

**NEW JERSEY TRANSPORTATION TRUST
FUND AUTHORITY**
(A Component Unit of the State of New Jersey)

Financial Statements and
Supplementary Information

June 30, 2015

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

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INDEPENDENT AUDITORS' REPORT

To the Honorable Chairperson and Members of
New Jersey Transportation Trust Fund Authority
A Component Unit of the State of New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each fund of the New Jersey Transportation Trust Fund Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as, evaluating the overall presentation of the financial statements.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibility

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each fund, of the Authority as of June 30, 2015, and the respective changes in the financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages six through ten be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of cash receipts and disbursements on page twenty-three is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of cash receipts and disbursements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We have applied certain limited procedures to the accompanying supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2015 on our consideration of the 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Merodien, P.C.

Certified Public Accountants

December 11, 2015

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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
A Component Unit of the State of New Jersey

We have audited, in accordance with the 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, the accompanying financial statements of the governmental activities and each fund of the New Jersey Transportation Trust Fund Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 11, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected or corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mercedien, P.C.
Certified Public Accountants

December 11, 2015

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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 as of and for the year ended June 30, 2015. 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.

Financial Highlights

The Authority disbursed \$1,276,650,000 and had total obligations of \$1,302,172,343 to the Special Transportation Fund of the State of New Jersey to fund statewide transportation system improvements during the fiscal year, as compared to \$1,284,900,000 disbursed and total obligations of \$1,178,025,991 in the prior year. The term "net position" refers to the difference between assets and liabilities. At the close of fiscal year 2015, the Authority had a net deficit of \$390,393,642, as compared to a net deficit of \$265,095,285 at June 30, 2014. This decrease in net position was mainly due to increases in statewide transportation system improvement costs and debt service obligations, partially offset by Build America Bond tax credits, and savings realized from a bond remarketing during the prior fiscal year.

In fiscal year 2015, the State of New Jersey lapsed \$83,722,000 of TTFA appropriated revenues and re-appropriated this amount to fiscal year 2016, to be used for its fiscal year 2016 debt service obligations.

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 that combines government-wide and governmental fund financial statements. This report also contains required supplementary information concerning the Authority's cash flow 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 that which would be used by a private-sector business.

The statement of net position and governmental funds balance sheet presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as useful indicators of whether the financial position of the Authority is improving or deteriorating. Net position decreases when expenses exceed revenues. Increases to liabilities without corresponding increases to assets result in decreased net position, which indicate a worsened financial position. The Authority's net position decreased by \$125,298,357 after current year bond activity in the year ended June 30, 2015.

The statement of activities and governmental funds revenues, expenditures and changes in fund balance/net position presents information showing how a government's net position changed during the fiscal year. All changes in net position deficit 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.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (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 position (deficit) may serve, over time, as a useful indicator of the Authority's financial position. In the case of the Authority, liabilities and deferred inflows of resources exceeded assets by \$390,393,642 at the close of the most recent fiscal year.

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

	Years Ended			Percentage
	June 30, 2015	June 30, 2014	June 30, 2013	Change 2015-2014
Accounts receivable	\$16,420,831,527	\$15,724,707,102	\$15,247,304,728	5
Cash and equivalents	412,516,342	445,123,043	609,322,103	(7)
Unamortized bond discount	9,556,639	9,975,764	19,154,585	(4)
Unamortized bond issuance cost	-	-	103,797,214	-
Total assets	<u>16,842,904,508</u>	<u>16,179,805,909</u>	<u>15,979,578,630</u>	5
Accrued interest payable	28,938,341	27,401,569	26,838,665	6
Accounts payable - State of New Jersey	174,041,714	148,519,371	197,273,096	17
Accounts payable - other	-	616,260	1,021,654	(100)
Bonds payable:				
Due within one year	488,065,000	464,750,000	408,045,000	5
Due after one year	15,932,766,527	15,209,466,513	14,683,234,264	5
Unamortized bond premium	<u>599,537,680</u>	<u>579,101,480</u>	<u>538,700,479</u>	4
Total liabilities	<u>17,223,349,262</u>	<u>16,429,855,193</u>	<u>15,855,113,158</u>	5
Deferred inflows of resources	9,948,888	15,046,001	8,169,613	(34)
Net Position (deficit) restricted for:				
Debt service	604,082	15,645	126,741	3,761
Deferred charges	(628,868,270)	(611,573,286)	(450,756,958)	(3)
Payment of state transportation system cost	<u>237,870,546</u>	<u>346,462,356</u>	<u>566,926,076</u>	(7)
Net position (deficit)	<u>\$ (390,393,642)</u>	<u>\$ (265,095,285)</u>	<u>\$ 116,295,859</u>	(47)

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

	Years Ended			Percentage Change 2015-2014
	June 30, 2015	June 30, 2014	June 30, 2013	
Revenues				
State appropriations				
Motor fuel taxes	\$ 516,000,000	\$ 531,000,000	\$ 520,000,000	(3)
Commercial vehicle fees and taxes	648,359,251	581,617,549	438,856,920	11
Toll road authority	12,000,000	12,000,000	12,000,000	-
Interest income and investment return	279,229	305,351	542,751	(9)
Amortization of bond premium and discount	<u>41,890,428</u>	<u>40,209,999</u>	<u>28,973,856</u>	(7)
Total revenues	<u>1,218,528,908</u>	<u>1,165,132,899</u>	<u>1,000,373,527</u>	5
Expenses				
Operating expenses and financial costs	1,136,128	2,094,787	2,627,950	(46)
State transportation costs	1,302,172,343	1,178,025,991	1,393,245,940	15
Debt Service				
Bond interest expense, including amortization of bond issuance costs	675,885,075	667,709,131	626,581,697	1
Bond interest expense, capital appreciation bonds	<u>149,810,014</u>	<u>141,782,268</u>	<u>134,203,649</u>	6
Total operating expenses	<u>2,129,003,560</u>	<u>1,989,612,177</u>	<u>2,156,659,236</u>	9
Deficiencies of revenues over expenses	(910,474,652)	(824,479,278)	(1,156,285,709)	10
Other financing sources (uses)				
Garvee bond debt service reimbursement	2,622,149	3,216,750	3,771,250	(18)
Build America bond credits	35,896,516	35,934,451	37,038,041	-
Bond issue costs	<u>(6,424,710)</u>	<u>(2,895,065)</u>	<u>-</u>	122
Total other financing sources	<u>32,093,955</u>	<u>36,256,136</u>	<u>40,809,291</u>	(11)
Change in net position	(878,380,697)	(788,223,142)	(1,115,476,418)	(11)
Net position (deficit)				
Beginning of year	(265,095,285)	116,295,859	152,653,628	(328)
Prior period adjustment	-	<u>(187,750,270)</u>	-	100
Beginning of year - as restated	(265,095,285)	(71,454,411)	152,653,628	(271)
Current year bond activity, net	<u>753,082,340</u>	<u>594,582,268</u>	<u>1,079,118,649</u>	27
Net position (deficit), end of year	<u>\$ (390,393,642)</u>	<u>\$ (265,095,285)</u>	<u>\$ 116,295,859</u>	(16)

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

Significant and Subsequent Events

As of June 30, 2015, the Authority had \$16,420,831,527 in bonds outstanding, net of unamortized bond accretions, as compared to \$15,674,216,513 in the prior fiscal year, an increase of 4.8%. During Fiscal Year 2015 the Authority incurred new debt in a combination of transportation program bonds and transportation program notes in the amount of \$1,061,555,000, including \$735,300,000 authorized for fiscal year 2015 and \$326,255,000 in bond cap carried forward from prior fiscal years. In addition, the Authority remarketed two variable rate transportation system bonds in the amount of \$297,500,000 into fixed rate transportation system bonds and did not renew the two existing line of credit agreements on the old variable rate bonds, resulting in \$47 million of debt service savings. A total of \$464,750,000 in bond principal was retired by the annual debt service payments during the fiscal year, including \$12,225,000 of Garvee Bond principal paid by the State Treasury.

There were no new Swap Agreements entered into during the fiscal year. See Footnote D "Subsequent Events" of the accompanying Notes to the Financial Statements for information on a statement of claim filed by the State of New Jersey regarding the interest rate swap on the Authority's 2003 Series B Bonds.

The Authority has issued no bonds nor entered into any credit agreements subsequent to the close of fiscal year June 30, 2015.

The following information summarizes the changes in debt between the fiscal year 2015, 2014 and 2013:

	Years Ended			Percentage
	June 30, 2015	June 30, 2014	June 30, 2013	Change 2015-2014
Bonds Payable	<u>\$16,420,831,527</u>	<u>\$15,674,216,513</u>	<u>\$15,091,279,264</u>	<u>4.8</u>

More detailed information about the Authority's bonds payable is presented in Note D of the financial statements.

The prior re-authorization of the Authority expired on June 30, 2011. Assembly Bill A-3205 granted legislative approval to support the State's Capital Transportation Program for Fiscal Years 2013 through 2016, authorizing the Authority to bond a total of \$3,458.3 million for fiscal years 2013 to 2016. During fiscal year 2015, the Authority utilized its remaining \$326.3 million authorization from the previous act. The NJTTFA expects to issue \$626.8 million of new money Transportation Program Bonds provided under the 2012 Amendments in FY 2016.

While the authorization for the existing TTF program expires in FY16, discussions regarding program renewal are ongoing between the Legislature and the Administration, with the full expectation that a solution will be in place prior to FY17. Under any circumstance, the Authority will continue to receive state appropriated revenues to satisfy outstanding debt service obligations.

The Authority's two variable rate bond Letters of Credit expired in December 2014 and were not renewed or replaced.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

Significant other Events

The Government Accounting Standards Board (GASB) issued Pronouncement No. 65 in Fiscal year 2014 related to Items Previously Reported as Assets and Liabilities, including the treatment of Bond Issuance Costs. GASB-65 states these costs can no longer be established as assets and amortized over the term of the bond issue, but are to be expensed when incurred. In the prior year all remaining balances of prior year bond issuance costs and its accumulated amortization were zeroed out.

Contacting the Authority's Financial Management

This financial report is designed to provide the New Jersey citizens, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability to the State of New Jersey and bondholders. If you have questions about this report or need additional financial information, you can contact the New Jersey Transportation Trust Fund Authority at 1035 Parkway Avenue, P.O. Box 600, Trenton, NJ 08625-0600 or visit its website at www.state.nj.us/ttfa.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

June 30, 2015

	Special Revenue Fund	Other Funds (DSF)	Total Governmental Funds	Adjustments (Note G)	Statement of Net Assets
ASSETS					
Accounts receivable - State of New Jersey	\$ -	\$ -	\$ -	\$ 16,420,831,527	\$ 16,420,831,527
Cash and equivalents	411,912,260	604,082	412,516,342	-	412,516,342
Unamortized bond discount	-	-	-	9,556,639	9,556,639
Total assets	<u>\$ 411,912,260</u>	<u>\$ 604,082</u>	<u>\$ 412,516,342</u>	<u>\$ 16,430,388,166</u>	<u>\$ 16,842,904,508</u>
LIABILITIES					
Accrued interest payable	\$ -	\$ -	\$ -	\$ 28,938,341	\$ 28,938,341
Accounts payable - State of New Jersey	174,041,714	-	174,041,714	-	174,041,714
Transportation system bonds and notes payable					
Due within one year	-	-	-	488,065,000	488,065,000
Due after one year	-	-	-	15,932,766,527	15,932,766,527
Unamortized bond premium	-	-	-	599,537,680	599,537,680
Total Liabilities	<u>174,041,714</u>	<u>-</u>	<u>174,041,714</u>	<u>17,049,307,548</u>	<u>17,223,349,262</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred gains on advanced refunding	-	-	-	9,948,888	9,948,888
FUND BALANCES/NET POSITION (DEFICIT)					
Restricted for					
Debt service	-	604,082	604,082	-	604,082
Deferred charges	-	-	-	(628,868,270)	(628,868,270)
Payment of state transportation system cost	237,870,546	-	237,870,546	-	237,870,546
Total fund balances/net position (deficit)	<u>237,870,546</u>	<u>604,082</u>	<u>238,474,628</u>	<u>(628,868,270)</u>	<u>(390,393,642)</u>
Total liabilities, deferred inflows of resources, and fund balances/net position (deficit)	<u>\$ 411,912,260</u>	<u>\$ 604,082</u>	<u>\$ 412,516,342</u>	<u>\$ 16,430,388,166</u>	<u>\$ 16,842,904,508</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN NET POSITION/FUND BALANCE
June 30, 2015

	Special Revenue Fund	Other Funds (DSF)	Total Governmental Funds	Adjustments (Note G)	Statement of Activities
REVENUES					
State appropriations equivalent to:					
Motor fuel taxes	\$ 516,000,000	\$ -	\$ 516,000,000	\$ -	\$ 516,000,000
Commercial vehicle fees and taxes	648,359,251	-	648,359,251	-	648,359,251
Toll Road Authority	12,000,000	-	12,000,000	-	12,000,000
Interest income and investment return	279,229	-	279,229	-	279,229
Amortization of bond premium and discount	-	-	-	41,890,428	41,890,428
Total revenues	<u>1,176,638,480</u>	<u>-</u>	<u>1,176,638,480</u>	<u>41,890,428</u>	<u>1,218,528,908</u>
EXPENDITURES					
Operating expenses and financial costs	25,880	1,110,248	1,136,128	-	1,136,128
State transportation costs	1,302,172,343	-	1,302,172,343	-	1,302,172,343
Debt Service					
Principal	-	464,750,000	464,750,000	(464,750,000)	-
Bond interest expense, including amortization of deferred gain on advanced refunding	-	685,203,170	685,203,170	(9,318,095)	675,885,075
Bond interest expense, capital appreciation bonds	-	-	-	149,810,014	149,810,014
Total expenditures	<u>1,302,198,223</u>	<u>1,151,063,418</u>	<u>2,453,261,641</u>	<u>(324,258,081)</u>	<u>2,129,003,560</u>
Deficiency of revenues over expenses	<u>(125,559,743)</u>	<u>(1,151,063,418)</u>	<u>(1,276,623,161)</u>	<u>366,148,509</u>	<u>(910,474,652)</u>
OTHER FINANCING SOURCES (USES):					
Bonds and notes issued	1,359,055,000	-	1,359,055,000	(1,359,055,000)	-
Bond premium	62,745,833	-	62,745,833	(62,745,833)	-
Garvee bond debt service reimbursement	-	14,847,149	14,847,149	(12,225,000)	2,622,149
Transfers - internal activities	(1,100,908,190)	1,100,908,190	-	-	-
Build America Bond Credits	-	35,896,516	35,896,516	-	35,896,516
Escrow Fund deposit	(297,500,000)	-	(297,500,000)	297,500,000	-
Cost of issuance	(6,424,710)	-	(6,424,710)	-	(6,424,710)
Total other financing sources (uses)	<u>16,967,933</u>	<u>1,151,651,855</u>	<u>1,168,619,788</u>	<u>(1,136,525,833)</u>	<u>32,093,955</u>
Change in fund balance/net position	(108,591,810)	588,437	(108,003,373)	(770,377,324)	(878,380,697)
Fund balance/net deficit					
Beginning of year	346,462,356	15,645	346,478,001	(611,573,286)	(265,095,285)
Current year bond activity, net	-	-	-	753,082,340	753,082,340
End of year	<u>\$ 237,870,546</u>	<u>\$ 604,082</u>	<u>\$ 238,474,628</u>	<u>\$ (628,868,270)</u>	<u>\$ (390,393,642)</u>

See notes to financial statements.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

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 (the "State") in 1984 pursuant to the New Jersey Transportation Trust Fund Authority Act in order to provide a stable, predictable funding mechanism for transportation system improvements undertaken by the New Jersey Department of Transportation. The Authority also provides State aid to counties and municipalities for transportation system improvements.

Basis of Accounting

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

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

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB") and other entities that promulgate accounting principles. GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. Per the Statement, the sources of authoritative generally accepted accounting principles ("GAAP") are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants ("AICPA") cleared by the GASB. Authoritative GAAP is incorporated periodically into the *Codification of Governmental Accounting and Financial Reporting Standards* (Codification), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principles for similar transactions or other events within a source of authoritative GAAP described above and then may consider nonauthoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other literature of the Financial Accounting Standards Board ("FASB"), Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks, and articles.

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 expenditures are recognized when incurred. The primary sources of revenues are appropriations received from the State from motor fuel and petroleum gross receipts taxes, motor vehicle sales and use taxes, and from toll road authorities.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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 are recognized when due.

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.
Debt Service Fund (DSF)	Amounts needed to pay matured principal and interest on bonds.	Interest and principal on bonds.

The Authority reserve, which accounts for the Authority's operating expenses, is included in the special revenue fund.

Income Taxes

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

Bond Premium

In the government-wide financial statements, bond premiums are reported as deferred revenues (liabilities) and are amortized over the term of the related debt.

In the governmental fund financial statements, bond premiums are recognized as revenue when received.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bond Discount

In the government-wide financial statements, bond discounts are recognized as deferred charges (assets) and are amortized over the term of the related debt.

In the governmental fund financial statements, bond discounts are recognized as expense when received.

Restricted Net Position

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

Accounts Receivable

The following is a summary of receivables due from the State primarily to fund future bonds payable.

Due within one year	\$ 488,065,000
Due after one year	<u>15,932,766,527</u>
	<u>\$16,420,831,527</u>

B. CASH AND EQUIVALENTS

Cash and equivalents consist primarily of State of New Jersey cash management fund deposits. New Jersey statutes permit the deposit of public funds in the State of New Jersey Cash Management Fund ("NJCMF") or in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation or by any other agencies of the United States that insure deposits.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

- (a) The market value of the collateral must equal 5% of the average daily balance of public funds;
or
- (b) If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

B. CASH AND EQUIVALENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its cash and investments that are in the possession of an outside party. Cash and equivalents and investments are substantially restricted under the terms of the Authority's bond resolutions for the payment of bond principal and interest expense and the extension of project loans. The bond resolutions limit investments to obligations of the U.S. government or its agencies, investments in certain certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in cash management pools that restrict investments to U.S. government securities, money market funds that invest in high-grade AAA-rated securities, and direct and general obligations of any state that meets the minimum requirements of the resolution.

Cash and equivalents at June 30, 2015, were as follows:

NJCMF	\$ 411,787,906
US Bank	<u>728,436</u>
Total	<u>\$ 412,516,342</u>

Since the Authority's cash and equivalents are all government securities, or an external investment pool, they are not subject to credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Because the Authority maintains investments in government securities, or an external investment pool, it is not subject to interest rate risk if interest rates fluctuate.

C. ACCOUNTS PAYABLE - STATE OF NEW JERSEY

The balance due of \$174,041,714 consists of amounts due the State of New Jersey Special Transportation Fund for reimbursement of State, local and New Jersey Transit transportation costs.

D. TRANSPORTATION SYSTEM BONDS PAYABLE

Transportation bonds payable consist of Transportation System and Transportation Program Bonds Payable. Bond resolutions have been adopted by the Authority for the purpose of making improvements to the transportation system and programs in the State of New Jersey.

Transportation System Bonds refer to bonds issued pursuant to authorizations previously provided in P.L. 1995, c. 108 and P.L. 2006, c.3, as well as any bonds issued to refund those prior bonds. Transportation Program Bonds refer to bonds issued pursuant to the most recent authorization enacted in June, 2012 (P.L. 2012, c. 13) and any bonds subsequently issued to refund those particular bonds.

In fiscal year 2015, the Authority issued \$1,061,555,000 of new money Transportation Program Bonds and Transportation Program Notes, including \$735,300,000 authorized under the June 2012 Act and \$326,255,000 in bonding authority carry forward from prior years. The proceeds of each issuance will be used to support transportation projects within the State of New Jersey.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

D. TRANSPORTATION SYSTEM BONDS PAYABLE (CONTINUED)

The Transportation Program Bonds will be issued as “state contract” debt backed by a new contract between the State Treasurer and the Authority. This contract pledges that constitutionally-dedicated revenues appropriated by the Legislature will be made available to the Authority for debt service payments on its Transportation Program Bonds.

The Transportation System Bonds continue to be secured by the existing contract between the State Treasurer and the Authority which pledges that any dedicated New Jersey Transportation Trust Fund Authority revenues appropriated by the Legislature to the payment of such bonds will be made available to the Authority for debt service payments. In fiscal year 2015, the Authority remarketed and converted \$297,500,000 in Variable Rate Transportation System Bonds into fixed rate Transportation System Bonds and did not renew the expired Letter of Credit agreements on the Variable Rate bonds.

The following is a summary of revenue bonds and notes outstanding:

Series	Interest Rate Range	Bonds Outstanding (in Thousands) June 30, 2014	Additions (in Thousands)	Reductions (in Thousands)	Bonds Outstanding (in Thousands) June 30, 2015	Amounts Due within One Year (in Thousands)
1999 Series A	5.75%	\$ 158,795	\$ -	\$ -	\$ 158,795	\$ 27,630
2001 Series C	5.50%-5.75%	164,055	-	23,030	141,025	32,405
2003 Series A	5.50%	233,020	-	50,950	182,070	125,570
2003 Series B	5.00%-5.25%	345,000	-	-	345,000	-
2004 Series A	5.75%	107,495	-	-	107,495	-
2004 Series B	5.25%-5.50%	428,115	-	160,285	267,830	103,600
2005 Series A	5.25%	90,790	-	90,790	-	-
2005 Series B	3.70%-5.50%	838,125	-	49,490	788,635	105,095
2006 Series A	4.25%-5.50%	1,576,785	-	-	1,576,785	-
2006 Series C	4.93%-5.05%	3,708,585	-	-	3,708,585	-
2006 A Garvee	5.00%	52,690	-	12,225	40,465	12,835
2007 Series A	4.75%-5.00%	871,055	-	-	871,055	-
2008 Series A	5.63%-5.75%	2,173,735	-	-	2,173,735	-
2009 Series A	6.23%-6.40%	869,075	-	-	869,075	-
2009 Series B	6.88%	273,500	-	-	273,500	-
2009 Series C						
Note	5.250%	150,000	150,000	150,000	150,000	-
2009 Series D						
Note	5.000%	147,500	147,500	147,500	147,500	-
2010 Series A	5.85%-6.25%	1,273,180	-	-	1,273,180	-
2010 Series B	6.56%	500,000	-	-	500,000	-
2010 Series C	5.75%-6.10%	1,000,000	-	-	1,000,000	-
2010 Series D	3.00%-5.25%	485,875	-	-	485,875	-
2010 Series E	3.60%	14,100	-	-	14,100	-
2011 Series A	3.00%-6.00%	580,165	-	10,515	569,650	10,980
2011 Series B	5.00%-5.50%	1,274,660	-	21,495	1,253,165	22,565
2012 Series A	5.00%	326,255	-	-	326,255	-
2012 Series AA	2.00%-5.00%	899,500	-	22,095	877,405	22,780
2013 Series A	1.00%-5.00%	532,885	-	10,575	522,310	11,040
2013 Series B	1.09%-1.76%	338,220	-	-	338,220	-
2013 Series AA	2.00%-2.50%	849,200	-	13,300	835,900	13,565
2014 Series AA	4.25%-5.00%	-	764,055	-	764,055	-
2014 Series BB	4.25%-5.00%	-	297,500	-	297,500	-
		<u>20,262,360</u>	<u>1,359,055</u>	<u>762,250</u>	<u>20,859,165</u>	<u>488,065</u>
Less bond accretion		(4,588,143)	-	149,810	(4,438,334)	-
Total		<u>\$ 15,674,217</u>	<u>\$ 1,359,055</u>	<u>\$ 912,060</u>	<u>\$ 16,420,831</u>	<u>\$ 488,065</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

D. TRANSPORTATION SYSTEM BONDS PAYABLE (CONTINUED)

Total maturities of transportation system and transportation program bonds and notes are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 488,065,000	\$ 693,643,781	\$ 1,181,708,781
2017	536,895,000	669,275,212	1,206,170,212
2018	558,325,000	645,415,274	1,203,740,274
2019	584,475,000	618,832,136	1,203,307,136
2020	667,650,000	594,731,837	1,262,381,837
2021-2025	3,900,875,000	2,383,586,225	6,284,461,225
2026-2030	4,273,310,000	1,635,378,049	5,908,688,049
2031-2035	3,863,840,000	1,162,729,717	5,026,569,717
2036-2040	4,540,430,000	677,291,538	5,217,721,538
2041-2045	<u>1,445,300,000</u>	<u>94,886,925</u>	<u>1,540,186,925</u>
Total	20,859,165,000	<u>\$ 9,175,770,694</u>	<u>\$30,034,935,694</u>
Less unamortized bond accretion	<u>4,438,333,473</u>		
Total Bonds Payable	<u>\$16,420,831,527</u>		

The bonds are secured primarily by revenues received by the Authority from the State. 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 Legislature. The State Legislature has no legal obligation to make such appropriations.

2003 Series B

The Authority remarketed the 2003 Series B (Periodic Auction Reset Securities) as fixed rate bonds on various dates between September 2, 2008 and September 8, 2008. The Remarketed Bonds were converted pursuant to the terms of the Resolution to bear interest in the Fixed Rate mode. Principal repayments were to begin December 15, 2016, and were to end December 15, 2019. Interest payments began December 15, 2008. Existing Swap Agreements could be amended, terminated or offset with additional interest rate swaps when market conditions permitted. The Authority applied a portion of the then existing Swap Agreements as hedges related to the 2009 Series C Bonds and the 2009 Series D Bonds. Amid favorable market conditions, those swap agreements were terminated in December 2011, in accordance with the bond agreement.

The State filed a statement of claim in 2014 with respect to the matter of the Treasurer of the State of New Jersey and the New Jersey Transportation Trust Fund Authority vs. Goldman, Sachs & Co. and UBS Financial Services, Inc. regarding the interest rate swap on the NJTTFA's 2003 Series B Bond. Although a proposed settlement is pending, a litigation hold is in place regarding the option rate securities that Goldman Sachs & Co. was involved transacting with the State of New Jersey. Goldman Sachs & Co. and UBS Financial Services Inc. issued municipal auction rate securities by the NJTTFA, including but not limited to the underwriting and/or investment services of Goldman Sachs & Co. and UBS Financial Services, Inc., as well as, their subsidiaries and affiliates in connection with NJTTFA issuance of municipal auction rate securities. Subsequent events were noted by management that required disclosure.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

D. TRANSPORTATION SYSTEM BONDS PAYABLE (CONTINUED)

2006 A Garvee Bond

The debt service and interest expense payments on the 2006 A Garvee bond are reimbursed by the Federal Highway Administration, to the State of New Jersey. These amounts are included in the principal and bond interest expense lines, since these payments are made directly by the State of New Jersey. The principal payment and interest payments reimbursed as of June 30, 2015, were \$12,225,000 and \$2,622,149, respectively.

2009 Series C and D Bonds – Letter of Credit Facilities

In connection with the issuance of, and to provide additional security to the 2009 Series C and Series D bondholders, the Authority entered into irrevocable, direct-pay letter of credit facilities (the "Credit Facility" or "Credit Facilities") with two separate financial institutions (the "Credit Facility Providers"). The Credit Facilities for the 2009 Series C Bonds and 2009 Series D Bonds in the original stated amount of \$152,367,124 and \$149,827,672, respectively, represented the sum of: a) the aggregate principal amount of the 2009 Series C and D Bonds, and, b) 48 days' interest on the 2009 Series C and D Bonds (computed at a rate of 12% per annum) originally scheduled to expire on December 15, 2011, unless extended in accordance with its terms. These two Credit Facilities were renewed with two new financial institutions on December 9, 2011, and expired on December 9, 2014. The two expired Credit Facilities were not renewed in accordance with the terms and the 2009 Series C and Series D Bonds were remarketed and converted from variable rate Transportation System Bonds to fixed rate Transportation System Bonds on November 24, 2014.

The bond trustee for each of the 2009 Series C and Series D Bonds had been directed to draw on the Credit Facilities to pay when due the principal of and interest on the bonds. The Authority was to pay a letter of credit fee to the Credit Facility Providers and had entered into agreements to reimburse the Credit Facility Providers for any amounts drawn upon the Credit Facilities by the bond trustee. For the year ended June 30, 2015, the Authority paid \$1,585,213 in fees related to the Credit Facilities.

E. ADVANCE REFUNDINGS

When conditions warrant, the Authority sells various issues of bonds to provide for the refunding of previously issued obligations in order to achieve interest cost savings.

The proceeds received from the sales of the bond issues are used to currently refund the outstanding bond issues or to deposit in an irrevocable escrow fund held by an escrow agent an amount that, when combined with interest earnings thereon, will be at least equal to the sum of the first optional redemption date thereof and the premium required to redeem the bonds outstanding on such date. Accordingly, the Authority's assets and the liabilities for defeased bonds are not included in the Authority's financial statements. These transactions defeased the outstanding bond issues with a resultant reduction in annual debt service during the term of the issues.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

E. ADVANCE REFUNDINGS (CONTINUED)

There were no new refundings in fiscal year ended June 30, 2015. The Authority converted the 2009 Series C and Series D variable rate Transportation System bonds totaling \$297,500,000 into fixed rate Transportation System Bonds in November 2014.

Refunded bonds outstanding at June 30, 2015, are comprised of the following:

<u>Issue</u>	Principal Amount Outstanding <u>June 30, 2015</u>
1999 Series A	\$ 158,795,000
2005 Series B	788,635,000
2007 Series A	871,055,000
2011 Series A	569,650,000
2011 Series B	<u>1,253,165,000</u>
	<u>\$ 3,641,300,000</u>

F. CONCENTRATION OF RISK AND UNCERTAINTIES**Cash and Equivalents**

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

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

- (1) Unamortized bond discount is recorded as an asset (deferred change) in the statement of net position and is amortized over the life of the debt. Amortization expense is recorded in the statement of activities. In governmental funds financial statements, bond discounts are expensed when incurred. Balances as of June 30, 2015, were:

Bond discount	\$ 11,730,085
Accumulated amortization	<u>(2,173,446)</u>
Total unamortized bond discount	<u>\$ 9,556,639</u>
Amortization expense	<u>\$ 419,125</u>

- (2) Long-term liabilities (bonds payable, notes payable and accrued interest 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 position. Balances as of June 30, 2015, were:

Bonds payable (June 30, 2014)	\$ 15,674,216,513
Add issuance of bonds and notes	1,061,555,000
Less principal payments and reduction of Garvee	(464,750,000)
Add accretion	<u>149,810,014</u>
Total	<u>\$ 16,420,831,527</u>
Accrued interest payable	<u>\$ 28,938,341</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

G. ADJUSTMENTS - RECONCILIATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

- (3) Bond and note 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:

2014 Series AA Bonds	\$ 764,055,000
2014 Series BB Notes	297,500,000
Total Proceeds	<u>\$ 1,061,555,000</u>

- (4) Repayment of bond principal is reported as an expenditure in governmental funds and thus reduces the net position/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 amounts required for refunding bond issues, were made as follows:

Scheduled principal payments including Garvee	<u>\$ 464,750,000</u>
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- (5) Unamortized bond premium is recorded as deferred revenue (other liabilities) in the statement of net assets and is amortized over the life of the debt. Amortization revenue is recorded in the statement of activities. In governmental funds financial statements, bond premiums are recognized as revenue when received. Balances as of June 30, 2015, were:

Bond premium	\$ 843,242,419
Accumulated amortization	(243,704,739)
Total unamortized bond premium	<u>\$ 599,537,680</u>
Amortization revenue	<u>\$ 42,309,553</u>

- (6) Deferred gain on advanced refunding is recorded as deferred inflows of resources in the statement of net position and is amortized over the remaining life of the old debt or the life of new debt, whichever is shorter. Amortization revenue is recorded in the statement of activities. In governmental funds financial statements, deferred gain on advanced refunding is not applicable. Balances as of June 30, 2015, were:

Gain on advanced refunding	\$ 103,503,245
Accumulated amortization	(93,554,357)
Deferred gain on advanced refunding	<u>\$ 9,948,888</u>
Amortization revenue as component of interest expense	<u>\$ 5,097,192</u>

- (7) The adjustment related to current year bond activity, net, is comprised of the following:

Bond principal payment	\$ (464,750,000)
Garvee bond principal reimbursement	12,225,000
Bond premium	(62,745,832)
Net bonds and notes proceeds	1,416,043,158
Escrow Fund Deposit	(297,500,000)
Capital appreciation bonds	149,810,014
Current year bond activity, net	<u>\$ 753,082,340</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

H. SUBSEQUENT EVENTS

Management has evaluated subsequent events that occurred after the balance sheet date but before December 11, 2015, the date the financial statements were available to be issued. Based on this evaluation, the Authority has determined the following disclosures to be reported in the financial statements.

- The authorization for the existing TTF program expires in FY16. However, discussions regarding program renewal are ongoing between the Legislature and the Administration, with the full expectation that a solution will be in place prior to FY17. Under any circumstance, the Authority will continue to receive state appropriated revenues to satisfy outstanding debt service obligations.
- In November 2015, the Authority issued \$626,800,000 2015 Series AA bonds maturing through 2046 at interest rates ranging between 3-5.25%.

SUPPLEMENTARY INFORMATION

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

June 30, 2015

	<u>Transportation Improvement</u>	<u>Debt Service</u>	<u>Total</u>
Cash Balances, June 30, 2014	\$ 93,011	\$ 15,645	\$ 108,656
Receipts:			
Motor fuel taxes	-	516,000,000	516,000,000
Commercial vehicle fees and taxes	-	215,000,000	215,000,000
Sales taxes	-	402,290,579	402,290,579
Build America Bond Credits	35,896,516	-	35,896,516
Bond premium	26,757,532	-	26,757,532
Garvee bond debt service reimbursement	13,253,375	-	13,253,375
Operating transfers in	<u>2,450,944</u>	<u>2,403,880</u>	<u>4,854,824</u>
Total Receipts	<u>78,358,367</u>	<u>1,135,694,459</u>	<u>1,214,052,826</u>
Disbursements:			
Operating expenses and financial costs	1,630,489	-	1,630,489
Bond interest expense	-	682,581,022	682,581,022
Principal retirement of bonds payable	-	452,525,000	452,525,000
Cost of issuance	788,990	-	788,990
Operating transfers out	<u>75,907,546</u>	<u>-</u>	<u>75,907,546</u>
Total Disbursements	<u>78,327,025</u>	<u>1,135,106,022</u>	<u>1,213,433,047</u>
Cash Balances, June 30, 2015	<u>\$ 124,353</u>	<u>\$ 604,082</u>	<u>\$ 728,435</u>

Note: Cash balances consist of checking account activity only.