

DELAWARE RIVER AND BAY AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2005



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Prepared by:

Joseph Larotonda, Controller

Michele Cleary, Senior Accountant
Dana Read, Assistant Controller

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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

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

INTRODUCTION

The Comprehensive Annual Financial Report of the Delaware River and Bay Authority ("Authority") for the fiscal year ended December 31, 2005, 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 Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and compliance. The introductory section includes this transmittal letter, the Authority's organization chart and a listing of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis (MD&A) and basic financial statements including notes to financial statements and required supplementary information. The statistical section includes financial and operational information, generally presented on a multi-year basis. The compliance section presents information in conformity with provisions of the Federal Single Audit Act of 1984, as amended in 1996, which establishes audit requirements for state and local governments that receive federal awards. This section includes the schedule of expenditures of federal awards, findings and questioned costs and the independent auditor's reports on internal control and compliance with applicable laws and regulations. This letter of transmittal is designed to complement the 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.

INDEPENDENT AUDIT

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, 2005, 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. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the fiscal year ended December 31, 2005, 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.

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 developing the area in both States bordering the Delaware River and Bay for transportation and terminal facilities. 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 six committees: Budget and Finance, Projects, Personnel and Insurance, Economic Development, Audit and Ad Hoc By-Laws. Each committee is comprised of four to six Commissioners and meets on a quarterly or monthly basis. 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 34 million vehicles annually. A staff of 36 full-time toll employees keeps the toll facilities operational 24 hours a day, 365 days a year. The Cape May – Lewes Ferry transports

approximately 360,000 vehicles and 1.0 million passengers annually, along a 17 mile, 70 minute ride, connecting the towns of Lewes, DE and Cape May, NJ. A total staff of 67 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.

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 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 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 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.

ELECTRONIC TOLLS

The Authority has completed its fifth year of providing E-ZPass services at the Delaware Memorial Bridge. As of December 31, 2005, the Authority maintained 35,912 customer accounts and 55,636 transponders in circulation, as compared to 32,207 and 49,019 from the same period ending December 31, 2004. E-ZPass usage continues to grow as current statistics show 52.1 percent of our overall traffic utilize E-ZPass as compared to 48.1 percent a year ago. During the weekday commute period, the percentage of our customers using E-ZPass has risen to 68.9 percent versus 67.1 percent during FY 2004.

FINANCIAL MANAGEMENT

Financial operations of the Authority are substantially controlled by the provisions of a Trust Agreement, dated October 1, 1993, with Wilmington Trust Company, 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 contracted 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 2005, 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:

Ferry Market Study. Throughout FY 2005, the Authority implemented operational changes at the Cape May – Lewes Ferry, under a market study report prepared by the Elliott Bay Design Group of Seattle, Washington. The report took a comprehensive review of existing ferry operations, identified markets and customer preferences, detailed market demographics and economic trends and listed methods to reach untapped market segments. The report and analysis will provide management with a foundation to implement new initiatives, which focus on enhancing ridership, revenues, and customer satisfaction while managing costs.

Financial Excellence. In November 2005, the Authority was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for its 2004 Comprehensive Annual Financial Report. The Certificate of Achievement is the highest form of recognition in the area of government accounting and financial reporting, and its attainment represents a significant accomplishment by the government and its management.

Counter-Terrorism Screening Campaign. In January 2005, the Authority Police, in conjunction with the Delaware State Police, conducted a joint Commercial Vehicle/Counter-Terrorism

Screening Campaign at the Delaware Memorial Bridge Toll Plaza. The pro-active, joint operation was designed to enforce commercial vehicle codes, regulations and laws intended to make our highways safe and to search for contraband material aboard commercial vehicles.

Economic Development. In August 2005, the Authority partnered with Delaware State University on a new \$2.6 million Joint Use Facility located at Delaware Airpark. The new facility will be used for DRBA maintenance and administrative operations as well as classroom, office and hangar facilities for the University's Airway Science Department.

Re-accreditation. In December 2005, the Authority's Police Department was re-accredited by the Commission on Accreditation for Law Enforcement. This represents the third time the department was re-accredited since its original accreditation in 1996 and the second consecutive 100% compliance rating during the assessment process. The accreditation process examines all Police department policies and procedures, management, operations and support services and carries with it a highly prized recognition of professional excellence in law enforcement.

Safety Awareness Program. In June 2005, the Authority initiated a "Toll Plaza Safety Awareness Program" in an effort to improve safety at the Delaware Memorial Bridge. The program was a coordinated effort among the various Authority departments, with its main goal to make the Toll Plaza safe for Authority employees, contractors and the millions of motorists who use the facility each year.

2005 Refunding. In March 2005, the Authority took advantage of market conditions and issued \$180.2 million in Revenue Refunding Bonds. The refunding saved the Authority well over \$7 million in net present savings. The Authority continued to maintain its A1 and A+ ratings.

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:

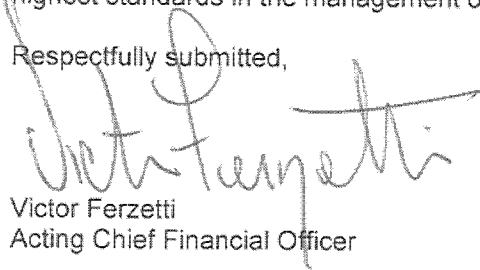
- Physical loss or damage insurance on the twin span bridges, ferry vessels, buildings and toll facilities.
- Use and occupancy insurance covering loss of revenues due to interruption in the use of the twin spans resulting from damage or destruction of any part of the bridges.
- Workers compensation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

ACKNOWLEDGEMENTS

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 each member of the Department 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.

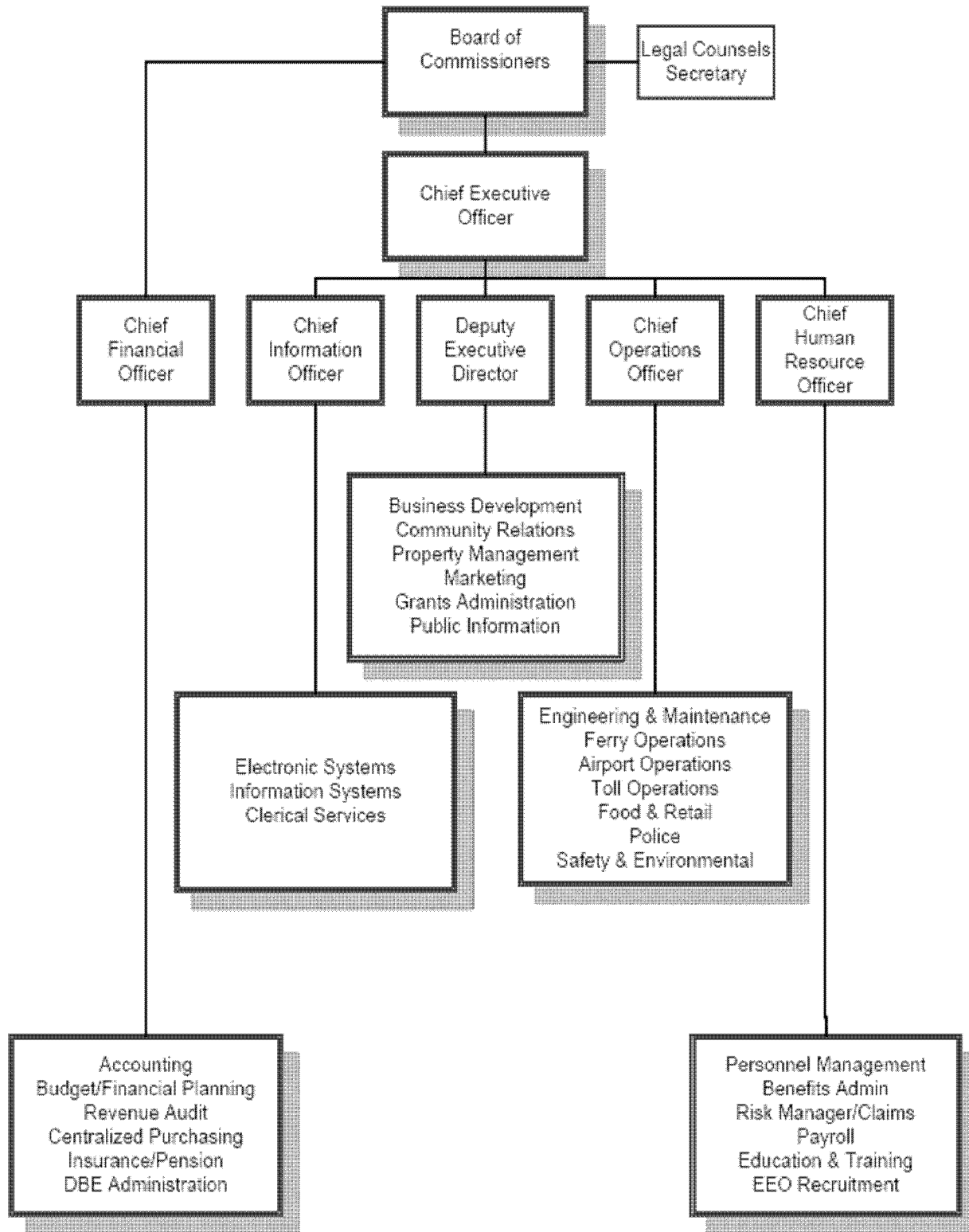
Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Victor Ferzetti", with a stylized flourish at the end.

Victor Ferzetti
Acting Chief Financial Officer

DELAWARE RIVER & BAY AUTHORITY

ORGANIZATIONAL CHART AND
FUNCTIONAL RESPONSIBILITIES



**DELAWARE RIVER AND BAY AUTHORITY
BOARD OF COMMISSIONERS**

STATE OF NEW JERSEY:

GOVERNOR
JON S. CORZINE

Dr. Warren S. Wallace, Chairperson
Washington Township, NJ, Term Expires July 1, 2006

Rev. Edward Dorn, Chairperson Personnel & Insurance Committee
Pedricktown, NJ, Term Expires July 1, 2007

Niels S. Favre, Vice-Chairperson, Audit Committee & Ad Hoc By-Laws Committee
Cape May, NJ, Term Expired July 1, 2005

Maureen T. Koebig, Chairperson, Economic Development Committee
Cape May Court House, NJ, Term Expires July 1, 2006

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

VACANT

STATE OF DELAWARE:

GOVERNOR
RUTH ANN MINNER

F. Michael Parkowski, Vice-Chairperson
Dover, DE, Term Expires July 1, 2006

Thomas J. Cooper, Chairperson Audit Committee &
Vice-Chairperson Ad Hoc By-Laws Committee
Seaford, DE, Term Expires July 1, 2007

Verna W. Hensley, Chairperson, Projects Committee
Middletown, DE, Term Expires July 1, 2009

Samuel E. Lathem, Vice-Chairperson, Personnel & Insurance Committee
Bear, DE, Term Expired July 1, 2005

William E. Lowe, III, Vice-Chairperson Economic Development Committee
Lewes, DE, Term Expires July 1, 2007

Gary B. Patterson, Vice-Chairperson Budget & Finance Committee
Dover, DE, Term Expires July 1, 2008

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, 2004

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.



Carol E. Fudge

President

Jeffrey R. Emer

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, 2005 and 2004, 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 audit.

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 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 audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Delaware River and Bay Authority and the fiduciary fund of the Delaware River and Bay Authority as of December 31, 2005 and 2004 and the respective changes in financial position and cash flows, where applicable, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

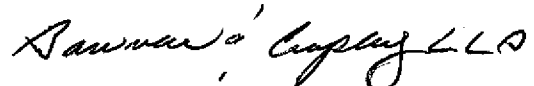
In accordance with Government Auditing Standards, we have also issued our report dated May 12, 2006 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other 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 read in conjunction with this report in considering the results of our audit.

The accompanying management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is 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.

32200

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delaware River and Bay Authority's 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 basic financial statements. In addition, the introductory section, required supplementary statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are also not a required part of the basic financial statements. The schedule of expenditures of federal awards and the required supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 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 basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
May 12, 2006

**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, 2005, and have issued our report thereon dated May 12, 2006. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

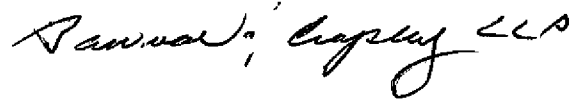
Compliance and Other Matters

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.

32200

This report is intended solely for the information and use of the audit committee, management of the Delaware River and Bay Authority, and federal 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,

A handwritten signature in dark ink, appearing to read "Samuel J. Bowman", followed by the letters "LLP".

BOWMAN & COMPANY LLP
Certified Public Accountants
And Consultants

Voorhees, New Jersey
May 12, 2006

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. Fixed Assets are capitalized and (except land and construction-in-progress) are depreciated over their useful lives. Amounts are restricted for debt service and, where applicable, for construction purposes. 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, non-capital financing, 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.

The Authority continued to make positive efforts toward achieving its goal of best practices in financial management. During Fiscal Year 2004, the Authority prepared its first Comprehensive Annual Financial Report (CAFR) and was awarded the Certificate of Achievement for Excellence in Financial Reporting as presented by the Government Finance Officers Association (GFOA). The Certificate of Achievement is a prestigious national award recognizing achievement with the highest standards in government accounting and financial reporting.

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 \$279.2 million as of December 31, 2005.

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).

	<u>2005</u>	<u>%</u>	<u>2004</u>	<u>%</u>	<u>2003</u>	<u>%</u>
ASSETS:						
Current and Other Assets	\$ 177,273	27.9%	\$ 186,514	29.6%	\$ 179,573	28.6%
Capital Assets	<u>457,717</u>	<u>72.1%</u>	<u>442,780</u>	<u>70.4%</u>	<u>448,995</u>	<u>71.4%</u>
Total Assets	634,990		629,294		628,568	
LIABILITIES:						
Current Liabilities	27,899	7.8%	26,290	7.3%	28,350	7.7%
Long-Term Liabilities	<u>327,912</u>	<u>92.2%</u>	<u>335,074</u>	<u>92.7%</u>	<u>340,879</u>	<u>92.3%</u>
Total Liabilities	355,811		361,364		369,229	
NET ASSETS:						
Invested in Capital Assets, Net of Debt	172,541	61.8%	163,283	60.9%	169,604	65.4%
Restricted	32,036	11.5%	31,990	11.9%	31,650	12.2%
Unrestricted	<u>74,602</u>	<u>26.7%</u>	<u>72,657</u>	<u>27.1%</u>	<u>58,085</u>	<u>22.4%</u>
TOTAL NET ASSETS	<u>\$ 279,179</u>		<u>\$ 267,930</u>		<u>\$ 259,339</u>	

The largest portion of the Authority's net assets at December 31, 2005 (61.8%), 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, 2005 (11.5%), represents resources that are subject to external restrictions on how they can be used under Trust Agreement covenants. The remaining unreserved net assets (26.7%) may be used to meet the Authority's capital and ongoing obligations.

SUMMARY OF CHANGES IN NET ASSETS

Net assets increased during 2005 in the amount of \$11.2 million. This gain is attributable to increases in investment income and capital contributions, and decreases in interest expense on outstanding bonds and a lower write-off of non-capital projects during fiscal year 2005. A condensed summary of the Authority's changes in net assets is shown below (in thousands).

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Operating Revenues (See Exhibit B)	\$ 97,279	\$ 97,350	\$ 94,582
Operating Expenses (See Exhibit B)	64,620	63,571	61,069
Income Before Depreciation and Other Non-Operating Income and Expenses	32,659	33,779	33,513
Depreciation	16,603	16,506	23,360
Operating Income	16,056	17,273	10,153
Non-Operating Income(Expenses)	(12,557)	(15,786)	(12,211)
Income Before Capital Contributions	3,499	1,487	(2,058)
Capital Contributions	7,750	7,105	5,308
Increase in Net Assets	\$ 11,249	\$ 8,592	\$ 3,250

FINANCIAL HIGHLIGHTS

- Operating revenues decreased slightly by \$70 thousand or .07% from \$97.35 million to \$97.28 million during FY 2005.
- Operating expenses, before depreciation, General expenses, increased by \$1.4 million or 2.3% from \$60.8 million to \$62.2 million as a result of increased expenses associated with employee wages and benefit costs, insurance and electronic toll expenses.
- As a result of the above, operating income before depreciation and other fund expenses decreased \$1.5 million or 4.05% from \$36.5 million to \$35.0 million in FY 2005.
- Non-operating income (expense) decreased \$3.2 million or 20.3% from a net expense of \$15.8 million in FY 2004 to a net expense of \$12.6 million in FY 2005. This decrease in net expense is the result of increases in investment income and decreases in interest expense and non-capital project write offs.
- Capital Contributions received in the form of grants from the Federal Government and other sources increased \$.6 million or 8.5% from \$7.1 million in FY 2004 to \$7.7 million in FY 2005.

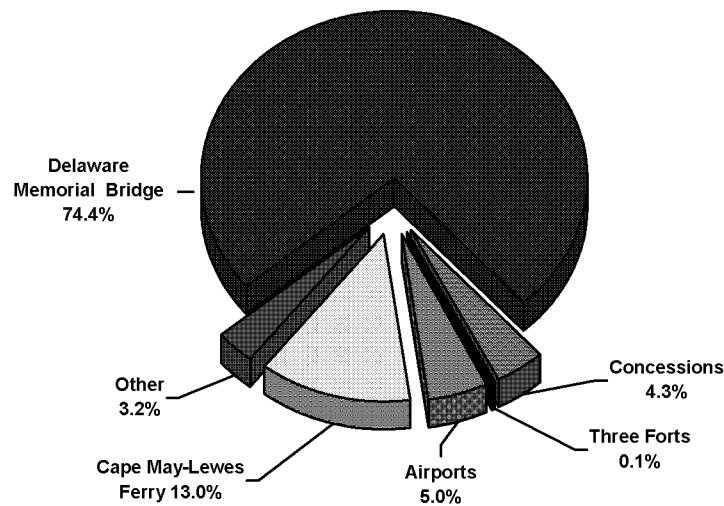
OPERATIONAL HIGHLIGHTS

During FY 2005, the Authority's traffic remained essentially flat as compared to FY 2004. Overall traffic at the Delaware Memorial Bridge decreased .3% during FY 2005 as compared to FY 2004, with Commercial traffic increasing 1.8% and Non-Commercial traffic decreasing .6%. It is important to note that, while Commercial traffic represents approximately 14% of total traffic, it accounts for approximately 45% of total revenue.

Overall traffic at the Cape May – Lewes Ferry increased .5% during FY 2005 as compared to FY 2004, as vehicles decreased .2% and Ferry passengers increased .8%. Ferry passengers comprise approximately 74% of total traffic, and account for approximately 46% of total revenue.

	2005 <u>Actual</u>	Percent Increase/ (Decrease)	2004 <u>Actual</u>	Percent Increase/ (Decrease)	2003 <u>Actual</u>	Percent Increase/ (Decrease)
Delaware Memorial Bridge						
Commercial	2,434,050	1.8%	2,391,636	4.2%	2,295,241	6.0%
Non-Commercial	15,159,360	-0.6%	15,249,402	2.2%	14,920,209	1.6%
Total DMB:	17,593,410	-0.3%	17,641,038	2.5%	17,215,450	2.2%
Cape May-Lewes Ferry						
Vehicles	359,450	-0.2%	360,031	-0.7%	362,450	-0.8%
Passengers	1,028,553	0.8%	1,020,402	-2.8%	1,050,050	-2.0%
Total CMLF:	1,388,003	0.5%	1,380,433	-2.3%	1,412,500	-1.7%
Three Forts						
Passengers	22,142	-11.9%	25,126	5.4%	23,847	-7.1%

The following chart shows the major sources and the percentage of operating revenues for the fiscal year ended December 31, 2005.



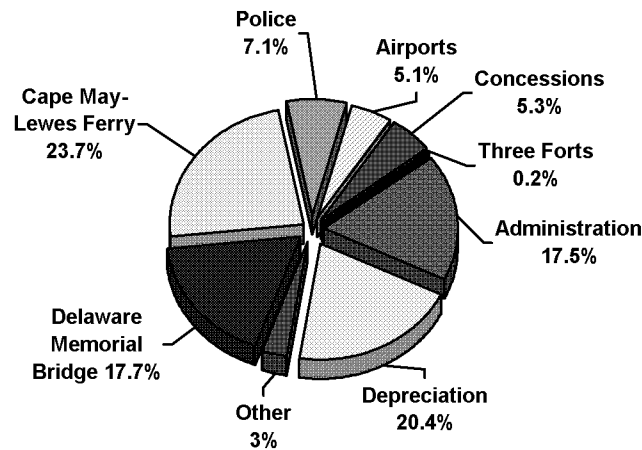
A summary of total revenues for the fiscal years ended December 31, 2005, 2004 and 2003 and the amount and percentage of change in relation to prior fiscal year amounts as follows (in thousands).

	2005 <u>Actual</u>	Percent Increase/ (Decrease)	2004 <u>Actual</u>	Percent Increase/ (Decrease)	2003 <u>Actual</u>	Percent Increase/ (Decrease)	2002 <u>Actual</u>
OPERATING							
Delaware Memorial Bridge	\$ 72,349	0.7%	\$ 71,869	3.8%	\$ 69,228	1.1%	\$ 68,466
Cape May-Lewes Ferry	12,615	-2.5%	12,944	-2.3%	13,245	-8.0%	14,397
Airports	4,899	-3.2%	5,063	-0.5%	5,090	-1.6%	5,171
Three Forts	108	-9.2%	119	7.2%	111	-33.1%	166
Concessions	4,186	6.9%	3,917	-0.8%	3,947	-11.5%	4,461
Other	<u>3,122</u>	-9.2%	<u>3,437</u>	16.1%	<u>2,960</u>	-39.2%	<u>4,871</u>
TOTAL OPERATING	97,279	-0.1%	97,349	2.9%	94,581	-3.0%	97,532
NON-OPERATING							
Investment Income	4,285	44.5%	2,965	-12.5%	3,390	-23.3%	4,418
Sale of Equipment	<u>102</u>	-44.9%	<u>185</u>	-81.1%	<u>980</u>	1109.9%	<u>81</u>
TOTAL NON-OPERATING	4,387	39.3%	3,150	-27.9%	4,370	-2.9%	4,499
Capital Contributions	<u>7,750</u>	9.1%	<u>7,105</u>	33.9%	<u>5,308</u>	83.5%	<u>2,892</u>
TOTAL REVENUES	<u>\$ 109,416</u>	1.7%	<u>\$ 107,604</u>	3.2%	<u>\$ 104,259</u>	-0.6%	<u>\$ 104,923</u>

Total Authority revenues increased \$1.8 million or 1.7% from \$107.6 million in FY 2004 to \$109.4 million in FY 2005. The increase in revenues is attributable to the following operating and non-operating activities:

- Total Operating Revenue remained flat during FY 2005 at \$97.27 million as compared to \$97.3 during FY 2004.
- Bridge toll revenues increased .7%, the result of a 1.7% increase in Commercial traffic during FY 2005.
- Ferry tolls and concession sales decreased .4%, despite an overall increase in total traffic during FY 2005
- Airport revenues decreased 3.2% in FY 2005, largely the result from a write-off of uncollectible lease payment at New Castle Airport.
- Other operating income decreased 9.2%, the result of a reduction in aviation fuel sales and a one-time miscellaneous revenue collected in FY 2004.
- Non-operating income increased 39.3% during FY 2005, as interest rates rose increasing investment income by 44.5%.
- Capital contributions increased 9.1% over FY 2004, as the Authority receives continued additional funding for Airport related projects through the FAA.

The following chart shows the Authority's operating divisions and the percentage of budgetary expenses for the year ended December 31, 2005.



A summary of total expenses for the fiscal years ended December 31, 2005, 2004 and 2003 and the amount and percentage of change in relation to the prior fiscal amounts as follows (in thousands).

	2005 Actual	Percent Increase/ (Decrease)	2004 Actual	Percent Increase/ (Decrease)	2003 Actual	Percent Increase/ (Decrease)	2002 Actual
OPERATING							
Administration	\$ 14,220	8.7%	\$ 13,081	16.5%	\$ 11,231	13.4%	\$ 9,903
Delaware Memorial Bridge	14,368	-7.2%	15,482	6.3%	14,560	2.8%	14,168
Cape May-Lewes Ferry	19,221	4.7%	18,364	3.0%	17,826	0.0%	17,827
Authority Police	5,780	3.0%	5,614	-0.2%	5,623	2.6%	5,482
Airports Division	4,156	1.8%	4,083	0.0%	4,085	-5.2%	4,309
Three Forts	152	-24.0%	200	20.5%	166	-37.1%	264
Concessions	4,332	8.4%	3,998	0.5%	3,980	-7.4%	4,300
Depreciation	16,603	0.6%	16,506	-29.3%	23,360	100.0%	-
Other Expenses	<u>2,390</u>	-13.1%	<u>2,749</u>	-23.6%	<u>3,597</u>	2.4%	<u>3,513</u>
TOTAL OPERATING	81,222	1.4%	80,077	-5.2%	84,428	41.3%	59,766
NON-OPERATING							
Interest on Bonds	15,452	-3.0%	15,931	-1.8%	16,218	21.5%	13,348
Other Non-Operating	<u>1,493</u>	-50.3%	<u>3,004</u>	727.5%	<u>363</u>	150.3%	<u>145</u>
TOTAL NON-OPERATING	16,945	-10.5%	18,935	14.2%	16,581	22.9%	13,493
TOTAL EXPENSES	<u>\$ 98,167</u>	-0.9%	<u>\$ 99,012</u>	-2.0%	<u>\$ 101,009</u>	37.9%	<u>\$ 73,259</u>

Total Authority expenses decreased \$.85 million or .9% from \$99 million in FY 2004 to \$98.2 million in FY 2005. Listed below are the major highlights which affected Authority expenses in FY 2005.

- Employment costs, consisting of wages and benefits increased \$1.3 million or 3.4% in FY 2005 at \$39.8 as compared to \$38.5 in FY 2004.
- Insurance costs increased \$.37 million or 6.8% over FY 2004, primarily due to increases in premiums for workers compensation and liability policies.
- Expenses for E-ZPass at the Delaware Memorial Bridge increased \$.71 million or 37.9% over FY 2004, as electronic toll usage rose to 52% of total traffic and a one-time adjustment to customer liability accounts.
- Operating supplies for all Authority facilities increased \$.63 million or 21.7% during FY 2005 as compared to FY 2004. The largest contributors to the increase were fuel costs, which rose 45% during FY 2005.
- Other operating expenses decreased \$.36 million or 13.1% from FY 2004 as economic development activities decreased during FY 2005.
- Non-operating expenses decreased \$1.5 million or 50.3% from FY 2004 due primarily to a smaller write-off of Non-Capital Projects that would not materialize into long term assets.

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, 2005, 2004 and 2003. Cash equivalents are considered highly liquid investments with a maturity of three months or less (in thousands).

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cash Flow from Operating Activities	\$ 35,530	\$ 33,227	\$ 33,549
Cash Flow from Non-Capital Financing Activities		7	219
Cash Flow from Capital and Related Financing Activities	(39,976)	(38,409)	33,034
Cash Flow from Investing Activities	<u>4,801</u>	<u>5,071</u>	<u>(62,931)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	355	(104)	3,871
Cash and Cash Equivalents, Jan. 1, 2005	<u>3,843</u>	<u>3,946</u>	<u>75</u>
Cash and Cash Equivalents, Dec. 31, 2005	<u>\$ 4,198</u>	<u>\$ 3,842</u>	<u>\$ 3,946</u>

The Authority's available cash equivalents increased from \$3.8 million at the end of FY 2004 to \$4.2 million at the end of FY 2005.

The major capital investments undertaken or completed during FY 2005 include:

- Rehabilitation of Expansion Joints and Deck Resurfacing at the Delaware Memorial Bridge (\$1.8 million)
- Cape May Terminal Building Rehabilitation at the Cape May – Lewes Ferry (\$2.3 million)
- Lewes Terminal Pier Improvements and Modifications (\$2.0 million)
- Rehabilitation of Runway Lighting and Signage at Millville and Cape May Airports (\$3.9 million)
- Multi-Purpose Hangar/Terminal at Delaware Air Park (\$2.0 million)
- Hangar and Security Improvements at Millville and Cape May Airports (\$5.3 million)
- Maintenance Dredging – Cape May and Lewes Terminals (\$1.0 million)
- Miscellaneous Capital Improvements and Equipment at the Delaware Memorial Bridge (\$2.1 million)

The following table shows a summary of the Authority's investment in capital assets (net of depreciation) for the periods ending December 31, 2005, 2004 and 2003.

SUMMARY OF CAPITAL ASSETS (net of depreciation)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Land	\$ 11,416,470	\$ 11,416,470	\$ 11,525,419
Land Improvements	58,582,999	58,889,187	56,564,162
Buildings	84,028,805	85,915,198	86,308,951
Machinery & Equipment	13,036,748	14,454,217	14,491,242
Infrastructure	143,668,178	143,042,458	145,969,832
Vessels	71,433,472	74,642,020	75,802,391
Construction in Progress	<u>75,550,654</u>	<u>54,420,907</u>	<u>58,333,408</u>
	<u>\$ 457,717,326</u>	<u>\$ 442,780,457</u>	<u>\$ 448,995,405</u>

Fixed asset 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 fixed assets and commitments can be found in the notes to the financial statements.

DEBT ADMINISTRATION

During FY 2005, the Authority issued \$180.2 million of Series 2005 Revenue Bonds to refund \$178.7 million of outstanding 1993, 1996, 2000A and 2003 Bonds. The refunding resulted in an average annual savings of \$555,060 for the Authority. The revenue bonds are secured by a pledge of the Authority's revenue derived from its crossing facilities. In connection with the 2005 Revenue Bonds, Standard & Poor's and Moody's Investors Services assigned ratings of A+ and A1, respectively. Both rating agencies continue to view the Authority with a long-term stable outlook. Moody's reported the A1 rating reflects the Authority's sound financial operations, strengthened by the recent passage of by-laws that tighten financial controls, solid debt service coverage, and a manageable capital plan.

As of December 31, 2005, the Authority had \$329.4 million of revenue bonds outstanding, compared to \$336.2 million at December 31, 2004. These bonds were issued in 1993, 1996, 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 fiscal 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, 2005, 2004 and 2003 with debt coverage ratios of 151%, 157% and 159%, respectively. Additional information on the Authority's long-term debt can be found 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 included 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, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 4,179,219	\$ 3,507,915
Investments	67,741,393	54,158,825
Operating Revenues Receivable (Net of Allowance for Uncollected Tolls of \$54,363 for 2005 and \$62,102 for 2004)	4,319,649	3,451,879
Accrued Investment Income Receivable	307,098	195,806
Other Accounts Receivable	212,976	5,893,183
Federal Grants Receivable	1,205,506	5,300,195
Inventory	5,085,997	4,427,303
Prepaid Expenses	705,567	583,932
Restricted Assets:		
Cash and Cash Equivalents	19,078	334,682
Investments	88,478,534	103,189,201
Accrued Investment Income Receivable	508,287	764,913
Total Current Assets	<u>172,763,304</u>	<u>181,807,834</u>
Noncurrent Assets:		
Property, Plant and Equipment:		
Completed (Net of Accumulated Depreciation)	382,166,672	388,359,549
Improvements in Progress	75,550,654	54,420,908
	<u>457,717,326</u>	<u>442,780,457</u>
Other Assets:		
Unamortized Debt Issue Costs	4,509,453	4,706,080
Total Noncurrent Assets	<u>462,226,779</u>	<u>447,486,537</u>
Total Assets	<u>634,990,083</u>	<u>629,294,371</u>

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Statements of Net Assets

As of December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
LIABILITIES		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable	\$ 2,933,305	\$ 3,481,556
Accrued Wages Payable	422,909	483,215
Unpaid Health Claims	546,960	
Electronic Toll Liability	484,654	365,680
Unearned Revenue	5,305,269	5,603,900
Customer and Security Deposits	1,179,431	647,355
Compensated Absences	339,004	
Payable from Restricted Assets:		
Accounts Payable	2,640,935	2,024,604
Interest Payable	7,422,042	7,339,021
Revenue Bonds Payable (Current Portion)	6,625,000	6,345,000
	<hr/>	<hr/>
Total Current Liabilities	27,899,509	26,290,331
	<hr/>	<hr/>
Long Term Liabilities:		
Compensated Absences	5,186,948	5,247,284
Revenue Bonds Payable	322,724,591	329,826,242
	<hr/>	<hr/>
Total Long Term Liabilities	327,911,539	335,073,526
	<hr/>	<hr/>
Total Liabilities	355,811,048	361,363,857
	<hr/>	<hr/>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	172,540,587	163,282,843
Restricted:		
Trust Agreement Covenants	32,036,520	31,990,438
Unrestricted	74,601,928	72,657,233
	<hr/>	<hr/>
Total Net Assets	\$ 279,179,035	\$ 267,930,514
	<hr/>	<hr/>

See the accompanying Notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITYStatement of Revenues, Expenses and Changes in Net Assets
For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
OPERATING REVENUES:		
Bridge Tolls	\$ 72,348,723	\$ 71,868,471
Ferry Tolls	12,723,114	13,063,913
Food and Novelty Sales	4,185,985	3,917,391
Airport Lease Revenue	4,898,749	5,062,799
Other Operating Revenue	<u>3,122,164</u>	<u>3,437,091</u>
Total Operating Revenue	<u>97,278,735</u>	<u>97,349,665</u>
OPERATING EXPENSES:		
Administrative and General:		
Wages and Benefits	6,576,471	5,874,313
Other Expenses	10,034,100	9,955,248
Operations:		
Wages and Benefits	33,824,846	33,191,103
Other Expenses	14,184,485	14,549,857
Depreciation Expense	<u>16,602,820</u>	<u>16,506,024</u>
Total Operating Expenses	<u>81,222,722</u>	<u>80,076,545</u>
Operating Income	<u>16,056,013</u>	<u>17,273,120</u>
NON-OPERATING INCOME (EXPENSE):		
Investment Income	4,285,404	2,965,178
Investment Fees	(480,836)	(258,016)
Interest on Bonds	(15,451,686)	(15,931,209)
Amortization of Debt Issue Costs	(432,224)	(228,513)
Write-Off Construction in Progress	(580,179)	(2,517,888)
Miscellaneous Non-Operating Revenues		7,344
Gain on Sale of Fixed Assets	<u>102,291</u>	<u>177,126</u>
Net Non-Operating Income (Expense)	<u>(12,557,230)</u>	<u>(15,785,978)</u>
Income Before Contributions	3,498,783	1,487,142
Capital Contributions	<u>7,749,738</u>	<u>7,104,984</u>
Change in Net Assets	11,248,521	8,592,126
Net Assets Jan. 1	<u>267,930,514</u>	<u>259,338,388</u>
Net Assets Dec. 31	<u>\$ 279,179,035</u>	<u>\$ 267,930,514</u>

See the accompanying Notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITY

Statements of Cash Flows

For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers and Users	\$ 93,281,062	\$ 93,063,806
Payments to Employees	(40,461,623)	(39,561,983)
Payments to Suppliers	(23,962,246)	(23,347,922)
Other Operating Receipts	8,151,287	3,073,190
Net Cash Provided by Operating Activities	37,008,480	33,227,091
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Miscellaneous Non-Operating Revenues		7,344
Net Cash Provided by Non-Capital Financing Activities	---	7,344
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Bond Proceeds	180,215,000	53,670,000
Premium on Bonds	9,869,961	4,965,711
Costs of Issuance	(2,547,123)	(836,499)
Payment to Refunding Escrow	(188,094,510)	(57,765,721)
Acquisition and Construction of Capital Assets	(31,236,820)	(19,206,842)
Proceeds of Sale of Capital Assets	276,238	372,814
Capital Contributions	11,844,427	4,683,618
Principal Paid on Capital Debt	(6,345,000)	(7,515,000)
Interest Paid on Capital Debt	(15,436,436)	(16,776,803)
Net Cash (Used in) Provided by Capital and Related Financing Activities	(41,454,263)	(38,408,722)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment Income	4,154,220	2,435,565
Investment Fees	(480,836)	(259,895)
Net Change in Investments	1,128,099	2,895,139
Net Cash Provided by (Used in) Investing Activities	4,801,483	5,070,809
Net (Decrease) Increase in Cash and Cash Equivalents	355,700	(103,478)
Cash and Cash Equivalents -- Jan 1	3,842,597	3,946,075
Cash and Cash Equivalents -- Dec 31	\$ 4,198,297	\$ 3,842,597
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 16,056,013	\$ 17,273,120
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:		
Depreciation Expense	16,602,820	16,506,024
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	4,117,367	(735,182)
(Increase) Decrease in Inventory	(658,694)	(582,069)
(Increase) Decrease in Prepaid Expenses	(121,635)	(54,904)
Increase (Decrease) in Accounts Payable	(441,956)	1,008,911
Increase (Decrease) in Unpaid Health Claims	546,960	
Increase (Decrease) in Electronic Toll Liability	118,974	92,756
Increase (Decrease) in Deferred Revenue	(22,113)	(433,061)
Increase (Decrease) in Customer and Security Deposits	532,076	(73,274)
Increase (Decrease) in Compensated Absences	278,668	224,770
Net Cash Provided by Operating Activities	\$ 37,008,480	\$ 33,227,091

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, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Investments at Fair Value:		
Cash and Cash Equivalents	\$ 2,028,433	\$ 1,377,374
Mutual Funds	25,240,941	24,371,415
Corporate Bonds	734,664	1,590,163
US Government Bonds	11,049,629	7,952,891
Municipal Bonds	2,848,874	4,200,672
Fixed Income Funds	18,121,043	19,391,020
	<u>60,023,584</u>	<u>58,883,535</u>
Accrued Interest	<u>173,895</u>	<u>108,671</u>
Other Assets:		
Employer Contribution Receivable	<u>1,241</u>	<u>---</u>
Total Other Assets	<u>1,241</u>	<u>---</u>
Total Assets	<u>60,198,720</u>	<u>58,992,206</u>
LIABILITIES		
Accounts Payable	<u>62,285</u>	<u>16,516</u>
Total Liabilities	<u>62,285</u>	<u>16,516</u>
NET ASSETS		
Assets Held in Trust for Pension Benefits	<u>\$ 60,136,435</u>	<u>\$ 58,975,690</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, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ADDITIONS		
Investment Income:		
Net Appreciation in Fair Value of Assets	\$ 957,787	\$ 2,398,916
Dividends	404,412	403,947
Interest	1,164,864	1,314,592
	<u>2,527,063</u>	<u>4,117,455</u>
Less: Investment Expense	78,013	45,835
	<u>2,449,050</u>	<u>4,071,620</u>
Contributions:		
Employer	3,760,147	3,576,084
Plan Member	650,706	657,701
	<u>4,410,853</u>	<u>4,233,785</u>
Total Contributions	<u>4,410,853</u>	<u>4,233,785</u>
Total Additions	<u>6,859,903</u>	<u>8,305,405</u>
DEDUCTIONS		
Benefits Paid to Participants	5,446,391	5,791,807
Insurance Expense	24,250	24,250
Administrative Expenses	228,517	291,814
	<u>5,699,158</u>	<u>6,107,871</u>
Total Deductions	<u>5,699,158</u>	<u>6,107,871</u>
Net Increase	1,160,745	2,197,534
Net Assets Available for Plan Benefits:		
Beginning of Year	58,975,690	56,778,156
End of Year	<u>\$ 60,136,435</u>	<u>\$ 58,975,690</u>

See the accompanying Notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITY

Statement of Accumulated Plan Benefits

Fiduciary Fund

Pension Trust Fund

As of January 1, 2004

Actuarial Present Value of Accumulated Plan Benefits

Active Participants	\$	21,892,366
Vested Participants not yet Receiving Payments		2,907,254
Participants Currently Receiving Payments		<u>36,715,512</u>
 Total Actuarial Present Value of Accumulated Plan Benefits	 \$	 <u><u>61,515,132</u></u>

See the accompanying Notes to Financial Statements.

DELAWARE RIVER AND BAY AUTHORITY
Statement of Changes in Accumulated Plan Benefits
Fiduciary Fund
Pension Trust Fund
For the Year Ended January 1, 2004

Actuarial Present Value of Accumulated Plan Benefits at January 1, 2003		\$ 58,559,634
Increase During Year Attributable to:		
Benefits Accumulated and Plan Changes	\$ 5,062,183	
Interest Due to Decrease in Discount Period	4,169,545	
Benefits Paid	<u>(6,276,230)</u>	
Net Increase		<u>2,955,498</u>
Actuarial Present Value of Accumulated Plan Benefits at January 1, 2004		<u><u>\$ 61,515,132</u></u>

See the accompanying Notes to Financial Statements.

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 a fiscal year any 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. The 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 2.

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 following 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: Limits 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: Limits 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. Limits 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, 2005 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 (Years)</u>
Land Improvements	20 – 50
Buildings	50
Machinery & Equipment	5 – 20
Vessels	40
Infrastructure (Bridges, Roadways & Runways)	20 – 100

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: 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.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**Trust Agreement (Cont'd)****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, 2005 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, 2005 of \$25,701,709 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 fiscal year end. Any excess shall be promptly transferred to the General Fund Account. The balance on December 31, 2005 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, 2005.

Note 2: 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)		\$ 16,056,013
Add:		
Investment Income (Excluding Construction Fund)	\$ 2,796,494	
Depreciation Expense	16,602,820	
General Fund Expense	2,390,248	
Airport Fund Expense	4,156,126	
Liquidations of 12/31/04 Encumbrances	<u>849,675</u>	
		26,795,363
Less:		
Airport Fund Revenues	5,770,353	
General Fund Revenues	643,814	
Inventory Adjustments	658,694	
Encumbrances Fiscal Year Ending 12/31/05	<u>2,426,120</u>	
		<u>9,498,981</u>
Net Revenues Available for Debt Service Coverage		<u>\$ 33,352,395</u>
Total Debt Service (Principal and Interest)		<u>\$ 22,051,686</u>
Debt Service Coverage		151%

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**Annual Budget - 2005**Revenue (Excluding Grant Revenue)

	2005 Projected Revenue	2005 Actual Revenue	(Under) Over Budget
Delaware Memorial Bridge	\$ 72,772,920	\$ 72,348,723	\$ (424,197)
Cape May-Lewes Ferry	12,767,000	12,615,372	(151,628)
Airports Division	5,050,279	4,123,417	(926,862)
Three Forts	112,860	107,742	(5,118)
Concessions	3,850,000	4,056,989	206,989
Investment Income	2,601,934	4,837,783	2,235,849
Other Income	1,547,000	1,814,229	267,229
Total Revenue	<u>\$ 98,701,993</u>	<u>\$ 99,904,255</u>	<u>\$ 1,202,262</u>

Expenses

	2005 Revised Budget	2005 Actual (1) Expenses	Under (Over) Budget
Administration	\$ 15,862,275	\$ 14,492,409	\$ 1,369,866
Delaware Memorial Bridge	14,955,977	14,810,762	145,215
Cape May-Lewes Ferry	20,384,510	20,365,598	18,912
Authority Police	5,996,304	5,753,837	242,467
Airport Division	4,861,970	4,320,692	541,278
Three Forts	240,150	192,503	47,647
Concessions	4,640,045	4,350,784	289,261
Total Operating Expenses (2)	66,941,231	64,286,585	2,654,646
Bond Interest	15,936,852	15,451,686	485,166
Bond Principal	6,600,000	6,600,000	
Total Expenses	<u>\$ 89,478,083</u>	<u>\$ 86,338,271</u>	<u>\$ 3,139,812</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)	\$ 64,286,585
Adjustments:	
Encumbrances - Fiscal Year Ending 12/31/05	(2,426,120)
Liquidation of 12/31/04 Encumbrances	849,675
Depreciation Expense	16,602,820
Inventory Adjustments	(658,694)
General Fund Expenses	2,390,248
Other Miscellaneous Adjustments	178,208
Operating Expenses (Exhibit B)	<u>\$ 81,222,722</u>

Note 3: 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, 2005, the Authority held \$5,103,705 in cash and cash equivalents in financial institutions, with \$3,331,597 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 \$156,219,927 investments in US Government Securities, US Government Agencies, Municipal Bond, Corporate Bonds and Money Market Funds, all \$156,219,927 of investments are registered in the name of the Authority and held by the counterparty.

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.

As of December 31, 2005, the Authority had the following investments and maturities. (Amounts are in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Corporate Bonds/Notes	\$ 20,908	\$ 14,210	\$ 1,818		\$ 4,880
Municipal Obligations	43,194	7,065	13,781	\$ 2,542	19,806
U.S. Government Agencies	58,339	14,532	19,090	953	23,764
U.S. Government Bonds/Notes	21,948	14,023	7,188	737	
Money Market Funds	11,831	11,831			
Total	<u>\$ 156,220</u>	<u>\$ 61,661</u>	<u>\$ 41,877</u>	<u>\$ 4,232</u>	<u>\$ 48,450</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. Presented below is a summary of the Authority's investments by type and credit rating as of December 31, 2005.

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Investments (Cont'd)**

<u>Investment Type</u>	<u>Rating *</u>	<u>% of Total Investments</u>
Corporate Bonds/Notes	AAA/Aaa	0.36%
Corporate Bonds/Notes	A/A1+	9.90%
Corporate Bonds/Notes	AA/Aa2	3.12%
Municipal Obligations	AAA/Aaa	20.60%
Municipal Obligations	AA+/Aa	5.18%
Municipal Obligations	A-/A1	1.87%
Federal Farm Credit Bank Bonds	AAA/Aaa	0.09%
Federal Home Loan Bank Bonds	AAA/Aaa	8.01%
Federal Home Loan Corporation Bonds	AAA/Aaa	0.42%
Federal Home Loan Mortgage Corporation Bonds	AAA/Aaa	10.93%
Federal National Mortgage Association Bonds	AAA/Aaa	13.83%
Government National Mortgage Association Bonds	AAA/Aaa	4.07%
U.S. Treasury Notes	AAA/Aaa	14.05%
Money Market Funds	AAA/Aaa	7.57%

*AAA/Aaa represent the highest quality ratings 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.

Note 3: 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, 2005:

	Balance Dec. 31, 2004	Additions	Deletions	Transfers	Balance Dec. 31, 2005
<i>Capital Assets, not being</i>					
<i>Depreciated:</i>					
Land	\$ 11,416,470				\$ 11,416,470
Construction in Progress	54,420,908	\$ 33,963,479	\$ (2,283,760)	\$ (10,549,973)	75,550,654
Total Capital Assets, not being Depreciated	65,837,378	33,963,479	(2,283,760)	(10,549,973)	86,967,124
<i>Capital Assets, being</i>					
<i>Depreciated:</i>					
Land Improvements	219,913,266			2,038,291	221,951,557
Buildings	105,202,372			401,167	105,603,539
Machinery and Equipment	34,625,178	33,917	(1,738,329)	1,849,569	34,770,335
Vessels	131,630,344		(149,305)	303,808	131,784,847
Infrastructure	332,657,220			5,957,138	338,614,358
Total Capital Assets, being Depreciated	824,028,380	33,917	(1,887,634)	10,549,973	832,724,636
<i>Accumulated Depreciation:</i>					
Land Improvements	(161,024,079)	(2,344,479)			(163,368,558)
Buildings	(19,287,174)	(2,287,560)			(21,574,734)
Machinery and Equipment	(20,170,962)	(3,127,007)	1,564,382		(21,733,587)
Vessels	(56,988,324)	(3,512,356)	149,305		(60,351,375)
Infrastructure	(189,614,762)	(5,331,418)			(194,946,180)
Total Accumulated Depreciation	(447,085,301)	(16,602,820)	1,713,687	---	(461,974,434)
Total Capital Assets, being Depreciated, Net	376,943,079	(16,568,903)	(173,947)	10,549,973	370,750,202
Total Capital Assets, Net	\$ 442,780,457	\$ 17,394,576	\$ (2,457,707)	---	\$ 457,717,326

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Property, Plant and Equipment (Cont'd)**

Total depreciation expense for Fiscal Year 2005 was \$16,602,820. Depreciation expense was charged to operating activities as follows:

Delaware Memorial Bridge	\$ 5,757,897
Cape May - Lewes Ferry	7,451,721
Administration	163,011
Police	86,794
Concessions	16,515
Three Forts Ferry	23,596
Airports	2,790,028
General Fund	313,258
	<hr/>
Total Depreciation Expense	<u><u>\$ 16,602,820</u></u>

Toll Revenue

<u>2005</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	12,530,542	\$ 37,496,001	336,501	\$ 6,216,680
2	330,077	1,969,644		
3	170,362	1,519,479		
4	150,756	1,798,488	3,016	70,857
5	1,746,467	25,985,010	4,288	131,577
6	27,739	495,558	2,983	109,632
7	3,033	121,240	2,699	126,122
8	5,616	115,521		
9	1,138,205	853,654	598	38,852
10	1,327,018	1,327,018	6,591	113,742
11	77,904	348,534	165	3,037
12	69,510	414,444	2	275
13	3,639	25,837		
Passengers: Adult			865,382	5,405,907
Child			82,851	321,740
Bus Adult			6,420	43,964
Special Groups			6,465	32,987
Non-Revenue	12,542		70,042	**
	<hr/>		<hr/>	
	17,593,410	72,470,428	1,388,003	\$ 12,615,372
	<hr/>		<hr/>	
Adjustment: Write-Off of Uncollected Tolls		(121,705)		
		<u><u>\$ 72,348,723</u></u>		

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

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Toll Revenue (Cont'd)**

<u>2004</u>	<u>Bridge</u>		<u>Ferry</u>	
	<u>Vehicles</u>	<u>Revenue</u>	<u>Vehicles or Passengers</u>	<u>Revenue</u>
1	12,582,105	\$ 37,629,843	335,243	\$ 6,281,961
2	338,687	2,020,944		
3	166,723	1,476,522		
4	150,072	1,791,828	2,741	64,200
5	1,693,932	25,198,605	4,190	128,340
6	30,865	552,528	2,965	108,958
7	2,859	114,360	2,433	113,497
8	8,498	176,778		
9	1,139,377	854,533	811	52,786
10	1,358,553	1,358,553	6,370	110,255
11	79,118	352,229	3,052	10,458
12	71,409	425,850	4	388
13	5,892	41,032		
Passengers: Adult			939,164	5,986,594
Bus Adult			8,685	59,581
Special Groups			5,308	27,397
Non-Revenue	12,948		69,467 **	
	<u>17,641,038</u>	71,993,605	<u>1,380,433</u>	<u>\$ 12,944,415</u>
Adjustment: Write-Off of Uncollected Tolls		<u>(125,134)</u>		
		<u>\$ 71,868,471</u>		

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

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 2005 and 2004 were \$72,825,573 and \$72,378,937, while the adjustments for uncollectible tolls were \$476,850 and \$510,466, respectively.

Note 4: DETAIL NOTES – LIABILITIES**Compensated Absences**

The Authority has recorded a liability through December 31, 2005 totaling \$5,525,952 for vacation and sick pay, with \$865,318 accruing during Fiscal Year 2005. 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, 2005, there were 204 retired employees and 76 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 4: DETAIL NOTES – LIABILITIES (CONT'D)**Post-Employment Benefits (Cont'd)**

The expenses associated with post-employment benefits for years ended December 31, 2005, 2004 and 2003 are as follows:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Healthcare	\$ 2,125,011	\$ 1,561,918	\$ 1,169,565
Life Insurance	139,285	133,108	400,505
Dental	97,864	85,319	79,505
Vision	5,038	5,969	7,462
	<u>\$ 2,367,198</u>	<u>\$ 1,786,314</u>	<u>\$ 1,657,037</u>

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, 2004, there were 429 active participants, 87 terminated members entitled to, but not yet receiving benefits and 224 retirees and/or beneficiaries currently receiving benefits. A member may retire after completing ten (10) years of service and after reaching normal retirement age (sixty (60) years old), 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.

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.

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.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Defined Benefit Plan (Cont'd)**

Annual Pension Cost: For fiscal years ended December 31, 2005, 2004 and 2003, the Authority's annual pension costs for the DB Plan were \$3,741,569, \$3,565,080 and \$3,454,844, 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, 2005, 2004 and 2003 were \$618,010, \$623,657 and \$630,605, respectively. In keeping with its funding policy, the Authority contributed 100% of the recognized pension cost for those years.

The required contribution for the year ended December 31, 2005 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, 2005 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.

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.

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.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****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 \$1,173,511, \$1,179,417 and \$1,178,415 for 2005, 2004 and 2003 respectively. The Authority's contribution was \$385,811, \$369,807 and \$398,124 for 2005, 2004 and 2003 respectively. As of December 31, 2005, the value of the DC Plan was \$13,897,339.

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 4: 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, 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. 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.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Bonded Indebtedness**

At December 31, 2005, the Authority had \$328,845,000 in revenue and refunding revenue bonds outstanding. The bonds were issued in 1996, 2000, 2003, and 2004. These bonds were issued pursuant to the Trust Agreement dated October 1, 1993 between the Authority and the Wilmington Trust Company.

(1) Series 1996

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
6.00%	2006	\$ 1,550,000	\$ 175,000	\$ 1,725,000
5.00%	2007	1,640,000	82,000	1,722,000
Total Series 1996		<u>3,190,000</u>	<u>257,000</u>	<u>3,447,000</u>

(2) Series 2000A

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
5.00%	2006	\$ 1,355,000	\$ 379,778	\$ 1,734,778
5.00%	2007	1,425,000	312,027	1,737,027
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>7,485,000</u>	<u>1,181,832</u>	<u>8,666,832</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Bonded Indebtedness (Cont'd)**

(3) Series 2000B

<u>Annual Interest Rate</u> ¹	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
3.25%	2006		\$ 975,000	\$ 975,000
4.50%	2007		1,350,000	1,350,000
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>32,821,500</u>	<u>62,821,500</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 2005 was 2.421%. The assumed interest rate for fiscal year 2006 is 3.25% and for Fiscal Year 2007 – 2030 is 4.5%.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Bonded Indebtedness (Cont'd)****(4) Series 2003**

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
5.00%	2006	\$ 1,415,000	\$ 2,682,152	\$ 4,097,152
5.00%	2007	1,450,000	2,611,402	4,061,402
5.10%	2008	1,490,000	2,538,902	4,028,902
5.10%	2009	1,535,000	2,462,912	3,997,912
5.15%	2010	1,585,000	2,384,627	3,969,627
3.75%	2011	1,640,000	2,303,000	3,943,000
4.00%	2012	1,700,000	2,241,500	3,941,500
5.00%	2013	1,770,000	2,173,500	3,943,500
	2014		2,085,000	2,085,000
	2015		2,085,000	2,085,000
	2016		2,085,000	2,085,000
	2017		2,085,000	2,085,000
	2018		2,085,000	2,085,000
	2019		2,085,000	2,085,000
	2020		2,085,000	2,085,000
	2021		2,085,000	2,085,000
	2022		2,085,000	2,085,000
	2023		2,085,000	2,085,000
	2024		2,085,000	2,085,000
	2025		2,085,000	2,085,000
	2026		2,085,000	2,085,000
5.00%	2027	16,220,000	2,085,000	18,305,000
	2028		1,274,000	1,274,000
	2029		1,274,000	1,274,000
	2030		1,274,000	1,274,000
	2031		1,274,000	1,274,000
	2032		1,274,000	1,274,000
5.00%	2033	25,480,000	1,274,000	26,754,000
Total Series 2003		54,285,000	56,231,995	110,516,995

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Bonded Indebtedness (Cont'd)**

(5) Series 2004

<u>Annual Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
2.50%	2006	\$ 2,280,000	\$ 2,573,850	\$ 4,853,850
2.75%	2007	2,340,000	2,516,850	4,856,850
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>53,670,000</u>	<u>19,020,950</u>	<u>72,690,950</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Bonded Indebtedness (Cont'd)****(6) 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%	2006	\$ 25,000	\$ 6,635,953	\$ 6,660,953
3.00%	2007	240,000	8,814,537	9,054,537
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>180,215,000</u>	<u>149,384,920</u>	<u>329,599,920</u>
Total Bonded Indebtedness		328,845,000		
Less:				
Current Portion		(6,625,000)		
Deferred Loss on Defeasance		(13,983,350)		
Discount on Bonds		(49,413)		
Premium on Bonds		<u>14,537,353</u>		
Total Long Term Bond Indebtedness		<u>\$ 322,724,590</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 4: DETAIL NOTES – LIABILITIES (CONT'D)**Summary of Long-Term Liabilities:**

	<u>Principal Outstanding Jan. 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding Dec. 31, 2005</u>	<u>Due Within One Year</u>
Revenue Bonds	\$ 329,826,242	\$ 190,084,961	\$ (197,186,613)	\$ 322,724,590	\$ 6,625,000
Compensated Absences	5,247,284	865,318	(586,650)	5,525,952	339,004
Total Long Term Liabilities	<u>\$ 335,073,526</u>	<u>\$ 190,950,279</u>	<u>\$ (197,773,263)</u>	<u>\$ 328,250,542</u>	<u>\$ 6,964,004</u>

2004 Bond Refunding

On September 8, 2004, the Authority advance refunded \$36,515,000 of the Authority's 1993 Revenue Bonds and \$19,175,000 of the Authority's 1996 Revenue Bonds by placing the proceeds in an irrevocable trust to provide for all debt service payments on the 1993 and 1996 Bonds. On December 31, 2005, \$19,175,000 of the 1996 Bonds outstanding are considered defeased. As a result, the liability for the refunded 1996 Revenue Bonds has been removed from the financial statements.

Summary of 2005 Bond Refunding

On March 10, 2005, the Authority issued \$180,215,000 in Revenue Refunding Bonds to advance refund \$33,235,000 of the Series 1993 Revenue Bonds, \$34,840,000 of the Series 1996 Revenue Bonds, \$89,980,000 of the Series 2000A Revenue Bonds and \$20,630,000 of the Series 2003 Revenue Bonds. A major portion of the proceeds from the sale of the 2005 Revenue Refunding Bonds were used to purchase US Government Securities. These securities were placed in an irrevocable trust to provide for all future debt service payments on the refunded 1993, 1996, 2000A and 2003 Revenue Bonds. As a result, the refunded 1993, 1996, 2000A and 2003 Revenue Bonds are considered defeased and the liability for those bonds have been removed from the financial statements. The advance refunding resulted in a savings of \$12.7 million and a net present value savings of \$7.7 million. The sources and uses of funds for the refunding are as follows:

Sources:

Serial Bonds	\$ 180,215,000
Premium	9,869,961
Other Sources	<u>2,958,806</u>
	<u>\$ 193,043,767</u>

Uses:

Escrow Deposits	\$ 190,496,644
Cost of Issuance	335,500
Underwriter's Discount	751,337
Bond Insurance	1,457,000
Other Proceeds	<u>3,286</u>
	<u>\$ 193,043,767</u>

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Deferred Revenue****Forward Purchase Agreement**

In 1997, the Authority entered into a forward purchase agreement (the 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.

Forward Delivery Agreements – 1993 & 1996 Debt Service Funds

On August 16, 2000, the Authority entered into Forward Delivery Agreements with a forward commitment provider. Under the terms of the agreements, as awarded, the Authority received a guaranteed interest rate on investments held in the Debt Service Fund in exchange for granting the provider the right to invest the monies in the Debt Service Fund over the term of the agreements. The initial guaranteed rates are 6.79% and 6.95%. The initial period ran from August 16, 2000 to May 30, 2005. The Debt Service Fund investments remain the property of the Authority and are deposited with the Trustee.

Commitments

The Authority has outstanding commitments of approximately \$19,215,881 on construction projects entered into through December 31, 2005.

Note 5: 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.

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.

Note 5: AGREEMENTS (CONT'D)**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.

The operating results for the Salem Business Center for Fiscal Years 2005 and 2004 were as follows:

	<u>2005</u>	<u>2004</u>
Operating Income	\$ 144,660	\$ 112,537
Operating Expenses	<u>(499,630)</u>	<u>(607,072)</u>
Net Income (Loss)	<u>\$ (354,970)</u>	<u>\$ (494,535)</u>

As of December 31, 2005, only one tenant is under lease at the Salem Business Center. Based on the current tenant situation, projected revenues for Fiscal Year 2006 are \$175,532. The office building contains approximately 74,000 square feet of available lease able space. Potential revenues, if fully occupied are approximately \$1.4 million.

Riverfront Market and Restaurant

On October 1, 2003, the Authority entered into an agreement with the Commonwealth Group, LTD, 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 2005 and 2004 were as follows:

	<u>2005</u>	<u>2004</u>
Operating Income	\$ 386,706	\$ 287,703
Operating Expenses	<u>(282,648)</u>	<u>(222,052)</u>
Net Income (Loss)	<u>\$ 104,058</u>	<u>\$ 65,651</u>

As of December 31, 2005, eight 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 2006 and 2007 are \$396,374 and \$406,283, respectively.

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.

Note 5: AGREEMENTS (CONT'D)**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 expires on June 30, 2007. As of December 31, 2005, the marine unit accounts for sixty-three (63) 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. This group consists of one hundred twenty seven (127) employees working through out 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 6: 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 2005 and 2004 the Authority internally designated and reserved \$6,000,000 as a General Fund Reserve for the Self Insurance Fund Program.

Note 7: CHANGE IN ACCOUNTING ESTIMATE

During 2004, the Authority changed the estimated useful lives of a portion of its fixed assets recorded under Property, Plant and Equipment. The changes both extended and shortened the useful lives of assets and were based upon current condition and industry standards. The change affected depreciation expense beginning in 2004 and moving forward.

The Authority has determined that certain assets recorded as Construction in Progress through December 31, 2003 would not materialize into long term fixed assets under Property, Plant and Equipment. As a result, the Authority has recorded a one-time charge of \$1,466,758 to write-off the accumulated balance of the improvements.

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**Cape May-Lewes Ferry - Revised Fare Schedule**

On January 20, 2006, the Authority adopted a new fare schedule for the Cape May-Lewes Ferry. The new fares are effective April 1, 2006. The revised fare schedule is listed below:

	<u>NOV-MAR</u>	<u>APR-OCT</u>
<u>VEHICLE & DRIVER</u>		
Car, SUV, Van, Pick-Up Truck (vehicles less than 20' length)	\$23.00	\$29.00
<i>Return-Trip Value Fare *</i>	\$19.00	\$24.00
Motorcycle or Motorbike	\$18.00	\$24.00
<i>Return-Trip Value Fare *</i>	\$15.00	\$20.00
Discount Book of Six (6) Tickets (all vehicles less than 20' length) <i>(Memorial Day to Labor Day: not valid Fri, Sat, Sun or Holidays)</i>	\$110.00	\$110.00
<u>VEHICLE & FOOT PASSENGERS</u>		
Under 6 years of age	<i>FREE</i>	<i>FREE</i>
Children, age 6-13	\$3.50	\$4.75
<i>Return-Trip Value Fare *</i>	\$2.50	\$3.75
14 Years of age and older	\$7.00	\$9.50
<i>Return-Trip Value Fare *</i>	\$5.00	\$7.50
Discount Book of Six (6) Adult Tickets		\$42.00
* NOTE: Return-Trip Value Fares must be purchased with Initial Sailing		
<u>BUS PASSENGERS</u>		
Under 6 years of age	<i>FREE</i>	<i>FREE</i>
Children, age 6-13	\$2.00	\$3.00
14 Years of age and older	\$4.00	\$6.00
<u>FERRY TERMINAL SHUTTLE FARES</u>		
Under 6 years of age	<i>FREE</i>	<i>FREE</i>
6 Years of age and older	\$3.00	\$3.00
<u>OTHER FARES & FEES</u>		
Bicycles	<i>FREE</i>	<i>FREE</i>
Motorcycle Sidecars	<i>FREE</i>	<i>FREE</i>
Ferry Reservation Fee (Non-refundable per sailing)	\$5.00	\$5.00
<u>OTHER VEHICLES & DRIVER</u>		
20' to under 25'	\$27.00	\$34.00
25' to under 35'	\$35.00	\$42.00
35' to under 45'	\$42.00	\$49.00
45' to under 60'	\$53.00	\$61.00
60' and over	\$75.00	\$83.00

OVER-WIDTH VEHICLES

All vehicles exceeding any width limitation of Delaware or New Jersey will be charged double the length rate above.

Note 9: SUBSEQUENT EVENTS (CONT'D)**Sale of the Salem Business Centre**

On March 21, 2006, the Authority authorized the sale of the Salem Business Centre, located in Carney's Point, New Jersey. The sale is comprised of one (1) developed parcel with an 80,000 square foot office building and four (4) additional undeveloped parcels with the purchase price based on two (2) alternative proposals as follows: 1) \$9,100,000 for the property in its "as is" condition with the current tenant roster or 2) \$11,000,000 for the property in its "as is" condition with the current tenant roster plus an additional tenant under current negotiations with the Authority. Once complete, the sale represents a 100% divestiture by the Authority of the Salem Business Centre project.

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>
1/1/2004	\$ 57,051,336	\$ 61,515,132	\$ (4,463,796)	92.7%	\$ 19,596,929	100.0%
1/1/2003	52,376,226	58,559,634	(6,183,408)	89.4%	23,126,442	100.0%
1/1/2002	56,338,510	49,986,866	6,351,644	112.7%	21,920,799	100.0%
1/1/2001	53,582,540	46,055,280	7,527,260	116.3%	20,263,720	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>
2005	\$ 3,741,569	100%
2004	3,565,080	100%
2003	3,454,844	100%

DELAWARE RIVER AND BAY AUTHORITY
Notes to Required Supplementary Information
For the Year Ended December 31, 2005

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	1/01/2004
Actuarial Cost Method	Entry Age
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	4%

OTHER SUPPLEMENTARY STATEMENTS AND SCHEDULES

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund
Combining Statement of Net Assets
As of December 31, 2005

ASSETS

Current Assets:

Unrestricted Assets:

Cash and Cash Equivalents
Investments
Operating Revenues Receivable Net of
Allowance for Uncollected Tolls
Accrued Investment Income Receivable
Other Accounts Receivable
Federal Grants Receivable
Inventory
Interfunds Receivable
Prepaid Expenses

Total Unrestricted Assets

Restricted Assets:

Cash and Cash Equivalents
Investments
Accrued Investment Income Receivable
Interfunds Receivable

Total Restricted Assets

Total Current Assets

Noncurrent Assets:

Property, Plant and Equipment:
Completed (Net of Accumulated Depreciation)
Construction in Progress

Total Property, Plant and Equipment

Other Assets:

Unamortized Debt Issue Costs

Total Noncurrent Assets

Total Assets

	<u>Totals</u>	<u>Revenue</u>	<u>Airport</u>	<u>General</u>	<u>Restricted</u>			
					<u>Maintenance</u>	<u>Construction</u>	<u>Debt Service</u>	<u>Funds</u>
\$	4,179,219	\$ 2,899,392	\$ 1,114,309	\$ 165,518				
	67,741,393	8,157,037		59,584,356				
	4,319,649	3,241,530	1,078,119					
	307,098	583		306,515				
	212,976	20,784		192,192				
	1,205,506		1,205,506					
	5,085,997	5,037,491	48,506	727,338				
	1,721,010	993,672	99,994	19,606				
	705,567	585,967						
	85,478,415	19,942,784	4,540,106	60,995,525	---	---	---	---
	19,078					\$ 19,078		
	88,478,534				\$ 4,004,736	44,872,123	\$ 13,899,966	\$ 25,701,709
	508,287				40,233	268,402		199,652
	20,522,715					15,932,517	147,076	4,443,122
	109,528,614	---	---	---	4,044,969	61,092,120	14,047,042	30,344,483
	195,007,029	19,942,784	4,540,106	60,995,525	4,044,969	61,092,120	14,047,042	30,344,483
	382,166,672		67,019,168	315,147,504				
	75,550,654		32,388,006	3,833,197		39,329,451		
	457,717,326	---	99,407,174	318,980,701	---	39,329,451	---	---
	4,509,453	---	---	3,063,398	---	1,446,055	---	---
	462,226,779	-	99,407,174	322,044,099	---	40,775,506	---	---
	657,233,808	19,942,784	103,947,280	383,039,624	4,044,969	101,867,626	14,047,042	30,344,483

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund
Combining Statement of Net Assets
As of December 31, 2005

LIABILITIES

	<u>Totals</u>	<u>Revenue</u>	<u>Airport</u>	<u>General</u>	<u>Restricted</u>			
					<u>Maintenance</u>	<u>Construction</u>	<u>Debt Service</u>	<u>Funds</u>
Current Liabilities Payable from Unrestricted Assets:								
Accounts Payable	\$ 2,933,305	\$ 1,182,980	\$ 107,531	\$ 1,642,794				
Accrued Wages Payable	422,909	394,555	28,354					
Electronic Toll Liability	484,654	484,654						
Unearned Revenue	5,305,269	142,036						
Liability for Unpaid Health Claims	546,960			546,960				\$ 5,163,233
Customer and Security Deposits	1,179,431	1,058,606	120,825					
Interfunds Payable	22,198,756	16,679,953	727,338	4,791,465				
Total Current Liabilities Payable from Unrestricted Assets	33,071,284	19,942,784	984,048	6,981,219	---	---	---	5,163,233
Current Liabilities Payable from Restricted Assets:								
Accounts Payable	2,640,935					\$ 2,640,935		
Interfunds Payable	44,969				\$ 44,969			
Interest Payable	7,422,042						\$ 7,422,042	
Revenue Bonds Payable	6,625,000						6,625,000	
Total Current Liabilities Payable from Restricted Assets	16,732,946	---	---	---	44,969	2,640,935	14,047,042	---
Total Current Liabilities	49,804,230	19,942,784	984,048	6,981,219	44,969	2,640,935	14,047,042	5,163,233
Long Term Liabilities:								
Compensated Absences	5,525,952			5,525,952				
Revenue Bonds Payable	322,724,591			226,353,170		96,371,421		
Total Long Term Liabilities	328,250,543	---	---	231,879,122	---	96,371,421	---	---
Total Liabilities	378,054,773	19,942,784	984,048	238,860,341	44,969	99,012,356	14,047,042	5,163,233
NET ASSETS								
Invested in Capital Assets, Net of Related Debt	172,540,587		99,407,174	73,133,413				
Restricted:								
Trust Agreement Covenants	32,036,520				4,000,000	2,855,270		25,181,250
Unrestricted	74,601,928		3,556,058	71,045,870				
Total Net Assets	\$ 279,179,035	---	\$ 102,963,232	\$ 144,179,283	\$ 4,000,000	\$ 2,855,270	---	\$ 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, 2005

	Unrestricted			Restricted			
	Total	Combined Revenue Funds	Airport	General	Reserve Maintenance	Construction Funds	Debt Service Reserve Funds
Operating Revenues:							
Bridge Tolls	\$ 72,348,723	\$ 72,348,723					
Ferry Tolls	12,723,114	12,723,114					
Food and Novelty Sales	4,185,985	4,185,985					
Airport Lease Revenue	4,898,749	\$ 4,898,749					
Other Operating Revenue	3,122,164	1,606,746	871,604	\$ 643,814			
Operating Expenses:							
Administrative and General:							
Wages and Benefits	(6,576,471)	(5,989,821)		(586,650)			
Other Expenses	(10,034,100)	(8,230,502)		(1,803,598)			
Operations:							
Wages and Benefits	(33,824,846)	(31,494,795)	(2,330,051)				
Other Expenses	(14,184,485)	(12,358,410)	(1,826,075)				
Depreciation Expense	(16,602,820)	(13,499,534)	(2,790,028)	(313,258)			
Operating Income	16,056,013	19,291,506	(1,175,801)	(2,059,692)	---	---	---
Non-operating Income (Expenses):							
Investment Income	4,285,404	327,836	25,704	1,340,512	\$ 112,179	\$ 1,488,910	\$ 214,272
Investment Fees	(480,836)	(97,842)		(180,151)	(12,053)	(105,892)	(47,740)
Interest on Bonds	(15,451,686)			(29,678)		97,449	(15,519,457)
Amortization of Debt Issue Costs	(432,224)			(317,670)		(114,554)	
Write Off Constuction in Progress	(580,179)			(523,228)		(56,951)	
Gain on Sale of Fixed Assets	102,291			102,291			
Net Non-Operating Income (Expense)	(12,557,230)	229,994	25,704	392,076	100,126	1,308,962	(15,352,925)
Net Income (Loss) before Transfers and Contributions	3,498,783	19,521,500	(1,150,097)	(1,667,616)	100,126	1,308,962	(15,352,925)
Capital Contributions	7,749,738		7,749,738				
Transfers		(19,521,500)	5,692,658	577,756	(100,126)	17,105	15,352,925
Increase (Decrease) in Net Assets	11,248,521	---	12,292,299	(1,089,860)	---	1,326,067	(1,279,985)
Net Assets Jan. 1	267,930,514	---	90,670,933	145,269,143	4,000,000	1,529,203	26,461,235
Net Assets Dec. 31	\$ 279,179,035	---	\$ 102,963,232	\$ 144,179,283	\$ 4,000,000	\$ 2,855,270	\$ 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, 2005

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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	\$ 72,348,723	\$ 72,348,723				
Ferry Tolls	12,723,114		\$ 12,615,372	\$	107,742	
Food and Novelty Sales	4,185,985	141,445				\$ 4,044,540
Other Operating Revenue	1,606,746	934,663	665,877		(372)	6,578
Operating Expenses:						
Administrative and General:						
Wages and Benefits	(5,989,821)			\$ (5,989,821)		
Other Expenses	(8,230,502)			(8,230,502)		
Operations:						
Wages and Benefits	(31,494,795)	(9,849,228)	(13,496,838)	(5,567,276)	(65,691)	(2,515,762)
Other Expenses	(12,358,410)	(4,518,601)	(5,724,410)	(212,679)	(86,261)	(1,816,459)
Depreciation Expense	(13,499,534)	(5,757,897)	(7,451,721)	(249,805)	(23,596)	(16,515)
Operating Income	19,291,506	53,299,105	(13,391,720)	(20,250,083)	(68,178)	(297,618)
Non-operating Income (Expenses):						
Investment Income	327,836	305,083	18,492			4,261
Investment Fees	(97,842)	(97,842)				
Net Non-Operating Income (Expense)	229,994	207,241	18,492	---	---	4,261
Net Income (Loss) before Transfers	19,521,500	53,506,346	(13,373,228)	(20,250,083)	(68,178)	(293,357)
Transfers	\$ (19,521,500)	\$ (53,506,346)	\$ 13,373,228	\$ 20,250,083	\$ 68,178	\$ 293,357

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund - Revenue Funds

Schedule of Other Operating Revenues

For the Year Ended December 31, 2005

	Total	Bridge Revenue Fund	Ferry Revenue Fund	Three-Forts Ferry Revenue Fund	Concessions Fund	Airport Fund	General Fund
Over/(Short)	\$ 8,658	\$ (14,648)	\$ 24,659	\$ 11	\$ (1,413)	\$ 49	\$ 555,279
Property Leases	555,279						68,406
Common Area Maintenance	68,406						
E-Z Pass Transponder Sales	9,711	9,711					
E-Z Pass Account Adjustments	65,880	65,880					
Electronic Toll Collection Violation	269,007	269,007					
Credit Card Discount/Fees	(425,197)	(128,350)	(279,464)	(383)	(16,766)	(234)	
Insurance Claims	67,460	51,862				15,598	
Vending Commissions	4,820	3,983				837	
Income from Unused Tolls	651,084	542,006	109,078				
Vehicle Rental	18,320	18,320					
Bus & Trolley Fares	123,144		123,144				
Golf & Carousel Fares	5,009		5,009				
Reservation Fees	632,040		632,040				
Landing Fees	179,779					179,779	
Fuel Sales & Fees	650,274					650,274	
Room Rental	12,449				12,449		
Binocular Fees	2,042		2,042				
Amusement Sales	49,367		49,367				
Ticket Sales Adjustments	(10,430)		(10,430)				
ATM Fees	11,925	2,342	8,297				1,286
Police Grants	17,528						17,528
Miscellaneous Income	155,609	114,550	2,135		12,308	25,301	1,315
	\$ 3,122,164	\$ 934,663	\$ 665,877	\$ (372)	\$ 6,578	\$ 871,604	\$ 643,814

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Functional Operating Expenses

For the Year Ended December 31, 2005

	<u>Actual</u>
Delaware Memorial Bridge:	
Wages	\$ 5,619,370
Benefits	4,229,858
Administrative	15,782
Professional services	33,614
Office supplies	36,803
Operating supplies	861,713
Facility/equipment maintenance	110,177
Uniforms and safety	43,001
Non-recurring	122,397
Utilities	721,898
Electronic Toll Expenses	2,573,216
Depreciation	5,757,897
	<hr/>
	20,125,726
	<hr/>
Cape May - Lewes Ferry:	
Wages	8,775,180
Benefits	4,721,658
Administrative	39,591
Professional services	25,866
Advertising	536,635
Office supplies	61,686
Operating supplies	628,857
Facility/equipment maintenance	454,446
Uniforms and safety	105,177
Vessel operations	2,751,932
Utilities	1,120,220
Depreciation	7,451,721
	<hr/>
	26,672,969
	<hr/>
Administration:	
Wages	4,187,586
Benefits	1,802,235
Administration	1,103,687
Education and training	304,096
Professional services	963,285
Office supplies	571,071
Computer supplies	185,143
Facility/equipment maintenance	437,673
Uniforms and safety	16,588
Insurance	4,525,587
Utilities	123,372
Depreciation	163,011
	<hr/>
	14,383,334
	<hr/>

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Functional Operating Expenses

For the Year Ended December 31, 2005

	<u>Actual</u>
Authority Police:	
Wages	\$ 3,776,140
Benefits	1,791,136
Administrative	20,858
Office supplies	5,832
Operating supplies	97,123
Uniforms and safety	88,866
Depreciation	86,794
	<hr/> 5,866,749 <hr/>
Concessions:	
Wages	1,765,280
Benefits	750,482
Administration	8,009
Professional Services	3,127
Office supplies	7,973
Operating supplies	1,598,939
Facility/equipment maintenance	36,028
Uniforms and safety	5,675
Insurance	156,708
Depreciation	16,515
	<hr/> 4,348,736 <hr/>
Three Forts Ferry:	
Wages	61,315
Benefits	4,376
Professional services	47,079
Operating supplies	7,177
Facility/equipment maintenance	2,901
Uniforms and Safety	227
Vessel operations	11,024
Insurance	16,700
Utilities	1,153
Depreciation	23,596
	<hr/> 175,548 <hr/>

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Schedule of Functional Operating Expenses

For the Year Ended December 31, 2005

	<u>Actual</u>
Airports Division:	
Wages	\$ 1,474,310
Benefits	855,741
Administration	11,216
Professional services	310,690
Advertising	52,066
Office supplies	12,775
Operating supplies	356,523
Facility/equipment maintenance	371,817
Uniforms and safety	13,697
Insurance	360,176
Utilities	337,115
Depreciation	<u>2,790,028</u>
	<u>6,946,154</u>
General Fund:	
Severance Payout	586,650
Professional Services	6,900
Insurance	777,143
Trustee Fees	19,000
Escrow Fees	4,650
Miscellaneous Projects	110,244
Economic Development	885,661
Depreciation	<u>313,258</u>
	<u>2,703,506</u>
Total Operating Expenses - Exhibit B	<u><u>\$ 81,222,722</u></u>

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Schedule 8

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Schedule of Investments
For the Year Ended December 31, 2005

<u>Face</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Date of Maturity</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Rating S & P</u>
CORPORATE AND MUNICIPAL OBLIGATIONS						
\$ 1,075,000	Alameda CA Public Financing Authority Taxable VRDB	4.520%	12/1/2033	\$ 1,075,000	\$ 1,075,000	AAA
200,000	Alameda Corridor Transportation Authority CA Taxable MBIA	5.820%	10/1/2007	199,100	203,482	AAA
985,000	Atlanta GA Downtown Dev Auth Lease Rev Red Ctr	6.250%	2/1/2009	976,793	1,010,856	AAA
1,000,000	Austin Tx Special Fac Rev Taxable	6.000%	11/15/2011	990,476	1,024,620	AAA
1,000,000	Baltimore MD Rev Ref Taxable Proj	4.780%	7/1/2009	1,000,000	1,000,950	AAA
1,655,000	Brockton MA GO Taxable	4.870%	8/1/2008	1,655,000	1,663,275	AAA
775,000	Chesterfield County VA IDA Taxable VRDB	4.490%	8/1/2024	775,000	775,000	AA+
300,000	Chicago IL GO Taxable FSA	2.560%	1/1/2006	300,000	300,000	AAA
1,339,000	Cimarron CDO LTD Corp Disc Note	4.490%	1/3/2006	1,338,815	1,335,948	A1+
1,495,000	Colorado Housing & Finance Authority VRDB	4.560%	11/1/2035	1,495,000	1,495,000	AAA
1,575,000	Colorado Housing & Finance Authority VRDB	4.560%	5/1/2041	1,575,000	1,575,000	AAA
1,370,000	Connecticut State GO Series A	4.000%	6/1/2007	1,354,903	1,355,958	AA
115,000	Conway AR School District GO Taxable	3.000%	2/1/2007	115,674	112,948	NR
460,000	Cook County IL Community College Taxable AMBAC	6.800%	5/1/2009	478,244	471,896	AAA
1,400,000	Cook County IL Community College Taxable AMBAC	7.000%	5/1/2015	1,357,070	1,436,022	AAA
355,000	DeKalb County GA Dev Auth VA Regl Office Proj Taxable MBIA	6.200%	3/1/2010	376,825	369,470	AAA
2,220,000	Erie County NY Taxable MBIA	5.500%	12/1/2008	2,256,577	2,270,017	AAA
1,760,000	Erie County PA Taxable FGIC	5.250%	9/1/2017	1,760,000	1,799,952	AAA
1,750,000	Evanston IL Sherman Plaza Proj Taxable VRDB	4.540%	12/1/2018	1,750,000	1,750,000	NR
175,000	Fresno CA Unified School Dist Taxable GO	6.000%	8/1/2006	175,000	176,272	AAA
3,000,000	Gannet Co Disc Note	4.310%	1/5/2006	2,998,229	2,997,521	A1
2,725,000	General Electric Capital Corp Disc Note	5.570%	1/3/2006	2,728,457	2,704,634	A1+
4,950,000	General Electric Capital Corp Note	4.240%	1/5/2006	4,950,000	4,950,000	A1+
1,863,000	Household Finance Corp Disc Note	5.190%	1/3/2006	1,861,975	1,842,359	A1
1,000,000	Illinois Student Assistance Comm Educ	4.480%	3/1/2035	1,000,000	1,000,000	AAA
300,000	IN Bond Bank Sch Severance Taxable TGIC	3.570%	1/15/2008	301,201	293,091	AAA
325,000	Machesney Park IL GO Taxable	4.625%	12/1/2008	325,000	322,117	A-
225,000	Machesney Park IL GO Taxable	4.950%	12/1/2011	225,000	223,061	A-
2,000,000	Massachusetts State Housing Finance Agency Taxable VRDB	4.480%	12/1/2034	2,000,000	2,000,000	AA-
2,385,000	Menasha WI Taxable	4.900%	9/1/2007	2,385,000	2,381,470	NR
200,000	Montgomery County, MD Lease Rev Conference Cntr Proj Taxable	5.000%	2/15/2011	203,570	201,244	AA+
1,400,000	New York City Transitional Fin Auth VRDB	4.560%	5/1/2030	1,400,000	1,400,000	AAA
1,000,000	New York City, NY Transitional Fin Auth Taxable	3.125%	2/1/2006	999,839	998,790	AAA
570,000	NY Fiscal Yr 2005 Securitization Corporation Taxable	3.260%	12/1/2007	570,000	564,745	AAA
300,000	Pittsburgh PA GO Pension Taxable	6.100%	3/1/2007	300,000	304,278	AAA
580,000	Pittsburgh PA GO Taxable	7.100%	3/1/2024	618,344	608,710	AAA
3,000,000	Port Authority of NY & NJ Taxable	2.900%	9/15/2006	2,999,361	2,962,590	AAA
4,880,000	Riverfront Development Corporation of DE VRDB	5.125%	12/1/2017	4,880,000	4,880,000	NR
1,530,000	Sacramento County CA Bayerische Landesbank VRDB	4.560%	7/1/2020	1,530,000	1,530,000	AAA
1,250,000	SLM Corporation	4.823%	1/26/2009	1,252,601	1,252,838	A
1,000,000	Texas State Vets Housing SPA Dexia Taxable VRDB	4.520%	6/1/2020	1,000,000	1,000,000	AA
300,000	Texas State Water Development Taxable	7.600%	8/1/2009	318,498	307,293	AA
150,000	Trenton NJ School Dist GO Taxable FDIG	3.800%	4/1/2009	150,128	145,731	NR
155,000	Tulane University Taxable	7.600%	12/15/2017	164,343	167,602	AAA
330,000	University of CO Enterprise Sys Rev Taxable	5.500%	6/1/2006	331,407	330,792	AA-
175,000	University of Maryland Aux & Tuition Rev Taxable	2.000%	4/1/2006	175,000	173,899	AAA
1,335,000	Utah Housing Single Family VRDB Depfa Bank	4.560%	7/1/2028	1,335,000	1,335,000	AAA

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DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Schedule of Investments
For the Year Ended December 31, 2005

<u>Face</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Date of Maturity</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Rating S & P</u>
(Continued)						
CORPORATE AND MUNICIPAL OBLIGATIONS (CONT'D)						
\$ 2,295,000	Utah Housing Single Family VRDB West Landesbank	4.560%	7/1/2033	\$ 2,295,000	\$ 2,295,000	AAA
2,150,000	WA State GO Taxable	2.400%	7/1/2006	2,150,000	2,122,459	AA
1,075,000	West Valley Event Ctr UT Lease Rev Taxable	7.625%	5/1/2016	1,173,099	1,106,154	AAA
380,000	Westpactrust Sec NZ Ltd Disc Note	2.780%	1/3/2006	379,913	379,682	A1+
115,000	Wilkes Barre PA GO Taxable AMBAC	6.350%	3/1/2008	117,834	118,838	AAA
63,947,000				64,123,276	64,101,561	

U.S. GOVERNMENT AGENCIES

150,000	Federal Farm Credit Bank Bond	3.000%	12/17/2007	146,787	145,547	AAA
2,615,000	Federal Home Loan Bank	2.250%	5/15/2006	2,614,026	2,592,929	AAA
2,000,000	Federal Home Loan Bank	4.500%	6/15/2006	2,000,182	1,998,760	AAA
500,000	Federal Home Loan Bank	2.000%	7/7/2006	500,000	493,440	AAA
250,000	Federal Home Loan Bank	5.375%	2/15/2007	250,000	251,640	AAA
2,000,000	Federal Home Loan Bank	4.000%	3/10/2008	1,998,715	1,970,000	AAA
500,000	Federal Home Loan Bank	4.100%	3/14/2008	499,088	492,970	AAA
4,250,000	Federal Home Loan Bank	4.000%	6/13/2008	4,225,603	4,179,620	AAA
542,970	Federal Home Loan Bank	4.780%	1/25/2017	545,370	540,255	AAA
649,194	Federal Home Loan Corporation	5.500%	1/1/2008	660,492	653,193	AAA
2,000,000	Federal Home Loan Mortgage Corporation	5.250%	1/15/2006	2,000,700	2,000,620	AAA
2,000,000	Federal Home Loan Mortgage Corporation	2.500%	3/13/2006	1,993,101	1,991,880	AAA
2,000,000	Federal Home Loan Mortgage Corporation	2.000%	4/12/2006	1,986,872	1,985,860	AAA
2,000,000	Federal Home Loan Mortgage Corporation	2.375%	4/13/2006	1,988,809	1,987,660	AAA
1,800,000	Federal Home Loan Mortgage Corporation	4.050%	6/28/2007	1,799,395	1,781,154	AAA
500,000	Federal Home Loan Mortgage Corporation	3.375%	8/23/2007	499,671	489,220	AAA
2,640,000	Federal Home Loan Mortgage Corporation	5.125%	11/28/2008	2,640,000	2,641,452	AAA
496,489	Federal Home Loan Mortgage Corporation	4.000%	8/15/2022	506,095	493,538	AAA
2,472,230	Federal Home Loan Mortgage Corporation	4.382%	1/1/2035	2,468,236	2,411,969	AAA
213,838	Federal Home Loan Mortgage Corporation	4.556%	4/1/2035	212,306	211,065	AAA
369,608	Federal Home Loan Mortgage Corporation	4.500%	5/1/2019	369,711	360,203	AAA
25,945	Federal Home Loan Mortgage Corporation	6.000%	3/1/2021	30,988	26,436	AAA
4,904	Federal Home Loan Mortgage Corporation	6.000%	6/1/2008	4,913	4,934	AAA
287,038	Federal Home Loan Mortgage Corporation	5.000%	9/1/2009	288,411	286,006	AAA
392,578	Federal Home Loan Mortgage Corporation	6.000%	3/1/2014	379,536	400,614	AAA
1,500,000	Federal National Mortgage Association	3.375%	12/15/2006	1,500,000	1,480,785	AAA
2,850,000	Federal National Mortgage Association	4.250%	11/2/2007	2,853,800	2,824,179	AAA
150,000	Federal National Mortgage Association	5.750%	2/15/2008	147,420	153,000	AAA
3,070,000	Federal National Mortgage Association	4.625%	6/1/2010	3,056,363	3,021,064	AAA
4,907,284	Federal National Mortgage Association	3.995%	6/1/2034	4,909,364	4,781,495	AAA
2,192,655	Federal National Mortgage Association	5.169%	10/1/2035	2,155,104	2,153,941	AAA
33,312	Federal National Mortgage Association	6.000%	4/1/2011	33,438	34,082	AAA
165,272	Federal National Mortgage Association	4.500%	1/1/2011	165,272	161,961	AAA
210,849	Federal National Mortgage Association	6.500%	7/1/2029	200,493	217,207	AAA
536,507	Federal National Mortgage Association	4.000%	7/1/2018	537,698	513,286	AAA
466,403	Federal National Mortgage Association	5.000%	10/1/2013	478,102	466,110	AAA
396,192	Federal National Mortgage Association	4.500%	10/1/2018	399,702	386,411	AAA
3,103,135	Federal National Mortgage Association	5.500%	12/1/2034	3,159,930	3,075,514	AAA

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Schedule 8

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Schedule of Investments
For the Year Ended December 31, 2005

<u>Face</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Date of Maturity</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Rating S & P</u>
(Continued)						
U.S. GOVERNMENT AGENCIES (CONT'D)						
\$ 2,353,778	Federal National Mortgage Association	5.000%	9/1/2020	\$ 2,343,620	\$ 2,328,769	AAA
881,640	Government National Mortgage Association	4.000%	6/20/2033	870,719	824,964	AAA
1,500,000	Government National Mortgage Association	3.000%	8/1/2030	1,498,344	1,488,137	AAA
104,457	Government National Mortgage Association	5.000%	9/20/2017	105,733	103,935	AAA
683,158	Government National Mortgage Association	4.500%	12/15/2018	692,313	670,349	AAA
109,974	Government National Mortgage Association	5.000%	12/15/2017	112,580	109,768	AAA
96,945	Government National Mortgage Association	4.500%	1/15/2018	98,015	95,128	AAA
122,805	Government National Mortgage Association	4.500%	9/15/2018	122,805	120,499	AAA
446,936	Government National Mortgage Association	4.500%	1/15/2018	450,433	438,556	AAA
1,051,734	Government National Mortgage Association	4.000%	9/15/2018	1,037,445	1,008,021	AAA
132,267	Government National Mortgage Association	7.000%	12/15/2022	133,482	138,983	AAA
17,388	Government National Mortgage Association	7.000%	1/15/2015	17,375	18,149	AAA
317,376	Government National Mortgage Association	6.114%	11/16/2021	393,307	323,857	AAA
427,212	Government National Mortgage Association	4.130%	2/16/2027	427,212	417,583	AAA
280,395	Government National Mortgage Association	4.500%	9/20/2029	287,938	278,198	AAA
36,381	Government National Mortgage Association	4.000%	8/20/2028	36,947	36,139	AAA
221,381	Government National Mortgage Association	4.000%	3/20/2033	220,772	210,227	AAA
68,769	Government National Mortgage Association	4.500%	3/16/2016	70,404	67,970	AAA
59,093,999				59,125,133	58,339,231	
U.S. GOVERNMENT BONDS AND NOTES						
500,000	US Treasury Note	3.000%	12/31/2006	498,702	492,950	AAA
500,000	US Treasury Note	3.625%	6/30/2007	498,204	494,295	AAA
2,000,000	US Treasury Note	5.500%	2/15/2008	2,053,889	2,044,760	AAA
500,000	US Treasury Note	3.000%	2/15/2008	495,644	485,920	AAA
500,000	US Treasury Note	3.125%	9/15/2008	490,149	484,045	AAA
2,695,000	US Treasury Note	4.000%	4/15/2010	2,704,101	2,655,842	AAA
2,000,000	US Treasury Note	6.875%	5/15/2006	2,024,888	2,018,040	AAA
1,300,000	US Treasury Note	4.625%	5/15/2006	1,308,769	1,301,326	AAA
1,050,000	US Treasury Note	3.000%	11/15/2007	1,042,435	1,023,834	AAA
600,000	US Treasury Note	7.250%	5/15/2016	600,000	736,734	AAA
10,257,000	US Treasury Sec Stripped Int Pmt	N/A	2/15/2006	10,257,000	10,210,741	AAA
21,902,000				21,973,780	21,948,487	
MONEY MARKETS						
304,713	Goldman Sachs Financial	Var	N/A	304,713	304,713	NR
84,356	Treasury Trust Fund - Blackrock Liquidity Funds	Var	N/A	84,356	84,356	NR
252,434	Wilmington Prime Money Market Port. - Service	Var	N/A	252,434	252,434	AAA
11,189,145	Wilmington US Government Portfolio - Service	Var	N/A	11,189,145	11,189,146	AAA
11,830,648				11,830,648	11,830,649	
\$ 156,773,647				\$ 157,052,837	\$ 156,219,927	

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Delaware Memorial Bridge
Schedule of Monthly Traffic by Toll Classification
For the Year Ended December 31, 2005

	Toll Class															Total Traffic
	1	2	3	4	5	6	7	8	9	10	11	12	13	16		
January	836,832	23,124	11,279	11,568	132,600	2,301	292	572	92,561	103,882	3,937	4,199	304	1,138	1,224,589	
February	794,965	23,015	10,670	10,124	128,586	1,981	215	428	88,839	100,916	3,842	3,795	255	843	1,168,474	
March	944,069	26,753	14,117	12,506	152,632	2,927	249	706	101,336	115,341	5,865	5,474	424	1,000	1,383,399	
April	1,011,482	28,106	16,057	12,739	150,392	2,814	332	581	98,649	114,446	5,775	5,654	300	900	1,448,227	
May	1,118,394	29,053	16,145	13,281	152,370	2,570	195	599	97,125	113,872	8,674	6,998	278	900	1,560,454	
June	1,121,852	31,661	15,570	14,149	155,997	2,489	207	430	96,987	113,653	7,976	6,975	235	1,719	1,569,900	
July	1,350,480	30,360	15,474	13,999	144,379	2,058	204	333	87,679	105,211	10,205	7,861	229	993	1,769,465	
August	1,312,039	31,252	15,659	14,201	156,295	2,252	206	340	96,749	112,431	9,161	7,072	206	887	1,758,750	
September	985,346	28,326	14,148	13,691	144,922	1,980	259	321	93,974	108,176	6,389	6,299	190	1,180	1,405,201	
October	997,846	27,379	13,898	12,437	144,598	2,055	289	384	98,352	115,205	6,346	5,798	312	789	1,425,688	
November	1,038,201	26,021	14,000	11,271	141,414	2,122	329	494	94,275	110,906	5,282	5,185	380	1,278	1,451,158	
December	1,019,036	25,027	13,345	10,790	142,282	2,190	256	428	91,679	112,979	4,452	4,200	526	915	1,428,105	
Twelve months ended December 31, 2005	12,530,542	330,077	170,362	150,756	1,746,467	27,739	3,033	5,616	1,138,205	1,327,018	77,904	69,510	3,639	12,542	17,593,410	
Average per month	1,044,212	27,506	14,197	12,563	145,539	2,312	253	468	94,850	110,585	6,492	5,793	303	1,045	1,466,118	
Average per day	34,330	904	467	413	4,785	76	8	15	3,118	3,636	213	190	10	34	48,201	

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Delaware Memorial Bridge

Schedule of Monthly Traffic and Revenue

For the Year Ended December 31, 2005

	Total Traffic	Calculated Gross Revenue	Uncollected Tolls	Calculated Net Revenue	Allowance for Uncollectible Tolls	Net Revenue
January	1,224,589	\$ 5,162,170	\$ (29,763)	\$ 5,132,407	\$ (10,002)	\$ 5,122,405
February	1,168,474	4,932,056	(26,396)	4,905,660	(8,546)	4,897,114
March	1,383,399	5,890,562	(31,956)	5,858,606	(10,790)	5,847,816
April	1,448,227	6,083,070	(34,918)	6,048,152	(10,319)	6,037,833
May	1,560,454	6,456,188	(33,309)	6,422,879	(11,950)	6,410,929
June	1,569,900	6,533,405	(29,627)	6,503,778	(10,388)	6,493,390
July	1,769,465	7,024,512	(29,557)	6,994,955	(10,290)	6,984,665
August	1,758,750	7,105,507	(31,383)	7,074,124	(11,193)	7,062,931
September	1,405,201	5,890,815	(27,540)	5,863,275	(9,658)	5,853,617
October	1,425,688	5,912,376	(28,594)	5,883,782	(10,163)	5,873,619
November	1,451,158	5,954,262	(25,920)	5,928,342	(9,145)	5,919,197
December	1,428,105	5,880,650	(26,181)	5,854,469	(9,262)	5,845,207
Twelve months ended December 31, 2005	<u>17,593,410</u>	<u>\$ 72,825,573</u>	<u>\$ (355,144)</u>	<u>\$ 72,470,429</u>	<u>\$ (121,706)</u>	<u>\$ 72,348,723</u>
Average per month	<u>1,466,118</u>	<u>\$ 6,068,798</u>	<u>\$ (29,595)</u>	<u>\$ 6,039,202</u>	<u>\$ (10,142)</u>	<u>\$ 6,029,060</u>
Average per day	<u>48,201</u>	<u>\$ 199,522</u>	<u>\$ (973)</u>	<u>\$ 198,549</u>	<u>\$ (333)</u>	<u>\$ 198,216</u>

Average toll per vehicle: \$72,825,573 divided by 17,593,410 = \$4.14

DELAWARE RIVER AND BAY AUTHORITY

Proprietary Fund

Cape May - Lewes Ferry

Schedule of Traffic by Toll Classifications
For the Year Ended December 31, 2005

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REVENUE	Passengers	Bus Passengers	Vehicle Total	1	4	5	6	7	9	10	11	12	Calculated Revenue
January	20,578		10,013	9,636	88	103	77	59	39	11			\$ 260,712
February	21,627	42	10,373	10,039	100	100	48	56	29	1			270,311
March	35,360	203	16,063	15,422	136	179	121	138	41	25	1		434,451
April	49,205	343	21,994	20,840	249	300	187	183	62	170	3		752,130
May	70,668	889	30,134	27,877	302	424	300	262	60	900	9		1,048,484
June	106,272	1,085	39,799	37,192	388	541	369	363	62	852	32		1,461,320
July	191,901	452	61,163	57,705	478	832	523	437	53	1,078	57		2,418,566
August	207,777	847	63,825	60,592	504	729	495	467	57	950	31		2,574,133
September	111,539	2,096	41,496	37,839	303	486	428	363	57	1,998	20	2	1,551,417
October	61,757	220	26,647	25,345	185	277	235	208	64	323	10		912,571
November	46,978	243	20,928	19,990	168	222	121	102	47	276	2		558,472
December	31,036		14,408	14,024	115	95	79	61	27	7			372,805
Twelve months ended December 31, 2005	954,698	6,420	356,843	336,501	3,016	4,288	2,983	2,699	598	6,591	165	2	\$ 12,615,372
Average per month	79,558	535	29,737	28,042	251	357	249	225	50	549	14	---	\$ 1,051,281
Average per day	2,616	18	978	922	8	12	8	7	2	18	0	---	\$ 34,563
NON-REVENUE*													
January	1,079		189										
February	1,122		200										
March	2,098		216										
April	2,671		224										
May	3,869		231										
June	7,648		250										
July	16,776		214										
August	19,090		227										
September	6,388		221										
October	2,538		177										
November	2,462		230										
December	1,694		228										
Totals	67,435		2,607										

* 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, 2005

REVENUE	<u>Passengers</u>	<u>Bus Passengers</u>	<u>Vehicle Total</u>	<u>Calculated Revenue</u>
January	20,578		10,013	\$ 260,712
February	21,627	42	10,373	270,311
March	35,360	203	16,063	434,451
April	49,205	343	21,994	752,130
May	70,668	889	30,134	1,048,484
June	106,272	1,085	39,799	1,461,320
July	191,901	452	61,163	2,418,566
August	207,777	847	63,825	2,574,133
September	111,539	2,096	41,496	1,551,417
October	61,757	220	26,647	912,571
November	46,978	243	20,928	558,472
December	31,036		14,408	372,805
Twelve months ended December 31, 2005	<u>954,698</u>	<u>6,420</u>	<u>356,843</u>	<u>\$ 12,615,372</u>
Average per month	<u>79,558</u>	<u>535</u>	<u>29,737</u>	<u>\$ 1,051,281</u>
Average per day	<u>2,616</u>	<u>18</u>	<u>978</u>	<u>\$ 34,563</u>
NON-REVENUE*				
January	1,079		189	
February	1,122		200	
March	2,098		216	
April	2,671		224	
May	3,869		231	
June	7,648		250	
July	16,776		214	
August	19,090		227	
September	6,388		221	
October	2,538		177	
November	2,462		230	
December	1,694		228	
Totals	<u>67,435</u>		<u>2,607</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, 2005

Leaving Delaware City

	<u>Traffic</u>	<u>Revenue</u>
Adult	8,861	\$ 53,166
Child	3,450	13,800
School Groups	4,039	16,156
Cruise/Special Events	1,256	5,582
Non-Revenue	<u>829</u>	<u></u>
Total Leaving Delaware City	<u>18,435</u>	<u>\$ 88,704</u>

Leaving Fort Mott

	<u>Traffic</u>	<u>Revenue</u>
Adult	2,309	\$ 13,854
Child	877	3,508
School Groups	419	1,676
Non-Revenue	<u>102</u>	<u></u>
Total Leaving Fort Mott	<u>3,707</u>	<u>\$ 19,038</u>
Total	<u>22,142</u>	<u>\$ 107,742</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, 2005

<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, 2005

<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 April 1, 1991 To December 31, 2005

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Class No.	Description	Off Season**	After 5/27/05 Peak Season***	Off Season***	After 3/31/02 Peak Season**	Off Season***	After 12/31/97 Peak Season***	1/1/1997 to 12/31/1997	2/1/1993 to 12/31/1997	4/1/1991 to 1/31/1993
1	Passenger Car , station wagon, carry all, pickup, panel, self-contained camper w/ 2 axles and 4 tires (overall length 20', including driver)	\$20.00	\$25.00	\$20.00	\$25.00	\$18.00	\$20.00	\$18.00	\$18.00	\$18.00
4	20' to 25'	\$24.00	\$29.00	\$24.00	\$29.00	\$22.00	\$24.00	\$22.00	\$22.00	\$22.00
5	25' to 35'	\$31.00	\$36.00	\$31.00	\$36.00	\$29.00	\$31.00	\$29.00	\$29.00	\$29.00
6	35' to 45'	\$37.00	\$42.00	\$37.00	\$42.00	\$35.00	\$37.00	\$35.00	\$35.00	\$35.00
7	45' to 60'	\$47.00	\$52.00	\$47.00	\$52.00	\$45.00	\$47.00	\$45.00	\$45.00	\$45.00
8	55' to 65'	\$66.00	\$71.00	\$66.00	\$71.00	\$64.00	\$66.00	\$64.00	\$64.00	\$64.00
9	Over 60'	\$17.00	\$22.00	\$17.00	\$22.00	\$15.00	\$17.00	\$15.00	\$15.00	\$15.00
10	Motorbike or Motorcycle (includes driver) with sidecar or trailer	\$18.00	\$23.00	\$18.00	\$23.00	\$5.00	\$7.00	\$5.00	\$8.00	\$8.00
11	Bicycle (ridden or hand carried) (including passenger)	\$6.00	\$8.00	\$6.00	\$8.00	\$5.00	\$7.00	\$5.00	\$8.00	\$8.00
12	Over Width Vehicles (all vehicles exceeding limitation of DE/NJ)	*	*	*	*	*	*	*	*	*
	Foot Passengers & Vehicle Pass. (not driver, after 12th b-day)	N/A	N/A	N/A	N/A	N/A	N/A	\$4.50	\$4.50	\$0.00
	Foot Passengers & Vehicle Pass. (not driver, after 14th b-day)	\$6.00	\$8.00	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	\$6.00	\$8.00	\$4.50	\$6.50	N/A	N/A	\$4.50
	Foot Passengers & Vehicle Pass. (after 6th and before 12th b-day)	N/A	N/A	N/A	N/A	N/A	N/A	\$2.25	\$2.25	\$0.00
	Foot Passengers & Vehicle Pass. (after 6th and before 14th b-day)	\$3.00	\$4.00	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	\$2.00	Free	Free	\$2.00
	Foot Passengers (round trip/same day) (not driver, after 6th b-day)	N/A	N/A	\$10.00	\$15.00	\$8.50	\$12.50	\$8.50	\$8.50	\$8.50
	Foot Passengers (round trip/same day) (after 6th and before 14th b-day)	\$5.00	\$7.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Foot Passengers (round trip/same day) (not driver, after 14th b-day)	\$10.00	\$15.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Bus Passengers (not driver)	\$5.00	\$7.00	\$5.00	\$7.00	\$4.00	\$6.00	\$4.00	\$4.00	\$4.00
	Special Group Rates Round trip (60 or more & Seniors) Round trip (100 or more)	\$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	\$8.00 \$6.50	\$8.00 \$6.50

* Double rate of length

** Off Season rates effective Jan 1 - May 14 and Oct 16 - Dec 31

*** Peak Season rated effective May 15 - Oct 15

**** A surcharge on tolls was in effect for period June 29, 1979 to August 31, 1979

DELAWARE RIVER AND BAY AUTHORITY
Proprietary Fund
Three Forts Ferry
Schedule of Historical Toll Rates
For the Period April 1, 1997 to December 31, 2005

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

DELAWARE RIVER AND BAY AUTHORITY

Schedule of Insurance Coverage
For the Year Ended December 31, 2005

Insurance Company:	LM Insurance Corporation		
Policy Number:	WC5-33S-311403-025		
Policy Term:	1/1/05-1/1/06		
Coverage/ Limits:	Delaware Workers Compensation:	Occupational Injury Employers' Liability	Statutory \$ 1,000,000
Insurance Company:	LM Insurance Corporation		
Policy Number:	WC7-33S311439-015		
Policy Term:	1/1/05-1/1/06		
Coverage/Limits:	NJ Workers' Compensation	Occupational Injury Employers' Liability	Statutory \$ 1,000,000
Insurance Company:	Continental Casualty Company		
Policy Number:	C266522098		
Policy Term:	1/1/05-1/1/06		
Coverage/ Limits:	Business Automobile - Fleet:	Comprehensive Liability	\$ 1,000,000
Insurance Company:	American Casualty Company of Reading, PA		
Policy Number:	C2057118842		
Policy Term:	1/1/05-1/1/06		
Coverage/ Limits:	Primary Business Automotive - Buses & Motorcycles: Liability		\$ 5,000,000
Insurance Company:	Valley Forge Insurance Company		
Policy Number:	C302049491		
Policy Term:	1/1/05-1/1/06		
Coverage/ Limits:	Public Liability		\$ 1,000,000
Insurance Company:	Great Northern Insurance Company (Chubb Group)		
Policy Number:	7337-05-75PHL		
Policy Term:	1/1/05-1/1/06		
Coverage/ Limits:	Foreign Workers' Compensation, Auto and Public Liability		\$ 1,000,000
Insurance Company:	Athena Assurance Company		
Policy Number:	QK068000919		
Policy Term:	1/1/05-1/1/06		
Coverage/ Limits:	Primary Umbrella Excess Liability		\$ 1,000,000
Insurance Company:	Westchester Fire Insurance Company		
Policy Number:	XLW7751603		
Policy Term:	1/1/05-1/1/06		
Coverage/ Limits:	Second Layer Excess Umbrella Liability		\$ 24,000,000
Insurance Company:	XL Insurance America, Inc.		
Policy Number:	US00008573LI05A		
Policy Term:	1/1/05 - 1/1/06		
Coverage/ Limits:	Third Layer Excess Umbrella Liability		\$ 15,000,000

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Schedule of Insurance Coverage
For the Year Ended December 31, 2005

Insurance Company:	AXIS Specialty Insurance Company		
Policy Number:	AAU7060270105		
Policy Term:	1/1/05 - 1/1/06		
Coverage/ Limits:	Fourth Layer Excess Umbrella Liability		\$ 5,000,000
Insurance Company:	Travelers Property Casualty Company of America		
Policy Number:	P630361X9219TIL04		
Policy Term:	1/1/05-1/1/06		
Coverage/ Limits:	Commercial Account Package:	Blanket over Buildings and Contents	\$ 217,804,793
Insurance Company:	The Phoenix Insurance Company		
Policy Number:	BAJBM21977X7743PHX05		
Policy Term:	1/1/05-1/1/06		
Coverage/ Limits:	Boiler and Machinery		\$ 25,000,000
Insurance Company:	Continental Insurance Company		
Policy Number:	267945469		
Policy Term:	1/1/05-1/1/06		
Coverage/ Limits:	Commercial Crime:	Primary and Excess	\$ 1,100,000
Insurance Company:	Underwriters at Lloyd's		
Policy Number:	MAHHY05000671		
Policy Term:	1/31/05-1/31/06		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue		\$ 313,370,000
Insurance Company:	Illinois Union Insurance Company		
Policy Number:	TERD3584529A		
Policy Term:	1/31/05-1/31/06		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue (Primary Terrorism)		\$ 100,000,000
Insurance Company:	Lloyd's		
Policy Number:	E05RQ2552400		
Policy Term:	1/31/05-1/31/06		
Coverage/ Limits:	Bridge Physical Damage and Loss of Revenue (Excess Terrorism)		\$ 213,370,000
Insurance Company:	The United Kingdom Mutual Steam Ship Assurance Association		
Policy Number:	MAHHQ0500007		
Policy Term:	2/20/05-2/20/06		
Coverage/ Limits:	Protection and Indemnity		\$ 4,250,000,000
Insurance Company:	New York Marine and General Insurance Company		
Policy Number:	MM027688ML505		
Policy Term:	1/1/05-1/1/06		
Coverage/ Limits:	Contingent Primary Charterer's Legal Liability		\$ 1,000,000
Insurance Company:	Lloyd's and Scheduled Companies		
Policy Number:	MAHHY0500428		
Policy Term:	7/1/05-7/1/06		
Coverage/ Limits:	Vessel Hull and Machinery		Various

(Continued)

DELAWARE RIVER AND BAY AUTHORITY

Schedule of Insurance Coverage
For the Year Ended December 31, 2005

Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA	
Policy Number:	978-40-58	
Policy Term:	1/1/05-1/1/06	
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:	KR584-27-28-06	
Policy Term:	1/1/05-1/1/06	
Coverage/ Limits:	Special Contingent	\$ 10,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA	
Policy Number:	AV339475306	
Policy Term:	6/30/05-6/30/06	
Coverage/ Limits:	Helicopter Liability	\$ 50,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA	
Policy Number:	AE338750606	
Policy Term:	6/30/05-6/30/06	
Coverage/ Limits:	Primary Airport Liability	\$ 50,000,000
Insurance Company:	National Union Fire Insurance Company of Pittsburgh, PA	
Policy Number:	AX185591501	
Policy Term:	6/30/05-6/30/06	
Coverage/ Limits:	Excess Airport Liability	\$ 25,000,000
Insurance Company:	U.S. Underwriters Insurance Company	
Policy Number:	CL3043387B	
Policy Term:	1/1/05-1/1/06	
Coverage/ Limits:	Liquor Liability	\$ 3,000,000
Insurance Company:	Federal Insurance Company	
Policy Number:	81531326	
Policy Term:	12/31/04-12/31/05	
Coverage/ Limits:	Public Entity Fiduciary Liability	\$ 10,000,000
Insurance Company:	Columbia Casualty Company	
Policy Number:	LEO185861952	
Policy Term:	1/1/05-1/1/06	
Coverage/ Limits:	Law Enforcement Liability	\$ 1,000,000

STATISTICAL SECTION

32200

Schedule 18

DELAWARE RIVER AND BAY AUTHORITY

Net Assets
Last Ten Fiscal Years

	Fiscal Year		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Invested in Capital Assets, Net of Related Debt	\$ 172,540,587	\$ 163,878,735	\$ 169,602,797
Restricted	32,036,520	32,170,771	31,650,480
Unrestricted	<u>74,601,928</u>	<u>71,881,008</u>	<u>58,085,111</u>
Total Net Assets	<u><u>\$ 279,179,035</u></u>	<u><u>\$ 267,930,514</u></u>	<u><u>\$ 259,338,388</u></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.

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Schedule 19

DELAWARE RIVER AND BAY AUTHORITY
Change in Net Assets
Last Ten Fiscal Years

	Fiscal Year		
	2005	2004	2003
Operating Revenues:			
Bridge Tolls	\$ 72,348,723	\$ 71,868,471	\$ 69,228,180
Ferry Tolls	12,723,114	13,063,913	13,355,948
Food and Novelty Sales	4,185,985	3,917,391	4,122,219
Airport Lease Revenue	4,898,749	5,062,799	5,090,423
Other Operating Revenue	3,122,164	3,437,091	2,784,719
Total Operating Revenue	97,278,735	97,349,665	94,581,489
Operating Expenses:			
Administrative and General			
Wages	4,774,236	4,169,110	4,968,078
Benefits	1,802,235	1,705,203	1,607,818
Other Expenses	10,034,100	9,955,248	8,252,790
Operations:			
Wages	21,471,595.00	21,459,564.00	22,338,371.00
Benefits	12,353,251.00	11,731,539.00	11,112,748.00
Other Expenses	14,184,485	14,549,857	12,788,751
Depreciation	16,602,820	16,506,024	23,360,410
Total Operating Expenses	81,222,722	80,076,545	84,428,966
Operating Income (Loss)	16,056,013	17,273,120	10,152,523
Nonoperating Revenue (Expenses):			
Investment Income	4,285,404	2,965,178	3,390,363
Investment Fees	(480,836)	(258,016)	(186,835)
Interest on Bonds	(15,451,686)	(15,931,209)	(16,217,959)
Amortization of Bond Issue Costs	(432,224)	(228,513)	(175,953)
Expense Construction in Progress	(580,179)	(2,517,888)	-
Miscellaneous Income	-	7,344	218,574
Sale of Fixed Assets	102,291	177,126	761,181
Net Non Operating Income	(12,557,230)	(15,785,978)	(12,210,629)
Income Before Other Revenues, Expenses, Gains, or Losses	3,498,783	1,487,142	(2,058,106)
Capital Contributions - Grant Income	7,749,738	7,104,984	5,308,124
Change in Net Assets	\$ 11,248,521	\$ 8,592,126	\$ 3,250,018

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.

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Schedule 20

DELAWARE RIVER AND BAY AUTHORITY

Change in Net Assets

Pension Trust Fund

Last Ten Fiscal Years

	Fiscal Year		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Additions			
Member Contributions	\$ 650,706	\$ 657,701	\$ 658,503
Employer Contributions	3,760,147	3,576,084	3,518,396
Investment Income (Net of Expense)	<u>2,449,050</u>	<u>4,071,620</u>	<u>7,034,661</u>
Total Additions to Plan Net Assets	<u>6,859,903</u>	<u>8,305,405</u>	<u>11,211,560</u>
Deductions			
Benefit Payment	5,446,391	5,791,807	6,230,842
Administrative Expenses	228,517	291,814	455,730
Other Expenses	<u>24,250</u>	<u>24,250</u>	<u>22,045</u>
Total Deductions from Plan Assets	<u>5,699,158</u>	<u>6,107,871</u>	<u>6,708,617</u>
Change in Net Assets	<u>\$ 1,160,745</u>	<u>\$ 2,197,534</u>	<u>\$ 4,502,943</u>

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

	Fiscal Year									
	2005	2004	2003	2002	2001 (2)	2000 (1)	1999	1998	1997	1996
Delaware Memorial Bridge										
Class 1 - Passenger Cars	\$37,496,001	\$37,629,843	\$36,580,395	\$36,260,561	\$33,094,142	\$28,640,792	\$21,586,064	\$21,538,194	\$20,411,256	\$19,773,086
Class 2 - Two Axel Trucks	1,969,644	2,020,944	1,972,578	2,032,626	2,132,478	2,076,909	1,794,400	1,735,875	1,571,305	1,523,350
Class 3 - Three Axel Trucks	1,519,479	1,476,522	1,397,889	1,390,482	1,507,716	1,453,980	1,257,323	1,200,578	1,134,615	1,111,125
Class 4 - Four Axel Trucks	1,798,488	1,791,828	1,714,452	1,793,280	1,645,440	1,612,358	1,433,930	1,392,430	1,312,210	1,297,280
Class 5 - Five Axel Trucks & Truck Combinations	25,985,010	25,198,605	23,793,555	23,703,045	22,607,553	21,452,240	18,676,525	17,582,500	16,959,588	16,543,150
Class 6 - Six Axel Trucks & Truck Combinations	495,558	552,528	677,268	399,996	307,494	229,833	218,775	201,765	196,335	193,875
Class 7 - Vehicles Requiring Special Permits	121,240	114,360	83,320	80,280	86,120	79,150	63,175	59,025	55,900	61,400
Class 8 - Special(Over Six Axels)	115,521	176,778	229,908	81,312	12,843	13,059	9,623	8,598	8,100	11,955
Class 9 - Commutation Plan	853,654	854,533	842,222	877,900	704,805	650,696	645,647	641,789	621,346	619,374
Class 10 - Frequent Traveler Plan	1,327,018	1,358,553	1,369,507	1,396,148	2,083,936	2,412,242	2,081,936	1,979,591	1,926,306	1,806,472
Class 11 - Passenger Cars w/ 1 Axel Trailer	348,534	352,229	322,601	300,704	281,052	255,471	196,758	194,116	193,950	182,800
Class 12 - Passenger Cars w/ 2 Axel Trailer	414,444	425,850	398,988	341,004	311,088	277,517	218,898	210,168	210,785	190,472
Class 13 - Passenger Cars w/ 3 Axel Trailer	25,838	41,033	47,460	29,228	16,088	5,115	4,060	3,893	13,012	6,233
Class 14 - Senior Citizens (3)	0	0	1	0	15	15	18	51	93	94
Class 15 - Tokens (3)	0	0	0	1	1,752	2,612	4,039	7,613	15,525	48,470
Allowance - Uncollected Tolls	(121,705)	(125,134)	(201,963)	(220,770)	0	0	0	0	0	0
Total Bridge Tolls	\$72,348,723	\$71,868,471	\$69,228,181	\$68,465,796	\$64,792,522	\$59,161,988	\$48,191,169	\$46,756,185	\$44,630,325	\$43,369,135

(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>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Cape May - Lewes Ferry										
Passengers	\$5,740,774	\$6,013,991	\$6,205,639	\$6,829,304	\$6,331,396	\$5,021,372	\$5,133,152	\$5,314,920	\$5,113,024	\$4,954,731
Bus Passengers	43,964	59,581	63,949	82,724	72,335	56,556	68,340	79,202	100,012	88,753
Class 1 - Passenger Car	6,216,681	6,281,962	6,412,152	6,898,517	5,622,181	5,034,779	5,035,274	5,151,668	5,068,751	4,813,341
Class 4 - 20' to 25'	70,857	64,200	49,898	50,436	45,460	39,708	39,358	41,633	44,678	44,380
Class 5 - 25' to 35'	131,577	128,340	128,126	133,629	119,585	113,999	115,738	121,986	134,775	124,581
Class 6 - 35' to 45'	109,633	108,958	104,633	108,602	98,634	90,067	92,385	86,620	94,306	83,387
Class 7 - 45' to 55'	126,123	113,498	108,963	109,147	94,760	91,692	98,861	171,882	250,533	274,712
Class 9 - Over 65'	38,852	52,787	78,150	78,970	87,045	82,765	80,028	8,449	5,891	6,662
Class 10 - Motorbike or Motorcycle	116,780	110,255	82,319	93,189	65,862	42,798	44,321	40,341	38,871	33,889
Class 11 - Bicycle	19,858	10,458	9,686	11,804	9,484	1,998	2,079	3,030	2,791	2,646
Class 12 - Over Width Vehicles	275	388	1,040	307	86	494	257	820	139	504
Peak Period Surcharge (1)	0	0	0	0	0	1,698,172	1,593,192	1,685,863	0	0
Total Cape May - Lewes Ferry:	\$12,615,372	\$12,944,416	\$13,244,553	\$14,396,627	\$12,546,825	\$12,274,398	\$12,302,980	\$12,706,412	\$10,853,768	\$10,427,885
Three Forts Ferry (2)										
Adult	\$67,020	\$75,222	\$70,104	\$96,210	\$94,734	\$91,584	\$79,578	\$106,230	\$110,682	N/A
Child	17,308	20,804	17,968	23,996	25,244	26,868	25,168	29,772	44,680	N/A
School Groups	17,832	21,456	20,068	23,488	23,468	21,326	20,000	20,428	0	N/A
Cruise/Special Events	5,582	2,015	2,972	23,436	27,886	17,484	23,194	8,313	17,620	N/A
Total Three Forts Ferry:	\$107,742	\$119,497	\$111,112	\$167,130	\$171,332	\$157,262	\$147,940	\$164,743	\$172,982	\$0
Total Ferry Tolls	\$12,723,114	\$13,063,913	\$13,355,665	\$14,563,758	\$12,718,157	\$12,431,660	\$12,450,920	\$12,871,155	\$11,026,750	\$10,427,885

(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>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Delaware Memorial Bridge										
Class 1 - Passenger Cars	12,530,542	12,582,105	12,256,304	12,149,635	11,063,981	10,583,212	10,793,032	10,769,097	10,205,628	9,886,543
Class 2 - Two Axel Trucks	330,077	338,687	332,732	343,102	357,384	364,853	358,880	347,175	314,261	304,670
Class 3 - Three Axel Trucks	170,362	166,723	158,938	157,867	169,129	170,240	167,643	160,077	151,282	148,150
Class 4 - Four Axel Trucks	150,756	150,072	144,596	151,680	138,106	141,908	143,393	139,243	131,221	129,728
Class 5 - Five Axel Trucks & Truck Combinations	1,746,467	1,693,932	1,607,780	1,601,311	1,516,553	1,514,090	1,494,122	1,406,600	1,356,767	1,323,452
Class 6 - Six Axel Trucks & Truck Combinations	27,739	30,865	37,966	22,527	17,278	13,512	14,585	13,451	13,089	12,925
Class 7 - Vehicles Requiring Special Permits	3,033	2,859	2,083	2,007	2,153	2,281	2,527	2,361	2,236	2,456
Class 8 - Special(Over Six Axels)	5,616	88,498	11,146	3,965	603	599	502	453	430	646
Class 9 - Commutation Plan	1,138,205	1,139,377	1,122,963	1,170,533	939,740	867,595	860,862	855,719	828,461	825,832
Class 10 - Frequent Traveler Plan	1,327,018	1,358,553	1,369,507	1,396,148	2,083,936	2,413,447	2,081,936	1,979,591	1,926,306	1,806,472
Class 11 - Passenger Cars w/ 1 Axel Trailer	77,904	79,118	73,105	67,403	62,679	60,643	60,541	59,728	59,677	56,246
Class 12 - Passenger Cars w/ 2 Axel Trailer	69,510	71,409	66,994	57,112	51,982	49,554	48,644	46,704	46,841	42,327
Class 13 - Passenger Cars w/ 3 Axel Trailer	3,639	5,892	7,134	4,415	2,526	730	706	677	2,263	1,084
Class 14 - Senior Citizens (With Token Only)	0	0	0	0	15	15	18	51	93	94
Class 15 - Tokens	0	0	0	0	1,751	2,612	4,039	7,613	15,525	48,470
Class 16 - Non Revenue	12,542	12,948	24,202	16,922	9,031	7,293	8,195	9,345	5,241	6,318
Total Bridge Traffic	17,593,410	17,721,038	17,215,450	17,144,627	16,416,847	16,192,584	16,039,625	15,797,885	15,059,321	14,595,413

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

	Fiscal Year									
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Cape May - Lewes Ferry										
Passengers	952,141	944,472	970,332	1,078,175	1,201,964	1,130,514	1,157,191	1,201,277	1,210,521	1,172,163
Bus Passengers	6,420	8,685	9,317	12,133	12,720	14,139	17,085	19,853	25,192	22,243
Class 1 - Passenger Car	336,501	335,243	340,084	371,771	381,181	376,761	376,121	384,117	377,043	363,970
Class 4 - 20' to 25'	3,016	2,741	2,134	2,168	2,397	2,269	2,249	2,379	2,553	2,536
Class 5 - 25' to 35'	4,288	4,190	4,177	4,396	4,585	4,653	4,724	4,979	5,501	5,089
Class 6 - 35' to 45'	2,983	2,965	2,845	2,970	3,075	2,953	3,029	2,840	3,092	2,734
Class 7 - 45' to 55'	2,699	2,433	2,331	2,347	2,252	2,264	2,441	4,244	6,186	6,783
Class 8 - 55' to 65'	0	0	0	0	0	0	0	0	0	0
Class 9 - Over 65'	598	811	1,200	1,224	1,435	1,391	1,345	142	99	117
Class 10 - Motorbike or Motorcycle	6,756	6,370	4,794	5,390	5,376	4,076	4,221	3,842	3,702	3,218
Class 11 - Bicycle	2,557	3,052	2,817	3,446	3,959	3,995	4,157	6,059	5,581	5,052
Class 12 - Over Width Vehicles	2	4	8	3	1	4	3	8	2	8
CMLF Non-Revenue Passengers	67,435	67,245	70,401	78,967	22,263	87,986	78,705	77,047	80,069	77,932
CMLF Non-Revenue Vehicles	2,607	2,222	2,060	2,650	3,823	3,422	2,808	4,825	6,128	6,883
Total Cape May-Lewes Ferry Traffic:	1,388,003	1,380,433	1,412,500	1,565,640	1,645,031	1,634,427	1,654,079	1,711,612	1,725,669	1,668,728
Three Forts Ferry										
Adult	11,170	12,537	11,684	16,035	15,789	15,264	13,263	18,070	18,447	N/A
Child	4,327	5,201	4,492	11,871	12,178	6,717	11,281	12,550	11,170	N/A
School Groups	4,458	5,364	5,017	0	0	0	0	0	0	N/A
Cruise/Special Events	1,256	424	1,655	2,683	2,827	7,461	1,392	1,526	1,762	N/A
Three Forts Non-Revenue	931	1,600	999	0	0	0	0	0	0	N/A
Total Three Forts Ferry Traffic:	22,142	25,126	23,847	30,589	30,794	29,442	25,936	32,146	31,379	0
Total Ferry Traffic:	1,410,145	1,405,559	1,436,347	1,596,229	1,675,825	1,663,869	1,680,015	1,743,758	1,757,048	1,668,728

DELAWARE RIVER AND BAY AUTHORITY
Delaware Memorial Bridge Toll Rates
Last Ten Fiscal Years

	Fiscal Year									
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Delaware Memorial Bridge										
Class 1 - Passenger Cars	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Class 2 - Two Axel Trucks	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00
Class 3 - Three Axel Trucks	9.00	9.00	9.00	9.00	9.00	9.00	7.50	7.50	7.50	7.50
Class 4 - Four Axel Trucks	12.00	12.00	12.00	12.00	12.00	12.00	10.00	10.00	10.00	10.00
Class 5 - Five Axel Trucks & Truck Combinations	15.00	15.00	15.00	15.00	15.00	15.00	12.50	12.50	12.50	12.50
Class 6 - Six Axel Trucks & Truck Combinations	18.00	18.00	18.00	18.00	18.00	18.00	15.00	15.00	15.00	15.00
Class 7 - Vehicles Requiring Special Permits	40.00	40.00	40.00	40.00	40.00	40.00	25.00	25.00	25.00	25.00
Class 8 - Special(Over Six Axels)	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.50
Class 9 - Commuter Tickets (1)	N/A	N/A	N/A	N/A	0.75	0.75	0.75	0.75	0.75	0.75
Class 9 - Commutation Plan	0.75	0.75	0.75	0.75	0.75	N/A	N/A	N/A	N/A	N/A
Class 10 - Discount Tickets (1)	N/A	N/A	N/A	N/A	1.00	1.00	1.00	1.00	1.00	1.00
Class 10 - Frequent Traveler Plan	1.00	1.00	1.00	1.00	1.00	N/A	N/A	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	3.25	3.25	3.25	3.25
Class 12 - Passenger Cars w/ 2 Axel Trailer	6.00	6.00	6.00	6.00	6.00	6.00	4.50	4.50	4.50	4.50
Class 13 - Passenger Cars w/ 3 Axel Trailer	7.50	7.50	7.50	7.50	7.50	7.50	5.75	5.75	5.75	5.75
Class 14 - Senior Citizens (With Token Only)	N/A	N/A	N/A	N/A	N/A	1.00	1.00	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

	Fiscal Year									
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Cape May - Lewes Ferry										
Foot/Vehicle Passenger (under 6yrs)	Free	Free	Free	Free	2	2	2	2	Free	Free
Foot/Vehicle Passenger (6yrs & over)	6-8	6-8	6-8	6-8	4.50-6.50	4.50-6.50	4.50-6.50	4.50-6.50	2.25-4.50	2.25-4.50
Foot Passengers(round trip)	10-15	10-15	10-15	10-15	8.50-12.50	8.50-12.50	8.50-12.50	8.50-12.50	9	9
Bus Passengers	5-7	5-7	5-7	5-7	4-6	4-6	4-6	4-6	4	4
Class 1 - Passenger Car	20-25	20-25	20-25	20-25	18-20	18-20	18-20	18-20	18	18
Class 4 - 20' to 25'	24-29	24-29	24-29	24-29	22-24	22-24	22-24	22-24	22	22
Class 5 - 25' to 35'	31-36	31-36	31-36	31-36	29-31	29-31	29-31	11355	29	29
Class 6 - 35' to 45'	37-42	37-42	37-42	37-42	35-37	35-37	35-37	35-37	35	35
Class 7 - 45' to 55'	47-52	47-52	47-52	47-52	45-47	45-47	45-47	45-47	45	45
Class 9 - Over 65'	66-71	66-71	66-71	66-71	64-66	64-66	64-66	64-66	64	64
Class 10 - Motorbike or Motorcycle	17-22	17-22	17-22	17-22	15-17	15-17	15-17	15-17	15	15
Class 10 w/ Side Car or trailer	18-23	18-23	18-23	18-23	N/A	N/A	N/A	N/A	N/A	N/A
Class 11 - Bicycle	6-8	6-8	6-8	6-8	5-7	5-7	5-7	5-7	5	5
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	6	6	6	6	6	6	6	N/A	N/A
Child	4	4	4	4	4	4	4	4	N/A	N/A
Cruise/Special Events	10	10	10	10	10	10	10	10	N/A	N/A

32200

Schedule 27

DELAWARE RIVER AND BAY AUTHORITY
Ratio of Outstanding Debt Per Customer
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Outstanding Revenue Bonds</u>	<u>Total Annual Debt Service</u>	<u>Total Traffic (1)</u>	<u>Outstanding Debt Per Customer</u>	<u>Debt Service Per Customer</u>
2005	\$ 328,845,000	22,051,686	19,003,555	\$ 17.30	\$ 1.16
2004	333,660,000	22,360,397	19,126,597	17.44	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
1997	177,005,000	14,455,536	16,816,369	10.53	0.86
1996	181,525,000	11,358,348	16,264,141	11.16	0.70

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

32200

Schedule 28

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	
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
1997	65,471,865	38,739,551	26,732,314	5,790,000	8,665,536	1.85
1996	58,475,797	33,897,807	24,577,990	4,520,000	6,838,348	2.16

DELAWARE RIVER AND BAY AUTHORITY

Other Operating Revenues by Source
Last Ten Fiscal Years

	Fiscal Year									
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Airports										
New Castle Airport										
Lease Revenues	2,656,667	2,858,242	2,901,598	2,942,883	2,780,717	2,388,905	2,544,505	2,192,132	1,864,219	1,831,038
Fuel Flowage Fees	476,895	455,804	516,770	517,917	466,377	491,166	449,796	374,266	318,281	0
Landing Fees	161,056	143,226	187,531	138,465	138,606	177,958	128,513	106,933	90,938	0
Total New Castle Airport	3,294,618	3,457,272	3,605,899	3,599,265	3,385,700	3,058,029	3,122,814	2,673,331	2,273,438	1,831,038
Cape May Airport (1)										
Lease Revenues	155,906	158,414	150,065	159,903	175,839	144,432	10,977	0	0	0
Fuel Flowage Fees	2,224	0	0	0	0	0	0	0	0	0
Aviation Fuel Sales	26,792	198,069	138,445	48	0	0	0	0	0	0
Total Cape May Airport	184,922	356,483	288,510	159,951	175,839	144,432	10,977	0	0	0
Millville Airport (2)										
Lease Revenues	417,445	398,236	409,024	378,930	377,549	317,750	72,449	0	0	0
Fuel Flowage Fees	49,380	18,051	19,951	28,767	35,427	0	0	0	0	0
Total Millville Airport	466,825	416,287	428,975	407,697	412,976	317,750	72,449	0	0	0
Civil Air Terminal (3)										
Lease Revenues	0	0	710	2,663	20,662	17,331	6,586	0	0	0
Landing Fees	18,723	15,454	15,485	14,005	18,945	0	0	0	0	0
Total Civil Air Terminal	18,723	15,454	16,195	16,668	39,607	17,331	6,586	0	0	0
Delaware Air Park (4)										
Lease Revenues	63,346	62,606	60,008	60,007	44,547	20,221	0	0	0	0
Aviation Fuel Sales	93,388	85,512	76,272	84,088	87,891	0	0	0	0	0
Aviation Chart Sales	1,594	0	0	0	0	0	0	0	0	0
Total Delaware Air Park	158,328	148,118	136,280	144,095	132,438	20,221	0	0	0	0
Total Airports	4,123,416	4,393,614	4,475,859	4,327,676	4,146,560	3,557,763	3,212,826	2,673,331	2,273,438	1,831,038
Concessions										
Food & Beverage	2,817,535	2,580,194	2,691,862	3,106,039	3,184,250	3,192,944	1,858,755	2,385,359	2,930,787	2,635,418
Novelty	1,227,005	1,206,244	1,255,104	1,354,036	1,468,810	1,501,209	1,440,602	1,290,465	1,443,522	1,298,041
Total Concessions	4,044,540	3,786,438	3,946,966	4,460,075	4,653,060	4,694,153	3,299,357	3,675,824	4,374,309	3,933,459

(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									
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Delaware Memorial Bridge										
Total Traffic	17,593,410	17,641,038	17,215,450	17,144,627	16,416,847	16,192,584	16,039,625	15,797,885	15,059,321	14,595,413
Non-Commercial Traffic	15,159,360	15,249,402	14,920,209	14,862,168	14,215,641	13,985,101	13,857,973	13,728,525	13,090,035	12,673,386
Commercial Traffic	2,434,050	2,391,636	2,295,241	2,282,459	2,201,206	2,207,483	2,181,652	2,069,360	1,969,286	1,922,027
Average Daily Traffic	48,201	48,332	47,166	46,972	44,978	44,363	43,944	43,282	41,258	39,878
Average Toll per Customer	\$4.11	\$4.08	\$4.07	\$4.04	\$3.95	\$3.65	\$3.01	\$2.96	\$2.96	\$2.97
E-Z Pass Traffic	9,161,304	8,489,812	7,606,259	7,026,729	2,684,340	N/A	N/A	N/A	N/A	N/A
% of E-Z Pass Traffic	52.11%	48.16%	44.22%	41.03%	30.40%	N/A	N/A	N/A	N/A	N/A
Cape May - Lewes Ferry										
Total Traffic	1,388,003	1,380,433	1,412,500	1,565,640	1,645,031	1,634,427	1,654,079	1,711,612	1,725,669	1,668,728
Vehicle Traffic	359,450	360,031	362,450	396,365	408,084	401,788	401,098	413,435	409,887	396,390
Passenger Traffic	1,028,553	1,020,402	1,050,050	1,169,275	1,236,947	1,232,639	1,252,981	1,298,177	1,315,782	1,272,338
Average Daily Traffic-Passengers	2,634	2,612	3,684	2,987	3,328	3,136	3,217	3,345	3,385	3,264
Average Daily Traffic-Vehicles	978	980	987	1,079	1,108	1,091	1,091	1,119	1,105	1,064
Average Fare per Customer	\$9.09	\$9.88	\$7.77	\$9.71	\$7.75	\$7.96	\$7.83	\$7.80	\$6.63	\$6.59
Total Vessel Crossings	5,828	6,205	6,139	6,340	6,374	6,492	6,548	6,520	6,342	6,207
Average Daily Trips	16	17	17	17	17	18	18	18	17	17
Three Forts Ferry										
Total Passenger Traffic	21,211	25,126	23,847	30,589	30,794	29,442	25,934	32,146	31,379	N/A

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

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Schedule 31

DELAWARE RIVER AND BAY AUTHORITY

Operating Statistics (Cont'd)
Last Ten Fiscal Years

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Airports									
Number of Landings									
New Castle Airport	54,477	59,123	65,970	60,549	67,338	73,819	72,086	74,018	73,620
Cape May Airport	10,200	9,500	10,200	10,050	11,400	13,950	N/A	N/A	N/A
Milville Airport	21,200	19,800	21,200	21,000	23,800	29,100	N/A	N/A	N/A
Civil Air Terminal	320	394	338	282	466	401	N/A	N/A	N/A
Delaware Air Park	18,000	18,000	18,000	15,000	16,000	N/A	N/A	N/A	N/A
Concessions (5)									
Number of Customers Food/Beverage	589,814	603,936	702,985	781,817	734,172	N/A	N/A	N/A	N/A
Number of Customers Novelty	138,943	146,767	163,071	175,088	189,248	N/A	N/A	N/A	N/A
Average Purchase Food/Beverage	\$4.37	\$4.46	\$4.42	\$4.07	\$4.35	N/A	N/A	N/A	N/A
Average Purchase Novelty	\$8.68	\$8.55	\$8.30	\$8.39	\$7.93	N/A	N/A	N/A	N/A
Police									
Arrests	337	213	302	355	159	400	756	522	734
Traffic Violations	5,615	2,480	1,128	8,357	3,543	5,591	6,569	5,084	5,916
Traffic Reprimands	12,685	9,299	9,180	12,602	7,314	9,721	9,104	7,506	8,232
Accident Investigations	307	297	273	311	318	408	379	337	375

- (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

	<u>2005</u>	<u>2004 (1)</u>	<u>2003</u>	<u>2002 (2)</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Delaware Memorial Bridge										
Operating Expenditures	19,699,012	21,424,648	20,566,479	14,167,656	13,829,220	12,536,338	11,009,225	10,318,797	9,872,886	9,719,583
Capital Expenditures	9,491,685	7,659,601	13,088,567	17,915,462	18,766,866	15,608,700	8,751,774	8,268,483	4,573,597	5,670,196
Cape May - Lewes Ferry										
Operating Expenditures	26,672,969	25,695,550	31,769,119	17,827,333	17,851,222	17,459,366	16,321,616	15,944,627	14,128,713	13,187,436
Capital Expenditures	7,401,779	3,435,589	3,742,336	4,170,037	21,289,904	9,166,587	13,928,287	22,332,531	10,057,172	24,957,633
Airports										
Operating Expenditures	6,946,155	7,436,912	6,966,037	4,309,121	4,177,090	3,994,738	3,206,925	2,712,002	2,534,729	2,437,917
Capital Expenditures	14,418,289	9,762,160	13,922,201	21,139,457	19,418,422	38,775,205	7,677,538	3,289,272	3,797,032	3,862,865
Concessions (3)										
Operating Expenditures	4,348,736	4,015,033	3,998,638	4,299,690	4,356,828	4,429,512	4,678,912	4,231,864	3,443,646	3,244,585
Three Forts Crossing (4)										
Operating Expenditures	175,548	214,997	171,762	263,646	293,626	289,576	292,565	269,696	243,016	-
Capital Expenditures	20,566	-	458,226	7,113	205,371	79,889	44,482	74,874	-	-
Police										
Operating Expenditures	5,866,749	5,697,573	5,682,821	5,482,340	5,136,784	5,046,176	4,613,385	4,389,962	3,967,502	3,709,360
Administration										
Operating Expenditures	14,383,334	13,248,804	11,395,887	9,903,379	9,320,873	8,382,215	8,936,425	8,027,460	7,208,172	7,223,664

- (1) Operating expenses for fiscal year 2004 and fiscal year 2003 are based on GAAP - Generally Accepted Accounting Principles.
(2) Operating expenses for fiscal year 2002 to fiscal year 1995 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, which assumed operations in fiscal year 1996.
(4) Assumed operations in fiscal year 1997.

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Schedule 33

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

	Full-time Employees as of Dec 31									
	<u>2005</u>	<u>2004</u>	<u>2003 (4)</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Administration	65	67	65	66	68	65	71	63	63	61
Delaware Memorial Bridge	122	107	126	160	165	155	141	140	142	140
Cape May - Lewes Ferry	142	140	128	156	166	158	157	149	146	143
Police	64	62	66	74	72	79	79	71	70	64
Airports (1)	28	36	34	34	37	33	34	27	22	23
Concessions (2)	25	20	18	25	25	19	16	19	5	5
Three Forts Crossing (3)	0	0	0	0	0	0	0	0	0	-
Total	<u>446</u>	<u>432</u>	<u>437</u>	<u>515</u>	<u>533</u>	<u>509</u>	<u>498</u>	<u>469</u>	<u>448</u>	<u>436</u>

(1) Assumed full year of operations in fiscal year 1996.

(2) Assumed operations in fiscal year 1996.

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

(4) 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, 2005. 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 fiscal year ended December 31, 2005.

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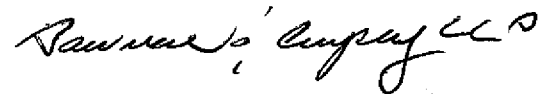
Internal Control Over Compliance

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 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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 parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bowman & Company LLP", is written over the printed name.

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
May 12, 2006

DELAWARE RIVER AND BAY AUTHORITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2005

Federal Grantor/ Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Match	Grant Period	December 31, 2004		Local Match Provided	(Memo) Cash Received	Budgetary Expenditures	December 31, 2005	
						Deferred Revenue (Accounts Receivable)					Deferred Revenue (Accounts Receivable)	
U. S. Department of Transportation Passed -Through New Jersey Department of Transportation:												
Federal Highway Administration-Airport Improvement Program	20.106	FA-EA-01-230	\$ 989,553	\$ 109,951	Open		\$	7,017	\$ 63,149	\$ 70,166		
Federal Aviation Administration-Airport Improvement Program	20.106	CEZC	1,200,000	N/A	Open							
Federal Aviation Administration-Airport Improvement Program	20.106	DAHA-07-02-2-2101	459,026	N/A	Open	\$ 9,183					\$ 9,183	
Federal Aviation Administration-Airport Improvement Program	20.106	NJASP 00-90	157,500	17,500	Open							
Federal Aviation Administration-Airport Improvement Program	20.106	NJASP 01-16	360,000	40,000	Open	(268,219)		21,561	407,872	215,610	(54,396)	
Federal Aviation Administration-Airport Improvement Program	20.106	NJASP 02-09	150,000	16,667	Open	(1,229)					(1,229)	
Federal Aviation Administration-Airport Improvement Program	20.106	NJASP 02-16	540,000	60,000	Open	(230,271)		28,403	485,898	284,029		
Federal Aviation Administration-Airport Improvement Program	20.106	NJASP 03-15	150,000	16,667	Open							
Federal Aviation Administration-Airport Improvement Program	20.106	NJASP 99-12	931,000	103,444	Open							
Federal Aviation Administration-Airport Improvement Program	20.106	NJASP 99-27	190,800	21,200	Open	(130,935)			130,935			
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	(90,568)		22,106	263,150	221,060	(26,372)	
Airport Improvement Program	20.106	FA-3-10-0001-004-2003	310,285	34,476	Open	(62,919)		14,505	184,355	145,054	(9,113)	
Airport Improvement Program	20.106	FA-3-10-0001-005-2004	1,400,000	73,684	Open			4,000		80,000	(76,000)	
Airport Improvement Program	20.106	FA-3-10-0006-019-2003	4,000,000	444,444	Open	(800,730)		36,288	1,127,318	362,876	(189,492)	
Airport Improvement Program	20.106	FA-3-10-0006-020-2004	309,524	16,291	Open			8,470	120,424	169,388	(40,494)	
Airport Improvement Program	20.106	FA-3-10-0006-021-2004	2,340,312	123,174	Open	(139,219)		5,041	198,960	100,820	(36,038)	
Airport Improvement Program	20.106	FA-3-10-0006-022-2005	3,631,943	191,155	Open			9,973		199,465	(189,492)	
Airport Improvement Program	20.106	3-34-0022-13-04	855,000	45,000	Open	(855,000)			855,000			
Airport Improvement Program	20.106	3-34-0022-15-04	2,519,581	132,610	Open	(143,890)		121,663	2,240,174	2,433,260	(215,313)	
Airport Improvement Program	20.106	3-34-0022-16-04	600,000	31,579	Open	(150,000)		23,684	300,000	473,684	(300,000)	

(Continued)

DELAWARE RIVER AND BAY AUTHORITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2005

	Federal Grantor/ Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Match	Grant Period	December 31, 2004		December 31, 2005	
							Deferred Revenue (Accounts Receivable)	Local Match Provided	(Memo) Cash Received	Budgetary Expenditures
U.S. Department of Transportation Federal Aviation Administration (Cont'd)	Airport Improvement Program	20.106	3-34-0045-14-04	\$ 166,837	\$ 8,781	Open	\$ (155,674)	\$ 588	\$ 166,837	\$ 11,751
	Airport Improvement Program	20.106	3-34-0045-15-04	446,215	23,485	Open	(35,207)	20,291	420,710	405,794
	Airport Improvement Program	20.106	3-34-0045-16-04	2,162,470	113,814.21	Open	(140,505)	85,313	1,523,623	1,706,264
	Airport Improvement Program	20.106	3-34-0045-17-04	162,293	8,541.74	Open	(162,293)		162,293	
	Airport Improvement Program	20.106	3-34-0045-18-04	450,000	23,684.21	Open	(202,718)	13,015	450,000	260,297
	Airport Improvement Program	20.106	3-34-0022-18-05	137,000	7,211	Open		643		12,856
	Airport Improvement Program	20.106	3-34-0045-19-05	115,999	6,105.00	Open		456		9,121
	Airport Improvement Program	20.106	3-34-0045-22-05	200,000	10,526.00	Open		261		5,227
	Airport Improvement Program	20.106	3-34-0022-23-05	279,749	14,724.00	Open		135		2,699
U.S. Department of Homeland Security Passed-Through New Jersey Department of Transportation Transportation Security Admin.-Maritime and Land Security Off		20.420	DSTA20-03-G-01217	300,000	N/A	Open	(120,000)	20,000	300,000	200,000
		11.300	EDA 01-01-07321	1,620,000	180,000	Open	(1,620,000.00)		1,620,000	
U.S. Department of Commerce Economic Development Administration Public Works and Economic Development Facilities										
Total Federal Financial Assistance										
							\$ (5,300,195)	\$ 443,413	\$ 11,020,698	\$ 7,369,421
									\$ (1,205,505)	\$ (1,205,505)

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, 2005

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, 2005

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 no

Were reportable conditions identified that were not considered to be a material weakness? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over compliance:

Material weaknesses identified? yes X no

Were reportable conditions identified that were not considered to be material weaknesses? yes X none reported

Type of auditor's report on compliance for major programs Unqualified

Any 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**

20.106	Federal Aviation Administration - Airport Improvement

Dollar threshold used to determine Type A programs \$300,000.00

Auditee 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, 2005

Section 2- Schedule of Financial Statement Findings

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

None

DELAWARE RIVER AND BAY AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2005

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the reportable conditions, 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

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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", written in a cursive style.

Stephen E. Ryan
Certified Public Accountant
Registered Municipal Accountant

