

**New Jersey Turnpike Authority  
Financial Summary  
For the Seven Months Ended July 31, 2017**

<b>ACTUAL REVENUE - January - July</b>	\$	1,027,539,000
<b>ESTIMATED REVENUE - August - December</b>		740,706,000
<i><b>Projected Annual Revenue</b></i>	\$	1,768,245,000
 <b>ESTIMATED ANNUAL OPERATING EXPENSES</b>	 \$	 528,762,000
<i><b>Projected Net Revenue</b></i>	<i><b>\$</b></i>	<i><b>1,239,483,000</b></i>
 <b>DEBT SERVICE REQUIREMENTS</b>		 829,582,000
<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 seven months ended July 31, 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 1.49 and a total requirements coverage ratio of 1.26.

The Authority's total revenue for the seven months ended July 31, 2017 was \$1,027,539,000, which is \$14,042,000, or 1.4%, above projections. Toll revenue was \$903,866,000, which is \$7,759,000, or 0.9%, greater than projections due to favorable weather, economic conditions, and gas prices. Traffic and revenue increased despite the effects from winter storm Stella, a state of emergency event which occurred on March 14-15, 2017, and the closure of the Delaware River Turnpike Bridge from January 20, 2017 to March 9, 2017. The increase in total revenue was also due in part to higher than anticipated miscellaneous revenue and income from investments. Miscellaneous revenue, which totaled \$10,478,000, was \$2,897,000, or 38.2% above projections due to the receipt of \$2,925,000 for a non-recurring settlement. Income from investments, which totaled \$8,743,000, was \$1,965,000 or 29.0% above projections due to higher invested balances and higher yields on investments due to an increase in short term interest rates. All other revenues were at or above budgeted levels.

For the seven months ended July 31, 2017, traffic on the New Jersey Turnpike increased 1.9% and toll revenue increased 0.5% as compared to the same period in 2016. The increases in traffic and revenue are due to generally milder winter weather in 2017 compared to the same period in 2016, favorable economic conditions, and stable gas prices. Toll transactions and revenue increased despite the closure of Interchanges 6 and 6A on the New Jersey Turnpike from January 20, 2017 to March 9, 2017 due to the emergency closure of the Delaware River Turnpike Bridge, which connects the New Jersey Turnpike to the Pennsylvania Turnpike. This closure resulted in a revenue loss of \$8.0 million. Traffic and revenue were also negatively impacted by winter storm Stella. The storm resulted in 742,000 fewer transactions and \$2,878,000 less revenue when compared to similar days in March. When adjusting for the impacts of this storm, traffic and revenue would have increased 2.4% and 1.0%, respectively. CDM Smith, the Authority's traffic engineer, released a draw down letter dated March 8, 2017 updating the short-term projections of its investment grade study released in May 2014. CDM Smith projects 2017 annual traffic to increase 0.3% and revenue to decrease 0.6%. The actual and adjusted results for the seven months ended July 31, 2017 were above CDM Smith's projections of an increase of 0.6% for traffic and a decrease of 0.6% for revenue. Through July 2017, the *E-ZPass* usage rate on the New Jersey Turnpike was 83.8%, an increase from 82.4% for the same period in 2016.

For the seven months ended July 31, 2017, toll transactions on the Garden State Parkway increased 0.6% and revenue increased 0.4% when compared to the same period in 2016. Toll transactions and revenue increased despite the absence of the leap day in 2017 and the impact of winter storm Stella. The storm resulted in 1,128,000 fewer transactions and \$1,216,000 less revenue when compared to similar days in March. When adjusting for the impacts of this storm, Parkway traffic and revenue would have increased 1.1% and 0.8%, respectively. CDM Smith's 2017 forecast projected toll transactions and revenue to increase 0.4% and 0.5% respectively for the Garden State Parkway. The actual and adjusted results for the seven months ended July 31, 2017 compare favorably to CDM's projected increases of 0.2% for toll transactions and 0.3% for revenue. Through July 2017, the *E-ZPass* usage rate on the Garden State Parkway was 80.9%, an increase from 79.4% for the same period in 2016.

Operating expenses for the seven months ended July 31, 2017 were approximately \$271,469,000, which was 89.8% of the year-to-date budget. The Authority's operating expenses through July were under budget primarily due to lower than expected snow and severe weather costs charged to operating expenses. The Authority spent \$25,033,000 for snow and severe weather costs through July 31, 2017, with \$17,488,000 spent from the operating expense budget and an additional \$7,545,000 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. 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 seven months ended July 31, 2017, total expenditures were approximately \$72,762,000. Expenditures included \$9,441,000 for Turnpike Bridge Repairs, \$9,082,000 for Turnpike Resurfacing, and \$8,255,000 for Parkway Bridge Repairs. In addition to the Capital Budget spending, the General Reserve Fund expenses totaled \$155,771,000 and consisted primarily of \$119,000,000 for the State Transportation Projects Funding Agreement 2016-2021, \$12,833,000 for the Transportation Trust Fund, and \$10,208,000 for Other Post-employment benefits.

Total expenditures in the Construction Fund for the seven months ended July 31, 2017 were approximately \$234,074,000. Expenses included \$73,690,000 for the Authority's Phase I Facilities Improvements project, \$27,762,000 for the Turnpike Interchange 14A Reconstruction project, and \$26,211,000 for the Widening of GSP Interchange 35-63. In addition to these expenditures, there are open contracts and commitments totaling approximately \$625,723,000.

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