

**New Jersey Turnpike Authority
Financial Summary
For the Ten Months Ended October 31, 2016**

ACTUAL REVENUE - January - October	\$ 1,498,251,000
ESTIMATED REVENUE - November - December	285,066,000
<i>Projected Annual Revenue</i>	\$ 1,783,317,000
ESTIMATED ANNUAL OPERATING EXPENSES	519,423,900
<i>Projected Net Revenue</i>	\$ 1,263,893,100
DEBT SERVICE REQUIREMENTS	773,128,000
CHARGES FUND	155,000
SPECIAL PROJECT RESERVE FUND	38,918,000
MAINTENANCE RESERVE FUND	89,370,000

The following un-audited results are for the ten months ended October 31, 2016.¹ 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, 2016, the Authority is projected to have a debt service coverage ratio of 1.63 and a total requirements coverage ratio of 1.40.

The Authority's total revenue for ten months ended October 31, 2016 was \$1,498,251,000, which is \$29,188,000, or 2.0%, above projections. Toll revenue was \$1,313,562,000, which is \$13,226,000, or 1.0%, greater than the current projections due to relatively mild winter and spring weather and continued low gas prices. Revenue increased in spite of the impact of winter storm Jonas which occurred on January 23-24, 2016. Toll revenue loss due to Jonas is estimated to be \$5,521,000. Gas prices averaged \$0.34 /gallon lower in the first ten months of 2016 as compared to the same period in 2015 and AAA reports that summer gas prices were the lowest since 2005. The increase in total revenue was also due in part to higher than anticipated miscellaneous revenue and E-ZPass fees. Miscellaneous revenue, which totaled \$23,136,000, was \$12,306,000, or 113.6% above projections due to the receipt of \$4,250,000 in non-recurring settlements and \$7,000,000 from FEMA related to Winter Storm Jonas. E-ZPass fees, which totaled \$51,764,000, was \$3,582,000, or 7.4% above projections primarily due to increased violation collections from enhanced collection efforts.

For the ten months ended October 31, 2016, traffic on the New Jersey Turnpike increased 3.8% and toll revenue increased 3.7% as compared to the same period in 2015. The increases in traffic and revenue are due to mild winter and spring weather, lower gas prices and an extra leap year day in 2016. Traffic and revenue were negatively impacted by winter storm Jonas which occurred on January 23-24, 2016. The storm resulted in 925,000 fewer transactions and \$3,977,000 less revenue when compared to similar days in January. When adjusting for the impacts of this storm, traffic and revenue would have increased 4.1% and 4.0% respectively. CDM Smith, the Authority's traffic engineer, released a draw down letter in October 2015 updating the short-term projections of its investment grade study released in May 2014. CDM Smith projected 2016 annual traffic and revenue growth on the Turnpike of 2.4% and 2.7%, respectively. Both the ten month actual and adjusted results compare favorably to CDM Smith's projected increase for the ten months of 2016 of 2.9% for traffic and 3.0% for toll revenue. Through October 2016, the E-ZPass usage rate on the New Jersey Turnpike was 82.5%, an increase from 81.6% for the same period in 2015.

For the ten months ended October 31, 2016, toll transactions on the Garden State Parkway increased 3.1% and revenue increased 2.6% when compared to the same period in 2015. Toll transactions and revenue increased due to less severe winter weather, a warm, dry spring, consistently lower gas prices and the extra leap year day in 2016. As with the New Jersey Turnpike, toll transactions and revenue were negatively impacted by winter storm Jonas, resulting in 1,420,000 fewer toll transactions and \$1,544,000 less revenue. When adjusting for this storm, Parkway traffic and revenue would have increased 3.3% and 2.9% respectively. CDM Smith's 2016 forecast projected toll transactions to remain flat from 2015 and for revenue to increase 0.5% on the Garden State Parkway. Both actual and adjusted results for the ten months ended October 31, 2016 were well above the projected increases for the period of 0.4% for toll transactions and 0.6% toll revenue. Through October, 2016 the E-ZPass usage rate on the Garden State Parkway was 79.5%, an increase from 78.7% for the same period in 2015.

Operating expenses for the ten months ended October 31, 2016 were approximately \$398,704,000, which was 94.4% of the year-to-date budget. The Authority's operating expenses through October were under budget primarily due to lower than expected snow and severe weather costs charged to operating expenses. The Authority spent \$23,096,000 for snow and severe weather costs through October 31, 2016, with \$12,346,000 spent from the operating expense budget and an additional \$10,750,000 spent from the General Reserve Fund. 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. Operating expenses were also under budget due to lower than expected fuel and utility costs, as gas prices remained low and winter temperatures were above average which reduced heating costs. Discretionary spending and budgetary guidelines will be closely monitored and adhered to throughout 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 ten months ended October 31, 2016, total expenditures were approximately \$90,249,000. Expenditures included \$18,019,000 for Turnpike Bridge Repairs, \$14,146,000 for Turnpike Resurfacing and \$13,678,000 for Parkway Bridge Repairs. There are current commitments in the Capital Budget of \$47,684,000. In addition to the Capital Budget, the General Reserve Fund expenses totaled \$278,905,000 and consisted primarily of \$162,000,000 for the State Transportation Projects Funding Agreement 2011-2016, \$51,000,000 for the State Transportation Projects Funding Agreement 2016-2021 and \$16,500,000 for Transportation Trust Fund.

Total expenditures in the Construction Fund for the ten months ended October 31, 2016 were approximately \$535,496,000. Expenses included \$157,580,000 for the Authority's Phase I Facilities Improvements project, \$67,096,000 for the Turnpike Interchange 14A Reconstruction project, and \$60,905,000 for the Authority's Phase II Facilities Improvement Project. In addition to these expenditures, there are open contracts and commitments totaling approximately \$863,528,000.

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