

**NEW JERSEY TRANSPORTATION
TRUST FUND AUTHORITY**

Financial Statements and
Supplementary Information

Year Ended June 30, 2002

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To the Honorable Chairperson and Members of
NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

We have audited the accompanying statement of net assets and governmental funds balance sheet of **NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY** as of June 30, 2002, and the related statement of activities and governmental funds revenues, expenditures and changes in fund balance for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY** as of June 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2002 on our consideration of **NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedule on page thirteen is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As discussed in Note A to the accompanying financial statements, in 2002, the Authority adopted Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as amended by Statement No. 37, Basic Financial Statements for State and Local Governments: Omnibus, and Statement No. 38, Certain Financial Statement Note Disclosures. Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the presentation of management's discussion and analysis. However, we did not audit the information and express no opinion on it.

Druker, Rahl & Fein

August 30, 2002

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Chairperson and Members of
NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

We have audited the financial statements of **NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY** as of and for the year ended June 30, 2002, and have issued our report thereon dated August 30, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether **NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and others within the Authority, and federal and state awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than those specified parties.

Druker, Rahl & Fein
August 30, 2002

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MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of the New Jersey Transportation Trust Fund Authority (the "Authority"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2002. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole. Fiscal year 2002 is the first year of the Authority's implementation of the new financial reporting model (GASB No. 34) and thus, prior year information for comparison purposes is not available. In future years, when prior year information is available, a comparative analysis of the financial statements data will be presented. However, a comparative analysis of key elements of financial statements is provided in this overview.

Financial Highlights

The Authority disbursed \$901,073,289 to the Special Transportation Fund of the State of New Jersey to fund statewide transportation system improvements during the fiscal year. This was an increase of approximately 14% over the prior year. The term "net assets" refers to the difference between assets and liabilities. At the close of fiscal year 2002, the Authority had net assets of \$635,590,115 as compared to \$1,101,864,082 at June 30, 2001.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements which are comprised of the basic financial statements and the notes to the financial statements. The Authority is a single program government, which combines government-wide and governmental financial statements. This report also contains other supplementary information concerning the Authority's flow of cash for the fiscal year.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. Net assets increase when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities result in increased net assets, which indicates an improved financial position.

The statement of activities presents information showing how a government's net assets changed during the fiscal year. All changes in net assets are reported as the underlying event occurs, regardless of timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Authority's flow of cash for the fiscal year.

Financial Analysis

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$635,590,115 at the close of the most recent fiscal year.

The largest portion of the Authority's net assets reflects its investments in current assets (e.g., accounts receivable, cash and equivalents) less any related debt outstanding. The Authority's current assets are restricted in use for payment of bond issues outstanding.

Significant Events

At fiscal year-end, the Authority had \$5,136,710,000 in bonds outstanding versus \$4,328,835,000 in the prior fiscal year - an increase of 19%. The new debt consisted of three bonds which totaled \$2,206,450,000, which included \$1,282,818,637 to refund preexisting bonds at more favorable interest rates.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS BALANCE SHEET
 June 30, 2002

	Special Revenue Fund	Other Funds (DSF)	Total Governmental Funds	Adjustments (Note E)	Statement of Net Assets
ASSETS					
Account Receivable - State of New Jersey	\$ 29,041,667	\$ -	\$ 29,041,667	\$ 5,136,710,000	\$ 5,165,751,667
Cash and equivalents	698,745,769	38,229,886	736,975,655	-	736,975,655
Unamortized bond issuance costs	-	-	-	32,618,801	32,618,801
Total Assets	<u>\$ 727,787,436</u>	<u>\$ 38,229,886</u>	<u>\$ 766,017,322</u>	<u>\$ 5,169,328,801</u>	<u>\$ 5,935,346,123</u>
LIABILITIES					
Accrued interest payable	\$ -	\$ 13,049,487	\$ 13,049,487	\$ -	\$ 13,049,487
Accounts payable - State of New Jersey	149,996,521	-	149,996,521	-	149,996,521
Transportation system bonds payable:					
Due within one year	-	-	-	152,050,000	152,050,000
Due after one year	-	-	-	4,984,660,000	4,984,660,000
Total Liabilities	<u>149,996,521</u>	<u>13,049,487</u>	<u>163,046,008</u>	<u>5,136,710,000</u>	<u>5,299,756,008</u>
FUND BALANCES/NET ASSETS					
Restricted for:					
Debt Service	-	25,180,399	25,180,399	-	25,180,399
Deferred Charges	-	-	-	32,618,801	32,618,801
Payment of state transportation systems cost	577,756,416	-	577,756,416	-	577,756,416
Unrestricted	34,499	-	34,499	-	34,499
Total Fund Balances/Net Assets	<u>577,790,915</u>	<u>25,180,399</u>	<u>602,971,314</u>	<u>32,618,801</u>	<u>635,590,115</u>
Total Liabilities and Fund Balances/Net Assets	<u>\$ 727,787,436</u>	<u>\$ 38,229,886</u>	<u>\$ 766,017,322</u>	<u>\$ 5,169,328,801</u>	<u>\$ 5,935,346,123</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended June 30, 2002

	Special Revenue Fund	Other Funds (DSF)	Total Governmental Funds	Adjustments (Note E)	Statement of Activities
REVENUES					
State appropriations equivalent to:					
Motor fuel taxes	\$ 405,000,000	\$ -	\$ 405,000,000	\$ -	\$ 405,000,000
Good driver's surcharge	80,000,000	-	80,000,000	-	80,000,000
Commercial vehicle fees and taxes	200,000,000	-	200,000,000	-	200,000,000
Interest income	<u>15,534,827</u>	<u>1,067,457</u>	<u>16,602,284</u>	<u>-</u>	<u>16,602,284</u>
Total revenues	<u>700,534,827</u>	<u>1,067,457</u>	<u>701,602,284</u>	<u>-</u>	<u>701,602,284</u>
EXPENDITURES					
Operating expenses and financial costs	34,126	-	34,126	-	34,126
State transportation costs	901,073,289	-	901,073,289	-	901,073,289
Debt Service:					
Principal	-	1,398,575,000	1,398,575,000	(1,398,575,000)	-
Bond interest expense, including amortization of bond issuance costs	<u>-</u>	<u>284,118,766</u>	<u>284,118,766</u>	<u>1,779,102</u>	<u>285,897,868</u>
Total expenditures	<u>901,107,415</u>	<u>1,682,693,766</u>	<u>2,583,801,181</u>	<u>(1,396,795,898)</u>	<u>1,187,005,283</u>
Deficiency of revenues over expenses	<u>(200,572,588)</u>	<u>(1,681,626,309)</u>	<u>(1,882,198,897)</u>	<u>1,396,795,898</u>	<u>(485,402,999)</u>
OTHER FINANCING SOURCES (USES):					
Refunding bonds issued, net	-	1,282,818,637	1,282,818,637	(1,282,818,637)	-
Bond proceeds	1,014,615,383	23,259,613	1,037,874,996	(1,037,874,996)	-
Payment to bond refunding escrow agent	-	(10,781,917)	(10,781,917)	10,781,917	-
Transfers - internal activities	<u>(410,000,000)</u>	<u>410,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>604,615,383</u>	<u>1,705,296,333</u>	<u>2,309,911,716</u>	<u>(2,309,911,716)</u>	<u>-</u>
Change in fund balance/net assets	404,042,795	23,670,024	427,712,819	(913,115,818)	(485,402,999)
Fund balance/net assets:					
Beginning of year	173,748,120	1,510,375	175,258,495	926,605,587	1,101,864,082
Prior Period Adjustment (bond issuance costs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,129,032</u>	<u>19,129,032</u>
End of year	<u>\$ 577,790,915</u>	<u>\$ 25,180,399</u>	<u>\$ 602,971,314</u>	<u>\$ 32,618,801</u>	<u>\$ 635,590,115</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Authority

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY (the "Authority"), located in Ewing, New Jersey, was created by the State of New Jersey in 1984 pursuant to the New Jersey Transportation Trust Fund Authority Act to provide a stable, predictable funding mechanism for transportation system improvements undertaken by the New Jersey Department of Transportation. The Authority also finances State aid to counties and municipalities for transportation system improvements.

Basis of Accounting

The Authority is a component unit of the State of New Jersey and is included in the general purpose financial statements of the State.

In June 1999, Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as amended by Statement No. 37, Basic Financial Statements - State and Local Government: Omnibus - an amendment of GASB Statements No. 21 and 34, and Statement No. 38, Certain Financial Statement Note Disclosures. These Statements establish new accounting and financial reporting requirements for state and local governments. The Authority implemented this new financial reporting model in fiscal year 2002. The changes are reflected in the accompanying financial statements (including notes to financial statements).

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

The basic financial statements consist of government-wide and governmental fund financial statements.

The Authority as a single program government combines government-wide and governmental fund financial statements, which are linked together by the reconciliation.

The government-wide financial statements are prepared under the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The primary sources of revenues are appropriations received from the State of New Jersey from motor fuel taxes, good driver's surcharge, and commercial vehicle fees and taxes.

The governmental fund financial statements are prepared under current financial resources measurement focus and on the modified accrual basis of accounting. Revenues are recorded when measurable and available. Expenditures are recognized when the related liability is incurred. The exception to this rule is that principal and interest on long-term debt is recognized when due.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior Period Adjustment

The Authority elected to report fiscal year 2002 (the first year of new financial reporting model implementation) as a single year. A prior period adjustment of \$19,129,032 related to capitalization of bond issuance costs has been made to the net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America for governmental units requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Accounts

In accordance with the 1995 Bond Resolution, the Authority has established the following fund accounts maintained by the Authority.

<u>Fund Accounts</u>	<u>Amount</u>	<u>Use for Which Restricted</u>
Special Revenue Fund Transportation improvement	Deposit of all revenues received by the Authority. Also used to account for the accumulation of resources for payment of state transportation costs.	Expenditures for specific purposes
Authority reserve	Accounts for the operating expenditures of the Authority.	Operating expenditures
Debt service	Amounts needed to pay matured principal and interest on bonds.	Interest and principal on bonds

Income Taxes

As a public body, under existing statute, the Authority is exempt from both federal and state taxes.

Bond Issuance Costs

In the government-wide financial statements bond issuance costs are reported as deferred charges (assets) and are amortized over the term of the related debt.

In the governmental fund financial statements bond issuance costs are expensed when incurred.

Restricted Net Assets

In accordance with the terms of the various bond resolutions, cash and equivalents of all funds required under such bond resolutions are classified as restricted assets. The amounts of which the restricted assets exceed the corresponding liabilities they will liquidate are not available for the payment of current operating expenses.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted Net Assets

The unrestricted net assets represent resources available for current operating expenses in compliance with appropriate legal requirements.

Accounts Receivable

The following is a summary of receivables due from the State of New Jersey:

Due within one year	\$ 181,091,667
Due after one year	<u>4,984,660,000</u>
	<u>\$5,165,751,667</u>

B. CASH AND EQUIVALENTS

Cash and equivalents consist of State of New Jersey cash management fund deposits and short term investments acquired under forward delivery agreements as described in the following paragraph.

In May 2002, on behalf of its transportation improvement fund project, the Authority entered into Forward Delivery Agreements in connection with construction payment money on Transportation System Bonds, 2001 Series B for \$690,000,000. The Authority will continue to make construction payments; however, under terms of the agreements the trustee is required to purchase eligible securities, as defined in the bond indenture, from the supplying financial institutions at minimum fixed rates of returns of 2.6651% and 2.713% per annum. These securities mature on a monthly basis or prior to the time the required construction payments have to be made from the transportation improvement fund. In the event of a default or an early termination, the responsible party is required to make a termination payment to the other party.

C. TRANSPORTATION SYSTEM BONDS PAYABLE

Bond resolutions have been adopted by the Authority for the purpose of making improvements to the transportation system in the State of New Jersey. The following is a summary of revenue bonds outstanding

Series	Interest Rate Range	Bonds Outstanding (in millions) June 30, 2001	Additions (in millions)	Reductions (in millions)	June 30,	
					Bonds Outstanding (in millions) June 30, 2002	Amounts due within one year (in millions)
1995 Series A	5.00%-6.50%	\$ 644,860	\$ -	\$ 80,605	\$ 564,255	\$ 33,335
1995 Series B	4.50% - 7.00%	630,265	-	171,975	458,290	32,295
1996 Series A	4.50%-6.00%	291,160	-	12,055	279,105	12,605
1996 Series B	4.75%-6.00%	624,755	-	163,300	461,455	-
1997 Series A	4.50%-6.00%	628,940	-	280,870	348,070	21,285
1998 Series A	4.25%-5.25%	646,000	-	294,635	351,365	-
1999 Series A	4.50%-5.75%	432,075	-	13,690	418,385	14,340

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO FINANCIAL STATEMENTS

C. TRANSPORTATION SYSTEM BONDS PAYABLE (CONTINUED)

2000 Series A	5.00%-6.13%	430,780	-	364,005	66,775	15,435
2001 Series A	4.50%-5.50%	-	325,000	12,080	312,920	22,755
2001 Series B	5.00%-6.00%	-	690,000	-	690,000	-
2001 Series C	2.50%-5.75%	-	<u>1,191,450</u>	<u>5,360</u>	<u>1,186,090</u>	<u>-</u>
Total		<u>\$ 4,328,835</u>	<u>\$ 2,206,450</u>	<u>\$ 1,398,575</u>	<u>\$ 5,136,710</u>	<u>\$ 152,050</u>

Total maturities of transportation system bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2003	\$ 152,050,000	\$ 296,946,944	\$ 448,996,944
2004	217,040,000	267,768,126	484,808,126
2005	228,400,000	256,408,226	484,808,226
2006	241,420,000	243,379,296	484,799,296
2007	256,955,000	227,842,184	484,797,184
2008-2012	1,505,630,000	918,378,768	2,424,008,768
2013-2017	1,731,655,000	472,582,119	2,204,237,119
2018-2022	<u>803,560,000</u>	<u>91,990,950</u>	<u>895,550,950</u>
Total	<u>\$ 5,136,710,000</u>	<u>\$ 2,775,296,613</u>	<u>\$ 7,912,006,613</u>

All bonds are subject to mandatory redemption in annual installments through their final maturity.

The bonds are secured primarily by revenues received by the Authority from the State of New Jersey. The payment of all such revenues to the Authority is subject to and dependent upon appropriations being made from time to time by the State of New Jersey Legislature. The State of New Jersey Legislature has no legal obligation to make such appropriations.

D. CONCENTRATION OF RISK AND UNCERTAINTIES

The Authority maintains cash and short-term investment balances which may exceed federally insured limits. They historically have not experienced any credit related losses.

E. ADJUSTMENTS - RECONCILIATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS

(1) Unamortized bond issuance cost is recorded as deferred charges (other assets) in the statement of net assets and is amortized over the life of the debt. Amortization expense is recorded in the statement of activities. In governmental funds financial statements bond issuance costs are expensed when incurred. Balances as of June 30, 2002 were:

Bond issuance costs	\$ 40,608,356
Accumulated amortization	<u>7,989,555</u>
Total unamortized bond issuance cost	<u>\$ 32,618,801</u>
Amortization expense	<u>\$ 1,779,102</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO FINANCIAL STATEMENTS

E. RECONCILIATION (CONTINUED)

- (2) Long-term liabilities (bond payable) applicable to the Authority's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Balances as of June 30, 2002 were:

Bonds payable	\$ 4,328,835,000
Less principal payments	1,398,575,000
Add debt issued in year end 2002	<u>2,206,450,000</u>
Total	<u>\$ 5,136,710,000</u>

- (3) Bond proceeds contribute to the change in fund balance in governmental funds. In the government-wide statements, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statements of activities.

Proceeds were received from:

2001 Series A Bond	\$ 325,000,000
2001 Series B Bond	690,000,000
2001 Series C Bond	<u>1,191,450,000</u>
Total Proceeds	<u>\$ 2,206,450,000</u>

- (4) Repayment of bond principal is reported as an expenditure in governmental funds and, thus, reduces the fund balance. For the Authority as a whole, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities. Principal payments, including payments from proceeds of refunding bond issues, were made as follows:

1995 Series A Bonds	\$ 80,605,000
1995 Series B Bonds	171,975,000
1996 Series A Bonds	12,055,000
1996 Series B Bonds	163,300,000
1997 Series A Bonds	280,870,000
1998 Series A Bonds	294,635,000
1999 Series A Bonds	13,690,000
2000 Series A Bonds	364,005,000
2001 Series A Bonds	12,080,000
2001 Series C Bonds	<u>5,360,000</u>
Total	<u>\$ 1,398,575,000</u>

F. LITIGATION

The Authority is part of a lawsuit brought on by taxpayers against the State of New Jersey challenging the constitutionality of State Contract Statutes. The main argument is whether the State can issue State Contract Bonds without prior voter approval. The case is still pending and there is no way of determining how this will affect the Authority's bonding program in the future.

SUPPLEMENTARY INFORMATION

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2002

	<u>Authority Reserve</u>	<u>Transportation Improvement</u>	<u>Total</u>	<u>Debt Service</u>	<u>Total</u>
CASH BALANCES, JUNE 30, 2001	\$ -	\$ 35,000	\$ 35,000	\$ -	\$ 35,000
RECEIPTS:					
Motor fuel taxes	-	405,000,000	405,000,000	-	405,000,000
Good driver's surcharge	-	3,757,237	3,757,237	-	3,757,237
Commercial vehicle fees and taxes	-	253,458,333	253,458,333	-	253,458,333
Toll road authorities	-	29,208,334	29,208,334	-	29,208,334
General fund	-	13,890,000	13,890,000	-	13,890,000
Interest income	1,106	15,533,721	15,534,827	1,067,457	16,602,284
Bond proceeds	-	1,014,615,383	1,014,615,383	89,266,333	1,103,881,716
Sale of cash management fund investment (Net)	5,789	-	5,789	-	5,789
Operating transfers in	18,610	-	18,610	410,000,000	410,018,610
Total Receipts	<u>25,505</u>	<u>1,735,463,008</u>	<u>1,735,488,513</u>	<u>500,333,790</u>	<u>2,235,822,303</u>
DISBURSEMENTS:					
Operating expenses and financial costs	25,505	8,621	34,126	-	34,126
Bond interest expense	-	-	-	280,614,575	280,614,575
State transportation costs	-	819,499,767	819,499,767	-	819,499,767
Principal retirement of bonds/notes payable	-	-	-	192,545,000	192,545,000
Purchase of cash management fund investments	-	481,471,010	481,471,010	27,174,215	508,645,225
Refunded appropriations to State of New Jersey	-	24,500,000	24,500,000	-	24,500,000
Operating transfers out	-	410,018,610	410,018,610	-	410,018,610
Total Disbursements	<u>25,505</u>	<u>1,735,498,008</u>	<u>1,735,523,513</u>	<u>500,333,790</u>	<u>2,235,857,303</u>
CASH BALANCES, JUNE 30, 2002	\$ -	\$ -	\$ -	\$ -	\$ -