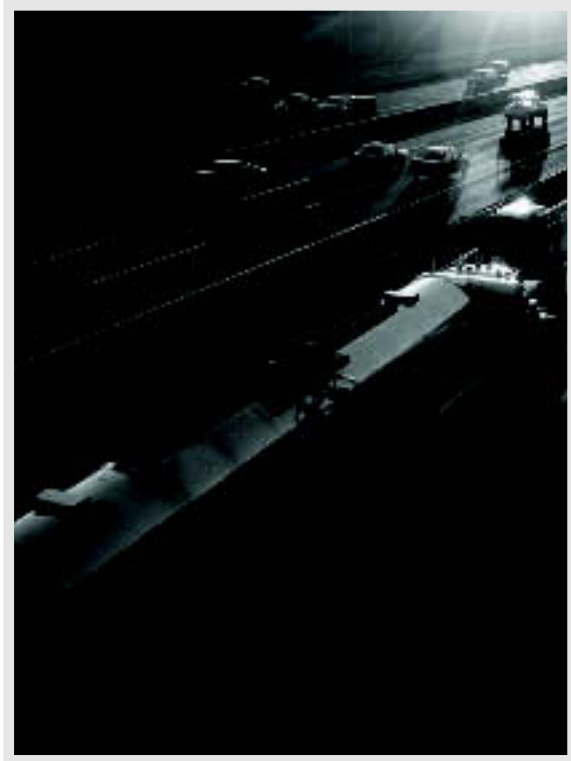




New Jersey Turnpike Authority



THE 51ST YEAR





JAMES E. McGREEVEY
GOVERNOR

New Jersey Turnpike Authority

ADMINISTRATION BUILDING P.O. BOX 1121 NEW BRUNSWICK, NEW JERSEY 08903
(732) 247-0900

JOSEPH SIMUNOVICH, *Chairman*
JOSEPH (J.P.) MIELE, *Vice Chairman*
JOHN HIBBS, *Treasurer*
FRANK X. McDERMOTT, *Commissioner*
HARRY LARRISON, Jr., *Commissioner*
JOHN LETTIERE, *Commissioner*
MICHAEL LAPOLLA, *Executive Director*



James E. McGreevey
Governor

*To the Honorable James E. McGreevey, Governor, and
the Members of the New Jersey Legislature:*

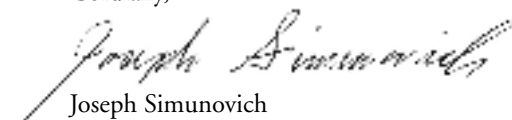
It is my pleasure to present you with the 2002 Annual Report for the New Jersey Turnpike Authority. This year marks a milestone for the New Jersey Turnpike in that we enter our 51st year of operation — poised to build on our previous successes for the enhanced convenience of New Jersey's motorists.

Over the past three years our annual reports have celebrated our proud history and many accomplishments since the creation of the New Jersey Turnpike Authority. This year, our mission has been different. We are no longer celebrating our past, but instead are preparing for our future.

For the New Jersey Turnpike Authority, 2002 has been a year of transition and preparation for greater things to come. Today we stand here with our eyes focused squarely on the future and ready to take the monumental steps towards changing the face of transportation in New Jersey.

Once again, on behalf of the Board of Commissioners of the New Jersey Turnpike Authority it is my privilege to present you with this year's annual report. We look forward to continuing to work with your administration to ensure the best for our motorists.

Cordially,


Joseph Simunovich
Chairman

NEW JERSEY TURNPIKE AUTHORITY COMMISSIONERS



*John Hibbs
Treasurer*



*Joseph Simunovich
Chairman*



*Joseph (J.P.) Miele
Vice Chairman*

Raymond M. Pocino, Treasurer
(September '02)

Nancy H. Becker, Commissioner
(November '02)

Jerome P. Amedeo, Commissioner
(April '02)



*Harry Larrison, Jr.
Commissioner*



*James P. Fox
Ex Officio, NJDOT Commissioner*



*Frank X. McDermott
Commissioner*

NEW JERSEY TURNPIKE AUTHORITY STAFF & CONSULTANTS



*Michael Lapolla
Executive Director*



*Diane Scaccetti
Deputy Executive Director*

STAFF

Michael Lapolla, *Executive Director*

Diane Scaccetti, *Deputy Executive Director*

Stephen Dilts, *Chief of Staff*

Joe Orlando, *Media Relations Coordinator*

Cathy Coryat, *Chief Financial Officer*

Mary Elizabeth Garrity, *Director of Human Resources*

Richard Raczynski, *Chief Engineer*

Ralph Bruzzichesi, *Director of Technology and Administrative Services*

George Caceres, *Director of Law*

Robert Dale, *Director of Operations*

William Burke, *Director of Tolls*

Daniel McNamara, *Director of Maintenance*

CONSULTANTS

Wilentz, Goldman & Spitzer, *General Counsel*

HNTB Corporation, *General Consulting Engineer*

Paulus Sokolowski & Sartor, *Co-General Environmental Consultants*

Louis Berger & Associates, Inc., *Co-General Environmental Consultants*

Wilbur Smith Associates, *Traffic & Revenue Consultant*

KPMG, *Auditor*

“THE 51ST YEAR”



In 2001, the New Jersey Turnpike Authority celebrated its 50th Anniversary. The celebration of that event included antique car parades, exhibits at museums and special events throughout the state. Clearly, the Turnpike deserved — and received — a gala commemoration of this historic event.

Now it's a year later. The celebrations may be over, but the Turnpike continues to do what it has always done: providing vital transportation services to millions of motorists each day. As the Turnpike enters its 51st year, it salutes its past accomplishments through a re-dedication to its founding principles of “Safety, Convenience and Service.”

The Turnpike's future — like the future of transportation in general — involves the need to repair and improve an existing infrastructure, while, at the same time, seeking new and innovative solutions to the challenges of moving millions of vehicles safely and efficiently along 148 miles of roadway.

Its greatest resource has always been its employees. Talented, dedicated (and, in some cases, still on the job since the Authority's creation in 1951,) the Turnpike's workforce is among the finest in the transportation industry.

As the next fifty years begin to unfold, the Turnpike's basic mission remains the same, but its ability to provide its customers with service, safety and security will be affected by its determination to pursue new technologies, new associations and new ideas.

Past is prologue. Over the last fifty years, the New Jersey Turnpike has not only become a transportation success story, but a cultural icon to the people of New Jersey. Looking back on that history of achievement is a wonderful experience — but looking forward to the next half century is what the Turnpike is doing now.

PEOPLE POWER

The New Jersey Turnpike's strength has always been its people. One of the nation's premier toll roads, it is also one of the nation's first toll roads as well. Amazingly enough, the year 2002 saw the retirement of a number of long time employees, some of whom have literally witnessed the road's development from the days of its infancy until today.

It speaks volumes about the character of an agency when its employees exhibit the kind of loyalty that keeps them on the job for half a century. Though the New Jersey Turnpike Authority salutes all those who retired in 2002, there is one employee that deserves special note.

Richard Walley (on right in photograph, 1956) began working for the newly created Turnpike Authority on December 3, 1951, at the age of 26.

He was a stock clerk in the Maintenance Department. Over the next 50 years, Walley and the Turnpike would grow up together. By the end of his remarkable career, Walley had risen to an administrative management



position in Maintenance. On November 30, 2002, he retired — three days short of having spent 51 years with the Turnpike.

People like Dick Walley embody the talent and loyalty that has made the Turnpike one of the finest public transportation agencies in the nation. Whether employees have been with the agency a half-century, or whether they were hired just yesterday, each one carries forward a proud tradition of service and dedication.

MOVING TRAFFIC SAFELY AND EFFICIENTLY

The Turnpike's primary mission is an obvious one. Move over 241,000,000 vehicles per year over some 148 miles of roadway. Although, at first glance, that may sound simple — it is anything but that.

Of course, the road is already there, and the cars and buses and trucks know where they are going, but from pavement surface to efficient toll collection to safety devices, the Turnpike is more than a road. It is a complex transportation *system*. For a driver to complete his or her journey, the Turnpike must — and does — provide them with a raft of services all designed to make their trip safe, comfortable and quick. In fact, the word *enjoyable* would not be out of place.

Americans — and New Jerseyans particularly — spend an awful lot of time in their vehicles, whether commuting to work each day, taking pleasure trips or transporting goods to market. People want to do it quickly, safely and enjoyably. The Turnpike Authority is well aware that people pay a premium to use its

roadway system and it is bound and determined to provide premium service in return.

Engineered for safety, the Turnpike employs a variety of devices built into the roadway to increase every driver's safety factor. Breakaway signposts, rumble strips on shoulders, guide rail and carefully constructed ramps are



HIGHWAY SAFETY, HOMELAND SECURITY

The Turnpike has always been obsessed with safety. Winner of numerous awards over the years for maintaining an enviable safety record, the Turnpike has continually striven to create and sustain a safe environment for its customers and employees.

After the tragic events of 9/11/01, the Turnpike — like every American institution — has learned to take nothing for granted. Safety has become security and the Turnpike made sure that 2002 was not only a safe year, but a secure one.

In the post 9/11 atmosphere, the Turnpike's administration has taken extraordinary steps to ensure the security of people and property. New procedures were put in place to tighten up access to Turnpike installations. Old assumptions about safety were challenged in a desire to insure that security was always addressed. With guidance from the state government's emergency management and law enforcement professionals, the Turnpike prepared for possible situations where safety and security would be paramount.

The Turnpike looks to the New Jersey State Police Troop D to patrol its 148 miles of roadway. These State Troopers (paid for by out of the tolls collected on the road) are charged with enforcing laws and rendering assistance to motorists in need. Additionally, they investigate crimes committed on the Turnpike and help to plan and administer for the agency's overall security.

Surveillance of bridges and other key installations along the route of the roadway are made with greater frequency. Turnpike personnel — whether in uniform or not — keep a careful eye on what occurs at service areas, toll plazas and maintenance yards. Close communication with state and federal agencies allow the Turnpike to keep up to date with any special warnings or alerts.

It would be less than prudent to discuss all the measures the Turnpike is taking to make its environment more secure. Suffice it to say that the Turnpike — like the rest of America — is making homeland security a part of highway safety.

only some of the things that have made the Turnpike one of the safest roads in America.

Not sure of your exit? The Turnpike's signing system allows for easy reading and prepares you well in advance of your exit with enough signs. Up-to-the minute traffic and weather conditions are displayed on its electronic message signs. Highway Advisory Radio broadcasts similar information. All off this allows motorists to make intelligent travel decisions, not only on the Turnpike, but even on other roads up ahead.

There are 12 Service Areas along the roadway that offer not only food, fuel and restroom facilities, but the ability to break one's journey in a safe and comfortable manner. It is a proven fact that these periodic "safety breaks" at service facilities increase the safety factor for everyone on the road.

Finally, the New Jersey State Police Troop D patrol the length of the Turnpike enforcing the law and providing assistance to stranded motorists. Their concentration on speeders and aggressive drivers helps to maintain a safe travel environment for everyone on the road.



The Turnpike's closed toll system — where one takes a ticket getting on and pays when they exit — allows the free flow of traffic on the mainline of the roadway. Helpful toll collectors are there to make change, give direction and report emergency situations.

The Turnpike's existing toll collection function has been augmented by E-ZPass, the regional electronic toll collection. Through the use of electronic transponders in vehicles and corresponding readers in toll lanes, motorists

can have their tolls recorded and debited from their E-ZPass accounts. This system is in use on most toll facilities in the northeastern United States, allowing travelers to pay their tolls electronically from New England down into Maryland.

In 2002, Turnpike E-ZPass customers accounted for approximately 60% of all tolls collected. The advantages to both the motorist and to the Turnpike are obvious. Instead of having to stop and manually pay their toll, motorists are able to drive through toll lanes at normal highway speed. This moves them — and whoever is behind them — through the plaza much quicker than conventional toll collection. That makes everyone happy.

But everyone wasn't always so happy with E-ZPass. First installed on the Turnpike in 1999, E-ZPass has had its share of glitches and difficulties.

E-ZPass installation and customer service and billing were the responsibility of private corporations — primarily Worldcom. Transponders malfunctioned, billing was confused and often incorrect and customers trying to reach the E-ZPass Customer Service Center were frustrated by long waits and inefficient service. The installation of E-ZPass was to have been paid for through fines collected from toll violators, but even that system wasn't operating properly.

It was a mess.

In 2002, New Jersey's Governor James E. McGreevey and then-Commissioner of Transportation James P. Fox made it a top priority to work with the Turnpike, and other toll agencies, to fix E-ZPass.

A full examination of the situation took place. Customers were kept informed of the developments. The remaining installation of E-ZPass was halted until its integrity could be assured.

During this period, Worldcom was having its own difficulties and ultimately made national headlines with a tangled story of bankruptcy and mismanagement.

In July 2002, Governor McGreevey announced that Worldcom would be relieved of its contract and that a new contractor would be procured.

By December 2002, a new contract was signed with Affiliated Computer Systems, and E-ZPass was back on track.

The Turnpike had been the lead agency in this remediation of E-ZPass — spearheading the effort to fix what was wrong and to assist E-ZPass customers in getting their accounts corrected. With the Governor's leadership, the Turnpike was able to resume the installation of E-ZPass facilities along its route, secure in the knowledge that this time it would be done right.

THE E-ZPASS STORY DOES NOT STOP THERE.

If motorists save time (and, by extension, fuel, by not having to stop to pay their toll) then how much better would it be if they could pass through E-ZPass lanes at higher speeds?

The Turnpike — again designated by the Governor to be the lead agency in this effort — began to examine the idea of “Express E-ZPass,” not only on the Turnpike, but on New Jersey's two other toll roads, the Garden State Parkway and the Atlantic City Expressway, as well. A demonstration project on the Turnpike at Exit 6 already featured a higher speed E-ZPass component.

What it found was staggering. A typical toll lane with a “basket” booth to collect coins can handle a maximum of 800 vehicles per hour. Eliminate the booths completely, and an individual Express E-ZPass lane could process 2,000 vehicles per hour. The savings in time to motorists would be extraordinary.

There were challenges. The Express E-ZPass lanes would have to be constructed to ensure the safety of motorists and toll collectors alike. The level of E-ZPass customer usage at individual plazas would have to be carefully considered. The whole question of how to divide, and then reunite, E-ZPass and non-E-ZPass traffic through the plaza would have to be addressed.

By October of 2002, all the questions had been answered and Governor McGreevey announced that Express E-ZPass would be deployed on the Turnpike, Parkway, and Expressway,



On October 30, 2002, at a press conference (from right to left) Governor James E. McGreevey, DOT Commissioner James P. Fox and Turnpike Executive Director Michael Lapolla announce plans for Express E-ZPass.

saying “With the overall remediation of E-ZPass taking place, it is time to move to the next level of technology to afford our motorists the utmost in convenience.”

These new Express E-ZPass lanes would be installed along the Parkway at the Hillsdale, Toms River, Raritan South, and Asbury Park toll plazas. On the Turnpike, the new lanes would be added at Interchanges 18W and 18E. The Expressway's Pleasantville toll plaza would also see Express E-ZPass lanes.

The Turnpike awarded a \$4.5 million contract for design to HNTB Corporation on November 19, 2002. Ultimately, between two and five Express E-ZPass lanes will be constructed at each location.

Concrete barriers will separate traffic lanes a full quarter mile before entering the toll plaza, with appropriate signing so that motorists would know how to proceed safely through the plaza regardless of their method of payment. The Parkway's Hillsdale toll plaza would be the first location, seeing construction beginning in mid-2003 and completed by the end of that year.

Total cost for construction of all the proposed Express E-ZPass lanes at all locations is \$45 million.

From a new contractor to a whole new way of operating E-ZPass, the year 2002 saw the Turnpike deeply involved in improving and expanding E-ZPass and, through this innovative new technology, its service to its customers.

AN HISTORIC CONSOLIDATION MOVES FORWARD

New Jersey may not have invented toll roads, but the state is well known for transportation facilities which rely on tolls for their funding. The idea of using tolls, which are collected from the people that use specific roads or bridges, is spreading across the country. Even California — land of the “freeway” — has turned to toll road alternatives instead of tax-supported roadways.

The Turnpike is administered by the New Jersey Turnpike Authority. Its sister road, the Garden State Parkway, is administered by the New Jersey Highway Authority. Both agencies are part of the New Jersey state government, but operate independently of each other. The Commissioner of the New Jersey Department of Transportation has a seat on the Boards of both agencies.

Though both roads are well run and provide excellent service to their customers, the idea of two agencies performing much the same function has long been questioned. Why not consolidate both toll roads under one agency and avoid duplication, streamline operations and save money?

Though the idea had been discussed many times, consolidation never took place. In 2002, however, that changed. Under the direction of Governor James E. McGreevey, the Turnpike and the Parkway began an historic effort to bring both roads together under one administration.

In March of 2002, Governor McGreevey sliced through years of red tape by signing an Executive Order to create the “Toll Road Consolidation Commission.” This Commission, composed of transportation experts, government officials and some everyday toll payers, was charged with examining a possible merger of the Turnpike Authority and the Highway Authority.

On May 28, 2002, the Turnpike Authority hired the Hay Group, an internationally respected consulting firm, to look at the management structures of both toll agencies. Every aspect of operation, including legal matters, financial savings and labor issues, would be studied. By October, the New Jersey State Legislature was also holding hearings on the issue.

The work of the Hay Group was complimented by the efforts of the Commissioners of both toll agencies, as well as by the Commissioner of Transportation. A Steering Committee was established with representatives of both agencies and other affected personnel.

Under the Governor’s leadership, consolidation had finally become — for the first time in New Jersey’s history — a very real possibility. This effort received praise from transportation experts, newspaper editorials and from the most important people of all — New Jersey’s motorists.

While the potential merger of the two agencies went forward in 2002, the two agencies were already working on a joint project which could serve as a model for the future — the rehabilitation of the Garden State Parkway’s Driscoll Bridge.

The Driscoll Bridge over the Raritan River is the most important span on the Parkway. Built when the original Parkway was constructed in the early 1950’s, the Driscoll Bridge is in serious need of repair. Over the years, its deck has deteriorated and structural concerns have surfaced. Its narrow lanes and lack of a shoulder posed safety concerns. When an 8-foot by 10-foot chunk of concrete fell from the bridge, it became obvious that something needed to be done — and soon. The Highway Authority had long been involved in preparing for rehabilitation of the bridge, but the agency simply did not have the funding in place for such a large project.

The year 2002 may well be remembered as the year that New Jersey drivers got their first taste of what the consolidation of the Turnpike and Parkway might produce when the Turnpike Authority and the Parkway’s Highway Authority announced a joint funding plan for the much-needed rehabilitation of the Driscoll Bridge.

The Driscoll Bridge is a key transportation link, not only for Parkway motorists, but for those traveling on the Turnpike as well. The bridge is situated just south of the intersection of the Parkway and the Turnpike in Woodbridge. One in every four of the 80 million vehicles crossing the Parkway’s bridge annually interfaces with the Turnpike in some manner. The need for repair, the communality of customers and the gathering pace of consolidation all made the Driscoll Bridge a prime example of how both agencies could co-operate for the common good of motorists.

On April 9, 2002, Governor McGreevey announced that the Highway Authority and the Turnpike Authority would share the cost for an estimated \$225 million expansion of the Driscoll Bridge. The overall plan would result in increasing the bridges capacity from an existing 12 lanes to 15 lanes. The plan drew rave reviews from transportation experts, state officials and the commuters who travel the bridge each day.

In August of 2002, contracts were awarded to PFK-Mark III for the construction of the new lanes, and to DMJM Harris for the associated inspection and coordination of the new bridge and its approaches.

In 2002, as plans for a consolidation of the Turnpike Authority and the Highway Authority went forward, the cooperative Driscoll Bridge project demonstrated how the full merger of the two Authorities might result in the single agency’s increased ability to address important projects throughout the state.



THE CONSTANT CHALLENGE TO IMPROVE

Roads are not static structures. They live and breathe, in a sense, like any other dynamic network. They must expand, undergo repairs and provide the necessary infrastructure to achieve their mission.

The New Jersey Turnpike carries nearly 800,000 vehicles per day. Trucks, cars, recreational vehicles, motorcycles all use the Turnpike for business and pleasure. Through some of the most densely populated urban environments in the nation to the flat farmlands of South Jersey, the Turnpike stretches 148 miles.

Built in the early 1950s, the Turnpike has grown and reshaped itself through the years to meet the ever-changing demands of its customers. The year 2002 saw a number of important engineering projects, each designed to improve the roadway or its interchanges.

From bridge deck repairs and reconstruction to service area improvements to sound barrier construction, the Turnpike has been busy with projects designed to better its service to its customers. A full listing of major construction projects that fell within the year 2002, appears at the end of this section.

One of the most important construction projects of 2002 was the work at Turnpike Interchange 1 toll plaza — dubbed the “Gateway to New Jersey.”

Located at milepost 2.4 in Carneys Point, the new interchange will be approximately 1.2 miles north of the existing interchange. The four phase project will build approaches to the new toll plaza, construct the new plaza itself and associated facilities, demolish the existing plaza, and, finally, create a 10.6 acre wetland site nearby. The cost for the relocation project is approximately \$45 million.

Work had begun on this project in the summer of 2000, but crucial steps were taking in 2002, with the actual construction of the plaza itself taking place. A third overhead structure was put in place completing the overhead walkways. The state’s largest newspaper, The Star Ledger featured the work being done on the new plaza with a prominent display of how the new interchange will look



when completed. Media coverage has also highlighted the favorable public comment on the aesthetic appeal of the design.

Interchange 1 has long served as the entrance to New Jersey for travelers coming up from the south. The new interchange will feature an almost futuristic design, complete with use of glass overhead walkways. The plaza, though large, will have a clean and open look, giving it an appeal all its own. The design allows for a harmonious blending with the surrounding landscape.

In line with its futuristic appearance, the new plaza will also feature state-of-the-art Express E-ZPass lanes in either direction. This will aid in processing the heavy demand traffic puts on Interchange 1 in the summer and during holiday periods.

The associated wetlands mitigation project once again demonstrates the Turnpike’s determination that expansion will not come at the expense of the environment. Over 10 acres of wetlands will provide habitat and nesting grounds for threatened species.

The Interchange 1 project — so important for tourism and commerce — made great strides in 2002.

The Secaucus Interchange Project also advanced in 2002. This mammoth undertaking involves a number of associated projects and has an overall cost of approximately \$235 million. The project includes construction of a new interchange and toll plaza facility along the easterly spur of the Turnpike at milepost 110.8. Located in the Hackensack Meadows, one of the state’s most sensitive areas, the project has necessitated relocation of NJ Transit rail lines and the construction of structures and retaining walls to minimize the impact on wetlands.

As part of the project, the Turnpike will provide additional services to the state’s vital trucking industry. The Vince Lombardi Service Area will provide 200 parking stalls for trucks. Additionally, a new “Trucker’s Only” facility will provide amenities for truckers including showers, food services, laundry and telephones. The new facilities recognize the importance of the trucking industry and their value to New Jersey commerce and industry.

Express E-ZPass installation at Interchange 18W and at Interchange 18E and at Interchange 16E, are also part of this project. This new state-of-the-art E-ZPass application will help to speed traffic through these interchanges.

New facilities, environmental protection in sensitive areas, refurbishing service areas and providing important industries with the amenities they deserve, all of these items were addressed in projects in the year 2002.

**51
YEARS
OF
OPERATION**

	Revenue Vehicles	Tolls Revenue	Mileage	Concessions Revenue	Other Revenue	Total Revenue
1951	787,195	\$ 587,326	38,246,174	\$ 32,861	\$ 87	\$ 620,274
1952	17,948,235	16,241,267	765,807,780	1,523,038	65,330	17,829,635
1953	22,005,078	19,192,647	868,606,100	1,853,880	464,102	21,510,629
1954	24,555,441	20,756,344	927,393,967	1,826,777	634,641	23,217,762
1955	25,888,319	21,122,503	939,672,825	1,859,952	923,169	23,905,624
1956	31,588,224	24,513,371	1,064,377,974	2,056,530	1,197,682	27,767,583
1957	39,269,643	29,022,910	1,200,254,680	2,370,516	1,447,014	32,840,440
1958	41,615,115	30,159,491	1,232,527,909	2,400,793	1,554,434	34,114,718
1959	46,199,339	33,317,927	1,343,847,970	2,602,998	1,396,407	37,317,332
1960	49,083,017	35,583,987	1,414,759,197	2,650,147	1,274,321	39,508,455
1961	51,737,682	37,192,652	1,471,802,723	2,649,106	1,156,969	40,998,727
1962	54,900,745	39,240,487	1,560,490,809	2,660,029	1,180,789	43,081,305
1963	56,677,379	40,778,566	1,610,706,177	2,749,777	1,270,264	44,798,607
1964	60,707,631	44,148,839	1,753,074,755	3,436,989	1,446,046	49,031,874
1965	64,957,715	46,122,200	1,856,395,130	3,624,311	1,549,790	51,296,301
1966	69,850,328	48,609,809	1,944,951,873	3,752,280	1,628,281	53,990,370
1967	73,528,656	51,229,549	2,030,844,201	3,976,450	1,642,227	56,848,226
1968	78,205,075	55,339,724	2,138,002,435	4,323,562	1,653,381	61,316,667
1969	80,618,191	57,636,727	2,202,999,403	4,624,406	1,979,854	64,240,987
1970	89,655,299	63,934,463	2,382,332,241	4,959,536	1,949,358	70,843,357
1971	98,533,612	70,124,311	2,574,226,834	5,322,464	1,004,360	76,451,135
1972	107,933,291	75,939,682	2,740,521,973	5,612,148	997,242	82,549,072
1973	110,422,434	78,996,947	2,753,067,671	5,226,934	1,261,793	85,485,674
1974	106,628,059	75,243,082	2,529,483,967	4,924,039	3,062,147	83,229,268
1975	105,632,830	84,385,089	2,583,789,035	5,315,803	6,553,424	96,254,316
1976	109,233,669	91,081,922	2,671,766,280	5,176,767	4,756,959	101,015,648
1977	113,664,015	95,111,786	2,759,241,650	5,232,246	5,026,621	105,370,653
1978	120,622,761	100,837,720	2,885,020,752	5,959,715	5,757,312	112,554,747
1979	121,031,648	100,884,856	2,803,773,003	5,956,116	9,452,586	116,293,558
1980	122,587,520	118,613,863	2,850,062,160	6,013,967	6,700,771	131,328,601
1981	127,211,999	126,188,012	2,930,550,698	5,929,656	13,787,205	145,904,873
1982	132,932,001	129,922,144	3,022,902,748	5,983,228	14,257,360	150,162,732
1983	143,854,884	139,894,904	3,205,540,623	6,521,074	10,047,954	156,463,932
1984	156,029,218	151,913,410	3,442,060,842	7,301,559	12,617,054	171,832,023
1985	167,179,166	162,449,170	3,685,451,718	7,579,995	11,082,401	181,111,566
1986	178,838,750	173,546,512	3,936,120,912	8,620,488	11,138,626	193,305,626
1987	183,166,154	178,969,813	4,077,924,075	10,615,629	18,006,757	207,592,199
1988	190,740,162	185,930,888	4,286,192,726	11,842,410	28,823,443	226,596,741
1989	193,498,385	187,932,292	4,393,225,349	12,498,869	31,219,244	231,650,405
1990	197,167,048	188,730,002	4,450,386,274	12,127,783	28,862,775	229,720,560
1991	185,193,140	285,638,471	4,249,632,696	11,444,972	24,280,732	321,364,175
1992	184,385,900	312,535,187	4,283,210,259	10,848,377	20,139,673	343,523,237
1993	185,067,102	316,519,746	4,325,626,076	11,851,766	12,169,972	340,541,484
1994	188,279,922	321,791,137	4,379,833,147	12,530,375	9,353,245	343,674,757
1995	190,375,343	326,302,916	4,497,441,419	12,515,694	13,213,751	352,032,361
1996	195,830,356	336,341,828	4,606,441,175	14,128,029	19,105,703	369,575,560
1997	202,852,155	350,436,688	4,774,501,073	14,479,345	16,084,301	381,000,334
1998	209,408,270	360,831,625	4,941,083,473	15,341,100	12,825,457	388,998,182
1999	213,150,447	369,497,000	5,073,970,904	15,496,800	19,387,100	404,380,900
2000	218,280,591	392,035,258	5,259,470,494	15,311,079	28,988,397	436,334,734
2001	228,773,394	433,868,929	5,843,629,559	14,580,118	37,837,061	486,286,108
2002	241,695,933	439,042,260	6,246,963,908	17,646,336	15,410,004	472,098,600

**CONTRACTS
AWARDED
IN 2002
IN EXCESS
OF \$100,000**

PROFESSIONAL ENGINEERING SERVICES

OPS #	Engineer/Architect	Amount
1921	The RBA Group	\$ 104,800
1904	T & M Associates	111,687
1905	El Taller Colaborativo	120,000
1966	Kupper Associates	128,000
1978	DMJM-Harris	160,200
1967	Amman & Whitney Consulting Engineers P. C.	164,000
1992	DMJM+Harris Inc.	168,000
1965	Kupper Associates	184,000
2019	Birdsall Engineering Inc.	250,000
1997	Langan Engineering & Environmental Services	250,000
1994	Maser Consulting P.A.	250,000
2016	PMK Group	250,000
1993	Schoor Depalma Inc.	250,000
1955	Kupper Associates	337,000
1991	Fay Spofford & Thorndike LLC	339,000
1964	HNTB Corp.	372,000
1987	Roof Maintenance Systems	390,000
1976	Michael Baker Jr.	401,000
1988	HNTB Corp.	418,900
1975	Dewberry-Goodkind Inc.	488,000
1937	Lippincott & Jacobs Consulting Engineers	600,000
1938	Certified Testing Laboratories	600,000
1989	Key Tech	600,000
1959	Greenman-Pedersen, Inc.	605,000
1953	Parsons Brinckerhoff-FG	637,000
1958	Edwards & Kelcey, Inc.	670,000
1990	HNTB Corp.	798,000
1957	Stone & Webster, Inc.	854,000
1617	Parsons Transportation Group	1,155,000
1970	Urban Engineers, Inc.	1,180,000
1984	HNTB Corp.	1,245,000
1950	Edwards & Kelcey, Inc.	1,295,260
1881	Gannett Fleming	2,035,000
1882	The Louis Berger Group, Inc.	2,230,000
2009	URS Group	2,350,000
1880	Dewberry-Goodkind, Inc.	2,380,000
2008	The Louis Berger Group, Inc.	3,895,000
1941	Stone & Webster, Inc.	4,277,000
1962	Consoer Townsend Envirodyne Engineers Inc.	8,850,000

PURCHASING

P.O.#	Vendor	Amount
1779	Sil Kemp Concrete Inc.	\$ 754,086.18
2885	Beyer Brothers Inc.	217,868.00
2925	Chas. S. Winner, Inc.	
	Winner Ford	942,726.00
2979	Magnetic Ticket and Label Corp.	450,351.00
3024	Grapek Company	129,512.00
3091	Morey Larue Laundry Co.	334,400.00
3124	Beyer Brothers Inc.	175,109.80
3226	Ennis Paint Inc.	101,984.40
3290	Verizon	1,795,580.71
3310	Traffic Safety Service Corp.	238,016.00
3385	Bull HN Infor Sys Inc.	219,884.00
3392	Storr Tractor Co.	191,664.00
3394	Beyer Brothers Inc.	379,440.00
3406	Collinson Inc.	104,907.25
3407	Cherry Valley Tractor Sales	395,962.44
3430	Williard of NJ	520,776.12
3495	Storr Tractor Co.	295,126.00
3498	Artco Equipment Sales Inc.	138,470.00
3581	Mobile Vision	188,680.00
3610	Mr. John	135,600.00
3732	Beyer Brothers Inc.	133,250.00
3887	Lawson Software Co.	158,993.00

PURCHASING (Continued)

3908	Sil Kemp Concrete Inc.	305,949.50
3960	R W V Land and Livestock	292,865.79
3976	Magnetic Ticket and Label Corp.	350,000.00
3979	Raritan Valley Office Supplies	200,000.00
3997	Intl Salt Co. LLC	536,052.00
3998	Atlantic Salt Inc.	841,172.63

CONSTRUCTION SERVICES

Cont. #	Contractor	Amount
R-6108	Schiavone Construction Co.	\$ 42,528,528.00
R-1434	Crisdel Group, Inc.	3,717,538.86
R-1418	Bishop-Sanzari A Joint Venture	1,862,780.00
R-1424	Allied Painting, Inc.	1,749,500.00
R-1415	Bishop-Sanzari A Joint Venture	13,567,910.00
R-1369	IEW Construction Group, Inc.	433,801.00
R-1416	D'Annunzio & Sons, Inc.	10,534,965.00
R-1438	Schiavone Construction Co.	5,664,000.00
R-1444	Tilcon New York, Inc.	3,226,655.75
SIP-201	Conti Enterprises, Inc.	17,573,005.00
R-1385-1	R.E. Pierson Construction Co. Inc./ Hessert Corp., A Joint Venture	12,723,000.00
SIP-101	M.J. Paquet, Inc.	2,936,453.00
R-1393A	Koch Skanska, Inc.	31,053,890.00
R-1420-1	Voacolo Electric, Inc.	2,429,404.00
R-1228	M.J. Paquet, Inc.	14,571,786.20
R-1401	Ferreira Construction Co., Inc.	1,235,293.00
R-1445	R.E. Pierson Construction Co. Inc.	2,138,724.95
R-1441	Dome Corporation of North America	516,143.00
R-1378	J. Fletcher Creamer & Son, Inc.	713,685.00
R-1451	R.E. Pierson Construction Co. Inc.	117,545.00
R-1232	ACP Service, Inc.	586,840.00
R-1231	Bender Contracting, Inc.	788,000.00
R-1233	A.C.P. Electrical, Inc.	833,600.00
R-1439	Tarheel Enterprises, Inc.	2,954,268.87
R-1430	Union Paving & Construction Co., Inc.	10,987,665.00
		<u>\$185,444,981.63</u>

INSURANCE

	Premium
National Union Fire	\$ 790,000.00
Arch Specialty	200,000.00
National Union	739,499.00
National Union	663,477.00
Lexington (AIG)/Allied World	1,167,852.00
Zurich	1,146,090.00
Purdental Financial	414,456.00
Purdental Financial	149,454.00



NEW JERSEY TURNPIKE AUTHORITY

Financial Statements and
Supplementary Information

December 31, 2002 and 2001

(With Independent Auditors' Report Thereon)



Princeton Pike Corporate Center
P.O. Box 7348
Princeton, NJ 08543-7348

Independent Auditors' Report

To the Commissioners
New Jersey Turnpike Authority:

We have audited the accompanying statement of assets, liabilities, and fund balances of the New Jersey Turnpike Authority (the "Authority"), a component unit of the State of New Jersey, as of December 31, 2002, and the related statements of revenues and expenses and changes in fund balances for the year then ended, and the related statement of cost of investment in facilities as of December 31, 2002. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Authority as of and for the year ended December 31, 2001, were audited by other auditors whose report thereon dated February 8, 2002, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 2, the accompanying financial statements were prepared on the modified cash basis of accounting to comply with the provisions of the Authority's 1991 Turnpike Revenue Bond Resolution as amended, restated and supplemented and on the Authority's interpretation of such resolution, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances of the Authority as of December 31, 2002, and its revenues and expenses and changes in its fund balances for the year then ended, and the cost of investment in facilities as of December 31, 2002, on the basis of accounting described in note 2.

Our audit was made for the purpose of forming an opinion on the aforementioned financial statements taken as a whole. The supplementary information included in schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the aforementioned financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the aforementioned financial statements taken as a whole.

KPMG LLP

January 30, 2003, except for note 10
and the fourth paragraph of note 8,
which are as of March 28, 2003

NEW JERSEY TURNPIKE AUTHORITY

Statements of Revenues and Expenses

Years ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Revenues:		
Toll revenue	\$ 439,042,260	433,868,929
Income from investments	5,669,440	11,133,850
Concession revenue	17,646,336	14,580,118
Miscellaneous revenue	7,042,633	3,920,588
ETC project – system proceeds	<u>2,697,931</u>	<u>22,782,623</u>
Total revenues	472,098,600	486,286,108
Operating expenses:		
Executive office	1,661,364	1,511,369
ETC department	42,234	—
Public affairs	411,953	423,962
Law	756,671	696,432
Finance and budgets	2,953,012	2,650,886
Human resources	1,796,910	1,784,828
Asset management	85,795	—
Technology and administrative services	7,822,098	7,511,536
Operations	3,238,470	2,781,030
State police	23,253,080	20,380,426
Toll collection	47,565,766	48,548,749
Maintenance	37,295,290	37,679,969
Engineering	1,967,217	1,906,851
Nondepartmental	7,506,516	7,684,805
Employee benefits	29,088,117	30,842,974
Snow removal	1,937,026	805,660
ETC	5,650,000	3,000,000
Early retirements	3,239,249	—
Cash discounts	<u>(3,882)</u>	<u>—</u>
Total operating expenses before payment to ETC – Project Fund	176,266,886	168,209,477
ETC Project Fund payment	<u>1,052,707</u>	<u>8,666,752</u>
Total operating expenses	<u>177,319,593</u>	<u>176,876,229</u>
Total revenues in excess of operating expenses before net debt service	294,779,007	309,409,879
Debt service:		
Interest expense, Turnpike Revenue Bonds	179,889,874	190,134,622
Transfer to Debt Service Fund	75,785,000	46,145,000
Transfer to Charges Fund	<u>2,228,444</u>	<u>2,128,000</u>
Total debt service	257,903,318	238,407,622
Less interest earnings supplied from Construction Fund	(7,738,262)	(14,040,000)
Less capitalized interest	<u>(54,711,008)</u>	<u>(57,403,250)</u>
Net debt service	<u>195,454,048</u>	<u>166,964,372</u>
Total revenues in excess of operating expenses and net debt service	99,324,959	142,445,507
Interfund transfers:		
To Maintenance Reserve Fund	(25,959,000)	(26,300,000)
To Special Project Reserve Fund	(18,500,000)	(18,000,000)
To ETC – Special Project Fund payment	(1,645,224)	(14,115,871)
To General Reserve Fund	(31,220,735)	(62,029,636)
To General Reserve Fund for Payment to the Transportation Trust Fund	<u>(22,000,000)</u>	<u>(22,000,000)</u>
Total revenues in excess of operating expenses, net debt service and interfund transfers	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes to financial statements.

NEW JERSEY TURNPIKE AUTHORITY

Statement of Assets, Liabilities, and Fund Balances

December 31, 2002

(with comparative total figures for 2001)

	Funds held by Authority		
	Revenue Fund	Construction Fund	Maintenance Reserve Fund
Assets			
Cash	\$ 8,417,098	918,911	2,549,677
Investments (note 3)	42,979,495	801,919,077	3,024,453
Receivables	10,404,834	141,931	—
Interfund accounts, net	(5,961,318)	(2,948,888)	(2,022,500)
Deposits in condemnation	—	373,713	—
Cost of investment in facilities	—	3,683,920,200	—
Total assets	<u>\$ 55,840,109</u>	<u>4,484,324,944</u>	<u>3,551,630</u>
Liabilities and Fund Balances			
Liabilities:			
Accrued interest payable	\$ —	—	—
Withholdings from employees	503,996	—	—
Amounts retained from contractors and engineers	—	5,628,519	2,296,542
Other liabilities (note 4)	16,249,413	25,116,685	42,742
Bond indebtedness (note 5):			
Turnpike Revenue Bonds, Series 1991 A	—	118,815,000	—
Turnpike Revenue Bonds, Series 1991 C	—	852,220,000	—
Turnpike Revenue Bonds, Series 1991 D	—	371,000,000	—
Turnpike Revenue Bonds, Series 1992 A	—	104,625,000	—
Turnpike Revenue Bonds, Series 1992 B	—	40,950,846	—
Turnpike Revenue Bonds, Series 2000 A	—	1,467,375,000	—
Turnpike Revenue Bonds, Series 2000 B-G	—	400,000,000	—
Total liabilities	16,753,409	3,385,731,050	2,339,284
Fund balances	39,086,700	1,098,593,894	1,212,346
Total liabilities and fund balances	<u>\$ 55,840,109</u>	<u>4,484,324,944</u>	<u>3,551,630</u>

See accompanying notes to financial statements.

Special Project Reserve Fund	General Reserve Fund	Charges Fund	Funds Held by trustees		Totals (note 2)	
			Debt Service Fund			
				2002	2001	
5,138,848	7,405,316	1,171	14,292	24,445,313	36,884,649	
38,999,084	121,504,368	159,993	192,264,875	1,200,851,345	1,297,689,079	
3,638,562	—	—	—	14,185,327	8,961,019	
(961,548)	50,036,831	(223)	(38,142,354)	—	—	
—	—	—	—	373,713	1,276,613	
—	—	—	—	3,683,920,200	3,490,697,032	
<u>46,814,946</u>	<u>178,946,515</u>	<u>160,941</u>	<u>154,136,813</u>	<u>4,923,775,898</u>	<u>4,835,508,392</u>	
—	—	—	78,351,813	78,351,813	80,542,480	
—	—	—	—	503,996	457,491	
975,602	124,157	—	—	9,024,820	8,015,114	
22,265,987	—	—	—	63,674,827	18,636,385	
—	—	—	—	118,815,000	149,560,000	
—	—	—	—	852,220,000	852,220,000	
—	—	—	—	371,000,000	371,000,000	
—	—	—	—	104,625,000	114,625,000	
—	—	—	—	40,950,846	43,787,142	
—	—	—	—	1,467,375,000	1,467,375,000	
—	—	—	—	400,000,000	400,000,000	
<u>23,241,589</u>	<u>124,157</u>	<u>—</u>	<u>78,351,813</u>	<u>3,506,541,302</u>	<u>3,506,218,612</u>	
<u>23,573,357</u>	<u>178,822,358</u>	<u>160,941</u>	<u>75,785,000</u>	<u>1,417,234,596</u>	<u>1,329,289,780</u>	
<u>46,814,946</u>	<u>178,946,515</u>	<u>160,941</u>	<u>154,136,813</u>	<u>4,923,775,898</u>	<u>4,835,508,392</u>	

NEW JERSEY TURNPIKE AUTHORITY

Statement of Changes in Fund Balances

Year ended December 31, 2002
(with comparative total figures for 2001)

	Funds held by Authority			
	Revenue Fund	Construction Fund	Maintenance Reserve Fund	Special Project Reserve Fund
Balance as of beginning of year	\$ 39,086,700	1,051,306,173	1,152,209	30,731,832
Add (deduct):				
Revenues and interfund transfer from General Reserve Fund in excess of operating expenses before net debt service	294,779,007	—	—	—
Transfers to fund bond interest expense	(117,440,604)	—	—	—
Bond interest expense	—	—	—	—
Payment of other charges	—	—	(25,898,863)	(27,303,699)
Revenue fund transfers	(48,332,668)	—	25,959,000	20,145,224
Other fund transfers	—	1,142,721	—	—
Sinking fund payment	—	46,145,000	—	—
Sinking fund transfers	(75,785,000)	—	—	—
Surplus transfer	(53,220,735)	—	—	—
Required payment to the State of New Jersey	—	—	—	—
Balance as of end of year	<u>\$ 39,086,700</u>	<u>1,098,593,894</u>	<u>1,212,346</u>	<u>23,573,357</u>

See accompanying notes to financial statements.

General Reserve Fund	Charges Fund	Funds held by trustees		Totals (note 2)	
		Debt Service Fund	Debt Reserve Fund	2002	2001
		109,960,862	119,404	46,145,000	50,787,600
—	—	—	—	294,779,007	309,409,879
—	—	179,889,874	—	62,449,270	71,443,250
—	—	(179,889,874)	—	(179,889,874)	(190,134,622)
(12,004,118)	(2,186,907)	—	—	(67,393,587)	(62,121,739)
—	2,228,444	—	—	—	—
49,644,879	—	—	(50,787,600)	—	—
—	—	(46,145,000)	—	—	—
—	—	75,785,000	—	—	—
53,220,735	—	—	—	—	—
(22,000,000)	—	—	—	(22,000,000)	(22,000,000)
<u>178,822,358</u>	<u>160,941</u>	<u>75,785,000</u>	<u>—</u>	<u>1,417,234,596</u>	<u>1,329,289,780</u>

NEW JERSEY TURNPIKE AUTHORITY

Statement of Cost of Investment in Facilities

December 31, 2002

(with comparative total figures for 2001)

	Original Turnpike extensions and additional lanes	Revenues invested in facilities	1966 Turnpike Improvement	1971 Turnpike Improvement	1973 Improvement and Funding Program	1977 Turnpike System Revenue Bond Accounts
Engineering and architectural	\$ 28,083,278	12,125,827	32,051,535	11,566,356	18,997,183	—
Land, easements, and rights-of-way, net of recoveries	25,771,162	6,073,263	28,704,263	4,074,507	7,013,092	—
Construction, including cost of training and equipping operating personnel, machinery and equipment, and miscellaneous pre-operating expenses	371,398,653	69,099,391	390,553,355	103,797,024	30,811,393	—
Other costs, including administration	1,869,762	164,427	2,770,920	181,599	307,851	—
Financial	27,036,418	165,271	245,668,754	22,512,061	23,615,247	12,874,128
	<u>454,159,273</u>	<u>87,628,179</u>	<u>699,748,827</u>	<u>142,131,547</u>	<u>80,744,766</u>	<u>12,874,128</u>
Less income from interim investment of construction funds	7,763,714	3,929	82,042,352	19,485,504	46,808,678	—
	<u>\$ 446,395,559</u>	<u>87,624,250</u>	<u>617,706,475</u>	<u>122,646,043</u>	<u>33,936,088</u>	<u>12,874,128</u>

See accompanying notes to financial statements.

1984 Turnpike Revenue Bonds	Refunding of 1984 bonds	1985 - 1990 Widening Project	Business Plan for the 90's	2000 Construction Fund	Totals	
					2002	2001
—	—	153,068,194	130,677,214	45,696,108	432,265,695	400,808,772
—	—	24,713,537	429,638,178	4,941,514	530,929,516	525,950,643
—	—	386,016,061	525,579,032	175,392,247	2,052,647,156	1,959,237,200
—	—	19,331,429	54,726,214	44,975,822	124,328,024	106,108,034
<u>67,745,398</u>	<u>7,988,081</u>	<u>594,000,850</u>	<u>576,282,157</u>	<u>193,615,008</u>	<u>1,771,503,373</u>	<u>1,705,347,679</u>
67,745,398	7,988,081	1,177,130,071	1,716,902,795	464,620,699	4,911,673,764	4,697,452,328
—	—	653,015,748	293,407,659	125,225,980	1,227,753,564	1,206,755,296
<u><u>67,745,398</u></u>	<u><u>7,988,081</u></u>	<u><u>524,114,323</u></u>	<u><u>1,423,495,136</u></u>	<u><u>339,394,719</u></u>	<u><u>3,683,920,200</u></u>	<u><u>3,490,697,032</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 2002 and 2001

(1) Organization and Function of the New Jersey Turnpike Authority

The New Jersey Turnpike Authority (the Authority) is a body corporate and politic created by the New Jersey Turnpike Authority Act of 1948, as amended and supplemented (the Act). The Act authorizes the Authority to construct, maintain, repair, and operate the New Jersey Turnpike (the Turnpike System) projects at locations established by law and to issue Turnpike revenue bonds or notes of the Authority, subject to prior approval in writing from the Governor and from either or both the State Treasurer and the Director of the Division of Budget and Accounting of the Department of the Treasury, payable solely from tolls and other revenues of the Authority. Under the provisions of the Act, the Turnpike bonds or notes and the interest thereon shall not be deemed to constitute a debt or liability or a pledge of the faith and credit of the State or any political subdivision thereof.

The Authority is a component unit of the State of New Jersey and its financial statements are included in the State of New Jersey's Comprehensive Annual Financial Report.

All revenues of the Turnpike System are required to be deposited by the Authority in the Revenue Fund, to be applied in accordance with the provisions of the Turnpike Revenue Bond Resolution, adopted August 20, 1991, as amended, restated, and supplemented (the Bond Resolution).

(2) Summary of Significant Accounting Policies

Nature of Funds

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. Resources are allocated to and accounted for in the individual funds based upon the provisions of the Bond Resolution. The various funds are as follows:

- Revenue Fund – the Revenue Fund is the general operating fund of the Authority. It is used to account for all of the operating revenues and expenses.
- Construction Fund – the Construction Fund is used to account for financial resources to be used for cost of investment in facilities. Included in this fund are the proceeds from the issuance of Turnpike Revenue Bonds in 2000 (see note 5), and unexpended moneys related to projects authorized by previous bond issues.
- Maintenance Reserve Fund – amounts in this fund may be applied to the cost of major resurfacing, replacement, repairs, renewals, or reconstruction of the Turnpike System.
- Special Project Reserve Fund – amounts in this fund may be applied to the cost of one or more special projects or additional projects. On an annual basis, the Special Project Reserve Fund is replenished up to the amount of the Special Project Reserve Requirement of \$50,000,000. The required funding is determined by projecting the ending fund balance and comparing it to the Special Project Reserve Requirement. The difference is funded in 12 equal installments over the next fiscal year.

(Continued)

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 2002 and 2001

- General Reserve Fund – amounts in the General Reserve Fund are to be used to make required state payments and to make up deficiencies in the Revenue Fund, the Debt Service Fund, the Debt Reserve Fund, the Charges Fund, the Maintenance Reserve Fund, and the Special Project Reserve Fund. Subject to certain terms, amounts in this fund which are not required to remedy any such deficiency may be applied to (a) the purchase or redemption of any bonds and expenses in connection therewith; (b) payment of principal and interest due upon redemption of variable rate debt, commercial paper and subordinated indebtedness, if any; (c) payments into the Construction Fund; (d) improvements, extensions, betterments, renewals, and replacements of the Turnpike System or the provisions of reserves for these purposes; (e) payments into the Revenue Fund; and (f) any other corporate purpose, including but not limited to, additional required State payments, if any.
- Charges Fund – this fund is used to pay (a) fees and charges paid to a financial institution under a letter of credit and related reimbursement agreement, line of credit, standby bond purchase agreement, or similar agreement; (b) fees and charges paid to the remarketing agent; (c) fees and charges paid to the tender agent; and (d) fees and charges paid to the broker/dealer but only to the extent that the Authority determines the foregoing amounts shall not be paid as operating expenses.
- Debt Service Fund – this fund accumulates the amounts required for (a) payment of interest and maturing principal amounts on all outstanding Turnpike revenue bonds when due; (b) payment of the redemption price and accrued interest on the bonds to be redeemed; and (c) payment of the purchase price of bonds purchased through application of moneys accumulated in this fund by reason of the payment of any sinking fund installment.
- Debt Reserve Fund – amounts in this fund are to be applied to make up any deficiency in the Debt Service Fund. The Bond Resolution provides that as a condition to the issuance of each series of bonds there shall be deposited in the Debt Reserve Fund the amount, if any, necessary so that the amount in such fund equals the Debt Reserve Requirement calculated immediately after the issuance of such series of bonds. The Debt Reserve Requirement is equal to the greatest amount of interest accruing on the outstanding bond indebtedness in any one year, subject to certain provisions set forth in the Bond Resolution (see note 5).

Whenever the moneys and investment securities on deposit in the Debt Reserve Fund, together with the amount in the Debt Service Fund, are sufficient to pay in full all outstanding bonds in accordance with their terms, the funds on deposit in the Debt Reserve Fund are to be transferred to the Debt Service Fund.

The Authority may deposit a surety bond, insurance policy, or letter of credit payable to the Trustees of the bonds in an amount equal to the difference between the Debt Reserve Requirement and amounts deposited in the Debt Reserve Fund, subject to conditions provided for in the Bond Resolution (see notes 5 and 7).

(Continued)

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 2002 and 2001

Basis of Presentation

Accounts of the Authority are maintained in accordance with the practices set forth herein, which are based on the provisions of the Bond Resolution and on the Authority's interpretation of the Bond Resolution. The significant practices, the first two of which differ in material respects from accounting principles generally accepted in the United States of America, are as follows:

- Depreciation of the Turnpike System and related facilities is not included as an operating expense or otherwise provided.
- Transfers from the Construction Fund and Debt Reserve Fund to the Revenue Fund and from the Revenue Fund to the Special Project Reserve Fund, and Maintenance Reserve Fund are presented in the statement of revenues and expenses.
- Cost of investment in facilities are generally recorded when paid except for amounts payable to contractors and engineers that are withheld (as retainage) which are recorded when incurred. Income on unexpended construction funds is credited to cost of investment in facilities when received.
- Cost of investment in facilities also include expenses in connection with the offering, selling, and issuance of bonds and notes; discount on the sale of bonds and notes; costs of issuing and refunding bonds; costs of certain real estate in excess of right-of-way requirements which may be sold and the proceeds applied in reduction of construction costs; certain interest on bonds and notes (less income received on unexpended construction funds); and administrative, legal, and certain insurance expenses incurred during the construction period.
- Toll revenues are generally recorded when received except for toll revenues received under the commercial vehicle charge account program which are recorded on the accrual basis.
- Income on investments and from concessions is recorded when received. Investments are stated at cost.
- Other income and receipts, from whatever source derived, are recorded as revenue when received.
- Operating expenses are recorded when paid except for reserves for general liability insurance claims for which the Authority is self-insured, unemployment insurance premiums withheld from employees, and certain other reasonable and necessary operating expenses which do not recur annually.
- Interest on bond indebtedness is recorded on the accrual basis.
- Costs for major repairs, replacements, or maintenance items of a type not recurring annually or at shorter intervals and costs for major resurfacing, replacement, repairs, renewals, or reconstruction of the Turnpike System are recorded when paid except for amounts payable to contractors and engineers that are withheld (as retainage). Such costs are included in other charges in the accompanying statement of changes in fund balances.

"Total" columns contain the totals of the similar accounts of the various funds. Since the assets of the funds are restricted, the combination of the accounts, including the assets therein, is for comparison only and does not indicate that the combined assets are available in any manner other than that provided for in the Bond Resolution.

(Continued)

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 2002 and 2001

(3) Investments

As of December 31, 2002, investments consist of the following:

Repurchase agreements	\$ 835,460,495
U.S. Treasury backed Federal agency discount notes	365,390,850
	<u>\$ 1,200,851,345</u>

As of December 31, 2002, all of the repurchase agreements are rated at least AA, and mature periodically from January 2, 2003 through June 1, 2005.

(4) Other Liabilities – Revenue Funds

Included in the December 31, 2002 investment balance in the accompanying statement of assets, liabilities, and fund balances is approximately \$2.2 million of funds to satisfy general liability insurance claims for which the Authority is self-insured, approximately \$3.7 million of funds which are designated to satisfy unemployment insurance claims, \$9.0 million designated as a reserve for the Authority's share of a potential ETC Project deficiency in 2003, and approximately \$1.3 million of funds designated for other obligations of the Authority all of which are included as "other liabilities" of the Revenue Fund.

(5) Bond Indebtedness

As of December 31, 2002, bond indebtedness consists of the following:

Turnpike Revenue Bonds:

Series 1991 A, due 1/1/94 to 2003, 1/1/2008 and 1/1/2014 with interest at 5.25% to 6.90%	\$ 118,815,000
Series 1991 C, due 1/1/94 to 2011, 1/1/2013 and 1/1/2016 with interest at 4.80% to 6.50%	852,220,000
Series 1991 D, due 1/1/2018 with interest at 6.19% under an interest rate swap agreement (see below)	371,000,000
Series 1992 A, due 1/1/96 to 2006, 1/1/2012 and 1/1/2018 with interest at 4.80% to 6.20%	104,625,000
Series 1992 B, due 1/1/2000 to 2012 with yields to maturity at 6.10% to 6.70% (see below)	40,950,846
Series 2000 A, due 1/1/2030 with interest rates at 4.80% to 6.0%	1,467,375,000
Series 2000 B-G (auction rate bonds), due January 1, 2023 with interest at variable rates not to exceed 10%	400,000,000
	<u>\$ 3,354,985,846</u>

For the Series 1991 C bonds maturing in 2007, the Series 1991 D bonds maturing in 2018, the Series 1992 B bonds the Series 2000 A and the Series 2000 B-G, principal and interest payments are insured on the stated maturity and interest payment dates through municipal bond insurance other than the Series 2000 A maturing in 2027.

(Continued)

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 2002 and 2001

Interest on all outstanding bond indebtedness, except for capital appreciation bonds and auction rate bonds (see below) is payable semiannually on each January 1 and July 1. Unless converted to a fixed interest rate, the Series 1991 D bonds pay interest to bondholders at a variable weekly interest rate (1.3% as of December 31, 2002) subject to a maximum rate of 12%. Regardless of whether the Series 1991 D bondholders are paid a variable rate or a fixed rate, under an interest rate swap agreement with a financial institution, the Authority will pay interest at a fixed rate of 6.19% for the entire term of the Series 1991 D bonds.

The Series 1992 B bonds, which are capital appreciation bonds, were originally issued in the amount of \$30,016,972 and are reported at their accreted value of \$40,950,846 as of December 31, 2002, and mature annually from January 1, 2000 through January 1, 2012 at accreted values aggregating \$70,200,159.

Series 1991 A, Series 1991 C, and Series 1992 A bonds in the principal amount of \$720,005,000 are subject to mandatory redemption prior to maturity in specified principal amounts and such bonds in the principal amount of \$375,965,000 are subject to optional redemption prior to maturity at varying redemption prices. The Series 1992 B bonds are not subject to mandatory or optional redemption prior to maturity. If converted to a fixed interest rate, the Series 1991 D bonds are subject to mandatory redemption prior to maturity in specified principal amounts. The Series 1991 D bonds are also subject to optional redemption prior to maturity.

The Series 2000 A bonds maturing after January 1, 2014 are subject to redemption prior to maturity on or after January 1, 2010 at the option of the Authority in whole or in part at any time and from time to time. The redemption price is 100% plus accrued interest.

The Series 2000 B-G bonds were issued as auction rate with interest rates not to exceed 10% (the average rate for 2002 was 1.2%). The auction date for the Series 2000 B-G bonds generally occurs every seven days. Interest on the auction rate bonds will accrue for each auction interest period and will be payable in arrears on each succeeding interest payment date. An interest auction period begins on, and includes, an interest payment date and ends on (but excludes) the next succeeding interest payment date. The final interest payment date on the Series B-G Bonds will be January 1, 2030. These auction rate bonds of each Series are subject to redemption prior to maturity at the option of the Authority in whole or in part at redemption price of 100%, plus accrued interest.

All bonds outstanding under the Bond Resolution, together with amounts owed under the interest rate swap agreement, are secured on a parity by a pledge of Net Revenues of the Authority senior in priority to any other Authority obligations secured by such net revenues. The off balance sheet risk associated with this interest rate swap agreement between the Authority and AIG Financial Products Corp., which is not reflected in the accompanying statement of assets, liabilities and fund balances as of December 31, 2002, is a termination payment. This payment, which under certain circumstances could be a substantial amount, would be required to be made by the Authority, if the Authority opted to cancel this agreement. However, the Authority does not intend to terminate this agreement at this time.

In accordance with the Bond Resolution, The Authority, to meet the Debt Reserve Requirement (see note 2) may maintain a surety bond or insurance policy payable to the Trustee in lieu of required deposits in the Debt Reserve Fund. As of December 31, 2002, the Authority maintained insurance policies with a face amount of \$97,760,585 and a surety bonds with a payment limit of \$123,597,046.

(Continued)

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 2002 and 2001

The following table sets forth as of December 31, 2002 payments of principal (through sinking fund installments) and interest to be made to the Debt Service Fund from the Revenue Fund on all outstanding bonds of the Authority for the next five years and thereafter (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 72,375,000	190,254,858	262,629,858
2004	73,235,000	186,573,076	259,808,076
2005	109,505,000	183,177,057	292,682,057
2006	123,300,000	177,090,679	300,390,679
2007	132,165,000	170,492,845	302,657,845
2008 – 2012	823,440,000	723,547,370	1,546,987,370
2013 – 2017	1,132,590,000	436,610,423	1,569,200,423
2018 – 2022	282,460,000	188,653,048	471,113,048
2023 – 2027	367,235,000	105,687,770	472,922,770
2028 – 2029	175,945,000	14,028,505	189,973,505
	<u>\$ 3,292,250,000</u>	<u>2,376,115,631</u>	<u>5,668,365,631</u>

The Authority has covenanted that it will charge and collect such tolls and other charges as shall be required in order that in each calendar year net revenues (as defined) shall at least equal the greater of (1) the sum of the aggregate debt service on all outstanding bonds, maintenance reserve payments, and special project reserve payments and payments, if any, to the charges fund for each calendar year; or (2) 1.20 times the sum of the aggregate debt service on all outstanding bonds, for each calendar year. Net revenues with required transfers were sufficient to satisfy the most restrictive toll covenant requirements for 2002.

For the year ended December 31, 2002, interest expense was comprised of the following:

Turnpike Revenue Bonds, Series 1991 A	\$ 7,938,175
Turnpike Revenue Bonds, Series 1991 C	51,602,119
Turnpike Revenue Bonds, Series 1991 D	22,964,900
Turnpike Revenue Bonds, Series 1992 A	2,226,795
Turnpike Revenue Bonds, Series 2000 B-G	95,157,885
	<u>\$ 179,889,874</u>

(6) Pension and Deferred Compensation

Employees of the Authority are covered by the Public Employees Retirement System (PERS) of the State of New Jersey, a cost-sharing multi-employer deferred benefit pension plan. The Authority has not been required to make pension plan contributions in 2002 and 2001. Authority employees are also covered by the Federal Social Security Act.

In 1980, the Authority established the Employees Deferred Compensation Plan. All permanent employees are eligible to participate in the plan, which permits participants to defer annually a portion of their salary. The Authority does not make any contributions to the plan.

(Continued)

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 2002 and 2001

(7) Commitments and Contingent Liabilities

Under the terms of an agreement dated April 27, 1984 and an amendments dated August 1, 1995 and March 27, 2000, the Authority agreed to make annual payments to the State of New Jersey to assist in transportation purposes. These payments are \$22 million annually and are due until all obligations of the New Jersey Transportation Trust Fund Authority as set forth in the 2001 Amendment are paid or such payment has been provided for. The payments are made from the General Reserve Fund and are subordinate to debt service payments under all outstanding bonds.

The Authority is committed under contracts related to the Construction Fund. The contracts are primarily construction contracts and the open commitments totaled approximately \$267,700,000 as of December 31, 2002 all of which are fully funded.

(8) Electronic Toll Collection Project

The Authority acted as the lead agency of an electronic toll collection consortium consisting of the Authority, the New Jersey Highway Authority, the State of Delaware, acting by and through its Department of Transportation, The Port Authority of New York and New Jersey and the South Jersey Transportation Authority (collectively, the Consortium). The Consortium members are part of a larger regional group, named the Inter Agency Group, whose function, amongst others, is to allow all its members to interchangeably use their electronic toll collection technology. This means that a Consortium customer may use the ETC facilities at the New York State Thruway, the MTA Bridges and Tunnels and The Delaware River Port Authority as well as others. Inter Agency Group members have created a Reciprocity Agreement among its members whereby valid transponder numbers of customers of other members are exchanged, and accounts are cross-debited as appropriate, in a similar fashion to the way credit card customers have their accounts processed through clearing houses.

The Consortium awarded a contract (the ETC Contract) to MFS Network Technologies, Inc. (MFS), on March 10, 1998 for design, installation and implementation of an electronic toll collection system the design, installation, marketing, operation and maintenance of a fiber optic system and the design, installation, implementation, maintenance and operation of a customer service center and violations processing center (the "Project"). Financing for the construction costs and initial operating costs of the ETC Project was provided through the issuance by the New Jersey Economic Development Authority (the "NJEDA") of its \$300,000,000 Economic Development Transportation Bonds (Electronic Toll Collection Project) Series 1998 (the "ETC Bonds") due March 7, 2008.

On July 2, 2002, the ETC Contract with MFS, as amended, which contract is purported to have been assigned to WorldCom, Inc. was terminated by the Consortium. Subsequently, the Authority withdrew from the Consortium in order for it to enter into an agreement for the completion of its own Electronic Toll Collection Project. A Professional Services Agreement was entered into in January 2003 by and between the Authority, the New Jersey Highway Authority, the South Jersey Transportation Authority and ACS State and Local Solutions, Inc. (ACS) for E-Z Pass System Remediation, Buildout, Operations and Maintenance.

(Continued)

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 2002 and 2001

In March 2003, in order to implement the contract with ACS, it was necessary for the Authority to repay its share of the existing debt and associated expenses of the Project so that it could be relieved of its obligations under the NJEDA Bond Resolution. A refinancing has been developed by the Authority to accommodate the required repayment of the NJEDA bonds consisting of funds from the Authority and \$70,000,000 of subordinated debt.

(9) Litigation

As of December 31, 2002, various actions have been filed against the Authority by individuals alleging discriminatory actions by New Jersey State Troopers on duty on the New Jersey Turnpike. The Authority's contract with the State of New Jersey for provision of law enforcement services contains an indemnification provision requiring the Authority to defend and indemnify Troopers, the State Police and the State under certain circumstances. The Authority is defending each case vigorously and has asserted that it has no liability. In the event the Authority is found ultimately to be liable, the Authority believes that it will be covered by insurance policies for a significant portion of such liability and that any payments in regard to such portions that are not covered by insurance would not materially adversely affect the operations of the Authority.

In addition, the Authority is party to a number of claims, which are incidental to performing its routine operations and functions. In the opinion of management, the ultimate resolution of these matters will not have a material effect on the Authority's financial position or cash flows.

(10) New Jersey Toll Road Consolidation

In accordance with Executive Order No. 15 (2002), the Toll Road Consolidation Study Commission was created and completed an examination of the prospect of joining together, in whole, or in part, the three separate government agencies that currently operate the New Jersey Turnpike, the Garden State Parkway, and the Atlantic City Expressway.

The Commission concluded that the New Jersey Turnpike Authority and the New Jersey Highway Authority should be administered by a single state instrumentality – the New Jersey Turnpike Authority. A draft bill has been sent to the Senate and General Assembly of the State of New Jersey for their approval which would abolish the New Jersey Highway Authority, transferring its projects and functions to the New Jersey Turnpike Authority.

NEW JERSEY TURNPIKE AUTHORITY

Schedule 1

Schedule of Investments

December 31, 2002

	<u>Interest rate</u>	<u>Maturity</u>	<u>Par value</u>	<u>Carrying value</u>
Revenue Fund:				
US Treasury Backed Notes	.93%-1.22%	1/2/03-1/17/03	\$ 33,991,000	33,979,495
Repurchase Agreements	1.08%	1/9/2003	9,002,429	9,000,000
			<u>42,993,429</u>	<u>42,979,495</u>
Construction Fund:				
US Treasury Backed Notes	.93%-1.12%	1/6/03-1/30/03	26,488,000	26,458,582
Repurchase Agreements	Variable, 1.08%, 6.61% and 6.65%	1/2/03-6/1/05	775,460,664	775,460,495
			<u>801,948,664</u>	<u>801,919,077</u>
Maintenance Reserve Fund:				
US Treasury Backed Notes	0.93%	1/7/2003	3,025,000	3,024,453
Special Project Reserve Fund:				
US Treasury Backed Notes	1.11%-1.24%	1/10/03-2/7/03	23,069,000	22,999,084
Repurchase Agreements	1.08%	1/9/2003	16,004,319	16,000,000
			<u>39,073,319</u>	<u>38,999,084</u>
General Reserve Fund:				
US Treasury Backed Notes	.93%-1.24%	1/7/03-2/5/03	86,609,000	86,504,368
Repurchase Agreements	1.10%	1/13/2003	35,013,896	35,000,000
			<u>121,622,896</u>	<u>121,504,368</u>
Charges Fund:				
US Treasury Backed Notes	0.75%	1/2/2003	160,000	159,993
Debt Service Fund:				
US Treasury Backed Notes	.75%-1.56%	1/2/03-1/7/03	192,576,000	192,264,875
Total investments			<u>\$ 1,201,399,308</u>	<u>1,200,851,345</u>

NEW JERSEY TURNPIKE AUTHORITY

Schedule of Cash Receipts and Disbursements

Year ended December 31, 2002

	Funds held by Authority		
	Revenue Fund	Construction Fund	Maintenance Reserve Fund
Cash balances, December 31, 2001	\$ 28,882,128	5,860,245	270,148
Receipts:			
Revenues	472,098,600	—	—
Transfers from Revenue Fund	(48,332,668)	—	25,959,000
Net change in investments	21,075,748	170,848,567	4,475,547
Net change in receivables	(1,652,097)	(16,889)	—
Net change in cost of investment in facilities	—	(193,223,168)	—
Net change in other assets	—	902,900	—
Transfer of funds, net	(96,716,785)	(10,838,793)	(2,376,976)
Increase in bond indebtedness	—	2,563,704	—
Total receipts	<u>346,472,798</u>	<u>(29,763,679)</u>	<u>28,057,571</u>
Disbursements:			
Operating disbursements	(177,319,593)	—	(25,898,863)
Sinking fund payment	—	46,145,000	—
Sinking fund transfer	(75,785,000)	(46,145,000)	—
Transfers to fund bond interest expense	(117,440,605)	—	—
Bond interest expense	—	—	—
Payments to State of New Jersey	—	—	—
Net change in current liabilities	3,607,369	24,822,345	120,821
Total disbursements	<u>(366,937,828)</u>	<u>24,822,345</u>	<u>(25,778,042)</u>
Cash balances, December 31, 2002	<u>\$ 8,417,098</u>	<u>918,911</u>	<u>2,549,677</u>

Cash balances:
Toll collectors and other imprest funds
Wachovia
Fleet Bank
Chase Bank
Commerce Bank
Bank of New York

Schedule 2

Special Project Reserve Fund	General Reserve Fund	Charges Fund	Funds held by trustees		Total
			Debt Service Fund	Debt Reserve Fund	
1,791,449	69,904	2,422	8,353	—	36,884,649
—	—	—	—	—	472,098,600
20,145,224	—	2,228,444	—	—	—
(1,415,361)	(86,459,855)	(43,011)	(62,431,501)	50,787,600	96,837,734
(3,555,326)	—	—	—	—	(5,224,312)
—	—	—	—	—	(193,223,168)
—	—	—	—	—	902,900
(1,943,402)	127,675,227	223	34,988,107	(50,787,600)	—
—	—	—	—	—	2,563,704
13,231,135	41,215,372	2,185,656	(27,443,394)	—	373,955,459
(27,303,699)	(12,004,118)	(2,186,907)	—	—	(244,713,180)
—	—	—	(46,145,000)	—	—
—	—	—	75,785,000	—	(46,145,000)
—	—	—	179,889,874	—	62,449,269
—	—	—	(179,889,874)	—	(179,889,874)
—	(22,000,000)	—	—	—	(22,000,000)
17,419,963	124,158	—	(2,190,667)	—	43,903,989
(9,883,736)	(33,879,960)	(2,186,907)	27,449,333	—	(386,394,795)
5,138,848	7,405,316	1,171	14,292	—	24,445,313

Cash balance	Market value of securities pledged to secure deposits
\$ 201,516	—
15,366,915	73,982,094
4,551,784	30,075,000
2,303	6,155,765
50,000	497,560
4,272,795	12,979,200
\$ 24,445,313	123,689,619

NEW JERSEY TURNPIKE AUTHORITY

Schedule of Bond Indebtedness

December 31, 2002

	Original amount authorized and issued
Turnpike revenue bonds:	
Series A, 4.75% (1966 issue), maturing January 1, 2006	\$ 179,000,000
Series A, 5.12% (1968 issue), maturing January 1, 2008	75,000,000
Series C, 5.20% (1968 issue), maturing January 1, 2008	125,000,000
Series D, 5.75% (1969 issue), maturing January 1, 2008	60,000,000
Series E, 5.87% (1969 issue), maturing January 1, 2008	40,000,000
Series F, 7% (1969 issue), maturing January 1, 2009	137,000,000
Series G, 5.75% (1972 issue), maturing January 1, 2009	155,100,000
	<hr/>
	771,100,000
	<hr/>
Turnpike improvement revenue bonds:	
First series, 5.70% (1973 issue), maturing May 1, 2013	210,000,000
	<hr/>
General revenue bonds:	
Turnpike revenue bonds (1950 issue), 3.25%, matured January 1, 1985	220,000,000
Turnpike revenue bonds (1951 issue), 3.20%, matured January 1, 1986	35,000,000
	<hr/>
	255,000,000
	<hr/>
Second series revenue bonds	211,200,000
	<hr/>
Turnpike notes:	
Series A, 4.62% (1971 issue), matured January 1, 1975	125,500,000
	<hr/>
Turnpike system revenue bonds:	
First series, 6% (refunding issue), maturing January 1, 2014	202,415,000
	<hr/>
Turnpike revenue bonds:	
1984 Series, 6.75% to 12%, maturing January 1, 2003 through 2014	501,825,000
	<hr/>
Turnpike revenue bonds:	
1985 series, bi-modal multi-term format (BMTF):	
Mode 1 (tender dates ranging from one week to July 2, 1990)	2,000,000,000
Mode A (tender dates ranging from one week to January 1, 2018)	1,000,000
	<hr/>
	2,001,000,000
	<hr/>
1985 series, Mode A, 7.2% maturing January 1, 2018	2,000,000,000
	<hr/>
Series 1991 A, 5.25% to 6.90%, maturing January 1, 1994 through 2003, January 1, 2008 and January 1, 2014	423,205,000
Series 1991 B, 4.45% to 5.25%, maturing January 1, 1994 and January 1, 1995	79,340,000
Series 1991 C, 4.80% to 6.50%, maturing January 1, 1994 through 2011, January 1, 2013 and January 1, 2016	1,247,850,000
Series 1991 D, (interest at 6.19% under an interest rate swap agreement) maturing January 1, 2018	371,000,000
Series 1992 A, 4.80% to 6.20%, maturing January 1, 1996 through 2006, January 2012 and January 1, 2018	741,110,000

Schedule 3

Refunded or acquired and canceled in prior year	Mandatory redemption/ sinking fund installments	Accretion of capital appreciation bonds	Amount outstanding December 31, 2002
(179,000,000)	—	—	—
(75,000,000)	—	—	—
(125,000,000)	—	—	—
(60,000,000)	—	—	—
(40,000,000)	—	—	—
(137,000,000)	—	—	—
(155,100,000)	—	—	—
<u>(771,100,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>(210,000,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
(220,000,000)	—	—	—
(35,000,000)	—	—	—
<u>(255,000,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>(211,200,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>(125,500,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>(202,415,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>(501,825,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
(2,000,000,000)	—	—	—
(1,000,000)	—	—	—
<u>(2,001,000,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>(2,000,000,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
(89,180,000)	(215,210,000)	—	118,815,000
—	(79,340,000)	—	—
(377,125,000)	(18,505,000)	—	852,220,000
—	—	—	371,000,000
(401,455,000)	(235,030,000)	—	104,625,000

(Continued)

NEW JERSEY TURNPIKE AUTHORITY

Schedule of Bond Indebtedness

December 31, 2002

Turnpike revenue bonds:

- Series 1992 B, capital appreciation bonds, maturing January 1, 2000 through 2012 with yields to maturity at 6.10% to 6.70%
- Series 2000 A, 4.80% to 6.00%, maturing January 1, 2001 through January 1, 2030
- Series 2000 B-G, at variable rates not to exceed 10.%, maturing January 1, 2001 through January 1, 2030

Note:

As of December 31, 2002, bond and note indebtedness totaling \$7,145,800,000 had been defeased or retired from the following sources:

Revenues

Excess construction funds, bond proceeds and miscellaneous receipts allocated to revenues

Issuance of Series G (refunding issue) Turnpike Revenue Bonds to refund Series F bonds for redemption on January 1, 1979

Portion of proceeds of the 1973 Turnpike Improvement Revenue Bonds used to retire Turnpike notes, Series A

Issuance of Turnpike System Revenue Bonds, first series (refunding) to refund the 5.70% Turnpike Improvement Revenue Bonds, first series, for retirement in accordance with sinking fund installment established at the time of their issuance

Issuance of Turnpike Revenue Bonds, 1984 Series to refund the Turnpike Revenue Bonds Series A through E and Series G and the Turnpike System Revenue Bonds, First Series (refunding), for retirement in accordance with sinking fund installments established at the time of their issuance

Issuance of Turnpike Revenue Bonds, 1985 Series, Mode A used to retire 1985 Series bi-modal, multi-term format Mode 1 Bonds

Retirement of Turnpike Revenue Bonds, 1985 Series, Mode A

Issuance of Turnpike Revenue Bonds, Series 1991 A through D to refund Turnpike Revenue Bonds, 1984 Series and a portion of Revenue Bonds, 1985 Series

Redemption and retirement of Turnpike Revenue Bonds, 1985 Series from moneys in the Construction Fund

Issuance of Turnpike Revenue Bonds, Series 2000 A to refund a portion of Turnpike Revenue Bonds, Series 1991 A, Series 1991 C and Series 1992 A

Schedule 3

	Original amount authorized and issued	Refunded or acquired and canceled in prior year	Mandatory redemption/ sinking fund installments	Accretion of capital appreciation bonds	Amount outstanding December 31, 2002
\$	30,016,972	—	(16,200,159)	27,134,033	40,950,846
	1,467,375,000	—	—	—	1,467,375,000
	400,000,000	—	—	—	400,000,000
	<u>4,759,896,972</u>	<u>(867,760,000)</u>	<u>(564,285,159)</u>	<u>27,134,033</u>	<u>3,354,985,846</u>
\$	<u><u>11,037,936,972</u></u>	<u><u>(7,145,800,000)</u></u>	<u><u>(564,285,159)</u></u>	<u><u>27,134,033</u></u>	<u><u>3,354,985,846</u></u>

\$	557,840,082
	20,037,918
	137,000,000
	125,500,000
	210,000,000
	724,837,000
	2,000,000,000
	1,000,000
	2,085,460,000
	416,365,000
	<u>867,760,000</u>
\$	<u><u>7,145,800,000</u></u>

NEW JERSEY TURNPIKE AUTHORITY

Schedules of Toll Revenue

Years ended December 31, 2002 and 2001

<u>Class</u>	<u>Description</u>
1	Passenger car, motorcycle, taxi or hearse, light truck
2	Vehicles having two axles other than type described under Class 1
3	Vehicle (vehicles), single or in combination, having three axles
4	Vehicle (vehicles), single or in combination, having four axles
5	Vehicle (vehicles), single or in combination, having five axles
6	Vehicle (vehicles), single or in combination, having six or more axles
7	Buses having two axles
8	Buses having three axles
	Nonrevenue vehicles
	Discounts
	Violations *
	Violation collections
	Other adjustments

* During the year ended December 31, 2000, the Authority implemented the electronic toll collection system and accordingly the amounts of violations assessed are reported on this line. As a result of violation activities, some portion of unpaid tolls will be collected in subsequent years.

Schedule 4

2002		2001	
<u>Toll revenue</u>	<u>Number of vehicles (unaudited)</u>	<u>Toll revenue</u>	<u>Number of vehicles (unaudited)</u>
\$ 293,530,339	209,855,466	\$ 280,741,739	199,320,571
22,533,149	7,493,957	21,882,574	7,040,591
13,571,739	3,258,185	11,939,160	3,161,617
14,364,241	2,638,964	14,390,251	2,593,740
103,279,458	15,102,633	103,426,347	14,649,507
1,845,742	229,170	1,828,466	203,593
563,313	301,965	693,828	375,519
4,755,996	1,484,406	5,148,675	1,428,256
—	1,331,187	—	1,437,853
<u>454,443,977</u>	<u>241,695,933</u>	<u>440,051,040</u>	<u>230,211,247</u>
(210,245)		(263,360)	
(15,245,296)		(9,637,283)	
633,192		4,584,881	
(579,368)		(866,349)	
<u>\$ 439,042,260</u>		<u>\$ 433,868,929</u>	

NOTES



P.O. Box 1121
New Brunswick, NJ 08903
(732) 247-0900
<http://www.state.nj.us/turnpike>