

**New Jersey Turnpike Authority
Financial Summary
For the Two Months Ended February 29, 2020**

ACTUAL REVENUE - January - February	\$	279,076,000
ESTIMATED REVENUE - March - December		1,585,867,000
<i>Budgeted Annual Revenue</i>	\$	1,864,943,000
 BUDGETED ANNUAL OPERATING EXPENSES		 598,971,000
<i>Budgeted Net Revenue</i>	\$	1,265,972,000
 DEBT SERVICE REQUIREMENTS		 842,699,000
SPECIAL PROJECT RESERVE FUND		41,300,000
MAINTENANCE RESERVE FUND		134,097,000

The following un-audited results are for the two months ended February 29, 2020.¹ Based upon these results, revenues will be sufficient to satisfy the requirements of the Authority's Bond Resolution. For the twelve months ending December 31, 2020, the Authority is projected to have a debt service coverage ratio of 1.50 and a total requirements coverage ratio of 1.24.

The Authority's total revenue for the two months ended February 29, 2020 was \$279,076,000, which is \$10,944,000, or 4.1%, above the 2020 Budget. Toll revenue was \$240,938,000, which is \$10,041,000, or 4.3%, greater than the 2020 budget. Toll revenue is greater than budget primarily due to less severe winter weather, normal growth, and stable economic conditions. February 2020 was tied as the least-snowy February on record and the 3rd mildest February since 1895. The increase in total revenue was also due to higher income from investments. Income from investments, which totaled \$4,417,000, was \$537,000 or 13.8% above the 2020 budget due to higher than projected yields on investments due to market conditions and higher invested balances.

For the two months ended February 29, 2020, traffic on the New Jersey Turnpike increased 3.2% and toll revenue increased 2.7% compared to the same period in 2019. Traffic and toll revenue increased primarily due to less severe winter weather and an extra leap year day in 2020. Both traffic and toll revenue were higher than projected. Projections are based on the Authority's traffic engineering consultant's (CDM Smith) toll revenue forecast study dated September 27, 2018. The actual results for the two months ended February 29, 2020 have exceeded CDM Smith's projections of a 3.3% decrease in traffic and a 1.4% decrease in revenue as the projections assumed several winter storms which did not occur. Through February 2020, the E-ZPass usage rate on the New Jersey Turnpike was 88.3%, an increase from 87.2% for the same period in 2019.

For the two months ended February 29, 2020, toll transactions on the Garden State Parkway increased 5.2% and revenue increased 4.8% when compared to the same period in 2019. The increase in revenue is due mainly to less severe winter weather in 2020 compared to 2019 and the extra leap year day. The actual results for the two months ended February 29, 2020 were above CDM's projections of a decrease of 0.2% in toll transactions and an increase of 0.1% in toll revenue. As with the Turnpike, projections assumed several winter storms which did not occur. Through February 2020, the E-ZPass usage rate on the Garden State Parkway was 85.5%, an increase from 84.8% for the same period in 2019.

Operating expenses for the two months ended February 29, 2020 were approximately \$83,690,000, which was 81.9% of the year-to-date budget. The Authority's operating expenses through February were under budget primarily due to lower than budgeted snow and severe weather costs. The Authority spent a total of \$3,867,000 for snow and severe weather costs in 2020 from the operating expense budget. 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. New Jersey had no declared state of emergency weather events in calendar 2020 through February. For the two months ended February 29, 2020, snow and severe weather costs charged to operating expenses were approximately \$12,692,000 under budget.

Debt Service includes interest and principal payments on the Authority's outstanding debt. For the two months ended February 29, 2020, Debt Service totaled \$139,378,000 and included \$97,812,000 in interest payments and \$41,566,000 in principal payments. Debt Service is currently under budget primarily due to the Series 2015A bonds, as the budget assumes interest at 12% on the \$5 million unhedged portion of the bonds while the actual interest rate paid was under 2%.

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund expenses totaled \$28,750,000 for the two months ended February 29, 2020. Expenditures consisted primarily of \$21,500,000 for the State Transportation Projects Funding Agreement, and \$3,667,000 for the Transportation Trust Fund Agreement.

The Capital Budget, which is funded by revenue, consists of the Maintenance Reserve Fund, Special Project Reserve Fund, the Supplemental Capital Program, and the Passaic River Bridges Rehabilitation Program. For the two months ended February 29, 2020, total expenditures were approximately \$19,179,000. Expenditures included \$3,673,000 for Arts Center Improvements, \$2,681,000 for the Additional Roadway Resurfacing project, and \$1,923,000 for the Laderman Bridge Repair project.

Total expenditures from the \$7 Billion Capital Improvement Program (CIP) for the two months ended February 29, 2020 were approximately \$23,218,000. Expenses included \$7,584,000 for NBHCE Bridge Redecking, \$3,341,000 for Phase II of Sign Replacements, and \$3,165,000 for the Authority's Phase I Facilities Improvements project. In addition to these expenditures, there are open contracts and commitments totaling approximately \$321,916,000. Total expenditures from the 2019 CIP for the two months ended February 29, 2020 were approximately \$7,282,000. Expenses include \$3,371,000 for GSP Shoulder Widening from MP 30 to 35, \$1,116,000 for TPK Bridge Fender Reconstruction, and \$903,000 for Turnpike Interchange 6 E-ZPass Improvements. Both programs are funded from bond proceeds.

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