DELAWARE RIVER JOINT TOLL
BRIDGE COMMISSION

REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

CONTENTS

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Roster of Officials
As of December 31, 2016

New Jersey Commissioners	**Position**
Michael B. Lavery	Chairman
Yuki Moore Laurenti	Secretary-Treasurer
Garrett Leonard Van Vliet	Member
Geoffrey S. Stanley	Member
Lori Ciesla	Member

Pennsylvania Commissioners	**Position**
Wadud Ahmad	Vice Chairman
Pamela Janvey	Member
Daniel Grace	Member
John Siptroth	Member
Vacant	Member

Other Officials	**Position**
Joseph J. Resta	Executive Director
Arnold J. Conoline, Jr.	Chief Administrative Officer
James M. Petrino	Chief Financial Officer
Sean M. Hill	Deputy Executive Director Operations
Joseph F. Donnelly	Deputy Executive Director Communications
Roy W. Little	Chief Engineer
Stephen T. Cathcart	Comptroller

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Delaware River Joint Toll Bridge Commission
New Hope, Pennsylvania 18938

Report on the Financial Statements

We have audited the accompanying statements of net position of the Delaware River Joint Toll Bridge Commission as of December 31, 2016 and 2015, and the related statements of revenues, expenses, and changes in net position and cash flows, together with the financial statements of the fiduciary fund for the years then ended, and the related notes to the financial statements, which collectively comprise the Delaware River Joint Toll Bridge Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Delaware River Joint Toll Bridge Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Delaware River Joint Toll Bridge Commission's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Delaware River Joint Toll Bridge Commission as of December 31, 2016 and 2015, and its changes in financial position and its cash flows and the net position and changes in net position of the fiduciary fund thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Board of Commissioners
Delaware River Joint Toll Bridge Commission

Adoption of Governmental Accounting Standards Board (GASB) Statements

As described in Note 1 to the financial statements, in 2016 Delaware River Joint Toll Bridge Commission adopted the provisions of Governmental Accounting Standards Board's Statement No. 72, "Fair Value Measurement and Application," Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," Statement No. 77, "Tax Abatement Disclosures," Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans," and Statement No. 79, "Certain External Investment Pools and Pool Participants." Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for the retiree health benefits plan, schedule of Commission's proportionate share of net pension liability and schedule of Commission's contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because of the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delaware River Joint Toll Bridge Commission's basic financial statements. The accompanying other supplementary schedules, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC

Jamison, Pennsylvania
May 17, 2017

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016 AND 2015

As management of the Delaware River Joint Toll Bridge Commission (the "Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission's fiscal years ended December 31, 2016, 2015 and 2014. We encourage readers to consider the information presented here in conjunction with the audited financial statements and supplementary information as a whole.

Financial Highlights

Operating revenues for the Commission totaled $130,076,080 for the year ended December 31, 2016, which represents an increase of 3.3% over the previous year. The increase in 2016 is primarily the result of a 3.2% increase in toll traffic.

In 2016, net operating income totaled $35,503,635 and Change in Net Position totaled a $23,695,853 as compared to $35,944,879 and a negative $17,429,035 respectively, for 2015. Total Operating Expense increased $4,623,818 due to primarily to increases in Depreciation Expense and GASB 68 Expense cost. A $1,354,074 or 10.3% reduction in Non-Operating expenses was driven by a $850,491 or 94.8% decrease in Bond Amortization expense.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements, which are comprised of the financial statements, the notes to the financial statements, and certain required supplementary information. The supplementary information includes schedules of operations, expenses, cash and equivalent balances, investments, receivables, capital assets and traffic and revenues.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad understanding of the Commission's finances, in a manner similar to that provided in the financial statements of private-sector businesses.

The Statements of Net Position present information on the Commission’s assets, deferred outflows of resources, and liabilities at December 31, 2016 and 2015, with the difference between the two reported as net position. At December 31, 2016, the Commission’s net position equaled $438,326,843 as compared to $414,630,990 in 2015, an increase of 5.7%. This increase in net position is the result of a $19,121,582 or 3.6% increase in total capital assets.

The Statements of Revenues, Expenses and Changes in Net Position present information showing how net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will not result in cash flows until future periods or for items that have resulted in cash flows in previous periods.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial presentation.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning expenses, investments, and traffic.

Financial Analysis

Commission assets, consisting of restricted and unrestricted assets, totaled $807,169,846 (an increase of $16,643,039 or 2.11 %). Unrestricted current assets, totaling $26,540,529 (a decrease of $43,250,169 or 62%), represents cash in the operating accounts, cash equivalent investments, and E-ZPass toll receivables. These unrestricted current assets will be used to pay current expenses, to pay current debt service, or to be transferred to the General Reserve Fund. Additionally, the Commission has non-current unrestricted assets totaling $194,677,154 (an increase of $45,926,885 or 30.9%) representing investments in the General Reserve Fund.

Restricted assets, which are restricted under the Trust Indenture and are mainly investments designated for the Commission's bond requirements totaling $24,370,090, are broken into two categories. Restricted current assets of $13,831,516 decreased 17.6% from the previous year end as a result of changes in investment security maturity terms. Total non-current restricted assets, comprised of investments and prepaid bond insurance totaled $10,538,574, which represents an increase of $3,805,342, or 56.5%, from the 2015 year-end balance. These changes in restricted assets are the result of changes in investment maturity dates. Net capital assets totaling $549,303,242, a 3.6 % increase over 2015, consist of land, infrastructure, and equipment with an original value of $946,301,732 less accumulated depreciation of $396,998,491. The land and infrastructure consist of twenty bridge crossings and related access roads spread over a 140-mile-long stretch of the Delaware River extending from Trenton, New Jersey north to Milford, Pennsylvania/Montague, New Jersey.

At December 31, 2016, the Commission had current and non-current liabilities of $413,541,912, with the majority related to its series 2005A, and 2007A, 2007B and 2012A, 2012B and 2015 bond issues, which represents a decrease of $4,892,159 from 2015. The decrease is mostly due to a reduction of bond indebtedness.

The purpose of the 2005A issue, which was partially refunded by the 2012A and B issues, was for the refunding of $32,165,000 of the 2003 series bonds issued to finance the first portion of the Commission's ten-year capital program, and the financing of the Commission's $40 million CAI program.

The purpose of the 2007A bond issue, which was partially defeased in 2013 with residual bond funds, and the 2007B issue were to provide funds to pay for the cost of capital improvements related to the system, to make deposits into the debt service reserve fund and to fund capitalized interest, to pay insurance and cost of issuance associated with the series.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016 AND 2015

Financial Analysis (Continued)

The purpose of the 2012A series was to provide funds to refund $57,300,000 principal amount of the outstanding 2003 issue and $30,795,000 principal amount of the 2005A issue, and to pay the cost of issuance associated with the Series 2012A bonds. The purpose of the 2012B bonds was to provide funds to refund $19,475,000 principal amount of Commission outstanding 2003 bonds and to pay the cost of issue associated with the Series 2012B bonds. The 2012B bonds were issued as taxable bonds in order to capture savings from low market rates by refunding portions of the 2003 bonds that had refunded Series 1992 bonds and therefore could not be refunded again as tax-exempt bonds. The 2005A, 2012A and 2012B bonds collectively completely refunded the Series 2003 bonds.

The purpose of the 2015 series was to provide funds to advance refund $86,765,000 principal amount of the outstanding 2007A issue, to fund deposits in the Debt Service Reserve Fund, and to pay the cost of issuance associated with the Series 2015 bonds.

The following table contains condensed financial information derived from the December 31, 2016, 2015, and 2014 financial statements of the Commission**:**

Net Position	2016	2015	2014
Assets:			
Current and Other Assets	$ 257,866,604	$ 260,345,147	$ 252,673,143
Capital Assets	549,303,242	530,181,660	526,691,717
Total Assets	807,169,846	790,526,807	779,364,860
Deferred Outflows of Resources:			
Accumulated Decrease in Fair Value of Hedging Derivatives	21,242,012	26,388,000	26,098,050
Deferred Loss on Refunding	9,962,037	10,955,156	5,164,912
Deferred Outflows – Pensions	14,097,160	5,898,578	-
Total Deferred Outflows	45,301,209	43,241,734	31,262,962
Liabilities			
Bond Indebtedness	310,332,143	327,317,418	339,184,585
Other Liabilities	103,209,769	91,116,653	39,383,212
Total Liabilities	413,541,912	418,434,071	378,567,797
Deferred Inflows of Resources:			
Deferred Inflows – Pensions	602,300	703,480	-
Total Deferred Inflows	602,300	703,480	-
Net Position:			
Net Invested in Capital Assets	266,823,221	236,020,416	230,181,341
Restricted	15,630,456	13,318,120	15,590,283
Unrestricted	155,873,166	165,292,454	186,288,401
Total Net Position	$ 438,326,843	$ 414,630,990	$ 432,060,025
Change in Net Position			
Operating Revenues	$ 130,076,080	$ 125,893,506	$ 122,012,244
Operating Expenses	(55,983,940)	(55,830,306)	(50,685,530)
Other Post Employment Benefits & GASB 68 Expense	(8,343,111)	(5,692,298)	(5,692,298)
Depreciation	(30,245,394)	(28,426,023)	(26,658,380)
Total Operating Expenses	(94,572,445)	(89,948,627)	(83,036,208)
Net Operating Income	35,503,635	35,944,879	38,976,036
Nonoperating Revenue	1,103,621	722,107	580,942
Nonoperating Expenses	(12,911,403)	(13,882,963)	(14,579,298)
Change in Net Position	23,695,853	22,784,023	24,977,680
Net Position - January 1	414,630,990	432,060,025	407,082,345
Cumulative Change	-	(40,213,058)	-
Net Position as Restated	-	391,846,967	-
Net Position - December 31	$ 438,326,843	$ 414,630,990	$ 432,060,025

Financial Analysis (Continued)

The following table contains condensed financial information of cash flows derived from the December 31, 2016, 2015, and 2014 financial statements of the Commission**:**

Summary of Cash Flows	2016	2015	2014
Cash Flows from Operating Activities	$ 80,531,525	$ 67,129,102	$ 61,357,017
Cash Flows from Noncapital Financing Activities	-	-	(337,749)
Cash Flows from Capital and Related Financing Activities	(78,361,784)	(63,942,442)	(55,146,461)
Cash Flows from Investing Activities	(48,772,477)	27,101,635	6,509,000
Net Increase (Decrease) in Cash and Cash Equivalents	(46,602,736)	30,288,295	12,381,807
Cash and Cash Equivalents - January 1	78,094,135	47,805,840	35,424,033
Cash and Cash Equivalents - December 31	$ 31,491,399	$ 78,094,135	$ 47,805,840

Significant Events

In December 2001, the Commission approved a long-term Capital Improvement Program that provides major bridge rehabilitation, bridge enhancement, and installation of traffic management systems, as well as state-of-the-art bridge security and surveillance.

A toll rate structure with phased increases and discount adjustments was approved by the Commission to fund its Capital Improvement Program for system protection, preservation, management and enhancement of the Commission's infrastructure including twenty bridges, seven toll plazas, and administration and maintenance facilities that it owns, operates and maintains, as well as operating expenses for the Commission.

On July 1, 2011, the Commission increased toll rates on all vehicle classes. Passenger vehicles rates increased 33% from $.75 to $1.00. Large commercial vehicles rates increased 23% from $3.25 to $4.00 per axle. Two axle commercial vehicles rates increased 30.0 % from $2.50 to $3.25 per axle.

The Capital Improvement Program continues to evolve as the need for additional projects are identified, program costs are re-evaluated and the Commission undertakes new initiatives to fund transportation infrastructure programs in bridge host communities.

During 2010, the Commission had four major capital projects become substantially complete; including Washington Crossing Toll Supported Bridge Phase I Rehabilitation, Reiglesville Toll Supported Bridge Rehabilitation, Calhoun Street Toll Supported Bridge Rehabilitation, and Locust Street Bridge Rehabilitation Program along with a number of other smaller projects.

During 2011, the Commission had three major capital projects become substantially complete; including Milford Upper Black Eddy Toll Supported Bridge Rehabilitation, Interstate 78 Open Road Tolling Installation and Delaware River Water Gap Bearing Remediation Deck Survey along with a number of other smaller projects.

During 2012 the Commission had four major projects become substantially complete including the construction of an Open-Road Toll lane at the Delaware Water Gap Toll Plaza, the rehabilitation and repainting of the Delaware Water Gap Toll Bridge, the rehabilitation and overlay of the Riverton-Belvidere Toll-Supported Bridge Approach roadway carrying Water Street in New Jersey, and the Phase 2 Substructure and Scour Protection improvements at eight bridges along with completion of a number of other smaller projects.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016 AND 2015

Significant Events (Continued)

During 2013 and 2014 the Commission had two major projects reach substantial completion. In 2013 the Commission completed the I-78 Toll Bridge PA Approach Paving Improvements. This project included the refurbishing the 2.25 miles of I-78 that it owns in Pennsylvania, access roadways and improvements to bridge decks, joints and approach slabs, including the main river I-78 Toll Bridge. In 2014 the Commission completed the Easton-Phillipsburg (Route 22) Toll Bridge Rehabilitation. This project consisted of full rehabilitation of the main-river bridge, approach roadways, access roadways and overpasses.

During 2015 the Commission had two major projects reach substantial completion. The Commission completed the Trenton Morrisville / Lower Trenton Bridge Approach Improvement project and the Portland Columbia Approach Roadway improvement project.

On September 20, 2007, the Commission issued three series of tax-exempt bonds: Series 2007A, 2007B-1 and 2007B-2. The 2007A series was issued in the amount of $134,170,000 as fixed rate bonds. The two 2007B series in the amount of $75,000,000 each were issued as auction rate securities and were hedged by interest rate swap agreements with two separate counterparties. In August 2008, the 2007B bonds were converted to variable rate demand bonds and continued to be hedged by the swap agreements. In May 2011, the 2007B bonds were reissued in SIFMA Index Mode under direct purchase agreements that included a mandatory repurchase obligation on May 1, 2014. On May 1, 2014 the 2007B bonds were remarketed in SIFMA Index Mode under similar direct purchase agreements, with a new mandatory repurchase date of May 1, 2017. The 2007B bonds continue to be hedged by the swap agreements.

On October 24, 2012, the Commission issued two series of bonds: Series 2012A and 2012B. The 2012A issue was a fixed rate, tax exempt bonds issue totaling $77,145,000. The Series 2012B issue was a fixed rate, taxable bond totaling $20,665,000.

The Commission redeemed $31,905,000 of 2007A bonds on October 28th, 2013. The 2007A bonds maturing in 2035 with a 5.0% coupon were redeemed using unspent 2007A bond proceeds, and in addition funds were deposited to make the interest payments due on the bonds from 2014 through 2017, when the bonds will be defeased on their call date.

On April 19, 2015, the Commission issued Series 2015 bonds in the amount of $86,505,000 to advance refund the majority of Series 2007A. The bonds were fixed rate with a maturity date through 2036.

As of December 31, 2016, the Commission has seven different bond series outstanding; 2005A, 2007A, 2007B1, 2007B2, 2012A, 2012B and 2015. At December 31, 2016 and 2015, the total outstanding bond balance including premiums is $310,322,143 and $327,317,418 respectively. The series 2005A and 2007A are insured by MBIA. The 2015 Series is insured by Build America Mutual Assurance Company. All issues carry a rating of A1 by Moody's and A by Standard & Poor's.

During 2016 the Commission began significant work on the Scudder Falls Bridge Replacement Project (SFB), which is the largest single project in the Commission's history. The SFB consists of construction of a new twin span river crossing, demolition of the existing bridge, 4.4 miles of approach roadway widening and improvements on both sides of the crossing along with associated ramps and structures, installation of protective sound barriers, wetland mitigation and various other site improvements. The estimated cost of the project is $512 million. Construction work begun in 2016 included tree clearing and other ground preparation and sound wall installation. Upon the opening of the first span to traffic, all electronic tolling will commence for southbound traffic. Major construction activity is expected to begin in 2017 with completion and opening of the first span projected to occur in mid-2019. Completion of the entire project is projected for 2021.

Contacting the Commission's Financial Management

This financial report is designed to provide the citizens, taxpayers and legislators of New Jersey and Pennsylvania, and the users of the Commission's bridges, with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the revenues that it receives. If you have questions about this report or need additional financial information, contact the Commission at (215) 862-5284, by website at: www.drjtbc.org, or by mail at:

Delaware River Joint Toll Bridge Commission
Executive Offices
2492 River Road
New Hope, Pennsylvania 18938-8266

BASIC FINANCIAL STATEMENTS

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
STATEMENTS OF NET POSITION
DECEMBER 31, 2016 AND 2015

ASSETS	2016	2015
Current Assets		
Unrestricted Assets		
Cash and Cash Equivalents	$ 17,995,152	$ 61,593,263
Accounts Receivable		
E-ZPass and Violations (net of allowance for uncollectible of $15,829,790 for 2016 and $11,842,190 for 2015)	6,525,464	6,468,576
Other	251,613	224,082
Interfund Accounts Receivable		
Fiduciary Fund	1,567,095	622,791
Prepaid Expenses	201,205	881,986
Total Unrestricted Assets	26,540,529	69,790,698
Restricted Assets		
Cash and Cash Equivalents	13,496,247	16,500,872
Accrued Interest Receivable	335,269	281,610
Total Restricted Assets	13,831,516	16,782,482
Total Current Assets	40,372,045	86,573,180
Noncurrent Assets		
Unrestricted Assets		
Investments	194,677,154	148,750,269
Total Unrestricted Assets	194,677,154	148,750,269
Restricted Assets		
Investments	9,992,074	6,140,087
Prepaid Bond Insurance	546,500	593,145
Total Restricted Assets	10,538,574	6,733,232
Net Other Postemployment Benefits	12,278,831	18,288,466
Capital Assets		
Completed (net of accumulated depreciation)	473,590,206	492,005,113
Improvements in Progress	75,713,036	38,176,547
Total Capital Assets	549,303,242	530,181,660
Total Noncurrent Assets	766,797,801	703,953,627
Total Assets	$ 807,169,846	$ 790,526,807

(Continued)

The notes to the financial statements are an integral part of these statements.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2016 AND 2015

DEFERRED OUTFLOWS OF RESOURCES	2016	2015
Accumulated Decrease in Fair Value of Hedging Derivatives	$ 21,242,012	$ 26,388,000
Deferred Loss on Refunding of Debt	9,962,037	10,955,156
Deferred Outflows – Pensions	14,097,160	5,898,578
Total Deferred Outflows of Resources	45,301,209	43,241,734
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets		
Accounts Payable and Accrued Expenses	17,355,428	11,015,477
E-Zpass Customer Deposits	79,875	79,976
Compensated Absences Payable	125,125	120,107
Retainage Payable	861,864	498,030
Total Current Liabilities Payable from Unrestricted Assets	18,422,292	11,713,590
Current Liabilities Payable from Restricted Assets		
Accrued Interest Payable on Bonds	4,063,755	4,211,434
Bridge System Revenue Bonds Payable	15,855,000	15,155,000
Total Current Liabilities Payable from Restricted Assets	19,918,755	19,366,434
Noncurrent Liabilities		
Compensated Absences Payable	1,960,297	1,881,672
Bridge System Revenue Bonds Payable	294,477,143	312,162,418
Premium Payment Payable - Derivative Companion Instrument	353,639	387,421
Derivative Instrument - Interest Rate Swaps	21,242,012	26,388,000
Net Pension Liability	57,167,774	46,534,536
Total Noncurrent Liabilities	375,200,865	387,354,047
Total Liabilities	413,541,912	418,434,071
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows – Pensions	602,300	703,480
Total Deferred Inflows of Resources	602,300	703,480
NET POSITION		
Net Investment in Capital Assets	266,823,221	236,020,416
Restricted	15,630,456	13,318,120
Unrestricted	155,873,166	165,292,454
Total Net Position	$ 438,326,843	$ 414,630,990

The notes to the financial statements are an integral part of these statements.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
OPERATING REVENUES		
Cash Tolls, Net	$ 26,060,485	$ 26,867,235
E-Zpass Tolls, Net	102,588,956	97,773,330
Miscellaneous	1,426,640	1,252,941
Total Operating Revenues	130,076,080	125,893,506
OPERATING EXPENSES		
Administration		
Salaries and Wages	4,837,065	4,650,535
Fringe Benefits	3,750,334	3,858,245
Other	3,463,318	3,379,508
Cost or Providing Services		
Toll Bridges		
Salaries and Wages	10,974,933	10,726,121
Fringe Benefits	8,919,606	9,821,108
Other	14,230,498	13,867,991
Toll Supported Bridges		
Salaries and Wages	3,702,591	3,457,165
Fringe Benefits	3,107,956	3,184,733
Other	2,997,639	2,884,900
Other Postemployment Benefits & GASB 68 Expense	8,343,111	5,692,298
Depreciation	30,245,394	28,426,023
Total Operating Expenses	94,572,445	89,948,627
Operating Income	35,503,635	35,944,879
NONOPERATING REVENUES (EXPENSES)		
Investment Income	1,093,834	710,981
Gain on Disposal of Capital Assets	9,787	11,126
Interest Expense		
Interest on Bonds	(13,701,915)	(13,866,671)
Amortization of Deferred Loss on Refunding of Debt	(993,118)	(872,076)
Amortization of Net Premium on Bonds	1,830,275	1,752,920
Amortization of Prepaid Bond Insurance	(46,645)	(897,136)
Total Net Nonoperating Revenue (Expense)	(11,807,782)	(13,160,856)
Change in Net Position	23,695,853	22,784,023
Net Position, January 1	414,630,990	432,060,025
Cumulative change	-	(40,213,058)
Net Position as Restated (See Note 1)	414,630,990	391,846,967
Net Position, December 31	$ 438,326,843	$ 414,630,990

The notes to the financial statements are an integral part of these statements.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users		
Cash Tolls	$ 26,060,485	$ 26,867,235
E-Zpass Tolls	102,531,967	97,627,488
Payments for Other Goods or Services	(13,361,951)	(14,261,704)
Payments for Employees Services	(35,208,842)	(45,677,140)
Payments for Interfund Services Provided	(944,305)	1,236,616
Other Receipts	1,454,171	1,336,607
Net Cash Provided by Operating Activities	80,531,525	67,129,102
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments for Compact Authorized Investment Program	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(49,366,978)	(31,275,484)
Proceeds from Sales of Capital Assets	9,787	11,126
Proceeds from Issuance of New Debt	-	86,505,000
Payment on Capital Debt Refunding and Extinguishment	-	(89,187,411)
Principal Paid on Capital Debt	(15,155,000)	(14,975,000)
Payment of Capitalized Interest Paid on Debt	-	(640,481)
Interest Paid on Capital Debt	(13,849,593)	(14,380,192)
Net Cash Used in Capital and Related Financing Activities	(78,361,784)	(63,942,442)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income Received	1,025,145	318,259
Proceeds from Sale of Investments	178,909,364	182,178,456
Payments for Investments	(228,706,986)	(155,395,080)
Net Cash Provided by Investing Activities	(48,772,477)	27,101,635
Net Increase (Decrease) in Cash and Cash Equivalents	(46,602,736)	30,288,295
Cash and Cash Equivalents, January 1 (including $16,500,872 and $13,132,952 reported as restricted)	78,094,135	47,805,840
Cash and Cash Equivalents, December 31 (including $13,496,247 and $16,500,872 reported as restricted)	$ 31,491,399	$ 78,094,135

The notes to the financial statements are an integral part of these statements.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
STATEMENTS OF CASH FLOWS (CONTINUED)
DECEMBER 31, 2016 AND 2015

	2016	2015
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 35,503,635	$ 35,944,879
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities		
Depreciation	30,245,394	28,426,023
Change in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable		
E-Zpass and Violations	(56,888)	(145,808)
Other	(27,530)	83,666
(Increase) Decrease in Interfund Accounts Receivable	(944,305)	1,236,615
Increase in Prepaid Expenses	680,781	(178,901)
Decrease in Prepaid Bond Insurance	-	585,917
(Increase) Decrease Net Other Postemployment Benefits	6,009,635	(5,389,970)
Decrease in Accounts Payable and Accrued Expenses	6,339,949	5,604,519
Decrease in Retainage Payable	363,834	(140,834)
Increase (Decrease) in E-Zpass Customer Deposits	(100)	(34)
Decrease in Compensated Absences Payable	83,643	(23,350)
Increase in Net Pension Liability and Related Pension Deferrals	2,333,477	1,126,380
Net Cash Provided by Operating Activities	$ 80,531,525	$ 67,129,102
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Increase/Decrease in Accumulated Change in Fair Value of Hedging Derivatives Resulting from Change in Fair Value	$ (806,750)	$ (289,950)

The notes to the financial statements are an integral part of these statements.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
RETIREE HEALTH BENEFITS PLAN
STATEMENTS OF FIDUCIARY NET POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ 207,099	$ 127,492
Investments	77,880,172	75,960,723
Total Assets	78,087,271	76,088,215
LIABILITIES		
Current Liabilities		
Interfund Accounts Payable	1,567,095	622,790
Total Liabilities	1,567,095	622,790
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	$ 76,520,176	$ 75,465,425

The notes to the financial statements are an integral part of these statements.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
RETIREE HEALTH BENEFITS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
ADDITIONS		
Contributions		
Employer	$ -	$ 11,082,269
Investment Income		
Net Appreciation/(Depreciation) in Fair Value of Investments	1,602,416	(1,132,959)
Interest	2,692,819	1,441,739
	4,295,235	308,780
Less		
Investment Expense	179,169	177,308
Net Investment Income (Expense)	179,169	131,472
Total Additions	4,116,066	11,213,741
DEDUCTIONS		
Benefits	3,040,474	3,205,450
Administrative Expenses	20,841	20,843
Total Deductions	3,061,315	3,226,293
Net Increase	1,054,751	7,987,448
Net Position Restricted for Other Postemployment Benefits		
January 1	75,465,425	67,477,977
December 31	$ 76,520,176	$ 75,465,425

The notes to the financial statements are an integral part of these statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Delaware River Joint Toll Bridge Commission (the "Commission"), a body corporate and politic, was created in 1934 by a compact, subsequently amended and supplemented, between the Commonwealth of Pennsylvania (the "Commonwealth") and the State of New Jersey (the “State"), with the approval of the Congress of the United States. As a governmental agency, the Commission has no stockholders or equity holders.

The Commission is authorized and empowered, with federal government approval required in certain cases, to acquire, construct, administer, operate and maintain such bridges as the Commission deems necessary to advance the interests of the Commonwealth and the State, to issue bonds and other obligations, and to make payment of interest thereon. The Capital Compact provides that Commission indebtedness shall not be deemed to constitute a debt or liability or a pledge of the faith and credit of the Commonwealth or the State or any subdivision thereof.

In 1985, a proposed compact change was enacted and approved by the State that was similar to the legislation that had been enacted by the Commonwealth in 1984. This proposed compact change received the required consent of the Congress of the United States in early 1987. The compact, as approved, required the Commission to refinance its bonded indebtedness. In addition, the Commission was obligated to assume full financial responsibility for the cost of operating and maintaining the toll supported bridges that were financed by appropriations from the Commonwealth and the State; accordingly, on July 1, 1987, the Commission defeased all of its then outstanding bonded indebtedness. Due to this compact change, the accompanying financial statements include the operations of the toll-supported bridges.

The Commission has jurisdiction for vehicular and pedestrian traffic across the Delaware River between the Commonwealth and the State from the Philadelphia / Bucks County line to the New York state line. The Commission's duties include the maintenance and operation of all the bridges over the Delaware River within its jurisdiction, with the following exceptions: the New Jersey-Pennsylvania Turnpike Bridge and the Burlington-Bristol Toll Bridge, both south of Trenton; and the Dingman's Ferry Toll Bridge, which is north of the Delaware Water Gap.

Measurement Focus, Fund Accounting

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As part of the Commission’s financial statements, two funds are maintained: a proprietary fund (enterprise fund) and a fiduciary fund (pension and other employee benefit trust fund). The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The focus of fiduciary funds is also the measurement of economic resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The enterprise fund is maintained 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 fiduciary fund is maintained on the accrual basis of accounting, except for recognition of certain liabilities of postemployment healthcare plans. The fiduciary fund accounts for the recording and accumulation of other postemployment benefit resources, which are held in trust for the exclusive benefit of the Commission's retirees.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Bridge tolls are recognized as revenue when services are provided.

Non-exchange transactions, which are when the Commission receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements in which the Commission must provide local resources to be used for a specified purpose, and expenditure requirements in which the resources are provided to the Commission on a reimbursement basis.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Budgets and Budgetary Accounting

The Commission must adopt an annual budget in accordance with Section 702 of the Trust Agreement between the Commission and the TD Bank / Pennsylvania, National Association, as Trustee. Section 702 requires the Commission to adopt the final operating budget no later than December 31st for the ensuing calendar year. The budget is adopted on the modified accrual basis of accounting with provisions for cash payments for bond principal. The Commission may not incur in a year any amount in excess of the amounts provided for current expenses in the annual budget.

If for any reason the Commission shall not have adopted the annual operating budget before the first day of any year, the budget for the preceding year, shall, until the adoption of the annual operating budget, be deemed to be in force and shall be treated as the annual operating budget under the Section 702.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

The Commission records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At year-end, the accounting records are adjusted to record only expenses in accordance with accounting principles generally accepted in the United States of America.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks, certificates of deposit, and all highly liquid investments with a maturity of three months or less at the time of purchase, and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. All other investments are stated at fair value.

The Commission's depository and investment options are subject to the provisions and restrictions of the Trust Indenture dated January 1, 2003 between the Commission and the TD Bank / Pennsylvania, National Association, as Trustee. Section 601 of the Trust Agreement establishes the requirements for the security of deposits of the Commission.

General Objectives **-** The primary objectives, in priority of order of investment activities shall be safety, liquidity, and yield:

Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

Liquidity - The investment portfolio shall remain sufficiently liquid to meet all requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

1. A security with declining credit may be sold early to minimize loss of principal.

2. A security swap would improve the quality, yield, or target duration in the portfolio.

3. Liquidity needs of the portfolio require that the securities be sold.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents, and Investments (Continued)

Suitable and Authorized Investments **-** The following investments are allowed under the Trust Indenture:

1. Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations").

2. Direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Home Loan Mortgage Corporation (for purposes of this definition, "FHLMCs"); debentures of the Federal Housing Administration, senior debt obligations of the Federal National Mortgage Association (for purposes of this definition, "FNMAs"); participation certificates of the General Services Administration; guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financing of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; and Resolution Funding Corporation securities.

3. Direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and under guaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Services and "A" or better by Standard & Poor's Corporation, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Service and "A" or better by Standard & Poor's Corporation.

4. Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's Investor's Services and "A" or better by Standard & Poor's Corporation.

5. Federal Funds, unsecured certificates of deposit, time deposit or bankers acceptance (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal options are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's Investors Services and a "Short-Term CD" rating "A-1" or better by Standard & Poor's Corporation.

6. Deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than $3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents, and Investments (Continued)

Suitable and Authorized Investments **-** The following investments are allowed under the Trust Indenture (Continued):

7. Investments in money-market funds rated “AAAm” or “AAAm-G” by Standard & Poor’s Corporation.

8. Repurchase agreements collateralized by Direct Obligations, GNMA’s, FNMAs or FHLMCs with any registered broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated “P-1” or “A3” or better by Moody’s Investors Service, and “A-1” or A-“ or better by Standard & Poor’s Corporation.

Inventory

Inventory consists of operating supplies and roadway de-icer for the Commission. The Commission has determined that the inventories are immaterial and, thus, are not recorded on the financial statements.

Prepaid Expenses

Payments made to vendors for services that will benefit future periods beyond the statement of net position date are recorded as prepaid expenses.

Capital Assets

Capital assets primarily consist of expenditures to acquire, construct, place in operation, and improve the facilities of the Commission. Purchased or constructed capital assets are recorded at cost or estimated historical cost. Infrastructure assets acquired prior to January 1, 2003 are reported primarily at estimated historical cost using deflated replacement cost. Assets acquired through gifts or donations are recorded at their estimated fair market value at time of acquisition.

Costs incurred for projects under construction are recorded as improvements in progress. In the year that the project is completed, these costs are transferred to completed (net of accumulated depreciation). The Commission capitalizes interest related to projects under construction. Capitalized interest for the years ended 2016 and 2015 amounted to $640,481 and $626,714, respectively.

Expenditures are capitalized when they meet the following requirements:

- Cost of $5,000 or more.
- Useful life of five years or more.
- Increases value of an asset.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Asset lives used in the calculation of depreciation are generally as follows:

Buildings	10-40 years
Infrastructure	15-50 years
Equipment	5–15 years

Depreciation begins when the asset is placed in service.

Bond Discounts / Premiums

Bond discount and bond premium arising from the issuance of the general obligation bonds are recorded as liabilities. They are amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. Bond discount and bond premium are presented as an adjustment of the face amount on the bonds.

Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding general obligation bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Commission and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Commission and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Derivative Instruments and Related Companion Instruments

The Commission has entered into interest rate swap agreements for the purpose of hedging interest rates on its outstanding long-term debt. Such activity is further detailed in note 4.

Income Taxes

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Operating and Non-Operating Revenues and Expenses

Operating revenues consist primarily of cash tolls and E-ZPass revenues. Cash toll revenues are recognized as received. E-ZPass revenues are recognized when vehicles with E-ZPass utilize the Commission's toll bridges. Prepayments received from the Commission's E-ZPass customers are initially recorded as a liability and recognized as revenue as utilized at the Commission's toll bridges. Nonoperating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities. Investment income is recognized when earned.

Operating expenses include expenses associated with the operation, maintenance, and repair of the bridges, and general administrative expenses. Non-operating expenses principally include expenses attributable to the Commission’s interest on bonded debt and the compact authorized investment program.

Net Position

Net position comprises the various earnings from operating income, non-operating revenues, expenses, and capital contributions. The Commission applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available, Net position is classified in the following three components:

Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

Management of the Commission has made certain estimates and assumptions relating to the reporting of assets, liabilities, 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.

Adoption of Governmental Accounting Standards Board (GASB) Statements

The Commission adopted the provisions of GASB's Statement No. 72, "Fair Value Measurement and Application." The adoption of this statement had no effect on previously reported amounts.

The Commission adopted the provisions of GASB's Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." The adoption of this statement had no effect on previously reported amounts.

The Commission adopted the provisions of GASB's Statement No. 77, "Tax Abatement Disclosures." The adoption of this statement had no effect on previously reported amounts.

The Commission adopted the provisions of GASB's Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans." The adoption of this statement had no effect on previously reported amounts.

The Commission adopted the provisions of GASB's Statement No. 79, "Certain External Investment Pools and Pool Participants." The adoption of this statement had no effect on previously reported amounts.

In 2015, the Adoption of GASB No. 68 and 71 resulted in a restatement of Net Position of ($40,213,058).

Pending Governmental Accounting Standards Board (GASB) Statements

The Government Accounting Standards Board has issued GASB's Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This statement is required to be adopted by the Commission for the year ending December 31, 2017. The Commission has not determined the effect of GASB's Statement No. 73 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement is required to be adopted by the Commission for the year ending December 31, 2017. The Commission has not determined the effect of GASB's Statement No. 74 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement is required to be adopted by the Commission for the year ending December 31, 2018. The Commission has not determined the effect of GASB's Statement No. 75 on the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pending Governmental Accounting Standards Board (GASB) Statements (Continued)

The Government Accounting Standards Board has issued GASB's Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14." This statement is required to be adopted by the Commission for the year ending December 31, 2017. The Commission has not determined the effect of GASB's Statement No. 80 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 81, "Irrevocable Split-Interest Agreements." This statement is required to be adopted by the Commission for the year ending December 31, 2017. The Commission has not determined the effect of GASB's Statement No. 81 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73." This statement is required to be adopted by the Commission for the year ending December 31, 2017. The Commission has not determined the effect of GASB's Statement No. 82 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 83, "Certain Asset Retirement Obligations." This statement is required to be adopted by the Commission for the year ending December 31, 2019. The Commission has not determined the effect of GASB's Statement No. 83 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 84, "Fiduciary Activities." This statement is required to be adopted by the Commission for the year ending December 31, 2019. The Commission has not determined the effect of GASB's Statement No. 84 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 85, "*Omnibus 2017*." This statement is required to be adopted by the Commission for the year ending December 31, 2018. The Commission has not determined the effect of GASB's Statement No. 85 on the financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions
The Commission has no material violations of finance related legal and contractual provisions.

Trust Indenture

The Commission is subject to the provisions and restrictions of the Trust Indenture relating to the Bridge System Revenue Bonds, Series 2005A, Series 2007A, Series 2007B, Series 2012A, Series 2012B, and Series 2015. The following is a summary of the activities of each account created by the Indenture:

Construction Fund - All bond proceeds for project costs are deposited into this fund.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Trust Indenture (Continued)

Revenue Fund - All revenues received by the Commission are deposited in the Revenue Fund. No later than the last business day of each month, the Commission shall withdraw from the Revenue Fund and deposit to the Operating Fund the amount equal to (i) the amount shown by the annual operating budget to be necessary to pay current expenses for the ensuing month, and (ii) an amount determined by a Commission official as being reasonably necessary to pay current expenses which are expected for each month, after taking into account the amount on deposit in the Operating Account (including the amount described in clause (i) above), it being recognized that the annual operating budget may have to be amended accordingly.

Operating Account - Amounts on deposit in the Operating Account are used by the Commission to pay the Commission's operating expenses. Transfers are made from the Revenue Account on or before the last business day of the month.

Debt Service Fund - Transfers are made from the Revenue Fund on or before the last business day preceding each interest, principal or sinking fund redemption payment date to the Debt Service Fund to provide for the debt service on all series of bonds. Payments are made from the Debt Service Fund for interest on the bonds, for principal installments on the bonds, and for the redemption price for any bonds to be redeemed. At December 31, 2016 and 2015, the balance in the Debt Service Fund meets the requirements of the Trust Indenture.

Debt Service Reserve Fund - Transfers are made to this fund from the Revenue Fund in an amount necessary to meet the Debt Service Reserve Requirement. The Debt Service Reserve Requirement is an amount equal to the Maximum Annual Debt Service on account of all of such Bonds, provided however, that the amount to be deposited in

Trust Indenture (Continued)

connection with the issuance of any Series of Bonds (or issue of Bonds, if multiple Series are considered one issue for tax purposes) shall not exceed an amount equal to the lesser of (A) 10% of the original principal amount of each Series of Bonds (or the issue price of such Series, or issue as aforesaid, if the original issue discount and plus any original issue premium of such issue exceeds 2% of the original aggregate principal amount of the Series of Bonds), or (B) 125% of the average annual debt service requirement on said Series of Bonds of the same issue for tax purposes.

Amounts held in the Debt Service Reserve Fund shall be used for the purpose of paying interest on maturing principal and mandatory sinking fund redemption price of Debt Service Reserve Fund Bonds whenever and to the extent that the monies held for the credit of the Debt Service Fund shall be insufficient for such purpose. At December 31, 2016 and 2015, the balance in the Debt Service Reserve Fund meets the requirements of the Trust Indenture.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Reserve Maintenance Fund - On or before the last business day of each month, the Commission shall transfer the amount shown in the annual capital budget for the ensuing month from the Revenue Fund to the credit of the Reserve Maintenance Fund.

General Reserve Fund - On or before the last business day of each month (or more frequently, if desired) the Commission may transfer from the Revenue Fund to the credit of the General Reserve Fund any funds which a Commission official determines to be in excess of the amount required to be reserved therein for future transfers to the Operating Fund, Debt Service Fund, Debt Service Reserve Fund, and the Reserve Maintenance Fund.

Monies in the General Reserve Fund may be used by the Commission to restore deficiencies in any funds or accounts created under the Trust Indenture and, absent any such deficiency, for any of the following purposes, with no one item having priority over any of the others:

(a) to purchase or redeem bonds

(b) to secure and pay the principal or redemption price of and any interest on any subordinated indebtedness

(c) to make payments into the Construction Fund

(d) to fund improvements, extensions and replacements of the Bridge System

(e) as a self-insurance reserve

(f) to further any corporate purpose

The Commission is authorized to apply monies on deposit in the General Reserve Fund for any of these purposes.

Rebate Fund **-** Amounts on deposit in the Rebate Fund may be used solely to make payments to the United States of America under Section 148 of the Internal Revenue Code, and to pay costs related to the calculation of the amounts due. Upon satisfaction of the Commission's covenants to calculate and pay Section 148 requirements, any amounts remaining in the Rebate Fund shall be deposited in the General Reserve Fund.

Covenants as to Tolls

The Commission is required to fix, revise, charge, and collect tolls and other charges for traffic using the crossing facilities in order to provide an amount of “net revenues” in each year equal to not less than 130% of the principal and interest requirements for such year. The Commission satisfied this requirement for the years ended December 31, 2016 and 2015.

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

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Covenants as to Tolls (Continued)

	December 31, 2016		December 31, 2015	
Operating Income		$ 35,503,635		$ 35,944,879
Adjustments				
Net Investment Income *	$ 1,303,150		$ 1,497,193	
Gain on Disposal of Capital Assets	9,787		11,126	
Depreciation Expense	30,245,394		28,426,023	
Other Postemployment Benefits Expense	8,343,111		5,692,298	
		39,901,442		35,626,640
Net Revenues Available for Debt Service Coverage		$ 75,405,077		$ 71,571,519
Total Debt Service (Principal and Interest) **		$ 29,004,593		$ 30,088,745
Debt Service Coverage		260%		238%

* excludes all unrealized market value adjustments and construction fund interest income.
** excludes all remarketing fees and includes capitalized interest.

Annual Budget – 2016 and 2015

Description	2016 Budget	2016 Actual	Variance
Budgetary Expenses			
Salaries and Wages	$ 20,315,352	$ 19,514,589	$ 800,763
Employee Benefits	18,353,507	15,777,896	2,575,611
Utilities	928,041	619,705	308,336
Office	274,607	197,126	77,481
Telecommunications and Information Technology	1,214,506	1,040,845	173,661
Professional Development, Meetings & Memberships	251,680	122,814	128,866
E-Zpass Operating and Maintenance	6,518,884	6,720,886	(202,002)
State Police Bridge Security	5,634,648	5,391,357	243,291
Operating and Maintenance	3,629,725	2,440,073	1,189,652
Business Insurance	2,914,530	2,917,675	(3,145)
Professional Services	1,347,000	1,217,427	129,573
Advertising, Design and Marketing	60,500	23,047	37,453
General Contingency	300,000	500	299,500
Total Budgetary Expenses	$ 61,742,980	$ 55,983,940	$ 5,759,040

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Covenants as to Tolls (Continued)

Description	2015 Budget	2015 Actual	Variance
Budgetary Expenses			
Salaries and Wages	$ 19,125,129	$ 18,833,821	$ 291,308
Employee Benefits	14,867,513	16,864,086	(1,996,573)
Utilities	918,041	674,067	243,974
Office	274,626	181,667	92,959
Telecommunications and Information Technology	1,134,525	1,033,754	100,771
Professional Development, Meetings & Memberships	228,980	122,672	106,308
E-Zpass Operating and Maintenance	5,714,272	6,495,764	(781,492)
State Police Bridge Security	5,213,396	5,053,772	159,624
Operating and Maintenance	3,063,292	2,829,253	234,039
Business Insurance	2,950,846	2,738,559	212,287
Professional Services	1,119,700	976,298	143,402
Advertising, Design and Marketing	60,500	15,583	44,917
General Contingency	300,000	11,010	288,990
Total Budgetary Expenses	$ 54,970,820	$ 55,830,306	$ (859,486)

NOTE 3 DETAIL NOTES – ASSETS

Cash and Cash Equivalents

Custodial Credit Risk **-** Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Commission will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2016 and 2015, the Commission held $31,491,399 and $78,094,135, respectively, in cash and cash equivalents in financial institutions, which include cash and cash equivalents.

As of December 31, 2016 and 2015, the Commission's bank balance of $31,833,533 and $79,907,540, respectively, was exposed to custodial credit risk as follows:

	December 31, 2016		
	Enterprise Fund	Fiduciary Fund	Total
Insured	$ 250,000	$ -	$ 250,000
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	9,320,261	-	9,320,261
Uninsured and Uncollateralized	22,263,272	127,492	22,390,764
	$ 31,833,533	$ 127,492	$ 31,961,025

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

Cash and Cash Equivalents (Continued)

	December 31, 2015		
	Enterprise Fund	Fiduciary Fund	Total
Insured	$ 250,000	$ -	$ 250,000
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	8,590,227	-	8,590,227
Uninsured and Uncollateralized	70,939,821	127,492	71,067,313
	$ 79,780,048	$ 127,492	$ 79,907,540

Investments

Custodial Credit Risk **-** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Commission, and are held by either the counterparty or the counterparty's trust department or agent, but not in the Commission's name. At December 31, 2016 and 2015, of the Commission's $204,669,228 and $154,890,356 investments in U.S. federal agency notes and bonds, U.S. government treasuries, commercial paper, and municipal and state obligations and funds, all $204,669,228 and $154,890,356 of investments are registered in the name of the Commission and held by the counterparty. Of the Retiree Health Benefits Plan's (fiduciary fund) $77,880,172 and $75,960,723 investments in mutual funds - equity and mutual funds - fixed income as of December 31, 2016 and 2015, all $77,880,172 and $75,960,723 of investments are registered in the name of the Commission and held by the counterparty.

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

As of December 31, 2016 and 2015, the Commission's enterprise fund had the following investments and maturities:

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

Investments (Continued)

	December 31, 2016		
	Total	Investment Maturities (in Years)	
Investment Type	Fair Value	Less Than 1	1-5
Municipal and State Obligations and Funds	$ 5,095,619	$ 5,095,619	$ -
Commercial Paper	42,665,517	42,665,517	-
U.S. Federal Agency Notes and Bonds	132,935,873	70,686,262	62,249,611
U.S. Government Treasuries	23,972,220	23,972,220	-
Total	$ 204,669,229	$ 142,419,618	$ 62,249,611

	December 31, 2015		
	Total	Investment Maturities (in Years)	
Investment Type	Fair Value	Less Than 1	1-5
Municipal and State Obligations and Funds	$ 5,080,590	$ 5,080,590	$ -
Commercial Paper	25,962,525	25,962,525	-
U.S. Federal Agency Notes and Bonds	105,992,624	34,748,510	71,244,114
U.S. Government Treasuries	17,854,617	17,854,617	-
Total	$ 154,890,356	$ 83,646,242	$ 71,244,114

As of December 31, 2016 and 2015, the Commission's fiduciary fund had the following investments and maturities:

	December 31, 2016		
	Total	Investment Maturities (in Years)	
Investment Type	Fair Value	Less Than 1	1-5
Mutual Funds - Equity	$ 32,630,960	$ 32,630,960	$ -
Mutual Funds - Fixed Income	45,249,211	45,249,211	-
Total	$ 77,880,171	$ 77,880,171	$ -

	December 31, 2015		
	Total	Investment Maturities (in Years)	
Investment Type	Fair Value	Less Than 1	1-5
Mutual Funds - Equity	$ 31,343,861	$ 31,343,861	$ -
Mutual Funds - Fixed Income	44,616,862	44,616,862	-
Total	$ 75,960,723	$ 75,960,723	$ -

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

Investments (Continued)

Credit Risk **-** Credit risk is the risk that an issuer or counterparty to an investor will not fulfill its obligations. The Commission limits its exposure to credit risk through the Trust Indenture which restricts the investment obligations that may be purchased, by type and credit rating, as disclosed in Note 1.

Presented are summaries of the Commission's investments by type and credit rating as of December 31, 2016 and 2015:

Enterprise Fund Investments -

Investment Type	December 31, 2016 Rating *	% of Total Investments
Municipal and State Obligations and Funds	AAAm	1.73%
Commercial Paper	A-1 to AA+	11.09%
U.S. Federal Agency Notes and Bonds	AA+	79.06%
U.S. Government Treasuries	AA+	8.12%

Investment Type	December 31, 2015 Rating *	% of Total Investments
Municipal and State Obligations and Funds	AAAm	3.28%
Commercial Paper	A-1 to AA+	16.76%
U.S. Federal Agency Notes and Bonds	AA+	68.43%
U.S. Government Treasuries	AA+	11.53%

*AAA represents the highest quality rating by Standard & Poor's

Fiduciary Fund Investments -

Investment Type	December 31, 2016 Rating *	% of Total Investments
Mutual Funds - Equity	3 Stars	5.62%
Mutual Funds - Equity	4 Stars	29.55%
Mutual Funds - Equity	5 Stars	6.73%
Mutual Funds - Fixed Income	4 Stars	5.37%
Mutual Funds - Fixed Income	5 Stars	52.73%

Investment Type	December 31, 2015 Rating *	% of Total Investments
Mutual Funds - Equity	3 Stars	10.19%
Mutual Funds - Equity	4 Stars	23.14%
Mutual Funds - Fixed Income	3 Stars	7.94%
Mutual Funds - Fixed Income	4 Stars	21.70%
Mutual Funds - Fixed Income	5 Stars	37.03%

*5 Stars represents the highest quality rating by Morningstar

Concentration of Credit Risk **-** The Commission does not place a limit on the amount that may be invested in any one issuer. All permitted investments by the Commission must be rated in the three highest categories by the rating agencies.

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Commission's investments are measured at a Level 1 input and include mutual funds that invest primarily in U.S. common stocks and U.S. debt securities. The Commission has no unfunded commitments related to its mutual fund investments. Additionally these investments do not have a limit on the redemption frequency or require a redemption notice period.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

Capital Assets

The following schedules details changes in capital assets, by major class, that occurred during the years ended December 31, 2016 and 2015:

	Balance Jan. 1, 2016	Additions	Adjustment	Deletions	Transfers	Balance Dec. 31, 2016
Capital Assets Not Being Depreciated						
Land	$ 129,938,458	$ 2,495,536	$ -	$ -	$ -	$ 132,433,994
Improvements in Progress	38,176,547	45,159,608	-	-	(7,623,120)	75,713,035
Total Capital Assets Not Being Depreciated	168,115,005	47,655,144	-	-	(7,623,120)	208,147,029
Capital Assets Being Depreciated						
Buildings	29,830,682	-	-	-	189,591	30,020,273
Infrastructure	662,851,737	-	(275,541)	-	3,023,644	665,599,840
Equipment	36,718,263	1,987,373	-	(580,930)	4,409,885	42,534,591
Total Capital Assets Being Depreciated	729,400,682	1,987,373	(275,541)	(580,930)	7,623,120	738,154,704
Less Accumulated Depreciation for						
Buildings	(15,496,375)	(1,065,285)	-	-	-	(16,561,660)
Infrastructure	(320,216,151)	(27,818,739)	-	-	-	(348,034,890)
Equipment	(31,621,501)	(1,361,370)	-	580,930	-	(32,401,941)
Total Accumulated Depreciation	(367,334,027)	(30,245,394)	-	580,930	-	(396,998,491)
Total Capital Assets Being Depreciated, Net	362,066,655	(28,258,021)	(275,541)	-	7,623,120	341,156,213
Total Capital Assets, Net	$ 530,181,660	$ 19,397,123	$ (275,541)	$ -	$ -	$ 549,303,242

	Balance Jan. 1, 2015	Additions	Adjustment	Deletions	Transfers	Balance Dec. 31, 2015
Capital Assets Not Being Depreciated						
Land	$ 129,888,166	$ 62,500	$ -	$ (12,208)	$ -	$ 129,938,458
Improvements in Progress	26,835,619	28,876,440	-	-	(17,535,512)	38,176,547
Total Capital Assets Not Being Depreciated	156,723,785	28,938,940	-	(12,208)	(17,535,512)	168,115,005
Capital Assets Being Depreciated						
Buildings	29,418,032	328,847	-	-	83,803	29,830,682
Infrastructure	645,415,950	-	-	-	17,435,787	662,851,737
Equipment	34,062,368	2,660,387	-	(20,414)	15,922	36,718,263
						-
Total Capital Assets Being Depreciated	708,896,350	2,989,234	-	(20,414)	17,535,512	- 729,400,682
Less Accumulated Depreciation for						
Buildings	(14,438,896)	(1,057,479)	-	-	-	(15,496,375)
Infrastructure	(293,849,865)	(26,366,286)	-	-	-	(320,216,151)
Equipment	(30,639,657)	(1,002,258)	-	20,414	-	(31,621,501)
						-
Total Accumulated Depreciation	(338,928,418)	(28,426,023)	-	20,414	-	(367,334,027)
Total Capital Assets Being Depreciated, Net	369,967,932	(25,436,789)	-	-	17,535,512	362,066,655
Total Capital Assets, Net	$ 526,691,717	$ 3,502,151	$ -	$ (12,208)	$ -	$ 530,181,660

NOTE 3 DETAIL NOTES – ASSETS (CONTINUED)

Toll Revenue

	For the Years Ended			
	December 31, 2016		December 31, 2015	
Toll Class	Vehicles	Revenue	Vehicles	Revenue
1	34,600,628	$ 34,600,628	33,570,317	$ 33,572,834
2	905,255	5,835,738	888,230	5,726,221
3	407,440	4,820,830	393,052	4,652,614
4	447,602	7,027,236	444,552	6,971,076
5	3,682,321	72,116,314	3,587,596	70,310,256
6	104,012	2,411,203	101,894	2,364,060
7	8,741	238,118	9,804	267,265
8	26	1,614	12	493
11	87,493	174,986	84,433	168,866
12	114,403	228,806	107,132	214,264
13	4,319	8,638	3,863	7,726
15	81	81	111	111
Extra axles *	1,215	4,376	1,544	4,677
Violations	470,905	3,271,142	452,490	3,144,287
	40,833,226	$ 130,739,710	39,643,486	$ 127,404,750
Discounts, Violations, Allowances and Other Adjustments		(2,090,269)		(2,764,185)
		$ 128,649,441		$ 124,640,565

* extra axles are not included in total volume.

In December 2002, the Commission initiated electronic toll collection and E-ZPass at the bridges. The Commission records toll revenue net of uncollectible tolls, discounts, and service fees. Gross toll revenue for December 31, 2016 and 2015 was $130,739,710 and $127,404,750, respectively, while the adjustments for uncollectible tolls, violations, and discounts were $2,090,269 and $2,764,185, respectively.

NOTE 4 DETAIL NOTES – LIABILITIES

Compensated Absences

Commission employees may accumulate unused sick days with no restrictions. Employees are compensated for accumulated sick leave upon retirement or resignation at one-half of their then current hourly rate of pay times the number of days accumulated, up to a maximum of $18,000. The accrued liability for accumulated sick leave at December 31, 2016 and 2015 is estimated at $1,750,575 and $1,737,588, respectively.

Commission employees may carry forward up to five (5) vacation days not used during the year. Additional carryover days may be granted with permission from the executive director. Upon separation from the Commission, the employee will be paid for all accrued vacation time at their then current hourly rate. The accrued liability for accumulated vacation time at December 31, 2016 and 2015 is estimated at $334,847 and $264,191 respectively.

NOTE 4 DETAIL NOTES – LIABILITIES

Pension Plans

Pennsylvania State Employees' Retirement System

Plan Description

The Commission participates in the Pennsylvania State Employees' Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan established by the Commonwealth to provide pension benefits for employees of state government and certain independent agencies. Membership in SERS is mandatory for most Commission (and other state) employees. Article II of the Commonwealth's constitution assigns the authority to establish and amend the benefit provision of the plan to the General Assembly. SERS issues a publicly available financial report that can be obtained at www.sers.pa.gov.

Benefits Provided

SERS provides retirement, death, and disability benefits. Member retirement benefits are determined by taking years of credited service, multiplied by final average salary, multiplied by 2%, multiplied by class of service multiplier. According to the State Employees' Retirement Code (SERC), all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

Contributions

Section 5507 of the SERC (71 Pa. C.S. §5507) requires the Commonwealth and other employers whose employees are SERS members to make contributions to the fund on behalf of all active members and annuitants necessary to fund the liabilities and provide the annuity reserves required to pay benefits. SERS funding policy, as set by the board, provides for periodic active member contributions at statutory rates. The SERS funding policy also provides for periodic employer contributions at actuarially determined rates based on SERS funding valuation, expressed as a percentage of annual retirement covered payroll, such that they, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate assets to pay benefits when due. However, Act 2010-120 imposes rate increase collars (limits on annual rate increases) on employer contributions. The collar for Commonwealth fiscal year 13/14 was 4.5% and will remain at that rate until no longer needed. The Commission's retirement contribution, as a percentage of covered payroll, was 25.93% for the year ended December 31, 2015.

Contributions to the pension plan from the Commission were $4,328,726 for the year ended December 31, 2016.

NOTE 4 DETAIL NOTES – LIABILITIES

Pension Plans (Continued)

Pennsylvania State Employees' Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the Commission reported a liability of $54,950,087 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating agencies, actuarially determined. At December 31, 2015, the Commission's proportion was 0.30219203%, which was an increase of .00026728% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Commission recognized pension expense of $7,431,284. At December 31, 2016, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,112,633	$ -
Net Difference between projected and actual investment earnings on pension plan investments	5,594,944	-
Changes in assumptions	1,632,553	-
Differences between employer contributions and proportionate share of contributions	-	244,458
Changes in proportion	30,973	357,842
Commission's contributions subsequent to measurement date	4,995,448	-
	$ 13,366,551	$ 602,300

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The $4,995,448 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2017	$ 1,983,960
2018	1,983,960
2019	1,983,960
2020	1,697,281
2021	119,642
Thereafter	-

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Actuarial assumptions

The following methods and assumptions were used in the December 31, 2015 actuarial valuations. These methods and assumptions were applied to all periods included in the measurement:

Investment rate of return	7.50% net of expenses including inflation
Projected salary increases	average of 6.10% with range of 4.3% - 11.05% including inflation
Inflation	2.75%
Mortality rate	projected RP-2000 Mortality Tables adjusted for actual plan experience and future improvement
Cost of living adjustments (COLA)	ad hoc and are not considered to be substantively automatic

Some of the methods and assumptions mentioned above are based on the *17th Investigation of Actuarial Experience*, which was published in January 2011, and analyzed experience from 2006 through 2010. The Commonwealth's actuary made recommendations with respect to the actuarial assumptions and methods based on their analysis.

The long-term expected real rate of return on pension plan investments is determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Alternative Investments	15.00%	8.50%
Global Public Equity	40.00%	5.40%
Real Assets	17.00%	4.95%
Diversifying Assets	10.00%	5.00%
Fixed Income	15.00%	1.50%
Liquidity Reserve	3.00%	0.00%
Total	100.00%	

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Pension Plans (Continued)

Pennsylvania State Employees' Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each member and that employer contributions will be made based on rates determined by the actuary. Based on the assumptions, SERS fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active SERS members. Therefore, the long-term expected rate of return on SERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's proportionate share of the net pension liability to change in the discount rate

The following schedule presents the Commission's proportionate share of the 2015 and 2014 net pension liability calculated using the discount rate of 7.50%. It also shows what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 6.50%	Current discount rate 7.50%	1% Increase 8.50%
Commission's share of the net pension liability as of 12/31/15 measurement date	68,258,366	54,950,087	43,538,978
Commission's share of the net pension liability as of 12/31/14 measurement date	57,417,406	44,858,192	34,059,301

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued SERS financial report.

NOTE 4 DETAIL NOTES – LIABILITIES

Pension Plans (Continued)

State of New Jersey Public Employees' Retirement System

Plan Description

The Commission participates in the State of New Jersey Public Employees' Retirement System (PERS), a cost-sharing, multi-employer, contributory, defined-benefit plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

Pension vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

Benefits Provided

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age of their respective tier.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Pension Plans (Continued)

State of New Jersey Public Employees' Retirement System (Continued)

Contributions

The contribution policy is set by N.J.S.A.43:15A, Chapter 62, P.L. 1994, and Chapter 115, P.L. 1997, and requires contributions by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation.

During the year ending December 31, 2016, members contributed at an average rate of 6.99% of base salary; Member contributions will continue to increase each year on July 1 until the final increase on July 1, 2018 when a contribution rate of 7.5% is reached.

Employer contributions are actuarially determined by PERS. The Commission's contribution requirements for the years ended June 30, 2016, 2015, and 2014 were $68,189, $64,202 and $61,068.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the Commission reported a liability of $2,217,687 for its proportionate share of the net pension liability. The net liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the ratio of the Commission's contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2016 and 2015. At June 30, 2016 the Commission's proportion was .0074875110%.

For the year ended December 31, 2016, the Commission recognized pension expense of $68,189. At December 31, 2016, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 41,242	$ -
Net Difference between projected and actual investment earnings on pension plan investments	84,562	-
Changes in assumptions	459,386	-
Differences between employer contributions and proportionate share of contributions	-	-
Changes in proportion	83,022	-
Commission's contributions subsequent to measurement date	62,397	-
	$ 730,609	$ -

NOTE 4 DETAIL NOTES – LIABILITIES

Pension Plans (Continued)

State of New Jersey Public Employees' Retirement System (Continued)

The $62,397 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:		
2017	$	125,130
2018		125,130
2019		125,130
2020		125,130
2021		125,130
thereafter		42,562

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary increases:	
2012-2021	1.65-4.15% based on age
Thereafter	2.65-5.15% based on age
Investment rate of return	7.65%

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

NOTE 4 DETAIL NOTES – LIABILITIES

Pension Plans (Continued)

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with the New Jersey State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the NJ Directors of the Division of Investments and NJ Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015 respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on these assumptions, the plan's fiduciary net position was projected to be available to make future benefit payments through 2033. Therefore the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and

NOTE 4 DETAIL NOTES – LIABILITIES

Pension Plans (Continued)

State of New Jersey Public Employees' Retirement System (Continued)

the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following represents the Commission's pro-rata share of the net pension liability as of June 30, 2016 and 2015 respectively, calculated using the discount rate described above as well as what the pro-rata share of the net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower, or 1 percentage point higher than the current rate:

	1% Decrease 2.98%	Current discount rate 3.98%	1% Increase 4.98%
Commission's share of the net pension liability as of 6/30/2016 measurement date	$ 2,657,684	$ 2,217,687	$ 1,854,821

	1% Decrease 3.90%	Current discount rate 4.90%	1% Increase 5.90%
Commission's share of the net pension liability as of 6/30/2015 measurement date	$ 2,083,490	$ 1,676,344	$ 1,334,995

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Other Postemployment Benefits (OPEB)

Plan Description **-** The Commission provides healthcare and life insurance benefits to its retirees and their spouses and dependents under the Delaware River Joint Toll Bridge Commission's Retiree Health Benefits Plan ("Retiree Health Benefits Plan"), which was established as an irrevocable trust in December 2009. The amount the Commission pays for the medical and life insurance premiums for retirees and spouses varies. Most regular active employees who retire directly from the Commission and meet the eligibility criteria may participate.

Eligibility **-** Employees hired prior to January 1, 1995 are eligible for participation as follows:

- hire date prior to January 1, 1979, the required years of service at retirement equals 65 minus age times 2;

- hire date January 1, 1979 - December 31, 1994, the required years of service at retirement equals 70 minus age times 2.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Other Postemployment Benefits (OPEB) (Continued)

Employees hired after December 31, 1994, attainment of 55 with 25 years of service or 60 with 20 years of service. Service includes all service in state, county, or municipal pension systems within the State of New Jersey or the Commonwealth of Pennsylvania, with the last 5 years with the Commission. Also, if an employee retires prior to 55 with 25 or more years of service, he may elect COBRA until age 55 at which time he would be eligible for the retiree health benefit plan in effect at that time.

Funding Policy **-** The contribution requirement of the Commission is established by the Commission's Board of Commissioners and may be amended by the same. Prior to 2009, the Commission was on a pay-as-you-go basis.

Retirees **-** The Commission's contributions to the plan for the years ended December 31, 2016 and 2015 were $0 and $11,082,269, respectively. Retirees, if hired before April 1, 1995, pay the current active co-pay of $260 per year, and if hired on or after April 1, 1995, the retiree pays half of the dental premium and a percentage of their final year earnings toward medical, as follows: single 1.00%, husband / wife or parent / child 1.25%, or family or parent / children 1.50%.

Future Retirees **-** In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Commission is required to expense the *annual required contribution of the employer (ARC),* an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be $5,788,306 at an unfunded discount rate of 6%.

Since the establishment of an irrevocable trust fund in 2009 for postemployment benefits, the Commission has provided funding in the amount of $75,382,269 as of December 31, 2016.

Annual OPEB Cost and Net OPEB Obligation (Asset) **-** For 2016, the Commission's annual OPEB cost (expense) of $6,009,635 for the plan was equal to the ARC minus the interest on the beginning net OPEB asset plus the adjustment to the ARC.

The Commission's annual required contribution (ARC), the interest on the net OPEB obligation (asset), the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation (asset), and the percentage of annual OPEB cost contributed to the plan for 2016, 2015, and 2014 are as follows:

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Other Postemployment Benefits (OPEB) (Continued)

	2016	2015	2014
Annual Required Contribution (ARC)	$ 5,778,306	$ 5,541,134	$ 5,541,134
Interest on the Net OPEB Obligation	(1,097,308)	(717,048)	(717,048)
Adjustment to the ARC	1,328,637	868,212	868,212
Annual OPEB Cost	6,009,635	5,692,298	5,692,298
Contributions	-	(11,082,268)	(6,640,000)
Increase (Decrease) in the NET OPEB Obligation	6,009,635	(5,389,970)	(947,702)
Net OPEB Obligation (Asset), January 1	(18,288,466)	(12,898,496)	(11,950,794)
Net OPEB Obligation (Asset), December 31	$ (12,278,831)	$ (18,288,466)	$ (12,898,496)
Percentage of Annual OPEB Cost Contributed	0%	195%	117%

Funded Status and Funding Progress **-** As of January 1, 2016, the most recent actuarial valuation date, the Retiree Health Benefit Plan was 74% funded. The actuarial accrued liability for benefits was $101,894,935 and the actuarial value of assets was $75,465,425, resulting in an unfunded actuarial accrued liability (UAAL) of $26,429,510. The covered payroll (annual payroll of active employees covered by the plan) was $19,416,733, and the ratio of the UAAL to the covered payroll was 136%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions **-** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation, the entry age normal actuarial cost method was used. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at the valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability. Under this method, the actuarial gains (losses), as they occur, reduce (increase) the unfunded actuarial accrued liability. The unfunded accrued actuarial liability (UAAL) is being amortized using a closed, level percentage amount over thirty (30) years on an open basis. The remaining amortization period at December 31, 2016 was twenty-one (21) years.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Other Postemployment Benefits (OPEB) (Continued)

The actuarial assumptions included the following:

- *Mortality.* The mortality table employed in the valuation was the RP 2014 Combined Generational Mortality Table using Scale MP 2015 for Males and Females projected.
- *Demographics.* Demographic assumptions used to project the data are the same as those used in the Pennsylvania State Employees' Retirement System. There is no assumption for future new hires.
- *Discount rate.* Future costs have been discounted at the rate of 6.0% compounded annually for GASB 45 purposes.
- *Withdrawal rates.* The following table shows sample annual rates of withdrawal:

Annual Rate of Withdrawal Prior to Retirement

Age	Male Years of Service				Female Years of Service			
	0	5	9	14	0	5	9	14
20	20.7%	N/A	N/A	N/A	22.4%	N/A	N/A	N/A
25	16.2%	0.8%	0.8%	N/A	20.5%	2.7%	1.9%	N/A
30	13.9%	0.8%	0.6%	0.6%	17.9%	2.4%	1.7%	1.8%
35	13.6%	0.7%	0.4%	0.4%	12.8%	1.9%	1.2%	1.3%
40	13.0%	0.5%	0.4%	0.4%	10.0%	1.9%	0.7%	0.5%
45	12.1%	0.5%	0.2%	0.2%	9.8%	1.8%	0.7%	0.5%
50	11.3%	0.5%	0.2%	0.2%	9.8%	1.8%	0.4%	0.5%
55	11.3%	0.6%	0.6%	0.6%	9.8%	1.5%	1.2%	1.2%

- *Retirement rates.* The following table shows sample annual rates of retirement at selected ages. Retirement rates vary by age, service, and Pennsylvania State Employees' Retirement Plan:

Rates of Retirement

Age	Male	Female
55	27.0%	23.0%
56	28.0%	23.0%
57-59	30.0%	23.0%
60	25.0%	25.0%
61	20.0%	20.0%
62	25.0%	25.0%
63-64	20.0%	20.0%
65	25.0%	25.0%
66-79	20.0%	20.0%
80	100.0%	100.0%

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Other Postemployment Benefits (OPEB) (Continued)

- *Salary scale.* The following table represents the assumed salary scale utilized in the projection.

Assumed Salary Scale

Completed Years of Service	Annual Increase	Completed Years of Service	Annual Increase
1	8.00%	16	2.50%
2	6.00%	17	2.40%
3	4.50%	18	2.30%
4	4.00%	19	2.20%
5	3.75%	20	2.10%
6	3.50%	21	2.00%
7	3.25%	22	1.90%
8	3.20%	23	1.80%
9	3.15%	24	1.70%
10	3.10%	25	1.60%
11	3.00%	26	1.50%
12	2.90%	27	1.40%
13	2.80%	28	1.30%
14	2.70%	29	1.25%
15	2.60%	30+	1.25%

- *Healthcare claims.* A blended premium is computed for all employees and retirees not yet eligible for Medicare benefits. Under GASB Statement 45, the non-blended (or age adjusted) premium is used for computing plan costs.
-
- *Healthcare claims (continued)*. The following represents the premium costs:

	Claim Cost at Selected Ages					
Age	Medical	Admin	Rx	Medicare Part B	Dental	Vision
55	$ 12,165	$ 1,581	$ 3,027	$ -	$ 229	$ 51
60	$ 15,087	$ 1,581	$ 3,754	$ -	$ 229	$ 51
65	$ 2,286	$ -	$ 2,427	$ 1,462	$ 229	$ 51
70	$ 2,663	$ -	$ 2,827	$ 1,462	$ 229	$ 51
75	$ 2,955	$ -	$ 3,137	$ 1,462	$ 229	$ 51
80	$ 3,168	$ -	$ 3,363	$ 1,462	$ 229	$ 51

- *Healthcare cost trend.* The trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. The GASB statement does not require a particular source for information to determine health care trends, but it does recommend selecting a source that is “publicly available, objective and unbiased.”

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Other Postemployment Benefits (OPEB) (Continued)

Aon Hewitt developed the trend assumption utilizing the short-term rates expected on the Commission plan along with information in published papers from other industry experts (actuaries, health economists, etc.). The trend assumption is split to reflect separate trends for pre and post-65 claims given that current standards suggest post-65 claims grow at a smaller rate than do pre-65 claims. The pre-65 assumption begins at 6.25% and decreases to a 5.0% long-term trend rate for all health care benefits after eight years. The post-65 assumption begins at 7.75% and decreases to a 5.0% long-term trend rate for all health care benefits after eight years. Additionally, a constant trend of 5.0% per year has been assumed for the Medicare Part B premiums, dental and vision benefits.

The impact of the 40% excise tax on high cost employer plans (effective in 2019) brought on by the Patient Protection and Affordable Care Act (PPACA) is estimated to be 5.07%. This impact has been reflected in the plan liabilities. All other requirements from Health Care Reform result in no additional employer liability.

- *Spouse age difference / percent married.* Males are assumed to be two (2) years older than females. Active employees are assumed to 85% married and choose family coverage at retirement.

- *Coverage assumptions.* It is assumed that 100% of current and future contingent eligible participants will elect healthcare benefits at their full eligibility age, or current age if later.

Bonded Indebtedness

At December 31, 2016 and 2015, the Commission had $310,332,143 and $327,317,418, respectively, in revenue and refunding revenue bonds outstanding. The bonds were issued in 2005, 2007, 2012, and 2015. These bonds were issued pursuant to the Trust Indenture dated January 1, 2003, as supplemented, between the Commission and the TD Bank / Pennsylvania, National Association as Trustee.

Series 2005A Bonds **-** In March 2005, the Commission issued $72,645,000 Bridge System Revenue Bonds. The bonds were issued at a premium of $6,544,528 and yielded total cash of $79,189,528. Of the proceeds, $34,770,228 were used to advance refund $32,165,000 of the Commission's Bridge System Revenue Bonds, Series 2003, $2,918,863 was deposited into a debt service reserve fund, $1,500,436 was used to pay cost of issuance, and the remaining $40,000,000 was deposited into the 2005 construction fund, which was used to establish the Compact Investment Program. This program was created to provide funding for transportation infrastructure related projects in New Jersey and Pennsylvania communities that host its bridges.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

Funded projects included installation of upgrades to traffic signalization around Commission facilities, road widening in areas affected by Commission crossings, bicycle or pedestrian paths leading up to Commission facilities, park and ride facilities, safety lighting, and right of way renovation, protection, or beautification.

During October 2012, the Commission partially refunded $30,795,000 of the Series 2005A outstanding bonds.

Series 2007A Bonds **-** In September 2007, the Commission issued $134,170,000 in Bridge System Revenue Bonds. These Bonds were issued to provide funds to pay for the cost of capital improvements related to the system, to make deposits into the debt service reserve fund, fund capitalized interest and pay insurance and cost of issuance associated with the series.

In October 2013, the Commission partially refunded $31,905,000 of the Series 2007A outstanding bonds (see note 5). In April 2015, the Commission partially refunded an additional $86,765,000 of the Series 2007A outstanding bonds. (see note 5)

Series 2007B (SWAP) Bonds **-** In September 2007, the Commission issued two series of Bridge System Revenue Bonds (2007B-1 and 2007B-2) for $75,000,000 each and are hedged by an interest rate swap issued by two counterparties. These bonds were issued to provide funds to pay for the cost of capital improvements related to the system, to fund capitalized interest, and to pay insurance and cost of issuance associated with the series.

In September 2008, the bonds were converted into variable rate securities and were secured by a letter of credit issued by Dexia Credit Local for a three-year term with an expiration date of August 2011. The letter of credit required the Commission to maintain a debt service reserve account for the 2007B Bonds. As part of the letter of credit, the Commission was required to make an initial $5,200,000 deposit into a collateral account (not containing any tax-exempt debt proceeds).

In May 2011, the entire amount of outstanding bonds of $69,825,000 for 2007B-1 and $69,825,000 for 2007B-2 bonds were refunded under a direct purchase agreement and are no longer secured by a letter of credit. The refunding was done in order to peg the variable interest rates of the bonds to the Securities Industry and Financial Markets Association (SIMFA) Municipal Swap Index. The 2007B-1 Bond interest rate was SIMFA Municipal Swap Index Rate +85 basis points and the 2007B-2 Bond interest rate was SIMFA Municipal Swap Index Rate +95 basis points. Under the direct purchase agreement, the bonds were subject to a mandatory repurchase on May 1, 2014.

In January 2014, the Commission entered into Forward Purchase Continuing Covenant Agreements which called for the bonds to be remarked via direct purchase on May 1, 2014. Following this remarketing, the interest rate on Series 2007B-1 and B-2 was established at the SIFMA Index plus 60 basis points, and the new mandatory purchase date was set at May 1, 2017.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

Series 2012A Bonds - In October 2012, the Commission issued $77,145,000 in Bridge System Revenue Bonds. The bonds were issued at a premium of $9,476,967, included a transfer from the Series 2003 Debt Service Reserve Fund in the amount of $12,205,970, and yielded total cash of $98,827,937. Of the proceeds, $95,174,922 were used to advance refund $30,795,000 of the Series 2005A outstanding bonds (see note 5) and $57,300,000 of the Series 2003 outstanding bonds, $2,875,978 was deposited into a debt service reserve fund, $773,543 was used to pay cost of issuance, and the remaining $3,494 were additional proceeds.

In July 2013, the Commission extinguished $1,210,000 of the Series 2012A outstanding bonds (see note 5).

Series 2012B Bonds - In October 2012, the Commission issued $20,665,000 of Bridge System Revenue Bonds (Taxable). Of the proceeds, $20,476,829 of the bonds were used to advance refund $19,475,000 of the Series 2003 outstanding bonds, $185,895 was used to pay cost of issuance, and the remaining $2,276 were additional proceeds.

Series 2015 – In April 2015, the Commission issued $86,505,000 of Bridge System Revenue Bonds. The bonds were issued at a premium of $6,529,446 and yielded total cash of $104,257,335 after transfers of $9,826,227 from the Series 2007A Debt Service Reserve Fund and $1,400,000 from the Series 2007A Construction Fund. Of the proceeds, $95,571,081 were used to advance refund a portion of the Series 2007A outstanding bonds, $7,676,769 was deposited into a debt service reserve fund, and $1,009,485 was used to pay cost of issuance.

The following schedules represent the debt service requirements for the outstanding bonds as of December 31, 2016:

	Year	Principal Amount	Interest	Total Debt Service
Series 2005A	2017	$ 4,350,000	$ 918,775	$ 5,388,400
	2018	4,590,000	672,925	5,389,150
	2019	4,835,000	413,738	5,381,700
	2020	5,105,000	140,388	5,385,775
Total Series 2005A		$ 18,880,000	$ 2,145,826	$ 21,545,025

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2016 AND 2015

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

	Year	Principal Amount	Interest	Total Debt Service
Series 2007A	2017	$ 2,000,000	$ 100,000	$ 2,100,000
Total Series 2007A		$ 2,000,000	$ 100,000	$ 2,100,000

	Year	Principal Amount	Interest (1)	Total Debt Service
Series 2007B	2017	$ 4,950,000	$ 5,390,188	$ 10,340,188
	2018	5,250,000	5,143,807	10,393,807
	2019	5,450,000	4,885,349	10,335,349
	2020	5,650,000	4,617,228	10,267,228
	2021	5,950,000	4,337,030	10,287,030
	2022	6,250,000	4,042,339	10,292,339
	2023	6,550,000	3,733,155	10,283,155
	2024	6,800,000	3,410,686	10,210,686
	2025	7,150,000	3,073,724	10,223,724
	2026	7,450,000	2,721,061	10,171,061
	2027	7,800,000	2,352,697	10,152,697
	2028	8,200,000	1,966,217	10,166,217
	2029	8,550,000	1,561,621	10,111,621
	2030	8,900,000	1,140,116	10,040,116
	2031	9,350,000	699,287	10,049,287
	2032	9,800,000	236,719	10,036,719
Total Series 2007B		$ 114,050,000	$ 49,311,224	$ 163,361,224

(1) Series 2007B are variable rate revenue bonds. The interest rate is adjusted daily as determined by the remarketing agent. The assumed interest rate at December 31, 2016 is 4.831%.

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

	Year	Principal Amount	Interest	Total Debt Service
Series 2012A	2017	$ 1,065,000	$ 2,992,238	$ 4,057,238
	2018	1,100,000	2,960,288	4,060,288
	2019	1,145,000	2,916,288	4,061,288
	2020	1,195,000	2,870,488	4,065,488
	2021	6,825,000	2,846,588	9,671,588
	2022	7,165,000	2,505,338	9,670,338
	2023	7,445,000	2,226,213	9,671,213
	2024	7,815,000	1,853,963	9,668,963
	2025	8,205,000	1,463,213	9,668,213
	2026	8,620,000	1,052,963	9,672,963
	2027	7,805,000	658,163	8,463,163
	2028	9,355,000	365,963	9,720,963
	2029	1,345,000	85,313	1,430,313
	2030	1,385,000	43,281	1,428,281
Total Series 2012A		$ 70,470,000	$ 24,840,300	$ 95,310,300

	Year	Principal Amount	Interest	Total Debt Service
Series 2012B	2017	$ 3,490,000	$ 142,036	$ 3,632,036
	2018	3,560,000	77,750	3,637,750
Total Series 2012B		$ 7,050,000	$ 219,786	$ 7,269,786

	Year	Principal Amount	Interest	Total Debt Service
Series 2015	2017	$ -	$ 3,615,519	$ 3,615,519
	2018	-	3,615,519	3,615,519
	2019	2,410,000	3,615,519	6,025,519
	2020	2,540,000	3,519,119	6,059,119
	2021	2,540,000	3,392,119	5,932,119
	2022	2,695,000	3,265,119	5,960,119
	2023	2,795,000	3,130,369	5,925,369
	2024	2,935,000	3,018,569	5,953,569
	2025	3,015,000	2,871,819	5,886,819
	2026	3,180,000	2,721,069	5,901,069
	2027	4,540,000	2,562,069	7,102,069
	2028	3,380,000	2,425,869	5,805,869
	2029	3,480,000	2,320,244	5,800,244
	2030	3,670,000	2,146,244	5,816,244
	2031	3,785,000	1,962,744	5,747,744
	2032	545,000	1,773,494	2,318,494
	2033	10,595,000	1,755,100	12,350,100
	2034	11,020,000	1,331,300	12,351,300
	2035	11,460,000	890,500	12,350,500
	2036	11,920,000	432,100	12,352,100
Total Series 2015		$ 86,505,000	$ 50,364,404	$ 136,869,404

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Derivative Instruments

In October 2005, the Commission entered into two forward starting swaps with two counterparties.

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2016 and 2015, classified by type, and the changes in fair value of such derivative instruments for the years then ended are as follows (debit (credit)):

	Changes in Fair Value		Fair Value at December 31, 2016		
	Classification	Amount	Classification	Amount	Notional
Cash Flow Hedges					
Pay-Fixed Interest Rate Swap	Deferred Outflow of Resources	$ 2,572,994	Debt	$ (10,621,006)	$ 57,035,000
Pay-Fixed Interest Rate Swap	Deferred Outflow of Resources	$ 2,752,994	Debt	$ (10,621,006)	$ 57,035,000

	Changes in Fair Value		Fair Value at December 31, 2015		
	Classification	Amount	Classification	Amount	Notional
Cash Flow Hedges					
Pay-Fixed Interest Rate Swap	Deferred Outflow of Resources	$ 144,975	Debt	$ (13,194,000)	$ 59,420,000
Pay-Fixed Interest Rate Swap	Deferred Outflow of Resources	$ 144,975	Debt	$ (13,194,000)	$ 59,420,000

The fair values of the interest rate swaps are estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

Objective and Terms of Hedging Derivative Instruments **-** The objective of the swaps was to hedge against future interest rates by taking advantage of the current historically low interest rate environment in advance of the issuance of bonds by the Commission’s 2007B bonds. The following table displays the objective and terms of the Commission's hedging derivative instruments outstanding at December 31, 2016 and 2015, along with the credit rating of the associated counterparty.

As of December 31, 2016

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay Fixed Interest Rate Swap	Hedges of Changes in Cash Flows on the 2007 B-1 Series Bonds	$ 57,035,000	10/01/07	07/01/32	Pay Fixed 4.231%; Receive SIFMA Swap Index	Baa2/A-
Pay Fixed Interest Rate Swap	Hedges of Changes in Cash Flows on the 2007 B-2 Series Bonds	$ 57,035,000	10/01/07	07/01/32	Pay Fixed 4.231%; Receive SIFMA Swap Index	Baa2/A-

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Derivative Instruments (Continued)

Objective and Terms of Hedging Derivative Instruments (Continued)

As of December 31, 2015

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay Fixed Interest Rate Swap	Hedges of Changes in Cash Flows on the 2007 B-1 Series Bonds	$ 59,925,000	10/01/07	07/01/32	Pay Fixed 4.231%; Receive SIFMA Swap Index	Baa1/Bbb+
Pay Fixed Interest Rate Swap	Hedges of Changes in Cash Flows on the 2007 B-2 Series Bonds	$ 59,925,000	10/01/07	07/01/32	Pay Fixed 4.231%; Receive SIFMA Swap Index	A3/Bbb+

Risks Related to Derivative Instruments

Credit risk - As of December 31, 2016 and 2015, the Commission was not exposed to credit risk on its hedging derivative instruments as all such derivative instruments are in a liability position based on their fair values. Should interest rates change and the fair value of the swaps become positive, the Commission would be exposed to credit risk in the amount of the swaps' fair value. Agreed upon collateral threshold levels per the Credit Support Annex (CSA) require collateral to be posted based on counterparty ratings as set forth in the CSA.

The Commission has executed hedging derivative instruments with two counterparties, each comprising fifty percent (50%) of the net exposure to credit risk. Merrill Lynch Capital Services is rated Baa1 by Moody’s and BBB+ S&P. Morgan Stanley is rated A3 by Moody’s and BBB+ by S&P.

Basis risk – Since the reissuance of the 2007B Bonds in SIFMA Index Mode in May 201, the Commission is not exposed to basis risk on its pay-fixed interest rate swap hedging derivative instruments because the variable-rate payments received by the Commission on these hedging derivative instruments are based on a rate or index other than the interest rates the Commission pays on its hedged variable-rate debt, which is remarketed weekly.

Termination risk - The swaps are governed by the International Swap Dealers Association Master Agreement, which includes standard termination events. In addition, the swaps can only be terminated by the counterparties if the long-term, unenhanced rating on the bonds issued by the Commission is withdrawn, suspended or falls below Baa3 as determined by Moody's, or BBB- as determined by S&P. Furthermore, the swaps may be terminated if the counterparties' credit support provider fails to have any rated long-term, unsecured, unenhanced senior debt or if the rating of the senior debt is

NOTE 4 DETAIL NOTES – LIABILITIES (CONTINUED)

Derivative Instruments (Continued)

Risks Related to Derivative Instruments (Continued)

Termination risk (Continued)

withdrawn, suspended or falls below Baa2 as determined by Moody's, or BBB as determined by S&P.

Rollover risk - The Commission is exposed to rollover risk on hedging derivative instruments that are hedges of debt that may be terminated prior to the maturity of the hedged debt. If the counterparty exercises its termination option, as discussed above, the Commission will be re-exposed to the risks being hedged by the hedging derivative instrument.

Commitments **-** The Commission purchased two interest rate swap insurance policies dated October 6, 2005, issued by MBIA Insurance Corporation for the account of the Commission, as principal, and the counterparties, as beneficiary. As a result of purchasing the insurance policies, the Commission is not required to post collateral as part of the swap agreements.

Summary of Long-Term Liabilities

	Outstanding Jan. 1, 2016	Additions	Reductions	Outstanding Dec. 31, 2016	Due Within One Year
Revenue Bonds:					
Principal	$ 314,110,000	$ -	$ 15,155,000	$ 298,955,000	$ 15,855,000
Unamortized Premiums	13,207,418	-	1,830,275	11,377,143	-
Total Revenue Bonds	327,317,418	-	16,985,275	310,332,143	15,855,000
Other Liabilities:					
Premium Payment Payable -					
Derivative Companion Instrument	387,421	-	33,782	353,639	-
Derivative Instrument - Interest Rate				-	
Swaps	26,388,000	-	5,145,988	21,242,012	-
Compensated Absences	2,001,779	203,750	120,107	2,085,422	125,125
Net Pension Liability	46,534,536	10,633,238	-	57,167,774	-
Total Other Liabilities	75,311,736	10,836,988	5,299,877	80,848,847	125,125
Total Long-Term Liabilities	$ 402,629,154	$ 10,836,988	$ 22,285,152	$ 391,180,990	$ 15,980,125

	Outstanding Jan. 1, 2015	Additions	Reductions	Outstanding Dec. 31, 2015	Due Within One Year
Revenue Bonds:					
Principal	$ 329,345,000	$ 86,505,000	$ 101,740,000	$ 314,110,000	$ 15,155,000
Unamortized Premiums	9,839,586	6,076,193	2,708,361	13,207,418	-
Total Revenue Bonds	339,184,586	92,581,193	104,448,361	327,317,418	15,155,000
Other Liabilities:					
Premium Payment Payable -					
Derivative Companion Instrument	421,539	-	34,118	387,421	-
Derivative Instrument - Interest Rate					
Swaps	26,098,050	289,950	-	26,388,000	-
Compensated Absences	2,025,129	-	23,350	2,001,779	120,107
Net Pension Liability	-	46,534,536	-	46,534,536	-
Total Other Liabilities	28,544,718	46,824,486	57,468	75,311,736	120,107
Total Long-Term Liabilities	$ 367,729,304	$ 139,405,679	$ 104,505,829	$ 402,629,154	$ 15,275,107

NOTE 5 DEFEASED AND EXTINGUISHED DEBT

Series 2007A Bonds

On October 28, 2013, the Commission advance refunded a portion of its Series 2007A Bonds with a par value of $31,905,000 and an interest rate of 5.0% per annum. In order to finance the refunding, the Commission deposited, in an irrevocable trust, $37,174,104 of monies remaining in the 2007 Account of the Construction Fund not otherwise allocated to or required for other capital projects. In addition, in April 2015 the commission advanced refunded an additional $86,765,000. These monies were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the Series 2007A Bonds are called on July 1, 2017. The advance refunding met the requirements of an in-substance debt defeasance and the aforementioned portion of the Series 2007A Bonds liability was removed from the Commission's financial statements. As of December 31, 2016 and December 31, 2015, the amount of defeased series 2007A Bonds outstanding amounted to $118,670,000 and $118,670,000.

Series 2012A Bonds

On July 16, 2013, the Commission extinguished a portion of its Series 2012A Bonds with a par value of $1,210,000 and an interest rate of 4.0% per annum. In order to fund the extinguishment, the Commission utilized $1,210,000 of monies remaining in the 2005A Account of the Construction Fund not otherwise allocated to or required for other capital projects. Being that the Commission reacquired the aforementioned $1,210,000 of its outstanding Series 2012A Bonds, and is relieved of all of its obligations with respect to the aforementioned debt, a portion of the Series 2012A Bonds liability was removed from the Commission's financial statements.

NOTE 6 INTERFUND BALANCES

At December 31, 2016 and 2015, interfund balances in the amounts of $1,567,095 and $622,790, respectively, existed between the enterprise fund and the fiduciary fund. The interfund was created by payments made by the enterprise fund on-behalf of the fiduciary fund (postemployment benefits).

NOTE 7 RISK MANAGEMENT

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

NOTE 8 DEFERRED COMPENSATION SALARY ACCOUNT

The Commission offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Commission or its creditors. Since the Commission does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Commission's financial statements.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Commitments - The Commission had several outstanding or planned construction projects as of December 31, 2016. These projects are evidenced by contractual commitments with contractors and include:

Project	Awarded	Commitment Remaining
Electronic Toll Collection System - Replacement, Design, Build and Maintain	$ 12,462,964	$ 10,558,920
Electronic Surveillance/Detection System	1,670,517	338,808
Scudder Falls Bridge Replacement (Various Projects)	41,570,326	11,314,245
I-78 Maintennace Garage Expansion	10,635,403	9,072,353
I-78 Approach/Transition Slabs Rehabilitation	651,157	374,400
Riverton-Belvidere TSB Critical Member Strengthen	517,539	88,590
Total	$ 67,507,906	$ 31,747,316

Litigation **-** The Commission is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Commission, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

NOTE 10 SUBSEQUENT EVENTS

A) The Commission has evaluated all subsequent events through the report issue date of May 17, 2017.

B) In March of 2017, the Commission issued $430,250,000 of Bridge System Revenue Bonds Series 2017. The proceeds of this bond are to be utilized for construction of a new Scudders Falls bridge and to pay for the cost of issuance.

REQUIRED SUPPLEMENTARY INFORMATION

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Required Supplementary Information
Schedule of Funding Progress for the Retiree Health Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2016	$ 75,465,425	$ 101,894,935	$ 26,429,510	74%	$ 19,416,733	136%
1/1/2014	60,119,142	89,762,598	29,643,456	67%	17,894,602	166%
1/1/2012	37,771,605	86,706,576	48,934,971	44%	19,046,487	257%
1/1/2010	20,000,000	71,199,363	61,199,363	25%	17,328,360	353%
1/1/2008	-	110,300,000	110,300,000	0%	18,000,000	613%

OTHER POSTEMPLOYMENT BENEFITS

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

Valuation Date	January 1, 2016
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Open, Level Percentage Method
Remaining Amortization Period	21 years
Asset Valuation Method	Fair Market Value Method
Actuarial Assumptions:	
Investment Rate of Return	6.0%
Rate of Medical Inflation for Retirees under Age 65	6.25% grading to 5.0% over 9 years
Rate of Medical Inflation for Retirees over Age 65	7.75% grading to 5.0% over 9 years

For determining the annual required contribution (ARC), the rate of employer contributions to plan is composed of the normal cost plus amortization of the unfunded actuarial liability. The normal cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The actuarial liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial liability.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Required Supplementary Information
Schedule of Commission's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	Commonwealth of Pennsylvania State Employee Retirement System - 2016	State of New Jersey Public Employees Retirement System - 2016
Measurement Date	12/31/2015	6/30/2016
Commission's Proportion of the net pension liability	0.30219203%	0.74875110%
Commission's proportionate share of the net pension liability	$ 54,950,087	$ 2,217,687
Commission's covered- employee payroll	$ 19,260,226	$ 531,733
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	285.30%	417.07%
Plan fiduciary net position as a percentage of the total pension liability	58.90%	31.20%

	Commonwealth of Pennsylvania State Employee Retirement System - 2015	State of New Jersey Public Employees Retirement System - 2015
Measurement Date	12/31/2014	6/30/2015
Commission's Proportion of the net pension liability	0.30192475%	0.74676777%
Commission's proportionate share of the net pension liability	$ 44,858,192	$ 1,676,344
Commission's covered- employee payroll	$ 18,495,592	$ 546,677
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	242.53%	306.64%
Plan fiduciary net position as a percentage of the total pension liability	64.80%	47.90%

*The Commission adopted GASB 68 on the prospective basis for the year 2016; therefore only two years are presented in the above schedule.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Required Supplementary Information
Schedule of Commission's Contributions

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution ("ADC")	$ 5,057,845	$ 2,981,231	$ 2,946,425	$ 2,256,596	$ 1,646,547	$ 1,096,224	$ 744,292	$ 579,830	$ 620,367	$ 602,219	$ 471,413
Contributions in Relation to the ADC	5,057,845	2,981,231	2,946,425	2,256,596	1,646,547	1,096,224	744,292	579,830	620,367	602,219	471,413
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-	-
Covered Employee Payroll	19,791,959	19,042,239	17,392,145	14,539,682	15,126,619	18,870,378	17,190,072	16,937,177	16,676,532	16,903,732	16,545,882
Contirbutions as a Percentage of Covered Employee Payroll	25.6%	15.7%	16.9%	15.5%	10.9%	5.8%	4.3%	3.4%	3.7%	3.6%	2.8%

OTHER SUPPLEMENTARY SCHEDULES

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Schedule of Toll Revenue – Cash
For the Year Ended December 31, 2016

Class	Description	Rate	Trenton-Morrisville Cash Volume	Trenton-Morrisville Cash Revenue	New Hope-Lambertville Cash Volume	New Hope-Lambertville Cash Revenue	Interstate 78 Cash Volume	Interstate 78 Cash Revenue	Easton-Phillipsburg Cash Volume	Easton-Phillipsburg Cash Revenue
01	Automobile Subtotal	$ 1.00	3,041,779	$ 3,041,779	376,869	$ 376,869	2,937,440	$ 2,937,440	1,711,756	$ 1,711,756
11	Auto with 1-Axle Trailer	2.00	3,365	6,730	1,021	2,042	12,916	25,832	4,698	9,396
12	Auto with 2-Axle Trailer	2.00	6,737	13,474	2,943	5,886	26,871	53,742	7,061	14,122
13	Auto with 3-Axle Trailer	2.00	456	912	115	230	1,769	3,538	218	436
	Automobile Subtotal		3,052,337	3,062,895	380,948	385,027	2,978,996	3,020,552	1,723,733	1,735,710
02	Comm'l 2-Axle Peak	6.50	34,030	221,195	10,355	67,308	50,367	327,386	23,203	150,820
02	Comm'l 2-Axle Off-Peak	5.85	-	-	-	-	-	-	-	-
03	Comm'l 3-Axle Peak	12.00	5,878	70,536	3,606	43,272	12,050	144,600	4,224	50,688
03	Comm'l 3-Axle Off-Peak	10.80	-	-	-	-	-	-	-	-
04	Comm'l 4-Axle Peak	16.00	2,310	36,960	840	13,440	11,135	178,160	2,432	38,912
04	Comm'l 4-Axle Off-Peak	14.40	-	-	-	-	-	-	-	-
05	Comm'l 5-Axle Peak	20.00	16,890	337,800	5,604	112,080	362,723	7,254,460	25,320	506,400
05	Comm'l 5-Axle Off-Peak	18.00	-	-	-	-	-	-	-	-
06	Comm'l 6-Axle Peak	24.00	76	1,824	44	1,056	2,496	59,904	130	3,120
06	Comm'l 6-Axle Off-Peak	21.60	-	-	-	-	-	-	-	-
07	Comm'l 7-Axle Peak	28.00	11	308	4	112	287	8,036	7	196
07	Comm'l 7-Axle Off-Peak	25.20	-	-	-	-	-	-	-	-
08	Comm'l Permit		2	5	1	2	10	813	-	-
	Commercial Subtotal		59,197	668,628	20,454	237,270	439,068	7,973,359	55,316	750,136
	Extra Axles Subtotal *		1	4	-	-	254	1,002	15	44
	Non-Revenue *		460		1,526		1,090		618	
	Gross Cash Tolls		3,111,534	3,731,527	401,402	622,297	3,418,064	10,994,913	1,779,049	2,485,890
Discounts, Allowances and Other Adjustments				5,281		1,046		8,078		3,655
Net Cash Revenue				$ 3,736,808		$ 623,343		$ 11,002,991		$ 2,489,545

* Note: Extra Axles and Non-Revenue not Included in Total Volume Amount.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Schedule of Toll Revenue – Cash (Continued)
For the Year Ended December 31, 2016

			Portland-Columbia		Delaware Water Gap		Milford-Montage		Totals	
Class	Description	Rate	Cash Volume	Cash Revenue	Cash Volume	Cash Revenue	Cash Volume	Cash Revenue	Cash Volume	Cash Revenue
01	Automobile Subtotal	$ 1.00	463,564	$ 463,564	3,009,259	$ 3,009,259	523,916	$ 523,916	12,064,583	$ 12,064,583
11	Auto with 1-Axle Trailer	2.00	2,306	4,612	11,218	22,436	2,802	5,604	38,326	76,652
12	Auto with 2-Axle Trailer	2.00	3,056	6,112	14,259	28,518	2,633	5,266	63,560	127,120
13	Auto with 3-Axle Trailer	2.00	65	130	860	1,720	142	284	3,625	7,250
	Automobile Subtotal		468,991	474,418	3,035,596	3,061,933	529,493	535,070	12,170,094	12,275,605
02	Comm'l 2-Axle Peak	6.50	5,432	35,308	34,934	227,071	5,405	35,133	163,726	1,064,221
02	Comm'l 2-Axle Off-Peak	5.85	-	-	-	-	-	-	-	-
03	Comm'l 3-Axle Peak	12.00	1,450	17,400	6,978	83,736	511	6,132	34,697	416,364
03	Comm'l 3-Axle Off-Peak	10.80	-	-	-	-	-	-	-	-
04	Comm'l 4-Axle Peak	16.00	1,627	26,032	5,609	89,744	410	6,560	24,363	389,808
04	Comm'l 4-Axle Off-Peak	14.40	-	-	-	-	-	-	-	-
05	Comm'l 5-Axle Peak	20.00	4,227	84,540	171,892	3,437,840	1,573	31,460	588,229	11,764,580
05	Comm'l 5-Axle Off-Peak	18.00	-	-	-	-	-	-	-	-
06	Comm'l 6-Axle Peak	24.00	62	1,488	1,588	38,112	36	864	4,432	106,368
06	Comm'l 6-Axle Off-Peak	21.60	-	-	-	-	-	-	-	-
07	Comm'l 7-Axle Peak	28.00	-	-	233	6,524	-	-	542	15,176
07	Comm'l 7-Axle Off-Peak	25.20	-	-	-	-	-	-	-	-
08	Comm'l Permit		-	-	13	799	-	-	26	1,619
	Commercial Subtotal		12,798	164,768	221,247	3,883,826	7,935	80,149	816,015	13,758,136
	Extra Axles Subtotal *		-	-	273	1,076	-	-	543	2,126
	Non-Revenue *		831		1,582		2,747		8,854	
	Gross Cash Tolls		481,789	639,186	3,256,843	6,946,835	537,428	615,219	12,986,109	26,035,867
Discounts, Allowances and Other Adjustments				795		4,573		1,190		24,618
Net Cash Revenue				$ 639,981		$ 6,951,408		$ 616,409		$ 26,060,485

* Note: Extra Axles and Non-Revenue not Included in Total Volume Amount.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Schedule of Toll Revenue – Electronic Toll Collection
For the Year Ended December 31, 2016

Class	Description	Rate	Trenton-Morrisville ETC Volume	Trenton-Morrisville ETC Revenue	New Hope-Lambertville ETC Volume	New Hope-Lambertville ETC Revenue	Interstate 78 ETC Volume	Interstate 78 ETC Revenue	Easton-Phillipsburg ETC Volume	Easton-Phillipsburg ETC Revenue
01	Automobile Subtotal	$ 1.00	5,259,581	$ 5,259,581	1,438,004	$ 1,438,004	5,881,727	$ 5,881,727	3,314,025	$ 3,314,025
11	Auto with 1-Axle Trailer	2.00	6,432	12,864	2,441	4,882	14,470	28,940	6,346	12,692
12	Auto with 2-Axle Trailer	2.00	7,172	14,344	4,520	9,040	16,101	32,202	6,937	13,874
13	Auto with 3-Axle Trailer	2.00	298	596	91	182	84	168	71	142
15	Default		7	7	6	6	10	10	25	25
	Automobile Subtotal		5,273,490	5,287,392	1,445,062	1,452,114	5,912,392	5,943,047	3,327,404	3,340,758
02	Comm'l 2-Axle Peak	6.50	180,446	1,172,899	44,423	288,750	197,708	1,285,102	97,868	636,142
02	Comm'l 2-Axle Off-Peak	5.85	15,545	90,938	3,445	20,153	27,969	163,619	7,717	45,144
03	Comm'l 3-Axle Peak	12.00	84,227	1,010,724	15,809	189,708	111,206	1,334,472	28,160	337,920
03	Comm'l 3-Axle Off-Peak	10.80	6,292	67,954	1,364	14,731	27,765	299,862	4,936	53,309
04	Comm'l 4-Axle Peak	16.00	80,259	1,284,144	5,468	87,488	133,562	2,136,992	28,360	453,760
04	Comm'l 4-Axle Off-Peak	14.40	11,251	162,014	3,029	43,618	46,014	662,602	2,882	41,501
05	Comm'l 5-Axle Peak	20.00	121,919	2,438,380	21,827	436,540	1,401,894	28,037,880	74,807	1,496,140
05	Comm'l 5-Axle Off-Peak	18.00	35,319	635,742	5,222	93,996	478,433	8,611,794	24,822	446,796
06	Comm'l 6-Axle Peak	24.00	754	18,096	458	10,992	42,471	1,019,304	1,213	29,112
06	Comm'l 6-Axle Off-Peak	21.60	234	5,054	711	15,358	24,286	524,578	180	3,888
07	Comm'l 7-Axle Peak	28.00	68	1,904	34	952	4,621	129,388	24	672
07	Comm'l 7-Axle Off-Peak	25.20	5	126	8	202	1,867	47,048	5	126
08	Comm'l Permit		-	-	-	-	-	-	-	-
	Commercial Subtotal		536,319	6,887,975	101,798	1,202,488	2,497,796	44,252,641	270,974	3,544,510
	Exit Violations		81,107	530,288	14,789	52,536	211,538	1,680,041	38,283	129,334
	Extra Axles Subtotal *		178	538	41	36	185	686	10	16
	Gross ETC Tolls		5,890,916	12,706,193	1,561,649	2,707,174	8,621,726	51,876,415	3,636,661	7,014,618
Commuter Discounts				(296,849)		(86,793)		(353,615)		(181,465)
Violations, Allowances and Other Adjustments				(1,126,026)		(164,021)		(2,688,678)		(536,537)
Penalties on Violations				1,046,693		159,266		2,246,662		565,659
Commission Vehicles				(11,288)		(12,708)		(11,534)		(12,590)
Net ETC Revenue				$ 12,318,723		$ 2,602,918		$ 51,069,250		$ 6,849,685

* Note: Extra Axles and Non-Revenue not Included in Total Volume Amount.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Schedule of Toll Revenue – Electronic Toll Collection (Continued)
For the Year Ended December 31, 2016

			Portland-Columbia		Delaware Water Gap		Milford-Montage		Totals	
Class	Description	Rate	ETC Volume	ETC Revenue	ETC Volume	ETC Revenue	ETC Volume	ETC Revenue	ETC Volume	ETC Revenue
01	Automobile Subtotal	$ 1.00	700,239	$ 700,239	5,187,853	$ 5,187,853	754,616	$ 754,616	22,536,045	$ 22,536,045
11	Auto with 1-Axle Trailer	2.00	2,353	4,706	14,060	28,120	3,065	6,130	49,167	98,334
12	Auto with 2-Axle Trailer	2.00	2,698	5,396	11,232	22,464	2,183	4,366	50,843	101,686
13	Auto with 3-Axle Trailer	2.00	28	56	108	216	14	28	694	1,388
15	Default		17	17	6	6	10	10	81	81
	Automobile Subtotal		705,335	710,414	5,213,259	5,238,659	759,888	765,150	22,636,830	22,737,534
02	Comm'l 2-Axle Peak	6.50	20,484	133,146	107,129	696,339	18,976	123,344	667,034	4,335,722
02	Comm'l 2-Axle Off-Peak	5.85	1,472	8,611	16,733	97,888	1,614	9,442	74,495	435,795
03	Comm'l 3-Axle Peak	12.00	8,328	99,936	65,281	783,372	2,690	32,280	315,701	3,788,412
03	Comm'l 3-Axle Off-Peak	10.80	716	7,733	15,771	170,327	198	2,138	57,042	616,054
04	Comm'l 4-Axle Peak	16.00	22,076	353,216	67,893	1,086,288	1,623	25,968	339,241	5,427,856
04	Comm'l 4-Axle Off-Peak	14.40	430	6,192	20,303	292,363	89	1,282	83,998	1,209,572
05	Comm'l 5-Axle Peak	20.00	25,789	515,780	677,295	13,545,900	5,508	110,160	2,329,039	46,580,780
05	Comm'l 5-Axle Off-Peak	18.00	3,162	56,916	217,163	3,908,934	932	16,776	765,053	13,770,954
06	Comm'l 6-Axle Peak	24.00	228	5,472	18,962	455,088	42	1,008	64,128	1,539,072
06	Comm'l 6-Axle Off-Peak	21.60	9	194	10,028	216,605	4	86	35,452	765,763
07	Comm'l 7-Axle Peak	28.00	21	588	1,056	29,568	7	196	5,831	163,268
07	Comm'l 7-Axle Off-Peak	25.20	1	25	478	12,046	4	101	2,368	59,674
08	Comm'l Permit		-	-	-	-	-	-	-	-
	Commercial Subtotal		82,716	1,187,809	1,218,092	21,294,718	31,687	322,781	4,739,382	78,692,922
	Exit Violations		11,014	64,349	102,390	789,667	11,784	24,927	470,905	3,271,142
	Extra Axles Subtotal *		12	20	246	954	-	-	672	2,250
	Gross ETC Tolls		799,065	1,962,592	6,533,741	27,323,998	803,359	1,112,858	27,847,117	104,703,848
Commuter Discounts				(51,475)		(308,239)		(44,599)		(1,323,035)
Violations, Allowances and Other Adjustments				(119,244)		(1,408,397)		(106,258)		(6,149,161)
Penalties on Violations				127,441		1,178,882		118,170		5,442,773
Commission Vehicles				(12,230)		(16,095)		(9,024)		(85,469)
Net ETC Revenue				$ 1,907,084		$ 26,770,149		$ 1,071,147		$ 102,588,956

* Note: Extra Axles and Non-Revenue not Included in Total Volume Amount.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Schedule of Operating Expenses
For the Year Ended December 31, 2016 with Comparative Totals for 2015

Description	Total Year Ended December 31, 2015	Total Year Ended December 31, 2016	Trenton - Morrisville	New Hope - Lambertville	I-78	Easton - Phillipsburg
Salaries and Wages	$ 18,833,821	$ 19,514,589	$ 1,716,934	$ 1,051,075	$ 2,328,608	$ 1,722,070
Employee Benefits	16,864,086	15,777,896	1,395,209	850,056	1,911,171	1,401,425
GASB 68	-	2,333,476	214,318	133,675	274,179	232,371
Other Postemployment Benefits	5,692,298	6,009,635	559,802	345,760	773,843	526,872
	41,390,205	43,635,596	3,886,263	2,380,566	5,287,801	3,882,738
Heat, Light, and Power	674,067	619,705	129,470	105,365	97,207	81,233
Office Expense	181,667	197,126	3,616	328	1,734	2,749
Information Technology and Communications	1,033,754	1,040,845	58,480	43,773	35,604	53,003
Travel, Meetings, and Education Expense	122,672	122,814	1,997	1,404	2,864	3,016
E-Zpass Operating and Maintenance	6,495,764	6,720,886	1,327,360	469,735	1,935,520	917,758
State Police Bridge Security	5,053,772	5,391,357	780,756	168,113	920,311	462,311
Operating and Maintenance Expenses	2,840,263	2,440,573	258,773	194,207	330,674	174,171
Insurance	2,738,559	2,917,675	391,587	267,926	484,444	195,343
Professional Service Fees	976,298	1,217,427	-	-	-	-
Advertising and Marketing	15,583	23,047	-	-	-	-
Depreciation	28,426,023	30,245,394	4,907,977	2,350,501	7,321,524	2,059,095
	48,558,422	50,936,849	7,860,016	3,601,352	11,129,882	3,948,679
Total Operating Expenses	$ 89,948,627	$ 94,572,445	$ 11,746,279	$ 5,981,918	$ 16,417,683	$ 7,831,417

(Continued)

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Schedule of Operating Expenses (Continued)
For the Year Ended December 31, 2016 with Comparative Totals for 2015

Description	Portland - Columbia	Delaware Water Gap	Milford - Montague	Toll Supported Bridges	Administrative Expenses
Salaries and Wages	$ 817,755	$ 2,489,588	$ 848,903	$ 3,702,591	$ 4,837,065
Employee Benefits	644,468	2,059,661	657,616	3,107,956	3,750,334
GASB 68	101,633	327,338	107,188	417,563	525,211
Other Postemployment Benefits	246,971	790,308	246,971	1,284,251	1,234,857
	1,810,827	5,666,895	1,860,678	8,512,361	10,347,467
Heat, Light, and Power	42,034	61,004	54,793	48,599	-
Office Expense	1,054	2,552	1,480	527	183,086
Information Technology and Communications	32,457	34,345	27,082	15,067	741,034
Travel, Meetings, and Education Expense	1,093	2,358	1,055	736	108,291
E-Zpass Operating and Maintenance	271,353	1,523,960	275,200	-	-
State Police Bridge Security	106,687	725,681	92,678	2,134,820	-
Operating and Maintenance Expenses	114,823	190,663	99,763	103,819	973,680
Insurance	146,200	406,106	115,245	694,071	216,753
Professional Service Fees	-	-	-	-	1,217,427
Advertising and Marketing	-	-	-	-	23,047
Depreciation	687,834	2,524,316	1,563,424	6,262,843	2,567,880
	1,403,535	5,470,985	2,230,720	9,260,482	6,031,198
Total Operating Expenses	$ 3,214,362	$ 11,137,880	$ 4,091,398	$ 17,772,843	$ 16,378,665

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Analysis of E-ZPass and Violations Receivable
For the Year Ended December 31, 2016

Analysis of E-Zpass and Violations Receivable			
Balance January 1, 2016		$	6,468,576
Increased by:			
Gross E-Zpass Tolls	104,703,848		
Delaware River Joint Toll Bridge Commission Vehicles	(85,466)		
Commuter Discounts	(1,323,035)		
Toll Violations, Allowanced and Charge-Offs	(706,388)		
			102,588,959
			109,057,535
Decreased by:			
Cash Received from Other Agencies	99,356,457		
Cash Received from Violations	3,175,614		
			102,532,071
Balance December 31, 2016		$	6,525,464
Analysis of Balance:			
E-Zpass - Due from Other Agencies			4,584,394
Toll Violations Receivable			17,770,860
Allowance for Uncollectibles			(15,829,790)
		$	6,525,464

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Analysis of Improvements in Progress
For the Year Ended December 31, 2016

Analysis of Improvements in Progress		
Balance January 1, 2016		$ 38,176,547
Increased by:		
Disbursements	45,159,608	
Capitalized Interest on Bonds	-	
		45,159,608
		83,336,155
Decreased by:		
Transferred to Capital Assets - Completed		7,623,120
Balance December 31, 2016		$ 75,713,035

Analysis of Capital Assets – Completed
For the Year Ended December 31, 2016

	January 1, 2016	Additions	Deletions	December 31, 2016
Land	$ 129,938,458	$ 2,495,536	$ -	$ 132,433,994
Buildings	29,830,682	189,591	-	30,020,273
Infrastructure	662,851,737	3,023,644	275,541	665,599,840
Equipment	36,718,263	6,397,258	580,930	42,534,591
	859,339,140	12,106,029	856,471	870,588,698
Less: Accumulated Depreciation	367,334,027	30,245,394	580,930	396,998,491
	$ 492,005,113	$ (18,139,365)	$ 275,541	$ 473,590,207
Transferred from Improvements In Progress		$ 7,623,120		
Disbursements		4,482,909		
		$ 12,106,029		

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Proprietary Fund
Schedule of Investments
As of December 31, 2016

Face	Description	Coupon Rate	Date of Maturity	Amortized Cost	Fair Value Value	Rating S&P
$ 7,064,000	FNMA Discount Note		1/5/2017	7,045,370.66	7,045,598.28	AA+
$ 2,500,000	FHLMC .875%	0.875%	2/22/2017	2,502,427.50	2,501,125.00	AA+
$ 13,500,000	Freddie Mac 1%	1.000%	3/8/2017	13,554,880.00	13,510,800.00	AA+
$ 8,500,000	Federal National Mortgage Association	0.750%	4/20/2017	8,506,715.00	8,503,570.00	AA+
$ 7,500,000	Federal Home Loan Bank	0.625%	5/30/2017	7,483,050.00	7,497,150.00	AA+
$ 7,500,000	Federal Home Loan Bank	1.000%	6/9/2017	7,515,000.00	7,510,500.00	AA+
$ 7,500,000	Fed Natl Mtg Assn .875%	0.875%	8/28/2017	7,503,435.00	7,505,700.00	AA+
$ 5,000,000	FHLMC 1%	1.000%	9/29/2017	5,014,950.00	5,004,850.00	AA+
$ 5,000,000	FHLMC 1.0%	1.000%	12/15/2017	5,018,050.00	5,003,800.00	AA+
$ 6,000,000	Federal Home Loan Bank	0.750%	1/19/2018	6,000,840.00	5,975,160.00	AA+
$ 10,000,000	Federal National Mortgage Association	0.750%	4/9/2018	9,980,700.00	9,963,100.00	AA+
$ 10,000,000	Federal National Mortgage Association	0.875%	5/21/2018	9,999,400.00	9,973,400.00	AA+
$ 10,000,000	Federal Home Loan Bank	1.100%	9/21/2018	10,000,000.00	9,937,400.00	AA+
$ 7,000,000	FHLMC 1.05%	1.050%	10/26/2018	7,000,000.00	6,962,060.00	AA+
$ 2,500,000	FHLMC 1%	1.000%	11/30/2018	2,496,250.00	2,483,825.00	AA+
$ 9,100,000	FHLMC 1.08%	1.080%	12/5/2018	9,093,175.00	9,063,600.00	AA+
$ 4,500,000	Federal National Mortgage Association	1.250%	1/30/2017	4,554,945.00	4,502,160.00	AA+
$ 1,991,000	Federal Farm Credit Bank	1.010%	10/26/2018	1,990,004.50	1,973,757.94	AA+
$ 3,000,000	Federal Farm Credit Bank	1.010%	10/26/2018	2,998,500.00	2,974,020.00	AA+
$ 1,103,000	Federal Farm Credit Bank	1.010%	10/26/2018	1,102,448.50	1,093,448.02	AA+
$ 1,866,000	Federal Farm Credit Bank	1.010%	10/26/2018	1,865,067.00	1,849,840.44	AA+
$ 2,100,000	Federal National Mortgage Association	1.250%	1/30/2017	2,125,641.00	2,101,008.00	AA+
Total U.S. Federal Agency Notes and Bonds				$ 133,350,849	$ 132,935,873	

U.S. Government Treasuries:

$ 5,000,000	U.S. Treasury Notes	0.750%	6/30/2017	5,006,445.30	5,002,950.00	AAA
$ 5,000,000	U.S. Treasury Notes	0.750%	10/31/2017	5,004,882.80	4,996,200.00	AAA
$ 5,000,000	U.S. Treasury Notes	0.625%	11/30/2017	4,996,484.38	4,989,000.00	AAA
$ 9,000,000	U.S. Treasury Notes	1.125%	1/15/2019	8,986,289.04	8,984,070.00	AAA
Total U.S. Government Treasuries				$ 23,994,102	$ 23,972,220	

Municipal & State Obligations and Funds:

$ 5,095,618	Pennsylvania Treasurer's INVEST Program	0.65%	N/A	5,095,618.66	5,095,618.66	AAAm
Total Municipal & State Obligations and Funds				$ 5,095,619	$ 5,095,619	

Commercial Paper

$ 5,500,000	Chariot Fdg CP		7/5/2017	5,455,870.15	5,455,870.15
$ 10,000,000	Coca-Cola Co CP		2/15/2017	9,919,500.00	9,919,500.00
$ 2,500,000	Old Line Fdg LLC CP		2/3/2017	2,486,402.08	2,486,402.08
$ 2,500,000	Reckitt Benckiser CP		7/31/2017	2,472,850.00	2,472,850.00
$ 2,500,000	Thunder Bay Fdg LLC CP		3/29/2017	2,481,654.17	2,481,654.17
$ 10,000,000	Toyota Mtr CP		5/17/2017	9,921,661.10	9,921,661.10
$ 10,000,000	Natl Australia Bk		1/4/2017	9,927,579.17	9,927,579.17
Total Commercial Paper				$ 42,665,517	$ 42,665,517
	Total Investments			$ 205,106,086	$ 204,669,228

Recapitulation of Balance

Unrestricted Investments	$ 194,677,154
Restricted Investments	9,992,074
Balance December 31, 2016	$ 204,669,228

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Schedule of Revenue Bonds
For the Year Ended December 31, 2016

Series	Date of Issue	Original Issue	Maturities Date	Maturities Amount	Rate	Balance Jan. 1, 2016	Issued	Defeased	Decreased	Balance Dec. 31, 2016
Series 2005A	3/10/2005	$ 72,645,000	7/1/2017	4,350,000	5.50%					
			7/1/2018	4,590,000	5.50%					
			7/1/2019	4,835,000	5.50%					
			7/1/2020	5,105,000	5.50%	$ 23,005,000	$ -	$ -	$ 4,125,000	$ 18,880,000

Series	Date of Issue	Original Issue	Maturities Date	Maturities Amount	Rate	Balance Jan. 1, 2016	Issued	Defeased	Decreased	Balance Dec. 31, 2016
Series 2007A	9/10/2007	$ 134,170,000	7/1/2017	2,000,000	5.00%	$ 3,760,000	$ -	$ -	$ 1,760,000	$ 2,000,000

Series	Date of Issue	Original Issue	Maturities Date	Maturities Amount	Rate	Balance Jan. 1, 2016	Issued	Defeased	Decreased	Balance Dec. 31, 2016
Series 2007B (Reissuance)	5/18/2011	$ 139,650,000	7/1/2017	4,950,000	Variable					
			7/1/2018	5,250,000	Variable					
			7/1/2019	5,450,000	Variable					
			7/1/2020	5,650,000	Variable					
			7/1/2021	5,950,000	Variable					
			7/1/2022	6,250,000	Variable					
			7/1/2023	6,550,000	Variable					
			7/1/2024	6,800,000	Variable					
			7/1/2025	7,150,000	Variable					
			7/1/2026	7,450,000	Variable					
			7/1/2027	7,800,000	Variable					
			7/1/2028	8,200,000	Variable					
			7/1/2029	8,550,000	Variable					
			7/1/2030	8,900,000	Variable					
			7/1/2031	9,350,000	Variable					

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION
Schedule of Revenue Bonds
For the Year Ended December 31, 2016

Series	Date of Issue	Original Issue	Maturities Date	Maturities Amount	Rate	Balance Jan. 1, 2016	Issued	Defeased	Decreased	Balance Dec. 31, 2016
Series 2012A	10/24/2012	$ 77,145,000	7/1/2017	1,065,000	3.00%					
			7/1/2018	1,100,000	4.00%					
			7/1/2019	1,145,000	4.00%					
			7/1/2020	1,195,000	2.00%					
			7/1/2021	6,825,000	5.00%					
			7/1/2022	4,000,000	5.00%					
			7/1/2022	3,165,000	2.50%					
			7/1/2023	7,445,000	5.00%					
			7/1/2024	7,815,000	5.00%					
			7/1/2025	8,205,000	5.00%					
			7/1/2026	5,000,000	5.00%					
			7/1/2026	3,620,000	4.00%					
			7/1/2027	5,805,000	4.00%					
			7/1/2027	2,000,000	3.00%					
			7/1/2028	9,355,000	3.00%					
			7/1/2029	1,345,000	3.125%					
			7/1/2030	1,385,000	3.125%	$ 71,500,000	$ -	$ -	$ 1,030,000	$ 70,470,000

Series	Date of Issue	Original Issue	Maturities Date	Maturities Amount	Rate	Balance Jan. 1, 2016	Issued	Defeased	Decreased	Balance Dec. 31, 2016
Series 2012B	10/24/2012	$ 20,665,000	7/1/2017	3,490,000	1.842%					
			7/1/2018	3,560,000	2.184%	$ 10,490,000	$ -	$ -	$ 3,440,000	$ 7,050,000

Series	Date of Issue	Original Issue	Maturities Date	Maturities Amount	Rate	Balance Jan. 1, 2016	Issued	Defeased	Decreased	Balance Dec. 31, 2016
2015	4/29/2015	86,505,000	2019	2,410,000	4.00%					
			2020	2,540,000	5.00%					
			2021	2,540,000	5.00%					
			2022	2,695,000	5.00%					
			2023	2,795,000	4.00%					
			2024	2,935,000	5.00%					
			2025	3,015,000	5.00%					
			2026	3,180,000	5.00%					
			2027	4,540,000	3.00%					
			2028	3,380,000	3.125%					
			2029	3,480,000	5.00%					
			2030	3,670,000	5.00%					
			2031	3,785,000	5.00%					
			2032	545,000	3.375%					
			2033	10,595,000	4.00%					
			2034	11,020,000	4.00%					
			2035	11,460,000	4.00%					
			2036	11,920,000	3.625%	$ 86,505,000	$ -	$ -	$ -	$ 86,505,000
						$ 314,110,000	$ -	$ -	$ 15,155,000	$ 298,955,000
Principal Payments										
Net Premium on Bonds						$ 13,207,418	$ -	$ -	1,830,275	$ 11,377,143
						$ 327,317,418	$ -	$ -	$ 16,985,275	$ 310,332,143