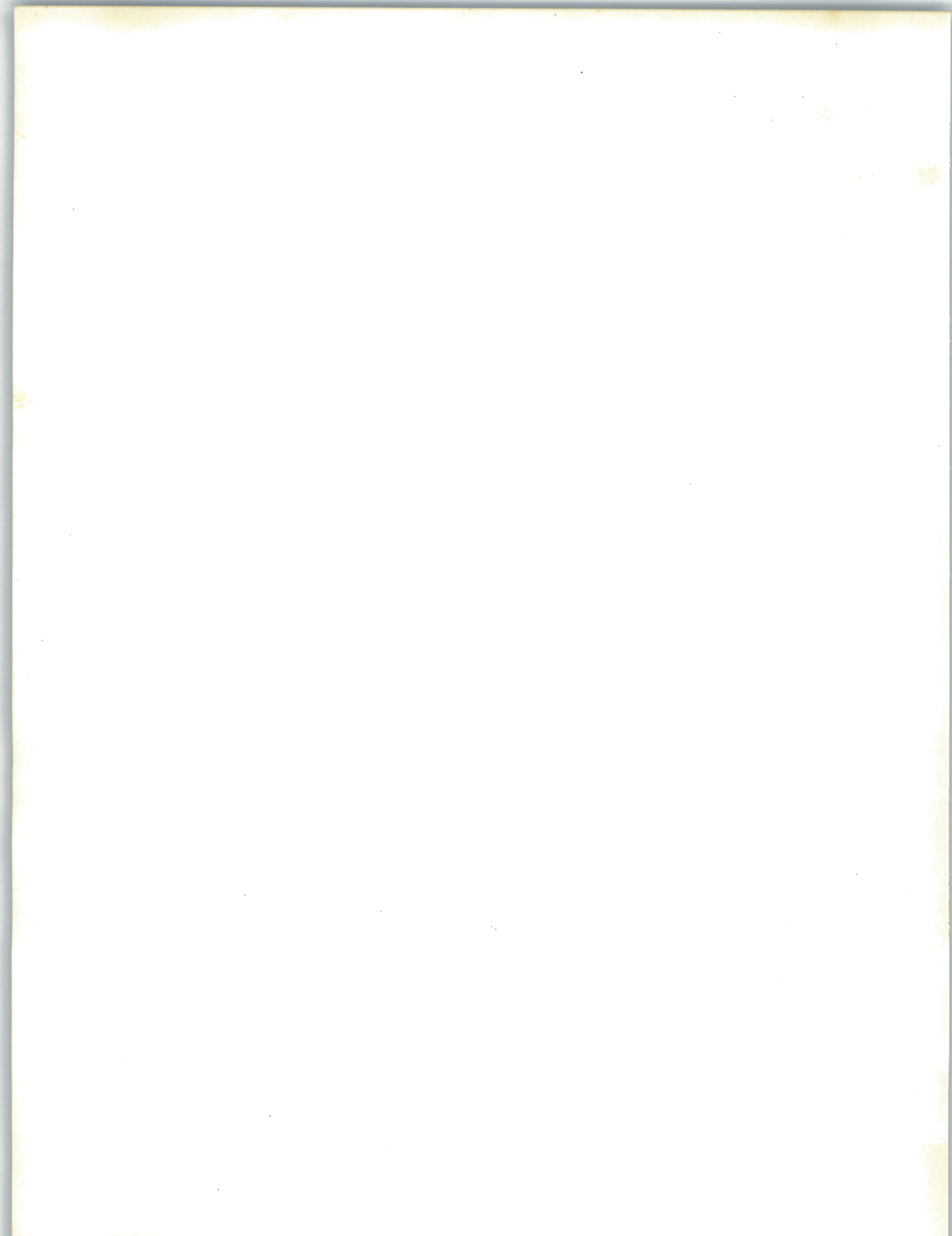


# New Jersey Turnpike Authority

25



1976 *Annual Report*



25

New Jersey  
Turnpike Authority  
1976

Annual Report  
on the  
25th Year of  
Service to State  
and Nation

*Governor Brendan T. Byrne with Francis G. Fitzpatrick,  
Turnpike Authority Chairman.*



# Letter of Transmittal



## NEW JERSEY TURNPIKE AUTHORITY

(201)247-0900

NEW BRUNSWICK, N.J. 08903

March 15, 1977

To the Honorable Brendan T. Byrne, Governor  
and Members of the New Jersey Legislature:

This Annual Report is presented to you with more than the usual sense of accomplishment. The progress we have achieved in 1976 was accompanied by two historic events: our involvement in the nation's Bicentennial Year and at the same time our own observance of the Turnpike's 25th Anniversary.

These two events highlighted the Turnpike's continuing dedication to the cause of safety, its insistence on fashioning the most modern engineering and electronic means to enhance that safety, while producing transportation services without equal in the industry.

In 1976, we were able, in the face of uncertain economic conditions, to serve more vehicles than the previous year, while maintaining a safety record that is the envy of the nation.

Evidences of Turnpike accomplishments include major construction advances to serve projects like the new Sports Complex in the Meadowlands and a whole series of improvements covering the entire spectrum of Turnpike needs.

It is with a sense of fulfillment that we inscribe this Annual Report for 1976, and we must not forget that these accomplishments would not have been possible without the cooperation of the Executive and Legislative branches, as well as the neighboring communities along the Turnpike.

Respectfully submitted,

Francis G. Fitzpatrick  
*Chairman*

Robert J. Citrino, Jr.  
*Vice Chairman*

William F. Taggart  
*Treasurer*

Richard D. Ilnicki  
*Commissioner*

Louis Slater  
*Commissioner*

# The New Jersey Turnpike Authority

FRANCIS G. FITZPATRICK, *Chairman*  
ROBERT J. CITRINO, JR., *Vice-Chairman*  
WILLIAM F. TAGGART, *Treasurer*

RICHARD D. ILNICKI, *Commissioner*  
LOUIS SLATER, *Commissioner*,  
(JOINED AUTHORITY JANUARY 20, 1977)

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## Staff

WILLIAM J. FLANAGAN, *Executive Director*  
JOSEPH E. ROBERTSON, *Deputy Executive Director*  
ROBERT E. MOSHER, *Comptroller*  
HOWARD S. HEYDON, *Chief Engineer*  
PAUL M. WECKESSER, *Director of Operations*  
HERBERT I. OLARSCH, *Senior Attorney*  
ROBERT E. RAMSEN, *Director of Toll Collection*

ANTHONY E. DESIMON, *Director of Maintenance*  
(DIED SEPTEMBER 27, 1976)  
OLIVER K. COMPTON, JR., *Director of Personnel*  
HORACE A. TANI, *Director of Public Information*  
ROBERT G. OTT, *Director of Systems & Data Processing*  
DANIEL J. DONAHUE, *Director of Purchasing*  
CHARLES A. DUPUIS, JR., *Director of Insurance*

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ROBERT N. WILENTZ, *General Counsel*

\*

CONSULTING ENGINEERS, *Howard Needles Tammen & Bergendoff*  
AUDITORS, *Peat, Marwick, Mitchell & Co.*

TRAFFIC AND REVENUE CONSULTANTS, *Coverdale & Colpits*  
BOND COUNSEL, *Hawkins, Delafield & Wood*  
FINANCIAL ADVISORS, *Smith Barney, Harris Upham & Co., Inc.*



*Governor Brendan T. Byrne with Authority officers during official visit to Turnpike. From left: Executive Director William J. Flanagan, Commissioner William F. Taggart, Treasurer; Governor Byrne; Authority Chairman Francis G. Fitzpatrick; Vice Chairman Robert J. Citrino, Jr., and Commissioner Richard D. Ilnicki, (Louis Slater, not in group, became a Commissioner by Governor's appointment in 1977 after photo was taken.)*

# Our Anniversary Year: Marking Quarter

**I**T WAS the year of the Anniversary—the Year when the Turnpike organization played a prominent role in the nation's Bicentennial and then turned inward to reflect on its own achievements on its 25th Birthday.

These two events coincided during a year of new and continuing programs for safety and convenience for the patrons who travel the Turnpike. Their numbers exceeded 109 million in 1976; considering prevailing economic conditions, this was a favorable 3.4 percent increase over 1975 traffic.

The coincidence of anniversaries produced the outward trappings of a year that broke new ground in the Authority's striving for perfection in an imperfect world.

The results were encouraging. Its safety record was at a constant high level. New techniques for controlling traffic worked effectively. Computers speeded the function of traffic surveillance and fog detection. The discomfort of excessive vehicle noise was curtailed.

The safety record for 1976 was a good one, coming after the record of the previous year when the Authority marked the 24th and safest year in its history. Despite a more stringent accident-reporting system effective in 1976 under a new State law, the New Jersey Turnpike had a safety record that stood second among the ten major toll roads logging more than one billion miles of travel in the United States and Canada. The statistics, compiled by the Washington-based International Bridge, Tunnel and Turnpike Association, gave the Turnpike here an accident rate of 78.8, second only to the Pennsylvania Turnpike. Year after year, the New Jersey Turnpike has been either first or among the leaders in highway safety. The reason, explained Authority Chairman Francis G. Fitzpatrick, is found in the use of new and more advanced safety measures, a consistently effective law enforcement program by State Police Troop D, and the cooperation of the thousands of Turnpike patrons.

There were other accomplishments.

A major engineering achievement was the completion of access roads to the new Sports Complex in the Meadowlands. And in other areas of the road, the Authority moved to improve the improvable and replace the replaceable, so all motorists could benefit.

It was a year when the Authority's personnel again coordinated efforts to attain Turnpike goals. What follows in this Annual Report reflects to a great extent the results of their efforts.



*Authority opens first 53 miles of Turnpike to Bordentown at ceremony, November 5, 1951.*



*Chairman Fitzpatrick (inset) at the 25th Anniversary dinner-dance of employees at Cherry Hill, November 13, 1976.*

# Century of Service to State and Nation



*Gateway of the East: Turnpike Interchange 10 (top right). It connects with I-287 crossing over the Turnpike amid a unique pattern of ramps, looking north.*

## Operations

Having put into practice a series of landmark projects, including a traffic control and surveillance system, fog detection devices and a noise control program, the Operations Department of the Authority was able to maintain the Turnpike safety record during its 25th Anniversary and the Nation's Bicentennial Year.

In February 1976, the Traffic Engineering Department was changed to the Operations Department. The change was made because the Department in the past two years had been assigned the responsibility for the Radio Communications Dispatchers in the Traffic Operations Center, the Automatic Traffic Surveillance and Control System and the New Jersey Turnpike Authority Noise Enforcement Program. In addition, the Department continues to be responsible for all Traffic Engineering and Operations, Emergency Services, Employee Safety and State Police liaison. Through the Department, the Turnpike Authority will improve substantially its coordinated approach to the daily operations of its facilities.

The Automatic Traffic Surveillance and Control System became operational in January 1976. Operations personnel and New Jersey State Police personnel were responsible for providing motorists with the best possible and the least congested roadway by means of the efficient operation of the Surveillance System. The main function of the system is to advise motorists by means of changeable message signs to travel on a portion of the roadway which has the least disturbance in the traffic stream. The reduction of delays indicates a well conceived idea which became a reality in 1976.

On September 1, the New Jersey Meadowlands Sports Complex racetrack was opened to the public and, subsequently, on October 10, the first professional football game took place in the Meadowlands Sports Complex Giants' stadium. More than 50 percent of the traffic to and from the Sports Complex travelled the New Jersey Turnpike. Members of the Operations Department, along with New Jersey State Police, made the Turnpike an extremely attractive facility for persons visiting the Sports Complex. Patrons arriving from the north before a sporting event and patrons leaving the Sports Complex and travelling northbound on the Turnpike utilize special ramps, which connect the Turnpike with the Sports Complex, at no cost to the motorist.

The New Jersey Sports and Exposition Authority reimburses the New Jersey Turnpike Authority for each vehicle  
(Continued on next page)



Car broke down, but young woman driver gets prompt assistance from service attendant as trooper stands by.

### Turnpike Safety Record

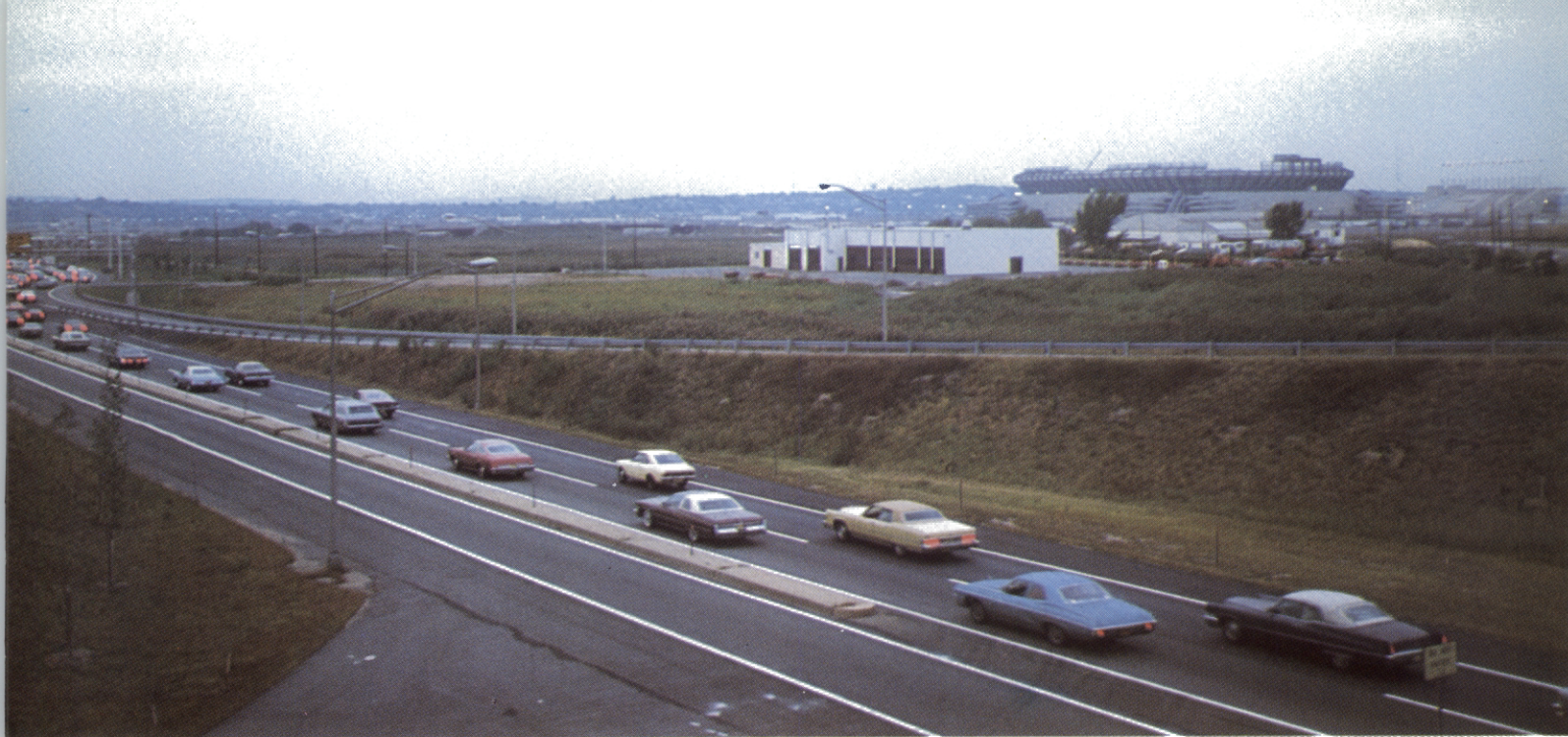
|                              | 1976             | 1975             |
|------------------------------|------------------|------------------|
| <b>Enforcement:</b>          |                  |                  |
| Summons Issued               | 53,888           | 54,106           |
| Criminal Arrests             | 2,502            | 2,491            |
| <b>Aids to Motorists:</b>    |                  |                  |
| Mechanical                   | 34,330           | 32,261           |
| Gasoline                     | 9,287            | 9,052            |
| Flat Tires                   | 7,802            | 7,262            |
| Overheat                     | 1,291            | 1,406            |
| Other                        | 44,051           | 45,500           |
| Total Aids                   | 96,761           | 95,481           |
| Aids Ratio                   | 1 per 1,134 veh. | 1 per 1,106 veh. |
| Aids Per Day                 | 264              | 262              |
| <b>Accident Information:</b> |                  |                  |
| Accidents                    | 2,112            | 1,654            |
| Accident Rate                | 78.8             | 63.8             |
| Personal Injuries            | 1,324            | 1,030            |
| Injury Rate                  | 49.4             | 39.7             |
| Fatal Accidents              | 30               | 23               |
| Fatalities                   | 33               | 26               |
| Fatality Rate                | 1.23             | 1.00             |

Accident injury and fatality rates computed on basis of every 100 million miles of travel.

### New Reporting System

Based on a new accident reporting system, effective January 1, 1976, an accident occurs when a motor vehicle either sustains or causes total property damage in excess of \$200. Before January 1, 1976, the criteria used to define an accident was whether or not the vehicle involved was drivable, regardless of monetary damage. If towing service was needed, then the collision would be defined as an accident. However, in both the new and the old accident reporting systems, an accident is defined when injury or damage to Turnpike property has occurred.

As a result of the new accident reporting system, a comparison between the number of accidents in 1975 and 1976, as well as the accident rate for the same period, will result in an invalid conclusion. The injury rate, even though higher than 1974 and 1975, was still less than during each year from 1952 to 1973, the pre-energy crisis years. The fatality rate, even though higher than 1975, was still less than during each year from 1952 to 1974.



*Turnpike traffic begins to roll for opening of harness racing at Sports Complex (in background). Maintenance District 8 is shown above Turnpike, looking northeast. Turnpike built access roads to new sports facility.*

that travels on these ramps. Traffic counts on these ramps are done through the use of the Surveillance System, using loop detectors imbedded in the pavement of each lane of the ramps leading to and from the Sports Complex.

All patrons travelling to the Sports Complex to and from the south on the New Jersey Turnpike do utilize interchange 16W and pay tolls in the usual manner. Before and after a professional football game, the entire westerly roadway is dedicated to Sports Complex patrons. All other patrons, at that time, are diverted to the easterly spur. This is another innovative idea of the New Jersey Turnpike Authority in providing the motorist with expedient and efficient service.

The Fog Detection Evaluation Program has continued through the spring and fall fog seasons. During these periods, five fog detectors, which have been tested since November of 1975 near Interchange 16W, have monitored visibility levels where fog accumulates frequently. Data was gathered from the detector-recorders and compared with visibility levels as seen by human eyes. The correlation has been relatively good and as a result, it is anticipated that one or two of the detectors will be selected in early 1977 for additional installations.

The year 1976 was the second year for the New Jersey Turnpike Authority Noise Abatement Program. Noise levels from trucks on the New Jersey Turnpike continue to decline, benefitting persons residing in the vicinity of the New Jersey Turnpike. During 1976, as well as 1975, local magistrates ruled against all vehicle owners who challenged the Noise Violation Summonses issued by the State Police. Another achievement in 1976 was the ability

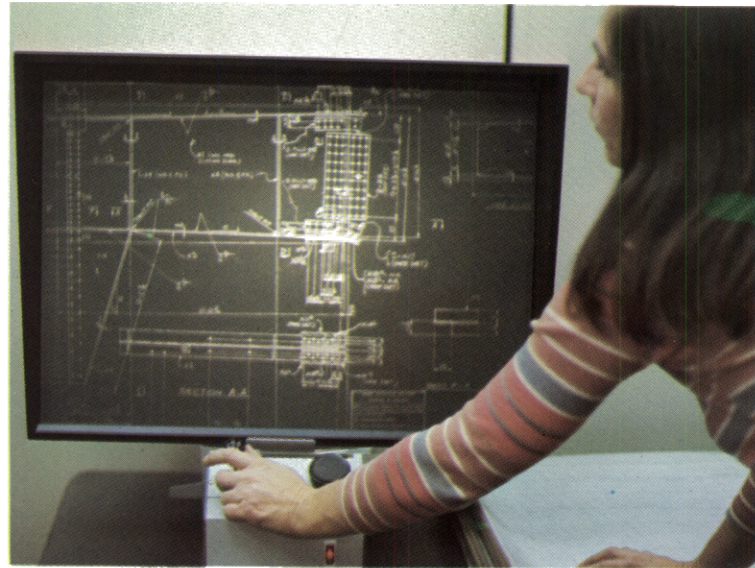
of members of the Operations Department to train five State Troopers and certify them as noise equipment operators. This task was previously handled by an accoustical consultant.



*One of the five fog detectors being tested at Interchange 16W in fog-prone meadowland area.*



*On the drawing boards: Where new ideas are fleshed out.*



*Engineering plans emerge big as life on microfilm viewer.*

## Engineering

Planning and execution and their corollaries—safety, economy and patron consideration—again dominated the activities of the Engineering Department in 1976. The staff, by its own personnel and by the direction of consulting engineers and architects, brought several projects to successful completion and continued ongoing studies and designs for future needed betterments.

The access road network for the new Sports Complex adjacent to interchange 16W was completed and in full operation in 1976. The roadways and ramps designed and constructed by the Turnpike Authority under an agreement with the New Jersey Department of Transportation and the New Jersey Sports and Exposition Authority were fully utilized and proved totally adequate for handling the large traffic volumes generated by several major sporting events.

The Automatic Traffic Surveillance and Control System was completed and operated in the automatic mode for the first time in 1976. This completely automated computerized system, together with its changeable message and variable speed-limit signs, is the most comprehensive highway traffic control system in existence.

Major maintenance of structures and roadways continued in 1976. Specifications for this work now include environmental restrictions on the contractor with respect to noise and air pollution (dust), as well as more stringent requirements with respect to the time when contract work may be undertaken.

Three major resurfacing contracts were designed and supervised by the staff. The Turnpike Authority used



*Service area must be enlarged, so landscape architect goes to work on site revision.*

80,535 tons of asphalt. Bridge deck and bridge joint repairs were undertaken and completed throughout the Turnpike system, with the major emphasis placed on the Newark Bay-Hudson County Extension. Additionally,

contract maintenance was performed to correct several bridge structural problems, bridge fender systems and to install new concrete bumper blocks at Interchange 17E. This latter installation completes an overall project begun several years ago to enhance the safety aspects of toll booths from errant vehicles.

The landscaping program initiated several years ago was continued through the year. The results of the landscaping program are now well evident; especially in the areas north of Interchange 9, New Brunswick.

The year saw the completion of a Federally mandated program at all Service Areas for the recovery of gasoline vapors that had previously been released to the atmosphere when bulk gasoline deliveries were made. This work was accomplished through five contracts. Reconstruction and renovation of Service Area 10S (Thomas Edison) is well under way, and the design for the renovation of Service Area 8N (Joyce Kilmer) has begun. Both of these projects are Capital improvements, the cost of which is being shared in by Marriott Corporation.

Several other miscellaneous improvements were completed and several others are under way at various Service Areas, Maintenance Districts and Interchange locations. The Administration Building at New Brunswick, for example, has been provided with an emergency electrical generator system that will allow the provision of full, uninterrupted service necessary for the operation of the Turnpike even in the event of complete power failure. The concept of adding necessary building space to the Northern Maintenance Districts has continued with the completion of the expansion of Maintenance District 6 (Secaucus) and the design of a similar expansion of Maintenance District 3 (Crosswicks Creek).

Probably the single most important function of the Engineering Department is its long-range planning. The Department is currently under way with the planning of a new major Park and Ride facility and the expansion of the existing Park and Ride lot at Interchange 9, New Brunswick. Replacement and betterment of directional signing and changeable message signing is under way, as is the planning for additional truck parking at several interchanges and the construction of a facility providing all necessary services for truckers. The Authority is involved with the Federal Government, the Port Authority of New York and New Jersey and the New Jersey Department of Transportation in major improvements to the Exclusive Bus Lane corridor now existing between the Turnpike and the Lincoln Tunnel.

Planning with respect to the new Interchange 13A in the area of North Avenue in Elizabeth for necessary con-

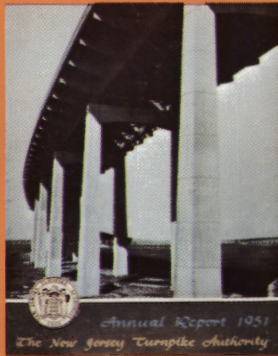
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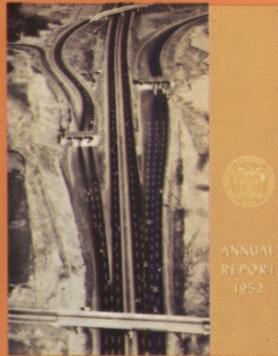
*Ramp bridge makes a graceful turn at Interchange 11 (Woodbridge-Garden State Parkway). It carries traffic over the Turnpike mainline to the south.*

# NEW JERSEY TURNPIKE AUTHORITY

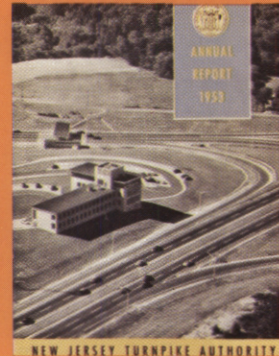
Covering 25 Years



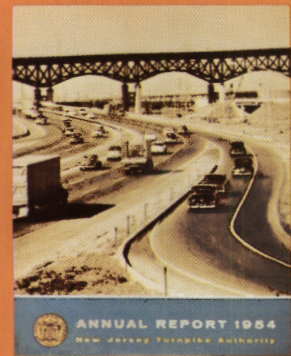
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1952



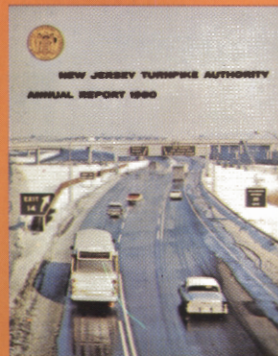
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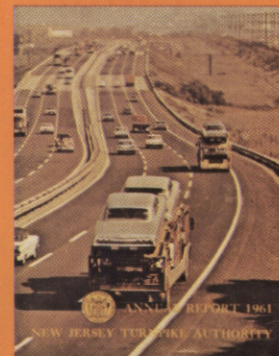
1954



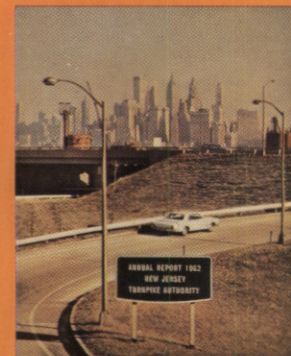
1959



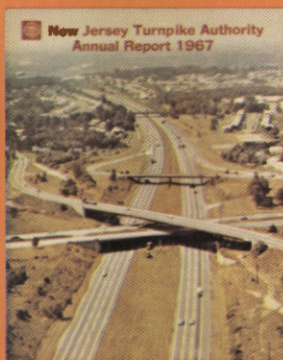
1960



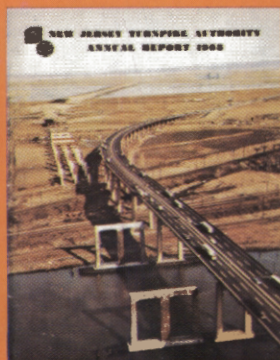
1961



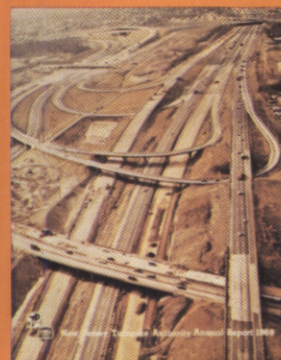
1962



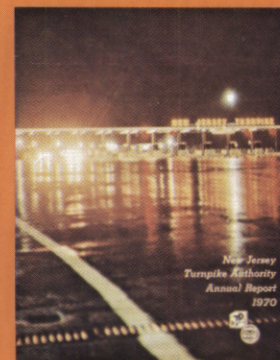
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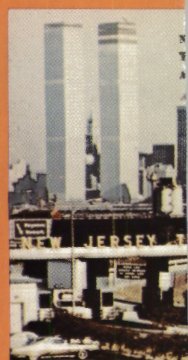
1968



1969



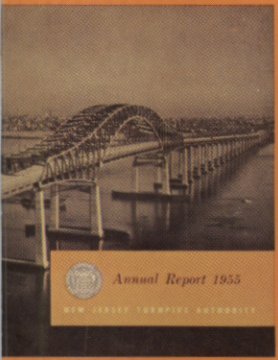
1970



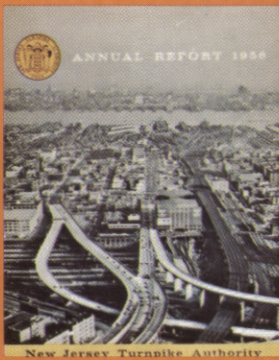
1971

# TURNPIKE AUTHORITY

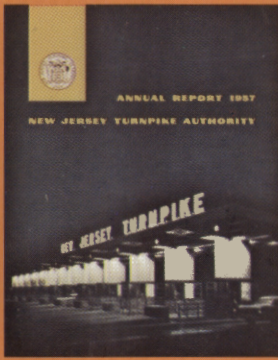
## History of Operations



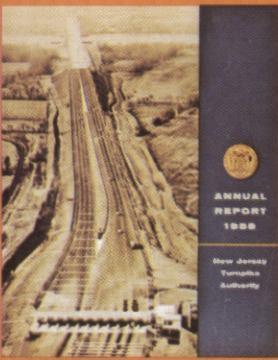
1955



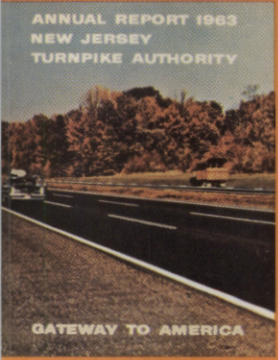
1956



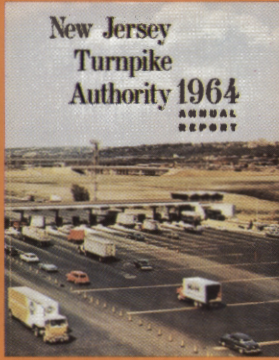
1957



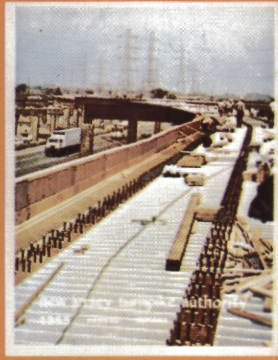
1958



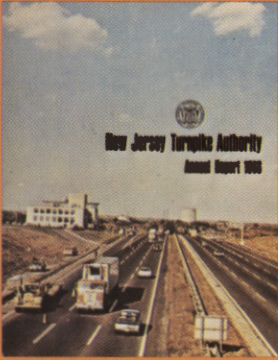
1963



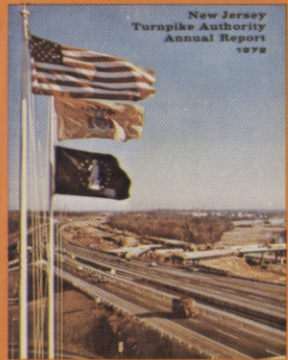
1964



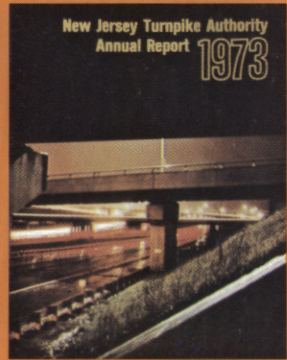
1965



1966



1972



1973



1974



1975

nections to Port Newark and Newark Airport and the extension of Route I-280 through the towns of Harrison and Kearny to connect with the Turnpike at Interchange 15W has led to agreement with the New Jersey Department of Transportation and the Port Authority of New York and New Jersey for the design of the former, and agreement with the Department of Transportation on construction of the latter. Design is currently under way for the Interchange and construction is imminent for the Route-I-280 connection.

Agreement has been reached with the Federal Highway Administration whereby physical testing of median barrier configuration will be undertaken jointly with the Federal Highway Administration. Under this agreement the Authority will have the advantage of the Federal Highway Administration's expertise in this area; yet will maintain complete control over its own testing program and ultimate barrier designs.

The overall planning required for the conversion of existing electro-mechanical toll collection systems to a comprehensive automated and computerized system is well under way. Interchanges 16W (East Rutherford) and 18W (Carlstadt) are already computerized and in operation as prototypes and include the major components of this system.

The accelerated increase in electrical power costs have led to the beginning of an overall study of roadway lighting and building power usage. It is anticipated that substantial savings can be made with no compromise to safety.

The above discussion serves only to highlight the Department's activities. Many other projects are being planned, and full liaison between the Turnpike and the many other State and local agencies involved in transportation in New Jersey and throughout the northeastern region, for that matter, is constantly being maintained.

## Maintenance

The Maintenance Department had another busy year, continuing to perform preventive maintenance and repairs to protect the Authority's roadway facilities and other properties.

Its crews were called on during 21 snow and ice situations, some of unusually long duration, to minimize traffic problems that had to be met quickly to enable Turnpike patrons to travel on safe pavements. The total effort, made somewhat easier by new salt storage facilities at Hightstown and Elizabeth, required the use of 27,132 tons of rock salt, needed to speed the job of keeping the most important north-south artery in New Jersey both operational and safe. Outside contractors were called in during three major storms.

Although there were five more storms than last year,



*Repairing underground cables at a junction area—one of the myriad tasks of Maintenance.*

*Maintenance men install a new guard rail near Oak Island viaduct, replacing one damaged in accident.*

*Workmen, with jackhammers, make deck repairs on mainline in Elizabeth without disturbing traffic.*



the department again was able to perform several repair functions usually limited to warmer weather.

Roadway crews were active with cracksealing and an abnormal number of washouts caused by winter storms and concentrated heavy rains. They completed deck repairs on the Hackensack and Passaic River bridges, and also installed bleeder drains prior to contractors resurfacing southern sections of the roadway for the first time in the Turnpike's 25 years of operation.

Many man-hours were spent in setting up lane closings for various operations. About seven miles of guard rail were replaced, along with broken or vandalized right-of-way fencing.

In continuing programs, several bridges and the interiors of several Authority buildings and toll plaza tunnels were painted, the entire roadway system was linestriped, and additional treadles and frames were replaced in older toll lanes.

The Automotive Section, in addition to performing prescribed maintenance on all Authority-owned vehicles assigned to Turnpike and State Police units, was able to extend the service life of several older trucks with major body repairs completed at their Central Shops in Hightstown. Beautification and reforestation received the continued attention of the Landscapers.

Roofing repairs to many Toll utility, Maintenance and Service Area buildings were completed by the Carpentry Section, which also constructed and erected 570 roadway signs to direct patrons in their travels. The boiler system at the John Fenwick Service Area was replaced by Building Maintenance, supplying heat during the process with an emergency unit housed and transported in a trailer to meet emergencies.

Responsibility for required maintenance of the Operations Department's Automatic Traffic Control and Surveillance System was assumed by the Communications Section, which also aided in the installation of new radio consoles in the Operations Center at the Administration Building.

The Electricians were kept busy replacing underground wiring, navigation lights, standards, power ballasts and other equipment, while the Water and Sewage Section met the challenges of repairing a frozen water main at Interchange 1 (Deepwater) and redeveloping a well at the Molly Pitcher Service Area.

All in all, it was an active and productive year for the Maintenance Department.

*Keeping the pavement in good condition by sealing cracks with hot tar after the winter freeze.*



*Here a Maintenance crew works on a lane treadle conversion at an interchange.*

## Toll Collection

The Turnpike Authority's toll collection personnel continued to handle both the normal and unusual in traffic patterns as the Turnpike completed 25 years of actual operations in November of 1976.

During this quarter of a century there have been many changes and the Toll Collection Department has grown with them.

Despite economic conditions, major six-lane additions to Interchanges 16W and 18W became operational during the latter part of the year. The expanded interchanges, together with the access roads built by the Turnpike Authority to serve the Sports Complex (owned and operated by the New Jersey Sports and Exposition Authority) proved a boon to the operation of the new facility. Its Meadowland racetrack was opened to the public on September 1 and the football stadium opened for the first game between the Giants and Cowboys on October 10.

The smooth flow of traffic in and out of the Complex was the result of careful planning by the Turnpike's engineers, with Toll Collection performing yeoman service in implementing the plans.

Their performance at the Authority's 27 interchanges along the Turnpike's entire length produced many compliments from patrons. One in particular praised toll Plaza Supervisor Gerald DeVan and Assistant Section Chief Ralph La Morte for their "fine actions" in making it possible for a Maryland patron to retrieve the wallet he lost on the shoulder of the road. The patron had discovered his loss when he stopped for gas 30 miles farther south. The wallet was found intact in a search of the area by the collectors.

Other commendations cited Collector John W. Mills, Jr. who helped a patron out of an embarrassing situation when he lacked funds; Collector John C. Vicari, Jr. for his "courteous treatment" in enabling a retired Army colonel to make his flight at Newark Airport; and toll Plaza Supervisor Fred Neffgen for lending his personal vehicle so a Bergen County official, whose car was disabled, could meet an incoming flight.

## Personnel

A silver anniversary should not be quietly noted and one week after the New Jersey Turnpike marked its 25th anniversary on November 5, a celebration took place at Cherry Hill with over 600 in attendance.

The event, sponsored by the Employee Relations Improvement Committee (ERIC), was highlighted by the invitation and presence of many Turnpike employees and retirees who helped open the toll road to the public in 1952.

It was to these people specifically and all Turnpike employees generally that Authority Chairman Francis G. Fitzpatrick reaffirmed the Authority's dedication to the people of New Jersey as the Turnpike embarked upon another quarter century of service, recognizing the commitment of the past and the promise for the future.

Normal Personnel functions in 1976 embraced broad parameters. Additions to the Authority's roster were marked by one return from military service, four additional employees and 29 replacements for various positions. Also 50 employees left Authority employment through termination, resignation, retirement or death, comprising a turnover rate of 3.28 percent.

There were also 32 promotions. The same number of separate requests for tuition reimbursement were also honored by the Authority.

On April 13, 183 Turnpike employees were honored for 10, 15 and 20 years of service. Overall, 689 employees or 45.6 percent of the total work force have achieved at least 10 years service; of that number, 39 have been with the Authority 15 years, and 44 marked their 25th anniversary in 1976.

The ninth annual Laderman Scholarship was awarded to Terence P. Braden, III, son of Toll Collector Terence P. Braden, Jr. He attends Rutgers University.

The Medical Section was active. A total of 2815 visits was accommodated, including non-occupational visits, job-connected injuries, pre-employment examinations, periodic and promotional physical examinations. In a break from tradition and due to the provision made by the Government for the swine flu program, no immunization program was offered by the Authority in 1976.

Negotiations for the renewal of the Union agreements got underway in September, although they do not expire until June 30, 1977. The timetable is in accordance with a recent Public Employees Relations Commission (PERC) determination specifying negotiations to take place prior to the adoption of a state agency's budget.

During 1976, two issues were heard through arbitration and 28 grievances were heard by the Labor Relations Committee at the second step. We were also invited again to participate in two of the sessions of the Rutgers University Industrial Seminars for graduate students.

## Systems and Data Processing

“On-line computer access” is a current and insistent phrase in the Systems and Data Processing Department. It is a phrase that emphasizes the imperative for instant and selective retrieval of facts that are stored in the computer.

The pace of business transactions and the phenomenal fact-filing capacity of computers has set the imperative.

Since the Authority's business computer now holds more than 70 million digits of data, authorized individuals of the Comptroller's Department, Personnel Department, Maintenance Department, and Systems/Data Processing Department have been given access to the computer. They retrieve information through a network of terminals that extends to all main work areas on the Turnpike and in the Central Administration Building.

Inquiries and updates via the network are currently averaging 800 a day with the average consistently increasing and security control permitting access to each type of data only if the inquirer is authorized.

“On-line” efforts were constant through the year but opening of the Meadowlands Sports Complex with the need to integrate related traffic and revenue data with computer generated main line information presented a substantial start-up task to the department. Another Sports Complex related function, in which Systems/Data had a key part, addressed the efficient handling of waves of traffic at the end of sports events. Systems/Data's part in this function included all programming of electronic tolls gear as well as participation in Systems design.

A Systems/Data task that had an inconspicuous but emphatic influence on road use utilized a system co-authored by the Engineering Department. The system permits designs of road pavement elevations for resurfacing projects and calculates the tonnage of materials required.



*Operator mounting computer tape to process toll audit reports.*

It was successfully used in the 1976 Resurfacing Program. While this “first generation” program substantially reduced the number of design man-hours required, the two departments have begun work on a more sophisticated program. This should result in further reductions in the designer manpower needed and a design minimizing material requirement while optimizing riding quality.

Rising costs of vehicle fuel and vehicle operation triggered an inter-department review of the manual audits and controls over those costs. From the review came a realization that computerization could improve the record and by January 1977 computerization will be active. The process will entail “on-line” techniques plus the computer's arithmetic, memory, and fact comparing powers to promptly point out differences between current and previous trends of a unit as well as differences between a unit's trends and those of other like units.

Other activities included participation in development and testing of an automatic system for classifying vehicles and a non-stop vehicle identification system.

The every day processing of tickets in audit of toll collections and in computer generation of standard accounting and statistical reports continued in a routine fashion but with several refinements that increased efficiency.

In response to requests from other departments 34 special, one-time reports were produced by the computer and twenty (20) new repetitive jobs were integrated into the computer schedule.



*Manning the computers in processing toll tickets at Systems/Data Processing.*

## Legal/Real Estate

It was a year of fulfillment for the Legal-Real Estate Department. It performed its traditional roles of handling all Turnpike Authority litigation, providing counsel to other departments, renewing all legal documents and dealing with other governmental agencies and units.

Through litigation initiated by the Turnpike, Legal-Real Estate succeeded in convincing the New Jersey Superior Court that municipalities do not have a right to tax any property acquired by the Authority for the right-of-way for the proposed Toms River Expressway. Monroe Township had attempted to challenge the tax-exempt status of 16 parcels.

The Department, under a policy adopted by the Commissioners two years ago, satisfactorily completed the disposition of 25 parcels of surplus property valued at nearly \$340,000 during 1976, including the sale of a major portion of old Interchange 13, Elizabethtown, to the New Jersey Department of Transportation for a maintenance yard. Authority was also obtained to advertise for bids to sell land formerly used as the old Lincoln Tunnel interchange in Secaucus.

In concert with Operations, the Department undertook a comprehensive review of the Turnpike's traffic regulations. The thrust of the study is to measure the effectiveness of all current regulations to determine what changes, if any, could be made to contribute to an even better safety record in future years.

Enforcement of the Authority's landmark anti-noise regulations saw the successful disposition of 35 cases challenging their legality in Municipal Courts during the second year of the noise abatement program. Fines levied by the courts ranged from \$10 to \$100 for violations.

Also, the Department continued its review of all cases covering riparian claims and will continue to obtain settlements by working closely with the State Attorney General's office and the Department of Environmental Protection, Division of Marine Services, Bureau of Lands Management.

## Insurance

The year 1976 will long be remembered as our nation's Bicentennial Year, the Turnpike's Silver Anniversary and the year inflation hit the insurance world.

Notorious increases in liability insurance premiums averaged 74 percent for large commercial accounts. The Turnpike Insurance Department was successful in holding their increase to a modest 26%. This fact, and our stringent bidding process, was duly noted in the New York and New Jersey press along with laudatory editorials from the newspapers, insurance magazines and the New Jersey Law Journal commenting on our efficient operations.



*Preparing for winter, with salt delivery to District 4 storage shed.*

Turnpike buildings and contents were re-appraised in 1976 to keep the property insurance current. Bridges, mobile equipment, autos, boiler and machinery, hospitalization, major medical and various miscellaneous insurance items resulted in the prudent expenditure of \$2 million through this department.

The year also marked the start of a Self Insured/Re-Insured Worker's Compensation program approved by the New Jersey Department of Insurance. Through this carefully thought-out program, the Turnpike was able to substantiate an annual savings of approximately \$300,000.

Damage to Turnpike property by patron's vehicles resulted in 542 claims. The Insurance Department recovered \$475,000 from insured motorists. Some 400 Worker's Compensation claims were processed in addition to 126 claims made by our patrons. Twenty-one claims for damage to Turnpike vehicles resulted in the recovery of \$8,000 on behalf of the Turnpike. It was a very busy and fruitful year.

*The New Jersey Turnpike clear and dry—aftermath*



## Purchasing

The Turnpike's 25th Anniversary was a banner year for the Purchasing Department. The activities of all Authority branches were reflected across the board as Purchasing sought to fulfill all their needs with a minimum of delay and a maximum of savings.

The Maintenance Department received a vast complement of equipment, parts and supplies necessary for its daily operations, including trucks, sedans, lubricants, electrical and plumbing supplies, numerous types of paint, aluminum sheets for traffic sign production, intricate radio and communications equipment and resurfacing materials. Anti-freeze, rock salt and steel for snow plow repairs were ordered to meet any emergency during the long winter. Tractors, mowers, seedlings and fertilizer were purchased to greet the Spring.

Seven days a week, 24 hours a day, the State Police and Operations Department maintain constant traffic surveillance. As the nation's safest toll road this hourly vigil is achieved through a complex communications system. All components and repairs required for a vast radio network are provided by Purchasing. The three State Police Stations receive any items necessary, including the complete furnishing and supply of patrol vehicles, to assure the maximum in efficiency.

Systems and Data Processing received modernized computer hardware and advanced technology courses were attended by their personnel.

Under revised Engineering specifications new kitchen appliances were delivered and installed in several renovated service areas. Attractive artwork purchased is displayed in the dining rooms for our discriminating patrons.

To commemorate our Bicentennial, three "Welcome To

New Jersey" signs were purchased and placed strategically at Interchanges 1, 6 and 16E.

The objective of the Purchasing Department is to obtain the best value possible through public advertisement and competitive bidding. However, Purchasing has another function: the disposal of all surplus and salvage material.

A considerable source of revenue was recognized through the sale of used tabulating cards, miscellaneous scrap metals, damaged vehicles, used paint drums and waste oil. With today's emphasis on preserving our environment a review of all items sold indicates a large percentage are recycled. Thus, all efforts are being made in the continuing program of restoration and protection of our natural resources.



*Undeterred by the weather, renovation goes on at Thomas Edison Service Area at Woodbridge.*

*of another smooth snow-removal operation.*



## Patron Services

The traffic in 1976 increased and so did the total of combined sales by the Turnpike's three concessionaires—Exxon Company and Marriott and Gladieux restaurants.

Although Exxon at its 13 stations sold 48,017,162 gallons of gasoline and 21,024,210 of diesel, for a total of 69,041,372, it was 2.28% less than the 1975 total of 70,650,798 gallons. However, sales of tires, batteries and accessories amounted to \$1,857,998—almost 9% more than in 1975.

Food service sales showed an all-round increase: Marriott reporting sales of \$9,548,789 from its seven restaurants. Gladieux's (Holiday House) sales: \$4,989,510 at six restaurants.

The total food services sales added up to \$15,610,555, as against \$14,816,705 in 1975. The overall increase for both concessionaires was 5.09%.

The Authority's Park-Ride facilities at Ridgefield Park



*The wide variety of food served by one of the Turnpike's concessionaires is displayed at Molly Pitcher Service Area restaurant at Cranbury.*

and East Brunswick experienced a good year.

At Ridgefield Park revenues from the principal carrier—Manhattan Transit, amounted to \$92,676, compared to \$72,955 in 1975. Passengers using the facility numbered 291,289. In 1975—255,814. High week for the year was the third week in November with a daily average of 721. The facility operates on a per-passenger basis.

At East Brunswick, a joint venture with the township, operations neared maximum potential, with 420-440 cars parked daily. Suburban Transit, carrier there, continued to carry 1100-1200 patrons daily to and from New York. East Brunswick Park-Ride operates on a per-car basis. The revenues for the year are shared by the Authority on a 60/40 basis after expenses.

## Public Information

The year saw the Public Information Department help to promote two notable events—the National Bicentennial and the Turnpike's 25th Anniversary. Along with that, it kept the public informed on all phases of the Authority's operations through the print and broadcast media.

Not only did it do this with the flow of news releases and personal contacts with the media, but it went further to complete its information cycle with the publication of a monthly newsletter "The Trailblazer."

This publication was first issued in February 1976, designed exclusively for Turnpike patrons who receive it at all 13 service areas. Printed in-house, it carries facts, figures and photos, and featured are interviews with patrons selected at random at the service areas. All are asked to comment on Turnpike services and their responses are printed as they are made to a Public Information representative. Every issue contains something different about the Turnpike; it has received favorable comment from motorists and the media.

"The Trailblazer" joined "Over The Fence", the newsletter started in 1975 for distribution to homeowners living along the Turnpike. It had news on the environment and other topics of interest to the Turnpike's neighbors. Safety was the dominant theme of the newsletter issued monthly by the Department's Community Relations section. Resi-

dential and business neighbors, as well as mayors and police chiefs of the 46 Turnpike communities, were apprised of the problems of juvenile trespassing and vandalism. Also, the Turnpike story was explained to some 1000 members of civic and service clubs at dinner meetings. Community Relations support was furnished the Engineering Department by contacting neighbors affected by construction projects.

Of more general distribution was the news put out to the media during the year. Some 50 news releases highlighted Turnpike activities. They went to newspapers, wire services, magazines, radio and TV stations. A number were traffic advisories to alert motorists to possible delays in construction and maintenance areas, and to keep the public abreast of road improvements.

The Public Information staff also logged countless nighttime and weekend storm and fog situations so the public would be updated on speed limitations and driving conditions.

The occasion of the Turnpike's 25th birthday was publicized by both press release and personal contact with the media. The files of the Public Information Department provided newspapers around the State and throughout the region with photos, anecdotes and historical highlights for the many retrospectives that were written.

The department participated in a seminar for Public Relations and Advertising Professionals sponsored by Monmouth College and the Jersey Shore Public Relations Association and again at the "Ideas That Work" 1976 Workshop sponsored by the International Bridge, Tunnel & Turnpike Association, Inc. in Boston, in which the success of the two newsletters "Trailblazer" and "Over The Fence" was discussed in detail.

The department remained active in the promotion of New Jersey's Bicentennial heritage and celebration. Turnpike back-printed toll tickets, each carrying an historical vignette, also carried announcement of the State's "Capital Salute to the Bicentennial" program, a weekly showcase of New Jersey's counties at the State Capitol. Public Information's "Road To Independence" brochure reached a circulation of 250,000 in 1976. Educators, administrators and citizens created a demand beyond expectation for the handsomely designed map folder.

Involvement with the State Department of Labor and Industry's Bicentennial Tourism Task Force gave the Turnpike the jump on events and possible traffic problems leading to a safe July 4 weekend.

The department was also involved in developing employee participation in the Silver Anniversary festivities, culminating in a dinner/dance at the Cherry Hill Hyatt House, November 13.

Many groups toured the Administration Building. They included foreign dignitaries, environmental engineers and local scout and civic groups.

# Contracts & Orders Awarded in 1976, in Excess of \$100,000

## Engineering

| Contract No. | Contractor  | Amount        |
|--------------|---|---------------|
| R-492        | Schiavone Construction Co.<br>Secaucus, N.J.        | \$ 457,161.00 |
| R-500        | Ingrassia Construction Co., Inc.<br>Irvington, N.J. | 564,900.00    |
| R-503        | Heifetz Metalcrafts, Inc.<br>Wood-Ridge, N.J.       | 184,995.00    |
| R-508        | Slattery Associates, Inc.<br>Maspeth, N.Y.          | 2,270,790.00  |
| R-510        | Gallo Asphalt Corp.<br>Irvington, N.J.              | 273,872.00    |
| R-511        | Trap Rock Industries, Inc.<br>Kingston, N.J.        | 652,947.00    |
| R-512        | Trap Rock Industries, Inc.                          | 478,272.00    |
| R-515        | Structa-Bond, Inc.<br>Conshohocken, Penna.          | 163,455.00    |
| R-519        | Herman Panacek, Jr., Inc.<br>Ringoos, N.J.          | 115,634.00    |
| R-520        | Schiavone Construction Co.                          | 474,629.00    |
| R-526        | Schiavone Construction Co.                          | 627,047.00    |
| W-748B       | Buck Bros., Inc.<br>East Brunswick, N.J.            | 204,511.00    |
| W-749        | Robert Bossert & Co., Inc.<br>Linden, N.J.          | 107,555.00    |

## Legal-Real Estate

|  | Amount         |
|--|----------------|
| Section 5, Parcel W1D Series, Woodbridge<br>Frank Briscoe Company, Inc.                | \$175,175.00   |
| Section 6, Parcel 9Y, Elizabeth<br>N.J. Department of Transportation                   | 115,000.00     |
| Section 6D, Parcel RT623 Series, Kearny<br>Public Service Electric and Gas Company     | 109,641.60     |
| Section 7B, Parcel R523A Series, Ridgefield<br>Public Service Electric and Gas Company | 333,180.00     |
|  | <u>Premium</u> |
| Comprehensive General Liability  |                |
| Home Indemnity Company<br>Policy No. GA-9-23-28-87. Effective 5/1/76                   | \$294,873.00   |
| Excess Worker's Compensation   |                |
| Safety Mutual Casualty<br>Policy No. AG-331 N.J. Effective 1/1/76                      | 124,924.00     |

## Professional Services

|  | Amount                  |
|--|-------------------------|
| <u>Agreements</u>  |                         |
| Marriott Corporation<br>Washington, D.C.   |                         |
| 1/14/76 Reconstruction Service<br>Area 10S   |                         |
| 9/30/76 Reconstruction Service<br>Area 8N  | App.<br>\$2.65 million* |
| *Marriott to pay<br>\$1,000,000 maximum for<br>renovation of these<br>two service areas  |                         |
| 9/22/76 N.J. Department of<br>Transportation<br>Connection Interstate<br>280 to Interchange 15W  | App.<br>\$2.74 million  |
| <u>No. 700</u>   |                         |
| 5/6/76 Port Authority of<br>New York and<br>New Jersey<br>Proposed Interchange<br>13A-Route 81   | App.<br>\$400,000       |
| <u>Orders For Professional Services</u>  |                         |
| <u>OPS 702</u>   |                         |
| 5/27/76 Howard Needles<br>Tammen & Bergendoff<br>Fairfield, N.J.<br>Bridge deck repairs &<br>resurfacing/Repainting<br>structural steel/Bridge<br>structure repairs/Sign<br>replacement/Interchange<br>11 improvement                | \$260,000               |
| <u>OPS 707</u>   |                         |
| 7/9/76 Howard Needles<br>Tammen & Bergendoff<br>Toll equipment replace-<br>ment/Median barrier<br>study/Bridge structure<br>repairs/Sign replace-<br>ment program/Sign<br>bridge relocation, Inter-<br>change 9/Signing,<br>14A, 14B | \$150,000               |
| <u>OPS 709</u>   |                         |
| 12/6/76 Howard Needles<br>Tammen & Bergendoff<br>Bridge deck repairs<br>& surfacing  | \$273,000               |

## Purchasing

| Purchase Order No. | Vendor                 | Description               | Amount       |
|--------------------|------------------------|---------------------------|--------------|
| P-12221            | Koplin Pontiac Corp.   | Police Vehicles           | \$105,148.80 |
| P-12318            | National Electronics   | Tabulating Cards-1976     | 368,312.20   |
| P-14794            | National Electronics   | Tabulating Cards-1977     | 358,750.00   |
| P-12645            | Morton Salt            | Rock Salt                 | 143,290.00   |
| P-14027            | International Salt Co. | Sodium Chloride           | 529,670.00   |
| P-14030            | McConnel Fuel Oil      | Fuel Oil                  | 142,298.00   |
| P-14066            | Mt. Holly Concrete     | Snow Removal              | 165,000.00   |
| P-14774            | Consolidated Laundries | Supply Clothing & Service | 150,000.00   |

## 25 Years of Operation

|       | REVENUE<br>VEHICLES | REVENUE<br>MILEAGE | TOLL<br>REVENUE | CONCESSION<br>REVENUES | OTHER<br>REVENUES | TOTAL<br>REVENUES |
|-------|---------------------|--------------------|-----------------|------------------------|-------------------|-------------------|
| 1951* | 787,195             | 38,246,174         | \$ 587,326      | \$ 32,861              | \$ 87             | \$ 620,274        |
| 1952  | 17,948,325          | 765,807,780        | 16,241,267      | 1,523,038              | 65,330            | 17,829,635        |
| 1953  | 22,005,078          | 868,606,100        | 19,192,647      | 1,853,880              | 464,102           | 21,510,629        |
| 1954  | 24,555,441          | 927,393,967        | 20,756,344      | 1,826,777              | 634,641           | 23,217,762        |
| 1955  | 25,888,319          | 939,672,825        | 21,122,503      | 1,859,952              | 923,169           | 23,905,624        |
| 1956+ | 31,588,224          | 1,064,377,974      | 24,513,371      | 2,056,530              | 1,197,682         | 27,767,583        |
| 1957  | 39,269,643          | 1,200,254,680      | 29,022,910      | 2,370,516              | 1,447,014         | 32,840,440        |
| 1958  | 41,615,115          | 1,232,527,909      | 30,159,491      | 2,400,793              | 1,554,434         | 34,114,718        |
| 1959  | 46,199,339          | 1,343,847,970      | 33,317,927      | 2,602,998              | 1,396,407         | 37,317,332        |
| 1960  | 49,083,017          | 1,414,759,197      | 35,583,987      | 2,650,147              | 1,274,321         | 39,508,455        |
| 1961  | 51,737,682          | 1,471,802,723      | 37,192,652      | 2,649,106              | 1,156,969         | 40,998,727        |
| 1962  | 54,900,745          | 1,560,490,809      | 39,240,487      | 2,660,029              | 1,180,789         | 43,081,305        |
| 1963  | 56,677,379          | 1,610,706,177      | 40,778,566      | 2,749,777              | 1,270,264         | 44,798,607        |
| 1964  | 60,707,631          | 1,753,074,755      | 44,148,839      | 3,436,989              | 1,446,046         | 49,031,874        |
| 1965  | 64,957,715          | 1,856,395,130      | 46,122,200      | 3,624,311              | 1,549,790         | 51,296,301        |
| 1966  | 69,850,328          | 1,944,951,873      | 48,609,809      | 3,752,280              | 1,628,281         | 53,990,370        |
| 1967  | 73,528,656          | 2,030,844,201      | 51,229,549      | 3,976,450              | 1,642,227         | 56,848,226        |
| 1968  | 78,205,075          | 2,138,002,435      | 55,339,724      | 4,323,562              | 1,653,381         | 61,316,667        |
| 1969  | 80,618,191          | 2,202,999,403      | 57,636,727      | 4,624,406              | 1,979,854         | 64,240,987        |
| 1970  | 89,655,299          | 2,382,332,241      | 63,934,463      | 4,959,536              | 1,949,358         | 70,843,357        |
| 1971  | 98,553,612          | 2,574,226,834      | 70,124,311      | 5,322,464              | 1,004,360         | 76,451,135        |
| 1972  | 107,933,291         | 2,740,521,973      | 75,939,682      | 5,612,148              | 997,242           | 82,549,072        |
| 1973  | 110,422,434         | 2,753,067,671      | 78,996,947      | 5,226,934              | 1,261,793         | 85,485,674        |
| 1974° | 106,628,059         | 2,529,483,967      | 75,243,082      | 4,924,039              | 3,062,147         | 83,229,268        |
| 1975  | 105,632,830         | 2,583,789,035      | 84,385,089      | 5,315,803              | 6,553,424         | 96,254,316        |
| 1976  | 109,233,669         | 2,671,766,280      | 91,081,922      | 5,176,767              | 4,756,959         | 101,015,648       |

\* Section of Turnpike opened November 5, 1951.

+ Pennsylvania and Newark Bay-Hudson County Extensions opened in 1956.

° 12-lane widening from Northern Terminus to New Brunswick opened in 1974.

### Toll Revenues

|           | 1976                | 1975                |
|-----------|---------------------|---------------------|
| January   | \$ 6,434,604        | \$ 5,640,706        |
| February  | 6,288,794           | 5,069,364           |
| March     | 7,254,019           | 6,271,736           |
| April     | 7,657,788           | 6,999,509           |
| May       | 7,803,960           | 7,470,705           |
| June      | 8,117,767           | 7,727,009           |
| July      | 8,484,894           | 8,071,698           |
| August    | 8,782,479           | 8,436,303           |
| September | 7,862,271           | 7,202,513           |
| October   | 7,646,204           | 7,458,369           |
| November  | 7,432,282           | 6,963,754           |
| December  | 7,316,860           | 7,073,423           |
|           | <u>\$91,081,922</u> | <u>\$84,385,089</u> |

### Revenue Mileage

|           | 1976                 | 1975                 |
|-----------|----------------------|----------------------|
| January   | 181,929,822          | 188,435,925          |
| February  | 179,329,903          | 171,288,213          |
| March     | 201,232,303          | 208,699,565          |
| April     | 228,768,533          | 203,305,343          |
| May       | 232,820,509          | 224,053,049          |
| June      | 234,662,557          | 231,048,216          |
| July      | 263,684,508          | 250,861,313          |
| August    | 272,197,097          | 269,005,952          |
| September | 229,410,936          | 208,717,281          |
| October   | 220,520,113          | 212,533,626          |
| November  | 214,926,913          | 207,835,259          |
| December  | 212,283,086          | 208,005,293          |
|           | <u>2,671,766,280</u> | <u>2,583,789,035</u> |

### Revenue Vehicles

|           | 1976               | 1975               |
|-----------|--------------------|--------------------|
| January   | 7,840,469          | 8,277,109          |
| February  | 7,567,595          | 7,418,340          |
| March     | 8,772,745          | 8,664,026          |
| April     | 9,116,751          | 8,559,431          |
| May       | 9,359,199          | 9,090,305          |
| June      | 9,632,661          | 9,310,305          |
| July      | 9,957,110          | 9,576,923          |
| August    | 10,234,069         | 9,857,643          |
| September | 9,456,570          | 8,707,228          |
| October   | 9,340,616          | 9,072,800          |
| November  | 9,023,872          | 8,470,103          |
| December  | 8,932,012          | 8,628,612          |
|           | <u>109,233,669</u> | <u>105,632,830</u> |

## Annual Budget of Operating Expenses Fiscal Year 1976

(Pending the signing of a new labor union contract, the Authority, in accordance with the Bond Resolutions, is required to adopt an identical budget for 1977 as the preceding fiscal year of 1976)

| Classification   | Amount                   |
|--|--------------------------|
| Administration - General .....   | \$ 1,621,000             |
| Data Processing/Systems .....  | 1,104,000                |
| Accounting .....   | 532,100                  |
| Operations:  |                          |
| Traffic Control and Police .....   | \$ 4,271,800             |
| Toll Collection .....  | 14,214,500               |
| Maintenance .....  | <u>14,175,100</u>        |
| Engineering .....  | 1,048,100                |
| Insurance .....  | 2,298,500                |
| Non-Departmental:  |                          |
| Professional Fees .....  | \$ 178,300               |
| Fiduciary Fees .....   | 235,000                  |
| Pension and Retirement Funds .....   | 2,478,700                |
| Taxes .....  | <u>197,400</u>           |
|  | <u>3,089,400</u>         |
|  | \$42,475,000             |
| Provision for Amounts to be Deposited<br>to the Credit of the Maintenance<br>Reserve Fund (Note) ..... | 120,000                  |
| <b>Total .....</b>   | <b><u>42,355,000</u></b> |

Note: An additional \$8,470,000 to be provided for Maintenance projects from the General Reserve Fund.

## Finance

The Fiscal Year Ended December 31, 1976, was a satisfactory year financially. The Authority met all financial requirements placed upon it by the General Revenue Bond Resolution of 1966 and the Improvement Revenue Bond Resolution of 1973. In addition thereto, the Authority was able to purchase in the open market, over and above the requirement of the Sinking Fund, bonds having a par value of \$5,405,000. These bonds were purchased through the General Reserve Fund at a cost of \$4,901,875, or an average price of \$90.69 per \$100. This was the first major debt retirement since January 1, 1975, when the Authority redeemed its General Revenue Bonds and retired its Series A Notes. At December 31, 1976, bonds having a par value of \$990,000 had yet to be delivered and consequently were not removed from the financial statements as an obligation of the Authority at that date.

Through the Sinking Fund, which applied to our Series G Bonds only, the Authority purchased in the fiscal year bonds having a par value of \$405,000 at a cost of \$372,581, or an average price of \$92.00 per \$100. Of these purchases, bonds having a par value of \$10,000 remained undelivered at the statement date.

Schedule 3, which accompanies our financial statements, sets forth in detail the changes in our debt structure during the Fiscal Year 1976. In summary form, the changes are as follows:

|                                    | Outstanding<br>Dec. 31,<br>1975 | Acquired<br>and<br>Cancelled<br>During<br>Year | Outstanding<br>Dec. 31,<br>1976 |
|------------------------------------|---------------------------------|--|---------------------------------|
| Turnpike Revenue Bonds             | \$634,025,000                   | 4,810,000                                      | 629,215,000                     |
| Turnpike Improvement Revenue Bonds | 210,000,000                     | —  | 210,000,000                     |
| <b>Total</b>                       | <b>\$844,025,000</b>            | <b>4,810,000</b>                               | <b>839,215,000</b>              |

The Turnpike Improvement Revenue Bonds were issued in 1973 in the amount of \$210,000,000. One of the several purposes of this bond issue was the construction of the Governor Alfred E. Driscoll Expressway. Because of legal restrictions, the Authority has been able to proceed with only the engineering portion and the acquisition of a minor portion of the right-of-way. After considerable deliberation, the Authority requested our Financial Consultants and Bond Counsel to present a refinancing plan which would eliminate the commitment to construct the Expressway at this time. The plan, which has been submitted to the Authority but has yet to be approved by the proper State Officials, will have no adverse effect on the present holders of our First Series Bonds.

Construction activity in new construction and extraordinary maintenance was extremely low during the Fiscal Year 1976. A comparison of the net cost of this activity with that of 1975, is shown below:

|   | 1976                      | 1975                       |
|---|---------------------------|----------------------------|
| <b>Net Charges to Cost of Investment in Facilities:</b> |                           |                            |
| 1966 Turnpike Improvement (Including Special Projects)  | \$1,163,090               | \$ 3,998,676               |
| 1971 Turnpike Improvement                               | 1,243,107                 | 14,876,791                 |
| 1973 Improvement and Funding Program                    | 960,809                   | 10,219,409                 |
| Original Turnpike, Extensions, Additional Lanes, et al  | (293,825)                 | (70,646)                   |
| Revenues Invested in Facilities                         | 2,002                     | 8,369,934                  |
|   | <u>3,075,183</u>          | <u>37,394,164</u>          |
| <b>Charged to Operations as Other Charges</b>           | <b>6,801,032</b>          | <b>2,996,157</b>           |
| <b>Total</b>  | <b><u>\$9,876,215</u></b> | <b><u>\$40,390,321</u></b> |

Except for the Governor Alfred E. Driscoll Expressway and the related widening of the Main Stem from Interchange 9 to the connection with the proposed Expressway, most of the major projects in the Improvement Programs have been physically completed. There does remain the formal review and settlement of construction claims which may extend over a period of time. Two new projects have been started. One comes within the purpose of the 1966 Turnpike Improvement, the connection of Route 280 with existing Interchange 15W; the other comes within the purpose of the 1973 Improvement and Funding Program, the connection of the Turnpike to U.S. Route 1 and Newark International Airport via a new interchange to be designated 13A. Ample funds are available to finance this construction.

The Authority prides itself in the facility it operates and maintains it to the best of its ability for the safety of the traveling public. Monies spent on extraordinary maintenance prolongs the life of the facility and saves human lives as well. Extraordinary maintenance costs charged to operations from 1957 through December 31, 1976, a period of twenty years, have amounted to \$78,897,335.

Our increased toll structure was in effect the entire year 1976 and Toll Revenue for that year amounted to \$91,081,922, as compared with \$84,385,089 for the Fiscal Year 1975. The new toll structure was put into effect on March 23, 1975. Schedule 6 which accompanies the financial statements furnishes the detail of these amounts by class of vehicle. A summary by Class 1 and All Other Vehicles appears below:

|  | 1976                | 1975               | Increase         | %          |
|--|---------------------|--------------------|------------------|------------|
| <b>Toll Revenue (Before Toll Adjustments):</b> |                     |                    |                  |            |
| Class 1  | \$58,756,751        | 54,856,662         | 3,900,089        | 7.1        |
| Classes 2-6                                    | 32,337,813          | 29,545,807         | 2,792,006        | 9.4        |
| <b>Total</b>                                   | <u>\$91,094,564</u> | <u>84,402,469</u>  | <u>6,692,095</u> | <u>7.9</u> |
| <b>Revenue Vehicles:</b>                       |                     |                    |                  |            |
| Class 1  | 92,437,690          | 89,567,889         | 2,869,801        | 3.2        |
| Classes 2-6                                    | 16,795,979          | 16,064,941         | 731,038          | 4.6        |
| <b>Total</b>                                   | <u>109,233,669</u>  | <u>105,632,830</u> | <u>3,600,839</u> | <u>3.4</u> |

(Continued on Next Page)

## Finance (Continued)

At the time of our request for a toll increase, it was estimated that the new toll schedule would produce Toll Revenue in the amount of \$95,972,000 for Fiscal Year 1976. The actual toll revenue of \$91,094,564 represents 94.9% of this estimate. The Authority's peak year for traffic volume was 1973 in which 110,422,434 revenue vehicles were handled. Revenue vehicles for 1976 of 109,233,669 is only 1,188,765 short of this record. However, this shortage is confined to Classes 2-6, the vehicles for which the greater tolls are collected. Class 1 vehicles for 1976 of 92,437,690 compares with 92,416,256 for 1973. It is believed that the depressed state of the economy in 1976 as compared with 1973 and the increased use of the parallel competing highways has hindered the recovery of Classes 2-6 to the peak year.

The estimated Concession Revenue for 1976 as made by our Traffic Engineers was \$5,300,000. The actual of \$5,176,767 for 1976 was \$123,233 short of this estimate and \$139,036 short of the actual for Fiscal Year 1975. On the basis of revenue vehicles using the Turnpike, Concession Revenue for 1976 was \$.0474 per revenue vehicle; for 1975 it was \$.0503.

Income from Investments for 1976 amounted to \$4,320,352, a decrease of \$1,926,881 from the \$6,247,233 realized in 1975. Included in the \$6,247,233 were capital gains of \$3,100,729 which were peculiar to that year and will not be repeated. If this unusual item were eliminated from the amount realized in 1975, the income from investments for 1976 of \$4,320,352 represents an increase of 37.3% over the comparable income for 1975.

Miscellaneous Revenues received in 1976 amounted to \$436,607, an increase of \$130,416 over the amount received in 1975. This increase is accounted for in its entirety by Insurance Recoveries in the amount of \$144,065.

The Annual Budget of Operating Expenses for 1976 as filed with the Trustee and Special Trustee was in the amount of \$42,345,000. Actual Budgeted Operating Expenses for 1976 amounted to \$42,172,280 or 99.6% of the budget. The Budgeted Operating Expenses for 1976 represented an increase of \$3,115,633, or 8%, over the Budgeted Operating Expenses for 1975. An analysis of these expenses by Salaries and Wages and All Other Accounts for the two years is shown below:

|                    | 1976                | 1975              | Increase         | % Increase |
|--------------------|---------------------|-------------------|------------------|------------|
| Salaries and Wages | \$25,994,688        | 23,780,235        | 2,214,453        | 9.3        |
| All Other Accounts | 16,177,592          | 15,276,412        | 901,180          | 5.9        |
| <b>Total</b>       | <b>\$42,172,280</b> | <b>39,056,647</b> | <b>3,115,633</b> | <b>8.0</b> |

The Fiscal Year 1976 included 53 paydays; the Authority pays all employees by the week. Fiscal Year 1975 included 52 paydays. The Authority is operating under agreements with Local 194, IFPTE, AFL/CIO-CLC representing Toll Collection and Maintenance and Office, Clerical and Technical Unit covering a three year period, July 1, 1974 through June 30, 1977.

Operations for Fiscal Year 1976 absorbed the total cost of interest on our bond indebtedness which amounted to \$45,512,610. In 1975, interest cost was charged \$42,737,195 to operations and \$2,797,048 to cost of investment in facilities. The one month's interest cost which was charged to cost of investment in facilities in 1975 was so recorded in accordance with Bond Counsel opinion at the time of redemption of the General Revenue Bonds and the retirement of the Series A Notes.

The result for Fiscal Year 1976 was that Revenues, After Expenses, Interest, and Other Charges amounted to \$6,529,726, a decrease of \$4,934,591 from the result obtained for Fiscal Year 1975 of \$11,464,317. The summary below reconciles this change between the results for the two years:

|  |                     |
|--|---------------------|
| Revenues After Expenses, Interest and Other Charges for Fiscal Year 1975 | \$11,464,317        |
| Add:   |                     |
| Increase in Total Revenues   | 4,761,332           |
| Deduct:  | 16,225,649          |
| Increase In:   |                     |
| Budgeted Operating Expenses  | \$3,115,633         |
| Interest on Bonds  | 2,775,415           |
| Other Charges  | 3,804,875           |
|  | 9,695,923           |
| Revenues After Expenses, Interest and Other Charges for Fiscal Year 1976 | <b>\$ 6,529,726</b> |

The Authority looks hopefully to 1977 and a return to traffic such as estimated by our Traffic Engineers in 1974 in connection with our request for a toll increase. There was evidence in 1976 of an improved economy over the depressed state of 1975. We are hopeful that it will come into full bloom in 1977.

**NEW JERSEY TURNPIKE AUTHORITY**  
**Statements of Revenues and Expenses (note 1)**

Years ended December 31, 1976 and 1975

|   | <u>1976</u>         | <u>1975</u>          |
|---|---------------------|----------------------|
| <b>Revenues:</b>  |                     |                      |
| Toll revenue (Schedule 6)   | \$ 91,081,922       | 84,385,089           |
| Concession revenue  | 5,176,767           | 5,315,803            |
| Income from investments   | 4,320,352           | 6,247,233            |
| Miscellaneous   | <u>436,607</u>      | <u>306,191</u>       |
|   | <u>101,015,648</u>  | <u>96,254,316</u>    |
| <br><b>Budgeted operating expenses:</b>   |                     |                      |
| <b>Administration:</b>  |                     |                      |
| General   | 1,582,577           | 1,490,044            |
| Data processing/systems   | 1,070,140           | 1,019,062            |
| Accounting  | 514,300             | 482,227              |
| <b>Operation:</b>   |                     |                      |
| Traffic control and police  | 4,748,775           | 4,621,289            |
| Toll collection   | 13,950,260          | 12,830,948           |
| Maintenance, repair, replacement and reconstruction   | 13,232,266          | 12,737,100           |
| Engineering   | 1,059,421           | 970,768              |
| Insurance   | 2,624,135           | 1,794,509            |
| Professional fees   | 169,611             | 174,627              |
| Fiduciary fees  | 165,725             | 190,377              |
| Pension and retirement (note 8)   | 2,838,810           | 2,622,811            |
| Taxes   | 230,683             | 130,706              |
| Cash discounts  | <u>(14,423)</u>     | <u>(7,821)</u>       |
|   | <u>42,172,280</u>   | <u>39,056,647</u>    |
|   | 58,843,368          | 57,197,669           |
| <br><b>Interest on bonds (note 2):</b>  |                     |                      |
| Turnpike revenue bonds  | 33,542,610          | 30,767,195           |
| Turnpike improvement revenue bonds  | <u>11,970,000</u>   | <u>11,970,000</u>    |
|   | <u>45,512,610</u>   | <u>42,737,195</u>    |
|   | 13,330,758          | 14,460,474           |
| <br><b>Other charges (note 5):</b>  |                     |                      |
| Repairs, replacements and maintenance items of a type not recurring annually or at short intervals (excluding \$771,094 in 1976 and \$4,593,576 in 1975 not deducted from revenues and charged to cost of investment in facilities) | <u>6,801,032</u>    | <u>2,996,157</u>     |
| Revenues after expenses, interest and other charges (see accompanying statements for application thereof)   | <u>\$ 6,529,726</u> | <u>11,464,317</u>    |
| <br><b>Interest paid from bond proceeds during the period - not deducted from revenues and charged to cost of investment in facilities (note 2)</b>   | <br><u>\$ -</u>     | <br><u>2,797,048</u> |

See accompanying notes to financial statements.

**NEW JERSEY TURNPIKE AUTHORITY**  
**Statements of Assets, Liabilities**  
**and Revenues Applied and Retained (Note 1)**

December 31, 1976 and 1975

| <u>Assets</u>  | <u>1976</u>      | <u>1975</u>   |
|--|------------------|---------------|
| <b>Operating accounts:</b>   |                  |               |
| Cash   | \$ 610,397       | 872,958       |
| Investments (Schedule 1)   | 1,354,614        | 994,805       |
| Accounts receivable  | 905,713          | 901,212       |
|  | 2,870,724        | 2,768,975     |
| <br>   |                  |               |
| Funds allocated from reserves to provide for major improvements, repairs, replacements, maintenance, etc.: |                  |               |
| Cash   | 64,575           | 139,215       |
| Investments (Schedule 1)   | 2,004,468        | 2,980,927     |
| Accounts receivable  | 124,038          | -             |
| Deposits in condemnation cases   | 32,070           | 32,070        |
|  | 2,225,151        | 3,152,212     |
| <br>   |                  |               |
| Other funds (Schedule 2):  |                  |               |
| Cash   | 9,180,523        | 8,633,061     |
| Investments (Schedule 1)   | 61,007,503       | 58,044,399    |
|  | 70,188,026       | 66,677,460    |
| <br>   |                  |               |
| Total operating accounts   | 75,283,901       | 72,598,647    |
| <br>   |                  |               |
| Construction accounts (Schedule 4):  |                  |               |
| Cash   | 339,873          | 360,092       |
| Investments (Schedule 1)   | 46,745,298       | 47,540,659    |
| Accounts receivable  | 1,357,983        | 5,646,487     |
| Deposits in condemnation cases   | 3,730,581        | 4,150,050     |
| Total construction accounts  | 52,173,735       | 57,697,288    |
| <br>   |                  |               |
| Cost of investment in facilities   | 1,279,872,606    | 1,276,797,423 |
|  |                  |               |
|  | \$ 1,407,330,242 | 1,407,093,358 |

See accompanying notes to financial statements.

NEW JERSEY TURNPIKE AUTHORITY  
 Statement of Application of Revenues After  
 Expenses, Interest and Other Charges (Note 7)  
 Years ended December 31, 1976 and 1975

| Liabilities and Revenues<br>Applied and Retained   | <u>1976</u>             | <u>1975</u>          |
|--|-------------------------|----------------------|
| <b>Operating accounts:</b>   |                         |                      |
| Withholdings from employees  | \$ 544,066              | 415,231              |
| Toll revenues received in advance  | 177,046                 | 184,148              |
| Other liabilities  | <u>16,076</u>           | <u>233,924</u>       |
|  | 737,188                 | 833,303              |
| <br>   |                         |                      |
| Funds allocated from reserves to provide for<br>major improvements, repairs, replacements,<br>maintenance, etc.: |                         |                      |
| Amounts retained from contractors and engineers  | <u>167,934</u>          | <u>103,127</u>       |
| Other funds (Schedule 2):  |                         |                      |
| Amounts retained from contractors  | 235,280                 | 37,805               |
| Accrued bond interest  | <u>2,019,895</u>        | <u>1,995,000</u>     |
|  | 2,255,175               | 2,032,805            |
|  | <u>3,160,297</u>        | <u>2,969,235</u>     |
| <br>   |                         |                      |
| <b>Total operating accounts</b>  | <u>3,160,297</u>        | <u>2,969,235</u>     |
| <br>   |                         |                      |
| <b>Construction accounts (Schedule 4):</b>   |                         |                      |
| Amounts retained from contractors and engineers  | <u>1,378,236</u>        | <u>3,482,927</u>     |
| <br>   |                         |                      |
| <b>Bond indebtedness (note 2) (Schedule 3):</b>  |                         |                      |
| Turnpike revenue bonds   | 629,215,000             | 634,025,000          |
| Turnpike improvement revenue bonds   | <u>210,000,000</u>      | <u>210,000,000</u>   |
| <b>Total bond indebtedness</b>   | <u>839,215,000</u>      | <u>844,025,000</u>   |
| <br>   |                         |                      |
| <b>Revenues applied and retained:</b>  |                         |                      |
| Applied to retirement of bond indebtedness   | 453,477,895             | 449,031,075          |
| Applied or retained for investment in facilities<br>and other charges  | 79,662,431              | 80,652,298           |
| Retained in other funds by agreement with bondholders  | 28,802,847              | 25,497,151           |
| Retained for general operating purposes  | <u>1,633,536</u>        | <u>1,435,672</u>     |
|  | 563,576,709             | 556,616,196          |
| <br>   |                         |                      |
| <b>Commitments and contingent liabilities (note 10).</b>   |                         |                      |
|  | <u>\$ 1,407,330,242</u> | <u>1,407,093,358</u> |

**NEW JERSEY TURNPIKE AUTHORITY**  
**Statements of Application of Revenues After**  
**Expenses, Interest and Other Charges (Note 1)**

Years ended December 31, 1976 and 1975

|  | Combined<br>total | Revenue<br>fund | Bond<br>interest<br>fund | Bond<br>reserve<br>fund | Sinking<br>fund<br>(Series G) | Maintenance<br>reserve<br>fund | Other fund<br>General<br>reserve<br>fund |
|--|-------------------|-----------------|--------------------------|-------------------------|-------------------------------|--------------------------------|--|
| Balance December 31, 1974  | \$ 545,636,219    | 8,527,902       | -                        | -                       | -                             | -                              | -  |
| Reclassification of proceeds from sale of bonds<br>from construction accounts  | 41,917,791        | -               | 29,947,791               | -                       | -                             | -                              | -  |
| Transfers arising as a result of retirement of General Bonds:  |                   |                 |                          |                         |                               |                                |  |
| From bond interest fund  | -                 | -               | (24,353,696)             | 24,353,696              | -                             | -                              | -  |
| From sinking fund  | -                 | 11,864,209      | -                        | -                       | -                             | -                              | -  |
| From revenue fund  | -                 | (11,864,209)    | -                        | 1,398,518               | -                             | -                              | 8,265,69                                 |
| Revenues after expenses, interest and other charges  | 11,464,317        | (1,939,033)     | (116)                    | 7,803,025               | 61,746                        | 3,818,925                      | 27,73                                    |
| Miscellaneous receipts allocated in the same manner as revenues  | 32,301            | -               | -                        | 9,261                   | -                             | -                              | 23,04                                    |
| Discount on bonds retired  | 15,660            | -               | -                        | -                       | 15,660                        | -                              | -  |
| Payment of interest on Turnpike improvement revenue bonds  | -                 | -               | -                        | -                       | -                             | -                              | -  |
| Transfers from general reserve fund after allocation<br>to debt service fund   | -                 | -               | -                        | -                       | -                             | -                              | (8,316,46                                |
| Revenues invested in facilities  | -                 | -               | -                        | -                       | -                             | -                              | -  |
| Change in net assets of other operating accounts   | -                 | 1,954,700       | -                        | -                       | -                             | -                              | -  |
|  | 599,066,288       | 8,543,569       | 5,593,979                | 33,564,500              | 77,406                        | 3,818,925                      | -  |
| Less:  |                   |                 |                          |                         |                               |                                |  |
| Principal amount of bonds retired from revenues  | -                 | -               | -                        | -                       | 75,000                        | -                              | -  |
| Payment of interest from bond proceeds   | 2,797,048         | -               | 2,797,048                | -                       | -                             | -                              | -  |
| Funds from construction accounts invested in facilities  | 5,540             | -               | -                        | -                       | -                             | -                              | -  |
|  | 2,802,588         | -               | 2,797,048                | -                       | 75,000                        | -                              | -  |
| Balance December 31, 1975  | 596,263,700       | 8,543,569       | 2,796,931                | 33,564,500              | 2,406                         | 3,818,925                      | -  |
| Revenues after expenses, interest and other charges  | 6,529,726         | (295,002)       | (220,910)                | 8,054                   | 373,858                       | (1,092,994)                    | 13,303,08                                |
| Discount on bonds retired  | 430,787           | -               | -                        | -                       | 32,219                        | -                              | -  |
| Miscellaneous receipts allocated in the same manner as revenues  | 332,170           | -               | 217,170                  | -                       | -                             | -                              | 115,00                                   |
| Transfer of excess revenues and bond proceeds  | 13,510            | 147,896         | 8,054                    | (8,054)                 | -                             | -                              | 13,51                                    |
| Application of funds   | -                 | -               | -                        | -                       | -                             | -                              | (13,431,59                               |
| Revenues invested in facilities  | -                 | -               | -                        | -                       | -                             | -                              | -  |
| Change in net assets of other operating accounts   | -                 | (197,864)       | -                        | -                       | -                             | -                              | -  |
|  | 603,569,893       | 8,198,599       | 2,801,245                | 33,564,500              | 408,483                       | 2,725,931                      | -  |
| Less principal amount of bonds retired, including \$4,446,820<br>from revenues, \$349,670 from miscellaneous receipts and<br>\$13,510 from bond proceeds | 363,180           | -               | -                        | -                       | 395,000                       | -                              | -  |
| Balance December 31, 1976  | \$ 603,206,713    | 8,198,599       | 2,801,245                | 33,564,500              | 13,483                        | 2,725,931                      | -  |
| Comprised as follows:  |                   |                 |                          |                         |                               |                                |  |
| Revenues applied and retained:   |                   |                 |                          |                         |                               |                                |  |
| To retirement of bond indebtedness   | 453,477,895       | -               | -                        | -                       | -                             | -                              | -  |
| For investment in facilities and other charges   | 79,662,431        | -               | -                        | -                       | -                             | -                              | -  |
| In other funds by agreement with bondholders   | 28,802,847        | 8,198,599       | 4,198                    | 9,201,543               | 13,483                        | 2,725,931                      | -  |
| For general operating purposes   | 1,633,536         | -               | -                        | -                       | -                             | -                              | -  |
| Total revenues applied and retained  | 563,576,709       | 8,198,599       | 4,198                    | 9,201,543               | 13,483                        | 2,725,931                      | -  |
| Proceeds from sale of bonds  | 39,620,743        | -               | 2,797,047                | 24,353,696              | -                             | -                              | -  |
| Miscellaneous receipts allocated as revenues   | 9,261             | -               | -                        | 9,261                   | -                             | -                              | -  |
|  | \$ 603,206,713    | 8,198,599       | 2,801,245                | 33,564,500              | 13,483                        | 2,725,931                      | -  |

See accompanying notes to financial statements.

NEW JERSEY TURNPIKE AUTHORITY  
 Statements of Cost of Investment in Facilities  
 as of December 31, 1965 and 1965 (note 1)

| <u>accounts</u>        |                      |                |                |                |                |                     |                      |                   |                    |                 |                     |
|------------------------|----------------------|----------------|----------------|----------------|----------------|---------------------|----------------------|-------------------|--------------------|-----------------|---------------------|
| <u>General reserve</u> | <u>fund accounts</u> |                | <u>Debt</u>    | <u>Debt</u>    | <u>General</u> |                     | <u>Funds for</u>     | <u>Net assets</u> | <u>Revenues</u>    | <u>1966</u>     | <u>Revenues</u>     |
| <u>Special</u>         | <u>Bond</u>          | <u>service</u> | <u>reserve</u> | <u>reserve</u> | <u>revenue</u> | <u>Total</u>        | <u>major</u>         | <u>of other</u>   | <u>invested in</u> | <u>Turnpike</u> | <u>applied to</u>   |
| <u>projects</u>        | <u>redemption</u>    | <u>fund</u>    | <u>fund</u>    | <u>fund</u>    | <u>bonds</u>   | <u>(Schedule 2)</u> | <u>improve-</u>      | <u>operating</u>  | <u>facilities</u>  | <u>improve-</u> | <u>retirement</u>   |
|                        |                      |                |                |                | <u>funds</u>   |                     | <u>ments, main-</u>  | <u>accounts</u>   |                    | <u>ment</u>     | <u>of bond</u>      |
|                        |                      |                |                |                |                |                     | <u>tenance, etc.</u> |                   |                    | <u>accounts</u> | <u>indebtedness</u> |
| -                      | -                    | -              | -              | -              | 11,864,209     | 20,392,111          | 5,364,383            | 1,690,372         | 69,233,278         | -               | 448,956,075         |
| -                      | -                    | -              | 11,970,000     | -              | -              | 41,917,791          | -                    | -                 | -                  | -               | -                   |
| -                      | -                    | -              | -              | -              | (11,864,209)   | -                   | -                    | -                 | -                  | -               | -                   |
| -                      | -                    | -              | -              | -              | -              | (2,200,000)         | -                    | 2,200,000         | -                  | -               | -                   |
| -                      | -                    | 4,007,122      | -              | -              | -              | 13,779,399          | (2,315,082)          | -                 | -                  | -               | -                   |
| -                      | -                    | -              | -              | -              | -              | 32,301              | -                    | -                 | -                  | -               | -                   |
| -                      | -                    | -              | -              | -              | -              | 15,660              | -                    | -                 | -                  | -               | -                   |
| -                      | -                    | (76,298)       | -              | -              | -              | (76,298)            | -                    | -                 | 76,298             | -               | -                   |
| -                      | -                    | 17,500         | -              | -              | -              | (8,298,961)         | -                    | -                 | -                  | 8,298,961       | -                   |
| -                      | -                    | -              | -              | -              | -              | -                   | (216)                | -                 | 8,293,637          | (8,293,421)     | -                   |
| -                      | -                    | -              | -              | -              | -              | 1,954,700           | -                    | (1,954,700)       | -                  | -               | -                   |
| -                      | -                    | 3,948,324      | 11,970,000     | -              | -              | 67,516,703          | 3,049,085            | 1,935,672         | 77,603,213         | 5,540           | 448,956,075         |
| -                      | -                    | -              | -              | -              | -              | 75,000              | -                    | -                 | -                  | -               | (75,000)            |
| -                      | -                    | -              | -              | -              | -              | 2,797,048           | -                    | -                 | -                  | -               | -                   |
| -                      | -                    | -              | -              | -              | -              | -                   | -                    | -                 | -                  | 5,540           | -                   |
| -                      | -                    | -              | -              | -              | -              | 2,872,048           | -                    | -                 | -                  | 5,540           | (75,000)            |
| -                      | -                    | 3,948,324      | 11,970,000     | -              | -              | 64,644,655          | 3,049,085            | 1,935,672         | 77,603,213         | -               | 449,031,075         |
| (4,746,067)            | -                    | 41,676         | -              | -              | -              | 7,371,697           | (841,971)            | -                 | -                  | -               | -                   |
| -                      | 398,568              | -              | -              | -              | -              | 430,787             | -                    | -                 | -                  | -               | -                   |
| -                      | -                    | -              | -              | -              | -              | 332,170             | -                    | -                 | -                  | -               | -                   |
| -                      | -                    | -              | -              | -              | -              | 161,406             | (147,896)            | -                 | -                  | -               | -                   |
| 8,470,000              | 4,961,592            | -              | -              | -              | -              | -                   | (2,001)              | -                 | 2,001              | -               | -                   |
| -                      | -                    | -              | -              | -              | -              | (197,864)           | -                    | 197,864           | -                  | -               | -                   |
| 3,723,933              | 5,360,160            | 3,990,000      | 11,970,000     | -              | -              | 72,742,851          | 2,057,217            | 2,133,536         | 77,605,214         | -               | 449,031,075         |
| -                      | 4,415,000            | -              | -              | -              | -              | 4,810,000           | -                    | -                 | -                  | -               | (4,446,820)         |
| 3,723,933              | 945,160              | 3,990,000      | 11,970,000     | -              | -              | 67,932,851          | 2,057,217            | 2,133,536         | 77,605,214         | -               | 453,477,895         |
| -                      | -                    | -              | -              | -              | -              | -                   | -                    | -                 | -                  | -               | 453,477,895         |
| 3,723,933              | 945,160              | 3,990,000      | -              | -              | -              | 28,802,847          | 2,057,217            | -                 | 77,605,214         | -               | -                   |
| -                      | -                    | -              | -              | -              | -              | -                   | -                    | 1,633,536         | -                  | -               | -                   |
| 3,723,933              | 945,160              | 3,990,000      | -              | -              | -              | 28,802,847          | 2,057,217            | 1,633,536         | 77,605,214         | -               | 453,477,895         |
| -                      | -                    | -              | 11,970,000     | -              | -              | 39,120,743          | -                    | 500,000           | -                  | -               | -                   |
| -                      | -                    | -              | -              | -              | -              | 9,261               | -                    | -                 | -                  | -               | -                   |
| 3,723,933              | 945,160              | 3,990,000      | 11,970,000     | -              | -              | 67,932,851          | 2,057,217            | 2,133,536         | 77,605,214         | -               | 453,477,895         |

**NEW JERSEY TURNPIKE AUTHORITY**  
**Statements of Cost of Investment in Facilities**

to December 31, 1976 and 1975 (note 1)

|   | 1966<br>Turnpike<br>improvement | 1971<br>Turnpike<br>improvement | 1973<br>Improvement<br>and<br>funding<br>program | Original<br>turnpike<br>extensions<br>and<br>additional<br>lanes | Revenues<br>invested<br>in<br>facilities | Total to<br>December 31 |                      |
|---|---------------------------------|---------------------------------|--|--|--|-------------------------|----------------------|
|   |                                 |                                 |  |  |  | 1976                    | 1975                 |
| Engineering and architectural   | \$ 28,985,701                   | 11,498,940                      | 18,093,822                                       | 28,083,278   | 11,439,641                               | 98,101,382              | 97,002,060           |
| Land, easements and rights-of-way   | 27,455,439                      | 4,211,042                       | 5,998,673  | 27,245,243   | 4,301,469                                | 69,211,866              | 68,597,813           |
| Construction, including cost of<br>training and equipping operating<br>personnel, machinery and equip-<br>ment and miscellaneous pre-<br>operating expenses | 369,326,134                     | 102,305,482                     | 19,640,571                                       | 371,398,653  | 61,559,741                               | 924,230,581             | 919,218,919          |
| Other costs, including adminis-<br>tration  | 2,212,776                       | 85,855                          | 110,460  | 1,869,762  | 142,902                                  | 4,421,755               | 4,230,610            |
| Financial   | <u>245,677,597</u>              | <u>22,512,061</u>               | <u>23,615,247</u>                                | <u>26,992,647</u>  | <u>165,268</u>                           | <u>318,962,820</u>      | <u>318,962,820</u>   |
|   | 673,657,647                     | 140,613,380                     | 67,458,773                                       | 455,589,583  | 77,609,021                               | 1,414,928,404           | 1,408,012,222        |
| Less income from interim investment<br>of construction funds  | <u>76,984,644</u>               | <u>17,605,379</u>               | <u>32,742,025</u>                                | <u>7,719,943</u>   | <u>3,807</u>                             | <u>135,055,798</u>      | <u>131,214,799</u>   |
|   | <u>\$ 596,673,003</u>           | <u>123,008,001</u>              | <u>34,716,748</u>                                | <u>447,869,640</u>   | <u>77,605,214</u>                        | <u>1,279,872,606</u>    | <u>1,276,797,423</u> |

See accompanying notes to financial statements.

# NEW JERSEY TURNPIKE AUTHORITY

## Investments

December 31, 1976

### Schedule 1

|   | Interest<br>rate | Maturity<br>(note A) | Par value      | Carrying<br>value<br>(note B) |
|---|------------------|----------------------|----------------|-------------------------------|
| Operating accounts:   |                  |                      |                |                               |
| United States Treasury bills  | -                | %                    | \$ 1,360,000   | 1,354,614                     |
| Funds allocated from reserves to provide for major improve-<br>ments, repairs, replacements, maintenance, etc.: |                  |                      |                |                               |
| United States Treasury bills  | -                | various              | 2,030,000      | 2,004,468                     |
| Other funds:  |                  |                      |                |                               |
| 1966 General revenue bond resolution:   |                  |                      |                |                               |
| Bond interest fund:   |                  |                      |                |                               |
| Time deposit (note E)   | 4.75             | Jun.30,1977          | 2,801,245      | 2,801,245                     |
| Bond reserve fund:  |                  |                      |                |                               |
| Federal Land Bank bonds   | 7.45             | Jan.20,1977          | 10,744,000     | 10,744,000                    |
| United States Treasury notes  | 6.875            | May 15,1977          | 14,076,000     | 13,989,806                    |
| Time deposit (note E)   | various          | May 16,1977          | 8,830,694      | 8,830,694                     |
|   |                  |                      | 33,650,694     | 33,564,500                    |
| Maintenance reserve fund:   |                  |                      |                |                               |
| United States Treasury bills  | -                | various              | 2,800,000      | 2,765,636                     |
| General reserve fund accounts:  |                  |                      |                |                               |
| Special projects:   |                  |                      |                |                               |
| United States Treasury bills  | -                | various              | 3,400,000      | 3,367,728                     |
| Time deposit (note E)   | 4.50             | Mar.30,1977          | 500,000        | 500,000                       |
|   |                  |                      | 3,900,000      | 3,867,728                     |
| Bond redemption accounts:   |                  |                      |                |                               |
| Time deposit (note E)   | 5.00             | Jan.24,1977          | 53,394         | 53,394                        |
| 1973 Improvement revenue bond resolution:   |                  |                      |                |                               |
| Debt service fund:  |                  |                      |                |                               |
| Time deposits (note E)  | various          | Apr.29,1977          | 5,985,000      | 5,985,000                     |
| Debt reserve fund:  |                  |                      |                |                               |
| Time deposits (note E)  | various          | various              | 11,970,000     | 11,970,000                    |
| Construction accounts:  |                  |                      |                |                               |
| 1966 General revenue bond resolution:   |                  |                      |                |                               |
| Construction accounts:  |                  |                      |                |                               |
| United States Treasury bills  | -                | various              | 2,870,000      | 2,834,391                     |
| Special projects:   |                  |                      |                |                               |
| Certificates of deposit (note D)  | various          | various              | 2,000,000      | 2,000,000                     |
| United States Treasury bills  | -                | various              | 1,700,000      | 1,678,939                     |
|   |                  |                      | 3,700,000      | 3,678,939                     |
| General reserve fund accounts:  |                  |                      |                |                               |
| United States Treasury bills  | -                | various              | \$ 525,000     | 518,951                       |
| Time deposit (note E)   | 4.55             | Jan.17,1977          | 200,000        | 200,000                       |
|   |                  |                      | 725,000        | 718,951                       |
| 1971 General note resolution construction account:  |                  |                      |                |                               |
| United States Treasury bills  | -                | various              | 2,450,000      | 2,422,514                     |
| 1973 Improvement revenue bond resolution construction account:  |                  |                      |                |                               |
| Certificates of deposit (note D)  | various          | various              | 31,650,000     | 31,650,000                    |
| United States Treasury bills  | -                | various              | 5,300,000      | 5,225,552                     |
|   |                  |                      | 36,950,000     | 36,875,552                    |
| 1952 Bond resolution construction account:  |                  |                      |                |                               |
| United States Treasury bills  | -                | Jun. 2,1977          | 220,000        | 214,951                       |
| Deposits in condemnation cases:   |                  |                      |                |                               |
| United States Treasury bills  | -                | various              | 3,065,000      | 3,034,853                     |
| Total investments (note C)  |                  |                      | \$ 114,530,333 | 114,146,736                   |

**Notes:**

- (A) United States Treasury bills and Federal Home Loan Bank discount notes mature periodically to June 23, 1977.
- (B) Investments have been valued at the lower of cost or the principal amount thereof, except for investments in the Bond Reserve Fund which are valued at the lower of cost or market as of December 1.
- (C) As of December 31, 1976, the aggregate market value of the investments was approximately \$200,000 in excess of carrying value.
- (D) Certificates of deposit bear interest at annual rates of 4.50% to 5.25% and mature periodically to March 28, 1977. The certificates, which total \$33,650,000, were issued by the following banks - The Chase Manhattan Bank, N.A., \$2,000,000; The First National State Bank, \$21,650,000; The First National Bank of Chicago, \$10,000,000. Where required, such certificates are secured by a pledge of direct obligations of the United States in appropriate amounts as required by the bond resolutions.
- (E) Time deposits bear interest at annual rates of 4.50% to 5.625% and mature periodically to October 31, 1977. The deposits, which total \$30,340,333, are held by The Chase Manhattan Bank, N.A.

# NEW JERSEY TURNPIKE AUTHORITY

## Other Funds

December 31, 1976 and 1975

### Schedule 2

|                                      | Cash on<br>deposit<br>with<br>Trustee,<br>Special<br>Trustee<br>and bank | Investments<br>(Schedule 1) | <u>Liabilities</u> | <u>Fund balance<br/>December 31,</u> |                   |
|--------------------------------------|--|-----------------------------|--------------------|--------------------------------------|-------------------|
|                                      |  |                             |                    | <u>1976</u>                          | <u>1975</u>       |
| Revenue fund (note A)                | \$ 8,198,599   | -                           | -                  | 8,198,599                            | 8,543,569         |
| General revenue bond resolution:     |  |                             |                    |                                      |                   |
| Bond interest fund (note B)          | 24,895   | 2,801,245                   | 24,895             | 2,801,245                            | 2,796,931         |
| Bond reserve fund                    | -  | 33,564,500                  | -                  | 33,564,500                           | 33,564,500        |
| Sinking fund - Series G              | 13,483   | -                           | -                  | 13,483                               | 2,406             |
| Maintenance reserve fund             | 6,221  | 2,765,636                   | 45,926             | 2,725,931                            | 3,818,925         |
| General reserve fund accounts:       |  |                             |                    |                                      |                   |
| Special projects                     | 45,559   | 3,867,728                   | 189,354            | 3,723,933                            | -                 |
| Bond redemption accounts             | 891,766  | 53,394                      | -                  | 945,160                              | -                 |
|                                      | <u>981,924</u>   | <u>43,052,503</u>           | <u>260,175</u>     | <u>43,774,252</u>                    | <u>40,182,762</u> |
| Improvement revenue bond resolution: |  |                             |                    |                                      |                   |
| Turnpike debt service fund           | -  | 5,985,000                   | 1,995,000          | 3,990,000                            | 3,948,324         |
| Turnpike debt reserve fund           | -  | 11,970,000                  | -                  | 11,970,000                           | 11,970,000        |
|                                      | -  | 17,955,000                  | 1,995,000          | 15,960,000                           | 15,918,324        |
|                                      | <u>\$ 9,180,523</u>  | <u>61,007,503</u>           | <u>2,255,175</u>   | <u>67,932,851</u>                    | <u>64,644,655</u> |

**Notes:**

(A) Includes cash and time deposits on deposit with special trustee.

(B) \$24,895 represents accrued interest on \$1,000,000 of Turnpike Revenue Bonds purchased but undelivered at December 31, 1976.

# NEW JERSEY TURNPIKE AUTHORITY

## Bond and Note Indebtedness

December 31, 1976 and 1975

### Schedule 3

|   | <u>Original<br/>amount<br/>authorized<br/>and issued</u> | <u>Refunded or<br/>acquired and<br/>cancelled in<br/>prior years</u> | <u>Amount<br/>outstanding<br/>Dec. 31, 1975</u> | <u>Acquired<br/>and<br/>cancelled<br/>during<br/>1976</u> | <u>Amount<br/>outstanding<br/>Dec. 31, 1976</u> |
|---|--|--|---|---|---|
| <b>Turnpike revenue bonds:</b>  |  |  |   |   |   |
| Series A, 4-3/4% (1966 issue), maturing<br>January 1, 2006              | \$ 179,000,000   | -  | 179,000,000                                     | 1,430,000   | 177,570,000                                     |
| Series B, 5-1/8% (1968 issue), maturing<br>January 1, 2008              | 75,000,000   | -  | 75,000,000                                      | 175,000   | 74,825,000                                      |
| Series C, 5.20% (1968 issue), maturing<br>January 1, 2008               | 125,000,000  | -  | 125,000,000                                     | 1,105,000   | 123,895,000                                     |
| Series D, 5-3/4% (1969 issue), maturing<br>January 1, 2008              | 60,000,000   | -  | 60,000,000                                      | 395,000   | 59,605,000                                      |
| Series E, 5-7/8% (1969 issue), maturing<br>January 1, 2008              | 40,000,000   | -  | 40,000,000                                      | 220,000   | 39,780,000                                      |
| Series F, 7% (1969 issue), maturing<br>January 1, 2009                  | 137,000,000  | 137,000,000  | -   | -   | -   |
| Series G, 5-3/4% (1972 refunding issue),<br>maturing January 1, 2009    | <u>155,100,000</u>                                       | <u>75,000</u>  | <u>155,025,000</u>                              | <u>1,485,000</u>  | <u>153,540,000</u>                              |
|   | <u>771,100,000</u>                                       | <u>137,075,000</u>   | <u>634,025,000</u>                              | <u>4,810,000</u>  | <u>629,215,000</u>                              |
| <b>Turnpike improvement revenue bonds:</b>                              |  |  |   |   |   |
| First series, 5.70% (1973 issue), maturing<br>May 1, 2013               | <u>210,000,000</u>                                       | <u>-</u>   | <u>210,000,000</u>                              | <u>-</u>  | <u>210,000,000</u>                              |
| <b>General revenue bonds:</b>   |  |  |   |   |   |
| Turnpike revenue bonds (1950 issue) 3-1/4%,<br>maturing January 1, 1985 | 220,000,000  | 220,000,000  | -   | -   | -   |
| Turnpike revenue bonds (1951 issue), 3.20%,<br>maturing January 1, 1986 | <u>35,000,000</u>  | <u>35,000,000</u>  | <u>-</u>  | <u>-</u>  | <u>-</u>  |
|   | <u>255,000,000</u>                                       | <u>255,000,000</u>   | <u>-</u>  | <u>-</u>  | <u>-</u>  |
| <b>Second series revenue bonds</b>                                      | <u>211,200,000</u>                                       | <u>211,200,000</u>   | <u>-</u>  | <u>-</u>  | <u>-</u>  |
| <b>Turnpike notes:</b>  |  |  |   |   |   |
| Series A, 4-5/8% (1971 issue), matured<br>January 1, 1975               | <u>125,500,000</u>                                       | <u>125,500,000</u>   | <u>-</u>  | <u>-</u>  | <u>-</u>  |
|   | <u>\$ 1,572,800,000</u>                                  | <u>728,775,000</u>   | <u>844,025,000</u>                              | <u>4,810,000</u>  | <u>839,215,000</u>                              |

Note - To December 31, 1976, bond and note indebtedness totaling \$733,585,000 had been retired from the following sources:

|   |                       |
|---|-----------------------|
| Revenues  | \$ 453,477,895        |
| Excess construction funds, bond proceeds and<br>miscellaneous receipts allocated as revenues                        | 17,607,105            |
| Issuance of Series G Turnpike Revenue Refunding<br>Bonds to refund the Series F revenue bonds<br>on January 1, 1979 | 137,000,000           |
| Portion of proceeds of the 1973 Turnpike Improve-<br>ment Revenue Bonds used to retire Turnpike<br>notes, Series A  | <u>125,500,000</u>    |
|   | <u>\$ 733,585,000</u> |

**NEW JERSEY TURNPIKE AUTHORITY**  
**Summary of Construction Accounts**

December 31, 1976 and 1975

Schedule 4

|  | <u>1966 Bond resolution</u> |                  |                 |
|--|-----------------------------|------------------|-----------------|
|  | <u>Construction</u>         | <u>Special</u>   | <u>General</u>  |
| <u>Assets</u>  | <u>accounts</u>             | <u>projects</u>  | <u>reserve</u>  |
|  |                             |                  | <u>fund</u>     |
|  |                             |                  | <u>accounts</u> |
| Cash   | \$ 44,661                   | 25,454           | 43,061          |
| Investments (Schedule 1)   | 2,834,391                   | 3,678,939        | 718,951         |
| Accounts receivable  | 31,365                      | -                | -               |
| Deposits in condemnation cases, including<br>investments of \$3,034,853 (Schedule 1) | <u>3,242,459</u>            | <u>-</u>         | <u>-</u>        |
|  | <u>\$ 6,152,876</u>         | <u>3,704,393</u> | <u>762,012</u>  |
|  |                             |                  |                 |
| <u>Liabilities</u>   |                             |                  |                 |
| Amounts retained from contractors and<br>engineers                                   | <u>\$ 270,715</u>           | <u>80,284</u>    | <u>-</u>        |

NEW JERSEY TURNPIKE AUTHORITY  
Cash Receipts and Disbursements  
Year ended December 31, 1978

| 1971<br>General<br>note<br>resolution<br>construction<br>account | 1973<br>Improvement<br>revenue bond<br>resolution<br>construction<br>account | 1952<br>Bond<br>resolution<br>construction<br>account | Total             |                   |
|--|--|---|-------------------|-------------------|
|  |  |   | 1976              | 1975              |
| 9,608  | 210,074  | 7,015   | 339,873           | 360,092           |
| 2,422,514  | 36,875,552   | 214,951   | 46,745,298        | 47,540,659        |
| -  | 1,326,618  | -   | 1,357,983         | 5,646,487         |
| <u>363,204</u>   | <u>124,918</u>   | <u>-</u>  | <u>3,730,581</u>  | <u>4,150,050</u>  |
| <u>2,795,326</u>   | <u>38,537,162</u>  | <u>221,966</u>  | <u>52,173,735</u> | <u>57,697,288</u> |
| <u>303,327</u>   | <u>723,910</u>   | <u>-</u>  | <u>1,378,236</u>  | <u>3,482,927</u>  |

# NEW JERSEY TURNPIKE AUTHORITY

## Cash Receipts and Disbursements

Year ended December 31, 1976

Schedule 5

|  | Combined<br><u>total</u> | Operating<br><u>accounts</u> | Funds for<br>major<br>improve-<br>ments,<br>repairs,<br>replace-<br>ments,<br>mainte-<br>nance, etc. | Revenue<br><u>fund</u> | Bond<br>interest<br><u>fund</u> | Bond<br>reserve<br><u>fund</u> | Sinking<br>fund<br><u>Series G</u> |
|--|--------------------------|------------------------------|--|------------------------|---------------------------------|--------------------------------|------------------------------------|
| Cash balances, December 31, 1975                                 | \$ 10,005,326            | 872,958                      | 139,215  | 8,543,569              | 4,604                           | 2,484                          | 2,406                              |
| Receipts:  |                          |                              |  |                        |                                 |                                |                                    |
| Revenues (including income of \$4,312,298 on investments)        | 100,848,385              | 240,168                      | 143,765  | 96,619,591             | 593,372                         | 2,585,980                      | -                                  |
| Transfers of income on investments                               | -                        | (240,168)                    | (143,765)  | 4,228,794              | (593,372)                       | (2,585,980)                    | -                                  |
| Transfers from revenue fund                                      | -                        | 42,355,000                   | -  | (101,341,251)          | 33,236,699                      | -                              | 373,858                            |
| Sale or redemption of investments                                | 382,847,054              | 32,987,725                   | 11,346,235   | -                      | 53,526,602                      | 9,007,494                      | -                                  |
| Income on construction investments                               | 3,840,943                | -                            | -  | -                      | -                               | -                              | -                                  |
| Transfer of excess reserves                                      | -                        | -                            | -  | -                      | 8,054                           | (8,054)                        | -                                  |
| Transfer of funds  | -                        | -                            | (147,896)  | 147,896                | -                               | -                              | -                                  |
| Deposits in condemnation   | 223,463                  | -                            | -  | -                      | -                               | -                              | -                                  |
| Reimbursements of construction costs and other recoveries        | 7,831,724                | -                            | 191,288  | -                      | 85,000                          | -                              | -                                  |
| Proceeds from sale of property                                   | 367,108                  | -                            | -  | -                      | 217,170                         | -                              | -                                  |
|  | <u>505,964,003</u>       | <u>76,215,683</u>            | <u>11,528,842</u>  | <u>8,198,599</u>       | <u>87,078,129</u>               | <u>9,001,924</u>               | <u>376,264</u>                     |
| Disbursements:   |                          |                              |  |                        |                                 |                                |                                    |
| Budgeted operating expenses                                      | 42,172,280               | 42,172,280                   | -  | -                      | -                               | -                              | -                                  |
| Interest on bond indebtedness                                    | 45,487,715               | -                            | -  | -                      | 33,517,715                      | -                              | -                                  |
| Purchase of investments including accrued interest               | 384,475,565              | 33,433,006                   | 10,369,776   | -                      | 53,535,519                      | 9,001,924                      | -                                  |
| Retirement of bond indebtedness of \$4,810,000                   | 4,379,213                | -                            | -  | -                      | -                               | -                              | 362,781                            |
| Cost of construction, studies, major repairs, reimbursable costs | 19,253,862               | -                            | 1,094,491  | -                      | -                               | -                              | -                                  |
|  | <u>495,768,635</u>       | <u>75,605,286</u>            | <u>11,464,267</u>  | <u>-</u>               | <u>87,053,234</u>               | <u>9,001,924</u>               | <u>362,781</u>                     |
| Cash balances, December 31, 1976                                 | \$ <u>10,195,368</u>     | <u>610,397</u>               | <u>64,575</u>  | <u>8,198,599</u>       | <u>24,895</u>                   | <u>-</u>                       | <u>13,483</u>                      |

|  | Cash<br><u>balance</u> | Market value<br>of securities<br>pledged to<br><u>secure deposits</u> |  |
|--|------------------------|---|--|
| <u>Depositories</u>                          |                        |   | <u>Depositories</u>                              |
| Operating accounts:                          |                        |   | Balance brought forward                          |
| First Jersey National Bank                   | \$ 376,190             | 3,624,687   | Revenue fund:                                    |
| The Peoples National Bank of Central Jersey  | 139,251                | 1,845,456   | Fidelity Union Trust Company                     |
| Valley National Bank                         | 24,706                 | 788,100   | The National State Bank                          |
| Toll collectors' and other imprest funds     | 70,250                 | -   | 1971 General note resolution accounts:           |
| Funds for major improvements, repairs, etc.: |                        |   | Midlantic National Bank                          |
| First National Bank of New Jersey            | 45,614                 | 2,628,125   | 1973 Improvement revenue bond resolution account |
| National Community Bank                      | <u>18,961</u>          | <u>1,569,872</u>  | First National State Bank of New Jersey          |
| Balance carried forward                      | \$ <u>674,972</u>      | <u>10,456,240</u>   | All other funds:                                 |
|  |                        |   | The Chase Manhattan Bank, N.A.                   |
|  |                        |   | The Franklin State Bank                          |

NEW JERSEY TURNPIKE AUTHORITY

Toll Revenue

Years ended December 31, 1973 and 1972

| Main-tenance reserve fund | General reserve fund | General reserve fund accounts |                  | Debt service fund | Debt reserve fund | 1952 Bond resolution construction fund | 1966 Bond resolution |                   |                               | 1971 General note resolution construction fund | 1973 Improvement revenue bond resolution construction fund |
|---------------------------|----------------------|-------------------------------|------------------|-------------------|-------------------|--|----------------------|-------------------|-------------------------------|--|--|
|                           |                      | Special projects              | Bond redemption  |                   |                   |  | Construc-tion fund   | Special projects  | General reserve fund accounts |  |  |
| 61,575                    | -                    | -                             | -                | 18,423            | -                 | 19,281                                 | 73,654               | 25,861            | 46,101                        | 60,928   | 134,267  |
| 180,304                   | -                    | 159,990                       | -                | 269,932           | -                 | 15,769                                 | -                    | -                 | 39,514                        | -  | -  |
| (180,304)                 | -                    | (159,990)                     | -                | (269,932)         | -                 | (15,769)                               | -                    | -                 | (39,514)                      | -  | -  |
| 120,000                   | 25,255,694           | -                             | -                | -                 | -                 | -                                      | -                    | -                 | -                             | -  | -  |
| 12,389,696                | -                    | 11,838,906                    | -                | 13,606,394        | 17,955,000        | 824,230                                | 17,421,346           | 18,107,379        | 3,105,487                     | 14,319,182                                     | 166,411,378  |
| -                         | -                    | -                             | -                | -                 | -                 | -                                      | 397,366              | 228,601           | -                             | 196,070  | 3,018,906  |
| -                         | (10,550,756)         | 5,595,182                     | 4,961,592        | 7,492             | -                 | -                                      | -                    | -                 | (13,510)                      | -  | -  |
| -                         | -                    | -                             | -                | -                 | -                 | -                                      | 109,163              | -                 | -                             | -  | 114,300  |
| -                         | 59,065               | -                             | -                | -                 | -                 | -                                      | 223,577              | -                 | -                             | -  | 7,272,794  |
| -                         | 115,000              | -                             | -                | -                 | -                 | -                                      | 32,688               | -                 | -                             | 2,250  | -  |
| <u>12,571,271</u>         | <u>14,879,003</u>    | <u>17,434,088</u>             | <u>4,961,592</u> | <u>13,632,309</u> | <u>17,955,000</u> | <u>843,511</u>                         | <u>18,257,794</u>    | <u>18,361,841</u> | <u>3,138,078</u>              | <u>14,578,430</u>                              | <u>176,951,645</u>   |
| -                         | -                    | -                             | -                | 11,970,000        | -                 | -                                      | -                    | -                 | -                             | -  | -  |
| 11,360,177                | 14,879,003           | 12,831,816                    | 53,394           | 1,662,309         | 17,955,000        | 836,496                                | 16,495,763           | 17,664,027        | 3,094,574                     | 12,413,279                                     | 168,889,502  |
| -                         | -                    | -                             | 4,016,432        | -                 | -                 | -                                      | -                    | -                 | -                             | -  | -  |
| <u>1,204,873</u>          | <u>-</u>             | <u>4,556,713</u>              | <u>-</u>         | <u>-</u>          | <u>-</u>          | <u>-</u>                               | <u>1,717,370</u>     | <u>672,360</u>    | <u>443</u>                    | <u>2,155,543</u>                               | <u>7,852,069</u>   |
| <u>12,565,050</u>         | <u>14,879,003</u>    | <u>17,388,529</u>             | <u>4,069,826</u> | <u>13,632,309</u> | <u>17,955,000</u> | <u>836,496</u>                         | <u>18,213,133</u>    | <u>18,336,387</u> | <u>3,095,017</u>              | <u>14,568,822</u>                              | <u>176,741,571</u>   |
| <u>6,221</u>              | <u>-</u>             | <u>45,559</u>                 | <u>891,766</u>   | <u>-</u>          | <u>-</u>          | <u>7,015</u>                           | <u>44,661</u>        | <u>25,454</u>     | <u>43,061</u>                 | <u>9,608</u>                                   | <u>210,074</u>   |

| Cash balance         | Market value of securities pledged to secure deposits |
|----------------------|---|
| \$ 674,972           | 10,456,240  |
| 1,376,708            | 9,772,875   |
| 6,821,891            | 10,402,205  |
| 9,608                | 2,025,937   |
| 210,074              | 7,598,438   |
| 1,095,894            | 5,323,075   |
| <u>6,221</u>         | <u>568,906</u>  |
| <u>\$ 10,195,368</u> | <u>46,147,676</u>                                     |

# NEW JERSEY TURNPIKE AUTHORITY

## Toll Revenue

Years ended December 31, 1976 and 1975

### Schedule 6

| Class | Description  | 1976          |             | 1975 (note A) |             |
|-------|--|---------------|-------------|---------------|-------------|
|       |  | Toll revenue  | Vehicles    | Toll revenue  | Vehicles    |
| 1     | Passenger car, motorcycle, taxi or hearse, light truck                 | \$ 58,756,751 | 92,437,690  | \$ 54,856,662 | 89,567,889  |
| 2     | Vehicles having two axles other than type described under Class 1      | 5,524,222     | 5,280,668   | 5,215,742     | 5,176,215   |
| 3     | Vehicle (vehicles), single or in combination, having three axles       | 3,166,907     | 1,961,208   | 3,066,988     | 1,937,515   |
| 4     | Vehicle (vehicles), single or in combination, having four axles        | 6,602,493     | 3,273,100   | 6,347,072     | 3,204,241   |
| 5     | Vehicle (vehicles), single or in combination, having five axles        | 17,018,133    | 6,271,402   | 14,892,650    | 5,738,096   |
| 6     | Vehicle (vehicles), single or in combination, having six or more axles | 26,058        | 9,601       | 23,355        | 8,874       |
|       | Non-revenue vehicles (note B)  | -             | 534,023     | -             | 523,661     |
|       |  | 91,094,564    | 109,767,692 | 84,402,469    | 106,156,491 |
|       | Deduct toll adjustments  | 12,642        |             | 17,380        |             |
|       |  | \$ 91,081,922 |             | \$ 84,385,089 |             |

Notes:

(A) Effective March 23, 1975, the Authority adopted a new schedule of toll rates.

(B) Non-revenue vehicles represent traffic of members, officers and employees of the Authority actually in the performance of their duties or traveling to or from such duties, members of the New Jersey State Police Force, members of Fire Departments or local police departments actually in the performance of their duties, ambulances, rescue squads or necessary vehicles of concessionaires.

# Notes to Financial Statements

December 31, 1976 and 1975

## (1) Organization and Accounting Practices

(a) Authorizing legislation—The New Jersey Turnpike Authority is a body corporate and politic created by the New Jersey Turnpike Authority Act of 1948, as amended and supplemented, authorized to construct, maintain, repair and operate turnpike projects at locations established by law, and to issue turnpike revenue bonds or notes of the Authority, subject to prior approval in writing of the Governor and of either or both the State Treasurer and the Comptroller of the Treasury, payable solely from tolls and other revenues of the Authority. Under the provisions of the Act, turnpike revenue 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 has no stockholders nor equity holders and all revenues of the Turnpike are required to be deposited by the Authority with, or in the name of, a special trustee to be applied in accordance with the provisions of the bond resolutions.

(b) Basis of presentation—Accounts of the Authority are maintained in accordance with the practices set forth in this note, which are based on the provisions of the bond resolutions and on the Authority's interpretation of said resolutions. These practices differ in certain respects, which may be material, from those generally accepted accounting principles applied in the presentation of financial position and results of operations commonly followed by other types of enterprises. They are as follows:

1. Depreciation of the Turnpike and related facilities is not included as an operating expense or otherwise provided for.
2. Income on investments and from concessions is recorded when received. Investments are valued at the lower of cost or principal amount, except for investments in the Bond Reserve Fund which are valued at the lower of cost or market as of June 1 and December 1.
3. Budgeted operating expenses (including materials and supplies) are recorded when paid.
4. Interest on bond indebtedness is recorded on the accrual basis. Interest on Turnpike Revenue Bonds and Turnpike Improvement Revenue Bonds has been charged to cost of investment in facilities from date of initial financing to December 31, 1974 with respect to Turnpike Improvement Revenue Bonds and to January 31, 1975 with respect to Turnpike Revenue

Bonds. Interest on bond indebtedness subsequent to such dates is reflected as interest on bonds in the accompanying statements of revenues and expenses.

Interest due on January 1, 1977 and 1976 had been deposited with paying agents as of December 31, 1976 and 1975, respectively, and accordingly there is no liability shown in the accounts for such interest at those dates, except for interest payable of \$24,895 on bonds purchased on firm orders but delivered subsequent to December 31, 1976.

5. Costs for major repairs, replacements or maintenance items of a type not recurring annually or at short intervals and costs for major resurfacing, replacement, repairs, renewals or reconstruction of the turnpike system are recorded when paid except for costs for payments to contractors and engineers which include amounts withheld (retainage) from such payments. Such costs are included in other charges in the accompanying statements of revenues and expenses when such monies have been provided from revenues and principally as construction costs in the accompanying statements of cost of investment in facilities when such expenditures are made from construction funds.
6. Costs for investment in facilities are recorded when paid except for costs for payments to contractors and engineers which include amounts withheld (retainage) from such payments. Income on unexpended construction funds is credited to cost of investment in facilities when received. Costs consist primarily of amounts expended to acquire right-of-way, construct, reconstruct and place in operation the Turnpike, its extensions and related facilities; expenses in connection with the offering, selling and issuance of bonds and notes; discount on the sale of bonds and notes; cost of issuing refunding bonds; commitment fees under bond purchase agreements; cost of certain real estate in excess of right-of-way requirements which may be sold and the proceeds applied in reduction of construction costs; interest on bonds and notes (less income received on unexpended construction funds); and administrative and legal expenses during the construction period. This amount also includes the cost of improvements, enlargements and betterments provided from revenues and costs for major resurfacing, replacement, repairs, renewals or reconstruction of the turnpike system provided from construction funds. These costs represent an historical accumulation of

## Notes to Financial Statements, Continued

expenditures and no reductions are made for subsequent retirements and abandonments.

7. Toll revenues are recorded as earned.

### (2) Bond Indebtedness

At various dates, the Authority has authorized the issuance of bonds and notes to finance the cost of construction of the Turnpike, its extensions and improvement programs. Details of the issues outstanding are shown in Schedule 3. The resolutions provide for the issuance of additional bonds and notes subject to certain limitations.

The principal and interest of the Turnpike Revenue Bonds, Series A through E and Series G Refunding Bonds, are secured by a first lien on the net revenues of the turnpike system. The bonds are subject to redemption in part on any interest payment date on or after July 1, 1976 and as a whole at any time on or after January 1, 1979, except for the Series G bonds which date is January 1, 1982, at varying premium rates. Annual sinking fund payments sufficient to retire the Turnpike Revenue Bonds by maturity are required in increasing amounts commencing with the annual periods ended November 15, 1976 with respect to the Series G bonds and November 15, 1978 for the remaining bonds. The requirement for the annual period ended November 15, 1976 has been satisfied. The requirements for all series for the annual periods ending November 15, 1977 through 1979 are \$385,000, \$6,700,000, and \$7,420,000, respectively. During the year 1976, \$65,129 of revenues were transferred to the Series G sinking fund in partial payment of the November 15, 1977 requirement.

The Turnpike Improvement Revenue Bonds are subject to redemption in part on any interest payment date on or after May 1, 1980, and as a whole or in part at any time on or after May 1, 1983, at varying premium rates. Prior to the retirement of the Turnpike Revenue Bonds, interest and principal are payable from net revenues (as defined) of the Turnpike system available therefrom after meeting the 1966 General Revenue Bond Resolution requirements. On and after the retirement of all of the Turnpike Revenue Bonds, the Turnpike Improvement Revenue Bonds will be secured by a first lien on the net revenues (as defined) of the turnpike system. The Authority has covenanted in the Turnpike Improvement Revenue Bond Resolution to maintain toll revenues so that annual net revenues (as defined), less required deposits to the 1966 Maintenance Reserve fund, shall provide in each year coverage of debt service with respect to all outstanding bonds of at least 1.20, and in any event shall make all required deposits in each fund and account under the resolutions, which requirements have been met. Sinking fund installments are due annually commencing May 1, 1980.

In 1975, interest on the Turnpike Revenue Bonds amounted to \$33,564,243. Of such amount, \$2,797,048 was paid from a portion of the bond proceeds deposited in the Bond Interest fund and charged to cost

of investment in facilities and \$30,767,195 was paid from revenues and charged to interest on bonds in the statement of revenues and expenses.

### (3) 1973 Improvement and Funding Program

In 1973, the Authority adopted a resolution authorizing the issuance of Turnpike Improvement Revenue Bonds for its 1973 Improvement and Funding Program to be issued in one or more series in the estimated total amount of \$550,000,000. The 1973 Improvement and Funding Program provided for, among other things, the construction of (1) access roads relating to the New Jersey Sports Complex, (2) a new interchange near Newark Airport, and (3) the Governor Alfred E. Driscoll Expressway, as an extension of the Turnpike, and the widening of a related portion of the Turnpike to the point of connection therewith, including land acquisition thereof. In May, 1973, the Authority issued the first series of such bonds in the amount of \$210,000,000 and estimated at that time that additional bonds would be issued in the future to finance the balance of the 1973 Improvement and Funding Program, including the retirement of the Turnpike Notes, Series A, due January 1, 1975.

In June, 1974, as a result of suits brought by Monroe and South Brunswick Townships to require further environmental studies and hearings pertaining to the alignment of the Expressway, the Appellate Division of the Superior Court of New Jersey voided the approval of the Governor of New Jersey and the Commissioner of the Department of Environmental Protection as to the environmental impact statement for the Expressway thereby preventing the Authority to proceed with construction. In September, 1974, the Authority petitioned the Supreme Court for certification of the environmental impact statement which petition was denied by the Court in December, 1974. As a result of this decision and drastic increases in interest rates in the bond market, the Authority, with the approval of bond counsel, authorized the use of \$125,500,000 from the proceeds of the 1973 Turnpike Improvement Revenue Bonds for the retirement of all the Turnpike Notes, Series A, which matured January 1, 1975.

In January, 1977, the Authority after considerable study which showed the construction of the Expressway to be infeasible at this time, authorized, with the approval of bond counsel, a refunding program to replace the \$210,000,000 issue of 5.70% Turnpike Improvement Revenue Bonds (see note 11).

### (4) Operations

The Annual Budget of Operating Expenses as filed for the years 1976 and 1975 amounted to \$42,355,000 and \$39,218,000, respectively, as compared with cash disbursements for operating expenses of \$42,172,280 in 1976 and \$39,056,647 in 1975.

### (5) Other Charges

Prior to January 1, 1975, in accordance with bond resolutions then in effect, the Authority, with the approval of the Consulting Engineer, directed the

## Notes to Financial Statements, Continued

Trustee to transfer funds from reserve funds to special accounts to pay the cost of repairs, replacements or maintenance items of a type not recurring annually or at short intervals and which were not provided for in the budgeted operating expenses.

The annual budget includes, in addition to appropriations for all anticipated operating expenses, provisions for amounts to be deposited in the Maintenance Reserve Fund for costs of major resurfacing, replacements, repairs, renewals or reconstruction of the turnpike system or any part thereof. Amounts deposited in such fund amounted to \$120,000 and \$4,500,000 in 1976 and 1975, respectively. In addition, in 1975 \$6,000,000 was provided for such purposes from monies in the 1971 Note Resolution Construction fund accounts in accordance with the Authority's interpretation of the resolution.

From funds so provided in 1976, 1975 and prior years and from funds allocated from the General Reserve fund for Special Projects, in the amount of \$8,470,000 as explained in note 7, expenditures were made for repairs, replacements, etc. which have been reflected as other charges in the accompanying statements of revenues and expenses and principally as construction costs in the accompanying statements of cost of investment in facilities. A summary of such expenditures for the years ended December 31, 1976 and 1975 is as follows:

|   | <u>1976</u>        | <u>1975</u>      |
|---|--------------------|------------------|
| From funds prior to 1975  | \$ 841,971         | 2,315,082        |
| From Maintenance Reserve fund   | 1,212,994          | 681,075          |
| From General Reserve fund   | <u>4,746,067</u>   | <u>—</u>         |
| Total other charges   | <u>\$6,801,032</u> | <u>2,996,157</u> |
| From 1971 Note Construction fund and included in cost of investment in facilities | <u>\$ 771,094</u>  | <u>4,593,576</u> |

### (6) Net Revenues

Net revenues for the year 1976, as defined in the 1966 bond resolution, amounted to \$58,660,648 (revenues \$101,015,648, less amounts paid from the Revenue Fund into the Operating Fund, \$42,355,000). For the year 1975, net revenues (as defined) were \$57,036,316.

### (7) General Reserve Fund

All funds accumulated in the General Reserve fund from January 1, 1975 to date have been allocated, as permitted by the Bond Resolutions, to the credit of a separate account established in the 1966 Construction Fund for the 1966 Turnpike Improvement for application to the cost of construction; to the Debt Service fund for payment of interest on the Turnpike Improvement Revenue Bonds; to the cost of Special Projects for major resurfacing, replacement or reconstruction of the turnpike system or any part thereof, or any other major or extraordinary repairs, renewals or replacements of the turnpike system, and studies,

surveys, estimates and investigations in connection with any of the foregoing purposes; and to the purchase or redemption of any Turnpike Revenue Bonds. Amounts allocated were as follows:

|                           | <u>1976</u>         | <u>1975</u>       |
|---------------------------|---------------------|-------------------|
| 1966 Turnpike Improvement | \$ —                | 8,298,961         |
| Debt Service fund         | 12,011,676          | 15,994,622        |
| Special Projects (note 5) | 8,470,000           | —                 |
| Bond Redemption account:  |                     |                   |
| Series A (1966 issue)     | 1,400,608           | —                 |
| Series B (1968 issue)     | 586,847             | —                 |
| Series C (1968 issue)     | 978,079             | —                 |
| Series D (1969 issue)     | 469,476             | —                 |
| Series E (1969 issue)     | 312,982             | —                 |
| Series G (1972 issue)     | <u>1,213,600</u>    | <u>—</u>          |
|                           | <u>\$25,443,268</u> | <u>24,293,583</u> |

### (8) Pension and Retirement Plans

Employees of the Authority are covered by the Public Employees Retirement System of the State of New Jersey. Pension plan expense of \$1,558,569 and \$1,421,891 in 1976 and 1975, respectively, is based on annual billings received from the Retirement System and are recorded when paid. Authority employees are also covered by the Federal Social Security Act for which the Authority made contributions of \$1,280,241 in 1976 and \$1,200,920 in 1975.

### (9) Sale of Property

Proceeds from the sale of excess property in 1976 amounted to \$339,152 of which amount \$332,170 has been allocated in the same manner as revenues and \$6,982 is included in construction accounts. In 1975, such amounts were \$44,301, \$32,301 and \$12,000, respectively.

### (10) Commitments and Contingent Liabilities

In addition to commitments in the normal course of business, the Authority is contingently liable under pending lawsuits and claims in which the Authority is named a defendant. In the opinion of the Authority, the aggregate liability of such actions would not materially affect its financial statements and sufficient funds are available in the construction accounts to satisfy any payments in connection therewith.

### (11) Subsequent Event

On January 11, 1977, the Authority, with the approval of bond counsel, approved a refunding program to replace the \$210,000,000, 5.70% Turnpike Improvement Revenue Bonds, First Series May 1, 1973, issued to finance, among other things, construction of the proposed Expressway to Toms River (see note 3). The proceeds of the refunding bonds, contemplated to be issued in 1977, will be used to purchase investment securities consisting of direct obligations of, or obligations guaranteed by, the United States Government which will be deposited with the Trustee for the payment of interest on the 1973 Turnpike Improvement Revenue Bonds and the redemption price at maturity in accordance with the terms of the Improvement Revenue Bond Resolution.

PEAT, MARWICK, MITCHELL & Co.

CERTIFIED PUBLIC ACCOUNTANTS

168 FRANKLIN CORNER ROAD

TRENTON, NEW JERSEY 08648

New Jersey Turnpike Authority  
New Brunswick, New Jersey:

We have examined the statements of assets, liabilities and revenues applied and retained of the New Jersey Turnpike Authority as of December 31, 1976 and 1975, the related statements of revenues and expenses and application of revenues after expenses, interest and other charges for the years then ended, and the statements of cost of investment in facilities to December 31, 1976 and 1975. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in note 1 to the financial statements, the Authority's policy is to prepare its financial statements based on the provisions of the bond resolutions and on the Authority's interpretation of said resolutions; consequently, the financial statements do not include certain assets, liabilities, revenues and expenses. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the aforementioned financial statements present fairly the assets, liabilities and revenues applied and retained, of the New Jersey Turnpike Authority at December 31, 1976 and 1975, and the revenues and expenses and application thereof for the years then ended, and the cost of facilities to December 31, 1976 and 1975, on the basis indicated in the preceding paragraph, applied on a consistent basis. Supplementary data included in Schedules 1 through 6 have been subjected to the same auditing procedures and, in our opinion, are stated fairly in all material respects when considered in conjunction with the financial statements taken as a whole.

Further, we have read the provisions of the Bond Resolutions relating to the receipt and application of funds and, in our opinion, based on our examination of the financial statements referred to above, the Authority has complied with such provisions.

*Peat, Marwick, Mitchell & Co.*

January 28, 1977

