



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



**Quarterly Financial Analysis and
Unaudited Financial Statements as of
March 31, 2019 and 2018
(DRAFT)**

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NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Quarterly Financial Analysis
For the Three Months Ended March 31, 2019 and 2018

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**MANAGEMENT DISCUSSION & ANALYSIS SECTION
(UNAUDITED)**

Highlights

- On January 5, 2019, the Alexander Hamilton Service Area on the Turnpike was closed for demolition and will be replaced by a new service area that is scheduled to open in the summer of 2019. This is the third service area to break ground on the construction of the fourteen restaurants and twenty-one fuel service facilities that are to be remodeled or refurbished on the Parkway and the Turnpike over the next seven years as part of the HMS Host Tollroads Inc. (HMS) and Sunoco Retail LLC (Sunoco) contracts.
- On January 28, 2019, the Authority approved a Memorandum of Agreement with the last of the eight collective bargaining units. This agreement addressed across-the-board salary increases, retroactive payments and an increase in the hourly minimum rate for certain job titles. The agreement expires on June 30, 2019.
- On February 7, 2019, the Authority issued \$449,110 of Turnpike Revenue Bonds, Series 2019 A (Series 2019 A bonds). The bonds bear interest at fixed rates from 4.00% to 5.00% and mature on January 1, 2048. The interest on the Series 2019A bonds is paid semi-annually. The purpose of the 2019A Turnpike Revenue Bonds is to (i) pay the Cost of Construction of various Projects which are part of the Authority's ongoing capital improvement program for the Turnpike System, and (ii) pay the costs of issuance of the Series 2019 A Bonds. This borrowing completes the financing of the \$7 Billion Capital Improvement Program (CIP).
- The Authority's net position decreased by \$8,739, or 2.2%, from \$396,553 as of December 31, 2018, to \$387,814 as of March 31, 2019. The decrease in net position can be attributed to higher depreciation in the three months ended March 31, 2019.
- Operating revenue in Q1 2019 is \$394,098, which is \$946, or 0.2% more than Q1 2018 primarily because of higher traffic on both roadways due to mild winter weather, favorable economic conditions, and strong commercial traffic in Q1 2019.
- As compared with Q1 2018, toll revenue on the Turnpike increased by 1.9%, and traffic increased by 3.1% in Q1 2019. On the Parkway, revenue increased by 2.4%, while traffic decreased by 0.7% in Q1 2019, compared to Q1 2018. Parkway transactions decreased due to the implementation of one-way tolling at Interchange 145 during 2018.



Condensed Summary of Net Position

	Three months ended March 31, 2019	Twelve months ended December 31, 2018 (1)
Assets:		
Current assets	\$ 1,691,672	1,915,324
Other noncurrent assets	960,828	556,994
Capital assets, net of accumulated depreciation	11,933,821	11,960,282
Total assets	<u>\$ 14,586,321</u>	<u>14,432,600</u>
Deferred outflows:		
Deferred amount on refunding	\$ 246,826	253,649
Deferred amount relating to pension	110,378	110,378
Deferred amount relating to other postemployment benefit	119,374	119,504
Total deferred outflows	<u>\$ 476,578</u>	<u>483,531</u>
Liabilities:		
Current liabilities	\$ 777,928	865,680
Noncurrent liabilities	13,787,089	13,534,045
Total liabilities	<u>\$ 14,565,017</u>	<u>14,399,725</u>
Deferred inflows:		
Accumulated increase in fair value of hedging derivatives	\$ 5,584	15,369
Deferred amount relating to pension	99,267	99,267
Deferred amount relating to other postemployment benefit	5,217	5,217
Total deferred inflows	<u>\$ 110,068</u>	<u>119,853</u>
Net position:		
Net investment in capital assets	\$ 1,671,678	1,517,792
Restricted under trust agreements	81,120	225,094
Unrestricted	(1,364,984)	(1,346,333)
Total net position	<u>\$ 387,814</u>	<u>396,553</u>

(1) Balances as of December 31, 2018 do not reflect GASB 68 amounts for the year 2018.

Discussion of Condensed Summary of Net Position as of March 31, 2019

The Authority's total net position is reported at \$387,814 and \$396,553 as of March 31, 2019, and December 31, 2018 respectively. This represents a decrease of \$8,739, or 2.2%, compared to December 31, 2018. The major factor causing this decrease was higher depreciation for the three months ended March 31, 2019. Other noncurrent assets increased by \$403,834, or 72.5%, as

March 31, 2019

(Continued)

compared to December 31, 2018. The increase resulted from the issuance of 2019A Series Turnpike Revenue Bonds in February 2019. Capital assets decreased by \$26,461, or 0.2%, as compared to December 31, 2018 mainly due to the depreciation. The decrease of \$87,752 or 10.1% in the current liabilities is due to substantially lower accrued interest payable as the March 31, 2019 amount includes the liability only for 3 months. This decrease in accrued interest payable is offset by an increase in unearned revenue. Noncurrent liabilities increased by \$253,044 or 1.9%, primarily due to a \$236,404 or 2% increase in bonds payable.

Adjusted Net Position

	March 31, 2019	December 31, 2018
Net Position as per GAAP Financials	387,814	396,553
Unfunded non-cash adjustment:		
Other postemployment benefit liability	1,649,088	1,634,588
Interest rate swaps liabilities	15,257	6,738
Net pension liability	438,493	438,493
Other long-term obligations	20,756	20,756
Hybrid instrument borrowing	104,850	118,397
Accumulated increase in fair value of hedging derivatives	5,584	15,369
Deferred amount relating to pensions	99,267	99,267
Deferred amount relating to other postemployment benefit	5,217	5,217
Deferred amount on refunding	(246,826)	(253,649)
Deferred amount relating to pensions	(110,378)	(110,378)
Deferred amount relating to other postemployment benefit	(119,374)	(119,504)
Capital assets, net of accumulated depreciation	(10,673)	(10,673)
Total non cash adjustments	1,851,261	1,844,621
Garden State Arts Foundation	(1,102)	(607)
Net Position as per Bond Resolution	2,237,973	2,240,567

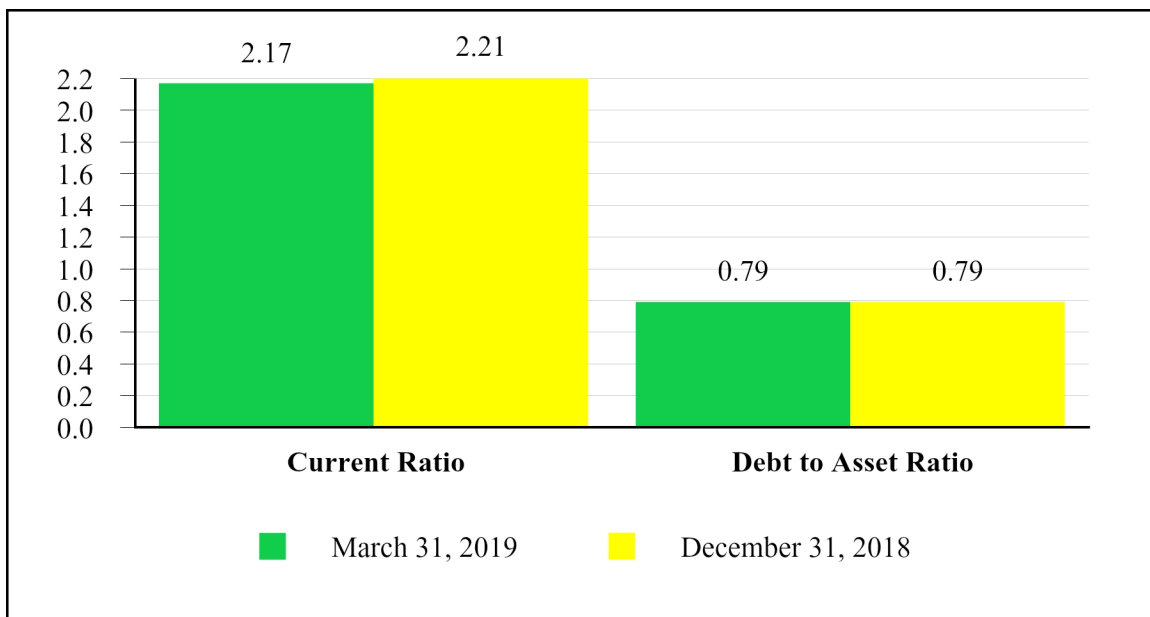
Adjusted net position

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 primarily GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligation* (GASB 49), GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75) as well as

other 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

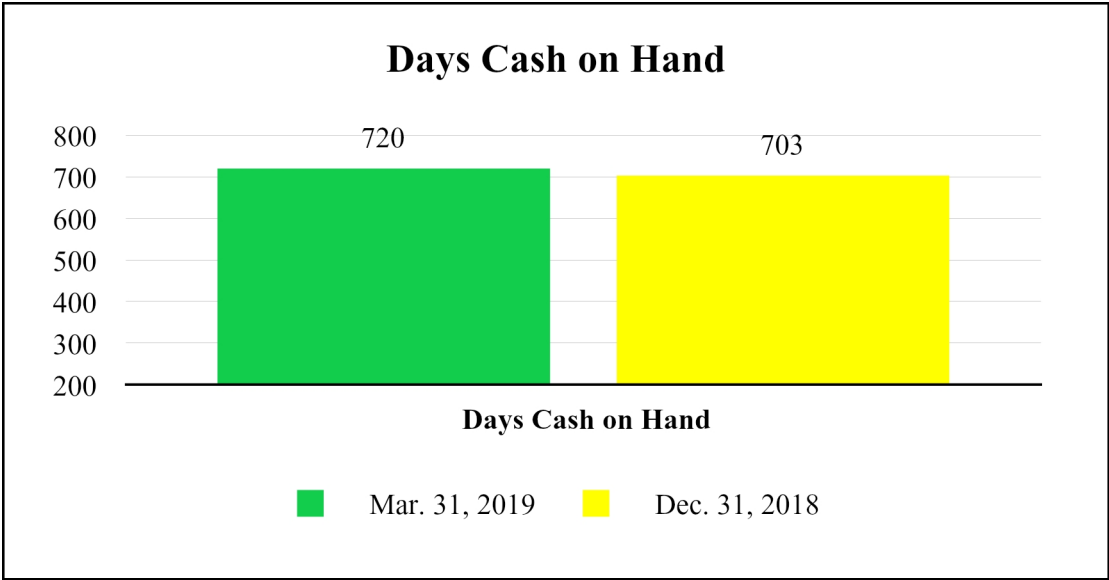
Ratio	Mar. 31, 2019	Dec. 31, 2018	Explanation
Current Ratio	2.17	2.21	The current ratio is calculated as the Authority's current assets divided by current liabilities. A strong current ratio is over 1.0, and indicates an organization's ability to meet their short term obligations. The Authority's current ratio decreased slightly over the period due to the conversion of bond proceeds to fixed assets. The ratio still indicates a strong capacity to meet short term obligations as it is two times the amount of current assets as compared with current liabilities for Q1 2019.
Debt to Asset Ratio	0.79	0.79	The debt to assets ratio is calculated by dividing total debt by total assets. The debt to asset ratio remained unchanged over the period despite the issuance of debt in Q1 2019, 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 increased for the period ended March 31, 2019 as compared to the period ended December 31, 2018 despite a small decline in unrestricted cash and investments due primarily to lower average daily operating expenses as of March 31, 2019 as compared to December 31, 2018. Based on this calculation as of March 31, 2019, the Authority could go 720 days without generating any revenue and still pay its operating expenses.

	Mar. 31, 2019	Dec. 31, 2018
Unrestricted Cash & Investments	\$ 1,035,043	1,043,478
Daily Operating Expenses (Revenue Fund)	1,437	1,485
Days cash on hand	720	703



Capital Improvement Program (CIP)

- The Authority is nearing the conclusion of a \$7 Billion CIP that included large scale projects such as widening stretches of both the Turnpike and the Parkway and smaller projects that improve interchanges, rehabilitate bridges, and deploy new technologies. The \$7 Billion CIP continues on budget with some scheduling changes as projects have been added from savings. Certain projects are completed or are on target to be

completed ahead of schedule and under budget. The Newark Bay Hudson County Extension (NBHCE) project is expected to go beyond its original completion date due to location and scheduling conflicts. This work could not be started until the New Jersey State Department of Transportation (NJDOT) completed their Pulaski Skyway project.



The Pulaski Skyway reopened on July 2, 2018. At the tenth year of the program, the Authority has spent or committed approximately 98%, or \$6.9 billion of its original \$7 billion budget with minimal impact to traffic.

- On September 25, 2018, the \$7 Billion CIP was amended to extend the end date by two years, until December 31, 2020. This amendment was required due to the fact that certain projects were completed or are on target to be completed ahead of schedule and under budget. This has allowed the Authority to add new work without any additional financial impact. In addition, the amendment approved and added \$16,000 of design work for new projects while maintaining the original \$7 billion budget.
- Bond proceeds are deposited in the Construction Fund to support the \$7 Billion CIP. Total expenditures in the Construction Fund for the three months ended March 31, 2019 were approximately \$42,700. Spending included approximately \$13,100 for the NBHCE Bridge Re-decking Project, approximately \$8,100 for the Facilities Improvements Phase I Project, approximately \$6,600 for the Interchange Improvements Project, approximately \$5,100 for the Parkway Interchange 125 Phase I Project, and approximately \$2,200 for the Turnpike Interchange 14A Reconstruction Project. In addition to these expenditures, there are open contracts and commitments totaling approximately \$480,200.
- 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 opened to the public in late 2014 was the widening between Interchanges 6 and 9 on the Turnpike. In addition, through multiple phases, the

Authority completed the widening of the Parkway from milepost 35 to 80. 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 rehabilitations and Interchange improvements. Since the program began, the Authority has expanded and rehabilitated 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)	\$ 2,135,328	2,132,826	100 %
Bridge Improvements	1,685,344	1,663,205	99 %
Roadway Improvements	847,329	808,107	95 %
Interchange Improvements	1,068,629	1,030,476	96 %
Facilities Improvements	672,334	667,466	99 %
Parkway Widening (Milepost 35-80)	591,036	580,131	98 %
	\$ 7,000,000	6,882,211	98%

Turnpike Widening: The Turnpike Interchanges 6 to 9 widening, 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. All construction is complete and final Program close out is in progress. This Turnpike widening is perhaps the most significant and successful project in recent years, allowing free-flow of traffic at all times as previous significant peak-period delays in the widening area have been eliminated.

Bridge Improvements: Bridge improvements in the \$7 Billion 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 \$7 Billion CIP includes approximately \$1,685,300 for bridge improvements. In 2019, the major projects include portions of the Delaware River Turnpike Bridge and the NBHCE on the Turnpike, and the Great Egg Harbor and the Drag Channel on the Parkway. The Authority continues its bridge deck reconstruction work on the NBHCE in 2019.



Roadway Improvements: Roadway improvements totaling approximately \$847,300 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. The guide sign replacement project on the Turnpike was substantially completed in 2018 and the Authority continues to work on the culvert rehabilitation on the Parkway. The design work for additional median barrier replacements along with the design of a number of other new project initiatives was added as a part of \$7 Billion CIP amendment in September 2018. The last contract of the Variable Message Sign Program was recently advertised and anticipated to be awarded in the second quarter of 2019.

Interchange Improvements: The \$7 Billion CIP also includes approximately \$1,068,600 for Interchange Improvements on both roadways. The projects include Interchanges 9, 10, and 14A on the Turnpike and Interchanges 9, 10, 11, 36, 37, 41, 91, 105, 109, and 125 on the Parkway. Turnpike Interchange 14A and Parkway Interchanges 105 and 163 were completed in 2018. Work continues on Interchange 109 and Interchange 145 on the Garden State Parkway.

Facility Improvements: The \$7 Billion CIP includes approximately \$672,300 for facilities improvements. In total, the Authority will build forty-two new structures and rehabilitate eighteen existing structures. Projects include the replacement of four State Police Troop D Stations, the rehabilitation of sixteen maintenance districts, minor improvements at all Turnpike toll plaza buildings, and construction of a total of twelve salt storage facilities on both roadways. The Facilities Improvement Program is near its completion and will be completed in 2019. To date, thirteen maintenance district facilities, four State Police Stations, a Central Services facility, twelve salt sheds, and all Turnpike toll building repairs have been completed.

Parkway Widening: The Parkway widening project will add a third travel lane and full-width shoulders between Mileposts 35 and 80 and was 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 2014, with the remaining widening of this section to Milepost 48 opened in 2015.

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

Total budgeted costs for the Parkway Mileposts 35 to 80 Widening Program are approximately \$691,000; 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 \$7 Billion CIP.

Capital Assets

	Mar. 31, 2019	Dec. 31, 2018
Land	\$ 833,761	833,761
Construction-in-progress	608,302	535,904
Roadways	4,599,732	4,642,741
Bridges	4,315,492	4,348,351
Buildings and improvements	633,134	637,904
Equipment	943,400	961,621
Total capital assets, net of accumulated depreciation	<u>\$ 11,933,821</u>	<u>11,960,282</u>

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 March 31, 2019 were \$16,125,881 with an accumulated depreciation of \$4,192,060 for net book value of \$11,933,821. This represents 81.8% of the Authority's total assets.



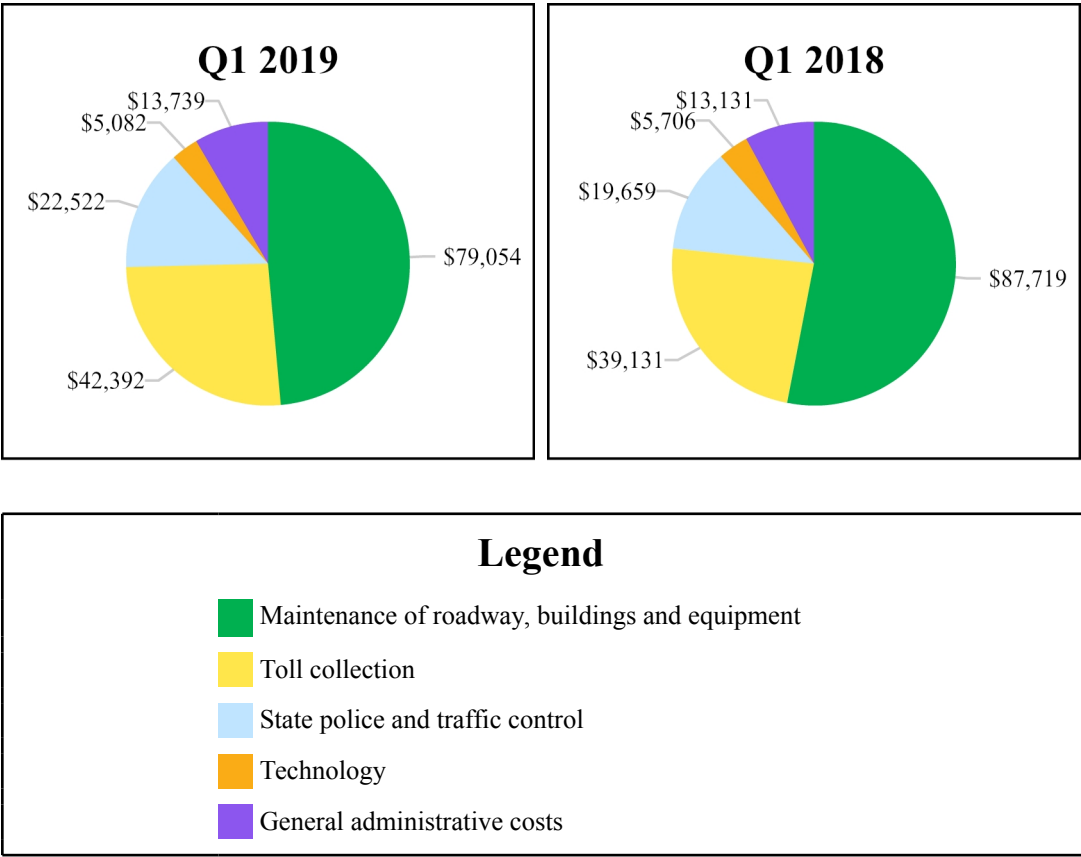
- Capital assets, net of accumulated depreciation, are reported at \$11,933,821 as of March 31, 2019 and \$11,960,282 as of December 31, 2018. This represents an decrease of \$26,461 or 0.22% in the current year as compared to December 31, 2018. The main reason for the decrease is the depreciation of capital assets which has exceeded new fixed asset creation in Q1 2019.
- The Authority's policy is to categorize the capital assets when the work is substantially complete. The work is deemed substantially complete when the asset is ready for its use. Each year the asset categorization is done in the third quarter based on the substantial completion of the construction contracts.

Condensed Summary of Revenue, Expenses and Changes in Net Position

	Q1 2019	Q1 2018
Operating revenues:		
Toll revenue	\$ 362,536	355,420
E-ZPass fees	20,365	18,934
Concession revenue	6,435	9,925
Miscellaneous revenue	4,762	8,873
Total operating revenues	394,098	393,152
Operating expenses, excluding depreciation	(162,789)	(165,346)
Net operating revenue	231,309	227,806
Depreciation expense	(95,515)	(78,123)
Operating income (loss)	135,794	149,683
Nonoperating revenues (expenses):		
Build America Bonds subsidy	19,151	19,069
Federal and State reimbursements	1,006	35
Payments to the State of New Jersey	(51,250)	(57,750)
Interest expense, Turnpike Revenue Bonds	(125,459)	(129,690)
Other bond expenses	(1,280)	(3)
Loss on disposal of capital assets	—	—
Investment income	12,007	7,090
Arts Center	1,292	1,292
Total nonoperating revenues (expenses), net	(144,533)	(159,957)
Change in net position, before capital contributions	(8,739)	(10,274)
Capital contributions	—	—
Change in net position	(8,739)	(10,274)
Net position – Beginning of period	396,553	1,248,013
Net position – End of period	\$ 387,814	1,237,739

Operating Expenses

Operating expenses by category for Q1 2019 and Q1 2018 are shown below:



Discussion of Condensed Summary of Revenue, Expenses and Changes in Net Position for the quarters ended March 31, 2019 and 2018

- Net position decreased by \$849,925 or 68.7% for the quarter ended March 31, 2019 as compared to quarter ended March 31, 2018. This is mainly due to the implementation of GASB 75 in 2018. The GASB 75 implementation resulted in a recording of \$1,059,526 for Other Post Employment Benefits Liability.
- Operating revenues totaled \$394,098 for the three months ended March 31, 2019, representing an increase of \$946 or 0.2% from \$393,152 for the three months ended March 31, 2018. The increase is due to higher toll revenue and E-Z Pass fees. This increase is offset by the decrease in concession revenue and miscellaneous revenue.
- E-Z Pass fees totaled \$20,365 for the three months ended March 31, 2019, representing an increase of \$1,431, or 7.6% from \$18,934 for the three months ended March 31, 2018. The increase is due to increased collection efforts and membership fees and greater tag fees from the tag swap program.

- Concession revenue decreased by \$3,490 or 35.2% to \$6,435 in Q1 2019 from \$9,925 in Q1 2018. This decrease is due to the closure of 3 major service areas for construction, as well as an extra payment received in Q1 2018 due to change in contract terms.
- Miscellaneous revenue decreased by \$4,111 or 46.3% to \$4,762 in Q1 2019 from \$8,873 in Q1 2018. This is due to a one time business interruption insurance recovery received in Q1 2018.

Operating Expense Breakdown (not including depreciation)

- Operating expenses, excluding depreciation, totaled \$162,789 for the three months ended March 31, 2019, representing an decrease of \$2,557 from \$165,346 for the three months ended March 31, 2018. This is mainly due to a decrease in the expenses related to maintenance of roadway, buildings and equipment for Q1 2019. This overall decrease was marginally offset by the increase in payroll costs due to union contract settlements and the increase in Other Post Employment benefits cost after the GASB 75 implementation.
- Maintenance expenses decreased by \$8,665 or 9.9% to \$79,054 in Q1 2019 from \$87,719 in Q1 2018. This decrease is due to lower snow removal and severe weather costs in Q1 2019.
- Toll collection expenses increased by \$3,261 or 8.3% from \$42,392 in Q1 2019 to \$39,131 in Q1 2018. This increase is due to the allocation of costs from the Information Technology Systems (ITS) department to the toll department. The purpose of this allocation is to more accurately record the cost of ITS employees who perform toll equipment maintenance work. There has also been an increase in salaries due to the union contract settlements.
- State Police and traffic control expenses increased by \$2,863 or 14.6%, to \$22,522 in Q1 2019 from \$19,659 in Q1 2018. The increase is primarily due to the decrease in the allocation of state trooper costs charged to capital projects. In Q1 2019, the state trooper activity is mainly focused on patrolling both the roadways. There is also a slight increase in pension cost as compared to Q1 2018.
- Technology expenses decreased by \$624 or 10.9% to \$5,082 in Q1 2019 from \$5,706 in Q1 2018. This decrease is due to the allocation of costs from the ITS department to the toll department. The purpose of this allocation is to more accurately record the cost of ITS employees who perform toll equipment maintenance work.
- General administrative expenses increased by \$608 or 4.6% to \$13,739 in Q1 2019 from \$13,131 in Q1 2018. This increase is due to the increase in salaries as a result of the union contract settlements.
- Net non-operating expenses decreased by \$15,424 or 9.6% to \$144,533 in Q1 2019 as compared to \$159,957 in Q1 2018 predominantly due to lower interest expense, higher investment income and lower payments to the State of New Jersey.

- Interest expense decreased by \$4,231 or 3.3% to \$125,459 in Q1 2019 from \$129,690 in Q1 2018. The decrease is primarily due to the reduction in hybrid instrument borrowing associated with the 2017C interest rate swap.
- Investment income has increased by \$4,917 or 69.4% to an investment gain of \$12,007 in Q1 2019 from the investment gain of \$7,090 in Q1 2018. This increase is due to higher yields on investments due to an increase in short-term interest rates and higher invested balances.
- Payments to the State of New Jersey decreased by \$6,500 or 11.3% to \$51,250 in Q1 2019 from \$57,750 in Q1 2018. This decrease is due to the contractual reduction in the payments as per the State Transportation Projects Funding Agreement and the Feeder Road Maintenance and Cost Sharing Agreement.

Adjusted Revenue, Expenses and Changes in Net Position

	Q1 2019	Q1 2018
Change in Net Position as per GAAP Financials	\$ (8,739)	(10,274)
Unfunded non-cash adjustments:		
Total operating expenses	14,629	10,671
Interest expense, Turnpike Revenue Bonds	(7,990)	(4,150)
Interfund transfers	—	2,076
Total Non-Cash Adjustment	\$ 6,639	8,597
Garden State Arts Foundation	495	495
Change in net position as per Bond Resolution	\$ (2,595)	(2,172)
Add other non-cash expenses		
Depreciation	95,515	78,123
Amortization	(11,953)	(13,016)
Change in Net Position - Non-GAAP	\$ 80,967	62,935

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 noncash portion of the GASB 49, GASB 53, GASB 68, and GASB 75. 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 AUTHORITY
(A Component Unit of the State of New Jersey)

NEW JERSEY TURNPIKE

Schedule of Toll Revenue

Quarters ended March 31, 2019 and 2018

(Unaudited)

(In thousands)

Class	Description	Q1 2019		Q1 2018	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 183,972	52,945	179,021	51,456
2	Vehicles having two axles other than type described under Class 1	15,607	2,177	14,596	2,053
3	Vehicle (vehicles), single or in combination, having three axles	9,596	1,071	7,594	910
4	Vehicle (vehicles), single or in combination, having four axles	8,148	713	8,083	690
5	Vehicle (vehicles), single or in combination, having five axles	51,654	3,695	53,684	3,726
6	Vehicle (vehicles), single or in combination, having six or more axles	3,476	164	2,624	135
7	Buses having two axles	416	111	467	97
8	Buses having three axles	2,929	288	2,808	282
	Nonrevenue vehicles	—	387	—	396
		275,798	61,551	268,877	59,745
	Nonrevenue vehicles	—	(387)	—	(396)
	Toll adjustments and discounts	(1,061)	—	(957)	—
	Net Uncollected Tolls	(8,605)	—	(6,683)	—
		<u>\$ 266,132</u>	<u>61,164</u>	<u>261,237</u>	<u>59,349</u>

March 31, 2019

(Continued)

NEW JERSEY TURNPIKE AUTHORITY

(A Component Unit of the State of New Jersey)

GARDEN STATE PARKWAY

Schedule of Toll Revenue

Quarters ended March 31, 2019 and 2018

(Unaudited)

(In thousands)

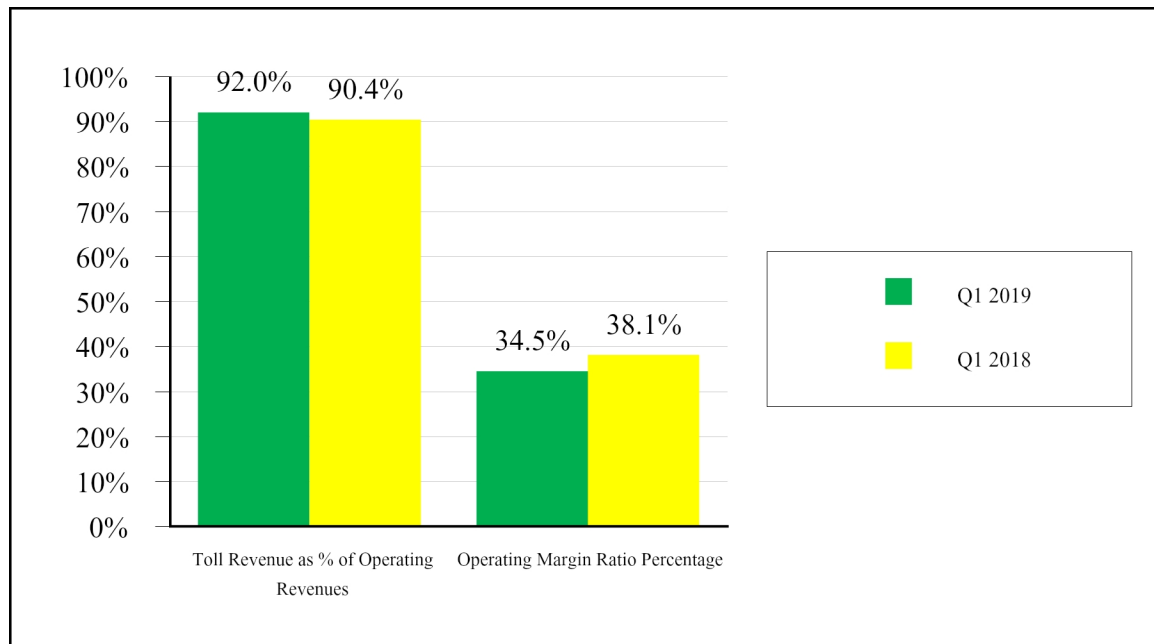
Class	Description	Q1 2019		Q1 2018	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 94,377	85,102	92,060	85,784
2	Vehicles having two axles other than type described under Class 1	608	286	454	197
3	Vehicle (vehicles), single or in combination, having three axles	642	205	652	221
4	Vehicle (vehicles), single or in combination, having four axles	714	169	764	184
5	Vehicle (vehicles), single or in combination, having five axles	649	140	632	133
6	Vehicle (vehicles), single or in combination, having six or more axles	32	7	31	6
7	Buses having two axles	441	176	432	178
8	Buses having three axles	548	207	547	214
	Nonrevenue vehicles	—	406	—	397
		98,011	86,698	95,572	87,314
	Nonrevenue vehicles	—	(406)	—	(397)
	Toll adjustments and discounts	(62)	—	(77)	—
	Net Uncollected Tolls	(1,545)	—	(1,312)	—
		<u>\$ 96,404</u>	<u>86,292</u>	<u>94,183</u>	<u>86,917</u>

March 31, 2019

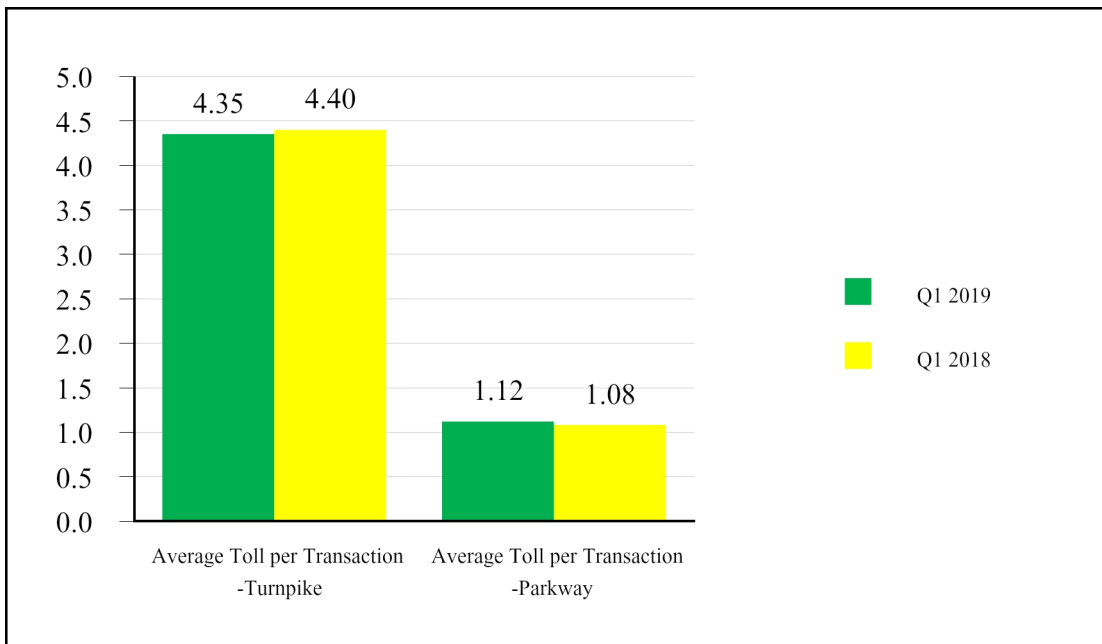
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Revenue and Expense Ratio Analysis – GAAP Basis

Ratio	Q1 2019	Q1 2018	Explanation
<i>Toll Revenue as % of Operating Revenue</i>	92.0%	90.4%	Toll revenue as percentage of operating revenue is calculated by dividing toll revenue by operating revenue. This ratio increased slightly in Q1 2019 as compared to Q1 2018 due to higher toll revenue. This ratio indicates that almost all of the Authority's revenue is earned from toll collection.
<i>Operating Margin Ratio Percentage</i>	34.5%	38.1%	The operating margin ratio percentage is calculated by taking operating income before interest and dividing by total operating revenue. This ratio slightly decreased in Q1 2019 as compared to Q1 2018 due to higher depreciation expense.



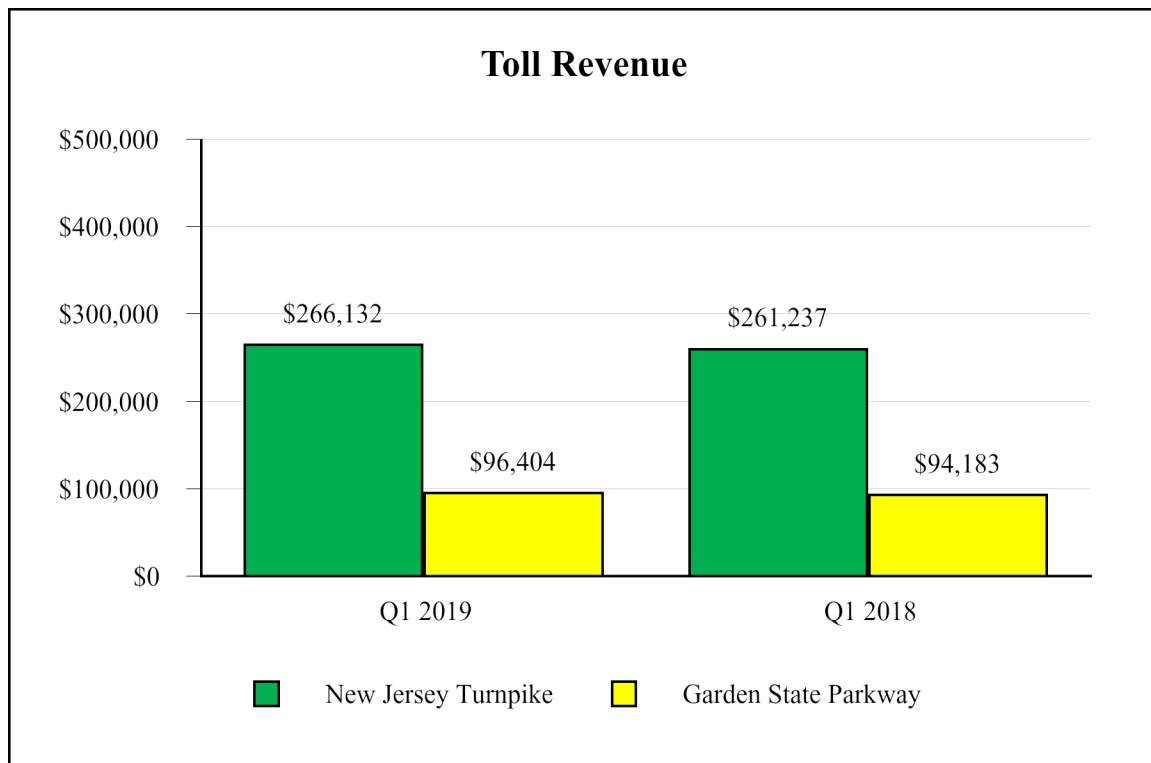
Ratio	Q1 2019	Q1 2018	Explanation
<i>Average Toll per Transaction - Turnpike</i>	4.35	4.40	Average toll per transaction is calculated by dividing toll revenue by the number of toll transactions. The average toll per transaction decreased slightly in Q1 2019 as compared to Q1 2018. This indicates that average trip lengths have decreased, as the number of transactions have increased in Q1 2019 as compared to Q1 2018. Average toll has remained consistent year over year.
<i>Average Toll per Transaction - Parkway</i>	1.12	1.08	The average toll per transaction has increased in Q1 2019 as compared to Q1 2018. Increase in the average toll revenue indicates that average trip lengths have increased, as the number of transactions decreased in Q1 2019 as compared to Q1 2018. This is due to the commencement of one-way tolling at Interchange 145 on the Parkway. Average toll has remained fairly consistent year over year.



Key Performance Metrics- Revenue and Expenses

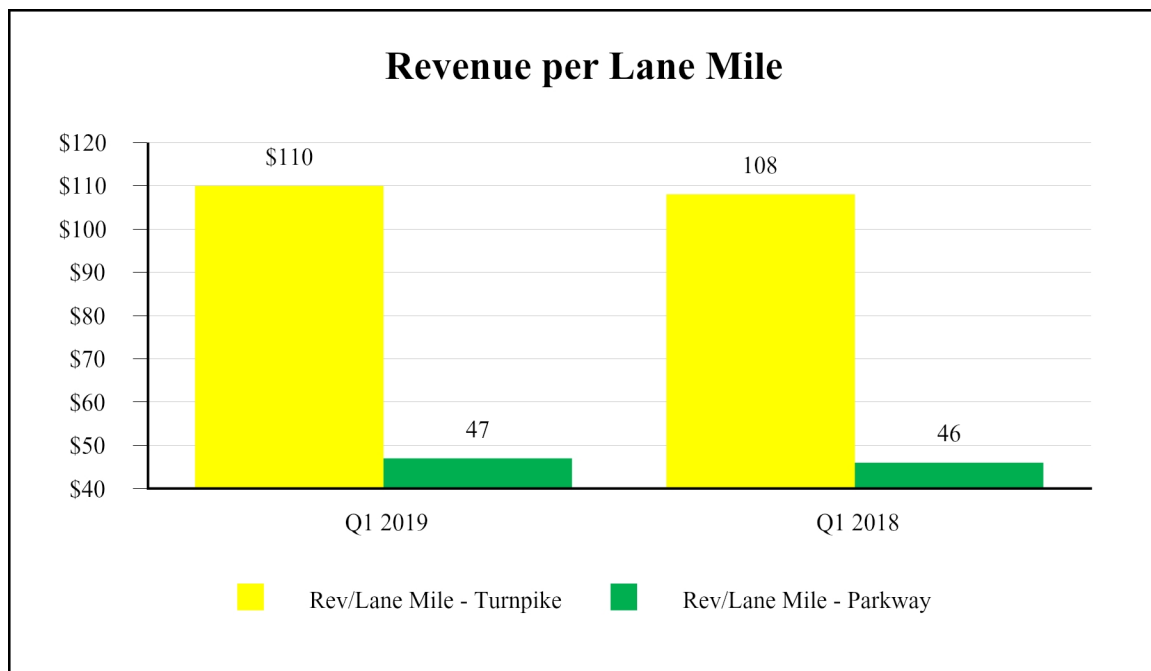
Toll Revenue – Toll revenue has marginally increased in Q1 2019 from Q1 2018 by 2.0% for the Authority. The increase in toll revenue on the Turnpike in Q1 2019 from Q1 2018 is 1.9% and on the Parkway is 2.4%. The overall increase in the toll revenue on both the roadways can be attributed to favorable weather, stable gas prices and improving economic conditions.

	New Jersey Turnpike	Garden State Parkway	Total
Q1 2019	\$ 266,132	96,404	362,536
Q1 2018	\$ 261,237	94,183	355,420
% change from from Q1 2018 to Q1 2019	1.9%	2.4%	2.0%



Revenue per Lane Mile – Revenue per lane mile has increased in Q1 2019 from Q1 2018 on the Turnpike and Parkway due to favorable weather, stable gas prices and improving economic conditions. Overall, toll revenue has increased on both the roadways for Q1 2019 as well as for the three months ended March 31, 2019. (See Toll Revenue discussion on page 16).

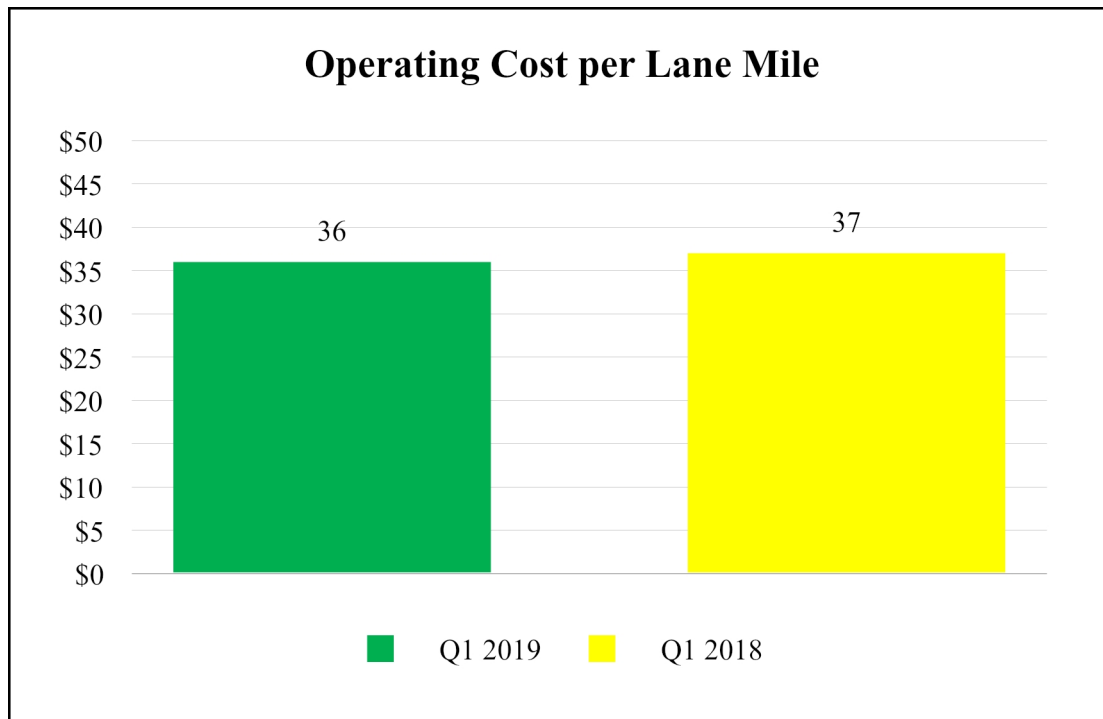
	Q1 2019	Q1 2018
Toll Revenue - Turnpike	\$ 266,132	261,237
Toll Revenue - Parkway	96,404	94,183
Total Toll Revenue	<u>\$ 362,536</u>	<u>355,420</u>
Lane Miles (actual) - Turnpike	2,423	2,428
Lane Miles (actual) - Parkway	2,041	2,038
Total Lane Miles (actual)	<u>4,464</u>	<u>4,466</u>
Revenue per Lane Mile - Turnpike	\$ 110	108
Revenue per Lane Mile - Parkway	\$ 47	46
Revenue per Lane Mile - Authority	\$ 81	80



*2019 lane miles include Toll plaza lane miles.

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 exclude depreciation. From Q1 2018 to Q1 2019, operating cost per lane mile slightly decreased mostly because of decrease in maintenance expenses. The maintenance expense decrease is related to less severe winter weather conditions in Q1 2019, which resulted in less spending for salting and brining the roadways, as well as snow removal.

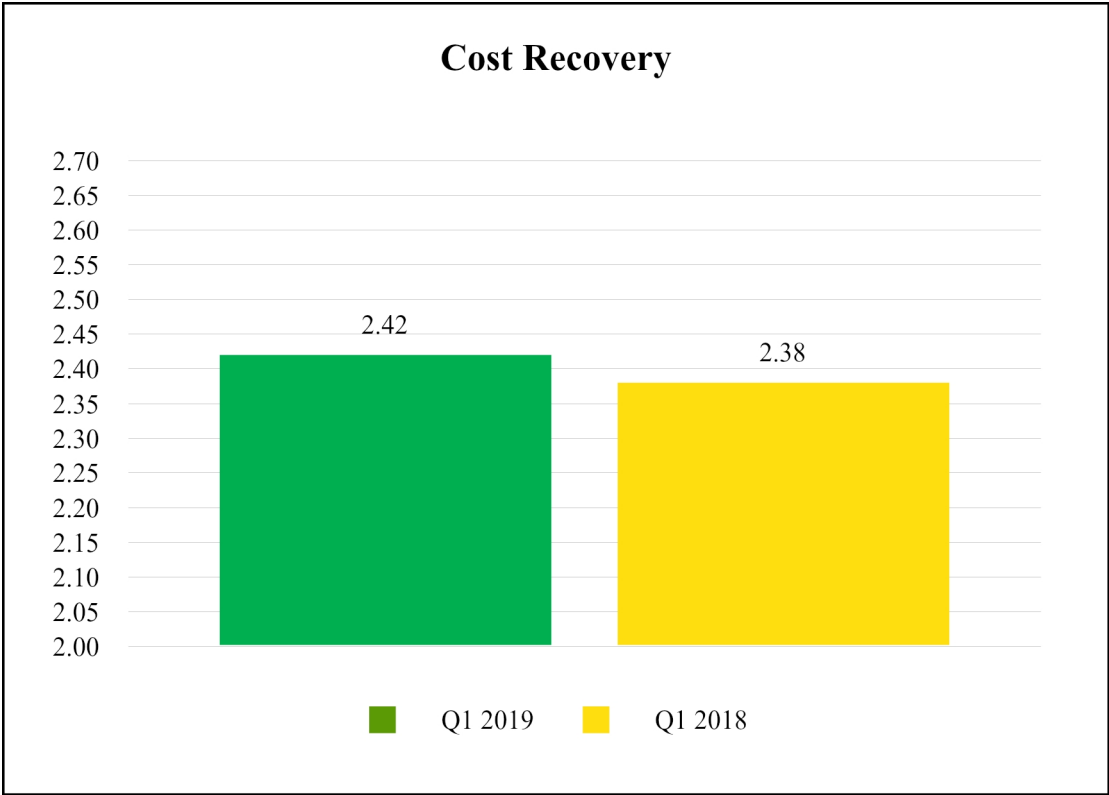
	Q1 2019	Q1 2018
Total operating expenses	\$ 162,789	165,346
Lane Miles (actual) - Turnpike	2,423	2,428
Lane Miles (actual) - Parkway	2,041	2,038
Total Lane Miles	4,464	4,466
Operating cost Excluding Depreciation/Lane Mile - Authority	\$ 36	37



* 2019 lane miles include Toll plaza lane miles.

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 2.42 in Q1 2019 and 2.38 in Q1 2018, which is a strong indicator of the Authority’s ability to meet its operating expenses with its operating revenues.

	Q1 2019	Q1 2018
Operating Revenue	\$ 394,098	393,152
Operating Expenses (excluding depreciation)	\$ 162,789	165,346
Cost Recovery	2.42	2.38



Financial Management Principles and Guidelines

In December 2012, the Authority adopted its “Financial Management Principles and Guidelines” (the Guidelines). This was amended in January 2017 to change the target unrestricted cash balance in the General Reserve based on current market practices. 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:

- (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.

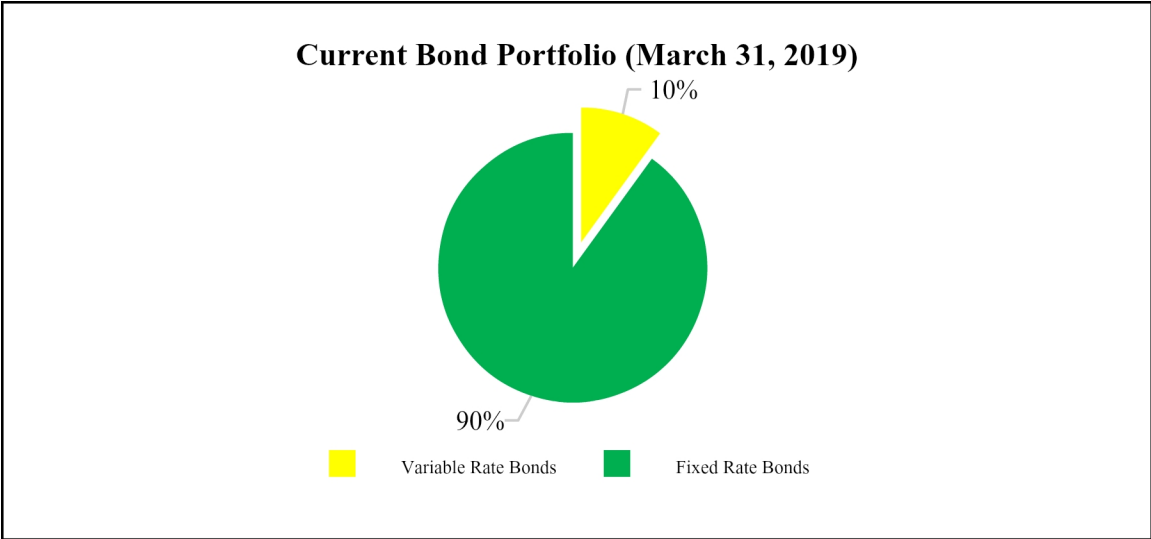
The Guidelines are implemented at the discretion of the Authority and are not a legal covenant with the Bondholders. Such Guidelines can be changed or eliminated at any time at the discretion of the Authority. As specified in the Guidelines, the Authority also adopted an Investment Rate Swap Management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

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 or 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

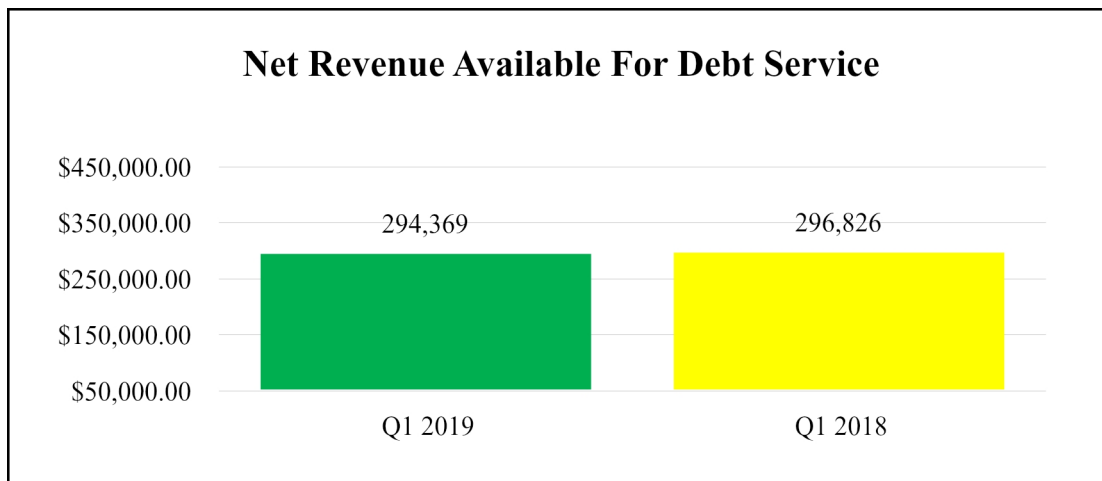
The Authority’s bond portfolio as of March 31, 2019 is comprised of 90% of fixed rate bonds and only 10% of variable rate bonds. These percentages are within the Authority’s Guidelines which limit variable rate bonds to 20% of total bonds outstanding.

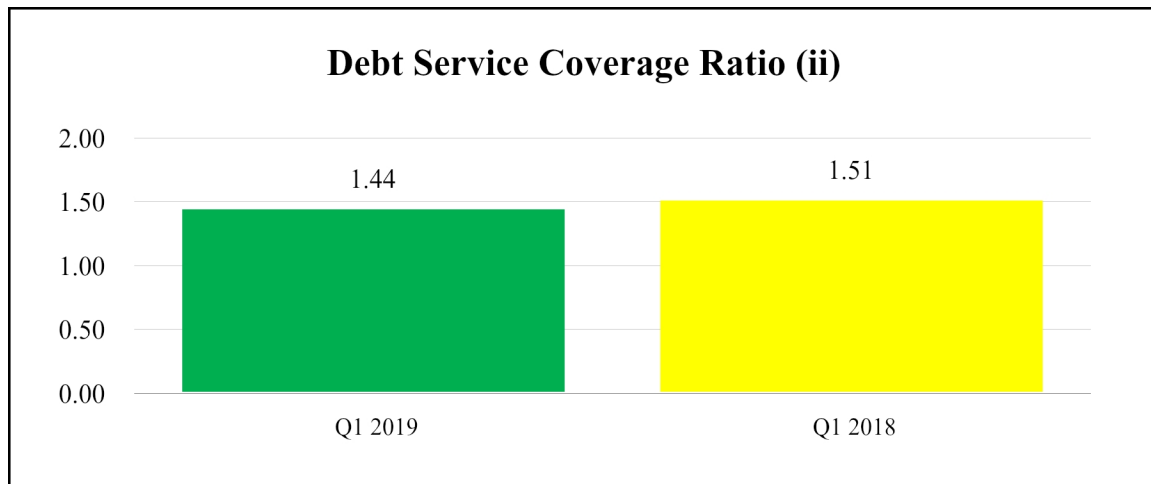
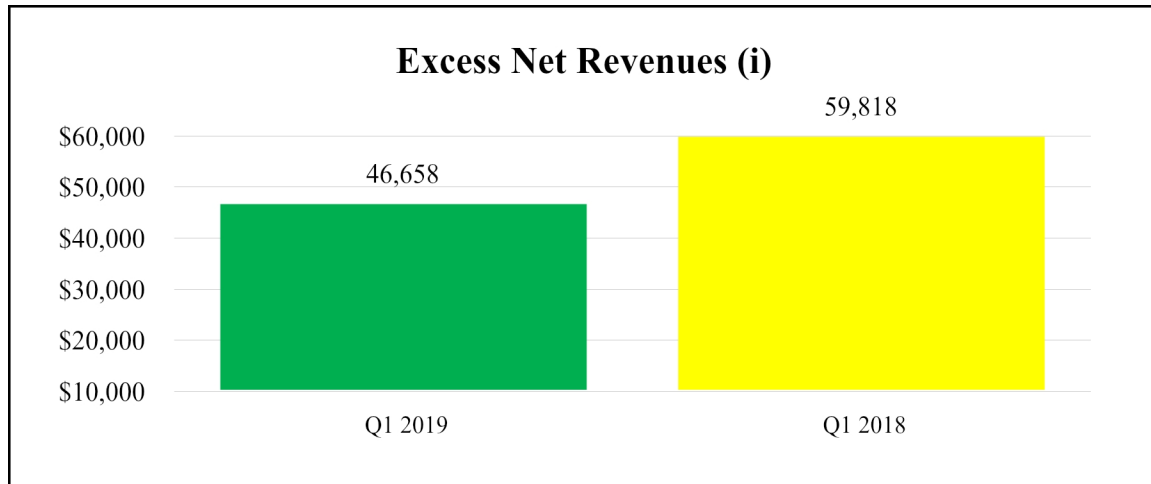


Debt Service Coverage

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>Q1 2019</u>	<u>Q1 2018</u>
(i)		
Net revenue available for debt service	\$ 294,369	296,826
Less net revenue requirements (the sum of aggregate debt service, maintenance reserve, special project reserve and charges funds payments)	(247,711)	(237,008)
Excess net revenues	<u>\$ 46,658</u>	<u>59,818</u>
(ii)		
Net revenue available for debt service	\$ 294,369	296,826
Less net revenue requirements computed under test (120% of aggregate debt service requirements)	(245,423)	(236,536)
Excess net revenues	<u>\$ 48,946</u>	<u>60,290</u>
Net revenue available for debt service	\$ 294,369	296,826
Debt service requirements	\$ 204,519	197,113
Debt service coverage ratio	1.44	1.51



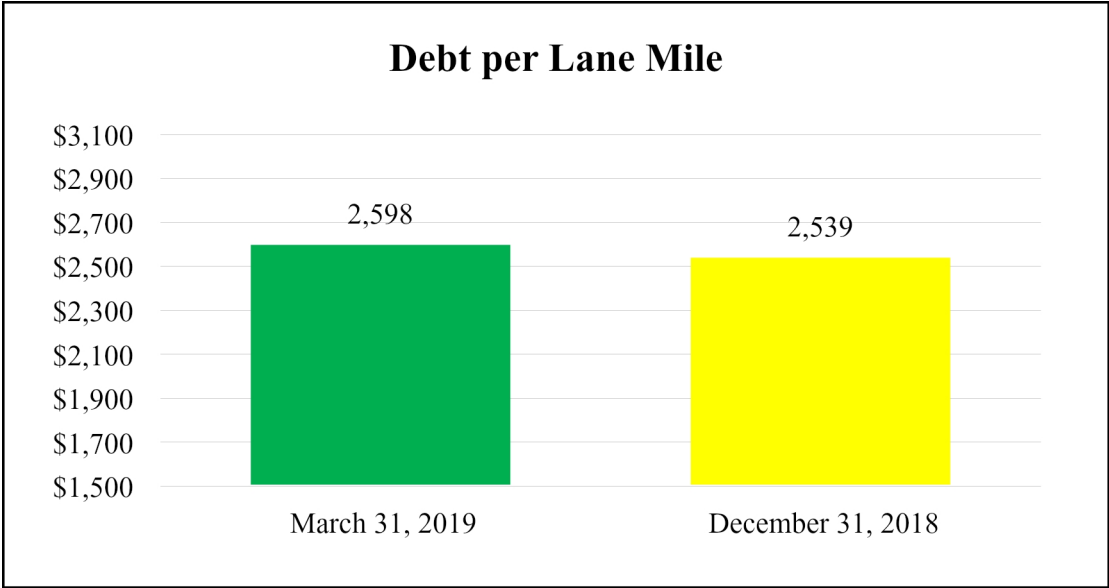


The Debt service coverage ratio has decreased in Q1 2019 as compared to Q1 2018 due to a decrease in net revenue available for debt service. This decrease is mainly due to the increase in principal payments due on outstanding debt and also slightly due to the higher operating expenses in the Revenue Fund.

Debt per Lane Mile – Debt per lane mile increased by \$59 to \$2,598 for the three months ended March 31, 2019 as compared to \$2,539 as of December 31, 2018 due to the issuance of Series 2019A Turnpike Revenue Bonds on February 7, 2019. The Series 2019 A Turnpike Revenue Bonds represent the final borrowing to complete the issuance of the \$7 Billion CIP.

	March 31, 2019	December 31, 2018
Bond indebtedness, net	\$ 11,595,472	11,331,888
Lane Miles (actual) – Turnpike	2,423	2,423
Lane Miles (actual) – Parkway	2,041	2,041
Total Lane Miles (actual)	4,464	4,464
Debt per Lane Mile – Authority	\$ 2,598	2,539

* 2019 lane miles include Toll plaza lane miles.



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@njta.com.



UNAUDITED

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

Statements of Net Position

March 31, 2019 and 2018

(In thousands)

	Assets	2019	2018
Current assets:			
Cash		\$ 130,568	145,978
Restricted cash		23,472	67,991
Investments		904,475	743,850
Restricted investments		473,200	457,047
Receivables, net of allowance		97,898	91,930
Inventory		25,966	24,043
Due from State of New Jersey		2,029	2,897
Restricted deposits		26,720	30,210
Prepaid expenses		7,344	22,816
Total current assets		<u>1,691,672</u>	<u>1,586,762</u>
Noncurrent assets:			
Restricted investments		960,828	696,508
Capital assets, net of accumulated depreciation		11,933,821	11,834,062
Total noncurrent assets		<u>12,894,649</u>	<u>12,530,570</u>
Total assets		<u>\$ 14,586,321</u>	<u>\$ 14,117,332</u>
	Deferred Outflows		
Deferred outflows:			
Deferred amounts on refunding and derivative instruments		\$ 246,826	274,228
Deferred amount relating to pensions		110,378	110,378
Deferred amount relating to postemployment benefit		119,374	—
Total deferred outflows		<u>\$ 476,578</u>	<u>384,606</u>
	Liabilities		
Current liabilities:			
Accounts payable and accrued expenses		\$ 113,843	143,320
Funds held in trust		234,104	234,859
Due to State of New Jersey		2,808	2,796
Accrued interest payable		139,608	140,958
Unearned revenue		35,689	34,789
Current portion of bonds payable		228,205	201,025
Current portion of hybrid instrument borrowing		13,735	13,547
Current portion of other long-term liabilities		9,936	5,949
Total current liabilities		<u>777,928</u>	<u>777,243</u>
Noncurrent liabilities:			
Bonds payable, net		\$ 11,367,267	11,176,137
Hybrid instrument borrowing		91,115	121,858
Other long-term liabilities		115,794	115,947
Other postemployment benefits liability		1,759,163	509,319
Interest rate swap liabilities		15,257	4,319
Net pension liability		438,493	438,493
Total noncurrent liabilities		<u>13,787,089</u>	<u>12,366,073</u>
Total liabilities		<u>\$ 14,565,017</u>	<u>\$ 13,143,316</u>
	Deferred Inflows		
Deferred inflows:			
Accumulated increase in fair value of hedging derivatives		\$ 5,584	21,616
Deferred amount relating to pensions		99,267	99,267
Deferred amount relating to other postemployment benefit		5,217	—
Total deferred inflows		<u>\$ 110,068</u>	<u>120,883</u>
	Net Position		
Net position:			
Net investment in capital assets		\$ 1,671,678	1,572,300
Restricted under trust agreements		81,120	51,916
Unrestricted		(1,364,984)	(386,477)
Total net position		<u>\$ 387,814</u>	<u>1,237,739</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Statements of Revenues, Expenses, and Changes in Net Position
For the three months ended March 31, 2019 and 2018
(In thousands)

	2019	2018
Operating revenues:		
Toll revenue	\$ 362,536	355,420
E-ZPass fees	20,365	18,934
Concession revenue	6,435	9,925
Miscellaneous revenue	4,762	8,873
Total operating revenues	<u>394,098</u>	<u>393,152</u>
Operating expenses:		
Maintenance of roadway, buildings, and equipment	79,054	87,719
Toll collection	42,392	39,131
State police and traffic control	22,522	19,659
Technology	5,082	5,706
General administrative costs	13,739	13,131
Depreciation	95,515	78,123
Total operating expenses	<u>258,304</u>	<u>243,469</u>
Operating income	<u>135,794</u>	<u>149,683</u>
Nonoperating revenues (expenses):		
Build America Bonds subsidy	19,151	19,069
Federal and State reimbursements	1,006	35
Payments to the State of New Jersey	(51,250)	(57,750)
Interest expense, Turnpike Revenue Bonds	(125,459)	(129,690)
Other bond expenses	(1,280)	(3)
Loss on disposal of capital assets	—	—
Investment income	12,007	7,090
Arts Center	1,292	1,292
Total nonoperating (expenses), net	<u>(144,533)</u>	<u>(159,957)</u>
Change in net position, before capital contributions	<u>(8,739)</u>	<u>(10,274)</u>
Capital contributions	—	—
Change in net position	<u>(8,739)</u>	<u>(10,274)</u>
Net position – January 1	396,553	1,248,013
Net position – March 31	<u><u>\$ 387,814</u></u>	<u><u>1,237,739</u></u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Statements of Cash Flows
For the three months ended March 31, 2019 and 2018
(In thousands)

	2019	2018
Cash flows from operating activities:		
Receipts from customers and other operating activities	\$ 401,664	407,506
Payments to suppliers	(69,125)	(88,207)
Payments to employees	(46,301)	(44,087)
Payments for self-insured health benefit claims	(19,046)	(18,867)
Net cash provided by operating activities	<u>267,192</u>	<u>256,345</u>
Cash flows from noncapital financing activities:		
Receipts from Federal and State reimbursements	—	35
Payments to State of New Jersey	(51,250)	(57,750)
Proceeds from Arts Center	1,292	1,292
Net cash used in noncapital financing activities	<u>(49,958)</u>	<u>(56,423)</u>
Cash flows from capital and related financing activities:		
Proceeds acquired from new capital debt	478,629	—
Purchases and sales of capital assets, net	(74,362)	(89,504)
Principal paid on capital debt	(201,025)	(218,475)
Refunded capital debt	—	—
Proceeds from Build America Bonds subsidy	—	—
Interest paid on capital debt	(281,600)	(253,727)
Payments for bond expenses	(1,280)	(3)
Proceeds from capital contributions	—	—
Net cash used in capital and related financing activities	<u>(79,638)</u>	<u>(561,709)</u>
Cash flows from investing activities:		
Purchases of investments	(4,093,843)	(2,185,787)
Sales and maturities of investments	3,926,622	2,511,270
Interest received	13,662	7,068
Net cash provided by (used in) investing activities	<u>(153,559)</u>	<u>332,551</u>
Net decrease in cash	(15,963)	(29,236)
Cash and restricted cash – January 1	170,004	243,205
Cash and restricted cash – March 31	<u>\$ 154,041</u>	<u>213,969</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 135,794	149,683
Adjustments to reconcile operating income to net cash provided by operating		
Depreciation expense	95,516	78,124
Changes in assets and liabilities:		
Receivables	(15,854)	(5,205)
Inventory	1,434	(968)
Prepaid expenses	1,626	(13,739)
Accounts payable and accrued expenses	2,848	(7,537)
Unearned revenue	22,676	19,468
Other liabilities	4,771	21,299
Other postemployment benefit liability	18,250	15,220
Net pension liability	—	—
Deferred outflows of resources related to pension	—	—
Deferred inflows of resources related to pension	—	—
Deferred outflows related to other postemployment benefit	130	—
Deferred inflows related to other postemployment benefit	—	—
Pollution remediation liability	—	—
Net cash provided by operating activities	<u>\$ 267,191</u>	<u>256,345</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Schedule of Net Position – Reconciliation of Bond Resolution to GAAP
March 31, 2019
(With summarized comparative financial information as of March 31, 2018)
(In thousands)

Assets	Revenue	Construction	Maintenance reserve	Special project reserve	General reserve	Debt service	Debt reserve	Total bond resolution	Garden State Arts Foundation	GAAP Adjustments	Total 2019 GAAP Financials	Total 2018 GAAP Financials
Current assets:												
Cash	\$ 113,282	—	1,582	3,424	11,179	—	—	129,467	1,101	—	130,568	145,978
Restricted cash	—	11,537	—	—	11,889	23	23	23,472	—	—	23,472	67,991
Investments	340,993	—	103,568	84,031	375,883	—	—	904,475	—	—	904,475	743,850
Restricted investments	—	—	—	—	—	197,368	275,832	473,200	—	—	473,200	457,047
Receivables, net of allowance	97,624	—	—	26	248	—	—	97,898	—	—	97,898	91,930
Inventory	25,966	—	—	—	—	—	—	25,966	—	—	25,966	24,043
Due from State of New Jersey	185	—	—	—	1,844	—	—	2,029	—	—	2,029	2,897
Deposits	2,616	35	—	—	24,069	—	—	26,720	—	—	26,720	30,210
Prepaid expenses	7,343	—	—	—	—	—	—	7,343	1	—	7,344	22,816
Interfund	(135,785)	(2,879)	381	354	141,762	(732)	(3,101)	—	—	—	—	—
Total current assets	452,224	8,693	105,531	87,835	566,874	196,659	272,754	1,690,570	1,102	—	1,691,672	1,586,762
Noncurrent assets:												
Restricted investments	—	634,529	—	—	—	—	326,299	960,828	—	—	960,828	696,508
Interest rate swaps assets	—	—	—	—	—	—	—	—	—	—	—	—
Capital assets, net of accumulated depreciation	—	11,069,289	494,237	96,295	263,327	—	—	11,923,148	—	10,673	11,933,821	11,834,062
Total noncurrent assets	—	11,703,818	494,237	96,295	263,327	—	326,299	12,883,976	—	10,673	12,894,649	12,530,570
Total assets	\$ 452,224	11,712,511	599,768	184,130	830,201	196,659	599,053	14,574,546	1,102	10,673	14,586,321	14,117,332
Deferred Outflows												
Deferred outflows:												
Accumulated decrease in fair value of hedging derivatives	\$ —	—	—	—	—	—	—	—	—	—	—	—
Deferred amount on refunding and derivative instruments	—	—	—	—	—	—	—	—	—	246,826	246,826	274,228
Deferred amount relating to pensions	—	—	—	—	—	—	—	—	—	110,378	110,378	110,378
Deferred amount relating to other postemployment benefit	\$ —	—	—	—	—	—	—	—	—	119,374	119,374	—
Total deferred outflows	\$ —	—	—	—	—	—	—	—	—	476,578	476,578	384,606
Liabilities												
Current liabilities:												
Accounts payable and accrued expenses	\$ 75,946	23,057	8,923	617	5,300	—	—	113,843	—	—	113,843	143,320
Funds held in trust	210,076	17,192	1,911	1,418	3,507	—	—	234,104	—	—	234,104	234,859
Due to State of New Jersey	2,808	—	—	—	—	—	—	2,808	—	—	2,808	2,796
Accrued interest payable	—	—	—	—	—	139,608	—	139,608	—	—	139,608	140,958
Unearned revenue	30,577	—	—	—	5,112	—	—	35,689	—	—	35,689	34,789
Current portion of bonds payable	—	228,205	—	—	—	—	—	228,205	—	—	228,205	201,025
Current portion of hybrid instrument borrowing	—	—	—	—	—	—	—	—	—	13,735	13,735	13,547
Current portion of other long-term liabilities	4,181	—	—	—	800	—	—	4,981	—	4,955	9,936	5,949
Total current liabilities	323,588	268,454	10,834	2,035	14,719	139,608	—	759,238	—	18,690	777,928	777,243
Noncurrent liabilities:												
Bonds payable, net	—	11,367,267	—	—	—	—	—	11,367,267	—	—	11,367,267	11,176,137
Hybrid instrument borrowing	—	—	—	—	—	—	—	—	—	91,115	91,115	121,858
Other long-term obligations	71,541	—	—	335	28,117	—	—	99,993	—	15,801	115,794	115,947
Other postemployment benefit liability	—	—	—	—	110,075	—	—	110,075	—	1,649,088	1,759,163	509,319
Interest rate swaps liabilities	—	—	—	—	—	—	—	—	—	15,257	15,257	4,319
Net pension liability	—	—	—	—	—	—	—	—	—	438,493	438,493	438,493
Total noncurrent liabilities	71,541	11,367,267	—	335	138,192	—	—	11,577,335	—	2,209,754	13,787,089	12,366,073
Total liabilities	\$ 395,129	11,635,721	10,834	2,370	152,911	139,608	—	12,336,573	—	2,228,444	14,565,017	13,143,316
Deferred Inflows												
Deferred inflows:												
Accumulated increase in fair value of hedging derivatives	\$ —	—	—	—	—	—	—	—	—	5,584	5,584	21,616
Deferred amount relating to pensions	—	—	—	—	—	—	—	—	—	99,267	99,267	99,267
Deferred amount relating to other postemployment benefit	\$ —	—	—	—	—	—	—	—	—	5,217	5,217	—
Total deferred inflows	\$ —	—	—	—	—	—	—	—	—	110,068	110,068	120,883
Net Position												
Net position:												
Net investment in capital assets	\$ —	76,790	494,237	96,295	263,327	—	599,053	1,529,702	—	141,976	1,671,678	1,572,300
Restricted under trust agreements	—	—	—	—	24,069	57,051	—	81,120	—	—	81,120	51,916
Unrestricted	57,095	—	94,697	85,465	389,894	—	—	627,151	1,102	(1,993,237)	(1,364,984)	(386,477)
Total net position	\$ 57,095	76,790	588,934	181,760	677,290	57,051	599,053	2,237,973	1,102	(1,851,261)	387,814	1,237,739

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 three months ended March 31, 2019

(With summarized comparative financial information for the three months ended March 31, 2018)

(In thousands)

			Maintenance	Special	General	Debt	Debt	Total bond	Garden		Total 2019	Total 2018
	Revenue	Construction	reserve	project	reserve	service	reserve	resolution	State Arts	GAAP	GAAP	GAAP
				reserve					Foundation	Adjustments	Financials	Financials
Operating revenues:												
Toll revenue	\$ 362,536	—	—	—	—	—	—	362,536	—	—	362,536	355,420
E-ZPass fees	20,365	—	—	—	—	—	—	20,365	—	—	20,365	18,934
Concession revenue	6,435	—	—	—	—	—	—	6,435	—	—	6,435	9,925
Miscellaneous revenue	4,257	—	—	—	—	—	—	4,257	505	—	4,762	8,873
Total operating revenues	393,593	—	—	—	—	—	—	393,593	505	—	394,098	393,152
Operating expenses:												
Maintenance of roadway, buildings and equipment	56,195	—	—	872	14,716	—	—	71,783	—	7,271	79,054	87,719
Toll collection	36,962	—	—	—	1,108	—	—	38,070	—	4,322	42,392	39,131
State police and traffic control	21,601	—	—	84	171	—	—	21,856	—	666	22,522	19,659
Technology	4,204	—	—	210	136	—	—	4,550	—	532	5,082	5,706
General administrative costs	10,407	—	—	12	1,471	—	—	11,890	11	1,838	13,739	13,131
Depreciation	—	78,422	11,236	2,655	3,202	—	—	95,515	—	—	95,515	78,123
Total operating expenses	129,369	78,422	11,236	3,833	20,804	—	—	243,664	11	14,629	258,304	243,469
Operating income (loss)	264,224	(78,422)	(11,236)	(3,833)	(20,804)	—	—	149,929	494	(14,629)	135,794	149,683
Nonoperating revenues (expenses):												
Build America Bonds subsidy	19,151	—	—	—	—	—	—	19,151	—	—	19,151	19,069
Federal and State reimbursements	1,006	—	—	—	—	—	—	1,006	—	—	1,006	35
Payments to the State of New Jersey	—	—	—	—	(51,250)	—	—	(51,250)	—	—	(51,250)	(57,750)
Interest expense, Turnpike Revenue Bonds	—	14,020	—	—	—	(147,469)	—	(133,449)	—	7,990	(125,459)	(129,690)
Other bond expenses	—	(1,280)	—	—	—	—	—	(1,280)	—	—	(1,280)	(3)
Loss on disposal of capital assets	—	—	—	—	—	—	—	—	—	—	—	—
Investment income	1,150	3,013	589	520	2,707	720	3,307	12,006	1	—	12,007	7,090
Arts Center	1,292	—	—	—	—	—	—	1,292	—	—	1,292	1,292
Total nonoperating revenues (expenses), net	22,599	15,753	589	520	(48,543)	(146,749)	3,307	(152,524)	1	7,990	(144,533)	(159,957)
Income before capital contributions and interfund transfers	286,823	(62,669)	(10,647)	(3,313)	(69,347)	(146,749)	3,307	(2,595)	495	(6,639)	(8,739)	(10,274)
Capital contributions	—	—	—	—	—	—	—	—	—	—	—	—
Interfund transfers	(286,823)	201,025	32,278	9,805	43,950	2,775	(3,010)	—	—	—	—	—
Net change in fund balance/change in net position	—	138,356	21,631	6,492	(25,397)	(143,974)	297	(2,595)	495	(6,639)	(8,739)	(10,274)
Net position (deficit) – beginning of January 1	57,095	(61,566)	567,303	175,268	702,687	201,025	598,756	2,240,568	607	(1,844,622)	396,553	1,248,013
Net position (deficit) – March 31	\$ 57,095	76,790	588,934	181,760	677,290	57,051	599,053	2,237,973	1,102	(1,851,261)	387,814	1,237,739

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 three months ended March 31, 2019
(With comparative financial information for the three months ended March 31, 2018)
(In thousands)

	Revenue	Construction	Maintenance reserve	Special project reserve	General reserve	Debt service	Debt reserve	Total bond resolution	Garden State Arts Foundation	GAAP Adjustments	Total 2019 GAAP Financials	Total 2018 GAAP Financials
Cash flows from operating activities:												
Receipts from customers and other operating activities	\$ 401,159	—	—	—	—	—	—	401,159	505	—	401,664	407,506
Payments to suppliers	(44,637)	—	—	(6,076)	(18,393)	—	—	(69,106)	(19)	—	(69,125)	(88,207)
Payments to employees	(46,301)	—	—	—	—	—	—	(46,301)	—	—	(46,301)	(44,087)
Payments for self insured health benefits claims	(19,046)	—	—	—	—	—	—	(19,046)	—	—	(19,046)	(18,867)
Net cash provided by operating activities	291,175	—	—	(6,076)	(18,393)	—	—	266,706	486	—	267,192	256,345
Cash flows from noncapital financing activities:												
Receipts from Federal and State reimbursements	—	—	—	—	—	—	—	—	—	—	—	35
Payments to State of New Jersey	—	—	—	—	(51,250)	—	—	(51,250)	—	—	(51,250)	(57,750)
Proceeds from Arts Center	1,292	—	—	—	—	—	—	1,292	—	—	1,292	1,292
Net cash (used in) noncapital financing activities	1,292	—	—	—	(51,250)	—	—	(49,958)	—	—	(49,958)	(56,423)
Cash flows from capital and related financing activities:												
Proceeds acquired from new capital debt	—	478,629	—	—	—	—	—	478,629	—	—	478,629	—
Purchases and sales of capital assets, net	—	(49,858)	(11,622)	(132)	(12,750)	—	—	(74,362)	—	—	(74,362)	(89,504)
Principal paid on capital debt	—	(201,025)	—	—	—	—	—	(201,025)	—	—	(201,025)	(218,475)
Interest paid on capital debt	—	—	—	—	—	(281,600)	—	(281,600)	—	—	(281,600)	(253,727)
Payments for bond expenses	—	(1,280)	—	—	—	—	—	(1,280)	—	—	(1,280)	(3)
Interfund Transfers related to capital and related financing activities	(283,887)	202,507	31,984	9,999	41,478	134	(2,215)	—	—	—	—	—
Net cash (used in) capital and related financing activities	(283,887)	428,973	20,362	9,867	28,728	(281,466)	(2,215)	(79,638)	—	—	(79,638)	(561,709)
Cash flows from investing activities:												
Purchases of investments	(1,030,422)	(1,801,212)	(167,081)	(55,304)	(544,672)	(205,151)	(290,001)	(4,093,843)	—	—	(4,093,843)	(2,185,787)
Sales and maturities of investments	1,003,018	1,361,141	143,389	50,820	595,037	483,219	289,998	3,926,622	—	—	3,926,622	2,511,270
Interest received	1,383	3,154	845	543	2,114	3,403	2,218	13,660	2	—	13,662	7,068
Net cash (used in) capital and related financing	(26,021)	(436,917)	(22,847)	(3,941)	52,479	281,471	2,215	(153,561)	2	—	(153,559)	332,551
Net decrease in cash	(17,441)	(7,944)	(2,485)	(150)	11,564	5	—	(16,451)	488	—	(15,963)	(29,236)
Cash and restricted cash – January 1	130,724	19,481	4,067	3,574	11,504	18	23	169,391	613	—	170,004	243,205
Cash and restricted cash – March 1	\$ 113,283	11,537	1,582	3,424	23,068	23	23	152,940	1,101	—	154,041	213,969
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:												
Operating income (loss)	\$ 264,224	(78,422)	(11,236)	(3,833)	(20,804)	—	—	149,929	494	(14,628)	135,795	149,683
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:												
Depreciation expense	3,203	—	—	—	95,516	—	—	95,516	—	—	95,516	78,124
Changes in assets and liabilities:												
Receivables	(15,840)	—	—	4	(18)	—	—	(15,854)	—	—	(15,854)	(5,205)
Inventory	1,434	—	—	—	—	—	—	1,434	—	—	1,434	(968)
Prepaid expenses	1,624	—	—	—	—	—	—	1,624	2	—	1,626	(13,739)
Accounts payable and accrued expenses	13,440	—	—	(4,305)	(6,276)	—	—	2,859	(10)	(1)	2,848	(7,537)
Unearned revenue	23,404	—	—	—	(728)	—	—	22,676	—	—	22,676	19,468
Other liabilities	2,888	—	—	(597)	2,480	—	—	4,771	—	—	4,771	21,299
Other postemployment benefit liability	—	—	—	—	3,750	—	—	3,750	—	14,500	18,250	15,220
Deferred outflows relating to other postemployment benefit	—	—	—	—	—	—	—	—	—	130	130	—
Net cash provided by (used in) operating activities	\$ 291,174	—	—	(6,076)	(18,393)	—	—	266,705	486	1	267,192	256,345

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Schedule of Net Revenue Requirement
For the three months ended March 31, 2019 and 2018
(in thousands)

	2019	2018
Test 1:		
Total operating revenues - bond resolution	\$ 393,593	392,648
Build America Bonds subsidy	19,151	19,069
Federal and State reimbursements	1,006	35
Less Federal and State reimbursement - construction fund	—	—
Total investment income - bond resolution	12,006	10,837
Less earnings on investments - construction fund	(3,013)	(5,277)
Fair market value adjustments	(297)	(174)
Arts center	1,292	1,292
Total pledged revenues	423,738	418,430
Less revenue operating expenses - revenue fund	(129,369)	(121,604)
Net revenue available for debt service	294,369	296,826
Less net revenue requirements:		
Interest expense - debt service	(147,468)	(146,857)
Principal payment - debt service	(57,051)	(50,256)
Revenue transfer to charges	—	—
Revenue transfer to maintenance reserve	(32,867)	(29,772)
Revenue transfer to special project reserve	(10,325)	(10,123)
Excess net revenues	\$ 46,658	59,818
Test 2:		
Total operating revenues - bond resolution	\$ 393,593	392,648
Build America Bonds subsidy	19,151	19,069
Federal and State reimbursements	1,006	35
Less Federal and State reimbursement - construction fund	—	—
Total investment income - bond resolution	12,006	10,837
Less earnings on investments - construction fund	(3,013)	(5,277)
Fair market value adjustments	(297)	(174)
Arts center	1,292	1,292
Total pledged revenues	423,738	418,430
Less revenue operating expenses - revenue fund	(129,369)	(121,604)
Net revenue available for debt service	294,369	296,826
Less 1.2 times aggregate debt service	(245,423)	(236,536)
Excess net revenues	\$ 48,946	60,290
Debt service coverage ratio	1.44	1.51

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

Schedule of Investments

March 31, 2019

(In thousands)

	Interest rate	Maturity	Par value	Carrying value
Revenue:				
Certificate of deposit	2.57	7/26/2019-3/27/2020	125,000	126,310
Commercial paper	2.40-2.55	4/1/2019-4/30/2019	31,445	31,429
Federal agency note	2.31-2.41	4/4/2019-6/26/2019	134,176	133,869
U.S. Treasury bill	1.90-2.40	4/4/2019	49,394	49,385
			<u>340,015</u>	<u>340,993</u>
Construction:				
Certificate of Deposit	2.53%-2.72%	3/25/2020-4/15/2020	132,140	132,201
Commercial Paper	2.50-2.75	6/18/2019-12/19/2019	148,000	146,216
Federal Agency Note	2.35-2.43	4/1/2019-3/26/2020	295,000	291,092
Money Market Fund	2.42	4/1/2019	40,102	40,110
U.S. Treasury bill	2.35-2.37	5/23/19-6/6/2019	25,000	24,910
			<u>640,242</u>	<u>634,529</u>
Maintenance reserve:				
Commercial paper	2.45%-2.80%	5/10/2019-12/13/2019	52,657	51,823
Federal agency note	2.38-2.52	4/4/2019-12/26/2019	42,110	41,647
U.S. Treasury bill	2.26	4/4/2019	10,100	10,098
			<u>104,867</u>	<u>103,568</u>
Special project reserve:				
Commercial paper	2.42%-2.62%	4/5/2019-12/26/2019	46,008	45,485
Federal agency note	2.32-2.50	5/24/2019-12/24/2019	37,300	36,746
U.S. Treasury bill	2.1	4/4/2019	1,800	1,800
			<u>85,108</u>	<u>84,031</u>
General reserve:				
Certificate of deposit	2.77%	9/27/2019	31,500	31,948
Commercial paper	2.5-2.92	6/21/2019-12/26/2019	106,714	105,415
Federal agency note	2.34-2.53	4/4/2019-9/30/2019	152,990	152,536
U.S. Treasury bill	2.1-2.36	4/4/2019-6/20/2019	83,500	83,349
U.S Treasury Note	1.13	12/31/2019	2,654	2,635
			<u>377,358</u>	<u>375,883</u>
Debt service:				
Federal agency note	2.22%-2.40%	4/1/2019-7/1/2019	140,795	139,972
U.S. Treasury bill	2.34-2.45	6/27/2019-1/2/2020	58,470	57,396
			<u>199,265</u>	<u>197,368</u>
Debt reserve:				
Certificate of deposit	1.63%-3.29%	4/11/2019-4/25/2023	370,003	372,088
Commercial Paper	1.44	7/1/2019	150,000	150,540 (1)
Federal Agency Note	2.50-3.08	4/27/19/2020-2/21-2024	79,000	79,503
			<u>599,003</u>	<u>602,131</u>
Total			<u>\$ 2,345,858</u>	<u>2,338,503</u>

Above is the detail of investments listed on the Schedule of Net Position – Reconciliation of Bond Resolution to GAAP (Schedule 1) for Total Bond Resolution.

(1) Under a \$150,000 notional value forward delivery agreement, Deutsche Bank delivers investment securities to the Debt Reserve Fund held by the Co-Trustee, U.S.Bank, and pays the Authority a fixed interest rate of 1.44%. The agreement expires on July 1, 2019. The actual investment securities delivered by Deutsche Bank to U.S.Bank for deposit into the Debt Reserve Fund are held in the Authority's name and are reflected as the actual securities held in the schedule above.

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Schedule of Investments
March 31, 2018
(In thousands)

	Interest rate	Maturity	Par value	Carrying value
Revenue:				
Certificate of deposit	1.51%	7/27/2018	50,000	50,518
Commercial paper	1.54-2.67	4/5/2018-3/27/2019	106,182	104,915
Federal agency note	1.40-1.61	4/5/2018-6/26/2018	62,209	62,079
U.S. Treasury bill	1.43-1.63	4/5/2018-4/26/2018	80,561	80,544
			<u>298,952</u>	<u>298,056</u>
Construction:				
Certificate of deposit	1.40%	5/21/2018	25,000	25,316
Commercial Paper	1.34-2.43	4/12/2018-8/23/2018	151,000	150,456
Federal Agency Note	1.10-1.64	4/24/2018-6/14/2018	171,818	171,406
U.S. Treasury bill	1.78	08/09/18	15,000	14,904
			<u>362,818</u>	<u>362,082</u>
Maintenance reserve:				
Commercial paper	1.78%-1.88%	5/29/2019-6/20/2018	16,494	16,434
Federal agency note	1.22-1.69	4/3/2018-6/20/2018	35,902	35,829
U.S. Treasury bill	1.29-1.55	4/26/2018-5/31/2018	24,248	24,205
			<u>76,644</u>	<u>76,468</u>
Special project reserve:				
Commercial paper	1.33%-2.00%	4/4/2018-6/14/2018	60,600	60,440
Federal agency note	1.34-1.75	4/20/2018-6/14/2018	19,717	19,670
			<u>80,317</u>	<u>80,110</u>
General reserve:				
Commercial paper	1.50%-2.15%	4/6/2018-9/26/2018	236,300	235,301
Federal agency note	1.35-1.60	4/6/2018-5/23/2018	28,220	28,198
U.S. Treasury bill	1.46-1.59	4/26/2018-6/28/2018	25,804	25,716
			<u>290,324</u>	<u>289,215</u>
Debt service:				
Commercial Paper				
Federal agency note	1.40%-1.81%	4/2/2018	168,815	167,824
U.S. Treasury bill	1.41-1.68	6/28/2018	22,307	22,087
			<u>191,122</u>	<u>189,911</u>
Debt reserve:				
Certificate of deposit	1.30%-2.00%	4/11/18-12/15/2020	344,084	344,759
Commercial Paper	1.44	7/1/2018	104,919	104,948 (1)
Federal Agency Note	1.05	4/25/2018	150,000	149,605
			<u>599,003</u>	<u>599,312</u>
Total			<u>\$ 1,899,180</u>	<u>1,895,154</u>

Above is the detail of investments listed on the Schedule of Net Position – Reconciliation of Bond Resolution to GAAP (Schedule 1) for Total Bond Resolution.

(1) Under a \$150,000 notional value forward delivery agreement, Deutsche Bank delivers investment securities to the Debt Reserve Fund held by the Co-Trustee, U.S.Bank, and pays the Authority a fixed interest rate of 1.44%. The agreement expires on July 1, 2019. The actual investment securities delivered by Deutsche Bank to U.S.Bank for deposit into the Debt Reserve Fund are held in the Authority's name and are reflected as the actual securities held in the schedule above.

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Schedule of Depositories
March 31, 2019 and 2018
(in thousands)

	2019			2018		
	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	\$ 82,389	72,074	—	97,720	83,295	—
Construction	3,892	6,048	—	22,351	22,351	—
Maintenance reserve	1,582	1,582	—	2,484	2,074	—
General Reserve	9,889	9,889	—	5,671	5,671	—
	<u>97,752</u>	<u>89,593</u>	<u>110,746</u>	<u>128,226</u>	<u>113,391</u>	<u>105,337</u>
Bank of America:						
Revenue	22,553	25,150	—	24,202	24,531	—
General Reserve	—	—	—	—	—	—
	<u>22,553</u>	<u>25,150</u>	<u>45,751</u>	<u>24,202</u>	<u>24,531</u>	<u>29,491</u>
Wells Fargo:						
Revenue	6,922	4,501	—	7,263	5,170	—
Special project reserve	3,424	3,509	—	1,826	1,845	—
General reserve	13,179	13,198	—	4,876	4,910	—
	<u>23,525</u>	<u>21,208</u>	<u>25,080</u>	<u>13,965</u>	<u>11,925</u>	<u>20,586</u>
Bank of New York Mellon:						
Revenue	855	855	—	90	134	—
	<u>855</u>	<u>855</u>	<u>448</u>	<u>90</u>	<u>134</u>	<u>929</u>
TD Bank, NA:						
Revenue	251	502	—	251	352	—
	<u>251</u>	<u>502</u>	<u>2,119</u>	<u>251</u>	<u>352</u>	<u>888</u>
Investors Bank						
Construction	—	—	—	44,401	44,401	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>44,401</u>	<u>44,401</u>	<u>—</u>
Total Subject to Pledged Securities	<u>144,936</u>	<u>137,308</u>	<u>\$ 230,336</u>	<u>211,135</u>	<u>194,734</u>	<u>\$ 157,231</u>
Bank of New York Mellon – Trust:						
Construction:	7,645	7,645	—	928	1,207	—
General reserve	—	—	—	13	13	—
Charges	—	—	—	—	—	—
Debt service	23	23	—	310	267	—
	<u>7,668</u>	<u>7,668</u> (1)		<u>1,251</u>	<u>1,487</u> (1)	
US Bank:						
Debt reserve	23	23	—	—	—	—
	<u>23</u>	<u>23</u>		<u>—</u>	<u>—</u>	
Toll collection and other imprest funds:						
Revenue	312	—	—	372	—	—
	<u>312</u> (2)	<u>—</u>		<u>372</u> (2)	<u>—</u>	
Total subject to bond resolution	<u>152,939</u>	<u>144,999</u>		<u>212,758</u>	<u>196,221</u>	
TD Bank, NA:						
Garden State Arts Foundation	—	—	—	2	7	—
	<u>—</u>	<u>—</u> (3)		<u>2</u>	<u>7</u> (3)	
Investors Bank:						
Garden State Arts Foundation	917	926	—	1,025	1,025	—
	<u>917</u>	<u>926</u> (3)		<u>1,025</u>	<u>1,025</u> (3)	
Northfield Bank:						
Garden State Arts Foundation	184	184	—	184	184	—
	<u>184</u>	<u>184</u> (3)		<u>184</u>	<u>184</u> (3)	
	<u>\$ 154,040</u>	<u>146,109</u>		<u>213,969</u>	<u>197,437</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.

UNAUDITED**NEW JERSEY TURNPIKE AUTHORITY**

(A Component Unit of the State of New Jersey)

Schedule of Cost of Investment in Facilities

March 31, 2019

(With summarized comparative financial information for the three months ended March 31, 2018)

(In thousands)

	Completed construction funds	\$7 Billion Capital Improvement Program	Revenue Funded Construction Account	Maintenance reserve	Special project reserve	General reserve	GAAP Adjustments	2019 Total	2018 Total
Land	\$ 660,555	165,078	—	—	—	8,128	—	833,761	832,460
Construction-In-Progress	—	463,956	3,201	25,679	15,741	89,052	10,673	608,302	1,631,540
Roadways	3,185,141	2,909,593	—	266,017	2,288	19,414	—	6,382,453	5,754,018
Bridges	1,910,858	3,389,217	—	376,959	64	32,178	—	5,709,276	5,090,742
Buildings	375,090	450,902	—	182	21,722	88,800	—	936,696	841,430
Equipment	577,829	818,024	—	2,178	131,193	126,169	—	1,655,393	1,532,269
Cost of investment in facilities	6,709,473	8,196,770	3,201	671,015	171,008	363,741	10,673	16,125,881	15,682,459
Accumulated depreciation	(3,072,229)	(767,926)	—	(176,778)	(74,713)	(100,414)	—	(4,192,060)	(3,848,397)
Capital assets, net of accumulated depreciation	<u>\$ 3,637,244</u>	<u>7,428,844</u>	<u>3,201</u>	<u>494,237</u>	<u>96,295</u>	<u>263,327</u>	<u>10,673</u>	<u>11,933,821</u>	<u>11,834,062</u>

Completed construction funds:

Original turnpike extensions and additional lanes	\$ 58,421
Revenues invested in facilities	37,490
1966 Turnpike Improvement	146,755
1971 Turnpike Improvement	15,486
1973 Improvement and Funding Program	25,582
1985-1990 Widening Project	299,863
Business Plan for the 90's	739,971
Former NJHA Construction	494,810
2000 Construction Fund	1,198,055
2003 Construction Fund	15,585
2004 Construction Fund	388,832
2005 Construction Fund	71,825
2008/2009 Bond anticipation note	144,569
	<u>\$ 3,637,244</u>

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

Schedule of Bond Indebtedness

March 31, 2019

(In thousands)

	Amount outstanding December 31, 2018	Refunded or acquired and canceled in current year	Mandatory redemption/ sinking fund installments	Debt issuance	Amortization of premiums and discounts	Amount outstanding March 31, 2019
Turnpike revenue bonds:						
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 F	1,375,000	—	—	—	—	1,375,000
Series 2009 H	36,695	—	—	—	—	36,695
Series 2010 A	1,850,000	—	—	—	—	1,850,000
Series 2012A	15,000	—	—	—	—	15,000
Series 2012B	804,435	—	(158,435)	—	—	646,000
Series 2013A	312,100	—	(5,620)	—	—	306,480
Series 2013F	90,880	—	—	—	—	90,880
Series 2014A	1,000,000	—	—	—	—	1,000,000
Series 2014C	201,860	—	(3,130)	—	—	198,730
Series 2015A	92,500	—	—	—	—	92,500
Series 2015B	50,000	—	—	—	—	50,000
Series 2015C	43,750	—	—	—	—	43,750
Series 2015D	43,750	—	—	—	—	43,750
Series 2015E	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
Series 2017B	646,765	—	—	—	—	646,765
Series 2017C	400,000	—	(1,340)	—	—	398,660
Series 2017D	179,375	—	—	—	—	179,375
Series 2017E	359,680	—	—	—	—	359,680
Series 2017F	167,845	—	—	—	—	167,845
Series 2017G	726,640	—	—	—	—	726,640
Series 2019A	—	—	—	449,110	—	449,110
	10,764,630	—	(201,025)	449,110	—	11,012,715
Premiums and discounts, net	567,258	—	—	29,519	(14,020)	582,757
	<u>\$ 11,331,888</u>	<u>—</u>	<u>(201,025)</u>	<u>478,629</u>	<u>(14,020)</u>	<u>11,595,472</u>

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

Schedule of Bond Indebtedness

March 31, 2018

(In thousands)

	Amount outstanding December 31, 2017	Refunded or acquired and canceled in current year	Mandatory redemption/ sinking fund installments	Debt issuance	Amortization of premiums and discounts	Amount outstanding March 31, 2018
Turnpike revenue bonds:						
Series 2000 B-G	\$ 132,850	—	—	—	—	132,850
Series 2003 B	173,650	—	—	—	—	173,650
Series 2004 B	32,500	—	—	—	—	32,500
Series 2004 C-2	208,735	—	—	—	—	208,735
Series 2005 A	1,375,000	—	—	—	—	1,375,000
Series 2005 B	19,125	—	(19,125)	—	—	—
Series 2005 D1-D4	36,695	—	—	—	—	36,695
Series 2009 E	1,850,000	—	—	—	—	1,850,000
Series 2009 F	15,000	—	—	—	—	15,000
Series 2009 G	804,435	—	—	—	—	804,435
Series 2009 H	317,450	—	(5,350)	—	—	312,100
Series 2009 I	52,500	—	(52,500)	—	—	—
Series 2010 A	141,500	—	(141,500)	—	—	—
Series 2012 A	90,880	—	—	—	—	90,880
Series 2012 B	1,000,000	—	—	—	—	1,000,000
Series 2013 A	201,860	—	—	—	—	201,860
Series 2013 B	92,500	—	—	—	—	92,500
Series 2013 C	50,000	—	—	—	—	50,000
Series 2013 D	43,750	—	—	—	—	43,750
Series 2013 E	43,750	—	—	—	—	43,750
Series 2013 F	750,000	—	—	—	—	750,000
Series 2014 A	72,350	—	—	—	—	72,350
Series 2014 B-2	25,000	—	—	—	—	25,000
Series 2014 B-3	48,235	—	—	—	—	48,235
Series 2014 C	149,995	—	—	—	—	149,995
Series 2015 A	75,025	—	—	—	—	75,025
Series 2015 B	50,015	—	—	—	—	50,015
Series 2015 C	50,000	—	—	—	—	50,000
Series 2015 D	600,000	—	—	—	—	600,000
Series 2015 E	646,765	—	—	—	—	646,765
Series 2015F	400,000	—	—	—	—	400,000
Series 2015G	179,375	—	—	—	—	179,375
Series 2015H	359,680	—	—	—	—	359,680
Series 2017A	167,845	—	—	—	—	167,845
Series 2017B	726,640	—	—	—	—	726,640
	10,983,105	—	(218,475)	—	—	10,764,630
Premiums and discounts, net	627,623	—	—	—	(15,092)	612,531
	<u>\$ 11,610,728</u>	<u>—</u>	<u>(218,475)</u>	<u>—</u>	<u>(15,092)</u>	<u>11,377,161</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Schedule of Refunded Bond and Note Indebtedness

March 31, 2019

(With summarized comparative financial information as of March 31, 2018)

(In thousands)

Note:

As of March 31, 2019 and 2018, refunded bond and note indebtedness which is still outstanding in fully collateralized escrow accounts is as follows:

Refunded series	Refunded amount	Matured/ redeemed	2019 outstanding	2018 outstanding
Parkway revenue bonds:				
Series 1989, Serial bonds 5.75% Redemption				
January 1, 2018 through January 1, 2019	\$ 35,080	(35,080)	—	18,050
Turnpike revenue bonds:				
Series 2009E Turnpike Revenue Bonds, redemption January 1, 2019	300,000	(300,000)	—	300,000
Series 2009H Turnpike Revenue Bonds, redemption January 1, 2019	269,475	(269,475)	—	269,475
Series 2009I Turnpike Revenue Bonds, redemption January 1, 2020	178,005	—	178,005	178,005
Series 2012A Turnpike Revenue Bonds, redemption January 1, 2022	126,255	—	126,255	126,255
Series 2013A Turnpike Revenue Bonds, redemption				
January 1, 2020 through January 1, 2023	1,072,505	—	1,072,505	1,072,505
Total	<u>\$ 1,981,320</u>	<u>(604,555)</u>	<u>1,376,765</u>	<u>1,964,290</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
NEW JERSEY TURNPIKE
Schedule of Toll Revenue
For the three months ended March 31, 2019 and 2018
(Unaudited)
(In thousands)

Class	Description	2019		2018	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	183,972	52,945	179,021	51,456
2	Vehicles having two axles other than type described under Class 1	15,607	2,177	14,596	2,053
3	Vehicle (vehicles), single or in combination, having three axles	9,596	1,071	7,594	910
4	Vehicle (vehicles), single or in combination, having four axles	8,148	713	8,083	690
5	Vehicle (vehicles), single or in combination, having five axles	51,654	3,695	53,684	3,726
6	Vehicle (vehicles), single or in combination, having six or more axles	3,476	164	2,624	135
7	Buses having two axles	416	111	467	97
8	Buses having three axles	2,929	288	2,808	282
	Nonrevenue vehicles	—	387	—	396
		275,798	61,551	268,877	59,745
	Nonrevenue vehicles	—	(387)	—	(396)
	Toll adjustments and discounts	(1,061)	—	(957)	—
	Net Uncollected Tolls	(8,605)	—	(6,683)	—
		266,132	61,164	261,237	59,349

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

Schedule of Toll Revenue

For the three months ended March 31, 2019 and 2018

(Unaudited)

(In thousands)

Class	Description	2019		2018	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 94,377	85,102	92,060	85,784
2	Vehicles having two axles other than type described under Class 1	608	286	454	197
3	Vehicle (vehicles), single or in combination, having three axles	642	205	652	221
4	Vehicle (vehicles), single or in combination, having four axles	714	169	764	184
5	Vehicle (vehicles), single or in combination, having five axles	649	140	632	133
6	Vehicle (vehicles), single or in combination, having six or more axles	32	7	31	6
7	Buses having two axles	441	176	432	178
8	Buses having three axles	548	207	547	214
	Nonrevenue vehicles	—	406	—	397
		98,011	86,698	95,572	87,314
	Nonrevenue vehicles	—	(406)	—	(397)
	Toll adjustments and discounts	(62)	—	(77)	—
	Net Uncollected Tolls	(1,545)	—	(1,312)	—
		<u>\$ 96,404</u>	<u>86,292</u>	<u>94,183</u>	<u>86,917</u>