

NEW JERSEY TURNPIKE AUTHORITY MEMORANDUM



December 1, 2011

TO: The Members of New Jersey Turnpike Authority

Under the provisions of Section 713 (c) of the Turnpike Revenue Bond Resolution adopted by the Authority on August 20, 1991 as amended and supplemented (the "Resolution"), the Authority, on or before December 1 in each year, shall complete a review of its financial condition for the purpose of estimating whether the Net Revenues (as such term is defined in the Resolution) for such year and for the next succeeding year will be sufficient to comply with subsection (b) of Section 713 of the Resolution and shall by resolution make a determination with respect thereto. A copy of such resolution, certified by an Authorized Officer of the Authority, together with a certificate of such Authorized Officer setting forth a reasonably detailed statement of the actual and estimated receipts and the payments to be made therefrom for such year, shall be filed with the Trustees on or before December 20.

If it fails to meet the requirements of Section 713 (b) of the Resolution, the Authority shall have its Traffic Engineers conduct a study for the purpose of recommending a schedule of tolls which will provide the necessary revenues to meet the requirements.

The undersigned has completed the review of the financial condition of the Authority for the years 2011 and 2012. The Authority is now in a position to make the determination showing that the requirements of Section 713 (b) of the Resolution will be met in the years 2011 and 2012.

As the basis for your review, I have prepared the following schedules relative to the two years under review, 2011 and 2012, which accompany this memorandum.

Schedule A

This schedule contains a Resolution which states that a review has been made of the Authority's financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2011 and 2012, including investment income treated as revenues for each year, will be sufficient to provide all of the payments and meet all other requirements as specified in Section 713 (b) of the Resolution.

Schedules B and C

These schedules set forth calculations relative to 2011's revenue requirements. Specifically, the schedule provides actual revenue through October 31, 2011 and projected revenue for the balance of the year (November-December, 2011).

Schedules D and G

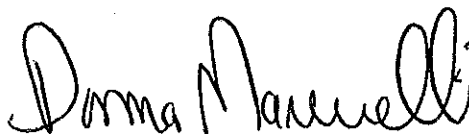
These schedules set forth figures to support the certification under Section 713(c) of the "Resolution" demonstrating that in each calendar year "Net Revenues shall at least equal the Net Revenue Requirement for such year" as required by Section 713(b) of the Resolution. Under Section 101 of said Resolution, Net Revenues are defined as "... for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "an amount equal to the greater of

- (i) The Sum of the Aggregate Debt Service, Maintenance Reserve Payments, Required State 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 (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

Schedules E and F

These schedules set forth calculations relative to 2012's financial projections and estimated revenue provisions.

Based upon a review of the financial condition of the Authority, it is estimated that Net Revenues (as such term is defined in the Resolution) for 2011 and 2012, including the revenue generated from the January 1, 2012 toll increase, will be sufficient to comply with Section 713 (b) of the Resolution.



Donna Manuelli
Chief Financial Officer

CERTIFIED FOR CONSIDERATION:



Veronique Hakim
Executive Director

Schedule A

WHEREAS, the Authority, in accordance with subsection (c) of Section 713 of its Turnpike Revenue Bond Resolution adopted August 20, 1991 as amended and supplemented (the "Resolution"), has completed a review of its financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2011 and 2012, including investment income treated as revenues for such year, will be sufficient to provide all of the payments and meet all other requirements as specified in subsection (b) of Section 713 of said Resolution.

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Turnpike Authority as follows:

1. That it is determined based upon the review of the financial condition of the Authority as described in the recital hereof, the tolls (including the tolls derived from the January 1, 2012 toll increase), revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2011 and 2012, including investment income treated as revenues for such year will be sufficient to comply with subsection (b) of Section 713 of the Resolution.

2. That a copy of this resolution certified by the Chief Financial Officer of the Authority, together with a certificate of said Chief Financial Officer setting forth a reasonably detailed statement of the actual and estimated receipts and payments to be made there from for 2011 and 2012 as shown in schedules which were utilized in said review, shall be filed in its entirety with The Bank of New York and U.S. Bank as Co-Trustees, under the Resolution, all in accordance with said Section 713 of said Resolution.

Schedule B

NEW JERSEY TURNPIKE AUTHORITY

Certificate required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2011

Operating Fund		\$ 475,500,000
Debt Service Requirements (1)		412,901,100
Charges Fund		4,170,000
Maintenance Reserve		68,465,000
Special Project Reserve		<u>34,917,000</u>
Total Requirements		995,953,100
Deduct Revenue:		
Actual Revenue Provision - January - October 2011 Revenue	\$ 943,995,800	
Estimated Revenue Provision November/December 2011 (Estimate per Schedule C)	<u>181,596,300</u>	<u>1,125,592,100</u>
Revenue Less Requirements (2)		<u>\$ 129,639,000</u>

(1) Net Debt Service Requirement is as follows:

1991 C Debt Service Requirement	6,672,250
1991 D Debt Service Requirement	17,760,300
1992 B Debt Service Requirement	5,400,000
2000 A Debt Service Requirement	5,057,300
2000 B-G Debt Service Requirement	14,059,500
2003 A Debt Service Requirement	39,223,600
2003 B Debt Service Requirement	136,961,750
2003 C Debt Service Requirement	20,225,000
2004 C Debt Service Requirement	14,880,099
2005 A Debt Service Requirement	20,893,125
2005 B Debt Service Requirement	1,563,250
2005 C Debt Service Requirement	4,794,000
2005 D Debt Service Requirement	10,603,767
2009 A Debt Service Requirement	2,792,498
2009 B Debt Service Requirement	1,646,240
2009 C Debt Service Requirement	1,440,508
2009 D Debt Service Requirement	1,440,461
2009 E Debt Service Requirement (3)	-
2009 F Debt Service Requirement (4)	35,679,875
2009 G Debt Service Requirement	1,738,500
2009 H Debt Service Requirement	15,193,375
2009 I Debt Service Requirement	8,900,251
2010 A Debt Service Requirement (4)	<u>45,985,450</u>
Total Debt Service	<u>412,901,100</u>

(2) The estimated surplus will be transferred to the Supplemental Capital Fund in the General Reserve Fund.

(3) Series 2009E interest is paid from capitalized interest and not from revenues until 1/1/12.

(4) Series 2009F and Series 2010A were issued as Build America Bonds. A portion of the Series 2009F and the Series 2010A interest is paid from capitalized interest (65%) while the remaining amount (35%) shown above is paid through revenue until 1/1/12. The Authority receives a cash subsidy from the United States Treasury in an amount equal to 35% of the total interest payable on the bonds.

Schedule C

NEW JERSEY TURNPIKE AUTHORITY
 Certificate required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2011

Month	Toll Revenue	Revenue Enhancements (1)	E-ZPass Fees	Build America Bonds Subsidy	Concession Revenue	Income from Investments	Arts Center Revenue	Miscellaneous (2)	Total Revenue
November	\$ 74,071,400	\$ 2,400,000	\$ 2,870,500	\$ 6,805,400	\$ 2,500,000	\$ 1,000,000	\$ 38,400	\$ 785,000	\$ 90,470,700
December	\$ 74,844,200	\$ 2,400,000	\$ 2,870,500	\$ 6,805,500	\$ 2,550,000	\$ 1,032,000	\$ 38,400	\$ 785,000	\$ 91,125,600
	\$ 148,715,600	\$ 4,800,000	\$ 5,741,000	\$ 13,610,900	\$ 5,050,000	\$ 2,032,000	\$ 76,800	\$ 1,570,000	\$ 181,596,300

NOTES: (1) Revenue Enhancements include the elimination of the off-peak discount for non-NJ E-Zpass customers effective July 1, 2011 and an increase in the violation administrative fee to \$50 effective October 17, 2011.

(2) Miscellaneous Revenues include cellular tower rentals, park & ride facilities, rental income, towing fees, surplus property sales, billboard commissions, and easements.

Schedule D

NEW JERSEY TURNPIKE AUTHORITY

Certificate required Under Section 713

Turnpike Revenue Bond Resolution

Fiscal Year Ending December 31, 2011

The following are the appropriate calculations which indicate that the Net Revenue Requirement will be satisfied.

Revenues		\$	1,125,592,100
Operating Expenses			<u>475,500,000</u>
Net Revenues			<u>650,092,100</u>
(i) Debt Service Requirements	412,901,100		
(i) Charges Fund	4,170,000		
(i) Maintenance Reserve	68,465,000		
(i) Special Project Reserve	<u>34,917,000</u>		<u>520,453,100</u>
Excess Revenues		\$	<u>129,639,000</u>
Net Revenues		\$	650,092,100
(ii) "... 1.20 times Aggregate Debt Service"			
1.20 x 412,901,100			<u>495,481,320</u>
Excess Revenues		\$	<u>154,610,780</u>
Debt Service Coverage			<u>1.57</u>

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 Requirements for such year. Under Section 101 of said Resolution, Net Revenues are defined as "...for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." 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, Required State 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 (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

Schedule E

NEW JERSEY TURNPIKE AUTHORITY

Certificate required Under Section 713

Turnpike Revenue Bond Resolution

Fiscal Year Ending December 31, 2012

Operating Fund	\$ 475,500,000
Debt Service Requirements (1)	598,176,200
Charges Fund	4,537,500
Maintenance Reserve	70,519,000
Special Project Reserve	<u>35,965,000</u>
Total Requirements	1,184,697,700
Deduct Revenue:	
Estimated Revenue Provision January/December 2012 (Estimate per Schedule F) (2)	1,563,400,000
Revenue Less requirements (3)	<u>\$ 378,702,300</u>

(1) Net Debt Service Requirement is as follows:

1991 C Debt Service Requirement	6,672,300
1991 D Debt Service Requirement	20,971,200
2000 A Debt Service Requirement	18,290,000
2000 B-G Debt Service Requirement	17,748,000
2003 A Debt Service Requirement	39,223,600
2003 B Debt Service Requirement	136,895,200
2003 C Debt Service Requirement	19,305,500
2004 C Debt Service Requirement	14,880,100
2005 A Debt Service Requirement	20,893,100
2005 B Debt Service Requirement	1,563,300
2005 C Debt Service Requirement	4,794,000
2005 D Debt Service Requirement	10,774,200
2009 A Debt Service Requirement	2,974,800
2009 B Debt Service Requirement	1,647,000
2009 C Debt Service Requirement	1,441,100
2009 D Debt Service Requirement	1,441,100
2009 E Debt Service Requirement	19,500,000
2009 F Debt Service Requirement	101,942,500
2009 G Debt Service Requirement	1,738,500
2009 H Debt Service Requirement	15,193,400
2009 I Debt Service Requirement	8,900,300
2010 A Debt Service Requirement	131,387,000

Total Debt Service

598,176,200

(2) Estimated revenue includes toll revenue derived from the January 1, 2012 toll increase of 53% on the New Jersey Turnpike and 50% on the Garden State Parkway.

(3) The estimated surplus will be transferred to the Supplemental Capital Fund in the General Reserve Fund.

Schedule F

NEW JERSEY TURNPIKE AUTHORITY
 Estimated Revenue Provision
 January 2012 through December 2012

Month	Toll Revenue (1)	Revenue Enhancements (2)	E-ZPass Fees	Build America Bonds Subsidy	Concession Revenue	Income from Investments	Arts Center Revenue	Miscellaneous (3)	Total Revenue
January	\$ 96,470,000	\$ 2,400,000	\$ 3,178,500	\$ 6,805,400	\$ 2,598,000	\$ 1,120,000	\$ 393,500	\$ 736,500	\$ 113,702,900
February	\$ 94,976,000	\$ 2,400,000	\$ 3,063,300	\$ 6,805,400	\$ 2,190,000	\$ 1,133,000	\$ 393,500	\$ 736,500	\$ 111,717,800
March	\$ 111,507,000	\$ 2,400,000	\$ 3,403,100	\$ 6,805,400	\$ 2,111,000	\$ 1,234,000	\$ 393,500	\$ 736,500	\$ 128,980,500
April	\$ 112,559,000	\$ 2,400,000	\$ 3,145,700	\$ 6,805,400	\$ 2,490,000	\$ 1,227,000	\$ 304,700	\$ 736,500	\$ 128,688,300
May	\$ 118,021,000	\$ 2,400,000	\$ 3,251,600	\$ 6,805,400	\$ 2,895,000	\$ 1,240,000	\$ 304,700	\$ 736,500	\$ 135,654,200
June	\$ 120,387,000	\$ 2,500,000	\$ 3,349,700	\$ 6,805,400	\$ 3,224,000	\$ 1,237,000	\$ 304,700	\$ 736,500	\$ 138,544,300
July	\$ 126,683,000	\$ 2,400,000	\$ 3,377,000	\$ 6,805,500	\$ 4,075,000	\$ 1,276,000	\$ 304,700	\$ 736,500	\$ 145,657,700
August	\$ 123,848,000	\$ 2,400,000	\$ 3,570,800	\$ 6,805,400	\$ 3,744,000	\$ 1,291,000	\$ 304,700	\$ 736,500	\$ 142,700,200
September	\$ 116,815,000	\$ 2,400,000	\$ 3,366,200	\$ 6,805,400	\$ 3,575,000	\$ 1,247,000	\$ 304,700	\$ 736,500	\$ 135,249,800
October	\$ 116,218,000	\$ 2,400,000	\$ 3,139,500	\$ 6,805,400	\$ 2,801,000	\$ 1,302,000	\$ 38,400	\$ 736,500	\$ 133,240,800
November	\$ 109,980,000	\$ 2,400,000	\$ 3,025,600	\$ 6,805,400	\$ 2,808,000	\$ 1,268,000	\$ 38,400	\$ 736,500	\$ 126,882,900
December	\$ 104,792,000	\$ 2,500,000	\$ 3,009,200	\$ 6,805,500	\$ 2,588,000	\$ 1,341,000	\$ 38,400	\$ 736,500	\$ 121,810,600
	\$ 1,352,256,000	\$ 29,000,000	\$ 38,900,000	\$ 81,665,000	\$ 34,700,000	\$ 14,917,000	\$ 3,124,000	\$ 8,638,000	\$ 1,563,400,000

NOTES: (1) Toll Revenue includes estimated revenue derived from the January 1, 2012 toll increase of 53% on the New Jersey Turnpike and 50% on the Garden State Parkway.

(2) Revenue Enhancements include the elimination of the off-peak discount for non-NJ E-Zpass customers effective July 1, 2011 and an increase in the violation administrative fee to \$50 effective October 17, 2011.

(3) Miscellaneous Revenues include cellular tower rentals, park & ride facilities, rental income, towing fees, surplus property sales, billboard commissions, and easements.

Schedule G

NEW JERSEY TURNPIKE AUTHORITY
 Certificate required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2012

The following are the appropriate calculations which indicate that the Net Revenue Requirement will be satisfied.

Revenues (1)		\$ 1,563,400,000
Operating Expenses		475,500,000
Net Revenues		<u>1,087,900,000</u>
(I) Debt Service Requirements	598,176,200	
(I) Charges Fund	4,537,500	
(I) Maintenance Reserve	70,519,000	
(i) Special Project Reserve	<u>35,965,000</u>	<u>709,197,700</u>
Excess Revenues		<u>\$ 378,702,300</u>
Net Revenues		\$ 1,087,900,000
(II) "... 1.20 times Aggregate Debt Service"		
1.20 x 598,176,200		<u>717,811,440</u>
Excess Revenues		<u>\$ 370,088,560</u>
Debt Service Coverage		<u>1.82</u>

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 Requirements for such year. Under Section 101 of said Resolution, Net Revenues are defined as "...for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." 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, Required State 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 (excluding, for purposes of clause (II) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

(1) Estimated revenue includes toll revenue derived from the January 1, 2012 toll increase of 53% on the New Jersey Turnpike and 50% on the Garden State Parkway.