIVER AND BAY AUTHORITY
Cape May-Lewes Ferry/Three Forts Ferry Traffic by Classification
Last Ten Fiscal Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Cape May - Lewes Ferry										
Passengers	914,064	931,389	952,141	944,472	970,332	1,078,175	1,201,964	1,130,514	1,157,191	1,201,277
Bus Passengers	7,501	6,560	6,420	8,685	9,317	12,133	12,720	14,139	17,085	19,853
Class 1 - Passenger Car	317,105	328,343	336,501	335,243	340,084	371,771	381,181	376,761	376,121	384,117
Class 4 - 20' to 25'	3,273	3,273	3,016	2,741	2,134	2,168	2,397	2,269	2,249	2,379
Class 5 - 25' to 35'	3,950	3,943	4,288	4,190	4,177	4,396	4,585	4,653	4,724	4,979
Class 6 - 35' to 45'	2,728	2,771	2,983	2,965	2,845	2,970	3,075	2,953	3,029	2,840
Class 7 - 45' to 55'	2,691	2,758	2,699	2,433	2,331	2,347	2,252	2,264	2,441	4,244
Class 8 - 55' to 65'	0	0	0	0	0	0	0	0	0	0
Class 9 - Over 65'	596	522	598	811	1,200	1,224	1,435	1,391	1,345	142
Class 10 - Motorbike or Motorcycle	8,592	6,959	6,756	6,370	4,794	5,390	5,376	4,076	4,221	3,842
Class 11 - Bicycle	0	20	2,557	3,052	2,817	3,446	3,959	3,995	4,157	6,059
Class 12 - Over Width Vehicles	8	1	2	4	8	3	1	4	3	8
CMLF Non-Revenue Passengers	60,849	63,219	67,435	67,245	70,401	78,967	22,263	87,986	78,705	77,047
CMLF Non-Revenue Vehicles	2,497	2,618	2,607	2,222	2,060	2,650	3,823	3,422	2,808	4,825
Total Cape May-Lewes Ferry Traffic:	1,323,854	1,352,376	1,388,003	1,380,433	1,412,500	1,565,640	1,645,031	1,634,427	1,654,079	1,711,612
Three Forts Ferry										
Adult	12,265	7,399	11,170	12,537	11,684	16,035	15,789	15,264	13,263	18,070
Child	4,726	2,709	4,327	5,201	4,492	11,871	12,178	6,717	11,281	12,550
School Groups	4,552	3,780	4,458	5,364	5,017	0	0	0	0	0
Cruise/Special Events	782	1,110	1,256	424	1,655	2,683	2,827	7,461	1,392	1,526
Three Forts Non-Revenue	194	725	931	1,600	999	0	0	0	0	0
Total Three Forts Ferry Traffic:	22,519	15,723	22,142	25,126	23,847	30,589	30,794	29,442	25,936	32,146
Total Ferry Traffic:	1,346,373	1,368,099	1,410,145	1,405,559	1,436,347	1,596,229	1,675,825	1,663,869	1,680,015	1,743,758

DELAWARE RIVER AND BAY AUTHORITY

Delaware Memorial Bridge Toll Rates

Last Ten Fiscal Years

	Fiscal Year									
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Delaware Memorial Bridge										
Class 1 - Passenger Cars	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Class 2 - Two Axel Trucks	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Class 3 - Three Axel Trucks	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	7.50	7.50
Class 4 - Four Axel Trucks	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	10.00	10.00
Class 5 - Five Axel Trucks & Truck Combinations	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	12.50	12.50
Class 6 - Six Axel Trucks & Truck Combinations	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	15.00	15.00
Class 7 - Vehicles Requiring Special Permits	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	25.00	25.00
Class 8 - Special(Over Six Axels)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50
Class 9 - Commuter Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	0.75	0.75	0.75	0.75
Class 9 - Commutation Plan	0.75	0.75	0.75	0.75	0.75	0.75	0.75	N/A	N/A	N/A
Class 10 - Discount Tickets (1)	N/A	N/A	N/A	N/A	N/A	N/A	1.00	1.00	1.00	1.00
Class 10 - Frequent Traveler Plan	1.00	1.00	1.00	1.00	1.00	1.00	1.00	N/A	N/A	N/A
Class 11 - Passenger Cars w/ 1 Axel Trailer	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.25	3.25
Class 12 - Passenger Cars w/ 2 Axel Trailer	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	4.50	4.50
Class 13 - Passenger Cars w/ 3 Axel Trailer	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	5.75	5.75
Class 14 - Senior Citizens (With Token Only)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.00	1.00	1.00

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

DELAWARE RIVER AND BAY AUTHORITY
Cape May-Lewes Ferry/Three Forts Ferry Toll Rates
Last Ten Fiscal Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Fiscal Year										
Cape May - Lewes Ferry										
Foot/Vehicle Passenger (under 6yrs)	Free	Free	Free	Free	Free	Free	2	2	2	2
Foot/Vehicle Passenger (6yrs & over)	2.50-9.50	2.50-9.50	6-8	6-8	6-8	6-8	4.50-6.50	4.50-6.50	4.50-6.50	4.50-6.50
Foot Passengers(round trip)	N/A	6-17	10-15	10-15	10-15	10-15	8.50-12.50	8.50-12.50	8.50-12.50	8.50-12.50
Bus Passengers	2-6	2-6	5-7	5-7	5-7	5-7	4-6	4-6	4-6	4-6
Class 1 - Passenger Car	19-29	19-29	20-25	20-25	20-25	20-25	18-20	18-20	18-20	18-20
Class 4 - 20' to 25'	27-34	27-34	24-29	24-29	24-29	24-29	22-24	22-24	22-24	22-24
Class 5 - 25' to 35'	35-42	35-42	31-36	31-36	31-36	31-36	29-31	29-31	29-31	11355
Class 6 - 35' to 45'	42-49	42-49	37-42	37-42	37-42	37-42	35-37	35-37	35-37	35-37
Class 7 - 45' to 55'	53-61	53-61	47-52	47-52	47-52	47-52	45-47	45-47	45-47	45-47
Class 9 - Over 65'	75-83	75-83	66-71	66-71	66-71	66-71	64-66	64-66	64-66	64-66
Class 10 - Motorbike or Motorcycle	15-24	15-24	17-22	17-22	17-22	17-22	15-17	15-17	15-17	15-17
Class 10 w/ Side Car or trailer	15-24	15-24	18-23	18-23	18-23	18-23	N/A	N/A	N/A	N/A
Class 11 - Bicycle	Free	Free	6-8	6-8	6-8	6-8	5-7	5-7	5-7	5-7
Class 12 - Over Width Vehicles (1)	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies

Note: Ferry rates based upon Peak Season (April-October) and Off-peak Season (November-March)

(1) Over Width vehicles are charged double rate of length.

Three Forts Ferry

Adult	6-10	6	6	6	6	6	6	6	6	6
Child	4-6	4	4	4	4	4	4	4	4	4
Cruise/Special Events	10	10	10	10	10	10	10	10	10	10

DELAWARE RIVER AND BAY AUTHORITY

Ratio of Outstanding Debt Per Customer
Last Ten Fiscal Years

Fiscal Year	Outstanding Revenue Bonds	Total Annual Debt Service	Total Traffic (1)	Outstanding Debt Per Customer	Debt Service Per Customer
2007	\$ 315,125,000	22,364,966	18,990,254	\$ 16.59	\$ 1.18
2006	322,220,000	22,227,918	19,075,593	16.89	1.17
2005	328,845,000	22,051,686	19,003,555	17.30	1.16
2004	333,660,000	22,360,397	19,046,597	17.52	1.17
2003	343,195,000	23,732,959	18,651,797	18.40	1.27
2002	274,070,000	20,402,598	18,740,856	14.62	1.09
2001	280,950,000	20,742,667	18,092,672	15.53	1.15
2000	287,545,000	17,855,069	17,856,453	16.10	1.00
1999	165,130,000	14,461,465	17,719,640	9.32	0.82
1998	171,215,000	14,460,331	17,541,643	9.76	0.82

(1) Includes combined traffic for the Delaware Memorial Bridge, Cape May - Lewes Ferry and Three Forts Ferry.

DELAWARE RIVER AND BAY AUTHORITY

Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Less: Budgetary Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2007	\$ 99,511,229	\$ 63,755,295	\$ 35,755,934	\$ 7,340,000	\$ 15,024,966	1.60
2006	97,324,442	64,196,500	33,127,942	7,095,000	15,132,918	1.49
2005	93,661,062	60,308,667	33,352,395	6,600,000	15,451,686	1.51
2004	92,444,083	57,379,218	35,064,865	6,345,000	16,015,397	1.57
2003	90,714,565	54,353,579	36,360,986	7,515,000	16,217,959	1.53
2002	94,625,727	53,219,674	41,406,053	7,175,000	13,227,598	2.03
2001	89,535,649	50,779,562	38,756,087	6,880,000	13,862,667	1.87
2000	81,459,878	48,162,903	33,296,975	6,595,000	11,260,069	1.86
1999	71,187,108	45,985,860	25,201,248	6,340,000	8,121,465	1.74
1998	70,610,383	43,435,339	27,175,044	6,085,000	8,375,331	1.88

DELAWARE RIVER AND BAY AUTHORITY

Other Operating Revenues by Source
Last Ten Fiscal Years

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Airports										
New Castle Airport										
Lease Revenues	3,630,836	3,118,445	2,656,667	2,858,242	2,901,598	2,942,883	2,780,717	2,388,905	2,544,505	2,192,132
Fuel Flowage Fees	492,057	489,884	476,895	455,804	516,770	517,917	466,377	491,166	449,796	374,266
Ramp Fees	19,813	9,310	0	0	0	0	0	0	0	0
Landing Fees	139,367	144,218	161,056	143,226	187,531	138,465	138,606	177,958	128,513	106,933
Total New Castle Airport	4,282,073	3,761,837	3,294,618	3,457,272	3,605,899	3,599,265	3,385,700	3,058,029	3,122,814	2,673,331
Cape May Airport (1)										
Lease Revenues	147,247	146,879	155,906	158,414	150,065	159,903	175,839	144,432	10,977	0
Fuel Flowage Fees	5,309	5,289	2,224	0	0	0	0	0	0	0
Aviation Fuel Sales	0	0	26,792	198,069	138,445	48	0	0	0	0
Total Cape May Airport	152,556	152,168	184,922	356,483	288,510	159,951	175,839	144,432	10,977	0
Millville Airport (2)										
Lease Revenues	337,663	308,108	417,445	398,236	409,024	378,930	377,549	317,750	72,449	0
Fuel Flowage Fees	88,212	73,080	49,380	18,051	19,951	28,767	35,427	0	0	0
Total Millville Airport	425,875	381,188	466,825	416,287	428,975	407,697	412,976	317,750	72,449	0
Civil Air Terminal (3)										
Lease Revenues	0	0	0	0	710	2,663	20,662	17,331	6,586	0
Landing Fees	19,999	20,300	18,723	15,454	15,485	14,005	18,945	0	0	0
Total Civil Air Terminal	19,999	20,300	18,723	15,454	16,195	16,668	39,607	17,331	6,586	0
Delaware Air Park (4)										
Lease Revenues	51,430	55,864	63,346	62,606	60,008	60,007	44,547	20,221	0	0
Aviation Fuel Sales	129,339	121,928	93,388	85,512	76,272	84,088	87,891	0	0	0
Aviation Chart Sales	1,507	1,730	1,594	0	0	0	0	0	0	0
Total Delaware Air Park	182,276	179,522	158,328	148,118	136,280	144,095	132,438	20,221	0	0
Total Airports	5,062,779	4,495,015	4,123,416	4,393,614	4,475,859	4,327,676	4,146,560	3,557,763	3,212,826	2,673,331
Concessions										
Food & Beverage	3,013,071	2,794,829	2,817,535	2,580,194	2,691,862	3,106,039	3,184,250	3,192,944	1,858,755	2,385,359
Novelty	1,263,874	1,197,668	1,227,005	1,206,244	1,255,104	1,354,036	1,468,810	1,501,209	1,440,602	1,290,465
Total Concessions	4,276,945	3,992,497	4,044,540	3,786,438	3,946,966	4,460,075	4,653,060	4,694,153	3,299,357	3,675,824

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

DELAWARE RIVER AND BAY AUTHORITY
Operating Statistics
Last Ten Fiscal Years

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Delaware Memorial Bridge										
Total Traffic	17,643,881	17,707,494	17,593,410	17,641,038	17,215,450	17,144,627	16,416,847	16,192,584	16,039,625	15,797,885
Non-Commercial Traffic	15,151,708	15,255,637	15,159,360	15,249,402	14,920,209	14,862,168	14,215,641	13,985,101	13,857,973	13,728,525
Commercial Traffic	2,492,173	2,451,857	2,434,050	2,391,636	2,295,241	2,282,459	2,201,206	2,207,483	2,181,652	2,069,360
Average Daily Traffic	48,339	48,514	48,201	48,332	47,166	46,972	44,978	44,363	43,944	43,282
Average Toll per Customer	\$4.16	\$4.12	\$4.11	\$4.08	\$4.07	\$4.04	\$3.95	\$3.65	\$3.01	\$2.96
E-Z Pass Traffic	10,100,635	9,724,593	9,161,304	8,489,812	7,606,259	7,026,729	2,684,340 (1)	N/A	N/A	N/A
% of E-Z Pass Traffic	57.25%	54.96%	52.11%	48.16%	44.22%	41.03%	30.40%	N/A	N/A	N/A
Cape May - Lewes Ferry										
Total Traffic	1,323,854	1,352,376	1,388,003	1,380,433	1,412,500	1,565,640	1,645,031	1,634,427	1,654,079	1,711,612
Vehicle Traffic	341,440	351,188	359,450	360,031	362,450	396,365	408,084	401,788	401,098	413,435
Passenger Traffic	982,414	1,001,188	1,028,553	1,020,402	1,050,050	1,169,275	1,236,947	1,232,639	1,252,981	1,298,177
Average Daily Traffic-Passengers	2,525	2,570	2,634	2,612	3,684	2,987	3,328	3,136	3,217	3,345
Average Daily Traffic-Vehicles	929	955	978	980	987	1,079	1,108	1,091	1,091	1,119
Average Fare per Customer	\$10.20	\$10.13	\$9.09	\$9.88	\$7.77	\$9.71	\$7.75	\$7.96	\$7.83	\$7.80
Total Vessel Crossings	5,516	5,676	5,828	6,205	6,139	6,340	6,374	6,492	6,548	6,520
Average Daily Trips	15	16	16	17	17	17	17	18	18	18
Three Forts Ferry										
Total Passenger Traffic	22,519	15,723	21,211	25,126	23,847	30,589	30,794	29,442	25,934	32,146

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

DELAWARE RIVER AND BAY AUTHORITY
Operating Statistics
Last Ten Fiscal Years

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Airports										
Number of Landings										
New Castle Airport	72,907	82,239	66,856	54,477	59,123	65,970	60,549	67,338	73,819	72,086
Cape May Airport	17,000	15,000	17,500	10,200	9,500	10,200	10,050	11,400	13,950	N/A
Milville Airport	35,000	30,000	30,000	21,200	19,800	21,200	21,000	23,800	29,100	N/A
Civil Air Terminal	350	436	320	320	394	338	282	466	401	N/A
Delaware Air Park	20,000	17,000	18,000	18,000	18,000	18,000	15,000	16,000	N/A	N/A
Concessions (5)										
Number of Customers Food/Beverage	594,621	603,849	628,636	589,814	603,936	702,985	781,817	734,172	N/A	N/A
Number of Customers Novelty	129,779	129,655	138,417	138,943	146,767	163,071	175,088	189,248	N/A	N/A
Average Purchase Food/Beverage	\$5.07	\$4.48	\$4.48	\$4.37	\$4.46	\$4.42	\$4.07	\$4.35	N/A	N/A
Average Purchase Novelty	\$9.53	\$9.24	\$8.86	\$8.68	\$8.55	\$8.30	\$8.39	\$7.93	N/A	N/A
Police										
Arrests	740	1,138	724	337	213	302	355	159	400	756
Traffic Violations	8,521	8,640	4,968	5,615	2,480	1,128	8,357	3,543	5,591	6,569
Traffic Reprimands	3,553	3,476	5,336	12,685	9,299	9,180	12,602	7,314	9,721	9,104
Accident Investigations	296	295	338	307	297	273	311	318	408	379

- (1) Cape May Airport acquired 6/99
 (2) Milville Airport acquired 10/99
 (3) Civil Air Terminal acquired 8/99
 (4) Delaware Air Park acquired 7/00
 (5) Information not available prior to FY2000.

DELAWARE RIVER AND BAY AUTHORITY
Operating & Capital Expenditures
Last Ten Fiscal Years

	Fiscal Year									
	<u>2007 (1)</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002 (2)</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Delaware Memorial Bridge										
Operating Expenditures	23,451,273	23,616,036	19,699,012	21,424,648	20,566,479	14,167,656	13,829,220	12,536,338	11,009,225	10,318,797
Capital Expenditures	10,045,347	11,318,358	9,491,685	7,659,601	13,088,567	17,915,462	18,766,866	15,608,700	8,751,774	8,268,483
Cape May - Lewes Ferry										
Operating Expenditures	28,860,749	28,840,587	26,672,969	25,695,550	31,769,119	17,827,333	17,851,222	17,459,366	16,321,616	15,944,627
Capital Expenditures	1,820,793	4,268,791	7,401,779	3,435,589	3,742,336	4,170,037	21,289,904	9,166,587	13,928,287	22,332,531
Airports										
Operating Expenditures	8,704,407	7,328,788	6,946,155	7,436,912	6,966,037	4,309,121	4,177,090	3,994,738	3,206,925	2,712,002
Capital Expenditures	1,061,592	9,081,921	14,418,289	9,762,160	13,922,201	21,139,457	19,418,422	38,775,205	7,677,538	3,289,272
Concessions (3)										
Operating Expenditures	4,666,811	4,651,636	4,348,736	4,015,033	3,998,638	4,299,690	4,356,828	4,429,512	4,678,912	4,231,864
Three Forts Crossing										
Operating Expenditures	204,236	206,804	175,548	214,997	171,762	263,646	293,626	289,576	292,565	269,696
Capital Expenditures	1,495	406,972	20,566	-	458,226	7,113	205,371	79,889	44,482	74,874
Police										
Operating Expenditures	6,838,008	6,574,019	5,866,749	5,697,573	5,682,821	5,482,340	5,136,784	5,046,176	4,613,385	4,389,962
Administration										
Operating Expenditures	14,832,051	15,371,088	14,383,334	13,248,804	11,395,887	9,903,379	9,320,873	8,382,215	8,936,425	8,027,460

- (1) Operating expenses for fiscal year 2007, 2006, 2005, 2004 and 2003 are based on GAAP - Generally Accepted Accounting Principles.
 (2) Operating expenses for fiscal year 2002 to fiscal year 1997 are based upon provisions of the Trust Agreement date 10/1/93.
 (3) Capital expenditures for the Concession operations are included within the Cape May - Lewes Ferry.

DELAWARE RIVER AND BAY AUTHORITY
Full-time Authority Employees
Last Ten Fiscal Years

	Full-time Employees as of Dec 31									
	<u>2006</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003 (2)</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Administration	62	71	65	67	65	66	68	65	71	63
Delaware Memorial Bridge	107	111	122	107	126	160	165	155	141	140
Cape May - Lewes Ferry	130	145	142	140	128	156	166	158	157	149
Police	62	61	64	62	66	74	72	79	79	71
Airports	29	38	28	36	34	34	37	33	34	27
Concessions	20	20	25	20	18	25	25	19	16	19
Three Forts Crossing (1)	0	0	0	0	0	0	0	0	0	0
Total	<u>410</u>	<u>446</u>	<u>446</u>	<u>432</u>	<u>437</u>	<u>515</u>	<u>533</u>	<u>509</u>	<u>498</u>	<u>469</u>

(1) Operate Three Forts Crossing with seasonal, temporary employees.

(2) Early Retirement option offered effective September 2003; A total of 68 employees took advantage of the option.

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Chairman and Members of
The Delaware River and Bay Authority
New Castle, Delaware

Compliance

We have audited the compliance of the Delaware River and Bay Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the fiscal year ended December 31, 2007. The Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Delaware River and Bay Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Delaware River and Bay Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Delaware River and Bay Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the Delaware River and Bay Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, on internal control over compliance in accordance with OMB Circular A-133.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management of the Delaware River and Bay Authority, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
April 29, 2008

DELAWARE RIVER AND BAY AUTHORITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Grantor/ Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Match	Grant Period	Dec. 31, 2006			Dec. 31, 2007		
						Deferred Revenue (Accounts Receivable)	Local Match Provided	(Memo) Cash Received	Adjustments	Budgetary Expenditures	Deferred Revenue (Accounts Receivable)
U. S. Department of Transportation Passed - Through New Jersey Department of Transportation:											
Federal Aviation Administration-Airport Improvement Program	20.106	DAHA-07-02-2-2101	459,026	N/A	Open	\$ (16,963)					\$ (16,963)
Federal Aviation Administration-Airport Improvement Program	20.106	NJASP 01-16	360,000	40,000	Open	(648)					(648)
Federal Aviation Administration-Airport Improvement Program	20.106	NJASP 02-09	150,000	16,667	Open	(1,229)					(1,229)
U.S. Department of Transportation Federal Aviation Administration											
Airport Improvement Program	20.106	FA-3-10-0006-017-2002	2,865,400	318,378	Open	(1)	\$		1		
Airport Improvement Program	20.106	FA-3-10-0001-004-2003	310,285	34,476	Open		\$ 3,618.30	\$ 32,566.00	(1)	\$ 36,183.03	
Airport Improvement Program	20.106	FA-3-10-0001-005-2004	1,400,000	73,684	Open		9,874	187,605		197,479	
Airport Improvement Program	20.106	FA-3-10-0006-019-2003	4,000,000	444,444	Open	(9,056)	17,613	167,574	1	176,132	
Airport Improvement Program	20.106	FA-3-10-0006-020-2004	309,524	16,291	Open	(6,829)	4,496	92,251		89,918	
Airport Improvement Program	20.106	FA-3-10-0006-021-2004	2,340,312	123,174	Open	(1)	87,016	1,053,710		1,740,324	(599,598)
Airport Improvement Program	20.106	3-34-0022-15-04	2,519,581	132,610	Open		(6,008)	(114,146)		(120,154)	
Airport Improvement Program	20.106	3-34-0022-16-04	600,000	31,579	Open	(150,000)		150,000			
Airport Improvement Program	20.106	3-34-0022-16-04	680,000	35,789	Open	(520,746)	6,074	636,152		121,480	
Airport Improvement Program	20.106	3-34-0045-16-04	2,162,470	113,814	Open		4,441	82,559		88,829	(1,829)
Airport Improvement Program	20.106	3-34-0045-15-04	446,215	23,485	Open	(1)	950	18,053	(1)	19,002	
Airport Improvement Program	20.106	3-34-0022-18-05	137,000	7,211	Open	(695)		694	1		
Airport Improvement Program	20.106	3-34-0045-19-05	115,999	6,105	Open	(944)		943	1		
Airport Improvement Program	20.106	3-34-0045-21-06	304,442	16,023	Open	(99,337)	10,795	99,337		215,900	(205,105)
Airport Improvement Program	20.106	3-34-022-19-06	150,000	7,895	Open		5,614	4,773		112,284	(101,897)
Airport Improvement Program	20.106	3-34-0022-26-07	1,240,000	32,632	Open		31,511			630,221	(598,710)
Airport Improvement Program	20.106	3-34-0022-20-06	1,462,864	76,993	Open		76,993	883,568		1,539,857	(579,296)
Airport Improvement Program	20.106	3-10-0006-026-2007	2,785,000	146,579	Open		32,068	609,291		641,359	

(Continued)

DELAWARE RIVER AND BAY AUTHORITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Grantor/ Grantor/Program Title U.S. Department of Transportation Federal Aviation Administration (Cont'd)	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Match	Grant Period	Dec. 31, 2006			Dec. 31, 2007		
						Deferred Revenue (Accounts Receivable)	Local Match Provided	(Memo) Cash Received	Adjustments	Budgetary Expenditures	Deferred Revenue (Accounts Receivable)
Airport Improvement Program	20.106	3-34-0045-22-05	\$ 200,000	\$ 10,526	Open	\$ (12,713)	\$ 1,319	\$ 37,773	\$ 1	\$ 26,380	
Airport Improvement Program	20.106	3-10-0006-024-2006	565,696	29,773	Open		14,630	14,209		292,595	(263,756)
Airport Improvement Program	20.106	3-10-0006-025-2006	356,605	18,769	Open		41	783		824	
Airport Improvement Program	20.106	3-10-0001-007-2006	4,013,156	211,219	Open		211,219	4,013,156		4,224,375	
Airport Improvement Program	20.106	3-34-0022-23-05	279,749	14,724	Open	(238)		237	1		
Total Federal Financial Assistance						\$ (819,400)	\$ 512,265	\$ 7,971,088	\$ 4	\$ 10,032,988	\$ (2,369,031)

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards are an integral part of this statement.

DELAWARE RIVER AND BAY AUTHORITY
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Note 1: **GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of the Delaware River and Bay Authority. The Authority is defined in Note 1 to the Authority's Notes to Financial Statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule of expenditures of federal awards.

Note 2: **BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. This basis of accounting is described in Note 1 to the Authority's financial statements.

Note 3: **RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedule agree with amounts reported in the Authority's financial statements.

Note 4: **RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Note 5: **LOCAL MATCH PROVIDED**

Amounts reported in the column entitled "Local Match Provided" represent the local match provided by the Delaware River and Bay Authority as required by the respective grant agreements.

Note 6: **MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs

DELAWARE RIVER AND BAY AUTHORITY

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2007

Section 1- Summary of Auditor's Results**Financial Statements**Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes X noWere reportable conditions identified that were
not considered to be a material weakness? X yes none reportedNoncompliance material to financial statements noted? yes X no**Federal Awards**

Internal control over compliance:

Material weaknesses identified? yes X noWere reportable conditions identified that were not
considered to be material weaknesses? yes X none reportedType of auditor's report on compliance for major programs UnqualifiedAny audit findings disclosed that are required to be reported in
accordance with OMB Circular A-133 (section .510(a)) yes X no

Identification of major programs:

CFDA Numbers**Name of Federal Program**

<u>20.106</u>	<u>Federal Aviation Administration - Airport Improvement</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$300,990Auditee qualified as low-risk auditee? yes X no n/a

DELAWARE RIVER AND BAY AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards

Finding No. 2007-1

Condition:

The Authority does not adequately review grants and agreements with other governmental entities and has not established financial controls to ensure that management, in the normal course of performing their assigned functions, can prevent or detect misstatements on a timely basis.

Criteria:

Management is responsible for establishing and maintaining internal controls in the financial reporting system and for the fair presentation of the financial position, results of operations, cash flows, and disclosures in the financial statements in conformity with the U.S. Generally Accepted Accounting Principles.

Effect:

A lack of internal controls in the areas described above could result in the following: misstated financial statements, and inaccurate disclosures that could go undetected by management and in the normal course of performing their assigned duties.

Cause:

The processes in place do not ensure that grants and joint projects entered into with other government agencies are properly understood or accurately recorded.

Recommendation:

We recommend that an employee with a financial background reviews all grants and joint projects to determine the proper treatment of the transaction and advise on the financial implication of the agreements.

View of Responsible Official:

Management concurs that a finance officer should be engaged in the Authority's economic development program to review the financial terms of all grants and agreements.

DELAWARE RIVER AND BAY AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required by OMB Circular A-133.

None

DELAWARE RIVER AND BAY AUTHORITY
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards and OMB Circular A-133.

None

APPRECIATION

I express my appreciation for the courtesies extended and assistance rendered to me during the course of this audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen E. Ryan". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Stephen E. Ryan
Certified Public Accountant
Registered Municipal Accountant