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New Jersey Transportation Trust Fund Authority
1990 Annual Report



NJ TRANSPORTATION TRUST FUND AUTHORITY

James J. Florio, Governor

Members

Thomas M. Downs, Chairman

Bruce G. Coe, Vice Chairman

Douglas C. Berman

Carmino R. Alampi

Morton Salkind

Dear Governor Florio:

The New Jersey Transportation Trust Fund plays an integral role in helping to keep the state's citizens and economy moving. It is the main source of state capital funding for the Department of Transportation, which maintains our valuable road and bridge infrastructure; for NJ TRANSIT, which serves tens of thousands of bus and rail passengers each day; and for the municipalities and counties that operate local road and some transit systems.

New Jersey can count on the Trust Fund. Because of it, we are one of the few states in the nation that has a reliable transportation funding source. This dependability has allowed us to deliver more and more capital projects each year. During 1990 the Trust Fund helped to get more than \$1 billion in projects under way, including \$659.4 million in new contract awards. NJ TRANSIT received \$89 million from the Trust Fund to rehabilitate part of the public transportation system and match available federal funds; local governments received \$65 million.

While the Trust Fund has helped us to accomplish a great deal since it was created in 1984, it has the ability to do even more for New Jersey. Your initiative to lift the appropriations cap that was imposed on the Fund in 1988 will provide more money for transportation by using the available bonding capacity. With added funding, we will be able to increase capital transportation investments for the whole state.

As recommended by the Transportation Executive Council, the cap lift proposal takes on even more importance in the current economy. The increased capital investment will prime the economic pump and ultimately create needed jobs for New Jersey citizens. The Council is working to achieve your goal of ensuring that we receive the greatest return on every transportation investment.

I am pleased to present you with the 1990 report of the New Jersey Transportation Trust Fund Authority. The Trust Fund will continue to be a main component of the capital program of the New Jersey Department of Transportation, NJ TRANSIT and local governments for the next four fiscal years.

Yours truly,

Thomas M. Downs

Chairman

New Jersey Transportation Trust Fund Authority 1990 Annual Report



Transportation Financing Before the Trust Fund

Each transportation agency in New Jersey is administered, operated and financed separately. Revenues come from different combinations of tolls, fares, annual appropriations from the State Legislature, federal grants and bonding.

While the toll roads and port authorities are financed by bonding and tolls, before the existence of the Trust Fund, the funding for the New Jersey Department of Transportation (NJDOT) came from annual appropriations from the state general fund and periodically approved sales of general obligation bonds. NJ TRANSIT received funds from a combination of farebox revenues, state appropriations and federal funds.

These sources of funds for both NJDOT and NJ TRANSIT were so unpredictable from year to year that long term strategic planning became virtually impossible. Both state agencies had less and less state funds to match available federal dollars. The backlog of badly needed projects grew and the aging transportation infrastructure deteriorated further.

Toll roads and the port authorities, on the other hand, have control of their own resources and have been able to complete needed projects with their net revenues and bond issues.

The passage of the Transportation Trust Fund Authority Act in 1984, established the first source of stable funding for NJDOT and NJ TRANSIT capital programs. Under this law, while revenues from a portion of the gas tax, short-term revenue bond sales, heavy truck registration fee increases and contributions from New Jersey toll road authorities went into the state's gen-

eral fund, NJDOT and NJ TRANSIT were entitled to appropriations based on the legislated portion of the collection for capital projects.

Trust Fund: 1985-1989

1985. In its first year of existence the Transportation Trust Fund Authority oversaw the largest transportation program in New Jersey history to date. Because of the Trust Fund, more money was spent in one year on state-funded transportation improvements than in the entire decade of the 1970s.

A record-setting \$375 million of the overall four-year Trust Fund's \$3.3 billion was spent for improvements in Fiscal Year 1985, reaching an unprecedented \$50 million for highway resurfacing, \$199

million for rehabilitation of 220 state and local bridges, and \$54 million for county/local repair and rehabilitation programs.

The Trust Fund Authority executed its first bond sale of \$61,270,000 in January 1985 with an extremely favorable interest rate for New Jersey's taxpayers. The bond monies, when added to the "pay-as-you-go" funding portions of the Trust Fund, enabled New Jersey to match federal funding to the extent of more than \$800 million in projects.

1986. In its first two fiscal years, 1985 and 1986, the Transportation Trust Fund provided one of the main funding sources for transportation programs. The breakdown for the two years appears in the chart below.

Category	Trust Fund	1983 NJ Bridge Bond	Federal Funds
Interstate Completion and Rehabilitation	\$ 36.9	—	\$342.9
Federal and State Bridge (replacement or rehabilitation of existing bridges)	19.6	97.5	104.8
Other Federal Programs (for the state's urban and rural highways and safety)	40.8	—	178.0
Non-federal Programs (Department facilities, rail freight improvements, 100% state-funded highway projects, etc.)	234.0	—	—
Betterments (resurfacing, guiderails, traffic signals, etc.)	50.0	—	—
Special Local Aid (municipal, county and regional)	108.0	—	—
Local Bridge Program	3.6	37.5	37.8
NJ TRANSIT	79.6	—	227.0
TOTALS	\$572.5	\$135.0	\$890.5

The NJDOT projected that the Trust Fund monies would be used up one year ahead of schedule upon completion of the 1986-87 program.

1987. The initial Trust Fund program was envisioned by its creators as a four-year program. However, by the second construction season, when the Department had geared up and gained momentum, it became apparent that the Department could accomplish in three years what had originally been envisioned for four. The NJDOT and NJ TRANSIT, with the approval of the Legislature and the Trust Fund Authority, decided to tackle projects as they were ready. After so many years of awaiting funding, many were ready!

This \$2.7 billion effort, an outstanding accomplishment by the Department, NJ TRANSIT and the State Legislature, resulted in another record-breaking transportation improvement program. Energetic utilization of Trust Fund monies is credited to a large extent with helping to fuel the economic boom of this period. After three years of the Trust Fund, New Jersey stood as one of the nation's leaders in economic growth and employment. The unemployment rate dropped to the second lowest in the nation, the lowest of the northeastern states.

1988. A one-year stop-gap funding mechanism was passed by the Legislature raising the bonding limit on the existing Trust Fund to provide one more year of funding prior to the renewal of the legislation.

The New Jersey Transportation Trust Fund Authority's 1988 Annual Report reflected the award of \$500 million worth of highway construction contracts and \$150

million worth of public transit improvements.

1989. A new seven-year Trust Fund passed by the Legislature took effect. This time the legislation limited yearly appropriations for capital expenditures financed by state resources to \$365 million. This cap on capital appropriations for projects has resulted once again in a backlog of projects and unused bonding capacity available through the Fund. Bonding would provide resources without the need for additional state revenue.

The table below shows the funding allocations for the Trust Fund since its inception and the overall level of capital expenditure in the state for NJDOT, NJ TRANSIT and local governments.

The 1990 Trust Fund Capital Program

The Transportation Trust Fund continues to be the financing mechanism for capital projects undertaken by the NJDOT and NJ TRANSIT and, to some extent, local government. It is responsible for funding the non-federal share of both highway and public transit capital expenditures. In addition, the renewed Trust Fund provides a minimum of \$65 million a year to county and municipal governments for a portion of their transportation capital projects.

The debt sold by the Trust Fund is secured by payments of \$331 million a year from the state. These payments must be appropriated each year by the Legislature.

Governor Florio, like his predecessors, has linked a strong, reliable transportation network to the state's economic success. Highways, a sound public transit system,

airports, ports and railroads all help guarantee the delivery of goods and the movement of New Jersey's citizens that are both critically important for the state's businesses to continue to grow and prosper.

This year the Governor took two major initiatives to ensure that New Jersey stays on the competitive edge of a widening global economy and gets the greatest possible return out of every transportation dollar invested. The Governor created the Transportation Executive Council, comprised of the state's transportation agencies, to work together to prepare an integrated, statewide transportation investment plan. He subsequently endorsed the Council's recommendation that the Legislature lift the Transportation Trust Fund cap on capital projects.

In establishing the Council Governor Florio said, "Up to now, the only thing that's been consistent about New Jersey's transportation policy has been a lack of consistency. Groups that should be working together for the good of all have been acting like sovereign nations — accountable to no one. The Transportation Executive Council will set an action agenda for the entire state."

Lifting the cap on capital projects will mean that a number of transportation projects now sitting on the shelf will be advanced to construction and, at the same time, boost the economy. For every \$100 million that is spent on transportation projects, 3,700 jobs are created and \$42 million in immediate economic benefits are realized, according to a recent study completed by The Road Information Program (TRIP), a nonprofit highway research group. The study determined that the economic returns would

	'85	'86	'87	'88	'89	'90
Highways	\$165.559	\$230.758	\$231.338	\$213.116	\$212.299	\$233.065
Bridges	.441	8.120	24.662	21.984	16.201	7.935
Transit	29.000	50.570	NA	60.000	71.500	89.000
Local Aid*	54.000	54.000	54.000	54.000	65.000	65.000
Total state	\$249.000	\$343.448	\$310.000	\$364.000	\$365.000	\$365.000
Federal **	\$439.960	\$355.357	\$364.133	\$405.038	\$285.931	\$294.428
TOTAL	\$688.960	\$698.805	\$674.133	\$769.138	\$650.931	\$659.428
Dollars in millions	*100% State Aid		**Does not include federal transit aid			

include \$11.7 million in corporate taxes and fees, \$10 million in property, sales and other taxes, and \$11.5 million saved in unemployment compensation.

Because of the recent slowdown in the economy, New Jersey's transportation investments will be stretched even further. With construction bids coming in at 5 to 25 percent below estimate during 1990, the state is guaranteed to get even more for every dollar it spends.

The recommendation to lift the cap on capital projects resulted from a financial policy review completed by the Transportation Executive Council. While its policy recommendations will ensure that New Jersey gets the most from its resources through better coordination and long-term planning, the Council found that the state's needs far exceed available resources. In meetings with county and municipal leaders, the Council learned that over the next five years local transportation needs will surpass resources by \$2.5 billion.

The Department and NJ TRANSIT face a four-year gap of nearly \$1 billion (see chart). This is exacerbated by the tight fiscal climate, declining resources and an infrastructure that is aging faster than it can be repaired.

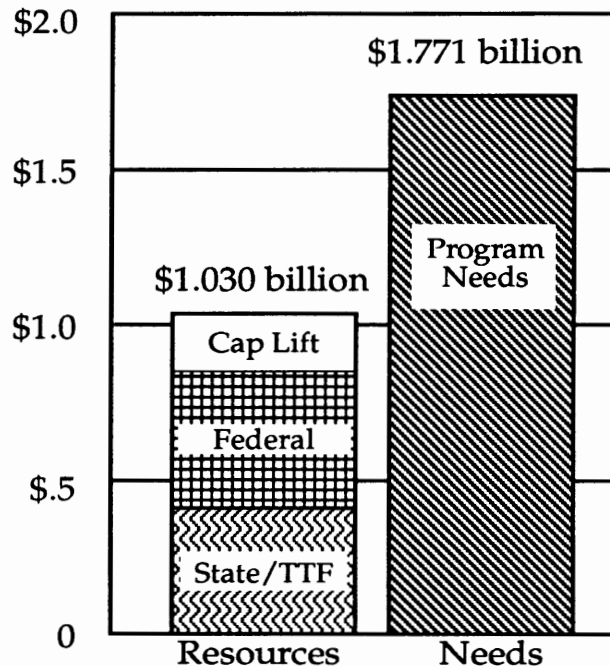
Confronting these challenges and accomplishing the Council's ambitious agenda will require a new level of financial flexibility and cooperation among the state's transportation agencies and authorities. In an effort to begin to address the financial issues, the Council recommended lifting the Trust Fund cap on capital projects and implementing the following financial policies:

- At the federal level, seek greater flexibility between funding sources and the various capital programs;
- Control operating cost increases for all agencies; and
- Increase cost-sharing of transportation projects with the private sector.

To support these efforts, the Governor has required each of the state's transportation agencies, including the Department and NJ TRANSIT, to prepare business

NJDOT / NJ TRANSIT Program Resources vs. Needs

Average Annual Over 4 Years



plans. Each of the plans will be studied in the coming year from a coordinated capital planning perspective.

As New Jersey entered the 1990s, much of the "catch-up" work for major projects had been completed and it became apparent that attention would have to turn toward preservation and rehabilitation of the crumbling infrastructure.

With the NJDOT providing staff support, the state's transportation professionals met this summer with representatives of each of New Jersey's 21 counties and the seven largest cities. With the information that came out of these sessions, in September the Transportation Executive Council presented the Governor with its policy statement, *The Decision-making Framework for Transportation in the 1990s*.

Serving as a guide for future transportation decisions and recommendations to the Governor, the *Framework* was a major depart-

ure from past transportation policy. It represented the first time that the agencies have agreed upon a common set of policies, and the first time that investments would be used not only to maintain the network, but also to leverage economic competitiveness.

The Council's first policy stated emphatically: "make systems preservation the top priority ... increase investments accordingly." Investments for system preservation work (bridge rehabilitation, highway rehabilitation and reconstruction, transit reinvestment) actually declined during the late 1980s. In accord with the Council's clear first recommendation, NJDOT's and NJ TRANSIT's system preservation projects will increase dramatically in the early 1990s.

Increases are also planned in key "system management" programs. System management projects are usually the most cost-effective and environmentally ben-

eficial way of improving mobility. These programs reflect another Council policy, "move more people, not more vehicles." Programs to be expanded include highway operational improvements, mostly low-cost improvements at intersections; park and rides; "smart highways"; computerized traffic signals and transportation management improvements.

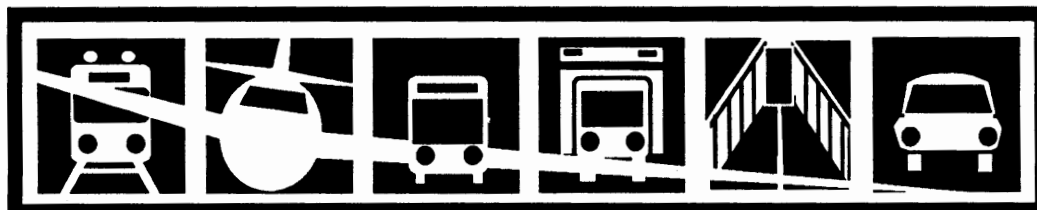
New capacity projects will receive less funding in the early 1990s than in the late 1980s. In part this is due to the approaching completion of the interstate system and of major state highway gaps. It is also due to the shift toward system preservation and system management. The new capacity needs which will be funded will be se-

lected carefully for need, environmental impact (with increasing emphasis on air quality), Council goals (such as increasing the use of transit) and other priorities.

While 1990 was dedicated to preparing the financial tools, including integrating transportation policies, programs and financial investments and lifting the Trust Fund cap on capital projects, the coming year will be dedicated to delivering an expanded capital program, and pursuing the Council's long-term financial recommendations to provide transportation with a more solid financial foundation.

The proposed 1991 and 1992 capital programs of the Department of Transportation and NJ TRANSIT are depicted in the following table:

CAPITAL PROGRAM	
FY1991	
Highways	\$341.678
Bridges	13.482
Public Transit	119.840
Local Aid*	90.000
Total State	565.000
Federal**	606.675
TOTAL	\$1,071.675
* 100% State Aid	
** Does not include federal transit	



**Audited Combined Financial Statements
and Supplementary Information**

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

June 30, 1990

Audited Combined Financial Statements

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NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended June 30, 1990 (with comparative total memorandum figures for 1989)

	Special Revenue Funds			Total	Debt Service	Total (Memorandum Only)	
	Revenue	Authority Reserve	Transportation Improvement			1990	1989
REVENUES--Notes C and D							
State appropriations equivalent to:							
Motor fuel taxes	\$276,500,000			\$276,500,000		\$276,500,000	\$276,500,000
Commercial vehicle fees and taxes	30,000,000			30,000,000		30,000,000	30,000,000
Toll road authorities	24,500,000			24,500,000		24,500,000	24,500,000
Interest income--Note B		\$ 21,082	\$ 39,175,829	39,196,911	\$ 4,172,280	43,369,191	39,284,927
	<u>331,000,000</u>	<u>21,082</u>	<u>39,175,829</u>	<u>370,196,911</u>	<u>4,172,280</u>	<u>374,369,191</u>	<u>370,284,927</u>
OTHER FINANCING SOURCES							
Operating transfers in		70,556	289,081,582	289,152,138	41,847,862	331,000,000	331,000,000
		<u>70,556</u>	<u>289,081,582</u>	<u>289,152,138</u>	<u>41,847,862</u>	<u>331,000,000</u>	<u>331,000,000</u>
TOTAL REVENUES AND OTHER SOURCES	<u>331,000,000</u>	<u>91,638</u>	<u>328,257,411</u>	<u>659,349,049</u>	<u>46,020,142</u>	<u>705,369,191</u>	<u>701,284,927</u>
EXPENDITURES							
Operating expenditures		91,873		91,873		91,873	257,187
Bond interest expenditures--Note C				-	15,994,334	15,994,334	19,392,434
State transportation costs			375,000,000	375,000,000		375,000,000	250,000,000
Principal retirement of bonds payable--Note C				-	30,040,000	30,040,000	26,660,000
Arbitrage rebate			890,346	890,346		890,346	2,024,083
		<u>91,873</u>	<u>375,890,346</u>	<u>375,982,219</u>	<u>46,034,334</u>	<u>422,016,553</u>	<u>298,333,704</u>
OTHER FINANCING USES							
Operating transfers out	331,000,000			331,000,000		331,000,000	331,000,000
	<u>331,000,000</u>	<u>91,873</u>	<u>375,890,346</u>	<u>706,982,219</u>	<u>46,034,334</u>	<u>753,016,553</u>	<u>629,333,704</u>
TOTAL EXPENDITURES AND OTHER USES							
EXCESS OF REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	-	(235)	(47,632,935)	(47,633,170)	(14,192)	(47,647,362)	71,951,223
Fund balance at beginning of year		247,891	478,673,185	478,921,076	49,462,057	528,383,133	456,431,910
		<u>247,891</u>	<u>478,673,185</u>	<u>478,921,076</u>	<u>49,462,057</u>	<u>528,383,133</u>	<u>456,431,910</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$247,656</u>	<u>\$431,040,250</u>	<u>\$431,287,906</u>	<u>\$49,447,865</u>	<u>\$480,735,771</u>	<u>\$528,383,133</u>

See notes to combined financial statements.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1990

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Jersey Transportation Trust Fund Authority (the Authority) is a public body of the State of New Jersey, organized and existing under and pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984 (the Act) to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation for planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the State's transportation system. Pursuant to the Act, the Authority may issue bonds to provide the payment for and financing of all, or a portion of, the State's share of the costs of such programs to the extent that State appropriations to the Authority and other available Authority revenues in each fiscal year are insufficient to fund such costs. The Act currently provides that the aggregate principal amount of bonds issued, notes or other obligations, including subordinated indebtedness of the Authority, may not exceed \$1,700,000,000.

The Authority is considered a component unit of the State of New Jersey and is included in the general purpose financial statements of the State.

The accounting policies of the Authority conform with generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

Basis of Presentation - Fund Accounting: The accounts of the Authority are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account group are used by the Authority:

Special Revenue Funds--to account for the proceeds of specific revenue sources that are legally reserved for specific purposes.

- The Revenue Fund--to account for the proceeds of specific revenue sources (motor fuel taxes, toll road authority contracts and commercial vehicle fees and taxes) that are legally restricted to expenditure for specific purposes.
- The Authority Reserve Fund--to account for the operating expenditures of the Authority.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS--Continued

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

- The Transportation Improvement Fund--to account for the accumulation of resources for payment of State transportation system costs.

Debt Service Fund--to account for the accumulation of resources for the next respective succeeding payment of principal and interest on bonds as defined by the Debt Service Requirement.

Account Group--is used to establish accounting control and accountability for the Authority's general long-term debt. The General Bonds Account Group accounts for all long-term debt of the Authority.

Basis of Accounting: The modified accrual basis of accounting is followed by the Authority. Under the modified accrual basis of accounting, revenues, including interest income, are recorded when susceptible to accrual (i.e., both measurable and available). Revenues are considered available if they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

Assessments to toll road authorities, other fees and taxes collected by the State of New Jersey are recorded in accordance with contractual requirements. Installments for assessments and other fees and taxes not yet remitted by the State of New Jersey are recorded as accounts receivable - State of New Jersey.

Investments: Investments are stated at cost, as adjusted for the accretion of discount or amortization of premium. State of New Jersey Cash Management Fund Units are stated at a cost of \$1.00 per unit, which approximates market value.

Total (Memorandum Only): Total (Memorandum Only) columns contain the totals of the similar accounts of the various funds and account group. Since the assets of the funds are restricted, the combination of the funds and account group, including assets therein, is for convenience only and does not indicate that the combined assets are available for expenditures in any manner other than that provided for in the bond resolution.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS--Continued

NOTE B--INVESTMENTS

The Authority's investments at June 30, 1990 are as follows:

U.S. Government and Agency obligations	\$231,003,249
State of New Jersey Cash Management Fund	<u>208,601,475</u>
	<u>\$439,604,724</u>

The market value of the Authority's investments at June 30, 1990 was \$440,870,772.

The purchase, sale, receipt of income and other transactions affecting investments are governed by custodial agreements between the Authority through the State Treasurer and custodian banks as agents for the funds. State laws and policies set forth the requirements of such agreements and other particulars as to the size of the custodial institution, amount of the portfolio to be covered by the agreements and other pertinent matters. All investments must conform to standards set by State law.

GASB Statement No. 3 requires disclosure of the level of investment risk assumed by the Authority at June 30, 1990. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the Trust Department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Authority's name. As of June 30, 1990, all investments held by the Authority are classified as Category 1.

Federal securities are maintained at Federal Reserve Banks in Philadelphia and New York through the custodian banks in trust for the Authority. The custodian banks as agents for the Authority maintain internal accounting records identifying the securities maintained by the Federal Reserve Banks as securities owned by the Authority.

NOTE C--TRANSPORTATION SYSTEM BONDS PAYABLE

Transportation system bonds payable at June 30, 1990 is composed of the \$200,000,000 1986 Series A Bond dated December 1, 1986, maturing serially from June 15, 1988 through June 15, 1997 at interest rates ranging from 4.10% to 6.00% and the \$125,000,000 1988 Series A Bonds dated March 1, 1988, maturing serially from June 15, 1989 through June 15, 1998 at interest rates ranging from 4.90% to 6.90%.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS--Continued

NOTE C--TRANSPORTATION SYSTEM BONDS PAYABLE--Continued

The 1986 Series A Bonds maturing on or after June 15, 1993 are subject to redemption prior to maturity, in whole or in part, at any time after June 15, 1992 at varying premium rates. The 1988 Series A Bonds are not subject to redemption prior to maturity.

One or more series of additional bonds may be issued at any time or from time to time for the purpose of financing the cost of transportation improvements. Pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, the Authority shall minimize debt incurrence by first relying on appropriations and other revenues before incurring debt to meet its statutory purposes.

The bonds are primarily secured by payments received or to be received by the Authority from the State of New Jersey as described in Note E.

Annual debt service requirements (principal and interest) to maturity for the transportation system bonds payable as of June 30, 1990 are as follows (in thousands):

	<u>Series A Bonds</u>		
	<u>1986</u>	<u>1988</u>	<u>Total</u>
1991	\$ 26,443	\$ 19,563	\$ 46,006
1992	26,445	19,540	45,985
1993	26,441	19,519	45,960
1994	26,444	19,484	45,928
1995	26,445	19,456	45,901
1996	26,444	10,948	37,392
1997	26,442	10,949	37,391
1998		<u>10,947</u>	<u>10,947</u>
TOTAL DEBT SERVICE	185,104	130,406	315,510
LESS TOTAL INTEREST	<u>35,449</u>	<u>27,856</u>	<u>63,305</u>
TOTAL PRINCIPAL	<u>\$149,655</u>	<u>\$102,550</u>	<u>\$252,205</u>

During the fiscal year ended June 30, 1990 the following changes occurred in the General Bond Account Group:

Balance as of beginning of year	\$282,245,000
Debt retirements	<u>30,040,000</u>
Balance as of end of year	<u>\$252,205,000</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS--Continued

NOTE D--DEFEASANCE OF 1985 SERIES A BONDS

Pursuant to an Escrow Deposit Agreement dated March 1, 1988, the Authority deposited \$34,907,500 of the proceeds of the 1988 Series A Bonds and an additional \$14,147,575 of debt service fund investments to advance refund \$46,670,000 of outstanding 1985 Series A Bonds with an average interest rate of 7.77%. All funds so deposited were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1985 Series A Bonds. As a result, the 1985 Series A Bonds are considered defeased and the liability for those bonds of \$35,520,000 and \$41,265,000 as of June 30, 1990 and 1989, respectively, has been removed from the General Bonds Account Group. The primary objective of the advance refunding was to release the \$9,730,000 debt service reserve requirement for the 1985 Series A Bonds thereby making those funds available for transportation projects.

NOTE E--REVENUE CONTRACTS

Pursuant to a contract signed with the State of New Jersey, the Authority will receive revenues during the fiscal year ending June 30, 1991 from State appropriations, which are funded from assessments to toll road authorities, commercial vehicle fees and motor fuel taxes, pursuant to Article VIII, Section 2 of the State Constitution. Revenues in the amount of \$331,000,000 have been appropriated by the State to the Authority for the fiscal year ending June 30, 1991.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 1990

	Special Revenue Funds			Debt Service Fund	Total (Memorandum Only)
	Revenue Fund	Authority Reserve Fund	Transportation Improvement Fund		
Cash balances at June 30, 1989	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:					
Motor fuel taxes	276,500,000				276,500,000
Commercial vehicle fees and taxes	30,000,000				30,000,000
Toll road authorities	24,500,000				24,500,000
Net interest income		21,082	34,897,331	4,131,890	39,050,303
Maturity of long-term investments			53,175,000		53,175,000
Sale of Cash Management Fund investment--net		235	5,718,933		5,719,168
Operating transfers in		157,550	281,208,736	49,633,714	331,000,000
	<u>331,000,000</u>	<u>178,867</u>	<u>375,000,000</u>	<u>53,765,604</u>	<u>759,944,471</u>
Disbursements:					
Operating expenditures		178,867			178,867
Bond interest expenditures				15,994,334	15,994,334
State transportation costs			375,000,000		375,000,000
Principal retirement of bonds payable				30,040,000	30,040,000
Purchase of Cash Management Fund investment--net				7,731,270	7,731,270
Operating transfers out					331,000,000
	<u>331,000,000</u>	<u>178,867</u>	<u>375,000,000</u>	<u>53,765,604</u>	<u>759,944,471</u>
Cash balances at June 30, 1990	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

SCHEDULE OF INVESTMENTS

June 30, 1990

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Cost</u>	<u>Market Value</u>
<u>Authority Reserve Fund</u>				
State of New Jersey Cash Management Fund, 247,656 units	Various	Various	\$ 247,656	\$ 247,656
			247,656	247,656
<u>Transportation Improvement Fund</u>				
State of New Jersey Cash Management Fund, 194,718,535 units	Various	Various	194,718,535	194,718,535
Federal Farm Credit Bank Bonds, \$770,000 par value	9.550%	July 23, 1990	769,795	770,000
U.S. Treasury Notes, \$5,435,000 par value	7.875%	August 15, 1990	5,423,400	5,429,891
Federal Home Loan Bank Bonds, \$10,925,000 par value	8.100%	August 27, 1990	10,895,001	10,914,731
Federal Home Loan Bank Bonds, \$17,020,000 par value	8.875%	September 25, 1990	16,980,084	17,030,723
Federal Farm Credit Bank Bonds, \$2,920,000 par value	10.600%	October 22, 1990	2,925,035	2,941,900
Federal Home Loan Bank Bonds, \$12,195,000 par value	8.400%	November 26, 1990	12,124,733	12,198,780
U.S. Treasury Notes, \$6,020,000 par value	8.875%	November 30, 1990	6,001,460	6,035,050
Federal Home Loan Bank Bonds, \$10,000,000 par value	8.700%	December 26, 1990	9,945,361	10,015,600
U.S. Treasury Notes, \$13,445,000 par value	9.125%	December 31, 1990	13,412,646	13,508,057
U.S. Treasury Notes, \$17,225,000 par value	9.125%	December 31, 1990	17,232,572	17,305,785
Federal Home Loan Bank Bonds, \$3,860,000 par value	9.600%	January 25, 1991	3,852,574	3,886,557
U.S. Treasury Notes, \$1,945,000 par value	9.000%	January 31, 1991	1,938,038	1,953,519
U.S. Treasury Notes, \$7,265,000 par value	9.125%	February 15, 1991	7,243,362	7,303,577

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

SCHEDULE OF INVESTMENTS--Continued

June 30, 1990

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Cost</u>	<u>Market Value</u>
<u>Transportation Improvement Fund--Continued</u>				
Federal Home Loan Bank Bonds, \$15,245,000 par value	7.100%	February 25, 1991	\$ 14,992,224	\$ 15,130,663
Federal Farm Credit Bank Bonds, \$23,435,000 par value	7.650%	March 1, 1991	23,120,855	23,325,090
Federal Farm Credit Bank Bonds, \$8,355,000 par value	7.550%	April 22, 1991	8,213,360	8,305,371
U.S. Treasury Notes \$8,075,000 par value	8.125%	May 15, 1991	7,979,741	8,069,994
Federal Home Loan Bank Bonds, \$5,000,000 par value	8.500%	May 28, 1991	4,942,981	5,009,400
Federal Home Loan Bank Bonds, \$11,205,000 par value	8.500%	May 28, 1991	11,077,596	11,226,065
Federal Home Loan Bank Bonds, \$12,760,000 par value	8.300%	June 25, 1991	12,581,041	12,763,956
Federal Home Loan Bank Bonds, \$5,000,000 par value	8.300%	June 25, 1991	4,929,174	5,001,550
U.S. Treasury Notes, \$8,910,000 par value	7.875%	June 30, 1991	<u>8,770,853</u>	<u>8,882,200</u>
			400,070,421	401,726,994
<u>Debt Service Fund</u>				
State of New Jersey Cash Management Fund, 13,635,284 units	Various	Various	13,635,284	13,635,284
U.S. Treasury Notes, State and Local Government Series, \$5,881,990 par value	5.41%	June 15, 1991	5,881,900	5,881,900
U.S. Treasury Notes, \$19,825,000 par value	6.50%	November 15, 1991	<u>19,769,463</u>	<u>19,378,938</u>
			<u>39,286,647</u>	<u>38,896,122</u>
TOTAL (MEMORANDUM ONLY)			<u>\$439,604,724</u>	<u>\$440,870,772</u>

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