

NEW JERSEY TURNPIKE AUTHORITY



Quarterly Financial Analysis and
Unaudited Financial Statements as of
June 30, 2017 and 2016



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Highlights

- The Authority's net position increased by \$120,672, or 13.1%, from \$918,309 as of December 31, 2016, to \$1,038,981 as of June 30, 2017. The increase in net position can be attributed to the Authority's lower operating and non-operating expenses in Q2 2017.
- Operating revenue in Q2 2017 is \$443,011, which is \$8,281, or 1.9%, more than Q2 2016 primarily because of higher traffic on both the roadways due to the favorable weather, improving economic conditions and stable gas prices in Q2 2017.
- As compared with Q2 2016, revenue on the Turnpike increased by 2.5%, and traffic increased by 3.5% in Q2 2017. On the Parkway, revenue increased by 1.3%, while traffic increased by 1.4% in Q2 2017, as compared to Q2 2016.
- The Series 2017A Turnpike Revenue Bonds were issued on April 11, 2017. The purpose of the issuance of the Series 2017A Turnpike Revenue Bonds is to continue to fund projects under the \$7 Billion Capital Improvement Program, make a deposit to the Debt Reserve Fund and, pay the cost of issuance of the Series 2017A Turnpike Revenue Bonds.
- The Authority issued its audited financial statements and Comprehensive Annual Financial Report (CAFR) for the years ended December 31, 2016 and 2015 on May 23, 2017. The audited financial statements and CAFR are available on the Authority's website.
- For the third successive year, the Authority was a recipient of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the submission of its 2017 Annual Budget. The GFOA established the Distinguished Budget Presentation Awards Program in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality.
- The American Society of Civil Engineers has selected the Authority's Garden State Parkway Shoulder Restoration and Improvement Program MP 83 to 100, as the Project of the Year. This award is presented to an exceptional civil engineering and design project constructed in New Jersey.



Condensed Summary of Net Position

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Assets:		
Current assets	\$ 1,734,447	1,743,233
Other noncurrent assets	840,891	468,291
Capital assets, net of accumulated depreciation	<u>11,659,318</u>	<u>11,455,725</u>
Total assets	<u>14,234,656</u>	<u>13,667,249</u>
Deferred outflows:		
Deferred amount on refunding	120,220	132,231
Deferred amount relating to pension	<u>156,575</u>	<u>156,574</u>
Total deferred outflows	<u>\$ 276,795</u>	<u>288,805</u>
Liabilities:		
Current liabilities	\$ 930,667	938,644
Noncurrent liabilities	<u>12,528,258</u>	<u>12,084,993</u>
Total liabilities	<u>13,458,925</u>	<u>13,023,637</u>
Deferred inflows:		
Accumulated increase in fair value of hedging derivatives	1,472	2,035
Deferred amount relating to pension	<u>12,073</u>	<u>12,073</u>
Total deferred inflows	<u>\$ 13,545</u>	<u>14,108</u>
Net investment in capital assets	\$ 1,299,287	1,064,121
Restricted under trust agreements	133,315	221,811
Unrestricted	<u>(393,621)</u>	<u>(367,623)</u>
Total net position	<u>\$ 1,038,981</u>	<u>918,309</u>

Discussion of Condensed Summary of Net Position as of June 30, 2017

The Authority's total net position is reported at \$1,038,981 and \$918,309 as of June 30, 2017, and December 31, 2016 respectively. This represents an increase of \$120,672, or 13.1%, compared to December 31, 2016. The major factor causing this increase was lower operating and non-operating expenses for the six months ended June 30, 2017. Other noncurrent assets increased by \$372,600, or 79.5%, as compared to December 31, 2016 primarily due to an increase in restricted investments from the proceeds of the Series 2017A Turnpike Revenue Bonds. Capital assets increased by \$203,593, or 1.8%, as compared to December 31, 2016 as a result of spending on the ongoing \$7 Billion Capital Improvement Program (CIP). Noncurrent liabilities increased by \$443,265, or 3.7%, mainly due to the issuance of Series 2017A Turnpike Revenue Bonds in April 2017.

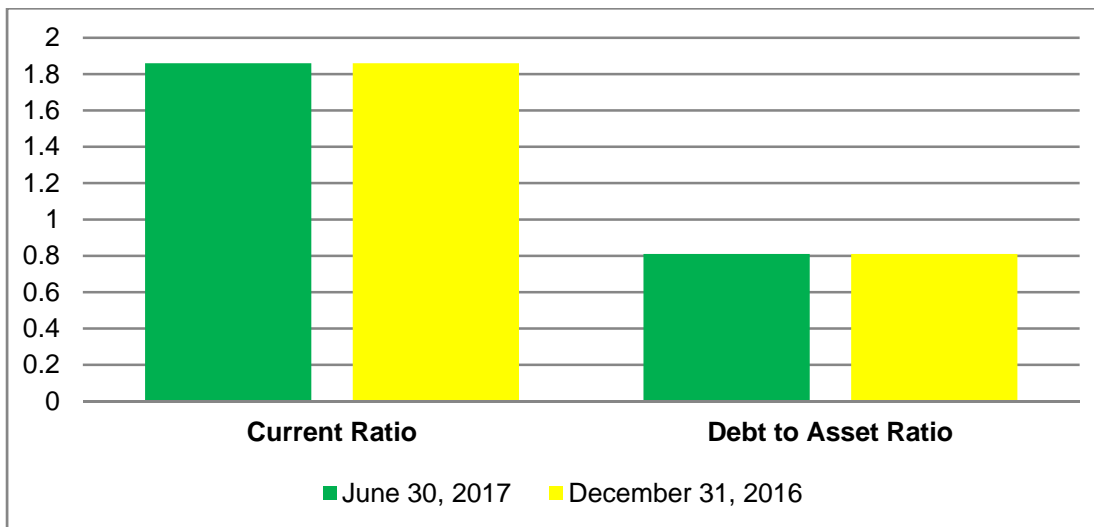
Adjusted net position

	Jun 30, 2017	Dec 31, 2016
Net position as per GAAP Financials	\$ 1,038,981	918,309
Unfunded non cash adjustment:		
Other postemployment benefit liability	379,612	358,720
Interest rate swaps liabilities	27,299	29,190
Net pension liability	561,453	561,453
Accounts payable and accrued expenses	24,752	24,753
Other long-term obligations	71,819	71,820
Hybrid instrument borrowing	67,756	89,302
Accumulated increase in fair value of hedging	1,472	2,035
Deferred inflow amount relating to pensions	12,073	12,073
Deferred amount on refunding	(77,439)	(87,002)
Deferred amount relating to pensions	(156,575)	(156,574)
Restricted investments	79,591	79,937
Capital assets, net of accumulated depreciation	(15,719)	(15,719)
Total non cash adjustments	\$ 976,094	969,988
Garden State Arts Foundation	(1,054)	(798)
Net Position as per Bond Resolution	\$ 2,014,021	1,887,499

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

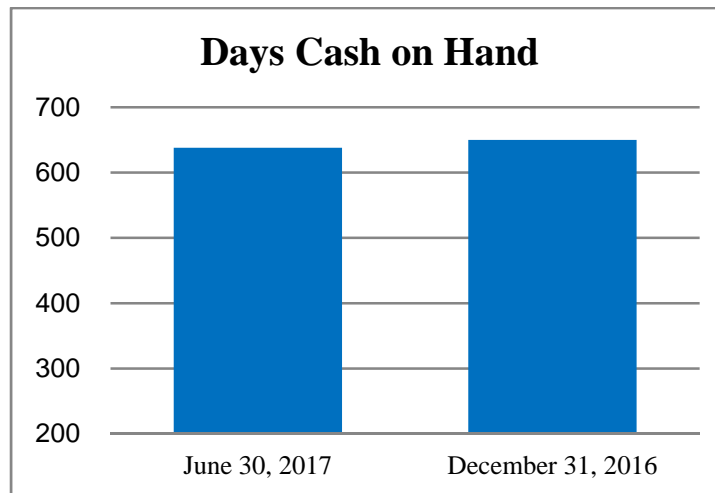
Ratio	Jun 30, 2016	Dec 31, 2016	Explanation
<i>Current Ratio</i>	1.86	1.86	The current ratio is calculated as the Authority's current assets divided by current liabilities. A strong current ratio is over 1.0, and indicates an organization's ability to meet their short term obligations. The Authority's ratio has remained consistent over the period. The Authority has nearly two times the amount of current assets as compared with current liabilities as of June 30, 2017 and December 31, 2016.
<i>Debt to Asset Ratio</i>	0.81	0.81	The debt to assets ratio is calculated by dividing total debt by total assets. The debt to asset ratio remained 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 slightly decreased for the period ended June 30, 2017 as compared to the period ended December 31, 2016 due to a marginal decrease in unrestricted cash and investments as of June 30, 2017 as compared to December 31, 2016. Based on this calculation as of June 30, 2017, the Authority could go 638 days without generating any revenue and still pay its operating expenses.

	<u>Jun 30, 2017</u>	<u>Dec 31, 2016</u>
Unrestricted Cash & Investments	\$ 815,374	876,311
Daily Operating Expenses (Revenue Fund)	\$ 1,278	1,348
Days Cash on Hand	638	650



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 bridge rehabilitation/repairs project on the Newark Bay Hudson County Extension. This work cannot be started until the New Jersey State Department of Transportation (NJDOT) completes the Pulaski Skyway project. At this time, NJDOT expects the Pulaski Skyway project to be completed in 2018. At the ninth year into the program, the Authority has spent or committed 94%, or \$6,556,163 of its original \$7,000,000 budget with minimal impact to traffic.
- 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, 2017 were approximately \$209,106. Expenses included approximately \$68,600 for the Authority Phase I Facilities Improvements Program, approximately \$26,400 for the Turnpike Interchange 14A Reconstruction Project, approximately \$24,200 for the Parkway widening Phase 3 (milepost 35 to 48), and approximately \$16,400 for the Authority Phase II Facilities Improvements Program. In addition to these expenditures, there are committed expenses totaling approximately \$659,200.
- As a part of the \$7 Billion CIP the Authority has taken great measures to increase mobility and reduce commuting times on both the Parkway and Turnpike. One of the main projects that was successfully completed and open to the public in late 2014 was the widening between Interchanges 6 and 9 on the Turnpike. Phase 1 of the Parkway widening (mileposts 63 to 80) was completed in 2011, with Phase 2 of the Parkway widening (mileposts 48 to 63) completed in 2015. Work on Phase 3 of the Parkway widening (mileposts 41 to 48) was completed in 2016, with the remainder of the work (milepost 35 to 48) to be continued through 2017. The Authority has also undertaken additional projects beyond the Turnpike and the Parkway widenings to improve the safety and mobility of traffic on both roadways such as Bridge and Interchange Improvements. Since the program began, the Authority has expanded and rejuvenated major bridges on both the roadways and more than a dozen interchanges have been re-built, expanded or improved to provide better access to and from both roadways.



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)	\$ 2,231,399	2,143,231	96%
Bridge Improvements	1,682,762	1,465,560	87%
Roadway Improvements	816,783	796,900	98%
Interchange Improvements	1,026,431	941,123	92%
Facilities Improvements	652,625	641,440	98%
Parkway Widening (Milepost 35-80)	590,000	567,909	96%
	\$ 7,000,000	6,556,163	94%

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. Program closeout is in progress. At this time, only three contracts remain open.

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 \$1,682,700 for bridge improvements. In 2017, the work will include Delaware River Bridge and Newark Bay Hudson County Extension Bridge on the Turnpike, and Great Egg Harbor Bridge and Drag Channel Bridge on the Parkway.



Roadway Improvements: Roadway improvements totaling approximately \$816,700 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. In 2017, the Authority continues to work on guide sign replacements on the Turnpike and culvert rehabilitation on the Parkway.

Interchange Improvements: The \$7 Billion CIP also includes approximately \$1,026,400 for Interchange Improvements on both roadways. The major projects on which design or construction will continue in 2017 are Interchange 14A on the Turnpike, which is scheduled to be completed in 2018, and Interchanges 36, 37, 28, 91, 105, 125, and 163 on the Parkway.

Facilities Improvements: The \$7 Billion CIP includes approximately \$652,600 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 16 maintenance districts, improvements at all Turnpike toll plaza buildings and construction of salt storage facilities on both roadways. The Facilities Improvement Program will be completed in 2019. To date, three maintenance district facilities, three State Police Stations, a Central Services facility, six salt sheds, and all Turnpike Toll repairs have been completed. Six additional maintenance districts are scheduled for completion in 2017.

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:

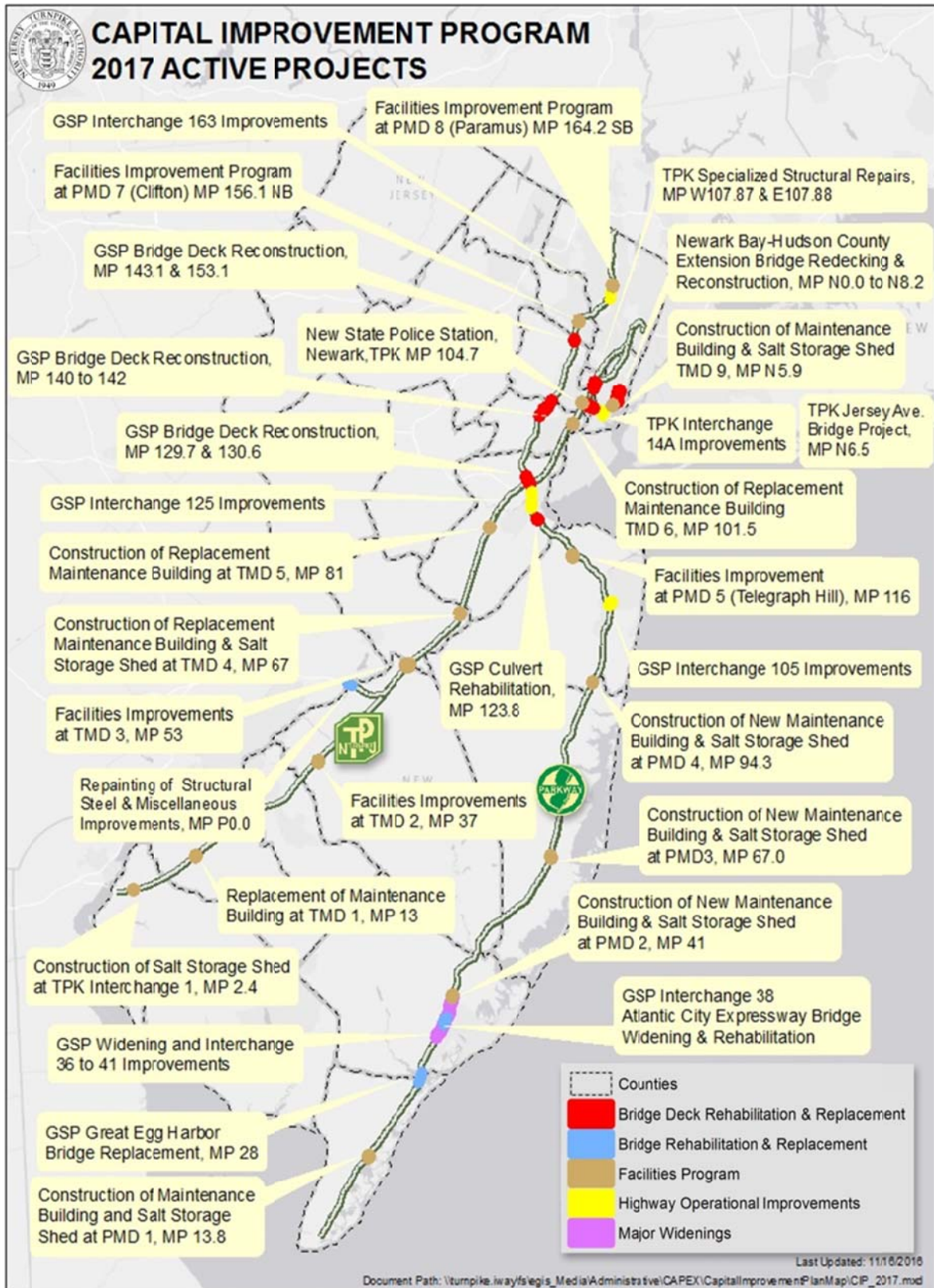
Phase I – Mileposts 63 to 80 – Construction completed and open to motorists in 2011.

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

Phase III – Mileposts 35 to 48 –The widening between Mileposts 48 and 41 was completed in late 2016 and between Mileposts 41 and 35 in the spring of 2018.



Total budgeted costs for the Parkway 35-80 Widening Program are approximately \$690,000; 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. The third lane between milepost 42 and 48 was opened in June 2016.



Capital Assets

	<u>Jun 30, 2017</u>	<u>Dec 31, 2016</u>
Land	\$ 832,121	830,612
Construction-in-progress	1,573,177	1,258,316
Roadways	4,120,293	4,181,281
Bridges	3,758,358	3,808,491
Buildings	518,503	495,102
Equipment	856,866	881,923
Total capital assets, net of accumulated depreciation	\$ 11,659,318	11,455,725

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

- The Authority's capital assets as of June 30, 2017 were \$15,276,063 with an accumulated depreciation of \$3,616,745 for net books value of \$11,659,318. This represents 81.9% of the Authority's total assets.
- Capital assets, net of accumulated depreciation, are reported at \$11,659,318 and \$11,455,725 as of June 30, 2017 and December 31, 2016, respectively, representing an increase of \$203,593 compared to December 31, 2016. 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 widening Phase 3 (milepost 35 to 48).



Condensed Summary of Revenue, Expenses and Changes in Net Position

For the quarters and six months ended June 30, 2017 and 2016

	Q2 2017	Q2 2016	YTD June 30, 2017	YTD June 30, 2016
Operating revenues:				
Toll revenue	\$ 413,365	404,463	758,703	754,210
E-Zpass fees	15,409	15,152	29,906	29,323
Concession revenue	10,500	8,750	18,210	17,151
Miscellaneous revenue	3,737	6,365	6,865	11,755
Total operating revenues	443,011	434,730	813,684	812,439
Operating expenses, excluding depreciation	129,597	138,114	277,455	285,904
Net operating revenue	313,414	296,616	536,229	526,535
Depreciation expense	75,778	75,280	151,463	150,560
Operating income	237,636	221,336	384,766	375,975
Nonoperating revenues (expenses):				
Build America Bonds subsidy	19,007	19,028	38,015	38,056
Federal and State reimbursements	204	-	204	2,772
Payments to State of New Jersey	(58,500)	(88,500)	(117,000)	(177,000)
Interest expense, Turnpike Revenue Bonds	(111,119)	(84,579)	(197,138)	(150,804)
Other bond expenses	(1,738)	(121)	(1,779)	(899)
Sale of capital assets	-	(139)	-	(164)
Investment (loss) income	(182)	(19,119)	1,771	(22,376)
Arts Center	997	983	2,289	2,531
Total nonoperating revenues (expenses), net	(151,331)	(172,447)	(273,638)	(307,884)
Change in net position	86,305	48,889	111,128	68,091
Capital Contributions	9,544	-	9,544	-
Net position – Beginning of period	943,132	677,492	918,309	658,290
Net position – End of period	\$ 1,038,981	726,381	1,038,981	726,381

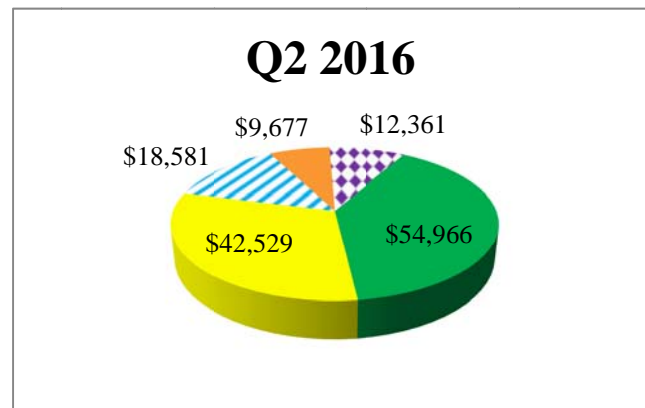
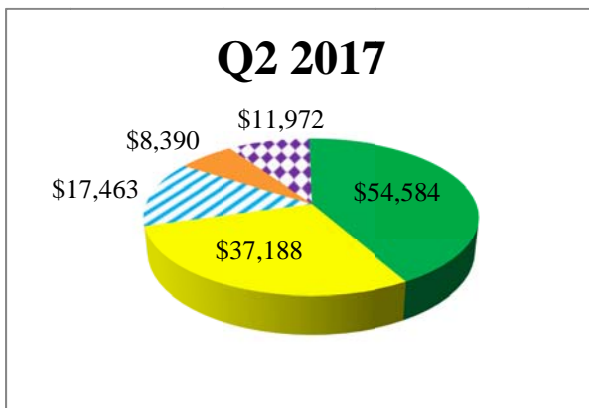
Discussion of Condensed Summary of Revenue, Expenses and Changes in Net Position for the quarters ended June 30, 2017 and 2016

- Net position increased by \$95,849 for the quarter ended June 30, 2017 as compared to an increase of \$48,889 for the quarter ended June 30, 2016. Q2 2017 resulted in a comparatively higher change in net position due to higher operating revenue, lower operating expenses and significantly lower non-operating expenses.
- Operating revenues totaled \$443,011 for the quarter ended June 30, 2017, representing a increase of \$8,281, or 1.9% from \$434,730 for quarter ended June 30, 2016. The primary reason for this increase is higher toll revenue from both the roadways due to the favorable weather, stable gas prices and improving economic conditions in Q2, 2017 as compared to Q2, 2016.
- E-Z Pass fees totaled \$15,409 for the quarter ended June 30, 2017, representing an increase of \$257, or 1.7% from \$15,152 for the quarter ended June 30, 2016 due to more administrative fees collected from the violators. This offsets the decrease in the monthly membership fees and lost and damaged tag fees in Q2 2017.
- Concession revenue increased by \$1,750 to \$10,500 in Q2 2017 from \$8,750 in Q2 2016 due to an increase in the payments based on the gross profit margin on diesel fuel sales at

the service areas on the Turnpike. The food and convenience store sales also increased on both the roadways in Q2 2017 as compared to Q2 2016, leading to an overall increase in the concession revenue in Q2 2017.

- Miscellaneous revenue decreased by \$2,628 to \$3,737 in Q2 2017 from \$6,365 in Q2 2016. Miscellaneous revenue was higher in Q2 2016 due to one-time insurance settlements received.

Operating Expense Breakdown (not including depreciation)



Legend

■ Maintenance of roadway, buildings and equipment	■ Toll collection
▨ State police and traffic control	■ Technology
▨ General administrative costs	

- Operating expenses, excluding depreciation, totaled \$129,597 for the quarter ended June 30, 2017, representing a decrease of \$8,517 from \$138,114 for the quarter ended June 30, 2016. The primary reason for this decrease is a reduction in Toll Collection expense in 2017 due to implementation of a new NJ E-Z Pass contract with better pricing for processing electronic toll transactions.
- Maintenance expense decreased in Q2 2017 by \$382 to \$54,584 from \$54,966 in Q2 2016. The higher bridge inspection expenses and salaries for maintaining the increased lane miles are offset by lower costs for roadway lighting repairs and facility and building improvements in Q2 2017 as compared to Q2 2016. This resulted in an overall reduction in Maintenance expenses in Q2 2017.
- Toll collection expense decreased by \$5,341 to \$37,188 in Q2 2017 from \$42,529 in Q2 2016 primarily due to a decrease in the lane maintenance costs, and NJ E-Z Pass service center expenses. Lane maintenance is now performed by the in-house staff at a savings compared to the prior outsourced contract costs. NJ E-Z Pass Service Center fees for

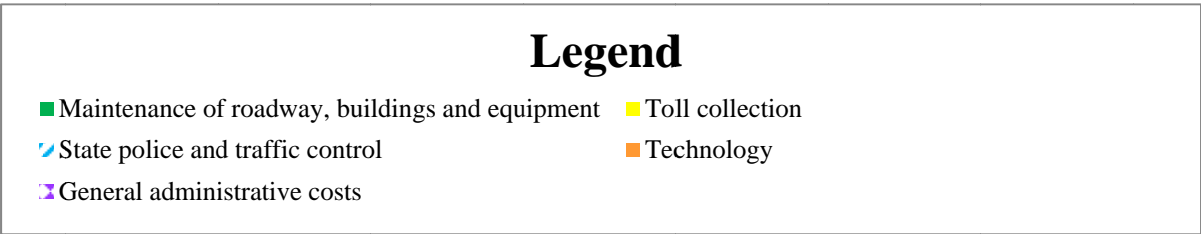
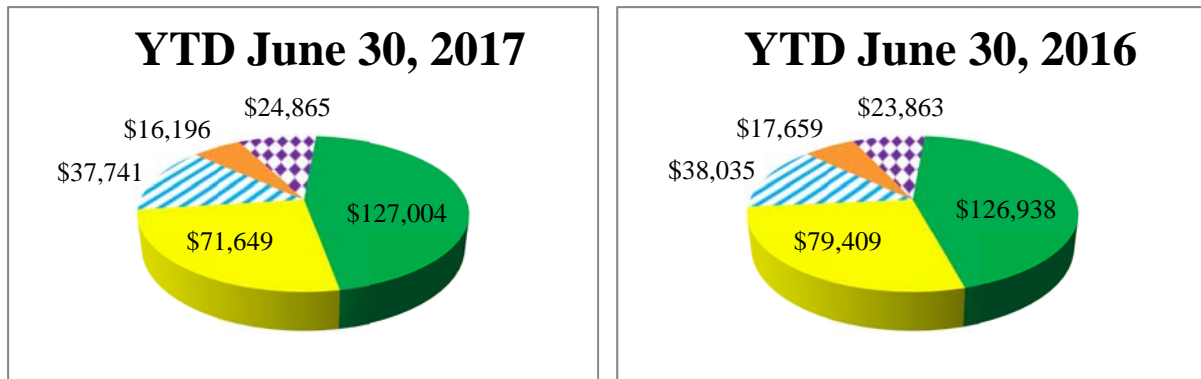
processing tolls and collecting violations are lower under the New NJ E-Z Pass contract effective February 1, 2017.

- Technology expense decreased by \$1,287 to \$8,390 in Q2 2017 from \$9,667 in Q2 2016 as the Authority is undertaking fewer technology improvement projects in Q2 2017 as compared to Q2 2016.
- Net non-operating expenses decreased by \$21,116 to \$151,331 in Q2 2017 as compared to \$172,447 in Q2 2016 essentially because of lower payments made to the State of New Jersey as per the new State Transportation Project Funding Agreement entered into in June 2016 and a reduction in Investment Loss in Q2 2017 as compared Q2 2016.
- Interest expense increased in Q2 2017 by \$26,540 as compared to Q2 2016. The primary reasons for this increase are lower capitalization of interest expense to projects in Q2 2017 and higher interest expense due to the issuance of Series 2017A Turnpike Revenue Bonds in April 2017.
- Investment income has increased by \$18,937 in Q2 2017 from the investment loss of \$19,119 in Q2 2016 to an investment loss of \$182. Higher investment income is due to a decrease in the negative fair market value adjustments on the interest rate swaps, as well as greater interest income earned on investments in Q2 2017 due to increase in the interest rates earned on investments.

Discussion of Condensed Summary of Revenue, Expenses and Changes in Net Position for the six months ended June 30, 2017 and 2016

- Net position increased by \$120,672 as of June 30, 2017 as compared to an increase of \$68,091 as of June 30, 2016. The increase in net position is due to higher operating revenue and lower operating and non-operating expenses for the six months ended June 30, 2017 as compared to the six months ended on June 30, 2016.
- Operating revenues totaled \$813,684 for the six months ended June 30, 2017, representing a slight increase of \$1,245 from \$812,439 for the six months ended June 30, 2016. The principal source of this increase is higher toll revenue and concession revenue in 2017. The increases in toll revenue on both the roadways are due to a favorable weather, stable gas prices and improving economic conditions as compared to 2016. The increase was achieved despite the emergency closure of the Delaware River Turnpike Bridge in early 2017, and the absence of the leap year day in 2017. Concession revenue increased due to an increase in food and fuel sales.

- Operating expenses, excluding depreciation, totaled \$277,455 for the six months ended June 30, 2017, representing a decrease of \$8,449 or 2.96 % from \$285,904 for the six months ended June 30, 2016. The primary reason for lower operating expenses is a decrease in toll collection and technology expenses by \$7,760 and \$1,463 respectively for the six months ended June 30, 2017 as compared to the six months ended June 30, 2016. The decrease in toll collection expenses is due to lower credit card fees, lane maintenance cost and lower NJ E-Z Pass service center costs as per the new contract starting from February 2017. Technology costs went down in 2017 as the Authority has undertaken fewer technology improvement projects as compared to the same period of 2016.



- Non-operating expenses are lower by \$34,246 for the six months ended on June 30, 2017 with a total of \$273,638 as compared to \$307,884 for the six months ended on June 30, 2016. The primary reason for the substantial decrease is lower contractual payments to the State of New Jersey and lower investment loss. As of June 30, 2017, investment loss due to negative fair market value adjustment is \$5,736 whereas on June 30, 2016 it was \$28,321. Interest expense for the six months ended on June 30, 2017 is \$197,138 which is \$46,334 higher than the interest expense of \$150,804 for the same period of 2016. The increase in the interest expense is due to lower capitalization of interest expense to projects and higher interest expense due to the issuance of Series 2017A Turnpike Revenue Bonds in April 2017 to finance the \$7 Billion Capital Improvement Program.

Adjusted Revenue, Expenses and Changes in Net Position

	<u>Q2 2017</u>	<u>Q2 2016</u>	<u>YTD June 30, 2017</u>	<u>YTD June 30, 2016</u>
Change in Net Position as per GAAP Financials	\$ 95,849	48,889	120,672	68,091
Unfunded non cash adjustments:				
Total operating expenses - GAAP adjustments	10,367	12,683	20,891	22,321
Interest expense, Turnpike Revenue Bonds	(29,980)	(53,850)	(79,583)	(126,320)
Investment income (loss)	5,756	22,970	7,411	29,840
Interfund transfers	28,934	52,763	57,387	105,585
Total Non Cash Adjustment	<u>\$ 15,077</u>	<u>34,566</u>	<u>6,106</u>	<u>31,426</u>
Garden State Arts Foundation	<u>(264)</u>	<u>124</u>	<u>(256)</u>	<u>(256)</u>
Change in net position as per Bond Resolution	<u>\$ 110,662</u>	<u>83,579</u>	<u>126,522</u>	<u>99,261</u>
Add other Non cash expenses				
Depreciation	75,778	75,280	151,463	150,560
Amortization	<u>(11,326)</u>	<u>(9,981)</u>	<u>(21,188)</u>	<u>(19,859)</u>
Change in Net Position - Non GAAP	<u>\$ 175,114</u>	<u>148,878</u>	<u>256,797</u>	<u>229,962</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.

Toll Revenue Schedules

**New Jersey Turnpike
Schedule of Toll Revenue
Quarters ended June 30, 2017 and 2016
(all amounts in thousands)**

Class	Description	Q2 2017		Q2 2016	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 209,063	59,419	203,995	57,466
2	Vehicles having two axles other than type described under Class 1	16,758	2,237	16,279	2,162
3	Vehicle (vehicles), single or in combination, having three axles	7,586	921	7,274	883
4	Vehicle (vehicles), single or in combination, having four axles	9,188	734	8,638	684
5	Vehicle (vehicles), single or in combination, having five axles	60,969	3,957	58,694	3,800
6	Vehicle (vehicles), single or in combination, having six or more axles	1,976	105	1,682	88
7	Buses having two axles	646	120	628	117
8	Buses having three axles	3,825	349	3,672	334
	Nonrevenue vehicles	—	393	—	406
		310,011	68,235	300,862	65,940
	Nonrevenue vehicles	—	(393)	—	(406)
	Toll Adjustments and Discounts	(1,880)	—	(1,533)	—
	Net Violations	(6,313)	—	(4,933)	—
		<u>\$ 301,818</u>	<u>67,842</u>	<u>294,396</u>	<u>65,534</u>

**New Jersey Turnpike
Schedule of Toll Revenue
For the Six Months Ended June 30, 2017 and 2016
(all amounts in thousands)**

Class	Description	YTD June 30, 2017		YTD June 30, 2016	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 378,287	109,748	375,901	107,845
2	Vehicles having two axles other than type described under Class 1	31,199	4,215	30,817	4,136
3	Vehicle (vehicles), single or in combination, having three axles	14,188	1,737	13,823	1,693
4	Vehicle (vehicles), single or in combination, having four axles	17,189	1,380	16,556	1,320
5	Vehicle (vehicles), single or in combination, having five axles	115,422	7,536	113,470	7,387
6	Vehicle (vehicles), single or in combination, having six or more axles	3,586	192	3,186	167
7	Buses having two axles	1,136	218	1,090	210
8	Buses having three axles	6,771	623	6,670	613
	Nonrevenue vehicles	—	778	—	791
		567,778	126,427	561,513	124,162
	Nonrevenue vehicles	—	(778)	—	(791)
	Toll Adjustments and Discounts	(3,344)	—	(2,809)	—
	Net Violations	(11,044)	—	(8,973)	—
		<u>\$ 553,390</u>	<u>125,649</u>	<u>549,731</u>	<u>123,371</u>

**Garden State Parkway
Schedule of Toll Revenue
Quarters ended June 30, 2017 and 2016**
(all amounts in thousands)

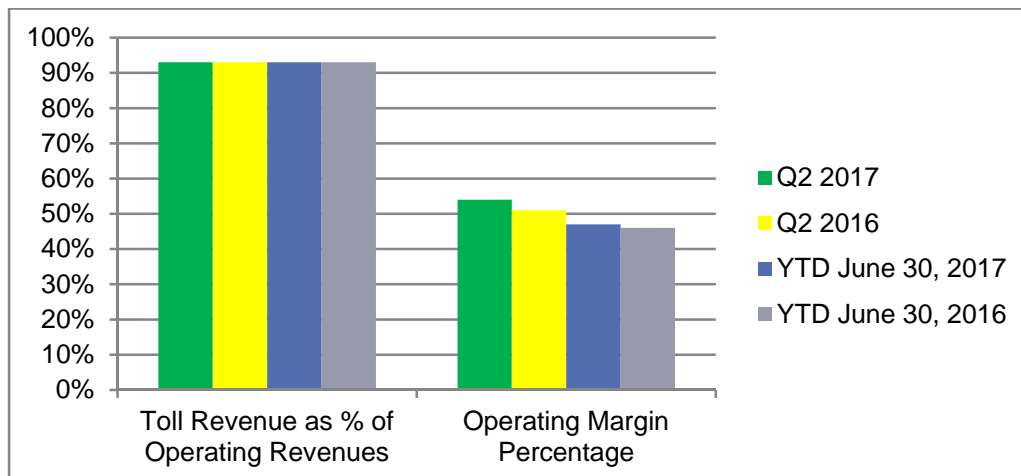
Class	Description	Q2 2017		Q2 2016	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 109,160	100,632	107,580	99,189
2	Vehicles having two axles other than type described under Class 1	519	222	582	242
3	Vehicle (vehicles), single or in combination, having three axles	994	329	1,005	341
4	Vehicle (vehicles), single or in combination, having four axles	1,037	240	1,025	247
5	Vehicle (vehicles), single or in combination, having five axles	751	157	755	158
6	Vehicle (vehicles), single or in combination, having six or more axles	35	5	40	7
7	Buses having two axles	467	179	436	169
8	Buses having three axles	673	252	674	252
	Nonrevenue vehicles	—	390	—	376
		113,636	102,406	112,097	100,981
	Nonrevenue vehicles	—	(390)	—	(376)
	Toll Adjustments and Discounts	(141)	—	(137)	—
	Net Violations	(1,948)	—	(1,893)	—
		\$ 111,547	102,016	110,067	100,605

**Garden State Parkway
Schedule of Toll Revenue
For the Six Months Ended June 30, 2017 and 2016**
(all amounts in thousands)

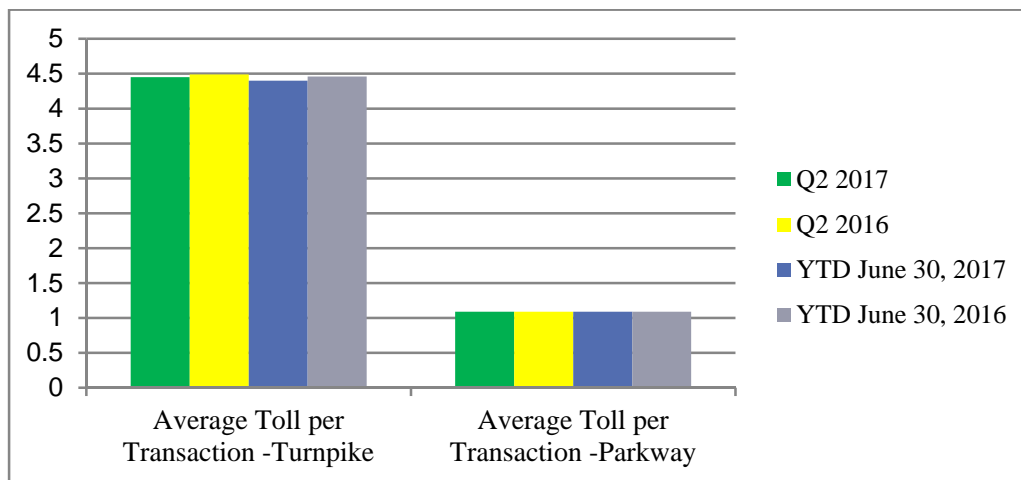
Class	Description	YTD June 30, 2017		YTD June 30, 2016	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 201,204	186,343	199,897	185,083
2	Vehicles having two axles other than type described under Class 1	940	403	1,204	503
3	Vehicle (vehicles), single or in combination, having three axles	1,614	533	1,610	543
4	Vehicle (vehicles), single or in combination, having four axles	1,755	408	1,645	393
5	Vehicle (vehicles), single or in combination, having five axles	1,370	287	1,350	283
6	Vehicle (vehicles), single or in combination, having six or more axles	67	11	73	13
7	Buses having two axles	875	349	791	320
8	Buses having three axles	1,231	470	1,220	470
	Nonrevenue vehicles	—	771	—	738
		209,056	189,575	207,790	188,346
	Nonrevenue vehicles	—	(771)	—	(738)
	Toll Adjustments and Discounts	(256)	—	(230)	—
	Net Violations	(3,487)	—	(3,081)	—
		\$ 205,313	188,804	204,479	187,608

Revenue and Expense Ratio Analysis – GAAP Basis

Ratio	Q2 2017	Q2 2016	YTD June 30, 2017	YTD June 30, 2016	Explanation
<i>Toll Revenue as % of Operating Revenue</i>	93%	93%	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 2017 and Q2 2016 and as well as for the six months ended on June 30, 2017 and 2016. This ratio indicates that almost all of the Authority’s revenue is earned from toll collection.
<i>Operating Margin Ratio Percentage</i>	54%	51%	47%	46%	The operating margin ratio percentage is calculated by taking operating income before interest and dividing by total operating revenue. There percentages has increased slightly in Q2 2017 over Q2 2016 as well as for the six months ended on June 30, 2017 versus June 30, 2016 due to higher operating revenues and lower operating expenses in 2017.



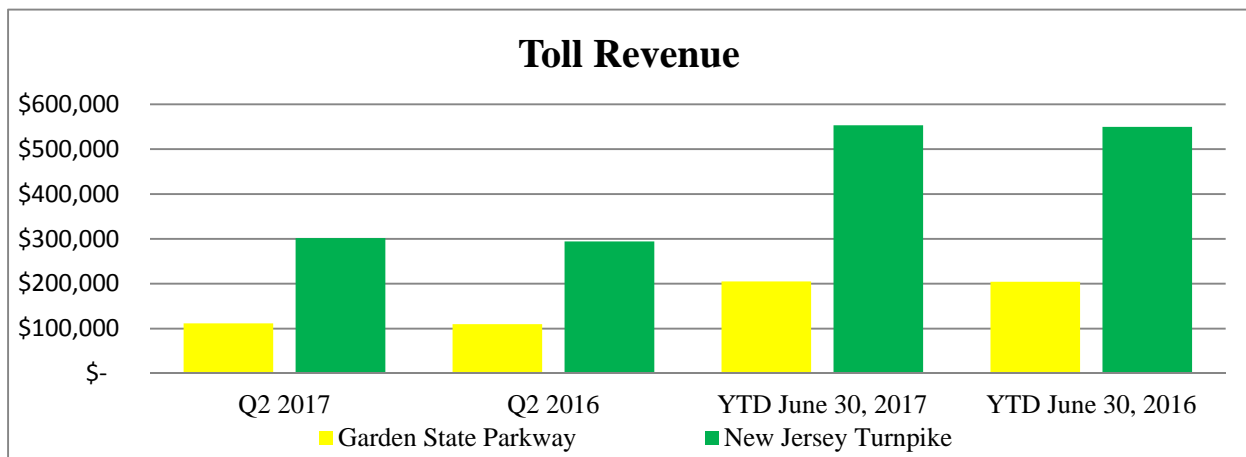
Ratio	Q2 2017	Q2 2016	YTD June 30, 2017	YTD June 30, 2016	Explanation
<i>Average Toll per Transaction -Turnpike</i>	4.45	4.49	4.40	4.46	Average toll per transaction is calculated by dividing toll revenue by the number of toll transactions. The average toll per transaction has declined slightly in Q2 2017 as compared to Q2 2016. This indicates that average trip lengths have decreased, as the number of transactions has increased in Q2 2017 as compared to Q2 2016 and also for the six months ended on June 30, 2017 compared with six months ended on June 30, 2016.
<i>Average Toll per Transaction -Parkway</i>	1.09	1.09	1.09	1.09	The average toll per transaction on the Parkway has remained consistent in Q2 2017 as compared to Q2 2016 and also for the six months ended on June 30, 2017 as compared with six months ended on June 30, 2016.



Key Performance Metrics - Revenue and Expenses

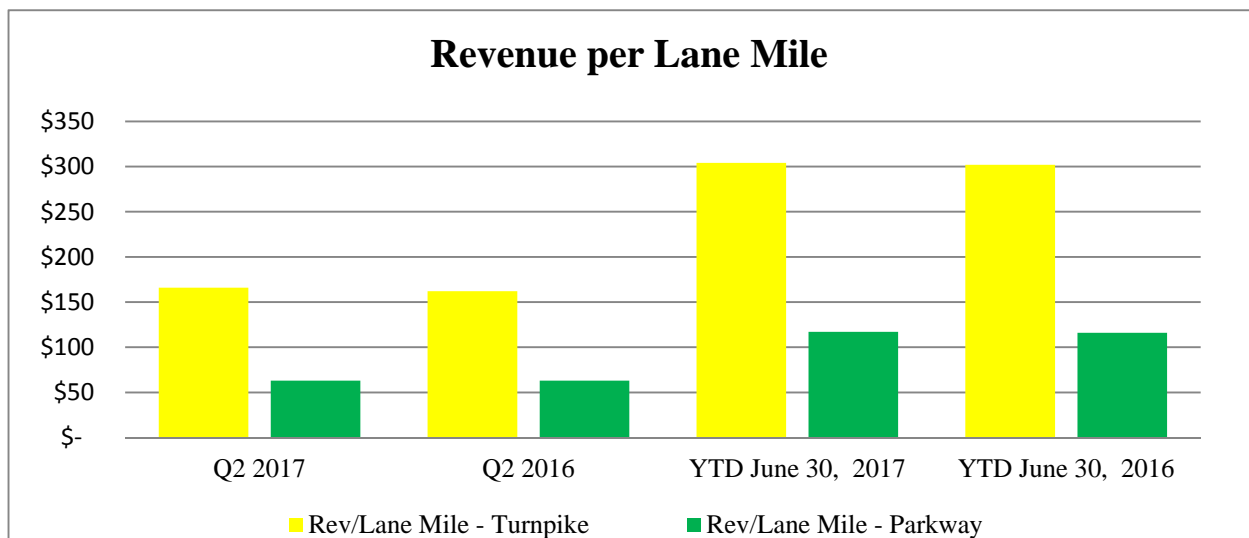
Toll Revenue – Toll revenue has increased in Q2 2017 from Q2 2016 by 2.20% for the Authority. The increase in toll revenue on the Turnpike in Q2 2017 from Q2 2016 is 2.52% and on the Parkway is 1.34%. The overall increase in the toll revenue on both the roadways can be attributed to favorable weather, stable gas prices and improving economic conditions. However, toll revenue for the six months ended June 30, 2017 has increased only marginally as compared to the same period of 2016; mainly due to the Delaware River Turnpike Bridge Closure in the significant part of Q1 2017. (See Toll Revenue discussion on page 12).

	<u>New Jersey Turnpike</u>	<u>Garden State Parkway</u>	<u>Total</u>
Q2 2017	\$ 301,818	111,547	413,365
Q2 2016	\$ 294,396	110,067	404,463
% change from Q2 2016 to Q2 2017	2.52%	1.34%	2.20%
YTD June 30, 2017	\$ 553,390	205,313	758,703
YTD June 30, 2016	\$ 549,731	204,479	754,210
% change from June 2016 to June 2017	0.67%	0.41%	0.60%



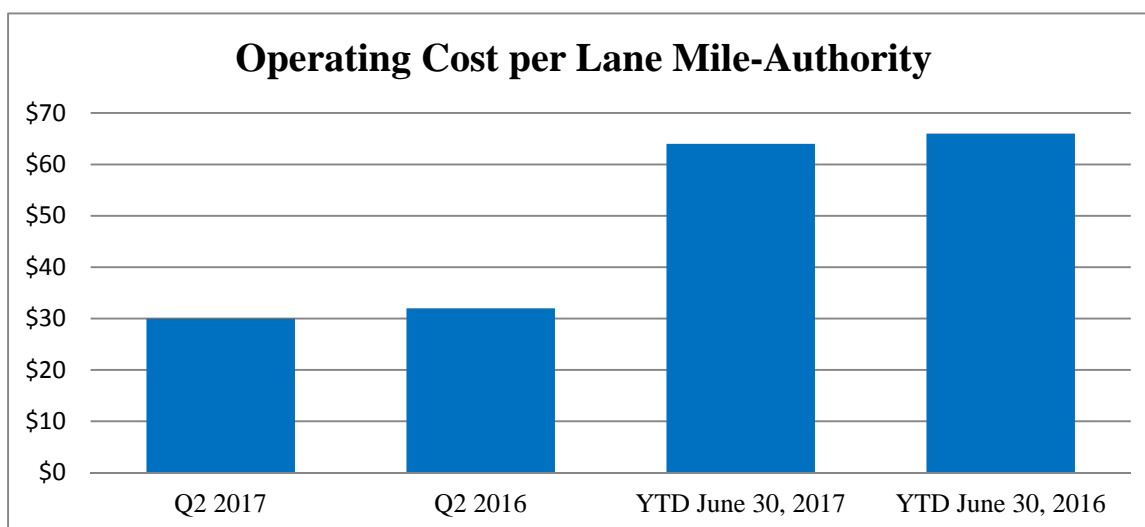
Revenue per Lane Mile – Revenue per lane mile has increased in Q2 2017 from Q2 2016 on the Turnpike and has remained constant on the Parkway. From Q2 2016 to Q2 2017, lane miles on the Turnpike and the Parkway remained unchanged; therefore the increase in revenue per lane mile was attributable to the increase in toll revenue. There is a marginal increase in the revenue per lane mile for the six months ended on June 30, 2017 as compared to the same period of June on both the roadways due to relatively higher revenue in 2017. (See Toll Revenue discussion on page 12).

		<u>Q2 2017</u>	<u>Q2 2016</u>	<u>YTD June 30, 2017</u>	<u>YTD June 30, 2016</u>
Toll Revenue - Turnpike	\$	301,818	294,396	553,390	549,731
Toll Revenue - Parkway		<u>111,547</u>	<u>110,067</u>	<u>205,313</u>	<u>204,479</u>
Total Toll Revenue	\$	413,365	404,463	758,703	754,210
Lane Miles (actual) - Turnpike		1,819	1,819	1,819	1,819
Lane Miles (actual) - Parkway		<u>1,778</u>	<u>1,757</u>	<u>1,778</u>	<u>1,757</u>
Total Lane Miles (actual)		3,597	3,576	3,597	3,576
Revenue per Lane Mile - Turnpike	\$	166	162	304	302
Revenue per Lane Mile - Parkway	\$	63	63	115	116
Revenue per Lane Mile - Authority	\$	115	113	211	211



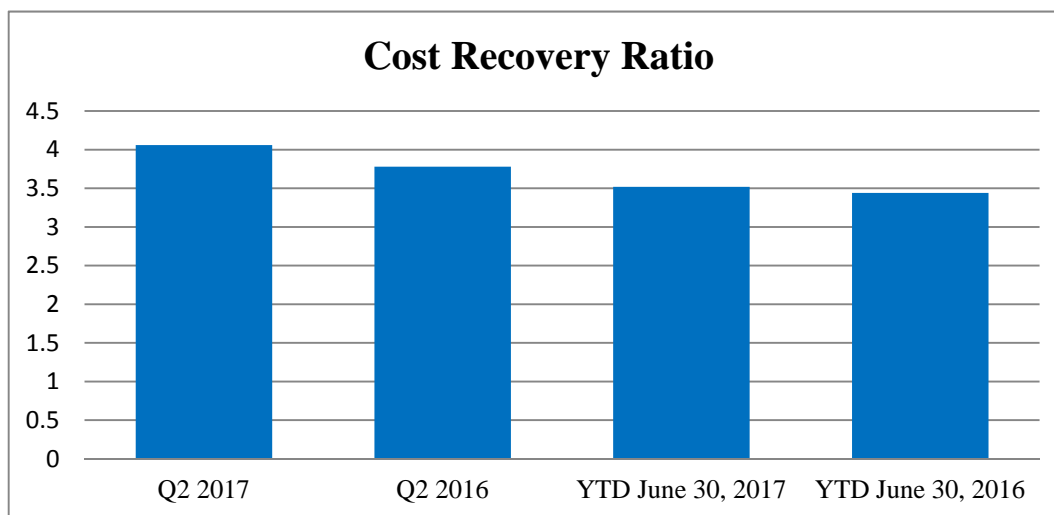
Operating Cost per Lane Mile – Operating expenses shown below include maintenance, toll collection, state police and traffic control, technology and general and administrative expenses but excludes depreciation. From Q2 2016 to Q1 2017, operating cost per lane mile decreased due to reduction in the operating expenses in Q2 2017. Operating cost per lane mile decreased for the six months ended June 30, 2017 as compared to the same period of 2016 due to overall reduction in the operating expenses in 2017. (See operating expense breakdown on page 13).

	<u>Q2 2017</u>	<u>Q2 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Total operating expenses	\$ 129,597	138,114	277,455	285,904
Lane Miles (actual) - Turnpike	1,819	1,819	1,819	1,819
Lane Miles (actual) - Parkway	1,778	1,757	1,778	1,757
Total Lane Miles	\$ 3,597	3,576	3,597	3,576
Operating cost Excluding Depreciation/Lane Mile - Authority	\$ 36	39	77	80



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 about 3.42 in Q2 2017 and 3.15 in 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 for the six months ended June 30, 2017 is marginally higher as compared with the same period of 2016 due to higher operating revenue and lower operating expenses.

		<u>Q2 2017</u>	<u>Q2 2016</u>	<u>YTD June 30, 2017</u>	<u>YTD June 30, 2016</u>
Operating Revenue	\$	443,011	434,730	813,684	812,439
Operating Expenses (excluding depreciation)	\$	129,597	138,114	277,455	285,904
Cost Recovery		3.42	3.15	2.93	2.84



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. In January 2017, the Authority amended its Guidelines with respect to the minimum General Reserve Fund Balance. The amended guidelines targets are as follows –

- (1) a minimum balance of \$125,000 at 12/31/17;
- (2) a minimum balance of \$150,000 at 12/31/18;
- (3) a minimum balance of \$175,000 at 12/31/19;
- (4) beginning in 2020, by December 31st of each year, a minimum balance equal to 10% of that years' budgeted total annual revenue.

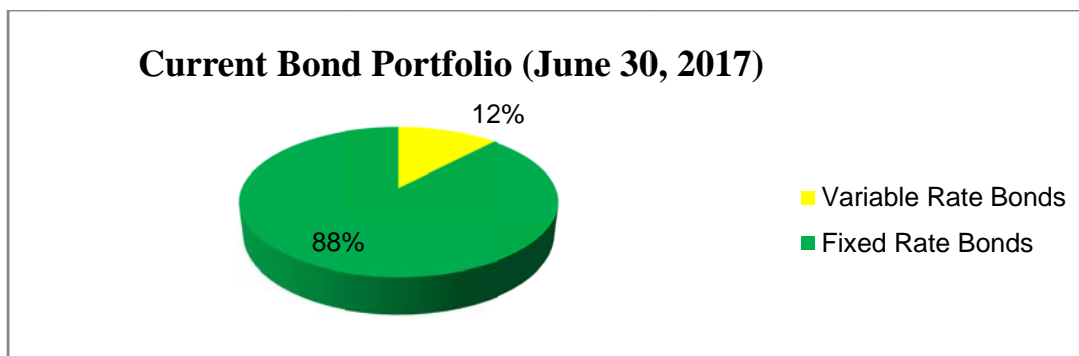
The Guidelines are implemented at the discretion of the Authority and are not a legal covenant with the Bondholders. Such Guidelines can be changed or eliminated at any time at the discretion of the Authority. As specified in the Guidelines, the Authority also adopted an Investment Rate Swap Management 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

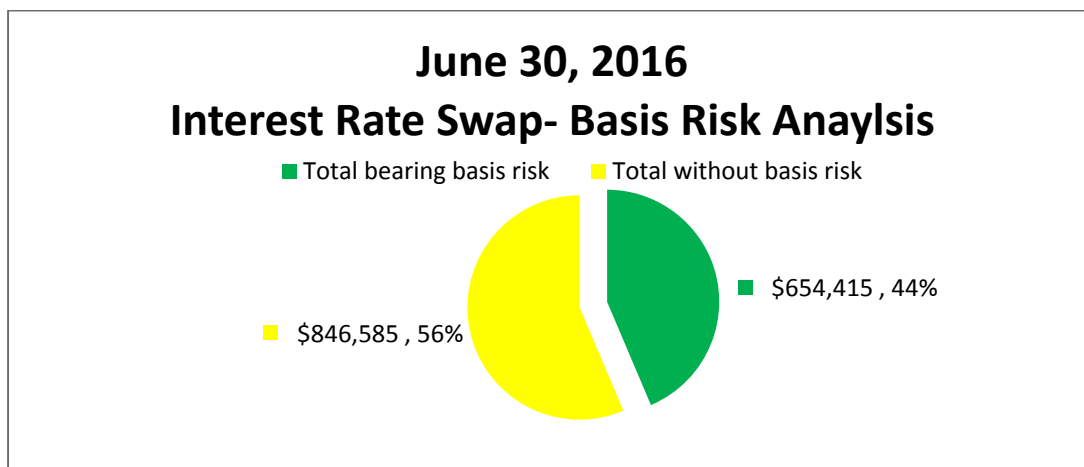
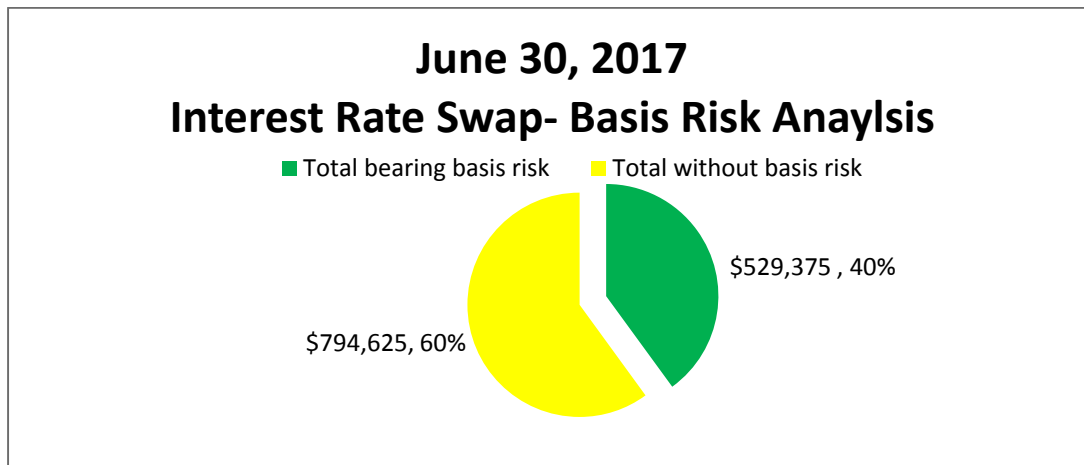
The issuance of new bonds is conducted in accordance with the New Jersey Turnpike Act of 1948, constituting Chapter 454 of the Laws of New Jersey of 1948, as amended and supplemented and the Turnpike Revenue Bond Resolution adopted on August 20, 1991, as amended, restated and supplemented. The issuance 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, 2017 is comprised of 88% of fixed rate bonds and only 12% of variable rate bonds. These percentages are within the Authority's Guidelines which limit variable rate bonds to 20% of total bonds outstanding.



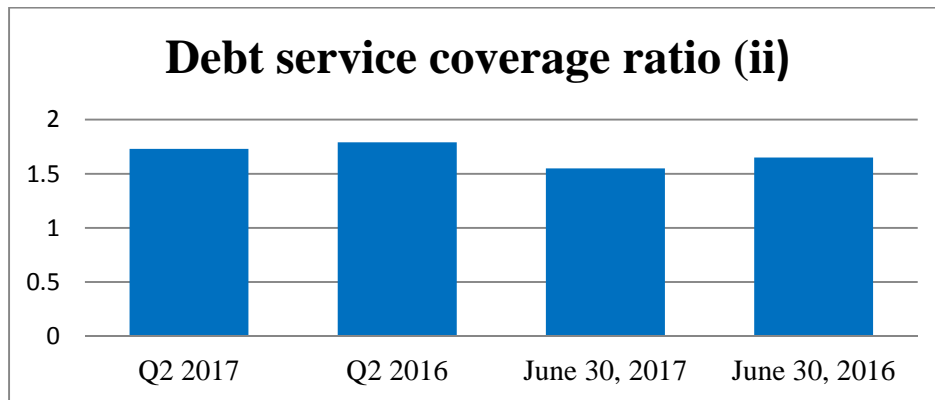
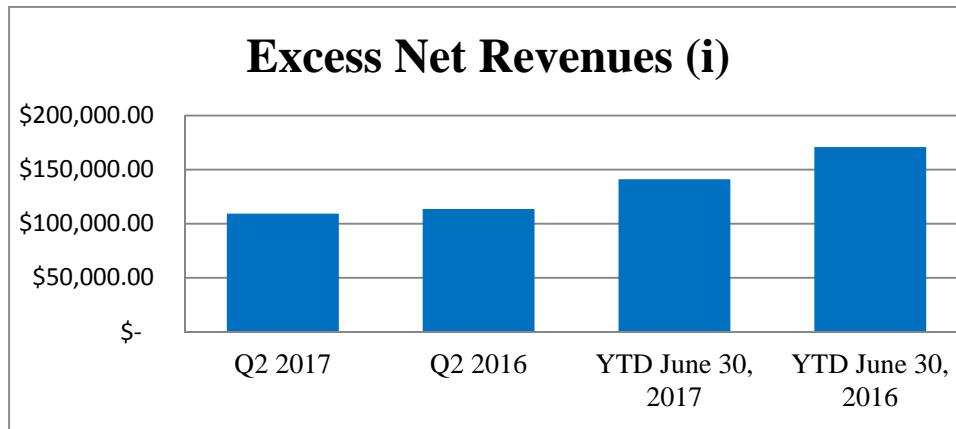
The Authority is actively reducing the basis risk on its interest rate swap portfolio when possible. From March 31, 2016 to March 31, 2017 the variable rate bonds bearing basis risk was reduced from 44% to 40%.



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.”

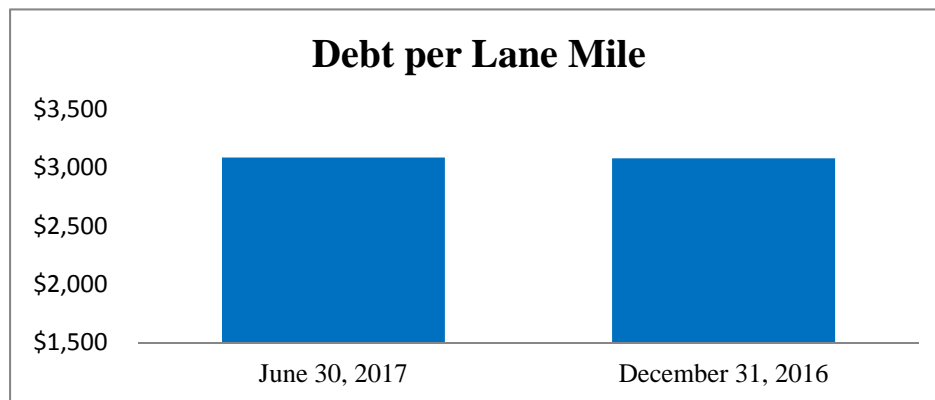
	<u>Q2 2017</u>	<u>Q2 2016</u>	<u>YTD June 30, 2017</u>	<u>YTD June 30, 2016</u>
(i)				
Net revenue available for debt service	\$ 357,864	342,666	629,670	622,864
Less net revenue requirements (the sum of aggregate debt service, maintenance reserve, special project reserve and charges funds payments)	<u>(246,195)</u>	<u>(223,029)</u>	<u>(485,452)</u>	<u>(440,928)</u>
Excess net revenues	<u>\$ 111,669</u>	<u>119,637</u>	<u>144,218</u>	<u>181,936</u>
(ii)				
Net revenue available for debt service	\$ 357,864	342,666	629,670	622,864
Less net revenue requirements computed under test (120% of aggregate debt service requirements)	<u>(248,453)</u>	<u>(229,103)</u>	<u>(488,576)</u>	<u>(452,047)</u>
Excess net revenues	<u>\$ 109,411</u>	<u>113,563</u>	<u>141,094</u>	<u>170,817</u>
Net revenue available for debt service	\$ 357,864	342,666	629,670	622,864
Debt service requirements	\$ 207,044	190,919	407,147	376,706
Debt service coverage ratio	1.73	1.79	1.55	1.65



The Debt service coverage ratio has decreased slightly in Q2 2017 as compared to Q2 2016 and also for the six months ended June 30, 2017 as compared to 2016, due to an expected increase in the debt service requirements in 2017. However, net revenue available for debt service has increased in Q2 2017 and for the six months ended June 30, 2017 as compared to the prior year periods.

Debt per Lane Mile – Debt per lane mile increased by \$6 to \$3,084 for the six months ended June 30, 2017 as compared to \$3,078 as of December 31, 2016 due to the issuance of the Series 2017A Turnpike Revenue Bonds in April 2017. There is no change in the lane miles in the 2017.

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Bond indebtedness, net	\$ 11,093,531	11,071,121
Lane Miles (actual) – Turnpike	1,819	1,819
Lane Miles (actual) – Parkway	1,778	1,778
Total Lane Miles (actual)	<u>3,597</u>	<u>3,597</u>
Debt per Lane Mile – Authority	\$ 3,084	3,078



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.

UNAUDITED

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

Statements of Net Position

June 30, 2017 and 2016

(in thousands)

Assets	2017	2016
Current assets:		
Cash	\$ 163,735	283,598
Restricted cash	79,914	239,487
Investments	651,639	483,609
Restricted investments	676,169	389,592
Receivables, net of allowance	87,954	74,788
Inventory	23,142	21,008
Due from State of New Jersey	5,150	560
Deposits	30,200	30,152
Prepaid expenses	16,544	16,958
Total current assets	<u>1,734,447</u>	<u>1,539,752</u>
Noncurrent assets:		
Restricted investments	840,891	821,615
Capital assets, net of accumulated depreciation	11,659,318	11,109,403
Total noncurrent assets	<u>12,500,209</u>	<u>11,931,018</u>
Total assets	<u>\$ 14,234,656</u>	<u>13,470,770</u>
Deferred Outflows		
Deferred outflows:		
Accumulated decrease in fair value of hedging derivatives	-	28,028
Deferred amount on refunding	120,220	144,320
Deferred amount relating to pensions	156,575	65,426
Total deferred outflows	<u>\$ 276,795</u>	<u>237,774</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 145,133	186,605
Funds held in trust	239,465	229,905
Due to State of New Jersey	2,830	2,764
Accrued interest payable	273,160	267,636
Unearned revenue	20,674	47,640
Current portion of bonds payable	218,475	197,740
Current portion of hybrid instrument borrowing	24,724	19,012
Current portion of other long-term liabilities	6,206	9,355
Total current liabilities	<u>930,667</u>	<u>960,657</u>
Noncurrent liabilities:		
Bonds payable, net	11,318,805	10,895,791
Hybrid instrument borrowing	43,032	73,513
Other long-term liabilities	115,482	137,782
Other postemployment benefits liability	462,187	404,685
Interest rate swap liabilities	27,299	61,065
Net pension liability	561,453	435,015
Total noncurrent liabilities	<u>12,528,258</u>	<u>12,007,851</u>
Total liabilities	<u>\$ 13,458,925</u>	<u>12,968,508</u>
Deferred Inflows		
Deferred inflows:		
Accumulated increase in fair value of interest rate swaps	1,472	-
Deferred amount relating to pensions	12,073	13,655
Total deferred inflows	<u>\$ 13,545</u>	<u>13,655</u>
Net Position		
Net position:		
Net investment in capital assets	\$ 1,299,287	1,026,160
Restricted under trust agreements	133,315	123,013
Unrestricted	(393,621)	(422,792)
Total net position	<u>\$ 1,038,981</u>	<u>726,381</u>

UNAUDITED

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

Statements of Revenues, Expenses, and Changes in Net Position

For the six months ended June 30, 2017 and 2016

(in thousands)

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Toll revenue	\$ 758,703	754,210
E-ZPass fees	29,906	29,323
Concession revenue	18,210	17,151
Miscellaneous revenue	6,865	11,755
Total operating revenues	<u>813,684</u>	<u>812,439</u>
Operating expenses:		
Maintenance of roadway, buildings and equipment	127,004	126,938
Toll collection	71,649	79,409
State police and traffic control	37,741	38,035
Technology	16,196	17,659
General administrative costs	24,865	23,863
Depreciation	151,463	150,560
Total operating expenses	<u>428,918</u>	<u>436,464</u>
Operating income	<u>384,766</u>	<u>375,975</u>
Nonoperating revenues (expenses):		
Build America Bonds subsidy	38,015	38,056
Federal and State reimbursements	204	2,772
Payments to the State of New Jersey	(117,000)	(177,000)
Interest expense, Turnpike Revenue Bonds	(197,138)	(150,804)
Other bond expenses	(1,779)	(899)
Loss on disposal of capital assets	-	(164)
Investment income (loss)	1,771	(22,376)
Arts Center	2,289	2,531
Total nonoperating revenues (expenses), net	<u>(273,638)</u>	<u>(307,884)</u>
Income/ (Loss) before capital contributions	111,128	68,091
Capital contributions	9,544	-
Net position – January 1	<u>918,309</u>	<u>658,290</u>
Net position – June 30	<u>\$ 1,038,981</u>	<u>726,381</u>

UNAUDITED

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

Statements of Cash Flows

For the six months ended June 30, 2017 and 2016

(in thousands)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Receipts from customers and patrons	\$ 800,981	810,385
Payments to suppliers	(181,266)	(128,250)
Payments to employees	(79,664)	(79,686)
Payments for self insured health benefit claims	(44,909)	(45,137)
Net cash provided by operating activities	<u>495,142</u>	<u>557,312</u>
Cash flows from noncapital financing activities:		
Receipts from Federal and State reimbursements	204	2,772
Payments to State of New Jersey	(117,000)	(177,000)
Proceeds from Arts Center	2,289	2,531
Net cash used in noncapital financing activities	<u>(114,507)</u>	<u>(171,697)</u>
Cash flows from capital and related financing activities:		
Proceeds acquired from new capital debt	687,535	169,272
Purchases and sales of capital assets	(300,400)	(368,313)
Principal paid on capital debt	(197,740)	(142,115)
Refunded capital debt	-	(168,645)
Proceeds from Build America Bonds subsidy	38,015	38,056
Interest paid on capital debt	(292,799)	(289,450)
Payments for bond expenses	(1,779)	(898)
Proceeds from Capital Contributions	9,544	-
Net cash provided by capital and related financing activities	<u>(57,624)</u>	<u>(762,093)</u>
Cash flows from investing activities:		
Purchases of investments	(5,862,144)	(4,135,924)
Sales and maturities of investments	5,455,657	4,691,432
Interest received	7,486	6,936
Net cash used in investing activities	<u>(399,001)</u>	<u>562,444</u>
Net increase in cash	(75,990)	185,966
Cash and restricted cash – January 1	<u>319,639</u>	<u>337,119</u>
Cash and restricted cash – June 30	\$ <u>243,649</u>	\$ <u>523,085</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 384,766	375,975
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	151,463	150,560
Changes in assets and liabilities:		
Receivables	(18,918)	7,500
Inventory	(450)	(903)
Prepaid expenses	(11,904)	(12,880)
Accounts payable and accrued expenses	(24,295)	4,118
Unearned revenue	(9,791)	5,294
Other liabilities	(5,367)	(1,065)
Other postemployment benefit liability	29,641	28,821
Pollution remediation liability	(3)	(108)
Net cash provided by operating activities	\$ <u>495,142</u>	\$ <u>557,312</u>

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, 2017
(With comparative financial information as of June 30, 2016)
(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 2017 GAAP Financials	Total 2016 GAAP Financials
Assets													
Current assets:													
Cash	\$ 145,895	-	4,074	2,566	10,144	-	-	-	162,679	1,056	-	163,735	283,598
Restricted Cash	-	79,455	-	-	-	8	451	-	79,914	-	-	79,914	239,487
Investments	271,611	-	69,665	69,843	240,520	-	-	-	651,639	-	-	651,639	483,609
Restricted investments	-	-	-	-	-	-	383,072	293,097	676,169	-	-	676,169	389,592
Receivables, net of allowance	87,679	-	-	80	195	-	-	-	87,954	-	-	87,954	74,788
Inventory	23,142	-	-	-	-	-	-	-	23,142	-	-	23,142	21,008
Due from State of New Jersey	-	-	-	-	5,150	-	-	-	5,150	-	-	5,150	560
Deposits	2,431	3,700	-	-	24,069	-	-	-	30,200	-	-	30,200	30,152
Prepaid expenses	16,543	-	-	-	-	-	-	-	16,543	1	-	16,544	16,958
Interfund	(199,659)	2,913	(101)	36	199,841	-	(1,125)	(1,905)	-	-	-	-	-
Total current assets	347,642	86,068	73,638	72,525	479,919	8	382,398	291,192	1,733,390	1,057	-	1,734,447	1,539,752
Noncurrent assets:													
Restricted investments	-	612,786	-	-	-	-	-	307,696	920,482	-	(79,591)	840,891	821,615
Capital assets, net of accumulated depreciation	-	10,975,503	393,368	84,188	190,540	-	-	-	11,643,599	-	15,719	11,659,318	11,109,403
Total noncurrent assets	-	11,588,289	393,368	84,188	190,540	-	-	307,696	12,564,081	-	(63,872)	12,500,209	11,931,018
Total assets	\$ 347,642	11,674,357	467,006	156,713	670,459	8	382,398	598,888	14,297,471	1,057	(63,872)	14,234,656	13,470,770
Deferred Outflows													
Deferred outflows:													
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-	-	-	-	-	-	-	-	28,028
Deferred amount on refunding	-	42,781	-	-	-	-	-	-	42,781	-	77,439	120,220	144,320
Deferred amount relating to pensions	-	-	-	-	-	-	-	-	-	-	156,575	156,575	65,426
Total deferred outflows	\$ -	42,781	-	-	-	-	-	-	42,781	-	234,014	276,795	237,774
Liabilities													
Current liabilities:													
Accounts payable and accrued expenses	\$ 48,160	53,370	15,000	2,214	1,634	-	-	-	120,378	3	24,752	145,133	186,605
Funds held in trust	210,464	26,429	788	1,256	528	-	-	-	239,465	-	-	239,465	229,905
Due to State of New Jersey	2,830	-	-	-	-	-	-	-	2,830	-	-	2,830	2,764
Accrued interest payable	-	-	-	-	-	-	273,160	-	273,160	-	-	273,160	267,636
Unearned revenue	6,125	-	-	-	14,549	-	-	-	20,674	-	-	20,674	47,640
Current portion of bonds payable	-	218,475	-	-	-	-	-	-	218,475	-	-	218,475	197,740
Current portion of hybrid instrument borrowing	-	-	-	-	-	-	-	-	-	-	24,724	24,724	19,012
Current portion of other long-term liabilities	-	-	-	-	97	-	-	-	97	-	6,109	6,206	9,355
Total current liabilities	267,579	298,274	15,788	3,470	16,808	-	273,160	-	875,079	3	55,585	930,667	960,657
Noncurrent liabilities:													
Bonds payable, net	-	11,318,805	-	-	-	-	-	-	11,318,805	-	-	11,318,805	10,895,791
Hybrid instrument borrowing	-	-	-	-	-	-	-	-	-	-	43,032	43,032	73,513
Other long-term obligations	27,187	-	-	-	22,585	-	-	-	49,772	-	65,710	115,482	137,782
Other postemployment benefit liability	-	-	-	-	82,575	-	-	-	82,575	-	379,612	462,187	404,685
Interest rate swaps liabilities	-	-	-	-	-	-	-	-	-	-	27,299	27,299	61,065
Net pension liability	-	-	-	-	-	-	-	-	-	-	561,453	561,453	435,015
Total noncurrent liabilities	27,187	11,318,805	-	-	105,160	-	-	-	11,451,152	-	1,077,106	12,528,258	12,007,851
Total liabilities	\$ 294,766	11,617,079	15,788	3,470	121,968	-	273,160	-	12,326,231	3	1,132,691	13,458,925	12,968,508
Deferred Inflows													
Deferred inflows:													
Accumulated increase in fair value of interest rate swaps	-	-	-	-	-	-	-	-	-	-	1,472	1,472	-
Deferred amount relating to pensions	-	-	-	-	-	-	-	-	-	-	12,073	12,073	13,655
Total deferred inflows	\$ -	-	-	-	-	-	-	-	-	-	13,545	13,545	13,655
Net Position													
Net position:													
Net investment in capital assets	\$ -	100,059	393,368	84,188	190,540	-	-	598,888	1,367,043	-	(67,756)	1,299,287	1,026,160
Restricted under trust agreements	-	-	-	-	24,069	8	109,238	-	133,315	-	-	133,315	123,013
Unrestricted	52,876	-	57,850	69,055	333,882	-	-	-	513,663	1,054	(908,338)	(393,621)	(422,792)
Total net position	\$ 52,876	100,059	451,218	153,243	548,491	8	109,238	598,888	2,014,021	1,054	(976,094)	1,038,981	726,381

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, 2017
(With comparative financial information for the six months ended June 30, 2016)
(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 2017 GAAP Financials	Total 2016 GAAP Financials
Operating revenues:													
Toll revenue	\$ 758,703	-	-	-	-	-	-	-	758,703	-	-	758,703	754,210
E-Z Pass Fees	29,906	-	-	-	-	-	-	-	29,906	-	-	29,906	29,323
Concession revenue	18,210	-	-	-	-	-	-	-	18,210	-	-	18,210	17,151
Miscellaneous revenue	6,419	-	-	-	-	-	-	-	6,419	446	-	6,865	11,755
Total operating revenues	813,238	-	-	-	-	-	-	-	813,238	446	-	813,684	812,439
Operating expenses:													
Maintenance of roadway, buildings and equipment	98,145	-	3,904	2,589	12,086	-	-	-	116,724	-	10,280	127,004	126,938
Toll Collection	63,968	-	-	-	2,251	-	-	-	66,219	-	5,430	71,649	79,409
State Police and Traffic Control	36,122	-	-	152	523	-	-	-	36,797	-	944	37,741	38,035
Technology	13,656	-	-	191	722	-	-	-	14,569	-	1,627	16,196	17,659
General administrative costs	19,455	-	-	21	2,586	-	-	-	22,062	193	2,610	24,865	23,863
Depreciation	-	124,882	16,432	4,336	5,813	-	-	-	151,463	-	-	151,463	150,560
Total operating expenses	231,346	124,882	20,336	7,289	23,981	-	-	-	407,834	193	20,891	428,918	436,464
Operating income (loss)	581,892	(124,882)	(20,336)	(7,289)	(23,981)	-	-	-	405,404	253	(20,891)	384,766	375,975
Nonoperating revenues (expenses):													
Build America Bonds subsidy	38,015	-	-	-	-	-	-	-	38,015	-	-	38,015	38,056
Federal and State reimbursements	204	-	-	-	-	-	-	-	204	-	-	204	2,772
Payments to the State of New Jersey	-	-	-	-	(117,000)	-	-	-	(117,000)	-	-	(117,000)	(177,000)
Interest expense, Turnpike Revenue Bonds	-	21,188	-	-	-	-	(297,909)	-	(276,721)	-	79,583	(197,138)	(150,804)
Other bond expense	-	(1,704)	-	-	-	(75)	-	-	(1,779)	-	-	(1,779)	(899)
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	(164)
Investment income (loss)	417	1,676	196	209	1,075	-	707	4,899	9,179	3	(7,411)	1,771	(22,376)
Arts Center	2,289	-	-	-	-	-	-	-	2,289	-	-	2,289	2,531
Total nonoperating revenues (expenses), net	40,925	21,160	196	209	(115,925)	(75)	(297,202)	4,899	(345,813)	3	72,172	(273,638)	(307,884)
Income/ (Loss) before capital contributions	622,817	(103,722)	(20,140)	(7,080)	(139,906)	(75)	(297,202)	4,899	59,591	256	51,281	111,128	68,091
Capital contributions	-	-	-	-	9,544	-	-	-	9,544	-	-	9,544	-
Interfund transfers:	(622,817)	245,797	58,180	19,639	143,143	81	208,700	4,664	57,387	-	(57,387)	-	-
Net change in fund balance/change in net position	-	142,075	38,040	12,559	12,781	6	(88,502)	9,563	126,522	256	(6,106)	120,672	68,091
Net position (deficit) – January 1	52,876	(42,016)	413,178	140,684	535,710	2	197,740	589,325	1,887,499	798	(969,988)	918,309	658,290
Net position (deficit) – June 30	\$ 52,876	100,059	451,218	153,243	548,491	8	109,238	598,888	2,014,021	1,054	(976,094)	1,038,981	726,381

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, 2017
(With comparative financial information for the six months ended June 30, 2016)
(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 2017 GAAP Financials	Total 2016 GAAP Financials
Cash flows from operating activities:													
Receipts from customers and patrons	\$ 800,529	-	-	-	-	-	-	-	800,529	452	-	800,981	810,385
Payments to suppliers	(140,713)	-	(3,904)	(5,447)	(31,003)	-	-	-	(181,067)	(199)	-	(181,266)	(128,250)
Payments to employees	(79,664)	-	-	-	-	-	-	-	(79,664)	-	-	(79,664)	(79,686)
Payments for self insured health benefits claims	(44,909)	-	-	-	-	-	-	-	(44,909)	-	-	(44,909)	(45,137)
Net cash provided by (used in) operating activities	535,243	-	(3,904)	(5,447)	(31,003)	-	-	-	494,889	253	-	495,142	567,312
Cash flows from noncapital financing activities:													
Receipts from Federal and State reimbursements	204	-	-	-	-	-	-	-	204	-	-	204	2,772
Payments to State of New Jersey	-	-	-	-	(117,000)	-	-	-	(117,000)	-	-	(117,000)	(177,000)
Proceeds from Arts Center	2,289	-	-	-	-	-	-	-	2,289	-	-	2,289	2,531
Net cash provided by (used in) noncapital financing activities	2,493	-	-	-	(117,000)	-	-	-	(114,507)	-	-	(114,507)	(171,697)
Cash flows from capital and related financing activities:													
Proceeds acquired from new capital debt	-	687,535	-	-	-	-	-	-	687,535	-	-	687,535	169,272
Purchases and sales of capital assets	-	(276,729)	(25,315)	(9,437)	(46,306)	-	-	-	(357,787)	-	57,387	(300,400)	(368,313)
Principal paid on capital debt	-	(197,740)	-	-	-	-	-	-	(197,740)	-	-	(197,740)	(142,115)
Refunded capital debt	-	-	-	-	-	-	-	-	-	-	-	-	(168,645)
Proceeds from Build America Bonds subsidy	38,015	-	-	-	-	-	-	-	38,015	-	-	38,015	38,056
Interest paid on capital debt	-	-	-	-	-	-	(292,799)	-	(292,799)	-	-	(292,799)	(289,450)
Payments for bond expenses	-	(1,704)	-	-	-	(75)	-	-	(1,779)	-	-	(1,779)	(898)
Proceeds from Capital Contributions	-	-	-	-	9,544	-	-	-	9,544	-	-	9,544	-
Interfund Transfers related to capital and related financing activities	(573,922)	253,917	58,899	19,288	85,760	19	208,746	4,680	57,387	-	(57,387)	-	-
Net cash provided by (used in) capital and related financing activities	(535,907)	465,279	33,584	9,851	48,998	(56)	(84,053)	4,680	(57,624)	-	-	(57,624)	(762,093)
Cash flows from investing activities:													
Purchases of investments	(1,705,165)	(1,446,000)	(207,668)	(215,962)	(1,619,867)	(366)	(507,787)	(159,329)	(5,862,144)	-	-	(5,862,144)	(4,135,924)
Sales and maturities of investments	1,678,976	942,200	177,817	202,113	1,712,573	430	591,549	149,999	5,455,657	-	-	5,455,657	4,691,432
Interest received	105	782	161	196	987	-	602	4,650	7,483	3	-	7,486	6,936
Net cash provided by (used in) provided by investing activities	(26,084)	(503,018)	(29,690)	(13,653)	93,693	64	84,364	(4,680)	(399,004)	3	-	(399,001)	562,444
Net increase (decrease) in cash	(24,255)	(37,739)	(10)	(9,249)	(5,312)	8	311	-	(76,246)	256	-	(75,990)	185,966
Cash and restricted cash – January 1	170,150	117,194	4,084	11,815	15,456	-	140	-	318,839	800	-	319,639	337,119
Cash and restricted cash – June 30	\$ 145,895	79,455	4,074	2,566	10,144	8	451	-	242,593	1,056	-	243,649	523,085
Reconciliation of operating income to net cash provided by (used in) operating activities:													
Operating income (loss)	\$ 581,892	(124,882)	(20,336)	(7,289)	(23,981)	-	-	-	405,404	253	(20,891)	384,766	375,975
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:													
Depreciation expense	-	124,882	16,432	4,336	5,813	-	-	-	151,463	-	-	151,463	150,560
Changes in assets and liabilities:													
Receivables	(14,128)	-	-	(80)	(4,715)	-	-	-	(18,923)	5	-	(18,918)	7,500
Inventory	(450)	-	-	-	-	-	-	-	(450)	-	-	(450)	(903)
Prepaid expenses	(11,902)	-	-	-	-	-	-	-	(11,902)	(2)	-	(11,904)	(12,880)
Accounts payable and accrued expenses	(17,612)	-	-	(2,468)	(4,212)	-	-	-	(24,292)	(3)	-	(24,295)	4,118
Unearned revenue	1,421	-	-	-	(11,212)	-	-	-	(9,791)	-	-	(9,791)	5,294
Other liabilities	(3,978)	-	-	54	(1,443)	-	-	-	(5,367)	-	-	(5,367)	(1,065)
Other postemployment benefit liability	-	-	-	-	8,750	-	-	-	8,750	-	20,891	29,641	28,821
Pollution remediation liability	-	-	-	-	(3)	-	-	-	(3)	-	-	(3)	(108)
Net cash provided by (used in) operating activities	\$ 535,243	-	(3,904)	(5,447)	(31,003)	-	-	-	494,889	253	-	495,142	567,312

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, 2017 and 2016
(in thousands)

	<u>2017</u>	<u>2016</u>
Test 1:		
Total operating revenues - bond resolution	\$ 813,238	812,034
Build America Bonds subsidy	38,015	38,056
Federal and State reimbursements	204	2,772
Less Federal and State reimbursement - construction fund	-	(2,709)
Total investment income - bond resolution	9,179	7,461
Less earnings on investments - construction fund	(1,676)	(1,519)
Fair market value adjustments	(233)	-
Arts center	2,289	2,531
Total pledged revenues	<u>861,016</u>	<u>858,626</u>
 Less operating expenses - revenue fund	 <u>(231,346)</u>	 <u>(235,762)</u>
Net revenue available for debt service	629,670	622,864
Less net revenue requirements:		
Interest expense - debt service	(297,909)	(277,836)
Principal payment - debt service	(109,238)	(98,870)
Revenue transfer to charges	(81)	(78)
Revenue transfer to maintenance reserve	(58,376)	(44,685)
Revenue transfer to special project reserve	(19,848)	(19,459)
Excess net revenues	<u>\$ 144,218</u>	<u>181,936</u>
Test 2:		
Total operating revenues - bond resolution	\$ 813,238	812,034
Build America Bonds subsidy	38,015	38,056
Federal and State reimbursements	204	2,772
Less Federal and State reimbursement - construction fund	-	(2,709)
Total investment income - bond resolution	9,179	7,461
Less earnings on investments - construction fund	(1,676)	(1,519)
Fair market value adjustments	(233)	-
Arts center	2,289	2,531
Total pledged revenues	<u>861,016</u>	<u>858,626</u>
 Less operating expenses - revenue fund	 <u>(231,346)</u>	 <u>(235,762)</u>
Net revenue available for debt service	629,670	622,864
 Less 1.2 times aggregate debt service	 <u>(488,576)</u>	 <u>(452,047)</u>
Excess net revenues	<u>\$ 141,094</u>	<u>170,817</u>
Debt service coverage ratio	1.55	1.65

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

Schedule of Investments

June 30, 2017

(in thousands)

	<u>Interest Rate</u>	<u>Maturity</u>	<u>Par Value</u>	<u>Carrying Value</u>
Revenue:				
Certificate of Deposit	1.15	7/28/2017	50,000	50,486
Commercial Paper	0.92 - 1.40	7/6/2017 - 12/22/2017	97,601	97,403
Federal Agency Note	0.71 - 1.00	7/5/2017 - 12/22/2017	102,612	102,519
US Treasury Bill	0.64 - 0.80	7/6/2017 - 7/20/2017	21,206	21,203
			<u>271,419</u>	<u>271,611</u>
Construction:				
Certificate of Deposit	1.14 - 1.40	10/5/2017 - 5/21/2018	165,000	165,290
Commercial Paper	1.15 - 1.44	10/31/2017 - 5/8/2018	200,000	198,428
Federal Agency Note	0.84 - 1.12	7/10/2017 - 5/11/2018	250,045	249,068
			<u>615,045</u>	<u>612,786</u>
Maintenance Reserve:				
Commercial Paper	0.83 - 0.84	6/30/2017 - 8/8/2017	3,000	2,997
Federal Agency Note	0.69 - 0.92	6/2/2017 - 8/14/2017	52,674	52,663
US Treasury Bill	0.67 - 0.84	6/15/2017 - 8/10/2017	14,013	14,005
			<u>69,687</u>	<u>69,665</u>
Special Project Reserve:				
Commercial Paper	0.82 - 1.42	7/11/2017 - 12/4/2017	30,000	29,912
Federal Agency Note	0.72 - 1.00	7/3/2017 - 10/3/2017	40,000	39,931
			<u>70,000</u>	<u>69,843</u>
General Reserve:				
Commercial Paper	1.00 - 1.36	7/7/2017 - 12/22/2017	178,063	177,596
Federal Agency Note	0.63	9/21/2017	20,000	19,971
US Treasury Bill	0.83	8/17/2017	43,000	42,953
			<u>241,063</u>	<u>240,520</u>
Debt Service:				
Commercial Paper	1.21 - 1.28	1/2/2018	36,734	36,498
Federal Agency Note	0.44 - 1.01	7/3/2017 - 1/2/2018	346,893	346,573
US Treasury Bill	1.05	12/7/2017	1	1
			<u>383,628</u>	<u>383,072</u>
Debt Reserve:				
Certificate of Deposit	1.11 - 2.00	11/10/2017 - 12/15/2020	344,084	344,707
Forward delivery contract	1.44	7/1/2017	149,999	151,079
Federal Agency Note	1.05	4/25/2018	104,919	105,007
			<u>599,002</u>	<u>600,793</u>
Total			<u>\$ 2,249,844</u>	<u>2,248,290</u>

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:				
Certificate of Deposit	0.30	7/6/2016	\$ 118,893	118,864
Commercial Paper	0.05 - 0.23	7/1/2016 - 7/6/2016	59,500	59,499
Federal Agency Note	0.08	7/1/2016	6,000	6,000
			<u>184,393</u>	<u>184,363</u>
Construction:				
Certificate of Deposit	0.69 - 0.87	8/3/2016 - 11/15/2016	105,000	105,332
Commercial Paper	0.52 - 0.90	7/12/2016 - 11/8/2016	161,000	160,722
Federal Agency Note	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>495,388</u>
Maintenance Reserve:				
Commercial Paper	0.33 - 0.50	7/1/2016 - 8/16/2016	10,001	9,999
Federal Agency Note	0.25 - 0.34	7/8/2016 - 8/30/2016	27,788	27,781
			<u>37,789</u>	<u>37,780</u>
Special Project Reserve:				
Commercial Paper	0.35 - 0.50	7/1/2016 - 8/23/2016	30,900	30,892
Federal Agency Note	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 Note	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 Note	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
Forward delivery contract	1.44	7/1/2016	149,999	151,080
Federal Agency Note	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 Depositories

June 30, 2017 and 2016

(in thousands)

	2017			2016		
	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	\$ 111,676	102,630		195,550	138,511	
Construction	34,258	34,859		84,238	85,001	
Maintenance reserve	4,074	4,140		7,984	7,986	
	<u>150,008</u>	<u>141,629</u>	<u>155,344</u>	<u>287,772</u>	<u>231,498</u>	<u>299,058</u>
Bank of America:						
Revenue	22,987	28,176		38,887	42,897	
	<u>22,987</u>	<u>28,176</u>	<u>30,280</u>	<u>38,887</u>	<u>42,897</u>	<u>47,559</u>
Wells Fargo:						
Revenue	10,510	8,754		20,115	18,242	
Special project reserve	2,566	2,592		9,824	9,824	
General reserve	10,144	10,186		9,236	9,236	
	<u>23,220</u>	<u>21,532</u>	<u>22,869</u>	<u>39,175</u>	<u>37,302</u>	<u>42,000</u>
Bank of New York Mellon:						
Revenue	114	239		282	282	
	<u>114</u>	<u>239</u>	<u>510</u>	<u>282</u>	<u>282</u>	<u>595</u>
TD Bank, NA:						
Revenue	250	231		250	288	
	<u>250</u>	<u>231</u>	<u>995</u>	<u>250</u>	<u>288</u>	<u>1,033</u>
Investors Bank						
Construction	45,049	45,049		25,005	25,005	
	<u>45,049</u>	<u>45,049</u>	<u>47,039</u>	<u>25,005</u>	<u>25,005</u>	<u>25,005</u>
Total Subject to Pledged Securities	<u>241,628</u>	<u>236,856</u>	<u>\$ 257,037</u>	<u>391,371</u>	<u>337,272</u>	<u>415,251</u>
Bank of New York Mellon – Trust:						
Construction	148	148		2,092	85,001	
General reserve	-	-		109	109	
Charges	8	8		74	74	
Debt service	451	326		128,077	127,915	
	<u>607</u>	<u>482</u> (1)		<u>130,352</u>	<u>213,099</u> (1)	
Toll Collection and Other Imprest Funds:						
Revenue	358	-		357	-	
	<u>358</u> (2)	<u>-</u>		<u>357</u> (2)	<u>-</u>	
Total Subject to Bond Resolution	<u>242,593</u>	<u>237,338</u>		<u>522,080</u>	<u>550,371</u>	
TD Bank, NA:						
Garden State Arts Foundation	385	388		340	345	
	<u>385</u>	<u>388</u> (3)		<u>340</u>	<u>345</u> (3)	
Investors Bank:						
Garden State Arts Foundation	458	458		453	453	
	<u>458</u>	<u>458</u> (3)		<u>453</u>	<u>453</u> (3)	
Northfield Bank:						
Garden State Arts Foundation	213	213		212	212	
	<u>213</u>	<u>213</u> (3)		<u>212</u>	<u>212</u> (3)	
	<u>\$ 243,649</u>	<u>238,397</u>		<u>523,085</u>	<u>551,381</u>	

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

(2) Cash on hand, not at bank.

(3) Garden State Arts Foundation bank account balances are not subject to the collateral posting requirements of the Bond Resolution.

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

Schedule of Cost of Investment in Facilities
June 30, 2017

(With comparative financial information for the six months ended June 30, 2016)
(in thousands)

	Completed construction funds	2008/2009 Bond anticipation note	Ten year capital program	Maintenance reserve	Special project reserve	General reserve	GAAP adjustments	2017 Total	2016 Total
Land	\$ 658,143	2,411	163,439	-	-	8,128	-	832,121	824,952
Construction-In-Progress	-	-	1,481,234	32,822	5,806	37,597	15,719	1,573,178	2,977,190
Roadways	3,049,838	135,302	2,281,211	186,497	2,151	14,302	-	5,669,301	4,578,349
Bridges	1,877,991	32,866	2,740,438	284,293	64	32,178	-	4,967,830	4,297,766
Buildings	354,716	20,373	324,732	-	19,988	72,277	-	792,086	504,280
Equipment	526,687	51,142	647,708	-	113,441	102,569	-	1,441,547	1,241,587
Cost of Investment in Facilities	6,467,375	242,094	7,638,762	503,612	141,450	267,051	15,719	15,276,063	14,424,124
Accumulated Depreciation	(2,825,813)	(74,168)	(472,747)	(110,244)	(57,262)	(76,511)	-	(3,616,745)	(3,314,721)
Capital assets, net of accumulated depreciation	\$ 3,641,562	167,926	7,166,015	393,368	84,188	190,540	15,719	11,659,318	11,109,403

Completed construction funds:

Original turnpike extensions and additional lanes	\$ 60,151
Revenues invested in facilities	39,006
1966 Turnpike Improvement	155,747
1971 Turnpike Improvement	15,984
1973 Improvement and Funding Program	26,537
1985-1990 Widening Project	313,806
Business Plan for the 90's	756,383
Former NJHA Construction	513,826
2000 Construction Fund	1,260,163
2003 Construction Fund	15,968
2004 Construction Fund	407,222
2005 Construction Fund	76,769
	\$ 3,641,562

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

Schedule of Bond Indebtedness

June 30, 2017

(in thousands)

	Amount outstanding December 31, 2016	Refunded or acquired and canceled in current year	Mandatory redemption/ sinking fund installments	Debt issuance	Amortization of premiums and discounts	Amount outstanding June 30, 2017
Turnpike revenue bonds:						
Series 2000 B-G	400,000	-	-	-	-	400,000
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	-	(15,645)	-	-	19,125
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	1,395,050	-	(5,095)	-	-	1,389,955
Series 2013 B	100,000	-	(47,500)	-	-	52,500
Series 2013 C	271,000	-	(129,500)	-	-	141,500
Series 2013 D	77,625	-	-	-	-	77,625
Series 2013 E	51,750	-	-	-	-	51,750
Series 2013 F	90,880	-	-	-	-	90,880
Series 2014 A	1,000,000	-	-	-	-	1,000,000
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
Series 2016B	75,025	-	-	-	-	75,025
Series 2016C	50,015	-	-	-	-	50,015
Series 2016D	50,000	-	-	-	-	50,000
Series 2017A	-	-	-	600,000	-	600,000
	10,626,155	-	(197,740)	600,000	-	11,028,415
Premiums and discounts, net	444,966	-	-	87,535	(23,636)	508,865
	<u>\$ 11,071,121</u>	<u>-</u>	<u>(197,740)</u>	<u>687,535</u>	<u>(23,636)</u>	<u>11,537,280</u>

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	168,646	(168,646)	-	-	-	-
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>10,786,921</u>	<u>(168,646)</u>	<u>(142,115)</u>	<u>149,995</u>	<u>-</u>	<u>10,626,155</u>
Premiums and discounts, net	464,242	-	-	25,411	(22,277)	467,376
	<u>\$ 11,251,163</u>	<u>(168,646)</u>	<u>(142,115)</u>	<u>175,406</u>	<u>(22,277)</u>	<u>11,093,531</u>

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

Schedule of Refunded Bond and Note Indebtedness

June 30, 2017

(With comparative financial information as of June 30, 2016)
(in thousands)

Note:

As of June 30, 2017 and 2016, refunded bond and note indebtedness which is still outstanding in fully collateralized escrow accounts is as follows:

Refunded series	Refunded amount	Matured/ redeemed	2017 outstanding	2016 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 2004B Turnpike Revenue Bonds, redemption January 1, 2017	168,646	(168,645)	-	168,645
Total	\$ 203,726	(168,645)	35,080	203,725

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, 2017 and 2016
(in thousands)

Class	Description	2017		2016	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 378,287	109,748	375,901	107,845
2	Vehicles having two axles other than type described under Class 1	31,199	4,215	30,817	4,136
3	Vehicle (vehicles), single or in combination, having three axles	14,188	1,737	13,823	1,693
4	Vehicle (vehicles), single or in combination, having four axles	17,189	1,380	16,556	1,320
5	Vehicle (vehicles), single or in combination, having five axles	115,422	7,536	113,470	7,387
6	Vehicle (vehicles), single or in combination, having six or more axles	3,586	192	3,186	167
7	Buses having two axles	1,136	218	1,090	210
8	Buses having three axles	6,771	623	6,670	613
	Nonrevenue vehicles	-	778	-	791
		<u>567,778</u>	<u>126,427</u>	<u>561,513</u>	<u>124,162</u>
	Nonrevenue vehicles	-	(778)	-	(791)
	Toll Adjustments and Discounts	(3,344)	-	(2,809)	-
	Net Violations	(11,044)	-	(8,973)	-
		<u>\$ 553,390</u>	<u>125,649</u>	<u>549,731</u>	<u>123,371</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, 2017 and 2016

(in thousands)

Class	Description	2017		2016	
		Toll revenue	Number of vehicles (unaudited)	Toll revenue	Number of vehicles (unaudited)
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 201,204	186,343	199,897	185,083
2	Vehicles having two axles other than type described under Class 1	940	403	1,204	503
3	Vehicle (vehicles), single or in combination, having three axles	1,614	533	1,610	543
4	Vehicle (vehicles), single or in combination, having four axles	1,755	408	1,645	393
5	Vehicle (vehicles), single or in combination, having five axles	1,370	287	1,350	283
6	Vehicle (vehicles), single or in combination, having six or more axles	67	11	73	13
7	Buses having two axles	875	349	791	320
8	Buses having three axles	1,231	470	1,220	470
	Nonrevenue vehicles	-	771	-	738
		<u>209,056</u>	<u>189,575</u>	<u>207,790</u>	<u>188,346</u>
	Nonrevenue vehicles	-	(771)	-	(738)
	Toll Adjustments and Discounts	(256)	-	(230)	-
	Net Violations	(3,487)	-	(3,081)	-
		<u>\$ 205,313</u>	<u>188,804</u>	<u>204,479</u>	<u>187,608</u>