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**1974
ANNUAL REPORT
DELAWARE RIVER
PORT AUTHORITY**

*COVER: Delaware River
viewed downstream from
Tioga Marine Terminal
to the Benjamin Franklin
Bridge.*



*Delaware River at dawn
with Camden waterfront at right*

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Photos: Carlton Read
Design: Phyllis Altieri



DELAWARE RIVER PORT AUTHORITY
of Pennsylvania and New Jersey

1974 ANNUAL REPORT

Monthly Meeting

Port Authority Commissioners meet the third Wednesday of each month in the board room of the Administration Building, Benjamin Franklin Bridge Plaza, Camden, New Jersey

COMMISSIONERS

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Chairman
Grace M. Sloan
Robert P. Casey
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Executive Director
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Haldane King
Deputy Executive Director
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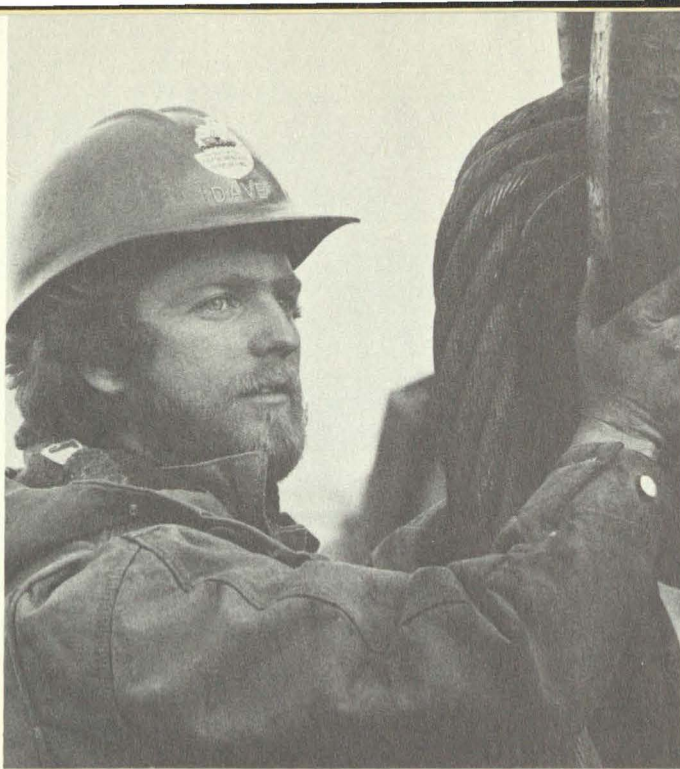
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Victor Wright
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Alexander Feinberg
New Jersey Counsel
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Hardhatted rigger
prepares heavy lift

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THE PORT

The port cities and towns on the Delaware River, comprising the Ports of Philadelphia, registered an impressive 142.6 million tons of waterborne commerce in 1974, ranking the port third in the world.

Such achievement does not occur spontaneously. It results from conscientious effort of many thousands who comprise the port industry.

Port dependent activity provides employment for 250,000 people and contributes \$2 billion to the Delaware Valley's economy.

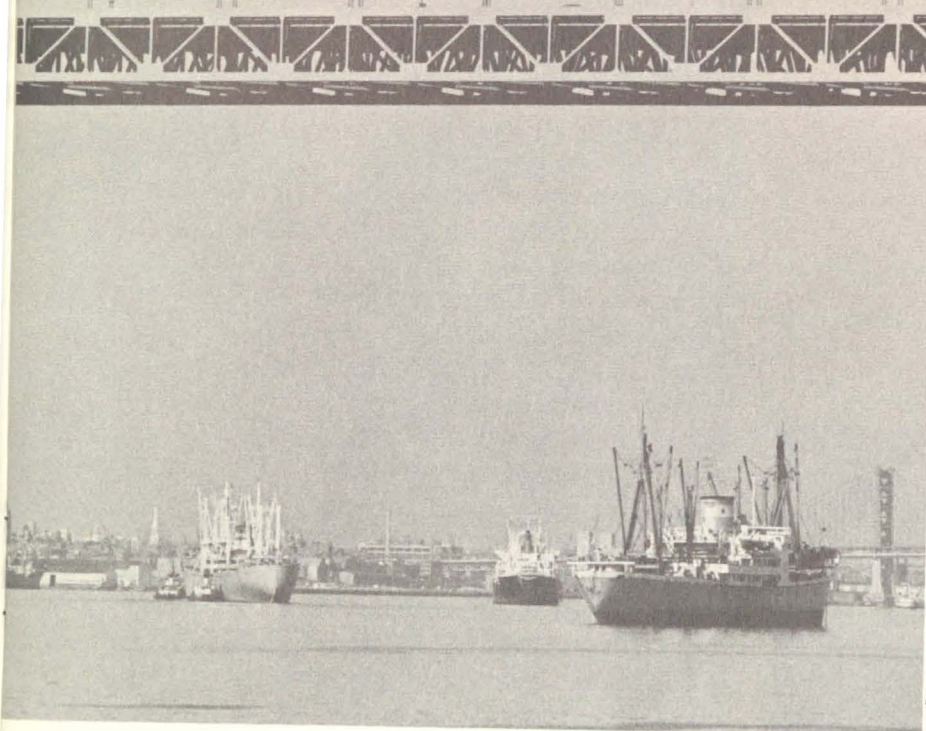
WORLD TRADE

The Authority's World Trade Division, headquartered in Camden and with offices around the globe, is a key moving force and catalyst in the port. It has two distinct responsibilities: to actively solicit port business through its global network of field offices; and to service the port community, particularly in the areas of economic and statistical research and analysis, traffic management, regulatory matters and industrial development.

A review of the Division's accomplishments for a representative month of 1974 indicates the diversity of activities involved. A partial list follows:

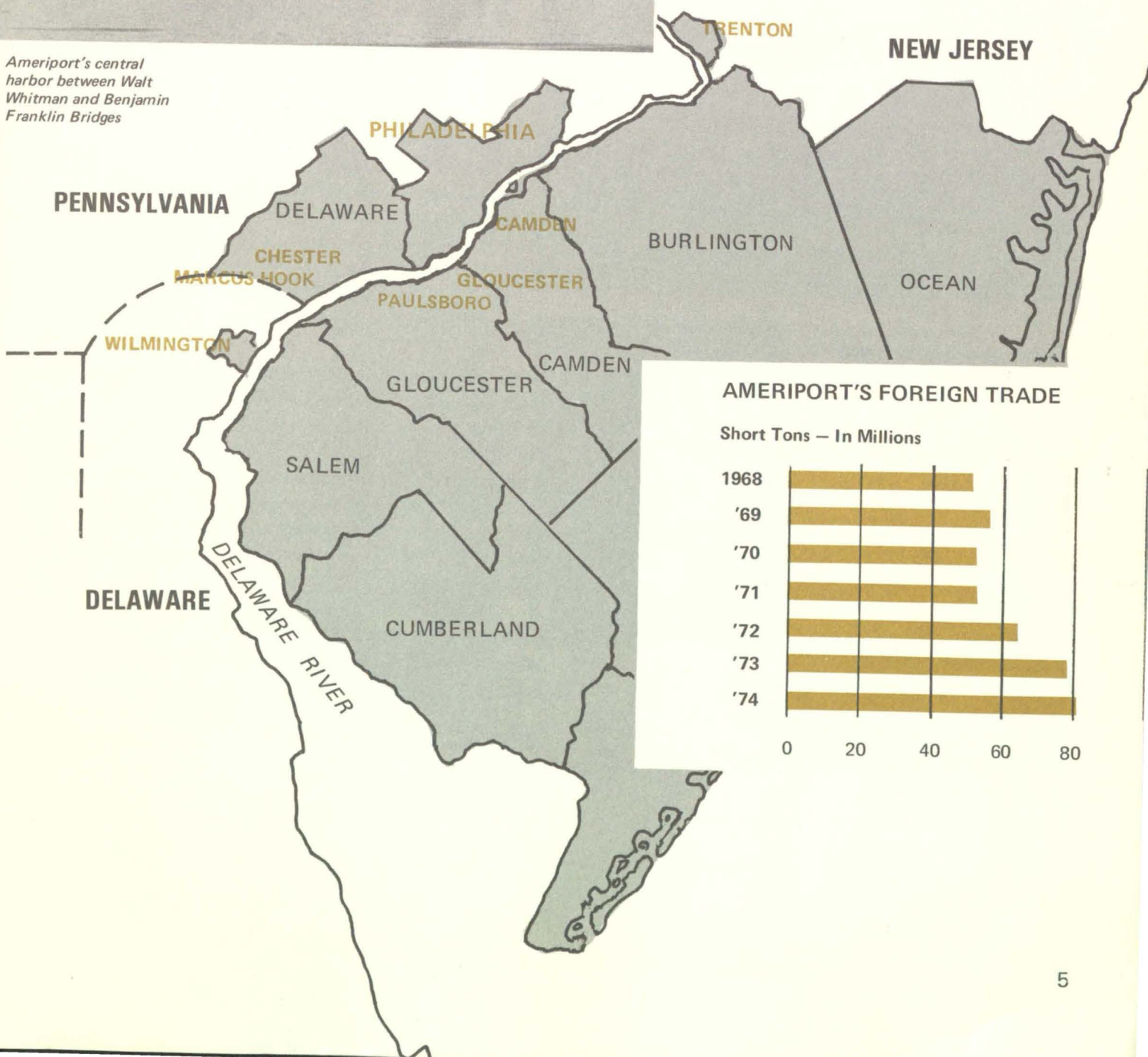
- * The Pittsburgh Office was instrumental in obtaining for our port a major steel company's pig iron imports as well as the export of 3000 tons of pipe destined for a North Sea Project.
- * The Chicago and London Offices, working together, succeeded in convincing a heavy machinery manufacturer to move his products through our port.
- * The Far Eastern Offices, Hong Kong and Tokyo, contacted 13 concerns to solicit their use of our port's facilities. One now is considering locating storage facilities in the port area.
- * The Division's Traffic Bureau prepared 63 informational reports on traffic matters for our regional offices and checked 109 rail and truck rates. It instituted amendments to a proposal on certain steel commodities to insure equal rates for our port in relation with competing ports.





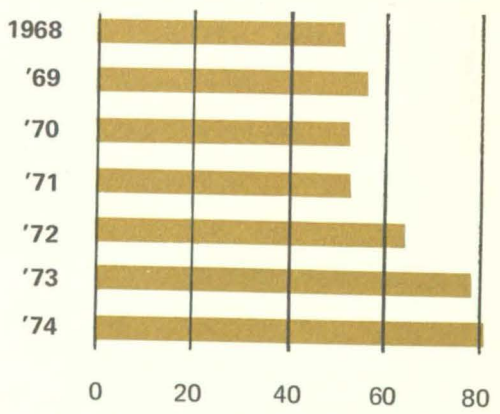
AMERIPORT PORTS OF PHILADELPHIA

Ameriport's central harbor between Walt Whitman and Benjamin Franklin Bridges



AMERIPORT'S FOREIGN TRADE

Short Tons — In Millions

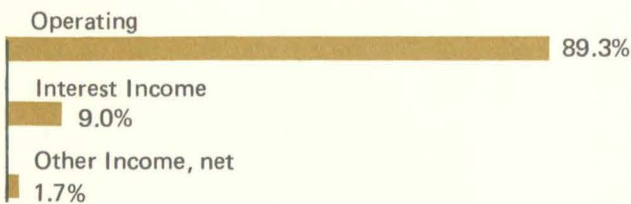


- * The Manager of Regulatory Matters assisted with seven cases involving the port's interest before the Federal Maritime Commission and the Interstate Commerce Commission.
- * The Division's Milan and Antwerp Offices negotiated with six major steamship lines for new or expanded service to our port.
- * The Bogota and Chicago Offices worked with a road construction equipment manufacturer to facilitate the movement of his commodity through the Ports of Philadelphia to a Brazilian customer.
- * The New York Office sponsored the Port's annual reception at the National Foreign Trade Convention in New York City.
- * The Division published its monthly sailing schedule; exhibited a port display for a conference/seminar; and conducted port and marine facilities tours.
- * The Marketing Services Bureau prepared a container marketing analysis for the purpose of encouraging the resumption of Puerto Rico Steamship service.

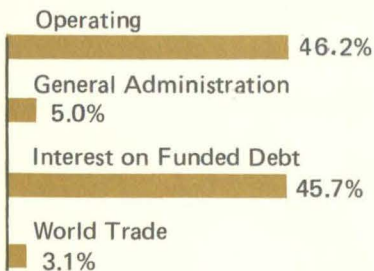
It is significant that 1974's activities were accomplished at a total cost of \$1.18 million or about 3.1% of the Authority's total expenditures for 1974.

THE DOLLAR — 1974

Revenues



Expenses

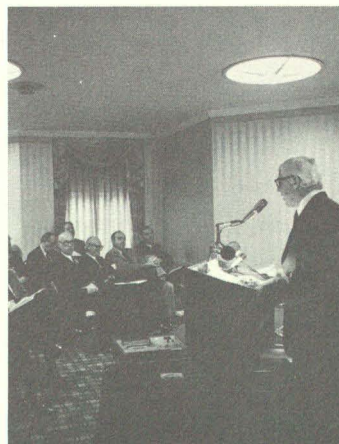
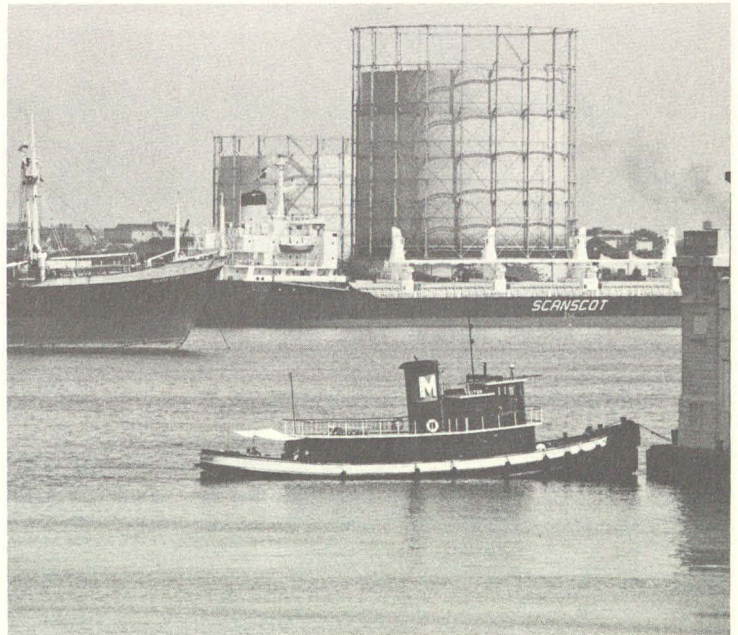


BENEFITS

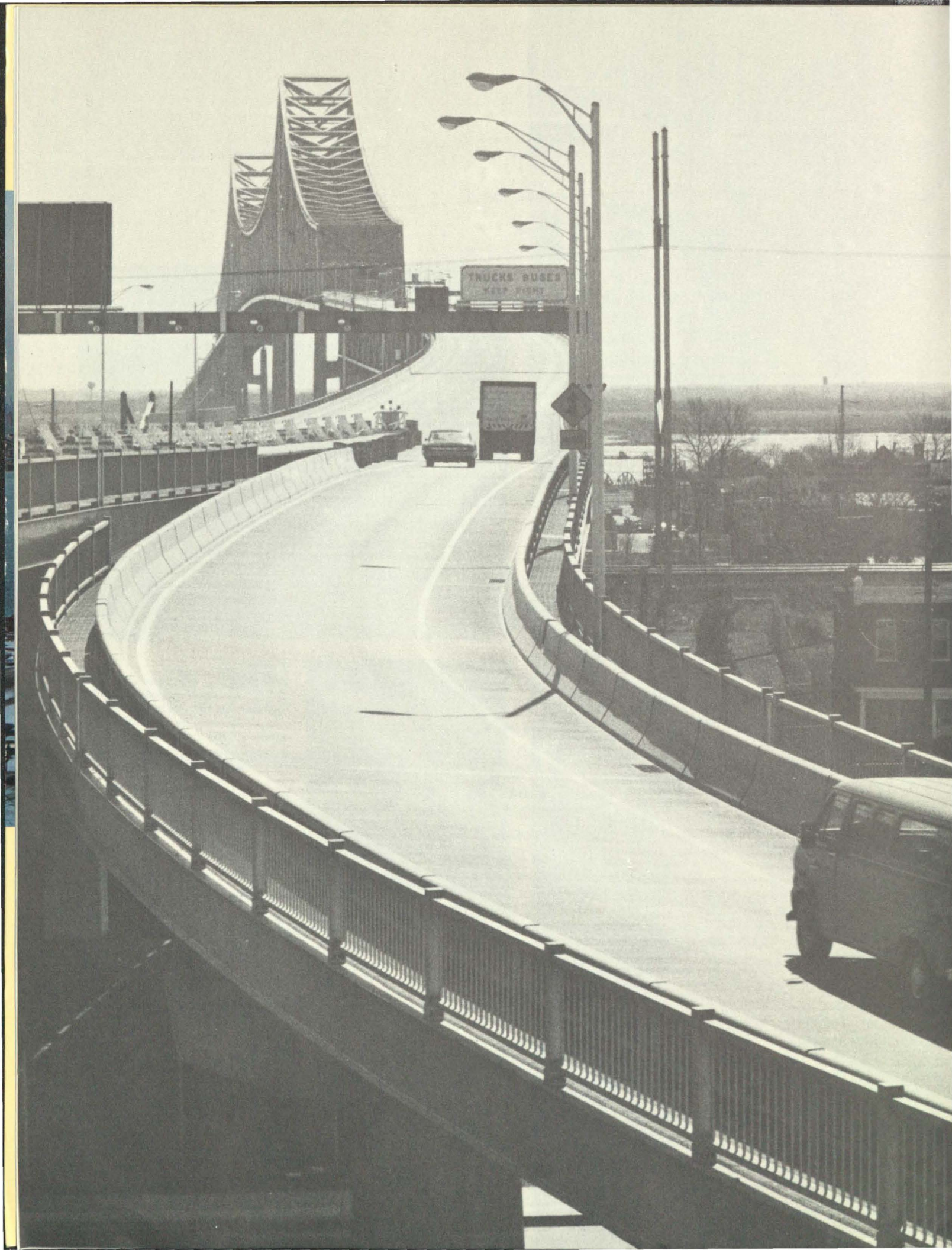
During the year, the Authority's contribution to the Region continued at a high level. In addition to the economic stimulus contributed by the Authority's World Trade activities and the improved communications and transportation provided by its bridges and rail rapid transit system, the DRPA fed directly into the mainstream of area commerce last year \$8,946,000 in salaries and wages paid to its 580 employees.

In addition, \$17,600,000 were injected via payments to contractors working on Authority construction projects and \$1,176,000 via purchases from area firms.

As a responsible member of the Community, the DRPA actively pursued an Affirmative Action Program. Its list of suppliers includes 26 local minority vendors, and 34 per cent of the new employees hired in 1974 were minority group representatives.



Longshoremen unload palletized meat at Packer Avenue Marine Terminal (left). Lumber cargo arrives at Camden Marine Terminal on Sanscot (above). DRPA's James Kelly addresses maritime seminar (below).



BRIDGES

The first full year of the energy crisis had a significant impact on the Delaware River Port Authority. Traffic volume on the Benjamin Franklin and Walt Whitman Bridges was down 5.36 per cent, dropping from 52,211,276 in 1973 to 49,411,008 in 1974.

The Benjamin Franklin carried 20,502,653 vehicles, a decrease of 1,358,723 or 6.22 per cent from the previous year. The Walt Whitman carried 28,908,355 vehicles, a decrease of 1,441,565, or 4.75 per cent.

The Commodore Barry Bridge between Chester, Pa. and Bridgeport, N.J. opened February 1, 1974, replacing ferry service which had operated at that location for more than four decades. The Bridge more than exceeded earlier expectations by carrying 2,940,362 vehicles its first eleven months. By year's end it had developed a substantial patronage which was independent of seasonal resort traffic.

There were 4,394 traffic citations issued in 1974, with 3,838 written for moving violations. This is indicative of the stepped-up traffic enforcement and speed control programs. Partly as a result of this effort the incidence of accidents decreased 10 per cent from 1973. In the more than 210 million passenger miles traveled on our bridges, there were 514 accidents, 250 injuries and four fatalities.

Authority police vehicles traveled 1,029,260 miles and rendered a "no charge" removal service to 6,608 disabled vehicles, an average of 18 per day. Police personnel averted 22 suicide attempts. There were no deaths due to suicide.

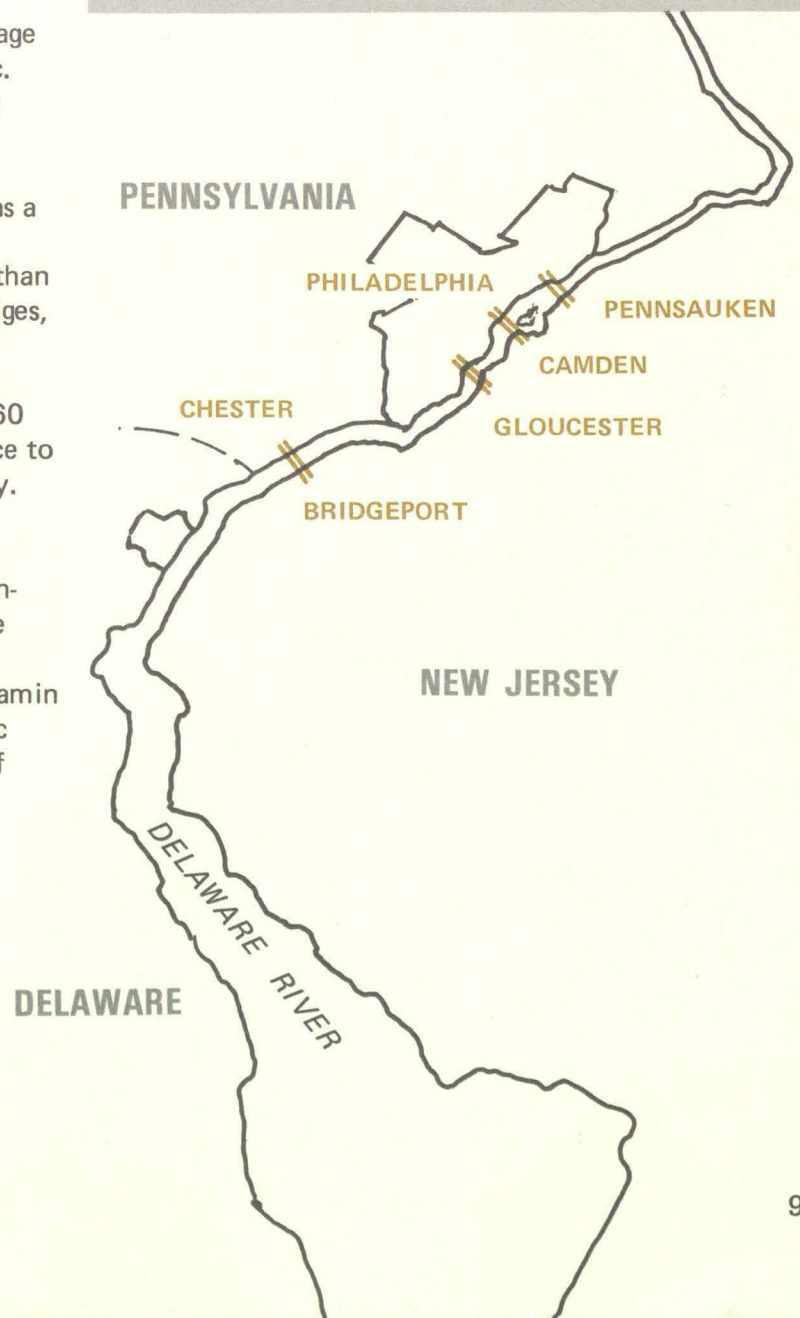
The Division's Maintenance, Electrical, Controls and Highways Departments maintained the bridge systems in a safe, presentable condition. Two suspender ropes were replaced on the Benjamin Franklin Bridge, and a comprehensive diagnostic analysis undertaken to evaluate the condition of existing suspenders. The results will provide direction for future replacement and preventive maintenance activities.

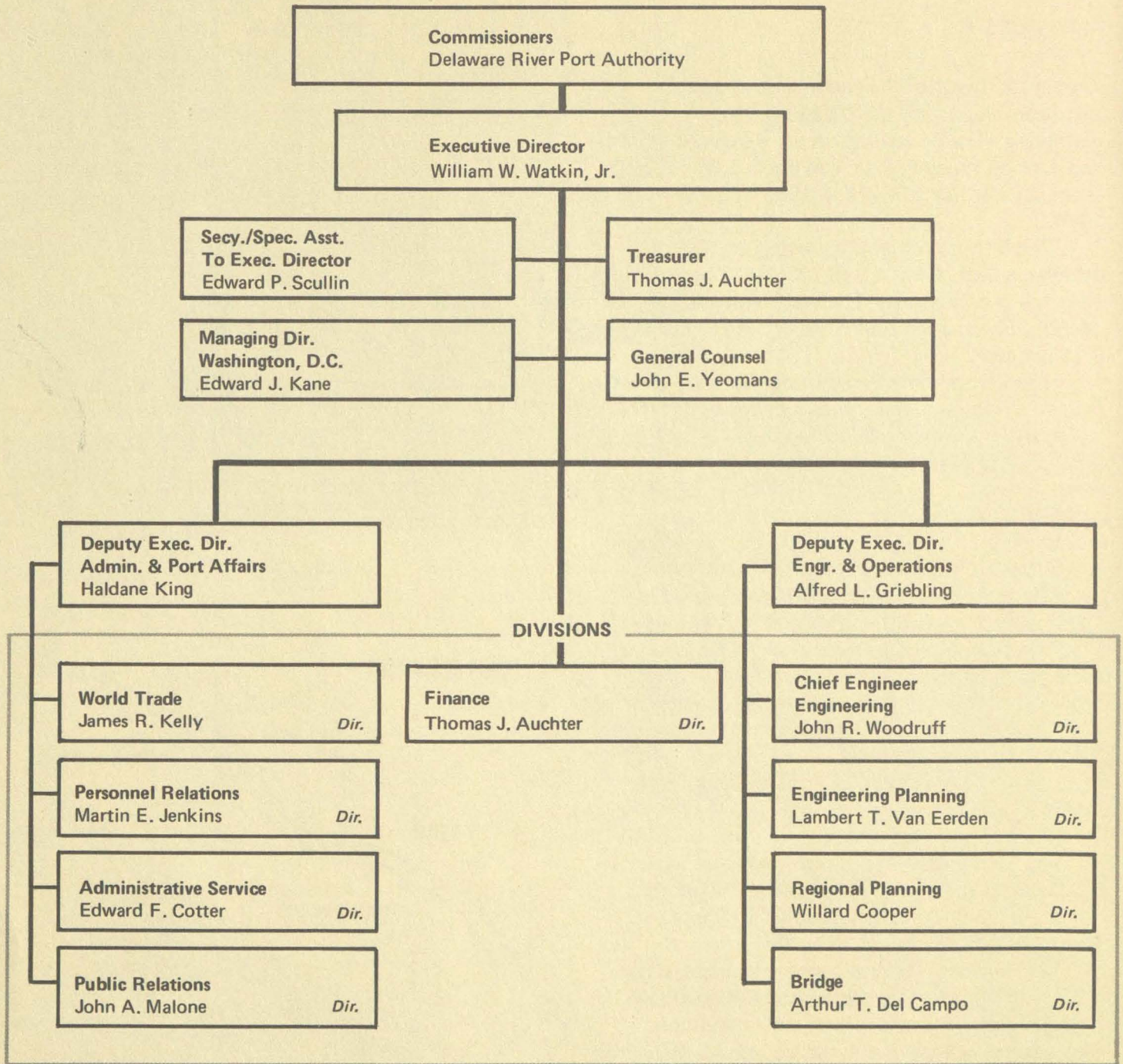
FIVE YEAR TRAFFIC STATISTICS

	Benjamin Franklin Bridge	Walt Whitman Bridge
1970	23,178,870	30,416,187
1971	22,754,909	30,824,073
1972	22,436,696	29,021,348
1973	21,861,376	30,349,900
1974	20,502,653	28,908,355

Cumulative Figures

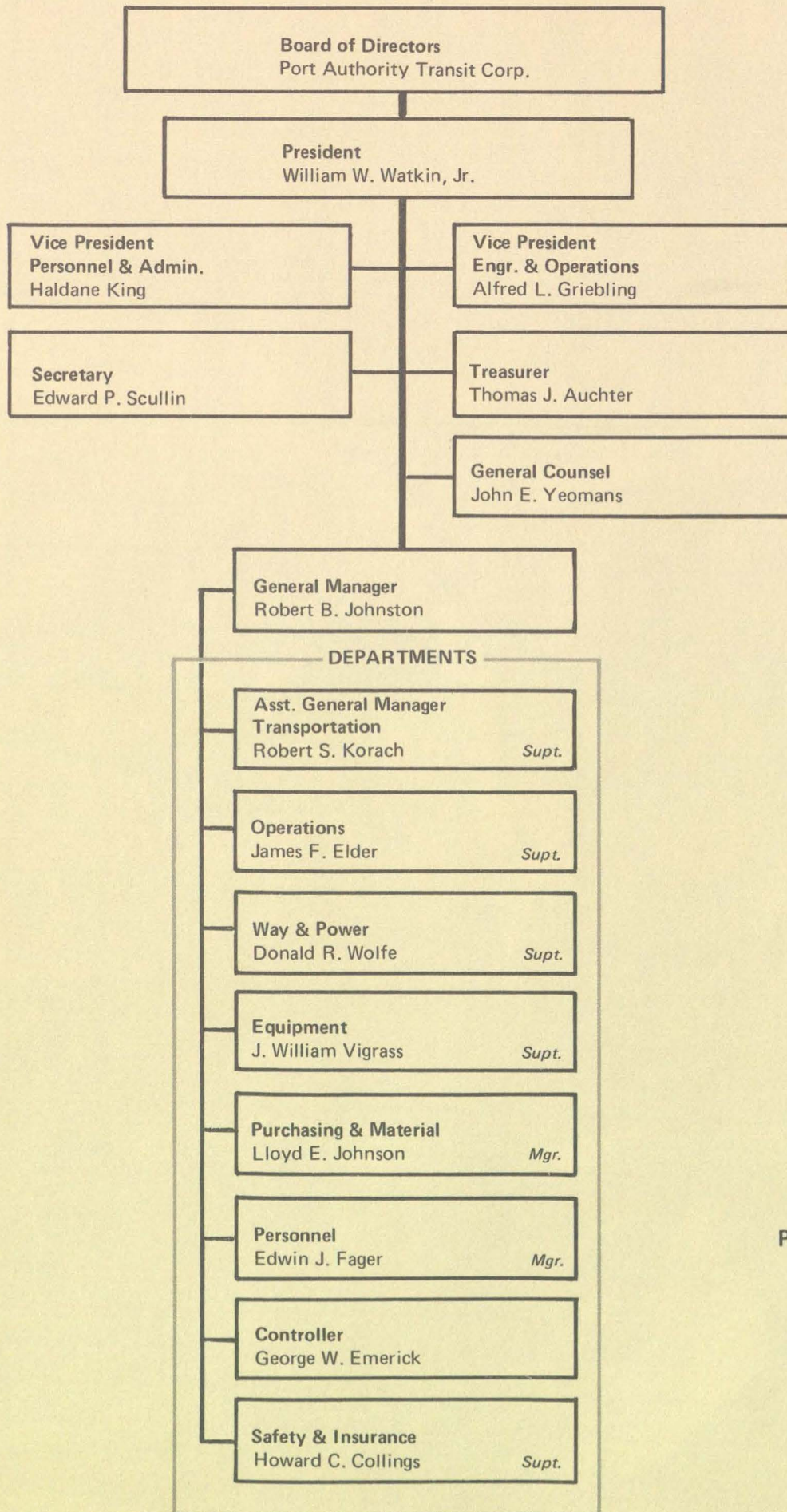
Benjamin Franklin Bridge 7/1/26 to 12/31/74	933,712,810
Walt Whitman Bridge 5/16/57 to 12/31/74	450,157,779
Commodore Barry Bridge 2/1/74 to 12/31/74	2,940,362





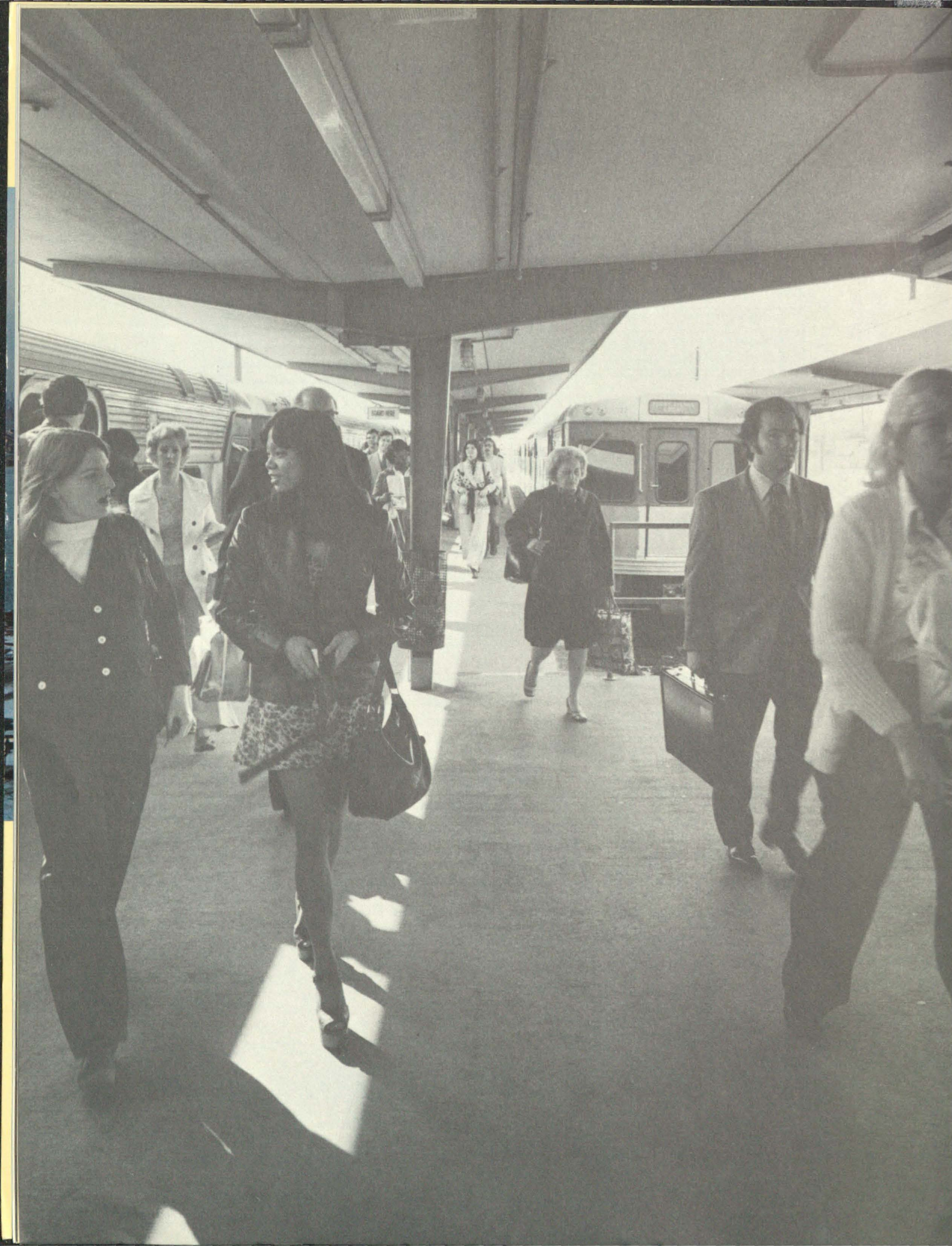
DELAWARE RIVER PORT AUTHORITY
of Pennsylvania and New Jersey

Organization Chart
December 31, 1974



**PORT AUTHORITY
TRANSIT CORP**

Organization Chart
December 31, 1974



PATCO

Lindenwold High Speed Line patronage rose 9.7 per cent over 1973, to a total of 11,110,112 riders.

Income reached \$6,462,639, although fares have remained constant since 1972. For the third successive year, PATCO earned sufficient money to pay its operating and maintenance expenses.

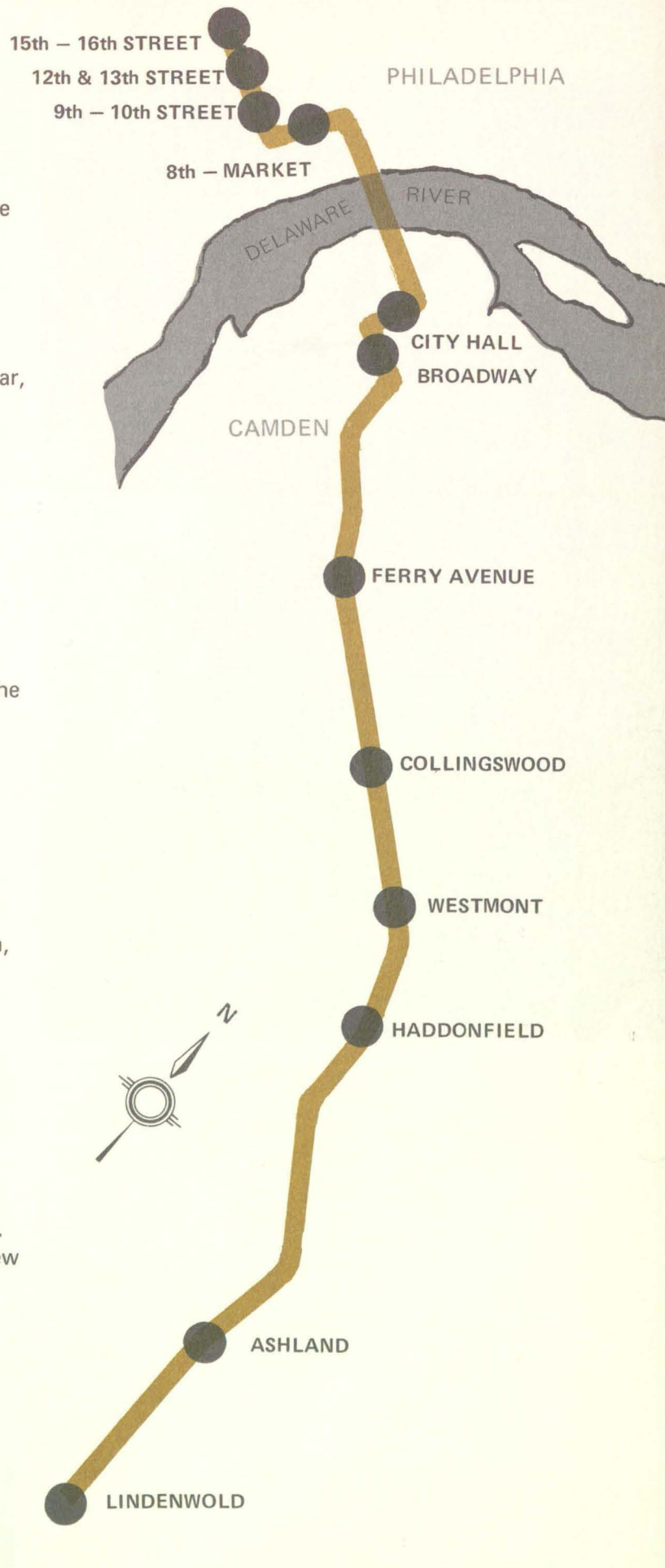
In June, PATCO executed a lease, retroactive to January 1, 1974, which obligates it to pay the DRPA fair value, computed to be \$6,122,000 per year, for the use of the Lindenwold Line rapid transit facilities, which are DRPA owned. Previously these facilities had been leased for the token amount of one dollar per year.

In consideration of the new lease, PATCO experienced a net transit loss of \$6,120,705 for 1974, despite a small operating profit.

The line carried a new Sunday high of 45,103 riders on "Old City Sunday," September 22, when 1,250,000 people visited the historic square mile around Independence Hall. PATCO riders enjoyed the day without the problems of traffic jams and impossible parking conditions.

The line's attraction to school children is undiminished as evidenced by the 155 tours conducted, averaging 42 children per tour. In addition, non-school groups participated in 71 special tours. These included officials and planners from many cities and transportation representatives from such places as Nigeria, Mexico, Egypt, Lebanon, Tanzania, Singapore, Venezuela, Australia and a number of European countries.

PATCO has taken steps to maintain and strengthen the technological superiority it enjoys over other United States transit systems. In 1975 new automatic passenger control gates will be installed in all stations. Track changes which will facilitate train makeups will be made in the Lindenwold yard and an additional crossover will be installed near Collingswood to expand routing options. During 1974, design commenced on the proposed new Woodcrest Station, which will have direct ramp connections to I-295, and progress was made in negotiating the purchase of 44 additional transit cars.



PROJECTS

Significant alterations in traffic patterns will result at the Walt Whitman and Benjamin Franklin Bridges from projects now underway. The Engineering Division coordinated DRPA involvement in these state-administered projects. On the Pennsylvania approach to the Walt Whitman, an interchange with the Delaware Expressway is nearing completion. The Expressway at this location is due to open in 1975.

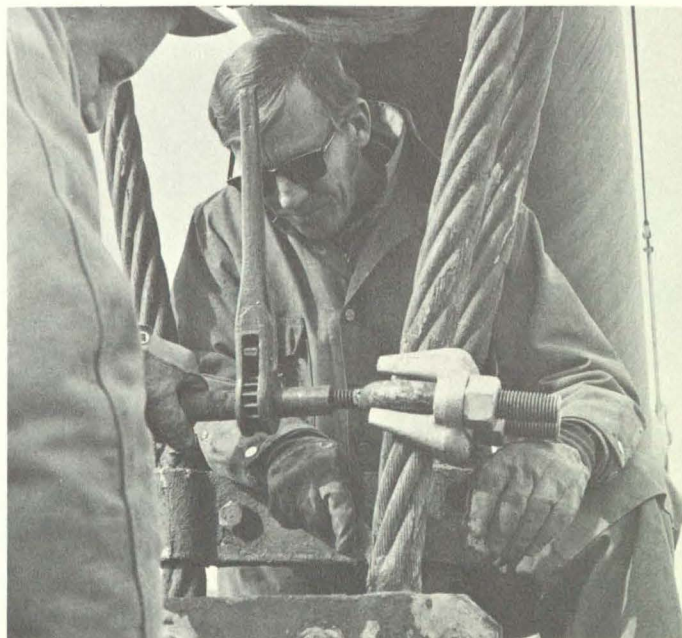
At the Benjamin Franklin, Philadelphia Vine Street Expressway and its connection to the Bridge are in design. Construction is due to start in 1977. Contracts are being awarded for construction of the Delaware Expressway under the Bridge with completion scheduled for 1976.

The connection between the Benjamin Franklin toll plaza in Camden and Interstate Rt. 676 is under construction and is scheduled for completion in early 1976.

At the still-to-be-opened Betsy Ross Bridge, ramps connecting with the Delaware Expressway in Pennsylvania are under construction. Barring delays in steel deliveries, these can be completed to a point which will permit opening the Bridge by January of 1976.

At the Commodore Barry Bridge, construction of connections to I-95 in Pennsylvania was begun. Completion is due in February, 1977. The ferry service, taken over by DRPA at the request of its parent legislatures in 1965, ended with the opening of the Barry Bridge. The Authority spent \$2.5 million in improving and maintaining this public service.

Work progresses on connection of Betsy Ross Bridge and Interstate Rt. 95 (above). Workmen check condition of Benjamin Franklin Bridge suspender cables (right).



FINANCE

Total operating revenues for 1974 amounted to \$39,598,729, compared with \$37,911,031 for the preceding year. Total operating and administrative expenses were \$20,119,635, resulting in a net operating revenue of \$19,479,094 for a decrease of 10.5 per cent over 1973.

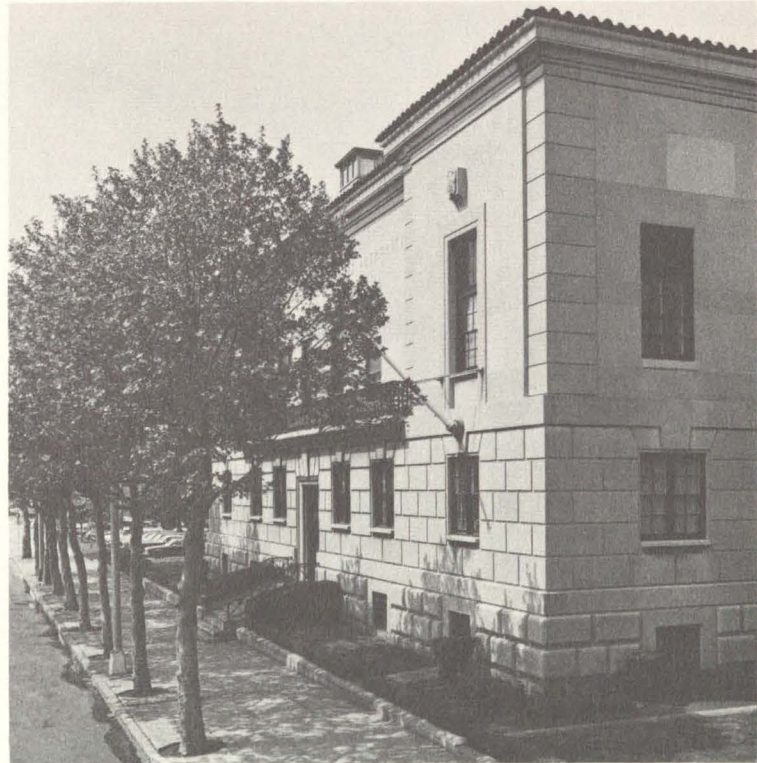
While the revised toll schedule which became effective January 1, 1974, increased the average revenue per vehicle, this was more than offset by the decrease in overall traffic resulting from the energy crisis.

Interest income on investments in the Revenue, Bond Service, and Bond Reserve Funds amounted to \$4,006,953, an increase of \$909,697 over the 1973 figure of \$3,097,256. This increase was the result of generally higher interest rates available throughout the year, as well as constant close scrutiny of our investment program. All investments of the Port Authority were made in accordance with the 1969 and 1974 Bond Resolutions.

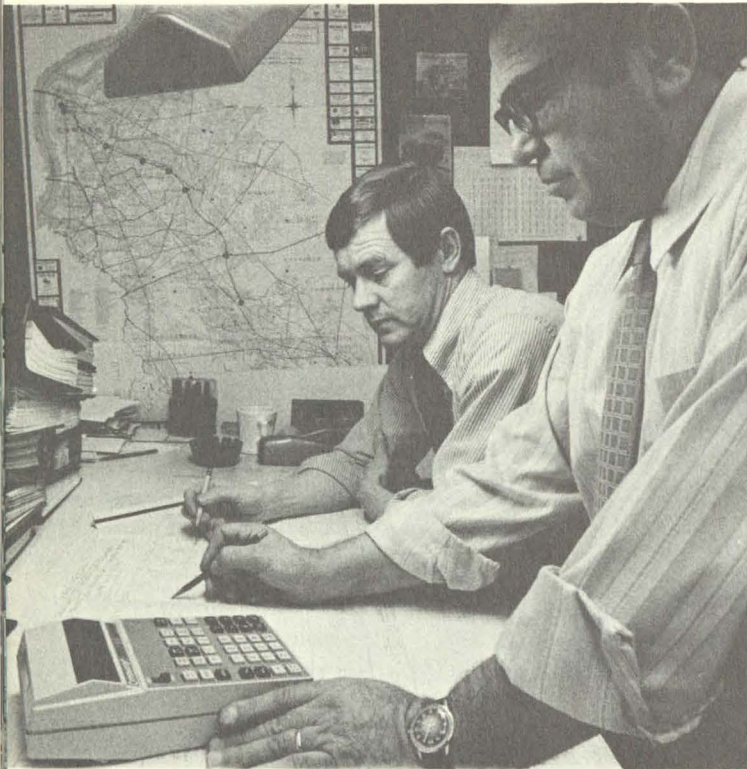
To further enhance the financial picture of the Authority and provide somewhat better coverage of the Bond Indebtedness, the Authority issued, on July 11, 1974, \$27,270,000 of 7½% Series 1974 Special Revenue Refunding Bonds, due January 15, 1990, and \$20,545,000 of Series 1974 Special Obligation Refunding Bonds with varying coupons for serial maturities for the years 1975 through 1985. The proceeds were used to refund the \$40,000,000 Serial Bonds issued under the 1969 General Bond Resolution by providing for the payment of principal and interest to their stated dates of maturity.

This restructuring of the Authority's debt reduced the Aggregate Bond Service for the Revenue Bonds issued under the 1969 General Bond Resolution for the years 1974 through 1984. By this refunding and subsequent deposit under the 1974 Escrow Deposit Agreement, the refunded bonds are no longer deemed "Outstanding" under the 1969 General Bond Resolution as that term is therein defined. However, they remain direct obligations of the Authority until maturity, secured equally with other Revenue Bonds of the Authority by pledge of the Authority's revenues.

As a result of the refinancing program, interest on the "Outstanding" funded debt for the full year 1974 amounted to \$17,975,433 or a reduction of \$970,069 from 1973. This produced net revenues available for other Port Authority activities of \$5,510,614. After deduction of other charges totaling \$475,892, the 1974 net income amounted to \$5,034,722, which compares with \$6,862,182 for 1973.



*Delaware River Port Authority
Administration Building*



Speedline extension data is reviewed by Engineering Planning Division personnel

LOOKING AHEAD

Planning effort in 1974 was concentrated on the Mass Transportation Development Program. This study produced preliminary data for approximately 54 miles of alternative double track extensions to the existing PATCO system. A summary report was submitted by the consultants in late September. Major recommendations were: extend eastward from Broadway Station, Camden, through Pennsauken and Maple Shade to Mt. Laurel, a distance of 13 miles; extend from Division St. in Camden via Morgan Blvd. to Woodbury/Deptford Mall and Delsea Dr. to Glassboro, a distance of 17 miles. A final report is in preparation.

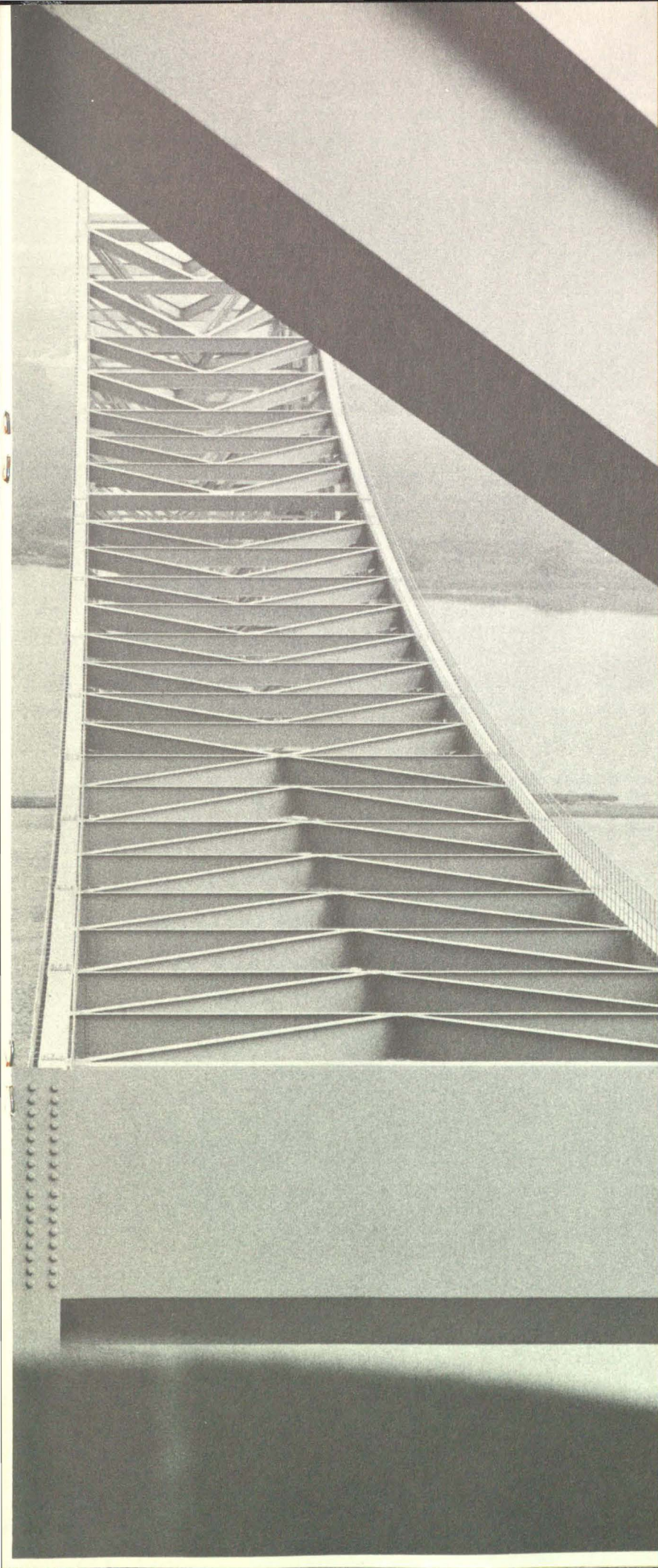
Two special studies were accomplished in 1974. One investigated extending PATCO service westward through the University City/Civic Center/hospital complex area to Media, Pennsylvania. It recommended a more detailed and comprehensive study to include accurate ridership and revenue projections. The other special study evaluated the feasibility of electrified railroad commuter service between Atlantic City and Philadelphia International Airport. The results demonstrated considerable potential for serving public transportation needs at a relatively low cost.

DRPA was awarded a Federal grant covering 80 per cent of the costs for ten technical study projects related to public transportation. Progress was made on two of them in 1974: ridership and revenues studies of Woodcrest/Philadelphia International Airport, and Woodcrest/Atlantic City. All of the ten studies are scheduled for completion in 1975.

The Port Authority continued to work closely with the Delaware Valley Regional Planning Commission to coordinate agency programs and to participate in DVRPC's technical planning activities for regional transportation.

Through our Regional Planning Division, the Authority participated with DVRPC in the development of a Highway Energy Conservation Program, Spectrum Park 'N' Ride, Car Pool/Van Pool Program, Exclusive Bus Lane Feasibility Study and other regional capital transportation programs. The Division is also participating in the preparation of an Environmental Impact Statement for the Pulaski Freeway.

FINANCIAL STATEMENTS



Delaware River Port Authority
Camden, New Jersey

We have examined the balance sheet of Delaware River Port Authority as at December 31, 1974 and 1973 and the related statements of revenues and expenses and of changes in fund equities for the years then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Delaware River Port Authority at December 31, 1974 and 1973 and the results of its operations and changes in fund equities for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Laventhol & Horwath

March 4, 1975

DELAWARE RIVER PORT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES
YEARS ENDED DECEMBER 31, 1974 AND 1973

	1974		1973
Operating revenues and expenses (Notes 5 and 6):			
Bridge tolls	\$33,314,486		\$32,530,769
Bridge operating expenses	9,586,692	\$23,727,794	6,907,748
Transit system passenger fares	6,157,370		5,540,257
Transit system operating expenses, including depreciation of \$2,152,807 in 1974 and \$2,130,327 in 1973	8,580,686	(2,423,316)	7,704,393
Loss on Chester-Bridgeport Ferry (Note 4)		(193,647)	(2,164,136)
Other operating revenues, including \$288,990 in 1974 and \$256,833 in 1973 from transit system		320,520	(448,894)
		21,431,351	23,298,890
General administration expenses:			
Salaries, including employee benefits	1,492,211		1,026,350
Other	460,046	1,952,257	514,055
Operating revenues in excess of expenses		19,479,094	21,758,485
Interest income on investment in securities of the Revenue, Bond Service and Bond Reserve Funds		4,006,953	3,097,256
Interest on funded debt:			
1969 First Series Revenue Bonds	6,771,397		7,741,425
Series 1972 Revenue Bonds	6,550,376		6,550,381
Series 1972 Refunding Revenue Bonds	4,653,660	(17,975,433)	4,653,696
Revenues in excess of expenses before other income (charges)		5,510,614	5,910,239
Other income (charges):			
Interest on funded debt:			
1969 First Series Revenue Bonds (Note 5)	(970,028)		
Series 1970 Revenue Bonds (Note 5)	(5,425,000)		(5,425,000)
Series 1972 Special Obligation Bonds	(1,705,000)		(1,704,981)
Series 1974 Special Revenue Bonds	(1,005,264)		
Series 1974 Special Obligation Bonds	(579,337)		
Other interest income on investment in securities	(9,684,629)		(7,129,981)
Repaving of approaches to Walt Whitman Bridge	11,426,252		10,354,148
World trade development expenses, including salaries and employee benefits of \$776,160 in 1974 and \$674,609 in 1973	(1,222,286)		(1,076,446)
Bond issuance costs	(216,036)		
Cost of toll collection equipment retired	(868,820)		
Gain (loss) on sale of property:			
Land	(39,094)		
Chester-Bridgeport Ferry equipment (Note 4)	128,721		
Port facilities studies		(475,892)	(120,120)
Net income		\$ 5,034,722	\$ 6,862,182

See notes to financial statements.

DELAWARE RIVER PORT AUTHORITY
BALANCE SHEET - DECEMBER 31, 1974 AND 1973

ASSETS	Capital Fund	Revenue Fund	Bond Service Fund	Bond Reserve Fund	1972 Escrow Deposit Fund
Cash (Note 5)		\$ 300,525			
Investment in securities (Notes 2 and 5)		25,174,604	\$10,552,104	\$23,376,242	\$106,845,000
Accrued interest receivable		346,596		304,008	2,990,248
Accounts receivable (Note 3)		27,785			
Transit system inventory					
Prepaid expenses		134,477			
Investment in facilities:					
Benjamin Franklin Bridge	\$ 43,381,258				
Walt Whitman Bridge	86,473,070				
Southern New Jersey Rapid Transit System, net of accumulated depreciation, 1974, \$11,507,212; 1973, \$9,382,396 (Note 2)	90,156,686				
Southern New Jersey Rapid Transit System, first phase capital improvement program					
Commodore Barry Bridge		163,233			
Betsy Ross Bridge		1,023,474			
Chester-Bridgeport Ferry, net of accumulated depreciation of \$1,193,132, 1973 (Note 4)		154,954			
		<u>221,352,675</u>			
Future extensions to Southern New Jersey Rapid Transit System study	18,588				
	<u>\$221,371,263</u>	<u>\$25,983,987</u>	<u>\$10,552,104</u>	<u>\$23,680,250</u>	<u>\$109,835,248</u>

LIABILITIES AND FUND EQUITIES

Accounts payable:					
Contracts					
Retained amount on contracts		\$ 244			
Other		454,394			
		<u>454,638</u>			
Accrued liabilities:					
Interest			\$ 7,685,884	\$ 2,486,458	
Pension		194,652			
Sick leave benefits		1,490,617			
		<u>1,685,269</u>	<u>7,685,884</u>	<u>2,486,458</u>	
Deferred income on truck tickets		601,861			
Reserves:					
Replacements and repainting		1,907,927			
Self-insurance (Note 2)		<u>1,907,927</u>			
Funded debt (Note 5)	\$113,842,611			\$23,630,263	108,061,497
Commitments and contingent liabilities (Note 6)					
Fund equities (deficiencies)	107,528,652	21,334,292	2,866,220	49,987	(712,707)
	<u>\$221,371,263</u>	<u>\$25,983,987</u>	<u>\$10,552,104</u>	<u>\$23,680,250</u>	<u>\$109,835,248</u>

See notes to financial statements.

1972 Bond Fund	Debt Service Fund	Debt Service Reserve Fund	1974 Escrow Deposit Fund	1974 Bond Fund	Construction Fund	General Fund	Total	
							1974	1973
\$ 861		\$ 2,093	\$ 2,038	\$ 1,859	\$ 5,395	\$ 95,780	\$ 408,551	\$ 647,363
133,627	\$1,850,638	3,375,000	55,020,000	80,775	15,402,542	3,585,000	245,395,532	202,618,540
	12,878	86,166	1,830,943		266,793	26,222	5,863,854	5,150,945
					8,666,932	708,024	9,402,741	957,919
						834,397	834,397	754,627
						120,459	254,936	526,886
					1,567,855		44,949,113	44,985,106
					370,617		86,843,682	87,136,947
						110,938	90,267,624	91,847,662
						97,984	97,984	336,185
					118,087,999		118,251,232	114,436,541
					94,619,759		95,643,233	95,127,347
							154,954	282,820
					<u>214,646,225</u>	<u>208,922</u>	<u>436,207,822</u>	<u>434,152,608</u>
						598,809	617,397	441,405
					<u>\$134,488</u>	<u>\$1,863,516</u>	<u>\$3,463,259</u>	<u>\$56,852,981</u>
					<u>\$ 82,634</u>	<u>\$238,987,887</u>	<u>\$6,177,613</u>	<u>\$698,985,230</u>
							<u>\$698,985,230</u>	<u>\$645,250,293</u>

DELAWARE RIVER PORT AUTHORITY
STATEMENT OF CHANGES IN FUND EQUITIES
YEARS ENDED DECEMBER 31, 1974 AND 1973

	Capital Fund	Revenue Fund	Bond Service Fund	Bond Reserve Fund	1972 Escrow Deposit Fund
Balance, equities (deficiency), beginning of year	\$109,809,297	\$14,728,153	\$ 3,346,871	\$1,672,350	\$ 25,680
Revenues and expenses:					
Operating revenues		33,346,016			
Operating expenses	(2,135,621)	(9,586,692)			
General administration expenses		(1,952,257)			
Interest income		1,810,193	661,277	1,535,483	
Interest on funded debt			(17,975,433)		
Other income (charges), net	(740,200)				993,289
	(2,875,821)	23,617,260	(17,314,156)	1,535,483	993,289
Interfund transfers and payments:					
Bond service fund requirement		(16,773,469)	16,773,469		
Funds in excess of bond reserve requirement		1,313,896		(1,313,896)	
Completed capital additions	598,451				
Funds in excess of escrow requirement 1974 refunding program				(1,843,950)	(1,722,016)
Debt Service Reserve Fund requirement					
Debt Service Fund requirement		(1,680,148)			
Rental payments on property leased by Port Authority Transit Corporation		150,000			
Other	(3,275)	(21,400)	60,036		(9,660)
	595,176	(17,011,121)	16,833,505	(3,157,846)	(1,731,676)
Balance, equities (deficiencies), end of year	\$107,528,652	\$21,334,292	\$ 2,866,220	\$ 49,987	(\$ 712,707)

1972 Bond Fund	Debt Service Fund	Debt Service Reserve Fund	1974 Escrow Deposit Fund	1974 Bond Fund	Construction Fund	General Fund	Total	
							1974	1973
(\$ 673,806)					\$61,312,603	\$16,355,466	\$206,576,614	\$199,714,432
						6,252,713	39,598,729	37,911,031
						(6,445,065)	(18,167,378)	(14,612,141)
							(1,952,257)	(1,540,405)
							4,006,953	3,097,256
							(17,975,433)	(18,945,502)
(1,695,180)	(\$ 964,685)	\$ 160,002	\$ 860,915	(\$576,208)	2,154,820	(668,645)	(475,892)	951,943
(1,695,180)	(964,685)	160,002	860,915	(576,208)	2,154,820	(860,997)	5,034,722	6,862,182
						(1,346)	(597,105)	
1,722,016							(6,448,458)	
		3,303,257	8,292,408				(3,303,257)	
	1,680,148							
							(150,000)	
	77,129		(139,676)	62,547	(66,785)		41,084	
1,722,016	1,757,277	3,303,257	8,152,732	62,547	(68,131)	(10,457,736)		
(\$ 646,970)	\$ 792,592	\$3,463,259	\$9,013,647	(\$513,661)	\$63,399,292	\$ 5,036,733	\$211,611,336	\$206,576,614

DELAWARE RIVER PORT AUTHORITY
STATEMENT OF CHANGES IN FUND EQUITIES
YEARS ENDED DECEMBER 31, 1974 AND 1973

	<u>Capital Fund</u>	<u>Revenue Fund</u>	<u>Bond Service Fund</u>	<u>Bond Reserve Fund</u>	<u>1972 Escrow Deposit Fund</u>
Balance, equities (deficiency), beginning of year	<u>\$109,809,297</u>	<u>\$14,728,153</u>	<u>\$ 3,346,871</u>	<u>\$1,672,350</u>	<u>\$ 25,680</u>
Revenues and expenses:					
Operating revenues		33,346,016			
Operating expenses	(2,135,621)	(9,586,692)			
General administration expenses		(1,952,257)			
Interest income		1,810,193			
Interest on funded debt			661,277	1,535,483	
Other income (charges), net	(740,200)		(17,975,433)		993,289
	<u>(2,875,821)</u>	<u>23,617,260</u>	<u>(17,314,156)</u>	<u>1,535,483</u>	<u>993,289</u>
Interfund transfers and payments:					
Bond service fund requirement		(16,773,469)	16,773,469		
Funds in excess of bond reserve requirement		1,313,896		(1,313,896)	
Completed capital additions	598,451				
Funds in excess of escrow requirement 1974 refunding program				(1,843,950)	(1,722,016)
Debt Service Reserve Fund requirement		(1,680,148)			
Debt Service Fund requirement					
Rental payments on property leased by Port Authority Transit Corporation	(3,275)	150,000			
Other		(21,400)	60,036		(9,660)
	<u>595,176</u>	<u>(17,011,121)</u>	<u>16,833,505</u>	<u>(3,157,846)</u>	<u>(1,731,676)</u>
Balance, equities (deficiencies), end of year	<u>\$107,528,652</u>	<u>\$21,334,292</u>	<u>\$ 2,866,220</u>	<u>\$ 49,987</u>	<u>(\$ 712,707)</u>

DELAWARE RIVER PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1974 AND 1973

1. Summary of significant accounting policies:

Basis of presentation:

The following accounting policies are in accordance with generally accepted accounting principles of governmental agencies and with provisions of the Authority's Bond Resolutions.

Southern New Jersey Rapid Transit System operations are carried out by a subsidiary legal entity, the accounts of which are included herein. Material balances and transactions between the entities have been eliminated.

Investment in securities:

Investment in securities is stated at amortized cost, which approximates market value.

Transit system inventory:

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

Investment in facilities and reserve for replacements and repainting:

Investment in facilities is stated at cost, which generally includes expenses in connection with the offering, selling and issuance of bonds, and administrative and legal expenses during the construction period. Investment in facilities also includes cost of improvements, enlargements and betterments to the original facility.

Depreciation is not included as an operating expense or otherwise provided, except for the Southern New Jersey Rapid Transit System where it is provided by the straight-line method over the estimated useful lives of the components of the facility.

Maintenance and repair costs considered necessary to maintain bridge facilities in good operating condition are charged to operations as incurred. A reserve sufficient to meet the estimated cost to repaint and replace road surfaces and fenders of bridge facilities is provided by periodic charges to operations.

Southern New Jersey Rapid Transit System, first phase capital improvement program and future extensions to Southern New Jersey Rapid Transit System study:

Southern New Jersey Rapid Transit System, first phase capital improvement program and future extensions to Southern New Jersey Rapid Transit System study are stated at cost, net of reimbursements from the Urban Mass Transit Authority and other governmental agencies (see Note 3).

Reserve for self insurance:

Commencing in 1972, the subsidiary which operates the Southern New Jersey Rapid Transit System established a public liability self-insurance reserve to provide for losses, which, if sustained, would not be covered by insurance policies.

Funded debt discount:

Discount arising from the issuance of funded debt is amortized on the straight-line method from the issue date to maturity.

DELAWARE RIVER PORT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEARS ENDED DECEMBER 31, 1974 AND 1973

2. Appropriated assets, General Fund:

The Authority has set aside investments in securities totalling \$450,000 of the General Fund as a reserve for self-insurance for Port Authority Transit Corporation.

In previous years certain assets of the General Fund had been set aside as a fund for the replacement of Southern New Jersey Rapid Transit System facilities. This was a self-imposed restriction determined by the Board of Commissioners but not required by Bond Resolutions or regulatory agencies. Effective June 1974, the Board of Commissioners voted to discontinue this practice.

3. Accounts receivable:

General Fund accounts receivable include amounts due from governmental authorities for:

	1974	1973
Construction reimbursement for the Southern New Jersey Rapid Transit System, Locust traction power substation	\$287,256	\$448,189
Reimbursement for a Mass Transit Capital Improvement Grant, the Southern New Jersey Rapid Transit System, first phase capital improvement program	160,666	184,472
Subsidy reimbursement for the Port Authority Ferry Corporation	31,250	31,250
	<u>\$447,922</u>	<u>\$663,991</u>

The Construction Fund accounts receivable represents the amount due from the State of New Jersey for construction of highways leading to certain of the Authority's facilities.

4. Chester-Bridgeport Ferry:

The Chester-Bridgeport Ferry ceased operations on February 1, 1974 when the Commodore Barry Bridge was opened for traffic. The Port Authority Ferry Corporation was formally dissolved by the Authority's Board of Commissioners on February 28, 1975. The balance in the investment in facilities consists of the value of the land.

5. Funded debt:

The First Series Revenue Bonds, Series 1970 Revenue Bonds, Series 1972 Revenue Bonds and Series 1972 Refunding Revenue Bonds are issued in accordance with the General Bond Resolution dated April 23, 1969 as supplemented; the Series 1972 Special Obligation Refunding Bonds are issued pursuant to Resolution dated September 13, 1972; the Series 1974 Special Revenue Refunding Bonds are issued in accordance with the Special Revenue Bond Resolution dated June 19, 1974 as supplemented; and the Series 1974 Special Obligation Refunding Bonds are issued pursuant to Resolution dated June 19, 1974.

DELAWARE RIVER PORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1974 AND 1973

5. Funded debt (continued):

Funded debt transactions for the year and outstanding funded debt are summarized as follows:

	<u>Total</u>	<u>1969 First Series Revenue Bonds</u>	<u>Series 1970 Revenue Bonds</u>
Balance, beginning of year	\$416,185,826	\$140,000,000	\$70,000,000
Add:			
Proceeds from sale of bonds	46,729,630		
Amortization of bond discount	<u>199,712</u>		
Balance, end of year	<u>\$463,115,168</u>	<u>\$140,000,000</u>	<u>\$70,000,000</u>

Proceeds from sale of bonds totalling \$46,729,630 were deposited into the 1974 Escrow Deposit Fund.

The funded debt is payable and bears interest as follows:

<u>Maturity date</u>	<u>Rate</u>	<u>Principal, net of unamortized discount</u>
1969 First Series Revenue Bonds:		
<u>January 15,</u>		
1975	4.90 %	\$ 1,000,000
1976	5.00	2,125,000
1977	5.10	1,500,000
1978	5.15	2,050,000
1979	5.20	2,900,000
1980	5.25	3,575,000
1981	5.30	4,200,000
1982	5.35	4,825,000
1983	5.35	5,350,000
1984	5.40	5,975,000
1985	5.40	<u>6,500,000</u>
Total serial bonds		<u>40,000,000</u>
2009 (term bonds)	5.625	<u>100,000,000</u> \$140,000,000
Series 1970 Revenue Bonds, January 15, 2010	7.75	70,000,000
Series 1972 Revenue Bonds, net of unamortized dis- count of \$1,815,635, January 15, 2011	6.50	98,184,365
Series 1972 Refunding Revenue Bonds, net of unamortized discount of \$338,503, January 15, 2010	6.00	77,061,497
Series 1972 Special Obli- gation Refunding Bonds, January 15, 1979	5.50	31,000,000
Series 1974 Special Revenue Refunding Bonds, net of unamortized discount of \$700,066, January 15, 1990	7.25	26,569,934

Series 1972 Revenue Bonds	Series 1972 Refunding Revenue Bonds	Series 1972 Special Obligation Refunding Bonds	Series 1974 Special Revenue Refunding Bonds	Series 1974 Special Obligation Refunding Bonds
\$98,133,989	\$77,051,837	\$31,000,000		
			\$26,492,805	\$20,236,825
<u>50,376</u>	<u>9,660</u>		<u>77,129</u>	<u>62,547</u>
<u>\$98,184,365</u>	<u>\$77,061,497</u>	<u>\$31,000,000</u>	<u>\$26,569,934</u>	<u>\$20,299,372</u>

Maturity date		Rate	Principal, net of unamortized discount
Series 1974 Special Obligation Refunding Bonds:			
<u>January 15,</u>	<u>July 15,</u>		
1975		5.25%	\$ 1,420,000
	1975	5.25	1,375,000
1976		5.25	1,375,000
	1976	5.25	1,320,000
1977		5.30	1,320,000
	1977	5.30	1,285,000
1978		5.30	1,290,000
	1978	5.30	1,230,000
1979		5.35	1,240,000
	1979	5.35	1,145,000
1980		5.40	1,145,000
	1980	5.40	1,005,000
1981		5.45	1,005,000
	1981	5.45	840,000
1982		5.50	840,000
	1982	5.50	655,000
1983		5.55	660,000
	1983	5.55	455,000
1984		5.60	460,000
	1984	5.60	240,000
1985		5.60	240,000
Original and outstanding issue			20,545,000
Less unamortized discount			<u>245,628</u>
			<u>20,299,372</u>

\$463,115,168

DELAWARE RIVER PORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 1974 AND 1973

5. Funded debt (continued):

To affect the redemption of the \$40,000,000 Serial Bonds issued under the 1969 General Bond Resolution, on July 11, 1974 the Authority issued the Series 1974 Special Revenue Refunding Bonds and Series 1974 Special Obligation Refunding Bonds. Proceeds from the sale of these bonds, together with unencumbered amounts from the General Fund totalling \$6,448,458 and an amount previously deposited in the Bond Reserve fund totalling \$1,843,950 were transferred into the 1974 Escrow Deposit Fund and applied to the purchase of specified investments which are held in a special and irrevocable trust fund under an escrow deposit agreement. The maturing principal of the specified investments will be used to redeem the 1969 Serial Bonds as they mature, and to pay the debt service thereon. The income from these specified investments, together with the accrued interest on the Series 1974 Special Obligation Refunding Bonds received at settlement will be used to redeem the Series 1974 Special Obligation Refunding Bonds as they mature, and to pay the related debt service.

As a result of the issuance of the Series 1974 Special Revenue Refunding Bonds and the Series 1974 Special Obligation Refunding Bonds, the 1969 Serial Bonds are, as of July 11, 1974, no longer "outstanding" as defined by the General Bond Resolution. Interest expense on the 1969 Serial Bonds is included in other income (charges) after July 15, 1974.

The Authority has given the Trustee under the 1969 General Bond Resolution notice of its irrevocable election to redeem the Series 1970 Revenue Bonds on January 15, 1979 at 103% of principal amount. To effect this redemption the entire proceeds from the sale of Series 1972 Refunding Revenue Bonds and Series 1972 Special Obligation Bonds, together with cash transferred from the Bond Service Fund, were deposited in the 1972 Escrow Deposit Fund and were applied to the purchase of certain specified investments which are held in a special and irrevocable trust fund under the 1972 Escrow Deposit Agreement. The maturing principal of and the interest income from the specified investments will be used to pay the principal, redemption premium and the interest on the Series 1970 Revenue Bonds, and to the extent available, the principal of and interest on the Series 1972 Special Obligation Bonds.

As a result of the issuance of the Series 1972 Refunding Revenue Bonds and the Series 1972 Special Obligation Refunding Bonds, the Series 1970 Bonds are, as of October 17, 1972, no longer "outstanding" as defined by the 1969 General Bond Resolution. Interest expense on the Series 1970 Bond is included in other income (charges).

Substantially all revenues, cash and securities of the Authority are pledged under the various resolutions authorizing the bond issues.

The Series 1974 and 1972 Special Obligation Refunding Bonds are not subject to early redemption. All other issues are redeemable prior to maturity at various amounts not in excess of 104% of principal.

The several debt service, debt reserve, and escrow requirements established by and defined in the various Resolutions authorizing the bond issues were met by the Authority as of December 31, 1974. In addition, the several maintenance of revenues covenants established by the various Resolutions were exceeded by the Authority for the year ended December 31, 1974.

DELAWARE RIVER PORT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEARS ENDED DECEMBER 31, 1974 AND 1973

6. Commitments and contingent liabilities:

As of December 31, 1974 the Authority had contractual commitments as follows:

	Revenue Fund	Construction Fund	General Fund	Total
Benjamin Franklin Bridge:				
Maintenance building		\$ 32,290		\$ 32,290
Toll plaza modifications		22,672		22,672
Automatic toll system	\$ 908,344			908,344
Resurfacing west toll plaza	292			292
Replacement of suspender ropes	41,942			41,942
Other	19,423		\$ 19,100	38,523
Walt Whitman Bridge:				
Automatic toll system	1,212,284			1,212,284
Other	17,038		19,100	36,138
Commodore Barry Bridge:				
Automatic toll system	302,032			302,032
Other	1,876	812,366	4,250	818,492
Betsy Ross Bridge		7,039,146	4,250	7,043,396
Southern New Jersey Rapid Transit System		18,217		18,217
Southern New Jersey Rapid Transit System, first phase capital improvement program:				
Automatic fare collection equipment			891,539	891,539
Procurement of new rapid transit cars			48,340	48,340
Consulting engineer services			1,221,392	1,221,392
Future extensions to Southern New Jersey Rapid Transit Study			52,216	52,216
	<u>\$2,503,231</u>	<u>\$7,924,691</u>	<u>\$2,260,187</u>	<u>\$12,688,109</u>

The current engineering estimate for the total cost of construction of the Commodore Barry and Betsy Ross Bridges aggregated approximately \$227,000,000 of which approximately \$213,900,000 has been incurred to date. The amount unearned or not billed under actual construction contracts for these facilities totals \$7,851,512.

The Authority has agreed to contribute \$1,500,000 to the State of New Jersey and \$3,375,000 to the Commonwealth of Pennsylvania for highway construction leading to certain of its facilities.

In 1972, the Authority entered into a long-term lease agreement for the rental of toll collection equipment for approximately 63 toll lanes. The Agreement extends for a period of five years after the date on which all rental charges begin. The Lease remains in full force and effect for an additional two year period unless the Authority gives termination notice in writing at least 120 days prior to the expiration of the five year period. The Lease contains an option to purchase clause.

DELAWARE RIVER PORT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEARS ENDED DECEMBER 31, 1974 AND 1973

6. Commitments and contingent liabilities (continued):

Certain subway properties are leased from the City of Philadelphia. The lease expires December 31, 1997 and provides for rental payments of \$1 per year plus 9.6% of net profits of the Transit System. For the years ended December 31, 1974 and 1973, no additional rent is payable since operations of the Transit System resulted in a loss when computed in accordance with terms of the lease agreement.

Minimum lease commitments under all noncancellable leases are as follows:

Year ending December 31,	Subway properties	Automatic toll collection equipment	Transit system office and equipment	Other	Total
1975	\$1	\$503,000	\$18,000	\$29,000	\$550,001
1976	1	655,000	14,000	26,000	695,001
1977	1	655,000	14,000	18,000	687,001
1978	1	655,000	14,000	5,000	674,001
1979	1	561,000	14,000		575,001
Five					
years ending					
<u>December 31,</u>					
1984	5	152,000			152,005
1989	5				5
1994	5				5
Years subsequent					
to 1994 (in total)					
	3				3

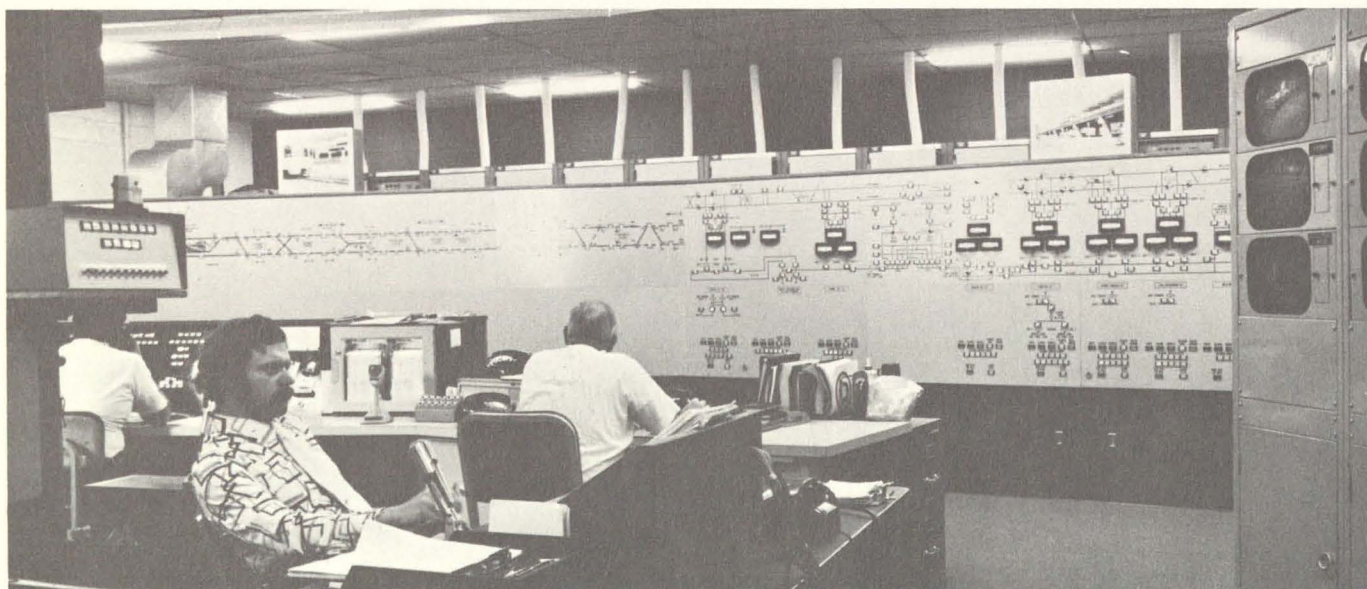
Rent expense for the years ended December 31, 1974 and 1973 amounted to \$702,000 and \$183,000, respectively.

The Authority anticipates renewing or replacing annual office and equipment leases that expire in the normal course of business. Several office and equipment leases require the Authority to pay maintenance and certain operating expenses.

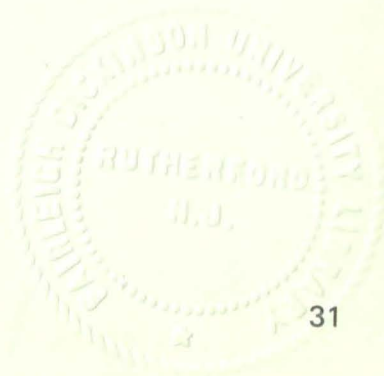
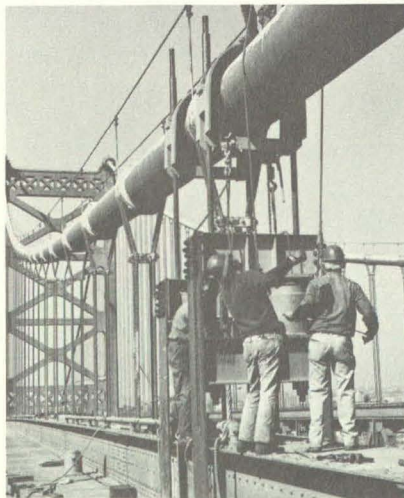
As a result of a toll rate increase effective April 1, 1972, the Delaware River Port Authority is engaged in a proceeding before The Federal Highway Administration regarding its current toll schedules. Pursuant to a recommended decision issued by an Administrative Law Judge dated October 18, 1974, it was recommended that tolls be substantially reduced. Exceptions have been filed by the Authority and the Federal Highway Administrator has not yet issued an Order. In the opinion of counsel, the position of the Authority with regard to its current tolls is sound, and the Authority has not reduced its tolls.

As a result of a fare increase effective April 16, 1972 the Authority's subsidiary, Port Authority Transit Corporation, is engaged in a proceeding before the Interstate Commerce Commission regarding its current transit fare schedules. Pursuant to an Order issued February 19, 1975 by the Commission, it was required that fares be reduced to the pre-April 1972 schedules. The Corporation has appealed this Order, which appeal has stayed the Order. In the opinion of counsel, the position of the Corporation with regard to its current fare schedules is sound.

A company involved in the construction of the Commodore Barry Bridge has filed suit in the United States District Court of New Jersey for a claim against the Authority of approximately \$17,000,000. In the opinion of counsel, the liability status of this claim is presently not capable of precise evaluation. In addition, other companies involved in the construction of facilities have filed various less significant claims against the Authority which are being negotiated. The Authority is also engaged in several land condemnation proceedings relating to acquisition of land for construction of facilities. Estimated compensation amounts have been deposited in escrow. Any payments which might be due upon settlement of construction claims or as a result of condemnation awards in excess of escrowed compensation would be charged to investment in facilities.



*PATCO Center Tower with
mimic board, power panel
display and television
monitors (top). Crane
positions train wheels in
PATCO Lindenwold shop (right).
Suspender cables are replaced
on Benjamin Franklin Bridge
(right).*





DELAWARE RIVER PORT AUTHORITY

of Pennsylvania and New Jersey

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Bridge Plaza

Regional Offices

Philadelphia
Public Ledger Building

New York
One Penn Plaza

Chicago
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Washington, D.C.
1725 K Street, N.W.

Pittsburgh
United States Steel Building

London
128 Mount Street

Antwerp
2128 St. Job

Milan
Piazza Del Liberty 8

Bogota
Calle 38 - No. 8-12, OF, 401

Tokyo
World Trade Center Building

Hong Kong
Gloucester Building



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