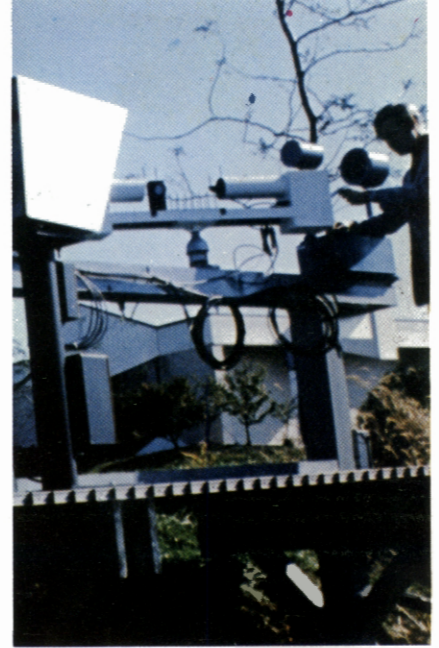


New Jersey Turnpike Authority Annual Report 1977



SALUS POPULI SUPREMA LEX.
(The people's safety is the highest law.)

ON THE COVER: *Amid a variety of Turnpike functions and improvements, Governor Byrne sums it all up in 1977 by presenting to Chairman Fitzpatrick a special plaque citing the New Jersey Turnpike as the safest highway.*

New Jersey Turnpike Authority 1977 Annual Report

FRANCIS G. FITZPATRICK, *Chairman*
WILLIAM F. TAGGART, *Treasurer*
LOUIS SLATER, *Commissioner*
J. EDWARD CRABIEL, *Commissioner*
(Joined the Authority 11/29/77)

ROBERT J. CITRINO, *Vice-Chairman*
(Resigned 8/15/77)
RICHARD D. ILNICKI, *Commissioner*
(Term Expired 11/29/77)

Staff


WILLIAM J. FLANAGAN, *Executive Director*
JOSEPH E. ROBERTSON, *Deputy Executive Director*
JOHN M. CARROLL, *Comptroller*
ROBERT E. MOSHER, *Comptroller (Retired 7/1/77)*
HOWARD S. HEYDON, *Chief Engineer and Acting Director of Maintenance*
WILLIAM ROHDE, *Senior Engineer*
PAUL M. WECKESSER, *Director of Operations*

ROBERT N. WILENTZ, *General Counsel*

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

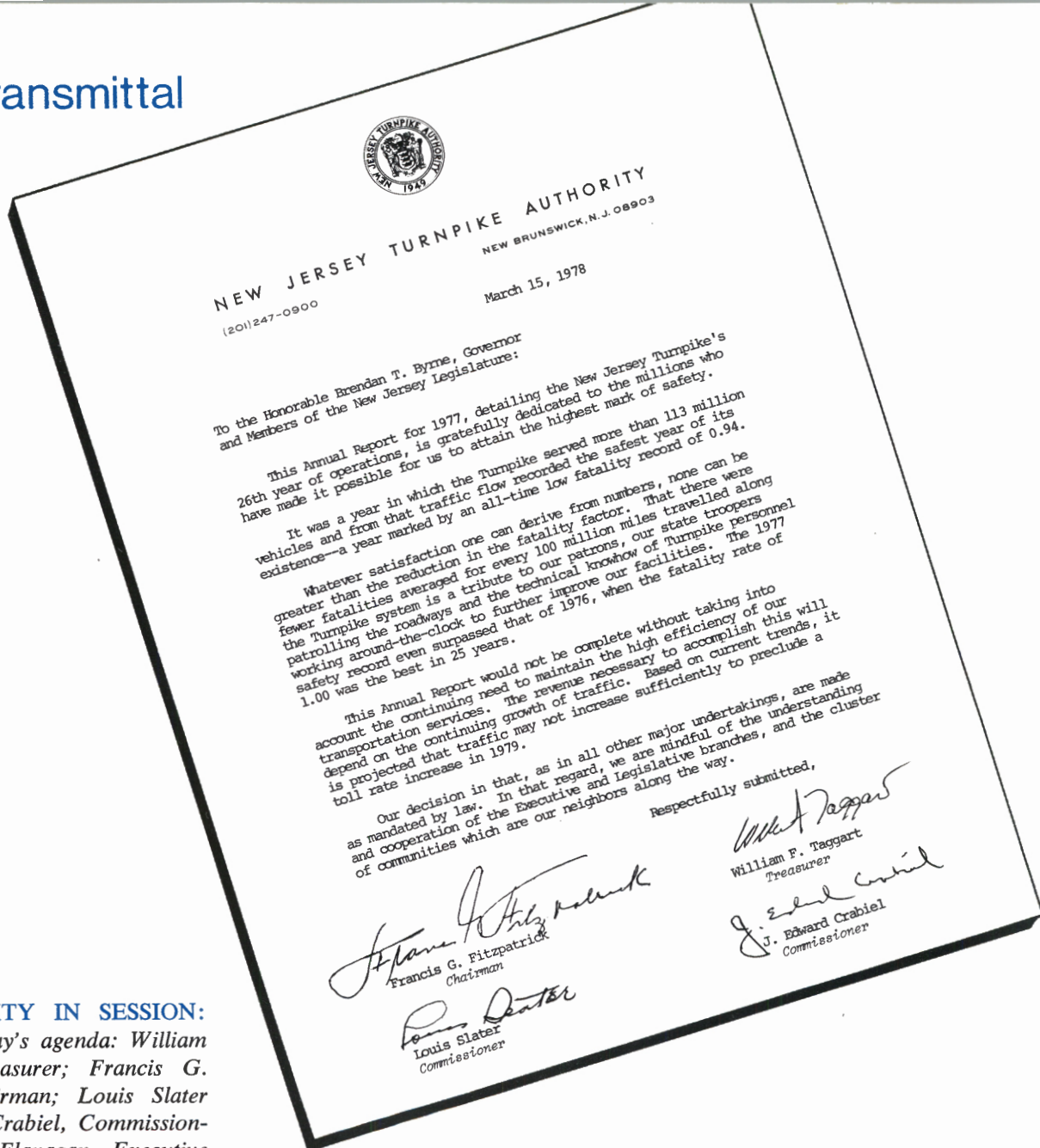
HERBERT I. OLARSCH, *Senior Attorney*
ROBERT E. RAMSEN, *Director of Toll Collection*
OLIVER K. COMPTON, JR., *Director of Personnel*
HORACE A. TANI, *Director of Public Information*
ROBERT G. OTT, *Director of Systems & Data Processing*
DANIEL J. DONAHUE, *Director of Purchasing*
CHARLES A. DUPUIS, JR., *Director of Insurance*

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



VIEW OF THE BRIDGE: *The Hudson County Extension stretching majestically toward Newark as seen from Bayonne. Span links Holland Tunnel with Newark Airport Interchange and mainline.*

Letter of Transmittal



THE AUTHORITY IN SESSION:
Discussing the day's agenda: William F. Taggart, Treasurer; Francis G. Fitzpatrick, Chairman; Louis Slater and J. Edward Crabel, Commissioners; William J. Flanagan, Executive Director.



Turnpike Safety Record Rides to a New High

THE New Jersey Turnpike Authority in 1977 climaxed more than a quarter century of operations with another outstanding year of safety.

More than 113 million vehicles traveled the New Jersey Turnpike in 1977, and out of this traffic flow, from the smallest compacts to the largest tractor-trailers, was recorded the lowest incidence of traffic fatalities since the Turnpike opened its lanes to the public 26 years ago.

It was the lowest ever, topping the safest year of 1975. Then the fatality rate stood at 1.00. In 1977 it dwindled down to 0.94.

The rates are computed on the averaging of accidents for every 100 million miles. And the total miles covered by vehicles in 1977 exceeded 2.76 billion—a record.

The 0.94 rate in 1977 was the result of 26 fatalities—seven less than 1976, with a 21.2 percent reduction in the rate. (The Safety Record statistics appear elsewhere in this Report.)

The Authority's safety program functioned smoothly with the interplay of human and electronic techniques working effectively along the Turnpike system. All the facets of Turnpike operations—in the field and administration—were involved in the common effort to make the Turnpike even safer . . .

OPERATIONS. After the Authority tested and evaluated five limited visibility detectors for two years, it selected a laser-type sensor as providing the best results. Four more of these detectors will be purchased in 1978 and placed at locations where fog is known to accumulate on the Turnpike between Newark Airport and the northern terminus. The devices were tested to determine which most accurately defined visibility levels as perceived by the human eye, which was most responsive to changes in such levels, and which was the easiest to install and maintain.

In 1977 motorists traveling the 30 miles between New Brunswick and the northern terminus were provided, by means of changeable message signs, with roadways which had the least delays. This was the Authority's Automatic Traffic Surveillance and Control System in action. In its second year of full operation, after some software modifications and an excellent maintenance program, the system functioned to its utmost capacity. It became the center of attraction for a constant stream of visitors who came to the ATSC computer room at the Traffic Operations Center to observe its operation. They were mainly transportation officials from Turkey, Holland and the United States; college students; members of professional societies, and civic groups.

New communications equipment was installed in the Traffic Operations Center. Six consoles used by the Authority and State Police dispatchers were custom-made to fit the needs and requirements of the operating personnel, converting the Center at the Round Building into a more efficient operation.

AT THE SPORTS COMPLEX. During the first year of operations, at the New Jersey Meadowlands Sports Complex, more than 1.8 million vehicles traveled between the Turnpike and the Sports Complex to attend football, soccer and racing events. Because of the unique roadway configuration between the two facilities and the manner of operation before and after major events, the Sports Complex-bound motorists from and to the Turnpike as well as others traveling on the Turnpike were exposed to minimal delays during those periods.

STATE POLICE. Troop D's enforcement aim was strengthened in 1977 by the acquisition of 28 mobile radar units of the latest type, bringing the total of radar devices to 51. Captain William J. Burke, troop commander, called the addition of the 28 new devices "another tool" in the drive against speeders. [Capt. Burke took over command of the troop on June 6, succeeding Capt. William Galik].

ENGINEERING. Bridge deck repairs; pavement resurfacing; refurbishing a restaurant; right-of-way fencing; landscaping; revamping the roadway lighting system; new

| TURNPIKE SAFETY RECORD | | |
|---|------------------|------------------|
| | 1977 | 1976 |
| Enforcement: | | |
| Summonses Issued | 53,023 | 53,888 |
| Criminal Arrests | 2,548 | 2,502 |
| Aids to Motorists: | | |
| Mechanical | 36,513 | 34,330 |
| Gasoline | 8,825 | 9,287 |
| Flat Tires | 8,297 | 7,802 |
| Overheat | 1,265 | 1,291 |
| Other | 41,731 | 44,051 |
| Total Aids | 96,631 | 96,761 |
| Aids Ratio | 1 per 1,182 veh. | 1 per 1,134 veh. |
| Aids Per Day | 265 | 264 |
| Accident Information: | | |
| Accidents | 2,622 | 2,112 |
| Accident Rate | 94.7 | 78.8 |
| Personal Injuries | 1,525 | 1,324 |
| Injury Rate | 55.1 | 49.4 |
| Fatal Accidents | 24 | 30 |
| Fatalities | 26 | 33 |
| Fatality Rate | 0.94 | 1.23 |
| Accident and fatality rates computed on basis of every 100 million miles of travel. | | |



THE LATEST: Trooper Pat Callahan shows Executive Director William J. Flanagan (center) and Troop D Captain William J. Burke one of 28 new mobile radar units added to Turnpike's law enforcement arsenal against speeders. New devices bring troop's total radar units to 51.

salt storage facilities . . . these were some of the projects that engaged the Authority's Engineering Department in 1977. It was a year of upgrading, improving and fortifying the integrity of 141 miles of roadways, accomplished under contracts awarded to concerns after competitive bidding.

The decks of 26 bridges, including the Newark Bay-Hudson County Extension, were repaired, as well as the expansion joints on 24. Repairs involved the replacement of deteriorated concrete to insure a smooth, safe ride over the structures. On the Newark Bay-Hudson County Extension it was the third year of a five-year program, costing \$2.5 million in 1977 to an estimated total of \$12 to \$15 million by completion. There was another bridge deck repaired, this one on the Pennsylvania Extension, jointly owned with the Pennsylvania Turnpike Commission, the cost shared jointly. In all, the entire bridge deck repair program for the 26 structures cost the Authority \$4.5 million in 1977. It has been a necessary expense—an investment—to preserve key links for continued safe travel on the Turnpike system.

Some 21 miles of unidirectional roadways, involving 60 lane miles on the mainline and several ramps were resurfaced. Safety was the key factor in repairing and replacing of 5,000 linear feet of fencing along certain sections of the right-of-way. A farm field fence was replaced with an 84-inch chain link fence.

Landscaping work continued along the mainline near Woodbridge, and at the Administration Building an irrigation system was installed for the landscaped area.

A major improvement was the renovation of the Thomas A. Edison Service Area restaurant at Woodbridge. The interior was completely remodeled, with a new cafeteria style area and table-or carry-out service. A snack bar was operational throughout the entire renovation. A safety feature was provided for the handicapped with the construction of a special ramp and toilet facilities. Now all Turnpike restaurants are so equipped.

Safety and energy conservation take on a new glow now that the study has been completed and design work is proceeding for the changeover to the new lighting system on the Turnpike. This will entail replacing the 6000 mercury vapor lamps with sodium lamps along the roadway—a three-year program to start in the spring at an estimated cost of \$2.5 million. It is estimated there will be a long-range saving of \$600,000 a year with these more efficient lights.

Other improvements: repairs to the fender system of the old Hackensack Bridge as well as the bridge bearings and supporting members; installation of a gasoline vapor recovery system at the service areas; a new parking lot at the Administration Building, and a new emergency generating system for the building. Along the Newark Bay-Hudson County Extension 12 new overhead signs were erected, making it easier for vehicles to be directed to their destination. The signs replaced ground-mounted ones.

The Department worked jointly with the Federal Highway Administration on a testing program for the upgrading



BRIDGE REPAIRS: Span linking N.J. Turnpike with Pennsylvania Turnpike undergoing repairs. Bridge over the Delaware River is jointly owned by the New Jersey and Pennsylvania Turnpikes.



MAINLINE AT NIGHT: *Traffic gleaming along the Turnpike on Thanksgiving eve near New Brunswick Interchange.*

of the median barrier along the southern end of the Turnpike.

MAINTENANCE. In 1977 the Authority's field crews pursued a series of continuing programs for the benefit of the safety and convenience of the public.

It deployed its forces not only to maintain the integrity of the roadway but also keep the Authority's many facilities in good condition under all road and weather conditions. A guiding concern was the preservation of the Turnpike's billion-dollar investment.

As a further responsibility the Department provided services for other branches of the Turnpike organization.

The Department prevailed over the elements of a severe winter in 1977 to mark the Authority's success in keeping the road open at all times.

Seven storms of varying lengths and intensity struck the area in quick succession beginning on Christmas Day 1976, but Maintenance crews fought the sleet, freezing rain and snow without a letup. A total of 254 men and 168 vehicles were pressed into action during the month-long series of storms. They were supplemented by contractor plows.

The weather was so severe that replenishing supplies of salt were frozen in supplier's yards and in transit, yet the Authority managed to avail itself of sufficient supplies to overcome the severe winter conditions. A total of 30,000 tons of salt were used—the second greatest amount in the Turnpike's history. (In the winter of 1973-74, a total of



FOR EXTRA SAFETY: *Repairing damaged guard rail along mainland at Elizabeth in continuing program of road safety.*

32,800 tons were spread on the roadways). "Black pavement" was maintained by redistributing roadside salt among the Maintenance districts.

This feature of maintaining "black pavement" now has been increased by accelerating the salt storage program started in 1976. That year, two new salt storage structures of 1,000-ton capacity each were erected at Hightstown and Elizabeth districts. In 1977 the addition of three new storage buildings of the "tepee" type, one at Woodbridge, one at Milltown and one at Caven Point (Jersey City), has given Maintenance an extra 9,200-ton salt capacity to confront future storms. Overall, the storage capacity in the districts is 24,200 tons.

Salt is so important to Turnpike operations that it occupied the attention of all Maintenance personnel. A series of seminars were conducted that stressed the importance of an effective, as well as an economical salting program. Subjects included storing salt, calibrating equipment to meter salt and salt usage.

Designed to further strengthen the Maintenance organization, a pilot training session was held as a basis for a management development program. In addition two managers have been assigned to head the Buildings and Northern Roadway Divisions. The Buildings Manager is responsible for 70 housing structures and 350 toll booths, while the Roadway Manager supervises the northern 50 miles—busiest section of the Turnpike.

To improve the operation, the Department will add a third shift work schedule to provide an around-the-clock 24-hour-a-day service. This will enable the department to respond immediately in emergencies at all hours. It will also enable the men to repair damage due to accidents and perform other necessary road duties.

TOLL COLLECTION. Tolls personnel, the Authority's front-line representatives, served a record 113.6 million revenue vehicles safely and expeditiously during 1977. This resulted in a combined entry/exit movement of 227.3 million vehicles through the Turnpike's 27 interchanges.

In addition to collecting fares and providing travel information, many toll collection employees were instrumental in the apprehension of drunk drivers and toll evaders by reporting them to the State Police. Their contribution to the smooth flow of Turnpike traffic to and from events at the Sports Complex in the Meadowlands was also cited during the year.

Many patrons complimented individual employees in letters to Authority officials. Among them were thanks to Collector Herbert W. Gomme from WCBS-TV newsman Jim Jensen for lending him enough money to pay his toll.

Other commendations praised Plaza Supervisor Daniel R. Murphy for helping a group of Brazilian dignitaries to find accommodations after their chartered bus broke down, and Collector Franklin T. Martyn who, while on



Mainline sweeping along at Hightstown area glowing in fall colors



COMPUTER TALK: *Data Processing operator, with reports supervisor, typing messages to computer and getting answers on Turnpike record data.*



his way home from the Turnpike, assisted a woman to get her mired vehicle out of a snow-filled ravine.

Field evaluation of a "customized" car for pushing disabled vehicles from toll lanes proved so successful that more than half of all interchanges will convert their use during 1978. Instead of light trucks, field cars with high mileage—instead of being traded in—will be outfitted by Maintenance with a special bumper system, a coat of white paint, trailblazer decals and roof lights.

SYSTEMS/DATA PROCESSING. It's on-line operations expanded, Systems and Data Processing's memory banks of its computers now store more information and allow access to more Authority departments than ever before.

New system inputs ran from changes in the payroll program regarding government and retirement systems reports, in light of the new union contract of 1977, to totally new programs that will aid Turnpike efficiency and decision-making.

A new program—computerization of all State Police Troop D Exxon credit card purchases—was initiated. A similar program for all Authority departments is now in the planning stages as part of overall fleet control.

Systems and Data Processing moved to expedite the Authority's Property Damage Recovery program, currently handled jointly by Maintenance and Insurance. The computer will assume the cost calculation function in the program.

Personnel information joined payroll data on the computer to provide the Personnel Department instant access to all necessary records.

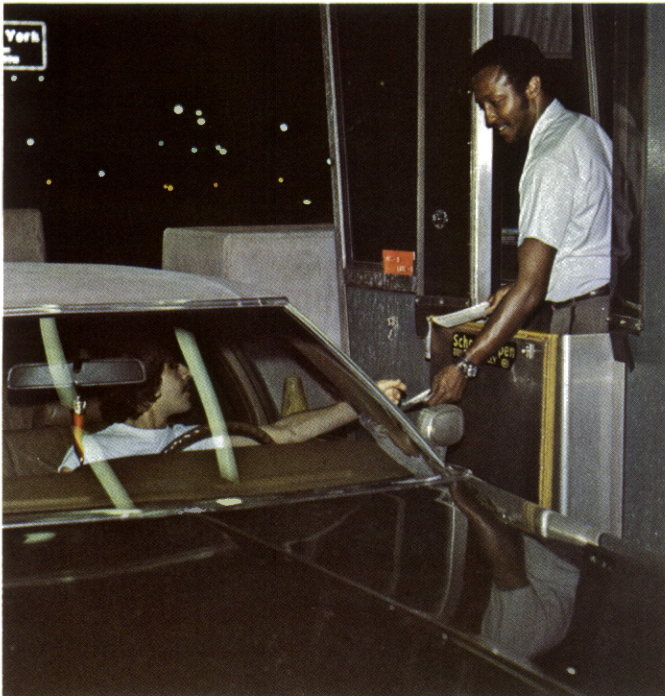
As part of its day-to-day routine, the department audited a new yearly high total of 114,192,355 toll tickets as well as bills for the 890 charge accounts on the Turnpike in 1977.

Besides 16 new repetitive jobs put in the system, such as tax reports for employees living in Pennsylvania and sign change reports under the Automatic Traffic Surveillance and Control System, many "one-time" jobs were also handled by the department.

Fog accidents since 1973, a list of employee zip codes in sequence and a search for specific toll tickets serve as examples of the varied "one-time" runs the department is called upon to produce.

Personnel and facilities of the department itself were not overlooked in 1977. Refresher training for our 11 Data Analysts and four Senior Data Analysts is underway in an effort to cut down on lost computer time. The department also moved to soundproof the computer area to create a quieter work area for the Data personnel on other assignments.

INSURANCE. Citizens of New Jersey are all too familiar with the escalating insurance costs in 1977. The



Toll Collector greets patron at Interchange 9



EASY DOES IT: Traffic moving smoothly along the 12-lane dual/dual section at Elizabeth.

Turnpike Authority is not excepted from this economic fact of life but through its Insurance Department, managed to keep a lid on expenditures.

Completion of the second year of the Self Insured Worker's Compensation program showed a savings of \$296,440 in 1977. The two-year savings to the Turnpike was \$591,544.

Liability premiums were increased 22 percent, an amount acceptable to the Authority based on its loss experience in the operation of over 600 motor vehicles. Blue Cross/Blue Shield, a costly employee benefit that's also based on loss experience, was renewed at no increase in premium. Bridges, buildings and contents were all reappraised in 1977 and insurance values adjusted accordingly. Employee Benefits insurance programs were evaluated and brought current with the latest available coverages.

Insurance premiums were kept within the 1977 budget of approximately \$3 million by the application of professional standards of Risk Management in the every day operation of the Insurance Department.

In keeping with its long time tradition of concern for the safety of its patrons, the Authority's Commissioners approved the recommendation of the Department to hire an independent consultant for Fire Safety inspection of all Turnpike Service Areas and Restaurants. This voluntary program was applauded in the Metropolitan press as "an attempt to avert potential tragedies."

Damage to Turnpike property by patron vehicles resulted in 659 claims. This is approximately a 20 percent increase over 1976. The Claims Section of the Insurance Department recovered \$403,300 from insured motorists. A total of 406 Workers' Compensation claims were processed besides 147 claims by patrons. Thirty-eight claims for damage to Turnpike vehicles resulted in the recovery of \$15,623.00 on behalf of the Turnpike.

PERSONNEL. The Department continued its diversified activities. It participated in negotiating new three-year agreements with the Operating and Office-Clerical-Technical units of Local 194, effective June 27, 1977. It also helped to develop a companion salary measure to cover all members of management and supervision. Featured in both agreements were the introduction of a new hiree program and the non-expansion of additional paid lost time and benefits.

During the year, 32 employees were hired, all but one to fill vacant positions. Also 62 employees left the Authority through retirement, resignation, death or termination, producing an overall turnover rate of 4.15 percent. The Authority approved 32 separate requests for tuition reimbursement.

In December, 91 employees were honored for 25 years of service. Overall, 792 employees, or 53.5 percent of the



BETTER READING: *New overhead signing replacing ground-mounted signs along Hudson County Extension—for easier directional guidance. Photo looking east toward N.Y. skyline and World Trade Center.*

total work force, have achieved at least 10 years' service. Of that number, 425 have been with the Turnpike 15 or more years.

J. Edward Crabiel became a member of the New Jersey Turnpike Authority on November 29, 1977, when he was sworn in by Chairman Francis G. Fitzpatrick.

Commissioner Crabiel, of Milltown, New Jersey, and Boca Raton, Florida, was nominated to the Turnpike post on November 21 by Governor Brendan T. Byrne and confirmed by the State Senate on November 28. He succeeded Richard D. Ilnicki of South Brunswick, who served as a Commissioner for four and one-half years.

The new commissioner brings wide engineering and administrative experience to the Authority. He is a former Milltown Mayor, former State Senator, Assemblyman and Secretary of State.

The 10th annual Laderman Scholarship was awarded to Kenneth M. Porowski, son of automotive mechanic Edwin M. Porowski. He is attending Rutgers University.

There were 2,599 visits to the Medical Section in 1977, including periodic, promotional and pre-employment examinations, job-connected injuries and non-occupational visits.



OPERATIONS CENTER: *Refurbished and re-equipped, communications hub of N.J. Turnpike at round building reaches out along 141 miles of roadway to keep in constant touch with the pulse of traffic 24 hours a day.*

On two separate blood donor days, held for the first time on a regional basis, 240 pints were added to the Authority's Blood Bank. The program was conducted by Section Chief Frank Romeo of Toll Collection, blood bank chairman. Since the bank was established in 1962, a total of 3,509 pints have been given by Turnpike employees.

During the year, seven issues were heard through arbitration and 63 grievances were received by the Labor Relations Committee at the second step. A pilot supervisory training session, with 26 supervisors participating, was held August 3 to explore essential areas of supervisory responsibilities. An evaluation of the pilot sessions is underway to determine how the concept will be expanded to include all supervisory personnel.

PATRON SERVICES. The roadside services of the Authority continued to accommodate Turnpike patrons in many ways, the newest of which is the Park-Ride concept, its popularity increasing at the Authority's two facilities. At the Vince Lombardi Service Area at Ridgefield, the Park-Ride reached 90 percent of capacity, and gave promise to attain maximum daily capacity in mid-1978. Opened in July 1974, it is the most acceptable of its kind in Northern New Jersey, with departure to midtown Manhattan every 10 minutes or less during peak hours. The original bus operator, Manhattan Transit Co., is under

contract until 1980. The high point was struck on December 5 when Mrs. Janet Watt of Englewood became its one millionth passenger.

Near Interchange 9 in East Brunswick the Park-Ride began its sixth year of operations with 1100 to 1200 passengers daily to Manhattan. Suburban Transit operates this most popular of Central Jersey Park-Rides under contract expiring in late 1979 and expansion is contemplated for late 1978 completion.

The concept has taken such hold that another such facility is being planned adjacent to Interchange 10 at Edison. It would accommodate up to 1100 cars on land presently owned by the Authority and the State DOT.

The restaurants operated by the Marriott Corp. and Gladioux Food Corp. (Holiday House) reported increases in volume in 1977. A major improvement was the renovation of the Marriott-operated restaurant at the Thomas Edison Service Area at Woodbridge. Similar renovations are scheduled for the Joyce Kilmer Service Area in East Brunswick. One concession contract—Gladioux's—to operate six restaurants—expires in September 1978. Bids will be received in late Summer.

The service stations, all operated by Exxon Corp. under contract expiring on April 1, 1978, reported sales of gasoline and diesel fuel were down in 1977. Bids for a new contract are due in February 1978.



ADDED ATTRACTION: Renovated restaurant at Thomas Edison Service Area at Woodbridge gets horticultural lift with new plantings of shrubbery, trees and sods.

LEGAL/REAL ESTATE. The Real Estate Section is undergoing a very comprehensive review of surplus property and its disposition at public auction to preclude payment of taxes to various municipalities.

At the same time, the legal staff has been engaged in about 25 cases involving condemnation proceedings, contract claims, labor and general litigation. This does not include several hundred matters on recovery of property damages.

The year saw it reviewing the contracts and specifications prepared by all departments, and it handled arbitration and grievances under union agreement.

The case brought by a group known as the Concerned Citizens was successfully completed. It was a major environmental matter involving the suit of the group of East Brunswick residents, which at one point almost forced cessation of construction on the widening program. It had complained of improper environmental safeguards and made certain demands to minimize the noise factor. The case was settled with the Authority agreeing to pay for erection of a berm along the right-of-way abutting the group's properties.

Legal also participated in negotiation with the union on the 1977 collective bargaining agreement. It also assisted all departments in the interpretation of pending legislation, and was involved in several matters before the State Supreme Court on condemnation, a case relating to the Toms River Expressway project, and labor relations.

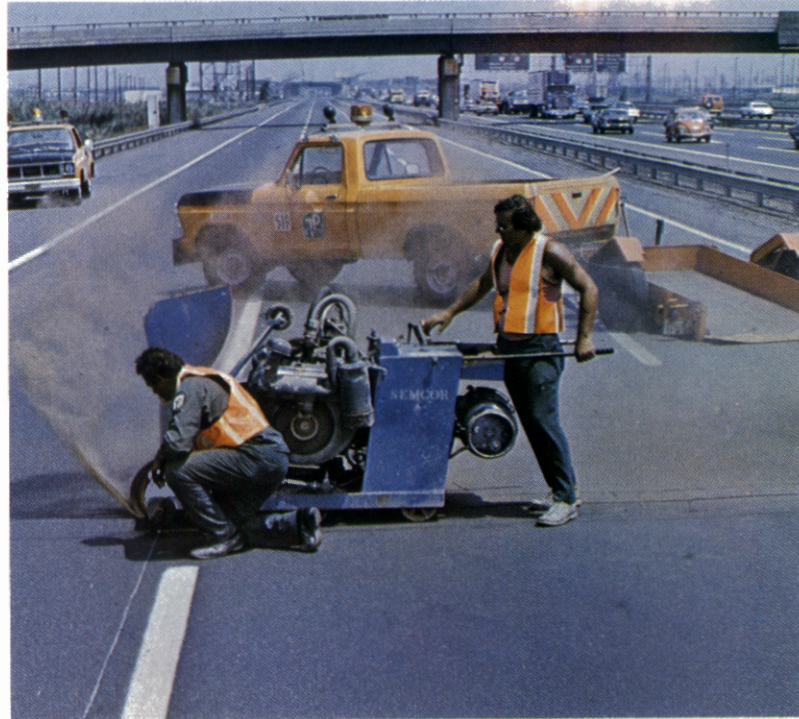
It was successful in Court in preventing the assessment of municipal taxes to Monroe Township on Turnpike-owned land; in another revising the Authority's traffic regulations.

PURCHASING. Providing the tools and materials for the diversified functions of the Authority's Operating and Administrative branches, the Purchasing Department handled the ordering and requisition of a total of 2,951 items at a cost of \$6,235,595. These included everything from office supplies to heavy trucks, State Police vehicles, rock salt, plows, bolts and fuel.

There were also new uniforms and surcoats for toll collectors, a sprinkler system for the Administration Building; badges for a security system; new mobile radar units; fencing for overpasses.

The Department took advantage of purchasing under previous low bids on a State contract. The purchases included acoustical panels to soundproof computers in Data Processing, and automobile tires.

There were many savings effected by virtue of the bidding process, but judicious use of the salvage practice also produced dividends, as manifested by the sale of 115 million used tab cards weighing 325 tons, salvaged for a return of \$58,485. That was 19 percent of the \$304,372 the toll ticket cost the Authority.



TRAFFIC AID: Workmen saw-cutting pavement near Port Newark for installation of sensors activating traffic surveillance and fog detection systems.



ELECTRONIC TESTING: Technician in Northern Division adjusting scope for testing radio equipment.



SPRINGTIME SCENE:
*Administration Building framed
by flowering ornamental trees
at East Brunswick setting.*

Looking forward to a possible unified purchasing effort among other authorities, Turnpike representatives attended meetings of the Authorities Liaison Committee, which included the New Jersey Highway Authority, New York Thruway, New Jersey Sports and Exposition Authority, Port Authority of New York and New Jersey and Delaware River Toll Bridge Commission.

PUBLIC INFORMATION. It was a year of fulfillment for the Public Information Department as it performed its traditional role of keeping the Authority's many publics abreast of Turnpike news and accomplishments. Countless inquiries from the media and general public on all phases of Turnpike operations were received and serviced.

Heading the list of activities was the dissemination of 60 news releases on a broad range of topics to the print and broadcast media, and the monthly publication of the "Pike Interchange" for employees, "Trailblazer" for patrons and "Over The Fence" for neighbors along the 142-mile Turnpike system.

Major Authority news stories during 1977 included: the Turnpike's best overall safety record in its 26 years of operation; adoption of an energy conservation program that will save about \$600,000 a year in electric bills by switching from mercury vapor to sodium lamps along the roadway; purchase of five new "fog detection" devices for use in fog-prone areas north of Elizabeth, and acquisition of 28 additional mobile radar units to assist Troop D in its ongoing speed enforcement program.

Other stories with broad media coverage included the issue of 1977 Refunding Bonds; the one-millionth passenger to use the Authority's Park/Ride facility at Ridgefield Park in Bergen County; reopening of modernized restaurant facilities at the Thomas A. Edison Service Area in Woodbridge, and the recycling of Turnpike toll tickets for use in other paper products.

In addition to issuing advisories on the locations of roadway improvements and traffic forecasts for major holidays, the staff also kept the public updated through the wire services on speed limitations and driving conditions during winter storms and fog situations.

Implementing its service to the public, the Department had a duty roster of employees on call 24 hours a day to keep the media and public advised of travel conditions during snowstorms, fog and other adverse weather. This duty roster of three men alternated on standby to report to headquarters whenever emergencies, including any situations involving speed reductions or lane closings, required instant communication with the public.

The Photographic Section played an active role, contributing photos for Turnpike publications, and servicing requests for pictures from the media, insurance companies, other Turnpike operating groups, and the State Police.

Continuing its "zero complaints" program, the Community Relations Section made strides with the satisfactory resolution of complaints received from Turnpike neighbors and continued to meet with various public officials and citizens interested in Turnpike Authority affairs.

26 Years of Operation

| | REVENUE VEHICLES | REVENUE MILEAGE | TOLL REVENUE | CONCESSION REVENUES | OTHER REVENUES | TOTAL REVENUES |
|-------|---------------------|--------------------|-----------------|------------------------|-------------------|-------------------|
| 1951* | 787,195 | 38,246,174 | \$ 587,326 | \$ 32,861 | \$ 87 | \$ 620,274 |
| 1952 | 17,948,325 | 765,807,780 | 16,241,267 | 1,523,038 | 65,330 | 17,829,635 |
| 1953 | 22,005,078 | 868,606,100 | 19,192,647 | 1,853,880 | 464,102 | 21,510,629 |
| 1954 | 24,555,441 | 927,393,967 | 20,756,344 | 1,826,777 | 634,641 | 23,217,762 |
| 1955 | 25,888,319 | 939,672,825 | 21,122,503 | 1,859,952 | 923,169 | 23,905,624 |
| 1956+ | 31,588,224 | 1,064,377,974 | 24,513,371 | 2,056,530 | 1,197,682 | 27,767,583 |
| 1957 | 39,269,643 | 1,200,254,680 | 29,022,910 | 2,370,516 | 1,447,014 | 32,840,440 |
| 1958 | 41,615,115 | 1,232,527,909 | 30,159,491 | 2,400,793 | 1,554,434 | 34,114,718 |
| 1959 | 46,199,339 | 1,343,847,970 | 33,317,927 | 2,602,998 | 1,396,407 | 37,317,332 |
| 1960 | 49,083,017 | 1,414,759,197 | 35,583,987 | 2,650,147 | 1,274,321 | 39,508,455 |
| 1961 | 51,737,682 | 1,471,802,723 | 37,192,652 | 2,649,106 | 1,156,969 | 40,998,727 |
| 1962 | 54,900,745 | 1,560,490,809 | 39,240,487 | 2,660,029 | 1,180,789 | 43,081,305 |
| 1963 | 56,677,379 | 1,610,706,177 | 40,778,566 | 2,749,777 | 1,270,264 | 44,798,607 |
| 1964 | 60,707,631 | 1,753,074,755 | 44,148,839 | 3,436,989 | 1,446,046 | 49,031,874 |
| 1965 | 64,957,715 | 1,856,395,130 | 46,122,200 | 3,624,311 | 1,549,790 | 51,296,301 |
| 1966 | 69,850,328 | 1,944,951,873 | 48,609,809 | 3,752,280 | 1,628,281 | 53,990,370 |
| 1967 | 73,528,656 | 2,030,844,201 | 51,229,549 | 3,976,450 | 1,642,227 | 56,848,226 |
| 1968 | 78,205,075 | 2,138,002,435 | 55,339,724 | 4,323,562 | 1,653,381 | 61,316,667 |
| 1969 | 80,618,191 | 2,202,999,403 | 57,636,727 | 4,624,406 | 1,979,854 | 64,240,987 |
| 1970 | 89,655,299 | 2,382,332,241 | 63,934,463 | 4,959,536 | 1,949,358 | 70,843,357 |
| 1971 | 98,553,612 | 2,574,226,834 | 70,124,311 | 5,322,464 | 1,004,360 | 76,451,135 |
| 1972 | 107,933,291 | 2,740,521,973 | 75,939,682 | 5,612,148 | 997,242 | 82,549,072 |
| 1973 | 110,422,434 | 2,753,067,671 | 78,996,947 | 5,226,934 | 1,261,793 | 85,485,674 |
| 1974° | 106,628,059 | 2,529,483,967 | 75,243,082 | 4,924,039 | 3,062,147 | 83,229,268 |
| 1975 | 105,632,830 | 2,583,789,035 | 84,385,089 | 5,315,803 | 6,553,424 | 96,254,316 |
| 1976 | 109,233,669 | 2,671,766,280 | 91,081,922 | 5,176,767 | 4,756,959 | 101,015,648 |
| 1977 | 113,664,015 | 2,759,241,650 | 95,111,786 | 5,232,246 | 5,026,621 | 105,370,653 |

* Section of Turnpike opened November 5, 1951.

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

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

Toll Revenues

| | 1977 | 1976 |
|-----------|---------------------|---------------------|
| January | \$ 6,500,529 | \$ 6,434,604 |
| February | 6,386,910 | 6,288,794 |
| March | 7,622,700 | 7,254,019 |
| April | 7,869,767 | 7,657,788 |
| May | 8,277,940 | 7,803,960 |
| June | 8,533,548 | 8,117,767 |
| July | 8,871,509 | 8,484,894 |
| August | 9,232,886 | 8,782,479 |
| September | 8,255,642 | 7,862,271 |
| October | 7,981,777 | 7,646,204 |
| November | 7,775,772 | 7,432,282 |
| December | 7,802,806 | 7,316,860 |
| | <u>\$95,111,786</u> | <u>\$91,081,922</u> |

Revenue Vehicles

| | 1977 | 1976 |
|-----------|--------------------|--------------------|
| January | 7,886,999 | 7,840,469 |
| February | 7,721,651 | 7,567,595 |
| March | 9,201,453 | 8,772,745 |
| April | 9,388,616 | 9,116,751 |
| May | 9,883,910 | 9,359,199 |
| June | 10,123,975 | 9,632,661 |
| July | 10,395,953 | 9,957,110 |
| August | 10,723,003 | 10,234,069 |
| September | 9,818,002 | 9,456,570 |
| October | 9,670,290 | 9,340,616 |
| November | 9,385,139 | 9,023,872 |
| December | 9,465,024 | 8,932,012 |
| | <u>113,664,015</u> | <u>109,233,669</u> |

Revenue Mileage

| | 1977 | 1976 |
|-----------|----------------------|----------------------|
| January | 179,832,155 | 181,929,822 |
| February | 177,736,099 | 179,329,903 |
| March | 209,652,562 | 201,232,303 |
| April | 233,769,120 | 228,768,533 |
| May | 241,611,472 | 232,820,509 |
| June | 244,454,814 | 234,662,557 |
| July | 276,318,406 | 263,684,508 |
| August | 279,190,456 | 272,197,097 |
| September | 239,163,165 | 229,410,936 |
| October | 229,031,446 | 220,520,113 |
| November | 224,967,099 | 214,926,913 |
| December | 223,514,856 | 212,283,086 |
| | <u>2,759,241,650</u> | <u>2,671,766,280</u> |

Budgets of Operating Expenses for 1978 and 1977

| Classification | 1978 | 1977 |
|------------------------------------|---------------------|---------------------|
| Administration-General | \$ 1,686,000 | \$ 1,663,300 |
| Systems/Data Processing | 1,176,800 | 1,153,000 |
| Accounting | 624,800 | 577,700 |
| Operations: | | |
| Traffic Control and Police | 5,090,200 | 4,578,500 |
| Toll Collection | 16,698,100 | 15,365,600 |
| Maintenance | 15,646,600 | 15,037,300 |
| Engineering | 1,186,400 | 1,131,000 |
| Insurance | 3,603,000 | 3,136,600 |
| Non-Departmental: | | |
| Professional Fees | 224,100 | 218,000 |
| Fiduciary Fees | 199,000 | 200,000 |
| Pension and Retirement Funds | 3,017,000 | 2,432,000 |
| Taxes | 250,000 | 250,000 |
| | <u>\$49,402,000</u> | <u>\$45,743,000</u> |

Contracts & Orders Awarded in 1977, in Excess of \$100,000

Engineering

| Contract No. | Contractor | Amount |
|--------------|---|---------------|
| R-521 | Robert Bossert & Co., Inc., Newark, N.J. | \$ 336,424.00 |
| R-528 | I. Lazar & Sons, Inc., Cherry Hill, N.J. | 264,440.00 |
| R-530-1 | Emcee Construction Co., Inc., Cherry Hill, N.J. | 186,929.00 |
| R-531-1 | Russell P. Mesi, Inc., Mount Holly, N.J. | 152,245.00 |
| R-534 | Mercer Contracting Co. of Trenton, Inc., Trenton, N.J. | 140,390.00 |
| R-535 | Tenalp Construction Co., Jericho, N.Y. | 113,000.00 |
| R-537 | Structa-Bond, Inc. Conshohocken, Pa. | 227,540.00 |
| R-540 | Whitmyer Bros., Inc., Hammonton, N.J. | 459,442.00 |
| R-541 | Frapaul Construction Co., Inc., Rochelle Park, N.J. | 2,516,595.00 |
| R-543 | Trap Rock Industries, Inc., Kingston, N.J. | 364,170.00 |
| R-544 | Trap Rock Industries, Inc., Kingston, N.J. | 976,505.00 |
| R-545 | Warren Brothers Company Haledon, N.J. | 319,810.00 |
| R-546 | Schiavone Construction Co. Secaucus, N.J. | 986,247.00 |
| R-547 | Frapaul Construction Co., Inc., Rochelle Park, N.J. | 428,784.00 |
| R-548-1 | Gardner M. Bishop, Inc. Mount Vernon, N.Y. | 914,155.00 |
| R-560 | Textar Painting Corp., Upper Darby, Pa. | 433,242.00 |
| R-561 | Schiavone Construction Co. Secaucus, N.J. | 866,140.00 |
| R-564 | Gardner M. Bishop, Inc., Mount Vernon, N.Y. | 428,909.00 |

Professional Services

| Orders for Professional Services | Amount |
|--|-----------|
| OPS 710 Howard Needles Tammen & Bergendoff, Fairfield, N.J. | \$112,500 |
| OPS 735 Howard Needles Tammen & Bergendoff, Fairfield, N.J. | 299,500 |
| OPS 739 Edwards & Kelcey Newark, N.J. | 102,000 |
| OPS 740 Howard Needles Tammen & Bergendoff, Fairfield, N.J. | 180,000 |

Legal-Real Estate

| | Amount |
|---|-----------|
| Section 7B, Parcels 532A and 532B, Ridgefield Park Estate of Frank Morrison | \$425,000 |
| Section 5, Parcels 335, 250C and Section 5E, Parcels 911A, 911BX and 911CX, Edison Isaac Heller, Edison | 132,500 |
| Parcels DE4-18 and DE418X2, Jackson N.J. Department of Transportation | 140,000 |
| Section 6, Parcels R31CX, 25X2, R31AX, R26A2, 17X4, 29, 30 and 27B, Elizabeth City of Elizabeth | 209,000 |

Insurance

| | Premium |
|---|-----------|
| Excess Workers' Compensation Safety Mutual Casualty Policy No. AG-331 N.J. Effective 1/1/77 | \$130,000 |
| Comprehensive General Liability Home Indemnity Co. Policy No. GA-9-23-28-87. Effective 5/1/77 | 360,899 |
| Excess Umbrella Liability Puritan Insurance Co. Policy No. UL 67-03-04. Effective 7/9/77 | 135,000 |

Purchasing

| Purchase Order No. | Vendor | Description | Amount |
|--------------------|--|---|-----------|
| P-15346 | Koplin Pontiac Elizabeth, N.J. | 1977 Requirement Administration and State Police vehicles | \$270,460 |
| P-16303 | McConnell Fuel Oil Jersey City, N.J. | 1977/78 fuel oil | 142,298 |
| P-1647* | Clarkie's, Inc. Philadelphia, Pa. | Janitorial services Aug. 1977/July 1979 | 182,208 |
| P-16475 | Advance Bldg. Mtce. Somerset, N.J. | Janitorial services Aug. 1977/July 1979 | 200,498 |
| P-16476 | Kleen-Rite Corp. Avon, N.J. | Janitorial services Aug. 1977/July 1979 | 169,896 |
| P-16846 | International Salt Stamford, Conn. | sodium chloride | 546,010 |
| P-16847 | Morton Salt Chicago, Ill. | sodium chloride | 245,915 |
| P-17176 | Warnock-Ryan Dodge Livingston, N.J. | 1978 Motor Pool | 167,804 |
| P-17462 | National Electronic Card Company Riverton, N.J. | tabulating cards | 358,978 |
| P-17519 | Koplin Pontiac Elizabeth, N.J. | 1978 Requirement Administration and State Police vehicles | 273,804 |

* This order was cancelled effective November 30, 1977.

PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

168 FRANKLIN CORNER ROAD

TRENTON, NEW JERSEY 08648

New Jersey Turnpike Authority
New Brunswick, New Jersey:

We have examined the statements of assets, liabilities and revenues applied and retained of the New Jersey Turnpike Authority as of December 31, 1977 and 1976, the related statements of revenues and expenses and application of revenues after expenses, interest and other charges for the years then ended, and the statements of cost of investment in facilities to December 31, 1977 and 1976. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

In our opinion, the aforementioned financial statements present fairly the assets, liabilities and revenues applied and retained of the New Jersey Turnpike Authority at December 31, 1977 and 1976, the revenues and expenses and application of revenues after expenses, interest and other charges for the years then ended, and the cost of facilities to December 31, 1977 and 1976, on the basis of accounting described in note 1, which has been applied on a consistent basis.

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

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

Peat, Marwick, Mitchell & Co.

January 31, 1978

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

December 31, 1977 and 1976

| | <u>Assets</u> | <u>1977</u> | <u>1976</u> |
|--|---------------|-------------------------|----------------------|
| Operating accounts: | | | |
| Cash | | \$ 1,679,885 | 610,397 |
| Investments (note 2) | | 399,256 | 1,354,614 |
| Accounts receivable | | <u>972,358</u> | <u>905,713</u> |
| | | 3,051,499 | 2,870,724 |
| Funds for major improvements, repairs, replacements, maintenance, etc.: | | | |
| Cash | | 583,103 | 116,355 |
| Investments (note 2) | | 8,402,703 | 8,637,832 |
| Accounts receivable | | 326,042 | 124,038 |
| Deposits in condemnation cases | | <u>32,070</u> | <u>32,070</u> |
| | | 9,343,918 | 8,910,295 |
| Other funds: | | | |
| Cash | | 9,796,999 | 9,128,743 |
| Investments (note 2) | | <u>80,999,022</u> | <u>54,374,139</u> |
| | | 90,796,021 | 63,502,882 |
| Total operating accounts | | <u>103,191,438</u> | <u>75,283,901</u> |
| Construction accounts: | | | |
| Cash | | 149,230 | 339,873 |
| Investments (note 2) | | 27,082,783 | 46,745,298 |
| Accounts receivable | | 124,541 | 1,357,983 |
| Deposits in condemnation cases | | <u>3,655,287</u> | <u>3,730,581</u> |
| Total construction accounts | | <u>31,011,841</u> | <u>52,173,735</u> |
| Cost of investment in facilities | | 1,282,461,173 | 1,279,872,606 |
| | | <u>\$ 1,416,664,452</u> | <u>1,407,330,242</u> |

See accompanying notes to financial statements.

| Liabilities and Revenues <u>Applied and Retained</u> | <u>1977</u> | <u>1976</u> |
|---|-------------------------|----------------------|
| Operating accounts: | | |
| Withholdings from employees | \$ 460,377 | 544,066 |
| Toll revenues received in advance | 195,116 | 177,046 |
| Other liabilities | <u>9,825</u> | <u>16,076</u> |
| | 665,318 | 737,188 |
| Funds for major improvements, repairs, replacements, maintenance, etc.: | | |
| Amounts retained from contractors and engineers | <u>468,898</u> | <u>403,214</u> |
| Other funds: | | |
| Accrued bond interest | <u>8,160,542</u> | <u>2,019,895</u> |
| Total operating accounts | <u>9,294,758</u> | <u>3,160,297</u> |
| Construction accounts: | | |
| Amounts retained from contractors and engineers | <u>585,798</u> | <u>1,378,236</u> |
| Bond indebtedness (note 3): | | |
| Turnpike revenue bonds | 626,975,000 | 629,215,000 |
| Turnpike system revenue bonds | 202,415,000 | - |
| Turnpike improvement revenue bonds | <u>-</u> | <u>210,000,000</u> |
| Total bond indebtedness | <u>829,390,000</u> | <u>839,215,000</u> |
| Revenues applied and retained: | | |
| Applied to retirement of bond indebtedness | 455,708,106 | 453,477,895 |
| Applied or retained for investment in facilities and other charges | 86,601,548 | 86,112,295 |
| Retained in other funds by agreement with bondholders | 33,198,062 | 22,352,983 |
| Retained for general operating purposes | <u>1,886,180</u> | <u>1,633,536</u> |
| | 577,393,896 | 563,576,709 |
| Commitments and contingent liabilities (note 10). | | |
| | <u>\$ 1,416,664,452</u> | <u>1,407,330,242</u> |

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

Years ended December 31, 1977 and 1976

| | <u>1977</u> | <u>1976</u> |
|--|----------------------|--------------------|
| Revenues: | | |
| Toll revenue | \$ 95,111,786 | 91,081,922 |
| Concession revenue | 5,232,246 | 5,176,767 |
| Income from investments | 4,686,626 | 4,320,352 |
| Miscellaneous | <u>339,995</u> | <u>436,607</u> |
| Total revenues | <u>105,370,653</u> | <u>101,015,648</u> |
| Operating expenses (note 4): | | |
| Administration: | | |
| General | 1,589,572 | 1,582,577 |
| Data processing/systems | 1,115,124 | 1,070,140 |
| Accounting | 561,237 | 514,300 |
| Operation: | | |
| Traffic control and police | 4,976,462 | 4,748,775 |
| Toll collection | 15,159,754 | 13,950,260 |
| Maintenance, repair, replacement and reconstruction | 14,026,484 | 13,232,266 |
| Engineering | 1,105,974 | 1,059,421 |
| Insurance | 3,160,980 | 2,624,135 |
| Professional fees | 210,375 | 169,611 |
| Fiduciary fees | 180,715 | 165,725 |
| Pension and retirement (note 8) | 3,235,796 | 2,838,810 |
| Taxes | 230,685 | 230,683 |
| Cash discounts | <u>(14,244)</u> | <u>(14,423)</u> |
| Total operating expenses | <u>45,538,914</u> | <u>42,172,280</u> |
| Revenues after operating expenses, before interest on bonds and other charges | 59,831,739 | 58,843,368 |
| Interest on bonds (note 2): | | |
| Turnpike revenue bonds | 33,234,392 | 33,542,610 |
| Turnpike improvement revenue bonds | <u>3,990,000</u> | <u>11,970,000</u> |
| Total interest on bonds | <u>37,224,392</u> | <u>45,512,610</u> |
| Revenues before other charges | 22,607,347 | 13,330,758 |
| Other charges (note 5): | | |
| Repairs, replacements and maintenance items of a type not recurring annually or at short intervals (excluding \$44,589 in 1977 and \$771,094 in 1976 not deducted from revenues and charged to cost of investment in facilities) | <u>8,963,747</u> | <u>6,801,032</u> |
| Revenues after operating expenses, interest on bonds and other charges | <u>\$ 13,643,600</u> | <u>6,529,726</u> |
| Interest to be paid from bond refunding proceeds not deducted from revenues and charged to cost of investment in facilities (note 3) | <u>\$ 5,723,077</u> | <u>-</u> |

See accompanying notes to financial statements.

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

Years ended December 31, 1977 and 1976

| | Combined total | Applied to retire- ment of bond indebtedness | Applied or retained for investment in facilities and other charges | | | Retained in other funds by agree- ment with bondholders | Retained for general purposes |
|---|-------------------|---|--|---------------------------|-------------|---|--|
| | | | Funds for major improvements, repairs, replace- ments, main- tenance, etc. | Invested in facilities | Total | | |
| Balance December 31, 1975 | \$ 556,616,196 | 449,031,075 | 6,868,010 | 77,603,213 | 84,471,223 | 21,678,226 | 1,435,672 |
| Revenues after expenses, interest and other charges | 6,529,726 | - | (6,801,032) | - | (6,801,032) | 13,330,758 | - |
| Discount on bonds retired | 430,787 | - | - | - | - | 430,787 | - |
| Retirement of bonds | - | 4,446,820 | - | - | - | (4,446,820) | - |
| Transfer of excess revenues | - | - | (147,896) | - | (147,896) | 147,896 | - |
| Maintenance reserve fund payments | - | - | 120,000 | - | 120,000 | (120,000) | - |
| Application of funds | - | - | 8,470,000 | - | 8,470,000 | (8,470,000) | - |
| Change in net assets of other operating accounts | - | - | - | - | - | (197,864) | 197,864 |
| Revenues invested in facilities | - | - | (2,001) | 2,001 | - | - | - |
| Balance December 31, 1976 | 563,576,709 | 453,477,895 | 8,507,081 | 77,605,214 | 86,112,295 | 22,352,983 | 1,633,536 |
| Revenues after expenses, interest and other charges | 13,643,600 | - | (8,963,747) | - | (8,963,747) | 22,607,347 | - |
| Discount on bonds retired | 173,587 | - | - | - | - | 173,587 | - |
| Retirement of bonds | - | 2,230,211 | - | - | - | (2,230,211) | - |
| Maintenance reserve payments | - | - | 120,000 | - | 120,000 | (120,000) | - |
| Application of funds | - | - | 9,333,000 | - | 9,333,000 | (9,333,000) | - |
| Change in net assets of other operating accounts | - | - | - | - | - | (252,644) | 252,644 |
| Revenues invested in facilities | - | - | (121,314) | 121,314 | - | - | - |
| Balance December 31, 1977 | \$ 577,393,896 | 455,708,106 | 8,875,020 | 77,726,528 | 86,601,548 | 33,198,062 | 1,886,180 |

See accompanying notes to financial statements.

NEW JERSEY TURNPIKE AUTHORITY

Statements of Cost of Investment in Facilities to December 31, 1977 and 1976 (note 1)

| | 1966 Turnpike <u>improvement</u> | 1971 Turnpike <u>improvement</u> |
|--|--|--|
| Engineering and architectural | \$ 29,234,117 | 11,557,102 |
| Land, easements and rights-of-way | 27,858,531 | 4,227,133 |
| Construction, including cost of training and equipping operating personnel, machinery and equipment and miscel- laneous preoperating expenses | 371,654,485 | 102,728,777 |
| Other costs, including administration | 2,306,804 | 142,612 |
| Financial | <u>245,677,597</u> | <u>22,512,061</u> |
| | 676,731,534 | 141,167,685 |
| Less income from interim investment of construction funds | <u>77,419,094</u> | <u>17,744,338</u> |
| | <u>\$ 599,312,440</u> | <u>123,423,347</u> |

See accompanying notes to financial statements.

| 1973 Improvement and funding program | 1977 Turnpike system revenue bonds accounts | Original turnpike extensions and additional lanes | Revenues invested in facilities | Total to December 31 | |
|--|--|--|---------------------------------------|-------------------------|----------------------|
| | | | | 1977 | 1976 |
| 18,277,984 | - | 28,083,278 | 11,461,783 | 98,614,264 | 98,101,382 |
| 6,055,806 | - | 27,235,454 | 4,309,827 | 69,686,751 | 69,211,866 |
| 19,922,563 | - | 371,398,653 | 61,650,554 | 927,355,032 | 924,230,581 |
| 115,043 | - | 1,869,762 | 142,902 | 4,577,123 | 4,421,755 |
| <u>23,615,247</u> | <u>715,185</u> | <u>26,992,647</u> | <u>165,269</u> | <u>319,678,006</u> | <u>318,962,820</u> |
| 67,986,643 | 715,185 | 455,579,794 | 77,730,335 | 1,419,911,176 | 1,414,928,404 |
| <u>34,562,821</u> | <u>-</u> | <u>7,719,943</u> | <u>3,807</u> | <u>137,450,003</u> | <u>135,055,798</u> |
| <u>33,423,822</u> | <u>715,185</u> | <u>447,859,851</u> | <u>77,726,528</u> | <u>1,282,461,173</u> | <u>1,279,872,606</u> |

Notes to Financial Statements

December 31, 1977 and 1976

(1) Organization and Accounting Practices

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

The Authority has no stockholders nor equity holders and all revenues of the Turnpike are required to be deposited by the Authority with, or in the name of, a special trustee to be applied in accordance with the provisions of the bond resolutions.

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

1. The operating accounts include (a) funds for the reasonable and necessary operating expenses of the Authority, (b) funds for major improvements, repairs, replacements and maintenance, and (c) other funds. Other funds are subdivided, in accordance with the bond resolutions, into separate accounts entitled bond interest, bond reserve, debt service, debt reserve, sinking fund, general reserve fund accounts, and special project reserve fund. Funds have been deposited into these accounts and are reserved for the payment of debt service related to the Turnpike Revenue Bonds, and Turnpike Improvement Revenue Bonds (in 1976) and Turnpike System Revenue Bonds (in 1977), as well as major turnpike maintenance requirements and improvements, betterments, enlargements or capital additions to the turnpike system.

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

3. Cost of investment in facilities reflects the cost of Turnpike facilities as explained in note 1(c)6.

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

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

2. Income on investments and from concessions is recorded when received. Investments are valued at the lower of cost or principal amount, except for investments in the General reserve bond resolution Bond Reserve Fund and the Turnpike system reserve bond resolution Debt Reserve Fund which are valued at the lower of cost or market determined as of the preceding December 1.

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

4. Interest on bond indebtedness is recorded on the accrual basis. Interest on Turnpike Revenue Bonds and Turnpike Improvement Revenue Bonds is reflected as interest on bonds in the accompanying statements of revenues and expenses in 1977 and 1976 except for interest in 1977 on Turnpike Improvement Revenue Bonds which is for the four months ended April 30, 1977 as a result of the issuance of 6% Turnpike System Revenue Bonds, First Series (Refunding) on July 13, 1977. In connection with the issuance of such bonds, funds sufficient to pay interest on the refunding bonds through January 1, 1979 has been deposited in the Debt Service Fund. Interest from July 13, 1977 to December 31, 1977, on such bonds, has been charged to cost of investments in facilities.

Interest due on January 1, 1978 and 1977 with respect to the 1966 Bonds had been deposited with paying agents as of December 31, 1977 and 1976, respectively, and accordingly there is no liability shown in the accounts for such interest at those dates, except for interest payable of \$8,485 and \$24,895 on bonds purchased on firm orders but delivered subsequent to December 31, 1977 and 1976, respectively.

5. Costs for major repairs, replacements or maintenance items of a type not recurring annually or at short intervals and costs for major resurfacing, replacement, repairs, renewals or reconstruction of the turnpike system are recorded when paid except for costs for payments to contractors and engineers which include amounts withheld (retainage) from such payments. Such costs are included in other charges in the accompanying statement of revenues and expenses when such monies have been provided from revenues and principally as construction costs in the accompanying statements of cost of investment in facilities when such expenditures are made from construction funds.

6. Costs for investment in facilities are recorded when paid except for costs for payments to contractors and engineers which include amounts withheld (retainage) from such payments. Income on unexpended construction funds is credited to cost of investment in facilities when received. Costs consist primarily of amounts expended to acquire rights-of-way, construct, reconstruct and place in operation the Turnpike, its extensions and related facilities; expenses in connection with the offering, selling and issuance of bonds and notes; discount on the sale of bonds and notes; cost of issuing refunding bonds; commitment fees under bond purchase agreements; cost of certain real estate in excess of right-of-way requirements which may be sold and the proceeds applied in reduction of construction costs; interest on bonds and notes (less income received on unexpended construction funds); and administrative and legal expenses during the construction period. Costs also include the cost of improvements, enlargements and betterments provided from revenues and costs for major resurfacing, replacement, repairs, renewals or reconstruction of the turnpike system provided from construction funds. These costs represent an historical accumulation of expenditures and no reductions are made for subsequent retirements and abandonments.

7. Toll revenues are recorded as earned.

8. Certain accounts included in other funds in the 1976 statement of assets, liabilities and revenues applied and retained have been reclassified and included in funds for major improvements, repairs, replacement, maintenance, etc. to conform to the 1977 presentation of such accounts. In addition, such accounts have also been reclassified in the accompanying statement of application of revenues after expenses, interest and other charges to conform to the 1977 presentation of the accounts.

(2) *Investments*

A summary of investments is as follows:

| | December 31, | |
|------------------------------------|----------------------|--------------------|
| | 1977 | 1976 |
| Obligations of the U.S. Government | \$ 74,961,633 | 47,121,550 |
| Certificates of deposit | 38,723,743 | 33,650,000 |
| Time deposits | 3,198,388 | 30,340,333 |
| | <u>\$116,883,764</u> | <u>111,111,883</u> |

Obligations of the U.S. Government include at December 31, 1977; \$10,000,000 par value Federal Intermediate Credit Bank notes due January 5, 1987 which bear interest at 6.95%, Treasury Notes of \$42,176,000 par value (\$14,076,000 at December 31, 1976), which bear interest at 6.00% to 6.90% (6.875% at December 31, 1976) maturing periodically to May 15, 1982 (May 15, 1977 in 1976) and at December 31, 1976; \$10,744,000 par value Federal Land Bank bonds due January 20, 1977 which bear interest at 7.45%. All other government obligations are discount notes which mature periodically to May 18, 1978. Certificates of deposit at December 31, 1977 bear interest at annual rates of 6.35% to 7.25% (4.5% to 5.25% in 1976) and mature periodically to June 30, 1978 (March 28, 1977 in 1976).

Time deposits at December 31, 1977 bear interest at an annual rate of 7% (4.5% to 5.625% in 1976) and mature periodically to October 31, 1978 (October 31, 1977 in 1976).

The market value of investments at December 31, 1977 and 1976 approximates carrying value.

(3) *Bond Indebtedness*

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

| | Turnpike revenue bonds | Turnpike improvement revenue bonds | Turnpike system revenue bonds |
|--|------------------------------|---|--|
| Original amount authorized and issued | \$771,100,000 | 210,000,000 | — |
| Refunded or acquired and cancelled prior to 1976 | <u>137,075,000</u> | — | — |
| Outstanding, December 31, 1975 | 634,025,000 | 210,000,000 | — |
| Acquired and cancelled in 1976 | <u>4,810,000</u> | — | — |
| Outstanding, December 31, 1976 | 629,215,000 | 210,000,000 | — |
| Authorized and issued in 1977 | — | — | 202,415,000 |
| Refunded or acquired and cancelled in 1977 | <u>2,240,000</u> | <u>210,000,000</u> | — |
| Outstanding, December 31, 1977 | <u>\$626,975,000</u> | — | <u>202,415,000</u> |

The principal and interest of the Turnpike Revenue Bonds, Series A through E and Series G Refunding Bonds, are secured by a first lien on the net revenues of the turnpike system. The bonds are subject to redemption in part on any interest payment date and as a whole at any time on or

after January 1, 1979, except for the Series G bonds which date is January 1, 1982, at varying premium rates. The bonds bear interest rates from 4¾% to 5¾% and mature on various dates beginning January 1, 2006 through January 1, 2009. Annual sinking fund payments sufficient to retire the bonds by maturity are required in increasing amounts.

The requirement for the annual period ended November 15, 1977 has been satisfied. At December 31, 1977, \$1,133,417 of revenues were transferred to the sinking fund as the pro-rata payment of the November 15, 1978 annual period requirement. In 1977, the Authority authorized the issuance of Turnpike System Revenue Bonds, First Series (Refunding) (the "1977 Bonds") for the purpose of refunding the outstanding \$210,000,000 Turnpike Improvement Revenue Bonds, First Series (the "1973 Bonds"). The terms of the Improvement Revenue Bond Resolution (the "1973 Resolution") included a provision that "The Authority shall continue to completion of the 1973 Improvement and Funding Program with all practical dispatch . . .". Compliance with this provision as it relates to the construction of the then proposed Governor Alfred E. Driscoll Expressway is not feasible at this time. The 1977 Resolution authorizing the 1977 Bonds does not contain this provision.

Proceeds of the 1977 Bonds, together with other funds were used to purchase direct obligations of the Federal Government (the "Investment Securities") the principal of and interest on which when due will be sufficient to pay when due; all interest payments on the 1973 Bonds from November 1, 1977 to May 1, 2013 inclusive; and all mandatory sinking fund payments for the 1973 Bonds pursuant to the 1973 Resolution. The Investment Securities have been deposited with the 1973 Resolution Trustee in trust for the payment of the principal or redemption price of and interest on the 1973 Bonds. The 1973 Bonds under the terms of the 1973 Resolution are deemed to be paid and cease to be entitled to any lien, benefit or security under the 1973 Resolution. The source and allocation of funds authorized by 1977 Resolution are as follows:

| Sources of funds: | |
|--|----------------------|
| Principal amount of 1977 bonds | \$202,415,000 |
| Accrued interest received on 1977 bonds | 2,428,980 |
| Transfer of funds from 1973 resolution accounts: | |
| Debt reserve fund | 11,970,000 |
| Debt service fund | 5,000,000 |
| Construction fund | 18,607,600 |
| | <u>35,577,600</u> |
| Total sources of funds | \$240,421,580 |
| | |
| Application of funds: | |
| Purchase of investment securities | 200,422,548 |
| Discount on bonds and financing expenses | 4,367,328 |
| 1977 Debt reserve fund requirement | 12,144,900 |
| Interest requirement on 1977 bonds to January 1, 1979 deposited in the debt service fund | 20,241,500 |
| Special project reserve fund | 3,245,304 |
| Total application of funds | \$240,421,580 |

The 6% Turnpike System Revenue Bonds, First Series (Refunding), maturing January 1, 2014, are subject to redemption in part on any interest payment date on or after July 1, 1979, and as a whole or in part at any time on or after January 1, 1987, at varying premium rates. Prior to the retirement of the Turnpike Revenue Bonds, interest and principal are payable from net revenues (as defined) of the turnpike system available therefrom after meeting the 1966 General Revenue Bond Resolution requirements. On and after the retirement of all of the Turnpike Revenue Bonds, the Turnpike System Revenue Bonds will be secured by a first lien on the net revenues (as defined) of the turnpike system. The Authority has covenanted in the Turnpike System Revenue Bond Resolution to charge such tolls as shall be required in order that the annual net revenues (as defined) equal the greater of (i) the sum of debt service on the 1966 Resolution Bonds

and the 1977 Resolution Bonds, Maintenance Reserve Payments and Special Project Reserve Payments, or (ii) 1.20 times the debt service payments required on both the 1966 Resolution Bonds and the 1977 Resolution Bonds, and in any event shall make all required deposits in each fund and account under the resolutions, which requirement has been met. Sinking fund installments are due annually commencing January 1, 1980.

The sinking fund installments for all series of the 1966 Resolution Bonds for the annual periods ending November 15, 1978 through 1982 and the sinking fund installments for the 1977 Resolution Bonds for the annual periods ending December 31, 1978 through 1982 are as follows:

| | Turnpike revenue bonds | Turnpike system revenue bonds | Total |
|------|------------------------------|--|------------|
| 1978 | \$ 6,700,000 | — | 6,700,000 |
| 1979 | 7,420,000 | 970,000 | 8,390,000 |
| 1980 | 8,180,000 | 2,025,000 | 10,205,000 |
| 1981 | 9,215,000 | 2,145,000 | 11,360,000 |
| 1982 | 10,015,000 | 2,275,000 | 12,290,000 |

(4) Operations

The Annual Budget of Operating Expenses as filed with the Trustee for the years 1977 and 1976 amounted to \$45,743,000 and \$42,355,000, respectively, as compared with cash disbursements for operating expenses of \$45,538,914 in 1977 and \$42,172,280 in 1976.

(5) Other Charges

Prior to January 1, 1975, in accordance with bond resolutions then in effect, the Authority, with the approval of the Consulting Engineer, directed the Trustee to transfer funds from reserve funds to special accounts to pay the cost of repairs, replacements or maintenance items of a type not recurring annually or at short intervals and which were not provided for in the budgeted operating expenses.

The annual budget includes, in addition to appropriations for all anticipated operating expenses, provisions for amounts to be deposited in the Maintenance Reserve Fund for costs of major resurfacing, replacements, repairs, renewals or reconstruction of the turnpike system or any part thereof. Amounts deposited in such fund amounted to \$120,000 in 1977 and 1976. In addition, in a prior year \$6,000,000 was provided for such purposes for monies in the 1971 Note Resolution Construction fund accounts in accordance with the Authority's interpretation of the resolution.

From funds so provided in 1977, 1976 and prior years and from funds allocated from the General Reserve fund for Special Projects, in the amount of \$9,333,000 in 1977 and \$8,470,000 in 1976, as explained in note 7, expenditures were made for repairs, replacements, etc. These expenditures have been reflected as other charges, in the amount of \$8,963,747 in 1977 (\$6,801,032 in 1976), in the accompanying statements of revenues and expenses and principally as construction costs, in the amount of \$44,589 in 1977 (\$771,094 in 1976), in the accompanying statements of costs of investment in facilities.

(6) Net Revenues

Net revenues are defined in the 1966 bond resolution as

revenues less amounts paid from the Revenue Fund into the Operating Fund. Net revenues for the years ended December 31, 1977 and 1976 are as follows:

| | 1977 | 1976 |
|------------------------------|---------------|-------------|
| Revenues | \$105,370,653 | 101,015,648 |
| Payments into operating fund | 45,743,000 | 42,355,000 |
| Net revenues | \$ 59,627,653 | 58,660,648 |

(7) General Reserve Fund

Funds accumulated in the General Reserve fund have been allocated, as permitted by the Bond Resolution, to the Debt Service fund for payment of interest on the Turnpike Improvement Revenue Bonds (see note 3 for application of remaining debt service funds as a result of issuance of Turnpike System Revenue Bonds, First Series (Refunding)); to the cost of Special Projects for major resurfacing, replacement or reconstruction of the turnpike system or any part thereof, or any other major or extraordinary repairs, renewals or replacement of the turnpike system, any turnpike improvement, and studies, surveys, estimates and investigations in connection with any of the foregoing purposes; to the purchase or redemption of any Turnpike Revenue Bonds; and to the Special Project Reserve fund (1977 Resolution). Amounts allocated during the years ended December 31, 1977 and 1976 were as follows:

| | 1977 | 1976 |
|------------------------------|--------------|------------|
| Debt Service Fund | \$ 5,000,000 | 12,011,676 |
| Special Projects (note 5) | 9,333,000 | 8,470,000 |
| Bond Redemption account: | | |
| Series A (1966 issue) | — | 1,400,608 |
| Series B (1968 issue) | — | 586,847 |
| Series C (1968 issue) | — | 978,079 |
| Series D (1969 issue) | — | 469,476 |
| Series E (1969 issue) | — | 312,982 |
| Series G (1972 issue) | — | 1,213,600 |
| Special Project Reserve Fund | 9,374,971 | — |
| | \$23,707,971 | 25,443,268 |

(8) Pension and Retirement Plans

Employees of the Authority are covered by the Public Employees Retirement System of State of New Jersey. Pension plan expense amounting to \$1,858,243 and \$1,558,569 in 1977 and 1976, respectively, is based on annual billings received from the Retirement System and is recorded when paid. Authority employees are also covered by the Federal Social Security Act for which the Authority made contributions of \$1,377,553 in 1977 and \$1,280,241 in 1976.

(9) Sale of Property

Proceeds from the sale of excess property in 1977 and 1976 amounted to \$9,789 and \$339,152, respectively. Such amounts have been allocated in the same manner as revenues except for \$6,982 in 1976, which is included in the construction account.

(10) Commitments and Contingent Liabilities

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

NEW JERSEY TURNPIKE AUTHORITY

Investments

December 31, 1977

| | Interest rate | Maturity (notes A, B, E and F) | Par value | Carrying value (note C) | |
|--|------------------|--------------------------------------|-------------------|-------------------------------|---------|
| Operating accounts: | | | | | |
| United States Treasury bills | - | % | Jan. 5, 1978 | \$ 400,000 | 399,256 |
| Funds for major improvements, repairs, replacements, maintenance, etc.: | | | | | |
| 1966 General revenue bond resolution: | | | | | |
| General reserve fund accounts: | | | | | |
| Special projects: | | | | | |
| United States Treasury bills | - | various | 2,750,000 | 2,727,143 | |
| Farm Credit Banks discount notes | - | various | 950,000 | 933,589 | |
| Certificates of deposit (note E) | various | various | <u>1,500,000</u> | <u>1,500,000</u> | |
| | | | 5,200,000 | 5,160,732 | |
| Maintenance reserve fund: | | | | | |
| United States Treasury bills | - | various | 1,750,000 | 1,733,296 | |
| 1952 Bond resolution accounts: | | | | | |
| United States Treasury bills | - | various | 1,520,000 | 1,508,675 | |
| Other funds: | | | | | |
| 1966 General reserve bond resolution: | | | | | |
| Bond interest fund: | | | | | |
| Time deposit (note F) | 7.00 | Jun. 30, 1978 | 2,767,000 | 2,767,000 | |
| Bond reserve fund: | | | | | |
| United States Treasury notes | various | various | 23,930,000 | 23,608,112 | |
| Time deposit (note F) | 7.00 | Oct. 31, 1978 | 431,388 | 431,388 | |
| Federal Intermediate Credit Banks | 6.95 | Jan. 5, 1987 | <u>10,000,000</u> | <u>9,525,000</u> | |
| | | | 34,361,388 | 33,564,500 | |
| 1977 Turnpike system revenue bond resolution: | | | | | |
| Debt service fund: | | | | | |
| Certificates of deposit (note E) | various | various | 14,081,600 | 14,081,600 | |
| United States Treasury notes | various | various | <u>6,116,000</u> | <u>6,065,440</u> | |
| | | | 20,197,600 | 20,147,040 | |
| Debt reserve fund: | | | | | |
| United States Treasury notes | 6.125 | Jun. 30, 1979 | 12,130,000 | 11,985,956 | |
| Special projects reserve fund: | | | | | |
| Federal Home Loan Banks discount notes | - | Feb. 21, 1978 | 3,200,000 | 3,148,889 | |
| United States Treasury bills | - | Feb. 23, 1978 | 95,000 | 93,494 | |
| Certificates of deposit (note E) | various | Jun. 14, 1978 | <u>9,292,143</u> | <u>9,292,143</u> | |
| | | | 12,587,143 | 12,534,526 | |
| Construction accounts: | | | | | |
| 1966 General revenue bond resolution: | | | | | |
| Construction accounts: | | | | | |
| United States Treasury bills | - | various | 250,000 | 243,583 | |
| Special projects: | | | | | |
| United States Treasury bills | - | various | 2,150,000 | 2,126,817 | |
| Certificates of deposit (note E) | various | various | <u>1,450,000</u> | <u>1,450,000</u> | |
| | | | 3,600,000 | 3,576,817 | |
| General reserve fund accounts: | | | | | |
| United States Treasury bills | - | various | 755,000 | 747,739 | |
| 1971 General note resolution construction account: | | | | | |
| United States Treasury bills | - | various | 1,875,000 | 1,860,054 | |
| 1973 Improvement revenue bond resolution construction account: | | | | | |
| Federal Home Loan Bank discount notes | - | various | 6,000,000 | 5,900,106 | |
| United States Treasury bills | - | various | 1,575,000 | 1,551,002 | |
| Certificates of deposit (note E) | various | various | 12,400,000 | 12,400,000 | |
| Farm Credit Bank discount notes | - | Mar. 15, 1978 | <u>600,000</u> | <u>590,550</u> | |
| | | | 20,575,000 | 20,441,658 | |
| 1952 Bond resolution construction account: | | | | | |
| United States Treasury bills | - | May 18, 1978 | 220,000 | 212,932 | |
| Total investments (note D) | | | \$ 118,188,131 | 116,883,764 | |

Notes:

- (A) United States Treasury bills, Federal Home Loan Bank discount notes and Farm Credit Banks discount notes mature periodically to May 18, 1978.
- (B) United States Treasury notes, which total \$41,659,508, bear interest at annual rates of 6.00% to 6.90% and mature periodically to May 15, 1982.
- (C) Investments have been valued at the lower of cost or the principal amount thereof, except for investments in the Bond Reserve Fund and the Debt Reserve Fund which are valued at the lower of cost or market as of December 1.
- (D) As of December 31, 1977, the carrying value of investments approximated market value.
- (E) Certificates of deposit bear interest at annual rates of 6.35% to 7.25% and mature periodically to June 30, 1978. The certificates, which total \$38,723,743 were issued by the following banks - The Chase Manhattan Bank, N.A., \$1,450,000; The First National Bank of New Jersey, \$4,500,000; The First National State Bank of New Jersey, \$21,481,600; First Jersey National Bank, \$1,000,000; Midlantic National Bank, \$10,292,143. Where required, such certificates are secured by a pledge of direct obligations of the United States in appropriate amounts required by the bond resolutions.
- (F) Time deposits bear interest at an annual rate of 7% and mature periodically to October 31, 1978. The deposits, which total \$3,198,388 are held by The Chase Manhattan Bank, N.A.

NEW JERSEY TURNPIKE AUTHORITY
Summary of Funds for Major Improvements
Repairs, Replacements, Maintenance, etc.

December 31, 1977 and 1976

| | 1966 | | | <u>Total</u> | |
|--|---|-------------------------------------|--|------------------|------------------|
| | <u>Bond resolution</u> | | | <u>1977</u> | <u>1976</u> |
| <u>Assets</u> | General reserve fund special projects | Main- tenance reserve fund | 1952 Bond resolution accounts | | |
| Cash | \$ 496,128 | 35,998 | 50,977 | 583,103 | 116,355 |
| Investments | 5,160,732 | 1,733,296 | 1,508,675 | 8,402,703 | 8,637,832 |
| Accounts receivable | 304,174 | - | 21,868 | 326,042 | 124,038 |
| Deposits in condemnation cases | - | - | 32,070 | 32,070 | 32,070 |
| | <u>\$ 5,961,034</u> | <u>1,769,294</u> | <u>1,613,590</u> | <u>9,343,918</u> | <u>8,910,295</u> |
| <u>Liabilities</u> | | | | | |
| Amounts retained from con- tractors and engineers | <u>\$ 375,484</u> | <u>-</u> | <u>93,414</u> | <u>468,898</u> | <u>403,214</u> |

NEW JERSEY TURNPIKE AUTHORITY

Other Funds

December 31, 1977 and 1976

| | Cash on deposit with Trustee, Special Trustee and bank | Investments (Schedule 1) | Liabilities | Fund balance December 31, | |
|--|--|-----------------------------|------------------|------------------------------|-------------------|
| | | | | 1977 | 1976 |
| Revenue fund (note A) | \$ 9,298,998 | - | - | 9,298,998 | 8,198,999 |
| General revenue bond resolution: | | | | | |
| Bond interest fund (note B) | 9,788 | 2,767,000 | 8,485 | 2,768,303 | 2,801,245 |
| Bond reserve fund | - | 33,564,500 | - | 33,564,500 | 33,564,500 |
| Sinking fund | 341,576 | - | - | 341,576 | 13,483 |
| General reserve fund account: | | | | | |
| Bond redemption accounts | 9,717 | - | - | 9,717 | 945,160 |
| | <u>361,081</u> | <u>36,331,500</u> | <u>8,485</u> | <u>36,684,096</u> | <u>37,324,388</u> |
| Turnpike system revenue bond resolution: | | | | | |
| Debt service fund | 94,460 | 20,147,040 | 8,152,057 | 12,089,443 | - |
| Debt reserve fund | 39,539 | 11,985,956 | - | 12,025,495 | - |
| Special project reserve fund | 2,921 | 12,534,526 | - | 12,537,447 | - |
| | <u>136,920</u> | <u>44,667,522</u> | <u>8,152,057</u> | <u>36,652,385</u> | <u>-</u> |
| Improvement revenue bond resolution: | | | | | |
| Turnpike debt service fund | - | - | - | - | 3,990,000 |
| Turnpike debt reserve fund | - | - | - | - | 11,970,000 |
| | <u>\$ 9,796,999</u> | <u>80,999,022</u> | <u>8,160,542</u> | <u>82,635,479</u> | <u>61,482,987</u> |

Notes:

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

(B) \$8,485 represents accrued interest on \$355,000 of Turnpike Revenue Bonds purchased but undelivered at December 31, 1977.

NEW JERSEY TURNPIKE AUTHORITY

Summary of Construction Accounts

December 31, 1977 and 1976

| | <u>1966 Bond resolution</u> | | | 1971 | 1973 | 1952 | <u>Total</u> | |
|--|------------------------------|-------------------------|--------------------------------------|---|---|---|-------------------|-------------------|
| | <u>Construction accounts</u> | <u>Special projects</u> | <u>General reserve fund accounts</u> | <u>General note resolution construction account</u> | <u>Improvement revenue bond resolution construction account</u> | <u>Bond resolution construction account</u> | <u>1977</u> | <u>1976</u> |
| <u>Assets</u> | | | | | | | | |
| Cash | \$ 13,166 | 17,212 | 13,781 | 29,933 | 66,104 | 9,034 | 149,230 | 339,873 |
| Investments | 243,583 | 3,576,817 | 747,739 | 1,860,054 | 20,441,658 | 212,932 | 27,082,783 | 46,745,298 |
| Accounts receivable | 31,365 | - | - | - | 93,176 | - | 124,541 | 1,357,983 |
| Deposits in condemnation cases, including investments of \$3,051,550 | <u>3,241,137</u> | <u>-</u> | <u>-</u> | <u>354,330</u> | <u>59,820</u> | <u>-</u> | <u>3,655,287</u> | <u>3,730,581</u> |
| | <u>\$ 3,529,251</u> | <u>3,594,029</u> | <u>761,520</u> | <u>2,244,317</u> | <u>20,660,758</u> | <u>221,966</u> | <u>31,011,841</u> | <u>52,173,735</u> |
| <u>Liabilities</u> | | | | | | | | |
| Amounts retained from contractors and engineers | <u>\$ 226,639</u> | <u>29,315</u> | <u>-</u> | <u>167,663</u> | <u>162,181</u> | <u>-</u> | <u>585,798</u> | <u>1,378,236</u> |

NEW JERSEY TURNPIKE AUTHORITY

Bond Indebtedness

December 31, 1977 and 1976

| | Original amount authorized and issued | Refunded or acquired and cancelled in prior years | Amount outstanding Dec. 31, 1976 | Refunded or acquired and cancelled during 1977 | Amount outstanding Dec. 31, 1977 |
|--|--|--|--|---|--|
| Turnpike revenue bonds: | | | | | |
| Series A, 4-3/4% (1966 issue), maturing January 1, 2006 | \$ 179,000,000 | 1,430,000 | 177,570,000 | 505,000 | 177,065,000 |
| Series B, 5-1/8% (1968 issue), maturing January 1, 2008 | 75,000,000 | 175,000 | 74,825,000 | 570,000 | 74,255,000 |
| Series C, 5.20% (1968 issue), maturing January 1, 2008 | 125,000,000 | 1,105,000 | 123,895,000 | 300,000 | 123,595,000 |
| Series D, 5-3/4% (1969 issue), maturing January 1, 2008 | 60,000,000 | 395,000 | 59,605,000 | 155,000 | 59,450,000 |
| Series E, 5-7/8% (1969 issue), maturing January 1, 2008 | 40,000,000 | 220,000 | 39,780,000 | 155,000 | 39,625,000 |
| Series F, 7% (1969 issue), maturing January 1, 2009 | 137,000,000 | 137,000,000 | - | - | - |
| Series G, 5-3/4% (1972 refunding issue), maturing January 1, 2009 | <u>155,100,000</u> | <u>1,560,000</u> | <u>153,540,000</u> | <u>555,000</u> | <u>152,985,000</u> |
| | <u>771,100,000</u> | <u>141,885,000</u> | <u>629,215,000</u> | <u>2,240,000</u> | <u>626,975,000</u> |
| Turnpike improvement revenue bonds: | | | | | |
| First series, 5.70% (1973 issue), maturing May 1, 2013 | <u>210,000,000</u> | - | <u>210,000,000</u> | <u>210,000,000</u> | - |
| Turnpike system revenue bonds: | | | | | |
| First series, 6% (refunding), maturing January 1, 2014 | <u>202,415,000</u> | - | - | - | <u>202,415,000</u> |
| General revenue bonds: | | | | | |
| Turnpike revenue bonds (1950 issue), 3-1/4%, maturing January 1, 1985 | 220,000,000 | 220,000,000 | - | - | - |
| Turnpike revenue bonds (1951 issue), 3.20%, maturing January 1, 1986 | <u>35,000,000</u> | <u>35,000,000</u> | - | - | - |
| | <u>255,000,000</u> | <u>255,000,000</u> | - | - | - |
| Second series revenue bonds | <u>211,200,000</u> | <u>211,200,000</u> | - | - | - |
| Turnpike notes: | | | | | |
| Series A, 4-5/8% (1971 issue), matured January 1, 1975 | <u>125,500,000</u> | <u>125,500,000</u> | - | - | - |
| | <u>\$ 1,775,215,000</u> | <u>733,585,000</u> | <u>839,215,000</u> | <u>212,240,000</u> | <u>829,390,000</u> |

Note - At December 31, 1977, bond and note indebtedness totaling \$945,825,000 had been retired from the following sources:

| | |
|--|-----------------------|
| Revenues | \$ 455,708,106 |
| Excess construction funds, bond proceeds and miscellaneous receipts allocated as revenues | 17,616,894 |
| Issuance of Series G (refunding issue) Turnpike Revenue Bonds to refund the Series F bonds for redemption on January 1, 1979 | 137,000,000 |
| Portion of proceeds of the 1973 Turnpike Improvement Revenue Bonds used to retire Turnpike notes, Series A | 125,500,000 |
| Issuance of Turnpike System Revenue Bonds, first series (refunding) to refund the 5.70% Turnpike Improvement Revenue Bonds, first series, for retirement in accordance with sinking fund install- ments established at the time of their issuance | <u>210,000,000</u> |
| | <u>\$ 945,825,000</u> |

NEW JERSEY TURNPIKE AUTHORITY
Cash Receipts and Disbursements
Year ended December 31, 1977

| | Combined total | Operating accounts | Funds for major improvements, repairs, replacements, maintenance, etc. | | | Revenue fund | Bond interest fund | Bond reserve fund | Sinking fund accounts |
|--|-----------------------|-----------------------|--|-------------------------------------|--|------------------|--------------------------|-------------------------|-----------------------------|
| | | | 1952 Bond resolution accounts | Mainte- nance reserve fund | General reserve fund special projects | | | | |
| Cash balances, December 31, 1976 | \$ 10,195,368 | 610,397 | 64,575 | 6,221 | 45,559 | 8,198,599 | 24,895 | - | 13,483 |
| Receipts: | | | | | | | | | |
| Revenues (including income of \$4,980,964 on investments) | 105,702,627 | 267,772 | 87,619 | 125,801 | 267,782 | 100,730,326 | 582,538 | 2,268,080 | - |
| Transfers of income on investments | - | (267,772) | (87,619) | (125,801) | (267,782) | 4,886,107 | (582,538) | (2,181,886) | - |
| Transfers from revenue fund | - | 45,743,000 | - | 120,000 | 9,333,000 | (104,516,034) | 33,191,661 | 380,533 | 1,459,063 |
| Sale or redemption of investments | 634,810,270 | 47,080,081 | 6,384,736 | 10,821,019 | 27,955,588 | - | 49,802,648 | 34,746,855 | - |
| Income on construction investments | 2,394,202 | - | - | - | - | - | - | - | - |
| Transfer of funds | - | - | - | - | - | - | - | (86,194) | - |
| Proceeds from sale of property | 9,789 | - | - | - | - | - | 9,789 | - | - |
| Deposits in condemnation | 30,375 | - | - | - | - | - | - | - | - |
| Reimbursements of construction costs and other recoveries | 1,496,711 | - | - | - | - | - | - | - | - |
| Proceeds from sale of refunding bonds in- cluding accrued interest of \$2,428,480 | 200,476,652 | - | - | - | - | - | - | - | - |
| | <u>\$ 955,115,994</u> | <u>93,433,478</u> | <u>6,449,311</u> | <u>10,947,240</u> | <u>37,334,147</u> | <u>9,298,998</u> | <u>83,028,993</u> | <u>35,127,388</u> | <u>1,472,546</u> |
| Disbursements: | | | | | | | | | |
| Budgeted operating expenses | 45,632,409 | 45,632,409 | - | - | - | - | - | - | - |
| Interest on bond indebtedness | 39,235,802 | - | - | - | - | - | 33,250,802 | - | - |
| Purchase of investments including accrued interest | 641,161,378 | 46,121,184 | 5,888,942 | 9,788,679 | 29,248,592 | - | 49,768,403 | 35,127,388 | - |
| Retirement of bond indebtedness | 2,066,413 | - | - | - | - | - | - | - | 1,130,970 |
| Cost of construction, studies, major repairs, reimbursable costs | 14,388,227 | - | 509,392 | 1,122,563 | 7,589,427 | - | - | - | - |
| Purchase of investment securities and funds deposited with Trustee for pay- ment of redemption price and interest on 1973 Improvement Revenue Bonds | 200,422,548 | - | - | - | - | - | - | - | - |
| | <u>942,906,777</u> | <u>91,753,593</u> | <u>6,398,334</u> | <u>10,911,242</u> | <u>36,838,019</u> | <u>-</u> | <u>83,019,205</u> | <u>35,127,388</u> | <u>1,130,970</u> |
| Cash balance, December 31, 1977 | \$ <u>12,209,217</u> | <u>1,679,885</u> | <u>50,977</u> | <u>35,998</u> | <u>496,128</u> | <u>9,298,998</u> | <u>9,788</u> | <u>-</u> | <u>341,576</u> |

| Depositories | Cash balance | Market value of securities pledged to secure deposits |
|---|-----------------|--|
| Operating accounts: | | |
| First Jersey National Bank | \$ 1,468,220 | 2,510,156 |
| The Peoples National Bank of Central Jersey | 115,643 | 1,793,900 |
| Valley National Bank | 24,072 | 826,900 |
| Toll collectors' and other imprest funds | 71,950 | - |
| Revenue fund: | | |
| Fidelity Union Trust Company | 1,955,648 | 9,309,250 |
| The National State Bank | 7,343,350 | 10,199,725 |
| 1971 General note resolution accounts: | | |
| Midlantic National Bank | 29,933 | 988,750 |
| Balance carried forward | 11,008,816 | 25,628,681 |

| General reserve fund | General reserve fund redemption | 1973 Improvement resolution bond accounts | | 1977 Turnpike system revenue bond accounts | | | 1952 Bond resolution construction fund | 1966 Bond resolution | | | 1971 General resolution construction fund | 1973 Improvement resolution construction fund | 1977 Turnpike system revenue bond refunding account |
|----------------------|---------------------------------|---|-------------------|--|-------------------|-------------------------------|--|----------------------|-------------------|-------------------------------|---|---|---|
| | | Debt service fund | Debt reserve fund | Debt service fund | Debt reserve fund | Special projects reserve fund | | Construc-tion fund | Special projects | General reserve fund accounts | | | |
| - | 891,766 | - | - | - | - | - | 7,015 | 44,661 | 25,454 | 43,061 | 9,608 | 210,074 | - |
| - | 234 | 124,876 | - | 774,151 | 343,243 | 83,296 | 10,347 | - | - | 36,562 | - | - | - |
| - | (234) | (124,876) | - | (774,151) | (343,243) | (83,296) | (10,347) | - | - | (36,562) | - | - | - |
| 4,913,806 | - | - | - | - | - | 9,374,971 | - | - | - | - | - | - | - |
| - | 53,394 | 5,985,000 | 6,186,350 | 20,247,849 | 24,328,159 | 20,853,328 | 429,653 | 7,268,032 | 13,973,945 | 2,461,496 | 10,340,973 | 345,891,164 | - |
| - | - | - | 177,541 | - | - | - | - | 229,765 | 204,683 | - | 138,959 | 1,643,254 | - |
| 85,526 | - | - | (180,093) | 3,357,548 | 12,144,900 | 3,162,476 | - | - | - | - | - | (18,430,059) | (54,104) |
| - | - | - | - | - | - | - | - | - | - | - | 12,475 | 17,900 | - |
| - | - | - | - | - | - | - | - | - | - | - | - | 1,496,711 | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | 200,476,652 |
| <u>4,999,332</u> | <u>945,160</u> | <u>5,985,000</u> | <u>6,183,798</u> | <u>23,605,397</u> | <u>36,473,059</u> | <u>33,390,775</u> | <u>436,668</u> | <u>7,542,458</u> | <u>14,204,082</u> | <u>2,504,557</u> | <u>10,502,015</u> | <u>330,829,044</u> | <u>200,422,548</u> |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | 5,985,000 | - | - | - | - | - | - | - | - | - | - | - |
| 4,999,332 | - | - | 6,183,798 | 23,510,937 | 36,433,520 | 33,387,854 | 427,634 | 4,677,224 | 13,871,823 | 2,490,285 | 9,778,514 | 329,457,269 | - |
| - | 935,443 | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 2,852,068 | 315,047 | 491 | 693,568 | 1,305,671 | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | 200,422,548 |
| <u>4,999,332</u> | <u>935,443</u> | <u>5,985,000</u> | <u>6,183,798</u> | <u>23,510,937</u> | <u>36,433,520</u> | <u>33,387,854</u> | <u>427,634</u> | <u>7,529,292</u> | <u>14,186,870</u> | <u>2,490,776</u> | <u>10,472,082</u> | <u>330,762,940</u> | <u>200,422,548</u> |
| - | 9,717 | - | - | 94,460 | 39,539 | 2,921 | 9,034 | 13,166 | 17,212 | 13,781 | 29,933 | 66,104 | - |

| | Cash balance | Market value of securities pledged to secure deposits |
|---|----------------------|---|
| <u>Depositories</u> | | |
| Balance brought forward | \$ 11,008,816 | 25,628,681 |
| 1973 Improvement revenue bond and 1977 Turnpike system revenue bond accounts: | | |
| First National State Bank of New Jersey | 203,024 | 5,030,655 |
| All other funds: | | |
| The Franklin State Bank | 35,998 | 549,109 |
| First National Bank of New Jersey | 422,797 | 4,905,469 |
| National Community Bank | 3,173 | 1,537,178 |
| The Chase Manhattan Bank, N.A. | 535,409 | 16,922,625 |
| | <u>\$ 12,209,217</u> | <u>54,573,717</u> |

NEW JERSEY TURNPIKE AUTHORITY

Toll Revenue

Years ended December 31, 1977 and 1976

Schedule 7

| Class | Description | 1977 | | 1976 | |
|-------|--|---------------|-------------|---------------|-------------|
| | | Toll revenue | Vehicles | Toll revenue | Vehicles |
| 1 | Passenger car, motorcycle, taxi or hearse, light truck | \$ 61,318,508 | 96,142,172 | \$ 58,756,751 | 92,437,690 |
| 2 | Vehicles having two axles other than type described under Class 1 | 5,636,553 | 5,418,696 | 5,524,222 | 5,280,668 |
| 3 | Vehicle (vehicles), single or in combination, having three axles | 3,107,723 | 1,996,022 | 3,166,907 | 1,961,208 |
| 4 | Vehicle (vehicles), single or in combination, having four axles | 6,724,087 | 3,341,606 | 6,602,493 | 3,273,100 |
| 5 | Vehicle (vehicles), single or in combination, having five axles | 18,317,001 | 6,754,706 | 17,018,133 | 6,271,402 |
| 6 | Vehicle (vehicles), single or in combination, having six or more axles | 30,028 | 10,813 | 26,058 | 9,601 |
| | Non-revenue vehicles* | - | 528,340 | - | 534,023 |
| | | 95,133,900 | 114,192,355 | 91,094,564 | 109,767,692 |
| | Deduct toll adjustments | 22,114 | | 12,642 | |
| | | \$ 95,111,786 | | \$ 91,081,922 | |

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

