

A.C. EXPRESSWAY
CONNECTOR
GRAND OPENING



2001 *Annual Report*



Table of Contents

Commissioners	Pages 2-3
Letter of Transmittal from Board Chairman	Page 4
Letter of Transmittal from Executive Director	Page 5
Year of Growth and Challenge	Page 6
Grand Opening Atlantic City Expressway Connector	Page 6-7
• Milestones	Page 7
• Connector Facility Profile	Page 7
Atlantic City Expressway	Page 8-9
• Record Breaking Year.	Page 8
• Atlantic City Expressway Annual Traffic Comparison Chart	Page 8
• The Atlantic City Expressway Lane Reversal Exercise	Page 8
• Atlantic City Expressway Toll Revenue, 1980-2001.	Page 9
• Pinelands Interpretive Center.	Page 9
• South Jersey Traffic Safety Alliance.	Page 9
• Atlantic City Expressway Annual Toll Traffic and Revenue	Page 9
Atlantic City International Airport	Page 10-11
• September 11, 2001 Impact on Air Travel.	Page 10
• Rebuilding Confidence in Air Travel.	Page 10
• Atlantic City International Airport Passenger Counts	Page 10
• New Airport Paved and Lighted Parking.	Page 11
• Runway 13-31 and Taxiway -B- Rehabilitated.	Page 11
• Tri-Annual Drill.	Page 11
• Urban Search & Rescue Team	Page 11
• Atlantic City International Airport Aircraft Operations.	Page 11
Tourist Services.	Page 12-13
• Bus Safety Training and Enforcement.	Page 12
• Casino Bus and Passenger Counts	Page 12
• Bus Management Operations	Page 12
• SJTA 11th Annual Bus Rodeo	Page 12
• SJTA Works With Other Agencies to Improve Safety	Page 13
• Planning.	Page 13
• Economic Development	Page 13
Traffic and Operational Data	Page 14-17
• Atlantic City Expressway Toll Schedule.	Page 14
• E-ZPass Usage as a Percent of Total Traffic.	Page 14
• Atlantic City Expressway Enforcement and Incident Statistics	Page 14
• Egg Harbor Toll Barrier/Monthly Toll Paying Vehicles	Page 15
• Pleasantville Toll Barrier/Monthly Toll Paying Vehicles.	Page 15
• Atlantic City International Airport Average Monthly Parking Statistics	Page 16
• Atlantic City International Airport 2001 All Passengers	Page 16
• 2001 Operating Expenses	Page 17
• 2001 Operating Revenues	Page 17
Report of Audit	Page 18-48
• Introduction	Page 18
• Table of Contents	Page 19

On the front cover: Photographs of the Grand Opening Celebration of the Atlantic City Connector, July 27, 2001. The connector opened for traffic, July 31, 2001.
Inside front cover: A photograph of the public invited to walk through the tunnel prior to the grand opening.
On the wrap around back cover: The Atlantic City International Airport with the new surface parking, completed December 2001.

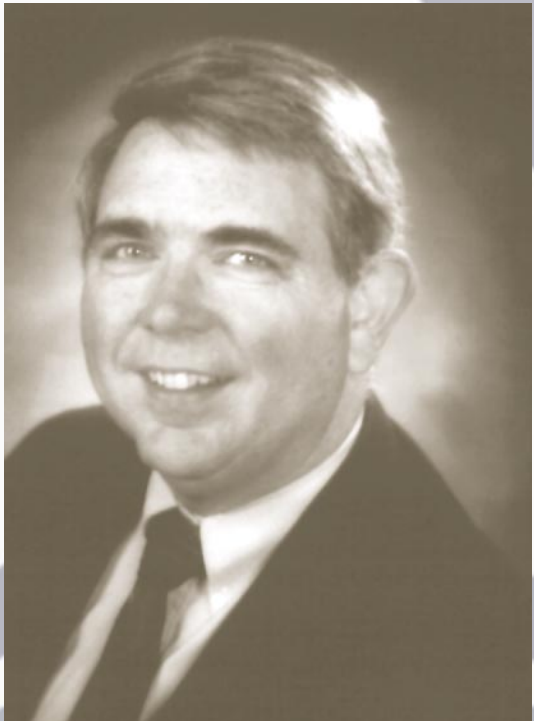


The Honorable James E. McGreevey
Governor of New Jersey

*Commissioners
of the
South Jersey
Transportation
Authority*



Stanley R. Glassey
Authority Chairman



James A. Crawford
Executive Director



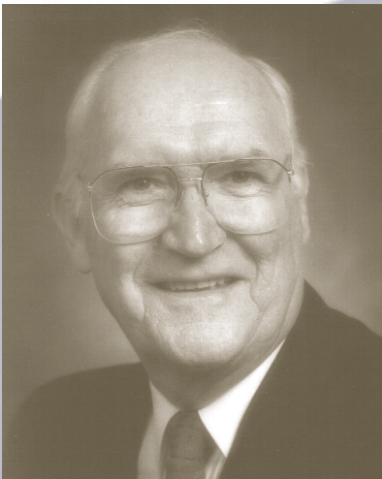
Charles J. DePalma
Vice Chairman



Carl W. Block



James Michael Dwyer



Charles E. Owens



Louis Toscano



Rev. James Washington



James P. Fox
NJDOT



Rev. William Watley
NJCC



Frank Spencer

Commissioners DePalma died in February before completing his term. Commissioner Frank Spencer was appointed to fill the vacancy.



James E. McGreevey
Governor

Stanley R. Glassey
Chairman

***SOUTH JERSEY
TRANSPORTATION AUTHORITY***

**FARLEY SERVICE PLAZA • P.O. BOX 351
HAMMONTON, N.J. 08037**

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

James A. Crawford
Executive Director

It has been my privilege to serve as Chairman of the South Jersey Transportation Authority, (SJTA) for the past seven years. Much has been accomplished in these years following the creation of the Authority by the New Jersey Legislature in 1991. The mission at that time was to unite the operations of the New Jersey Expressway Authority, Atlantic County Transportation Authority and the Atlantic City International Airport into one efficient organizational structure.

The region has grown rapidly and along with it, the transportation needs of Southern New Jersey. The SJTA has responded to the many challenges and opportunities by providing leadership and vision in a dynamic marketplace.

I am proud to report the accomplishments of the South Jersey Transportation Authority for 2001. This year will be remembered as one with unparalleled growth, accomplishments and challenge. They are chronicled in this report.

The year has been filled with many challenges as our nation responds to the attacks on our country and its institutions. The task of managing a complex transportation network has been made more difficult. I am proud to report that the men and women of the SJTA are up the challenge. They have demonstrated a resilience and commitment to find solutions where needed and adapt when necessary. The transportation network in Southern New Jersey is in good hands. The future will bring even more innovations, growth and technology advances to our region.

I salute my fellow Commissioners and thank them for the honor of serving as their Chairman during an unparalleled period of growth and accomplishment.

Respectfully submitted,

Stanley R. Glassey
Stanley R. Glassey
Chairman



James E. McGreevey
Governor

Stanley R. Glassey
Chairman

***SOUTH JERSEY
TRANSPORTATION AUTHORITY***

**FARLEY SERVICE PLAZA • P.O. BOX 351
HAMMONTON, N.J. 08037**

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

James A. Crawford
Executive Director

The Atlantic City Expressway Connector opened to traffic July 31, 2001, exactly thirty-seven years to the day, following the opening of the first thirty-seven miles of the new Atlantic City Expressway. The \$330 million Connector project was completed within budget and was the largest public/private partnership in the State of New Jersey.

The vision in 1997 was to create a direct connection between the Expressway and the Marina District and Brigantine Island. The creation of this new Connector would serve as a catalyst to secure more than \$1-billion of construction in the area and produce tens of thousands of construction, gaming industry and related jobs. Another goal was to substantially improve travel to and from Brigantine.

Since 1997, the \$1-billion Borgata Resort & Spa is rapidly approaching completion, for a summer of 2003 opening. Harrah's Casino Hotel completed a \$200 million expansion. Many projects at other Atlantic City Casinos worth \$100's of millions were initiated in anticipation of the new competition. Thousands of jobs have been created with more on the horizon with MGM announcing a \$2.5 billion new Casino Hotel in the Marina District.

Our mission at the South Jersey Transportation Authority includes nurturing growth through transportation related projects. We will continue to seek out opportunities to participate in projects that accomplish this goal.

The opening of the new 1,500-space parking lot at the airport helps to make the Atlantic City International Airport more desirable to airlines seeking new cities to serve. Build it and they will come.

The South Jersey Transportation Authority stands ready to implement new projects to prepare the transportation network for the rapid growth anticipated in Southern New Jersey

The future is now.

Respectfully submitted,

James A. Crawford
James A Crawford
Executive Director

2001 A Year of Growth and Challenge

This year will go down in history as one of unparalleled accomplishments and challenges. The two major events that dominated all others were the Grand Opening of the Atlantic City Expressway Connector and the catastrophic consequences of the terrorist attacks on New York and Washington, D.C. on September 11, 2001.

The Connector grand opening was the culmination of six years planning and construction that significantly expanded the Atlantic City Expressway. The Connector opened thirty seven years to the day following the grand opening of the first thirty-seven miles of roadway.

The terrorist attacks on September 11, 2001 had a major impact on our entire society and economy. The consequences will be studied for years to come. The travel pattern of the public dramatically shifted as every mode of transportation was affected in some way.

The Atlantic City Airport, the Atlantic City Expressway and the Charter Bus Operations were impacted dramatically. The traveling public immediately reduced air travel and chose alternate transportation modes including automobile and rail. The national, state and local governmental authorities moved forward to secure our airports and give the public confidence in air travel to begin to rebuild the air system.

During the challenge and adversity the SJTA continued to make progress and can report an impressive array of achievements.

Connector Project Milestones

- January 1997: NJDOT, SJTA, and Mirage sign Road Development Agreement
- October 1997: Closing of the \$125 million escrow loan from CoreStates Bank N.A. Award of the design/build contract to Yonkers / Granite Construction
- October 30, 1998: Complete the right-of-way acquisition
- October 30, 1998: Received CAFRA permit
- November 1998: Groundbreaking
- March 1999: Begin spending SJTA's \$125 million escrowed Project Fund
- September 2000 Construction of Borgata began
- July 27, 2001: Grand Opening Celebration
- July 31, 2001: Connector opened for traffic

Connector - Facility Profile

LocationIn Atlantic City, beginning at milepost 0.0 northbound to milepost CN 2.3 on the Atlantic City Expressway connecting with the City of Brigantine

Cost:.....\$330 million

Statistics:.....2.3 miles, including a 2,200 foot long tunnel.
The Connector has 10 bridges and 15 ramps

Current Vehicle Count:.....Average of 25,000 vehicles per day both north and southbound

Connector Surveillance Systems:.....Six Video Imaging Detector Cameras with pan/tilt/zoom mounts permitting 100% surveillance on the Connector's open roadway. Operations Control Center Traffic monitored 24 hours per day from the Operations Control Center

Over Height Detectors:.....Infrared height detectors with alarm activation

Connector Sign Systems:.....Changeable Message Signs with fixed messages and Variable Message Signs to be used to alert motorists of changing conditions

Tunnel Traffic & Environmental Monitoring Systems:.....Nineteen Closed Circuit Television Cameras monitor the entire tunnel in all directions. Carbon Monoxide Monitors continuously monitors the carbon monoxide levels within the tunnel

Heat Detection:.....Linear thermal heat detection system provides alarm when temperature exceeds 140 degrees Fahrenheit

Tunnel Life Safety System:.....The tunnel ventilation system is comprised of jet fans that provide an array of air quality management functions in the event of an emergency inside the tunnel. They can remove toxic gases and introduce fresh air into the tubes

Collage of photos of the Grand Opening festivities.
The day was enjoyed by thousands of families and visitors.

Grand Opening Atlantic City Expressway Connector

The Connector

The Connector is a section of road that directly connects the Atlantic City Expressway with the Atlantic City Convention Center, Route 30, the Marina District and the Island of Brigantine.

The partners in this project, the NJDOT, SJTA, CRDA, and the MGM MIRAGE had specific goals:

- Easy access to and from the new Convention Center
- The reduction of traffic on the existing roadway system
 - Create a direct route to and from the Atlantic City Expressway to the Island of Brigantine and the Marina District of Atlantic City
 - Improve the emergency evacuation route from the Island of Brigantine
 - Improve the traffic flow on Routes 30, 87 and 187
 - Improve access and egress to the Farley Marina
 - Facilitate traffic flow to the uptown Boardwalk area
- Provide improved access for the current and future expansion of the Marina area

The Atlantic City Connector Grand Opening Ribbon Cutting.

S.J.T.A. Executive Director James A. Crawford being interviewed by Dick Sheeran KYW-TV during Grand Opening Ceremonies.



Atlantic City Expressway

Record Breaking Year

The Atlantic City Expressway continues to grow and serve the transportation needs of Southern New Jersey. During the year 2001, many records fell and new ones were generated. The last four months of 2001 resulted in a surge of toll paying vehicles. There were many reasons for the increase, including the public's shifting travel preference to use automobiles for short to mid range trips, the unseasonably warm weather and special events in Atlantic City. The new Interchange #41 at Berlin-Cross Keys Road and the Connector generated new traffic and revenue also. December alone finished 19.5% ahead of the previous year. The year ended with a record breaking 54,415,354 toll-paying vehicles and a 5.62% increase over the previous year.

The Atlantic City Expressway saw it's One-Billionth toll paying vehicle travel on the roadway during the month of May 2001. This was another milestone for the roadway.

ATLANTIC CITY EXPRESSWAY: ANNUAL TRAFFIC INCREASE OR DECREASE AT EACH TOLL AREA

YEAR	PLEASANTVILLE	POMONA	MAYS LANDING	EGG HARBOR	HAMMONTON	WINSLOW	WILLIAMSTOWN	BERLIN CROSS KEYS •	TOTAL EXPRESSWAY
2001	4.61%	4.59%	13.64%	5.28%	4.99%	8.19%	2.58%	100%	5.6%
2000	0.01%	8.90%	9.10%	2.40%	10.90%	18.90%	11.30%		5.5%
1999	-6.1%	-11.3%	-9.9%	5.6%	6.7%	2.1%	2.4%		-3.2%
1998	3.5%	2.7%	5.6%	2.6%	5.2%	5.5%	1.7%		6.6%
1997	1.5%	99.3%	13.4%	4.7%	4.5%	5.0%	6.5%		-2.9%
1996	-7.6%	34.8%	-1.3%	0.1%	0.6%	1.2%	4.6%		-0.9%
1995	-2.8%	-5.2%	-0.8%	2.6%	-2.3%	-0.3%	-0.4%		3.8%
1994	4.4%	4.7%	2.4%	2.9%	2.1%	6.2%	5.3%		3.0%
1993	4.0%	6.8%	-0.4%	3.1%	0.5%	4.1%	-1.1%		4.1%
1992	5.1%	8.2%	8.1%	1.6%	4.5%	3.0%	3.7%		-4.3%
1991	-5.9%	-5.4%	-7.1%	-2.5%	-2.0%	-2.4%	3.6%		2.6%
1990	3.2%	5.0%	5.3%	1.4%	-3.1%	2.6%	2.4%		3.8%
1989	4.6%	9.8%	9.2%	1.0%	1.6%	9.7%	4.3%		6.2%
1988	5.1%	30.2%	22.9%	4.0%	1.8%	7.2%	7.8%		7.6%
1987	5.6%	49.7%	6.0%	8.7%	7.4%	1.8%	14.1%		3.8%
1986	0.7%	13.0%	9.0%	4.5%	9.8%	17.9%	20.8%		1.2%
1985	-2.1%	219.2%	-3.0%	3.1%	7.8%	7.7%	14.2%		16.4%
1984	19.3%		33.5%	9.1%	5.1%	11.7%	16.6%		13.6%
1983	15.5%		21.0%	10.9%	9.8%	8.2%	8.6%		11.5%
1982	13.9%		12.3%	7.9%	6.3%	9.1%	15.9%		19.5%
1981	25.1%		34.0%	13.1%	8.9%	11.4%	8.5%		29.9%
1980	35.0%		48.9%	27.0%	6.4%	10.4%	14.5%		25.6%
1979	42.9%		48.6%	11.2%	0.4%	16.7%	18.6%		24.6%
1978	38.9%		27.1%	15.7%	6.3%	16.7%	22.4%		11.1%
1977	11.9%		7.9%	10.3%	6.1%	15.2%	19.9%		10.7%
1976	10.0%		23.9%	10.9%	11.4%	12.3%	6.2%		5.3%
1975	3.1%		-11.6%	5.4%	11.5%	19.1%	22.5%		-13.1%
1974	-9.4%		-14.6%	-5.9%	-10.0%	-9.9%	-31.6%		7.0%
1973	1.7%		7.7%	10.9%	2.4%	-8.0%	20.8%		1.6%
1972	-5.5%		-6.3%	3.2%	10.3%	13.8%	57.5%		3.4%
1971	-0.7%		0.7%	1.8%	28.6%	11.6%	76.3%		6.8%
1970	2.4%		6.1%	6.4%	75.7%	-10.5%	52.3%		7.3%
1969	6.5%		29.8%	4.1%	55.1%	2.0%	54.3%		6.2%
1968	3.8%		71.0%	6.0%	6.9%	7.8%	12.7%		4.7%
1967	6.7%		6.0%	2.1%	9.8%	14.6%	12.4%		

The Atlantic City Expressway Lane Reversal Exercise

On May 31, 2001 the Atlantic City Expressway tested the “Emergency Evacuation Plan” to evacuate the coastal communities in the event of an emergency. Emergency conditions, such as a hurricane, that pose a threat to the health and safety of visitors and residents of the barrier islands could activate the procedures tested. A lane reversal of the Atlantic City Expressway would significantly reduce the evacuation time from Atlantic City.

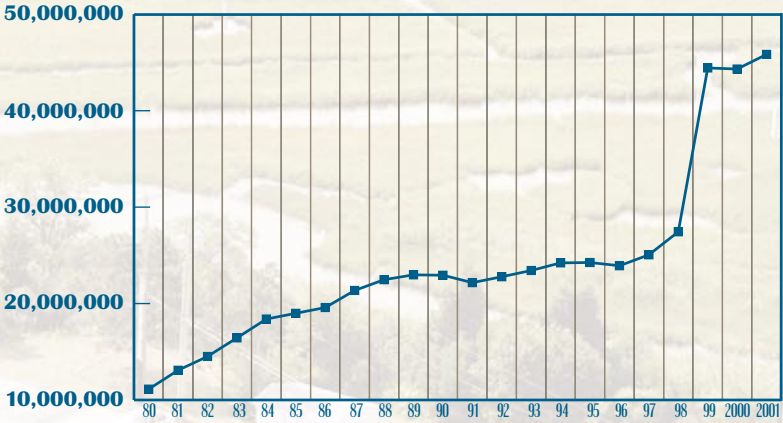
The Primary Agencies were: The New Jersey State Police, The South Jersey Transportation Authority, The Garden State Parkway, NJDOT, New Jersey Office of Emergency Management.

The Supporting Agencies were: Atlantic County OEM, Camden County OEM, Gloucester County OEM, New Jersey Transit, Host Marriott Services, Bell Atlantic, Atlantic City Police, Pleasantville Police, Egg Harbor Township Police, Hamilton Township Police, Town of Hamilton Police, Gloucester Township Police, Winslow Township Police, Local Fire & EMS Services and Local Shelters.

Highway Improvements

The Atlantic City Expressway high standard of maintenance continued with the resurfacing of the highway from mileposts 44 to 33 eastbound. Three concrete toll lanes were replaced at the Egg Harbor and Pleasantville Toll Plazas.

Atlantic City Expressway Toll Revenue, 1980-2001



Pinelands Interpretive Center

A new area for the public to enjoy was added to the Atlantic City Expressway in 2001. The Pinelands Interpretive Center located at the Farley Travel Plaza provides both a beautiful area to relax and an opportunity to learn about the indigenous trees and vegetation found in the Pinelands.

South Jersey Traffic Safety Alliance

The South Jersey Traffic Safety Alliance was conceived by Atlantic County, the New Jersey Office of Highway Safety (NJHTS) and the South Jersey Transportation Planning Organization (SJTPO) to assist counties and municipalities with traffic safety programs, education, special events and planning. The South Jersey Transportation Authority in June of 2001 was presented with an award of appreciation for outstanding contribution to traffic safety.

ATLANTIC CITY EXPRESSWAY ANNUAL TOLL TRAFFIC AND REVENUE

Calendar Year	Toll Traffic	Toll Revenue (1)	Total SJTA Revenue	Percent from Tolls	Toll Revenue PerVehicle
1964 (2)	1,014,548	\$ 741,668	\$ 745,802	99.4%	\$ 0.73
1965	4,007,164	2,253,755	2,296,807	98.1	0.56
1966	6,096,547	3,268,444	3,416,512	95.7	0.54
1967	6,380,080	3,616,908	3,482,843	94.1	0.57
1968	6,773,838	4,005,455	4,279,961	93.6	0.59
1969	7,270,137	4,356,523	4,688,596	92.9	0.6
1970	7,764,570	4,691,374	5,084,273	92.3	0.6
1971	8,032,007	4,794,179	5,224,866	91.8	0.6
1972	8,161,724	4,892,070	5,434,518	90.0	0.6
1973	8,732,426	5,394,473	5,963,060	90.5	0.62
1974	7,585,840	4,65,643	5,274,390	88.5	0.62
1975	7,986,995	4,902,620	5,530,087	88.7	0.61
1976	8,843,662	5,436,684	6,017,630	90.3	0.61
1977	9,826,579	6,019,869	6,640,053	90.7	0.61
1978 (3)	12,245,975	7,240,020	8,088,050	89.5	0.59
1979 (3)	15,383,322	8,576,921	9,778,716	87.7	0.56
1980 (3)	19,988,359	11,126,831	12,550,393	88.7	0.56
1981 (3)	23,894,730	13,084,174	16,016,950	81.7	0.55
1982	26,650,882	14,514,182	18,142,563	80.0	0.54
1983	30,286,240	16,441,044	19,425,417	84.6	0.54
1984 (3)(4)	35,253,091	18,394,014	21,843,003	84.2	0.52
1985 (3)	35,665,732	18,991,386	22,848,165	83.1	0.53
1986	37,037,486	19,587,547	23,145,985	84.6	0.53
1987	39,836,484	21,357,481	24,964,708	85.6	0.54
1988	42,298,412	22,475,047	26,769,121	84.0	0.53
1989	43,905,047	22,977,015	28,209,445	81.5	0.52
1990 (3)	45,035,072	22,939,345	28,154,882	81.5	0.51
1991	43,113,761	22,169,148	26,645,446	83.2	0.51
1992	44,901,487	22,779,560	25,935,604	87.8	0.51
1993	46,262,939	23,429,336	SJTA begins	N/A	0.51
1994	48,023,048	24,218,471	30,713,109	78.9	0.5
1995	47,602,146	24,257,677	31,458,000	77.1	0.51
1996	46,243,612	23,932,905	30,498,288	78.5	0.52
1997	49,290,846	25,056,325	31,958,288	78.4	0.51
1998 (5)	50,855,587	27,444,172	35,321,293	77.7	0.54
1999	48,050,179	44,434,942	57,923,234	76.7	0.92(6)
2000 (7)	50,619,361	44,322,412	56,594,080	78.3	0.88
2001	54,415,354	45,853,899	58,712,782	78.0	0.84

Notes:

1. Not including income from service area, rentals, investments and other sources
2. Expressway opened for traffic on July 31, 1964
3. Casinos in Atlantic City opened as follows: Resorts International, May 1978; Caesar's Boardwalk Regency, June 1979; Bally's Park Place, December 1979; Sands, August 1980; Golden Nugget, December 1980; Playboy, April 1981; Claridge, July 1981; Tropicana, November 1981; Trump Plaza, May 1984; Trump's Castle, June 1985; Showboat, March 1987; and Trump Taj Mahal, April 1990.
4. Toll ramp opened at Interchange 9, Delilah Road, in August, 1984
5. First toll increase since 1969 implemented November 30, 1998
6. Revenue per transaction expected to decline as E-ZPass usage increase (E-ZPass customers pay discounted toll rates)
7. Toll ramp opened at interchange 41, Berlin-Cross Keys Road, in May 2000.

Atlantic City International Airport

The Atlantic City International Airport was severely impacted by the events of September 11, 2001. All flights were instructed to land at the nearest airport. Five flights were diverted to the Atlantic City International Airport. The national air system was suspended for three days while the federal government responded to the emergency and rerouted all the diverted planes.

The Atlantic City International Airport was one of the first airports in the nation to be certified and approved to reopen soon after the national air system was shut down in September. All airlines reduced schedules and most suspended routes indefinitely. The successful July introduction of Continental Airlines service to Cleveland was terminated as the airline fought for its economic survival.

September 11, 2001 Impact on Air Travel

The passenger counts for the year 2001 were running far above the prior year in July and August. Much of that success was directly attributed to Continental Airlines' new service to Cleveland and Spirit Airlines' new service to Chicago and on to Los Angeles. The last four months of the year, September, October, November and December, recorded a dramatic drop. Historically, September passenger counts are lower but were impacted even more by the events of September 11th. Continental Airlines furloughed 12,000 employees and closed their Atlantic City station along with many others nationally. Spirit Airlines also suspended their new air service responding to the public's lack of confidence in the safety of air travel .

The year ended with a downturn of 4.8% from the previous year to 602,135 scheduled airline passengers. The greatest impact was with charter flights, falling 51.8% in September alone and 15.9% from the year 2000.

Rebuilding Confidence in Air Travel

The SJTA, responding to the rapidly declining air travel during the last quarter of the year, launched an aggressive advertising campaign. The television ad included the airport Director Tom Rafter and his family traveling through the Atlantic City International Airport. The message was clear, if Mr. Rafter had faith in the security and safety of flying then perhaps we all could.



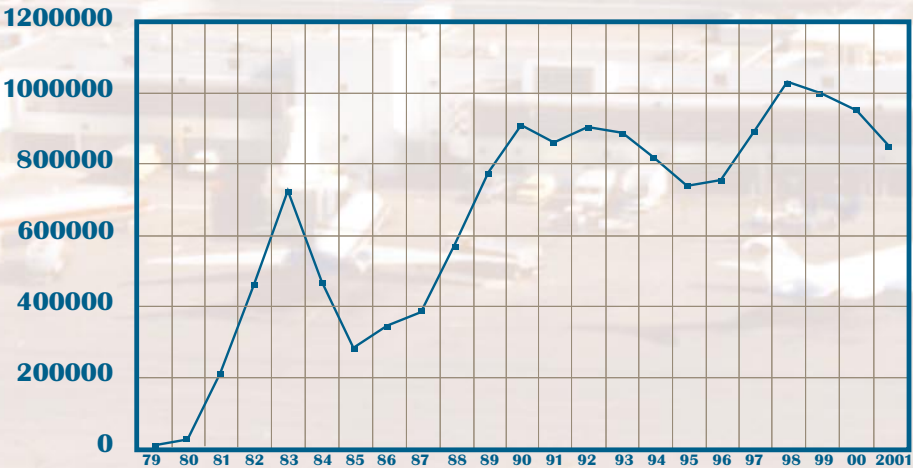
Airport Director
Tom Rafter
and
family.

Security and safety became a top priority. The presence of the NJ Air National Guard, The New Jersey State Police and the Egg Harbor Township Police, reassured passengers traveling through the airport. The runways were busy with military jets operated by the New Jersey Air National Guard. The 177th fighter group is headquartered at the Atlantic City International Airport. New security fencing, surveillance cameras and a host of other measures have been introduced to ensure the safe operation of the airport.



NJ Air
National Guard,
NJ State Police and
Egg Harbor Township Police
provide additional Airport
Security.

Atlantic City International Airport Passenger Counts, 1979-2001



New Airport Paved and Lighted Parking

In December, the airport introduced the new 1,500-space surface parking area. Parking at the airport became more "people friendly" as the stone and dirt lot was replaced with a new paved and striped surface in a well lit area. New FAA security protocol required a 300 foot setback buffer zone between the terminal and parked automobiles. The terminal is a short walk or ride away from all parking. The parking fees are \$3.50 per day in the economy section and \$1.00 per hour in the short-term section.



Tri-Annual Drill

In April 2001, the Atlantic City International Airport conducted a large scale drill to test emergency readiness and compliance with FAA requirements.

Over 300 participants from communities throughout Southern New Jersey mobilized to respond to a simulated aircraft emergency. The exercise included dozens of ambulances, fire apparatus, medic units, rescue units, and EMT's from Atlantic, Burlington, Camden, Cape May, Gloucester, and Ocean Counties.

The Atlantic City International Airport is ready should an actual emergency require fast, competent assistance.

Runway 13-31 and Taxiway -B- Rehabilitated

The \$12.5 million rehabilitation of the main 10,000 foot runway 13-31 was completed in 2001. The work included new pavement, centerline lights, land-and-hold-short lights, wiring, two Precision Approach Path Indicators and a new cable arrestor system for the NJ Air National Guard. The 10,000 foot Taxiway -B- was also rehabilitated with new pavement and centerline lights.



The Urban Search & Rescue Team

The fire department at the Atlantic City International Airport was called upon moments after the September 11th attacks to dispatch Assistant Chief William Higbee, Firefighter Ed Conrow and Firefighter Robert Sirolli to ground zero. These three men are members of the New Jersey Urban Search and Rescue Team activated and deployed for ten days at ground zero. Firefighters Nelson Weist and Assistant Chief Mike Burke responded to provide ambulance support during the first few crucial days following the attack. All of these courageous firefighters contributed their skills and services to the recovery effort.

Atlantic City International Airport Aircraft Operations 2000-2001

Month	Commercial 2000	Commercial 2001	(GA) Civil 2000	(GA) Civil 2001	Military 2000	Military 2001	Total 2000	Total 2001
January	1,230	1,107	1,760	2,231	2,132	2,827	5,122	6,165
February	1,333	1,119	2,012	2,475	2,547	2,258	5,892	5,399
March	1,460	1,197	2,387	2,084	2,828	2,118	6,675	5,399
April	1,419	1,160	2,307	2,128	2,379	1,568	6,105	4,856
May	1,363	1,090	4,138	2,692	3,008	2,720	8,539	6,502
June	1,306	1,217	2,838	2,357	2,666	1,924	6,810	5,498
July	1,409	1,500	2,464	2,640	1,797	2,134	5,670	6,274
August	1,302	1,489	2,072	3,196	1,848	3,153	5,222	7,838
September	1,151	830	3,126	2,054	2,556	2,296	6,833	5,180
October	1,253	841	2,824	2,788	2,452	3,096	6,529	6,725
November	1,213	879	2,686	2,311	2,484	1,942	6,383	5,132
December	1,028	873	2,140	2,080	2,103	2,240	5,271	5,193
TOTAL	15,497	13,302	30,754	29,036	28,800	28,276	75,051	70,614

Tourist Services

Bus Safety, Training and Enforcement

The South Jersey Transportation Authority continues to provide leadership in the vitally important area of bus safety. With almost 8 million visitors to Atlantic City Casinos arriving on just over 900 motor coaches daily, driver safety continues to be a priority.

The SJTA began training programs for drivers dating back to January of 1999. To date just under 2,000 drivers have participated in the training program making this the largest such program in the country.

The SJTA in cooperation with the Atlantic City Convention and Visitors Authority and the City of Atlantic City Health Department held two Driver Appreciation and Health Fairs in March and November of 2001.

The drivers were offered free health screening and tests:

- Blood Pressure Screening
- Diabetes Screening
- Cholesterol Testing
- Health Education Materials
- Chiropractic Consulting

Casino Bus and Passenger Counts

BUS TYPE	2000		2001	
	BUS	PASS.	BUS	PASS.
LINE	263,343	5,458,663	248,437	4,988,938
CHARTER	86,986	3,317,369	73,051	2,792,151
OVERNIGHT	4,872	201,399	3,914	154,601
SUPER	349	8,547	200	6,450
AIR CHART.	2,183	72,179	1,959	64,122
PAID CHART.	200	8,937	0	0
PARA-TRANS.	1,024	15,927	949	9,690
OTHER	134	3,990	767	33,842
TOTALS	359,091	9,087,011	329,277	8,049,794

Bus Management Operations

- | | | | |
|------------------------|-------|---|------|
| • Assisted Bus Drivers | 1,496 | • Checked Bus Parking Lots | 2668 |
| • Issued Variances | 1,303 | • Issued Violations | 584 |
| • Assisted Parking Lot | 467 | • Managed Curb - Convention Center Events | 73 |
| • Assisted Casinos | 1,031 | • Request for State Police Assistance | 157 |

The SJTA 11th Annual Bus Rodeo

The SJTA, in cooperation with the Atlantic City Bus Operators Association, The American Bus Association and Atlantic City Casino Hotels, conducted another very successful event. Driver safety and driver and mechanic skills were put to the test with prizes awarded to those judged best in their class. Twenty-nine drivers and seven mechanics participated. This Rodeo has the largest participation of competitors.

Elected officials, representatives of the community, bus operators and owners, New Jersey State Police, federal and state transportation officials also participated. More prizes are awarded than any other Bus Rodeo in the nation. Approximately 1/3 of all visitors to the Atlantic City Casinos arrive by motor coach.

The South Jersey Transportation Authority
working with other agencies teamed up to improve safety

Motorcoach Routing Violation Program

A "Ride Along Program" was initiated in April 2001 to pair up a Duty Supervisor from the SJTA with a NJ State Trooper to enforce motor coach routing regulations in Atlantic City and Atlantic County.

The Atlantic City Expressway "Aggressive Driver Program" was launched on April 1, 2001. The program's primary goal was to reduce serious and fatal motor vehicle collisions on the Atlantic City Expressway by focusing on commercial vehicles, motorcoach buses and private vehicles that exceeded speed limits or operated in an erratic manner. These patrols were conducted during peak and weekend hours.

A secondary goal was to create a safe environment at the Egg Harbor and Pleasantville Toll Plazas by focusing on enforcement efforts on large motorcoaches and private vehicles speeding through the E-ZPass lanes. This program netted a 24% reduction in collisions during this period.

Concentrated Motorcoach Inspection Program

This program was initiated in May 2001 to inspect motorcoaches for equipment violations. The program involved representatives from the New Jersey State Police Traffic Bureau, the New Jersey Department of Transportation, the SJTA and the Federal Motor Carrier Safety Administration.

Planning

The South Jersey Transportation Authority expanded the previously implemented "Corridor Sign Program" to codify and improve directional signage throughout Atlantic City per Ordinance No. 46-1999.

The goal of the sign program is to limit the number and type of signs, eliminate sign clutter and provide a clean, consistent graphic image throughout Atlantic City that will aid drivers and pedestrians in finding their destination.

The scope of the program includes the three major routes into the city, including the Atlantic City Expressway, Route 30, and Routes 322/40 and major thoroughfares within the city.

A total of 181 directional signs, 92 trailblazer signs, 16 two-logo highway and 9 three-logo highway marker signs are to be installed within Atlantic City. Approximately 130 non-conforming signs will be removed. The implementation will proceed in a phased approach to prevent motorist confusion.

Economic Development

Round Table Discussions on Economic Issues

Roundtable meetings were conducted within the four Southern New Jersey Counties of Atlantic, Cape May, Cumberland and Salem. These meetings have been organized by the SJTA to facilitate the needs of South Jersey with the NJ Department of Commerce and Economic Growth Commission and to enhance communication and establish a working relationship for more business development in South Jersey. The roundtable began in December 2000 and ran through 2001 with elected officials and economic development personnel from the public and private sectors attending.



The 1st Place winner, Anthony Griffith from New York Airport Services celebrates his victory.

SJTA Chairman Stanley R. Glassey presenting the prizes for the Bus Rodeo

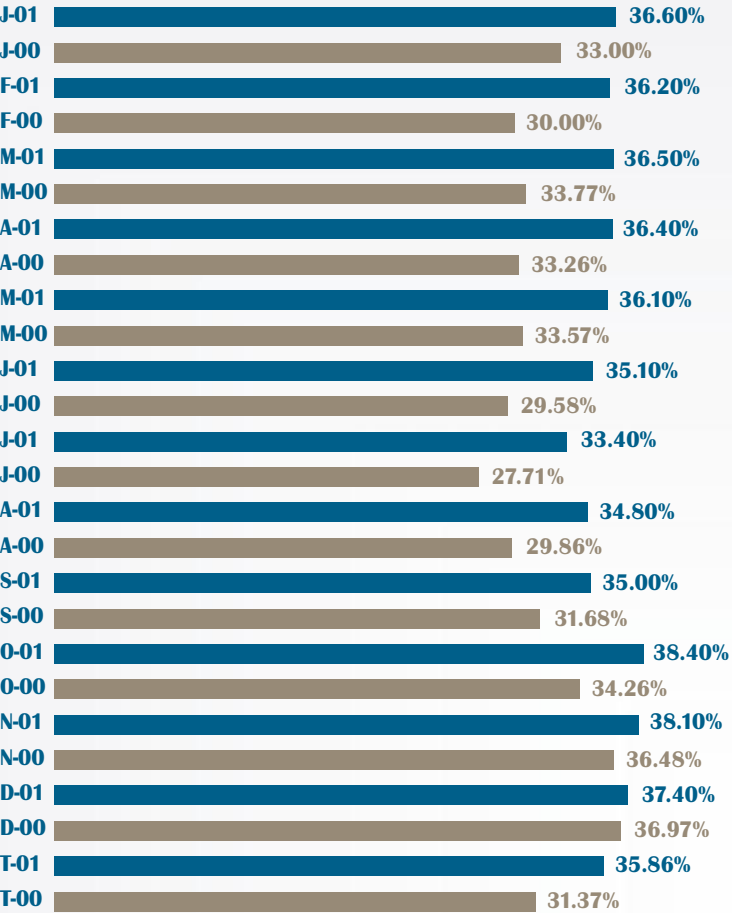
Roundtable in Cape May County at the Pen Turbo facility at Cape May County Airport



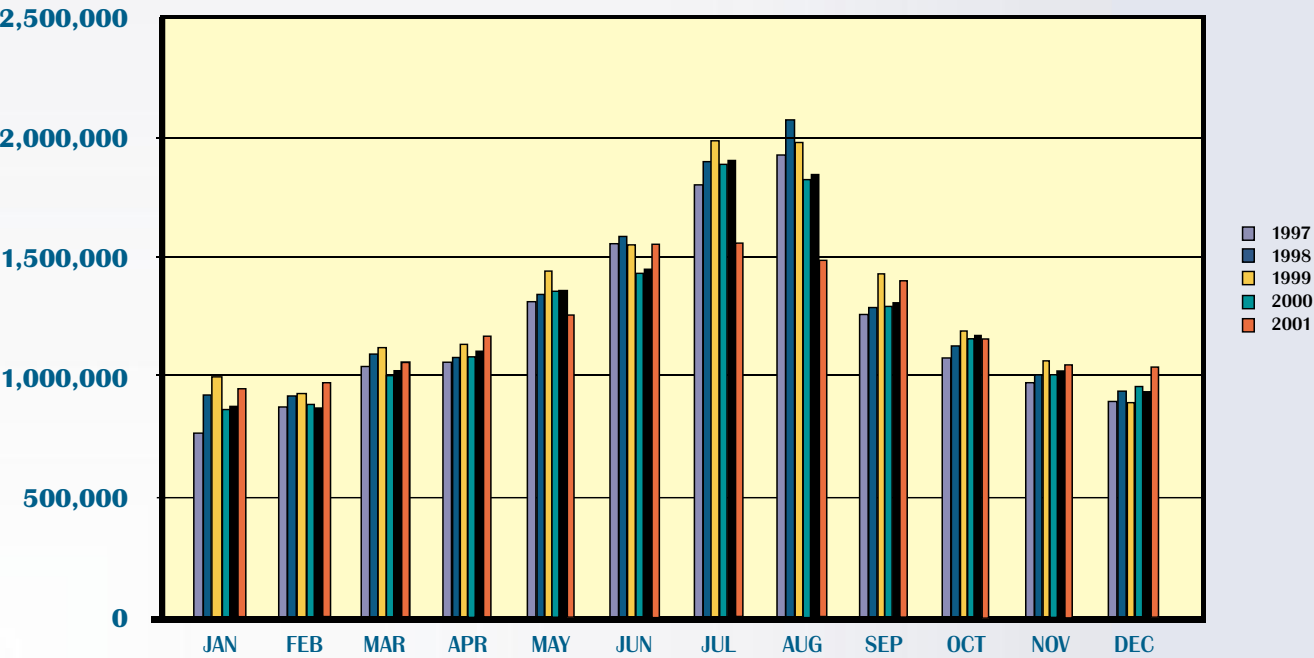
Atlantic City Expressway Toll Schedule

Location	Classification	Cash Rate	E-ZPass Discount Rate	E-ZPass Frequent User Discount Rate
Pleasantville	Auto	\$0.50	\$0.33	\$0.30
	Limo	1.00	0.75	0.50
	Dual Tire	1.00	0.66	0.66
	Three Axle	1.50	1.00	1.00
	Four Axle	2.00	1.50	1.50
	Five Axle	2.50	2.00	2.00
	Six Axle	3.00	2.50	2.50
Route 9, P'ville	Auto	0.50	0.25	0.25*
Pomona,	Truck/Bus	0.50	0.50*	0.50*
Mays Landing				
Egg Harbor	Auto	2.00	1.30	1.10
	Limo	3.00	2.00	1.50
	Dual Tire	3.00	2.66	2.66
	Three Axle	4.50	3.00	3.00
	Four Axle	6.00	4.50	4.50
	Five Axle	7.50	6.00	6.00
	Six Axle	9.00	7.50	7.50
Hammonton,	Auto	0.50	0.25*	0.25*
Winslow	Truck/Bus	0.50	0.50*	0.50*
Williamstown	Auto	0.25	0.20*	0.10*
	Truck/Bus	0.25	0.25*	0.25*
Berlin-Cross Keys	Auto	0.25	0.20*	0.10*
	Truck/Bus	0.25	0.25*	0.25*
* when two outer ramps are used in the same direction during one trip (within one hour) only one toll is charged to the user's E-ZPass account.				

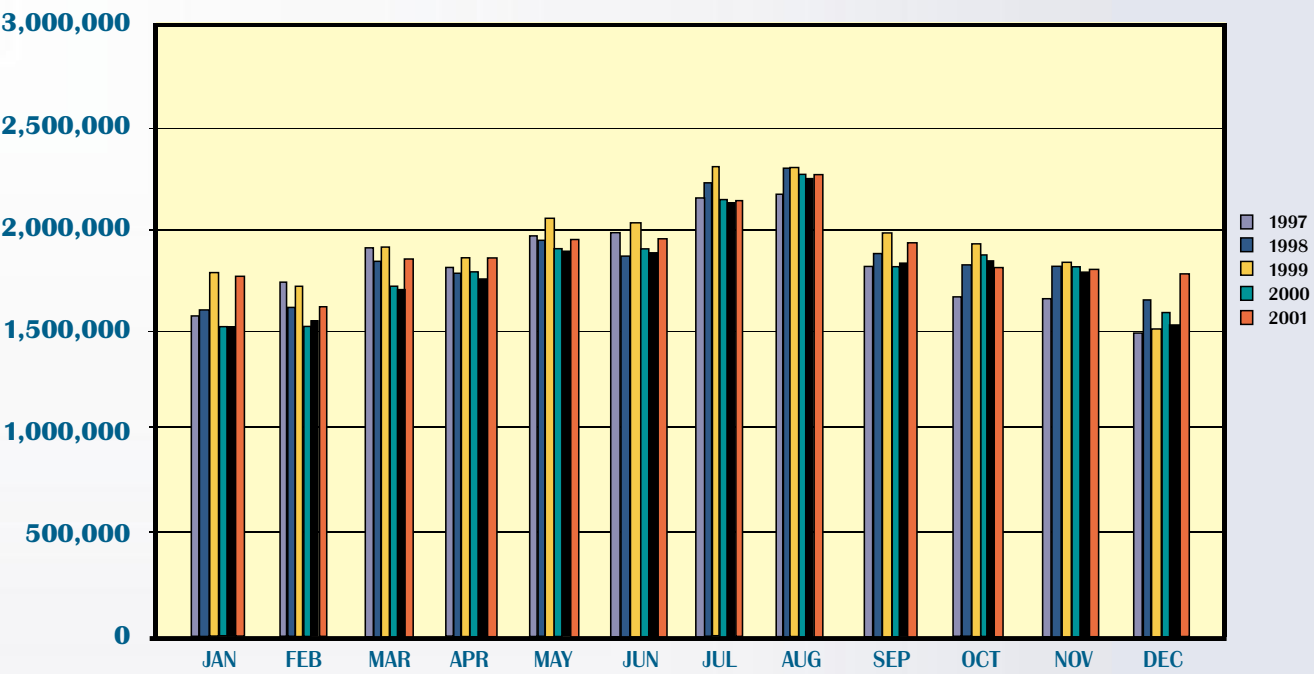
E-ZPass Usage as a Percent of Total Traffic



Egg Harbor Toll Barrier
Monthly Toll Paying Vehicles



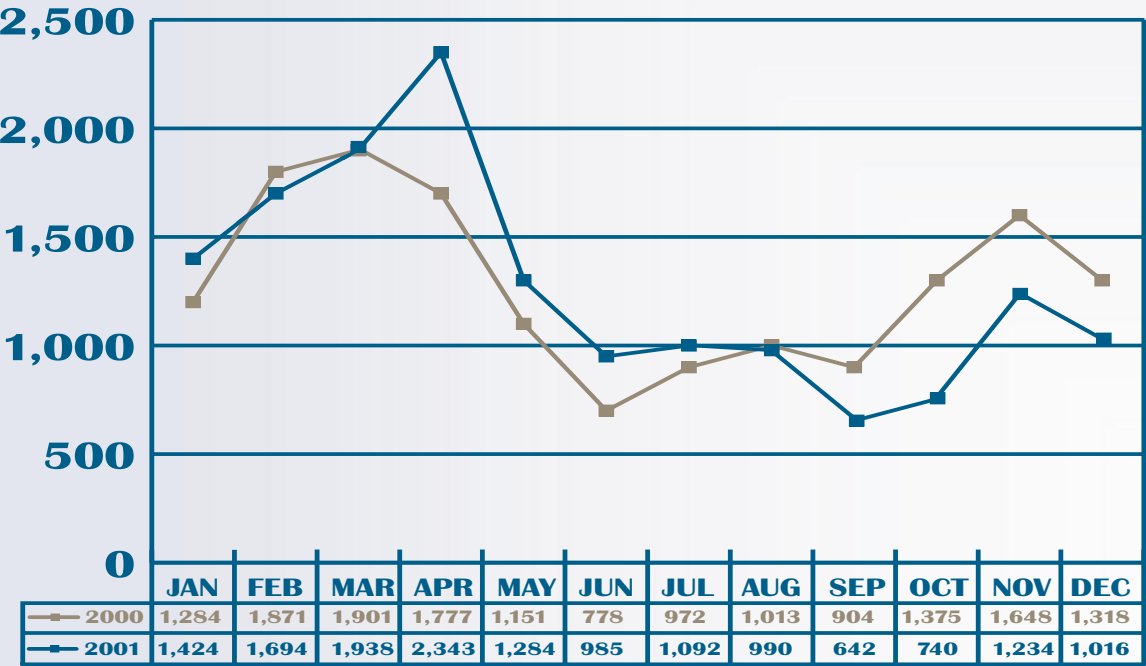
Pleasantville Toll Barrier
Monthly Toll Paying Vehicles



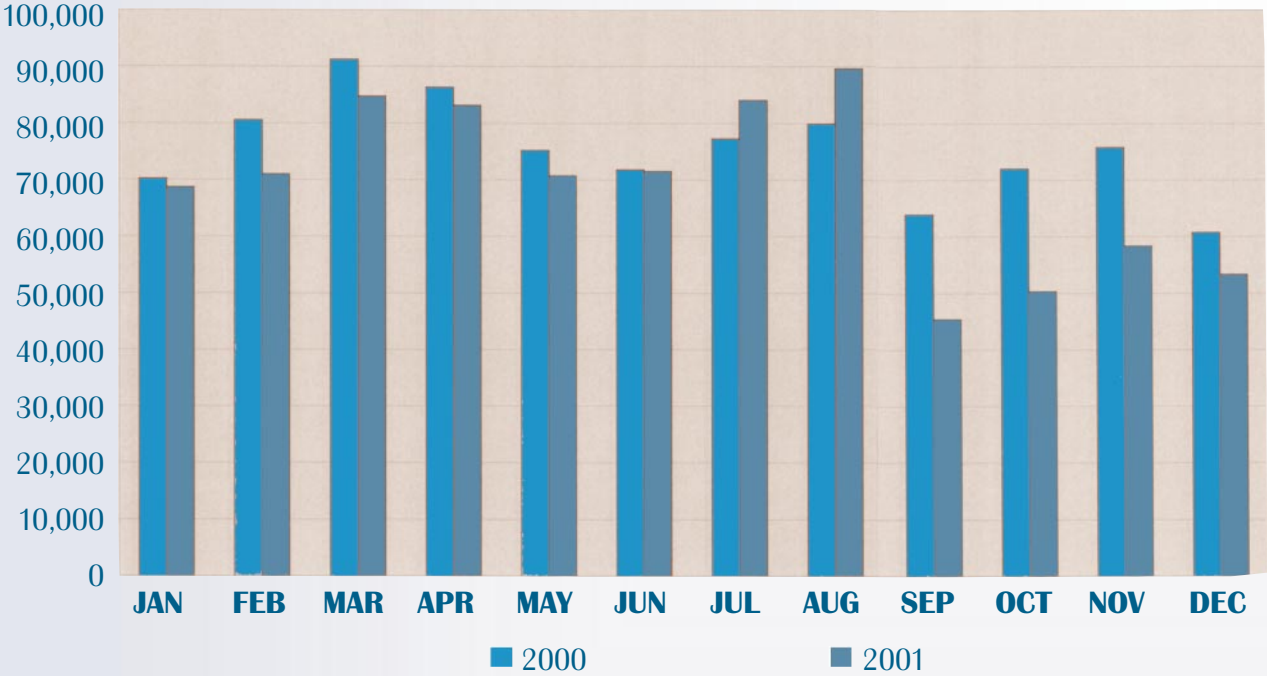
ATLANTIC CITY EXPRESSWAY ENFORCEMENT AND INCIDENT STATISTICS

YEAR	TOLL PAYING VEHICLES	VEHICLE MILES OF TRAVEL	NO. OF SUMMONSES	DRUNK DRIVERS	ACCIDENTS	INJURIES	FATALITIES	FATALITY RATE
1978	12,245,975	233,432,316	5,795	364	221	141	5	2.14
1979	15,383,612	291,957,005	5,533	266	253	112	4	1.37
1980	19,988,359	373,337,135	5,929	314	322	188	5	1.34
1981	23,894,730	431,814,836	8,885	449	355	210	1	0.23
1982	26,650,882	472,059,973	8,943	493	396	273	4	0.85
1983	30,286,240	529,160,218	10,241	584	399	249	6	1.13
1984	35,253,091	593,472,459	10,063	726	478	250	7	1.18
1985	35,665,732	606,876,318	10,584	580	491	368	8	1.32
1986	37,037,486	636,446,175	11,330	516	540	340	6	0.95
1987	39,836,484	682,220,745	11,990	504	641	471	14	2.05
1988	42,298,412	719,350,428	12,734	549	498	210	6	0.83
1989	43,905,047	735,774,485	13,857	499	529	312	6	0.82
1990	45,035,072	749,603,705	13,656	400	457	293	10	1.33
1991	43,113,761	724,481,660	15,867	436	428	219	12	1.66
1992	44,901,487	749,603,705	13,656	400	457	293	10	1.33
1993	46,262,939	766,724,801	16,479	313	440	259	4	0.52
1994	48,023,048	791,493,258	15,722	337	541	277	15	1.90
1995	47,602,146	799,699,746	14,961	353	477	312	0	0.00
1996	46,243,612	781,302,866	13,717	277	560	215	9	1.15
1997	49,290,846	822,634,185	15,235	283	532	292	6	0.73
1998	50,855,587	847,677,260	18,497	339	522	260	12	1.42
1999	48,050,179	800,703,355	14,380	253	499	231	2	0.25
2000	50,619,361	816,794,262	12,530	263	552	225	6	0.73
2001	54,415,354	895,809,173	11,213	299	572	308	4	0.45

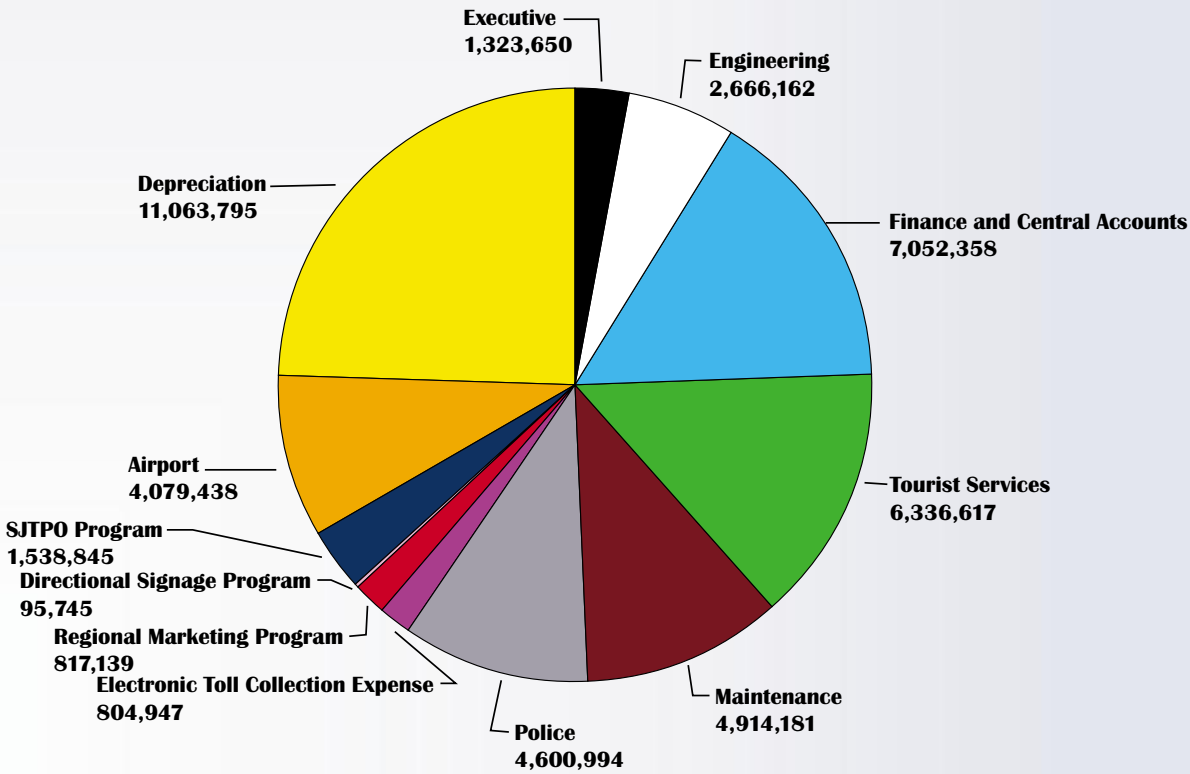
Atlantic City International Airport
Average Monthly Parking Statistics
2000 VS. 2001



Atlantic City International Airport
Total Passengers
2000-2001



2001 Operating Expenses



2001 Operating Revenues

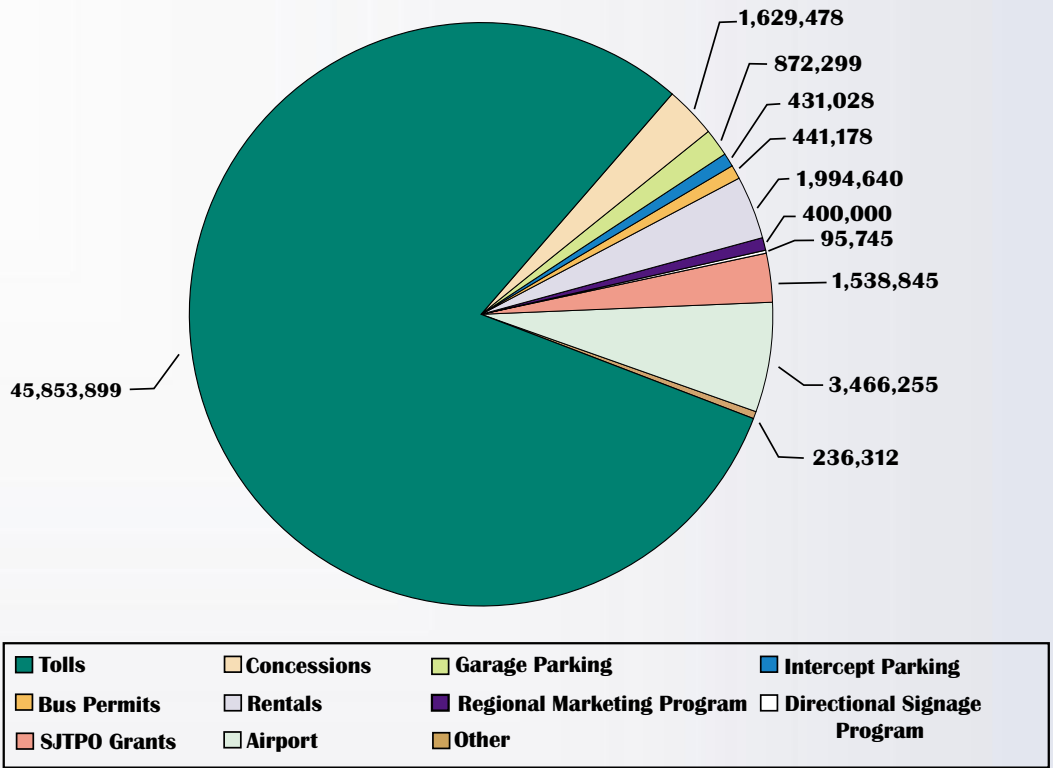


Table of Contents

Year ended December 31, 2001

South Jersey Transportation Authority Report of Audit

FOR THE YEAR ENDED DECEMBER 31, 2001

The Government Accounting Standards Board ("GASB") issued Governmental Accounting Standards ("GASBS") No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government*, as amended by GASBS No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus - an amendment of GASB Statements No. 21 and No. 34*, and GASBS No. 38, *Certain Financial Statement Note Disclosures*. These GASBS's established new financial reporting requirements for state and local governments throughout the United States. When implemented, they create new information and restructure much of the information the governments have presented in the past. GASB developed these new requirements to make annual financial statements more comprehensive and easier to understand and use. The Authority adopted these GASBS's effective January 1, 2001. The 2000 financial statements have been restated accordingly.

The complete financial report including Managements Discussion and Analysis and the Unqualified Auditors Opinion can be obtained by visiting our website at www.sjta.com or by contacting us directly.

	<u>Page</u>
<u>Basic Financial Information:</u>	
Statement of Net Assets	20-21
Statement of Revenues, Expenses and Changes in Net Assets	22
Statement of Cash Flows	23
Statement of Net Assets – Proprietary Funds	24-25
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27
Notes to Financial Statements	28-41

<u>Other Supplementary Information</u>	
Statement of Net Assets – Fund Financial Statements	43-45
Statement of Revenues, Expenses and Changes in Net Assets – Fund Financial Statements	46
Schedule of Bonds and Other Debt	47
Schedule of Toll Revenue	48

SOUTH JERSEY TRANSPORTATION AUTHORITY
STATEMENT OF NET ASSETS
December 31, 2001
With Comparative Totals as of December 31, 2000

	<u>2001</u>	<u>2000</u>
ASSETS		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 23,621,684	\$ 22,027,986
Change Funds	26,150	22,150
Interest Receivable	35,721	125,701
Accounts Receivable	1,951,717	1,523,345
Grants Receivable	626,190	895,614
Prepaid Expenses	867,238	364,227
Fuel Inventory	<u>33,797</u>	<u>54,879</u>
Total Unrestricted Assets	<u>27,162,497</u>	<u>25,013,902</u>
Restricted Assets:		
Cash and Cash Equivalents	34,169,226	20,892,282
Investments	38,030,146	83,476,335
Accounts Receivable	35,276	25,584
Grants Receivable	333,263	1,409,784
Interest Receivable	<u>395,118</u>	<u>542,676</u>
Total Restricted Assets	<u>72,963,029</u>	<u>106,346,661</u>
Noncurrent Assets:		
Capital Assets:		
Non-Infrastructure Capital Assets:		
Land and Improvements	139,017,043	63,347,778
Electronic Toll Equipment	8,727,980	8,717,596
Buildings and Equipment	38,624,784	35,789,422
Less Accumulated Depreciation	<u>(19,276,832)</u>	<u>(16,417,639)</u>
Total Non-Infrastructure Capital Assets	<u>167,092,975</u>	<u>91,437,157</u>
Infrastructure Capital Assets:		
Infrastructure - Equipment	1,529,865	1,412,402
Infrastructure	306,892,651	171,231,726
Less Accumulated Depreciation	<u>(16,959,043)</u>	<u>(8,754,440)</u>
Total Infrastructure Capital Assets	<u>291,463,473</u>	<u>163,889,688</u>
Total Capital Assets	<u>458,556,448</u>	<u>255,326,845</u>
Noncurrent Noncapital Assets		
Cost of Investment in Facilities		283,416
Bond Issuance Costs	6,170,085	6,170,085
Less Accumulated Amortization	<u>(608,435)</u>	<u>(402,371)</u>
Total Noncurrent Noncapital Assets	<u>5,561,650</u>	<u>6,051,130</u>
Total Noncurrent Assets	<u>464,118,098</u>	<u>261,377,975</u>
TOTAL ASSETS	<u>\$ 564,243,624</u>	<u>\$ 392,738,538</u>

SOUTH JERSEY TRANSPORTATION AUTHORITY
STATEMENT OF NET ASSETS
December 31, 2001
With Comparative Totals as of December 31, 2000

	<u>2001</u>	<u>2000</u>
LIABILITIES AND NET ASSETS		
Current Liabilities Payable From		
Unrestricted Assets:		
Accounts Payable	\$ 3,033,840	\$ 2,679,873
Deferred Income	2,702,919	163,672
Deferred Interest Revenue	55,108	63,829
Escrow Deposits	152,621	264,387
Accrued Expenses	<u>834,482</u>	<u>673,090</u>
Total Current Liabilities Payable From Unrestricted Assets	<u>6,778,970</u>	<u>3,844,851</u>
Current Liabilities Payable From Restricted Assets:		
Accrued Interest	1,897,714	1,926,539
Accounts Payable	3,212,416	2,025,785
Retainages Payable	319,047	675,431
Due to Other Governmental Agencies	208,334	208,334
PFC Advanced	1,576,034	914,759
Economic Recovery Funds Advanced	238,468	208,881
Elevated U-Turn Advance	1,362,832	
Bonds Payable, Net of Discount (\$102,720), Deferred Loss on Refunding (\$217,683)	<u>3,464,597</u>	<u>3,248,707</u>
Total Current Liabilities Payable From Restricted Assets	<u>12,279,442</u>	<u>9,208,436</u>
Noncurrent Liabilities:		
Deferred Interest Revenue		55,109
Accrued Expenses	4,851,930	1,197,765
Arbitrage Rebate Payable	377,098	230,313
Bonds Payable, Net of Discount (\$1,553,764)	<u>219,206,236</u>	<u>222,670,833</u>
Total Noncurrent Liabilities	<u>224,435,264</u>	<u>224,154,020</u>
TOTAL LIABILITIES	<u>\$ 243,493,676</u>	<u>\$ 237,207,307</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	\$ 262,234,597	\$ 103,112,757
Restricted for:		
Debt Service	630,871	602,292
Rehabilitation and Repair	6,000,000	6,000,000
Debt Service Reserve	15,175,362	15,175,362
Capital Projects	14,856,482	10,161,838
Unrestricted	<u>21,852,636</u>	<u>20,478,982</u>
Total Net Assets	<u>320,749,948</u>	<u>155,531,231</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 564,243,624</u>	<u>\$ 392,738,538</u>

**SOUTH JERSEY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS**

Year ended December 31, 2001
With Comparative Totals as of December 31, 2000

	<u>2001</u>	<u>2000</u>
Operating Revenues:		
Tolls	\$ 45,853,899	\$ 44,322,412
Concessions	1,629,479	1,307,512
Garage Parking	872,299	855,556
Intercept Parking	431,028	743,583
Bus Permits	441,178	504,417
Rentals	1,994,640	1,261,505
Regional Marketing Program	400,000	400,000
Directional Signage Program	95,745	
SJTPO Grants	1,538,845	1,669,287
Airport	3,466,255	3,634,429
Other	<u>236,312</u>	<u>169,014</u>
Operating Revenues Before System Proceeds	56,959,680	54,867,715
System Proceeds	<u>1,753,102</u>	<u>1,726,364</u>
Total Operating Revenues	<u>58,712,782</u>	<u>56,594,079</u>
Operating Expenses:		
Executive	1,323,650	1,487,293
Engineering	2,666,162	2,379,656
Finance and Central Accounts	7,052,358	6,370,065
Tourist Services	6,336,617	6,003,579
Maintenance	4,914,181	4,591,523
Police	4,600,994	4,104,555
Electronic Toll Collection Expense	804,947	674,150
Regional Marketing Program	817,139	831,230
Directional Signage Program	95,745	
SJTPO Programs	1,538,845	1,669,287
Airport	4,079,438	3,579,958
Depreciation	<u>11,063,795</u>	<u>7,749,447</u>
Operating Expenses Before System Proceeds	45,293,871	39,440,743
System Proceeds	<u>1,753,102</u>	<u>1,726,364</u>
Total Operating Expenses	<u>47,046,973</u>	<u>41,167,107</u>
Operating Income/(Loss)	<u>11,665,809</u>	<u>15,426,972</u>
Nonoperating Revenues/(Expenses):		
Interest Revenue	5,008,330	8,062,170
Due to Other Governmental Agencies Cancelled		330,732
Fund Expenses	(946)	(2,116)
Amortization Expense	(206,065)	(205,863)
Interest on Bonds	(11,896,701)	(12,007,660)
Arbitrage Rebate	(146,784)	(230,313)
Electronic Toll Collection Expense	(2,829,839)	
State Payment	<u>(2,500,000)</u>	<u>(2,500,000)</u>
Total of Nonoperating Revenue/(Expenses)	<u>(12,572,005)</u>	<u>(6,553,050)</u>
Income/(Loss) before Capital Contributions	(906,196)	8,873,922
Capital Contributions	<u>166,124,913</u>	<u>31,518,264</u>
Change in Net Assets	165,218,717	40,392,186
Total Net Assets - Beginning	<u>155,531,231</u>	<u>115,139,045</u>
Total Net Assets - Ending	\$ <u>320,749,948</u>	\$ <u>155,531,231</u>

**SOUTH JERSEY TRANSPORTATION AUTHORITY
STATEMENT OF CASH FLOWS**

Year Ended December 31, 2001
With Comparative Totals as of December 31, 2000

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers and Users	\$ 61,190,307	\$ 54,996,345
Payments to Suppliers	(16,205,480)	(14,886,748)
Payments to Employees	<u>(19,107,644)</u>	<u>(17,736,596)</u>
Net Cash Provided by Operating Activities	<u>25,877,183</u>	<u>22,373,001</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Payment of State Payment Obligation	<u>(2,500,000)</u>	<u>(2,500,000)</u>
Net Cash (Used) by Noncapital Financing Activities	<u>(2,500,000)</u>	<u>(2,500,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital Contributions	15,353,132	10,480,737
Advances/Loans for Capital Acquisitions	1,362,832	
Proceeds from the Sale of Land	165,000	
Payments for Capital Acquisitions	(60,880,227)	(71,141,652)
Principal Paid on Capital Debt	(3,615,000)	(2,490,000)
Interest Paid on Capital Debt	<u>(11,559,231)</u>	<u>(11,660,286)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(59,173,494)</u>	<u>(74,811,201)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(864,281)	(809,246)
Proceeds from Sales and Maturities of Investments	46,310,470	54,165,721
Interest and Dividends	<u>5,224,764</u>	<u>8,317,164</u>
Net Cash Provided by Investing Activities	<u>50,670,953</u>	<u>61,673,639</u>
Net Increase in Cash and Cash Equivalents	14,874,642	6,735,439
Balance - Beginning of the Year	<u>42,942,418</u>	<u>36,206,979</u>
Balance - End of the Year	<u>\$ 57,817,060</u>	<u>\$ 42,942,418</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Operating Income	\$ 11,665,809	\$ 15,426,972
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	11,063,795	7,749,447
Noncash Application of Deposit to Receivable	40,670	
Change in Assets and Liabilities:		
Receivables, Net	(158,949)	(781,307)
Prepaid Expenses	(503,011)	45,409
Inventories	21,082	(25,659)
Accounts and Other Payables	353,966	100,415
Deferred Income	2,539,248	(981,195)
Customer Deposits	(111,766)	42,946
Accrued Expenses	<u>966,339</u>	<u>795,973</u>
Net Cash Provided by Operating Activities	<u>\$ 25,877,183</u>	<u>\$ 22,373,001</u>

Noncash Capital Financing Activities:

Capital assets of \$152,496,439 were acquired through contributions from governmental agencies and private developers.

SOUTH JERSEY TRANSPORTATION AUTHORITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

December 31, 2001

With Comparative Totals as of December 31, 2000

	Expressway	Airport	Consolidations/ Eliminations	Totals	
				2001	2000
<u>ASSETS</u>					
Unrestricted Assets:					
Cash and Cash Equivalents	\$ 21,579,451	\$ 2,042,233		\$ 23,621,684	\$ 22,027,986
Change Funds	26,150			26,150	22,150
Interest Receivable	35,482	239		35,721	125,701
Accounts Receivable	819,415	1,132,302		1,951,717	1,523,345
Grants Receivable	626,190			626,190	895,614
Prepaid Expenses	783,205	84,033		867,238	364,227
Fuel Inventory	33,797			33,797	54,879
Interfunds Receivable	<u>3,280,027</u>	<u> </u>	<u>\$ (3,280,027)</u>	<u> </u>	<u> </u>
Total Unrestricted Assets	<u>27,183,717</u>	<u>3,258,807</u>	<u>(3,280,027)</u>	<u>27,162,497</u>	<u>25,013,902</u>
Restricted Assets:					
Cash and Cash Equivalents	27,893,225	6,276,001		34,169,226	20,892,282
Investments	38,030,146			38,030,146	83,476,335
Accounts Receivable	35,276			35,276	25,584
Grants Receivable	32,794	300,469		333,263	1,409,784
Interfunds Receivable	4,412,433		(4,412,433)		
Interest Receivable	<u>395,118</u>	<u> </u>	<u> </u>	<u>395,118</u>	<u>542,676</u>
Total Restricted Assets	<u>70,798,992</u>	<u>6,576,470</u>	<u>(4,412,433)</u>	<u>72,963,029</u>	<u>106,346,661</u>
Noncurrent Assets:					
Capital Assets:					
Non-Infrastructure Capital Assets:					
Land and Improvements	123,397,486	15,619,557		139,017,043	63,347,778
Electronic Toll Equipment	8,727,980			8,727,980	8,717,596
Buildings and Equipment	19,419,158	19,205,626		38,624,784	35,789,422
Less Accumulated Depreciation	<u>(13,883,298)</u>	<u>(5,393,534)</u>	<u> </u>	<u>(19,276,832)</u>	<u>(16,417,639)</u>
Total Non-Infrastructure Capital Assets	<u>137,661,326</u>	<u>29,431,649</u>	<u> </u>	<u>167,092,975</u>	<u>91,437,157</u>
Infrastructure Capital Assets:					
Infrastructure - Equipment	800,763	729,102		1,529,865	1,412,402
Infrastructure	278,879,276	28,013,375		306,892,651	171,231,726
Less Accumulated Depreciation	<u>(14,827,731)</u>	<u>(2,131,312)</u>	<u> </u>	<u>(16,959,043)</u>	<u>(8,754,440)</u>
Total Infrastructure Capital assets	<u>264,852,308</u>	<u>26,611,165</u>	<u> </u>	<u>291,463,473</u>	<u>163,889,688</u>
Total Capital Assets	<u>402,513,634</u>	<u>56,042,814</u>	<u> </u>	<u>458,556,448</u>	<u>255,326,845</u>
Noncurrent Noncapital Assets					
Cost of Investment in Facilities					283,416
Bond Issuance Costs	6,170,085			6,170,085	6,170,085
Less Accumulated Amortization	<u>(608,435)</u>	<u> </u>	<u> </u>	<u>(608,435)</u>	<u>(402,371)</u>
Total Noncurrent Noncapital Assets	<u>5,561,650</u>	<u> </u>	<u> </u>	<u>5,561,650</u>	<u>6,051,130</u>
Total Noncurrent Assets	<u>408,075,284</u>	<u>56,042,814</u>	<u> </u>	<u>464,118,098</u>	<u>261,377,975</u>
TOTAL ASSETS	<u>\$ 506,057,993</u>	<u>\$ 65,878,091</u>	<u>\$ (7,692,460)</u>	<u>\$ 564,243,624</u>	<u>\$ 392,738,538</u>

SOUTH JERSEY TRANSPORTATION AUTHORITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

December 31, 2001

With Comparative Totals as of December 31, 2000

	Expressway	Airport	Consolidations/ Eliminations	Totals	
				2001	2000
<u>LIABILITIES AND NET ASSETS</u>					
Current Liabilities Payable From					
Unrestricted Assets:					
Accounts Payable	\$ 2,255,686	\$ 778,154		\$ 3,033,840	\$ 2,679,873
Deferred Income	700,208	2,002,71		2,702,919	163,672
Deferred Interest Revenue	55,108			55,108	63,829
Escrow Deposits	95,407	57,214		152,621	264,387
Accrued Expenses	834,482			834,482	673,090
Interfunds Payable	<u> </u>	<u>3,280,027</u>	<u>\$ (3,280,027)</u>	<u> </u>	<u> </u>
Total Current Liabilities Payable					
From Unrestricted Assets	<u>3,940,891</u>	<u>6,118,106</u>	<u>(3,280,027)</u>	<u>6,778,970</u>	<u>3,844,851</u>
Current Liabilities Payable From					
Restricted Assets:					
Accrued Interest	1,897,714			1,897,714	1,926,539
Accounts Payable	2,239,198	973,218		3,212,416	2,025,785
Retainages Payable	238,914	80,133		319,047	675,431
Due to Other Governmental Agencies	208,334			208,334	208,334
PFC Advanced		1,576,034		1,576,034	914,759
Economic Recovery Funds Advanced		238,468		238,468	208,881
Elevated U-Turn Advance	1,362,832			1,362,832	
Interfunds Payable		4,412,433	(4,412,433)		
Bonds Payable, Net of Discount					
(\$102,720), Deferred Loss on					
Refunding (\$217,683)	<u>3,464,597</u>	<u> </u>	<u> </u>	<u>3,464,597</u>	<u>3,248,707</u>
Total Current Liabilities Payable					
From Restricted Assets	<u>9,411,589</u>	<u>7,280,286</u>	<u>(4,412,433)</u>	<u>12,279,442</u>	<u>9,208,436</u>
Noncurrent Liabilities:					
Deferred Interest Revenue					55,109
Accrued Expenses	4,851,930			4,851,930	1,197,765
Arbitrage Rebate Payable	377,098			377,098	230,313
Bonds Payable, Net of Discount					
(\$1,553,764)	<u>219,206,236</u>	<u> </u>	<u> </u>	<u>219,206,236</u>	<u>222,670,833</u>
Total Noncurrent Liabilities	<u>224,435,264</u>	<u> </u>	<u> </u>	<u>224,435,264</u>	<u>224,154,020</u>
TOTAL LIABILITIES	<u>\$ 237,787,744</u>	<u>\$ 13,398,392</u>	<u>\$ (7,692,460)</u>	<u>\$ 243,493,676</u>	<u>\$ 237,207,307</u>
	Expressway	Airport	Consolidations/ Eliminations	Totals	
				2001	2000
<u>NET ASSETS</u>					
Invested in Capital Assets, Net of Related Debt	\$ 210,604,215	\$ 51,630,382		\$ 262,234,597	\$ 103,112,757
Restricted for:					
Debt Service	630,871			630,871	602,292
Rehabilitation and Repair	6,000,000			6,000,000	6,000,000
Debt Service Reserve	15,175,362			15,175,362	15,175,362
Capital Projects	11,147,866	3,708,616		14,856,482	10,161,838
Unrestricted	<u>24,711,935</u>	<u>(2,859,299)</u>	<u> </u>	<u>21,852,636</u>	<u>20,478,982</u>
Total Net Assets	<u>268,270,249</u>	<u>52,479,699</u>	<u> </u>	<u>320,749,948</u>	<u>155,531,231</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 506,057,993</u>	<u>\$ 65,878,091</u>	<u>\$ (7,692,460)</u>	<u>\$ 564,243,624</u>	<u>\$ 392,738,538</u>

SOUTH JERSEY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS

Year Ended December 31, 2001
With Comparative Totals as of December 31, 2000

	Expressway	Airport	Consolidations/ Eliminations	Totals	
				2001	2000
Operating Revenues:					
Tolls	\$ 45,853,899			\$ 45,853,899	\$ 44,322,412
Concessions	1,629,479			1,629,479	1,307,512
Garage Parking	872,299			872,299	855,556
Intercept Parking	431,028			431,028	743,583
Bus Permits	441,178			441,178	504,417
Rentals	1,994,640			1,994,640	1,261,505
Regional Marketing Program	400,000			400,000	400,000
Directional Signage Program	95,745			95,745	
SJTPO Grants	1,538,845			1,538,845	1,669,287
Airport		\$ 3,466,255		3,466,255	3,634,429
Other	236,312			236,312	169,014
Operating Revenues Before System Proceeds	53,493,425	3,466,255		56,959,680	54,867,715
System Proceeds	1,753,102			1,753,102	1,726,364
Total Operating Revenues	55,246,527	3,466,255		58,712,782	56,594,079
Operating Expenses					
Executive	1,323,650			1,323,650	1,487,293
Engineering	2,666,162			2,666,162	2,379,656
Finance and Central Accounts	7,052,358			7,052,358	6,370,065
Tourist Services	6,336,617			6,336,617	6,003,579
Maintenance	4,914,181			4,914,181	4,591,523
Police	4,600,994			4,600,994	4,104,555
Electronic Toll Collection Expense	804,947			804,947	674,150
Regional Marketing Program	817,139			817,139	831,230
Directional Signage Program	95,745			95,745	
SJTPO Programs	1,538,845			1,538,845	1,669,287
Airport		4,079,438		4,079,438	3,579,958
Depreciation	9,428,777	1,635,018		11,063,795	7,749,447
Operating Expenses Before System Proceeds	39,579,415	5,714,456		45,293,871	39,440,743
System Proceeds	1,753,102			1,753,102	1,726,364
Total Operating Expenses	41,332,517	5,714,456		47,046,973	41,167,107
Operating Income/(Loss)	13,914,010	2,248,201		11,665,809	15,426,972
Nonoperating Revenues/(Expenses)					
Interest Revenue	4,987,696	20,634		5,008,330	8,062,170
Due to Other Governmental Agencies Cancelled					330,732
Fund Expenses	(946)			(946)	(2,116)
Amortization Expense	(206,065)			(206,065)	(205,863)
Interest on Bonds	(11,896,701)			(11,896,701)	(12,007,660)
Arbitrage Rebate	(146,784)			(146,784)	(230,313)
Electronic Toll Collection Expense	(2,829,839)			(2,829,839)	
State Payment	(2,500,000)			(2,500,000)	(2,500,000)
Total of Nonoperating Revenue/(Expenses)	(12,592,639)	20,634		(12,572,005)	(6,553,050)
Income/(Loss) before Contributions and Transfers	1,321,371	(2,227,567)		(906,196)	8,873,922
Capital Contributions	154,394,718	11,730,195		166,124,913	31,518,264
Transfers In		910,594	\$ (910,594)		
Transfers Out	(910,594)		910,594		
Change in Net Assets	154,805,495	10,413,222		165,218,717	40,392,186
Total Net Assets - Beginning	113,464,754	42,066,477		155,531,231	115,139,045
Total Net Assets - Ending	\$ 268,270,249	\$ 52,479,699	\$ 0	\$ 320,749,948	\$ 155,531,231

SOUTH JERSEY TRANSPORTATION AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended December 31, 2001
With Comparative Totals as of December 31, 2000

	Expressway	Airport	Consolidations/ Eliminations	Totals	
				2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers and Users	\$ 55,845,454	\$ 5,344,853		\$ 61,190,307	\$ 54,996,345
Payments to Suppliers	(13,170,760)	(3,034,720)		(16,205,480)	(14,886,748)
Payments to Employees	(18,029,871)	(1,077,773)		(19,107,644)	(17,736,596)
Net Cash Provided by Operating Activities	24,644,823	1,232,360		25,877,183	22,373,001
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Payment of State Payment Obligation	(2,500,000)			(2,500,000)	(2,500,000)
Operating Subsidies and Transfers to Other Funds	(1,391,865)	1,391,865			
Net Cash Provided/(Used) by Noncapital Financing Activities	(3,891,865)	1,391,865		(2,500,000)	(2,500,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital Contributions	2,180,223	13,172,909		15,353,132	10,480,737
Advances/Loans for Capital Acquisitions	1,362,832	4,412,433	\$ (4,412,433)	1,362,832	
Proceeds from the Sale of Land	165,000			165,000	
Payments for Capital Acquisitions	(47,415,199)	(13,465,028)		(60,880,227)	(71,141,652)
Principal Paid on Capital Debt	(3,615,000)			(3,615,000)	(2,490,000)
Interest Paid on Capital Debt	(11,559,231)			(11,559,231)	(11,660,286)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(58,881,375)	4,120,314	(4,412,433)	(59,173,494)	(74,811,201)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital Loan to the Airport	(4,412,433)		4,412,433		
Purchase of Investments	(864,281)			(864,281)	(809,246)
Proceeds from Sales and Maturities of Investments	46,310,470			46,310,470	54,165,721
Interest and Dividends	5,159,243	65,521		5,224,764	8,317,164
Net Cash Provided by Investing Activities	46,192,999	65,521	4,412,433	50,670,953	61,673,639
Net Increase in Cash and Cash Equivalents	8,064,582	6,810,060		14,874,642	6,735,439
Balance - Beginning of Year	41,434,245	1,508,173		42,942,418	36,206,979
Balance - End of Year	\$ 49,498,827	\$ 8,318,233	\$ 0	\$ 57,817,060	\$ 42,942,418
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Operating Income/(Loss)	\$ 13,914,010	\$ (2,248,201)		\$ 11,665,809	\$ 15,426,972
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Depreciation Expense	9,428,777	1,635,018		11,063,795	7,749,447
Noncash Application of Deposit to Receivable	40,670			40,670	
Change in Assets and Liabilities:					
Receivables, Net	(34,571)	(124,378)		(158,949)	(781,307)
Prepaid Expenses	(480,625)	(22,386)		(503,011)	45,409
Inventories	21,082			21,082	(25,659)
Accounts and Other Payables	364,635	(10,669)		353,966	100,415
Deferred Income	540,665	1,998,583		2,539,248	(981,195)
Customer Deposits	(116,159)	4,393		(111,766)	42,946
Accrued Expenses	966,339			966,339	795,973
Net Cash Provided by Operating Activities	\$ 24,644,823	\$ 1,232,360	\$ 0	\$ 25,877,183	\$ 22,373,001

Noncash Capital Financing Activities:

Capital assets of \$152,496,439 were acquired through contributions from governmental agencies and private developers.

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

South Jersey
Transportation Authority

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The South Jersey Transportation Authority (“Authority”) was created in 1991 by the South Jersey Transportation Authority Act (“Act”), Chapter 252 of the Laws of New Jersey. The Authority became the successor to the New Jersey Expressway Authority (“NJEA”) and the Atlantic County Transportation Authority (“ACTA”). Pursuant to the Act, the Authority acquired the Civil Terminal Area of the Atlantic City International Airport as a transportation project. The purpose of the Authority is to coordinate South Jersey’s transportation system in its regional jurisdiction of the counties of Atlantic, Camden, Cape May, Cumberland, Gloucester and Salem, and deal particularly with the highway network, aviation facilities and the transportation problems of Atlantic County.

The Authority’s responsibility is to maintain, repair and operate the 46.8-mile Atlantic City Expressway along with portions of routes 30, 187, and 42. Other functions of the Authority include those assumed with the acquisition of ACTA as follows: operation of the New York Avenue Parking Garage and related office and commercial space in Atlantic City, New Jersey; bus management; bus and automobile parking; traffic management; and transportation planning in Atlantic County. The Airport Division is responsible for operating and improving the Airport.

The Authority operates under a Board of Commissioners. There are nine Commissioners, comprised of the State Commissioner of Transportation, the CEO and Secretary of the New Jersey Commerce and Economic Growth Commission, and seven members appointed by the Governor with Senate approval. Serving under the Authority’s Commissioners is the Executive Director, supported by various Department Heads.

The financial statements of the Authority include all funds controlled by or dependent on the Authority Commissioners in accordance with accounting principles generally accepted in the United States of America.

The Authority is a component unit included in the State of New Jersey’s comprehensive annual financial report.

B. Basis of Accounting

The Authority prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which are similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

The assets, liabilities, and net assets of the Authority are reported in a self-balancing set of accounts, which include restricted and unrestricted resources, representing funds available for support of the Authority’s operations.

All funds of the Authority follow Financial Accounting Standards Board (“FASB”) Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (“GASB”) pronouncements.

C. Operating Revenues and Expenses

The Authority’s operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its Transportation System, which specifically includes the operations of the Atlantic City Expressway and the Atlantic City International Airport. All other revenues and expenses are reported as non-operating revenues and expenses.

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, demand deposit accounts with commercial banks and cash invested in commercial money market funds (including restricted assets) are considered cash equivalents.

E. Investments

Investments consist of restricted investments, and are carried at fair value as determined in an active market.

F. Accounts Receivable

Accounts receivable for the Authority is reflected net of allowance for doubtful accounts. The allowance account is adjusted at the end of every year for estimated bad debt expense. The estimate is based on the age of the receivable and the likelihood of its collection.

G. Restricted Assets

Restricted assets of the Authority represent bond proceeds designated for construction, and other monies and assets required to be restricted for debt service, the state payment, arbitrage rebate, rehabilitation and repair, subordinated debt, and capital projects.

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

H. Basis of Organization: Description of Funds

The accounts of the Authority are organized on the basis of funds, each of which is a separate entity with its own self-balancing accounts that comprise its assets, liabilities, net assets, revenue, and expenses. Resources are accounted for in individual funds based upon the purpose for which they are to be spent and the restrictions, if any, on the spending activities. The accrual basis of accounting in accordance with generally accepted accounting principles is used for all of the aforementioned funds, which are consolidated and reported as Proprietary Funds in the accompanying financial statements.

The Authority is subject to the provisions and restrictions of the amended and restated resolution authorizing bonds and other obligations adopted May 18, 1999. A summary of the activities of each Fund created by the Bond Resolution is covered below.

Revenue Fund – accounts for resources and expenditures for Authority operations of a general nature.

Construction Fund – accounts for the receipt and disbursement of funds for the acquisition and construction of capital projects. Included in this Fund are proceeds from the issuance of Transportation System Revenue Bonds in 1992, 1994, and 1999 as well as receipt of federal and state grants.

Debt Service Fund – accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Debt Service Reserve Fund – must maintain monies in an amount equal to \$15,175,362. The monies in this fund are utilized to make up any deficiency in the Debt Service Fund.

Rehabilitation and Repair Fund – accounts for monies which shall be applied to pay the costs of major resurfacing, repairs, renewals or reconstruction of each Pledged Project or any part thereof, whether buildings, improvements, fixtures, or equipment as determined in writing by the Authority and filed with the Trustee. The Authority is required to maintain a minimum balance of \$6,000,000 at December 31, 2001.

State Payment Fund - accounts for the accumulation of resources for, and the payment of, the Authority’s State payment obligation.

Rebate Fund – established for the purpose of paying to the United States Treasury, the Rebatable Arbitrage or the penalty amount in lieu of rebate and, if elected, any amount required to terminate such penalty.

Subordinated Debt Fund – established for the purpose of providing for the reserve for the Authority’s share of projected deficiencies pursuant to the True Up Agreement dated March 10, 1998 among the Authority, The State of Delaware, acting by and through its Department of Transportation, New Jersey Turnpike Authority, The Port Authority of New York and New Jersey, New Jersey Highway Authority and New Jersey Economic Development Authority.

General Reserve Fund - makes up deficiencies in payments to the other funds to cover operating expenses of any general project or for any other corporate purpose of the Authority permitted by the Act.

Airport Revenue Fund – accounts for the resources and expenditures of the Atlantic City International Airport.

I. Interest Income on Funds

Pursuant to Article I of the Bond Resolution, all earnings on the investment of monies in other funds are eligible to be included as revenues in the Revenue Fund subject to Section 5.14 of the Bond Resolution which restricts the transfer of earnings on investments in the General Reserve Fund to first being applied to other funds to meet any deficiencies in funding requirements. Earnings on the Debt Service, Debt Service Reserve (after all required transfers have been made to the Construction Fund), Rehabilitation and Repairs and State Payment Funds shall be transferred to the Revenue Fund if such Funds are at their requirements.

Earnings in the Construction Fund shall remain there until the project to which such earnings relate has been substantially completed at which time any excess funds may be transferred to other accounts established in the Construction Fund or, if no other account is so specified, (1) the Debt Service Reserve Fund if such fund shall be below the Debt Service Requirement, and (2) the Rehabilitation Fund, to the extent of any remaining balances of such monies.

J. Inability to Meet Debt Service Requirements

If amounts held in the Debt Service Fund are insufficient to pay the Debt Service Requirement coming due on bonds, the Trustee shall transfer from the following funds an amount sufficient to eliminate such deficiency: the Debt Service Reserve Fund, the General Reserve Fund, the State Payment Fund, the Rehabilitation and Repair Fund, and the Subordinated Debt Fund.

K. Pledged Projects

Pledged Projects are the projects for which the 1992, 1994 and 1999 Bonds were issued (except for the project constituting the acquisition of the parking garage facility) and, in addition to those projects, a project

- (a) which generates revenues sufficient to pay the operating expenses and Rehabilitation and Repair Requirement associated with such project in the fiscal year in which such project becomes operational or is designated a Pledged Project by the Authority; and

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

- (b) which is reasonably projected by the Authority to generate revenues sufficient to pay such project’s associated operating expenses and Rehabilitation and Repair Requirement for each of the five fiscal years following the year in which such project becomes operational or is designated a Pledged Project by the Authority.

L. Budgetary Information

In accordance with Section 7.06 of the Bond Resolution, on or before the fifteenth day of each year, the Authority adopts by resolution an Annual Operating Budget for such year. All operating appropriations lapse at the end of such year. As with all resolutions of the Authority, the budget resolution is subject to a fifteen-day Governor’s veto period. The resolution comes into full force and effect if no veto is exercised.

The Budget is prepared at the Department Division level. All Division Managers are responsible for maintaining expenditures below budget. The Department Heads may make line-item transfers of appropriations within their departments. All line-item transfers must be approved in writing by the Executive Director. The accounting system will not allow charges to accounts where the budget is expended.

M. Fuel Inventory

Inventory consists of fuel for the Authority’s vehicles valued at cost.

N. Capital Assets

Cost Basis – All capital assets are recorded at historical cost. The cost of property and equipment includes costs for infrastructure assets, right-of-way, land and improvements, electronic toll equipment, buildings, and equipment (including software). Costs for infrastructure assets include construction costs, design and engineering fees, legal and administrative expenses paid from construction monies, and bond interest expense, net of bond interest income, incurred during the period of construction.

Capitalization Policy – Costs to construct or acquire additional capital assets, which in some cases replace existing assets or otherwise prolong their useful lives, are capitalized for buildings and improvements, electronic toll equipment, and other equipment (including software). Under the Authority’s policy of accounting for infrastructure assets pursuant to the “depreciation method of accounting,” property costs represent a historical accumulation of costs expended to acquire rights-of-way and to construct, improve, and place in operation the various projects and related facilities.

Depreciation Policy – The Authority depreciates its assets using the straight-line method over the estimated useful lives of the assets as follows:

Infrastructure	30 years
Infrastructure – Equipment	10 years
Buildings	30 years
Building Improvements	5 to 10 years
Electronic Tolls	10 years
Equipment	5 years

O. Bond Discount and Issuance Costs

Bond discounts are presented as a reduction of the face amount of revenue bonds payable, whereas issuance costs are recorded as other assets. Bond discounts associated with the issuance of bonds are amortized using the effective interest method, while issuance costs are amortized on a straight-line basis over the life of the bonds.

P. Restricted Net Assets

Restricted net assets are comprised of amounts reserved for debt service, rehabilitation and repair, and capital projects.

Q. New Accounting Pronouncements

The Governmental Accounting Standards Board (“GASB”) issued Governmental Accounting Standards Board Statement (“GASBS”) No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended by GASBS No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and No. 34*, and GASBS No. 38, *Certain Financial Statement Note Disclosures*. These GASBS’s establish new financial reporting requirements for state and local governments throughout the United States. When implemented, they create new information and restructure much of the information that governments have presented in the past. GASB developed these new requirements to make annual financial statements more comprehensive and easier to understand and use. The Authority adopted these GASBS’s effective January 1, 2001. The 2000 financial statements have been restated accordingly.

2. DEPOSITS AND INVESTMENTS

Pursuant to Article VI, Sections 6.02(a) and (b) and Section 6.03 of the Authority’s Bond Resolution, all monies held by any depository may be placed on demand or time deposit, as directed by the Authority, provided that such deposits shall permit the monies so held to be available for use when needed.

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

2. DEPOSITS AND INVESTMENTS (CONT.)

All monies held by the Trustee, or any other fiduciary, or any depository shall be insured by the Federal Deposit Insurance Corporation and to the extent not so insured, shall be continuously and fully secured either by federal securities having a market value of not less than the amount of such monies or in such other manner as may then be required by applicable federal or state laws and regulations to provide security for the deposit of public funds.

All investments shall be made in “investment securities” as defined by Article I, Section 1.01 of the Bond Resolution and shall mature or become subject to repurchase, withdrawal without penalty or redemption at the option of the holder on or before the dates the invested amounts are reasonably expected to be needed.

Article I, Section 1.01 of the Authority’s Bond Resolution provides a list of investment securities which may be purchased by the Authority. The investment securities, as defined by the Bond Resolution, consist of the following:

- (a) Federal securities;
- (b) Bonds, debentures, notes or other evidence of indebtedness issued by any agency or instrumentality of the United States to the extent such obligations are guaranteed by the United States or by another such agency, the obligations (including guarantees) of which are guaranteed by the United States;
- (c) Bonds, debentures, notes or other evidence of indebtedness issued by any corporation chartered by the United States, including but not limited to: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, Resolution Funding Corporation, Export-Import Bank, Federal Financing Bank, and Student Loan Marketing Association;
- (d) Negotiable or non-negotiable certificates of deposit (or other time deposit arrangements) issued by any bank, trust company or national banking association, including a Fiduciary, which certificates of deposit shall be continuously secured or collateralized by obligations described in (a) or (b) above, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit;
- (e) Uncollateralized negotiable or non-negotiable certificates of deposit (or other time deposit arrangements) issued by any bank, trust company or national banking association, the unsecured obligations of which are rated in one of the two highest rating categories, without regard to sub-categories, by Moody’s and Standard & Poor’s (“S&P”);
- (f) Repurchase agreements collateralized by obligations described in (a), (b) or (c) with any registered broker/dealer subject to the Securities Investors’ Protection Corporation jurisdiction, which has an uninsured, unsecured and unguaranteed obligation rate of “Prime-1” or “A-3” or better by Moody’s, and “A-1” or “A” or better by S&P, or any commercial bank with the above ratings, provided:
 - (i) a master repurchase agreement or specific written repurchase agreement governs the transaction which characterizes the transaction as a purchase and sale of securities;
 - (ii) the securities are held free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is a Federal Reserve Bank, a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus, and undivided profits of not less than \$75,000,000, or a bank approved in writing for such purpose by each credit issuer, if any, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee;
 - (iii) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq. or a successor provision in such securities is created for the benefit of the Trustee;
 - (iv) the repurchase agreement has a term of six months or less, or the Authority will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation;
 - (v) the repurchase agreement matures on or before a debt service payment date (or, if held in a fund other than the Debt Service Fund, Debt Service Reserve Fund or Subordinated Debt Fund, other appropriate liquidation period); and
 - (vi) the fair market value of the securities in relation to the amount of the repurchase obligation is equal to the collateral levels established by a rating agency for the ratings assigned by the rating agency to the seller.

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

2. DEPOSITS AND INVESTMENTS (CONT.)

- (g) Banker’s acceptances, Eurodollar deposits and certificates of deposit, in addition to the certificates of deposit provided for by (d) and (e) above of the domestic branches of foreign banks having a capital and surplus of \$1,000,000,000 or more, or any bank or trust company organized under the laws of the United States of America or Canada, or any state or province thereof, having capital and surplus, in the amount of \$1,000,000,000, provided that the aggregate maturity value of all such banker’s acceptances and certificates of deposit held at any time as investments of funds under the Bond Resolution with respect to any particular bank, trust company, or national association shall not exceed 5% of its capital and surplus; and provided further that any such bank, trust company, or national association shall be rated in one of the two highest rating categories, without regard to rating sub-categories, by Moody’s and S&P;
- (h) Other obligations of the United States of America or any agency thereof which may then be purchased with funds belonging to the State of New Jersey or which are legal investments for savings banks in the State of New Jersey;
- (i) Deposits in the New Jersey Cash Management Fund;
- (j) Obligations of any state, commonwealth or possession of the United States or a political subdivision thereof of any agency or instrumentality of such a state, commonwealth, possession or political subdivision, provided that at the time of their purchase such obligations are rated in either of the two highest rating categories by both Moody’s and S&P;
- (k) Commercial paper with a maturity date not in excess of 270 days rated by the rating agencies at least equal to the rating assigned by the rating agencies to the applicable series of bonds and in no event lower than the “A” category established by a rating agency (which may include sub-categories indicated by plus or minus or by numbers) at the time of such investment, issued by an entity incorporated under the laws of the United States or any state thereof;
- (l) Shares of diversified open-end management investment company as defined in the Investment Act of 1940, which is a money-market fund which is then rated in any of the three highest rating categories by any nationally recognized bond rating agency which is then rating the bonds or money-market accounts of the Trustee or any bank or trust company organized under the laws of the United States or any state thereof which has a combined capital and surplus of not less than \$50,000,000; and
- (m) Investment contracts
 - (i) providing for the future purchase of securities of the type described in (a), (b), (c), and (g) above, which contracts have been approved for sale by a national securities exchange and all regulatory authorities having jurisdiction; or
 - (ii) the obligor under which or the guarantor thereof shall have a credit rating such that its long-term debt is rated at least “A+” by S&P if the bonds are then rated by such rating agency and at least “A-1” by Moody’s if the bonds are then rated by such rating agency.

All monies held under the Bond Resolution shall be continuously and fully secured by lodging, as collateral security, direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. The Authority’s total book (cash) balances were \$57,817,060 at December 31, 2001. The Authority’s total bank (cash) balances were \$56,890,882 at December 31, 2001, of which \$1,131,525 was insured by the Federal Deposit Insurance Corporation and the balance of \$55,759,358 was collateralized with U.S. Government Securities held in the Authority’s name by the Authority’s financial institutions or its agents. The difference between bank balance and book balance is due primarily to the timing of deposits and outstanding checks.

Management considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

As of December 31, 2001, the investments of the Authority are listed by appropriate risk categories as follows:

Category 1: Investments, which are insured or registered or held by the Authority or its agent in the Authority’s name.
Category 2: Investments which are uninsured and unregistered, with securities held by others in the Authority’s name.
Category 3: Investments which are uninsured and unregistered, with securities held by others, but not in the Authority’s name.

All cash and investments of the Authority are Category 1 investments.

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

3. CAPITAL ASSETS

Capital Assets are summarized as follows:

	December 31, 2000	Additions	Deletions	December 31, 2001
Non-Infrastructure Capital Assets:				
Land and Improvements	\$ 63,347,779	\$ 75,834,264	\$ 165,000	\$ 139,017,043
Electronic Toll Equipment	8,717,596	10,384		8,727,980
Buildings and Equipment	<u>35,789,422</u>	<u>2,835,362</u>	<u></u>	<u>38,624,784</u>
Total Non-Infrastructure Capital Assets	<u>107,854,797</u>	<u>78,680,010</u>	<u>165,000</u>	<u>186,369,807</u>
Infrastructure Capital Assets:				
Infrastructure Equipment	1,412,402	117,463		1,529,865
Infrastructure	<u>171,231,726</u>	<u>135,660,925</u>	<u></u>	<u>306,892,651</u>
Total Infrastructure Capital Assets	<u>172,644,128</u>	<u>135,778,388</u>	<u></u>	<u>308,422,516</u>
Less Accumulated Depreciation	<u>(25,172,080)</u>	<u>(11,063,795)</u>	<u></u>	<u>(36,235,875)</u>
Total Capital Assets	<u>\$ 255,326,845</u>	<u>\$ 203,394,603</u>	<u>\$ 165,000</u>	<u>\$ 458,556,448</u>

4. CAPITAL CONTRIBUTIONS

The Authority received Capital Contributions totaling \$166,124,913 in 2001, and they are detailed as follows:

The Authority receives capital funding from the United States Department of Transportation Federal Aviation Administration (“FAA”) and the New Jersey Economic Development Authority and the State of New Jersey Transportation Trust Fund. These funds, as well as other local funds received, are designated and utilized towards the development and improvement of the Atlantic City International Airport and other expressway projects. The Authority also received a grant from the Federal Highway Authority to be used for the design and construction of an electronic toll collection and traffic management system. The Authority received a total of \$9,760,957 in federal and state grant and aid money during 2001. Funds from the New Jersey Economic Development Authority are classified as Economic Recovery Funds Advanced until costs are incurred. At the time costs are incurred, they are reclassified to Capital Contributions.

During 2000, the Authority entered into an agreement with a contractor for work to be performed at the Atlantic City International Airport with costs being reimbursed by the New Jersey Air National Guard (“NJANG”). In this agreement, the Authority pays the contractor for work done at the Airport and is reimbursed by NJANG. The payments to the contractor are capitalized, while the reimbursements from NJANG are recorded as Capital Contributions. The Authority received \$1,568,000 in Capital Contributions for this project during 2001.

The Authority has been approved by the Federal Aviation Administration (“FAA”) to impose a Passenger Facility Charge (“PFC”) of \$3 on passengers enplaned at the Atlantic City International Airport. PFC collections, including any interest earned after such collections, may be used only to finance the allowable costs of approved projects at the Airport. PFC collections are classified as PFC Advanced until allowable costs are incurred. At the time costs are incurred, they are reclassified to Capital Contributions. PFC Capital Contributions recognized during 2001 amounted to \$491,939.

The New Jersey Department of Transportation (“N.J.D.O.T.”) reimburses the Authority for some capitalized costs associated with the Expressway Connector Project out of the connector project fund, while it also pays for some of the Connector capitalized costs directly. All capitalized costs either paid directly by N.J.D.O.T or reimbursed to the Authority by N.J.D.O.T. were recognized as Capital Contributions. The Capital Contributions recognized during 2001 amounted to \$82,399,913.

Pursuant to a Bond Purchase Agreement dated October 10, 1997 between the Authority and Mirage Resorts, Incorporated (“Developer”) in connection with the Connector, the Authority agreed to issue and sell to the Developer or its designee not exceeding \$55,000,000 in aggregate initial issuance amount of Special Revenue Bonds in one or more series as funds were needed to pay a portion of the Developer’s share of the cost of the Connector. The Bonds are a conduit debt obligation of the Authority, and thus do not appear in the accompanying financial statements (Note 8). As the bond proceeds are used to pay costs associated with the Connector, these amounts are capitalized and capital contributions are recognized. The Developer also paid some capitalized costs directly. All capitalized costs either paid directly by the Developer or via the Special Revenue Bonds were recognized as Capital Contributions. The Capital Contributions recognized during 2001 amounted to \$71,766,936.

In 2001, the Authority entered into an agreement with a private casino owner to equally (50/50) fund all costs associated with the construction of an elevated U-turn, right of way landscaping, and sign modification on the Connector up to a total investment of \$12 million. All costs paid by the private casino owner are recognized as Capital Contributions. The Capital Contributions recognized during 2001 amounted to \$137,168.

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

5. COMMITMENTS AND CONTINGENCIES

- A. The Authority recognizes expenses when they are incurred. Commitments do not constitute expenses or liabilities; they relate to unperformed contracts for goods or services. As of December 31, 2001, commitments for projects in progress were \$22,612,275.
- B. The Authority is the subject of, or a party to, various pending or threatened legal actions. The Authority believes that any ultimate liability arising from these legal actions should not have a material effect on its financial position or operations.
- C. The Authority receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2001, the Authority estimates that no material liabilities will result from such audits.

6. BONDS PAYABLE

As of December 31, 2001, bond discounts in the amount of \$1,656,484 have been offset against the outstanding bonds.

The 1992 Series B Transportation System Revenue Bonds (serial bonds) of \$11,725,000 have interest rates ranging from 5.5% to 5.9% and mature in various increments November 1, 2002 through November 1, 2007. The Series B term bonds of \$9,555,000 mature November 1, 2012 and have an interest rate of 6.0%.

1999 Series Transportation System Revenue Bonds

The 1999 Series Transportation System Revenue Bonds (serial bonds) of \$86,180,000 have interest rates ranging from 3.8% to 5.25% and mature in various increments November 1, 2002 through November 1, 2019. The 1999 Series term bonds of \$29,290,000 and 87,795,000 mature November 1, 2022 and 2029, respectively and have interest rates of 5.125% and 5%, respectively.

Proceeds of the 1999 Series Bonds were used to: (i) fund certain road improvement projects, (ii) prepay the Authority’s Subordinated Bond Anticipation Notes, Series 1998, (iii) advance refund a portion of certain maturities of the Authority’s Transportation System Revenue Bonds, 1992 Series B (Tax Exempt), (iv) fund a portion of the interest on the 1999 Bonds to May 1, 2001, (v) make a deposit to the Debt Service Reserve Fund and (vi) pay certain costs of issuing the 1999 Bonds.

The 1999 Bonds maturing on or before November 1, 2009, are not subject to redemption prior to maturity. The 1999 Bonds maturing on or after November 1, 2010, are subject to redemption, at the option of the Authority, at any time in whole or in part selected by lot within a maturity from maturities selected by the Authority, on and after November 1, 2009, at the redemption prices (expressed as percentages of the principal amount being redeemed) set forth below, plus accrued interest to the redemption date:

<u>Redemption Period of the Bonds (both dates inclusive)</u>	<u>Redemption Price</u>
November 1, 2009 to October 31, 2010	101%
November 1, 2010 to October 31, 2011	100 1/2%
November 1, 2011 and thereafter	100%

Mandatory Sinking Fund Redemption Provision – 1999 Bonds Maturing 11/1/2022

The Bonds shall be subject to redemption prior to maturity by application of Sinking Fund Installments on November 1 in each of the following years in the respective principal amount set opposite each such year:

2020	\$ 9,280,000
2021	9,755,000
2022	10,255,000

Mandatory Sinking Fund Redemption Provisions – 1999 Bonds Maturing 11/1/2029

The Bonds shall be subject to redemption prior to maturity by application of Sinking Fund Installments on November 1 in each of the following years in the respective principal amount set opposite each such year:

2023	\$ 10,785,000
2024	11,320,000
2025	11,890,000
2026	12,485,000
2027	13,105,000
2028	13,760,000
2029	14,450,000

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

6. BONDS PAYABLE

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding:

Calendar Year	Principal	Interest	Total
2002		3,785,000	11,386,291
2003		3,980,000	11,194,266
2004		4,185,000	10,988,216
2005		4,375,000	10,797,781
2006		4,580,000	10,593,360
Thereafter	203,640,000	145,335,844	348,975,844

7. DEBT DEFEASANCE

The Authority has defeased a portion of certain maturities of its outstanding 1992 Series B Bonds with a portion of the proceeds of the 1999 Bonds to achieve a reduction in Debt Service. Proceeds from the 1999 Bonds were used to purchase U.S. Government Securities that were placed in an irrevocable trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Authority’s balance sheet. The amount of defeased debt outstanding but removed from the balance sheet was \$20,670,000.

The proceeds from the 1999 Bonds placed in the Trust Fund will be used to refund serial bonds with interest rates ranging from 5.7% to 5.9% and a par value of \$7,880,000 and term bonds with an interest rate of 6% and a par value of \$12,790,000. The total par value of the refunded debt is \$20,670,000, and will be called on November 1, 2002 at a redemption price of 102% of the par amount, plus accrued interest to the redemption date.

As a result of the defeasance, the Authority reduced its total debt service requirements by \$1,368,894, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,024,436.

8. CONDUIT DEBT OBLIGATIONS

Conduit debt obligations are defined as certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not part of the issuer's financial reporting entity. The Authority has two conduit debt obligations as of December 31, 2001 as described below.

In 1997, the Authority issued \$5,130,000 in Lease Revenue Bonds to provide funds to pay a portion of the cost of constructing and equipping a special fixed base operator facility at the Atlantic City International Airport to be leased and operated by Raytheon Aircraft Services, Inc.

The Bonds are subject to redemption at the option of the Authority, upon the direction of the Lessee prior to maturity and upon notice as provided in the General Resolution, in whole or in part on January 1, 2007 or any date thereafter. If less than all the Bonds are to be redeemed on any date, the Bonds to be redeemed shall be selected by lot. Redemption prices of the Bonds shall be equal to the following percentages of principal amount to be redeemed together with unpaid interest accrued on such principal amount to the redemption date:

Redemption Period of the Bonds (both dates inclusive)	Redemption Price
January 1, 2007 through December 31, 2007	102%
January 1, 2008 through December 31, 2008	101%
January 1, 2009 and Thereafter	100%

The total amount of this outstanding conduit debt as of December 31, 2001 is \$4,815,000. The Bonds are a special limited obligation of the Authority and are payable solely from revenues derived by the Authority pursuant to a Repayment Agreement between the Authority and Raytheon Aircraft Services, Inc. The Authority has no other responsibility for the payment of this debt.

The Authority issued and sold Special Revenue Bonds to Mirage Resorts, Incorporated in 1999, 2000, and 2001 to provide funds to pay a portion of Mirage's share of the cost of the Atlantic City Expressway Connector Project (“Connector”). The Special Revenue Bonds will be payable solely from amounts received by the Authority from CRDA pursuant to the Pledge Agreement, dated October 10, 1997 between the Authority and CRDA. The Authority has no other responsibility for the payment of this debt. The amounts payable by CRDA under the CRDA Pledge Agreement are Governmental Grants, which do not constitute Revenues under the Bond Resolution, and the Special Revenue Bonds are not payable from or secured by such Revenues. The total amount of this outstanding conduit debt as of December 31, 2001 is as follows:

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

8. CONDUIT DEBT OBLIGATIONS (CONT.)

Year Issued	Issued	@ 12/31/01	Amount Maturity Value	Accreted Value	
1999			\$ 20,003,710	\$ 21,948,568	\$ 24,425,000
2000			24,999,328	26,654,463	30,075,000
2001			<u>9,996,322</u>	<u>10,206,719</u>	<u>11,390,000</u>
			<u>\$ 54,999,360</u>	<u>\$ 58,809,750</u>	<u>\$ 65,890,000</u>

All of the Special Revenue Bonds mature on October 1, 2037 and have interest rates ranging from 3.5% to 4.05%.

The amount of cash in the Special Revenue Bond accounts as of December 31, 2001 is \$996,517, of which \$222,892 represents unspent bond proceeds and the balance of \$773,625 represents interest earnings received over the three-year period. The cash is in a bank account, where its activity requires various types of approval by the State, Mirage, and the Authority. Although the Authority is the trustee to this account, the bank recognizes the State as having primary control over the activity in it; therefore it is not recorded in the accompanying financial statements. The ownership of the interest earnings will be determined by all parties in 2002.

9. RATES AND CHARGES

Section 7.08 of the Bond Resolution states as follows:

- (a) (1) The Authority shall at all times fix, impose, charge and collect tolls, fares, fees and other charges for the use of the Transportation System as shall be required in order that, in each fiscal year, net revenues shall at least equal the net revenue requirements for such year; and
- (2) The Authority shall at all times fix, impose, charge and collect tolls, fares, fees and other charges for the use of the Transportation System as shall be required in order that, in each fiscal year, current revenues shall at least equal the Operating Expenses for Pledged Projects for such fiscal year and the debt service on all outstanding bonds (net of capitalized interest) and subordinated indebtedness for such fiscal year and any required deposits to the Debt Service Reserve Fund and the Rehabilitation and Repair Fund, if any such deposits are required.

The net revenue requirement means an amount of net revenue for the period under consideration equal to the greater of:

120% of the debt service payable on all outstanding bonds (net of capitalized interest available for the purpose); or

100% the aggregate of debt service payable on all outstanding bonds (net of available capitalized interest as aforesaid), Rehabilitation and Repair Requirements, State Payment Requirement, debt service payable during the period on subordinated indebtedness, operating expenses of general projects, and other required deposits to funds, including the Debt Service Reserve Fund and Rebate Fund.

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

9. RATES AND CHARGES (CONT.)

Calculations of Requirements:	Section 7.08(a)(1) 120%	Section 7.08(a)(1) 100%	Section 7.08(a)2
Operating Revenue	\$ 58,712,782	\$ 58,712,782	\$ 58,712,782
Interest Revenue	270,950	270,950	270,950
Interest Revenue – Airport	20,634	20,634	20,634
Interest Revenue Transferred From Restricted Funds	1,166,511	1,166,511	1,166,511
Interest Revenue - General Reserve Fund	<u>622,819</u>	<u>622,819</u>	<u>622,819</u>
Total Revenue	60,793,696	60,793,696	60,793,696
Less: Grant Revenue	1,538,845	1,538,845	1,538,845
Airport Revenue	3,466,255	3,466,255	3,466,255
Airport Interest	<u>20,634</u>	<u>20,634</u>	<u>20,634</u>
Total Available Revenue	55,767,962	55,767,962	55,767,962
Pledged Project Operating Expenses	<u>31,545,184</u>	<u>31,545,184</u>	<u>31,545,184</u>
Net Revenues	<u>\$ 24,222,778</u>	<u>\$ 24,222,778</u>	<u>\$ 24,222,778</u>
Senior Debt Service	\$ 11,321,946	\$ 11,321,946	\$ 11,321,946
Rehabilitation and Repair Rqment		2,500,000	
State Payment Requirement		804,947	
Other Required Deposits		<u>951,104</u>	
General Project Operating Expenses			
Total Debt Service & Other Obligations	<u>\$ 11,321,946</u>	<u>\$ 15,577,997</u>	<u>\$ 11,321,946</u>
Total Pledged Projects & Debt Service			<u>\$ 42,867,130</u>
Coverage Ratio	213.95%	155.49%	130.09%
Required Coverage	<u>120.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Excess Coverage	<u>93.95%</u>	<u>55.49%</u>	<u>30.09%</u>

10. FORWARD SUPPLY CONTRACT

In accordance with the 1992 Bond Resolution as amended and restated, the Authority is obligated to make monthly deposits to the Debt Service Fund of amounts which will provide sufficient funds to pay, on the next semi-annual interest and annual principal payment dates, the debt service on the bonds coming due. The Trustee was authorized and directed to execute a Forward Supply Contract with TMG Financial Products, Inc. (“TMGFP”), where monies on deposit in the aforementioned funds will be utilized to purchase Qualified U.S. Government Obligations which, together with interest to be earned thereon and certain reinvestments thereof, will mature at such times and in such amounts as will enable the Authority to make the next scheduled principal or interest payments for the Authority’s Transportation System Revenue Bonds, 1992 Series B, 1994 and 1999 Series. In 1994, the Authority received \$525,340 as a one-time fixed payment from TMGFP upon the execution of the Forward Supply Contract. The contract is currently with JP Morgan Chase Bank as a result of banking institution mergers in November, 2001.

11. PENSION PLAN

Substantially, all Authority employees participate in the Public Employees’ Retirement System (“PERS”) and the Police and Firemen’s Retirement System (“PFRS”). The Division of Pensions and Benefits (“Division”) within the Treasury Department of the State of New Jersey is the administrator of the funds and charges the employee and employer annually for their respective contributions. The Plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

11. PENSION PLAN (CONT.)

The Division of Pensions and Benefits issues publicly available financial reports that include the financial reports for each of the Plans that includes financial statement and required supplementary information. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plans. PERS and PFRS bill the Authority annually at an actuarially determined rate for its required contribution. The current rate is 3% for PERS and 8.5% for PFRS of annual covered payroll.

The contribution requirements of Plan members and the Authority are established and may be amended by the Board of Trustees of the respective Plans. The employees’ contribution to the PERS and PFRS Plans for the year ended December 31, 2001 was \$343,075 and \$41,942 respectively. Authority contributions were not required.

12. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omission, injury to employees, professional liability, airport liability, environmental and natural disaster for which the Authority purchases commercial insurance. Settled claims have not exceeded this coverage in any of the past three years.

As required by law, the Authority provides Workers’ Compensation Insurance to its employees. The Authority’s Workers’ Compensation policy provides coverage up to the New Jersey State Workers’ Compensation statutory limits for Coverage A. Coverage B employer’s liability is limited to \$1,000,000 per occurrence. This policy is retrospectively rated. The deposit premium is approximately \$500,000 per year, based on the Authority’s estimate of its annual payroll. The premium could be retroactively adjusted, based on actual losses incurred, resulting in an actual premium as low as \$203,822 to a maximum premium of \$821,225.

13. AUTHORITY RETIREMENT MEDICAL BENEFITS

In accordance with the Authority’s Personnel Policies Manual adopted by the Board in January, 1993 (Resolution 1993-02), the Authority offers certain health-care benefits to its retired employees. All employees of the Authority are eligible if, at retirement, they have at least 20 years of full-time service with the Authority and are qualified to immediately receive pension payments from PERS; or if they have 25 years or more service credited in PERS and are immediately eligible to receive pension benefits. The Authority funds the benefits on a pay-as-you-go basis. The cost of providing these benefits for sixty-three retirees for the year ended December 31, 2001 was \$427,481.

14. COMPENSATED ABSENCES

A. Non-Union Employees

Full-time, non-union employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. The Authority compensates employees for unused sick leave upon retirement or upon resignation if the employee vests in the pension system until retirement age has been reached. The current policy entitles an employee to receive a maximum payout of \$17,500 which is paid at the employee’s rate of pay at retirement. A full year’s vacation entitlement may be carried to the next calendar year. Any carried-over vacation time must be taken during the subsequent year or it is lost.

Part-time employees are entitled to a proportionate amount of compensated absences based on hours worked.

Compensatory time for full-time employees cannot accrue beyond eighty hours and must be taken within twelve months of being earned. The use of compensatory time must be approved by a Department Director. The Authority may, at its discretion, purchase back compensatory time at the employee’s rate of pay when the compensatory time was earned.

B. Union Employees

In accordance with the union contracts in effect in 1999, members of the International Federation of Professional and Technical Engineers, Local 196, Chapter 2 and Local 193, Chapter A, ten vacation days may be carried to the next calendar year for Local 196 and a full year’s entitlement may be carried for Local 193. Any carried-over vacation time must be taken during the subsequent year or it is lost. In addition, members are entitled to accumulate sick time up to \$17,500. The following percentages apply:

- (a) For employees who resign in good standing, or retire, but do not receive pension payments under PERS:
 - (i) 50% of present salary for the first 150 days of accumulated sick days up to a maximum of \$17,500;
 - (ii) 100% of present salary for accumulated sick leave in excess of 150 days.
- (b) For employees who retire and are immediately eligible to receive payments under PERS:
 - (i) 75% of present salary for the first 150 days of accumulated sick days up to a maximum of \$17,500;
 - (ii) 100% of present salary for accumulated sick leave in excess of 150 days.

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

14. COMPENSATED ABSENCES (CONT.)

On August 1, 1996, a compensatory time policy was put in place for members of Local 196, Chapter 2. Under this policy, compensatory time can be accrued up to a maximum of forty hours per contract year but can re-accumulate up to forty hours as the time is used.

Under the contract for Local 193, Chapter A, compensatory time cannot accrue beyond sixty hours and must be taken within twelve months of being earned.

Members of the Atlantic City International Airport Fire Fighters, Local S-18 of the International Association of Fire Fighters, AFL-CIO, CLC may carry up to one year's vacation allotment. Any carried over vacation time must be taken during the subsequent year or it is lost. In addition, members are entitled to accumulate sick leave up to \$17,500 at the employee's rate of pay at retirement. Unused sick time earned will not be paid upon resignation, termination or layoff.

Compensatory time must be taken within 12 months of being earned.

C. Accrued Expense

The Authority has both operating and non-operating accrued expenses. The operating accrued expense pertains to compensated absences as described below. The non-operating accrued expense pertains to electronic toll collection expense of \$4,851,930 (Note 18).

The Authority's accrued liability for compensated absences including additional amounts accrued for Social Security, Medicare and pension plan contributions as of December 31, 2001 is as follows:

Sick Time	\$ 346,288
Vacation Time	415,647
Compensatory Time	<u>72,547</u>
	<u>\$ 834,482</u>

15. SOUTH JERSEY TRANSPORTATION PLANNING ORGANIZATION

The South Jersey Transportation Planning Organization ("SJTPO") is a metropolitan planning organization whose function is to develop transportation programs for urbanized areas of the State in order to encourage and promote the development of intermodel transportation systems that maximize mobility and minimize air pollution. The New Jersey Department of Transportation Grant for Administration Staff Support for the SJTPO is designed to reimburse the Authority for its expenses incurred each year for the SJTPO. These expenses typically include salaries, fringe benefits and non-salary direct expenses.

16. AIRPORT MANAGEMENT

Pursuant to N.J.S.A. 27:25A-24, the Authority established a transportation project known as the Atlantic City International Airport ("ACY"). Effective April 1, 1996, pursuant to Authority Resolution #1996-06, the Authority entered into an operating and maintenance agreement with Johnson Controls World Services ("JCWS") for operations, maintenance and support service at ACY. Under this arrangement, the Authority is entitled to receive all of the revenue and must pay all the expenses associated with the operation of ACY terminal operations. JCWS was sold to American Port Services ("AmPorts") during 1997. AmPorts assumed all rights and obligations of the existing contract between the Authority and JCWS. Since April 1, 2001, the Authority and AmPorts have been operating under a five-year extension of the operating and maintenance agreement, which was provided for in the original contract. This extension expires March 31, 2006.

Effective April 15, 1998, the Authority assumed control of the runways and taxiways at ACY pursuant to Resolution 1998-14. The Authority executed a lease and cooperative agreement with the William J. Hughes Technical Center for certain lands, facilities and equipment for the Atlantic City International Airport. The execution of this agreement requires the Authority to maintain the airfield at ACY, but it also allows for the collection of landing fees.

Pursuant to the Act, the Authority has the power to set rates and charges at ACY. The Authority has adopted a compensatory rates and charges methodology. Rates and charges are subject to review and adjustment every two years. Currently, the Authority is operating under the Rates and Charges Resolution adopted April 18, 2000.

Pursuant to certain sections of the Agreement of Sale between the City of Atlantic City and the Authority, the City of Atlantic City asserted a claim that the Authority must pay the City of Atlantic City \$500,000 adjusted annually after December 31, 1996 by the Philadelphia Consumer Price Index. The Authority paid the annual amount of \$500,000 to the City of Atlantic City in 1997 and 1998, but challenged the validity of this obligation.

In 1999, as full settlement of any claims the City of Atlantic City has for future payments from the Authority under the Agreement of Sale, the Authority agreed to pay the City of Atlantic City the sum of \$7,000,000 as follows:

\$2,500,000 on or before December 31, 1999
\$2,500,000 on or before December 31, 2000
\$2,000,000 within 90 days of the erection of the seventh Authority-owned billboard structure on the Authority right-of-way for the Atlantic City Expressway Connector Project

The Authority also waived and relinquished all claims it had to repayment of the \$500,000 payments made to the City of Atlantic City in December 1997 and December 1998. Payments to Atlantic City are being recorded on the cash basis.

SOUTH JERSEY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

17. STATE PAYMENT

Pursuant to an agreement dated November 17, 1983 between the Authority (as successor to the NJEA) and the State Department of Transportation, the Authority has agreed to make annual payments to the State of New Jersey in the sum of \$2,500,000.

18. ELECTRONIC TOLL COLLECTION

On March 10, 1998, the New Jersey Turnpike Authority, as the lead agency of a regional consortium consisting of the Port Authority of NY and NJ, the State of Delaware, the New Jersey Turnpike Authority, the South Jersey Transportation Authority and the New Jersey Highway Authority entered into a project agreement with a contractor, for the purpose of receiving the services associated with the implementation of an integrated electronic toll collection system, a fiber optic system, and a customer service center for processing toll transactions and a related violations processing center. To finance certain costs of this project, the New Jersey Economic Development Authority ("EDA") issued \$300 million of its taxable Economic Development Transportation Bonds. A project fund has been established to pay approved expenses relating to principal and interest on the EDA Bonds, and to the extent that the amounts are not sufficient to cover these expenses, each consortium member has agreed, under a True-up agreement, to pay, subject to the requirements of each member's bond covenant, its allocated share of the amount of such deficiency at the maturity of the EDA Bonds, March 7, 2008, or earlier in connection with the occurrence of certain events of default.

The proportional allocation of liability among the consortium members is subject to adjustment under the True-up Agreement. However, the proportional allocation percentage of the Authority shall not at any time exceed 6% of the total True-Up amount. The Authority's initial allocated liability is 3%.

The Authority's share of the projected liability has been recorded in the accompanying financial statements and is currently estimated to be \$4,851,930, of which \$1,860,810 has been fully funded and transferred to the subordinated debt fund established under the Bond Resolution in accordance with certain provisions of the True-Up Agreement. The remaining \$2,991,120 represents the balance of the Authority's estimated liability at December 31, 2001. This estimate is subject to annual review and recalculation by the independent accountant, as defined by the Indenture of Trust, to the New Jersey Turnpike Authority as lead agency for the Consortium.

19. INTERFUNDS AND AIRPORT SUBSIDY

The total interfund payable from the Airport Fund to the Expressway Fund at December 31, 2001 is \$7,692,459, which consists of \$4,412,433 payable from restricted funds and \$3,280,027 payable from unrestricted funds.

Pursuant to the South Jersey Transportation System Revenue Bonds, 1999 Series amended and restated resolution authorizing bonds and other obligations, Section 5.02(l) establishes an Airport Fund.

Accordingly, the Airport Fund is maintained separately from the Expressway Fund and the financial results are separately presented in the accompanying Proprietary Fund Financial Statements. Any excess direct operating expense incurred over revenue earned at the Airport is subsidized by the Expressway Fund and is a liability of the Airport Fund to the Expressway Fund. The Authority periodically transfers amounts from the Expressway Fund to the Airport Fund to subsidize Airport operations. When such transfers are made, the Authority establishes a loan receivable from the Airport Fund to the Expressway Fund for the amount transferred. The loan is payable to the Expressway Fund from unrestricted funds of the Airport Fund when the monies are used on Airport operating expenses, and the loan is payable from restricted funds of the Airport Fund when the monies are used on Airport capital expenditures. These loans are payable to the Expressway Fund when Airport revenue exceeds Airport direct operating expense in any given year, but in no event later than ten years from the date of the loan. Any amounts not repaid by the end of the term due will be written off at the end of the ten-year period.

20. CRDA PARKING FEE AGREEMENT

On October 10, 1997, in connection with the Atlantic City Expressway Connector Project, the Authority entered into a Parking Fee Agreement with the Casino Reinvestment Development Authority ("CRDA").

Pursuant to the Agreement, a portion of certain statutory parking fees ("Marina Parking Fees") receivable by CRDA from marina parking facilities used in conjunction with any new licensed casino hotel construction and located on land in the Marina District (also commonly known as the H-Tract) will be payable to the Authority. These parking fees pertain to the minimum charge per day for each motor vehicle parked, garaged or stored in a parking space in the parking facility, other than for motor vehicles owned or leased by the owner or operator of such facility or by an employee of the casino hotel which owns or leases such facility. The maximum amount payable by CRDA under the Parking Fee Agreement is an amount sufficient to amortize \$65 million in Authority bonds issued to finance the Atlantic City Expressway Connector Project and certain allocated costs of issuance. CRDA's payment obligations under the Parking Fee Agreement, as amended by the First and Second Amendments dated June 15 and September 20, 2001, are subordinate to the prior lien on the Marina Parking Fees of certain parking revenue bonds of CRDA, plus liens associated with two additional issuances CRDA parking revenue bonds. There are no assurances that the amount of Marina Parking Fees available to enable CRDA to repay the Authority will be sufficient for such purposes. There is no provision for this receivable from CRDA in the accompanying financial statements.

43

**SOUTH JERSEY TRANSPORTATION AUTHORITY
STATEMENT OF NET ASSETS
FUND FINANCIAL STATEMENTS**

With Comparative Totals as of December 31, 2000

[illegible]

**SOUTH JERSEY TRANSPORTATION AUTHORITY
STATEMENT OF NET ASSETS
FUND FINANCIAL STATEMENTS**

With Comparative Totals as of December 31, 2000

With Comparative Totals as of December 31, 2000

	Unrestricted Accounts			Restricted Accounts				Totals					
	Revenue Fund	Airport Fund	General Reserve Fund	Debt Service Fund	Reliabilitation and Repair Fund	State Payment Fund	Debt Service Reserve Fund	Rebate Fund	Subordinated Debt Fund	Construction Fund	Consolidations/ Eliminations	2001	2000
LIABILITIES AND NET ASSETS													
Current Liabilities Payable From Unrestricted Assets:													
Accounts Payable	\$ 2,255,686	\$ 778,154									\$ 3,033,840	\$ 2,679,873	
Deferred Income	700,208	2,002,711									2,702,919	163,672	
Deferred Interest Revenue	55,108										55,108	63,829	
Escrow Deposits	95,407	57,214									152,621	264,387	
Accrued Expenses	834,482										834,482	673,090	
Interfunds Payable	708,258	3,280,027									\$ (3,988,285)		
Total Current Liabilities Payable From Unrestricted Assets	4,649,149	6,118,106									(3,988,285)	6,778,970	3,844,851
Current Liabilities Payable From Restricted Assets:													
Accrued Interest				\$ 1,897,714								1,897,714	1,926,539
Accounts Payable										\$ 3,212,416		3,212,416	2,025,785
Retainages Payable										319,047		319,047	675,431
Due to Other Governmental Agencies						\$ 208,334						208,334	208,334
PFC Advanced										1,576,034		1,576,034	914,759
Economic Recovery Funds Advanced										238,468		238,468	208,881
Elevated U-Turn Payable				2,571	\$ 9,676	205	\$ 149,351			1,362,832	(5,045,662)	1,362,832	
Interfunds Payable										4,883,858			
Bonds Payable, Net of Discount (\$102,720), Deferred Loss on Refunding (\$217,683)										3,464,597		3,464,597	3,248,707
Total Current Liabilities Payable From Restricted Assets				1,900,285	9,676	208,539	149,351			15,057,252	(5,045,662)	12,279,442	9,208,436
Noncurrent Liabilities:													
Deferred Interest Revenue													55,109
Accrued Expenses			\$ 161,281					\$ 377,098	\$ 4,690,649			4,851,930	1,197,765
Arbitrage Rebate Payable												377,098	230,313
Bonds Payable, Net of Discount (\$1,553,764)										219,206,236		219,206,236	222,670,833
Total Noncurrent Liabilities			161,281					377,098	4,690,649	219,206,236		224,435,264	224,154,020
TOTAL LIABILITIES	\$ 4,649,149	\$ 6,118,106	\$ 161,281	\$ 1,900,285	\$ 9,676	\$ 208,539	\$ 149,351	\$ 377,098	\$ 4,690,649	\$ 234,263,488	\$ (9,033,947)	\$ 243,493,676	\$ 237,207,307

SOUTH JERSEY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FUND FINANCIAL STATEMENTS

Year Ended December 31, 2001
With Comparative Totals as of December 31, 2000

	Unrestricted Accounts			Restricted Accounts						Consolidations/ Eliminations	Totals		
	Revenue Fund	Airport Fund	General Reserve Fund	Rebate Fund	Subordinated Debt Fund	Debt Service Fund	Rehabilitation and Repair Fund	State Payment Fund	Debt Service Reserve Fund		Construction Fund	2001	2000
Operating Revenues:													
Tolls	\$45,853,899										45,853,899	\$44,322,412	
Concessions	1,629,479										1,629,479	1,307,512	
Garage Parking	872,299										872,299	855,556	
Intercept Parking	431,028										431,028	743,583	
Bus Permits	441,178										441,178	504,417	
Rentals	1,994,640										1,994,640	1,261,505	
Regional Marketing Program	400,000										400,000	400,000	
Directional Signage Program	95,745										95,745	169,287	
SJPO Grants	1,538,845										1,538,845	1,669,287	
Airport		236,312									236,312	169,015	
Other	\$ 3,466,255										3,466,255	3,634,429	
Operating Revenues Before System Proceeds	53,493,425	3,466,255									56,959,680	54,867,714	
System Proceeds	1,753,102										1,753,102	1,726,364	
Total Operating Revenues	55,246,527	3,466,255									58,712,782	56,594,078	
Operating Expenses:													
Executive	1,323,650										1,323,650	1,487,293	
Engineering	2,666,162										2,666,162	2,379,656	
Finance and Central Accounts	7,052,358										7,052,358	6,370,065	
Tourist Services	6,336,617										6,336,617	6,003,579	
Maintenance	4,914,181										4,914,181	4,591,523	
Police	4,600,994										4,600,994	4,104,555	
Electronic Toll Collection Expense	804,947										804,947	674,150	
Regional Marketing Program	817,139										817,139	831,230	
Directional Signage Program	95,745										95,745	169,287	
SJPO Programs	1,538,845										1,538,845	1,669,287	
Airport		4,079,438									4,079,438	3,579,958	
Depreciation											11,063,795	7,749,447	
Operating Expenses Before System Proceeds	30,150,638	4,079,438								\$ 11,063,795	45,293,871	39,440,743	
System Proceeds	1,753,102									11,063,795	1,753,102	1,726,364	
Total Operating Expenses	31,903,740	4,079,438								11,063,795	47,046,973	41,167,107	
Operating Income/(Loss)	23,342,787	(613,183)								(11,063,795)	11,665,809	15,426,972	
Nonoperating Income/(Expenses)													
Interest Revenue	270,950	20,634	\$ 622,819			\$ 38,232	\$ 227,376	\$ 5,021	\$ 896,114	2,927,184	5,008,330	8,062,170	
Due to Other Governmental Agencies Cancelled												330,732	
ETC In-use Revenue					\$ 1,290,283					\$ (1,290,283)	(2,829,839)		
Electronic Toll Collection Expense					(4,120,122)						1,290,283		
Fund Expenses						(946)					(946)	(2,116)	
Interest on Bonds						(11,530,408)					(11,896,701)	(12,007,660)	
Arbitrage Rebate											(146,784)	(230,313)	
Amortization Expense											(206,065)	(205,863)	
State Payment											(2,500,000)	(2,500,000)	
Total of Nonoperating Income/(Expenses)											(12,572,005)	(16,553,050)	
Income/(Loss) before Contributions and Transfers													
Capital Contributions - Grants													
Capital Contributions - Other Sources													
Total Capital Contributions													
Interest Revenue Transferred From Restricted Funds													
Interest Revenue Transferred To Operating Account													
Bonds Principal Payment Transfer													
Transfers (to)/From Unrestricted Funds	(3,615,000)	3,615,000	15,189,776			12,606,511		5,500,514		(9,780,956)	165,218,717	40,392,186	
Transfers (to)/From Restricted Funds	(15,189,776)	(10,296,457)	(10,310,568)	146,784		2,568,190		(2,714,974)		(20,607,025)	155,531,231	115,139,045	
Change in Net Assets	(705,985)	(592,549)	5,502,027		(2,829,839)	28,579					165,218,717	40,392,186	
Total Net Assets - Beginning	3,794,034	(2,266,750)	18,951,698			602,292		15,175,363		113,274,594	155,531,231	115,139,045	
Total Net Assets - Ending	\$3,088,049	\$2,859,299	\$24,453,725	\$ 0	\$ (2,829,839)	\$ 630,571	\$ 6,000,000	\$15,175,363	\$ 5,021	\$27,709,1078	\$320,719,948	\$155,531,231	

You are Viewing an Archived Copy from the New Jersey State Library

SOUTH JERSEY TRANSPORTATION AUTHORITY
SCHEDULE OF BONDS AND OTHER DEBT

Year Ended December 31, 2001

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance	
					December 31, 2000	December 31, 2001
Transportation System Revenue Bonds,		\$ 325,000	4.200%	11/01/01	\$ 325,000	\$ 325,000
1994 Series (Tax Exempt)						
Original Issue Amount \$15,420,000						
Transportation System Revenue Bonds,	12/01/92	2,150,000	5.500%	11/01/01	2,150,000	2,150,000
1992 Series B (Tax Exempt)		2,835,000	5.500%	11/01/02	2,835,000	\$ 2,835,000
Original Issue Amount \$44,100,000		2,990,000	5.600%	11/01/03	2,990,000	2,990,000
		3,160,000	5.700%	11/01/04	1,355,000	1,355,000
		3,340,000	5.800%	11/01/05	1,430,000	1,430,000
		3,535,000	5.900%	11/01/06	1,515,000	1,515,000
		3,745,000	5.900%	11/01/07	1,600,000	1,600,000
		3,965,000	6.000%	11/01/08	1,695,000	1,695,000
		4,200,000	6.000%	11/01/09	1,795,000	1,795,000
		4,455,000	6.000%	11/01/10	1,905,000	1,905,000
		4,720,000	6.000%	11/01/11	2,020,000	2,020,000
		5,005,000	6.000%	11/01/12	2,140,000	2,140,000
		44,100,000			23,430,000	21,280,000
Transportation System Revenue Bonds,	06/02/99	204,520,000	3.600%	11/01/01	1,140,000	
1999 Series (Tax Exempt)			3.800%	11/01/02	950,000	950,000
Original Issue Amount \$204,520,000			3.900%	11/01/03	990,000	990,000
			4.000%	11/01/04	2,830,000	2,830,000
			4.125%	11/01/05	2,945,000	2,945,000
			4.250%	11/01/06	3,065,000	3,065,000
			5.000%	11/01/07	3,200,000	3,200,000
			5.000%	11/01/08	3,360,000	3,360,000
			4.500%	11/01/09	3,530,000	3,530,000
			5.250%	11/01/10	3,685,000	3,685,000
			5.250%	11/01/11	3,880,000	3,880,000
			5.250%	11/01/12	4,080,000	4,080,000
			5.250%	11/01/13	6,565,000	6,565,000
			5.250%	11/01/14	6,910,000	6,910,000
			5.000%	11/01/15	7,275,000	7,275,000
			5.000%	11/01/16	7,635,000	7,635,000
			5.000%	11/01/17	8,020,000	8,020,000
			5.000%	11/01/18	8,420,000	8,420,000
			5.000%	11/01/19	8,840,000	8,840,000
			5.125%	11/01/20	9,280,000	9,280,000
			5.125%	11/01/21	9,755,000	9,755,000
			5.125%	11/01/22	10,255,000	10,255,000
			5.000%	11/01/23	10,785,000	10,785,000
			5.000%	11/01/24	11,320,000	11,320,000
			5.000%	11/01/25	11,890,000	11,890,000
			5.000%	11/01/26	12,485,000	12,485,000
			5.000%	11/01/27	13,105,000	13,105,000
			5.000%	11/01/28	13,760,000	13,760,000
			5.000%	11/01/29	14,450,000	14,450,000
		204,520,000			1,140,000	203,265,000
		\$248,945,000			\$ 0	\$224,545,000

South Jersey Transportation Authority

Schedule of Toll Revenue

Year Ended December 31, 2001

Interchange:	<u>Toll Revenue</u>	<u>Vehicle Count</u>
Pleasantville	\$ 10,648,171	22,918,677
Mays Landing	1,724,888	4,228,956
Egg Harbor	30,014,469	16,178,518
Hammonton	650,146	1,507,115
Winslow	319,259	758,100
Williamstown	920,270	3,952,857
Pomona	1,074,828	2,722,832
Berlin Crosskeys	501,868	2,148,299
Unusual and Toll Free*	<u> </u>	<u>609,550</u>
	<u><u>\$45,853,899</u></u>	<u><u>55,024,904</u></u>

Unusual vehicles include vehicles with special transit permit, fire equipment, ambulance, and patrons without funds.

Toll-free vehicles include employees, emergency vehicles, vendors servicing the Expressway System, and others whom the Authority deems to be necessary and convenient to the operation of the Expressway System.





South Jersey Transportation Authority
P.O. Box 351
Hammonton, New Jersey 08037
www.sjta.com