

# Comprehensive Annual Financial Report

for the Year Ended 2004

20  
04



24/7 ▶ We Keep the Region Moving!®

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

### Delaware River Port Authority

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2003

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.



*Nancy L. Zjale*  
President

*Jeffrey R. Brown*  
Executive Director

For the twelfth consecutive year the Delaware River Port Authority was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its 2003 Comprehensive Annual Financial Report.

► **5/11/04 7:02AM** *E-ZPass lanes at the Benjamin Franklin Bridge have helped ease early morning congestion. During the morning weekday commute, approximately 60 percent of motorists use E-ZPass instead of cash.*



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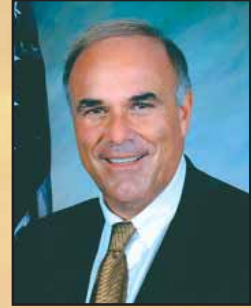
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**OUR  
GOVERNORS**



**Edward G. Rendell**  
*Governor*  
Commonwealth of Pennsylvania



**Richard J. Codey**  
*Acting Governor*  
State of New Jersey

## ▶▶ Chairman's Letter

### To Our Governors:

Thank you for the opportunity to present this report of the Delaware River Port Authority's 2004 activities and financial information. The year 2004 was an eventful year in which we advanced many projects while tightening fiscal controls across all areas of the Authority.

Entering 2004, DRPA was forced to make difficult decisions in order to meet an unprecedented \$15 million budget shortfall. With the Governors' support and the guidance from our Board of Commissioners, the Board and staff were able to identify cuts and changes to DRPA operations that enabled us to balance the 2004 budget. We are proud to report that despite taking difficult measures, we continue to provide excellent service and security to our customers and our region.

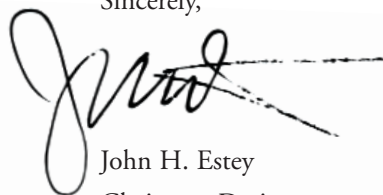
We will continue to look to our Governors and Board for support and guidance as DRPA faces the challenges that lay ahead. We are pleased to have welcomed New Jersey Acting Governor Richard J. Codey who took office late in the year. On the Board level, we saw the appointment of Philadelphia Councilman Frank DiCicco and labor leader John J. Dougherty to the Pennsylvania delegation. On the New Jersey delegation, we welcomed attorney Walter A. Lacey. Early in 2005, we were saddened by the passing of former Pennsylvania Commissioner G. Fred DiBona, Jr., an outstanding businessman and civic leader, who had served on the Board for approximately one year.

In 2004, we set a new course for the Authority, one in which spending was significantly reduced while maintaining the highest level of service for our customers. In 2004, we saw a full season of summer cruising at the Philadelphia Cruise Terminal at Pier 1, celebrated the 35th anniversary of the PATCO High Speed Line, marked the completion of a decade-long renovation project at the Walt Whitman Bridge, and successfully completed a \$3.2 million roadway rehabilitation project for the Benjamin Franklin Bridge.

I thank the Governors for their strong leadership and guidance throughout the year. As we progress through 2005 we will take on many exciting challenges including advancing PATCO's fare collection system, expanding cruising opportunities at the Philadelphia Cruise Terminal at Pier 1, and continuing the Benjamin Franklin Bridge Steel Painting Project. Committed to operating in an open and public manner, we look forward to working with our customers and surrounding communities throughout the year.

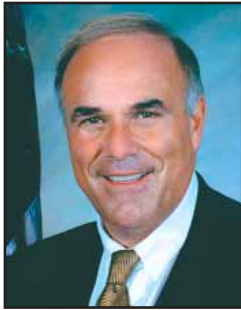
We are pleased to have had such a successful 2004 and look forward to 2005 as an even more exemplary year of service to Southeastern Pennsylvania and Southern New Jersey.

Sincerely,



John H. Estey  
Chairman Designee

## ▶▶ Our Organization



**Edward G. Rendell**

*Chairman*

*Governor, Commonwealth of Pennsylvania*



**Jeffrey L. Nash**

*Vice Chairman*

*Director, Camden County Board of Chosen Freeholders  
Partner, Cozen O'Connor Attorneys*



**John J. Matheussen**

*Chief Executive Officer, DRPA  
President of PATCO*

**John T. Hanson**

*Chief Financial Officer*

**James M. White, Jr.**

*Treasurer Pro-Tem*

**John A. Lawless**

*Secretary*



## Mission Statement

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

►► Our Commissioners



**Robert W. Bogle**  
*Publisher*  
The Philadelphia Tribune



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



**Thomas A. Decker**  
*Partner*  
Cozen O'Connor Attorneys



**Frank J. DiCicco<sup>1</sup>**  
*Councilman*  
City of Philadelphia



**John J. Dougherty<sup>2</sup>**  
*Business Manager*  
IBEW Local Union #98



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



**Hon. John M. Perzel**  
*Speaker*  
House of Representatives  
Commonwealth of Pennsylvania



**Vincent J. DeVito**  
*President*  
United Food and Commercial  
Workers Union Local 1245



**E. Frank DiAntonio**  
*President & Business Manager*  
Construction & General Laborers  
Union Local 172



**Walter A. Lacey<sup>3</sup>**  
*Attorney*



**Albert F. Frattali**  
*Business Manager*  
Reinforced Iron Workers  
Local 405



**John T. Hanson<sup>4</sup>**  
*General Manager*  
SJAP Naturalink



**Jacquelyn Love**  
*Director*  
Gloucester County Office  
of Disability Services  
Deputy Mayor of Deptford Township



**Clara Ruvolo**  
*Director*  
Palmyra Cove Nature Park

► Pennsylvania

► New Jersey

<sup>1</sup> Commissioner DiCicco replaced G. Fred DiBona, Jr.  
<sup>2</sup> Commissioner Dougherty replaced Rev. James Allen  
<sup>3</sup> Commissioner Lacey replaced Michael H. Facemyer  
<sup>4</sup> Commissioner Hanson resigned from the Board in November 2004 and now serves as DRPA Chief Financial Officer.

## ►► Our Facilities



**Benjamin Franklin Bridge**  
 Opened: July 1, 1926  
 Average Weekday Traffic: 114,874  
[www.drpa.org](http://www.drpa.org)



**Walt Whitman Bridge**  
 Opened: May 16, 1957  
 Average Weekday Traffic: 121,560  
[www.drpa.org](http://www.drpa.org)



**Commodore Barry Bridge**  
 Opened: February 1, 1974  
 Average Weekday Traffic: 38,836  
[www.drpa.org](http://www.drpa.org)



**Betsy Ross Bridge**  
 Opened: April 30, 1976  
 Average Weekday Traffic: 41,860  
[www.drpa.org](http://www.drpa.org)



**PATCO High Speed Line**  
 Opened: February 15, 1969  
 Daily Ridership: 33,000  
[www.drpa.org/patco](http://www.drpa.org/patco)



**RiverLink Ferry System**  
 DRPA assumed operations of the ferry on April 1, 2000  
 Ferry Ridership for 2004: 224,055  
[www.riverlinkferry.org](http://www.riverlinkferry.org)



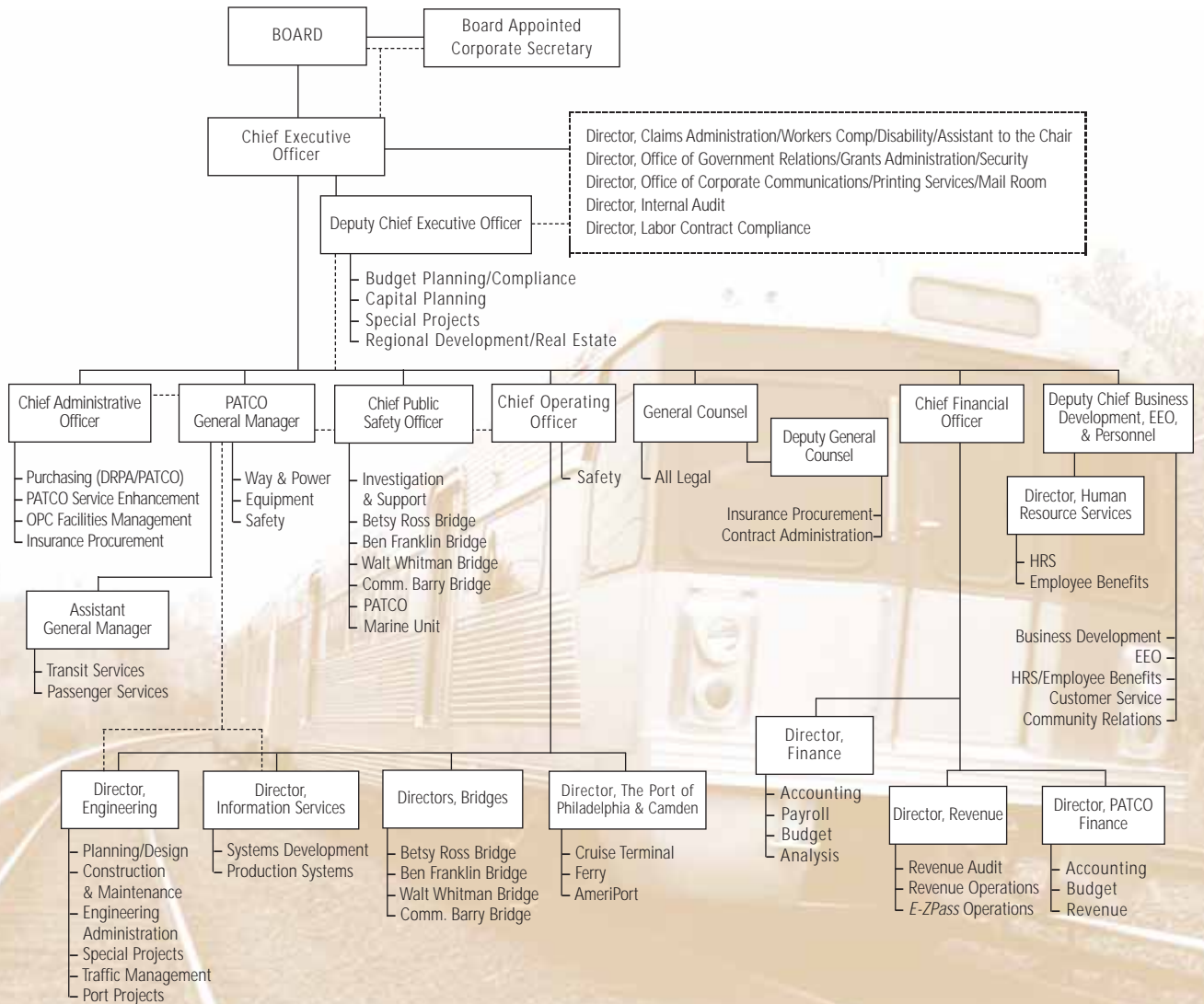
**Philadelphia Cruise Terminal at Pier 1**  
 Opened: May 25, 1998  
 2004 Passengers: 66,612  
 2004 Cruises: 22  
 2004 Port Calls: 8  
[www.cruise Philly.com](http://www.cruise Philly.com)



**AmeriPort Intermodal Rail Center**  
 Opened: June 25, 1992  
 Number of Lifts in 2004: 24,206  
[www.drpa.org](http://www.drpa.org)



# Organizational Chart



## Officers

**Robert P. Gross**  
Deputy Chief Executive Officer

**Toni P. Brown**  
Deputy Chief, Business Development, EEO, and Personnel

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

**John T. Hanson, CPA**  
Chief Financial Officer

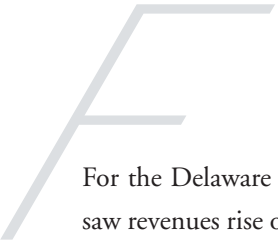
**Elizabeth A. Murphy**  
Chief Operating Officer

**Richard L. Brown, Esquire**  
General Counsel

**Robert A. Box**  
PATCO General Manager



## ▶▶ Report of the Chief Executive Officer



For the Delaware River Port Authority of Pennsylvania and New Jersey, 2004 was a year of great success. We saw revenues rise on our bridges, ridership grow on the PATCO High Speed Line, major activity increase at the Philadelphia Cruise Terminal at Pier 1, and major construction projects completed on our facilities. In 2004, we reached milestones never before reached, provided service to a record number of customers, and showcased our facilities and our region to an international audience.

At our bridges, toll revenues increased by \$13.2 million to total \$188.8 million, the highest figure in the Authority's history. This represented a 7.5 percent increase over 2003 totals. The increase was driven in part by the increase in the average toll paid by DRPA customers and by a 3.5 percent increase in overall traffic during the year. At the Walt Whitman Bridge, we set an all-time record for weekend traffic on Father's Day weekend, June 18-20, with 194,177 vehicles westbound over three days.

Activity at the Philadelphia Cruise Terminal at Pier 1 reached an all-time high in 2004 with more than 66,000 passengers sailing on 22 cruises compared to 49,700 passengers and 16 cruises in 2003. The number of cruises and passengers has grown sharply in recent years, and is expected to continue to rise.

In 2004, we were honored to join six other area transportation agencies to host the 72nd Annual Meeting of the International Bridge Tunnel and Turnpike Association in Philadelphia. The meeting, held in September, drew 1,100 attendees from more than 20 countries, making it the largest IBTTA meeting in nearly 10 years.

In 2004, we celebrated the 35th anniversary of the PATCO High Speed Line. After some years of ridership decline, we are seeing a turnaround. Major construction at our stations and along the rail line is essentially complete, making the PATCO experience more inviting as we work to reclaim old riders and gain new riders.

Our list of successful projects, accomplishments and achievements continues to grow as our commitment to serving our region grows even stronger. Under the guidance of Pennsylvania Governor Edward G. Rendell and New Jersey Governor James E. McGreevey, and Acting Governor Richard J. Codey, as well as our Board of Commissioners, we have been able to address budget needs and fiscal responsibility while maintaining and even enhancing the services we provide to our customers 24 hours a day. With that in mind, I am proud to present our Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2004. I start this report with an overview of the fiscal measures we undertook in 2004.

### FISCAL RESPONSIBILITY

At the end of 2003, we approved our 2004 operating and capital budgets with significant cuts in operating expenses across all areas of the Authority and modifications to the *E-ZPass* discount program. The changes enabled DRPA to meet a projected \$15 million budget shortfall. Among the changes made to DRPA's operations was the consolidation of *E-ZPass* operations with New Jersey's *E-ZPass* operations in July. The consolidation, along with a move to participate with New York *E-ZPass* agencies' credit card replenishment agreements, saved the Authority



**5/3/04 1:35PM** *Twice a day, workers adjust the Ben Franklin Bridge's moveable barrier to favor peak-direction travel. The Walt Whitman and Commodore Barry bridges also have moveable barriers.*

an estimated \$600,000. DRPA reduced staff by 27 positions in early 2004 in a move to reduce costs and renew focus on our core mission

of providing quality transportation services. Combined with the 45 early retirements taken in late 2003, the staffing reductions saved the Authority more than \$3 million. Also, for the first time in its history, Authority employees and retirees were required to pay contributions to their health care benefits, saving the Authority \$1 million.

Following a month-long public comment period in late 2003, DRPA modified the *E-ZPass* discount program by eliminating the 10 percent discount offered to non-commercial *E-ZPass* customers while retaining generous senior citizen discounts. To offset the loss of the 10 percent discount, DRPA enhanced the discount for regular commuters, giving DRPA customers an \$18 credit

if they cross a DRPA bridge 18 times in a calendar month using the same transponder. The previous commuter discount was a \$14 credit for 20 trips. The changes became effective on January 1, 2004. Budget cuts included a \$1.9 million reduction in various expense categories (legal, training, advertising, uniform and other expenses).

### TRANSITIONS

In November, we welcomed Acting New Jersey Gov. Richard J. Codey. Throughout the year, we saw a number of changes to our Board of Commissioners. We welcomed Pennsylvania Commissioners Frank DiCicco and John J. Dougherty, as well as New Jersey Commissioner Walter A. Lacey. We bid farewell to Commissioners Rev. James Allen, G. Fred DiBona, Jr., Michael Facemyer and John Hanson, who is now the Authority's Chief Financial Officer. Sadly, Commissioner G. Fred DiBona, Jr., passed away in early 2005.

### BRIDGES

Steel painting on the Benjamin Franklin Bridge moved from the towers to the main suspended portion. The project, now in the fourth of five phases, is one year ahead of schedule. For the first time in 20 years, we resurfaced the entire length of the Ben Franklin Bridge roadway. In April, we completed the last phase of a five-phase, 10-year reconstruction project along the approaches leading to the Walt Whitman Bridge. At the Commodore Barry Bridge, we performed concrete deck rehabilitation on two of the ramps connecting the bridge to the city of Chester, PA. On Father's Day weekend, June 18-20, the Walt Whitman Bridge set an all-time record for weekend traffic with 194,177 vehicles traveling westbound



**2/13/04 7:27PM** *Trains are serviced around the clock at PATCO's Lindenwold Shop. PATCO train cars log on average 35,000 miles a year.*

over three days, equaling an average of 64,725 vehicles westbound a day. The Walt Whitman beat its record of 192,339 vehicles set on the weekend of July 25-27, 2003. The bridges hosted a number of charitable events including the “Roar to the Shore,” a motorcycle run benefiting police and firefighter survivors on the Walt Whitman; a 10K run for the Center for Resolutions of Delaware County on the Commodore Barry; the 32nd Annual American Cancer Society Bike-A-Thon and the 10th Annual Ben Franklin Bridge Challenge, which raised \$80,000 for Larc School for the disabled.

### **PATCO HIGH SPEED LINE**

In 2004, for the fourth consecutive time, the Authority was found to be in complete compliance with all Federal Transit Administration grants management requirements. February 15 marked the 35th Anniversary of the High Speed Line. A series of public events centered around the

Philadelphia Flower Show helped us mark the anniversary. In March, we welcomed New Jersey Transit's River LINE light rail to service in South Jersey and the Camden Waterfront. In June, we launched “Transit Watch,” a nationwide safety and security awareness program sponsored by the Federal Transit Administration. In September, we launched Connections Weekly, a free newspaper dedicated to providing information about the High Speed Line, as well as events and activities throughout the region. Also in September, the 24th Annual MS 150 City to Shore Bike Tour drew a record 6,100 riders and raised more than \$3 million, the highest amount in the event's history. PATCO's Woodcrest Station served as the starting and finish line for the event.



**E-ZPASS**

In January, we introduced a restructured *E-ZPass* toll program. It was fiscally necessary to eliminate the 10 percent discount for all but DRPA’s commercial customers. However, to minimize the impact to daily commuters, we were pleased to expand the commuter credit from \$14 for 20 trips to \$18 for 18 trips. In March, we began aggressively enforcing *E-ZPass* violations with the arrest of one of our biggest scofflaws. The arrest was followed by several other high-profile arrests that resulted in a large amount of media



8/26/04 1:27PM *The RiverLink Ferry provides express service for riders attending a Tweeter Center concert.*

coverage and led other scofflaws to come forward and arrange for payment. In July, DRPA’s *E-ZPass* system migrated to the New Jersey *E-ZPass* system for cost savings

of over \$600,000 annually to the Authority and began offering online account access to customers.

**RIVERLINK FERRY SYSTEM**

In 2004 we contracted with Hornblower Marine Services, an internationally known marine company, to operate the ferry system. Losses were reduced in 2004 by more than \$137,000 compared to 2003. That reduction, coupled with the sale of the older RiverLink Ferry in July for \$200,000, has resulted in a savings of more than \$300,000 to the region’s toll payers. By December, we announced the arrival of the Independence Ferry, part of the Hornblower fleet, which will serve charter cruises and supplement express service for Tweeter Center concerts and other major Waterfront events.

**PHILADELPHIA CRUISE TERMINAL AT PIER 1**

In 2004, more than 60,000 passengers passed through the Cruise Terminal for 22 cruises and nine port calls. It was the first time since 2000 that the Philadelphia region had hosted regular summer cruise embarkations. The economic impact on this region is believed to be more than \$17 million annually. The number of cruises is especially impressive considering that only two years prior, the Philadelphia area hosted just one cruise in 2002. The year 2004 benefited from the continuation of arrangements with major cruise lines such as Norwegian Cruise Lines and Celebrity Cruises for multi-year agreements to sail out of our port.

**WORLD TRADE CENTER OF GREATER PHILADELPHIA**

In May, we transitioned the World Trade Center of Greater Philadelphia from a department within DRPA into a wholly-independent nonprofit agency. Wherever feasible, we continue to provide in-kind support to the WTCGP as it works to forge an independent identity.

**AMERIPORT**

Rebounding from low lift numbers in 2003, 2004 saw higher numbers as the drought in Australia and New Zealand lifted and beef imports from those countries began to climb. The total number of lifts for 2004 was 24,206 compared to 17,573 in 2003. This is an increase of 6,633 lifts or 37.75 percent. As mentioned previously, revenues rose significantly over budget as a result of the increase in lifts.

**WEBCASTING**

Late in the year, we began broadcasting our Board and Committee Meetings live over the

*Since 2001, the Philadelphia Cruise Terminal at Pier 1 has seen tremendous growth and has contributed greatly to the region’s economy. In 2004, cruise activity generated \$16 million in business revenue and \$4.5 million in employment income.*



Internet in a shared services initiative with the Camden County Information Technology Department. The move was part of an ongoing effort to make our meetings more accessible to the public.

### SAFETY AND SECURITY

For the first time since we began collecting data, the Toll Department of the Walt Whitman Bridge completed 12 consecutive months without any injury or loss of time. PATCO's Public Safety



1/26/04 10:52 AM *Plow trucks and Public Safety work to keep traffic moving across our facilities during inclement weather.*

Officers moved to 12-hour shifts, which provide for greater flexibility in coverage and scheduling. The change enabled us to keep City Hall Station open 24

hours, seven days a week beginning in April. In July, we launched our Marine Patrol Unit dedicated to protecting the waters surrounding our bridges. DRPA was awarded a number of federal grants to further our mission to protect our facilities, customers and employees. The U.S. Department of Homeland Security, Office for Domestic Preparedness, awarded DRPA two grants through the State of New Jersey to aid in our security efforts. The awards in the amount of \$57,000 and \$7,520 helped us acquire much-needed police equipment, including an explosives detection dog for our K-9 Unit. DRPA received \$800,000 in federal mass transit security grant funds under the Department of Homeland Security's FY04 Urban Areas Security Initiative Grant Program (UASI) also through the State of New Jersey for enhanced security throughout the PATCO High Speed Line. The Authority was

awarded an additional \$2.4 million in federal homeland security funds disbursed through the Commonwealth of Pennsylvania to help us acquire radiation detection equipment, new fencing and security cameras at the bridges, and a patrol boat for the Marine Patrol Unit. DRPA also was awarded \$2,000 from the Department of Justice for police overtime during "Buckle Up South Jersey," a program designed to encourage the use of seatbelts.

### GRANT FUNDING

Overall in 2004, DRPA was awarded nearly \$20 million in federal grant money. In addition to the security funding detailed above, DRPA was awarded more than \$9.85 million for PATCO capital projects from the Federal Transit Administration. The Federal Highway Administration awarded DRPA \$5 million for a project to improve the flow of westbound traffic leaving the Ben Franklin Bridge and entering the City of Philadelphia, and an additional \$500,000 for the construction of the Southern New Jersey Welcome Center along the Admiral Wilson Boulevard east of the Benjamin Franklin Bridge. In non-federal dollars, DRPA was awarded \$8,000 from the Cross County Connection (Southern New Jersey) Transportation Management Association for additional bicycle racks at various PATCO stations. The effort was designed to promote the use of public transit and enabled PATCO to augment its existing bike racks that were installed earlier with FTA funding.

### MEETINGS

DRPA co-hosted the 72nd Annual Meeting of the International Bridge Tunnel and Turnpike Association (IBTTA) in Philadelphia, September





9/22/04 6:45AM Early morning traffic heads west into Philadelphia across the Benjamin Franklin Bridge.

18-22. It was the largest meeting in nearly 10 years, drawing 1,100 attendees from more than 20 countries, booking more than 500 hotel rooms. IBTTA delegates and their guests spent approximately \$2 million locally, which included visits to Bucks County shopping outlets, the Camden Waterfront, Battleship New Jersey and Atlantic City. The meeting was co-hosted by the Delaware River Port Authority, Pennsylvania Turnpike Commission, New Jersey Turnpike Authority, South Jersey Transportation Authority, Delaware Department of Transportation, Delaware River and Bay Authority, and the Delaware River Joint Toll Bridge Commission. Two months later in November, DRPA hosted the Eastern States Transportation Network meeting in Philadelphia. The meeting drew 140 attendees from 14 agencies. Both meetings offered DRPA an opportunity to

showcase our facilities and share ideas with other transportation agencies.

## AWARDS AND ACKNOWLEDGMENTS

In 2004, the Women's Business Development Center of Pennsylvania, New Jersey and Delaware, an affiliate of the Women's Business Enterprise National Council (WBENC), recognized DRPA's commitment to doing business with women-owned businesses with the "Done Deals" award. Our employees garnered some much-deserved recognition throughout the year including: Melissa Grimm, Director, Port of Philadelphia and Camden, who was selected one of New Jersey's Top 40 Under 40 by New Jersey Business Magazine; Public Safety Officers Ralph Richards, Brett Williams, Thomas Jeffers and Anthony Carroll, of the Benjamin Franklin Bridge, and James Stewart, Commodore Barry Bridge, and John D'Amico, Walt Whitman

All roads lead to  
**PHILADELPHIA**  
IBTTA 2004

Bridge, who received awards for outstanding service from the American Society of Industrial Security (ASIS) International; Officer Paul Williams, Ben Franklin Bridge, who received the “Camden County Award for Outstanding Police Performance” from the Citizens Crime Commission of the Delaware Valley for saving an individual attempting suicide; Public Safety’s High Angle Rescue Team, which received a unit citation from the Camden County Prosecutor’s Office; and Linda Hayes, Capital Grants Development



7/1/04 10:52 AM The Philadelphia-Camden Waterfront hosted the Two Cities-One Waterfront Tall Ships Challenge as part of the Independence Day celebrations. In the background is One Port Center, DRPA’s Headquarters.

Manager, who received the TWIN (Tribute to Women and Industry) Award from the YWCA of Camden County and Vicinity.

Since joining DRPA in 1994, Ms. Hayes has written nearly \$100 million in successful grant applications for the Authority. Our Vice Chairman Jeffrey L. Nash was honored with the 2004 Distinguished Citizen Award from the Southern New Jersey Council of the Boy Scouts of America. And late in the year, I was honored to be named “Humanitarian of the Year” by the South Jersey Office of the Arthritis Foundation, New Jersey.

### COMMUNITY SERVICE

Authority staff continued to give generously to many causes including: annual coat drive for needy children and adults; Daffodil Days for the American Cancer Society; American Red Cross Blood Drives; a book drive for the Camden

Reading Achievement Pilot Program; United Way; Toys for Tots; Thanksgiving Food Drive; Adopt-A-Family holiday giving drive; and a clothing drive for Image and Attitude, an organization dedicated to helping needy residents enter or re-enter the workforce.

### 2005 WORK AGENDA

The following is a summary of DRPA’s anticipated areas of activity in 2005:

- **Finances.** We will continue to maintain some of the lowest bridge tolls and transit fares in the country and offer substantial discounts to our regular customers and senior citizens. DRPA offers customers an \$18 credit if they cross a DRPA bridge 18 times in a calendar month using the same transponder. Seniors, 65 years of age and older, who participate in the DRPA’s Senior Citizen Discount Bridge Toll Program, only pay \$1 with a discount ticket. We will also continue professional management and cost control where applicable.

- **Bridges.**

Benjamin Franklin – In 2005, DRPA will complete the fourth and largest phase of the Benjamin Franklin Bridge De-leading and Repainting Project. Phase 4 encompasses the main span superstructure and is expected to be completed by the end of the year, one year ahead of schedule. We will begin the first phase of a project to improve the flow of westbound traffic from the Ben Franklin Bridge into the City of Philadelphia.

Walt Whitman – Work is expected to be completed on the Main Cable Investigation, and workers will begin installing the first phase of cable protection. Engineers will study the condition of the original main span deck structure and will develop recommendations for repair or



replacement of deteriorated sections. Workers will complete the first phase of a multi-year project to de-lead and repaint the bridge.

Commodore Barry – Working with the Pennsylvania Department of Transportation, DRPA will design new ramps connecting the bridge to Route 291 in Chester.

Betsy Ross – Install new gauges and meters to detect leaks in underground fuel tanks at the Betsy Ross as well as the Benjamin Franklin and Commodore Barry bridges.

- **PATCO.** Continue to develop a more modern fare collection system using “smart card” technology. Fare collection design and vendor selection should be completed in 2005 with integration of the new system in 2006. Wrap up the first phase of the Southern New Jersey to Philadelphia Transit Assessment with a series of meetings with public officials and community residents. Begin the Alternatives Analysis phase of the Assessment as required under FTA funding guidelines. Begin construction on a pedestrian tunnel at Woodcrest



11/01/04 2:32PM DRPA began initial test runs of the new PATCO car wash in late 2004. The new car wash can clean the cars without any supervision.

Station to facilitate business growth in the area by enhancing opportunities for reverse commuters from Philadelphia. Start and complete the Transit Oriented Development Master Plan for key New Jersey Stations.

Launch a series of projects to extend the life of the High Speed Line. The first project will start sometime in mid-March and involves grinding the rail profile along the entire PATCO rail line from Lindenwold to Philadelphia to smooth out uneven wear. This standard safety

maintenance is necessary to improve the performance of the wheels and rail. The work will include the replacement/rehabilitation of several interlockings along the right-of-way. Surfacing and ballast improvements are expected to follow. In the summer, we will begin Phase 3 of the Embankment Restoration Project to include slope stabilization, drainage improvements, and right-of-way fencing at 13 locations in New Jersey. Fully commission a new state-of-the-art transit car wash early in the year. Finish construction on the Equipment Storage Building. DRPA and PATCO will develop specifications for completing a comprehensive overhaul and modernization of PATCO’s fleet of cars.

- **Safety and Security.** Continue to respond to changing Public Safety needs with new initiatives and security enhancements at the bridges, PATCO, ferry and cruise terminal. The Marine Unit allows officers to respond to emergencies in the waters surrounding the Authority’s bridges and to regularly patrol the area underneath the bridges. Formed in May 2003, DRPA’s K-9 Unit regularly patrols the PATCO High Speed Line and responds as needed to DRPA’s four bridges and the surrounding communities.

- **RiverLink Ferry.** Continue to contract with Hornblower Marine Services to operate the RiverLink Ferry System. Work with Hornblower to introduce the Independence Ferry as a backup to the Freedom Ferry during peak demand periods such as Tweeter Center concerts. Hornblower brought the Independence to the Philadelphia-Camden Waterfront at no cost to DRPA. The Independence will offer charter cruises while the Freedom Ferry continues to provide regular service. Extend the season with added weekend service in April and October and daily service from



6/14/04 7:19AM The Ben Franklin Bridge moves people and commerce across the Delaware River, connecting Camden, NJ, (foreground) with Philadelphia.

May to September. We anticipate higher ridership numbers in 2005 with the May 25 opening of the newly expanded and renovated Adventure Aquarium.

- **Philadelphia Cruise Terminal at Pier 1.**

Welcome our biggest cruising season ever with 32 ships departing from Philadelphia with over 92,000 passengers. For the 2005 season, Norwegian Cruise Line and Celebrity Cruises are joined by Royal Caribbean Cruise Line, the second largest cruise line in the world. Royal Caribbean will operate six sailings on The Enchantment of the Seas, the largest ship to ever sail from our cruise terminal.

- **E-ZPass.** Continue to aggressively pursue E-ZPass violators with the help of Public Safety.

- **Delaware River Aerial Tram.** Complete the final design of the main towers, and the cable support and car haul systems.

- **Southern New Jersey Waterfront Master Plan.** In 2005, DRPA will complete this comprehensive planning effort, and will present alternatives for mixed-use and port development along the southern New Jersey waterfront from Petty's Island to Salem County.

- **Vendor Diversity and Affirmative Action.** Continue to sponsor training and outreach programs to encourage small businesses to compete for contracts with DRPA and PATCO. Build on the momentum and recognition we received from 2004's "Done Deals" award from the Women's Business Development Center of Pennsylvania, New Jersey and Delaware, an affiliate of the Women's Business Enterprise National Council (WBENC).

- **Community Activities.** Encourage our staff to continue working on outreach projects as part of their everyday functions and as volunteers. Launch a children's reading program with staff volunteering their time to read to youngsters.

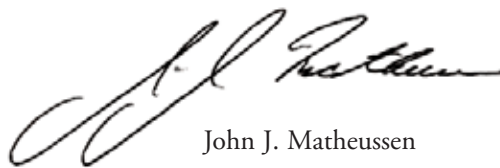
As 2004 drew to a close, we once again had the tough task of balancing the upcoming year's budget. But unlike the close of 2003, a year when I joined the Authority at mid-year, we were prepared for more budget tightening in 2005. With all of our decisions and actions in 2004, we kept in mind the need for fiscal responsibility and the need to carry that responsibility into subsequent years. Despite fewer resources and a smaller staff, we were able to provide our customers with the same level of service to which they have become accustomed. In 2005, we expect to continue the same level of commitment and fiscal responsibility.

The 2005 DRPA Operating Budget remains relatively flat compared to 2004 and represents an increase of less than one percent (0.77 percent) over 2004. Unlike 2003 when DRPA faced a \$15 million shortfall as we prepared the 2004 budgets, the Authority was able to maintain a lean budget for 2005 without any changes to services or fare programs.

We are proud that we continued our commitment to keeping the public informed of our decisions. The budget documents were made available online at our website, and we invited public comment prior to adopting the budgets. We optimistically hope that our toughest times are behind us. However, we still conduct ourselves with the mindset that ours is a public agency dedicated to serving to the millions of motorists, transit riders, ferry riders and cruise passengers who pass through our facilities daily.

We look forward to the opportunity in 2005 to take on new challenges while continuing to serve our customers with the highest level of safety and quality.

Yours truly,



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









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

June 30, 2005

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

The comprehensive annual financial report of the Delaware River Port Authority (the Authority) for the year ended December 31, 2004, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the combined financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The Authority's By-Laws as well as the 1995 and 1998 Indentures of Trust require an annual audit of the Authority's financial statements by a firm of independent auditors. As a recipient of funds from the Federal Transit Administration for projects involving the PATCO transit system, the Authority is required to have a single audit performed annually by an independent auditor in accordance with the Single Audit Act of 1984, as amended in 1996, and OMB Circular A-133. The purpose of the single audit is to determine the adequacy of the Authority's internal controls and compliance with applicable laws and regulations relating to the receipt of federal assistance. The Authority retains an independent auditor to satisfy these audit requirements. The report of the independent auditor on the combined financial statements of the Authority is included in the financial section of this report. The Authority's management is primarily and ultimately responsible for the content and presentation of the audited financial report.

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

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

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

*DRPA is an equal opportunity employer*

**Mailing Address:** PO Box 1949 Camden New Jersey 08101-1949 **Telephone:** (856) 968-2000 **Fax:** (856) 968-2193  
 (215) 218-3750

## PROFILE OF GOVERNMENT

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

The Authority is vested with the ownership, control, operation and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross bridges. The Authority has also constructed and owns a high-speed transit system which is operated by the Port Authority Transit Corporation (PATCO). The transit system operates between Philadelphia, Pennsylvania, and Lindenwold, New Jersey. In addition, the Authority is responsible for regional economic development and the unification of certain port facilities of the Delaware River. The Authority's Port of Philadelphia and Camden Department (PPC) is responsible for the operation of the Authority's intermodal transfer facility, AmeriPort,

which facilitates the movement of containerized cargo through the regional ports. PPC is also responsible for the marketing and operation of the Philadelphia Cruise Terminal at Pier 1 at the former Navy Yard and the RiverLink Ferry System. The Authority is also empowered through its compact to undertake projects for regional economic and port development. The Port District comprises the counties of Bucks, Chester, Delaware, Montgomery and Philadelphia in Pennsylvania, and the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem in New Jersey.

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

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

A capital budget is also prepared through a similar process and submitted to the Board of Commissioners for approval. The capital budget is

a planning document identifying the Authority's potential commitments. The approval of the capital budget does not in itself authorize any specific project. Specific approval by the Board of Commissioners is required before any capital project may commence.

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

### **FACTORS AFFECTING FINANCIAL CONDITION INVESTMENT MANAGEMENT**

Investments of the Authority are purchased in accordance with the Authority's 1995 and 1998 Indentures of Trust. Cash available during the year is generally invested in money market funds, repurchase agreements (collateralized by obligations of the U.S. Treasury), obligations of the United States Treasury, obligations of federal government agencies or their instrumentalities, obligations of public agencies or municipalities rated in either of the two highest rating categories by Standard and Poor's Corporation or Moody's Investors Service, and commercial paper rated A-1 by Standard and Poor's Corporation. The Authority's investment policy is to match the maturities of its investments with the present and anticipated needs of the Authority, thereby maximizing the return on available funds. In addition, the Authority is required to maintain certain invested amounts as reserves for its debt obligations.

The Authority has also retained three investment advisory firms to manage a portion of its General Fund investments. Investment

parameters for these investments are consistent with those authorized by the Authority's Indentures of Trust as described above.

### **RISK MANAGEMENT**

The Authority is self-insured for public liability up to a limit of \$5 million per occurrence. Excess liability insurance provides coverage of \$20 million over the Authority's \$5 million self-insured retention. The DRPA is self-insured for workers' compensation up to a limit of \$350,000 per occurrence with excess workers' compensation coverage providing \$5 million in coverage over the DRPA's \$350,000 self-insured retention. PATCO is fully self-insured for workers' compensation. Property insurance is placed with commercial insurance carriers with limits and deductibles as deemed appropriate for the needs of the Authority. Additional information can be found in Note 12 of the financial statements.

### **PENSION PLANS**

Employees of the Authority participate in either the Pennsylvania State Employees' Retirement System or the Teamsters Pension Plan of Philadelphia and Vicinity, both of which are cost-sharing, multiple employer defined benefit pension plans which provide pension, death and disability benefits. Under the Pennsylvania State Employees' Retirement System, employees are required to contribute 6.25 percent of their gross payroll to the plan. The Authority is required to contribute an actuarially determined amount to the plan, which in 2004 equaled 1.23 percent of participating payroll.

Under the Teamsters Pension Plan of Philadelphia and Vicinity, the Authority is required to contribute a fixed amount per hour for each qualified PATCO employee. Contributions to the plan totaled 9.0 percent of participating payroll in 2004. Employees are not required to make any contributions to the plan. Additional information can be found in Note 7 of the financial statements.

Legislation passed by the State of New Jersey in early 2004 would give Authority employees the option of participation in the New Jersey Public Employees Retirement System. Finalization of the details of employee participation is pending. The Authority is escrowing monies for several employees related to this plan.

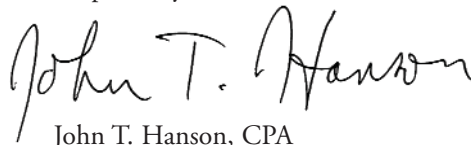
### AWARDS AND ACCOMPLISHMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Delaware River Port Authority for its comprehensive annual financial report for the fiscal year ended December 31, 2003. This was the twelfth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



John T. Hanson, CPA  
Chief Financial Officer



▶▶ **Financial Section**

20  
04

▶▶ *PATCO, Celebrating 35 Years* 1969–2004



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Members of:  
American Institute of CPAs  
New Jersey Society of CPAs

## INDEPENDENT AUDITOR'S REPORT

To the Commissioners of the  
Delaware River Port Authority

We have audited the accompanying combined financial statements of the Delaware River Port Authority and subsidiaries, as of December 31, 2004 and 2003, as listed in the Financial Section of the foregoing table of contents. These combined financial statements and supplemental schedules discussed below are the responsibility of the Delaware River Port Authority's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 above mentioned combined financial statements present fairly, in all material respects, the combined financial position of the Delaware River Port Authority as of December 31, 2004 and 2003, and the combined results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Bowman &amp; Company LLP".

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
March 30, 2005

## ►► Management's Discussion and Analysis

As management of the Delaware River Port Authority (the Authority), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 24-27 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities at the close of the most recent year by \$308,115 (net assets). Net assets increased by \$6,996 during the year.
- The Authority's total debt decreased by \$26,211 (2.0%) during the current year.
- Operating revenues were \$217,636 in 2004, an increase of \$13,322 (6.5%) over 2003, while investment income decreased from \$38,111 in 2003 to \$28,391 in 2004, a 25% decrease.
- During 2004, the Authority maintained its bridge toll rates, thereby remaining among the lowest in the country when compared with those of other major interstate bridges and tunnels.
- Bridge traffic increased by 1,841 vehicles (up 3.54%) during the year 2004 while toll revenues increased by \$13,187 (or by 7.51%).
- PATCO fares remain unchanged and still compare favorably to other transit systems; PATCO continues to offer free and low cost parking and round-the-clock service.
- Capital contributions in the form of grants from federal and state governments decreased from \$9,646 in 2003 to \$6,452 in 2004.
- Economic development activity spending was reduced by \$19,163 during the year 2004, a 56% reduction from 2003.
- General Fund investment balances increased by \$16,024 (up by 14.8%).

### FINANCIAL POSITION SUMMARY

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$308,115 at the close of the year 2004.

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

## DELAWARE RIVER PORT AUTHORITY'S NET ASSETS

	<u>2004</u>	<u>2003</u>
Current and other assets	\$624,813	\$696,939
Capital assets	<u>1,071,329</u>	<u>1,042,018</u>
Total assets	<u>1,696,142</u>	<u>1,738,957</u>
Long-term liabilities outstanding	1,294,760	1,322,706
Other liabilities	<u>93,267</u>	<u>115,132</u>
Total liabilities	<u>1,388,027</u>	<u>1,437,838</u>
Net assets:		
Invested in capital assets, net of related debt	314,745	269,785
Restricted	257,111	249,155
Unrestricted (deficit)	<u>(263,741)</u>	<u>(217,821)</u>
Total net assets	<u>\$308,115</u>	<u>\$301,119</u>

Net assets increased during 2004 in the amount of \$6,996. This increase is attributable to increased operating revenues versus a relatively small increase in operating expenses and reduced economic development spending.

## SUMMARY OF CHANGES IN NET ASSETS

	<u>2004</u>	<u>2003</u>
Operating revenues (See page 41 for detail)	\$217,636	\$204,314
Operating expenses (See page 41 for detail)	(117,916)	(122,526)
Excess before depreciation and other non-operating income and expenses	99,720	81,788
Depreciation	(34,702)	(30,819)
Operating income	65,018	50,969
Non-operating income and expenses, net	(64,474)	(73,069)
Gain (Loss) before capital contributions and special item	2,044	(22,100)
Capital contributions	6,452	9,646
Special item	-	(1,595)
Increase (Decrease) in net assets	<u>\$6,996</u>	<u>(\$14,049)</u>



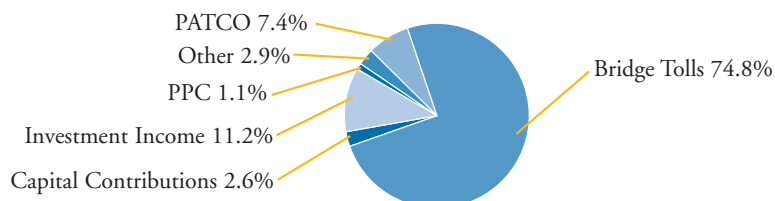
## REVENUE SUMMARY

Summary of revenues for the year ended December 31, 2004 and the amount and percentage change in relation to prior year amounts is as follows:

	2004 Amount	Percent of Total	Increase/ (Decrease) From 2002	Percent Increase/ (Decrease)
<b>Operating:</b>				
Bridge tolls	\$188,809	74.8%	\$13,187	7.5%
PATCO	18,647	7.4%	217	1.2%
Other	7,557	2.9%	(209)	(2.7%)
AmeriPort	1,734	0.7%	716	70.3%
Ferry	50	0.1%	(827)	(94.3%)
Cruise Terminal	839	0.3%	238	39.6%
Total Operating	<u>\$217,636</u>	<u>86.3%</u>	<u>\$13,322</u>	<u>6.5%</u>
<b>Non-Operating:</b>				
Investment Income	28,391	11.2%	(9,720)	(25.5%)
Capital Contributions	6,452	2.6%	(3,194)	(33.1%)
<b>TOTAL REVENUES</b>	<u>\$252,479</u>	<u>100.0%</u>	<u>\$408</u>	<u>0.2%</u>

- Total revenues increased by 0.2%, primarily due to an increase in operating revenue from bridge tolls; the decrease in non-operating revenues during the period was attributable to a 33.1% decrease in capital contributions (in the form of grants from federal and state governments) and a decrease in overall interest income (25.5%).
- Bridge toll revenues increased 7.5% as a result of a 3.5% increase in total traffic during 2004 and a restructuring of the *E-ZPass* discount program (the 10% discount on non-commercial customers was eliminated and the commuter discount was enhanced to \$18 for 18 trips). Average toll increased from \$3.38 in 2003 to \$3.51.
- Investment income declined sharply as a result of declining interest rates during 2004 and a \$78,336 reduction of Project Funds available for investment.
- PATCO's revenue increase in 2004 of 1.2% was primarily attributable to an increase in total passengers by 286 during 2004, an increase of 3.2%.
- Ferry revenue was impacted by a change in the structure of the operating agreement with a new operator, Hornblower Marine Services. This agreement also lowered operating expenses reducing the net operating deficit.

## REVENUES BY SOURCE



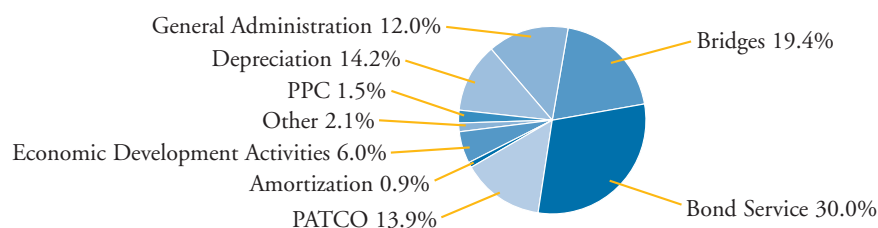
## EXPENSE SUMMARY

A summary of expenses for the year ended December 31, 2004 and the amount and percentage change in relation to prior year amounts is as follows:

	2004 Amount	Percent of Total	Increase/ (Decrease) From 2003	Percent Increase/ (Decrease)
<b>Operating:</b>				
Bridge	\$47,685	19.4%	\$4,444	10.2%
PATCO	34,172	13.9%	558	1.6%
General Administration	29,355	12.0%	(3,212)	(9.8%)
Other	3,021	1.2%	69	2.3%
AmeriPort	2,055	0.8%	148	7.7%
Ferry	164	0.1%	(962)	(85.4%)
Cruise Terminal	982	0.4%	(412)	(29.5%)
Maritime Services	482	0.2%	(1,919)	(79.9%)
Depreciation	34,702	14.2%	3,883	12.6%
Total Operating	\$152,618	62.2%	\$2,597	(1.7%)
<b>Non-Operating:</b>				
Bond Service	73,621	30.0%	(1,149)	(1.5%)
Amortization	2,114	0.9%	(3,081)	(59.3%)
Other	2,280	0.9%	1,754	333.5%
Economic Development Activities	14,850	6.0%	(19,163)	(56.3%)
Total Non-Operating	\$92,865	37.8%	(\$21,639)	(18.9%)
<b>Special Item</b>	-	-	1,595	100%
<b>TOTAL EXPENSES</b>	<b>\$245,483</b>	<b>100.0%</b>	<b>(\$20,044)</b>	<b>(7.5%)</b>

- Bridge property insurance, security, salary and benefit increases were the primary factors affecting the increase in bridge operating expenses.
- Total operating expenses, before depreciation, dropped by \$1,286 (or 1.1%), in part attributable to expense reductions in PPC operations and general administrative expenses
- Depreciation expenses increased by \$3,883 (12.6%) during the year; this increase was attributable to the \$28,261 increase in total capital assets being depreciated in 2004 (Note 5).
- RiverLink Ferry expenses were reduced significantly under the new operating contract with Hornblower Marine Services; therefore, the overall operational deficit decreased substantially during the year.

## EXPENSES BY SOURCE



**SUMMARY OF CASH FLOW ACTIVITIES**

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

	2004	2003
Cash flow from operating activities	\$90,531	\$82,651
Cash flow from non-capital financing activities	(13,076)	(49,508)
Cash flow from capital and related financing activities	(160,303)	(178,509)
Cash flow from investing activities	86,198	141,195
Net increase (decrease) in cash and cash equivalents	3,350	(4,171)
Cash and cash equivalents, beginning of year	4,833	9,004
Cash and cash equivalents, end of year	\$8,183	\$4,833

**Capital Assets and Debt Administration**

**Capital Assets.** The Authority’s investment in capital assets for its activities through December 31, 2004 amounted to \$1,071,329 (net of accumulated depreciation). This investment in capital assets includes land, bridges, transit system, port enhancements, buildings and machinery. The total percentage increase in the Authority’s investment in capital assets for the current year was 2.71%.

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

- Removal of existing paint coatings at the Ben Franklin Bridge; work in progress at the close of the current year had reached \$14,683.
- Removal of existing paint coatings at the Walt Whitman Bridge; work in progress at the close of the current year had reached \$5,770.
- Rehabilitation of PATCO rail yard at Lindenwold Station; work in progress at the close of the current year had reached \$4,930.
- Modernization of PATCO center; work in progress at the close of the current year had reached \$4,443.
- PATCO station improvements; work in progress at the close of the current year had reached \$3,644.
- Milling and resurfacing of the lanes at all bridges; work in progress at the close of the current year had reached \$3,341.
- Construction of vehicle storage building at PATCO Lindenwold maintenance yard; work in progress at the close of the year had reached \$2,023.

## DELAWARE RIVER PORT AUTHORITY'S CAPITAL ASSETS

(Net of depreciation)

	<u>2004</u>	<u>2003</u>
Land	\$80,403	\$80,183
Bridges and related buildings and equipment	649,309	580,434
Transit property and equipment	161,728	160,829
Port enhancements	7,269	9,786
Construction in progress	<u>172,620</u>	<u>211,836</u>
Total	<u>\$1,071,329</u>	<u>\$1,043,068</u>

Additional information on the Authority's capital assets can be found in Note 5 on page 45 of this report.

**Long-term debt.** At the end of the current year, the Authority had total bonded debt outstanding of \$1,273,127. Of this amount, \$886,098 represents debt backed by toll revenue from the Authority's bridges. The remaining debt of \$387,029 is supported by remaining revenue sources of the Authority.

The Authority's total debt decreased by \$26,211 (2.0%) during the current year.

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

<u>Issue</u>	<u>Moody's</u>	<u>S&amp;P</u>
1995 Revenue Bonds	A3	A
1998 Revenue Refunding and 1999 Revenue Bonds	Baa1	A-
1998, 1999 Port District Project Bonds	Baa3	BBB-
2001 Port District Project Bonds	Baa3	BBB-

Additional information on the Authority's funded and long-term debt can be found in Note 9 on pages 49-57 of this report.

**DELAWARE RIVER PORT AUTHORITY'S OUTSTANDING DEBT**  
(Revenue, Revenue Refunding and Port District Project Bonds)

	2004	2003
1995 Revenue Bonds	\$353,461	\$353,269
1998 Revenue Refunding Bonds	110,994	128,731
1998 Port District Project Bonds	73,644	75,524
1999 Revenue Bonds	421,643	421,609
1999 Port District Project Bonds	157,957	159,496
2001 Port District Project Bonds	155,428	160,709
Total	\$1,273,127	\$1,299,338

**Economic Factors and Next Year's Budgets**

The following factors were considered in preparing the Authority's budget for the 2005 fiscal year:

- Bridge tolls and PATCO fares will remain unchanged for the year 2005.
- Projected bridge toll revenue increase of 1.0% attributable to a modest increase in traffic.
- Modest increases in PATCO projected revenue (up 0.7%) based on increased ridership for fiscal year 2005 due to completion of system enhancements.
- Projected increased revenues for the Cruise Terminal and Ameriport operations.
- 10% *E-ZPass* discount for commercial account holders.
- Continuation of the restructured *E-ZPass* commuter credit discount program wherein commuters receive a discount of \$18 for taking 18 trips a month across the Authority's bridges.
- DRPA budget-to-budget decrease of 0.9%; PATCO increase in budget-to-budget expenses of 4.0%.

**Requests for Information**

This financial report is designed to provide a general overview of the Authority's activities for all of those with an interest in the Authority's activities through December 31, 2004. Questions from interested parties concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, Delaware River Port Authority, One Port Center, 2 Riverside Drive, P.O. Box 1949, Camden NJ 08101-1949.

COMBINED STATEMENTS OF NET ASSETS  
December 31, 2004 and 2003 (In Thousands)

ASSETS	Notes	2004	2003
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1, 2	\$ 6,882	\$ 3,540
Investments	1, 2	135,665	123,346
Accounts receivable (net of allowance for uncollectibles)	3	4,012	11,820
Accrued interest receivable		707	721
Transit system and storeroom inventory	1	4,384	4,330
Economic development loans - current	1, 13	770	1,818
Prepays		4,578	2,742
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	1, 2	1,301	1,293
Investments	1, 2	395,610	472,356
Accrued interest receivable		286	145
Total current assets		<u>554,195</u>	<u>622,111</u>
<b>NONCURRENT ASSETS</b>			
Capital assets (net of accumulated depreciation):			
Land	5	80,403	80,183
Bridges and related buildings and equipment	5	649,309	579,384
Transit property and equipment	5	161,728	160,829
Port enhancements	5	7,269	9,786
Construction in progress	5	172,620	211,836
Total capital assets		<u>1,071,329</u>	<u>1,042,018</u>
Economic development loans - net of allowance for uncollectibles	1	26,589	27,317
Deferred charges:			
Debt issuance costs (net of amortization)	9	44,029	47,511
Total other assets		<u>70,618</u>	<u>74,828</u>
Total noncurrent assets		<u>1,141,947</u>	<u>1,116,846</u>
<b>TOTAL ASSETS</b>		<u>1,696,142</u>	<u>1,738,957</u>

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

**COMBINED STATEMENTS OF NET ASSETS**  
**December 31, 2004 and 2003 (In Thousands)**

<b>LIABILITIES</b>	<b>Notes</b>	<b>2004</b>	<b>2003</b>
		<u>          </u>	<u>          </u>
<b>CURRENT LIABILITIES:</b>			
Accounts payable:			
Retained amounts on contracts		\$ 6,294	\$ 7,526
Other		11,591	15,132
Accrued liabilities:			
Pension	7	337	93
Deferred revenue	1, 9	11,728	30,117
Liabilities payable from restricted assets:			
Accrued interest payable	9	35,547	36,199
Bonds and loans payable - current	9	27,770	26,065
Accrued interest payable			
Total current liabilities		<u>93,267</u>	<u>115,132</u>
 <b>NONCURRENT LIABILITIES:</b>			
Accrued liabilities:			
Repainting	1	39,022	39,709
Self- insurance	12	5,586	4,338
Sick and vacation leave benefits		3,981	4,482
Other		814	904
Bonds and loans payable (net of unamortized discounts / premiums)	9	1,245,357	1,273,273
Total noncurrent liabilities		<u>1,294,760</u>	<u>1,322,706</u>
Total liabilities		<u>1,388,027</u>	<u>1,437,838</u>
 <b>NET ASSETS</b>			
Invested in capital assets, net of related debt		224,189	180,741
Restricted for:			
Debt requirements		126,553	127,896
Port projects		130,558	121,259
Unrestricted (deficit)		<u>(173,185)</u>	<u>(128,777)</u>
Total net assets		<u>\$ 308,115</u>	<u>\$ 301,119</u>

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



**COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**Years ended December 31, 2004 and 2003 (In Thousands)**

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
<b>OPERATING REVENUES:</b>			
Bridges:			
Tolls		\$ 188,809	\$ 175,622
Other operating revenues		6,194	5,914
Total bridge operating revenues		<u>195,003</u>	<u>181,536</u>
Transit system:			
Passenger fares		18,647	18,430
Other operating revenues		1,221	1,151
Total transit system operating revenues		<u>19,868</u>	<u>19,581</u>
Port of Philadelphia and Camden:			
Ameriport		1,734	1,018
Cruise Terminal		839	601
River Link Ferry		50	877
Total Port of Philadelphia and Camden operating revenues		<u>2,623</u>	<u>2,496</u>
Other:			
Miscellaneous		142	701
Total operating revenues		<u>217,636</u>	<u>204,314</u>
<b>OPERATING EXPENSES:</b>			
Operations		81,857	80,179
General and administrative		29,355	32,567
Depreciation	1	34,702	30,819
Lease and community impact	13	3,021	2,952
Port of Philadelphia and Camden		3,683	6,828
Total operating expenses		<u>152,618</u>	<u>153,345</u>
<b>OPERATING INCOME</b>		<u>65,018</u>	<u>50,969</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment earnings		28,391	38,111
Interest expense	9	(73,621)	(74,770)
Amortization expense	1	(2,114)	(1,871)
Economic development activities		(14,850)	(34,013)
Other		(2,280)	(526)
Total other nonoperating revenues (expenses)		<u>(64,474)</u>	<u>(73,069)</u>
<b>LOSS BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEMS</b>		544	(22,100)
<b>CAPITAL CONTRIBUTIONS:</b>			
Federal and state capital improvement grants	11	<u>6,452</u>	<u>9,646</u>
<b>SPECIAL ITEMS:</b>			
Early retirement incentive program		-	(1,595)
<b>CHANGE IN NET ASSETS</b>		<u>6,996</u>	<u>(14,049)</u>
<b>NET ASSETS, JANUARY 1</b>		301,119	315,168
<b>NET ASSETS, DECEMBER 31</b>		<u>\$ 308,115</u>	<u>\$ 301,119</u>

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

**COMBINED STATEMENTS OF CASH FLOWS**  
**Years ended December 31, 2004 and 2003 (In Thousands)**

	<b>2004</b>	<b>2003</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 213,337	\$ 196,503
Payments to suppliers	(86,926)	(79,745)
Payments to employees	(35,898)	(37,431)
Net cash provided by operating activities	<u>90,513</u>	<u>79,327</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Economic development activities	(13,350)	(31,513)
(Increase) decrease in economic development loans receivable	1,776	(16,400)
Employee incentive and layoff expense	-	(1,595)
(Decrease) in employee incentive and layoff expense payable	(1,502)	-
Net cash used by noncapital financing activities	<u>(13,076)</u>	<u>(49,508)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(72,785)	(94,487)
Proceeds from sales of capital assets	3,413	-
Net loss on disposal of capital assets	1,950	-
Capital contributions	7,597	9,287
Repayment of funded debt	(26,065)	(19,960)
Payment of arbitrage on funded debt	(122)	-
Interest paid on debt	(74,273)	(73,349)
Net cash used by capital and related financing activities	<u>(160,285)</u>	<u>(178,509)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investment:	3,377,990	4,942,761
Purchase of investments	(3,311,128)	(4,836,110)
Interest received	19,336	37,868
Net cash provided by investing activities	<u>86,198</u>	<u>144,519</u>
Net increase (decrease) in cash and cash equivalents:	<u>3,350</u>	<u>(4,171)</u>
<b>Cash and cash equivalents, January 1 (including \$1,293 and \$1,234 reported as restricted)</b>	<b>\$ 4,833</b>	<b>\$ 9,004</b>
<b>Cash and cash equivalents, December 31 (including \$6,882 and \$1,301) reported as restricted)</b>	<b>\$ 8,183</b>	<b>\$ 4,833</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 65,018	\$ 50,969
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	34,702	30,819
Changes in assets and liabilities:		
Decrease in accounts receivable	5,162	481
(Increase) in transit system and storeroom inventories	(54)	73
(Increase) in prepaids	(1,836)	(121)
(Decrease) in accounts payable and accrued wages	(3,232)	308
Increase in pension payable	244	32
(Decrease) in deferred revenue	(9,461)	(8,651)
(Decrease) in repainting reserves	(687)	5,570
Increase in self-insurance reserves	1,248	(122)
(Decrease) in sick and vacation leave benefits payable	(501)	(260)
(Decrease) in other accrued liabilities	(90)	229
Net cash provided by operating activities	<u>\$ 90,513</u>	<u>\$ 79,327</u>

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Year Ended December 31, 2004 (Dollars in Thousands)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Operations** - The Delaware River Port Authority (the "Authority") is a public corporate instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") and the State of New Jersey (the "State") created with the consent of Congress by compact legislation between the Commonwealth and the State. The Authority has no stockholders or equity holders. The Authority is vested with the ownership, control, operation, and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry, and Betsy Ross bridges. The Authority has also constructed and owns a high-speed transit system which is operated by the Port Authority Transit Corporation (PATCO). The transit system operates between Philadelphia, Pennsylvania and Lindenwold, New Jersey. Among its powers, the Authority is responsible for regional economic development and the unification of certain port facilities of the Delaware River. The Authority's Port of Philadelphia and Camden Department (PPC) is responsible for the operation of the Authority's intermodal transfer facility, AmeriPort, which facilitates the movement of containerized cargo through the regional ports. PPC is also responsible for the marketing and operation of the Philadelphia Cruise Terminal at Pier 1 at the former Navy Yard and the RiverLink Ferry System. In 1997, the Authority created the Delaware River Port Authority Foundation (Foundation) to support educational programs and initiatives of community groups. The costs of providing facilities and services to the general public on a continuing basis are recovered primarily in the form of tolls and fares. In December 1999, the Authority implemented the electronic collection of tolls at its four bridges. Through December of 2004, customer participation in the E-ZPass electronic toll collection process grew to approximately 61% of its toll collection activity during rush hour periods.

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

**C. Cash and Cash Equivalents** - The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents (Note 2).

**D. 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.

**E. Investment in Securities** - Investment in securities is stated at amortized cost, which approximates fair value. Certain investments are maintained in connection with the Authority's funded debt (Notes 2 and 9).

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

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

**H. Investment in Facilities** - Investment in facilities is stated at cost, which generally includes expenses for administrative and legal expenses incurred during the construction period. Investment in facilities also includes the cost incurred for port-related projects, and improvements, enlargements and betterments to the original facilities.

Replacements of existing facilities (except for primarily police and certain other vehicles whose estimated useful life is two years or less) are also recorded at cost. The related costs and accumulated depreciation of the property replaced are removed from the respective accounts and any gain or loss on disposition is credited or charged to nonoperating revenues or expenses.

Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, including those financed by federal and state contributions (Notes 5 and 11).

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

Bridges, freeways, and tunnels	100 years
Buildings, stations, and certain bridge components	35 - 50 years
Electrification, signals, and communication system	30 - 40 years
Transit cars, machinery, and equipment	10 - 25 years

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

**J. Other Provisions** - The Authority provides for the uninsured portion of potential public liability claims and workers' compensation claims through self-insurance programs and charges current operations for estimated claims to be paid (Note 12).

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

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

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

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

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

**M. Operating and Non-Operating Expenses** - Operating revenues include all revenues derived from facility charges (i.e., toll revenues, which include E-ZPass revenues), PATCO operations (passenger fare, advertising and parking), and other revenue sources. Nonoperating 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 (including operation of the E-ZPass Customer Service Center), PATCO, PPC operations and general administrative expenses. Nonoperating expenses principally include expenses attributable to the Authority's interest on funded debt, and economic development activities.

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

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

**O. Budget** - In accordance with Section 5.15 of the 1995 and 1998 Revenue Bonds Indentures of Trust and Section 5.07 of the 1998, 1999 and 2001 Port District Project Bond Indentures of Trust, the Authority must annually adopt an Annual Budget on or before December 31 for the ensuing year. Section 5.15 of the 1995 and 1998 Revenue Bond Indentures of Trust requires that the Authority, on or before December 31, in each fiscal year, adopt a final budget for the ensuing fiscal year of (i) operational expenses, (ii) the PATCO Subsidy, (iii) the amount to be deposited to the credit of the Maintenance Reserve Fund, and (iv) the estimated amounts to be deposited into the Debt Service Fund, the Debt Service Reserve Fund, and the Rebate Fund. Each Annual Budget must also contain the Authority's projections of revenues for the ensuing fiscal year demonstrating compliance with the covenant as to facility charges as set forth in Section 5.09 of the Indenture of Trust. On or before December 31 in each fiscal year, the Authority must file a copy of the Annual Budget for the ensuing fiscal year with the Trustees.

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

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

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

## 2. CASH AND INVESTMENTS

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

At December 31, 2004 and 2003, the Authority's carrying amount of deposits was \$8,183 and \$4,833, respectively, of which \$980 and \$1,321, respectively, was cash on hand. Cash in banks amounted to \$14,740 and \$16,725 at December 31, 2004 and 2003. Balances of \$500 at December 31, 2004, and \$501 at December 31, 2003, were insured by federal depository insurance.

Investments are purchased in accordance with the General Bond Resolution and the Indenture of Trust, and generally include U.S. government obligations, money market funds, obligations of U.S. agencies or instrumentalities, and obligations of public agencies or municipalities rated in either of the two highest rating categories by Standard and Poor's Corporation or Moody's Investors Services. In accordance with the 1995, 1998 and the 1999 Indentures of Trust, the Authority invests in corporate bonds and commercial paper rated A-1 by Standard and Poor's Corporation. Investments in securities are categorized below to give an indication of the credit risk assumed at December 31, 2004. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party, or by its trust department or agent, but not in the Authority's name. Certain investments have not been categorized because securities are not used as evidence of the investment. The carrying amount of the Authority's investments as of year end is shown below. Guaranteed Income Contracts are collateralized by U.S. government and agency securities, and debt obligations having a rating in the highest rating category from Moody's Investors Service or Standard and Poor's Rating Services.

	Category			Reported
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>
U.S. Government Securities	\$136,655			\$136,655
Federated treasury securities	6,959			6,959
Commercial paper	113,328			113,328
Repurchase agreement	432			432
Corporate bonds and capital securities	23,553			23,553
Municipal re-investment	33,302			33,302
Mortgage-backed securities	2,719			2,719
Other short term investments			\$133,374	133,374
Money market funds			80,953	80,953
Total investments in securities	<u>\$314,948</u>	<u>-</u>	<u>\$214,327</u>	<u>\$531,275</u>

As stated in Note 1, the carrying amount of investments approximates fair value.

## 3. ACCOUNTS RECEIVABLE

Accounts receivable as of year end include the following:

	<u>2004</u>	<u>2003</u>
Reimbursements from governmental agencies – capital Improvements to the PATCO system due from the Federal Transit Administration and New Jersey Transit	\$793	\$1,913
Other intergovernmental	3,508	9,817
Port of Philadelphia and Camden trade receivables	242	53
Cruise terminal receivables	31	38
Development projects	104	60
Other	834	2,439
Gross receivables	5,512	14,320
Less: Allowance for uncollectibles	(1,500)	(2,500)
Net total receivables	<u>\$4,012</u>	<u>\$11,820</u>

Of the total intergovernmental receivables of \$3,508 above, \$3,500 is not expected to be collected within one year.

Also, the Authority records toll revenue net of uncollectible tolls and commuter credits. Gross toll revenues for 2004 were \$196,145, while the adjustments for uncollectible tolls and commuter credits were \$1,666 and \$5,670 respectively.

#### 4. CHANGES IN LONG TERM LIABILITIES

Long term liability activity for the year ended December 31, 2004 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 Year
Bonds and loans payable:					
1995 Revenue Bonds	\$357,185			\$357,185	
1998 Revenue Refunding Bonds	125,200		(\$17,295)	107,905	\$18,605
1999 Revenue Bonds	422,310			422,310	
1998 Port District Project Bonds	75,985		(1,900)	74,085	1,980
1999 Port District Project Bonds	162,440		(1,680)	160,760	1,800
2001 Port District Project Bonds	158,385		(5,190)	153,195	5,385
Less issuance discounts / premiums	(2,167)		(146)	(2,313)	
Total bonds and loans payable	<u>1,299,338</u>	<u>-</u>	<u>(26,211)</u>	<u>1,273,127</u>	<u>27,770</u>
Other liabilities:					
Bridge repainting	39,709	\$3,973	(4,660)	39,022	
Self-insurance	4,338	1,248		5,586	
Sick and vacation leave	4,482		(501)	3,981	
Other	904		(90)	814	
Total long-term liabilities	<u>\$1,348,771</u>	<u>\$5,221</u>	<u>(\$31,462)</u>	<u>\$1,322,530</u>	<u>\$27,770</u>

#### 5. INVESTMENT IN FACILITIES

Capital assets for year ended December 31, 2004 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$80,183	\$220		\$80,403
Construction in Process	211,836	64,862	(\$104,078)	172,620
Total capital assets not being depreciated	<u>292,019</u>	<u>65,082</u>	<u>(104,078)</u>	<u>253,023</u>
Capital assets being depreciated:				
Bridges and related building & equipment	812,054	92,424	(2,785)	901,693
Transit property & equipment	274,453	9,370	(174)	283,649
Port Enhancements	30,690	3,321	(775)	33,236
Total capital assets being depreciated	<u>1,117,197</u>	<u>105,115</u>	<u>(3,734)</u>	<u>1,218,578</u>
Less accumulated depreciation for:				
Bridges and related building & equipment	(245,161)	(25,822)	679	(270,304)
Transit property & equipment	(114,275)	(7,183)	174	(121,284)
Port Enhancements	(7,762)	(1,697)	775	(8,684)
Total accumulated depreciation	<u>(367,198)</u>	<u>(34,702)</u>	<u>1,628</u>	<u>(400,272)</u>
Total capital assets being depreciated, net	<u>749,999</u>	<u>70,413</u>	<u>(2,106)</u>	<u>818,306</u>
Total capital assets, net	<u>\$1,042,018</u>	<u>\$135,495</u>	<u>(\$106,184)</u>	<u>\$1,071,329</u>

Total depreciation expense for the year ended December 31, 2004 and 2003 was \$34,702 and \$30,819 respectively.

## 6. DEFERRED COMPENSATION PLAN

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

## 7. PENSION PLANS

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

### Pennsylvania State Employees' Retirement System

*Plan Description:* Certain permanent full-time and part-time employees are eligible and required to participate in the plan that provides pension, death and disability benefits. A member may retire after completing three years of service and after reaching normal retirement age (the age of sixty, except police officers at age fifty, or the age at which thirty-five years of service has been completed, whichever occurs first). Benefits vest after five years of service. If an employee terminates his or her employment after at least five years of service but before the normal retirement age, he or she may receive pension benefits immediately or defer pension benefits until reaching retirement age. Employees who retire after reaching the normal retirement age with at least three years of credited service are entitled to receive pension benefits equal to 2.50% of their final average compensation (average of the three highest years in earnings) times the number of years for which they were a participant in the plan. The pension benefits received by an employee who retires after five years of credited service but before normal retirement age are reduced for the number of years that person is under normal retirement age.

Pension provisions include death benefits, under which the surviving beneficiary may be entitled to receive the employee's accumulated contributions less the amount of pension payments that the employee received, the present value of the employee's account at retirement less the amount of pension benefits received by the employee, the same pension benefits formerly received by the employee, or one-half of the monthly pension payment formerly received by the employee. The maximum pension benefit to the employee previously described may be reduced depending on the benefits elected for the surviving beneficiary.

The Pennsylvania State Employees' Retirement System issues a publicly available annual financial report, including financial statements, which may be obtained by writing to Pennsylvania State Employees' Retirement System, 30 North Third Street, Harrisburg, Pennsylvania 17108-1147.

*Funding Policy:* The contribution requirements of plan members and the Authority are established and amended by the Pennsylvania State Employees' Retirement System Board. As of January 1, 2002, employees are required to contribute 6.25% of their gross earnings to the plan. The Authority was required to, and did, contribute an actuarially determined amount to the plan, which equaled 1.23%, .44% and .213% of covered payroll in 2004, 2003 and 2002, respectively. In 2004, 2003 and 2002, the Authority contributed \$520, \$193 and \$63, respectively, to the plan.

### Teamsters Pension Plan of Philadelphia and Vicinity

*Plan Description:* Certain represented employees are eligible and required to participate in the Teamsters Pension Plan of Philadelphia and Vicinity, which provides pension, death and disability benefits. A member may retire at the later of (a) the date the employee reaches 65 or (b) the tenth anniversary of the employee's commencement of participation in the plan. Additionally, employees are eligible for early retirement after 10 years of participation in the plan and (a) completion of 30 years of vested service or (b) attainment of age 50 and completion of 10 years of vested service. Benefits vest after 10 years of service. An employee who retires on or after his or her normal retirement age is entitled to receive benefits based on his or her credited years of service multiplied by a monthly benefit rate, which is determined based on the employer's daily contributions. The benefits are subject to maximum rates which vary according to employer daily contribution rates. Members may also receive benefits after early retirement at reduced rates depending on age at retirement.

An employee who qualifies for disability retirement benefits (total and permanent disability with 10 years of vested service and 5 years of continuous service with at least 300 covered days of contributions) is entitled to receive two hundred dollars per month until retirement age, when retirement benefits would commence.

Provisions include surviving spouse death benefits, under which the surviving spouse is entitled to a 50% survivor annuity in certain cases.

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

*Funding Policy:* The contribution requirements of the Authority are established and amended by Teamsters Pension Plan of Philadelphia and Vicinity Board. During 2004, the Authority was required to, and did, contribute the following amounts for PATCO employees: seventeen dollars and eighty cents per day from January 1 through February 28 and eighteen dollars and sixty cents from March 1 through December 31 per participating employee. The Authority's contributions totaled 9.00%, 8.60% and 8.60% of covered payroll in 2004, 2003 and 2002, respectively. The employees of the Authority make no contributions to the plan. The Authority contributed \$955, \$946 and \$882 in 2004, 2003 and 2002, respectively.

#### Other Retirement Benefits

The Authority provides certain health care and life insurance benefits for retired employees, where such benefits are established and amended by the Authority's Board of Commissioners. Employees become eligible for retirement benefits once they have been determined pension-eligible. At December 31, 2004, 640 retirees were eligible to receive benefits. These, and similar benefits for active employees, are now provided through insurance companies and the Authority recognizes the cost of providing these benefits by expensing annual insurance premiums. The cost of providing these retirement benefits, net of retiree contributions, totaled \$4,148, \$3,830 and \$5,052 for 2004, 2003 and 2002, respectively. Some retiree groups make contributions towards the cost of health care benefits.

### 8. INDENTURES OF TRUST

The Authority is subject to the provisions of the following Indentures of Trust: Revenue Bonds of 1995 with Wachovia Bank, National Association, dated November 15, 1995; Port District Project Bonds of 1998 with The Bank of New York (as successor trustee to U.S. Trust Company of New Jersey), dated August 15, 1998; Port District Project Bonds of 1999 with The Bank of New York (as successor trustee to Summit Bank), dated December 1, 1999; Port District Project Bonds of 2001 with Commerce Bank, National Association, dated December 1, 2001; Revenue Refunding Bonds of 1998 with Commerce Bank, National Association, dated July 1, 1998; and the Revenue Bonds of 1999 with Commerce Bank, National Association, dated December 1, 1999 (collectively the "Bond Resolution"). The Bond Resolution requires the maintenance of the following accounts:

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

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

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

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

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

In addition, in accordance with the Indentures of Trust for the Revenue Refunding Bonds of 1998 and the Revenue Bonds of 2001, the following additional accounts are required to be maintained:

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

**Maintenance Reserve Fund** - This *restricted* account was established in accordance with Section 6.08 of the Bond Resolution. These funds are maintained for reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements, additions, betterments, enlargements, improvements, and extraordinary expenses, all to the extent not provided for in the then current Annual Budget. Money in this account is pledged for the security of payment principal and



interest on the Bonds. Whenever the amount in this account exceeds the “Maintenance Reserve Fund Requirement”, the excess shall be deposited in the General Fund. The “Maintenance Reserve Fund Requirement” on any date is \$3,000.

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

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

At December 31, 2004, the Authority had \$1,273,127 in revenue, revenue refunding and port district project bonds outstanding, consisting of bonds issued in 1995, 1998, 1999 and 2001. The 1995 Revenue Bonds were issued pursuant to an Indenture of Trust, dated November 15, 1995, and the First Supplemental Indenture thereto. The 1998 Revenue Refunding Bonds were issued pursuant to the Indenture of Trust, dated July 1, 1998, and a First Supplemental Indenture thereto. The 1998 Port District Project Bonds were issued pursuant to an Indenture of Trust dated August 15, 1998. The 1999 Revenue Bonds were issued pursuant to the Indenture of Trust dated July 1, 1998, a Second Supplemental Indenture dated August 15, 1998 and a Third Supplemental Indenture dated December 1, 1999. The 1999 Port District Project Bonds were issued pursuant to an Indenture of Trust dated December 1, 1999. Under the terms of the 1998 Revenue Refunding Bonds Indenture of Trust, the Authority covenanted not to issue any additional bonds under the 1995 Indenture of Trust. The 2001 Port District Project Bonds were issued pursuant to an Indenture of Trust dated December 1, 2001.

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

**The 1995 Revenue Bonds outstanding at December 31, 2004 are as follows:**

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
Serial Bonds					
2010	5.30%	\$11,065	2014	5.40%	\$16,650
2011	5.40	11,650	2015	5.40	17,550
2012	5.45	14,980	2016	5.40	18,495
2013	5.40	15,795			
					106,185
Term Bonds					
2017	5.50%	\$19,495	2021	5.50%	\$24,150
2018	5.50	20,565	2022	5.50	25,480
2019	5.50	21,695	2023	5.50	26,880
2020	5.50	22,890	2024	5.50	28,360
			2025	5.50	29,920
			2026	5.50	31,565
					251,000
Total par value of 1995 Bonds outstanding					357,185
Less unamortized bond discount					3,724
Total 1995 Bonds – net					\$353,461

Optional Redemption Dates (Inclusive)	Redemption Price 1995 Bonds
January 1, 2006 through December 31, 2006	102%
January 1, 2007 through December 31, 2007	101
January 1, 2008 and thereafter	100

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

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

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

**The 1998 Revenue Refunding Bonds outstanding at December 31, 2004 is as follows:**

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
Serial Bonds, Series B					
2005	5.25%	\$18,605	2008	5.25%	\$21,695
2006	5.25	19,590	2009	5.25	22,795
2007	5.25	20,610	2010	5.25	2,245
			2011	5.25	2,365
					<u>107,905</u>
					Plus unamortized bond premium 3,089
					<u>\$110,994</u>

The 1998 Revenue Refunding Bonds, together with the Authority's 1999 Revenue Bonds, and any parity obligations hereafter issued under the 1998 Revenue Bond Indenture, are equally and ratably payable solely from and secured by a lien on and security interest in (i) the amounts on deposit in the 1995 General Fund established under the Indenture of Trust dated as of November 15, 1995, as supplemented as of November 15, 1995 (collectively, the "1995 Revenue Bond Indenture"), (ii) the amounts on deposit in the Funds established under the 1998 Revenue Bond Indenture, except for the 1998 General Fund and the 1998 Rebate Fund. So long as the Authority's Revenue Bonds, Series of 1995 (the "1995 Revenue Bonds") remain outstanding, the 1999 Revenue Bonds will not be secured by any lien on or security interest in the Net Revenues of the Authority. The Authority has no current plans to defease the 1995 Revenue Bonds, which have a final maturity date of January 1, 2026.

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

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

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

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

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

**The 1998 Port District Project Bonds outstanding at December 31, 2004 are as follows:**

<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>	<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>
Serial Bonds					
2005	4.10%	\$1,980	2010	4.50%	\$2,485
2006	4.20	2,060	2011	4.63	2,600
2007	5.00	2,145	2012	4.75	2,720
2008	5.00	2,255	2013	5.00	2,845
2009	5.00	2,365	2014	4.75	2,990
			2015	5.00	3,130
					27,575
Term Bonds					
<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>	<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>
2016	4.75%	\$3,290	2021	5.00%	\$4,175
2017	4.75	3,445	2022	5.00	4,385
2018	5.00	3,605	2023	5.00	4,605
2019	5.00	3,790	2024	5.00	4,835
2020	5.00	3,975	2025	5.00	5,075
			2026	5.00	5,330
					46,510
Total par value of 1998 PDPB outstanding					74,085
Less unamortized bond discount					441
Total 1998 PDPB - net					\$73,644

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

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

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

The 1999 Revenue Bonds, together with the Authority’s Revenue Refunding Bonds, Series A of 1998 and Series B of 1998 (the “1998 Revenue Bonds”) and any parity obligations hereafter issued under the 1998 Revenue Bond Indenture, are equally and ratably payable solely from and secured by a lien on and security interest in (i) the amounts on deposit in the 1995 General Fund established under the Indenture of Trust dated as of November 15, 1995, as supplemented as of November 15, 1995 (collectively, the “1995 Revenue Bond Indenture”), (ii) the amounts on deposit in the Funds established under the 1998 Revenue Bond Indenture, except for the 1998 General Fund and the 1998 Rebate Fund. So long as the Authority’s Revenue Bonds, Series of 1995 (the “1995 Revenue Bonds”) remain outstanding, the 1999 Revenue Bonds will not be secured by any lien on or security interest in the Net Revenues of the Authority. The Authority has no current plans to defease the 1999 Revenue Bonds, which have a final maturity date of January 1, 2026.

**The 1999 Revenue Bonds outstanding at December 31, 2004 are as follows:**

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
Serial Bonds					
2010	5.50%	\$10,385	2014	5.40%	\$5,000
2010	5.10	5,000	2015	5.75	20,145
2011	5.50	16,230	2016	5.75	16,300
2012	5.50	12,110	2016	5.63	5,000
2012	5.25	5,000	2017	6.00	22,525
2013	5.63	18,055	2018	6.00	18,865
2014	5.75	14,050	2018	5.75	5,000
			2019	6.00	25,295
					198,960
Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
Term Bonds					
2020	5.75%	\$26,810	2023	5.75%	\$31,710
2021	5.75	28,355	2024	5.75	33,530
2022	5.75	29,985	2025	5.75	35,460
			2026	5.75	37,500
					223,350
Total Par Value of 1999 Revenue Bonds					422,310
Less unamortized bond discount					667
Total – 1999 Revenue Bonds					\$421,643

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

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

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

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

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

**The 1999 Port District Project Bonds outstanding at December 31, 2004 are as follows:**

<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>	<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>
Series A Bonds					
2005	7.15%	\$1,800	2009	7.37%	\$2,380
2006	7.22	1,925	2010	7.42	2,555
2007	7.27	2,065	2011	7.46	2,740
2008	7.32	2,215	2012	7.50	2,950
			2013	7.54	3,170
					21,800
Term Bonds					
2014	7.63%	\$3,405	2018	7.63%	\$4,570
2015	7.63	3,665	2019	7.63	4,920
2016	7.63	3,945	2020	7.63	5,295
2017	7.63	4,245	2021	7.63	1,035
					31,080

Maturity Date (January 1)	Interest Rate/Yield	Principal Amount	Maturity Date (January 1)	Interest Rate/Yield	Principal Amount
Series B Bonds					
2021	5.70%	\$13,060	2022	5.70%	\$16,930
			2023	5.70	17,895
					47,885
Term Bonds					
2024	5.63%	\$18,915	2025	5.63%	\$19,980
			2026	5.63	21,100
					59,995
Total Par Value of 1999 PDPB Bonds					160,760
Less unamortized bond discount					2,803
Total - 1999 Port District Project Bonds					\$157,957

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

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

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

**The 2001 Port District Project Refunding Bonds outstanding at December 31, 2004 are as follows:**

<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>	<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>
Series A Refunding Bonds (Federally Taxable)					
2005	4.50%	\$4,505	2013	5.50%	\$5,570
2006	5.00	3,715	2014	5.50	6,880
2007	5.00	3,800	2015	5.50	7,260
2008	5.25	5,085	2016	5.50	7,660
2009	5.25	4,350	2017	5.50	8,080
2009	5.00	1,000	2018	5.50	8,525
2010	5.50	2,625	2019	5.10	8,995
2010	5.25	3,000	2020	5.10	9,450
2011	5.25	5,935	2021	5.10	1,580
2012	5.25	6,255	2022	5.13	1,300
			2023	5.15	1,300
					106,870
Term Bonds					
2024	5.20%	\$1,300	2026	5.20%	\$1,300
2025	5.20	1,300	2027	5.20	12,900
					16,800
Total par value Series A Refunding Bonds					123,670
Plus unamortized bond premium					2,551
Total 2001 Series A Refunding Bonds – net					126,221
Series B Bonds					
2005	3.40%	\$880	2014	4.75%	\$1,270
2006	3.70	910	2015	4.85	1,335
2007	4.00	940	2016	5.00	1,400
2008	4.20	980	2017	5.00	1,470
2009	4.35	1,020	2018	5.00	1,540
2010	4.45	1,065	2019	5.10	1,620
2011	4.50	1,115	2020	5.10	1,700
2012	4.60	1,165	2021	5.10	1,785
2013	4.63	1,215	2022	5.13	1,880
			2023	5.15	1,975
					25,265

<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>	<u>Maturity Date (January 1)</u>	<u>Interest Rate/Yield</u>	<u>Principal Amount</u>
Term Bonds					
2024	5.20%	\$2,075	2025	5.20%	\$2,185
					4,260
Total per value of Series Bonds					29,525
Less unamortized bond discount					318
Total 2001 Series B Bonds - net					29,207
Total 2001 Port District Project Bonds - net					\$155,428

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

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

The following recapitulates the principal and interest due on all bonds outstanding:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$27,770	\$70,414	\$98,184
2006	28,200	68,971	97,171
2007	29,560	67,461	97,021
2008	32,230	65,819	98,049
2009	33,910	64,054	97,964
2010-2014	225,135	290,529	515,664
2015-2019	297,420	219,239	516,659
2020-2024	397,600	123,420	521,020
2025-2027	203,615	16,467	220,082
	\$1,275,440	\$986,374	\$2,261,814
Net unamortized bond Discounts / premiums	(2,313)		
	\$1,273,127		

Interest on the 1995, 1998, 1999, and 2001 Bonds is payable semi-annually on January 1 and July 1 in each year. Interest expense includes interest on the bonds and amortization of debt issuance costs and debt issuance discount.

Total funded debt and long-term debt as of December 31, 2004 totaled \$1,273,127, of which \$27,770 was short term and \$1,245,357 was long term.

*Swap Agreements:* In August and December of 2000, the Authority entered into several interest rate swap agreements, which may commence at certain future dates subject to options for the execution of the swaps at the discretion of the counter-parties to the agreements (Bank of America N.A. and Lehman Brothers Special Financing, Inc.). The initial exercise dates for the swaps with the Bank of America N.A. are two business days prior to July 2, 2005, with respect to a notional amount of \$39,657 and two business days prior to January 2, 2006, with respect to a notional amount of \$10,436. The Bank of America



N.A. can exercise its option to commence the swaps twice annually after these dates, and the agreement (s) would continue irrevocably through an ending date of January 1, 2026. The sole exercise date for the swap with Lehman Brothers Special Financing, Inc. was July 1, 2002 with respect to a notional amount of \$50,000. Lehman Brothers opted not to exercise its option to execute this swap.

If the swap agreement options are exercised by the Bank of America N.A., net payments would commence wherein the Authority would owe semi-annual interest payments calculated at a variable rate based on the TBMA Index (The Bond Market Association Municipal Bond Index, a tax-exempt variable rate index) to the counter-party to the swap. In return, the Bank of America N.A. would owe the Authority semi-annual interest payments based on a fixed rate of 5.9229%. Only the net difference in the interest payments is actually exchanged with the Bank of America N.A. The combined aggregate notional amount of \$50,093 is not exchanged; it is only the basis upon which the interest payments are calculated.

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

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

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

In consideration for entering into the agreements, the Authority has received net up-front, non-refundable option payments from UBS AG and Lehman Brothers Financial Products, Inc. totaling \$40,055 and \$2,537, respectively, which have been recorded as deferred revenue and are being amortized.

**10. CONDUIT DEBT OBLIGATIONS**

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

As of December 31, 2004, there was one series of Charter School Project Bonds outstanding, issued for the LEAP Academy Charter School, Inc. The corresponding aggregate principal totaling \$8,500 is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements. The following schedule details the series together with the amount outstanding:

<u>Issue</u>	<u>Issue Date</u>	<u>Amount</u>	<u>01/01/04</u>	<u>Issued</u>	<u>Paid</u>	<u>12/31/04</u>
Charter School Project Bonds, Series 2003	09/01/03	\$8,500	\$8,500	-	-	\$8,500

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

The Authority receives contributions in aid for financing capital improvements to the rapid transit system from the Federal Transit Administration and New Jersey Transit. Capital improvement grant funds of \$6,452 were received in 2004. Total government contributions totaled \$9,646 for 2003.

### 12. CONTINGENCIES

Public liability claim exposures are self-insured by the Authority within its retention limit of \$5 million per occurrence; after which, exists \$20 million of excess liability insurance per occurrence to respond to any large losses exceeding the retention. The Authority, excluding PATCO, self-insures the initial \$350 thousand, per occurrence, for workers' compensation claims, after which \$5 million of excess workers' compensation insurance is retained to respond to significant claims. PATCO is completely self-insured for workers' compensation claims.

The Authority is involved in various actions arising in the ordinary course of business and from workers' compensation claims. In the opinion of management, the ultimate outcome of these actions will not have a material adverse effect on the Authority's combined financial position and combined results of operations.

The Authority receives federal and state grants for specific construction purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowances under terms of the grants, it is the opinion of management that any required reimbursements will not be material to the Authority's net assets.

The Authority reviews annually and where appropriate adjusts policy loss limits and deductibles as recommended by our insurance consultant in response to prevailing market conditions, loss experience and revenues. Policy loss limits are established with the professional assistance of independent insurance and engineering consultants to ensure that sufficient coverage exists to accommodate the maximum probable loss that may result in the ordinary course of business. In addition, the amounts of settlements for the last three years have not exceeded the insurance coverage provided in those years.

	<b>Self Insurance</b>	
	<b>2004</b>	<b>2003</b>
Beginning balance	\$4,338	\$4,460
Incurred claims	3,451	1,532
Payment of claims	(2,123)	(1,574)
Other - administrative fees	(80)	(80)
Ending balance	<u>\$5,586</u>	<u>\$4,338</u>

### 13. SPECIAL ITEMS

On November 6, 2003, the Board authorized an early retirement incentive program to reduce payroll and related personnel costs. The program was offered to two types of eligible employees, those who were fifty years of age or older and had at least ten years of Authority service by December 31, 2003, and to those employees who were sixty years of age or older with at least three years of Authority service by December 31, 2003. The total expense incurred by the Authority for the year ended December 31, 2003 for the early retirement incentive program was \$1,595.

### 14. RECLASSIFICATION OF COMPONENTS OF NET ASSETS

Based upon a review of the use of the proceeds from the Authority's Port District Bonds, changes occurred in the amount of Invested in Capital Assets, Net of Related Debt on Exhibit A. Invested in Capital Assets, Net of Related Debt as reported at December 31, 2003 has been changed from \$269,785 to \$180,741. A corresponding amount was added to Net Assets Unrestricted-Deficit changing the amount from \$217,821 to \$128,777.

15. COMMITMENTS

**A. Development projects** - In accordance with the economic development powers and responsibilities granted to the Authority by its amended compact, the Board of Commissioners authorized the Authority to participate in the funding of certain projects or activities of various organizations in support of regional economic development. The funding of these projects is provided through loans, grants or other means. The Authority formalizes its participation with these organizations by written agreement, and may retain a legal or equitable interest in certain projects. The Authority has established a loss reserve in the amount of \$1,023 for its economic development loans outstanding.

In support of various economic development projects, the Authority has entered into loan guarantees with various banks to complete the financing aspects of a particular project. As of December 31, 2004, loan guarantees totaling \$27,000 have been authorized by the Board.

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

The Authority currently leases certain subway properties from the City of Philadelphia (City) for use by the PATCO high-speed transit system. During 1995, the Authority and City agreed to amend and extend the lease agreement, which will now expire on December 21, 2050. For the lease years 1998 through 2000, the Authority was required to pay \$1,000 in base rent to the City and \$6,000 annually in Special Economic and Community Development Grants (SECD Grants) to the City. In 2004, the base rent payable to the City totaled \$2,521 as adjusted for the cumulative increases in the Consumer Price Index (CPI) between 1995 and 2003. Base rent payments for 2005 through 2017 shall equal the previous year's base rent adjusted by any increase in the CPI for that year. For the years 2018 through 2050, annual base rent shall equal one dollar. No SECD Grants are payable to the City for the lease years 2001 through 2050.

In addition, for the duration of the lease the Authority is required to annually create a PATCO Community Impact Fund in the amount of \$500, with payment of such fund to be divided annually between communities within the Commonwealth and the State, based on PATCO track miles in the respective states.

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

2005	\$3,584
2006	3,649
2007	3,715
2008	3,783
2009	3,859

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

**D. Letters of Credit** - In May 2004, the Authority entered into two separate irrevocable standby Letter of Credits with Commerce Bank and Wachovia Bank in support of the Authority's "Owner Controlled Insurance Program (OCIP)." Under this program, the Authority purchased coverage for all contractors working on major construction projects.

The Letter of Credit with Commerce Bank is for a four-year term in the amount of \$2,200, and with an expiry date of May 7, 2008. The Letter of Credit with Wachovia Bank is in an initial amount of \$1,250 and automatically increases annually each May in the amount of \$1,250 until its expiry on May 7, 2008.

As of December 31, 2004, the unused amount of the Letter of Credits totaled \$3,450. No draw downs have been made against any Letter of Credit.

**E. Contractual Commitments** - As of December 31, 2004, the Authority had contractual commitments as follows:

<b>Benjamin Franklin Bridge (BFB):</b>	
BFB steel painting - phase four	\$11,565
Data and telephone networks	9,461
Part-time and temporary toll collectors	3,239
Engineering services - task order	1,054
Microsoft migration	851
Other	4,900
<b>Walt Whitman Bridge (WWB):</b>	
Bridge repainting	5,683
Engineering services - cable investigation	198
Other	91
<b>Commodore Barry Bridge (CBB):</b>	
Deck rehabilitation	1,794
Pin and hanger retrofit - design and construction	131
Bridge inspection	68
<b>Betsy Ross Bridge (BRB):</b>	
Toll plaza rehabilitation and ADA improvements	84
Bridge inspection	83
Other	59
<b>PATCO System:</b>	
Track surfacing and interlocking	2,313
Power cable and pole line replacement	1,015
Other	7,274
<b>Other:</b>	
Delaware River tram	12,483
Port enhancement projects	7,355
Other	2,106
	<u>\$71,807</u>

## 16. SUBSEQUENT EVENTS

In February 2005, the Authority entered into a contract to rehabilitate interlockings and roadbed for the PATCO system in the amount of \$18,592. The project is jointly funded by the FTA (80%) and by the Authority (20%). The Authority's contractual commitment for this project is \$3,718.

In March 2005, the Authority entered into a contract with Cubic Transportation Systems, Inc. to design and implement a new fare collection system for PATCO. The Authority's contractual commitment for this project is in the amount of \$11,309.

COMBINED SUPPLEMENTAL SCHEDULE OF NET ASSET INFORMATION BY FUND  
December 31, 2004 (In Thousands)

	Capital Fund	Revenue Fund	Maint. Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	2004 Total
<b>ASSETS</b>							
CURRENT ASSETS:							
Cash and cash equivalents		\$ 3,687		\$ 3,195			\$ 6,882
Investments		7,982	\$ 3,155	124,528			135,665
Accounts receivable (net of allowance for uncollectibles)		371		3,641			4,012
Accrued interest receivable				707			707
Transit system and storeroom inventories		317		4,067			4,384
Economic development loans - current				770			770
Prepays	\$ 2,470	1,517		591			4,578
Total current assets	<u>2,470</u>	<u>13,874</u>	<u>3,155</u>	<u>137,499</u>	<u>-</u>	<u>-</u>	<u>156,998</u>
NONCURRENT ASSETS:							
Restricted assets:							
Temporarily restricted:							
Cash and cash equivalents					\$ 1,301	\$ 1,301	1,301
Investments					178,109	217,501	395,610
Accrued interest receivable					135	151	286
Total restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,244</u>	<u>218,953</u>	<u>397,197</u>
Capital assets (net of accumulated depreciation):							
Land	80,378			25			80,403
Construction in progress	171,721			899			172,620
Bridges, related buildings and equipment	649,309						649,309
Transit property and equipment	161,728						161,728
Port enhancements	7,194			75			7,269
Total capital assets	<u>1,070,330</u>	<u>-</u>	<u>-</u>	<u>999</u>	<u>-</u>	<u>-</u>	<u>1,071,329</u>
Economic development loans (net of allowance for uncollectibles)				26,589			26,589
Deferred charges:							
Debt issuance costs (net of amortization)	20,353			23,676			44,029
Total other assets	<u>20,353</u>	<u>-</u>	<u>-</u>	<u>50,265</u>	<u>-</u>	<u>-</u>	<u>70,618</u>
Total noncurrent assets	<u>1,090,683</u>	<u>-</u>	<u>-</u>	<u>51,264</u>	<u>178,244</u>	<u>218,953</u>	<u>1,539,144</u>
Total assets	<u>1,093,153</u>	<u>13,874</u>	<u>3,155</u>	<u>188,763</u>	<u>178,244</u>	<u>218,953</u>	<u>1,696,142</u>

**COMBINED SUPPLEMENTAL SCHEDULE OF NET ASSET INFORMATION BY FUND:  
December 31, 2004 (In Thousands)**

	<u>Capital Fund</u>	<u>Revenue Fund</u>	<u>Maint. Reserve Fund</u>	<u>General Fund</u>	<u>Combined Bond Funds</u>	<u>Combined Project Funds</u>	<u>Total</u>
<b>LIABILITIES</b>							
CURRENT LIABILITIES:							
Accounts payable:							
Retained amounts on contracts		\$ 968		\$ 5,326			\$ 6,294
Other		3,400		8,191			11,591
Accrued liabilities:							
Pension		164		173			337
Deferred revenue		116		11,612			11,728
Liabilities payable from restricted assets:							
Accrued interest payable					\$ 35,547		35,547
Bonds and loans payable - current					27,770		27,770
Total current liabilities	<u>-</u>	<u>4,648</u>	<u>-</u>	<u>25,302</u>	<u>63,317</u>	<u>-</u>	<u>93,267</u>
NONCURRENT LIABILITIES:							
Accrued liabilities:							
Repainting				39,022			39,022
Self-insurance		3,938		1,648			5,586
Sick and vacation leave benefits		2,254		1,727			3,981
Other		572		242			814
Bonds and loans (net of unamortized discount/premium)	\$ 776,937			289,469		\$ 88,395	1,154,801
Total noncurrent liabilities	<u>776,937</u>	<u>6,764</u>	<u>-</u>	<u>332,108</u>	<u>-</u>	<u>88,395</u>	<u>1,204,205</u>
Total liabilities	<u>776,937</u>	<u>11,412</u>	<u>-</u>	<u>357,410</u>	<u>63,317</u>	<u>88,395</u>	<u>1,297,471</u>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	313,746			999			314,745
Restricted for:							
Debt requirements		11,039	3,000		112,514		126,553
Port projects						130,558	130,558
Unrestricted (deficit)	<u>2,470</u>	<u>(8,577)</u>	<u>155</u>	<u>(169,646)</u>	<u>2,413</u>		<u>(173,185)</u>
Total net assets (deficit)	<u>\$ 316,216</u>	<u>\$ 2,462</u>	<u>\$ 3,155</u>	<u>\$ (168,647)</u>	<u>\$ 114,927</u>	<u>\$ 130,558</u>	<u>\$ 398,671</u>

COMBINED SUPPLEMENTAL SCHEDULE OF CHANGES IN FUND NET ASSETS INFORMATION BY FUND  
Year ended December 31, 2004 (In Thousands)

	Capital Fund	Revenue Fund	Maint. Reserve Fund	General Fund	Combined Bond Funds	Combined Project Funds	Total
Net assets (deficit), January 1	\$ 269,240	\$ 542	\$ 3,605	\$ (214,812)	\$ 121,285	\$ 121,259	\$ 301,119
Revenues and expenses:							
Operating revenues		195,002		22,634			217,636
Operating expenses	(38,026)	(39,931)		(45,306)			(123,263)
General administration expenses		(29,355)					(29,355)
Investment earnings	441	127	150	11,294	6,730	9,649	28,391
Interest expense	(1,618)			(920)	(71,083)		(73,621)
Other nonoperating revenues (expenses)				(14,850)			(14,850)
Economic development activities	(6,861)			2,766	(299)		(4,394)
Total revenues and expenses	(46,064)	125,843	150	(24,382)	(64,652)	9,649	544
Government contributions for capital improvements, additions and other projects	-	18	-	6,434	-	-	6,452
Interfund transfers and payments:							
Bond service		(59,736)		(26,728)	86,814	(350)	
Funds in excess of bond reserve requirement			(600)	64,205	600		
Funds free and clear of any lien or pledge		(64,205)					
Retirement of bonds	17,295			8,770	(26,065)		
Funds for permitted port projects				1,350		(1,350)	
Net equity from 2001 port district bonds					(1,350)	1,350	
Capital additions	74,435			(74,435)			
Interfund transfers	1,310			90,951	(1,705)		
Total interfund transfers and payments	93,040	(123,941)	(600)	64,113	58,294	(349)	-
Net assets (deficit), December 31	\$ 316,216	\$ 2,462	\$ 3,155	\$ (168,647)	\$ 114,927	\$ 130,558	\$ 308,115

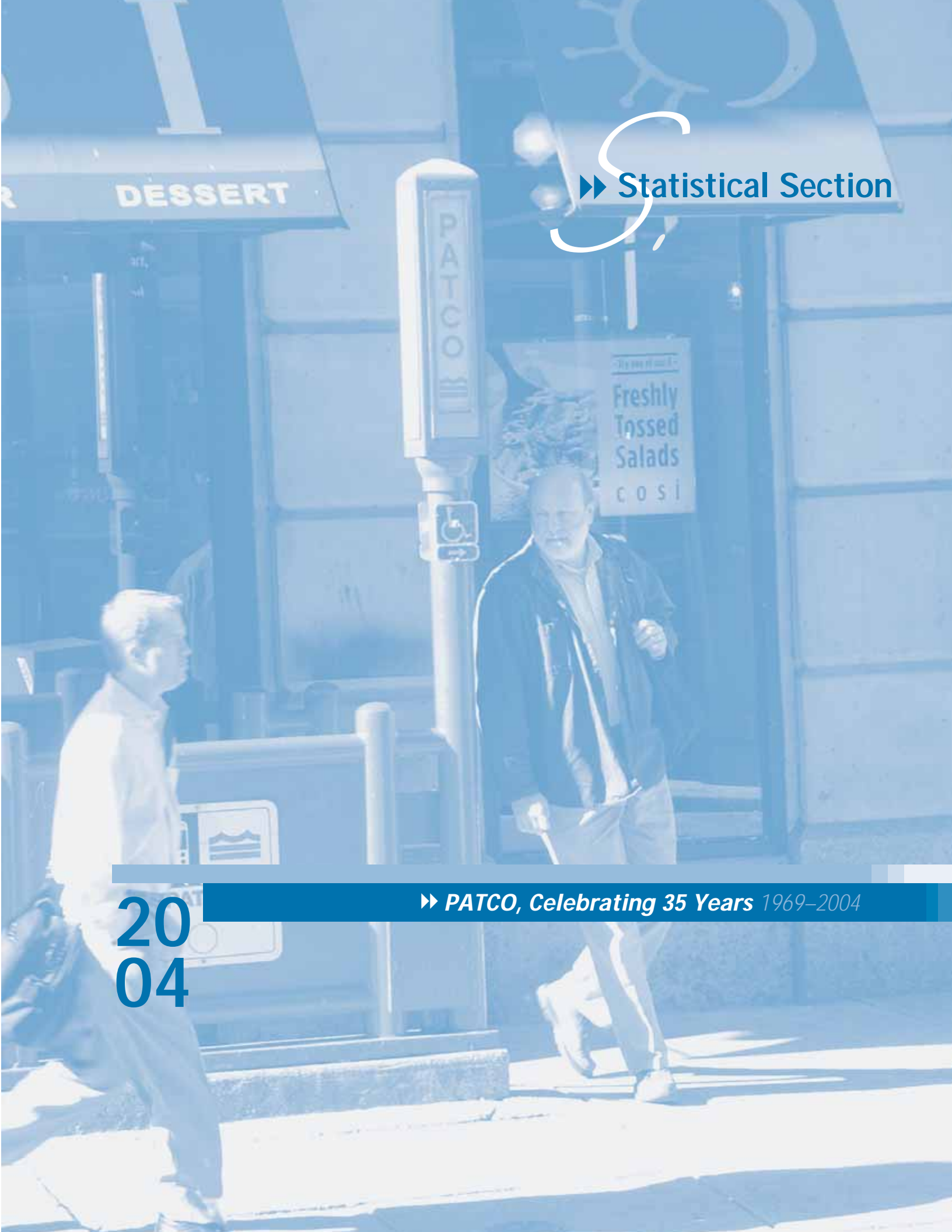
**COMBINED SUPPLEMENTAL SCHEDULE OF NET ASSET INFORMATION FOR COMBINED BOND AND PROJECT FUNDS**  
**Year ended December 31, 2004 (In Thousands)**

	Bond Reserve <u>Funds</u>	Bond Service <u>Funds</u>	1998 Port District Project <u>Fund</u>	1999 Project <u>Fund</u>	1999 Port District Project <u>Fund</u>	2001 Port District Project <u>Fund</u>	Total Combined <u>Funds</u>
<b>ASSETS</b>							
NONCURRENT ASSETS:							
Restricted assets:							
Temporarily restricted:							
Cash and cash equivalents			\$ 774	\$ 54	\$ 473		\$ 1,301
Investments	\$ 111,974	\$ 66,135	8,087	104,215	95,307	\$ 9,892	395,610
Accrued interest receivable	135			47	104		286
	<u>112,109</u>	<u>66,135</u>	<u>8,861</u>	<u>104,316</u>	<u>95,884</u>	<u>9,892</u>	<u>397,197</u>
Total noncurrent assets							
	<u>112,109</u>	<u>66,135</u>	<u>8,861</u>	<u>104,316</u>	<u>95,884</u>	<u>9,892</u>	<u>397,197</u>
Total assets							
	<u>112,109</u>	<u>66,135</u>	<u>8,861</u>	<u>104,316</u>	<u>95,884</u>	<u>9,892</u>	<u>397,197</u>
<b>LIABILITIES</b>							
CURRENT LIABILITIES:							
Liabilities payable from restricted assets:							
Accrued interest payable		35,547					35,547
Bonds and loans payable - current		27,770					27,770
	<u>-</u>	<u>63,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,317</u>
Total current liabilities							
	<u>-</u>	<u>63,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,317</u>
NONCURRENT LIABILITIES:							
Bonds and loans (net of unamortized discount/premium)			2,137	25,599	53,448	7,211	88,395
	<u>-</u>	<u>-</u>	<u>2,137</u>	<u>25,599</u>	<u>53,448</u>	<u>7,211</u>	<u>88,395</u>
Total noncurrent liabilities							
	<u>-</u>	<u>-</u>	<u>2,137</u>	<u>25,599</u>	<u>53,448</u>	<u>7,211</u>	<u>88,395</u>
Total liabilities							
	<u>-</u>	<u>63,317</u>	<u>2,137</u>	<u>25,599</u>	<u>53,448</u>	<u>7,211</u>	<u>151,712</u>
<b>NET ASSETS</b>							
Restricted for:							
Revenue and port district project bonds	109,696						109,696
Revenue and port district bond service		2,818					2,818
Port projects			6,724	78,717	42,436	2,681	130,558
Unrestricted	2,413						2,413
Total net assets	\$ 112,109	\$ 2,818	\$ 6,724	\$ 78,717	\$ 42,436	\$ 2,681	\$ 245,485



COMBINED SUPPLEMENTAL SCHEDULE OF CHANGES IN NET ASSET INFORMATION FOR COMBINED BOND AND PROJECT FUNDS  
Year ended December 31, 2004 (In Thousands)

	Bond Reserve Funds	Bond Service Funds	1998 Port District Project Fund	1999 Project Fund	1999 Port District Project Fund	2001 Port District Project Fund	Total Combined Funds
Net assets, January 1	\$ 117,474	\$ 3,811	\$ 6,955	\$ 72,433	\$ 39,611	\$ 2,260	\$ 242,544
Revenues and expenses:							
Investment earnings	6,404	326	119	6,284	2,825	421	16,379
Interest expense		(71,083)					(71,083)
Other nonoperating revenues (expenses)	(177)	(122)					(299)
Total revenues and expenses	6,227	(70,879)	119	6,284	2,825	421	(55,003)
Government contributions for capital improvements, additions and other projects	-	-	-	-	-	-	-
Interfund transfers and payments:							
Bond service		86,814	(350)				86,464
Funds in excess of bond reserve requirement	(10,242)	10,842					600
Retirement of bonds		(26,065)					(26,065)
Funds for permitted port projects						(1,350)	(1,350)
Net equity from 2001 port district bonds	(1,350)					1,350	
Interfund transfers		(1,705)					(1,705)
Total interfund transfers and payments	(11,592)	69,886	(350)	-	-	-	57,944
Net assets, December 31	\$ 112,109	\$ 2,818	\$ 6,724	\$ 78,717	\$ 42,436	\$ 2,681	\$ 245,485



▶ Statistical Section

20  
04

▶ PATCO, Celebrating 35 Years 1969–2004

**Last Ten Fiscal Years (In Thousands)**

**GENERAL EXPENSES BY FUNCTION**

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
<b>Bridge operations:</b>										
Salaries and employee benefits	\$27,450	\$25,318	\$24,931	\$23,884	\$23,500	\$23,441	\$28,229	\$30,049	\$31,968	\$33,836
Equipment and supplies	106	170	84	68	85	47	103	840	1,226	2,077
Maintenance and repairs	1,599	2,245	2,167	2,349	2,251	1,811	4,953	3,979	4,354	3,550
Utilities	1,678	1,862	1,320	1,353	1,257	1,158	1,152	1,333	1,413	1,391
Insurance	6,727	4,401	1,765	1,220	1,212	1,184	1,661	1,450	1,585	1,899
Other	10,126	9,245	11,307	11,005	10,242	7,752	1,365	359	1,650	258
<b>Total bridge operations</b>	<b>47,686</b>	<b>43,241</b>	<b>41,574</b>	<b>39,879</b>	<b>38,547</b>	<b>35,393</b>	<b>37,463</b>	<b>38,010</b>	<b>42,196</b>	<b>43,011</b>
<b>PATCO transit system:</b>										
Maintenance of way and power	8,618	8,140	6,681	7,364	7,085	6,707	6,250	6,125	5,862	5,568
Maintenance of equipment	6,345	6,417	6,195	5,533	4,899	4,997	4,571	4,220	4,499	4,334
Purchased power	2,852	3,041	2,772	2,905	3,461	2,754	3,039	3,425	3,873	3,938
Transportation	11,725	11,217	10,713	9,377	9,446	9,102	8,617	8,532	8,645	8,336
General insurance	502	856	1,373	1,210	711	3,348	3,600	3,303	3,673	3,504
Administration	4,129	3,943	3,655	3,258	2,867	394	471	637	493	1,045
<b>Total PATCO transit system</b>	<b>34,171</b>	<b>33,614</b>	<b>31,389</b>	<b>29,647</b>	<b>28,469</b>	<b>27,302</b>	<b>26,548</b>	<b>26,242</b>	<b>27,045</b>	<b>26,725</b>
Lease and community impact	3,021	2,952	2,920	2,857	4,072	7,500	7,500	7,500	7,500	8,506
General administration	29,355	32,567	30,307	26,549	22,845	18,919	16,727	15,270	14,894	15,755
Port of Philadelphia and Camden	3,683	6,828	6,884	6,629	5,338	4,516	4,905	5,465	4,517	5,252
Interest	73,621	74,770	77,039	77,195	77,884	36,441	34,108	34,526	35,244	18,747
<b>Total expenses</b>	<b>\$191,537</b>	<b>\$193,972</b>	<b>\$190,113</b>	<b>\$182,756</b>	<b>\$177,155</b>	<b>\$130,071</b>	<b>\$127,251</b>	<b>\$127,013</b>	<b>\$131,396</b>	<b>\$117,996</b>

**REVENUES BY SOURCE**

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Bridge operating revenues	\$195,003	\$181,536	\$177,638	\$176,389	\$169,750	\$119,467	\$117,242	\$115,632	\$110,930	\$106,600
PATCO transit system operating revenues	19,868	19,581	20,503	20,473	18,780	16,354	15,234	15,005	14,908	15,116
Port of Philadelphia and Camden	2,623	2,496	2,340	3,180	1,349	1,947	2,327	1,666	1,073	1,486
Interest income	28,391	38,111	45,072	50,301	50,884	14,208	15,371	16,945	17,747	4,324
<b>Total revenues</b>	<b>\$245,885</b>	<b>\$241,724</b>	<b>\$245,553</b>	<b>\$250,343</b>	<b>\$240,763</b>	<b>\$151,976</b>	<b>\$150,174</b>	<b>\$149,248</b>	<b>\$144,658</b>	<b>\$127,526</b>

**PATCO TRANSIT SYSTEM OPERATING REVENUES**

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Passenger fares	\$18,647	\$18,430	\$19,251	\$18,942	\$17,247	\$15,587	\$14,412	\$14,248	\$14,234	\$14,472
Other revenues	1,221	1,151	1,252	1,531	1,533	767	822	757	674	644
<b>Total operating revenues</b>	<b>\$19,868</b>	<b>\$19,581</b>	<b>\$20,503</b>	<b>\$20,473</b>	<b>\$18,780</b>	<b>\$16,354</b>	<b>\$15,234</b>	<b>\$15,005</b>	<b>\$14,908</b>	<b>\$15,116</b>

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

**PATCO TRANSIT SYSTEM RIDERSHIP**

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Passengers	9,150	8,864	9,288	10,037	10,581	10,919	10,752	10,660	10,658	10,880

Last Ten Fiscal Years (In Thousands)

DEBT SERVICE COVERAGE

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Revenues available for Debt Service:										
Bridge operating	\$195,003	\$181,536	\$177,638	\$176,389	\$169,750	\$119,467	\$117,242	\$115,632	\$110,930	\$106,600
Interest income	2,221	2,215	2,287	2,455	3,827	3,046	4,469	5,788	6,562	3,524
Reserved funds	-	-	-	-	-	-	-	-	-	-
	<u>\$197,224</u>	<u>183,751</u>	<u>179,925</u>	<u>178,844</u>	<u>173,577</u>	<u>122,513</u>	<u>121,711</u>	<u>121,420</u>	<u>117,492</u>	<u>110,124</u>
Less expenses:										
Bridge operating	47,686	43,241	41,574	39,879	38,547	35,393	37,463	38,010	42,196	43,011
General administration	29,355	32,567	30,307	26,549	22,845	18,919	16,727	15,270	14,894	15,755
	<u>77,041</u>	<u>75,808</u>	<u>71,881</u>	<u>66,428</u>	<u>61,392</u>	<u>54,312</u>	<u>54,190</u>	<u>53,280</u>	<u>57,090</u>	<u>58,766</u>
Net revenues available for Debt Service:										
1995 Revenue Bond Indenture	<u>\$120,183</u>	<u>\$107,943</u>	<u>\$108,044</u>	<u>\$112,416</u>	<u>\$112,185</u>	<u>\$68,201</u>	<u>\$67,521</u>	<u>\$68,140</u>	<u>\$60,402</u>	<u>\$51,358</u>
Add:										
Bridge Repainting Expense	3,973	5,664	5,653	6,397	4,367	2,875	3,100	2,237	2,867	2,480
Interest Income: 1998 and 1999 Rev. Bonds	4,613	4,616	4,900	4,751	3,480	578	114	0	0	0
Net revenues available for Debt Service:										
1998 Revenue Bond Indenture	<u>\$128,769</u>	<u>\$118,223</u>	<u>\$118,597</u>	<u>\$123,564</u>	<u>\$120,032</u>	<u>\$71,654</u>	<u>\$70,735</u>	<u>\$70,377</u>	<u>\$63,269</u>	<u>\$53,838</u>
Debt Service (Revenue Bonds):										
1985, 1989, 1995 Revenue Bonds	19,535	19,535	19,535	19,535	19,535	19,535	23,900	24,362	24,317	23,598
1998, 1999 Revenue Bonds	48,519	48,117	47,100	47,214	35,153	19,120	10,006	-	-	-
Total Debt Service	<u>68,054</u>	<u>67,652</u>	<u>66,635</u>	<u>66,749</u>	<u>54,688</u>	<u>38,655</u>	<u>33,906</u>	<u>24,362</u>	<u>24,317</u>	<u>23,598</u>
Debt Service coverage (Times) :										
1995 Indenture	<u>6.15</u>	<u>5.53</u>	<u>5.53</u>	<u>5.75</u>	<u>5.74</u>	<u>3.49</u>	<u>2.83</u>	<u>2.80</u>	<u>2.48</u>	<u>2.18</u>
Debt Service coverage (Times) :										
1998 Indenture	<u>1.89</u>	<u>1.75</u>	<u>1.78</u>	<u>1.85</u>	<u>2.19</u>	<u>1.85</u>	<u>2.09</u>	<u>2.89</u>	<u>2.60</u>	<u>2.28</u>

Calculated in accordance with the Authority's 1995 and 1998 Indentures of Trust. Bridge repainting and biennial inspection expenses are included in bridge operating expenses.

FUNDED DEBT

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Outstanding debt	<u>\$1,273,127</u>	<u>\$1,299,338</u>	<u>\$1,319,446</u>	<u>\$1,440,614</u>	<u>\$1,298,040</u>	<u>\$1,313,221</u>	<u>\$630,579</u>	<u>\$512,394</u>	<u>\$523,813</u>	<u>\$537,378</u>

BRIDGE OPERATING REVENUES

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Toll revenues by vehicle classification										
Automobiles, light trucks and commuters	139,471	\$130,399	\$129,774	\$129,431	\$126,747	\$83,512	\$83,686	\$83,904	\$81,183	\$78,415
Trucks	45,099	40,946	39,915	41,210	40,280	30,906	29,876	28,182	26,922	25,482
Buses	1,655	1,573	1,730	1,559	1,649	1,474	1,476	1,474	1,465	1,421
Senior citizens	2,054	2,018	2,065	2,002	1,882	1,619	1,699	1,732	1,710	1,743
Other	530	686	934	282	647	553	560	522	502	478
Discounts and deductions	-	-	-	(819)	(3,254)	(1,120)	(1,248)	(1,164)	(1,076)	(1,003)
Total toll revenues	<u>\$188,809</u>	<u>\$175,622</u>	<u>174,418</u>	<u>173,665</u>	<u>167,951</u>	<u>116,944</u>	<u>116,049</u>	<u>114,650</u>	<u>110,706</u>	<u>106,536</u>
Other bridge operating revenues	6,194	5,914	3,220	2,724	1,799	2,523	1,193	982	224	64
Total bridge operating revenues	<u>\$195,003</u>	<u>\$181,536</u>	<u>\$177,638</u>	<u>\$176,389</u>	<u>\$169,750</u>	<u>\$119,467</u>	<u>\$117,242</u>	<u>\$115,632</u>	<u>\$110,930</u>	<u>\$106,600</u>

The Authority increased toll rates on January 2, 2000. E-ZPass was fully implemented on DRPA facilities on January 2, 2000 in conjunction with the toll increase. E-ZPass discount program was restructured on January 1, 2004.

**Last Ten Fiscal Years (In Thousands)**

**BRIDGE TRAFFIC BY VEHICLE CLASSIFICATION**

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Vehicle classification:										
Automobiles & light trucks	48,345	46,683	46,225	45,411	43,863	35,206	34,329	34,308	33,184	31,765
Commuter vehicles	-	-	-	-	-	10,326	11,545	11,747	11,268	11,318
Trucks	2,965	2,824	2,724	2,786	2,716	2,888	2,829	2,677	2,559	2,434
Buses	331	327	333	340	351	374	376	374	371	360
Senior citizens	2,054	2,018	2,063	2,003	1,884	1,620	1,701	1,735	1,717	1,757
Other	113	115	286	126	161	286	237	204	198	191
<b>Total traffic</b>	<b>53,808</b>	<b>51,967</b>	<b>51,631</b>	<b>50,666</b>	<b>48,975</b>	<b>50,700</b>	<b>51,017</b>	<b>51,045</b>	<b>49,297</b>	<b>47,825</b>

Commuter vehicle traffic has been included in Automobiles & light trucks for Year 2000 and beyond.

**TOLL REVENUE BY BRIDGE**

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Walt Whitman Bridge	\$75,001	\$68,214	\$68,263	\$66,923	\$62,985	\$43,050	\$43,862	\$43,161	\$41,567	\$40,067
Ben Franklin Bridge	60,377	58,261	57,804	56,633	54,857	37,600	36,535	35,973	35,772	35,311
Betsy Ross Bridge	26,581	24,627	24,625	24,916	24,842	18,412	18,542	19,481	18,044	16,161
Commodore Barry Bridge	26,850	24,520	23,726	25,193	25,267	17,882	17,110	16,035	15,323	14,997
<b>Total toll revenues</b>	<b>\$188,809</b>	<b>\$175,622</b>	<b>\$174,418</b>	<b>\$173,665</b>	<b>\$167,951</b>	<b>\$116,944</b>	<b>\$116,049</b>	<b>\$114,650</b>	<b>\$110,706</b>	<b>\$106,536</b>

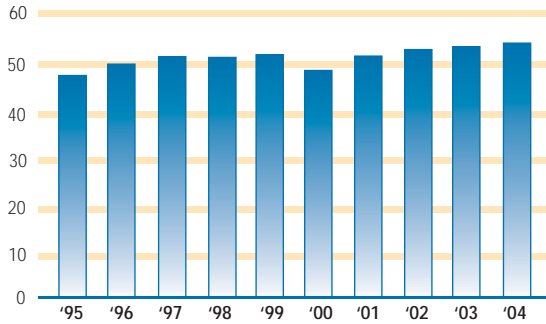
The Authority increased toll rates on January 2, 2000. E-ZPass was fully implemented on DRPA facilities on January 2, 2000 in conjunction with the toll increase. E-ZPass discount program was restructured on January 1, 2004.

**BRIDGE TRAFFIC BY BRIDGE**

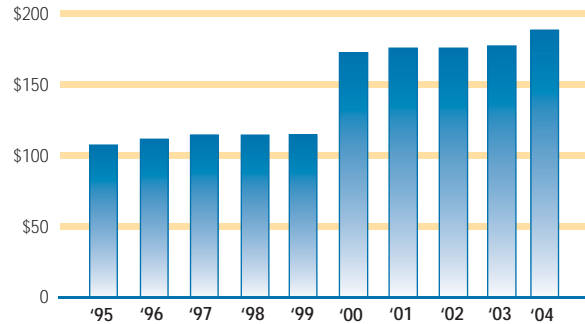
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Walt Whitman Bridge	21,070	19,869	19,875	19,345	18,314	18,470	18,906	18,739	18,031	17,718
Ben Franklin Bridge	19,371	19,298	19,139	18,579	18,019	18,471	18,233	17,987	17,813	17,565
Betsy Ross Bridge	6,909	6,653	6,583	6,627	6,582	6,368	7,624	8,289	7,627	6,775
Commodore Barry Bridge	6,458	6,147	6,033	6,115	6,060	7,391	6,254	6,030	5,826	5,767
<b>Total traffic</b>	<b>53,808</b>	<b>51,967</b>	<b>51,631</b>	<b>50,666</b>	<b>48,975</b>	<b>50,700</b>	<b>51,017</b>	<b>51,045</b>	<b>49,297</b>	<b>47,825</b>

## ►► Bridge and PATCO Operations

**DRPA Bridge Traffic 1995-2004** <sup>(1)</sup>  
(in millions of vehicles)

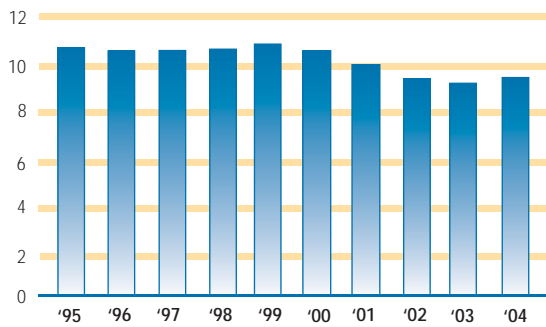


**DRPA Bridge Toll Revenues 1995-2004** <sup>(1)</sup>  
(in millions of dollars)

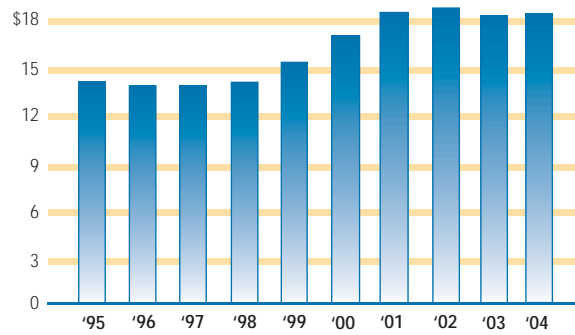


(1) The DRPA increased toll rates January 2, 2000. E-ZPass was fully implemented on DRPA facilities on January 2, 2000, in conjunction with the toll increase.

**PATCO Passenger Ridership 1995-2004** <sup>(2)</sup>  
(in millions of passengers)



**PATCO Passenger Fare Revenues 1995-2004** <sup>(2)</sup>  
(in millions of dollars)



(2) In July 2001, PATCO implemented the third and final phase of the fares increases.



Delaware River Port Authority  
Comprehensive Annual Financial Report  
for the Year Ended December 31, 2004

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◀ **2/15/04 8:16AM** *On February 15, 1969, the PATCO High Speed Line made its first trip from Lindewold, NJ to Center City Philadelphia. Today, after 35 years of service the PATCO High Speed Line continues to provide quality transportation services to the people of our region.*

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