

**New Jersey Turnpike Authority  
Financial Summary  
For the Two Months Ended February 28, 2017**

<b>ACTUAL REVENUE - January - February</b>	\$ 255,429,000
<b>ESTIMATED REVENUE - March - December</b>	<u>1,493,752,000</u>
<i>Projected Annual Revenue</i>	\$ 1,749,181,000
<b>ESTIMATED ANNUAL OPERATING EXPENSES</b>	<u>\$ 528,762,000</u>
<i>Projected Net Revenue</i>	\$ 1,220,419,000
<b>DEBT SERVICE REQUIREMENTS</b>	846,462,000
<b>CHARGES FUND</b>	155,000
<b>SPECIAL PROJECT RESERVE FUND</b>	39,696,000
<b>MAINTENANCE RESERVE FUND</b>	116,751,000

The following un-audited results are for the two months ended February 28, 2017.<sup>1</sup> Based upon these results, revenues will be sufficient to satisfy the requirements of the Authority's Bond Resolution. For the twelve months ending December 31, 2017, the Authority is projected to have a debt service coverage ratio of 1.44 and a total requirements coverage ratio of 1.22.

The Authority's total revenue for the two months ended February 28, 2017 was \$255,429,000, which is \$8,053,000, or 3.3%, above projections. Toll revenue was \$222,556,000, which is \$7,571,000, or 3.5%, greater than projections due to less severe weather in the first two months of 2017 than was projected. In addition, projections assumed the Pulaski Skyway would reopen to eastbound traffic by January 1, 2017 and some motorists who have been using the New Jersey Turnpike because of the closure of the skyway and would return to that route. The reopening of the Pulaski Skyway is now scheduled for the fourth quarter of 2017. Traffic and toll revenue increased although Interchanges 6 and 6A on the New Jersey Turnpike had been closed since January 20, 2017 due to the emergency closure of the Delaware River Turnpike Bridge, which connects the New Jersey Turnpike to the Pennsylvania Turnpike. The increase in total revenue was also due in part to higher than anticipated E-ZPass fees and income from investments. Income from investments, which totaled \$2,123,000, was \$298,000 or 16.3% above projections due to higher invested balances and higher yields on investments due to an increase in short term general interest rates.

For the two months ended February 28, 2017, traffic on the New Jersey Turnpike increased 1.4% and toll revenue increased 0.6% as compared to the same period in 2016. The increases in traffic and revenue are due primarily to more favorable weather in 2017, with the absence of any significant winter storms in January 2017 and a mild February with an average temperature of 40.1 degrees, making it one of the warmest February months in New Jersey history. CDM Smith, the Authority's traffic engineer, released a draw down letter in November 2015 updating the short-term projections of its investment grade study released in May 2014. CDM Smith projects 2017 annual traffic to decrease 0.4% and 1.0%, respectively because, as noted above, the 2015 drawn down letter assumed that the Pulaski Skyway would now be open to eastbound traffic. The actual results for the two months ended February 28, 2017 were above CDM Smith's projections of a decrease of 0.4% for traffic and 0.9% for revenue. Through February 2017, the E-ZPass usage rate on the New Jersey Turnpike was 84.1%, an increase from 83.2% for the same period in 2016.

For the two months ended February 28, 2017, toll transactions on the Garden State Parkway increased 1.3% and revenue increased 0.9% when compared to the same period in 2016. As with the New Jersey Turnpike, toll transactions and revenue increased due to less severe winter weather in 2017 as compared to 2016. Toll revenue also increased in 2017 in spite of having one fewer day than the same period in 2016, which was a leap year. CDM Smith's 2017 forecast projected toll transactions and revenue to increase 0.9% and 1.0% respectively for the Garden State Parkway. The actual results for the two months ended February 28, 2017 compare favorably to CDM's projected increase of 0.9% for toll transactions and fell just under the projected increase of 1.0% for revenue. Through February, 2017 the E-ZPass usage rate on the Garden State Parkway was 80.9%, an increase from 79.5% for the same period in 2016.

Operating expenses for the two months ended February 28, 2017 were approximately \$86,503,000, which was 86.2% of the year-to-date budget. The Authority's operating expenses through February were under budget primarily due to lower than expected snow and severe weather costs charged to operating expenses. The Authority spent \$14,078,000 from the operating expense budget for snow and severe weather costs through February 28, 2017. All snow and severe weather costs are charged to the operating expense budget with the exception of declared state of emergency events, which are charged to the General Reserve Fund. Discretionary spending and budgetary guidelines will be closely monitored and adhered to through the remainder of the year in order to control operating expenses.

The Capital Budget consists of Supplemental Capital, Maintenance Reserve, and Special Project Reserve Funds. For the two months ended February 28, 2017, total expenditures were approximately \$5,902,000. Expenditures included \$1,350,000 for the escrow deposit for the purchase of 1 Turnpike Plaza, \$1,280,000 for Bridge Inspections, and \$1,135,000 for Turnpike Bridge Repairs. In addition to the Capital Budget spending, the General Reserve Fund expenses totaled \$42,410,000 and consisted primarily of \$34,000,000 for the State Transportation Projects Funding Agreement 2016-2021, \$3,667,000 for the Transportation Trust Fund, and \$2,917,000 for Other Post-employment Benefits.

Total expenditures in the Construction Fund for the two months ended February 28, 2017 were approximately \$71,532,000. Expenses included \$21,944,000 for the Authority's Phase I Facilities Improvements project, \$9,469,000 for the Turnpike Interchange 14A Reconstruction project, and \$7,653,000 for the Authority's Phase II Facilities Improvement Project. In addition to these expenditures, there are open contracts and commitments totaling approximately \$693,317,000.

<sup>1</sup> These are un-audited results. Amounts and categories of revenue and expenses may change when audited.