



New Jersey Turnpike Authority



*Quarterly Financial Analysis and
Unaudited Financial Statements as of June 30, 2016 and 2015*

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The Authority's Business

The New Jersey Turnpike Authority (the Authority), is a body corporate and politic created by the New Jersey Turnpike Authority Act of 1948, as amended and supplemented (the Act). The Act authorizes the Authority to construct, maintain, repair, and operate the New Jersey Turnpike (the Turnpike System), to fix and establish tolls for the use of the Turnpike System and to issue Turnpike revenue bonds or notes of the Authority, subject to prior approval in writing from the Governor and from either or both the State Treasurer and the Director of the Division of Budget and Accounting of the Department of the Treasury, payable solely from tolls and other revenues of the Authority. Under the provisions of the Act, the Turnpike 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 of New Jersey (the State) or any political subdivision thereof. The Act further provides that the powers conferred upon the Governor and the Treasurer of the State described shall be exercised with due regard for the rights of the holders of bonds of the Authority at any time outstanding, and nothing in, or done pursuant to, the Act shall in any way limit, restrict or alter the obligation or powers of the Authority or any representative or officer of the Authority to carry out and perform in every detail each and every covenant, agreement or contract at any time made or entered into by or on behalf of the Authority with respect to its bonds or for the benefit, protection or security of the holders thereof.



On May 27, 2003, the Act was amended. The amendment empowered the Turnpike Authority, effective on the Transfer Date, to assume all powers, rights, obligations and duties of the New Jersey Highway Authority (the Highway Authority), which owned and operated the Garden State Parkway (the Parkway) and PNC Bank Arts Center.

Highlights

- The Authority's net position increased by \$58,681 or 8.91% from \$658,290 as of December 31, 2015, to \$716,971 as of June 30, 2016. Net position increased as the Authority's operating income exceeded its non-operating expenses in 2016.
- Operating revenue in Q2 2016 is \$434,733, which is \$10,895 or 2.57% more as compared to Q2 2015 primarily because of higher toll revenue. Traffic increased on both the roadways in Q2 2016 due to milder winter weather, a warm, dry spring and consistently lower gas prices. As compared with Q2 2015, traffic on the Turnpike increased by 2.22%, and traffic on the Parkway increased by 2.15%.
- The Authority and the State have negotiated the terms of a successor State Transportation Projects Funding Agreement ("Funding Agreement"). Under this new Funding Agreement, the Authority will make payments to the State of New Jersey to be used for statewide transportation purposes for a five year period beginning on July 1, 2016. The total payments over the five year period will be \$795,000, nearly half of the total payments required under the expiring agreement.
- The Authority entered into a Feeder Road Maintenance and Cost Sharing Agreement (Feeder Road Agreement) with the State for the period July 1, 2016 through June 30, 2023, a term of seven years. The new Feeder Road Agreement represents a reduction of \$28,750 in the total payments over the seven year period as compared to the current Feeder Road Agreement.
- The Authority issued its audited financial statements and Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2015 on June 28, 2016. The audited financial statement and CAFR can be found on the Authority's website.
- In June 2016, the Authority released the updated version of the 'SAFE TRIP NJ' traffic application. This hands free, safe and reliable application provides real time travel advisories. The upgraded version shows views of traffic cameras, traffic map, and one-button dialing for police, roadside assistance and E-Z Pass Customer Service Center to benefit the drivers on both the roadways.



Condensed Summary of Net Position

	<u>June 30, 2016</u>	<u>Dec 31, 2015</u>
Assets:		
Current assets	\$ 1,539,748	1,552,246
Other noncurrent assets	821,615	1,190,230
Capital assets, net of accumulated depreciation	<u>11,099,991</u>	<u>10,801,091</u>
Total assets	<u><u>13,461,354</u></u>	<u><u>13,543,567</u></u>
Deferred outflows:		
Accumulated decrease in fair value of hedging derivatives	28,028	4,807
Deferred amount on refunding	144,320	149,697
Deferred amount relating to pension	<u>65,425</u>	<u>65,426</u>
Total deferred outflows	<u><u>\$ 237,773</u></u>	<u><u>219,930</u></u>
Liabilities:		
Current liabilities	\$ 960,652	903,179
Noncurrent liabilities	<u>12,007,849</u>	<u>12,188,373</u>
Total liabilities	<u><u>12,968,501</u></u>	<u><u>13,091,552</u></u>
Deferred inflows:		
Deferred amount relating to pension	13,655	13,655
Total deferred inflows	<u><u>\$ 13,655</u></u>	<u><u>13,655</u></u>
Net investment in capital assets	\$ 1,043,729	858,384
Restricted under trust agreements	123,013	164,511
Unrestricted	<u>(449,771)</u>	<u>(364,605)</u>
Total net position	<u><u>\$ 716,971</u></u>	<u><u>658,290</u></u>

Discussion of Condensed Summary of Net Position as of June 30, 2016

The Authority's total net position is reported at \$716,971 and \$658,290 as of June 30, 2016, December 31, 2015 respectively. This represents an increase of \$58,681 or 8.91% compared to December 31, 2015. The major factor causing this increase was additional toll revenue, as traffic on both the Turnpike and the Parkway was higher in 2016 as compared to 2015. Capital assets increased by \$298,900 or 2.76% as compared to December 31, 2015 as a result of spending on the ongoing \$7 Billion Capital Improvement Program (CIP). Other noncurrent assets decreased by \$368,615 or 30.97% as compared to December 31, 2015. Other noncurrent assets were higher in December 2015 due to unspent proceeds of the Series 2015E Turnpike Revenue Bonds issued in October 2015. Noncurrent liabilities decreased by \$180,524 or 1.48% mainly due to mandatory redemption of the Turnpike Revenue Bonds in January 2016.

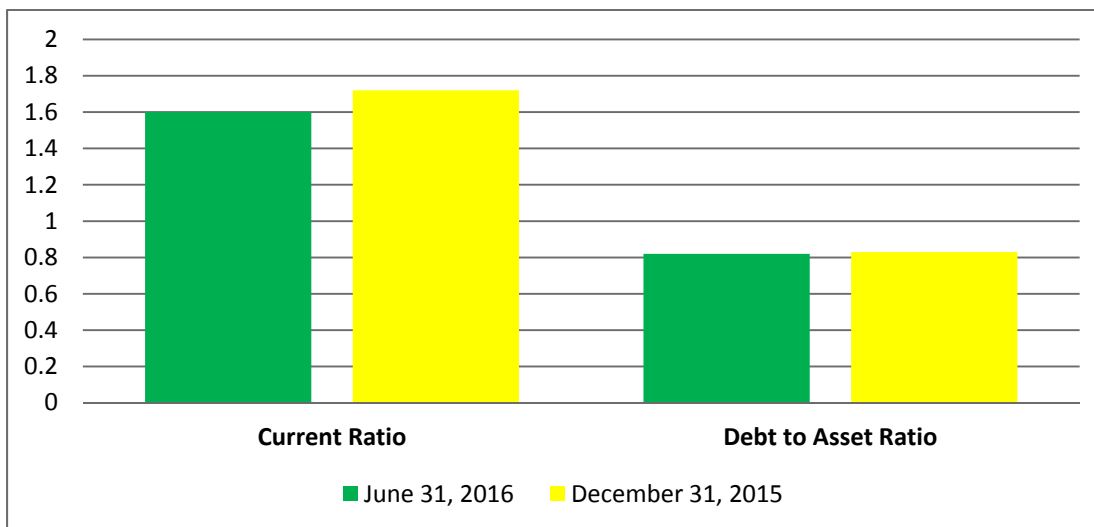
Adjusted net position

	June 30, 2016	Dec 31, 2015
Net position as per GAAP Financials	\$ 716,971	658,290
Unfunded non cash adjustment:		
Other postemployment benefit liability	337,360	315,039
Interest rate swaps liabilities	61,064	40,199
Net pension liability	435,015	435,015
Accounts payable and accrued expenses	24,482	24,482
Other long-term obligations	92,009	92,009
Hybrid instrument borrowing	92,525	111,526
Deferred inflow amount relating to pensions	13,655	13,655
Accumulated decrease in fair value of hedging	(28,028)	(4,807)
Deferred amount on refunding	(96,635)	(105,726)
Deferred amount relating to pensions	(65,425)	(65,426)
Restricted investments	114,544	93,175
Capital assets, net of accumulated depreciation	(29,398)	(29,398)
Total non cash adjustments	\$ 951,168	919,743
Garden State Arts Foundation	(993)	(737)
Net Position as per Bond Resolution	\$ 1,667,146	1,577,296

Shown above is the Authority's adjusted net position calculated as per the Authority's Bond Resolution. Net position as per the Bond Resolution has been calculated after adjusting for GASB 45 - Other Post-employment Benefits Liability, GASB 53 - Derivative Instruments and GASB 68 - Net Pension Liability. Net position as per the Bond Resolution also does not include other long term liabilities such as pollution remediation liability, sick and accrued vacation liability, OCIP claims liabilities and GAAP reserves which are all non-cash liabilities. Over the past several years, the implementation of new GASB pronouncements has resulted in significant non-cash accounting reductions in the Authority's net position. Management believes that the net position as per the Bond Resolution provides an alternate view of the strength of the Authority's operations and its financial position.

Net Position Ratio Analysis – GAAP Basis

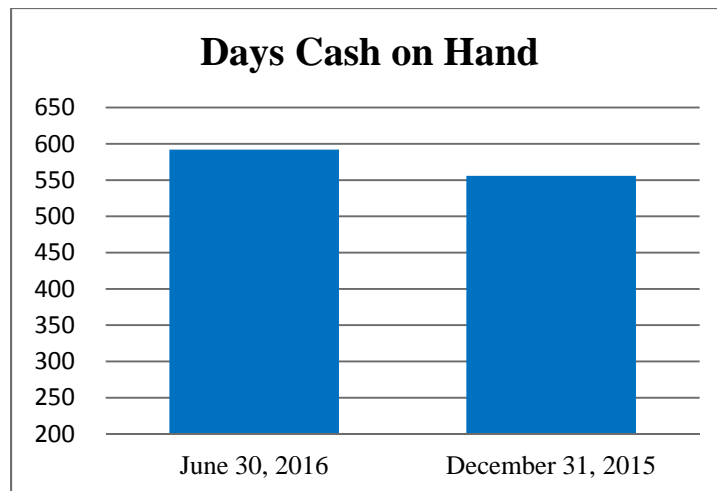
Ratio	June 30, 2016	Dec 31, 2015	Explanation
<i>Current Ratio</i>	1.60	1.72	The current ratio is calculated as the Authority's current assets divided by current liabilities. A strong current ratio is over 1.0, and indicates an organization's ability to meet their short term obligations. The Authority's ratio has remained relatively consistent over the period. The Authority has nearly two times the amount of current assets as compared with current liabilities as of June 30, 2016 and December 31, 2015.
<i>Debt to Asset Ratio</i>	0.82	0.83	The debt to assets ratio is calculated by dividing total debt by total assets. The debt to asset ratio remained substantially unchanged over the period, as the Authority uses debt solely to finance the acquisition of its capital assets.




Key Performance Metric - Net Position

Days Cash on Hand – Days cash on hand is calculated by combining unrestricted cash and unrestricted investments and then dividing by daily operating expenses (taken from the Revenue Fund). This calculation shows how long (in days), the Authority would be able to pay its operating expenses without the generation of revenue. As a result, a larger number of days cash on hand is desirable. As shown in the graph, the days cash on hand has increased for the period ended June 30, 2016 as compared to the period ended December 31, 2015. Based on this calculation, in the period ended June 30, 2016, the Authority could go 592 days without generating any revenue and still pay its operating expenses.

	<u>June 30, 2016</u>	<u>Dec 31, 2015</u>
Unrestricted Cash & Investments	\$ 767,205	767,022
Daily Operating Expenses (Revenue Fund)	\$ 1,295	1,379
Days Cash on Hand	592	556



Capital Improvement Program (CIP)

- The Authority is in the midst of a \$7 Billion CIP that includes large scale projects such as widening stretches of both the Turnpike and Parkway and smaller projects that improve interchanges, rehabilitate bridges, and deploy new technologies. The \$7 Billion CIP continues to be on time and on budget or even ahead of schedule and under budget on some projects. The only project which is expected to go beyond its original completion date is the Newark Bay Hudson County Extension project. This work cannot be started until the State Department of Transportation (DOT) completes the Pulaski Skyway project. The State DOT expects the Pulaski Skyway project to be completed by the end of 2017. At the eighth year into the program, the Authority has spent or committed 91%, or \$6,389,293 of its original \$7,000,000 budget with minimal impact to traffic.
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- Bond proceeds are deposited in the Construction Fund to support the \$7 Billion CIP. Total expenditures in the Construction Fund for the six months ended June 30, 2016 were approximately \$314,342. Expenses included approximately \$81,400 for the Authority Phase I Facilities Improvements Program, approximately \$41,400 for the Turnpike Interchange 14A Reconstruction Project, approximately \$39,750 for the Authority Phase II Facilities Improvements Program and approximately \$33,200 for the Parkway 35-63 Widening Project. In addition to these expenditures, there are committed expenses totaling approximately \$1,046,000.
 - As a part of the \$7 Billion CIP the Authority has taken great measures to increase the mobility and commuting speeds on both the Parkway and Turnpike. After successful completion of Turnpike Interchange 6 to 9 Widening Project there has been a significant reduction in congestion between these exits. Parkway Widening Phase II – milepost 48 to 63 was completed in 2015 which resulted in substantial decrease in congestion between those interchanges. The Authority has also undertaken additional projects beyond the two widening projects to improve the mobility of traffic on both the Parkway and Turnpike. For example, the Authority is also improving traffic conditions at Turnpike Interchanges 15W and 16W and Parkway Interchanges 9, 10 and 11.

The Projects currently included in the \$7 Billion CIP are the following:

Project	Current Budget	Amount Spent or Committed to Date	Percent Spent & Committed to Date
Turnpike Widening (Interchange 6-9)	\$ 2,251,399	2,175,590	97%
Bridge Improvements	1,691,447	1,330,582	79%
Roadway Improvements	805,093	789,964	98%
Interchange Improvements	1,029,436	933,508	91%
Facilities Improvements	632,625	607,862	96%
Parkway Widening (Milepost 35-80)	590,000	551,787	94%
	\$ 7,000,000	6,389,293	91%

Turnpike Widening: The Turnpike Interchanges 6 to 9 Widening Program, which was completed on schedule and under budget, was opened to traffic in November 2014. The Turnpike widening provides three additional travel lanes in each direction between Interchanges 6 and 8A, and one additional lane in each direction between Interchanges 8A and 9. The program also added a new toll plaza at Interchange 8.

Bridge Improvements: Bridge improvements in the CIP include re-decking, seismic retrofitting, security measures, cleaning and repainting of structural steel, substructure repairs and other improvements to the 16 major Turnpike and Parkway bridges and other high-priority structures. The CIP includes approximately \$1,691,400 for bridge improvements, and the Authority anticipates spending \$121,458 in this program in 2016. The work will include Delaware River Bridge and Morris Canal Bridge on the Turnpike and Great Egg Harbor Bridge on the Parkway. The first contract for Great Egg Harbor Bridge provides for the construction of new southbound bridges and is anticipated to be completed in late 2016. The second contract for the demolition of existing southbound bridges and rehabilitations of the northbound bridges was awarded in July 2016 and expected to be completed in 2019.

Roadway Improvements: Roadway improvements totaling approximately \$805,000 are also included in the \$7 Billion CIP. This includes widening and strengthening roadway shoulders, replacing deteriorated guide rail, improving drainage, repairing median barriers, installing variable message signs, replacing weathered and outdated guide signs, and making other investments to improve the safety and operation of the Turnpike and Parkway. The Authority anticipates spending approximately \$65,607 in this project area in 2016.

Interchange Improvements: The \$7 Billion CIP also includes approximately \$1,029,400 for Interchange Improvements on both roadways. The Authority anticipates spending approximately \$145,372 in this program area in 2016. The major projects on which design or construction will begin and continue in 2016 are Interchange 9, 10 and 14A, on the Turnpike and Interchanges 36, 37, 38, 91, 105, 109, 125, 145 and 163 on the Parkway.

Facilities Improvements: The \$7 Billion CIP includes approximately \$632,600 for facilities improvements. In total, the Authority will build 42 new structures and rehabilitate 18 others. Projects include the replacement of four State Police Troop D stations, the rehabilitation of 22

maintenance district facilities, improvements at all Turnpike toll plaza buildings and construction of salt storage facilities on both roadways. The Authority anticipates spending \$193,000 during 2016 in this area. The Facilities Improvement Program will be completed in 2018.

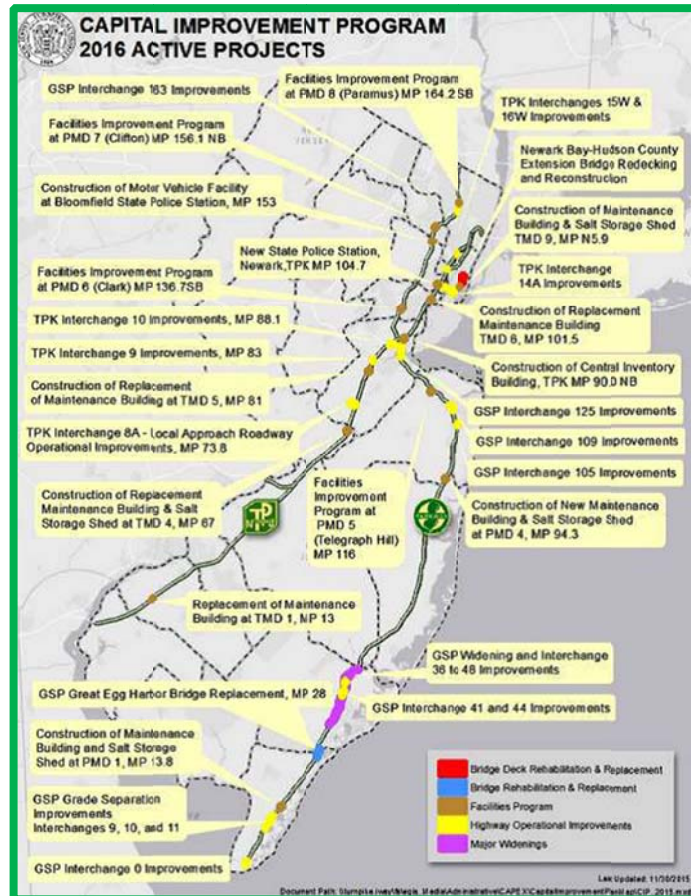
Garden State Parkway Widening: The Parkway widening project will add a third travel lane and full-width shoulders between Mileposts 35 and 80 and will be completed as follows:

Phase I – Milepost 63 to 80 – Construction completed and open to motorists in May 2011.

Phase II – Milepost 48 to 63 – The widening between Milepost 52-63 was opened in the spring of 2014, with the remaining widening of this section to Milepost 48 opened in May 2015 upon the completion of the rehabilitation of the Bass River Bridge.

Phase III – Milepost 35 to 48 – The first construction contract for this section was awarded in June 2014 and construction began in July 2014. The widening between Milepost 48 to 41 is expected to be completed in late 2016 and between Milepost 41 to 35 in the spring of 2018.

Total budgeted costs for the Parkway 35-80 Widening Program are approximately \$590,000; however, \$100,000 of those costs were financed from the proceeds of bond anticipation notes prior to the issuance of the first Series of Bonds for the Capital Improvement Program. The Authority anticipates spending approximately \$57,300 during 2016 for the Milepost 35-48 section.

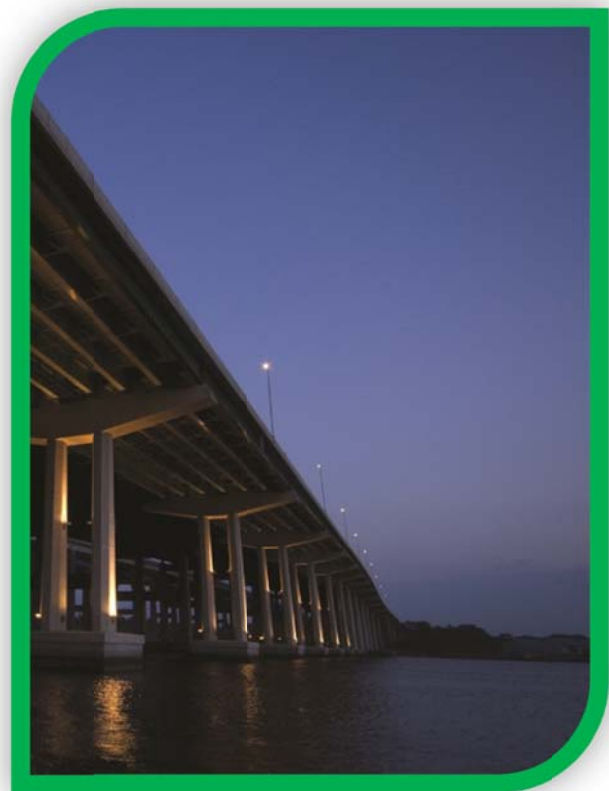


Capital Assets

	<u>June 30, 2016</u>	<u>Dec 31, 2015</u>
Land	\$ 824,951	824,797
Construction-in-progress	2,977,190	2,521,406
Road bed	2,356,574	2,371,993
Road surface	726,242	778,708
Bridges	3,192,208	3,237,642
Buildings and sound barriers	303,667	310,610
Equipment	719,159	755,935
Total capital assets, net of accumulated depreciation	<u>\$ 11,099,991</u>	<u>10,801,091</u>

Capital assets consist of land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are typically items that are immoveable, such as highways and bridges.

- The Authority's capital assets as of June 30, 2016 were \$14,424,119 with an accumulated depreciation of \$3,324,128 for net books value of \$11,099,991. This represents 82.46% of the Authority's total assets.
- Capital assets, net of accumulated depreciation, are reported at \$11,099,991 and \$10,801,091 as of June 30, 2016 and December 31, 2015, respectively, representing an increase of \$ 298,900 compared to December 31, 2015. The prime reason for this increase is the continued spending on the Authority's \$7 Billion CIP. Major projects include Facilities Improvements Phase I and II, Turnpike Interchange 14A Reconstruction Project and Parkway 35-63 Widening Project.



Condensed Summary of Revenue, Expenses and Changes in Net Position

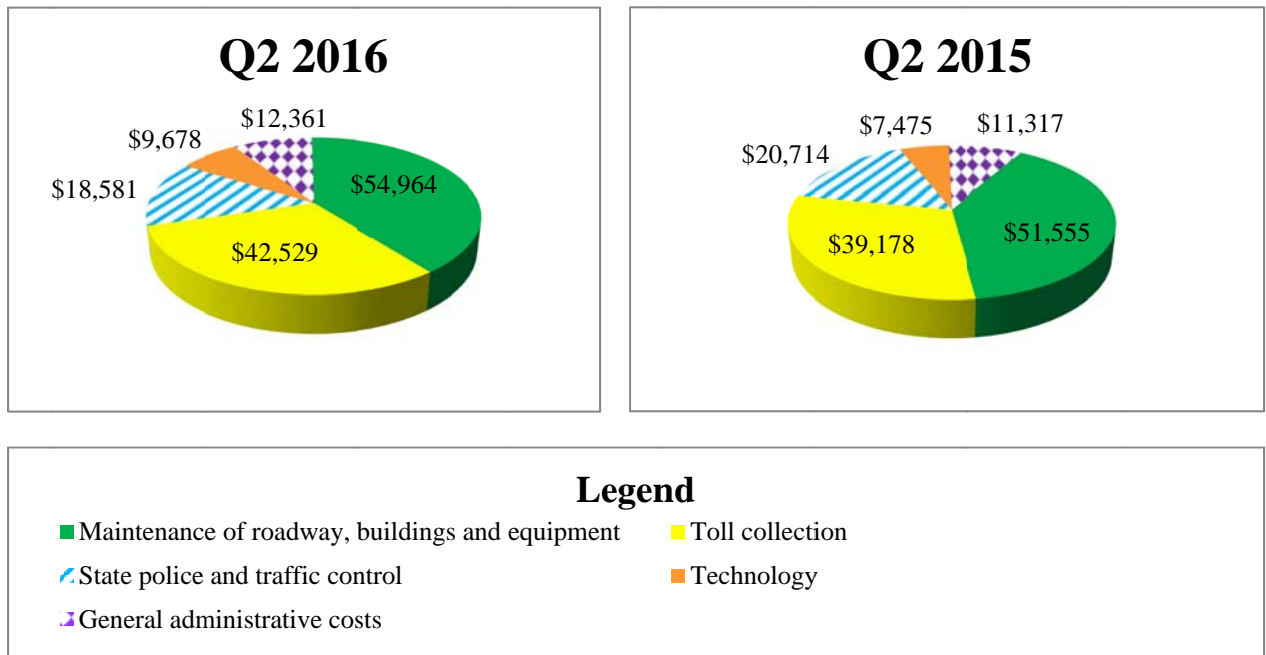
For the quarters and six months ended June 30, 2016 and 2015

	Q2 2016	Q2 2015	YTD June 30, 2016	YTD June 30, 2015
Operating revenues:	\$ 434,733	423,838	812,440	771,257
Operating expenses, excluding depreciation	138,113	130,239	285,903	296,430
Net operating revenue	296,620	293,599	526,537	474,827
Depreciation expense	79,987	78,882	159,972	157,584
Operating income	216,633	214,717	366,565	317,243
Nonoperating revenues (expenses):				
Build America Bonds subsidy	19,028	18,926	38,056	37,852
Federal and State reimbursements	-	-	2,772	-
Payments to the State of New Jersey	(88,500)	(88,501)	(177,000)	(177,001)
Interest expense, Turnpike Revenue Bonds	(84,580)	(82,118)	(150,806)	(146,865)
Other bond expenses	(121)	(282)	(898)	(769)
Sale of capital assets	(139)	(6)	(164)	(159)
Investment (loss) income	(19,117)	14,818	(22,375)	8,212
Arts Center	983	963	2,531	2,553
Total nonoperating revenues (expenses), net	(172,446)	(136,200)	(307,884)	(276,177)
Change in net position	44,187	78,517	58,681	41,066
Net position – Beginning of period	672,784	500,164	658,290	537,615
Net position – End of period	\$ 716,971	578,681	716,971	578,681

Discussion of Condensed Summary of Revenue, Expenses and Changes in Net Position for the quarters ended June 30, 2016 and 2015

- Net position increased by \$44,187 for the quarter ended June 30, 2016 as compared to an increase of \$78,517 for the quarter ended June 30, 2015. In spite of the higher operating revenue and operating income the change in net position is relatively lower in Q2 2016 as compared to Q2 2015 due to the recording of an investment loss in Q2 2016. This is a result of an increase in the negative fair market value of the series 2000 B-G swap in Q2 2016 which is recorded as an investment loss. In Q2 2015, there was a decrease in the negative fair market value resulting in investment income.
- Operating revenues totaled \$434,733 for the quarter ended June 30, 2016, representing an increase of \$10,895 or 2.57% from \$423,838 in quarter ended June 30, 2015. The principal source of this increase is higher toll revenue and income from E-Z Pass fees in Q2 2016. The increases in toll revenue on both the roadways are due to a milder winter, dry spring weather, lower gas prices and an improving economy as compared to Q2 2015.
- Concession revenue decreased by \$651 to \$8,750 in Q2 2016 from \$9,401 in Q2 2015 due to decrease in the gross profit margin on fuel sale at the service areas. The fuel sales are up in Q2 2016 as compared to Q2 2015 but the lower fuel prices put a downward pressure on the concession revenue from fuel sales.
- Miscellaneous revenue increased by \$2,678 to \$5,987 in Q2 2016 from \$3,309 in Q2 2015 due to higher park and ride revenue, and settlement received from insurance companies against workers compensation and professional liability claims.

Operating Expense Breakdown (not including depreciation)



- Operating expenses, excluding depreciation, totaled \$138,113 for the quarter ended June 30, 2016, representing an increase of \$7,874 or 6.04% from \$130,239 for the quarter ended June 30, 2015. The primary reason for higher operating expenses in Q2 2016 is the increase in non-cash other post-employment benefit (OPEB) expenses by \$11,908 as per the actuarial valuation report.
- Maintenance expenses increased in Q2 2016 by \$3,409 to \$54,964 from \$51,555 in Q2 2015 due to an increase in the bridge inspection expense and drainage and roadway lighting repairs. This increase was offset by a reduction in the utility expenses, snow and severe weather costs and environmental remediation expenses. The net increase in the maintenance expenses is attributable to the increase in the non-cash OPEB expenses.
- Toll collection expenses increased by \$3,351 to \$42,529 in Q2 2016 from \$39,178 in Q2 2015 primarily due to higher credit card fees and violation processing charges for electronic toll collection.
- State police and traffic control expenses decreased by \$2,133 to \$18,581 in Q2 2016 from \$20,714 in Q2 2015. The main reason for the decrease is a reduction in the trooper costs and higher salary chargebacks to construction and maintenance projects in Q2 2016 as compared to Q2 2015.
- Technology costs increased by \$2,203 to \$9,678 in Q2 2016 from \$7,475 in Q2 2015 due to an increase in software licensing costs. The Authority also initiated a few technology

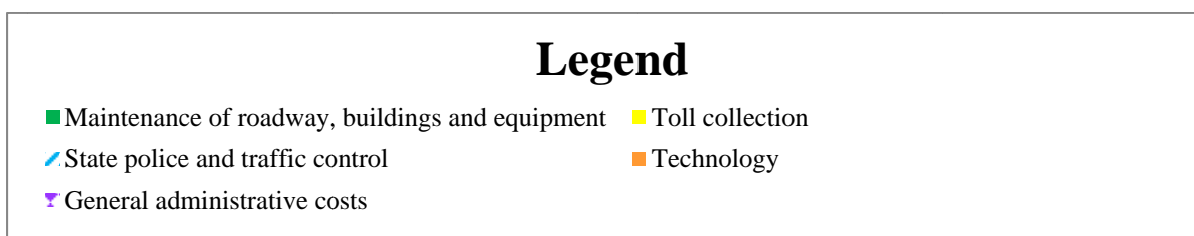
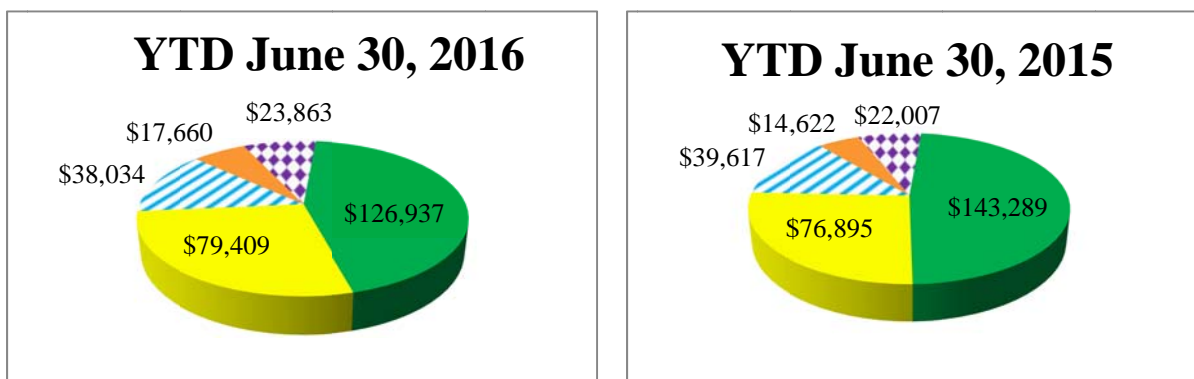
improvement projects such as electronic toll collection field improvements, and PeopleSoft upgrades and support to optimize its operations.

- General and administration expenses increased by \$1,044 to \$12,361 in Q2 2016 from \$11,317 in Q2 2015 due to an increase in non-cash OPEB expenses. Other than the OPEB increase there is no significant change in the general and administration expenses as compared to Q2 2015.
- Net non-operating expenses increased by \$36,246 to \$172,446 in Q2 2016 as compared to \$136,200 in Q2 2015 essentially because of a higher investment loss due to unfavorable change in the fair market value of interest rate swaps in Q2 2016 and an increase in interest expense.
- Interest expense increased in Q2 2016 by \$2,462 as compared to Q2 2015. The primary reason for this increase is additional interest expense on the 2015 E Series Bonds. The increase in interest expense is partially offset by higher interest capitalized to construction projects in Q2 2016.
- Investment loss increased by \$33,935 in Q2 2016 to investment loss of \$19,117 from the investment income of \$14,818 in Q2 2015. Higher investment losses are due to an increase in the negative fair market value adjustments on the interest rate swaps in Q2 2016. Disregarding the fair market value adjustments, the interest income is higher in Q2 2016 as compared to Q2 2015.

Discussion of Condensed Summary of Revenue, Expenses and Changes in Net Position for the six months ended June 30, 2016 and 2015

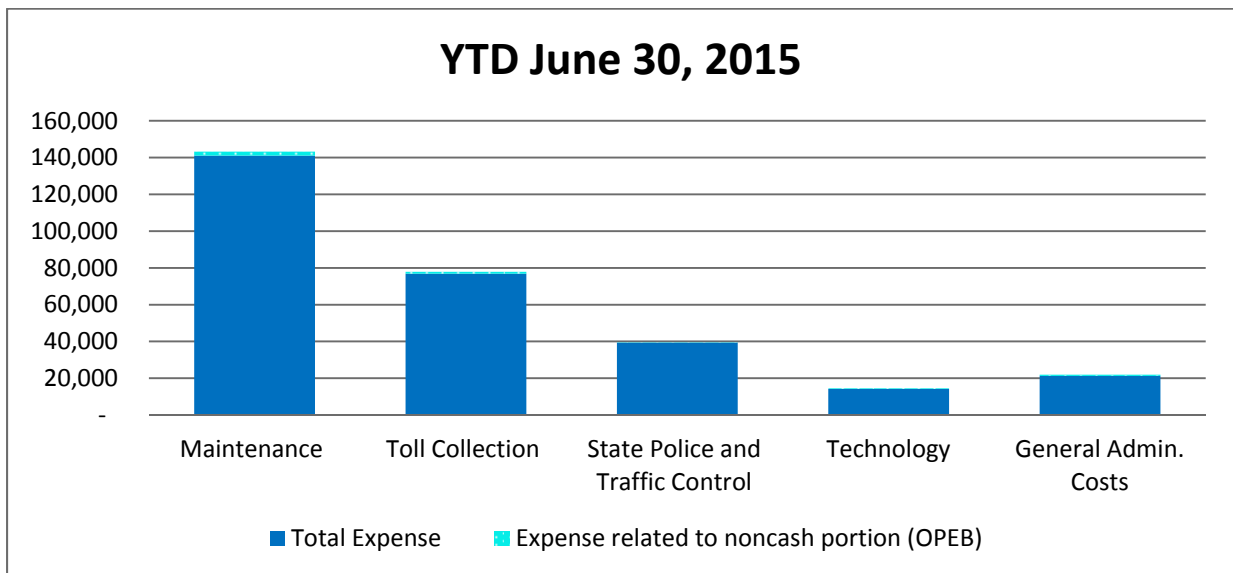
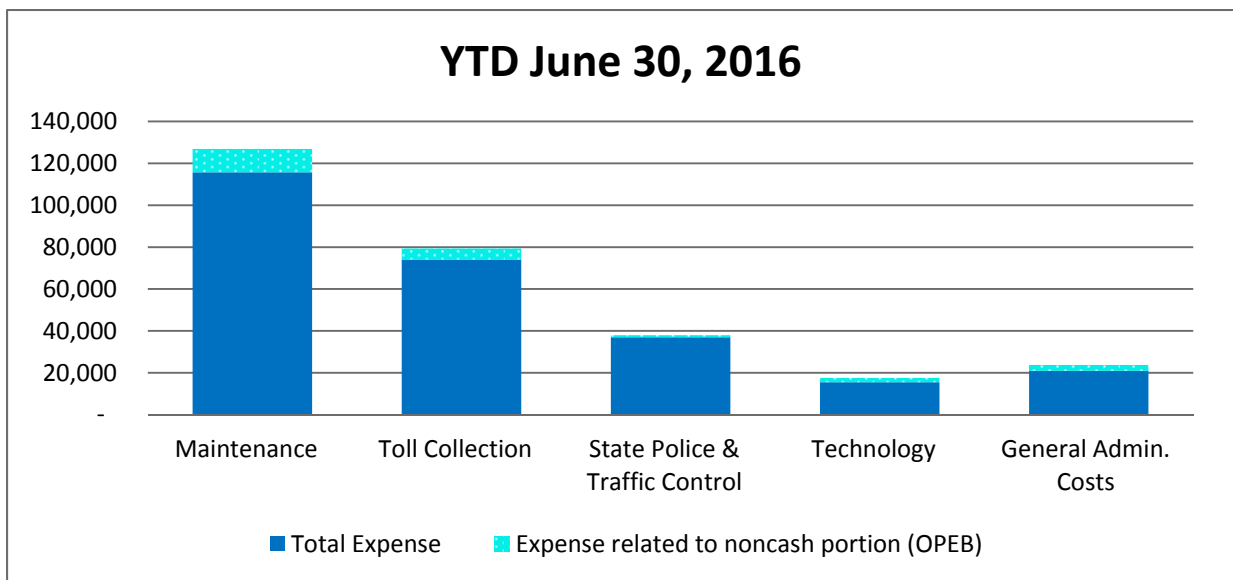
- Net position increased by \$58,681 as of June 30, 2016 as compared to an increase of \$41,066 as of June 30, 2015. In spite of the significant increase in the operating revenue and operating income in 2016, the change in net position is relatively lower due to higher non-operating expenses in 2016, resulting from an investment loss due to an increase in the negative fair market value of the series 2000 B-G swaps.
- Operating revenues totaled \$812,440 for the six months ended June 30, 2016, representing an increase of \$41,183 or 5.33% from \$771,257 for the six months ended June 30, 2015. The principal source of this increase is higher toll revenue and income from E-Z Pass fees in 2016. The increases in toll revenue on both the roadways are due to a milder winter, dry spring weather, lower gas prices and an improving economy as compared to 2015. E-Z Pass fees increased due to higher membership fees from new E-Z Pass accounts.

- Operating expenses, excluding depreciation, totaled \$285,903 for the six months ended June 30, 2016, representing a decrease of \$10,527 or 3.55 % from \$296,430 for the six months ended June 30, 2015. The primary reason for lower operating expenses is a decrease in maintenance expenses by \$16,352 due to the milder winter and lower than expected snow and severe weather costs in 2016. Toll collection, Technology and General administrative expenses increased by \$2,514; \$3,038 and \$1,856 respectively in 2016 as compared to 2015. State police and traffic control expenses decreased by \$1,583 in June 2016. The Authority successfully managed its operations with relatively lower operating expenses in spite of increased traffic on both the roadways.



- Non-operating expenses are higher by \$31,707 as of year to date June 30, 2016 with a total of \$307,884 as compared to \$276,177 from year to date June 30, 2015. The primary reason for the substantial increase is a higher investment loss. At June 30, 2016 investment loss is \$22,375, whereas at June 30, 2015 investment income was \$8,212. The investment loss is due to negative fair market value adjustments made in 2016. Disregarding this unfavorable change in the non-operating expenses due to the negative fair market value adjustments, this period would have recorded a higher change in net position.

Operating expenses include a portion of the non-cash expense for other post-employment benefit expenses calculated as per the actuarial valuation report which is issued biennially. The non-cash OPEB expenses are \$22,320 in June 30, 2016 presenting an increase of \$17,915 from \$4,405 in June 30, 2015. Disregarding this increase in the non-cash expenses, the total operating expenses for June 30, 2016 would have decreased even further as compared to June 30, 2015. The graphs below depict the component of non-cash OPEB expense in each of the operating expense categories in June 30, 2016 as compared with June 30, 2015.



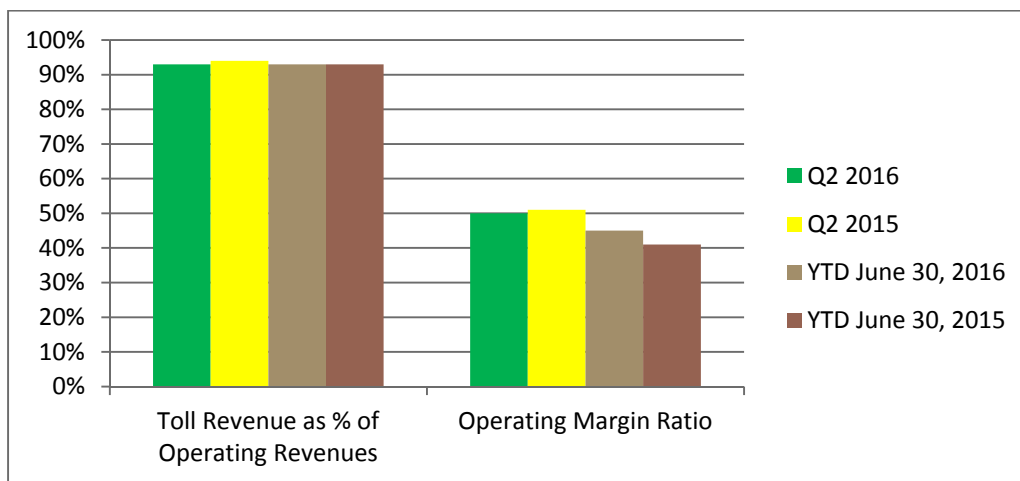
Adjusted Revenue, Expenses and Changes in Net Position

	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>YTD June 30, 2016</u>	<u>YTD June 30, 2015</u>
Change in Net Position as per GAAP Financials	\$ 44,187	78,517	58,681	41,066
Unfunded non cash adjustments:				
Total operating expenses - GAAP adjustments	12,683	777	22,320	4,405
Interest expense, Turnpike Revenue Bonds	(53,850)	(49,872)	(126,320)	(121,111)
Investment income (loss)	22,970	(11,570)	29,839	(1,633)
Interfund transfers	52,763	48,563	105,586	96,898
Total Non Cash Adjustment	<u>\$ 34,566</u>	<u>(12,102)</u>	<u>31,425</u>	<u>(21,441)</u>
Garden State Arts Foundation	124	143	(256)	(230)
Change in net position as per Bond Resolution	<u>\$ 78,877</u>	<u>66,558</u>	<u>89,850</u>	<u>19,395</u>
Add other Non cash expenses				
Depreciation	79,987	78,882	159,972	157,584
Amortization	(9,981)	(8,696)	(19,859)	(17,398)
Change in Net Position - Non GAAP	<u>\$ 148,883</u>	<u>136,744</u>	<u>229,963</u>	<u>159,581</u>

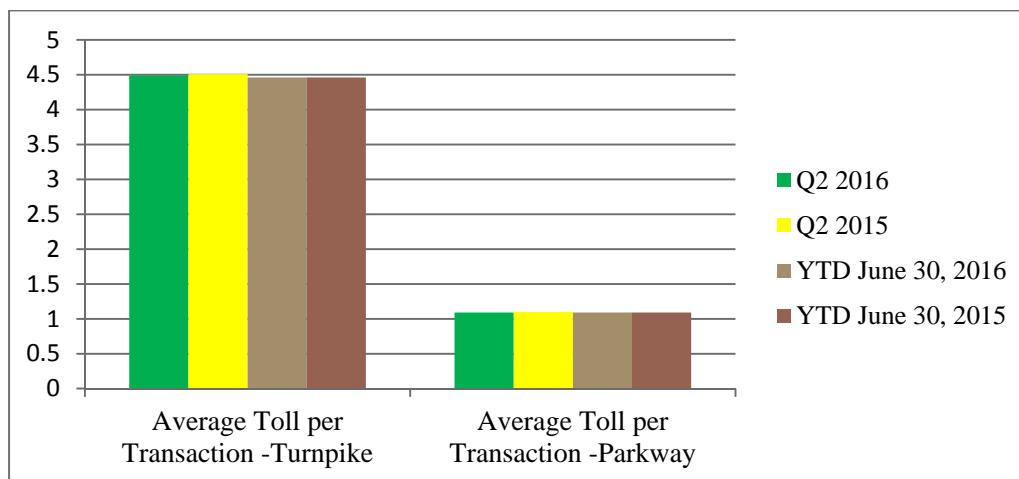
Shown above is the change in Net Position as per the Bond Resolution and has been calculated by adjusting the change in Net Position as per GAAP for non-cash expenses such as the non-cash portion of the Annual OPEB expense and interest expense and investment income or loss due to the effects of GASB 53. The change in net position - non GAAP is calculated by adding back the non-cash expenses such as depreciation and amortization of discounts and premium to the Adjusted Change in Net Position – Bond Resolution. Management believes that the Adjusted Change in Net Position above, which eliminates the more significant GAAP basis non-cash line items, presents an alternate view of the strength of the Authority’s financial results.

Revenue and Expense Ratio Analysis – GAAP Basis

Ratio	Q2 2016	Q2 2015	YTD June 30, 2016	YTD June 30, 2015	Explanation
<i>Toll Revenue as % of Operating Revenue</i>	93%	94%	93%	93%	Toll revenue as percentage of operating revenue is calculated by dividing toll revenue by operating revenue. This percentage has remained consistent over Q2 2016 and Q2 2015 indicating that almost all of the Authority’s revenue is earned from toll collection. This percentage has remained consistent for YTD June 30, 2016 and 2015 at 93%, indicating that almost all of the Authority’s revenue is earned from toll collection.
<i>Operating Margin Ratio Percentage</i>	50%	51%	45%	41%	The operating margin ratio percentage is calculated by taking operating income before interest and dividing by total operating revenue. There was only a slight decrease in the ratio from Q2 2015 to Q2 2016, due to an increase in the operating expense in Q2 2016. From YTD to June 2016 to June 2015, this ratio is higher due to an overall decrease in the maintenance expenses in 2016.



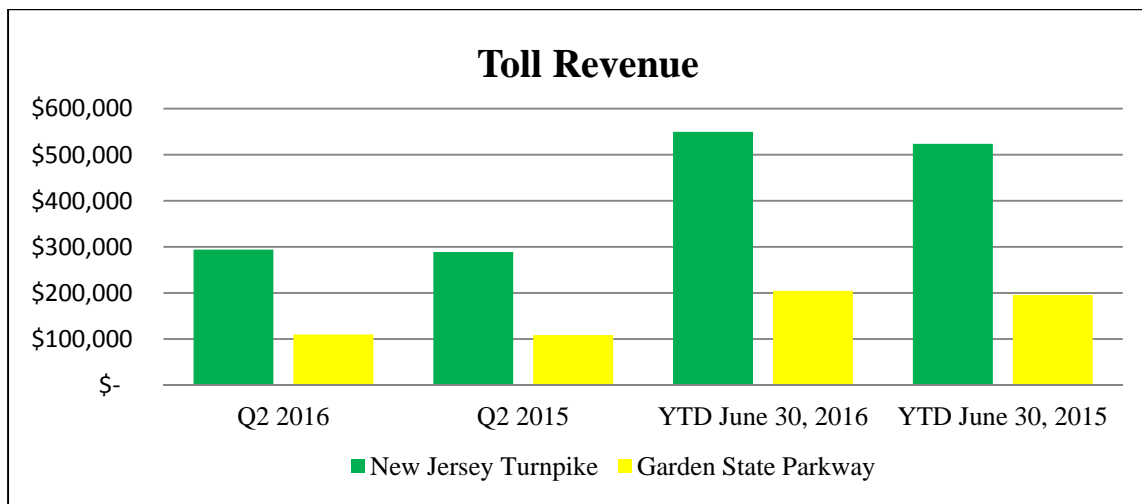
Ratio	Q2 2016	Q2 2015	YTD June 30, 2016	YTD June 30, 2015	Explanation
<i>Average Toll per Transaction -Turnpike</i>	4.49	4.51	4.46	4.46	Average toll per transaction is calculated by dividing toll revenue by the number of toll transactions. The average toll per transaction has decreased slightly in Q2 2016 as compared to Q2 2015. This indicates that the increase in the number of transactions is comparatively higher than the increase in the toll revenue on the Turnpike. From YTD June 30, 2015 to YTD June 30, 2016 the average toll per transaction on the Turnpike remained relatively unchanged.
<i>Average Toll per Transaction -Parkway</i>	1.09	1.10	1.09	1.09	The average toll per transaction on the Parkway has decreased slightly in Q2 2016 as compared to Q2 2015. This indicates that the increase in the number of transactions is comparatively higher than the increase in the toll revenue on the Parkway. From YTD June 30, 2015 to YTD June 30, 2016 the average toll per transaction on the Parkway remained relatively unchanged.



Key Performance Metrics - Revenue and Expenses

Toll Revenue – Toll revenue has increased in Q2 2016 from Q2 2015 by 1.72% for both Turnpike and Parkway. The increase in toll revenue on the Turnpike in Q2 2016 from Q2 2015 is 1.88% and on the Parkway is 1.32%. The overall increase in the toll revenue on both the roadways can be attributed to favorable gas prices and the spring travel in 2016. As of June 30, 2016 the overall toll revenue increased by 4.82% on both the roadways depicting an upward trend.

	<u>New Jersey Turnpike</u>	<u>Garden State Parkway</u>	<u>Total</u>
Q2 2016	\$ 294,396	110,067	404,463
Q2 2015	\$ 288,977	108,638	397,615
% change from Q2 2015 to Q2 2016	1.88%	1.32%	1.72%
YTD June 30, 2016	\$ 549,731	204,479	754,210
YTD June 30, 2015	\$ 523,832	195,702	719,534
% change from June 2015 to June 2016	4.94%	4.48%	4.82%



Toll Revenue Schedules

New Jersey Turnpike Schedule of Toll Revenue Quarters ended June 30, 2016 and 2015 (all amounts in thousands)

Class	Description	Q2 2016		Q2 2015	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 203,997	57,466	198,054	56,036
2	Vehicles having two axles other than type described under Class 1	16,279	2,162	15,906	2,121
3	Vehicle (vehicles), single or in combination, having three axles	7,274	883	7,079	862
4	Vehicle (vehicles), single or in combination, having four axles	8,638	684	8,644	684
5	Vehicle (vehicles), single or in combination, having five axles	58,694	3,800	59,158	3,853
6	Vehicle (vehicles), single or in combination, having six or more axl	1,682	88	1,677	87
7	Buses having two axles	628	117	629	117
8	Buses having three axles	3,672	334	3,789	351
	Nonrevenue vehicles	-	406	-	392
		300,864	65,940	294,936	64,503
	Nonrevenue vehicles	-	(406)	-	(392)
	Toll Adjustments and Discounts	(1,535)	-	(1,258)	-
	Net Violations	(4,933)	-	(4,701)	-
		\$ 294,396	65,534	288,977	64,111

New Jersey Turnpike Schedule of Toll Revenue Six months ended June 30, 2016 and 2015 (all amounts in thousands)

Class	Description	YTD June 30, 2016		YTD June 30, 2015	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 375,901	107,845	353,645	102,291
2	Vehicles having two axles other than type described under Class 1	30,817	4,136	29,427	3,972
3	Vehicle (vehicles), single or in combination, having three axles	13,823	1,693	13,014	1,602
4	Vehicle (vehicles), single or in combination, having four axles	16,556	1,320	16,088	1,287
5	Vehicle (vehicles), single or in combination, having five axles	113,470	7,387	111,739	7,322
6	Vehicle (vehicles), single or in combination, having six or more axl	3,186	167	3,061	162
7	Buses having two axles	1,090	210	1,063	207
8	Buses having three axles	6,670	613	6,660	628
	Nonrevenue vehicles	-	791	-	777
		561,513	124,162	534,697	118,248
	Nonrevenue vehicles	-	(791)	-	(777)
	Toll Adjustments and Discounts	(2,809)	-	(2,311)	-
	Net Violations	(8,973)	-	(8,554)	-
		\$ 549,731	123,371	523,832	117,471

**Garden State Parkway
Schedule of Toll Revenue
Quarters ended June 30, 2016 and 2015
(all amounts in thousands)**

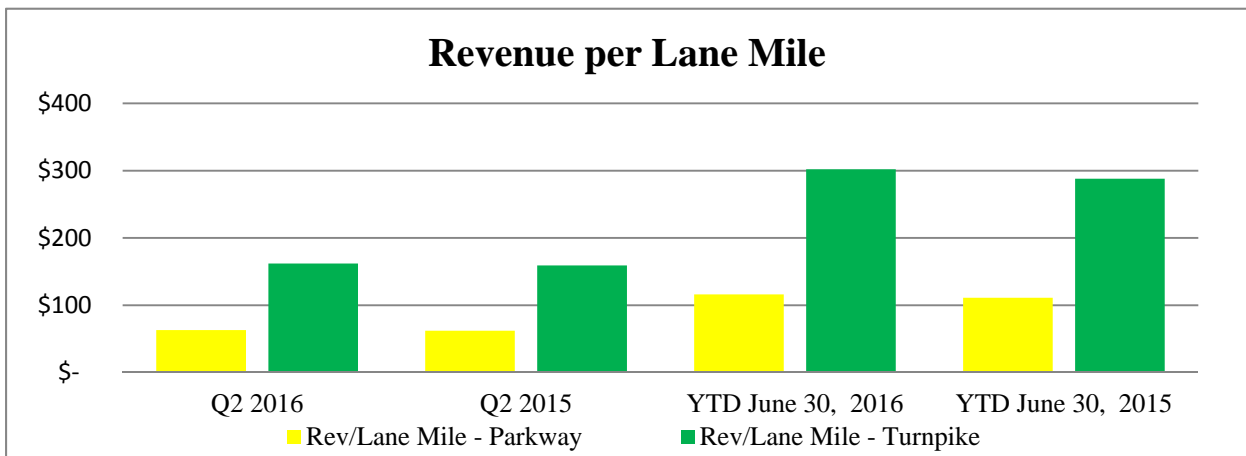
Class	Description	Q2 2016		Q2 2015	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 107,580	99,189	106,034	97,087
2	Vehicles having two axles other than type described under Class	582	242	713	302
3	Vehicle (vehicles), single or in combination, having three axles	1,005	341	972	315
4	Vehicle (vehicles), single or in combination, having four axles	1,025	247	950	222
5	Vehicle (vehicles), single or in combination, having five axles	755	158	711	145
6	Vehicle (vehicles), single or in combination, having six or more	40	7	36	5
7	Buses having two axles	436	169	423	163
8	Buses having three axles	674	252	669	251
	Nonrevenue vehicles	-	376	-	370
		<u>112,097</u>	<u>100,981</u>	<u>110,508</u>	<u>98,860</u>
	Nonrevenue vehicles	-	(376)	-	(370)
	Toll Adjustments and Discounts	(137)	-	(122)	-
	Net Violations	(1,893)	-	(1,748)	-
		<u>\$ 110,067</u>	<u>100,605</u>	<u>108,638</u>	<u>98,490</u>

**Garden State Parkway
Schedule of Toll Revenue
Six months ended June 30, 2016 and 2015
(all amounts in thousands)**

Class	Description	YTD June 30, 2016		YTD June 30, 2015	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 199,897	185,083	191,373	176,325
2	Vehicles having two axles other than type described under Class	1,204	503	1,246	531
3	Vehicle (vehicles), single or in combination, having three axles	1,610	543	1,521	493
4	Vehicle (vehicles), single or in combination, having four axles	1,645	393	1,591	371
5	Vehicle (vehicles), single or in combination, having five axles	1,350	283	1,255	257
6	Vehicle (vehicles), single or in combination, having six or more	73	13	70	12
7	Buses having two axles	791	320	769	304
8	Buses having three axles	1,220	470	1,210	462
	Nonrevenue vehicles	-	738	-	753
		<u>207,790</u>	<u>188,346</u>	<u>199,035</u>	<u>179,508</u>
	Nonrevenue vehicles	-	(738)	-	(753)
	Toll Adjustments and Discounts	(230)	-	(197)	-
	Net Violations	(3,081)	-	(3,136)	-
		<u>\$ 204,479</u>	<u>187,608</u>	<u>195,702</u>	<u>178,755</u>

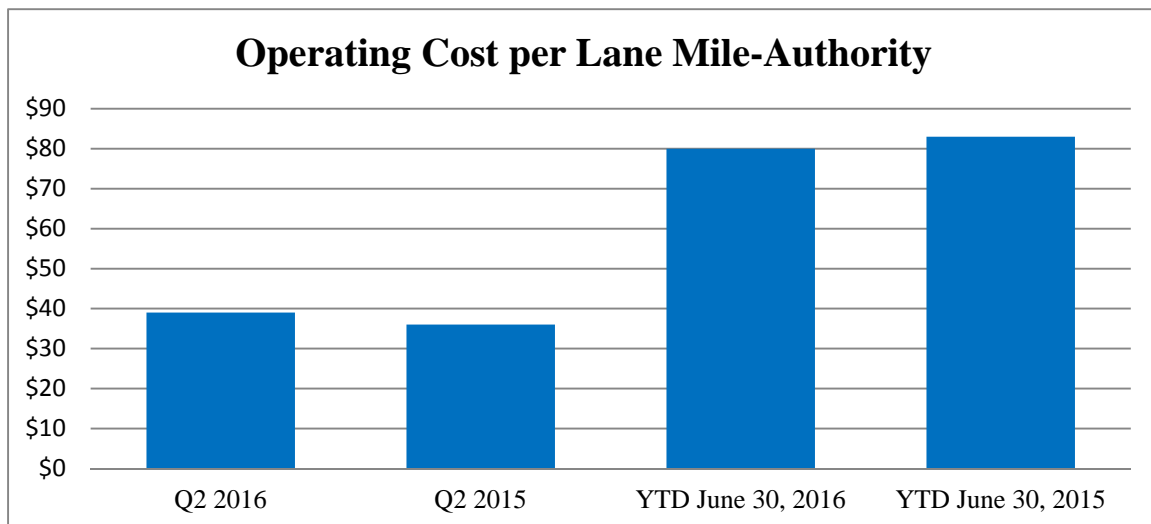
Revenue per Lane Mile – Revenue has increased in Q2 2016 from Q2 2015 on both the Turnpike and Parkway. From Q2 2015 to Q2 2016, lane miles on the Turnpike and the Parkway remained unchanged; therefore the increase in revenue per lane mile was attributable to the increase in toll revenue. Revenue per lane mile for the Authority as of June 30, 2016 has increased to \$211 from \$201 as of June 30, 2015 due to higher toll revenue on both the roadways.

		<u>Q2 2016</u>	<u>Q2 2015</u>	<u>YTD June 30, 2016</u>	<u>YTD June 30, 2015</u>
Toll Revenue - Turnpike	\$	294,396	288,977	549,731	523,832
Toll Revenue - Parkway		110,067	108,638	204,479	195,702
Total Toll Revenue	\$	404,463	397,615	754,210	719,534
Lane Miles (actual) - Turnpike		1,819	1,819	1,819	1,819
Lane Miles (actual) - Parkway		1,757	1,757	1,757	1,757
Total Lane Miles (actual)		3,576	3,576	3,576	3,576
Revenue per Lane Mile - Turnpike	\$	162	159	302	288
Revenue per Lane Mile - Parkway	\$	63	62	116	111
Revenue per Lane Mile - Authority	\$	113	111	211	201



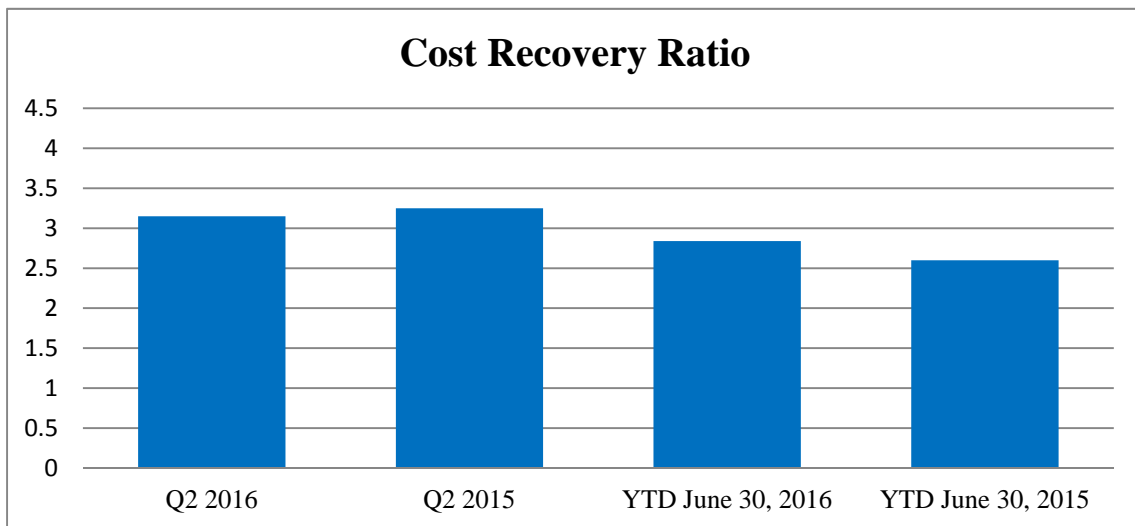
Operating Cost per Lane Mile – Operating expenses shown below include maintenance, toll collection, state police and traffic control, technology and general and administrative expenses but excludes depreciation. From Q2 2015 to Q2 2016, operating cost per lane mile increased due to an increase in the operating expenses in Q2 2016 (see operating expense breakdown on pg. 13) Operating cost per lane mile has decreased as of June 30, 2016 as compared to June 30, 2015 due to decrease in operating expenses in 2016. Operating expenses decreased due to lower maintenance expenses in 2016 because of a milder winter and dry spring weather.

	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Total operating expenses	\$ 138,113	130,239	285,903	296,430
Lane Miles (actual) - Turnpike	1,819	1,819	1,819	1,819
Lane Miles (actual) - Parkway	<u>1,757</u>	<u>1,757</u>	<u>1,757</u>	<u>1,757</u>
Total Lane Miles	3,576	3,576	3,576	3,576
Operating cost Excluding Depreciation/Lane Mile - Authority	\$ 39	36	80	83



Cost Recovery – The cost recovery ratio is calculated by dividing operating revenues by operating expenses. Therefore, a ratio 1.0 or above is a positive sign as it indicates operating expenses are being fully recouped by operating revenues. The cost recovery ratio was over 3.0 in Q2 2015 and Q2 2016, which is a strong indicator of the Authority’s ability to meet its operating expenses with its operating revenues. The cost recovery ratio increased as of June 30, 2016 from June 30, 2015 partly due to the increase in operating revenue and due to the decrease in operating expenses. The increase in operating revenue can be attributed to an increase in toll revenue due to the start of summer travel and favorable gas prices.

		<u>Q2 2016</u>	<u>Q2 2015</u>	<u>YTD June 30, 2016</u>	<u>YTD June 30, 2015</u>
Operating Revenue	\$	434,733	423,838	812,440	771,257
Operating Expenses (excluding depreciation)	\$	138,113	130,239	285,903	296,430
Cost Recovery		3.15	3.25	2.84	2.60



Financial Management Principles and Guidelines

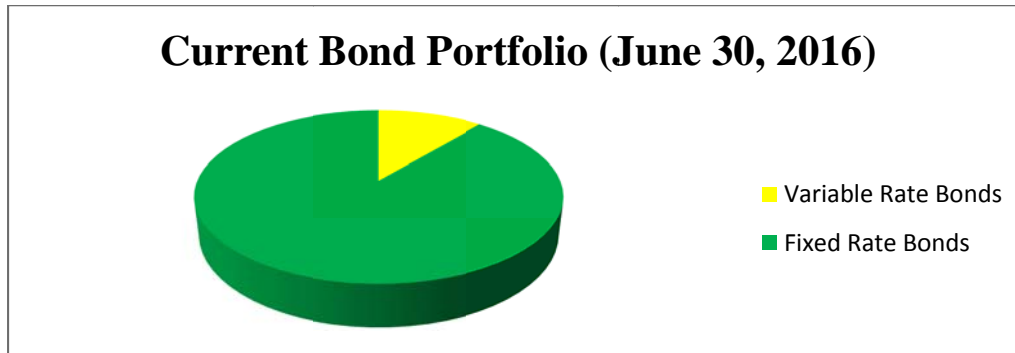
In December 2012, the Authority adopted its “Financial Management Principles and Guidelines” (the Guidelines). Among the policies established, the Authority will manage its toll rates, expense budget and debt issuance program to achieve minimum senior debt service coverage of 1.4x and total requirement coverage of 1.2x. The Authority will also manage its cash flow and total expenditure levels such that it maintains average unrestricted cash balance in the General Reserve Fund equal to at least \$75,000. In November 2015, the Authority amended its Guidelines, which now target an average unrestricted cash balance in the General Reserve Fund equal to at least \$100,000. The Guidelines are implemented at the discretion of the Authority and are not a legal covenant with Bondholders. Such Guidelines can be changed or eliminated at any time at the discretion of the Authority. As specified in the Guidelines, the Authority also adopted an Investment Rate Swap Management Plan in April 2013, an Investment Policy in September 2013, and a Debt Management Policy in January 2014. The Interest Rate Swap Management Plan was amended in November 2015 to clarify the procurement provisions of the plan based upon current market practices. These documents may be found on the Authority’s website at <http://www.state.nj.us/turnpike/investor-relations.html>.

Debt Administration

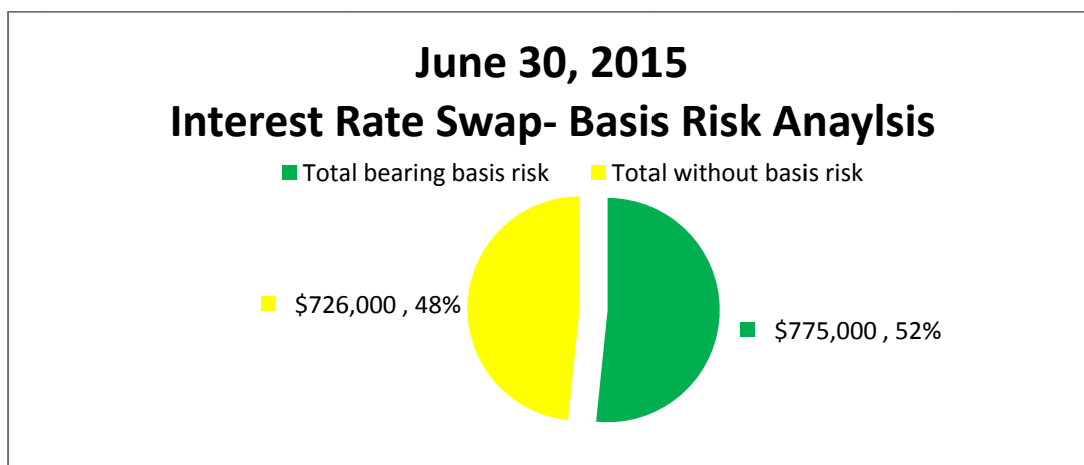
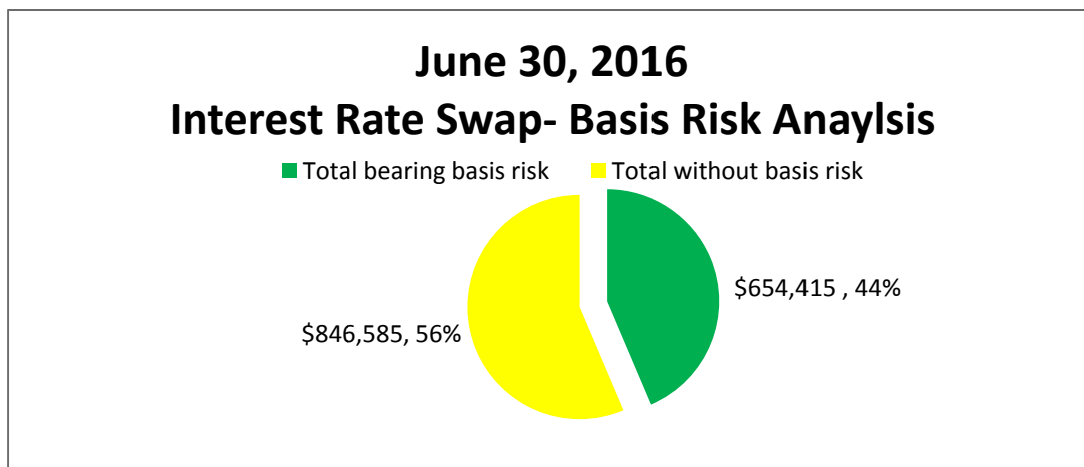
The issuance of new bonds is conducted in accordance with the New Jersey Turnpike Act of 1948, constituting Chapter 454 of the Laws of New Jersey of 1948, as amended and supplemented and the Turnpike Revenue Bond Resolution adopted on August 20, 1991, as amended, restated and supplemented. The issuance of new bonds requires the approval of the Board of Commissioners and prior approval in writing from the Governor and from either of both the State Treasurer and the Director of the Division of Budget and Accounting of the Department of Treasury, payable solely from tolls and other revenues of the Authority.

Debt Portfolio

The Authority's bond portfolio as of June 30, 2016 is comprised of 89% of fixed rate bonds and only 11% of variable rate bonds. These percentages are within the Authority's Guidelines which limit variable rate bonds to 20% of total bonds outstanding.



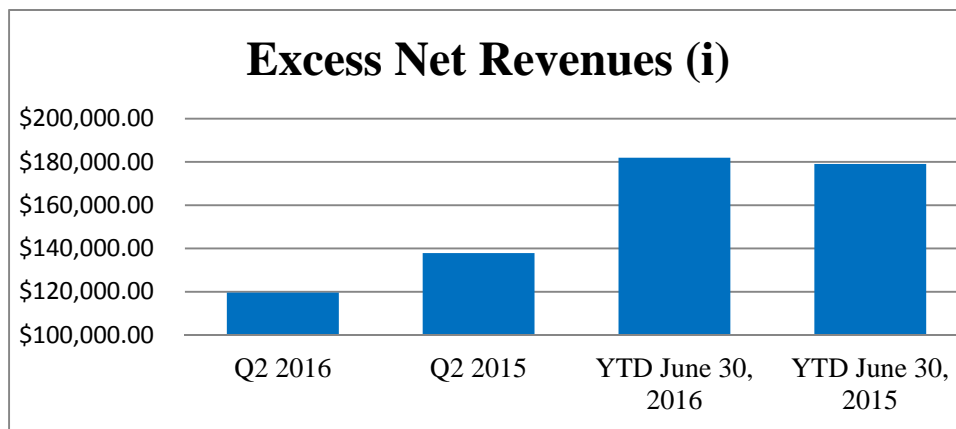
The Authority is actively reducing the basis risk on its interest rate swap portfolio when possible. From June 30, 2015 to June 30, 2016 the variable rate bonds bearing basis risk was reduced from 52% to 44%.



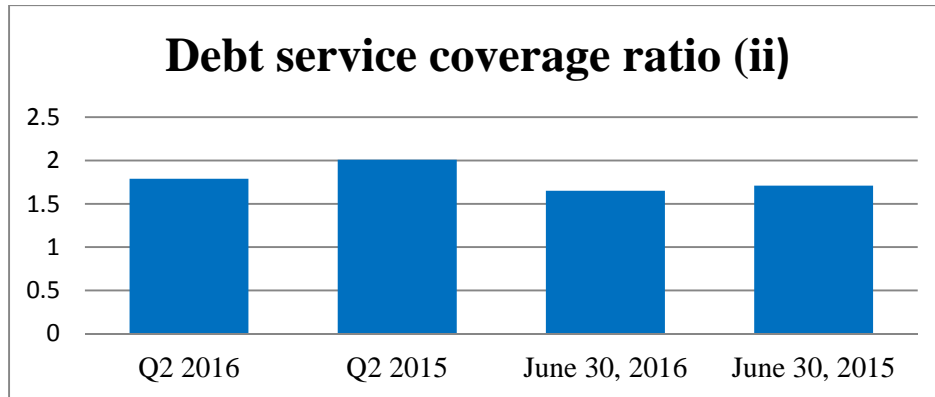
Debt Service Coverage

The Revenue Requirement under Section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year, Net Revenues shall at least equal the Net Revenue Requirement for such year. The Net Revenue Requirement means with respect to any period of time, “an amount equal to the greater of (i) the sum of Aggregate Debt Service, Maintenance Reserve Payments, Special Project Reserve Payments and payments, if any, to the Charges Fund for such period or (ii) 1.20 times the Aggregate Debt Service for such period.”

	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>YTD June 30, 2016</u>	<u>YTD June 30, 2015</u>
(i) Net revenue available for debt service	\$ 342,666	329,008	622,864	561,150
Less net revenue requirements (the sum of aggregate debt service, maintenance reserve, special project reserve and charges funds payments)	<u>(223,029)</u>	<u>(191,098)</u>	<u>(440,928)</u>	<u>(382,111)</u>
Excess net revenues	<u>\$ 119,637</u>	<u>137,910</u>	<u>181,936</u>	<u>179,039</u>
(ii) Net revenue available for debt service	\$ 342,666	329,008	622,864	561,150
Less net revenue requirements computed under test (120% of aggregate debt service requirements)	<u>(229,103)</u>	<u>(196,790)</u>	<u>(452,047)</u>	<u>(393,288)</u>
Excess net revenues	<u>\$ 113,563</u>	<u>132,218</u>	<u>170,817</u>	<u>167,862</u>
Net revenue available for debt service	\$ 342,666	329,008	622,864	561,150
Debt service requirements	\$ 190,919	163,992	376,706	327,741
Debt service coverage ratio	1.79	2.01	1.65	1.71



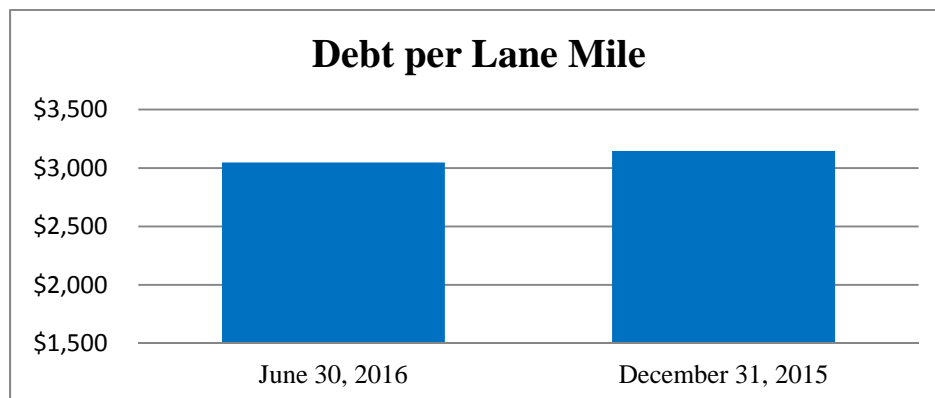
Debt Service Coverage (continued)



The Debt service coverage ratio has decreased slightly in Q2 2016 as compared to Q2 2015. Overall, the debt service coverage ratio has remained consistent at June 30, 2016 as compared to June 30, 2015 despite an increase in the debt service requirements due to higher interest expense resulting from the issuance of the \$750,000 Series 2015E Turnpike Revenue Bonds to finance the \$7 Billion CIP.

Debt per Lane Mile – Debt per lane mile decreased by \$44 to \$3,102 in June 30, 2016 as compared to \$3,146 in December 31, 2015 due to the principal payments on the existing debt on January 1, 2016.

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Bond indebtedness, net	\$ 11,093,531	11,251,163
Lane Miles (actual) – Turnpike	1,819	1,819
Lane Miles (actual) – Parkway	1,757	1,757
Total Lane Miles (actual)	<u>3,576</u>	<u>3,576</u>
Debt per Lane Mile – Authority	\$ 3,102	3,146



Contacting Authority's Financial Management

The purpose of this narrative and the attached exhibits was to assist the readers in obtaining a general overview of the Authority's business and finances. If you should have any questions about this report or need clarification on its contents, please contact the Chief Financial Officer of the New Jersey Turnpike Authority, P.O. Box 5042, Woodbridge, New Jersey 07095-5042 or via email at info@turnpike.state.nj.us.

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

UNAUDITED

Statements of Net Position

June 30, 2016 and 2015

(in thousands)

Assets	2016	2015
Current assets:		
Cash	\$ 283,597	179,990
Restricted cash	239,486	83,798
Investments	483,608	493,755
Restricted investments	389,592	444,200
Receivables, net of allowance	74,788	85,881
Restricted receivables	-	75
Inventory	21,008	18,160
Due from State of New Jersey	560	550
Deposits	30,151	27,657
Prepaid expenses	16,958	15,685
Total current assets	<u>1,539,748</u>	<u>1,349,751</u>
Noncurrent assets:		
Restricted investments	821,615	837,905
Capital assets, net of accumulated depreciation	<u>11,099,991</u>	<u>10,361,997</u>
Total noncurrent assets	<u>11,921,606</u>	<u>11,199,902</u>
Total assets	<u>\$ 13,461,354</u>	<u>12,549,653</u>
Deferred Outflows		
Deferred outflows:		
Accumulated decrease in fair value of hedging derivatives	28,028	(2,166)
Deferred amount on refunding	144,320	160,597
Deferred amount relating to pensions	<u>65,425</u>	<u>19,849</u>
Total deferred outflows	<u>\$ 237,773</u>	<u>178,280</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 186,601	179,698
Funds held in trust	229,905	225,351
Due to State of New Jersey	2,764	2,717
Accrued interest payable	267,635	254,287
Unearned revenue	47,640	51,054
Current portion of bonds payable	197,740	142,115
Current portion of hybrid instrument borrowing	19,012	23,660
Current portion of other long-term liabilities	<u>9,355</u>	<u>8,225</u>
Total current liabilities	<u>960,652</u>	<u>887,107</u>
Noncurrent liabilities:		
Bonds payable, net	10,895,791	10,303,200
Hybrid instrument borrowing	73,513	92,662
Other long-term liabilities	137,781	100,577
Other postemployment benefits liability	404,685	338,060
Interest rate swap liabilities	61,064	34,970
Net pension liability	<u>435,015</u>	<u>366,300</u>
Total noncurrent liabilities	<u>12,007,849</u>	<u>11,235,769</u>
Total liabilities	<u>\$ 12,968,501</u>	<u>12,122,876</u>
Deferred Inflows		
Deferred inflows:		
Deferred amount relating to pensions	<u>13,655</u>	<u>26,376</u>
Total deferred inflows	<u>\$ 13,655</u>	<u>26,376</u>
Net Position		
Net position:		
Net investment in capital assets	\$ 1,043,729	855,130
Restricted under trust agreements	123,013	93,507
Unrestricted	<u>(449,771)</u>	<u>(369,956)</u>
Total net position	<u>\$ 716,971</u>	<u>578,681</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

UNAUDITED

Statements of Revenues, Expenses, and Changes in Net Position

For the Six Months Ended June 30, 2016 and 2015

(in thousands)

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Toll revenue	\$ 754,210	719,534
E-ZPass fees	30,084	26,678
Concession revenue	17,151	17,274
Miscellaneous revenue	<u>10,995</u>	<u>7,771</u>
Total operating revenues	<u>812,440</u>	<u>771,257</u>
Operating expenses:		
Maintenance of roadway, buildings and equipment	126,937	143,289
Toll collection	79,409	76,895
State police and traffic control	38,034	39,617
Technology	17,660	14,622
General administrative costs	23,863	22,007
Depreciation	<u>159,972</u>	<u>157,584</u>
Total operating expenses	<u>445,875</u>	<u>454,014</u>
Operating income	<u>366,565</u>	<u>317,243</u>
Nonoperating revenues (expenses):		
Build America Bonds subsidy	38,056	37,852
Federal and State reimbursements	2,772	-
Payments to the State of New Jersey	(177,000)	(177,001)
Interest expense, Turnpike Revenue Bonds	(150,806)	(146,865)
Other bond expenses	(898)	(769)
Sale of capital assets	(164)	(159)
Investment (loss) income	(22,375)	8,212
Arts Center	<u>2,531</u>	<u>2,553</u>
Total nonoperating revenues (expenses), net	<u>(307,884)</u>	<u>(276,177)</u>
Change in net position	58,681	41,066
Net position – January 1	<u>658,290</u>	<u>537,615</u>
Net position – June 30	\$ <u><u>716,971</u></u>	\$ <u><u>578,681</u></u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

UNAUDITED

Statements of Cash Flows

For the Six Months Ended June 30, 2016 and 2015

(in thousands)

	2016	2015
Cash flows from operating activities:		
Receipts from customers and patrons	\$ 810,384	743,432
Payments to suppliers	(128,249)	(145,390)
Payments to employees	(79,686)	(83,872)
Payments for self insured health benefit claims	(45,137)	(42,427)
Net cash provided by operating activities	557,312	471,743
Cash flows from noncapital financing activities:		
Proceeds from Federal and State reimbursements	2,772	-
Payments to State of New Jersey	(177,000)	(177,001)
Proceeds from Arts Center	2,531	2,553
Net cash used in noncapital financing activities	(171,697)	(174,448)
Cash flows from capital and related financing activities:		
Proceeds acquired from new capital debt	169,272	142,511
Purchases and sales of capital assets	(473,898)	(486,922)
Principal paid on capital debt	(142,115)	(164,205)
Refunded capital debt	(168,645)	(142,500)
Proceeds from Build America Bonds subsidy	38,056	37,852
Interest paid on capital debt	(196,371)	(197,231)
Payments for bond expenses	(899)	(769)
Net cash provided by capital and related financing activities	(774,600)	(811,264)
Cash flows from investing activities:		
Purchases of investments	(4,135,926)	(3,467,089)
Sales and maturities of investments	4,691,434	3,936,214
Interest received	19,440	18,900
Net cash used in investing activities	574,948	488,025
Net increase in cash	185,963	(25,944)
Cash – January 1	337,120	289,732
Cash – June 30	\$ 523,083	263,788
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 366,565	317,243
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	159,972	157,584
Changes in assets and liabilities:		
Receivables	7,500	(29,743)
Inventory	(903)	2,315
Other assets	(12,881)	(11,743)
Accounts payable and accrued expenses	4,119	7,060
Unearned revenue	5,294	587
Other liabilities	(1,066)	10,181
Other postemployment benefit liability	28,820	18,155
Pollution remediation liability	(108)	104
Net cash provided by operating activities	\$ 557,312	471,743

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Schedule of Net Position - Reconciliation of Bond Resolution to GAAP
June 30, 2016
(With comparative financial information as of June 30, 2015)
(in thousands)

	Revenue	Construction	Maintenance reserve	Special project reserve	General reserve	Charges	Debt service	Debt reserve	Total bond resolution	Garden State Arts Foundation	GAAP adjustments	Total 2016 GAAP Financials	Total 2015 GAAP Financials
Assets													
Current assets:													
Cash	\$ 255,438	-	7,984	9,824	9,345	-	-	-	282,591	1,006	-	283,597	179,990
Restricted Cash	-	111,335	-	-	-	74	128,077	-	239,486	-	-	239,486	83,798
Investments	184,363	-	37,779	54,584	206,882	-	-	-	483,608	-	-	483,608	493,755
Restricted investments	-	-	-	-	-	-	239,575	150,017	389,592	-	-	389,592	444,200
Receivables, net of allowance	73,559	-	-	-	1,229	-	-	-	74,788	-	-	74,788	85,881
Restricted receivables	-	-	-	-	-	-	-	-	-	-	-	-	75
Inventory	21,008	-	-	-	-	-	-	-	21,008	-	-	21,008	18,160
Due from State of New Jersey	-	-	-	-	560	-	-	-	560	-	-	560	550
Deposits	2,421	3,661	-	-	24,069	-	-	-	30,151	-	-	30,151	27,657
Prepaid expenses	16,956	-	-	-	-	-	-	-	16,956	2	-	16,958	15,685
Interfund	(167,452)	(1,243)	(666)	(36)	172,402	-	(1,147)	(1,858)	-	-	-	-	-
Total current assets	386,293	113,753	45,097	64,372	414,487	74	366,505	148,159	1,538,740	1,008	-	1,539,748	1,349,751
Noncurrent assets:													
Restricted investments	-	495,389	-	-	-	-	-	440,770	936,159	-	(114,544)	821,615	837,905
Capital assets, net of accumulated depreciation	-	10,497,788	355,161	74,433	143,211	-	-	-	11,070,593	-	29,398	11,099,991	10,361,997
Total noncurrent assets	-	10,993,177	355,161	74,433	143,211	-	-	440,770	12,006,752	-	(85,146)	11,921,606	11,199,902
Total assets	\$ 386,293	11,106,930	400,258	138,805	557,698	74	366,505	588,929	13,545,492	1,008	(85,146)	13,461,354	12,549,653
Deferred Outflows													
Deferred outflows:													
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-	-	-	-	-	-	28,028	28,028	(2,166)
Deferred amount on refunding	-	47,685	-	-	-	-	-	-	47,685	-	96,635	144,320	160,597
Deferred amount relating to pensions	-	-	-	-	-	-	-	-	-	-	65,425	65,425	19,849
Total deferred outflows	\$ -	47,685	-	-	-	-	-	-	47,685	-	190,088	237,773	178,280
Liabilities													
Current liabilities:													
Accounts payable and accrued expenses	\$ 58,147	89,024	11,809	2,620	504	-	-	-	162,104	15	24,482	186,601	179,698
Funds held in trust	202,102	24,502	1,268	976	1,057	-	-	-	229,905	-	-	229,905	225,351
Due to State of New Jersey	2,764	-	-	-	-	-	-	-	2,764	-	-	2,764	2,717
Accrued interest payable	-	-	-	-	-	-	267,635	-	267,635	-	-	267,635	254,287
Unearned revenue	6,403	-	-	-	41,219	-	-	-	47,640	-	-	47,640	51,054
Current portion of bonds payable	-	197,740	-	-	-	-	-	-	197,740	-	-	197,740	142,115
Current portion of hybrid instrument borrowing	-	-	-	-	-	-	-	-	-	-	19,012	19,012	23,660
Current portion of other long-term liabilities	-	-	-	-	48	-	-	-	48	-	9,307	9,355	8,225
Total current liabilities	269,416	311,266	13,077	3,596	42,828	-	267,635	18	907,836	15	52,801	960,652	887,107
Noncurrent liabilities:													
Bonds payable, net	-	10,895,791	-	-	-	-	-	-	10,895,791	-	-	10,895,791	10,303,200
Hybrid instrument borrowing	-	-	-	-	-	-	-	-	-	-	73,513	73,513	92,662
Other long-term obligations	32,219	-	-	-	22,860	-	-	-	55,079	-	82,702	137,781	100,577
Other postemployment benefit liability	-	-	-	-	67,325	-	-	-	67,325	-	337,360	404,685	338,060
Interest rate swaps liabilities	-	-	-	-	-	-	-	-	-	-	61,064	61,064	34,970
Net pension liability	-	-	-	-	-	-	-	-	-	-	435,015	435,015	366,300
Total noncurrent liabilities	32,219	10,895,791	-	-	90,185	-	-	-	11,018,195	-	989,654	12,007,849	11,235,769
Total liabilities	\$ 301,635	11,207,057	13,077	3,596	133,013	-	267,635	18	11,926,031	15	1,042,455	12,968,501	12,122,876
Deferred Inflows													
Deferred inflows:													
Deferred amount relating to pensions	-	-	-	-	-	-	-	-	-	-	13,655	13,655	26,376
Total deferred inflows	\$ -	-	-	-	-	-	-	-	-	-	13,655	13,655	26,376
Net Position													
Net position:													
Net investment in capital assets	\$ -	(25,462)	355,161	74,433	143,211	-	-	588,911	1,136,254	-	(92,525)	1,043,729	855,130
Restricted under trust agreements	-	-	-	-	24,069	74	98,870	-	123,013	-	-	123,013	93,507
Unrestricted	84,658	(26,980)	32,020	60,776	257,405	-	-	-	407,879	993	(858,643)	(449,771)	(369,956)
Total net position	\$ 84,658	(52,442)	387,181	135,209	424,685	74	98,870	588,911	1,667,146	993	(951,168)	716,971	578,681

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

Schedule of Revenues, Expenses and Changes in Net Position - Reconciliation of Bond Resolution to GAAP
For the Six Months Ended June 30, 2016
(With comparative financial information for the month ended June 30, 2015)
(in thousands)

	Revenue	Construction	Maintenance reserve	Special project reserve	General reserve	Charges	Debt service	Debt reserve	Total bond resolution	Garden State Arts Foundation	GAAP adjustments	Total 2016 GAAP Financials	Total 2015 GAAP Financials
Operating revenues:													
Toll revenue	\$ 754,210	-	-	-	-	-	-	-	754,210	-	-	754,210	719,534
E-Z Pass Fees	30,084	-	-	-	-	-	-	-	30,084	-	-	30,084	26,678
Concession revenue	17,151	-	-	-	-	-	-	-	17,151	-	-	17,151	17,274
Miscellaneous revenue	10,590	-	-	-	-	-	-	-	10,590	405	-	10,995	7,771
Total operating revenues	812,035	-	-	-	-	-	-	-	812,035	405	-	812,440	771,257
Operating expenses:													
Maintenance of roadway, buildings and equipment	94,439	-	2,973	3,969	14,375	-	-	-	115,756	-	11,181	126,937	143,289
Toll Collection	72,609	-	-	17	1,530	-	-	-	74,156	-	5,253	79,409	76,895
State Police and Traffic Control	36,532	-	-	160	351	-	-	-	37,043	-	991	38,034	39,617
Technology	13,532	-	-	1,399	693	-	-	-	15,624	-	2,036	17,660	14,622
General administrative costs	18,650	-	-	-	2,202	-	-	-	20,852	152	2,859	23,863	22,007
Depreciation	-	135,715	13,868	4,211	6,178	-	-	-	159,972	-	-	159,972	157,584
Total operating expenses	235,762	135,715	16,841	9,756	25,329	-	-	-	423,403	152	22,320	445,875	454,014
Operating income (loss)	576,273	(135,715)	(16,841)	(9,756)	(25,329)	-	-	-	388,632	253	(22,320)	366,565	317,243
Nonoperating revenues (expenses):													
Build America Bonds subsidy	38,056	-	-	-	-	-	-	-	38,056	-	-	38,056	37,852
Federal and State reimbursements	63	2,709	-	-	-	-	-	-	2,772	-	-	2,772	-
Payments to the State of New Jersey	-	-	-	-	(177,000)	-	-	-	(177,000)	-	-	(177,000)	(177,001)
Interest expense, Turnpike Revenue Bonds	-	710	-	-	-	-	(277,836)	-	(277,126)	-	126,320	(150,806)	(146,865)
Other bond expense	-	(676)	-	-	(135)	(87)	-	-	(898)	-	-	(898)	(769)
Sale of capital assets	-	(46)	-	(118)	-	-	-	-	(164)	-	-	(164)	(159)
Investment income (loss)	204	1,519	50	101	481	-	458	4,648	7,461	3	(29,839)	(22,375)	8,212
Arts Center	2,531	-	-	-	-	-	-	-	2,531	-	-	2,531	2,553
Total nonoperating revenues (expenses), net	40,854	4,216	50	(17)	(176,654)	(87)	(277,378)	4,648	(404,368)	3	96,481	(307,884)	(276,177)
	617,127	(131,499)	(16,791)	(9,773)	(201,983)	(87)	(277,378)	4,648	(15,736)	256	74,161	58,681	41,066
Interfund transfers:	(617,127)	247,700	44,635	19,358	181,457	78	234,133	(4,648)	105,586	-	(105,586)	-	-
Net change in fund balance/change in net position	-	116,201	27,844	9,585	(20,526)	(9)	(43,245)	-	89,850	256	(31,425)	58,681	41,066
Net position (deficit) – January 1	84,658	(168,643)	359,337	125,624	445,211	83	142,115	588,911	1,577,296	737	(919,743)	658,290	537,615
Net position (deficit) – June 30	\$ 84,658	(52,442)	387,181	135,209	424,685	74	98,870	588,911	1,667,146	993	(951,168)	716,971	578,681

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

Schedule of Cash Flows - Reconciliation of Bond Resolution to GAAP

For the Six Months Ended June 30, 2016
(With comparative financial information for the month ended June 30, 2015)
(in thousands)

	Revenue	Construction	Maintenance reserve	Special project reserve	General reserve	Charges	Debt service	Debt reserve	Total bond resolution	Garden State Arts Foundation	GAAP adjustments	Total 2016 GAAP Financials	Total 2015 GAAP Financials
Cash flows from operating activities:													
Receipts from customers and patrons	\$ 809,961	-	-	-	-	-	-	18	809,979	405	-	810,384	743,432
Payments to suppliers	(117,999)	-	(2,973)	(8,144)	1,008	-	-	-	(128,108)	(141)	-	(128,249)	(145,390)
Payments to employees	(79,686)	-	-	-	-	-	-	-	(79,686)	-	-	(79,686)	(83,872)
Payments for self insured health benefits claims	(45,137)	-	-	-	-	-	-	-	(45,137)	-	-	(45,137)	(42,427)
Net cash provided by (used in) operating activities	567,139	-	(2,973)	(8,144)	1,008	-	-	18	557,048	264	-	557,312	471,743
Cash flows from noncapital financing activities:													
Proceeds from Federal and State reimbursements	63	2,709	-	-	-	-	-	-	2,772	-	-	2,772	-
Payments to State of New Jersey	-	-	-	-	(177,000)	-	-	-	(177,000)	-	-	(177,000)	(177,001)
Proceeds from Arts Center	2,531	-	-	-	-	-	-	-	2,531	-	-	2,531	2,553
Net cash provided by (used in) noncapital financing activities	2,594	2,709	-	-	(177,000)	-	-	-	(171,697)	-	-	(171,697)	(174,448)
Cash flows from capital and related financing activities:													
Proceeds acquired from new capital debt	-	169,272	-	-	-	-	-	-	169,272	-	-	169,272	142,511
Purchases and sales of capital assets	-	(436,319)	(26,513)	(4,046)	(7,020)	-	-	-	(473,898)	-	-	(473,898)	(486,922)
Principal paid on capital debt	-	(142,115)	-	-	-	-	-	-	(142,115)	-	-	(142,115)	(164,205)
Refunded capital debt	-	(168,645)	-	-	-	-	-	-	(168,645)	-	-	(168,645)	(142,500)
Proceeds from Build America Bonds subsidy	38,056	-	-	-	-	-	-	-	38,056	-	-	38,056	37,852
Interest paid on capital debt	-	(19,149)	-	-	-	-	(270,302)	-	(289,451)	-	93,080	(196,371)	(197,231)
Payments for bond expenses	-	(677)	-	-	(135)	(87)	-	-	(899)	-	-	(899)	(769)
Interfund Transfers related to capital and related financing activities	(590,245)	260,698	45,372	19,427	141,562	78	234,875	(4,662)	107,105	-	(107,105)	-	-
Net cash provided by (used in) capital and related financing activities	(552,189)	(336,935)	18,859	15,381	134,407	(9)	(35,427)	(4,662)	(760,575)	-	(14,025)	(774,600)	(811,244)
Cash flows from investing activities:													
Purchases of investments	(1,423,447)	(371,017)	(133,183)	(202,095)	(1,263,189)	(3,487)	(438,429)	(301,079)	(4,135,926)	-	-	(4,135,926)	(3,467,089)
Sales and maturities of investments	1,497,019	719,951	119,694	201,907	1,310,493	3,487	537,803	301,080	4,691,434	-	-	4,691,434	3,936,214
Interest received	542	(638)	44	93	481	-	247	4,643	5,412	3	14,025	19,440	18,900
Net cash provided by (used in) provided by investing activities	74,114	348,296	(13,445)	(95)	47,785	-	99,621	4,644	560,920	3	14,025	574,948	488,025
Net increase (decrease) in cash	91,658	14,070	2,441	7,142	6,200	(9)	64,194	-	185,696	267	-	185,963	(25,944)
Cash – January 1	163,780	97,265	5,543	2,682	3,145	83	63,883	-	336,381	739	-	337,120	289,732
Cash – June 30	\$ 255,438	111,335	7,984	9,824	9,345	74	128,077	-	522,077	1,006	-	523,083	263,788
Reconciliation of operating income to net cash provided by (used in) operating activities:													
Operating income	\$ 576,273	(135,715)	(16,841)	(9,756)	(25,329)	-	-	-	388,632	253	(22,320)	366,565	317,243
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:													
Depreciation expense	-	135,715	13,868	4,211	6,178	-	-	-	159,972	-	-	159,972	157,584
Changes in assets and liabilities:													
Receivables	(3,676)	-	-	-	11,176	-	-	-	7,500	-	-	7,500	(29,743)
Inventory	(903)	-	-	-	-	-	-	-	(903)	-	-	(903)	2,315
Other assets	(12,879)	-	-	-	-	-	-	-	(12,879)	(2)	-	(12,881)	(11,743)
Accounts payable and accrued expenses	9,578	-	-	(2,706)	(2,766)	-	-	-	4,106	13	-	4,119	7,060
Unearned revenue	1,603	-	-	-	3,673	-	-	18	5,294	-	-	5,294	587
Other liabilities	(2,857)	-	-	107	1,684	-	-	-	(1,066)	-	-	(1,066)	10,181
Other postemployment benefit liability	-	-	-	-	6,500	-	-	-	6,500	-	22,320	28,820	18,155
Pollution remediation liability	-	-	-	-	(108)	-	-	-	(108)	-	-	(108)	104
Net cash provided by (used in) operating activities	\$ 567,139	-	(2,973)	(8,144)	1,008	-	-	18	557,048	264	-	557,312	471,743

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

Schedule of Net Revenue Requirement

For the Six Months Ended June 30, 2016 and 2015
(in thousands)

	<u>2016</u>	<u>2015</u>
Test 1:		
Total operating revenues	\$ 812,034	770,853
Build America Bonds subsidy	38,056	37,852
Federal and State reimbursements	2,772	-
Less construction capital recovery	(2,709)	-
Total investment income	7,461	6,577
Less earnings on construction investments	(1,519)	(1,110)
Fair market value adjustments	-	(33)
Arts center	2,531	2,553
Total pledged revenues	<u>858,626</u>	<u>816,692</u>
Less revenue operating expenses	<u>(235,762)</u>	<u>(255,542)</u>
Net revenue available for debt service	622,864	561,150
Less net revenue requirements:		
Interest expense - debt service	(277,836)	(256,683)
Principal payment - debt service	(98,870)	(71,057)
Revenue transfer to charges	(78)	(392)
Revenue transfer to maintenance reserve	(44,685)	(43,529)
Revenue transfer to special project reserve	(19,459)	(10,450)
Excess net revenues	<u>\$ 181,936</u>	<u>179,039</u>
Test 2:		
Total operating revenues	\$ 812,034	770,853
Build America Bonds subsidy	38,056	37,852
Federal and State reimbursements	2,772	-
Less construction capital recovery	(2,709)	-
Total investment income	7,461	6,577
Less earnings on construction investments	(1,519)	(1,110)
Fair market value adjustments	-	(33)
Arts center	2,531	2,553
Total pledged revenues	<u>858,626</u>	<u>816,692</u>
Less revenue operating expenses	<u>(235,762)</u>	<u>(255,542)</u>
Net revenue available for debt service	622,864	561,150
Less 1.2 times aggregate debt service	(452,047)	(393,288)
Excess net revenues	<u>\$ 170,817</u>	<u>167,862</u>
Debt service coverage ratio	1.65	1.71

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

Schedule of Investments

June 30, 2016

(in thousands)

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Par Value</u>	<u>Carrying Value</u>
Revenue:				
Time Deposit	0.08	7/1/2016	\$ 6,000	6,000
Commercial Paper	0.30 - 0.58	7/6/2016 - 8/19/2016	118,893	118,865
Federal Agency Notes	0.05 - 0.23	7/1/2016 - 7/6/2016	59,500	59,498
			<u>184,393</u>	<u>184,363</u>
Construction:				
Certificate of Deposit	0.69 - 0.87	8/3/2016 - 11/15/2016	105,000	105,333
Commercial Paper	0.52 - 0.90	7/12/2016 - 11/8/2016	161,000	160,722
Federal Agency Notes	0.22 - 0.45	7/6/2016 - 11/16/2016	204,500	204,344
US Treasury Bill	0.30	8/18/2016	25,000	24,990
			<u>495,500</u>	<u>495,389</u>
Maintenance Reserve:				
Commercial Paper	0.33 - 0.50	7/1/2016 - 8/16/2016	10,001	9,999
Federal Agency Notes	0.25 - 0.34	7/8/2016 - 8/30/2016	27,788	27,780
			<u>37,789</u>	<u>37,779</u>
Special Project Reserve:				
Commercial Paper	0.35 - 0.50	7/1/2016 - 8/23/2016	30,900	30,892
Federal Agency Notes	0.22 - 0.30	7/12/2016 - 9/2/2016	23,700	23,692
			<u>54,600</u>	<u>54,584</u>
General Reserve:				
Commercial Paper	0.33 - 0.75	7/6/2016 - 9/30/2016	164,441	164,377
Federal Agency Notes	0.28	7/22/2016	42,500	42,493
US Treasury Bill	0.25	12/8/2016	12	12
			<u>206,953</u>	<u>206,882</u>
Debt Service:				
Commercial Paper	0.77 - 0.78	7/1/2016	42,974	42,974
Federal Agency Notes	0.18 - 0.60	7/1/2016 - 1/3/2017	196,825	196,601
			<u>239,799</u>	<u>239,575</u>
Debt Reserve:				
Certificate of Deposit	1.11 - 2.00	11/10/2017 - 12/15/2020	334,754	335,348
Commercial Paper	1.44	7/1/2016	149,999	151,080
Federal Agency Notes	1.05	4/25/2018	104,919	104,359
			<u>589,672</u>	<u>590,787</u>
Total			\$ <u>1,808,706</u>	<u>1,809,359</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

Schedule of Investments

June 30, 2015

(in thousands)

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Par value</u>	<u>Carrying value</u>
Revenue:				
Certificate of Deposit	0.73	6/22/2016	\$ 50,000	50,007
Commercial Paper	0.04 - 0.30	7/1/2015 - 8/5/2015	101,502	101,498
Federal Agency Notes	0.00 - 2.13	7/1/2015 - 6/10/2016	39,215	39,499
			<u>190,717</u>	<u>191,004</u>
Construction:				
Certificate of Deposit	0.27 - 0.70	8/12/2015 - 10/19/2015	215,000	215,388
Commercial Paper	0.13 - 0.75	7/1/2015 - 9/3/2015	231,880	231,787
Federal Agency Notes	0.08	10/30/2015	50,000	49,987
Municipal Bonds	5.00	8/1/2015	13,600	14,315
			<u>510,480</u>	<u>511,477</u>
Maintenance Reserve:				
Commercial Paper	0.11 - 0.19	7/2/2015 - 9/1/2015	43,100	43,094
			<u>43,100</u>	<u>43,094</u>
Special Project Reserve:				
Commercial Paper	0.13 - 0.19	7/2/2015 - 8/18/2015	21,400	21,398
Federal Agency Notes	0.04 - 0.06	8/7/2015 - 8/21/2015	6,000	6,000
			<u>27,400</u>	<u>27,398</u>
General Reserve:				
Certificate of Deposit	0.37	9/30/2015	34,000	34,009
Commercial Paper	0.11 - 0.53	7/7/2015 - 9/30/2015	198,343	198,249
			<u>232,343</u>	<u>232,258</u>
Debt Service:				
Commercial Paper	0.10 - 0.20	7/1/2015	98,517	98,517
Federal Agency Notes	0.00 - 0.18	7/1/2015 - 7/1/2016	197,814	197,777
			<u>296,331</u>	<u>296,294</u>
Debt Reserve:				
Certificate of Deposit	1.11 - 2.41	12/15/2015 - 1/13/2020	307,911	310,487
Commercial Paper	1.54	7/1/2015	146,825	146,825
Investment with Coupon Interest	1.05	4/25/2018	104,919	103,599
US Treasury Bill	0.00	7/1/2015	1,081	1,081
			<u>560,736</u>	<u>561,992</u>
Total			<u>\$ 1,861,107</u>	<u>1,863,517</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

Schedule of Depositories

June 30, 2016 and 2015

(in thousands)

	2016			2015		
	Book balance	Bank balance	Market value of securities pledged to secure deposits	Book balance	Bank balance	Market value of securities pledged to secure deposits
JP Morgan Chase:						
Revenue	\$ 195,548	138,511		133,455	111,709	
Construction	84,238	85,001		46,927	47,524	
Maintenance reserve	7,984	7,986		2,631	2,714	
	<u>287,770</u>	<u>231,498</u>	<u>299,290</u>	<u>183,013</u>	<u>161,947</u>	<u>338,407</u>
Bank of America:						
Revenue	38,887	989		20,345	20,918	
	<u>38,887</u>	<u>989</u>	<u>75,950</u>	<u>20,345</u>	<u>20,918</u>	<u>56,950</u>
Wells Fargo:						
Revenue	20,114	18,242		10,897	8,638	
Special project reserve	9,824	9,824		5,424	5,424	
General reserve	9,236	9,236		5,149	10,557	
	<u>39,174</u>	<u>37,302</u>	<u>48,005</u>	<u>21,470</u>	<u>24,619</u>	<u>126,865</u>
Bank of New York Mellon:						
Revenue	282	282		275	275	
	<u>282</u>	<u>282</u>	<u>595</u> (1)	<u>275</u>	<u>275</u>	<u>739</u> (1)
TD Bank, NA:						
Revenue	250	288		251	206	
	<u>250</u>	<u>288</u>	<u>1,035</u>	<u>251</u>	<u>206</u>	<u>1,000</u>
Investors Bank						
Construction	25,005	25,005				
	<u>25,005</u>	<u>25,005</u>	<u>26,467</u>	<u>-</u>	<u>-</u>	
Total Subject to Pledged Securities	<u>391,368</u>	<u>270,359</u>	<u>\$ 477,809</u>	<u>225,354</u>	<u>207,965</u>	<u>523,961</u>
Bank of New York Mellon – Trust:						
Construction	2,092	85,001		2,443	2,443	
General reserve	109	109		85	85	
Charges	74	74		63	63	
Debt service	128,077	127,915		30,111	30,111	
	<u>130,352</u>	<u>213,099</u> (2)		<u>32,702</u>	<u>32,702</u> (2)	
Toll Collection and Other Imprest Funds:						
Revenue	357	-		347	-	
	<u>357</u> (3)	<u>-</u>		<u>347</u> (3)	<u>-</u>	
Total Subject to Bond Resolution	<u>522,077</u>	<u>483,458</u>		<u>262,658</u>	<u>244,922</u>	
TD Bank, NA:						
Garden State Arts Center Foundation	340	345		862	49,878	
	<u>340</u>	<u>345</u>		<u>862</u>	<u>49,878</u>	
Investors Bank:						
Garden State Arts Center Foundation	453	453		-	-	
	<u>453</u>	<u>453</u>		<u>-</u>	<u>-</u>	
Northfield Bank:						
Garden State Arts Center Foundation	213	212		268	268	
	<u>213</u>	<u>212</u>		<u>268</u>	<u>268</u>	
	<u>\$ 523,083</u>	<u>484,468</u>		<u>263,788</u>	<u>295,068</u>	

(1) Also covered by FDIC insurance of \$250,000.

(2) Funds held by Trustee are not subject to collateral requirements, under the Bond Resolution.

(3) Cash on hand, not at bank.

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

Schedule of Cost of Investment in Facilities

June 30, 2016

(With comparative financial information for the month ended June 30, 2015)
(in thousands)

	Completed construction funds	2008/2009 Bond anticipation note	Ten year capital program	Maintenance reserve	Special project reserve	General reserve	GAAP adjustments	2016 Total	2015 Total
Land	\$ 658,143	2,411	156,269	-	-	8,128	-	824,951	824,741
Buildings and Sound Barriers	440,295	20,373	101,843	-	19,729	32,587	-	614,827	608,311
Road Surface	455,186	66,666	681,544	155,139	1,786	12,355	-	1,372,676	1,344,283
Road Bed	2,509,073	68,636	515,410	-	57	1,946	-	3,095,122	3,095,124
Bridges	1,877,991	32,866	2,110,213	244,454	64	32,178	-	4,297,766	4,251,077
Equipment	526,687	51,142	468,773	-	97,547	97,438	-	1,241,587	1,216,401
Construction-In-Progress	-	-	2,885,570	35,510	3,733	22,979	29,398	2,977,190	2,027,428
Cost of Investment in Facilities	6,467,375	242,094	6,919,622	435,103	122,916	207,611	29,398	14,424,119	13,367,365
Accumulated Depreciation	(2,731,108)	(60,610)	(339,585)	(79,942)	(48,483)	(64,400)	-	(3,324,128)	(3,005,368)
Capital assets, net of accumulated depreciation	\$ 3,736,267	181,484	6,580,037	355,161	74,433	143,211	29,398	11,099,991	10,361,997

Completed construction funds:

Original turnpike extensions and additional lanes	\$ 61,140
Revenues invested in facilities	39,992
1966 Turnpike Improvement	160,983
1971 Turnpike Improvement	17,341
1973 Improvement and Funding Program	27,200
1985-1990 Widening Project	321,773
Business Plan for the 90's	765,762
Former NJHA Construction	526,397
2000 Construction Fund	1,302,128
2003 Construction Fund	16,186
2004 Construction Fund	417,770
2005 Construction Fund	79,595
	\$ 3,736,267

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

Schedule of Bond Indebtedness

June 30, 2016

(in thousands)

	Amount outstanding December 31, 2015	Refunded or acquired and canceled in current year	Mandatory redemption/ sinking fund installments	Debt issuance	Amortization of premiums and discounts	Amount outstanding June 30, 2016
Turnpike revenue bonds:						
Series 1991 C	\$ 67,160	-	(67,160)	-	-	-
Series 2000 B-G	400,000	-	-	-	-	400,000
Series 2003 B	70,005	-	(70,005)	-	-	-
Series 2004 B	168,645	(168,645)	-	-	-	-
Series 2004 C-2	132,850	-	-	-	-	132,850
Series 2005 A	173,650	-	-	-	-	173,650
Series 2005 B	32,500	-	-	-	-	32,500
Series 2005 D1-D4	208,735	-	-	-	-	208,735
Series 2009 E	300,000	-	-	-	-	300,000
Series 2009 F	1,375,000	-	-	-	-	1,375,000
Series 2009 G	34,770	-	-	-	-	34,770
Series 2009 H	306,170	-	-	-	-	306,170
Series 2009 I	178,005	-	-	-	-	178,005
Series 2010 A	1,850,000	-	-	-	-	1,850,000
Series 2012 A	141,255	-	-	-	-	141,255
Series 2012 B	804,435	-	-	-	-	804,435
Series 2013 A	1,400,000	-	(4,950)	-	-	1,395,050
Series 2013 B	100,000	-	-	-	-	100,000
Series 2013 C	271,000	-	-	-	-	271,000
Series 2013 D	152,650	-	-	-	-	152,650
Series 2013 E	101,765	-	-	-	-	101,765
Series 2013 F	90,880	-	-	-	-	90,880
Series 2014 A	1,000,000	-	-	-	-	1,000,000
Series 2014 B-2	50,000	-	-	-	-	50,000
Series 2014 B-3	50,000	-	-	-	-	50,000
Series 2014 C	201,860	-	-	-	-	201,860
Series 2015 A	92,500	-	-	-	-	92,500
Series 2015 B	50,000	-	-	-	-	50,000
Series 2015 C	43,750	-	-	-	-	43,750
Series 2015 D	43,750	-	-	-	-	43,750
Series 2015 E	750,000	-	-	-	-	750,000
Series 2015F	72,350	-	-	-	-	72,350
Series 2015G	25,000	-	-	-	-	25,000
Series 2015H	48,235	-	-	-	-	48,235
Series 2016A	-	-	-	149,995	-	149,995
	<u>10,786,920</u>	<u>(168,645)</u>	<u>(142,115)</u>	<u>149,995</u>	<u>-</u>	<u>10,626,155</u>
Premiums and discounts, net	464,243	-	-	25,411	(22,278)	467,376
	<u>\$ 11,251,163</u>	<u>(168,645)</u>	<u>(142,115)</u>	<u>175,406</u>	<u>(22,278)</u>	<u>11,093,531</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

Schedule of Bond Indebtedness

June 30, 2015

(in thousands)

	Amount outstanding December 31, 2014	Refunded or acquired and canceled in current year	Mandatory redemption/ sinking fund installments	Debt issuance	Accretion of capital appreciation bonds	Amortization of premiums and discounts	Amount outstanding June 30, 2015
Turnpike revenue bonds:							
Series 1991 C	\$ 67,160	-	-	-	-	-	67,160
Series 2000 B-G	400,000	-	-	-	-	-	400,000
Series 2003 B	234,210	-	(164,205)	-	-	-	70,005
Series 2004 B	164,410	-	-	-	4,235	-	168,645
Series 2004 C-2	132,850	-	-	-	-	-	132,850
Series 2005 A	173,650	-	-	-	-	-	173,650
Series 2005 B	32,500	-	-	-	-	-	32,500
Series 2005 D1-D4	208,735	-	-	-	-	-	208,735
Series 2009 A	92,500	(92,500)	-	-	-	-	-
Series 2009 B	50,000	(50,000)	-	-	-	-	-
Series 2009 E	300,000	-	-	-	-	-	300,000
Series 2009 F	1,375,000	-	-	-	-	-	1,375,000
Series 2009 G	34,770	-	-	-	-	-	34,770
Series 2009 H	306,170	-	-	-	-	-	306,170
Series 2009 I	178,005	-	-	-	-	-	178,005
Series 2010 A	1,850,000	-	-	-	-	-	1,850,000
Series 2012 A	141,255	-	-	-	-	-	141,255
Series 2012 B	804,435	-	-	-	-	-	804,435
Series 2012 G	43,750	-	-	-	-	-	43,750
Series 2013 A	1,400,000	-	-	-	-	-	1,400,000
Series 2013 B	100,000	-	-	-	-	-	100,000
Series 2013 C	271,000	-	-	-	-	-	271,000
Series 2013 D	225,000	-	-	-	-	-	225,000
Series 2013 E	150,000	-	-	-	-	-	150,000
Series 2013 F	90,880	-	-	-	-	-	90,880
Series 2013 G	43,750	-	-	-	-	-	43,750
Series 2014 A	1,000,000	-	-	-	-	-	1,000,000
Series 2014 B-1	25,000	-	-	-	-	-	25,000
Series 2014 B-2	50,000	-	-	-	-	-	50,000
Series 2014 B-3	50,000	-	-	-	-	-	50,000
Series 2014 C	201,860	-	-	-	-	-	201,860
Series 2015 A	-	-	-	92,500	-	-	92,500
Series 2015 B	-	-	-	50,000	-	-	50,000
	<u>10,196,890</u>	<u>(142,500)</u>	<u>(164,205)</u>	<u>142,500</u>	<u>4,235</u>	<u>-</u>	<u>10,036,920</u>
Premiums and discounts, net	428,080	-	-	-	-	(19,685)	408,395
	<u>\$ 10,624,970</u>	<u>(142,500)</u>	<u>(164,205)</u>	<u>142,500</u>	<u>4,235</u>	<u>(19,685)</u>	<u>10,445,315</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

Schedule of Refunded Bond and Note Indebtedness

June 30, 2016

(With comparative financial information as of June 30, 2015)
(in thousands)

Note:

As of June 30, 2016 and 2015, refunded bond and note indebtedness which is still outstanding in fully collateralized escrow accounts is as follows:

Refunded series	Refunded amount	Matured/ redeemed	2016 outstanding	2015 outstanding
Parkway revenue bonds:				
Series 1989, Serial bonds 5.75% Redemption January 1, 2018 through January 1, 2019	35,080	-	35,080	35,080
Series 2001, Serial bonds 5.00% to 5.50%, Redemption January 1, 2013 through January 1, 2016	243,080	(243,080)	-	14,370
Turnpike Revenue Bonds:				
Series 1991 C, 4.80% to 6.50%, Escrowed until January 1, 2016	1,162,185	(1,162,185)	-	94,940
Series 2004B Turnpike Revenue Bonds, redemption January 1, 2017	168,645	-	168,645	-
Total	\$ 1,608,990	(1,405,265)	203,725	144,390

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

New Jersey Turnpike

Schedule of Toll Revenue

For the Six Months Ended June 30, 2016 and 2015

(in thousands)

Class	Description	2016		2015	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 375,901	107,845	353,645	102,291
2	Vehicles having two axles other than type described under Class 1	30,817	4,136	29,427	3,972
3	Vehicle (vehicles), single or in combination, having three axles	13,823	1,693	13,014	1,602
4	Vehicle (vehicles), single or in combination, having four axles	16,556	1,320	16,088	1,287
5	Vehicle (vehicles), single or in combination, having five axles	113,470	7,387	111,739	7,322
6	Vehicle (vehicles), single or in combination, having six or more axles	3,186	167	3,061	162
7	Buses having two axles	1,090	210	1,063	207
8	Buses having three axles	6,670	613	6,660	628
	Nonrevenue vehicles	-	791	-	777
		<u>561,513</u>	<u>124,162</u>	<u>534,697</u>	<u>118,248</u>
	Nonrevenue vehicles	-	(791)	-	(777)
	Toll Adjustments and Discounts	(2,809)	-	(2,311)	-
	Net Violations	(8,973)	-	(8,554)	-
		<u>\$ 549,731</u>	<u>123,371</u>	<u>523,832</u>	<u>117,471</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)

Garden State Parkway

Schedule of Toll Revenue

For the Six Months Ended June 30, 2016 and 2015

(in thousands)

Class	Description	2016		2015	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 199,897	185,083	191,373	176,325
2	Vehicles having two axles other than type described under Class 1	1,204	503	1,246	531
3	Vehicle (vehicles), single or in combination, having three axles	1,610	543	1,521	493
4	Vehicle (vehicles), single or in combination, having four axles	1,645	393	1,591	371
5	Vehicle (vehicles), single or in combination, having five axles	1,350	283	1,255	257
6	Vehicle (vehicles), single or in combination, having six or more axles	73	13	70	12
7	Buses having two axles	791	320	769	304
8	Buses having three axles	1,220	470	1,210	462
	Nonrevenue vehicles	-	738	-	753
		<u>207,790</u>	<u>188,346</u>	<u>199,035</u>	<u>179,508</u>
	Nonrevenue vehicles	-	(738)	-	(753)
	Toll Adjustments and Discounts	(230)	-	(197)	-
	Net Violations	(3,081)	-	(3,136)	-
		<u>\$ 204,479</u>	<u>187,608</u>	<u>195,702</u>	<u>178,755</u>