

**New Jersey Turnpike Authority  
Financial Summary  
For the Ten Months Ended October 31, 2018**

<b>ACTUAL REVENUE - January - October</b>	\$	1,558,616,000
<b>ESTIMATED REVENUE - November - December</b>		279,856,000
<i>Estimated Annual Revenue</i>	\$	1,838,472,000
 <b>ESTIMATED ANNUAL OPERATING EXPENSES</b>	 \$	 557,951,000
<i>Estimated Net Revenue</i>	 \$	 1,280,521,000
 <b>DEBT SERVICE REQUIREMENTS</b>		 792,574,000
<b>SPECIAL PROJECT RESERVE FUND</b>		40,490,000
<b>MAINTENANCE RESERVE FUND</b>		119,086,000

The following un-audited results are for the ten months ended October 31, 2018.<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, 2018, the Authority is projected to have a debt service coverage ratio of 1.62 and a total requirements coverage ratio of 1.34.

The Authority's total revenue for the ten months ended October 31, 2018 was \$1,558,616,000, which is \$16,221,000, or 1.1%, above the Amended 2018 Budget. Toll revenue was \$1,348,841,000, which is \$7,360,000, or 0.5%, greater than the amended budget. Toll revenue is greater than budget due to normal growth and stable economic conditions. Revenue increased despite the effects from winter storms Grayson (January 4-5, 2018), Quinn (March 7-8, 2018), and Toby (March 21-22, 2018), which were state of emergency events. The increase in total revenue was also due in part to higher than anticipated miscellaneous revenue and income from investments. Miscellaneous revenue, which totaled \$17,077,000, was \$1,766,000, or 11.5%, greater than the amended budget due to the receipt of an additional \$1,000,000 advance payment for the Delaware River Turnpike Bridge insurance claim. Income from investments, which totaled \$24,173,000, was \$4,663,000 or 23.9% above the amended budget due to higher yields on investments due to an increase in short-term interest rates and higher invested balances.

For the ten months ended October 31, 2018, traffic on the New Jersey Turnpike increased 1.6% and toll revenue increased 2.3% as compared to the same period in 2017. Toll transactions and revenue increased primarily due to the reopening of Interchanges 6 and 6A on the New Jersey Turnpike. Those interchanges were closed 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. Traffic and revenue were negatively impacted by winter storms Grayson, Quinn, and Toby. The storms resulted in 2,013,000 fewer transactions and \$8,283,000 less revenue when compared to similar days in January and March. When adjusting for the impacts of the storms, traffic and revenue would have increased 1.8% and 3.1%, respectively. CDM Smith, the Authority's traffic engineering consultant, released a draft toll revenue forecast study dated September 27, 2018. The actual and adjusted results for the ten months ended October 31, 2018 have exceeded CDM Smith's projections of a 1.0% increase in traffic and a 1.7% increase in revenue. Through October 2018, the E-ZPass usage rate on the New Jersey Turnpike was 85.8%, an increase from 84.0% for the same period in 2017.

For the ten months ended October 31, 2018, toll transactions on the Garden State Parkway decreased 0.4% and revenue increased 1.0% when compared to the same period in 2017, due mainly to normal growth. Toll revenue increased despite more severe winter weather in the first ten months of 2018 compared to 2017. Toll transactions decreased due to Interchange 145 (East Orange) being converted to one-way tolling on July 26<sup>th</sup>, 2018. Transactions are now only counted in one direction. When adjusting for one-way tolling, toll transactions would have increased by 0.6%. Traffic and revenue were negatively impacted by winter storms Grayson, Quinn, and Toby. The storms resulted in 3,148,000 fewer transactions and \$3,441,000 less revenue when compared to similar days in January and March. When adjusting for the impacts of the storms, traffic and revenue would have increased 0.5% and 1.9%, respectively. The actual and adjusted results for the ten months ended October 31, 2018 were above CDM's projected decrease of 0.5% in toll transactions and increase of 0.8% in toll revenue. Through October 2018, the E-ZPass usage rate on the Garden State Parkway was 83.0%, an increase from 81.2% for the same period in 2017.

Operating expenses for the ten months ended October 31, 2018 were approximately \$406,002,000, which was 89% of the year-to-date budget. The Authority's operating expenses through October were under budget primarily due to lower than budgeted snow and severe weather costs charged to operating expenses. The Authority spent a total of \$41,557,000 for snow and severe weather costs through October 2018, with \$16,179,000 spent from the operating expense budget and an additional \$25,378,000 spent from the General Reserve Fund. All snow and severe weather costs are charged to the operating expense budget except for declared state of emergency events, which are charged to the General Reserve Fund. The Authority has spent more on snow through October 31, 2018 as it did for the entire calendar year in 2017. Excluding snow costs, operating expenses were 91% of the year-to-date budget. 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 ten months ended October 31, 2018, total expenditures were approximately \$145,835,000. Expenditures included \$26,184,000 for Turnpike Resurfacing, \$23,051,000 for Turnpike Bridge Repairs and \$15,390,000 for Parkway Bridge Repairs. In addition to the Capital Budget spending, the General Reserve Fund expenses totaled \$208,193,000 and consisted primarily of \$145,000,000 for the State Transportation Projects Funding Agreement 2016-2021, \$25,378,000 for Extraordinary Events – Snow, and \$18,333,000 for the Transportation Trust Fund Agreement.

Total expenditures in the Construction Fund for the ten months ended October 31, 2018 were approximately \$223,306,000. Expenses included \$51,591,000 for NBHCE Bridge Re-decking, \$39,807,000 for the Authority's Phase I Facilities Improvements project, and \$34,343,000 for the Great Egg Harbor/ Drag Channel Bridge project. In addition to these expenditures, there are open contracts and commitments totaling approximately \$382,764,000. Total expenditures from the Revenue Funded Construction Fund for the ten months ended October 31, 2018 were approximately \$1,756,000. Expenses include \$1,230,000 for the Laderman Bridge Repair Project.

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