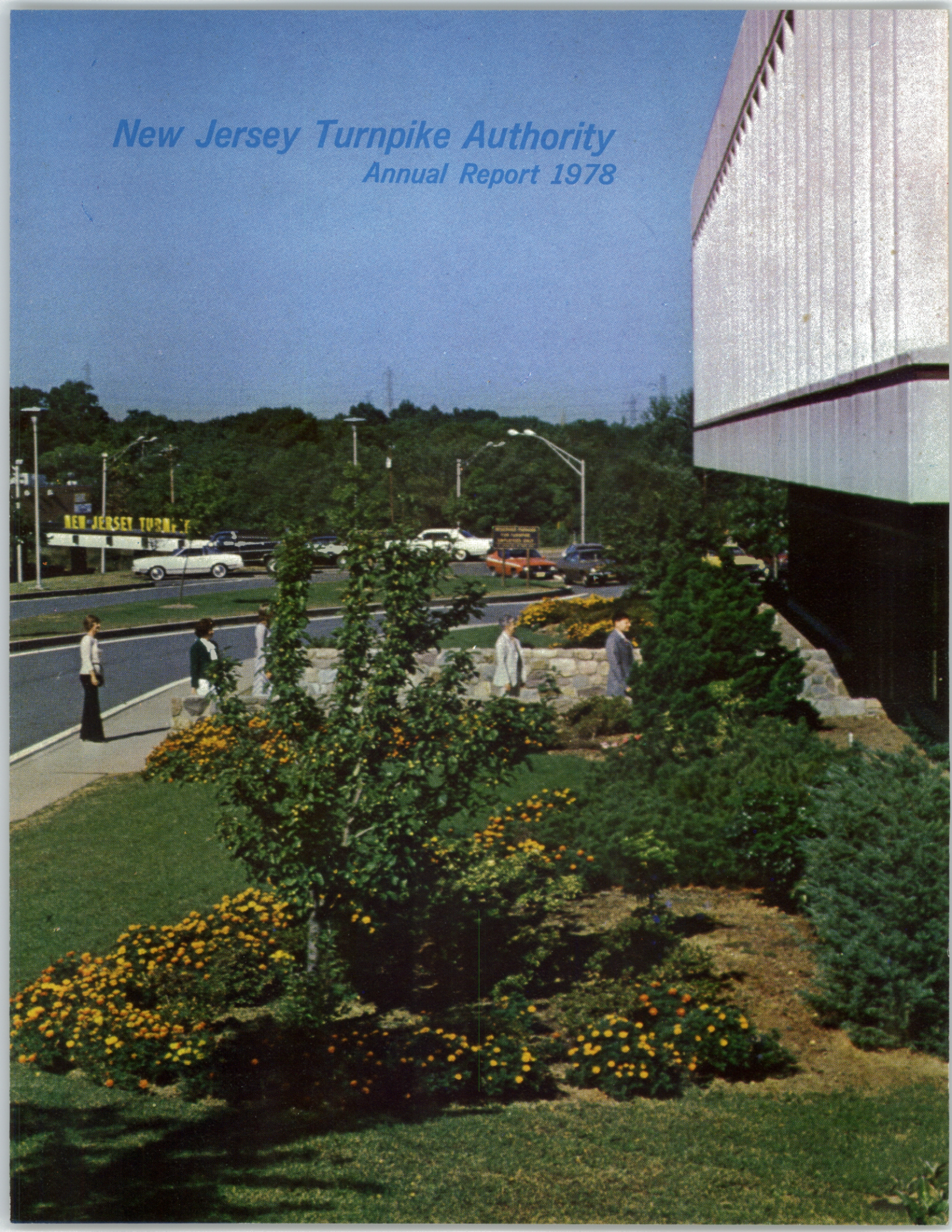


*New Jersey Turnpike Authority
Annual Report 1978*



COVER PHOTO: View of Administration Building, and new landscaping, looking toward toll plaza at Interchange 9 (New Brunswick), with employees going to work.

New Jersey Turnpike Authority 1978 Annual Report



THE NEW JERSEY TURNPIKE AUTHORITY: Francis G. Fitzpatrick, Chairman, at center, flanked by, at left, William F. Taggart, Treasurer, and Louis Slater, Commissioner, and at right, J. Edward Orabel, Vice Chairman, and William J. Flanagan, Executive Director.

Staff

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

OLIVER K. COMPTON, JR., *Director of Personnel*
HORACE A. TANI, *Director of Public Information*
RICHARD R. ZYSK, *Director of Systems and
Data Processing*
ROBERT G. OTT, *Director of Systems and
Data Processing (Retired 12-15-78)*
DANIEL J. DONAHUE, *Director of Purchasing*
CHARLES A. DUPUIS, JR., *Director of Insurance*

ROBERT N. WILENTZ, *General Counsel*

CONSULTING ENGINEERS, *Howard Needles
Tammen & Bergendoff*

AUDITORS, *Peat, Marwick, Mitchell & Co.*

TRAFFIC AND REVENUE CONSULTANTS, *Wilbur Smith
and Associates*

BOND COUNSEL, *Hawkins, Delafield & Wood*

FINANCIAL ADVISORS, *Smith Barney, Harris
Upham & Co., Inc.*

Letter of Transmittal



NEW JERSEY TURNPIKE AUTHORITY

(201) 247-0900

NEW BRUNSWICK, N. J. 08903

March 15, 1979

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

This Annual Report records the 27th year of Turnpike operations and the 30th year since the establishment of the Turnpike Authority in 1949. It tells a continuing story of service to our state and nation--a service that has maintained its high standard of safety amid increasing volumes of traffic.

That traffic in 1978 totalled more than 120 million revenue vehicles of all kinds. From the 2.8 billion miles covered by these vehicles there emerged a statistic of safety that almost equalled the all-time record of 1977.

The highway improvements and engineering techniques accomplished and refined in 1978 provided for this continuity of safe travel along the 141 miles of the Turnpike system. As the Automatic Traffic Surveillance and Control System keeps a constant night and day vigil over the flow of vehicles, so does the Authority pay continuing attention to the physical needs of the facility--another of the hallmarks of safety. This report highlights those measures safeguarding the integrity of the road.

Traffic volumes and revenues in 1978 were most encouraging. The Authority is hopeful that inflation, the price of fuel, its availability and adverse storms will not combine to diminish the goals achieved this year.

With deep appreciation for the cooperation we have received from the Executive and Legislative branches, as well as local officials along the way, the Authority records here another successful year.

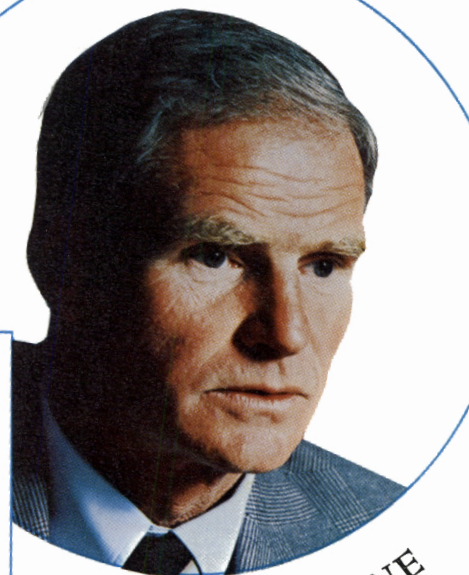
Respectfully submitted,


Francis G. Fitzpatrick
Chairman


William F. Taggart
Treasurer


J. Edward Crabel
Vice Chairman


Louis Slater
Commissioner



BRENDAN T. BYRNE
Governor of New Jersey

1978: Continuing a Tradition of Service with Safety

IT WAS a year of continuing improvement of the Turnpike facility, with its 141 miles of roadways and its 247 structures along the length of the Turnpike system.

Once more it maintained its place as a leader not only in highway safety and convenience, but also in the reasons for that safety and convenience, reasons found in the many features and installations, some innovative, others proficiently routine, accruing from an unbroken tradition of service.

Although 1978 traffic volumes increased by 6.2 percent over 1977 — 120.6 million revenue vehicles as against 113.6 million in 1977 — the Authority was looking to favorable economic indicators in the future before ruling out the possibility of a toll increase. The price of gasoline and weather conditions will also be factors in the final determination of the toll structure.

Department by department, along the entire chain of coordinated effort, from drawing board to pavement reality, from administrative direction to operating techniques, the 1545 employees of the Authority joined in spelling out another successful year.

It was demonstrated in 1978 when the New Jersey Turnpike Authority was awarded a plaque for the second straight year. The plaque, bearing the license plate "AGAIN," symbolized the fact that the Turnpike in 1977 had scored the safest highway record in the State while the State's was the best in the nation. The State's Motor Vehicles Director John Waddington presented the plaque to Authority Chairman Francis G. Fitzpatrick in a brief ceremony on November 14.



All that had preceded the presentation was summed up in that one word "Again."

This and other accomplishments were reported in a flow of news releases to the media during the year, 70 in fact, a record for the Public Information Department's years of chronicling since the Authority was organized in 1949.

It kept pace with events, alerting the media to the threat of storm and fog, to the necessity of lane closings, to major projects and improvements. Beyond the news releases was the reaching out to its patrons with a monthly newsletter, the Trailblazer, informing the public what the Turnpike was doing to serve them; and another newsletter, Over the Fence, keeping the Turnpike neighbors abreast of roadside developments. Another phase of information came in photographs filling all kinds of needs, for in-house publications like the Pike Interchange, for all media outlets, and a new service providing film companies with access to Turnpike locations for various movie ventures with the cooperation of the State's Motion Picture and Television Development Commission.

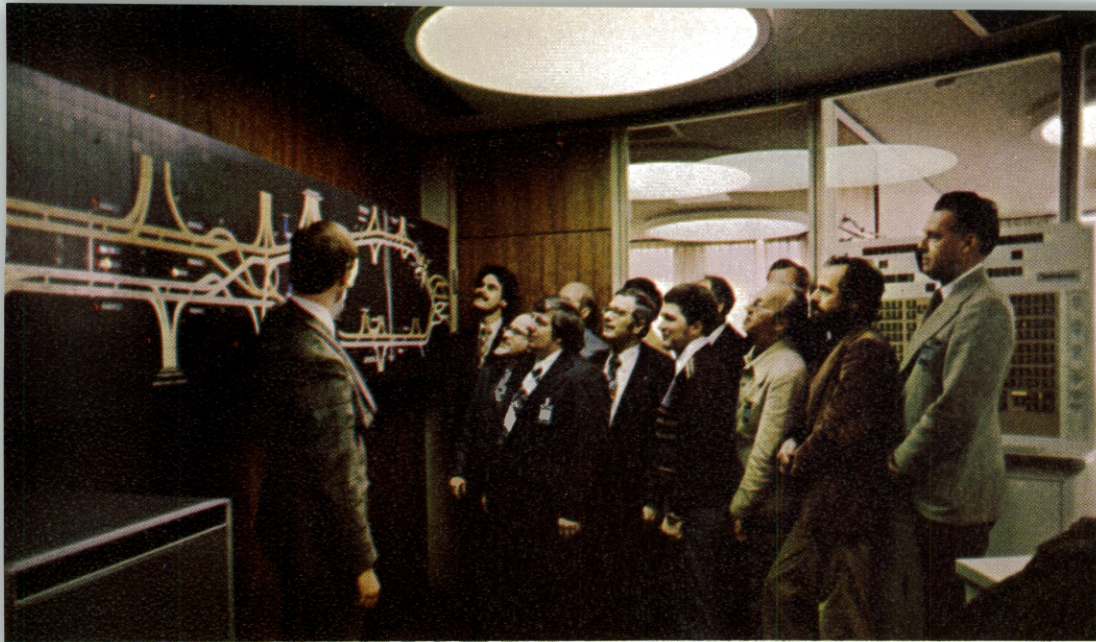
The Turnpike story continued in 1978, with all the attendant publicity of works completed and envisioned and this is what it was like in 1978 . . .

TURNPIKE SAFETY RECORD

	1978	1977
Enforcement:		
Summons Issued	63,986	53,023
Criminal Arrests	2,434	2,548
Aids to Motorists:		
Mechanical	40,071	36,513
Gasoline	8,306	8,825
Flat Tires	7,954	8,297
Overheat	1,045	1,265
Other	38,451	41,731
Total Aids	95,827	96,631
Aids Ratio	1 per 1,264 veh.	1 per 1,182 veh.
Aids per Day	262	265
Accident Information:		
Accidents	2,812	2,622
Accident Rate	97.1	94.7
Personal Injuries	1,576	1,525
Injury Rate	54.4	55.1
Fatal Accidents	26	24
Fatalities	35	26
Fatality Rate	1.21	0.94

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

BEFORE AND AFTER: Maintenance men fought blizzard in successful "counterattack" clearing way for normal traffic during 18-20 inch snowfall on February 5-8 (top left). Now traffic flows smoothly along the mainline after plow crews worked to keep road open (bottom left).



MAIN ATTRACTION: Highway officials from seven states view display map of traffic surveillance and control system. Visitors studied its application to limited visibility.

OPERATIONS DEPARTMENT

IN ITS third year of operations, two new contracts were awarded for the improvement and expansion of the Automatic Traffic Surveillance and Control System. The first contract, for computer dualization by the addition of a back-up computer, was awarded to Digital Equipment Corporation. The second contract, awarded to AGS Computers, is to develop an Aid to Disabled Vehicles Inquiring Program. This will enable the computer to supervise information related to disabled vehicles, store it and keep all records on the disposal and removal of those vehicles. Objective: attain a valuable tool to manage and audit the efficiency of the Authority's Motorist Aid Program.

A computerized traffic sign inventory is being developed for logging all of the directional, regulatory and warning signs. The computerized listing will record various aspects of each sign that may be used for verification or repair. Once an inventory is taken, the listing will save a great deal of manpower.

Four laser type detectors were selected by the Authority after it had tested and evaluated limited visibility devices for the past two years. The detectors will electronically transmit various visibility levels to the Traffic Operations Center which in turn will advise State Police of conditions. Appropriate action will then be taken to reduce the speed limit and implement other operational precautions. This early warning system is intended to overcome the operational impact of the sudden encroachment of fog on the roadway.

Plans were developed by Operations for changing the existing traffic protection devices used in construction zones. This will provide patrons with signs and devices consistent with those used throughout the nation. It will also improve the early recognition of construction zones and enhance safety for patrons and workmen. The revisions represent the culmination of a two-year study and several months of field testing on the effect of the change.

The volume of vehicles transporting hazardous materials has increased throughout the country, so Operations and State Police are intensifying their efforts to be fully informed of the state of the art in handling such cargoes in the event of an accident. Representatives of the two departments attended several seminars and symposiums on the transportation and handling of hazardous materials, and the proper action to take when accidents or incidents occur.

Amid a rise of 6.1 percent in the volume of revenue traffic, the number of accidents produced a rate 2.5 percent higher than 1977, but the number of injured persons per 100 million miles decreased from 55.0 to 54.5 percent. In addition, two more fatal accidents resulted in nine more fatalities and a fatality rate that fell short of the all time safety record set in 1977. Multiple fatalities in five accidents were primarily responsible for the higher rate.

The State Police, with technical backup provided by Operations Department, initiated in August a selective enforcement program designed to improve the driving habits of commercial vehicle operators on the Turnpike. Object of the program: to reverse a trend where accidents involving commercial vehicles are substantially greater than their composition in the traffic stream. By year's end there was a 12 percent drop in truck accidents. Another measure of the effectiveness of Troop D's traffic enforcement program was a 37 percent increase in summonses issued to motorists "driving under the influence." Of 800 citations, 787 were alcohol related and 13 for the illegal use of narcotics.

Troopers also issued 282 summonses for toll evasion, 31 percent fewer than in 1977. The drop was attributed to the increased awareness of motorists of the penalties for violations. Evaders can be fined up to \$200, court costs and up to 30 days in jail.

IN PLACE: First of five new fuel storage tanks is installed at Woodrow Wilson Service Area at Hamilton Township. Tanks, of fiberglass and 10,000-gallon capacity, replace aging tanks for improved service and durability.



MAINTENANCE

MARKED changes occurred within the Maintenance Department with the advent of seven-day 24-hour coverage by Roadway Division Maintenance personnel. This allows for maintenance work and services to be carried out continuously, particularly during times of low traffic. This arrangement also reduces overtime and greatly improves the Authority's emergency services since the men are immediately available for any emergency. In addition, it is now practical and more efficient for Maintenance crews to install traffic protection devices for most contract work, as well as for their own maintenance work. The institution of shifts and night work has meant the reassignment of many people and the development of new procedures.

During the year in which there was a record winter storm from February 5 to 8, Maintenance performed very well, utilizing some 260 pieces of equipment operated by over 400 employees in handling the snow storms. Supplementing the department's own forces were 17 contractors' trucks operating in 14 plow teams. It experienced the heaviest use of salt, some 31,700 tons. At the height of the series of January-February storms the department ran precariously low on salt and have since increased its storage capacity in critical areas.

The Buildings Division has completed a major maintenance repair program of approximately 40 Automatic Ticket Issuing Machines, previously maintained by contract. At the present they are refitting entry and exit treadles in preparation for the planned installation of new toll equipment. Major improvements were instituted in

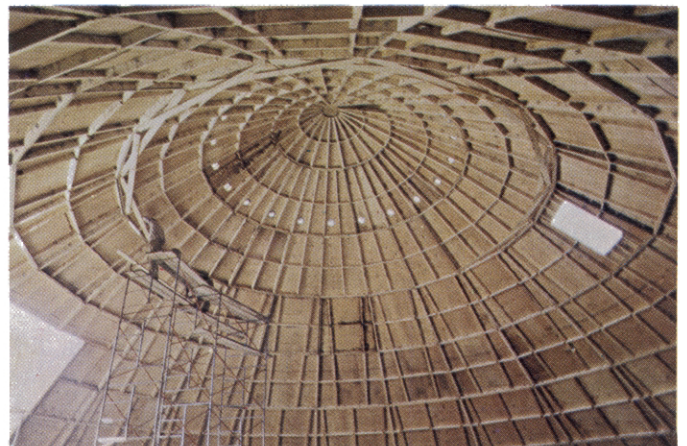
the building equipment preventative maintenance programs. The Division is assisting in developing new standard signing for traffic protection which the Roadway Divisions will use in their work of providing traffic protection for contract work. The Communications Section has been preparing the present facilities to accommodate the new toll and data equipment — while continuing its updating and replacement of communication equipment.

During the year Management and Supervisory Personnel have completed two training courses given by the State of New Jersey Civil Service Department. In addition, there are presently nine employees of the Maintenance Department enrolled in various programs in the colleges and universities through the Tuition Refund Program. Efforts were increased to improve work practices generally through better reporting, on the job training and development of improved techniques.

The Maintenance Department has experienced a heavy turnover in both supervisory and operating personnel, largely due to retirement and illness. Several key vacancies have been filled. This, along with the addition of shift assignments, preparation for providing traffic protection to the contractors, and for the new toll equipment and the severe winter, has led to another busy and successful year.



NEW CONCEPT: Salt, vital in combating snow and ice conditions, is stored in more efficient tepee-type storage structures, such as one above. Eight now on Turnpike hold up to 5,000 tons. At bottom is shown prefabricated timber shell interior.



ENGINEERING

ENERGY conservation projects were high on the Engineering Department's priority list for 1978. The first and major contract for the conversion of all of the roadway and interchange lighting was awarded. Under this contract existing mercury vapor lights throughout the northern end of the Turnpike will be converted to high-pressure sodium. Basic Turnpike lighting standards will be enhanced and, additionally, "spill" lighting — the lighting that spills beyond our property line and annoys neighboring residences — will be minimized, if not eliminated.

This project will completely pay for itself in less than 10 years.

A second, dramatic approach to energy conservation is the Energy Management System authorized to be installed at the Administration Building in New Brunswick and the Northern Division Maintenance Headquarters to Interchange 14, Newark Airport.

Under this system a computer already in use at New Brunswick will be modified so that it will have the capability of monitoring all of the building environmental systems and manage the electrical and fuel consumption to insure the most efficient use of energy and, therefore, the most economical use of our heating, ventilating and air conditioning systems.

The Northern Division Maintenance Headquarters Complex will be monitored and controlled by the computer through the use of existing Turnpike communication lines between Newark and New Brunswick. This system has the capability of being extended to all Turnpike building facilities in the future, as well as managing all buildings and associated area lighting.

Several contracts were completed for relining and replacement of existing underground fuel storage tanks at Turnpike-owned gasoline service stations. The relining, where appropriate, guarantees the elimination of leaking and substantially extends the life of these 20-plus years old 10,000-gallon fuel tanks.

Energy conservation was also attacked in three separate engineering contracts, these provided for the updating and installation of more efficient freezers, refrigeration and air conditioning systems. Nine of the 13 active Service Areas were involved in this updating. Similar work will be accomplished at two others as a part of major renovations currently under design for construction in 1979.

Major resurfacing and bridge deck joint repair contracts were undertaken in 1978 as part of our continuing program of maintaining the major structures and main line roadways in the best possible condition. Similarly, two major bridges were painted and directional signing on the Hudson County Extension was revamped and upgraded



CROSSING THE DELAWARE: New Jersey Turnpike bridge at

to current Authority standards.

Major renovation of the pavements at Interchanges 4, 6A, 7 and 14 was undertaken as the first phase of a planned, continuing program in which all of the older Interchanges and Service Areas will be repaved and their paving structures brought to the point where they can adequately handle today's increased traffic and traffic loadings.

Two major contracts were completed, and a third is under design, for the revamping of all Turnpike guard



rence, connecting with Pennsylvania Turnpike. Structure maintained jointly by both turnpikes, is under extensive repair program.

rail. Existing guard rail installations have been modified, strengthened, and new end treatments installed. The effect of these contracts is to bring the guard rail to a point where the only future maintenance required will be the repair of accident damage.

The landscaping program, begun some years ago, continued in 1978; but at a much slower pace, since landscaping funds had to compete with other major maintenance projects.

Plans and specifications were completed for a com-

pletely new computerized electronic toll system. This system, when installed, will replace the existing 27-year old electro-mechanical toll collection equipment. The existing system is very difficult to maintain and replacement parts almost impossible to obtain. The new one will be electronic and has been designed so that spare parts and future replacements will be readily available from many sources. Audit capabilities will be greatly enhanced, and all manner of data concerning traffic and revenues will be readily obtainable.

SYSTEMS/DATA PROCESSING

TO meet the increasing demands and requests for information, Systems and Data Processing has expanded its memory storage capacity. Also, facilities that will speed up the transfer of this large volume of data to the users are being installed. Hardware and software changes are being implemented to aid in the editing, testing and debugging of computer programs necessary to "massage" this data.

A new system using a "Universal Credit Card" was instituted as the result of the change from the traditional one-gasoline company to four companies to operate the service areas located along the Turnpike. At present, this card is limited for use at Service Areas on the Turnpike only, but will be expanded for use at any of the four participating companies throughout the country.

This department's part in the Authority's Energy Conservation Program will be to provide Engineering and Maintenance with statistical data for comparing usage of electricity. Along these same lines, an inventory system for the new sodium light bulbs is being prepared. Both projects should be completed and in operation by early 1979.

To establish traffic patterns and project future plaza capacities, "Interchange Traffic Curve Charts," as well as "Plaza Congestion Statistical Listings" were prepared for

analyzing and planning.

A Sign Inventory System is currently being initiated that will store all pertinent information related to signs located on the roadway as well as an inspection schedule for maintenance purposes.

To facilitate the needs for various statistical listings of employees required by government agencies, insurance companies, etc., a computer-coded list of Job Titles has been created.

Many changes to the Payroll System have been made to accommodate the requirements of the State and Federal governments, union contract, retirement system, and Turnpike policy.

In cooperation and in conjunction with other departments, various studies and surveys, such as the "Van Usage on the Turnpike," and "Out of State Trucks" have been made.

Blood Bank listings, lists of employee's zip codes in various sequences, employee work locations, and axle detector counts are examples of the wide range of "one-time" runs the department is called upon to produce.

As part of its day-to-day routine, the department audited a total of 120,817,888 toll tickets as well as bills for over 900 charge account customers on the Turnpike.

BLOOD DONOR DAY: Sixteenth year of Turnpike program saw 117 employees join to replenish blood bank in second regional donor day. First day produced 133 pints, for a total of 250.



PURCHASING

THE Purchasing Department, in its continuing effort to preserve the Authority's emphasis on quality, ordered approximately \$6 million in materials and services in 1978.

Of special significance is an ice detector to provide data to the Authority who in turn will pass the information on to the weather service. This will enable it to fine-tune its forecast of icing conditions. It will be a part of a total weather station providing other related data, so the service can also fine-tune fog forecasts.

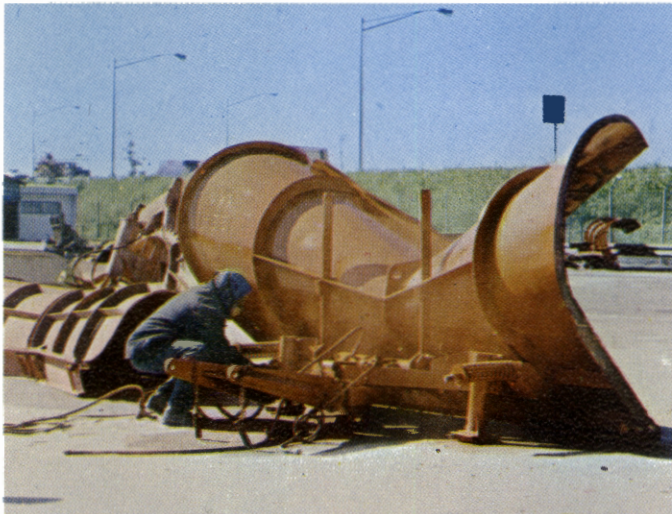
With changing trends in the automotive industry, it was determined, after competitive bidding, to release orders for three different types of police vehicles. After thorough testing and evaluation the best model suited for police purposes on the Turnpike will be selected. Of particular interest is one vehicle, equipped with a diesel engine. Its performance will be closely monitored both for economy and maintenance.

The usual complement of materials for all other Turnpike departments were also ordered.

To meet winter's challenge, rock salt, snow plow parts, foul weather gear, trucks and thousands of repair parts, lubricants and related items necessary for Maintenance will be provided.

Numerous contracts for hot mix and temporary cold patching compounds were released to assure smooth, safe passage. Radio equipment was ordered to improve our vast communications network.

Yearly accounts were established under existing State of New Jersey contracts. These contracts assure quality purchases for the best possible value.



BEFORE IT SNOWS: Maintenance man prime-coats plow blade to insure sturdy performance in fighting snow and ice. Equipment is first sandblasted, later finishing coat is applied to insure efficient operation, especially during tough snow and ice conditions.

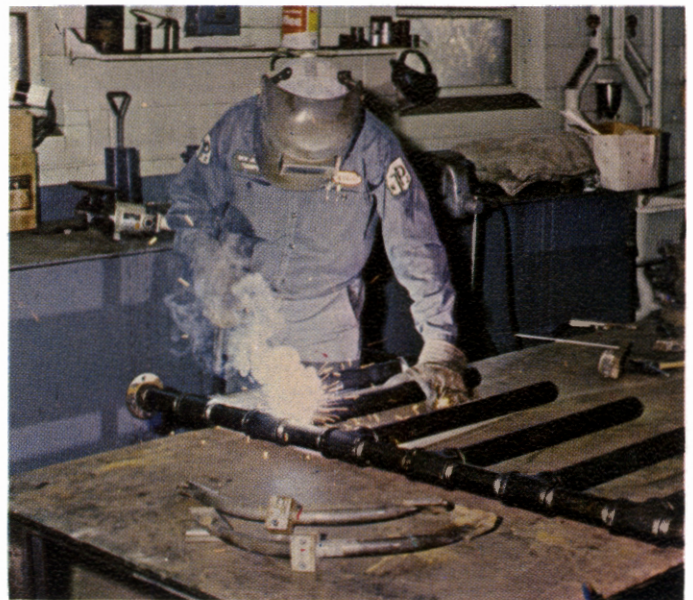


PREPARING PAYROLL: Key punching attendance cards in Accounting Department for payroll information. Other machines will provide data on Social Security, union dues, hospital insurance, pension contributions, among the many deductions and fringe benefits recorded by Accounting Department.

Toll Collection received added inventories of clothing and numerous printed forms were ordered for distribution to field personnel to assist in the vast daily toll collection operations.

Systems/Data Processing function was assisted with supplementary computer programming service to provide personnel with modern computer technology.

In addition, the Purchasing Department is also responsible for the sale of used and salvaged material and equipment and a profit was recognized by the sale of used vehicles and office field trailers. Used toll tickets were also sold for recycling purposes.



FOR SURE COUNT: Storage rack for lane treadles being put together by welder at Central Shops, Hightstown.

ADMINISTRATION

THE Authority's 13 service areas continued to serve millions of patrons with food and fuel in 1978, but with some changes in the concessions' operations. Some new names appeared on the gasoline station logos.

Where Exxon had operated all 13 stations for five years, the expiration of its contract on March 31, 1978 resulted in competitive bidding among 12 companies for the stations. The Authority awarded Exxon a three-year contract for four middle stations: Molly Pitcher at Cranbury Township; Joyce Kilmer, East Brunswick; Thomas Edison, Woodbridge, and Grover Cleveland, also Woodbridge, besides the northernmost station Vince Lombardi at Ridgefield.

Other contracts went to: Amoco for the Clara Barton and John Fenwick stations in Oldmans Township; Walt Whitman, Cherry Hill, and James Fenimore Cooper, Mt. Laurel.

Arco received the contract for the Woodrow Wilson and Richard Stockton at Hamilton Township, while Sunoco was awarded the William F. Halsey at Elizabeth, and Alexander Hamilton, Secaucus.

All contracts were effective April 1, 1978.

On December 1, 1978 Marriott took over all 13 restaurants as the result of competitive bidding among three companies that included Gladieux (Holiday House) and

Howard Johnson. For five years Marriott operated seven restaurants and Gladieux six. Under the new contract Marriott has the concession for all 13, plus the Charter Bus Stop, with a 10-year contract, while the Vince Lombardi restaurant is on a separate 20-year contract to 1993.

Meantime, sales for 1978 were reported up in all restaurants. They are scheduled for renovation in 1979-1980.

The Authority's two Park/Ride facilities continued to operate at or near capacity in 1978. The East Brunswick Park/Ride, off Interchange #9 which served motorists at full capacity of 400 vehicles, is being projected for expansion to increase its capacity by 50 percent.

The Vince Lombardi facility, at the northern end of the Turnpike, operated at near capacity of 900 during early 1978. Drivers of the bus company using the Park/Ride were on strike during April and May. Recovery after the strike was slow, but the facility began to approach maximum use toward the end of the year.

A third Park/Ride at Interchange 10 is on the drawing board and should be nearing completion late in 1979. When completed and East Brunswick's is enlarged, there will be a total capacity of 2100 cars.

All service area restaurants and service stations as well as the Park/Rides are the responsibility of the Department of Administration with the Deputy Executive Director as department head. Patron Services, a branch of the department, inspects all service area facilities.



NEWEST RESTAURANT: Vince Lombardi Service Area at northern end of Turnpike features most modern restaurant in Turnpike system. Opened in February 1974, it provides comfortable eating place for thousands of Turnpike patrons.



'SUPER' TRAINING: Newly-appointed supervisors attend indoctrination course pertaining to their performance reviews. Personnel participated with Maintenance to conduct seminars for middle management responsible for rating newly appointed first level supervisors.

PERSONNEL

A WORK force of more than 1500 in the field and in administration contributed to the continuity of accomplishment in the 27th year of Turnpike operations. For about one-half of the 1500, continuity meant 10 years of unbroken service, while almost a third have been at work at least 15 years.

In addition, there were 37 employees who were honored in December for completing 25 years in the ranks.

The complement of toll road personnel was recorded in a series of activities designed to enhance their performance and efficiency under the aegis of the Personnel Department. These activities included: the promotion of 73 among all classifications; handling of 50 grievances at hearings held by the Labor Relations Committee; three issues heard through arbitration.

The tuition refund program handled 32 requests with reimbursement accomplished, and the annual Laderman Scholarship Award went to Paul Brian Jahn, son of toll plaza supervisor Warren A. Jahn.

The Authority's health program saw the addition of 250 pints of blood given by employees in the 16th year of the Blood Bank, divided into two regional donor days. There were 2309 visits to the Medical Section for non-occupational reasons, job-connected injuries, pre-employment examinations and periodic and promotional physical examinations.

Other programs included participation by Personnel Department with Maintenance in conducting seminars for middle management personnel who have the responsibility of appraising the performance of newly appointed first level supervisors.

A great outreach in supervisory training was accomplished in 1978 when 203 personnel were exposed to a series of conferences outlining the principles of sound supervision and management. Eight sections, meeting for a five-day period each, attended the course. A labor relations seminar was held at Rutgers University.



REROUTING TRAFFIC: State Police directs motorists away from truck fire after roadway is flared and made safe. Local fire departments respond to extinguish fires under agreement compensating them for each piece of apparatus used.

LEGAL/REAL ESTATE

FOLLOWING a comprehensive review of Turnpike real estate holdings, sales at public auction of surplus property amounted to \$1,782,758 in 1978 — the largest year ever in such sales. This precluded payment of taxes by the Authority to various municipalities while restoring the properties to the local tax rolls.

During the year the Legal-Real Estate Department reviewed the contracts and specifications prepared by the Authority's departments. It also handled arbitration and grievances under the union agreement.

Among other matters, Legal-Real Estate assisted all departments in interpreting pending legislation and was involved in a number of cases before the State Supreme Court. These had to do with condemnation, one case relating to the Toms River Expressway project, and others to labor relations.

The department succeeded in preventing the assessment of municipal taxes to Dover Township on Turnpike-owned land. In another case it revised the Authority's traffic regulations.

INSURANCE

BECAUSE of inflation, the Insurance Department's efforts were directed to cost containment. To stay within strict budgetary guidelines, and still maintain adequate coverage, required a pre-conceived annual program of insurance.

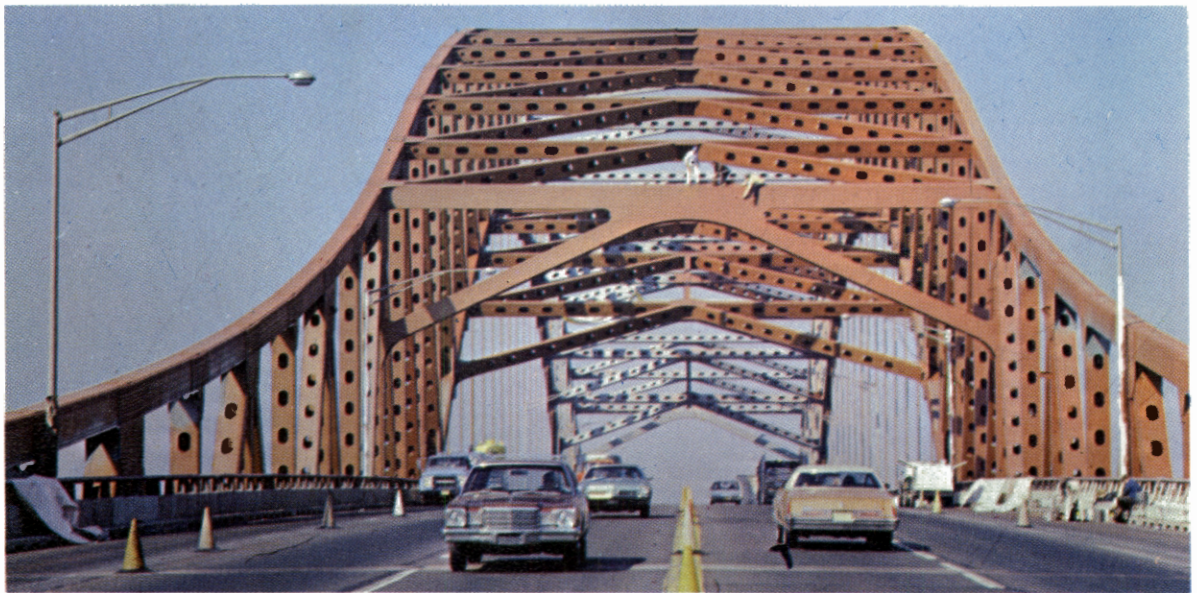
Evaluation of loss trends and applications of sophisticated risk management techniques resulted in savings while broadening coverage for fire, liability and fidelity

insurance. The third year of our self-insured Workers' Compensation program also contributed greatly to the overall savings of over \$250,000 effected. In addition, employee benefits insurance costs levelled off as a result of favorable loss experience.

The Claims Section of the Insurance Department collected \$337,000 from patrons causing damage to Turnpike property. A total of 368 Workers' Compensations claims were processed in a total of 990 claims of all types handled by this department.

BRIDGEWORK:

Workmen perched on girder of Turnpike's Pennsylvania span, paint superstructure as part of refurbishing program.



TOLL COLLECTION

MORE than 120 million vehicles traveled the New Jersey Turnpike in 1978 and the Authority's representatives in the field, its toll collectors, were equal to the task of serving the motoring public with dispatch.

The man and woman in the booths continued their fine past performance in their every day meeting with the public. Evidence of appreciation came from many sources.

A sampling of the many letters of commendation showed appreciation for the assistance rendered by Section Chief Frank Romeo, Plaza Supervisors William Mooney

and Gerald DeVan, Collectors Frank Martyn, George Miller, Joseph Weddle and the toll supervisors at Interchange 13 who were commended by the U.S. Department of Justice for assisting several teams of criminal investigators posted throughout the area in an attempt to intercept an alien-smuggling operation.

In 1978 the Maintenance Department completed for toll collection the work of customizing 12 vehicles for use as toll plaza utility vehicles. This project, begun in 1977, provides 12 interchanges with specially equipped cars for use in moving stalled vehicles from the toll lanes. There are five additional interchanges which have four-wheel drive trucks that perform the same function.



FIELD TEST: Maintenance personnel being examined for promotion qualifying them to operate special kind of equipment among a variety important to road maintenance.

27 Years of Operation

	REVENUE VEHICLES	REVENUE MILEAGE	TOLL REVENUE	CONCESSION REVENUES	OTHER REVENUES	TOTAL REVENUES
1951*	787,195	38,246,174	\$ 587,326	\$ 32,861	\$ 87	\$ 620,274
1952	17,948,235	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
1977	113,664,015	2,759,241,650	95,111,786	5,232,246	5,026,621	105,370,653
1978	120,622,761	2,885,020,752	100,837,720	5,959,715	5,757,312	112,554,747

* 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

	1978	1977
January	\$ 6,591,832	\$ 6,500,529
February	6,314,324	6,386,910
March	8,286,448	7,622,700
April	8,271,520	7,869,767
May	8,918,593	8,277,940
June	9,247,904	8,533,548
July	9,351,377	8,871,509
August	9,909,819	9,232,886
September	8,770,175	8,255,642
October	8,679,560	7,981,777
November	8,378,429	7,775,772
December	8,117,739	7,802,806
	<u>\$100,837,720</u>	<u>\$95,111,786</u>

Revenue Vehicles

	1978	1977
January	7,917,801	7,886,999
February	7,605,352	7,721,651
March	9,925,644	9,201,453
April	9,965,698	9,388,616
May	10,683,083	9,883,910
June	11,050,432	10,123,975
July	11,009,874	10,395,953
August	11,567,566	10,723,003
September	10,509,001	9,818,002
October	10,443,111	9,670,290
November	10,049,100	9,385,139
December	9,896,099	9,465,024
	<u>120,622,761</u>	<u>113,664,015</u>

Revenue Mileage

	1978	1977
January	178,431,478	179,832,155
February	170,445,511	177,736,099
March	228,970,038	209,652,562
April	235,627,300	233,769,120
May	254,220,110	241,611,472
June	263,851,154	244,454,814
July	286,374,841	276,318,406
August	296,120,517	279,190,456
September	253,791,618	239,163,165
October	243,497,794	229,031,446
November	239,330,593	224,967,099
December	234,359,798	223,514,856
	<u>2,885,020,752</u>	<u>2,759,241,650</u>

Budgets of Operating Expenses for 1979 and 1978

Classification	1979	1978
Administration-General	\$ 1,733,100	\$ 1,686,000
Systems & Data Processing	1,236,100	1,176,800
Accounting	602,300	624,800
Operations:		
Traffic Control and Police	5,579,200	5,090,200
Toll Collection	17,411,900	16,698,100
Maintenance	16,695,000	15,646,600
Engineering	1,242,000	1,186,400
Insurance	3,628,600	3,603,000
Non-Departmental:		
Professional Fees	231,600	224,100
Fiduciary Fees	184,600	199,000
Pension and Retirement Funds	4,280,600	3,017,000
Taxes	250,000	250,000
	<u>\$53,075,000</u>	<u>\$49,402,000</u>

Contracts & Orders Awarded in 1978, in Excess of \$100,000

Engineering

Contract No.	Contractor	Amount
R-569	Crescent Construction Co., Inc., West Caldwell, N.J.	\$ 288,000.00
R-570	Trap Rock Industries, Inc. Kingston, N.J.	656,765.00
R-571	Trap Rock Industries, Inc.	1,025,223.00
R-572	Ashland-Warren, Inc. Haledon, N.J.	763,444.00
R-573	Schiavone Construction Co. Secaucus, N.J.	3,432,676.00
R-583	Conduit & Foundation Corp. Clifton, N.J.	330,058.00
R-584	Quaker-Empire Construction Co., Mountaintop, Pa.	480,310.00
R-585-1	Gardner M. Bishop, Inc. Mt. Vernon, N.Y.	1,225,988.00
R-586	Spark Electric Service, Inc. Dorothy, N.J.	266,280.00
R-587	Utilities Painting Corp. Englewood Cliffs, N.J.	1,103,103.00
R-590-1	Gardner M. Bishop, Inc.	223,935.00
R-625	Frascella Electrical Co. Bound Brook, N.J.	1,140,727.00

Insurance

	Premium
City Insurance Co., Pol. No. GA 997009 Comprehensive General/Automobile Liability, Effective 5/1/78	\$394,998
Puritan Insurance Co., Pol. No. UL 67 03 74 Excess Umbrella Liability, Effective 7/9/78	130,000

Professional Services

	Amount
Agreement (No number) N.J. Sports & Exposition Authority Annual Service fee for utilizing facilities of New Jersey Turnpike	\$489,000
Agreement 700B Port Authority of N.Y. & N.J. New York, N.Y. Design costs of utility relocation, proposed Interchange 13A-Rt. 81	100,000
OPS 743 Howard Needles Tammen & Bergendoff, Fairfield, N.J.	205,000
OPS 748 Howard Needles Tammen & Bergendoff	389,000
OPS 752 Digital Equipment Corp. Maynard, Mass.	143,400
OPS 758 Howard Needles Tammen & Bergendoff	344,500
OPS 760 Howard Needles Tammen & Bergendoff	180,000

Legal-Real Estate

	Amount
Section 6C, Parcels X544C, RX543A 2X543B, 1X543B, RX550, X592C — Newark Redevelopment & Housing Authority	\$1,598,310
Section 4, Parcels RA811, R811, E811, RUE811, Herrontown Woods, Inc.	122,536
Section DE6-1, Parcels A1, R2A1, E1, 2E1, C1, 2C1, Theodore P. Janulis	489,000
Newark Bay-Hudson County Extension, Parcels 1M1, X1M4, X1N4, X1N1, New Jersey Department of Transportation	147,000

Purchasing

Purchase Order No.	Vendor	Description	Amount
P17821	Kleen-Rite Corp. Avon, N.J.	Janitorial Service	\$159,500.00
P18575	International Salt Co. Stamford, Conn.	Rock Salt	186,820.00
P19281	McConnell Fuel Oil Jersey City, N.J.	Fuel Oil	142,298.00
P19353	International Harvester Philadelphia, Pa.	Truck Cab & Chassis	107,881.00
P19728	Syro Steel Co. Girard, Ohio	Guard Rail Beams, Posts & Brackets	115,875.00
P19996	Buck Bros., Inc. East Brunswick, N.J.	Snow removal	300,000.00
P19997	Hess Brothers Parlin, N.J.	Snow removal	202,500.00
P19999	James Morrissey Philadelphia, Pa.	Snow removal	135,000.00
P20265	Electric Products Moonachie, N.J.	Maintenance service Refrigeration equipment	146,376.00
P20516	International Salt Co.	Sodium Chloride, Rock Salt	712,410.00
P20672	Warnock-Ryan Dodge Livingston, N.J.	Trucks	158,706.07

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, 1978 and 1977, the related statements of revenues and expenses and application of revenues after operating expenses, interest and other charges for the years then ended, and the statements of cost of investment in facilities to December 31, 1978 and 1977. Our examinations were 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, 1978 and 1977, the revenues and expenses and application of revenues after operating expenses, interest and other charges for the years then ended, and the cost of facilities to December 31, 1978 and 1977, on the basis of accounting described in note 1, which has been applied on a consistent basis.

The examinations referred to above were directed primarily toward formulating an opinion on the financial statements of the New Jersey Turnpike Authority, taken as a whole. The supplementary data included in Schedules 1 through 7 are presented for supplementary analysis purposes and are not necessary for a fair presentation of the assets, liabilities and revenues applied and retained, the revenues and expenses and application of revenues after operating expenses, interest and other charges and the cost of facilities of the Authority. The supplementary data have been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, are stated fairly in all material respects only 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.

January 26, 1979

Peat, Marwick, Mitchell & Co.

NEW JERSEY TURNPIKE AUTHORITY

Statements of Assets, Liabilities and Revenues Applied and Retained

December 31, 1978 and 1977

<u>Assets</u>	<u>1978</u>	<u>1977</u>
Operating accounts:		
Cash	\$ 379,570	1,679,885
Investments (note 2)	2,043,466	399,256
Accounts receivable	1,028,716	972,358
	3,451,752	3,051,499
 Funds for major improvements, repairs, replacements, maintenance, etc.:		
Cash	289,862	583,103
Investments (note 2)	17,223,532	8,402,703
Accounts receivable	399,418	326,042
Deposits in condemnation cases	32,070	32,070
	17,944,882	9,343,918
 Other funds:		
Cash	14,140,249	9,796,999
Investments (note 2)	64,336,051	80,999,022
	78,476,300	90,796,021
Total operating accounts	99,872,934	103,191,438
 Construction accounts:		
Cash	373,298	149,230
Investments (note 2)	26,780,384	27,082,783
Accounts receivable	866,035	124,541
Deposits in condemnation cases	3,225,986	3,655,287
Total construction accounts	31,245,703	31,011,841
Cost of investment in facilities	1,293,607,344	1,282,461,173
	\$ 1,424,725,981	1,416,664,452

See accompanying notes to financial statements.

NEW JERSEY TURNPIKE AUTHORITY
 Statements of Revenues and Expenses
 For the Year Ended December 31, 1978

Liabilities and Revenues
Applied and Retained

	<u>1978</u>	<u>1977</u>
Operating accounts:		
Withholdings from employees	\$ 468,234	460,377
Toll revenues received in advance	199,228	195,116
Other liabilities	<u>230,998</u>	<u>9,825</u>
	898,460	665,318
 Funds for major improvements, repairs, replacements, maintenance, etc.:		
Amounts retained from contractors and engineers	<u>476,326</u>	<u>468,898</u>
Other funds:		
Accrued bond interest	<u>6,080,338</u>	<u>8,160,542</u>
Total operating accounts	<u>7,455,124</u>	<u>9,294,758</u>
 Construction accounts:		
Amounts retained from contractors and engineers	<u>312,585</u>	<u>585,798</u>
 Bond indebtedness (note 3):		
Turnpike revenue bonds	619,055,000	626,975,000
Turnpike system revenue bonds	<u>202,415,000</u>	<u>202,415,000</u>
Total bond indebtedness	<u>821,470,000</u>	<u>829,390,000</u>
 Revenues applied and retained:		
Applied to retirement of bond indebtedness	463,055,818	455,708,106
Applied or retained for investment in facilities and other charges	95,261,674	86,601,548
Retained in other funds by agreement with bondholders	35,117,488	33,198,062
Retained for general operating purposes	<u>2,053,292</u>	<u>1,886,180</u>
	595,488,272	577,393,896
 Commitments and contingent liabilities (note 10).		
	<u>\$ 1,424,725,981</u>	<u>1,416,664,452</u>

NEW JERSEY TURNPIKE AUTHORITY

Statements of Revenues and Expenses

Years ended December 31, 1978 and 1977

	<u>1978</u>	<u>1977</u>
Revenues (note 3):		
Toll revenue	\$ 100,837,720	95,111,786
Concession revenue	5,959,715	5,232,246
Income from investments	5,421,753	4,686,626
Miscellaneous	<u>335,559</u>	<u>339,995</u>
Total revenues	<u>112,554,747</u>	<u>105,370,653</u>
Operating expenses (note 4):		
Administration	3,324,393	3,265,933
Traffic control and police	5,112,078	4,976,462
Toll collection	16,413,981	15,159,754
Maintenance, repair, replacement and reconstruction	16,221,214	14,026,484
Engineering	1,153,046	1,105,974
Insurance	3,563,960	3,160,980
Professional fees	243,884	210,375
Fiduciary fees	155,074	180,715
Pension and retirement (note 8)	2,884,341	3,235,796
Taxes	242,003	230,685
Cash discounts	<u>(23,378)</u>	<u>(14,244)</u>
Total operating expenses	<u>49,290,596</u>	<u>45,538,914</u>
Revenues after operating expenses, before interest and other charges	63,264,151	59,831,739
Interest expense (note 3):		
Turnpike revenue bonds	32,975,252	33,234,392
Turnpike improvement revenue bonds	<u>-</u>	<u>3,990,000</u>
Total interest expense	<u>32,975,252</u>	<u>37,224,392</u>
Revenues before other charges	30,288,899	22,607,347
Other charges (note 5)	<u>13,127,521</u>	<u>8,963,747</u>
Revenues after operating expenses, interest and other charges	<u>\$ 17,161,378</u>	<u>13,643,600</u>
Interest provided from bond refunding proceeds not deducted from revenues and charged to cost of investment in facilities (note 3)	<u>\$ 12,158,944</u>	<u>5,723,077</u>

See accompanying notes to financial statements.

NEW JERSEY TURNPIKE AUTHORITY
Statements of Application of Revenues After
Operating Expenses, Interest and Other Charges
Years ended December 31, 1978 and 1977

	Combined <u>total</u>	Applied to retire- ment of bond <u>indebtedness</u>	Applied or retained for investment in facilities and other charges		<u>Total</u>	Retained in other funds by agree- ment with <u>bondholders</u>	Retained for general <u>purposes</u>
			Funds for major improvements, repairs, replace- ments, main- <u>tenance, etc.</u>	Invested in <u>facilities</u>			
Balance December 31, 1976	\$ 563,576,709	453,477,895	8,507,081	77,605,214	86,112,295	22,352,983	1,633,536
Revenues after operating expenses, interest and other charges	13,643,600	-	(8,963,747)	-	(8,963,747)	22,607,347	-
Discount on bonds retired	173,587	-	-	-	-	173,587	-
Retirement of bonds	-	2,230,211	-	-	-	(2,230,211)	-
Maintenance reserve fund payments	-	-	120,000	-	120,000	(120,000)	-
Application of funds	-	-	9,333,000	-	9,333,000	(9,333,000)	-
Change in net assets of other operating accounts	-	-	-	-	-	(252,644)	252,644
Revenues invested in facilities	-	-	(121,314)	121,314	-	-	-
Balance December 31, 1977	577,393,896	455,708,106	8,875,020	77,726,528	86,601,548	33,198,062	1,886,180
Revenues after operating expenses, interest and other charges	17,161,378	-	(13,127,521)	-	(13,127,521)	30,288,899	-
Discount on bonds retired	932,998	-	-	-	-	932,998	-
Retirement of bonds	-	7,347,712	-	-	-	(7,347,712)	-
Maintenance reserve fund payments	-	-	9,453,000	-	9,453,000	(9,453,000)	-
Application of funds	-	-	12,334,647	-	12,334,647	(12,334,647)	-
Change in net assets of other operating accounts	-	-	-	-	-	(167,112)	167,112
Revenues invested in facilities	-	-	(66,590)	66,590	-	-	-
Balance December 31, 1978	\$ 595,488,272	463,055,818	17,468,556	77,793,118	95,261,674	35,117,488	2,053,292

See accompanying notes to financial statements.

NEW JERSEY TURNPIKE AUTHORITY
Statements of Cost of Investments in Facilities

December 31, 1978 and 1977

	1966 Turnpike <u>improvement</u>	1971 Turnpike <u>improvement</u>
Engineering and architectural	\$ 29,441,855	11,561,621
Land, easements and rights-of-way	27,446,834	4,226,831
Construction, including cost of training and equipping operating personnel, machinery and equipment and miscel- laneous preoperating expenses	372,038,027	103,137,382
Other costs, including administration	2,331,440	165,076
Financial	<u>245,677,596</u>	<u>22,512,061</u>
	676,935,752	141,602,971
Less income from interim investment of construction funds	<u>77,748,109</u>	<u>17,842,267</u>
	<u>\$ 599,187,643</u>	<u>123,760,704</u>

See accompanying notes to financial statements.

1973 Improvement and funding program	1977 Turnpike system revenue bonds accounts	Original turnpike extensions and additional lanes	Revenues invested in facilities	Total to December 31,	
				1978	1977
18,508,508	-	28,083,278	11,469,838	99,065,100	98,614,264
6,114,974	-	26,807,667	4,309,849	68,906,155	69,686,751
20,087,172	-	371,398,653	61,709,067	928,370,301	927,355,032
124,708	-	1,869,762	142,902	4,633,888	4,577,123
<u>23,615,247</u>	<u>12,874,129</u>	<u>26,992,647</u>	<u>165,269</u>	<u>331,836,949</u>	<u>319,678,006</u>
68,450,609	12,874,129	455,152,007	77,796,925	1,432,812,393	1,419,911,176
<u>35,890,922</u>	<u>-</u>	<u>7,719,944</u>	<u>3,807</u>	<u>139,205,049</u>	<u>137,450,003</u>
<u>32,559,687</u>	<u>12,874,129</u>	<u>447,432,063</u>	<u>77,793,118</u>	<u>1,293,607,344</u>	<u>1,282,461,173</u>

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 1978 and 1977

(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 from the Governor and from 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) Nature of accounts — The accounts of the Authority are presented in three major groups (1) operating accounts, (2) construction accounts, and (3) cost of investment in facilities. The purposes of these accounts are as follows:

1. The operating accounts include (a) funds for the reasonable and necessary operating expenses of the Authority, (b) funds for major improvements, repairs, replacements and maintenance, and (c) other funds. Other funds are subdivided, in accordance with the bond resolutions, into separate accounts entitled bond interest, bond reserve, debt service, debt reserve, sinking fund, general reserve fund accounts, and special project reserve fund. Funds have been deposited into these accounts and are reserved for the payment of debt service related to the Turnpike Revenue Bonds and Turnpike System Revenue Bonds. Funds in the Special Project Reserve Fund may be used for major turnpike maintenance requirements and improvements, betterments, enlargements or capital additions to the turnpike system.

2. Construction accounts are segregated into separate accounts created under the provisions of the Authority's various bond and note resolutions. Included in these separate construction accounts are unexpended funds related to the projects and programs authorized by 1952, 1966 and 1973 Bond Resolutions and the 1971 Note Resolution.

3. Cost of investment in facilities represents an historical accumulation of costs for amounts expended to acquire rights-of-way, construct, reconstruct and place in operation the Turnpike, its extensions and related facilities. Costs also include the cost of improvements, enlargements and betterments provided from revenues and costs for major resurfacing, replacement, repairs, renewals or reconstruction of the Turnpike system

when provided from construction funds. All such costs are not reduced for subsequent retirements and abandonments.

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

1. Depreciation of the Turnpike and related facilities is not included as an operating expense or otherwise provided.

2. Costs for investment in facilities are generally 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 for investment in facilities also include expenses in connection with the offering, selling and issuance of bonds and notes; discount on the sale of bonds and notes; costs of issuing refunding bonds; costs of certain real estate in excess of right-of-way requirements which may be sold and the proceeds applied in reduction of construction costs; certain interest on bonds and notes (less income received on unexpended construction funds); and administrative and legal expenses during the construction period.

3. 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 General reserve bond resolution Bond Reserve Fund and the Turnpike system reserve bond resolution Debt Reserve Fund which are valued at the lower of cost or market determined as of the preceding December 1.

4. Operating expenses (including materials, supplies and equipment) are recorded when paid.

5. Interest on bond indebtedness is recorded on the accrual basis. Interest on Turnpike Revenue Bonds and Turnpike Improvement Revenue Bonds is reflected as interest on bonds in the accompanying statements of revenues and expenses in 1978 and 1977 except for interest in 1977 on Turnpike Improvement Revenue Bonds which is for the four months ended April 30, 1977 as a result of the issuance of 6% Turnpike System Revenue Bonds, First Series (Refunding) on July 13, 1977. In connection with the issuance of such bonds, funds sufficient to pay interest on the refunding bonds through January 1, 1979 has been deposited in the Debt Service Fund. Interest from July 13, 1977 to December 31, 1978, on such bonds, has been charged to cost of investment in facilities.

Interest due on January 1, 1979 and 1978 with respect to the 1966 Bonds had been deposited with paying agents as of December 31, 1978 and 1977, respectively, and accordingly there is no liability shown in the accounts for such interest at those dates.

6. 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 statement 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.

7. Toll revenues are recorded as earned.

(2) Investments

A summary of the carrying values of investments is as follows:

	December 31,	
	1978	1977
U.S. Government obligations	\$ 60,356,321	74,961,633
Certificates of deposit	40,526,785	38,723,743
Time deposits	9,500,327	3,198,388
	<u>\$110,383,433</u>	<u>116,883,764</u>

The market value of investments at December 31, 1978 and 1977 approximates carrying value.

(3) 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. 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 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. The bonds bear interest rates from 4-3/4% to 5-7/8% and mature on various dates beginning January 1, 2006 through January 1, 2009. Annual sinking fund payments sufficient to retire the bonds by maturity are required in increasing amounts. The requirement for the annual period ended November 15, 1978 has been satisfied. At December 31, 1978, \$1,255,217 of revenues were transferred to the sinking fund as the pro-rata payment of the November 15, 1979 annual period requirement.

In 1977, the Authority authorized the issuance of Turnpike System Revenue Bonds, First Series (Refunding) (the "1977 Bonds") for the purpose of refunding the outstanding \$210,000,000 Turnpike Improvement Revenue Bonds, First Series (the "1973 Bonds"). Proceeds of the 1977 Bonds, together with other funds were

used to purchase direct obligations of the Federal Government (the "Investment Securities") the principal of and interest on which when due will be sufficient to pay when due: all interest payments on the 1973 Bonds from November 1, 1977 to May 1, 2013 inclusive; and all mandatory sinking fund payments for the 1973 Bonds pursuant to the 1973 Resolution. The 1973 Bonds under the terms of the 1973 Resolution are deemed to be paid and cease to be entitled to any lien, benefit or security under the 1973 Resolution.

The 6% Turnpike System Revenue Bonds, First Series (Refunding), maturing January 1, 2014, are subject to redemption in part on any interest payment date on or after July 1, 1979, and as a whole or in part at any time on or after January 1, 1987, 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 System 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 System Revenue Bond Resolution to charge such tolls as shall be required in order that the annual net revenues (as defined) equal the greater of (i) the sum of debt service on the 1966 Resolution Bonds and the 1977 Resolution Bonds, Maintenance Reserve Payments and Special Project Reserve Payments, or (ii) 1.20 times the debt service payments required on both the 1966 Resolution Bonds and the 1977 Resolution Bonds, and in any event shall make all required deposits in each fund and account under the resolutions, which requirement has been met. Sinking fund installments are due annually commencing January 1, 1980.

The sinking fund installments for all series of the 1966 Resolution Bonds for the annual periods ending November 15, 1979 through 1983 and the sinking fund installments for the 1977 Resolution Bonds for the annual periods ending December 31, 1979 through 1983 are as follows:

	Turnpike revenue bonds	Turnpike system revenue bonds	Total
1979	\$ 7,420,000	970,000	8,390,000
1980	8,180,000	2,025,000	10,205,000
1981	9,215,000	2,145,000	11,360,000
1982	10,015,000	2,275,000	12,290,000
1983	<u>10,850,000</u>	<u>2,410,000</u>	<u>13,260,000</u>

(4) Operations

The Annual Budget of Operating Expenses as filed with the Trustee for the years 1978 and 1977 amounted to \$49,402,000 and \$45,743,000, respectively, as compared with cash disbursements for operating expenses of \$49,290,596 in 1978 and \$45,538,914 in 1977.

(5) Other Charges

Other charges consists of costs of repairs, replacements or maintenance items of a type not recurring annually or at short intervals and are not provided for in budgeted operating expenses. Funds for such purposes were provided from the following sources:

	1978	1977
Maintenance Reserve Fund	\$9,453,000	120,000
General Reserve Fund	—	9,333,000
Special Project Reserve Fund	<u>1,927,000</u>	<u>—</u>

From funds so provided in 1978, and 1977, and from funds allocated for such purposes in prior years, expenditures were made in the amounts of \$13,127,521 and \$8,963,747 in 1978 and 1977, respectively, and are reflected as other charges in the accompanying statements of revenues and expenses.

(6) Net Revenues

Net revenues are defined in the 1966 bond resolution as revenues less amounts paid from Revenue Fund into the Operating Fund. Net revenues for the years ended December 31, 1978 and 1977 are as follows:

	1978	1977
Revenues	\$112,554,747	105,370,653
Payments into Operating Fund	49,402,000	45,743,000
Net Revenues	<u>\$ 63,152,747</u>	<u>59,627,653</u>

(7) General Reserve Fund

Funds accumulated in the General Reserve fund have been allocated, as permitted by the Bond Resolution, 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 replacement of the turnpike system, any turnpike improvement, and studies, surveys, estimates and investigations in connection with any of the fore-

going purposes, and to the Special Project Reserve fund (1977 Resolution). Amounts allocated during the years ended December 31, 1978 and 1977 were as follows:

	1978	1977
Debt Service Fund	\$ —	5,000,000
Special Projects	—	9,333,000
Special Project Reserve Fund	<u>13,127,758</u>	<u>9,374,971</u>
	<u>\$13,127,758</u>	<u>23,707,971</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 payments amounting to \$1,184,778 and \$1,858,243 in 1978 and 1977, respectively, are 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.

(9) Sale of Property

Proceeds from the sale of excess property in 1978 and 1977 amounted to \$595,501 and \$9,789, respectively. Such amounts have been allocated in the same manner as revenues except for \$23,213 in 1978, which is included in the construction account.

(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.

NEW JERSEY TURNPIKE AUTHORITY

Investments

Schedule I

December 31, 1978

	Interest rate	Maturity (notes A, B, E and F)	Par value	Carrying value (note C)
Operating accounts:				
Federal National Mortgage Association discount notes	- %	various	\$ 1,305,000	1,270,774
Federal Home Loan Bank discount notes	-	various	800,000	772,692
			<u>2,105,000</u>	<u>2,043,466</u>
Funds for major improvements, repairs, replacements, maintenance, etc.:				
1966 General revenue bond resolution:				
General reserve fund accounts:				
Special projects:				
Federal Home Loan Bank discount notes	-	various	700,000	675,417
Federal National Mortgage Association	-	Apr. 26, 1979	100,000	96,673
Time deposits	various	various	950,000	950,000
			<u>1,750,000</u>	<u>1,722,090</u>
1977 Special project reserve fund account:				
Certificates of deposit (note E)	various	various	10,900,000	10,900,000
Federal Home Loan Bank discount notes	-	various	1,000,000	960,314
			<u>11,900,000</u>	<u>11,860,314</u>
Maintenance reserve fund:				
Federal Home Loan Bank discount notes	-	various	2,800,000	2,638,760
1952 Bond resolution accounts:				
Federal Home Loan Bank discount notes				
Federal National Mortgage Association discount notes	-	various	700,000	672,825
	-	various	345,000	329,543
			<u>1,045,000</u>	<u>1,002,368</u>
Other funds:				
1966 General reserve bond resolution:				
Bond interest fund:				
Time deposit	10.875	Jun. 29, 1979	2,702,077	2,702,077
Bond reserve fund:				
Time deposits	various	various	5,433,250	5,433,250
Treasury notes	6.25	Nov. 15, 1979	20,000,000	19,332,873
Federal Intermediate Credit Banks	6.95	Jan. 5, 1987	10,000,000	8,826,624
			<u>35,433,250</u>	<u>33,592,747</u>
1977 Turnpike system revenue bond resolution:				
Debt service fund:				
Certificate of deposit (note E)	10.4	Jan. 2, 1979	3,334,447	3,334,447
Debt reserve fund:				
Certificate of deposit (note E)	8.65	Jun. 29, 1979	242,338	242,338
Treasury notes	6.125	Jun. 30, 1979	12,130,000	11,868,447
			<u>12,372,338</u>	<u>12,110,785</u>
Special project reserve fund:				
Certificates of deposit (note E)	various	various	8,500,000	8,500,000
Federal Home Loan Bank discount notes	-	various	800,000	764,956
Federal National Mortgage Association discount notes	-	various	3,500,000	3,331,039
			<u>12,800,000</u>	<u>12,595,995</u>
Construction accounts:				
1966 General revenue bond resolution:				
Construction accounts:				
Federal Home Loan Bank discount notes	-	Apr. 16, 1979	100,000	96,262
Federal National Mortgage Association discount notes	-	May 2, 1979	300,000	285,300
			<u>400,000</u>	<u>381,562</u>
Special projects:				
Certificates of deposit (note E)	various	various	1,600,000	1,600,000
Federal Home Loan Bank discount notes	-	various	2,100,000	1,989,333
			<u>3,700,000</u>	<u>3,589,333</u>
General reserve fund accounts:				
Time deposits	various	various	415,000	415,000
Federal National Mortgage Association discount notes	-	various	275,000	253,844
			<u>690,000</u>	<u>668,844</u>
1971 General note resolution construction account:				
Certificates of deposit (note E)	various	various	850,000	850,000
Federal Home Loan Bank discount notes	-	May 23, 1979	400,000	380,480
Federal National Mortgage Association discount notes	-	Jun. 8, 1979	150,000	140,978
			<u>1,400,000</u>	<u>1,371,458</u>
1973 Improvement revenue bond resolution construction account:				
Certificates of deposit (note E)	various	various	15,100,000	15,100,000
Federal National Mortgage Association discount notes	-	various	1,750,000	1,644,921
Federal Home Loan Bank discount notes	-	various	3,000,000	2,821,483
Federal Home Loan Bank bonds	8.15	Nov. 26, 1979	1,000,000	999,375
			<u>20,850,000</u>	<u>20,565,779</u>
1952 Bond resolution construction account:				
Federal National Mortgage Association discount notes	-	Nov. 9, 1979	225,000	203,408
			<u>225,000</u>	<u>203,408</u>
			<u>\$ 113,507,112</u>	<u>110,383,433</u>

Notes:

- (A) Federal Home Loan Bank discount notes and Federal National Mortgage Association discount notes mature periodically to November 9, 1979.
- (B) United States Treasury notes, which total \$31,201,320, bear interest at annual rates of 6.125% to 6.25% and mature periodically to November 15, 1979.
- (C) Investments have been valued at lower of cost or the principal amount thereof, except for investments in the Bond Reserve Fund and the 1977 Revenue System Debt Reserve Fund which are valued at the lower of cost or market as of December 1.
- (D) As of December 31, 1978, the carrying value of investments approximated market value.
- (E) Certificates of deposit bear interest at annual rates of 8.4% to 11.25% and mature periodically to September 26, 1979. The certificates, which total \$40,526,785, were issued by the following banks - First National State Bank of New Jersey, \$33,026,785; Midlantic National Bank, \$3,900,000; Manufacturers Hanover Trust Co., \$3,600,000. Where required, such certificates are secured by a pledge of direct obligations of the United States in appropriate amounts required by the bond resolutions.
- (F) Time deposits bear interest at annual rates of 8.30% to 11.25% and mature periodically to June 26, 1979. The time deposits, which total \$9,500,327, are held by the following banks - The Chase Manhattan Bank, N.A., \$8,950,327 and The First National Bank of New Jersey, \$550,000.

NEW JERSEY TURNPIKE AUTHORITY

Summary of Funds for Major Improvements, Repairs, Replacements, Maintenance, etc.

December 31, 1978 and 1977

	1977 Bond resolution special projects reserve fund account	1966 Bond resolution		1952 Bond resolution accounts	Total	
		General reserve fund special projects	Main- tenance reserve fund		1978	1977
<u>Assets</u>						
Cash	\$ 85,334	34,713	140,571	29,244	289,862	583,103
Investments	11,860,314	1,722,090	2,638,760	1,002,368	17,223,532	8,402,703
Accounts receivable	-	12,075	369,895	17,448	399,418	326,042
Deposits in condemnation cases	-	-	-	32,070	32,070	32,070
	<u>\$ 11,945,648</u>	<u>1,768,878</u>	<u>3,149,226</u>	<u>1,081,130</u>	<u>17,944,882</u>	<u>9,343,918</u>
<u>Liabilities</u>						
Amounts retained from contractors and engineers	\$ -	68,276	354,681	53,369	476,326	468,898

NEW JERSEY TURNPIKE AUTHORITY

Other Funds

December 31, 1978 and 1977

	Cash on deposit with Trustee, Special Trustee and bank	<u>Investments</u>	<u>Liabilities</u>	<u>Fund balance December 31,</u>	
				<u>1978</u>	<u>1977</u>
Revenue fund (note A)	\$ 10,496,561	-	-	10,496,561	9,298,998
General revenue bond resolution:					
Bond interest fund (note B)	39,318	2,702,077	7,888	2,733,507	2,768,303
Bond reserve fund	-	33,592,747	-	33,592,747	33,564,500
Sinking fund	276,877	-	-	276,877	341,576
General reserve fund account:					
Bond redemption accounts	9,717	-	-	9,717	9,717
	<u>325,912</u>	<u>36,294,824</u>	<u>7,888</u>	<u>36,612,848</u>	<u>36,684,096</u>
Turnpike system revenue bond resolution:					
Debt service fund	2,738,003	3,334,447	6,072,450	-	12,089,443
Debt reserve fund	34,115	12,110,785	-	12,144,900	12,025,495
Special project reserve fund	545,658	12,595,995	-	13,141,653	12,537,447
	<u>3,317,776</u>	<u>28,041,227</u>	<u>6,072,450</u>	<u>25,286,553</u>	<u>36,652,385</u>
	<u>\$ 14,140,249</u>	<u>64,336,051</u>	<u>6,080,338</u>	<u>72,395,962</u>	<u>82,635,479</u>

Notes:

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

(B) \$7,888 represents accrued interest on \$320,000 of Turnpike Revenue Bonds purchased but undelivered at December 31, 1978.

NEW JERSEY TURNPIKE AUTHORITY

Summary of Construction Accounts

December 31, 1978 and 1977

	<u>1966 Bond resolution</u>			1971	1973	1952		<u>Total</u>	
	<u>Construction</u>	<u>Special</u>	<u>General</u>	<u>General</u>	<u>Improvement</u>	<u>Bond</u>	<u>1978</u>	<u>1977</u>	
<u>Assets</u>	<u>accounts</u>	<u>projects</u>	<u>reserve</u>	<u>note</u>	<u>revenue bond</u>	<u>Bond</u>			
			<u>fund</u>	<u>resolution</u>	<u>con-</u>	<u>resolution</u>			
			<u>accounts</u>	<u>construction</u>	<u>struction</u>	<u>construction</u>			
				<u>account</u>	<u>account</u>	<u>account</u>			
Cash	\$ 85,762	80,986	31,395	88,728	67,869	18,558	373,298	149,230	
Investments	381,562	3,589,333	668,844	1,371,458	20,565,779	203,408	26,780,384	27,082,783	
Accounts receivable	758,253	-	-	24,124	83,658	-	866,035	124,541	
Deposits in condemnation cases, including investments of \$2,900,284	<u>2,853,137</u>	<u>-</u>	<u>-</u>	<u>350,729</u>	<u>22,120</u>	<u>-</u>	<u>3,225,986</u>	<u>3,655,287</u>	
	<u>\$ 4,078,714</u>	<u>3,670,319</u>	<u>700,239</u>	<u>1,835,039</u>	<u>20,739,426</u>	<u>221,966</u>	<u>31,245,703</u>	<u>31,011,841</u>	
<u>Liabilities</u>									
Amounts retained from con- tractors and engineers	<u>\$ 193,039</u>	<u>2,590</u>	<u>-</u>	<u>95,743</u>	<u>21,213</u>	<u>-</u>	<u>312,585</u>	<u>585,798</u>	

NEW JERSEY TURNPIKE AUTHORITY

Bond Indebtedness

December 31, 1978 and 1977

	Original amount authorized and issued	Refunded or acquired and cancelled in prior years	Amount outstanding Dec. 31, 1977	Acquired and cancelled during 1978	Amount outstanding Dec. 31, 1978
Turnpike revenue bonds:					
Series A, 4-3/4% (1966 issue), maturing January 1, 2006	\$ 179,000,000	1,935,000	177,065,000	3,465,000	173,600,000
Series B, 5-1/8% (1968 issue), maturing January 1, 2008	75,000,000	745,000	74,255,000	605,000	73,650,000
Series C, 5.20% (1968 issue), maturing January 1, 2008	125,000,000	1,405,000	123,595,000	2,045,000	121,550,000
Series D, 5-3/4% (1969 issue), maturing January 1, 2008	60,000,000	550,000	59,450,000	790,000	58,660,000
Series E, 5-7/8% (1969 issue), maturing January 1, 2008	40,000,000	375,000	39,625,000	570,000	39,055,000
Series F, 7% (1969 issue), maturing January 1, 2009	137,000,000	137,000,000	-	-	-
Series G, 5-3/4% (1972 refunding issue), maturing January 1, 2009	<u>155,100,000</u>	<u>2,115,000</u>	<u>152,985,000</u>	<u>445,000</u>	<u>152,540,000</u>
	<u>771,100,000</u>	<u>144,125,000</u>	<u>626,975,000</u>	<u>7,920,000</u>	<u>619,055,000</u>
Turnpike improvement revenue bonds:					
First series, 5.70% (1973 issue), maturing May 1, 2013	<u>210,000,000</u>	<u>210,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
General revenue bonds:					
Turnpike revenue bonds (1950 issue), 3-1/4%, maturing January 1, 1985	220,000,000	220,000,000	-	-	-
Turnpike revenue bonds (1951 issue), 3.20%, 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>
Second series revenue bonds	<u>211,200,000</u>	<u>211,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Turnpike notes:					
Series A, 4-5/8% (1971 issue), matured January 1, 1975	<u>125,500,000</u>	<u>125,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Turnpike system revenue bonds:					
First series, 6% (refunding), maturing January 1, 2014	<u>202,415,000</u>	<u>-</u>	<u>202,415,000</u>	<u>-</u>	<u>202,415,000</u>
	<u>\$ 1,775,215,000</u>	<u>945,825,000</u>	<u>829,390,000</u>	<u>7,920,000</u>	<u>821,470,000</u>

Note - At December 31, 1978, bond and note indebtedness totaling \$953,745,000 had been retired from the following sources:

Revenues	\$ 463,055,818
Excess construction funds, bond proceeds and miscellaneous receipts allocated as revenues	18,189,182
Issuance of Series G (refunding issue) Turnpike Revenue Bonds to refund the Series F bonds for redemption on January 1, 1979	137,000,000
Portion of proceeds of the 1973 Turnpike Improvement Revenue Bonds used to retire Turnpike notes, Series A	125,500,000
Issuance of Turnpike System Revenue Bonds, first series (refunding) to refund the 5.70% Turnpike Improvement Revenue Bonds, first series, for retirement in accordance with sinking fund install- ment established at the time of their issuance	<u>210,000,000</u>
	<u>\$ 953,745,000</u>

NEW JERSEY TURNPIKE AUTHORITY

Cash Receipts and Disbursements

Years ended December 31, 1978 and 1977

	Funds for major improvements, repairs, replacements, maintenance, etc.							Revenue fund	Bond interest fund
	Combined total	Operating accounts	1966 Bond resolution			1952 Bond resolution accounts			
			1977 Bond resolution accounts	General reserve fund special projects	Mainte- nance reserve fund				
Cash balances, December 31, 1977	\$ 12,209,217	1,679,885	-	496,128	35,998	50,977	9,298,998	9,788	
Receipts:									
Revenues (including income of \$6,465,369 on investments)	113,550,543	370,169	422,774	245,036	191,613	76,215	107,233,736	802,993	
Transfers of income on investments	-	(370,169)	(422,774)	(245,036)	(191,613)	(76,215)	6,316,808	(802,993)	
Transfers from revenue fund	-	49,402,000	-	-	9,453,000	-	(112,352,981)	32,376,057	
Sale or redemption of investments	242,613,758	46,189,159	10,384,415	16,524,205	14,143,022	4,908,352	-	32,911,356	
Income on construction investments	1,831,441	-	-	-	-	-	-	-	
Transfer of funds	-	-	2,195,445	-	-	-	-	-	
Proceeds from sale of property	595,501	-	-	-	-	-	-	572,288	
Reimbursements of construction costs and other recoveries	387,148	-	-	111,748	79,953	71,274	-	-	
Deposits in condemnation	145,365	-	-	-	-	-	-	-	
Workers' compensation and unemployment funds	232,491	232,491	-	-	-	-	-	-	
	<u>359,356,247</u>	<u>95,823,650</u>	<u>12,579,860</u>	<u>16,635,953</u>	<u>23,675,975</u>	<u>4,979,626</u>	<u>1,197,563</u>	<u>65,859,701</u>	
Disbursements:									
Operating expenses	49,290,596	49,290,596	-	-	-	-	-	-	
Interest on bond indebtedness	47,152,788	-	-	-	-	-	-	32,983,738	
Purchase of investments including accrued interest	237,302,796	47,833,369	12,105,527	13,085,563	15,048,485	4,402,045	-	32,846,433	
Retirement of bond indebtedness	6,987,002	-	-	-	-	-	-	-	
Cost of construction, studies, major repairs, reimbursable costs	15,649,303	-	388,999	4,011,805	8,522,917	599,314	-	-	
	<u>356,382,485</u>	<u>97,123,965</u>	<u>12,494,526</u>	<u>17,097,368</u>	<u>23,571,402</u>	<u>5,001,359</u>	<u>-</u>	<u>65,830,171</u>	
Cash balances, December 31, 1978	\$ 15,182,979	379,570	85,334	34,713	140,571	29,244	10,496,561	39,318	

Depositories	Cash balance	Market value of securities pledged to secure deposits
Operating accounts:		
First Jersey National Bank	\$ 147,610	2,128,125
The Peoples National Bank of Central Jersey	152,693	1,727,725
Valley National Bank	6,717	775,300
Toll collectors' and other imprest funds	72,550	-
Revenue fund:		
Fidelity Union Trust Company	2,841,224	8,796,750
The National State Bank	7,655,337	11,541,505
1971 General note resolution accounts:		
Midlantic National Bank	88,728	228,750
Balance carried forward	\$ 10,964,859	25,198,155

Other funds							Construction accounts					
Bond reserve fund	Sinking fund accounts	General reserve fund	General reserve fund bond redemption accounts	Debt service fund	Debt reserve fund	Special projects reserve fund	1966 Bond resolution		1971		1973	
							Construction fund	Special projects	General reserve fund accounts	General note resolution construction fund	Improvement revenue bond resolution construction fund	1952 Bond resolution construction fund
-	341,576	-	9,717	94,460	39,539	2,921	13,166	17,212	13,781	29,933	66,104	9,034
2,232,302	-	-	-	704,945	748,089	461,690	-	-	46,144	-	-	14,837
(2,232,302)	-	-	-	(704,945)	(748,089)	(461,691)	-	-	(46,144)	-	-	(14,837)
1,071,863	6,922,303	13,127,758	-	-	-	-	-	-	-	-	-	-
5,052,000	-	-	-	20,335,959	158,944	16,770,086	1,024,598	12,209,476	2,002,393	5,590,114	53,984,516	425,163
28,247	-	-	-	48,010	-	-	128,599	200,322	-	98,161	1,328,102	-
-	-	(13,127,758)	-	(48,010)	236,914	10,743,409	500,000	-	-	-	(500,000)	-
-	-	-	-	-	-	-	23,213	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	124,173	-
-	-	-	-	-	-	-	135,000	-	-	3,750	6,615	-
-	-	-	-	-	-	-	-	-	-	-	-	-
<u>6,152,110</u>	<u>6,922,303</u>	<u>-</u>	<u>-</u>	<u>20,335,959</u>	<u>395,858</u>	<u>27,513,494</u>	<u>1,811,410</u>	<u>12,409,798</u>	<u>2,002,393</u>	<u>5,692,025</u>	<u>54,943,406</u>	<u>425,163</u>
-	-	-	-	14,169,050	-	-	-	-	-	-	-	-
6,152,110	-	-	-	3,523,366	401,282	26,970,757	1,162,577	12,221,992	1,923,498	5,101,516	54,108,637	415,639
-	6,987,002	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	576,237	124,032	61,281	531,714	833,004	-
<u>6,152,110</u>	<u>6,987,002</u>	<u>-</u>	<u>-</u>	<u>17,692,416</u>	<u>401,282</u>	<u>26,970,757</u>	<u>1,738,814</u>	<u>12,346,024</u>	<u>1,984,779</u>	<u>5,633,230</u>	<u>54,941,641</u>	<u>415,639</u>
-	276,877	-	9,717	2,738,003	34,115	545,658	85,762	80,986	31,395	88,728	67,869	18,558

Depositories	Cash balance	Market value of securities pledged to secure deposits
Balance brought forward	\$ 10,964,859	25,198,155
1973 Improvement revenue bond and Turnpike system revenue bond accounts:		
First National State Bank of New Jersey	3,470,979	5,027,969
All other funds:		
Franklin State Bank	140,571	1,106,625
First National Bank of New Jersey	52,062	4,610,937
National Community Bank	9,252	1,496,706
The Chase Manhattan Bank, N.A.	545,256	16,463,687
	<u>\$ 15,182,979</u>	<u>53,904,079</u>

NEW JERSEY TURNPIKE AUTHORITY

Toll Revenue

Years ended December 31, 1978 and 1977

Schedule 7

Class	Description	1978		1977	
		Toll revenue	Vehicles	Toll revenue	Vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 64,624,739	101,976,264	\$ 61,318,508	96,142,172
2	Vehicles having two axles other than type described under Class 1	5,911,917	5,688,228	5,636,553	5,418,696
3	Vehicle (vehicles), single or in combination, having three axles	3,144,047	2,061,174	3,107,723	1,996,022
4	Vehicle (vehicles), single or in combination, having four axles	6,946,110	3,474,341	6,724,087	3,341,606
5	Vehicle (vehicles), single or in combination, having five axles	20,211,479	7,410,226	18,317,001	6,754,706
6	Vehicle (vehicles), single or in combination, having six or more axles	36,690	12,528	30,028	10,813
	Non-revenue vehicles*	-	556,717	-	528,340
		100,874,982	121,179,478	95,133,900	114,192,355
	Deduct toll adjustments	37,262		22,114	
		\$ 100,837,720		\$ 95,111,786	

*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.

