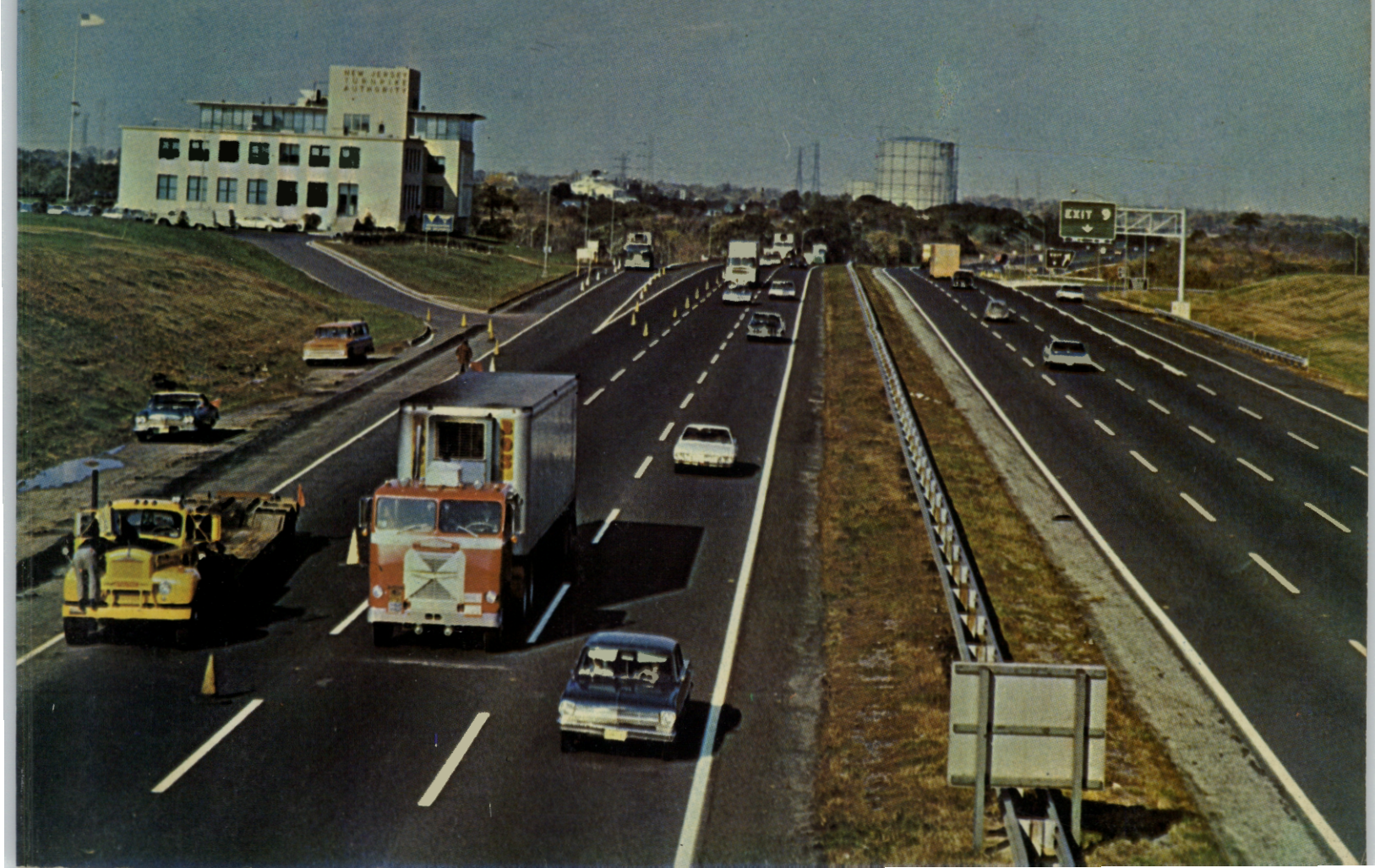
.901
T93

New Jersey Turnpike Authority

Annual Report 1966



New Jersey Turnpike Authority 1966 Eighteenth Annual Report



COVER PHOTO: The mainline of the New Jersey Turnpike looking north to the New Brunswick Interchange (No. 9) ramps and the Administration Building. Photography by Al Oleck.

Life is a highway and its milestones are the years.
—Joyce Kilmer



The widened Turnpike as it will look, running from lower right to upper left, with proposed interchange complex (center) merging functions of Turnpike's present Woodbridge and Garden State Parkway interchanges. Parkway runs from bottom to upper right.



RICHARD J. HUGHES
Governor of New Jersey

Contents

Authority Members	6
Blazing a Wider Trail	8
Fifteen Years of Operation	15
Operations Budget	15
Safety and Policing	16
Turnpike Safety Record	19
Traffic and Toll Revenues	20
New Construction and Improvements	22
Maintenance Operations	24
Toll Collection	27
Public Information	28
ERIC and Personnel	28
Legal and Real Estate	29
Finance	30

letter of transmittal



JOSEPH MORECRAFT, JR., CHAIRMAN
WILLIAM A. STERNKOPF, JR., VICE CHAIRMAN
ANGUS M. HARRIS, TREASURER

NEW JERSEY TURNPIKE AUTHORITY

NEW BRUNSWICK, N. J.

January 24, 1967

To the Honorable Richard J. Hughes, Governor
and Members of the New Jersey Legislature:

Fifteen years have passed since the New Jersey Turnpike first opened its facilities to the public - a landmark event in the history of the State.

Today, in this Annual Report, the 18th in the life of the Authority, the references to that historic beginning are climaxed by an account of another beginning - the program to widen the Turnpike's northern 30 miles into a dual/dual system that will be the first of its kind in the nation.

All of our efforts in the past year have been pointed to this vast project. The initial financing resulting in the sale of $179 million in revenue bonds in 1966 provided the impetus for this next great advance to meet the traffic needs of the future.

Summarized in these pages are the highlights of another record year of Turnpike operations.

Again we are grateful to you, the Governor, Members of the Legislature, the State Highway Commissioner and all the other state and local officials for their assistance and cooperation in helping us realize our objectives. We thank you for helping us observe another good year.

Respectfully submitted,

JOSEPH MORECRAFT, JR.
Chairman

WILLIAM A. STERNKOPF, JR.
Vice Chairman

ANGUS M. HARRIS
Treasurer



WILLIAM A. STERNKOPF, JR., Vice-Chairman of the New Jersey Turnpike Authority. He became an Authority member on appointment by Governor Meyner on February 14, 1961 to succeed Cornelius Gallagher. On September 10, 1962 he was named Vice-Chairman by Governor Hughes and on June 9, 1966 he was sworn-in to a second five-year term on reappointment by Governor Hughes. Mr. Sternkopf, a resident of Jersey City, is a certified public accountant, with 46 years' experience in government and business.

WILLIAM A. STERNKOPF, JR.





JOSEPH MORECRAFT, JR.

JOSEPH MORECRAFT, JR., Chairman of the New Jersey Turnpike Authority. He has held the post since June 21, 1957, succeeding Paul L. Troast. On August 2, 1954 Mr. Morecraft was first appointed member of the Authority by the then Governor Robert B. Meyner, reappointed to a five-year term in 1959, and again in 1964 by Governor Richard J. Hughes. Chairman Morecraft's 12 years of service are the longest of any Authority member. A resident of Dunellen, he is a fuel oil company head and bank president. He served 14 years as mayor of Dunellen and 10 years as a freeholder in Middlesex County.

ANGUS M. HARRIS, Treasurer of the Turnpike Authority. Mr. Harris joined the Authority on appointment by Governor Meyner on May 6, 1957, succeeding Paul L. Troast as one of the three board members. Later that year he became treasurer, and on April 11, 1962 Governor Hughes reappointed him to a five-year term. Treasurer Harris, a resident of Saddle River, is a former executive of the Ford Motor Company. He had been manager of the company's assembly plant in Mahwah when he joined the Authority.

ANGUS M. HARRIS



WILLIAM J. FLANAGAN, Executive Director of the New Jersey Turnpike Authority. He assumed the post April 12, 1962. An advocate of an expanded Turnpike since becoming Executive Director, he initiated the present widening program. A former newspaperman, deputy mayor of Jersey City and sheriff of Hudson County, Mr. Flanagan has applied his administrative experience to furthering the Turnpike's record of service with safety. He lives in Jersey City with his wife and five children.

WILLIAM J. FLANAGAN



New Jersey Turnpike Authority

NEW BRUNSWICK, NEW JERSEY

AUTHORITY MEMBERS

Joseph Morecraft, Jr., Chairman
William A. Sternkopf Jr., Vice Chairman
Angus M. Harris, Treasurer

William J. Flanagan, Executive Director

Grover C. Richman, Jr., General Counsel
Lillian M. Schwartz, Secretary-Ass't Treasurer

Consulting Engineers
Howard, Needles, Tammen & Bergendoff

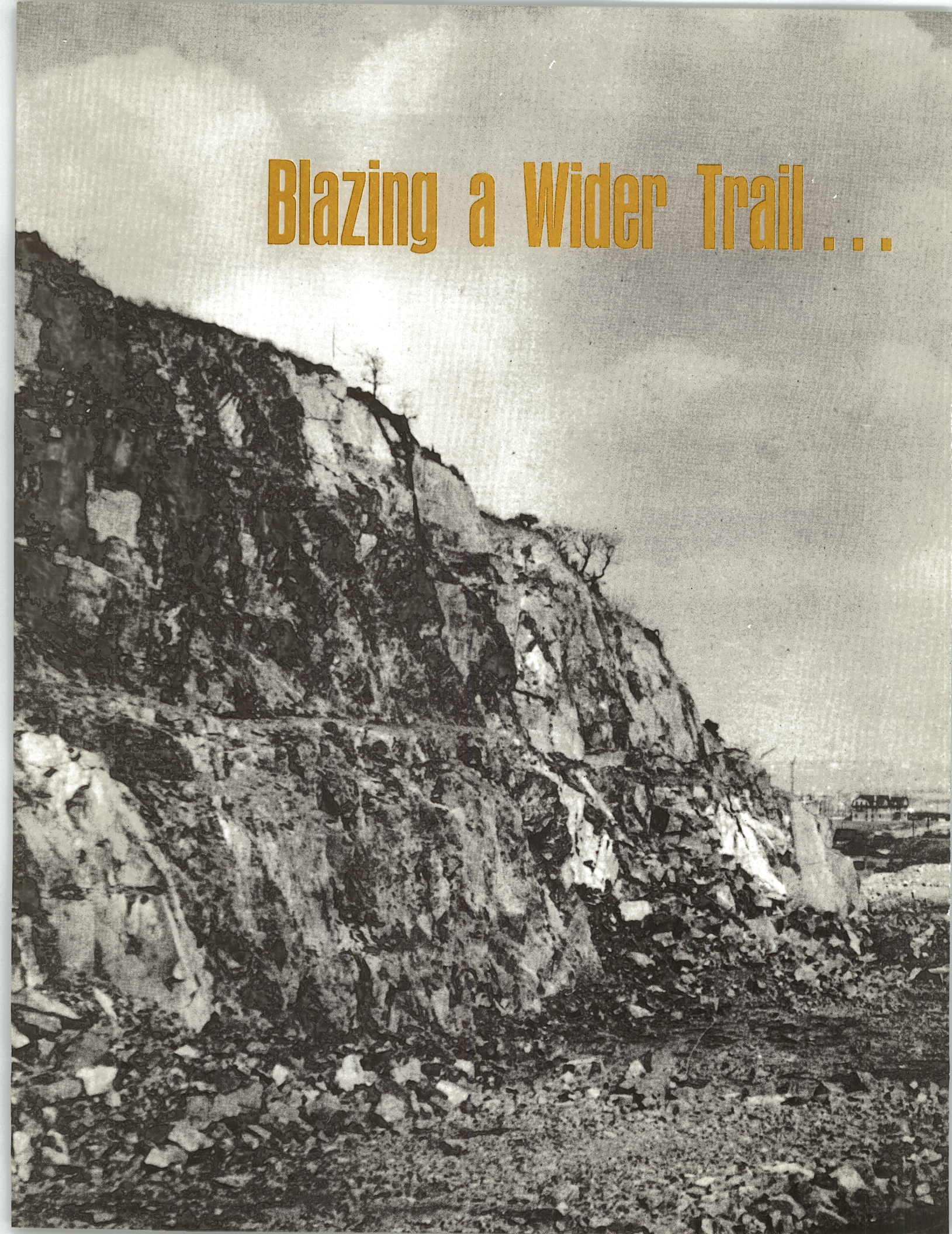
Auditors
Peat, Marwick, Mitchell & Co.

Traffic and Revenue Consultants
Coverdale & Colpitts

Bond Counsel
Hawkins, Delafield & Wood

Financial Advisor
Smith, Barney & Co.

Blazing a Wider Trail . . .







ABOVE: New Jersey Turnpike today, in a heavily traveled section at Laurel Hill. LEFT: The same area, fifteen years ago, when the Turnpike began to take shape.

After 15 Years, a New March Toward a Greater Turnpike

When on November 5, 1951 the first 53 miles of the New Jersey Turnpike were opened to the public from Deepwater to Bordentown, no one imagined that 15 years later men and machines would again be assembled for another great construction effort on the State's first toll highway of modern times.

The effort this time is a project conceived in 1964 to meet the urgent traffic needs along the Turnpike's northern 30 miles—that busy stretch of roadway covering less than one-fourth of the 118-mile mainline but absorbing more than 60 percent of its entire traffic volumes.

Only 15 years ago, this length of Turnpike from Woodbridge to Route 46 in Ridgefield Park was opened in stages after the road to Bordentown made its debut in November 1951.

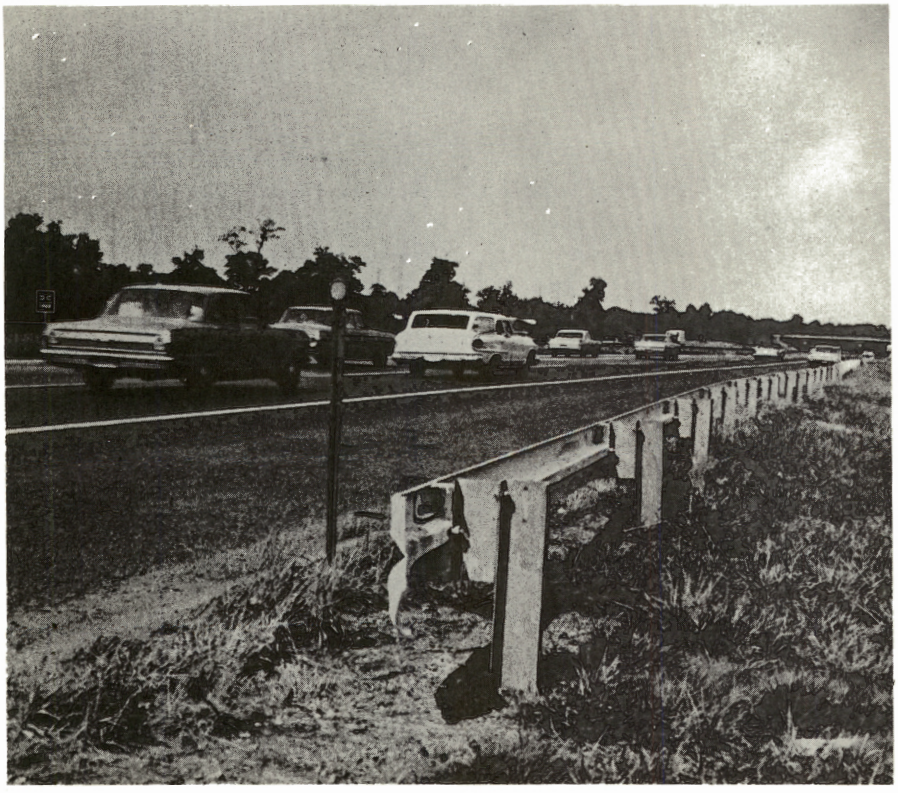
Although there was little doubt that the new venture would be a financial success, original traffic estimates proved conservative and were soon outstripped by actual performance. Traffic began to roll at such an increasing tempo that the level of 21,500,000 vehicles projected for the year 1975 was exceeded 22 years ahead of time in 1953, only the second year of operations, when 22,005,-078 vehicles passed through the toll lanes.

The short time it took the New Jersey Turnpike to become a success surprised many. Before long, a whole series of major improvements came off the drawing boards to benefit the

Blazing a Wider Trail *continued*



ABOVE: This is how the Turnpike looked before completion along the southern area. BELOW: Today, the roadway hums with traffic along a scenic route in the area.

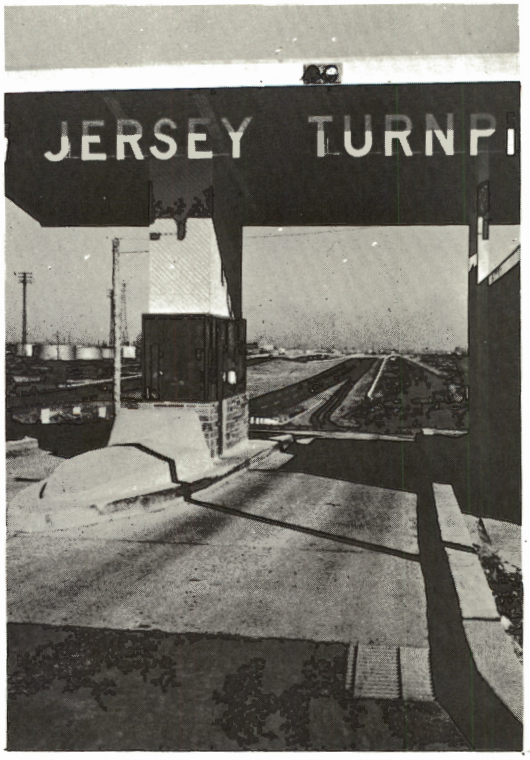


traveling public: widening 62 miles of mainline so that all but the first 34 miles were now six lanes, in 1956 . . . the connection with the Pennsylvania Turnpike and the Newark Bay-Hudson County Extension, in 1956 . . . new interchanges, at Carteret, in 1962; at the Lincoln Tunnel, 1964, and at Jamesburg and Elizabeth, 1966.

These projects and many others on a lesser scale have served to point the way to the future, with traffic counts rising to higher peaks until 1966 when the volumes more than tripled the traffic originally estimated for 1975.

When on November 15, 1966 the members of the Authority turned the first spadesful of earth in the Kearny meadows for the start of construction in its expansion program, they were opening up that future fifteen Novembers after the Turnpike became a reality.

Part of the old split interchange No. 12 at Carteret that gave way to full facility.



The figurative groundwork for the expansion had been laid in engineering studies and planning since 1964, culminating in the sale of $179 million in Turnpike revenue bonds on October 4, 1966 to finance the first expansion phase through 1967. The bond issue, managed by a nationwide underwriting group headed by Smith, Barney & Co., Inc. was quickly sold out. The 4¾% bonds, due January 1, 2006, were priced at 100%, plus accrued interest.

The Kearny groundbreaking launched widening operations on one of the first six contracts awarded to four companies on their low bids for work in areas from Woodbridge to Kearny. Bid prices totalled $8,566,157, considerably below engineers' estimates.

The contracts were approved by Governor Richard J. Hughes as head of the State's Bond Issuing Authority after the Governor had urged that the expansion program be undertaken without further delay so the Turnpike could "continue to serve the needs and safety of the people of this State."

The financing plan under which the bonds were sold was the second one considered by the Turnpike Authority. The first proposal had been rejected in March because it called for the refinancing of the current Turnpike bonded debt and for the issuance of $440 million in new bonds. The plan accepted later was regarded as a more judicious commitment of the Authority's financial structure.

The $179 million bond issue represents the initial portion of an estimated $486 million anticipated for the construction of the additional lanes and for other Turnpike improvements and projects.The Authority tentatively plans the sale of the remainder of the bonds periodically until January 1, 1970 to complete the program.

The new Carteret-Rahway Interchange (No. 12), completed in 1962. It provides complete service in all directions on the mainline as a forerunner to the widening.



As conceived by the Authority and its engineering staff and consultants, the present six-lane facility will be widened to 12 lanes from new Interchange 9A in the vicinity of Edison, to north of Interchange 15 in Newark. There it will branch off on a new right-of-way of six lanes through the meadows to Route 3. From that point to the end of the original mainline at Route 46 there will be four lanes on the new meadowland route.

Safety will be a key feature of the new Turnpike. In the 12-lane area there will be four separate three-lane roadways, two in each direction. Ramps to and from each of the four roadways will be provided at interchanges and service areas.

The new arrangement will enhance the safety factor by:

- Permitting a vehicle to avoid the potentially hazardous maneuver of weaving across five other lanes to reach an exit ramp.
- Restricting trucks and buses to the two outer roadways, while passenger cars will have the choice of the other roadways.
- Allowing greater flexibility of operations through the use of two independent three-lane roadways in each direction.
- Making emergency cross-overs possible at grade-separated U-turns for police, maintenance and other official vehicles, providing the last word in operating ease and safety.

When the Authority broke ground at Kearny, it was on one of the more than 800 parcels of land being acquired for the widening program.

The program is massive, tailored to the needs of a superhighway that served more than 70 million vehicles in 1966.

"The need is so great and so obvious and its financial soundness appears to be so clear, that the building of this Turnpike will prove to be a

Blazing a Wider Trail *continued*

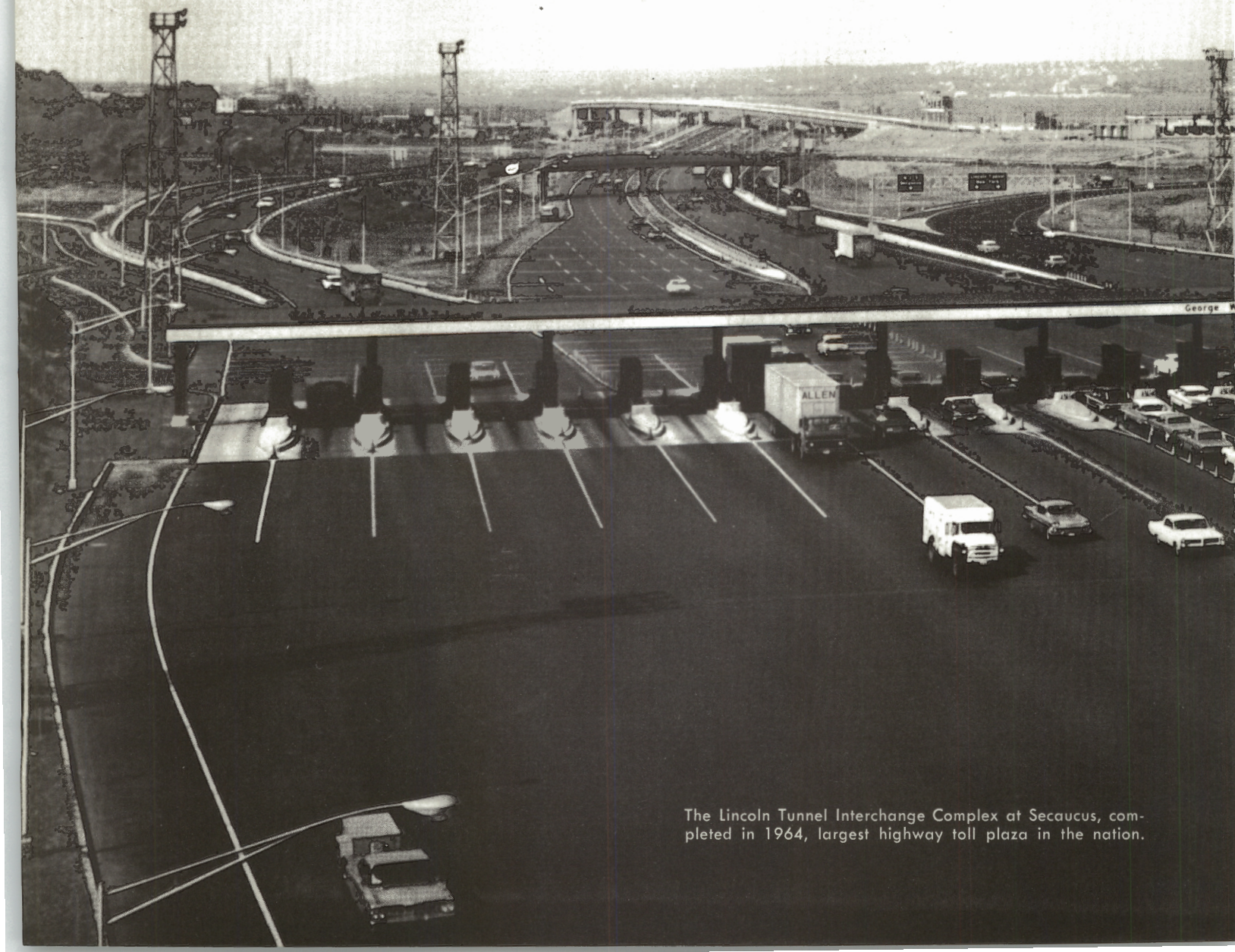
most notable accomplishment in serving highway transportation within New Jersey and throughout the eastern states. . . ."

This statement, from the Revenue and Engineering Cost Estimate of September 1949, is even truer today. Now, history repeats itself. Born of necessity, the Turnpike is once more faced with the problem of providing a facility to meet the needs created by our rapidly increasing population.

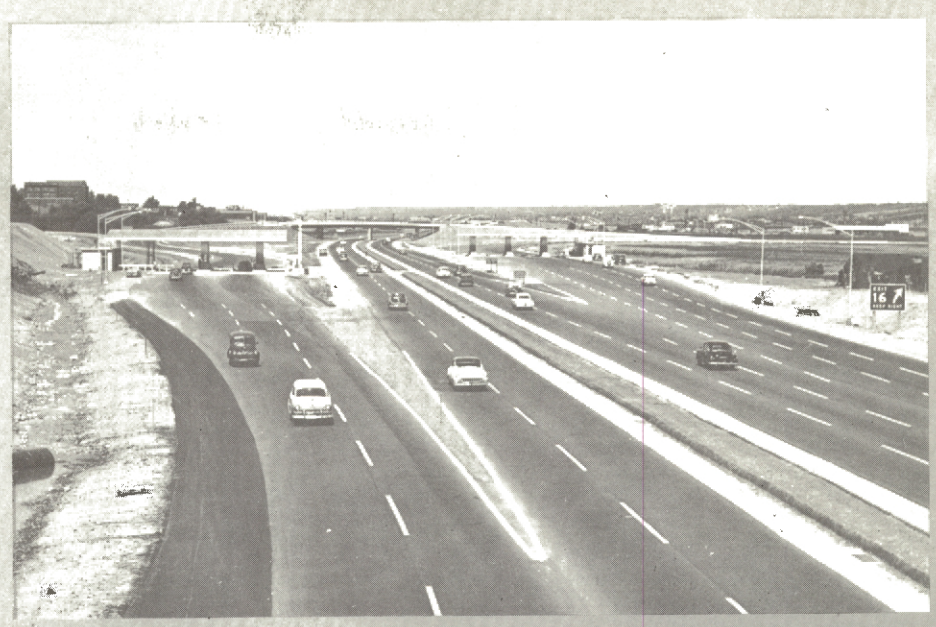
New Jersey needs now a strong southerly bypass from the new facilities at the Middlesex Freeway that would also tie in with the Staten Island bridges and the Newark metropolitan area and beyond.

There is also immediate need for a north-south distribution system through the Elizabeth-Newark-Hudson county corridor. Turnpike expansion will accomplish this and fill the serious gap in our transportation system.

The year 1967 will see the completion of nearly all of the construction plans, except for signing and lighting. By the end of 1967 virtually all major construction contracts should be to the award stage.



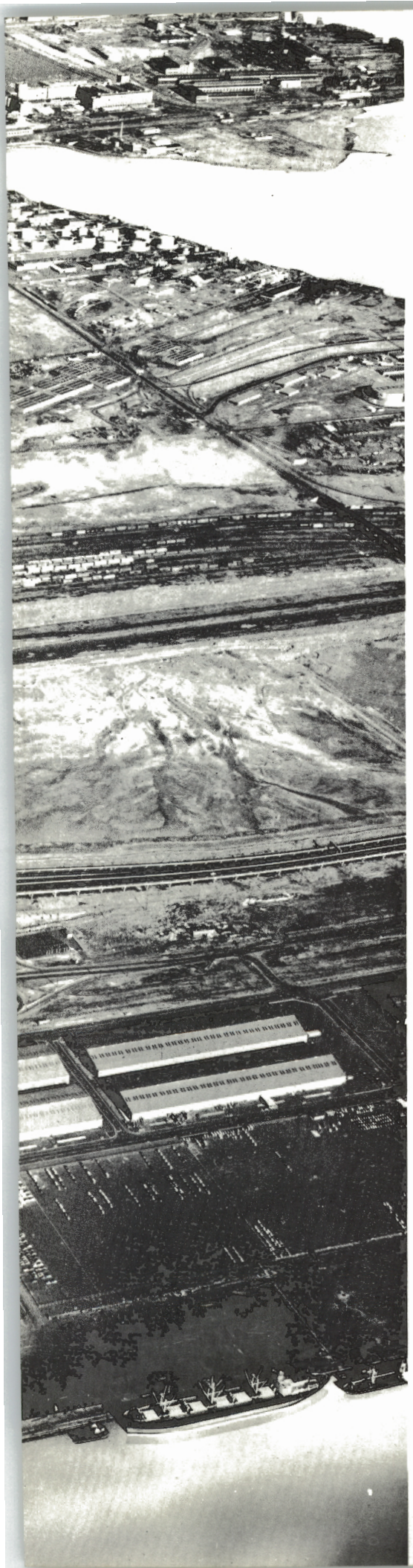
The Lincoln Tunnel Interchange Complex at Secaucus, completed in 1964, largest highway toll plaza in the nation.



View of old Interchange 16, a split facility, replaced in 1964 by Lincoln Tunnel Interchange Complex, which now performs functions of former toll plazas 16, 17 and 18.



Looking north from Newark Airport Interchange towards Pulaski Skyway and Passaic River, showing expanded Turnpike as it will look going through Newark. Newark Bay-Hudson County Extension crosses to right.



Fifteen Years of Operation

	REVENUE VEHICLES	REVENUE TOLL	REVENUE MILEAGE	CONCESSION REVENUES	TOTAL REVENUES
1951*	787,195	$ 587,326	38,246,174	$ 32,861	$ 620,274
1952	17,948,325	16,241,267	765,807,780	1,523,038	17,829,635
1953	22,005,078	19,192,647	868,606,100	1,853,880	21,510,629
1954	24,555,441	20,756,344	927,393,967	1,826,777	23,217,762
1955	25,888,319	21,122,503	939,672,825	1,859,952	23,905,624
1956†	31,588,224	24,513,371	1,064,377,974	2,056,530	27,767,583
1957	39,269,643	29,022,910	1,200,254,680	2,370,516	32,840,440
1958	41,615,115	30,159,491	1,232,527,909	2,400,793	34,114,718
1959	46,199,339	33,317,927	1,343,847,970	2,602,998	37,317,332
1960	49,083,017	35,583,987	1,414,759,197	2,650,147	39,508,455
1961	51,737,682	37,192,652	1,471,802,723	2,649,106	40,998,727
1962	54,900,745	39,240,487	1,560,490,809	2,660,029	43,081,305
1963	56,677,379	40,778,566	1,610,706,177	2,749,777	44,798,607
1964	60,707,631	44,148,839	1,753,074,755	3,436,989	49,031,874
1965	64,957,715	46,122,200	1,856,395,130	3,624,311	51,296,301
1966	69,850,328	48,609,809	1,944,951,873	3,752,280	53,990,370

* Section of Turnpike Opened November 5, 1951.

† Pennsylvania and Newark Bay—Hudson County Extensions Opened in 1956.

Operations Budget 1966-1967

	1967 Budget	1966 Budget
Administration—General	$ 531,300	$ 492,500
Toll Audit	319,700	277,000
Accounting	155,900	155,600
Traffic Control and Police	1,647,600	1,671,900
Toll Collection	3,961,500	3,662,600
Maintenance, Repair, Replacement and Reconstruction	4,325,800	4,611,400
Engineering	242,300	242,600
Real Estate	21,900	23,400
Insurance	468,800	324,000
Professional Fees and Compensation to Counsel, Auditor, Consulting Engineer, Etc.	78,000	75,500
Fees and Compensation to Fiduciaries	97,600	102,600
Pension and Retirement Funds	731,300	622,800
Taxes	17,000	19,500
Provision for Salary and Wage Increases	411,800	333,600
	$13,010,500	$12,615,000

Safety and



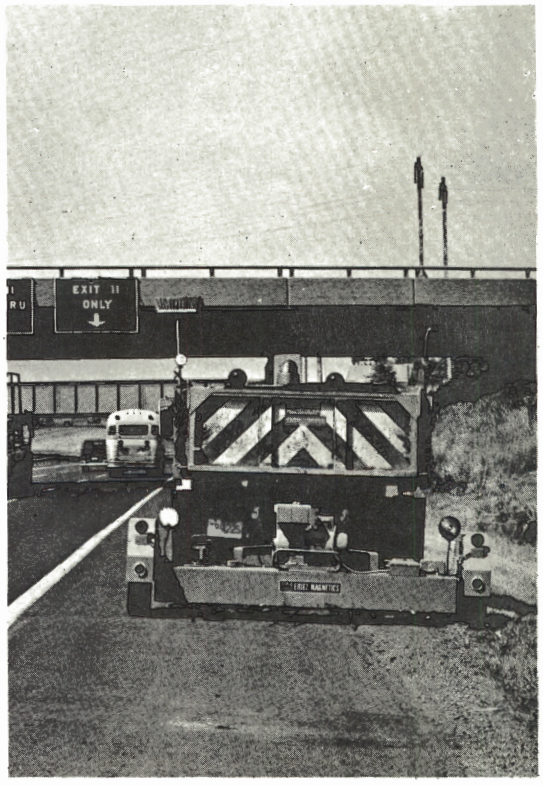
Radio-controlled speed reduction and weather warning sign system now in use.



Executive Director Flanagan set for aerial survey.

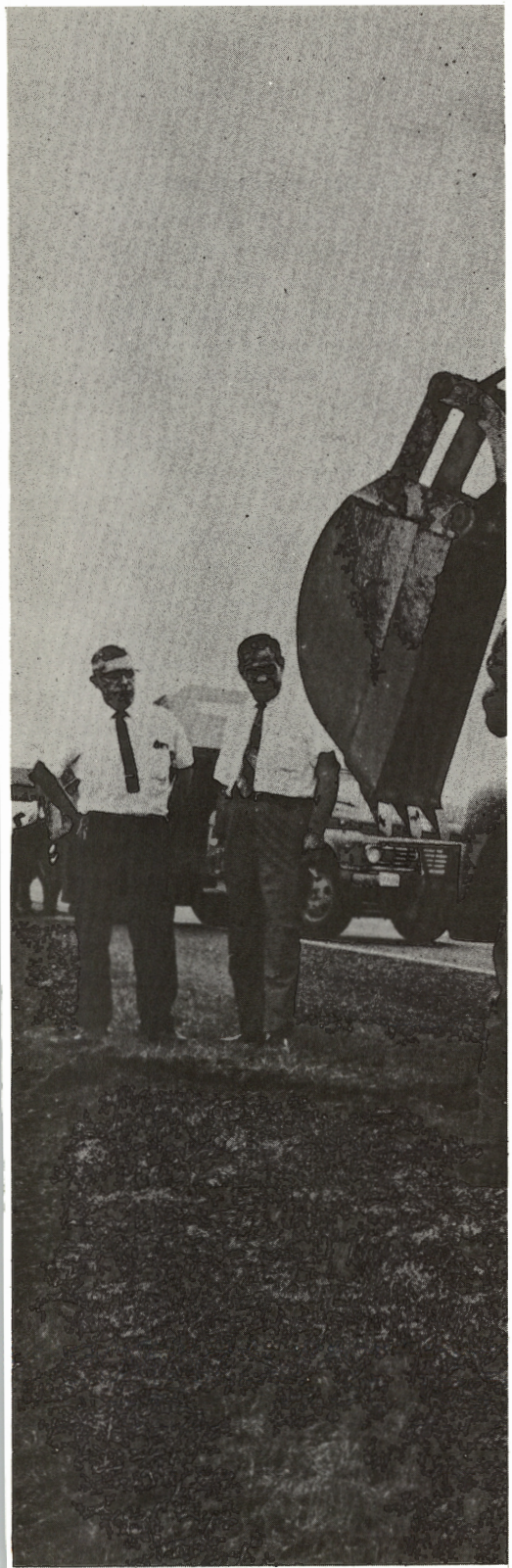


Troopers had to change message manually during the early years of operation.



Magnetic 'broom' used in road cleanup operation.

Policing *An Outstanding Safety Record In a 70 Million Vehicle Year*



Inspecting road construction as safety measure.

Despite the increasing surge of vehicles each year a succession of new and sophisticated traffic control measures has produced, after 15 years of operations, a continually improving safety record that is one of the best in the nation.

During the first full year of road operations, 18,239,197 vehicles travelled the Turnpike. By the end of 1966 more than 70 million, or four times as many, passed through the toll lanes. In the face of such growth, the Turnpike Authority, through the application of various devices, regulations and procedures, recorded the sixth best accident record of all toll roads in the country. This record is even more remarkable when one considers that this Turnpike accommodates more traffic than all of the other five roadways combined.

To demonstrate the effectiveness of the safety program, a comparison of accident statistics between the first and last full operational year has been made. The statistics, deviating somewhat from previous methods of computation, clearly demonstrate the success of the program.

In 1952 there were 39 accidents per million vehicles, 2.57 fatalities, and 46.6 injuries. In 1966 the accidents per million vehicles were reduced by 33% to 26 accidents, the fatalities were cut by 82% to 0.46 and the injuries by 57% to 20.2.

Ordinarily, traffic statistics are computed nationally for each 100 million vehicle miles travelled. However, on the New Jersey Turnpike, although the vehicles increase annually, the impact of new outside facilities bypassing or paralleling the Turnpike creates shorter trip lengths and increased densities. This has a marked effect upon the number of miles travelled by these vehicles.

As the traffic on the New Jersey Turnpike increased year by year, the average vehicle trip length decreased, from 42.2 miles the first five years to 27.9 in 1966.

The New Jersey Turnpike is the only road agency in the State able to maintain accurate records of the exact number of vehicles it carries and the mileage travelled by each.

To bring the real safety picture into clearer perspective, a balance of vehicle-mileage to vehicle-density exposure was made.

If conditions existing during the first five years could have continued unabated throughout the ensuing years, it can be assumed that in 1966 the New Jersey Turnpike would have experienced 9.2% fewer accidents and 67% fewer fatalities.

In 1966 the Traffic Engineering Department devoted most of its time to expanding upon the previously mentioned devices, regulations and procedures in connections with the design for widening the northern 30 miles. The objective is to provide the same high quality of safety for Turnpike patrons in the future.

Other programs undertaken by the department during the year:

- Plans were completed and negotiations were underway with the State Highway Department for the installation of traffic control signals at Paterson Plank Road (State Highway 153) and the Turnpike exit ramp PQ in Secaucus. These signals will provide a more orderly traffic flow through this intersection and will eliminate the existing hazardous merging and cross movements of traffic.
- A test installation of a flashing beacon was erected on the weather warning sign at Interchange 11 to call attention to the message on it during periods when regulations are changed and travel conditions are abnormal.
- A new high intensity light was

Safety and Policing *continued*



tested for use in illuminating lane closings which of necessity must remain on the roadway during darkness. Results of these tests have been very encouraging. The evaluation of the light will be continued in construction areas and also at accident scenes and other emergencies that occur during hours of darkness.

- Protective fencing was installed on an additional 17 overpasses.
- Plans were completed and agreements reached for the installation of 68 emergency telephones on the Passaic and Hackensack River Bridges. These phones will be installed in early 1967 and when operable, will provide instant two-way voice communication to any patron whose vehicle becomes disabled on either of the bridges. A unique feature of the improvement is that the patron picks up the receiver, activating a bell and light at the Newark State Police station, notifying the sergeant on duty on which bridge the patron is situated and the direction he was traveling. This will enable the sergeant to activate the appropriate "Drive Slow" and reduced speed signs. The new system will provide for much quicker removal of disabled vehicles and therefore reduce the time they are on the bridge with no warning sign displayed for other traffic.
- Plans were completed and traffic control signals installed at the Interchange 9 Toll Plaza to facilitate the exiting movement of employees from the Administration Building and eliminate the hazard of unsupervised cross movements during the evening peak period. These signals are on flashing operation throughout the day with right-of-way granted to entering and exiting Turnpike traffic. They are placed on regular operation and manually controlled by the plaza supervisor only when employees are leaving the building in the evening.

During 1966, thirty garages under contract handled vehicles that became disabled as a result of mechanical trouble or accidents.

The Cities Service Oil Company continued to handle disablements of a nonmechanical nature.

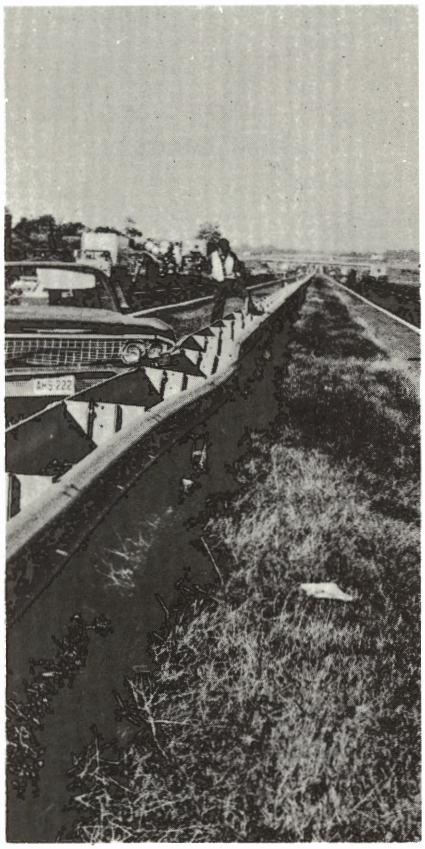
The same 22 fire companies and 36 ambulance squads that have been with the Turnpike since its inception handled all emergencies that fell within the area of their respective responsibilities.

The safety factor was enhanced by the performance of State Police Troop D, its strength increased by seven to 109, under command of Capt. William J. Kennedy, who succeeded William H. Wagner, retired on August 1.

The troop's operations were stepped up all along the line, with the formation of a special task force of 12, which concentrates on bus and truck violations, and the use of helicopters for traffic surveillance. With enforcement activities intensified, there was an increase in traffic summonses and warnings

Paul M. Weckesser
Traffic Engineer









Turnpike Safety Record

ACCIDENTS

	1966	1965
Accidents	1,718	1,711
Accident Rate	88.0	91.8
Personal Injuries	1,287	1,321
Injury Rate	65.9	70.9
Fatal Accidents	24	25
Fatalities	34	29
Fatality Rate	1.74	1.56

AIDS TO MOTORISTS

	1966	1965
Mechanical	26,217	24,192
Gasoline	8,993	9,246
Flat Tires	11,429	11,224
Overheat	2,320	2,314
Other	20,574	16,128
Total Aids	69,533	63,104
Aids	1 per 1,005 vehicles	1 per 1,035 vehicles
Aids per day	191	173

ENFORCEMENT

	1966	1965
Summonses Issued	41,833	37,070
Criminal Arrests	551	342

Traffic and Toll Revenues

REVENUE VEHICLES

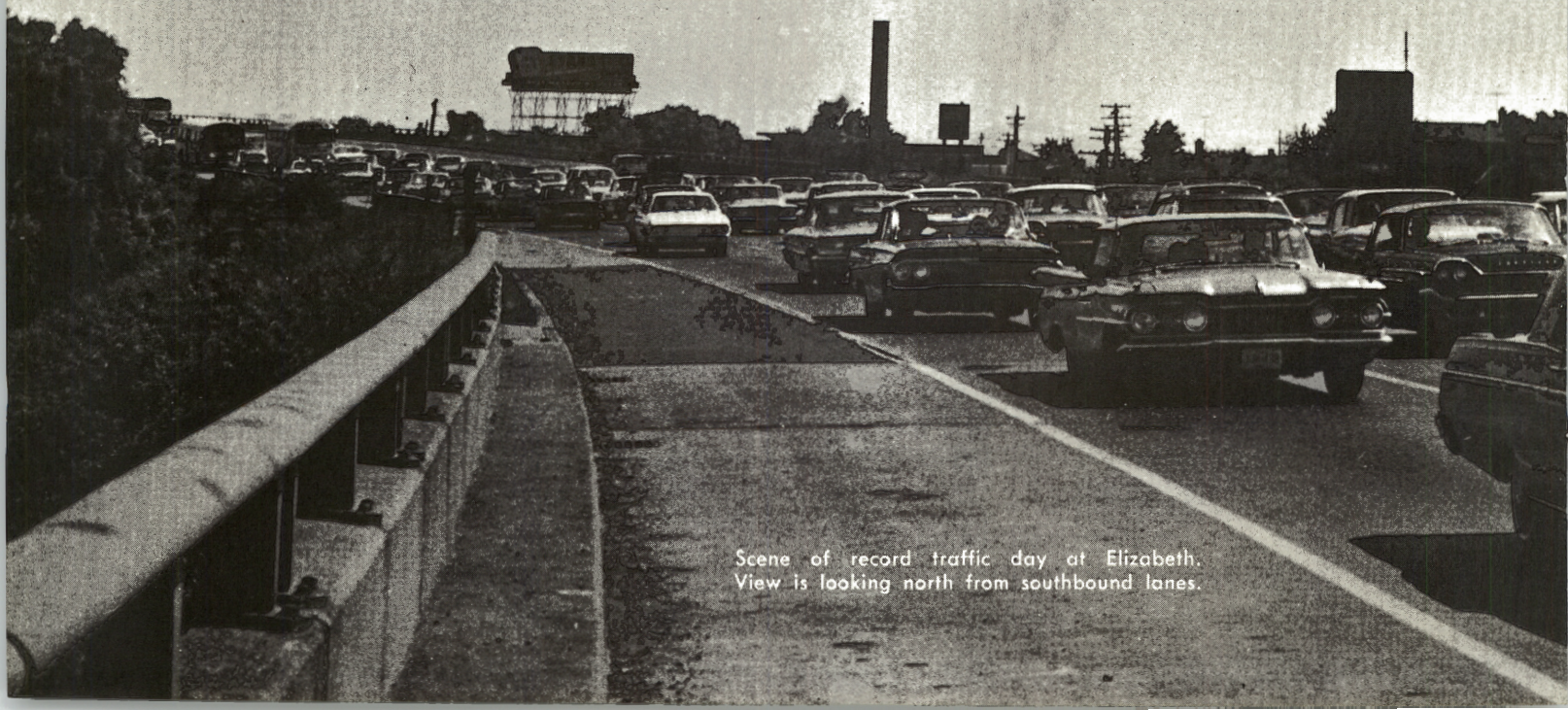
	1966	1965
January	4,824,346	4,094,723
February	4,548,727	4,212,557
March	5,519,505	4,941,328
April	5,846,522	5,357,660
May	6,011,128	5,557,274
June	6,296,315	5,904,259
July	6,462,883	6,168,910
August	6,763,413	6,381,933
September	6,030,744	5,772,215
October	6,040,876	5,686,746
November	5,873,887	5,428,633
December	5,631,982	5,451,477
	69,850,328	64,957,715

TOLL REVENUES

	1966	1965
January	$ 3,203,384	$ 2,837,210
February	3,071,530	2,908,285
March	3,735,472	3,397,748
April	4,097,149	3,814,181
May	4,131,499	3,894,612
June	4,409,026	4,245,537
July	4,739,440	4,601,475
August	4,947.498	4,779,957
September	4,279,099	4,182,117
October	4,131,221	3,959,020
November	4,047,291	3,774,024
December	3,823,940	3,733,790
	$48,616,549	$46,127,956

REVENUE MILEAGE

	1966	1965
January	122,379,265	108,746,169
February	116,161,019	113,503,572
March	141,840,947	128,023,116
April	168,852,639	154,541,435
May	165,559,955	156,808,244
June	174,413,502	170,761,618
July	201,936,938	195,084,110
August	207,198,522	202,621,677
September	172,555,379	170,255,556
October	162,828,552	158,019,482
November	161,687,937	150,599,968
December	149,537,218	147,430,183
	1,944,951,873	1,856,395,130



Scene of record traffic day at Elizabeth. View is looking north from southbound lanes.

*Vehicle Class 9 non-revenue vehicles, represents traffic of members, officers and employees of the Authority actually in the performance of their duties of 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, and vehicles of contractors used in construction of the turnpike and its buildings.

CLASS	DESCRIPTION	1966 No. of Vehicles	1966 Percent of Total Revenue Vehicles	1966 Revenue	1966 Percent of Total Indicated Toll Revenue	1965 No. of Vehicles	1965 Percent of Total Revenue Vehicles	1965 Revenue	1965 Percent of Total Indicated Toll Revenue
1	Passenger car, motorcycle, taxi, hearse, 2-axle single-tire truck, 2-axle tractor without semi-trailer	59,143,528	84.7	$32,354,905	66.5	54,964,998	84.6	$30,815,537	66.8
2	Passenger car with trailer, 2-axle single-tire truck with trailer, 3-axle tractor without semi-trailer	176,390	.2	240,127	.5	165,609	.3	228,592	.5
3	2-axle dual-tire truck	2,689,863	3.8	2,493,506	5.1	2,496,526	3.8	2,342,100	5.1
4	3-axle single-unit truck	250,126	.4	279,200	.6	250,775	.4	268,448	.6
5	3-axle semi-trailer combination	962,173	1.4	1,492,666	3.1	983,048	1.5	1,539,994	3.3
6	Four or more axle semi-trailer combination truck and full trailer combination	5,069,298	7.3	10,144,901	20.9	4,546,508	7.0	9,289,551	20.1
7	Buses	1,558,950	2.2	1,611,243	3.3	1,550,251	2.4	1,643,734	3.6
	Sub Total	69,850,328	100.0	48,616,548	100.0	64,957,715	100.0	46,127,956	100.0
9	Non Revenue*	398,573				369,399			
	Sub Total	70,248,901		48,616,548		65,327,114		46,127,956	
	Less Toll Adjustments			6,739				5,756	
	Total	70,248,901		$48,609,809		65,327,114		$46,122,200	
Daily Average Revenue Vehicles		**191,371**				**177,966**			
Daily Average Toll Revenue				**$133,178**				**$126,362**	



New Construction And Improvements

Year 1966 Marked by a Wide Variety of Turnpike Projects All Along the Line

Variety was the key word for construction in 1966. Variety in both the range of construction specialties employed and variety in the types of construction projects.

Improvements of one kind or another were accomplished at all mainline service areas. These projects include a major addition to the sewage treatment and water supply facilities at Service Areas 1N and 1S; permanent connection of the 3S Service Area to the local water supply systems—thus eliminating the need for continuing maintenance and improvement of the existing water plant owned by the Authority; complete rewiring of gasoline and diesel pumps at 6N and 6S; planned increase to available toilet facilities at the Charter Bus Stop, and installation of a second steam boiler at 10S to replace existing, less efficient, water heating equipment.

These projects, as well as all others carried out at the various service areas, required a great deal of coordination by Engineering Department personnel. All were carried out with minimum interference to the concession operators. No disruption to the 24-hour a day services provided was necessary.

The continued increase in traffic volume was reflected in many engineering projects. Additional toll lanes were provided at Interchange 1 and Interchange 15. The two entirely new interchanges at Jamesburg and Elizabeth under construction in 1965 were completed and opened on a permanent basis in 1966. Concrete bridge decks on more than 50 structures were completely repaired, sealed with epoxy and over-lain with the special neoprene modified asphaltic bridge deck pavement, now a Turnpike standard.

In order to minimize interference with traffic flows, the method of removing deteriorated sections of concrete deck slab and replacing with new, poured in place slab sections has been refined to the point that all work is accomplished between Monday morning and Friday afternoon so that all lanes are open for weekend peak traffic periods.

More than 100,000 tons of asphaltic pavement were placed on existing roadways. This, again, was accomplished with a minimum interference to motorists.

An extremely comprehensive bridge painting program was undertaken. Although all of the contracts will not be completed until the Spring of 1967, the program is at least 90% complete. Two major structures, the Newark Bay Bridge and the Delaware River Turnpike Bridge, as well as 32 other structures, were involved. In addition to the painting, a complete overhaul of the bridge pier fender systems was completed on the Newark Bay, Passaic and Raritan River Bridges.

Two other contracts provided for repair of drainage structures and bridge substructure on 40 bridges from the Salem Canal Bridge, south of Interchange 1, to Interchange 18 ramp structures.

The year 1966 saw the beginning of the expansion of Maintenance District 2 at Moorestown into headquarters for the Southern Maintenance Division. A 10,600 square foot addition to the existing building to provide needed office space, a 17,700 square foot vehicular storage building and a 12,800 square foot salt storage building, together with yard improvements, complete the complex. The salt storage building is worthy of special note. It is to be constructed of precast concrete, the roof sections spanning 87 feet.

District 5 at Elizabeth saw the completion of a 2,000 square foot addition to the existing Maintenance Building. At Crosswicks, District 3, a grade separated U-turn was constructed utilizing—for a base—an old existing haul road beneath the Crosswicks Creek Bridge that was used for the original construction of the Turnpike. This project is an excellent example of planning engineering economics and the predominant factor—safety.

Safety was again apparent as a contract providing for the erection of bridge fencing on fifteen structures was completed.

There were more than seventy construction contracts in force at one time or other during the year. One-third of these were either designed, supervised, or both, by Turnpike Engineering Department personnel. These personnel, together with the consulting engineering firms engaged by the Authority, have insured continuing use of the latest engineering and construction principles.

As the year ended, the first construction contracts were let for six sections of the 1969 Widening Program. The work to be done under these contracts will provide the groundwork so that full scale construction may be underway by the Spring of 1967.

Ralph L. Fisher
Chief Engineer





Authority Chairman Joseph Morecraft, Jr., Executive Director William J. Flanagan and Treasurer Angus M. Harris break ground in Kearny to launch expansion program.

Maintenance

Road Crews Kept Pace



road divisions



building division

The continuing upward trend of traffic imposed greater responsibilty upon Maintenance during 1966, a responsibility shared by a force of 421 in all areas of work.

The department has grown with the Turnpike, starting with a complement of 206 employees in 1952—the first full year of operation.

Howard S. Heydon
Director of Maintenance



To strengthen its effectiveness, an apprentice program was initiated in May to train men in their present positions and increase the sources of manpower from within the ranks of qualified personnel where recruiting could later become difficult.

The program is geared to benefit men in Maintenance and provide an opportunity for advancement to other Turnpike employees. It is the first program of its kind in the Turnpike's 15-year history.

Fifteen crafts are affected by the program: carpenters, painters, electricians (power), electricians (tolls), building maintenance mechanics, auto mechanics, auto body repairmen, structural bridge painters, masons, landscapers, welders, machinists, sewage plant operators, line stripers and sign painters.

Included is a curriculum of on-the-job training and attendance at outside evening classes for which the Turnpike Authority pays the costs. At year's end there were 32 men enrolled.

Ever-increasing volumes of traffic in 1966 continued to place more emphasis on road maintenance. Road patrols were increased in Districts 5 and 6 to pick up larger quantities of debris on the roadway. Seven specially designed "litter patrol" trucks were purchased and put into service at each of the districts on a seven-day basis as a means of extended coverage in this phase of the program. These trucks are specially designed, low-profile, making them easier to load and maneuver in traffic. Each is equipped with safety features such as reflector

Operations

With Mounting Traffic Trend



equipment division

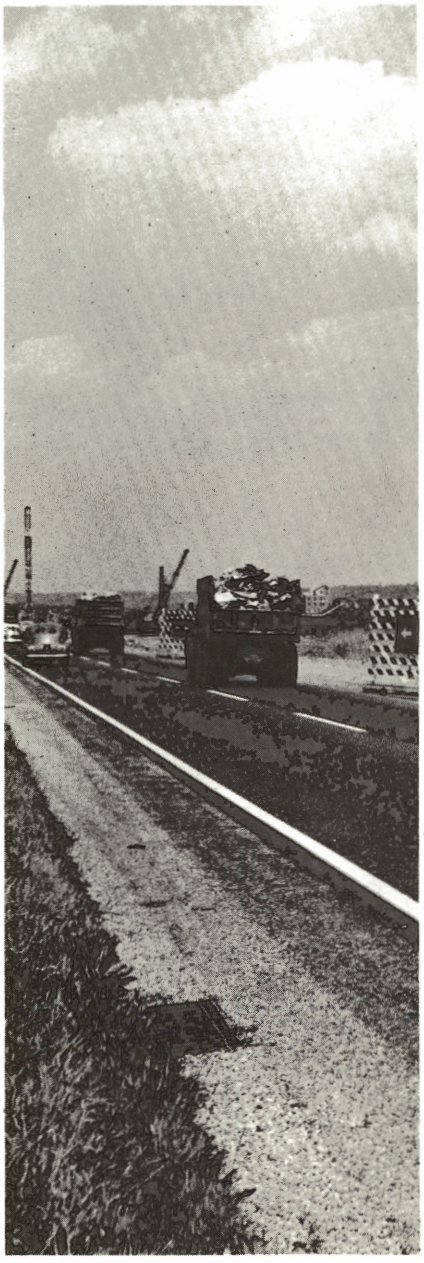
signs and rear-flashing lights.

Road resurfacing work was doubled in 1966. A total of 16,000 tons of bituminous concrete was used during the year in resurfacing and other road repair work at numerous locations along the Turnpike.

Several new pieces of equipment were purchased during the year, including elevating trailers and two electromagnetic road sweepers. The sweepers are used to pick up metal particles and other such debris accumulated along the shoulders of the roadways. The equipment was made necessary to deal with objects dropped from disabled vehicles or thrown to the ground in the shoulder area by patrons.

A new work schedule in the garage is contemplated for the near future and it will consist of a 24-hour, seven-day

Early construction scene.





communication section

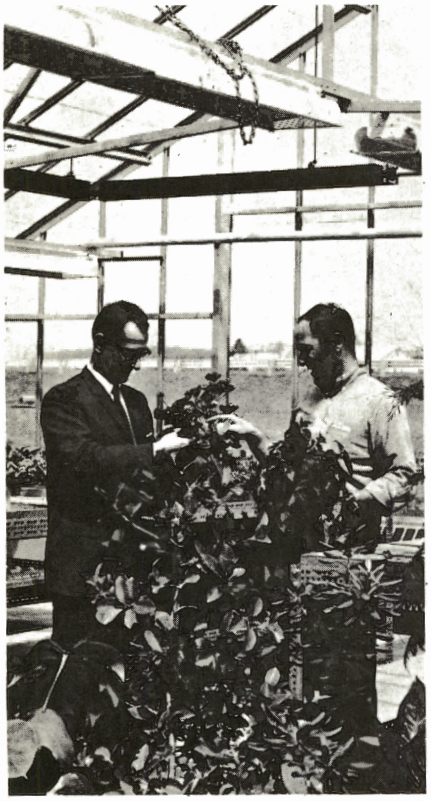
week. A changeover from the normal five-day week is required in order to allow for maintenance work on vehicles during off-peak hours.

The Water and Sewage Department has been engaged in the process of rehabilitating the wells at service areas 1-S and 1-N.

A new 200,000 gallon water tower was built and put into service at 1-N while the sewage plant is being enlarged from 80,000 gallons to a 250,000 gallons per day capacity. Service Area 3-S began drawing its water from outside sources as water lines were tied into a municipal water supply in Cherry Hill Township, Camden County.

For the first time in the history of the Turnpike a helicopter was used during the year to transport Authority and staff members to department craft

Maintenance Operations *continued*



landscaping section

and shop areas.

Helicopter service for members of the staff in toll, maintenance, engineering, traffic, and the state police was extended throughout the year when the Authority entered into an agreement with a helicopter firm for rental of various helicopters on a 24-hour "on call" basis.

Heliports along the right-of-way of the Turnpike were constructed at the Administration Building, Interchanges 1, 2, 4, 6, 11, 14-B, 16, 18, Districts 1, 2, 3, 4, 5, 6, and Central Shops.

Microwave telephone coverage was extended to four additional locations along the Turnpike in November when seven miles of cable were laid underground along the Turnpike right-of-way fence.

A 50-pair telephone-type cable was plowed in the ground following a



water and sewage section

course from Central Shops to Interchange 8-A in Jamesburg. The line ties with the radio or grey phone system communication branch located in Hightstown.

The extended telephone coverage will give Interchange 8-A at Jamesburg a direct connection to the microwave system at Hightstown for radio purposes.

Grey phones were installed at Interchanges 8-A, Sewage Treatment plant, Service Area 7-S, and Charter Bus Stop.

Bridge and structure painters were doubled to 12 men in each division in 1966. A complete, new line of safety equipment was adopted for the men engaged in this work with emphasis placed on personal protection equipment for their comfort and safety, particularly in sand blasting operations.



administrative section

The overall Maintenance operation was marked by Spring and Fall inspections conducted by a team of supervisory employees. The radio shop in Hightstown and Maintenance Control office of the radio dispatchers were selected as the outstanding shops in the Spring competition. At the Fall inspection District 6 in Secaucus was adjudged the best shop for the second time since the program began three years ago.

The places were inspected on their appearance and the condition of equipment and roadway in their jurisdictions.

Continuing its beautification program, the Landscaping Section completed ornamental plantings at Interchanges 5 and 12 and the refurbishing of landscaping throughout the Turnpike.

Toll Collection

The Tolls Department, with a force of 457, augmented by 37 part-time and 60 summer collectors, served Turnpike patrons during another record year.

In contrast, back in 1952, the first full year of operations, 142 men were at work handling less than 18 million vehicles, or some 52 million less than in 1966.

The traffic upsurge in 1966 reflected an increase at every interchange. It was heaviest at No. 17, where the commuter traffic at the automatic toll booths of the Lincoln Tunnel Complex showed an 18% rise over 1965. Above-average increases were also noted elsewhere, including Elizabeth (No. 13) and Jersey City (14B) with 12% each, and Woodbridge (No. 11) with 10%.

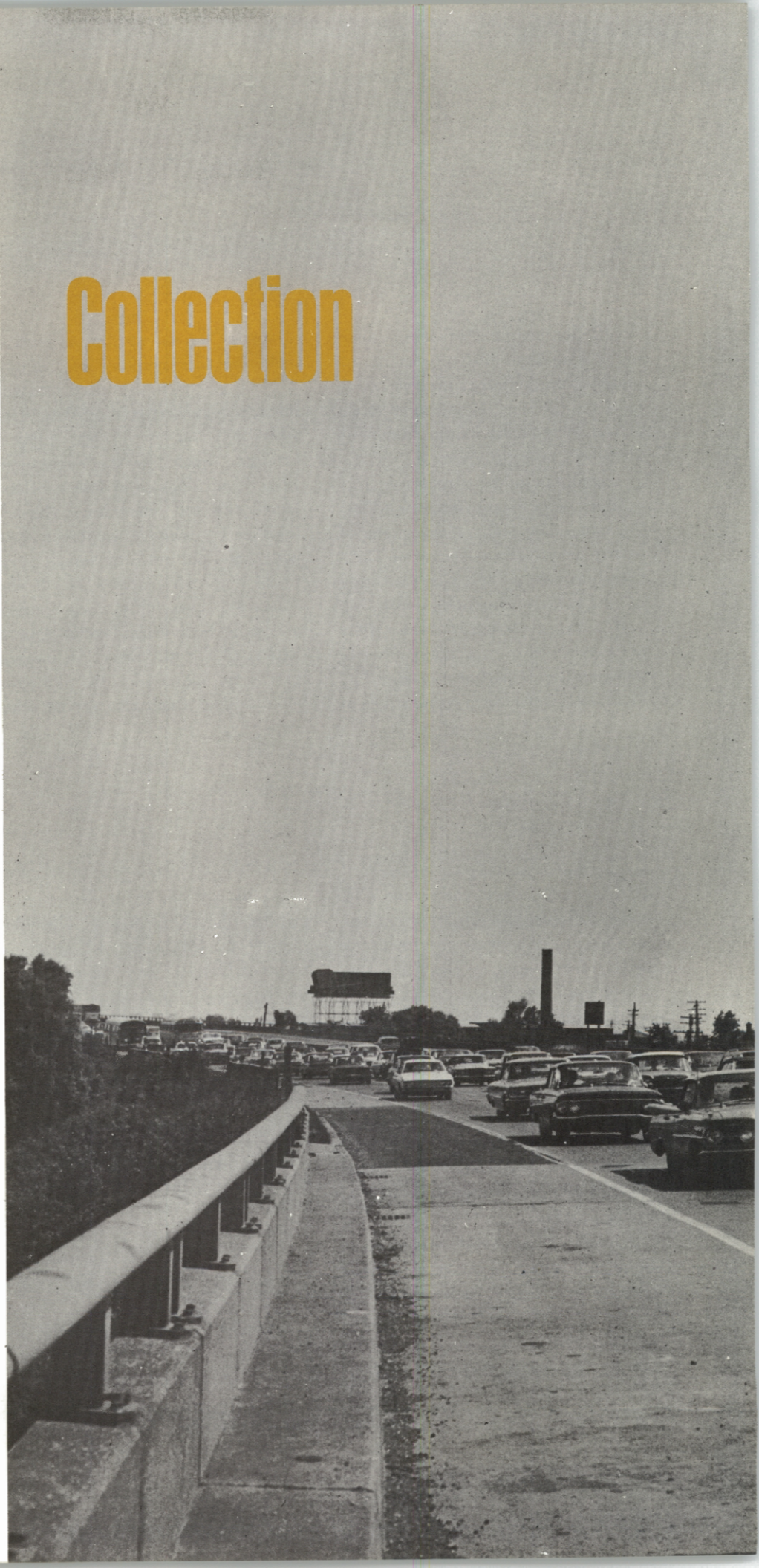
Some facilities were expanded and modernized, including the utility buildings at 9, 11 and 15, while two lanes were added to 9 and one at 15.

Traffic patterns continued to shift at a lesser scale, with the movements at Elizabeth becoming stabilized.

Long-range, Tolls began planning for the demands that will be created by the expansion program.

John P. Lesher
Director of Tolls





Public Information

With the increase of action items in its 15th and busiest year of operations, the Authority in 1966 had to meet the needs of an information explosion heightened by the launching of its widening program.

A continuing flow of inquiries from outside sources concerning the widening and other matters, accompanied by expanded press coverage of Turnpike business, occupied the attention of the Public Information Department.

With the representatives of six daily newspapers now covering Authority meetings, the Department extended its facilities to keep the press informed at all times. The output of press releases and other data increased accordingly.

The Department kept pace, too, with other demands. It continued to work with ERIC on its various employee programs, including the Suggestions Plan. It participated at four exhibits; issued new toll schedules; published the Pike Interchange, employee newspaper, and put out Interchange directional maps for patron's use. It also conducted tours for visiting notables and students, and handled the Annual Report of the Authority. An integral part of its operation is the photographic section which also served other departments and the State Police, besides supplying photos to the press, other agencies and professional groups and publications.

Horace A. Tani
Director of Public Information



ERIC

Programs to benefit the people who make the Turnpike go were carried forward in 1966 under the aegis of ERIC—the Employee Relations Improvement Committee.

Organized in 1962 by Executive Director William J. Flanagan, ERIC ended the fourth year of programming under chairman Joseph R. Postizzi with these results:

A medical team inoculated 415 employees against influenza and chest X-rayed 435 in a continuation of the health program.

A total of 32 employees won awards for their ideas to improve work procedures and safety measures under the Suggestion Plan, bringing the four-year total of awards to 100.

Some 700 attended the Spring Fling, 500 the Fall Dinner-Dance and 3,500 the Christmas Reunion for employees and their families.

Personnel

Keeping pace with its continuing growth, the New Jersey Turnpike marked its 15th year of operations with nearly 1,100 men and women on its rolls in Administration, Toll Collection and Maintenance.

As 1966 drew to a close, there were 1,072 employees, more than triple the 349 at their desks or in the field when the first section of roadway was opened in November 5, 1951.

Of the 1,072 on the personnel rolls, 472 were in Tolls, 421 in Maintenance and 179 in Administration. Troop D assigned to the Turnpike is part of the State Police organization; the Authority provides the troop's operations budget.

Personnel is now aligning the departments to their authorized staff strength as it contemplates the demands that will be made by the widening program.

Employee needs were provided for by the medical section, by the hospitalization and retirement programs, and by the labor relations committee in implementing the personnel policy manual. Set up in 1966 was an orientation course for new toll collectors and an apprentice program for Maintenance.

As the Authority moved forward toward expansion, a new emphasis was placed on the value of its manpower at all levels of work.

Oliver K. Compton, Jr.
Ass't to the Executive Director
and Acting Director of Purchasing



Legal

Real Estate

Having completed the acquisition of all properties required for the new Elizabeth Interchange and the bulk of the property acquisitions for the Edison Interchange Complex, the Real Estate Section has now directed the full impact of its efforts toward the Turnpike widening project.

This project contemplates the acquisition of more than 800 separate parcels of land, some of which are located in the industrial section of Essex County.

While property acquisition costs for the Elizabeth and Edison Interchange Complexes were approximately $3 million, it is anticipated that such costs for the widening will exceed $15 million.

Appraisals have already been obtained for many of these parcels. Title and, where circumstances permit, right of entry has been received by the Authority for the initial properties required to permit the uninterrupted performance of construction contracts.

All efforts are made to mitigate the hardship and inconvenience imposed upon property owners. Negotiators from the Real Estate Section contact each property owner at the owner's convenience to discuss the appraisal in detail and to assist wherever possible in the relocation of the owner.

A feature of this project is the fact that it involves the relocation of several radio station transmission towers, which are in full operation in the New York metropolitan area.

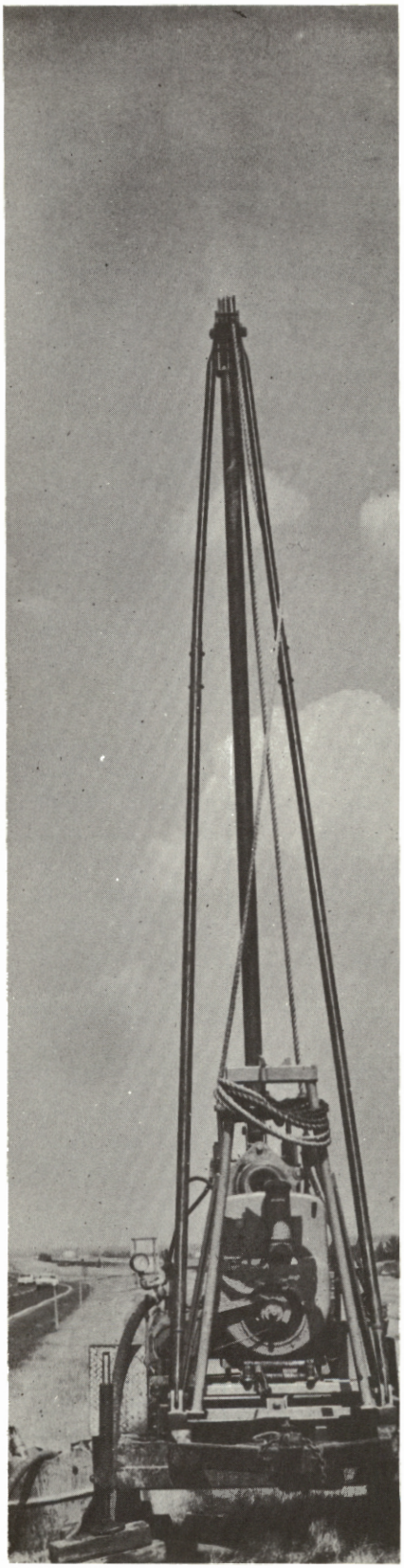
The challenge presented by the widening project has entailed the expansion of the Real Estate Section to include additional negotiators, stenographic help and appraisers. All appraisers are employed on retainer basis for specific phases of the property acquisition.

As a result, the Legal-Real Estate Department has been reorganized to meet the demands of this project. These include title searching and review, transfer of title, and the establishment of a Condemnation Section in the Legal Department for the acquisition of properties where settlement is not possible.

Court litigation involving contractor's claims on construction contracts continue to be handled by the Legal Department, as well as legal assistance and advice to various departments of the Authority; participation in labor relations matters; preparation of construction contracts; review of bids, and processing of Authority property damage claims, which continue to reflect an excellent recovery rate.

The Legal-Real Estate Department is under supervision of Grover C. Richman, Jr., as General Counsel, and former Attorney General of New Jersey.

Rig in boring operation for soil testing.



Grover C. Richman, Jr.
General Counsel



Joseph R. Postizzi
Senior Attorney



Finance

Original Debt Substantially Reduced as Expansion Begins

Fifteen years ago, on November 5, 1951 the New Jersey Turnpike Authority collected its first toll when it opened the southern portion of the Turnpike. The first toll presented was a silver dollar which is now a treasured possession of the then Chairman of the Authority. On January 15, 1952 the Turnpike was open in its then entirety, and the tolls for that year totaled $16,241,267. This compared with the financing estimate of $7,-



A view of widened Turnpike in the City of Elizabeth. It will connect the recently completed interchange with proposed Interstate 278 at left, and Goethals Bridge, right, crossing to Staten Island.

150,000. Ever increasing traffic continued until in 1966 toll revenues totaled $48,609,809. The debt of the Turnpike was increased accordingly as the facility was enlarged until it reached a total of $466,200,000 of which substantial retirements have been made through the intervening years. This debt was created as follows:

To finance the original Turnpike	$255,000,000
To finance the Newark Bay-Hudson County Extension (See note)	150,000,000
To finance the Pennsylvania Turnpike Extension	27,200,000
To finance additional lanes and service areas	34,000,000
Total	$466,200,000

(Note: $30,000,000 of this was used to retire some interim short term financing)

Of the $466,200,000 there had been retired through redemption or purchase at December 31, 1966

General Bonds	$ 53,365,000
Second Series Bonds	111,797.000
Total all issues	$165,162,000

representing 20.93% of the General Bonds; 52.93% of the Second Series Bonds, and 35.43% of all issues. Average prices paid were

General Bonds	98.228
Second Series Bonds	98.067
All Issues	98.119

The Authority has been alert at all times to purchase bonds in the market, when prices were equal to or below the respective call prices. Not included in the foregoing are bonds purchased in the open market under firm purchase contracts but not delivered at the year end—

General Bonds	$369,000
Second Series Bonds	2,000

In October 1966 the Authority issued new bonds in the total amount of $179,000,000 due January 1, 2006. The coupon rate is 4.75% and the net interest cost was 4.7981%. Sinking fund installments begin in the 12-month period starting November 16, 1977. Interest was funded out of the proceeds of the bonds to and including the interest payment for January 1, 1976 and is in the custody of the Trustee. The bonds were issued to pay the initial portion of an estimated $486,000,000 cost of widening and improving the Turnpike together with certain miscellaneous obligations of comparatively nominal amount. The balance of the financing is assumed to occur in

January 1968	$141,600,000
January 1969	99,000,000
January 1970	66,400,000

No part of these new bonds will participate in the revenues until final redemption of the earlier bond issues totaling $466,200,000, (presently outstanding $301,038,000) referred to above, which is estimated to occur by January 1, 1976. Moneys in the Construction Fund and in the Bond Interest Fund are and will continue to be very substantially invested and interest and capital gain thereon will be credited to the respective Funds.

Conforming to the requirements of the new General Revenue Bond Resolution adopted by the Authority on September 22, 1966, the old General Reserve Fund was liquidated and the moneys therein were applied to the redemption of bonds. Redemptions so realized and included in the bond retirement figures quoted above were

General Bonds:	
1950 Issue—3.25%	$878,000
1951 Issue—3.20%	188,000

The sinking fund requirement for the 1950 Issue of General Bonds for the 12-month period ending November 15, 1967 is $6,090,000 after taking into account the redemption of $878,000 referred to immediately above; of this requirement $2,944,134 has been supplied at December 31, 1966.

The Authority continues to provide ample interest coverage. This is due to increasing net revenues after operating expenses and reduced interest cost due to bond redemption. In years gone by, at its peak, the bond interest cost was $15,100,500. In the fiscal year 1966, excluding interest on the new bonds being paid out of the proceeds of sale of the bonds, interest cost amounted to a total of $10,213,-024. Interest coverage for the last three years was

	1966	1965	1964
Before extraordinary charge	4.06	3.70	3.37
After extraordinary charge	3.65	3.34	2.97

It was not long after the Turnpike opened that it was found necessary to incur extraordinary expense, primarily for bridge deck and pavement repairs. The year was 1957 when expense of approximately $685,000 was incurred. This is understandable in the light of the ever increasing traffic volumes. In the four years preceding 1966, average expense for this purpose had risen to approximately $3,-850,000 per annum. In 1965 the cost was $3,918,261; in 1966 it was $4,-207,327. Since inception, the cumulative costs at December 31, 1966 were $25,062,810. The work was financed from reserves in accordance with provisions of the Bond Resolutions.

Similarly, increasing traffic and safety demands forced the Authority to a program of improvements and betterments which continued into 1966. These capital expenditures involved such projects as enlargement of service areas and improvements thereto, enlargement of interchanges and improvements thereto, safety projects such as installation of median barriers and guardrail, electrical signing and communications and fog control, and improvements and enlargements of maintenance areas, including two new areas. Approximately 45% of the total was spent at the interchanges. The cumulative costs since inception of the Turnpike to December 31, 1966 and the Funds charged were as follows:

Finance



Neville R. Ashcroft (center), New Jersey Turnpike Authority comptroller, receives from Winthrop S. Curvin, vice president of Smith, Barney & Co., Inc., check from proceeds of $179 million bond issue for initial financing of widening program. Witnessing transaction on October 4 are Mrs. Lillian M. Schwartz, secretary-assistant treasurer of the Authority and (standing) James F. Finn, partner in consulting engineering firm of Howard, Needles, Tammen & Bergendoff, and Milton J. Redlich, vice president of the Chase Manhattan Bank.

The General Reserve Fund	$10,253,560
The Second Series Maintenance Fund	52,499,425
The 1966 Turnpike Improvement Fund (Note)	1,292,624
Total	$64,045,609

Note: Provision is made in the General Revenue Bond Resolution adopted September 22, 1966 for charges to the proceeds of sale of the new bonds for certain amounts of improvements and betterments.

Of these moneys $2,265,951 came from proceeds of sale of previous bond issues. All other moneys, excluding those charged to the new 1966 Turnpike Improvement Fund, were supplied from the revenues. Major widening and extensions were financed through sale of bonds as reported above.

At December 31, 1966, all reserve requirements of the old bond resolutions had been fully met except for a deficiency in the Second Series Maintenance Fund of $627,400 which deficiency will be met out of the revenues in due course. There were also moneys in the capital project accounts, withdrawn from the Second Series Maintenance Fund in the amount of $359,182.

The Annual Budget of Operating Expenses for the fiscal year 1966 was $12,615,000. Actual disbursements totaled $12,527,520.

Neville R. Ashcroft
Comptroller



Attention is directed to the Statement of Application of Revenues after Expenses, Interest and Extraordinary Charges to December 31, 1966 found in the succeeding pages. This statement, among other things, records the disposition of the revenue received in 1966.

Schedule 1 lists investment holdings of the Authority at the year end at par and at acquisition cost. Market value at the year end approximated $1,600,000 above cost. The very large addition to our portfolio in 1966 is due to investment of the proceeds of sale of our new bonds in October. These investments were acquired at favorable prices in relation to those in effect at December 31. Interest return and capital gain on these new investments in the Construction Fund and in the Bond Interest Fund accrue to the respective Funds and will not be treated as revenue, in accordance with the provisions of the General Revenue Bond Resolution adopted by the Authority on September 22, 1966.

In 1966, investment income was $1,407,631. In 1965 it was $1,493,066. These amounts include interest received on time deposits of money in the sinking funds awaiting call dates of $18,185 and $169,156 respectively. Market conditions were such in 1966 that the Authority usually was able to redeem bonds in open market operations as and when moneys became available in the sinking funds. Prices paid were within the applicable call prices.

During 1966, Certification of Completion of Construction of the Newark Bay-Hudson County Extension was effected. The net balance remaining in the Proceeds Fund is deemed adequate to cover any remaining costs.

There follow the financial statements and supporting schedules as reported on by Peat, Marwick, Mitchell & Co., auditors to the Authority.

Financial Statements

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
RAYMOND-COMMERCE BUILDING
NEWARK, N. J. 07102

New Jersey Turnpike Authority
New Brunswick, New Jersey:

We have examined the statement of assets and liabilities of the New Jersey Turnpike Authority as of December 31, 1966, the related statements of revenues and expenses and application of revenues after expenses, interest and extraordinary charges for the year then ended, and the statement of cost of investment in facilities to December 31, 1966. 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.

In our opinion, the accompanying financial statements present fairly the assets and liabilities of the New Jersey Turnpike Authority as of December 31, 1966, the revenues resulting from its operations and the application thereof for the year then ended, and the cost of investment in facilities to December 31, 1966, in conformity with accounting principles set forth in note 1 of Notes to Financial Statements, applied on a basis consistent with that of the preceding year. The current year's 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 basic 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 19, 1967

New Jersey Turnpike Authority

Statement of Assets and Liabilities — December 31, 1966

with comparative figures for 1965

ASSETS

	1966	1965
Operating accounts:		
Cash	$ 452,674	367,051
Investments—at cost (Schedule 1)	485,515	440,750
Accounts receivable	317,388	334,742
	1,255,577	1,142,543
Funds allocated from reserve to provide for major improvements, repairs, replacements, maintenance, etc.:		
Cash	359,182	902,098
Investments at cost	—	1,328,071
Deposits in condemnation cases (including $449,038 invested in United States Treasury bills)	450,875	392,875
Accounts receivable	70,906	100,631
Cost of studies for proposed projects	654	25,395
	881,617	2,749,070
Other funds, including reserve funds (Schedule 2)	30,012,389	37,861,999
Total operating accounts	32,149,583	41,753,612
General reserve accounts	—	1,050,336
Construction accounts (Schedule 4)	171,507,915	3,071,443
Cost of investment in facilities	517,916,350	498,215,022
	$721,573,848	544,090,413

See accompanying notes to financial statements.

LIABILITIES

	1966	1965
Operating accounts:		
Withholdings from employees	$ 121,845	130,596
Toll revenues received in advance	78,596	64,964
Other liabilities	2,376	5,813
	202,817	201,373
Funds allocated from reserve to provide for major improvements, repairs, replacements, maintenance, etc.:		
Amounts retained from contractors and engineers	225,156	770,881
Total operating accounts	427,973	972,254
General reserve accounts	—	28,414
Construction accounts (Schedule 4)	937,003	471
Bond indebtedness (Schedule 3):		
General revenue bonds	201,635,000	212,581,000
Second series revenue bonds	99,403,000	117,490,000
Turnpike revenue bonds	179,000,000	—
Total bond indebtedness	480,038,000	330,071,000
Bond indebtedness retired from revenues	155,412,846	129,266,580
Revenues retained in funds and other accounts	84,758,026	83,751,694
	$721,573,848	544,090,413

New Jersey Turnpike Authority

Statement of Cost of Investment in Facilities to December 31, 1966

with comparative figures for 1965

	Original Turnpike	Newark Bay-Hudson County and Pennsylvania Extensions	Additional Traffic Lanes and Service Areas (Note 1)	1966 Turnpike Improvement (Note 2)	Improvements, Enlargements and Betterments (Note 1)	Total to December 31, 1966	Total to December 31, 1965
Engineering and architectural	$ 17,569,745	8,168,129	2,345,403	2,038,981	10,248,101	40,370,359	32,987,553
Land, easements and rights-of-way	20,646,528	7,295,046	18,233	108,810	2,676,452	30,745,069	29,741,366
Construction, including cost of training and equiping operating personnel, machinery and equipment and miscellaneous pre-operating expenses	230,726,485	110,407,684	28,142,810	1,114,214	49,632,549	420,023,742	414,157,239
Administration	1,368,897	446,983	53,854	55,888	110,719	2,036,341	1,975,900
Financial	8,439,872	15,975,024	2,577,427	5,710,710	88,970	32,792,003	26,992,323
	278,751,527	142,292,866	33,137,727	9,028,603	62,756,791	525,967,514	505,854,381
Less income from interim investment of construction funds, etc.	1,093,951	5,856,122	726,101	371,184	3,806	8,051,164	7,639,359
	$277,657,576	136,436,744	32,411,626	8,657,419	62,752,985	517,916,350	498,215,022

Notes:

(1) Cost of Additional Traffic Lanes and Service Areas includes $211,882 and Improvements, Enlargements and Betterments includes $60,487,034 provided from retained revenues.

(2) Financial cost of the 1966 Turnpike Improvement, $5,710,710, represents $2,054,890 interest on Turnpike revenue bonds from October 4, 1966, date of sale, $3,383,100 discount on the sale of the bonds and $272,720 expenses of issue.

See accompanying notes to financial statements.

Statement of Revenues and Expenses
Year Ended December 31, 1966

with comparative figures for 1965

	1966	1965
Revenues:		
Toll revenue (Schedule 6)	$48,609,809	46,122,200
Concession revenue	3,752,280	3,624,311
Income from investments	1,407,631	1,493,066
Miscellaneous	220,650	56,724
	53,990,370	51,296,301
Budgeted operating expenses:		
Administration:		
General	545,439	415,465
Toll audit	301,757	273,621
Accounting	154,934	140,990
Operation:		
Traffic control and police	1,646,675	1,461,343
Toll collection	3,818,685	3,452,535
Maintenance, repair, replacement and reconstruction	4,710,651	4,053,632
Engineering	238,165	244,861
Real estate	13,416	7,350
Insurance	334,363	279,653
Professional fees and compensation	78,950	72,278
Expense and compensation of fiduciaries	82,700	100,323
Pension and retirement	587,819	522,825
Taxes	19,595	17,652
New Jersey Tercentenary contribution	—	10,000
Cash discounts	(5,629)	(6,800)
	12,527,520	11,045,728
	41,462,850	40,250,573
Interest on bonds (excluding interest on Turnpike revenue bonds, 1966 issue, charged to cost of facilities):		
General revenue bonds	6,676,177	7,010,967
Second series revenue bonds	3,536,847	3,865,381
	10,213,024	10,876,348
	31,249,826	29,374,225
Extraordinary charges:		
Repairs, replacements and maintenance items of a type not recurring annually or at short intervals	4,207,327	3,918,261
Revenues after expenses, interest and extraordinary charges (see accompanying statement) (Note 1)	$27,042,499	25,455,964

See accompanying notes to financial statements.

New Jersey Turnpike Authority

Statement of Application of Revenues After Expenses,

	Combined Total	Revenue Fund	Interest Funds	Reserve: General Interest Reserve Fund	Reserve: General Bond Reserve Fund
Balance December 31, 1965	$220,704,690	4,392,182	21,910	3,506,678	7,013,761
Add:					
Revenues after expenses, interest and extraordinary charges for year ended December 31, 1966	27,042,499	642,987	(1,402,113)	—	—
Discount on bonds retired, net	304,932	—	—	—	—
Transfer of excess reserve requirements	—	—	—	(177,905)	(13,761)
Transfers from second series maintenance fund	—	—	—	—	—
Transfers from construction accounts on certification of completion	2,871,571	—	1,451,732	—	—
Transfers from general reserve fund	—	—	—	—	—
Proceeds from sale of property after certification of completion	5,903	—	65	—	—
Revenues invested in facilities during year	—	—	—	—	—
Change in net assets of other operating accounts	—	(111,590)	—	—	—
	250,929,594	4,923,579	71,594	3,328,773	7,000,000
Less:					
Principal amount of bonds retired, including $26,146,266 from revenues and $2,886,734 from construction moneys	2,886,734	—	—	—	—
Funds from construction accounts invested in facilities	14,657	—	—	—	—
Write-off of cost of studies on projects abandoned	194,831	—	—	—	—
	3,096,222	—	—	—	—
Balance December 31, 1966	$247,833,372	4,923,579	71,594	3,328,773	7,000,000
Comprised as follows:					
Proceeds from sale of bonds	7,662,500	—	—	162,500	7,000,000
Bond indebtedness retired from revenues	155,412,846	—	—	—	—
Revenues retained	84,758,026	4,923,579	71,594	3,166,273	—
	$247,833,372	4,923,579	71,594	3,328,773	7,000,000

See accompanying notes to financial statements.

Interest and Extraordinary Charges to December 31, 1966

Other Fund Accounts									
Funds		Sinking Funds			Funds for Major Improvements, Repairs, Replacements, Maintenance, etc.	Net Assets of other Operating Accounts	General Reserve Accounts	Revenues Invested in Facilities	Bond Indebtedness Retired from Revenues
Second Series Interest Reserve Fund	Second Series Maintenance Fund	General Bonds	Second Series Bonds	Total (Schedule 2)					
11,749,000	3,626,119	3,959,065	3,593,284	37,861,999	1,978,188	941,170	1,021,922	49,634,831	129,266,580
—	14,207,515	4,695,665	13,105,771	31,249,825	(4,207,327)	—	—	—	—
—	—	239,118	65,814	304,932	—	—	—	—	—
(1,808,700)	488,303	—	1,320,397	(191,666)	—	—	191,666	—	—
—	(13,949,932)	—	—	(13,949,932)	13,949,932	—	—	—	—
—	—	1,419,538	—	2,871,270	—	—	301	—	—
—	—	1,004,648	—	1,004,648	—	—	(1,004,648)	—	—
—	595	200	5,043	5,903	—	—	—	—	—
—	—	—	—	—	(11,063,737)	—	(348)	11,064,085	—
—	—	—	—	(111,590)	—	111,590	—	—	—
9,940,300	4,372,600	11,318,234	18,090,309	59,045,389	657,056	1,052,760	208,893	60,698,916	129,266,580
—	—	10,946,000	18,087,000	29,033,000	—	—	—	—	(26,146,266)
—	—	—	—	—	595	—	14,062	—	—
—	—	—	—	—	—	—	194,831	—	—
—	—	10,946,000	18,087,000	29,033,000	595	—	208,893	—	(26,146,266)
9,940,300	4,372,600	372,234	3,309	30,012,389	656,461	1,052,760	—	60,698,916	155,412,846
—	—	—	—	7,162,500	—	500,000	—	—	—
—	—	—	—	—	—	—	—	—	155,412,846
9,940,300	4,372,600	372,234	3,309	22,849,889	656,461	552,760	—	60,698,916	—
9,940,300	4,372,600	372,234	3,309	30,012,389	656,461	1,052,760	—	60,698,916	155,412,846

New Jersey Turnpike Authority

Investments - December 31, 1966

Schedule 1

	Interest Rate	Maturity (Note 1)	Par Value	Cost
Operating fund:				
United States Treasury bills	—%	various	$ 500,000	485,515
General interest reserve fund:				
United States Treasury bills	—	various	2,590,000	2,517,770
United States Treasury notes	4	Feb. 15, 1967	240,000	239,640
United States Treasury notes	4⅞	Nov. 15, 1967	500,000	499,250
			3,330,000	3,256,660
General bond reserve fund:				
United States Treasury bills	—	various	4,250,000	4,128,756
United States Treasury notes	3¾	Aug. 15, 1967	1,300,000	1,293,906
United States Treasury certificates of indebtedness	5¼	Aug. 15, 1967	400,000	400,000
United States Treasury notes	4⅞	Nov. 15, 1967	1,170,000	1,168,245
			7,120,000	6,990,907
Second series interest reserve fund:				
United States Treasury bills	—	Apr. 27, 1967	2,750,000	2,672,977
United States Treasury notes	4	Feb. 15, 1967	2,550,000	2,546,175
United States Treasury notes	3¾	Aug. 15, 1967	650,000	646,953
United States Treasury certificates of indebtedness	5¼	Aug. 15, 1967	1,150,000	1,150,000
United States Treasury notes	4⅞	Nov. 15, 1967	2,800,000	2,795,800
			9,900,000	9,811,905
Second series maintenance fund:				
United States Treasury bills	—	various	4,450,000	4,333,497
Construction fund—1966 Turnpike improvement:				
United States Treasury bills	—	various	47,550,000	45,649,866
United States Treasury notes	3⅝	Feb. 15, 1967	1,000,000	992,500
United States Treasury notes	4¼	May 15, 1967	5,000,000	4,960,156
United States Treasury notes	4⅞	Nov. 15, 1967	5,000,000	4,969,531
United States Treasury notes	5⅝	Feb. 15, 1968	1,000,000	1,000,000
Federal Home Loan Banks notes	5.65	Jan. 25, 1967	1,000,000	999,375
The Twelve Intermediate Credit Banks debentures	5.35	Feb. 1, 1967	1,000,000	998,125
The Twelve Federal Land Banks bonds	4¾	Aug. 21, 1967	1,000,000	998,750
Federal National Mortgage Association participation certificates	4⅝	Dec. 1, 1967	1,500,000	1,479,375
Certificates of Deposit (Note 2)	5½	various	45,000,000	45,000,000
			109,050,000	107,047,678
Total carried forward			$134,350,000	131,926,162

	Interest Rate	Maturity (Note 1)	Par Value	Cost
Total brought forward			$134,350,000	131,926,162
Bond interest fund—1966 Turnpike improvement:				
United States Treasury notes	4⅞%	Nov. 15, 1967	2,945,000	2,922,913
United States Treasury bonds	3⅞	Nov. 15, 1968	3,077,000	2,957,766
United States Treasury bonds	4	Oct. 1, 1969	3,220,000	3,059,000
United States Treasury bonds	4	Feb. 15, 1970	1,284,000	1,217,393
United States Treasury notes	5	Nov. 15, 1970	3,357,000	3,287,762
United States Treasury notes	5¼	May 15, 1971	3,440,000	3,422,800
United States Treasury bonds	4	Feb. 15, 1972	3,610,000	3,382,119
United States Treasury bonds	4	Aug. 15, 1972	3,683,000	3,448,209
United States Treasury bonds	4⅛	Nov. 15, 1973	3,835,000	3,559,359
United States Treasury bonds	3⅞	Nov. 15, 1974	8,238,000	7,517,175
Federal Home Loan Banks notes	5¾	June 26, 1967	2,860,000	2,857,319
The Twelve Federal Land Banks bonds	4	June 20, 1968	3,015,000	2,921,723
Federal Home Loan Banks notes	5⅜	Mar. 25, 1969	3,135,000	3,097,772
Federal National Mortgage Association debentures	4⅝	Apr. 10, 1970	2,000,000	1,930,000
Federal National Mortgage Association debentures	4½	Sept. 10, 1971	3,530,000	3,366,737
Federal National Mortgage Association debentures	4¼	June 12, 1973	3,755,000	3,525,006
The Twelve Federal Land Banks bonds	4½	Feb. 20, 1974	3,915,000	3,684,994
The Twelve Federal Land Banks bonds	4⅜	Apr. 21, 1975	4,160,000	3,868,800
			63,059,000	60,026,847
Special projects:				
Certificates of deposit (Note 2)	5½	various	1,500,000	1,500,000
Deposits in Condemnation:				
United States Treasury bills	—	various	1,550,000	1,509,740
Total investments			$200,459,000	194,962,749

Notes:

(1) United States Treasury bills mature periodically to September 30, 1967.

(2) Certificates of deposit bear interest at the annual rate of 5½% and mature periodically to December 18, 1967. The certificates which total $46,500,000 were issued by the following banks—The Chase Manhattan Bank, N.A., $15,000,000; Fidelity Union Trust Company, $9,000,000; Bankers Trust Company, $15,000,000; Chemical Bank New York Trust Company, $4,500,000; National Newark & Essex Bank, $3,000,000. Where required, such certificates are secured by a pledge of direct obligations of the United States by appropriate amounts as required by the bond resolution.

(3) As of December 31, 1966 the aggregate market value of the investments was approximately $1,600,000 in excess of cost.

New Jersey Turnpike Authority

Other Funds — December 31, 1966

Schedule 2

with comparative figures for 1965

	Cash on deposit with Trustee, Special Trustee and Sinking Fund Agent	Investments in United States Government obligations—at cost (Schedule 1)	Total December 31, 1966	Total December 31, 1965
Revenue fund	$4,923,579	—	4,923,579	4,392,182
Interest funds:				
General bonds	8,507	—	8,507	2,711
Second series bonds	63,087	—	63,087	19,199
	71,594	—	71,594	21,910
Reserve funds:				
General interest reserve fund	72,113	3,256,660	3,328,773	3,506,678
General bond reserve fund	9,093	6,990,907	7,000,000	7,013,761
Second series interest reserve fund	128,395	9,811,905	9,940,300	11,749,000
Second series maintenance fund	39,103	4,333,497	4,372,600	3,626,119
	248,704	24,392,969	24,641,673	25,895,558
Sinking funds (Note):				
General sinking fund:				
3¼ %—1950 issue	371,347	—	371,347	3,959,065
3.2 %—1951 issue	887	—	887	—
	372,234	—	372,234	3,959,065
Second series sinking fund:				
3⅜ %—1953 issue	1,479	—	1,479	3,592,066
3 %—1954 issue	782	—	782	316
2.80 %—1955 issue	1,048	—	1,048	902
	3,309	—	3,309	3,593,284
	375,543	—	375,543	7,552,349
	$5,619,420	24,392,969	30,012,389	37,861,999

Note—Approximately $356,000 had been committed on firm orders to purchase bonds which were delivered in January 1967.

Bond Indebtedness — December 31, 1966

Schedule 3

with comparative figures for 1965

	Original amount authorized and issued	Acquired and cancelled in prior years	Amount outstanding Dec. 31, 1965	Acquired by Sinking Fund and cancelled during 1966	Amount outstanding Dec. 31, 1966
General revenue bonds:					
Turnpike revenue bonds (1950 issue), 3¼%, maturing January 1, 1985	$220,000,000	42,419,000	177,581,000	10,758,000	166,823,000
Turnpike revenue bonds (1951 issue), 3.20%, maturing January 1, 1986	35,000,000	—	35,000,000	188,000	34,812,000
	255,000,000	42,419,000	212,581,000	10,946,000	201,635,000
Second series revenue bonds, maturing July 1, 1988:					
Series B, 3⅜ % (1953 issue)	150,000,000	65,829,000	84,171,000	13,916,000	70,255,000
Series B, 3 % (1954 issue)	27,200,000	12,426,000	14,774,000	1,844,000	12,930,000
Series B, 2.80% (1955 issue)	34,000,000	15,455,000	18,545,000	2,327,000	16,218,000
	211,200,000	93,710,000	117,490,000	18,087,000	99,403,000
	466,200,000	136,129,000	330,071,000	29,033,000	301,038,000
Turnpike revenue bonds, maturing January 1, 2006:					
Series A, 4¾% (1966 issue)	179,000,000				179,000,000
	$645,200,000				480,038,000

Note—To December 31, 1966 bond indebtedness totaling $165,162,000 had been retired of which amount $155,412,846 had been retired from revenues and $9,749,154 from excess construction funds.

Summary of Construction Accounts — December 31, 1966

Schedule 4

with comparative figures for 1965

	1966 Turnpike Improvement			Newark Bay-Hudson County Extension	Total December 31,	
	Construction Accounts	Bond Interest Fund	Special Projects		1966	1965
ASSETS						
Cash	$ 826,422	7,948	—	228,331	1,062,701	282,205
Deposits in condemnation cases (including $1,060,702 invested in United States Treasury bills)	1,627,100	—	—	—	1,627,100	—
Interim investments of construction funds—at cost (Schedule 1)	107,047,678	60,026,847	1,500,000	—	168,574,525	2,789,238
Accrued interest purchased	59,578	84,011	—	—	143,589	—
Deposit	100,000	—	—	—	100,000	—
	$109,660,778	60,118,806	1,500,000	228,331	171,507,915	3,071,443
LIABILITIES						
Amounts retained from contractors and engineers	$ 937,003	—	—	—	937,003	471

Cash Receipts and Disbursements - Year Ended December 31, 1966

	Combined Total	Operating Accounts	Funds for Major Improvements, Repairs, etc.	Revenue Fund	General Interest Fund	Second Series Interest Fund
Cash balances, December 31, 1965	$ 14,153,634	367,051	902,098	4,392,182	2,711	19,199
Receipts:						
Revenues (including interest of $1,407,631 on investments)	54,010,677	36,260	56,258	52,603,046	139,340	57,473
Interest on construction investments	1,258,113	—	—	—	—	—
Transfers of interest on investments	—	(36,260)	(56,258)	1,407,631	(139,340)	(57,473)
Transfers from revenue fund	—	12,659,418	—	(53,479,280)	6,681,909	2,129,002
Transfer of excess reserve requirements	—	—	—	—	—	—
Transfers from second series maintenance fund	—	—	13,949,932	—	—	—
Transfer from funds for major improvements, etc.	—	—	(382,086)	—	—	—
Transfers from construction accounts on certifications of completion	—	—	—	—	—	1,451,733
Transfers from general reserve fund	—	—	—	—	—	—
Transfer from construction fund	—	—	—	—	—	—
Proceeds from sale of property after certification of completion	5,903	—	—	—	65	—
Sale or redemption of investments	75,587,182	2,505,151	3,252,110	—	7,460,659	5,372,076
Proceeds from sale of bonds including accrued interest of $799,396	176,396,296	—	—	—	—	—
	307,258,171	15,164,569	16,819,956	531,397	14,142,633	8,952,811
Disbursements:						
Budgeted operating expenses	12,527,520	12,527,520	—	—	—	—
Payment of cost of construction, studies and extraordiary repairs, replacements and maintenance items	18,216,612	—	15,380,833	—	—	—
Interest on bond indebtedness, including accrued interest of $779,396 at date of sale of 1966 issue	13,047,310	—	—	—	6,676,177	3,536,847
Retirement of bond indebtedness of $29,033,000	28,728,068	—	—	—	—	—
Purchase of investments, including accrued interest	239,713,218	2,551,426	1,924,039	—	7,460,660	5,372,076
Deposits in condemnation cases	1,685,100	—	58,000	—	—	—
	313,917,828	15,078,946	17,362,872	—	14,136,837	8,908,923
Cash balances, December 31, 1966	$ 7,493,977	452,674	359,182	4,923,579	8,507	63,087

DEPOSITORIES	Cash Balance	Market Value of Securities Pledged to Secure Deposits
Operating Accounts:		
First National Bank of Jersey City	$ 199,741	2,210,625
The Peoples National Bank of New Brunswick	201,008	954,375
Toll collectors and other imprest funds	51,925	—
Funds for Major Improvements, Repairs, etc.:		
First National Bank of Passaic County	359,182	2,745,702
Revenue Fund:		
Fidelity Union Trust Company	795,789	6,217,117
The National State Bank of Elizabeth	4,127,790	4,808,012
All Other Funds:		
The Chase Manhattan Bank, N. A.	1,758,542	19,562,625
	$7,493,977	36,498,456

New Jersey Turnpike Authority

Schedule 5

General Interest Reserve Fund	General Bond Reserve Fund	Second Series Interest Reserve Fund	Second Series Maintenance Fund	General Bonds Sinking Funds	Second Series Bonds Sinking Funds	General Reserve Fund	1952 Bond Resolution Construction Funds	1966 Turnpike Improvement	
								Construction Accounts	Bond Interest Fund
24,986	16,967	397,478	136,075	3,959,065	3,593,284	60,332	282,205	—	—
154,391	308,049	480,478	130,088	13,664	4,521	27,109	—	—	—
—	—	—	—	—	—	—	40,546	328,955	888,612
(154,391)	(308,049)	(480,478)	(130,088)	(13,664)	(4,521)	(27,109)	—	—	—
—	—	—	14,207,515	4,695,665	13,105,771	—	—	—	—
(177,905)	(13,761)	(1,808,700)	488,303	—	1,320,397	191,666	—	—	—
—	—	—	(13,949,932)	—	—	—	—	—	—
—	—	—	—	—	—	382,086	—	—	—
—	—	—	—	1,419,538	—	301	(2,871,572)	—	—
—	—	—	—	1,004,648	—	(1,004,648)	—	—	—
—	—	—	—	—	—	—	—	(62,696,697)	62,696,697
—	—	—	595	200	5,043	—	—	—	—
6,076,719	10,797,995	12,464,082	11,104,366	3,150,000	550,000	1,563,000	2,789,238	5,950,731	2,551,055
—	—	—	—	—	—	—	—	176,396,296	—
5,898,814	10,784,234	10,655,382	11,850,847	10,270,051	14,981,211	1,132,405	(41,788)	119,979,285	66,136,364
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	70,221	12,086	2,753,472	—
—	—	—	—	—	—	—	—	—	2,834,286
—	—	—	—	10,706,882	18,021,186	—	—	—	—
5,851,687	10,792,108	10,924,465	11,947,820	3,150,000	550,000	1,122,516	—	114,772,291	63,294,130
—	—	—	—	—	—	—	—	1,627,100	—
5,851,687	10,792,108	10,924,465	11,947,820	13,856,882	18,571,186	1,192,737	12,086	119,152,863	66,128,416
72,113	9,093	128,395	39,103	372,234	3,309	—	228,331	826,422	7,948

New Jersey Turnpike Authority

Schedule 6

Toll Revenue — Year Ended December 31, 1966

with comparative figures for 1965

Class	Description	1966 Toll revenue	1966 Vehicles	1965 Toll revenue	1965 Vehicles
1	Passenger car, motorcycle, taxi or hearse, two-axle single-tire truck	$32,354,905	59,143,528	$30,815,537	54,964,998
2	Passenger car with trailer, two-axle single-tire truck with trailer	240,127	176,390	228,592	165,609
3	Two-axle dual-tire truck, two-axle tractor without semi-trailer	2,493,506	2,689,863	2,342,100	2,496,526
4	Three-axle single-unit truck, three-axle tractor without semi-trailer	279,200	250,126	268,448	250,775
5	Three-axle semi-trailer combination, two-axle dual-tire truck with single-axle trailer	1,492,666	962,173	1,539,994	983,048
6	Four-axle single-unit truck, any dual-tire truck and trailer with four or more axles	10,144,901	5,069,298	9,289,551	4,546,508
7	Bus	1,611,243	1,558,950	1,643,734	1,550,251
9	Non-revenue vehicles*	—	398,573	—	369,399
		48,616,548	70,248,901	46,127,956	65,327,114
	Deduct toll adjustments	6,739		5,756	
		$48,609,809		46,122,200	

* Vehicle Class 9, non-revenue vehicles, represents traffic of members, officers and employees of the Authority actually in the performance of their duties of 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, and vehicles of contractors used in construction of the turnpike and its buildings.

Notes to Financial Statements

(1) ACCOUNTING PRINCIPLES:

(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 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 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.

Accounts of the Authority are maintained in accordance with the principles set forth in this note, which are based on the provisions of the bond resolutions and on the Authority's interpretation of said resolutions.

(b) Investment in facilities—Consists primarily of amounts expended to acquire right-of-way, construct and place in operation the turnpike, its extensions and related facilities. In accordance with the bond resolutions there have been included in construction costs expenses in connection with the offering, selling and issuance of bonds; discount on the sale of 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; and interest on bonds (less income earned on unexpended construction funds) and administrative and legal expenses during the construction period. This amount also includes the cost of improvements, enlargements and betterments to the original facility.

(c) Interest—Interest on bond indebtedness is payable semi-annually on January 1, and July 1, of each year. Interest due on January 1, 1967 of $7,703,582 had been deposited with the paying agent as of December 31, 1966 (as in the previous year) and,

accordingly, there is no liability shown in the accounts for such interest at that date.

(d) Operations—Toll revenues are recorded as earned, income on investments and from concessions is recorded when collected and costs of construction, improvements, enlargements and betterments to the facility and operating expenses (including materials and supplies) are recorded when paid.

The Annual Budget of Operating Expenses as filed for the year 1966 amounted to $12,615,000 as compared with cash disbursements during 1966 for operating expenses of $12,527,520. The bond resolutions state that operating expenses shall not include any allowance for depreciation and accordingly no provision for depreciation has been included in the accounts or in the accompanying financial statements. In the absence of a provision for depreciation, effective recovery of construction costs will be accomplished through the required allocation of available revenues to the respective sinking funds for retirement of the related bond indebtedness. During 1966 $21,551,262 was made available for the retirement of bonds; $18,664,528 of which was from revenues and reserves and $2,886,734 from excess construction moneys. The Authority, with the approval of the Consulting Engineer, may direct the Trustee to transfer funds from the Second Series Maintenance Fund to special accounts to pay the cost of repairs, replacements or maintenance items of a type not recurring annually or at short intervals and for which moneys were not provided in the budgeted operating expenses. Transfers may also include funds for major improvements and certain studies.

During the year ended December 31, 1966, transfers for such purposes amounted to $13,949,932 including $595 provided from construction accounts. From funds so provided during the current and preceding year, expenditures were made for major improvements in the amount of $11,064,333 which has been added to the cost of investment in facilities and $4,207,327 for repairs, replacements and maintenance items which has been reflected as an extraordinary charge in the accompanying Statement of Revenues and Expenses.

Net revenues for the year 1966 as defined in the 1966 bond resolution amounted to $41,330,952 (revenues $53,990,370, less amounts paid from the Revenue Fund into the Operating Fund, $12,659,418). For the year 1965, net revenues, as defined, were $40,424,340.

(2) AGREEMENT WITH BOND HOLDERS:

To provide funds for the construction of the turnpike and extensions, the Authority authorized on February 10, 1950, an issue of $220,000,000 Turnpike Revenue Bonds (1950 issue); on September 19, 1951, an issue of $35,000,000 Turnpike Revenue Bonds (1951 issue), both referred to as General Bonds; on November 18, 1952, an issue of $32,024,000 Second Series Bonds (Series A) of which $30,000,000 was issued; on October 14, 1953, an issue of $150,000,000 Second Series Bonds (Series B) of which $30,000,000 has been used to retire the Second Series Bonds (Series A); on April 14, 1954, an issue of $27,200,000 Second Series Bonds (Series B), and on March 17, 1955, an issue of $34,000,000 Second Series Bonds (Series B). For the purpose of financing a portion of the cost of construction of a turnpike widening and improvement program and certain special projects related in general to the turnpike system, the Authority authorized on September 22, 1966, an issue of $179,000,000 Turnpike Revenue Bonds, Series A, constituting the initial portion of an estimated $486,000,000 widening and improvement issue.

Minimum annual sinking fund payments sufficient to retire the General Bonds by maturity are required in increasing amounts commencing with the annual period ended November 15, 1959 in respect of the 1950 bonds which mature January 1, 1985, and the annual period ending November 15, 1968 in respect of the 1951 bonds which mature January 1, 1986. The minimum sinking fund requirement applicable to the 1950 issue of General Bonds for the annual period ended November 15, 1966 has been satisfied. The requirement for the annual period ending November 15, 1967 is $6,090,000. No minimum annual sinking fund payments are required for the Second Series Bonds (Series B) which mature July 1, 1988; however, all remaining revenues, after satisfying the requirements of all other funds provided for in the bond resolutions are allocated to the Second Series Sinking Fund.

In the bond resolutions relating to the Turnpike Revenue Bonds, Series A, the Authority has covenanted to charge such tolls as shall be required in order that net revenues will be at least sufficient, together with other available funds, to retire or provide for the retirement of all the General Bonds and Second Series Bonds by January 1, 1976.

Prior to such retirement, interest on the Turnpike Revenue Bonds, Series A, will be payable from a portion of the bond proceeds deposited in the Bond Interest Fund and the investment earnings of such fund. On and after the retirement of all of the General Bonds and Second Series Bonds, the Turnpike Revenue Bonds, Series A, will be payable from and secured by pledge of the revenues of the turnpike system.

Sinking fund requirements for the Turnpike Revenue Bonds, Series A, commence with the annual period ending November 15, 1978.

During the year 1966 the remaining revenues, excess reserve requirements and excess construction moneys applicable to Second Series Bonds of $14,431,211 were transferred to the Second Series Sinking Fund and allocated to sub-sinking funds as follows:

Series B, 3⅜ %	(1953 Issue)	$10,359,893
Series B, 3 %	(1954 Issue)	1,825,631
Series B, 2.80%	(1955 Issue)	2,245,687
		$14,431,211

In addition, $7,120,051 was transferred to the General Sinking Fund satisfying in full the remaining amount due for the annual period ended November 15, 1966 and including $2,944,134 in partial payment on the amount due for the annual period ending November 15, 1967, 1950 issue, and $171,203 allocated to the 1951 issue. General Bonds and Second Series Bonds, at the election of the Authority, may be redeemed at varying premium rates other than by operation of the respective sinking funds, as set forth in the bond resolutions.

(3) GENERAL RESERVE FUND:

All funds accumulated in the General Reserve Fund to September 22, 1966 have been allocated, as permitted by the 1952 Bond Resolution, to Special Funds for studies relating to extensions, other turnpikes, the Turnpike or improvements, enlargements and betterments thereto and for the cost of such improvements, enlargements and betterments. Pursuant to the provisions of the 1966 General Revenue Bond Resolution, the balance in the General Reserve Fund, $1,004,648, was transferred to the General Bond Sinking Funds.





The widened Turnpike as it will look at the northern terminus at Ridgefield Park. From Route U.S. 46, crossing left to right slightly above center of the picture, the roadways will be continued north as part of Interstate Route 95 by the New Jersey State Highway Department to a junction with recently opened Interstate Route 80-95. The body of water is Overpeck Creek.

Design/Robert Ahlgrim
Printing/Terminal Printing & Lithographing Co.
Hoboken, N. J.

This 18th Annual Report of the New Jersey Turnpike Authority reviews the 15th Anniversary Year of operations, takes a reflective glance back at the road's beginning in 1951 and now, 15 years and some 657 million revenue vehicles later, confronts the future as it begins to unfold with the expansion program now in being. That program would not have been made possible without the assistance of all the Authority personnel and associates who have contributed, one way or another, to this 15-year record of progress.

