

**DELAWARE RIVER JOINT
TOLL BRIDGE COMMISSION**

FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION

DECEMBER 31, 2022

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

DECEMBER 31, 2022

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DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

ROSTER OF OFFICIALS
DECEMBER 31, 2022

New Jersey Commissioners

Aladar Komjathy	Chairman
Yuki Moore Laurenti	Treasurer
Garrett Leonard Van Vliet	Member
Michael B. Lavery	Member
Lori Ciesla	Member

Position

Pennsylvania Commissioners

Pamela Janvey	Vice Chairwoman
Daniel Grace	Secretary
Ismail A. Shahid	Member
Daniella De Leon	Member
John D. Christy	Member

Position

Other Officials

Joseph J. Resta	Executive Director
Arnold J. Conoline, Jr.	Chief Administrative Officer
James M. Petrino	Chief Financial Officer
Mark Murranko	Deputy Executive Director of Operations
Joseph F. Donnelly	Deputy Executive Director of Communications
Kevin Skeels	Chief Engineer
Qiyang Zhao	Comptroller

Position

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Delaware River Joint Toll Bridge Commission

Report on the Audits of the Financial Statements

Opinions

We have audited the accompanying financial statements of the proprietary and fiduciary activities of the Delaware River Joint Toll Bridge Commission (the "Commission") as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission as of December 31, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in plans' net OPEB (assets)/liability, Commission's OPEB contributions, Commission's proportionate share of net pension liability, and Commission's pensions contributions, as listed in table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying other supplementary schedules, as listed in table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 other supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Mercedien, P.C.

Certified Public Accountants

June 22, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2022

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, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with the entirety of the audited financial statements and supplementary information.

Toll Revenues Stabilized Following Toll Adjustment

During 2022, as the nation, and particularly the Commission's regional transportation jurisdiction, continued to climb out from the unprecedented burdens of the COVID-19 pandemic, the Commission saw its toll traffic continue to return and its revenue outlook improve and stabilize.

In March 2021, the Commissioners approved the first system-wide toll adjustment since 2011 to offset both the accumulated loss in 2020 and the reduced levels of traffic and revenue anticipated for 2021 and beyond. The toll adjustment was implemented on April 11, 2021.

Under the approved adjustment, toll rates for passenger cars with E-ZPass were increased from \$1.00 to \$1.25 on all toll bridges to match the rate already charged on the Scudder Falls Toll Bridge. Toll rates for commercial vehicles were similarly adjusted to provide uniform pricing across all Commission toll bridges.

The toll adjustment further implemented a higher toll rate for cash customers than for E-ZPass customers to address the greater expense associated with cash toll collection. As a result, the Commission saw a welcomed increase in E-ZPass usage system-wide.

In addition, as part of the approved toll adjustment, effective January 1, 2024, the passenger vehicle EZ-Pass toll will adjust to \$1.50 and the commuter discount will be eliminated.

The Commission believes that the combination of these toll adjustments and the waning of the effects of the pandemic will combine to keep the Commission on stable and resilient financial footing for the foreseeable future.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2022

Financial Highlights

2022

Operating revenues for the Commission totaled \$195,639,367 for the year ended December 31, 2022, which represents an increase of 5.56% over the previous year. In 2022, gross toll revenue increased \$10,992,293 or 6.05%, and net violation income decreased \$917,820 or 39.29%. The total toll traffic recorded in 2022 increased by 1,876,691 vehicles or 4.38% compared to 2021, likely attributable to traffic gradually increasing as a result of the easing of the COVID-19 pandemic. In addition, the Commission implemented toll rate increases at eight toll bridges effective April 11th, 2021, which contributed to the increase of gross toll revenue in year 2022.

In 2022, net operating income totaled \$89,754,793 and change in net position totaled \$60,561,680 as compared to \$81,489,176 and \$53,718,854, respectively, for 2021. Operating expenses (not including other post-employment benefits and pension expense and depreciation) increased \$2,813,334, which was driven by the combination of a \$642,004 increase in salaries and wages, a \$1,194,666 increase in fringe benefits, and a \$976,664 increase in other operating expenses. The increase in fringe benefits is a result of rising medical insurance claims in year 2022. The increase in other operating expenses was primarily due to a \$720,359 increase in E-ZPass Operating and Maintenance Expense, a \$529,097 increase in Operating and Maintenance Expenses, and a \$325,771 increase in State Police Bridge Security, which are offset by \$390,075 decreases in Business Insurance Expense and \$340,170 decrease in Professional Service Fees. The E-ZPass penetration rates increased 3.76% in year 2022 following the toll rate increases in April 2021, resulting in higher E-ZPass Operating Expenses.

The other post-employment and pension expenses decreased by \$4,737,843, which is attributable to decreases of \$534,479 in GASB 75 OPEB expense and \$4,203,364 in GASB 68 pension expense. According to GASB 75 OPEB Actuarial Valuation Report for the measurement date December 31, 2022, the OPEB Trust Fund was 107.72% funded which resulted in a \$7,905,512 net OPEB asset. Depreciation expense increased \$3,961,678 since more capital projects were substantially completed or completed during 2022. An increase of \$1,422,791 or 5.12% in net non-operating expenses consists of a \$2,072,780 increase in investment loss offset by a \$488,432 decrease in interest expense and \$161,557 increase in gain on disposal of capital assets. The increase in investment loss reflects the negative market value adjustment on investments resulting from the sharp rise in interest rates in the latter half of 2022.

2021

Operating revenues for the Commission totaled \$185,336,581 for the year ended December 31, 2021, which represents an increase of 26.92% over the previous year. In 2021, gross toll revenue increased \$40,175,358 or 28.38%, and net violation income decreased \$931,129 or 43.29%. The total toll traffic recorded in year 2021 increased 4,564,634 or 11.91% compared to year 2020, when the toll traffic declined during the COVID-19 Pandemic. In addition, the Commission implemented toll rate increases at eight toll bridges effective April 11th, 2021, which largely contributed to the increase of gross toll revenue in year 2021.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2022

Financial Highlights (Continued)

2021 (Continued)

In 2021, net operating income totaled \$81,489,176 and change in net position totaled \$53,718,854 as compared to \$40,557,517 and \$21,712,020, respectively, for 2020. Operating expenses (not including other post-employment benefits and pension expense and depreciation) increased \$2,931,262, which consisted of an increase of \$3,180,284 in other operating expenses and a \$558,088 increase in fringe benefits, offset by an \$807,110 decrease in salaries and wages. The increase in other operating expenses was primarily due to a \$1,428,842 increase in E-ZPass Operating and Maintenance Expense and a \$1,255,388 increase in Business Insurance Expense. The E-ZPass penetration rates increased 4.23% in year 2021 following the toll rate increases in April 2021, resulting in higher E-ZPass Operating Expenses.

The other post-employment and pension expenses decreased by \$6,000,817, which is attributable to decreases of \$3,711,662 in GASB 75 OPEB expense and \$2,289,155 in GASB 68 pension expense. According to GASB 75 OPEB Actuarial Valuation Report for the measurement date December 31, 2020, the OPEB Trust Fund was 111.94% funded which resulted in a \$11,392,864 net OPEB asset. Depreciation expense increased \$1,451,086 since more capital projects were substantially completed or completed during 2021. An increase of \$8,924,825 or 47.36% in net non-operating expenses was driven by the combination of a \$6,120,058 decrease in investment income and a \$2,940,469 increase in bond issuance and interest expenses, offset by \$135,702 increase in gain on disposal of capital assets. The decrease in investment income reflects the steep drop in market interest rates that occurred during the COVID-19 pandemic.

Overview of the Financial Statements

This management's 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 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.

2022

The statements of net position present information on the Commission's assets, deferred outflows of resources, and liabilities at December 31, 2022 and 2021, with the difference between them reported as net position. As of December 31, 2022, the Commission's net position equaled \$587,345,126 as compared to \$526,783,446 in 2021, an increase of \$60,561,680 or 11.50%. This increase in net position results from the combined effect of: \$17.7 million decrease in current assets, \$7.4 million decrease in noncurrent assets, \$25.5 million increase in capital assets, \$6.8 million decrease in deferred outflows of resources, \$19.2 million decrease in current liabilities, \$30.7 million decrease in noncurrent bonds payable, \$15.1 million decrease in net pension liability, and \$2.0 million decrease in deferred inflows of resources.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2022

Basic Financial Statements (Continued)

2021

The statements of net position present information on the Commission's assets, deferred outflows of resources, and liabilities at December 31, 2021 and 2020, with the difference between them reported as net position. As of December 31, 2021, the Commission's net position equaled \$526,783,446 as compared to \$473,064,592 in 2020, an increase of \$53,718,854 or 11.36%. This increase in net position results from the combined effect of: \$46.4 million decrease in current assets, \$26.6 million increase in noncurrent assets, \$54.0 million increase in capital assets, \$3.4 million decrease in deferred outflows of resources, \$2.3 million decrease in current liabilities, \$25.6 million decrease in noncurrent bonds payable, \$11.9 million decrease in net OPEB (asset)/liability, and \$6.1 million increase in deferred inflows of resources.

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

2022

Commission assets, consisting of restricted and unrestricted assets, totaled \$1,383,172,243 (an increase of \$406,272 or 0.03%). Current unrestricted assets, totaling \$118,007,728 (an increase of \$7,832,400 or 7.11%), include cash in the operating accounts, cash equivalent investments, short-term investments in the general reserve fund/operating fund, E-ZPass/Pay-By-Plate/Violation receivables, and fiduciary fund receivable. These unrestricted current assets will be used to pay current expenses, to pay current debt service, or will be transferred to the general reserve fund. Additionally, the Commission has noncurrent unrestricted assets totaling \$79,146,566 (an increase of \$6,722,844 or 9.28%) representing long-term investments in the general reserve fund and operating fund.

Restricted assets, totaling \$126,080,419 (a decrease of \$39,662,745 or 23.93%), consist of current and non-current assets, including cash and investments designated for the Commission's bond requirements under the Trust Indenture. Current restricted assets totaled \$118,108,758, a \$25,565,775 or 17.79% decrease from the previous year-end, and non-current restricted assets, comprised of investments of bond proceeds, prepaid bond insurance, and net OPEB asset totaled \$7,971,661, a decrease of \$14,096,970 or 63.88% from the 2021 year-end balance. A main driver of the decrease in restricted assets was the continued construction of bonded capital projects in 2022.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2022

Financial Analysis (Continued)

2022 (Continued)

Net capital assets totaling \$1,059,937,530, a 2.47% increase over 2021, consist of land, building, infrastructure and equipment with an original value of \$1,639,861,146 less accumulated depreciation of \$579,923,616. 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, 2022, the Commission had current and non-current liabilities of \$788,345,241, a decrease of \$65,041,120 or 7.62% from 2021. The majority of the Commission's liabilities relate to its series 2015, 2017, 2019A and 2019B bond issues. Current liabilities decreased by \$19,179,867 or 28.23% as a result of a \$11,897,898 decrease in accounts payable, current compensated absences payable and retainage payable combined with \$7,281,969 decrease in bond interest payable and principal retirement due within one year. Noncurrent liabilities went down \$45,861,253 mainly due to a decrease in noncurrent bonds payable of \$30,726,849, combined with a decrease in net pension liability of \$15,063,363. On October 17, 2022, the Commission optionally redeemed the remaining balance of Series 2012A bonds outstanding in the principal amount of \$12,175,000.

2021

Commission assets, consisting of restricted and unrestricted assets, totaled \$1,382,765,971 (an increase of \$34,289,477 or 2.54%). Current unrestricted assets, totaling \$110,175,328 (a decrease of \$47,561,691 or 30.15%), include cash in the operating accounts, cash equivalent investments, shortterm investments in the general reserve fund/operating fund, E-ZPass/Pay-By-Plate/Violation receivables, and fiduciary fund receivable. These unrestricted current assets will be used to pay current expenses, to pay current debt service, or will be transferred to the general reserve fund. Additionally, the Commission has noncurrent unrestricted assets totaling \$72,423,722 (an increase of \$20,145,205 or 38.53%) representing long-term investments in the general reserve fund and operating fund.

Restricted assets, totaling \$165,743,164 (an increase of \$7,659,640 or 4.84%), consist of current and non-current assets, including cash and investments designated for the Commission's bond requirements under the Trust Indenture. Current restricted assets totaled \$143,674,533, a \$1,155,413 or 0.81% increase from the previous year-end, and non-current restricted assets, comprised of investments of bond proceeds, prepaid bond insurance, and net OPEB asset totaled \$22,068,631, an increase of \$6,504,227 or 41.79% from the 2020 year-end balance. A main driver of the increase in restricted assets was the recognition of the \$11,392,864 net OPEB asset, offset by \$8,808,035 of bonded construction payments made for Southern Region Operation Maintenance Center, Delaware Water Gap Approach and Roadway Repair, Northampton Street Toll Supported Bridge Floor System replacement, and other bonded capital projects in 2021.

Net capital assets totaling \$1,034,423,757, a 5.51% increase over 2020, consist of land, building, infrastructure and equipment with an original value of \$1,573,136,258 less accumulated depreciation of \$538,712,501. 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.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED) DECEMBER 31, 2022

Financial Analysis (Continued)

2021 (Continued)

At December 31, 2021, the Commission had current and non-current liabilities of \$853,386,361, a decrease of \$28,924,306 or 3.28% from 2020. The majority of the Commission's liabilities relate to its series 2012A, 2015, 2017, 2019A and 2019B bond issues. Current liabilities decreased by \$2,284,357 or 3.25% as a result of a \$3,573,623 decrease in accounts payable and retainage payable offset by \$1,289,266 increase in bond interest payable and principal retirement due within one year. Noncurrent liabilities went down \$26,639,949 mainly due to decreases in the outstanding bonds, net OPEB liability, and net pension liability of \$25,590,166, \$532,055 and \$511,322, respectively.

The following table contains condensed financial information derived from the December 31, 2022, 2021, and 2020 financial statements of the Commission:

	2022	2021	2020	Change 2021-2022	Percentage Change 2021-2022
Assets:					
Current and Other Assets	\$ 323,234,713	\$ 348,342,214	\$ 368,099,063	\$ (25,107,501)	-7%
Capital Assets	1,059,937,530	1,034,423,757	980,377,431	25,513,773	2%
Total Assets	<u>1,383,172,243</u>	<u>1,382,765,971</u>	<u>1,348,476,494</u>	406,272	0%
Deferred Outflows of Resources:					
Deferred Loss on Refunding	14,446,574	17,312,621	20,175,104	(2,866,047)	-17%
Deferred Outflows – OPEB	5,155,533	5,166,029	8,066,214	(10,496)	0%
Deferred Outflows – Pensions	15,297,994	19,259,477	16,921,814	(3,961,483)	-21%
Total Deferred Outflows	<u>34,900,101</u>	<u>41,738,127</u>	<u>45,163,132</u>	(6,838,026)	-16%
Liabilities:					
Bond Indebtedness	697,632,056	734,963,905	758,864,071	(37,331,849)	-5%
Other Liabilities	90,713,185	118,422,456	123,446,596	(27,709,271)	-23%
Total Liabilities	<u>788,345,241</u>	<u>853,386,361</u>	<u>882,310,667</u>	(65,041,120)	-8%
Deferred Inflows of Resources:					
Deferred Inflows – OPEB	24,663,895	34,345,159	31,954,651	(9,681,264)	-28%
Deferred Inflows – Pensions	17,718,082	9,989,132	6,309,716	7,728,950	77%
Total Deferred Inflows	<u>42,381,977</u>	<u>44,334,291</u>	<u>38,264,367</u>	(1,952,314)	-4%
Net Position:					
Net Invested in Capital Assets	415,229,169	388,932,987	322,668,949	26,296,182	7%
Restricted	78,735,736	81,647,551	76,331,011	(2,911,815)	-4%
Unrestricted	93,380,221	56,202,908	74,064,632	37,177,313	66%
Total Net Position	<u>\$ 587,345,126</u>	<u>\$ 526,783,446</u>	<u>\$ 473,064,592</u>	60,561,680	11%
Changes in Net Position					
Operating Revenues	\$ 195,639,367	\$ 185,336,581	\$ 146,023,391	\$ 10,302,786	6%
Operating Expenses	(74,181,657)	(71,368,323)	(68,437,061)	(2,813,334)	-4%
Other Post Employment Benefits & GASB 68 Expense	9,556,347	4,818,504	(1,182,313)	4,737,843	-98%
Depreciation	(41,259,264)	(37,297,586)	(35,846,500)	(3,961,678)	-11%
Total Operating Expenses	<u>(105,884,574)</u>	<u>(103,847,405)</u>	<u>(105,465,874)</u>	(2,037,169)	2%
Net Operating Income	89,754,793	81,489,176	40,557,517	8,265,617	10%
Nonoperating Revenue	(2,186,964)	(114,184)	6,005,874	(2,072,780)	1815%
Nonoperating Expenses	(27,006,149)	(27,656,138)	(24,851,371)	649,989	2%
Change in Net Position	60,561,680	53,718,854	21,712,020	6,842,826	13%
Net Position - January 1	526,783,446	473,064,592	451,352,572	53,718,854	11%
Net Position - December 31	<u>\$ 587,345,126</u>	<u>\$ 526,783,446</u>	<u>\$ 473,064,592</u>	60,561,680	11%

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2022

Financial Analysis (Continued)

The following table contains condensed financial information of cash flows derived from the December 31, 2022, 2021, 2020 financial statements of the Commission:

<u>Summary of Cash Flows</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities	\$ 115,804,254	\$ 108,771,133	\$ 71,276,066
Cash Flows from Capital and Related Financing Activities	(138,495,293)	(145,899,355)	(174,199,202)
Cash Flows from Investing Activities	26,718,993	19,115,063	106,765,559
Net Increase (Decrease) in Cash and Cash Equivalents	4,027,954	(18,013,159)	3,842,423
Cash and Cash Equivalents - January 1	40,089,589	58,102,748	54,260,325
Cash and Cash Equivalents - December 31	<u>\$ 44,117,543</u>	<u>\$ 40,089,589</u>	<u>\$ 58,102,748</u>

Capital Assets and Debt Administration

Capital Program

Since December 2001, the Commission has approved a rolling, ten-year capital program to assist it in planning for long-term capital improvements designed to sustain the structural integrity and extend the useful lives of all of its bridges and bridge related facilities. The Trust Indenture dated January 1, 2003, further requires the Commission to adopt a capital budget in each year.

Major bridge rehabilitation projects and minor construction projects, as well as vehicle and equipment purchases are included in each year's capital plan and ten-year capital program.

The Commission's largest capital project to date has been the Scudder Falls Bridge Replacement Project. Construction began in 2017, following more than ten years of planning and preliminary steps including traffic studies, conceptual architectural and structural design, and site acquisition and preparation. The former Scudder Falls Toll Supported Bridge was a 1,740 foot-long bridge that carried Interstate 295 (formerly Interstate 95) across the Delaware River between Ewing Township, New Jersey and Lower Makefield Township, Pennsylvania. It was opened in 1961, becoming an important regional commuter connection between Bucks County Pennsylvania and Mercer County, New Jersey. The Replacement Project was undertaken to address safety deficiencies and traffic congestion at the bridge, its nearby interchanges, and its approach roadways in New Jersey and Pennsylvania.

The Scudder Falls Toll Bridge consists of two parallel bridge structures. The first bridge structure was completed and opened for traffic on July 10, 2019. The collection of one-way tolls commenced on July 14, 2019. The Scudder Falls Toll Bridge utilizes All Electronic Tolling, allowing only EZ-Pass and Toll-by-Plate toll collection transactions. Construction of the second bridge structure was begun in 2020 and was completed in 2021. Traffic now proceeds in one direction only on each structure. Throughout 2022, work continued on "punch-list" activities, stormwater management basin reconstruction, and re-planting of landscape items that did not survive after initial planting. Much of this work is seasonal, which has pushed final completion of the project into 2023.

A significant portion of cost of the Scudder Falls Bridge Replacement Project was financed through the issuance of bonds, with the balance of funding to come from the Commission's General Reserve Fund. The bond proceeds for this project were fully expended by the end of 2020.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2022

Capital Assets and Debt Administration (Continued)

Capital Program (Continued)

Other current significant capital projects include the Southern Operations & Maintenance Facilities Improvements currently under development in Morrisville and Langhorne, Pennsylvania, the Northampton Street Toll-Supported Bridge rehabilitation project and the Delaware Water Gap Toll Bridge westbound toll plaza approach and roadway rehabilitation project. Bonds issued by the Commission in July 2019 provided approximately \$85.7 million to be applied to these projects, or any other capital projects within an approved capital program.

Long-Term Debt

The Commission generally finances its capital program on a pay-as-you-go basis, supplemented from time to time through the issuance of its Bridge System Revenue Bonds. The Commission monitors its debt obligations and has issued refunding bonds from time to time that generate debt service savings. All of the Commission's outstanding debt obligations are fixed rate, tax exempt bonds, although certain prior series of bonds were issued on a federally taxable basis, while other prior series were issued as variable rate obligations with associated swap agreements.

On October 17, 2022, the Commission optionally redeemed the remaining balance of its Bridge System Revenue Refunding Bonds, Series 2012A in the principal amount of \$12,175,000. The redemption price (principal plus accrued interest to the redemption date) was paid from amounts held in the General Reserve Fund.

As of December 31, 2022, the Commission had total bonded debt outstanding in the principal amount of \$645,835,000. This represents a net decrease of \$30,485,000 from the prior year-end. The decrease is attributable to the regular amortization of bonds on July 1, 2022 and the optional redemption of outstanding Series 2012A Bonds on October 17, 2022.

Significant Events

As discussed above, and as reflected in the Commission's results of operations, the April 2021 toll adjustment appears to have had the desired effect of offsetting the COVID-19 pandemic-related toll revenue losses realized during 2020 and allowed the Commission to substantially meet its financial resilience policy goals for 2021 and 2022.

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 (267) 394-6700, by website at: www.drjtbc.org, or by mail at:

Delaware River Joint Toll Bridge Commission Executive Offices
1199 Woodside Road
Yardley, Pennsylvania 19067

BASIC FINANCIAL STATEMENTS

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

STATEMENTS OF NET POSITION

December 31, 2022 and 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	\$ 15,193,313	\$ 15,068,263
Investments	80,401,448	75,887,962
Accounts receivable		
E-ZPass, Pay by Plate and violations (net of allowance for uncollectible of \$95,109,076 for 2022 and \$67,422,317 for 2021)	20,555,056	17,604,066
Other	105,075	53,049
Interfund accounts receivable		
Fiduciary Fund	1,067,141	1,177,806
Prepaid expenses	685,695	384,182
Total unrestricted assets	<u>118,007,728</u>	<u>110,175,328</u>
Restricted assets		
Cash and cash equivalents	28,924,230	25,021,326
Investments	88,288,616	118,183,152
Accrued interest receivable	895,912	470,055
Total restricted assets	<u>118,108,758</u>	<u>143,674,533</u>
Total current assets	<u>236,116,486</u>	<u>253,849,861</u>
Noncurrent assets		
Unrestricted assets		
Investments	79,146,566	72,423,722
Total unrestricted assets	<u>79,146,566</u>	<u>72,423,722</u>
Restricted assets		
Investments	-	10,603,587
Prepaid bond insurance	66,149	72,180
Net OPEB asset	7,905,512	11,392,864
Total restricted assets	<u>7,971,661</u>	<u>22,068,631</u>
Capital assets		
Capital assets not being depreciated	201,377,443	168,492,875
Capital assets being depreciated (net of accumulated depreciation)	858,560,087	865,930,882
Total capital assets	<u>1,059,937,530</u>	<u>1,034,423,757</u>
Total noncurrent assets	<u>1,147,055,757</u>	<u>1,128,916,110</u>
Total assets	<u>\$ 1,383,172,243</u>	<u>\$ 1,382,765,971</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

STATEMENTS OF NET POSITION (CONTINUED)

December 31, 2022 and 2021

<u>DEFERRED OUTFLOWS OF RESOURCES</u>	2022	2021
Deferred loss on refunding of debt	\$ 14,446,574	\$ 17,312,621
Deferred outflows - OPEB	5,155,533	5,166,029
Deferred outflows - pensions	15,297,994	19,259,477
Total deferred outflows of resources	<u>\$ 34,900,101</u>	<u>\$ 41,738,127</u>
 <u>LIABILITIES</u> 		
Current liabilities payable from unrestricted assets		
Accounts payable and accrued expenses	\$ 17,592,876	\$ 21,946,257
Compensated absences payable	151,631	155,371
Retainage payable	4,099,288	11,640,065
Total current liabilities payable from unrestricted assets	<u>21,843,795</u>	<u>33,741,693</u>
Current liabilities payable from restricted assets		
Accrued interest payable on bonds	15,224,409	15,901,378
Bridge system revenue bonds payable	11,705,000	18,310,000
Total current liabilities payable from restricted assets	<u>26,929,409</u>	<u>34,211,378</u>
Noncurrent liabilities		
Compensated absences payable	2,881,006	2,952,047
Bridge system revenue bonds payable	685,927,056	716,653,905
Net pension liability	50,763,975	65,827,338
Total noncurrent liabilities	<u>739,572,037</u>	<u>785,433,290</u>
Total liabilities	<u>\$ 788,345,241</u>	<u>\$ 853,386,361</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u> 		
Deferred inflows - OPEB	\$ 24,663,895	\$ 34,345,159
Deferred inflows - pensions	17,718,082	9,989,132
Total deferred inflows of resources	<u>\$ 42,381,977</u>	<u>\$ 44,334,291</u>
 <u>NET POSITION</u> 		
Net investment in capital assets	\$ 415,229,169	\$ 388,932,987
Restricted	78,735,736	81,647,551
Unrestricted	93,380,221	56,202,908
Total net position	<u>\$ 587,345,126</u>	<u>\$ 526,783,446</u>

See notes to financial statements.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>OPERATING REVENUES</u>		
Cash tolls, net	\$ 18,974,452	\$ 20,999,121
E-ZPass and Pay by Plate tolls, net	174,124,714	161,975,727
Miscellaneous	2,540,201	2,361,733
Total operating revenues	<u>195,639,367</u>	<u>185,336,581</u>
<u>OPERATING EXPENSES</u>		
Administration		
Salaries and wages	4,924,862	4,683,834
Fringe benefits	3,961,020	3,821,194
Other	2,450,567	3,164,914
Toll bridges		
Salaries and wages	14,545,435	14,584,281
Fringe benefits	12,114,165	11,515,899
Other	23,832,027	22,295,044
Toll supported bridges		
Salaries and wages	5,085,217	4,645,395
Fringe benefits	4,135,826	3,679,252
Other	3,132,538	2,978,510
Other post-employment benefits and pension expense	(9,556,347)	(4,818,504)
Depreciation	41,259,264	37,297,586
Total operating expenses	<u>105,884,574</u>	<u>103,847,405</u>
Operating income	<u>89,754,793</u>	<u>81,489,176</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Investment loss	(2,186,964)	(114,184)
Gain on disposal of capital assets	297,259	135,702
Interest expense		
Interest on bonds	(31,278,181)	(32,203,491)
Amortization of deferred loss on refunding of debt	(2,866,047)	(2,862,483)
Amortization of net premium on bonds	6,846,851	7,280,165
Amortization of prepaid bond insurance	(6,031)	(6,031)
Total net nonoperating expense	<u>(29,193,113)</u>	<u>(27,770,322)</u>
Changes in net position	60,561,680	53,718,854
Net position, January 1,	<u>526,783,446</u>	<u>473,064,592</u>
Net position, December 31,	<u>\$ 587,345,126</u>	<u>\$ 526,783,446</u>

See notes to financial statements.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2022 and 2021

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2022</u>	<u>2021</u>
Receipts from customers and users		
Cash tolls	\$ 18,974,452	\$ 20,999,121
E-ZPass and Pay by Plate tolls	171,173,724	156,104,327
Payments for other goods or services	(32,180,666)	(26,850,502)
Payments for employee services	(44,762,096)	(42,764,721)
Payments of interfund services provided	110,665	(272,498)
Contributions to Retiree Health Benefits Plan	-	(985,288)
Other Receipts	2,488,175	2,540,694
	<u>115,804,254</u>	<u>108,771,133</u>
Net cash provided by operating activities		
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition of capital assets	(76,352,402)	(96,810,832)
Proceeds from sales of capital assets	297,259	135,702
Principal paid on capital debt	(30,485,000)	(16,620,000)
Interest paid on capital debt	(31,955,150)	(32,604,225)
	<u>(138,495,293)</u>	<u>(145,899,355)</u>
Net cash used in capital and related financing activities		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investment income received	2,211,686	2,363,859
Proceeds from sale of investments	259,769,097	288,870,539
Payments for investments	(235,261,790)	(272,119,335)
	<u>26,718,993</u>	<u>19,115,063</u>
Net cash provided by investing activities		
Net change in cash and cash equivalents	4,027,954	(18,013,159)
Cash and cash equivalents, January 1, (including \$22,973,369 and \$37,810,950 reported as restricted)	<u>40,089,589</u>	<u>58,102,748</u>
Cash and cash equivalents, December 31, (including \$28,924,230 and \$25,021,326 reported as restricted)	<u>\$ 44,117,543</u>	<u>\$ 40,089,589</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income	\$ 89,754,793	\$ 81,489,176
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	41,259,264	37,297,586
Other post-employment benefits and pension expense, less cash contribution to Retiree Health Benefits Plan	(9,556,347)	(5,803,792)
Change in assets and liabilities		
(Increase) decrease in accounts receivable		
E-ZPass and violations	(2,950,990)	(5,871,400)
Other	(52,026)	178,961
Decrease (increase) in interfund accounts receivable	110,665	(272,498)
(Increase) decrease in prepaid expenses	(301,513)	(109,952)
Increase in operating accounts payable and accrued expenses	(2,384,811)	1,869,795
Increase in compensated absences payable	(74,781)	(6,743)
	<u>\$ 115,804,254</u>	<u>\$ 108,771,133</u>
Net cash provided by operating activities		

See notes to financial statements.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

STATEMENTS OF FIDUCIARY NET POSITION-RETIREE HEALTH BENEFITS PLAN
 December 31, 2022 and 2021

	<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current assets			
Cash and cash equivalents		\$ 5,261,479	\$ 411,273
Investments		86,665,262	111,056,201
Total assets		<u>91,926,741</u>	<u>111,467,474</u>
	<u>LIABILITIES</u>		
Current liabilities			
Interfund accounts payable		<u>1,067,142</u>	<u>1,177,806</u>
Total liabilities		<u>1,067,142</u>	<u>1,177,806</u>
Net Position Restricted for Other Post-Employment Benefits		<u>\$ 90,859,599</u>	<u>\$ 110,289,668</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION-RETIREE HEALTH BENEFITS PLAN Years Ended December 31, 2022 and 2021

	<u>ADDITIONS</u>	<u>2022</u>	<u>2021</u>
Contributions			
Employer		\$ -	\$ 985,288
Investment income/(expense)			
Net depreciation in fair value of investments		(13,138,304)	(2,331,228)
Interest		(1,581,794)	9,650,379
		(14,720,098)	7,319,151
Less			
Investment expense		176,060	118,374
Net investment income/(expense)		(14,896,158)	7,200,777
Total additions		(14,896,158)	8,186,065
	<u>DEDUCTIONS</u>		
Benefits and other administrative expenses		4,511,352	4,674,708
Trustee fees		22,559	24,644
Total deductions		4,533,911	4,699,352
Net (decrease)/increase		(19,430,069)	3,486,713
Net position restricted for other post-employment benefits			
January 1,		110,289,668	106,802,955
December 31,		\$ 90,859,599	\$ 110,289,668

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

A. 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 decreased 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 (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.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

A. 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 post-employment healthcare plans. The fiduciary fund accounts for the recording and accumulation of other post-employment 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 31 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 Section 702.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

A. 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 statements 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. 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.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

A. 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 Federal 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, "FNMA's"); 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.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (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, FNMA's or FHLMC's 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 the time of acquisition.

Costs incurred for projects under construction are recorded as improvements in progress. In the year that the project is completed or substantially completed, these costs are transferred to completed (net of accumulated depreciation).

Expenditures are capitalized when they meet the following requirements:

- Cost of \$5,000 or more.
- Estimated useful life of five years or more.
- Increased value of an asset.

Upon sale or disposal of a capital asset the related costs and accumulated depreciation of assets disposed are removed, and any gain or loss on disposition is credited or charged to non-operating revenues or expenses.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

A. 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. Bond issuance costs are expensed as incurred.

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.

Income Taxes

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will 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.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will 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 vehicles cross the bridges and cash tolls are collected at toll booths. E-ZPass revenues are recognized when vehicles cross the bridges and valid E-ZPass tags are read. Violations and Pay-by-Plate revenues are combined with E-ZPass revenue. Nonoperating revenues principally consist of interest income earned on investments and fair market value adjustments in the debt securities, which are 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, amortization of deferred loss on refunding of debt, and bond issuance costs.

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.

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.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Governmental Accounting Standards Board (GASB) Statements

The GASB has issued Statement No. 89, “*Accounting for Interest Cost Incurred before the End of a Construction Period.*” This Statement was adopted by the Commission for the year ended December 31, 2021. The adoption of this Statement had no effect on previously reported amounts.

The GASB has issued Statement No. 93, “*Replacement of Interbank Offered Rates.*” This Statement was adopted by the Commission for the year ended December 31, 2021. The adoption of this Statement had no effect on previously reported amounts.

The GASB has issued Statement No. 87, “*Leases.*” This Statement was adopted by the Commission for the year ended December 31, 2022. The adoption of this Statement had no effect on previously reported amounts due to the Commission considering its existing lease agreements for copiers immaterial to the financial statements.

The GASB has issued Statement No. 91, “*Conduit Debt Obligations.*” This Statement was adopted by the Commission for the year ended December 31, 2022. The adoption of this Statement had no effect on previously reported amounts.

The GASB has issued Statement No. 92, “*Omnibus 2020.*” This Statement clarifies the effective date of Statement No. 87 and addresses other topics adopted by the Commission for the year ended December 31, 2022. The adoption of these provisions had no effect on previously reported amounts.

The GASB has issued Statement No. 97, “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.*” Certain requirements in this Statement were adopted by the Commission for the year ended December 31, 2022. The adoption of this Statement had no effect on previously reported amounts.

The GASB has issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance.*” This Statement postponed the effective dates of applicable Statements described above. The effective dates mentioned above are the applicable postponed dates as prescribed by Statement No. 95. The adoption of this Statement had no effect on previously reported amounts.

The GASB has issued Statement No. 98, “*Annual Comprehensive Financial Report.*” This Statement was adopted by the Commission for the year ended December 31, 2022. The adoption of this Statement had no effect on previously reported amounts.

The GASB has issued Statement No. 99, “*Omnibus 2022.*” Certain provisions of this Statement were adopted by the Commission for the year ended December 31, 2022. The adoption of this Statement had no effect on previously reported amounts.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pending Governmental Accounting Standards Board (GASB) Statements

The GASB has issued Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*”. This Statement is required to be adopted by the Commission for the year ending December 31, 2023. The Commission has not determined the effect of GASB’s Statement No. 94 on the financial statements.

The GASB has issued Statement No. 96, “*Subscription-Based Information Technology Arrangements*”. This Statement is required to be adopted by the Commission for the year ending December 31, 2023. The Commission has not determined the effect of GASB’s Statement No. 96 on the financial statements.

The GASB has issued Statement No. 99, “*Omnibus 2022*.” Certain provisions of this Statement are required to be adopted by the Commission for the years ending December 31, 2023 and 2024. The Commission has not determined the effect of these provisions on the financial statements.

The GASB has issued Statement No. 100, “*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*.” This Statement is required to be adopted by the Commission for the year ending December 31, 2024. The Commission has not determined the effect of GASB’s Statement No. 100 on the financial statements.

The GASB has issued Statement No. 101, “*Compensated Absences*.” This Statement is required to be adopted by the Commission for the year ending December 31, 2024. The Commission has not determined the effect of GASB’s Statement No. 101 on the financial statements.

B. 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 2012A, Series 2015, Series 2017, Series 2019A and Series 2019B. 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.

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

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Trust Indenture (Continued)

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, 2022 and 2021, 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 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 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, 2022 and 2021, the balance in the Debt Service Reserve Fund meets the requirements of the Trust Indenture.

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.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Trust Indenture (Continued)

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 IRC, 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, 2022 and 2021.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Operating income	\$ 89,754,793	\$ 81,489,176
Adjustments		
Net investment income *	\$ 2,723,882	\$ 1,943,668
Gain on disposal of capital assets	297,259	135,702
Depreciation expense	41,259,264	37,297,586
Other post-employment benefits and pension expense	<u>(9,556,347)</u>	<u>(4,818,504)</u>
	<u>34,724,058</u>	<u>34,558,452</u>
Net revenues available for debt service coverage	<u>\$ 124,478,851</u>	<u>\$ 116,047,628</u>
Total debt services (principal and interest) **	<u>\$ 62,440,150</u>	<u>\$ 49,224,225</u>
Debt service coverage	199%	236%

* Excludes all unrealized market value adjustments and construction fund interest income.

** Includes \$12,175,000 optional redemption of 2012 Series A bonds in October 2022.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Annual Budget – 2022 and 2021

Description	2022 Budget (Unaudited)	2022 Actual	Variance
Budgetary expenses			
Salaries and wages	\$ 26,108,122	\$ 24,555,514	\$ 1,552,608
Employee benefits	22,563,845	20,211,011	2,352,834
Heat, light and power	1,037,101	853,806	183,295
Office expense	304,785	193,517	111,268
Information technology and communications	2,359,261	2,102,431	256,830
Travel, meetings and education expense	512,093	142,087	370,006
E-ZPass and traffic count operating and maintenance	10,423,442	10,644,049	(220,607)
State Police Bridge Security	7,136,882	6,812,683	324,199
Operating and maintenance expenses	3,906,427	3,331,689	574,738
Insurance	5,245,450	4,074,122	1,171,328
Professional service fee	1,674,672	1,196,308	478,364
Advertising and marketing	60,396	32,923	27,473
General contingency	500,000	31,517	468,483
Total budgetary expenses	\$ 81,832,478	\$ 74,181,657	\$ 7,650,819
Description	2021 Budget (Unaudited)	2021 Actual	Variance
Budgetary expenses			
Salaries and wages	\$ 25,072,017	\$ 23,913,510	\$ 1,158,507
Employee benefits	22,629,804	19,016,345	3,613,459
Heat, light and power	924,101	675,980	248,121
Office expense	278,557	193,316	85,241
Information technology and communications	2,255,096	2,179,586	75,510
Travel, meetings and education expense	576,799	136,232	440,567
E-ZPass operating and maintenance	8,306,127	9,923,690	(1,617,563)
State Police Bridge Security	6,580,762	6,486,912	93,850
Operating and maintenance expenses	3,389,913	2,802,592	587,321
Insurance	4,723,456	4,464,197	259,259
Professional service fee	1,838,232	1,536,478	301,754
Advertising and marketing	53,027	31,985	21,042
General contingency	500,000	7,500	492,500
Total budgetary expenses	\$ 77,127,891	\$ 71,368,323	\$ 5,759,568

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

C. 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, 2022 and 2021, the Commission held in the enterprise fund and fiduciary fund a total book balance of \$49,379,022 and \$40,500,862, respectively, in cash and cash equivalents in financial institutions.

As of December 31, 2022 and 2021, the Commission's bank balance of \$49,949,438 and \$40,888,217, respectively, was exposed to custodial credit risk as follows:

	December 31, 2022		
	Enterprise Fund	Fiduciary Fund	Total
Insured	\$ 500,000	\$ 250,000	\$ 750,000
Uninsured and collateralized with Securities held by pledging financial institutions	10,379,648	-	10,379,648
Uninsured and uncollateralized	33,808,311	5,011,479	38,819,790
	<u>\$ 44,687,959</u>	<u>\$ 5,261,479</u>	<u>\$ 49,949,438</u>
	December 31, 2021		
	Enterprise Fund	Fiduciary Fund	Total
Insured	\$ 500,000	\$ 250,000	\$ 750,000
Uninsured and collateralized with Securities held by pledging financial institutions	12,629,553	-	12,629,553
Uninsured and uncollateralized	27,347,391	161,273	27,508,664
	<u>\$ 40,476,944</u>	<u>\$ 411,273</u>	<u>\$ 40,888,217</u>

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. At December 31, 2022 and 2021, of the enterprise fund's \$247,836,630 and \$277,098,423 investments in U.S. federal agency notes and bonds, U.S. government treasuries, corporate bonds, commercial paper, certificates of deposit, and municipal and state obligations and funds, all investments are registered in the name of the Commission and held by the counterparty. Of the Retiree Health Benefits Plan's (fiduciary fund) \$86,665,262 and \$111,056,201 investments in mutual funds – equity, mutual funds - fixed income, and partnerships/joint ventures as of December 31, 2022 and 2021, all 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 A.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

C. DETAIL NOTES – ASSETS

Investments (Continued)

As of December 31, 2022 and 2021, the Commission's enterprise fund had the following investments and maturities:

Investment Type	December 31, 2022		
	Total Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Certificates of Deposit	\$ 4,960,318	\$ 4,960,318	\$ -
Municipal and State Obligations and Funds	33,972,995	6,600,197	27,372,798
Commercial Paper	51,112,394	51,112,394	-
Corporate Bond	37,882,299	14,692,035	23,190,264
U.S. Federal Agency Notes and Bonds	18,535,198	7,701,120	10,834,078
U.S. Government Treasuries	101,373,426	83,624,001	17,749,425
Total	\$ 247,836,630	\$ 163,729,747	\$ 79,146,565

Investment Type	December 31, 2021		
	Total Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Municipal and State Obligations and Funds	\$ 25,786,752	\$ 3,679,943	\$ 22,106,809
Commercial Paper	91,603,156	91,603,156	-
Corporate Bond	59,016,236	32,613,475	26,402,761
U.S. Federal Agency Notes and Bonds	15,320,975	-	15,320,975
U.S. Government Treasuries	85,371,304	73,172,125	12,199,179
Total	\$ 277,098,423	\$ 201,068,699	\$ 76,029,724

As of December 31, 2022 and 2021, the Commission's fiduciary fund had the following investments and maturities:

Investment Type	December 31, 2022		
	Total Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Mutual Funds - Equity	\$ 32,613,883	\$ 32,613,883	\$ -
Mutual Funds - Fixed Income	49,469,360	49,469,360	-
Partnerships/Joint Ventures	4,582,019	4,582,019	-
Total	\$ 86,665,262	\$ 86,665,262	\$ -

Investment Type	December 31, 2021		
	Total Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Mutual Funds - Equity	\$ 41,241,519	\$ 41,241,519	\$ -
Mutual Funds - Fixed Income	65,470,927	65,470,927	-
Partnerships/Joint Ventures	4,343,755	4,343,755	-
Total	\$ 111,056,201	\$ 111,056,201	\$ -

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

C. 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 A.

Presented are summaries of the Commission's investments by type and credit rating as of December 31, 2022 and 2021:

Enterprise Fund Investments -		
December 31, 2022		
Investment Type	Rating *	% of Total Investments
Certificates of Deposit	A-1	2.00%
Municipal and State Obligations and Funds	AA- to AAA	13.71%
Commercial Paper	A-1	20.62%
Corporate Bond	AA- to AAA	15.29%
U.S. Federal Agency Notes and Bonds	AAA	7.48%
U.S. Government Treasuries	A1 to AAA	40.90%
December 31, 2021		
Investment Type	Rating *	% of Total Investments
Municipal and State Obligations and Funds	AA- to AAA	9.31%
Commercial Paper	AA- to AAA	33.06%
Corporate Bond	AA- to AAA	21.30%
U.S. Federal Agency Notes and Bonds	AA- to AA+	5.53%
U.S. Government Treasuries	AA- to AAA	30.81%

* A-1 and AAA represent the highest quality rating for short and long-term investments by Standard & Poor's, respectively.

Fiduciary Fund Investments -		
December 31, 2022		
Investment Type	Rating *	% of Total Investments
Mutual Funds - Equity	2 Stars	1.65%
Mutual Funds - Equity	3 Stars	11.02%
Mutual Funds - Equity	4 Stars	23.92%
Mutual Funds - Equity	5 Stars	1.04%
Mutual Funds - Fixed Income	2 Stars	0.34%
Mutual Funds - Fixed Income	3 Stars	38.91%
Mutual Funds - Fixed Income	4 Stars	17.82%
Partnerships/Joint Ventures	N/A	5.29%
December 31, 2021		
Investment Type	Rating *	% of Total Investments
Mutual Funds - Equity	3 Stars	11.99%
Mutual Funds - Equity	4 Stars	12.87%
Mutual Funds - Equity	5 Stars	12.28%
Mutual Funds - Fixed Income	3 Stars	42.30%
Mutual Funds - Fixed Income	4 Stars	16.65%
Partnerships/Joint Ventures	N/A	3.91%

* 5 Stars represents the highest quality rating by Morningstar.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

C. DETAIL NOTES – ASSETS (CONTINUED)

Investments (Continued)

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 using the valuation inputs as follows:

Valuation Input	December 31, 2022		
	Enterprise Fund	Fiduciary Fund	Total
Level 1	\$ 140,493,359	\$ 82,083,243	\$ 222,576,602
Level 2	107,343,271	-	107,343,271
Level 3	-	4,582,019	4,582,019
	<u>\$ 247,836,630</u>	<u>\$ 86,665,262</u>	<u>\$ 334,501,892</u>

Valuation Input	December 31, 2021		
	Enterprise Fund	Fiduciary Fund	Total
Level 1	\$ 116,851,964	\$ 106,712,446	\$ 223,564,410
Level 2	160,246,459	-	160,246,459
Level 3	-	4,343,755	4,343,755
	<u>\$ 277,098,423</u>	<u>\$ 111,056,201</u>	<u>\$ 388,154,624</u>

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

C. DETAIL NOTES – ASSETS (CONTINUED)

Capital Assets

The following schedules detail changes in capital assets, by major class, that occurred during the years ended December 31, 2022 and 2021:

	Balance January 1, 2022	Additions	Cap Int	Deletions	Transfers	Balance December 31, 2022
Capital assets not being depreciated						
Land	\$ 134,724,357	\$ -	\$ -	\$ (20,208)	\$ -	\$ 134,704,149
Improvements in progress	33,768,518	64,336,142	-	-	(31,431,366)	66,673,294
Total capital assets not being depreciated	168,492,875	64,336,142	-	(20,208)	(31,431,366)	201,377,443
Capital assets being depreciated						
Buildings	79,144,957	-	-	-	367,720	79,512,677
Infrastructure	1,290,175,813	-	-	-	29,349,492	1,319,525,305
Equipment	35,322,613	2,505,984	-	(97,030)	1,714,154	39,445,721
Total capital assets being depreciated	1,404,643,383	2,505,984	-	(97,030)	31,431,366	1,438,483,703
Less accumulated depreciation for						
Buildings	(25,319,516)	(2,313,205)	-	-	-	(27,632,721)
Infrastructure	(491,471,605)	(35,489,754)	-	-	-	(526,961,359)
Equipment	(21,921,380)	(3,456,300)	-	48,144	-	(25,329,536)
Total accumulated depreciation	(538,712,501)	(41,259,259)	-	48,144	-	(579,923,616)
Total capital assets being depreciated, net	865,930,882	(38,753,275)	-	(48,886)	31,431,366	858,560,087
Total capital assets, net	\$ 1,034,423,757	\$ 25,582,867	\$ -	\$ (69,094)	\$ -	\$ 1,059,937,530
	Balance January 1, 2021	Additions	Cap Int	Deletions	Transfers	Balance December 31, 2021
Capital assets not being depreciated						
Land	\$ 134,724,357	\$ -	\$ -	\$ -	\$ -	\$ 134,724,357
Improvements in progress	214,713,590	89,643,012	-	-	(270,588,084)	33,768,518
Total capital assets not being depreciated	349,437,947	89,643,012	-	-	(270,588,084)	168,492,875
Capital assets being depreciated						
Buildings	71,269,668	-	-	-	7,875,289	79,144,957
Infrastructure	1,028,447,199	-	-	-	261,728,614	1,290,175,813
Equipment	35,008,041	1,724,221	-	(2,393,830)	984,181	35,322,613
Total capital assets being depreciated	1,134,724,908	1,724,221	-	(2,393,830)	270,588,084	1,404,643,383
Less accumulated depreciation for						
Buildings	(22,896,155)	(2,423,361)	-	-	-	(25,319,516)
Infrastructure	(459,418,554)	(32,053,051)	-	-	-	(491,471,605)
Equipment	(21,470,715)	(2,844,495)	-	2,393,830	-	(21,921,380)
Total accumulated depreciation	(503,785,424)	(37,320,907)	-	2,393,830	-	(538,712,501)
Total capital assets being depreciated, net	630,939,484	(35,596,686)	-	-	270,588,084	865,930,882
Total capital assets, net	\$ 980,377,431	\$ 54,046,326	\$ -	\$ -	\$ -	\$ 1,034,423,757

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

C. DETAIL NOTES – ASSETS (CONTINUED)

Toll Revenue

<u>Toll Class</u>	For the Years Ended			
	December 31, 2022		December 31, 2021	
	Vehicles	Revenue	Vehicles	Revenue
1	37,447,257	\$ 57,686,962	35,613,776	\$ 51,973,777
2	1,383,159	12,643,538	1,352,436	11,479,074
3	515,564	7,039,341	494,063	6,562,760
4	588,337	10,727,200	556,185	9,828,057
5	4,427,496	100,775,353	4,445,139	97,667,167
6	97,604	2,647,692	117,717	3,067,116
7	3,077	106,434	3,982	133,837
11	298,339	1,121,075	300,844	1,043,514
	<u>44,760,833</u>	<u>192,747,595</u>	<u>42,884,142</u>	<u>181,755,302</u>
Discounts, violations, allowances and other adjustments		<u>351,571</u>		<u>1,219,546</u>
		<u>\$ 193,099,166</u>		<u>\$ 182,974,848</u>

* Extra axles not included in total vehicle count.

In December 2002, the Commission initiated electronic toll collection and E-ZPass at the bridges. On July 14, 2019, the Commission initiated E-ZPass and Pay-by-Plate toll collection at the Scudder Falls Toll Bridge. The Commission records toll revenue net of uncollectible tolls, discounts and service fees. See Note J for information on the toll rate increase and change in commuter discount effective April 11, 2021. Gross toll revenue for December 31, 2022 and 2021, was \$192,747,595 and \$181,755,302, respectively, while the adjustments for uncollectible tolls, violations and discounts were \$351,571 and \$1,219,547, respectively.

Accounts Receivable

Accounts receivable are reported net of allowance for uncollectible. The allowance for uncollectible is based on management's evaluation of potential uncollectible receivables. Accounts receivable deemed uncollectible are charged to the allowance in the year they are deemed uncollectible.

D. 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 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, 2022 and 2021, is estimated at \$2,093,313 and \$2,174,640, 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

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Compensated Absences (Continued)

then current hourly rate. The accrued liability for accumulated vacation time at December 31, 2022 and 2021, is estimated at \$939,324 and \$932,778, respectively.

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 2013 and 2014 was 4.5% and will remain at that rate until no longer needed.

Contributions to the pension plan from the Commission were \$7,241,987 and \$7,243,647 for the years ended December 31, 2022 and 2021, respectively. The Commission's retirement contribution, as a percentage of covered payroll, was 30.06% and 30.23% for the years ended December 31, 2022 and 2021, respectively.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

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, 2022 and 2021, the Commission reported a liability of \$49,314,947 and \$64,405,616 for its proportionate share of the net pension liability, respectively. The net pension liability was measured as of December 31, 2022 and 2021, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of those dates. 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, 2021, the Commission's proportion was 0.33845955%, which was a decrease of 0.01355198% from its proportion measured as of December 31, 2020. At December 31, 2020, the Commission's proportion was 0.35201153%, which was a decrease of 0.00291657% from its proportion measured as of December 31, 2019.

For the years ended December 31, 2022 and 2021, the Commission recognized pension expense of \$4,062,841 and \$8,257,481, respectively. The Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 325,614	\$ 283,851	\$ 604,691	\$ 72,234
Net difference between projected and actual investment earnings on pension plan investments	-	14,268,092	-	8,240,359
Changes in assumptions	5,075,527	-	7,161,613	-
Differences between employer contributions and proportionate share of contributions	59,130	211,753	77,608	314,867
Changes in proportion	2,267,888	2,345,357	3,735,773	439,818
Commission contributions subsequent to the measurement date	7,241,987	-	7,243,647	-
	<u>\$ 14,970,146</u>	<u>\$ 17,109,053</u>	<u>\$ 18,823,332</u>	<u>\$ 9,067,278</u>

The \$7,241,987 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Pension Plans (Continued)

Pennsylvania State Employees’ Retirement System (Continued)

Years Ending December 31:	
2023	\$ (809,192)
2024	(3,662,993)
2025	(2,343,635)
2026	(2,508,706)
2027	(56,368)
Total	<u>\$ (9,380,894)</u>

Actuarial Assumptions

The following methods and assumptions were used in the December 31, 2021 and 2020, actuarial valuations. These methods and assumptions were applied to all periods included in the measurements:

	<u>December 31, 2020</u>
Actuarial cost method	entry age
Investment rate of return	7.00% net of manager fees including inflation
Projected salary increases	average of 4.60% with range of 3.30%-6.95%, including inflation
Asset valuation method	fair (market) value
Inflation	2.5%
Mortality rate	projected PubG-2010 and PubNS-2010 Mortality Tables adjusted for actual plan experience and future improvement for retirees, beneficiaries, and survivors and rates determined by SERS’ actuaries using actual SERS experience for pre-retirement active members
Cost of living adjustments (COLA)	none (ad hoc)

	<u>December 31, 2020</u>
Actuarial cost method	entry age
Investment rate of return	7.00% net of manager fees including inflation
Projected salary increases	average of 4.60% with range of 3.30%-6.95%, including inflation
Asset valuation method	fair (market) value
Inflation	2.5%
Mortality rate	projected PubG-2010 and PubNS-2010 Mortality Tables adjusted for actual plan experience and future improvement
Cost of living adjustments (COLA)	none (ad hoc)

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Pension Plans (Continued)

Pennsylvania State Employees' Retirement System (Continued)

Every five years, SERS is required to conduct an actuarial experience study to determine whether the assumptions used in its annual actuarial valuations remain accurate based on current and anticipated demographic trends and economic conditions. The actuary, under oversight of the SERS Board, reviewed economic assumptions (such as the assumed future investment returns and salary increases) as well as demographic assumptions (such as employee turnover, retirement, disability and death rates). The 19th Investigation of Actuarial Experience covering the period 2015-2019 was released and approved by the SERS Board in July 2020. The study recommended decreasing the investment rate of return and inflation assumptions to 7.00% and 2.5%, respectively, for 2020 from 7.125% and 2.6%, respectively, for 2019. The study also recommended reducing rates of career salary growth, more favorable annuitant mortality assumptions, and several other changes. The study can be viewed at www.SERS.pa.gov. Some assumption adjustments increased projected cost and some decreased projected cost, but the overall result was a slight decrease to the net pension liability.

The actuary and SERS Board review the investment rate of return annually, in addition to the normal five-year experience study cycle, in recognition of changing market environments to ensure this assumption remains reasonable with each actuarial valuation.

The long-term expected real rate of return on Defined Benefit 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 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. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of December 31, 2021 and 2020, are summarized in the following tables:

Asset Class	2021		2020	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Private equity	12.00%	6.00%	14.00%	6.25%
Private Credit	4.00%	4.25%	4.00%	4.25%
Real estate	7.00%	3.75%	8.00%	5.60%
U.S. Equity	31.00%	4.90%	25.00%	4.90%
International developed markets equity	14.00%	4.50%	13.00%	4.75%
Emerging markets equity	5.00%	4.90%	4.00%	5.00%
Fixed income - core	22.00%	-0.25%	22.00%	1.50%
Fixed income - opportunistic	0.00%	0.00%	4.00%	3.00%
Inflation protection (TIPS)	3.00%	-0.30%	4.00%	1.50%
Cash	2.00%	-1.00%	2.00%	0.25%
Total	100.00%		100.00%	

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. 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 7.00% in 2021 and 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at actuarially determined rates as set by statute. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Defined Benefit Plan 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 changes in the discount rate

The following schedule presents the Commission's proportionate share of the 2021 and 2020 net pension liability calculated using the discount rate of 7.00%. 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 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Commission's share of the net pension liability as of December 31, 2021, measurement date	\$ 71,427,090	\$ 49,314,947	\$ 30,619,838
Commission's share of the net pension liability as of December 31, 2020, measurement date	\$ 85,519,822	\$ 64,405,616	\$ 46,556,419

Pension plan fiduciary net position

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

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

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 Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to Tier 1 and 2 members upon reaching age 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 Tier 1 and 2 members before reaching age 60, to Tier 3 and 4 members before age 62, and Tier 5 members 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 for their respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Pension Plans (Continued)

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

employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years which began with the payments due in the fiscal year ended June 30, 2012, and are adjusted by the rate of return on the actuarial value of assets.

Employee contribution rates to PERS governed by P.L. 2011, C. 78, effective June 28, 2011, were increased from 5.5% of salary to 6.5% of salary, and a phase-in to 7.5% of salary over a seven-year period. Covered Commission employees are required by PERS to contribute 7.5% of their salaries. State statute requires the Commission to contribute an actuarially determined rate which includes the normal cost and the unfunded accrued liability. The amount of the Commission's contribution is certified each year by PERS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees, and the actuaries. Specific information on actuarial assumptions and rates of return can be found at www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-pers23.pdf.

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

At December 31, 2022 and 2021, the Commission reported a liability of \$1,449,028 and \$1,421,722, respectively, for its proportionate share of the net pension liability. The net liability was measured as of June 30, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Commission's proportionate share 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 members of the plan, actuarially determined. At the June 30, 2022 and 2021, measurement dates, respectively, the Commission's proportionate share of the collective pension liability was 0.0096016962 % and 0.0120012000%, which was a decrease of 0.0023995038%. For the years ended December 31, 2022 and 2021, the Commission recognized pension expense of \$(65,872) and \$(10,352), respectively.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Pension Plans (Continued)

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

The Commission reported deferred outflows of resources and deferred inflows of resources as follows:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,458	\$ 9,223	\$ 22,422	\$ 10,178
Net difference between projected and actual investment earnings on pension plan investments	59,974	-	-	374,519
Changes in assumptions	4,490	216,977	7,404	506,142
Changes in proportion	192,386	382,829	336,046	31,015
Commission contributions subsequent to the measurement date	60,541	-	70,274	-
	<u>\$ 327,849</u>	<u>\$ 609,029</u>	<u>\$ 436,146</u>	<u>\$ 921,854</u>

The \$60,541 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 subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31:	
2023	\$ (193,214)
2024	(127,290)
2025	(57,112)
2026	37,822
2027	(1,927)
Total	<u>\$ (341,721)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2022 and 2021, measurement date, respectively, was determined by an actuarial valuation as of July 1, 2021 and 2020, respectively, which was rolled forward to June 30, 2022 and 2021, respectively, using the following actuarial assumptions:

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Pension Plans (Continued)

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

	<u>2022</u>
Inflation: Price	2.75%
Inflation: Wage	3.25%
Salary increases (based on years of service):	2.75 - 6.55%
Investment rate of return	7.00%
	<u>2021</u>
Inflation: Price	2.75%
Inflation: Wage	3.25%
Salary increases:	
Through 2026, based on years of service	2.00-6.00%
Thereafter, based on years of service	3.00-7.00%
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2021 and 2020, valuations were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 and July 1, 2014 to June 30, 2018, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Pension Plans (Continued)

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

Long-Term Rate of Return

In accordance with the New Jersey State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 and 2021), is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees, and the actuaries. The long-term expected rate of return was 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 and 2021, are summarized in the following tables:

Asset Class	2022	
	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
	<u>100.00%</u>	

Asset Class	2021	
	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%
	<u>100.00%</u>	

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Pension Plans (Continued)

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

Discount Rate

The discount rate used to measure the pension liabilities of PERS was 7.00% as of June 30, 2022 and 2021. 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments 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 proportionate share of the net pension liability as of the June 30, 2022 and 2021, measurement dates, respectively, calculated using the discount rate described above, as well as what the Commission's proportionate share of 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:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Commission's proportionate share	<u>\$ 1,877,342</u>	<u>\$ 1,449,028</u>	<u>\$ 1,107,231</u>
	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Commission's proportionate share	<u>\$ 1,956,736</u>	<u>\$ 1,421,722</u>	<u>\$ 995,704</u>

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

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Other Post-employment Benefits (OPEB)

Plan Description - The Commission provides healthcare and life insurance benefits to its retirees and their spouses and dependents under the 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 according to the following table:

<u>Hire Date</u>	<u>Required Years of Service at Retirement Equals</u>
Prior to January 1, 1979	65 minus age times 2
January 1, 1979 - December 31, 1994	70 minus age times 2

Employees hired after December 31, 1994, and before January 1, 2017, earliest of:

- Attainment of 55 with 25 years of service
- 60 with 20 years of service
- 65 with 15 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 of employment with the Commission.

Employees hired after December 31, 2016, earliest of:

- Attainment of 55 with 25 years of service
- 60 with 20 years of service
- 65 with 15 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. U.S. military service may also be included (up to 5 years). The maximum non-Commission service to be credited is 10 years. The last 10 years of employment must be with the Commission.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Other Post-employment Benefits (OPEB) (Continued)

If an employee retires prior to age 55 with 25 or more years of service, he may receive COBRA until age 55 at which time he would be eligible for the retiree health benefit plan in effect at that time provided the employee is within 18 months of retirement eligibility at the time of separation of employment.

Medical Benefit

All eligible employees are allowed to continue medical, prescription drug, dental and vision coverage under the Plan for the retiree and any eligible dependents for the lifetime of the retiree. For those under age 65, coverage is continued in the same plan the retiree had at retirement. For those over 65, benefits are provided through AmWINS Group, Inc. In addition, the retiree is reimbursed for retiree/dependent Medicare Part B premiums (up to the standard premium for those who retire on or after January 1, 2018).

Employees hired before April 1, 1995, who retire on or after September 1, 2007, but before January 1, 2018, pay the current active co-pay of \$260 per year.

Employees hired on or after April 1, 1995, or who retire on or after January 1, 2018, pay half of the dental premium and a percentage of their final year earnings toward medical. The percentage is shown in the table below:

<u>Coverage</u>	<u>Percent of Final Pay</u>
Single	1.00%
Husband/Wife or Parent/Child	1.25%
Family or Parent/Child	1.50%

Retirees who retire on or after January 1, 2018, who become eligible for non-disability related Medicare coverage, have their obligation to pay retiree contribution cease.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Other Post-employment Benefits (OPEB) (Continued)

<u>National Blue Cross Network</u>	<u>In-Network</u>	<u>Non-Network</u>
MEDICAL		
Deductible (Individual)	\$ -	\$ 5,000
OOP Max on Coinsurance (Individual)	\$ 5,600	\$ 10,000
OV-PCP	\$10 copay	50% After Deductible
OV-Specialist	\$25 copay	50% After Deductible
ER	\$175 copay	50% After Deductible
Urgent Care Center	\$25 copay	50% After Deductible
Coinsurance	100%	50% After Deductible
Prescription Drugs		
Retail (Generic/Brand/N-P Brand)	\$5/\$20/\$35	\$5/\$20/\$35
Mail Order (Generic/Brand/N-P Brand)	\$10/\$40/\$50	\$10/\$40/\$50

Life Benefit

Only applies to employees hired prior to January 1, 1995.

Employees receive life insurance coverage with no cost to the retiree according to the following schedule:

<u>Age at Retirement</u>	<u>Benefit</u>
Less than 70	150% of annual salary at retirement reduced each year to age 70 to \$10,000. After age 70 the benefit remains \$10,000.
70 or more	75% of annual salary

Plan Changes in 2022 and 2021

None.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Other Post-employment Benefits (OPEB) (Continued)

Net OPEB (Asset)/Liability

The net OPEB asset of the plan recognized at December 31, 2022, for measurement date December 31, 2021, was as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) (c) = (a) - (b)
Balance recognized at 12/31/2021 (Based on 12/31/20 measurement date)	\$ 95,410,092	\$ 106,802,956	\$ (11,392,864)
Changes recognized for the fiscal year:			
Service cost	3,030,475	N/A	3,030,475
Interest of the total OPEB liability	5,768,237	N/A	5,768,237
Changes in benefit terms	-	N/A	-
Differences between expected and actual experience	2,456,647	N/A	2,456,647
Changes of assumptions	393,413	N/A	393,413
Benefit payments	(4,674,708)	(4,674,708)	-
Contributions from the employer	N/A	985,287	(985,287)
Contributions from the employee	N/A	-	-
Net investment income	N/A	7,200,777	(7,200,777)
Administrative expense	N/A	(24,644)	24,644
Net Changes	6,974,064	3,486,712	3,487,352
Balance recognized at 12/31/2022 (Based on 12/31/21 measurement date)	<u>\$ 102,384,156</u>	<u>\$ 110,289,668</u>	<u>\$ (7,905,512)</u>

The net OPEB liability of the plan recognized at December 31, 2021, for measurement date December 31, 2020, was as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset)/Liability (c) = (a) - (b)
Balance recognized at 12/31/2020 (Based on 12/31/19 measurement date)	\$ 96,199,382	\$ 95,667,327	\$ 532,055
Changes recognized for the fiscal year:			
Service cost	3,268,131	N/A	3,268,131
Interest of the total OPEB liability	5,855,483	N/A	5,855,483
Changes in benefit terms	-	N/A	-
Differences between expected and actual experience	2,009,736	N/A	2,009,736
Changes of assumptions	(8,114,901)	N/A	(8,114,901)
Benefit payments	(3,807,739)	(3,807,739)	-
Contributions from the employer	N/A	4,526,168	(4,526,168)
Contributions from the employee	N/A	-	-
Net investment income	N/A	10,439,339	(10,439,339)
Administrative expense	N/A	(22,139)	22,139
Net Changes	(789,290)	11,135,629	(11,924,919)
Balance recognized at 12/31/2021 (Based on 12/31/20 measurement date)	<u>\$ 95,410,092</u>	<u>\$ 106,802,956</u>	<u>\$ (11,392,864)</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Other Post-employment Benefits (OPEB) (Continued)

Employer Contributions

The Commission had no contractually required contribution rate for fiscal years ended December 31, 2022 and 2021. The Commission made contributions of \$0 and \$985,288 to the OPEB plan for the years ended December 31, 2022 and 2021, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2022 and 2021, the Commission reported a net OPEB asset of \$7,905,512 and \$11,392,864, respectively. The net OPEB asset was measured as of January 1, 2021 and 2020, and the total OPEB liability used to determine the net OPEB asset was determined by rolling forward the total OPEB liability as of January 1, 2021 to December 31, 2021 and January 1, 2020 to December 31, 2021, respectively.

For the years ended December 31, 2022 and 2021, the Commission recognized OPEB expense of \$(6,183,417) and \$(5,648,938), respectively. At December 31, 2022 and 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,831,998	\$ 6,097,334	\$ 4,180,741	\$ 8,306,513
Net difference between projected and actual investment earnings on OPEB plan investments	-	4,957,157	-	5,936,111
Changes in assumptions	323,535	13,609,404	-	20,102,535
Commission's contributions subsequent to measurement date	-	-	985,288	-
	<u>\$ 5,155,533</u>	<u>\$ 24,663,895</u>	<u>\$ 5,166,029</u>	<u>\$ 34,345,159</u>

\$0 were reported as deferred outflows of resources related to OPEB resulting from Commission contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31:	
2023	\$ (7,842,168)
2024	(7,373,367)
2025	(4,131,807)
2026	(479,948)
2027	318,928
Total	<u>\$ (19,508,362)</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Other Post-employment Benefits (OPEB) (Continued)

Actuarial Assumptions

A summary of the actuarial assumptions used in the valuation is presented below:

- Discount Rate – 6.00% as of December 31, 2021 and 2020
- 20 Yr. Municipal Bond Rate – 2.06% and 2.12% as of December 31, 2021 and 2020, respectively
- Municipal Bond Rate Basis – Bond Buyer General Obligation 20-Bond Municipal Bond Index (this scale does not include the assumed 2.9% general salary increase)

Salary Increases - Merit Scale			
Completed Years of Service	Annual Increase	Completed Years of Service	Annual Increase
1	3.25%	16	1.20%
2	2.90%	17	1.15%
3	2.70%	18	1.15%
4	2.50%	19	1.10%
5	2.35%	20	1.00%
6	2.15%	21	0.95%
7	2.10%	22	0.90%
8	2.00%	23	0.85%
9	1.60%	24	0.80%
10	1.55%	25	0.70%
11	1.45%	26	0.60%
12	1.40%	27	0.50%
13	1.35%	28	0.50%
14	1.30%	29	0.50%
15	1.25%	30+	0.50%

- General Salary Increase – 2.8%
- Retirement Age, Active Participants – The following table shows sample annual rates of retirement at selected ages. Retirement rates vary by age and service, and are based upon the Pennsylvania State Employees’ Retirement System:

Age	Male	Female
55-57	20.00%	23.00%
58	25.00%	23.00%
59	25.00%	28.00%
60	20.00%	23.00%
61-64	20.00%	20.00%
65-67	26.00%	26.00%
68-70	23.00%	23.00%
71-79	20.00%	20.00%
80	100.00%	100.00%

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Other Post-employment Benefits (OPEB) (Continued)

Actuarial Assumptions (Continued)

- Mortality Rates, Healthy and Disabled – Pub-2010 Mortality Table projected generationally with scale MP-2021 from the central year.
- Withdrawal Rates – The following table shows sample annual rates of withdrawal and is based upon the SERS:

Age	Male - Years of Service				Female - Years of Service			
	0	5	9	14	0	5	9	14
20	30.00%	N/A	N/A	N/A	40.00%	N/A	N/A	N/A
25	21.00%	6.10%	3.00%	N/A	24.80%	8.50%	2.40%	N/A
30	18.50%	6.10%	3.00%	1.90%	21.30%	7.70%	2.30%	2.90%
35	18.50%	4.90%	1.60%	1.90%	16.60%	4.50%	2.40%	2.10%
40	18.20%	3.40%	2.80%	1.90%	14.80%	4.50%	2.30%	1.60%
45	17.40%	3.40%	1.60%	0.60%	17.80%	4.30%	1.10%	1.60%
50	19.10%	3.10%	1.60%	0.60%	15.80%	4.30%	1.80%	1.60%
55	19.10%	2.60%	0.80%	0.40%	15.80%	4.00%	1.30%	1.00%

- Decrement Timing – Beginning of year decrements.
- Health Care Participation Rate, Future Retirees – Assumed that 100% of current and future contingent eligible participants will elect health care benefits at their full eligibility age, or current age if later.
- Current Retirees – All current retirees are assumed to continue coverage.
- Spouse Coverage Election Rate, Future Retirees – Males are assumed to be 2 years older than females. Active male employees are assumed to be 70% married, and active female employees are assumed to be 50% married.
- Current Retirees – Spousal coverage is based on actual retiree coverage elections. Actual spouse age is used where available. In instances where this information is not available, males are assumed to be two years older than their female spouses.
- Projected Retiree Health Care Contributions – Equal to applicable percentage of projected salary based on all relevant assumptions described in this section, including health care trend rates, health care cost aging, and various demographic assumptions.
- Life Insurance Loads – Life insurance liabilities were loaded by 10% to reflect carrier retention charges, including administrative costs, risk charges, premium taxes, and other miscellaneous related charges.
- Administrative Expenses – Actual administrative expenses during the measurement period are recognized in expense.
- Asset Method – Fair market value.
- Actuarial Cost Method – Entry Age Normal Cost Method.
- Measurement Dates – December 31, 2021 and December 31, 2020.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Other Post-employment Benefits (OPEB) (Continued)

Actuarial Assumptions (Continued)

- Valuation Dates – January 1, 2022 and January 1, 2021.
- Census Data – January 1, 2022 and January 1, 2021.
- Valuation Methodology and Terminology – GASB accounting methodology used to determine the post-retirement medical benefit obligations.

Interest Rate Sensitivity

The following table illustrates the impact of interest rate sensitivity on the net OPEB asset for fiscal years ending December 31, 2022 and 2021:

At December 31, 2022		
1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
\$ (5,644,853)	\$ 7,905,512	\$ 19,183,251

At December 31, 2021		
1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
\$ (1,030,507)	\$ 11,392,864	\$ 21,762,539

Healthcare Cost Trend Sensitivity

The following table illustrates the impact of healthcare cost trend sensitivity on the net OPEB asset for fiscal years ending December 31, 2022 and 2021:

At December 31, 2022		
1% Decrease	Healthcare Cost Trend Rate	1% Increase
\$ 20,406,323	\$ 7,905,512	\$ (7,529,319)

At December 31, 2021		
1% Decrease	Healthcare Cost Trend Rate	1% Increase
\$ 22,968,603	\$ 11,392,864	\$ (2,879,941)

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Other Post-employment Benefits (OPEB) (Continued)

Asset Allocation

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce long-term expected rates of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocations as December 31, 2022 and 2021, are summarized in the following table:

Asset Class	2022		Allocation
	Expected Nominal Rate of Return	Expected Real Rate of Return	
Broad U.S. Equity	7.74%	5.63%	22.00%
International Equity (Developed & Emerging)	8.12%	6.00%	14.00%
Core Fixed Income	4.10%	2.06%	60.00%
Core Real Estate	7.36%	5.25%	4.00%
Total Portfolio	6.05%	3.98%	100.00%

Asset Class	2021		Allocation
	Expected Nominal Rate of Return	Expected Real Rate of Return	
Broad U.S. Equity	7.81%	5.70%	22.00%
International Equity (Developed & Emerging)	8.32%	6.20%	14.00%
Core Fixed Income	4.14%	2.10%	60.00%
Core Real Estate	7.51%	5.40%	4.00%
Total Portfolio	6.08%	4.00%	100.00%

Bonded Indebtedness

The Commission has financed certain capital costs through the issuance of its Bridge System Revenue Bonds. Such bonds have been issued pursuant to the Trust Indenture dated as of January 1, 2003, as supplemented, between the Commission and the TD Bank Pennsylvania, National Association, as Trustee.

At December 31, 2022 and 2021, the Commission had \$645,835,000 and \$676,320,000, respectively, in Bridge System Revenue and Revenue Refunding Bonds outstanding.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

Descriptions of bond series outstanding during 2022 and 2021 follow:

Series 2012A and 2012B (federally taxable) Bonds - On October 24, 2012, the Commission issued \$97,810,000 of Bridge System Revenue Bonds, comprising \$77,145,000 Series 2012A and \$20,665,000 Series 2012B (federally taxable). The purpose of the bond issue was to refund \$76,775,000 of then outstanding Series 2003 Bonds and \$30,795,000 of then outstanding Series 2005A Bonds.

Proceeds from the bond issue, along with a transfer of \$12,205,971 from the Series 2003 debt service reserve fund account, funded a deposit to the escrow fund for the refunded bonds in the amount of \$115,651,751, a deposit of \$2,875,978 into the Series 2012A debt service reserve fund account, and an allocation of \$965,209 to pay costs of issuance.

In July 2013, the Commission purchased and thereby extinguished \$1,210,000 of outstanding Series 2012A bonds, utilizing monies remaining in the Series 2005A account of the construction fund not otherwise allocated to or required for other capital projects.

On July 2, 2019, the Commission defeased \$39,800,000 of outstanding Series 2012A bonds by funding an escrow account with undesignated monies that were held in the Commission's general reserve fund. (See Note E – Defeased Bonds).

On October 17, 2022, the Commission optionally redeemed the remaining balance of Series 2012A bonds outstanding in the principal amount of \$12,175,000. The Commission used undesignated monies in the general reserve fund to pay the redemption price of \$12,327,393.40 (principal plus accrued interest to the redemption date).

At December 31, 2022, none of the Series 2012A bonds remained outstanding. The Series 2012B (federally taxable) bonds matured in 2018.

Series 2015 Bonds – On April 29, 2015, the Commission issued \$86,505,000 of Bridge System Revenue Bonds, Series 2015. The Series 2015 bonds were issued for the purpose of refunding \$86,765,000 of outstanding Series 2007A bonds. Proceeds from the bond issue, along with a transfer of \$9,826,227 from the Series 2007A debt service reserve fund and a transfer of \$1,400,000 from the 2007A account of the construction fund, funded a deposit to the escrow fund for the refunded bonds in the amount of \$95,571,081, a deposit to the debt service reserve fund in the amount of \$7,676,769, and an allocation of \$1,012,822 to pay costs of issuance. The unrefunded Series 2007A bonds matured in 2018.

On July 2, 2019, the Commission defeased \$10,935,000 of outstanding Series 2015 bonds by funding an escrow account with undesignated monies that were held in the Commission's general reserve fund. (See Note E – Defeased Bonds).

At December 31, 2022, \$65,385,000 of the Series 2015 bonds remain outstanding.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

Series 2017 Bonds – On March 1, 2017, the Commission issued \$430,250,000 of Bridge System Revenue Bonds, Series 2017. The Series 2017 bonds were issued for the purpose of financing a portion of the capital costs of the Scudder Falls Bridge Replacement Project.

Of the proceeds, \$422,020,239 was deposited to the 2017 construction fund, \$30,601,000 was deposited to the debt service reserve fund, \$17,227,511 was deposited to the capitalized interest account, and \$3,375,995 was allocated to pay costs of issuance.

At December 31, 2022, \$426,690,000 of the Series 2017 bonds remain outstanding.

Series 2019A and 2019B Bonds – On July 31, 2019, the Commission issued \$173,370,000 of Bridge System Revenue Bonds, comprising \$73,640,000 Series 2019A and \$99,730,000 Series 2019B. The Series 2019A bonds were issued for the purpose of financing various capital improvements related to the bridge system, while the Series 2019B bonds were issued for the purpose of refunding all of the outstanding Series 2007B-1 and B-2 SIFMA-Index variable rate bonds and making termination payments for each of the associated swap agreements.

From the proceeds of the Series 2019A bonds, \$85,661,528 was deposited to the Series 2019A construction fund, \$1,635,559 was deposited to the debt service reserve fund, and \$715,823 was allocated to pay costs of issuance. From the proceeds of the Series 2019B bonds, \$98,400,000 was used to redeem all of the outstanding Series 2007B-1 and B-2 bonds, \$19,544,100 was used to make swap termination payments to the swap counterparties, \$2,215,023 was deposited to the debt service reserve fund, and \$932,535 was allocated to pay costs of issuance.

At December 31, 2022, \$72,245,000 of the Series 2019A bonds and \$81,515,000 of the Series 2019B bonds remain outstanding.

Annual debt service requirements to maturity for total bonds outstanding as of December 31, 2022, are as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ 11,705,000	\$ 30,448,819	\$ 42,153,819
2024	19,750,000	29,891,519	49,641,519
2025	19,450,000	29,144,469	48,594,469
2026	19,280,000	28,193,369	47,473,369
2027	18,240,000	27,229,369	45,469,369
2028-2032	114,060,000	121,556,495	235,616,495
2033-2037	138,940,000	90,863,750	229,803,750
2038-2042	133,095,000	58,967,750	192,062,750
2043-2047	168,290,000	23,777,300	192,067,300
2048-2049	3,025,000	136,800	3,161,800
Total	<u>\$ 645,835,000</u>	<u>\$ 440,209,640</u>	<u>\$ 1,086,044,640</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

The following schedules represent the annual debt service requirements for the outstanding bonds as of December 31, 2022:

	Year	Principal Amount	Interest	Total Debt Service
Series 2015	2023	\$ 2,795,000	\$ 2,583,619	\$ 5,378,619
	2024	2,935,000	2,471,819	5,406,819
	2025	3,015,000	2,325,069	5,340,069
	2026	3,180,000	2,174,319	5,354,319
	2027	4,540,000	2,015,319	6,555,319
	2028	3,380,000	1,879,119	5,259,119
	2029	-	1,773,494	1,773,494
	2030	-	1,773,494	1,773,494
	2031	-	1,773,494	1,773,494
	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		\$ 65,385,000	\$ 24,952,240
Series 2017	2023	\$ 1,865,000	\$ 20,562,550	\$ 22,427,550
	2024	1,970,000	20,469,300	22,439,300
	2025	1,070,000	20,370,800	21,440,800
	2026	-	20,338,700	20,338,700
	2027	20,000	20,338,700	20,358,700
	2028	35,000	20,337,900	20,372,900
	2029	8,380,000	20,336,500	28,716,500
	2030	8,845,000	19,917,500	28,762,500
	2031	10,765,000	19,475,250	30,240,250
	2032	14,735,000	18,937,000	33,672,000
	2033	15,715,000	18,200,250	33,915,250
	2034	16,500,000	17,414,500	33,914,500
	2035	17,325,000	16,589,500	33,914,500
	2036	18,190,000	15,723,250	33,913,250
	2037	22,015,000	14,813,750	36,828,750
	2038	23,115,000	13,713,000	36,828,000
	2039	24,270,000	12,557,250	36,827,250
	2040	25,485,000	11,343,750	36,828,750
	2041	26,760,000	10,069,500	36,829,500
	2042	28,100,000	8,731,500	36,831,500
2043	29,505,000	7,326,500	36,831,500	
2044	30,845,000	5,987,000	36,832,000	
2045	32,240,000	4,587,300	36,827,300	
2046	33,705,000	3,124,950	36,829,950	
2047	35,235,000	1,596,850	36,831,850	
Total Series 2017		\$ 426,690,000	\$ 362,863,050	\$ 789,553,050

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Bonded Indebtedness (Continued)

	Year	Principal Amount	Interest	Total Debt Service
Series 2019A	2023	\$ 480,000	\$ 3,226,900	\$ 3,706,900
	2024	8,015,000	3,202,900	11,217,900
	2025	8,170,000	3,042,600	11,212,600
	2026	8,585,000	2,634,100	11,219,100
	2027	5,800,000	2,204,850	8,004,850
	2028	9,410,000	1,914,850	11,324,850
	2029	3,725,000	1,444,350	5,169,350
	2030	3,930,000	1,258,100	5,188,100
	2031	4,055,000	1,061,600	5,116,600
	2032	725,000	858,850	1,583,850
	2033	760,000	822,600	1,582,600
	2034	800,000	784,600	1,584,600
	2035	835,000	744,600	1,579,600
	2036	880,000	702,850	1,582,850
	2037	925,000	658,850	1,583,850
	2038	970,000	612,600	1,582,600
	2039	1,020,000	564,100	1,584,100
	2040	1,070,000	513,100	1,583,100
	2041	1,125,000	459,600	1,584,600
	2042	1,180,000	403,350	1,583,350
	2043	1,240,000	344,350	1,584,350
	2044	1,300,000	282,350	1,582,350
	2045	1,365,000	217,350	1,582,350
	2046	1,405,000	176,400	1,581,400
	2047	1,450,000	134,250	1,584,250
	2048	1,490,000	90,750	1,580,750
	2049	1,535,000	46,050	1,581,050
		<u>\$ 72,245,000</u>	<u>\$ 28,406,850</u>	<u>\$ 100,651,850</u>
Total Series 2019A				

	Year	Principal Amount	Interest	Total Debt Service
Series 2019B	2023	\$ 6,565,000	\$ 4,075,750	\$ 10,640,750
	2024	6,830,000	3,747,500	10,577,500
	2025	7,195,000	3,406,000	10,601,000
	2026	7,515,000	3,046,250	10,561,250
	2027	7,880,000	2,670,500	10,550,500
	2028	8,300,000	2,276,500	10,576,500
	2029	8,670,000	1,861,500	10,531,500
	2030	9,045,000	1,428,000	10,473,000
	2031	9,520,000	975,750	10,495,750
	2032	9,995,000	499,750	10,494,750
		<u>\$ 81,515,000</u>	<u>\$ 23,987,500</u>	<u>\$ 105,502,500</u>
Total Series 2019B				

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

D. DETAIL NOTES – LIABILITIES (CONTINUED)

Summary of Long-Term Liabilities

	Outstanding January 1, 2022	Additions	Reductions	Outstanding December 31, 2022	Due Within One Year
Revenue bonds					
Principal	\$ 676,320,000	\$ -	\$ 30,485,000	\$ 645,835,000	\$ 11,705,000
Unamortized premiums	58,643,905	-	6,846,849	51,797,056	-
Total revenue bonds	734,963,905	-	37,331,849	697,632,056	11,705,000
Other liabilities					
Compensated absences	3,107,418	155,371	230,152	3,032,637	151,631
Net Pension Liability	65,827,338	-	15,063,363	50,763,975	-
Total other liabilities	68,934,756	155,371	15,293,515	53,796,612	151,631
Total long-term liabilities	\$ 803,898,661	\$ 155,371	\$ 52,625,364	\$ 751,428,668	\$ 11,856,631

	Outstanding January 1, 2021	Additions	Reductions	Outstanding December 31, 2021	Due Within One Year
Revenue bonds					
Principal	\$ 692,940,000	\$ -	\$ 16,620,000	\$ 676,320,000	\$ 18,310,000
Unamortized premiums	65,924,071	-	7,280,166	58,643,905	-
Total revenue bonds	758,864,071	-	23,900,166	734,963,905	18,310,000
Other liabilities					
Compensated absences	3,114,161	177,819	184,562	3,107,418	155,371
Net OPEB Liability	532,055	-	532,055	-	-
Net Pension Liability	66,338,660	-	511,322	65,827,338	-
Total other liabilities	69,984,876	177,819	1,227,939	68,934,756	155,371
Total long-term liabilities	\$ 828,848,947	\$ 177,819	\$ 25,128,105	\$ 803,898,661	\$ 18,465,371

E. DEFEASED BONDS

On July 2, 2019, the Commission deposited to an escrow fund \$55,661,528 of monies that were held in the Commission's general reserve fund. Pursuant to an Escrow Deposit Agreement, such monies shall be invested and held by TD Bank as Escrow Agent and applied to the defeasance of \$39,800,000 of Series 2012A bonds and \$10,935,000 of Series 2015 bonds. Remaining outstanding principal as of December 31, 2022, for the Series 2012A and Series 2015 bonds is \$0 and \$65,385,000, respectively.

A portion of the amount deposited in the escrow fund plus investment earnings thereon was sufficient to pay interest when due on the Series 2012A defeased bonds and was used to call and redeem the principal amount of the Series 2012A defeased bonds on the July 1, 2022 call date.

A portion of the amount deposited in the escrow fund plus investment earnings thereon will be sufficient to pay interest when due on the Series 2015 defeased bonds and to call and redeem the principal amount of the Series 2015 defeased bonds on the July 1, 2025, call date. As such, the Series 2015 defeased bonds are no longer an outstanding obligation of the Commission and are no longer recorded as a liability on the Commission's financial statements.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

F. INTERFUND BALANCES

At December 31, 2022 and 2021, interfund balances in the amounts of \$1,067,141 and \$1,177,806, 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 (post-employment benefits).

G. 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.

H. DEFERRED COMPENSATION SALARY ACCOUNT

The Commission offers its employees a deferred compensation plan in accordance with IRC 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, unforeseeable emergency or as authorized by law.

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.

I. COMMITMENTS AND CONTINGENCIES

Commitments - The Commission had several outstanding or planned construction projects as of December 31, 2022. These projects are evidenced by contractual commitments with contractors and include:

Project	Awarded	Commitment Remaining
Scudder Falls Bridge Replacement, Main Const.	\$ 436,216,954	\$ 1,000,000
Southern Operations & Maintenance	56,535,181	28,901,340
Electronic Toll Collection System Replacement	12,645,730	294,055
Electronic Surveillance/Detection	5,217,521	3,781,185
JOCS Bridge Highway Civil North	7,000,000	2,136,856
JOCS Bridge Highway Civil South	2,500,000	1,786,096
JOCS Building and Facility North	3,000,000	2,931,335
JOCS Building and Facility South	3,500,000	2,336,306
Northampton Street TSB	15,487,428	3,746,799
Total	<u>\$ 542,102,814</u>	<u>\$ 46,913,972</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

NOTES TO FINANCIAL STATEMENTS

J. IMPACTS OF THE CORONAVIRUS PANDEMIC AND TOLL RATE ADJUSTMENTS

The Commission has taken prudent measures to maintain a sound financial position in the unprecedented circumstances of the coronavirus pandemic. To offset the accumulated COVID-19 related losses of expected revenue in 2020 and meet the Commission's financial resiliency policy goals, on March 29, 2021, following a series of public hearings and month-long public comment period during February 2021, the Commission approved its first system-wide toll adjustment since 2011. The approved toll structure was implemented beginning April 11, 2021. The primary toll adjustments are described as follows:

Passenger vehicles: E-ZPass tolls adjusted to \$1.25 from \$1.00 (Scudder Falls Toll Bridge "SFB" remained at \$1.25); Cash tolls adjusted to \$3.00 from \$1.00; Toll-by-Plate customers (SFB only) adjusted to \$3.00 from \$2.60. Discount for commuters (16 or more toll crossings per calendar month) adjusted to 20% from 40%.

Commercial Vehicles: E-ZPass tolls adjusted to \$4.50 per axle from \$4.00 per axle (SFB from \$4.25 per axle); Cash tolls adjusted to \$5.00 per axle from \$4.00 per axle; Toll-by-Plate customers (SFB only) adjusted to \$5.00 per axle from \$4.75 per axle. 10% Discount for off-peak toll crossings (9:00pm to 6:00am) eliminated.

The approved toll structure contains a further toll adjustment effective January 1, 2024, under which E-ZPass tolls for passenger vehicles will adjust to \$1.50 and the discount for commuters will be eliminated.

REQUIRED SUPPLEMENTARY INFORMATION

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF CHANGES IN PLAN'S NET OPEB ASSET (UNAUDITED)

December 31, 2022

	December 31, 2022 (Measurement Date of December 31, 2021)	December 31, 2021 (Measurement Date of December 31, 2020)	December 31, 2020 (Measurement Date of December 31, 2019)	December 31, 2019 (Measurement Date of December 31, 2018)	December 31, 2018 (Measurement Date of December 31, 2017)
Total OPEB liability					
Service cost	\$ 3,030,475	\$ 3,268,131	\$ 3,928,031	\$ 3,388,535	\$ 4,161,867
Interest cost	5,768,237	5,855,483	6,160,245	6,388,854	6,592,495
Changes of benefit terms	-	-	-	-	(45,529)
Differences between expected and actual experiences	2,456,647	2,009,736	(12,724,871)	3,436,978	2,550,800
Changes of assumptions	393,413	(8,114,901)	(5,931,498)	(5,791,220)	(18,919,078)
Benefit payments	(4,674,708)	(3,807,739)	(4,144,492)	(3,161,037)	(3,144,352)
Net change in total OPEB liability	6,974,064	(789,290)	(12,712,585)	4,262,110	(8,803,797)
Total OPEB liability (beginning)	95,410,092	96,199,382	108,911,967	104,649,857	113,453,654
Total OPEB liability (ending)	<u>\$ 102,384,156</u>	<u>\$ 95,410,092</u>	<u>\$ 96,199,382</u>	<u>\$ 108,911,967</u>	<u>\$ 104,649,857</u>
Plan fiduciary net position					
Contributions - employer	\$ 985,287	\$ 4,526,168	\$ 3,304,940	\$ -	\$ 7,500,000
Contributions - member	-	-	-	-	-
Net investment income	7,200,777	10,439,339	12,649,219	(2,848,376)	9,056,129
Benefit payments	(4,674,708)	(3,807,739)	(4,144,492)	(3,161,037)	(3,144,352)
Administrative expense	(24,644)	(22,139)	(20,655)	(22,622)	(21,604)
Other	-	-	-	-	-
Net change in plan fiduciary net position	3,486,712	11,135,629	11,789,012	(6,032,035)	13,390,173
Plan fiduciary net position (beginning)	106,802,956	95,667,327	83,878,315	89,910,350	76,520,177
Plan fiduciary net position (ending)	<u>\$ 110,289,668</u>	<u>\$ 106,802,956</u>	<u>\$ 95,667,327</u>	<u>\$ 83,878,315</u>	<u>\$ 89,910,350</u>
Net OPEB (asset)/liability (ending)	\$ (7,905,512)	\$ (11,392,864)	\$ 532,055	\$ 25,033,652	\$ 14,739,507
Net position as a percentage of total OPEB liability	107.72%	111.94%	99.45%	77.01%	85.92%
Covered-employee payroll	\$ 25,236,379	\$ 25,250,080	\$ 26,570,518	\$ 24,588,730	\$ 22,381,050
Net OPEB liability as a percentage of payroll	-31.33%	-45.12%	2.00%	101.81%	65.86%

* The Commission adopted GASB 75 on the prospective basis for the year 2018; therefore, only five years are presented in the above schedule.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF COMMISSION'S OPEB CONTRIBUTIONS – LAST 10 FISCAL YEARS (UNAUDITED)

December 31, 2022

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A
Contributions made in relation to the actuarially determined contribution	\$ -	\$ 985,287	\$ 4,526,168	\$ 3,304,940	\$ -	\$ 7,500,000
Contributions deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	\$ 25,236,379	\$ 25,250,080	\$ 26,570,518	\$ 24,588,730	\$ 22,381,020	\$ 19,416,733
Contributions as a percentage of payroll	0.00%	3.90%	17.03%	13.44%	0.00%	38.63%

Notes to Schedule:

During fiscal year 2017 and 2018, the Commission did not determine an actuarially based contribution. Beginning in 2019, the Commission adopted the following policy, which was amended July 25, 2022:

1. For each calendar year, the Commission shall contribute to the OPEB Trust Fund an amount equivalent to the retiree benefit expenses paid during the immediately preceding calendar year plus a growth factor, such factor to be determined annually based on the average annual rate of change in retiree benefit expenses over the previous five calendar years.
2. Upon approval by the Administrative Committee of a calendar year's contribution amount, the contribution amount shall be paid into the OPEB Trust Fund in regular quarterly installments, or in such other regularly occurring time periods as determined by the Administrative Committee, after consultation with the OPEB Trust Fund Investment Manager. To the extent possible, the timing of such contribution installment payments should coincide with the requests for reimbursement from the OPEB Trust Fund of amounts paid by the Commission for retiree benefits for that time period.
3. The annual contribution amount and any installment thereof shall be reduced or suspended in any calendar year in which the OPEB Trust Fund assets exceed 100% of the actuarially determined liabilities.
4. Upon suspension of contributions under section 3 above, in any calendar year in which the assets of the OPEB Trust Fund shall have fallen below 85% of the actuarially determined liabilities, the Commission shall resume making contributions in accordance with this Policy beginning in the next subsequent calendar year.
5. The payment of the annual contribution amount or any installment thereof shall at all times be subject to the availability of funds for such purposes.

*The Commission adopted GASB 75 on the prospective basis for the year 2018; therefore, only six years are presented in the above schedule.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF COMMISSION'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (UNAUDITED)

	Last 10 Fiscal Years							
	Commonwealth of Pennsylvania State Employee Retirement System - 2022	Commonwealth of Pennsylvania State Employee Retirement System - 2021	Commonwealth of Pennsylvania State Employee Retirement System - 2020	Commonwealth of Pennsylvania State Employee Retirement System - 2019	Commonwealth of Pennsylvania State Employee Retirement System - 2018	Commonwealth of Pennsylvania State Employee Retirement System - 2017	Commonwealth of Pennsylvania State Employee Retirement System - 2016	Commonwealth of Pennsylvania State Employee Retirement System - 2015
Measurement date	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Commission's proportion of the net pension liability	0.3384595500%	0.3520115300%	0.3549281000%	0.3350465900%	0.3194299700%	0.3125523200%	0.3021920300%	0.3019247500%
Commission's proportionate share of the net pension liability	\$ 49,314,947	\$ 64,405,616	\$ 64,518,812	\$ 69,793,626	\$ 55,234,900	\$ 60,198,594	\$ 54,950,087	\$ 44,858,192
Commission's covered - employee payroll	23,962,259	25,363,612	23,574,873	22,474,327	20,374,853	20,302,482	19,260,226	18,495,592
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	205.80%	253.93%	273.68%	310.55%	271.09%	296.51%	285.30%	242.53%
Total pension liability	\$ 179,168,658	\$ 183,939,241	\$ 174,888,386	\$ 160,045,093	\$ 149,163,417	\$ 142,674,552	\$ 133,685,889	\$ 127,397,710
Plan fiduciary net position	136,165,714	123,301,650	110,369,574	90,251,467	93,928,518	82,475,958	78,735,802	82,539,518
Plan fiduciary net position as a percentage of the total pension liability	76.00%	67.03%	63.10%	56.40%	63.00%	57.80%	58.90%	64.80%

	State of New Jersey Public Employees Retirement System - 2022	State of New Jersey Public Employees Retirement System - 2021	State of New Jersey Public Employees Retirement System - 2020	State of New Jersey Public Employees Retirement System - 2019	State of New Jersey Public Employees Retirement System - 2018	State of New Jersey Public Employees Retirement System - 2017	State of New Jersey Public Employees Retirement System - 2016	State of New Jersey Public Employees Retirement System - 2015
Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Commission's proportion of the net pension liability	0.0096016962%	0.0120012000%	0.0111596553%	0.0105050302%	0.0108278375%	0.0100866457%	0.0074878511%	0.0074676777%
Commission's proportionate share of the net pension liability	\$ 1,449,028	\$ 1,421,722	\$ 1,819,848	\$ 1,892,847	\$ 2,131,947	\$ 2,348,010	\$ 2,217,687	\$ 1,676,344
Commission's covered-employee payroll	806,934	835,392	805,391	788,296	765,534	531,733	546,677	515,120
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	179.57%	170.19%	225.96%	240.12%	278.49%	441.58%	405.67%	325.43%
Total pension liability	\$ 3,939,506	\$ 4,843,632	\$ 4,400,564	\$ 4,358,691	\$ 4,594,422	\$ 4,524,099	\$ 3,704,592	\$ 3,219,284
Plan fiduciary net position	2,490,478	3,421,910	2,580,716	2,465,844	2,462,475	2,176,089	1,486,905	1,542,940
Plan fiduciary net position as a percentage of the total pension liability	63.22%	70.65%	58.65%	56.57%	53.60%	48.10%	40.14%	47.93%

*The Commission adopted GASB 68 on the prospective basis for the year 2015; therefore, only eight years are presented in the above schedule.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF COMMISSION'S PENSION CONTRIBUTIONS – LAST 10 FISCAL YEARS (UNAUDITED)

	PA SERS - Last 10 Fiscal Years *							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 7,241,987	\$ 7,243,647	\$ 7,614,406	\$ 7,056,141	\$ 6,549,178	\$ 5,872,463	\$ 5,057,845	\$ 2,981,231
Contributions in relation to the contractually required contribution	7,241,987	7,243,647	7,614,406	7,056,141	6,549,178	5,872,463	5,057,845	2,981,231
Covered-employee payroll	24,090,748	23,962,259	25,363,612	23,574,873	22,474,327	20,374,853	20,302,482	19,260,226
Contributions as a % of covered-employee payroll	30.06%	30.23%	30.02%	29.93%	29.14%	28.82%	24.91%	15.48%
	NJ PERS - Last 10 Fiscal Years *							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 121,082	\$ 140,548	\$ 122,081	\$ 102,184	\$ 107,702	\$ 93,442	\$ 66,521	\$ 64,202
Contributions in relation to the contractually required contribution	121,082	140,548	122,081	102,184	107,702	93,442	66,521	64,202
Covered-employee payroll	740,345	806,934	835,392	805,391	788,296	765,534	531,733	546,677
Contributions as a % of covered-employee payroll	16.35%	17.42%	14.61%	12.69%	13.66%	12.21%	12.51%	11.74%

*The Commission adopted GASB 68 on the prospective basis for the year 2015; therefore, only eight years are presented in the above schedule.

OTHER SUPPLEMENTARY SCHEDULES

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF TOLL REVENUE – CASH
Year Ended December 31, 2022

Class	Description	2022 Rate	Trenton-Morrisville		New Hope-Lambertville		Interstate 78		Easton-Phillipsburg	
			Cash Volume	Cash Revenue	Cash Volume	Cash Revenue	Cash Volume	Cash Revenue	Cash Volume	Cash Revenue
1	Automobile subtotal	\$ 3.00	919,252	\$ 2,757,756	88,818	\$ 266,454	1,256,543	\$ 3,769,629	643,034	\$ 1,929,102
11	Auto with trailer	5.00	8,397	41,985	2,676	13,380	18,718	93,590	9,013	45,065
	Automobile subtotal		<u>927,649</u>	<u>2,799,741</u>	<u>91,494</u>	<u>279,834</u>	<u>1,275,261</u>	<u>3,863,219</u>	<u>652,047</u>	<u>1,974,167</u>
2	Commercial 2-axle peak	10.00	19,332	193,320	4,609	46,090	31,038	310,380	14,908	149,080
2	Commercial 2-axle off peak	-	-	-	-	-	-	-	-	-
3	Commercial 3-axle peak	15.00	2,929	43,935	393	5,895	5,042	75,630	2,166	32,490
3	Commercial 3-axle off peak	-	-	-	-	-	-	-	-	-
4	Commercial 4-axle peak	20.00	1,483	29,660	699	13,980	8,359	167,180	2,599	51,980
4	Commercial 4-axle off peak	-	-	-	-	-	-	-	-	-
5	Commercial 5-axle peak	25.00	14,383	359,575	1,194	29,850	75,280	1,882,000	11,710	292,750
5	Commercial 5-axle off peak	-	-	-	-	-	-	-	-	-
6	Commercial 6-axle peak	30.00	114	3,420	11	330	439	13,170	30	900
6	Commercial 6-axle off peak	-	-	-	-	-	-	-	-	-
7	Commercial 7-axle peak	35.00	10	365	3	105	63	2,400	4	125
7	Commercial 7-axle off peak	-	-	-	-	-	-	-	-	-
	Commercial subtotal		<u>38,251</u>	<u>630,275</u>	<u>6,909</u>	<u>96,250</u>	<u>120,221</u>	<u>2,450,760</u>	<u>31,417</u>	<u>527,325</u>
	Non-revenue *		631		744		2,313		6,264	
	Gross cash tolls		<u>965,900</u>	<u>3,430,016</u>	<u>98,403</u>	<u>376,084</u>	<u>1,395,482</u>	<u>6,313,979</u>	<u>683,464</u>	<u>2,501,492</u>
	Discounts, allowances and other adjustments			<u>7,660</u>		<u>(193)</u>		<u>7,916</u>		<u>2,324</u>
	Net cash revenue			<u>\$ 3,437,676</u>		<u>\$ 375,891</u>		<u>\$ 6,321,895</u>		<u>\$ 2,503,816</u>

* Note: Non-Revenue not included in Total Volume Amount.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF TOLL REVENUE – CASH (CONTINUED)
Year Ended December 31, 2022

Class	Description	2022 Rate	Portland-Columbia		Delaware Water Gap		Milford-Montage		Totals	
			Cash Volume	Cash Revenue	Cash Volume	Cash Revenue	Cash Volume	Cash Revenue	Cash Volume	Cash Revenue
1	Automobile subtotal	\$ 3.00	169,770	\$ 509,310	1,262,073	\$ 3,786,219	183,483	\$ 550,449	4,522,973	\$ 13,568,919
11	Auto with trailer	5.00	3,345	16,725	11,837	59,185	3,411	17,055	57,397	286,985
	Automobile subtotal		<u>173,115</u>	<u>526,035</u>	<u>1,273,910</u>	<u>3,845,404</u>	<u>186,894</u>	<u>567,504</u>	<u>4,580,370</u>	<u>13,855,904</u>
2	Commercial 2-axle peak	10.00	2,506	25,060	22,704	227,040	4,472	44,720	99,569	995,690
2	Commercial 2-axle off peak	-	-	-	-	-	-	-	-	-
3	Commercial 3-axle peak	15.00	543	8,145	2,487	37,305	293	4,395	13,853	207,795
3	Commercial 3-axle off peak	-	-	-	-	-	-	-	-	-
4	Commercial 4-axle peak	20.00	703	14,060	3,644	72,880	366	7,320	17,853	357,060
4	Commercial 4-axle off peak	-	-	-	-	-	-	-	-	-
5	Commercial 5-axle peak	25.00	1,576	39,400	35,644	891,100	445	11,125	140,232	3,505,800
5	Commercial 5-axle off peak	-	-	-	-	-	-	-	-	-
6	Commercial 6-axle peak	30.00	5	150	298	8,940	6	180	903	27,090
6	Commercial 6-axle off peak	-	-	-	-	-	-	-	-	-
7	Commercial 7-axle peak	35.00	1	35	38	1,455	1	35	120	4,520
7	Commercial 7-axle off peak	-	-	-	-	-	-	-	-	-
	Commercial subtotal		<u>5,334</u>	<u>86,850</u>	<u>64,815</u>	<u>1,238,720</u>	<u>5,583</u>	<u>67,775</u>	<u>272,530</u>	<u>5,097,955</u>
	Non-revenue *		1,125		2,369		1,912		15,358	
	Gross cash tolls		<u>178,449</u>	<u>612,885</u>	<u>1,338,725</u>	<u>5,084,124</u>	<u>192,477</u>	<u>635,279</u>	<u>4,852,900</u>	<u>18,953,859</u>
	Discounts, allowances and other adjustments			<u>(555)</u>		<u>3,987</u>		<u>(545)</u>		<u>20,593</u>
	Net cash revenue			<u>\$ 612,330</u>		<u>\$ 5,088,111</u>		<u>\$ 634,734</u>		<u>\$ 18,974,452</u>

* Note: Non-Revenue not included in Total Volume Amount.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF TOLL REVENUE – ELECTRONIC TOLL COLLECTION
Year Ended December 31, 2022

Class	Description	E-Z Pass Rate	Violation/ Toll by Plate Rate	Trenton-Morrisville		Scudder Falls		New Hope-Lambertville		Interstate 78	
				ETC Volume	ETC Revenue	ETC / PBP Volume	ETC / PBP Revenue	ETC Volume	ETC Revenue	ETC Volume	ETC Revenue
1	Automobile subtotal	\$ 1.25	\$ 3.00	5,917,021	\$ 7,801,771	6,650,937	\$ 9,275,373	1,339,024	\$ 1,711,445	6,533,532	\$ 8,861,928
11	Auto with trailer	3.25	5.00	33,756	115,779	31,173	112,517	13,102	44,110	72,261	253,350
	Automobile subtotal			<u>5,950,777</u>	<u>7,917,550</u>	<u>6,682,110</u>	<u>9,387,890</u>	<u>1,352,126</u>	<u>1,755,555</u>	<u>6,605,793</u>	<u>9,115,278</u>
2	Commercial 2-axle peak	9.00	10.00	304,521	2,752,905	174,198	1,583,774	48,086	434,976	336,831	3,064,090
2	Commercial 2-axle off peak	-	-	-	-	-	-	-	-	-	-
3	Commercial 3-axle peak	13.50	15.00	143,183	1,949,133	38,357	521,441	14,704	199,347	172,576	2,352,609
3	Commercial 3-axle off peak	-	-	-	-	-	-	-	-	-	-
4	Commercial 4-axle peak	18.00	20.00	126,925	2,311,320	30,633	559,250	9,333	169,206	233,724	4,243,910
4	Commercial 4-axle off peak	-	-	-	-	-	-	-	-	-	-
5	Commercial 5-axle peak	22.50	25.00	300,915	6,852,078	142,133	3,238,329	40,079	907,504	2,509,767	56,924,660
5	Commercial 5-axle off peak	-	-	-	-	-	-	-	-	-	-
6	Commercial 6-axle peak	27.00	30.00	3,287	89,583	2,060	56,250	2,526	68,319	58,069	1,573,593
6	Commercial 6-axle off peak	-	-	-	-	-	-	-	-	-	-
7	Commercial 7-axle peak	31.50	35.00	165	5,395	387	13,025	41	1,316	1,300	45,316
7	Commercial 7-axle off peak	-	-	-	-	-	-	-	-	-	-
	Commercial subtotal			<u>878,996</u>	<u>13,960,414</u>	<u>387,768</u>	<u>5,972,069</u>	<u>114,769</u>	<u>1,780,668</u>	<u>3,312,267</u>	<u>68,204,178</u>
	Gross ETC / PBP tolls			<u>6,829,773</u>	<u>21,877,964</u>	<u>7,069,878</u>	<u>15,359,959</u>	<u>1,466,895</u>	<u>3,536,223</u>	<u>9,918,060</u>	<u>77,319,456</u>
	Commuter discounts				(162,526)		(163,870)		(36,897)		(172,733)
	Violations, allowances and other adjustments				(5,699,256)		(6,622,579)		(751,994)		(11,098,592)
	Penalties on violations				5,955,673		7,137,932		977,103		10,447,102
	Commission vehicles				(33,568)		(33,456)		(25,665)		(13,317)
	Net ETC revenue				<u>\$ 21,938,288</u>		<u>\$ 15,677,986</u>		<u>\$ 3,698,770</u>		<u>\$ 76,481,916</u>

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

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF TOLL REVENUE – ELECTRONIC TOLL COLLECTION (CONTINUED)
Year Ended December 31, 2022

Class	Description	E-Z Pass Rate	Violation/ Toll by Plate Rate	Easton-Phillipsburg		Portland-Columbia		Delaware Water Gap		Milford-Montage		Totals	
				ETC Volume	ETC Revenue	ETC Volume	ETC Revenue	ETC Volume	ETC Revenue	ETC Volume	ETC Revenue	ETC Volume	ETC Revenue
1	Automobile subtotal	\$ 1.25	\$ 3.00	4,320,717	\$ 5,615,436	910,355	\$ 1,175,263	6,308,929	\$ 8,460,478	943,769	\$ 1,216,349	32,924,284	\$ 44,118,043
11	Auto with trailer	3.25	5.00	23,726	79,927	9,125	30,640	47,090	162,166	10,709	35,601	240,942	834,090
	Automobile subtotal			4,344,443	5,695,363	919,480	1,205,903	6,356,019	8,622,644	954,478	1,251,950	33,165,226	44,952,133
2	Commercial 2-axle peak	9.00	10.00	116,982	1,057,605	25,493	230,551	252,722	2,298,847	24,757	225,100	1,283,590	11,647,848
2	Commercial 2-axle off peak	-	-	-	-	-	-	-	-	-	-	-	-
3	Commercial 3-axle peak	13.50	15.00	35,101	476,301	11,395	155,753	82,670	1,126,032	3,725	50,930	501,711	6,831,546
3	Commercial 3-axle off peak	-	-	-	-	-	-	-	-	-	-	-	-
4	Commercial 4-axle peak	18.00	20.00	37,185	674,144	44,869	814,864	85,000	1,546,270	2,815	51,176	570,484	10,370,140
4	Commercial 4-axle off peak	-	-	-	-	-	-	-	-	-	-	-	-
5	Commercial 5-axle peak	22.50	25.00	140,117	3,170,322	43,497	984,332	1,102,834	25,012,142	7,922	180,188	4,287,264	97,269,554
5	Commercial 5-axle off peak	-	-	-	-	-	-	-	-	-	-	-	-
6	Commercial 6-axle peak	27.00	30.00	1,009	27,351	348	9,492	29,277	792,621	125	3,393	96,701	2,620,602
6	Commercial 6-axle off peak	-	-	-	-	-	-	-	-	-	-	-	-
7	Commercial 7-axle peak	31.50	35.00	220	6,972	18	567	824	29,262	2	63	2,957	101,914
7	Commercial 7-axle off peak	-	-	-	-	-	-	-	-	-	-	-	-
	Commercial subtotal			330,614	5,412,695	125,620	2,195,559	1,553,327	30,805,174	39,346	510,850	6,742,707	128,841,604
	Gross ETC / PBP tolls			4,675,057	11,108,058	1,045,100	3,401,462	7,909,346	39,427,818	993,824	1,762,800	39,907,933	173,793,736
	Commuter discounts				(107,711)		(24,842)		(169,632)		(27,384)		(865,595)
	Violations, allowances and other adjustments				(2,538,056)		(640,361)		(7,453,674)		(460,164)		(35,264,676)
	Penalties on violations				3,121,694		800,368		7,682,837		560,603		36,683,312
	Commission vehicles				(27,491)		(33,174)		(23,202)		(32,193)		(222,063)
	Net ETC revenue				\$ 11,556,495		\$ 3,503,453		\$ 39,464,147		\$ 1,803,662		\$ 174,124,714

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

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF OPERATING EXPENSES
Year Ended December 31, 2022

Description	Total		Trenton- Morrisville	Scudder Falls	New Hope - Lambertville	I-78
	Year Ended December 31,					
	2021	2022				
Salaries and wages	\$ 23,913,510	\$ 24,555,514	\$ 2,198,370	\$ 1,537,657	\$ 1,279,018	\$ 2,683,888
Employee benefits	19,016,345	20,211,011	1,765,052	1,099,032	1,062,329	2,387,626
GASB 68	830,434	(3,372,930)	(296,139)	(104,669)	(171,430)	(384,472)
Other post-employment benefits	(5,648,938)	(6,183,417)	(458,579)	(399,407)	(281,064)	(665,679)
	<u>38,111,351</u>	<u>35,210,178</u>	<u>3,208,704</u>	<u>2,132,613</u>	<u>1,888,853</u>	<u>4,021,363</u>
Allocation of departmental expenses	-	-	143,939	133,479	138,264	147,269
Heat, light and power	675,980	853,806	106,674	32,826	113,252	162,342
Office expense	193,316	193,517	10,393	1,848	4,652	3,251
Information technology and communications	2,179,586	2,102,431	47,481	25,547	71,346	215,893
Travel, meetings and education expense	136,232	142,087	1,020	-	640	380
E-ZPass and traffic count operating and maintenance	9,923,690	10,644,049	1,562,586	3,031,246	409,438	2,193,487
State Police Bridge Security	6,486,912	6,812,683	1,045,065	681,268	199,611	1,247,403
Operating and maintenance expenses	2,802,592	3,331,689	345,803	117,889	261,489	349,214
Insurance	4,464,197	4,074,122	571,742	541,734	472,183	705,528
Professional service fee	1,536,478	1,196,308	-	-	-	-
Advertising and marketing	31,985	32,923	-	-	-	-
General Contingency	7,500	31,517	-	-	-	-
Depreciation	37,297,586	41,259,264	5,704,630	12,273,496	2,475,890	5,853,967
	<u>65,736,054</u>	<u>70,674,396</u>	<u>9,539,333</u>	<u>16,839,333</u>	<u>4,146,765</u>	<u>10,878,734</u>
Total operating expenses	<u>\$ 103,847,405</u>	<u>\$ 105,884,574</u>	<u>\$ 12,748,037</u>	<u>\$ 18,971,946</u>	<u>\$ 6,035,618</u>	<u>\$ 14,900,097</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF OPERATING EXPENSES (CONTINUED)
Year Ended December 31, 2022

Description	Easton - Phillipsburg	Portland - Columbia	Delaware Water Gap	Milford - Montague	Toll Supported Bridges	Administrative Expenses
Salaries and wages	\$ 1,994,340	\$ 997,209	\$ 2,724,130	\$ 1,130,823	\$ 5,085,217	\$ 4,924,862
Employee benefits	1,677,051	838,521	2,391,545	893,009	4,135,826	3,961,020
GASB 68	(257,405)	(132,728)	(380,052)	(140,029)	(640,839)	(865,167)
Other post-employment benefits	(473,372)	(221,893)	(680,472)	(236,686)	(1,198,222)	(1,568,043)
	2,940,614	1,481,109	4,055,151	1,647,117	7,381,982	6,452,672
Allocation of departmental expenses	141,561	136,007	145,678	136,415	296,700	(1,419,312)
Heat, light and power	92,567	48,327	54,789	65,771	55,603	121,655
Office expense	2,392	2,402	3,235	1,602	612	163,130
Information technology and communications	181,215	53,888	105,373	168,871	226,906	1,005,911
Travel, meetings and education expense	1,488	80	51	175	-	138,253
E-ZPass and traffic count operating and maintenance	1,013,312	300,758	1,814,679	300,758	17,785	-
State Police Bridge Security	662,192	135,573	978,982	144,429	1,718,160	-
Operating and maintenance expenses	231,551	120,950	230,036	149,341	156,172	1,369,244
Insurance	328,487	209,057	592,626	181,227	660,600	(189,062)
Professional service fee	-	-	-	-	-	1,196,308
Advertising and marketing	-	-	-	-	-	32,923
General Contingency	-	-	-	-	-	31,517
Depreciation	2,393,934	747,894	2,462,879	1,743,071	4,793,831	2,809,672
	5,048,699	1,754,936	6,388,328	2,891,660	7,926,369	5,260,239
Total operating expenses	\$ 7,989,313	\$ 3,236,045	\$ 10,443,479	\$ 4,538,777	\$ 15,308,351	\$ 11,712,911

See independent auditors' report.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

ANALYSIS OF E-ZPASS, PAY-BY-PLATE, AND VIOLATIONS RECEIVABLE

Year Ended December 31, 2022

Analysis of E-Z Pass, Pay by Plate, and violations receivable

Balance, January 1, 2022		\$	17,604,066
Increased by			
Gross E-ZPass and Pay by Plate tolls	\$	173,793,736	
Delaware River Joint Toll Bridge Commission vehicles		(222,063)	
Commuter discounts		(865,595)	
Toll violations, allowances and charge offs		<u>2,343,608</u>	
			<u>175,049,686</u>
			192,653,752
Decreased by			
Cash received from other agencies	157,353,974		
Toll bill payments	1,087,615		
Cash received from violations	<u>13,657,107</u>		
			<u>172,098,696</u>
Balance, December 31, 2022		\$	<u>20,555,056</u>
Analysis of balance			
E-ZPass - due from other agencies		\$	6,866,730
Toll bill receivable, suspense			523,716
Toll violations receivable			108,273,686
Allowance for uncollectibles			<u>(95,109,076)</u>
		\$	<u>20,555,056</u>

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

ANALYSIS OF IMPROVEMENTS IN PROGRESS

Year Ended December 31, 2022

Analysis of improvements in progress	
Balance, January 1, 2022	\$ 33,768,518
Increased by	
Purchases	<u>64,336,142</u>
	98,104,660
Decreased by	
Transferred to capital assets - completed	<u>31,431,366</u>
Balance, December 31, 2022	<u><u>\$ 66,673,294</u></u>

ANALYSIS OF CAPITAL ASSETS – COMPLETED

Year Ended December 31, 2022

	<u>January 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2022</u>
Land	\$ 134,724,357	\$ -	\$ (20,208)	\$ 134,704,149
Buildings	79,144,957	367,720	-	79,512,677
Infrastructure	1,290,175,813	29,349,492	-	1,319,525,305
Equipment	<u>35,322,613</u>	<u>4,220,138</u>	<u>(97,030)</u>	<u>39,445,721</u>
	1,539,367,740	33,937,350	(117,238)	1,573,187,852
Less: accumulated depreciation	<u>(538,712,501)</u>	<u>(41,259,259)</u>	<u>48,144</u>	<u>(579,923,616)</u>
	<u>\$ 1,000,655,239</u>	<u>\$ (7,321,909)</u>	<u>\$ (69,094)</u>	<u>\$ 993,264,236</u>
Transferred from improvements in progress		\$ 31,431,366		
Purchases		<u>2,505,984</u>		
		<u>\$ 33,937,350</u>		

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

PROPRIETARY FUND – SCHEDULE OF INVESTMENTS

December 31, 2022

	Face	Descriptions	Coupon Rate	Date of Maturity	Market Value	Fair Value Cost	S&P Rating
US Fed. Agency Notes and Bonds	\$ 8,000,000	Federal National Mortgage Association	0.300%	10/27/2023	\$ 7,701,120.00	\$ 8,000,000.00	AAA
US Fed. Agency Notes and Bonds	\$ 2,000,000	Federal Home Loan Banks	4.875%	6/14/2024	\$ 2,001,620.00	\$ 2,001,280.00	AAA
US Fed. Agency Notes and Bonds	\$ 5,000,000	Federal Home Loan Banks	0.580%	1/28/2025	\$ 4,588,400.00	\$ 5,004,450.00	AAA
US Fed. Agency Notes and Bonds	\$ 2,500,000	Federal National Mortgage Association	0.600%	7/29/2025	\$ 2,256,937.50	\$ 2,500,000.01	AAA
US Fed. Agency Notes and Bonds	\$ 2,000,000	Federal Home Loan Mortgage Corp	4.750%	9/30/2025	\$ 1,987,120.00	\$ 1,999,000.00	AAA
Total US Federal Agency Notes and Bonds						\$ 18,535,198	
US Treasury Note	\$ 70,390,000	United States Treasury	0.000%	1/26/2023	\$ 70,222,964.53	\$ 69,816,649.14	A-1
US Treasury Note	\$ 3,000,000	United States Treasury	2.500%	3/31/2023	\$ 2,987,040.00	\$ 3,019,218.75	AAA
US Treasury Note	\$ 4,500,000	United States Treasury	2.750%	4/30/2023	\$ 4,474,422.00	\$ 4,528,945.29	AAA
US Treasury Note	\$ 2,000,000	United States Treasury	2.750%	5/31/2023	\$ 1,985,234.00	\$ 2,012,187.50	AAA
US Treasury Note	\$ 2,000,000	United States Treasury	2.750%	7/31/2023	\$ 1,978,980.00	\$ 2,009,218.74	AAA
US Treasury Note	\$ 2,000,000	United States Treasury	2.875%	9/30/2023	\$ 1,975,360.00	\$ 2,089,843.74	AAA
US Treasury Note	\$ 2,500,000	United States Treasury	2.375%	2/29/2024	\$ 2,435,750.00	\$ 2,533,105.47	AAA
US Treasury Note	\$ 3,000,000	United States Treasury	2.250%	3/31/2024	\$ 2,911,290.00	\$ 2,985,703.13	AAA
US Treasury Note	\$ 3,000,000	United States Treasury	2.500%	5/15/2024	\$ 2,911,935.00	\$ 2,985,000.00	AAA
US Treasury Note	\$ 5,000,000	United States Treasury	0.375%	7/15/2024	\$ 4,686,150.00	\$ 5,000,195.30	AAA
US Treasury Note	\$ 5,000,000	United States Treasury	2.250%	10/31/2024	\$ 4,804,300.00	\$ 5,281,445.30	AAA
Total US Government Treasuries						\$ 101,373,426	
Corporate Bond	\$ 3,000,000	Apple Inc	3.200%	5/13/2025	\$ 2,900,430.00	\$ 3,177,300.00	AAA
Corporate Bond	\$ 1,000,000	Berkshire Hathaway Inc	3.000%	2/11/2023	\$ 999,600.00	\$ 1,041,240.00	AA
Corporate Bond	\$ 5,000,000	Commonwealth Bank Of Australia	3.350%	6/4/2024	\$ 4,891,025.00	\$ 5,432,300.00	AA-
Corporate Bond	\$ 2,800,000	Exxon Mobil Corp	2.019%	8/16/2024	\$ 2,684,276.00	\$ 2,923,340.00	AA
Corporate Bond	\$ 500,000	Johnson & Johnson	2.050%	3/1/2023	\$ 498,372.50	\$ 501,220.00	AAA
Corporate Bond	\$ 2,500,000	Massmutual Global Funding II	3.600%	4/9/2024	\$ 2,453,250.00	\$ 2,741,825.00	AA-
Corporate Bond	\$ 4,332,000	Massmutual Global Funding II	0.850%	6/9/2023	\$ 4,263,727.68	\$ 4,385,240.28	AA-
Corporate Bond	\$ 570,000	Met Tower Global Funding	0.700%	4/5/2024	\$ 538,783.95	\$ 571,396.50	AA-
Corporate Bond	\$ 1,000,000	Metropolitan Life Global Funding I	3.000%	1/10/2023	\$ 999,975.00	\$ 1,034,690.00	AA-
Corporate Bond	\$ 3,010,000	Nestle Holdings Inc	3.350%	9/24/2023	\$ 2,975,189.35	\$ 3,086,213.20	AA-
Corporate Bond	\$ 2,000,000	New York Life Global Funding	3.600%	8/5/2025	\$ 1,928,310.00	\$ 1,924,620.00	AAA
Corporate Bond	\$ 1,000,000	New York Life Global Funding	1.450%	1/14/2025	\$ 932,620.00	\$ 998,920.00	AAA
Corporate Bond	\$ 3,000,000	New York Life Global Funding	0.550%	4/26/2024	\$ 2,825,610.00	\$ 2,914,200.00	AAA
Corporate Bond	\$ 1,310,000	Private Export Funding Corp	1.750%	11/15/2024	\$ 1,237,229.50	\$ 1,278,009.80	AAA
Corporate Bond	\$ 3,000,000	Private Export Funding Corporation	0.550%	7/30/2024	\$ 2,798,730.00	\$ 2,989,290.00	AAA
Corporate Bond	\$ 3,000,000	Shell International Finance Bv	3.500%	11/13/2023	\$ 2,965,410.00	\$ 3,225,660.00	AA
Corporate Bond	\$ 2,000,000	Walmart Inc	3.400%	6/26/2023	\$ 1,989,760.00	\$ 2,023,520.00	AA
Total Corporate Bonds						\$ 37,882,299	
Commercial Paper	\$ 3,000,000	Anz Group Holdings Limited	0.000%	7/7/2023	\$ 2,923,681.50	\$ 2,910,606.67	A-1
Commercial Paper	\$ 10,000,000	Banco Santander, S.A	0.000%	2/9/2023	\$ 9,946,735.00	\$ 9,823,525.00	A-1
Commercial Paper	\$ 1,500,000	Credit Agricole Corporate And Investment Bank, New	0.000%	5/15/2023	\$ 1,473,428.25	\$ 1,459,143.33	A-1
Commercial Paper	\$ 4,000,000	Credit Agricole Corporate And Investment Bank, New	0.000%	3/14/2023	\$ 3,962,628.00	\$ 3,912,355.52	A-1
Commercial Paper	\$ 10,000,000	Lloyds Bank Corporate Markets Plc	0.000%	6/23/2023	\$ 9,758,345.00	\$ 9,658,097.20	A-1
Commercial Paper	\$ 3,000,000	Mountcliff Funding Llc	0.000%	4/12/2023	\$ 2,958,180.50	\$ 2,926,541.67	A-1
Commercial Paper	\$ 5,000,000	Mufg Bank - New York Branch	0.000%	6/27/2023	\$ 4,881,592.50	\$ 4,833,866.65	A-1
Commercial Paper	\$ 3,000,000	Natixis, New York Branch	0.000%	9/1/2023	\$ 2,896,570.50	\$ 2,887,770.00	A-1
Commercial Paper	\$ 3,500,000	Société Générale Société Anonyme	0.000%	9/15/2023	\$ 3,369,486.75	\$ 3,367,116.67	A-1
Commercial Paper	\$ 5,000,000	Toyota Motor Credit Corporation	0.000%	6/28/2023	\$ 4,875,757.50	\$ 4,838,183.33	A-1
Commercial Paper	\$ 4,065,000	US Bank	0.000%	2/6/2023	\$ 4,064,988.99	\$ 4,065,000.00	A-1
Total Commercial Paper						\$ 51,112,394	
Certificate of Deposit	\$ 5,000,000	Toronto-Dominion Bank - New York Branch	3.930%	7/20/2023	\$ 4,960,317.50	\$ 4,965,893.75	A-1
Total Certificates of Deposit						\$ 4,960,317.50	
Municipal and State Obligations and Funds	\$ 1,475,000	Alabama St	3.200%	11/1/2023	\$ 1,455,854.50	\$ 1,550,623.25	AA+
Municipal and State Obligations and Funds	\$ 1,175,000	California St	3.375%	4/1/2025	\$ 1,142,188.13	\$ 1,143,909.50	AA
Municipal and State Obligations and Funds	\$ 1,835,000	Energy Northwest Wash Elec Rev	5.710%	7/1/2024	\$ 1,853,403.22	\$ 1,986,644.40	AA
Municipal and State Obligations and Funds	\$ 4,000,000	Florida St Brd Admin Fin Corp Rev	1.258%	7/1/2025	\$ 3,652,316.00	\$ 4,083,720.00	AA-
Municipal and State Obligations and Funds	\$ 1,480,000	Los Angeles Calif Cmnty College Dist	1.174%	8/1/2026	\$ 1,302,072.92	\$ 1,365,492.40	AAA
Municipal and State Obligations and Funds	\$ 3,000,000	New York N Y	3.250%	4/1/2026	\$ 2,853,546.00	\$ 3,072,720.00	AA
Municipal and State Obligations and Funds	\$ 3,000,000	New York N Y City Transitional Fin Auth Bldg Aid R	0.640%	7/15/2024	\$ 2,801,406.00	\$ 2,860,320.00	AA
Municipal and State Obligations and Funds	\$ 5,500,000	New York N Y City Transitional Fin Auth Rev	0.510%	11/1/2024	\$ 5,085,921.50	\$ 5,480,640.00	AA+
Municipal and State Obligations and Funds	\$ 4,000,000	New York N Y City Transitional Fin Auth Rev	2.710%	8/1/2023	\$ 3,953,588.00	\$ 3,942,360.00	AA+
Municipal and State Obligations and Funds	\$ 1,200,000	New York St Urban Dev Corp Rev	0.622%	3/15/2023	\$ 1,190,754.00	\$ 1,205,376.00	AA+
Municipal and State Obligations and Funds	\$ 1,130,000	Prince Georges Cnty Md Rev Auth Lease Rev	3.540%	5/1/2025	\$ 1,090,843.24	\$ 1,229,078.40	AA+
Municipal and State Obligations and Funds	\$ 7,500,000	Texas St	5.000%	10/1/2026	\$ 7,591,102.50	\$ 8,806,650.00	AAA
Total Municipal and State Obligations and Funds						\$ 33,972,996.00	
Total Investments						\$ 247,836,630	
Recapitulation of balance:							
Unrestricted investments						\$ 159,548,014	
Restricted investments						88,288,616	
Balance, December 31, 2022						\$ 247,836,630	

See independent auditors' report.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF REVENUE BONDS
 Year Ended December 31, 2022

Series	Date of Issue	Original Issue	Maturities		Rate	Balance January 1, 2022	Issued	Decreased	Balance December 31, 2022							
			Date	Amount												
2012A	10/24/2012	\$ 77,145,000				\$ 19,340,000	\$ -	\$ 19,340,000	\$ -							
2015	4/29/2015	86,505,000	7/1/2023	2,795,000	4.000%	68,080,000	-	2,695,000	65,385,000							
			7/1/2024	2,935,000	5.000%											
			7/1/2025	3,015,000	5.000%											
			7/1/2026	3,180,000	5.000%											
			7/1/2027	4,540,000	3.000%											
			7/1/2028	3,380,000	3.125%											
			7/1/2032	545,000	3.375%											
			7/1/2033	10,595,000	4.000%											
			7/1/2034	11,020,000	4.000%											
			7/1/2035	11,460,000	4.000%											
			7/1/2036	11,920,000	3.625%											
			2017	2/14/2017	430,250,000					7/1/2023	1,865,000	5.000%	428,430,000	-	1,740,000	426,690,000
										7/1/2024	1,970,000	5.000%				
7/1/2025	1,070,000	3.000%														
7/1/2026	-	-														
7/1/2027	20,000	4.000%														
7/1/2028	35,000	4.000%														
7/1/2029	8,380,000	5.000%														
7/1/2030	8,845,000	5.000%														
7/1/2031	10,765,000	5.000%														
7/1/2032	14,735,000	5.000%														
7/1/2033	15,715,000	5.000%														
7/1/2034	16,500,000	5.000%														
7/1/2035	17,325,000	5.000%														
7/1/2036	18,190,000	5.000%														
7/1/2037	22,015,000	5.000%														
7/1/2038	23,115,000	5.000%														
7/1/2039	24,270,000	5.000%														
7/1/2040	25,485,000	5.000%														
7/1/2041	26,760,000	5.000%														
7/1/2042	28,100,000	5.000%														
7/1/2043	29,505,000	5.000%														
7/1/2044	30,845,000	5.000%														
7/1/2045	32,240,000	5.000%														
7/1/2046	33,705,000	5.000%														
7/1/2047	35,235,000	5.000%														

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF REVENUE BONDS (CONTINUED)

Year Ended December 31, 2022

Series	Date of Issue	Original Issue	Maturities			Balance January 1, 2022	Issued	Decreased	Balance December 31, 2022
			Date	Amount	Rate				
2019A	7/31/2019	73,640,000	7/1/2023	480,000	5.000%				
			7/1/2024	8,015,000	2.000%				
			7/1/2025	8,170,000	5.000%				
			7/1/2026	8,585,000	5.000%				
			7/1/2027	5,800,000	5.000%				
			7/1/2028	9,410,000	5.000%				
			7/1/2029	3,725,000	5.000%				
			7/1/2030	3,930,000	5.000%				
			7/1/2031	4,055,000	5.000%				
			7/1/2032	725,000	5.000%				
			7/1/2033	760,000	5.000%				
			7/1/2034	800,000	5.000%				
			7/1/2035	835,000	5.000%				
			7/1/2036	880,000	5.000%				
			7/1/2037	925,000	5.000%				
			7/1/2038	970,000	5.000%				
			7/1/2039	1,020,000	5.000%				
			7/1/2040	1,070,000	5.000%				
			7/1/2041	1,125,000	5.000%				
			7/1/2042	1,180,000	5.000%				
			7/1/2043	1,240,000	5.000%				
			7/1/2044	1,300,000	5.000%				
			7/1/2045	1,365,000	3.000%				
			7/1/2046	1,405,000	3.000%				
			7/1/2047	1,450,000	3.000%				
			7/1/2048	1,490,000	3.000%				
7/1/2049	1,535,000	3.000%			72,700,000	-	455,000	72,245,000	
2019B	7/31/2019	99,730,000	7/1/2023	6,565,000	5.000%				
			7/1/2024	6,830,000	5.000%				
			7/1/2025	7,195,000	5.000%				
			7/1/2026	7,515,000	5.000%				
			7/1/2027	7,880,000	5.000%				
			7/1/2028	8,300,000	5.000%				
			7/1/2029	8,670,000	5.000%				
			7/1/2030	9,045,000	5.000%				
			7/1/2031	9,520,000	5.000%				
			7/1/2032	9,995,000	5.000%			87,770,000	-
Total principal						676,320,000	-	30,485,000	645,835,000
Unamortized premiums						58,643,905	-	6,846,849	51,797,056
Total revenue bonds						\$ 734,963,905	\$ -	\$ 37,331,849	\$ 697,632,056

See independent auditors' report.

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

**Board of Commissioners
Delaware River Joint Toll Bridge Commission**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Delaware River Joint Toll Bridge Commission (“the Commission”), as of and for the year ended December 31, 2022, and the related notes to financial statements, which comprise the Commission’s basic financial statements, and have issued our report thereon dated June 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and other matters, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mercedien, P.C.
Certified Public Accountants

June 22, 2023

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None reported.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None reported.