



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



**Quarterly Financial Analysis and
Unaudited Financial Statements as of
March 31, 2020 and 2019**

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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, 2020 and 2019

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

Highlights

- On January 28, 2020, the Board of Commissioners authorized the adoption of the Series 2020 Turnpike Revenue Bond Resolution (the Resolution) The Resolution authorizes the issuance of up to \$2,719,118 of Turnpike Revenue Bonds. This includes up to \$502,500 of new money bonds, up to \$1,434,633 of refunding bonds to refinance existing fixed rate debt, and up to \$781,986 of refunding bonds to refinance existing variable rate debt. Proceeds of the \$502,250 new money bonds will be used to finance the \$500 million 2019 Capital Improvement Program. The new money bonds are expected to be issued in part in 2020 and in 2021. The proceeds of the \$1,434,633 refunding bonds will be used to potentially refinance the Series 2012B, 2013A, 2013F, 2014A, 2014C, and 2015E Bonds, which are fixed rate bonds, on a tax-exempt or taxable basis for debt service savings. The proceeds of the \$781,986 of refunding bonds will be used to refinance the variable rate Series 2015A-H, the 2016B-D, and the 2017C Bonds on a tax-exempt or taxable basis. These variable rate bonds can potentially be refinanced on a fixed rate basis, allowing for the termination of the existing interest rate swap agreements on these bonds for either savings or to reduce bond portfolio risk. Only the Series 2015B Bonds must be refinanced prior to April 1, 2020 to meet the mandatory tender date on the bonds to avoid interest rate escalation. Both the fixed rate and variable rate bond refunding (except the Series 2015B Bonds), will only be completed if market conditions are favorable.
- In February 2020, the Board of Commissioners approved a resolution authorizing staff to conduct public hearings concerning a proposed Capital Program, supporting revenue enhancement on the New Jersey Turnpike and Garden State Parkway. The Authority proposed a long-range capital plan which includes, among other things, a variety of capacity enhancement projects, replacement of the Delaware River Turnpike Bridge and replacement of the Laderman Bridge on the Western Spur of the Turnpike. The Authority plans to finance this program with proposed toll increases of 36% and 27% on the Turnpike and Parkway, respectively. The public hearings were conducted in March 2020.
- On March 9, 2020, Governor Murphy declared a State of Emergency and Public Health Emergency due to COVID-19. In addition, on March 24, 2020, Governor Murphy issued a shelter in place order. As a result of the pandemic, the Authority has experienced a significant decline in traffic and revenue and has also temporarily suspended cash toll collection by implementing a toll-by-mail system on March 24, 2020. Although traffic and revenue have declined, the Authority continues to meet all of its bond financial covenants.
- The Authority's net position increased by \$1,445, or 0.2%, from \$589,274 as of December 31, 2019, to \$590,719 as of March 31, 2020. The increase in net position can be attributed

(Dollars shown in thousands)
(Unaudited)

to lower operating expenses and non-operating expenses in the three months ended March 31, 2020, which is offset by lower operating revenue.

- Operating revenue in Q1 2020 is \$368,029, which is \$26,069, or 6.6% less than Q1 2019. As compared with Q1 2019, toll revenue on the Turnpike decreased by 6.6%, and traffic decreased by 8.6% in Q1 2020. On the Parkway, revenue decreased by 7.5%, while traffic decreased by 7.2% in Q1 2020, compared to Q1 2019. The declines are due to the COVID-19 pandemic. Prior to the onslaught of the pandemic, the Authority's toll revenue was 4.1% above projections.

Condensed Summary of Net Position

	Three months ended March 31, 2020	Twelve months ended December 31, 2019
Assets:		
Current assets	\$ 1,811,049	2,174,701
Other noncurrent assets	663,993	694,519
Capital assets, net of accumulated depreciation	12,086,387	12,094,445
Total assets	<u>\$ 14,561,429</u>	<u>14,963,665</u>
Deferred outflows	<u>\$ 414,015</u>	<u>388,890</u>
Liabilities:		
Current liabilities	\$ 822,600	970,744
Noncurrent liabilities	13,259,823	13,490,235
Total liabilities	<u>\$ 14,082,423</u>	<u>14,460,979</u>
Deferred inflows	<u>\$ 302,302</u>	<u>302,302</u>
Net position:		
Net investment in capital assets	\$ 1,875,572	1,687,349
Restricted under trust agreements	77,910	246,242
Unrestricted	<u>(1,362,763)</u>	<u>(1,344,317)</u>
Total net position	<u>\$ 590,719</u>	<u>589,274</u>

Discussion of Condensed Summary of Net Position as of March 31, 2020

The Authority's total net position is reported at \$590,719 and \$589,274 as of March 31, 2020, and December 31, 2019 respectively. The increase of \$1,445, or 0.2%, is mainly due to lower operating costs and non-operating costs, offset by a decrease in operating revenue. Other noncurrent assets decreased by \$30,526, or 4.4%, as compared to December 31, 2019. This is mainly due to a decrease in restricted investments as the bond proceeds included in restricted investments are used to fund construction projects and no new bonds were issued in Q1 2020. Capital assets decreased by \$8,058, or 0.1%, as compared to December 31, 2019 mainly due to

March 31, 2020

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(Dollars shown in thousands)
 (Unaudited)

the higher depreciation than the assets creation. The decrease of \$148,144 or 15.3% in the current liabilities is due to decrease of accounts payable and accrued expenses as well as lower accrued interest payable as the March 31, 2020 amount includes the liability only for 3 months. The decrease in accrued interest payable is offset by an increase in unearned revenue and in the current portion of bonds payable. The increase in unearned revenue is due to the expected receipt of Build America Bonds monies. These monies fund a portion of series 2009F and 2010A bonds interest payments. The current portion of bonds payable increased due to higher principal payment due on January 1, 2021 as compared to principal payment made on January 1, 2020. Noncurrent liabilities decreased by \$230,412 or 1.7%, primarily due to a \$262,632 or 2.3% decrease in bonds payable. The decrease in bonds payable resulted from reclassification a portion of the non current bonds payable to current portion of bonds payable as the principal payment on these bonds is due on January 1, 2021. The overall decrease in noncurrent liabilities is offset by an increase in the interest rate swap liabilities and increase in the Other Postemployment benefits liability. The interest rate swap liabilities increased due to lower LIBOR index interest swap rates on March 31, 2020 as compared to December 31, 2019.

Adjusted Net Position

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Net Position as per GAAP Financials	590,719	580,348
Other postemployment benefit liability/deferral GASB 75, net	1,553,320	1,546,471
Pension liability/deferral GASB 68, net liability	396,040	403,947
Derivatives Instruments/deferrals GASB 53, net	(112,570)	(104,409)
Pollution Remediation GASB 49	11,658	11,658
Other long-term liabilities	—	—
Leases GASB 62, net	34,344	34,344
Total non cash adjustments	<u>1,881,773</u>	<u>1,892,011</u>
Garden State Arts Foundation	<u>(1,175)</u>	<u>(680)</u>
Net Position as per Bond Resolution	<u>2,471,317</u>	<u>2,471,679</u>

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*

March 31, 2020

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(Dollars shown in thousands)

(Unaudited)

Pensions (GASB 75) 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. Additionally, in accordance with the accounting under GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which includes leases, the Authority was required to recognize capital assets funded by the lessee and a corresponding unearned revenue. 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.

March 31, 2020

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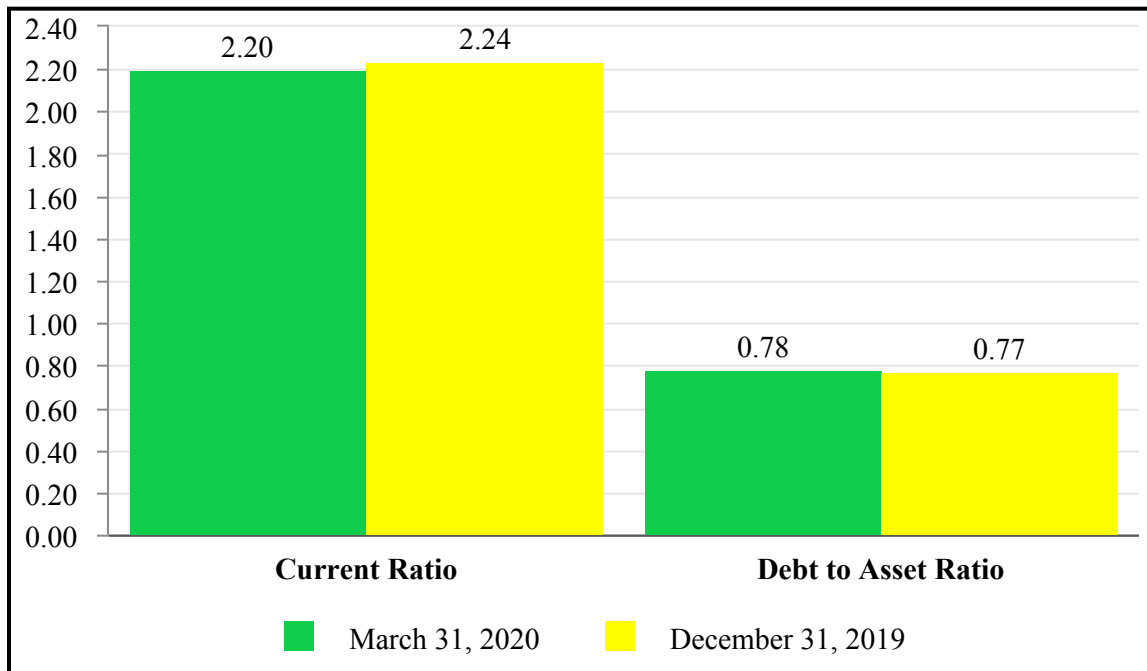


(Dollars shown in thousands)

(Unaudited)

Net Position Ratio Analysis – GAAP Basis

Ratio	Mar. 31, 2020	Dec. 31, 2019	Explanation
Current Ratio	2.20	2.24	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 decrease in current assets with the continued spending on the Capital program. 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 2020.
Debt to Asset Ratio	0.78	0.77	The debt to assets ratio is calculated by dividing total debt by total assets. The debt to asset ratio increased slightly mainly due to a decrease in assets.



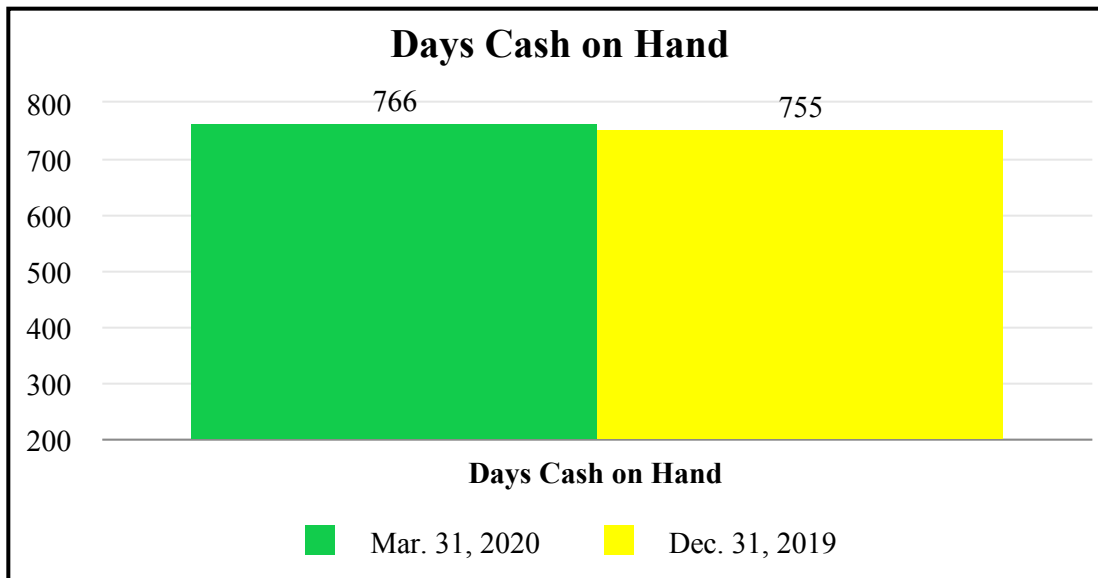
March 31, 2020

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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, 2020 as compared to the period ended December 31, 2019. Despite a small decline in unrestricted cash and investments, the days cash on hand is overall higher primarily due to lower average daily operating expenses as of March 31, 2020 as compared to December 31, 2019. Based on this calculation as of March 31, 2020, the Authority could go 766 days without generating any revenue and still pay its operating expenses.

	<u>Mar. 31, 2020</u>	<u>Dec. 31, 2019</u>
Unrestricted Cash & Investments	\$ 1,076,429	1,098,509
Daily Operating Expenses (Revenue Fund)	1,405	1,455
Days cash on hand	766	755



Capital Improvement Program (CIP)

The Authority currently has three active Capital Improvement Programs (CIP) – (I) the \$7 Billion CIP and (II) the 2019 CIP. The \$7 Billion CIP and the 2019 CIP are funded through proceeds generated from the issuance of Turnpike Revenue Bonds.

I. \$7 Billion Capital Improvement Program

The Authority is nearing the conclusion of a \$7 Billion CIP that includes 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.

Total expenditures for the \$7 Billion CIP for the three months ended March 31, 2020 were approximately \$45,110. Spending included approximately \$17,384 for the NBHCE Bridge Redecking Project, approximately \$6,911 for the Interchange Improvements Project, approximately \$5,398 for the Facilities Improvements Phase I Project, approximately \$4,684 for the Sign Replacements Phase II Project, and approximately \$2,687 for the Parkway Int 125 Phase I Project. In addition to these expenditures, there are open contracts and commitments totaling approximately \$301,358.

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)	\$ 2,133,453	2,133,408	100 %
Bridge Improvements	1,704,441	1,673,106	98 %
Roadway Improvements	834,275	831,080	100 %
Interchange Improvements	1,060,496	1,031,552	97 %
Facilities Improvements	684,086	677,212	99 %
Parkway Widening (Milepost 35-80)	583,249	579,540	99 %
	\$ 7,000,000	6,925,898	99 %

Turnpike Widening: The Turnpike Interchanges 6 to 9 widening, which was completed on schedule and under budget, was opened to traffic in November 2014. 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 Authority will continue its bridge deck reconstruction work on the NBHCE in 2020, while the Delaware River Turnpike Bridge and the Great Egg Harbor Bridge projects are complete and close out is in progress.

Roadway Improvements: Roadway improvements totaling approximately \$834,300 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 projected completion date for this work is approximately the first quarter of 2021.

Interchange Improvements: The \$7 Billion CIP also includes approximately \$1.1 billion for Interchange Improvements on both roadways. Interchanges 109 and 125 on the Garden State Parkway is expected to be completed in 2020 and Interchange 145 on the Garden State Parkway is expected to be completed in 2022.

Facility Improvements: The \$7 Billion CIP includes approximately \$684,100 for facilities improvements. In total, the Authority has or 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.

Parkway Widening: The Parkway widening project added a third travel lane and full-width shoulders between Mileposts 35 and 80 and was completed. The total costs for the Parkway Mileposts 35 to 80 Widening Program are approximately \$583,200; however, \$100,000 of those costs were financed from the proceeds of bond anticipation notes prior to the adoption of the \$7 Billion CIP.



(Dollars shown in thousands)
 (Unaudited)



II. 2019 Capital Improvement Program (2019 CIP)

The Authority adopted the \$500 million 2019 CIP in April 2019 which consists of the design, supervision and construction of 17 capital improvement projects on both roadways and will be funded through Turnpike Revenue Bond proceeds. The projects include several bridge deck replacements on both roadways, the Garden State Parkway shoulder widening between mileposts 30 and 35, and the replacement of the hybrid changeable message signs on the New Jersey Turnpike. These projects are separated into the following categories: Roadway Improvements, Bridge Improvements, Facilities Improvements, Interchange Improvements and Contingency.

As of March 31, 2020, the total expenditure for this program was approximately \$13,100 and there are open contracts and commitments totaling approximately \$214,800.

The Projects currently included in the 2019 CIP are the following:

Project	Current Budget	Amount Spent or Committed to Date	Percent Spent & Committed to Date
Roadway Improvements	\$ 264,750	153,852	58 %
Bridge Improvements	194,250	81,844	42 %
Facilities Improvements	10,000	1,808	18 %
Interchange improvements	10,000	7,504	75 %
Contingency	5,000	—	—
	\$ 484,000	245,008	51 %

March 31, 2020

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Roadway Improvements: The 2019 Capital Improvement Program includes approximately \$264,800 for roadway improvements. This includes several improvement, installation and rehabilitation projects, such as the Parkway Rehabilitation of the Concrete Median Barrier Project, the Turnpike Installation of Hybrid Changeable Message Signs Project, the Turnpike Berm Surfacing Revisions Project, and the Parkway Weathering Guiderail Replacement Project. These projects are currently under design.

Bridge Improvements: The 2019 Capital Improvement Program includes approximately \$194,300 in bridge improvements. This includes the repair, rehabilitation, and lengthening of several bridge and deck reconstruction projects. Some are currently under design, including the Turnpike Bridge Reconstruction Project, the Parkway Bridge Deck and Median Barrier Reconstruction at Milepost 140 to 143 Project, and the Parkway Bridge Deck and Median Barrier Reconstruction at Milepost 160.6 to 162.5 Project.

Facilities Improvements: The 2019 Capital Improvement Program includes approximately \$10,000 in facilities improvements. Included is the PNC Bank Arts Center Intersection Improvements Project, in which more efficient intersections with the Parkway ramps and the east-west roadway will be constructed at the PNC Bank Arts Center. This project is currently under design.

Interchange improvements: The 2019 Capital Improvement Program includes approximately \$10,000 in interchange improvements. This includes several interchange improvement projects such as the Turnpike Interchange 6 Express E-ZPass Improvements Project, which will add a second Express E-ZPass lane to both directions, and the Turnpike Interchange 18E Express E-ZPass and 16E Improvements Project, which will design and construct an Express E-ZPass bypass to improve traffic flow. The Turnpike Interchange 6 Express E-ZPass Improvements Project is in construction with an anticipated completion date of December 2020.



(Dollars shown in thousands)
 (Unaudited)

Capital Assets

	Mar. 31, 2020	Dec. 31, 2019
Land	\$ 833,761	833,761
Construction-in-progress	661,591	572,496
Roadways	4,537,187	4,581,959
Bridges	4,315,427	4,345,580
Buildings and improvements	845,050	850,588
Equipment	893,371	910,061
Total capital assets, net of accumulated depreciation	<u>\$ 12,086,387</u>	<u>12,094,445</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, 2020 were \$16,635,955 with an accumulated depreciation of \$4,549,568 for net book value of \$12,086,387. This represents 83.0% of the Authority's total assets.



- Capital assets, net of accumulated depreciation, are reported at \$12,086,387 as of March 31, 2020 and 12,094,445 as of December 31, 2019. This represents a decrease of \$8,058 or 0.07% in the current year as compared to December 31, 2019. The main reason for the decrease is the depreciation of capital assets which has exceeded new fixed asset creation in Q1 2020.

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(Dollars shown in thousands)
 (Unaudited)

Condensed Summary of Revenue, Expenses and Changes in Net Position

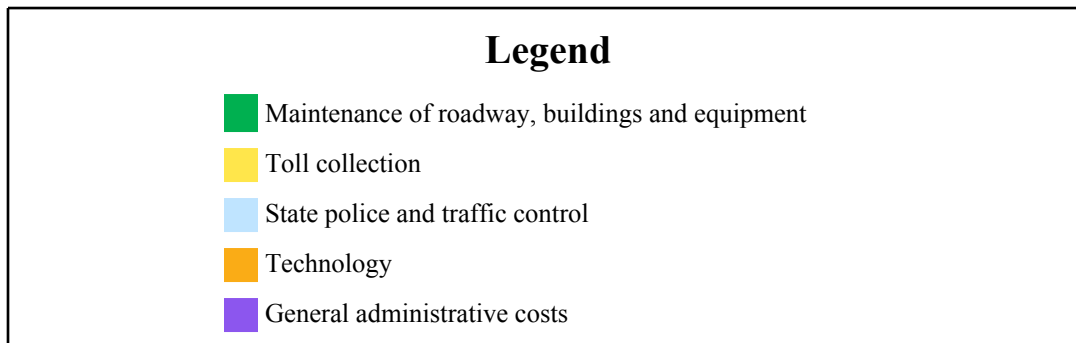
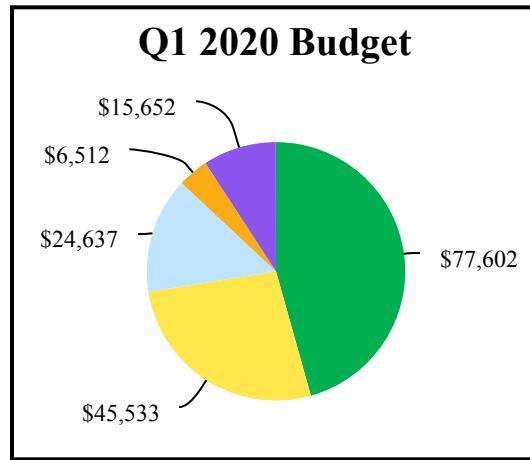
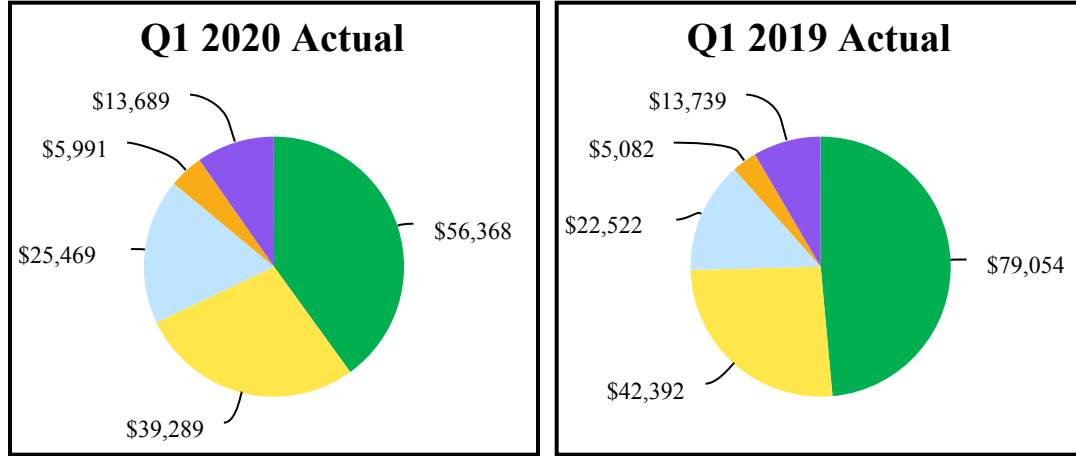
	Q1 2020 (Actual)	Q1 2019 (Actual)	Q1 2020 (Budget)
Operating revenues:			
Toll revenue	\$ 337,730	362,536	360,781
E-ZPass fees	19,749	20,365	19,774
Concession revenue	7,183	6,435	6,935
Miscellaneous revenue	3,367	4,762	2,947
Total operating revenues	<u>368,029</u>	<u>394,098</u>	<u>390,437</u>
Operating expenses, excluding depreciation	<u>(140,806)</u>	<u>(162,789)</u>	<u>(169,936)</u>
Net operating revenue	227,223	231,309	220,501
Depreciation expense	<u>(98,066)</u>	<u>(95,515)</u>	<u>(97,500)</u>
Operating income (loss)	<u>129,157</u>	<u>135,794</u>	<u>123,001</u>
Nonoperating revenues (expenses):			
Build America Bonds subsidy	19,799	19,151	19,212
Federal and State reimbursements	—	1,006	—
Payments to the State of New Jersey	(38,375)	(51,250)	(38,375)
Interest expense, Turnpike Revenue Bonds	(125,442)	(125,459)	(135,983)
Other bond expenses	—	(1,280)	—
Loss on disposal of capital assets	—	—	—
Investment income	10,017	12,007	7,418
Arts Center	1,289	1,292	1,291
Total nonoperating revenues (expenses), net	<u>(132,712)</u>	<u>(144,533)</u>	<u>(146,437)</u>
Change in net position, before capital contributions	(3,555)	(8,739)	(23,436)
Capital contributions	<u>5,000</u>	<u>—</u>	<u>—</u>
Change in net position	1,445	(8,739)	(23,436)
Net position – Beginning of period	<u>589,274</u>	<u>398,255</u>	<u>589,274</u>
Net position – End of period	<u>\$ 590,719</u>	<u>389,516</u>	<u>565,838</u>

March 31, 2020

(Continued)

Operating Expenses

Operating expenses by category for the Q1 2020 actuals, Q1 2019 actuals, and Q1 2020 budget and are shown below:



Discussion of Condensed Summary of Revenue, Expenses and Changes in Net Position for the quarters ended March 31, 2020 and 2019

- Change in net position increased by \$10,184 or 116.5% for the three months ended March 31, 2020 as compared to three months ended March 31, 2019. Change in net position was also \$24,881 or 106.2% above the budgeted amount for the quarter ended March 31, 2020. This is all mainly due to lower operating and non-operating expenses and capital contribution received in the first quarter of 2020. The lower operating and non-operating expenses were partially offset by a decline in operating revenue.
- Operating revenues totaled \$368,029 for the three months ended March 31, 2020, representing a decrease of \$26,069 or 6.6% from \$394,098 for the three months ended March 31, 2019. Operating revenues were also \$22,408 or 5.7% below the budgeted amount of \$390,437 for the three months ended March 31, 2020. Despite lower gas prices and favorable weather conditions, toll revenue is lower than last year's actual amount and the current year-to-date budgeted amount due to the impact of the COVID-19 pandemic crisis and the travel restrictions enforced under the declared State of Emergency and shelter in place order.
- E-Z Pass fees totaled \$19,749 for the three months ended March 31, 2020, representing a decrease of \$616, or 3.0% from \$20,365 for the three months ended March 31, 2019. This is also \$25 or 0.1% below the budgeted amount of \$19,774 for the three months ended March 31, 2020. The decrease from last year's actual amount and the current year-to-date budgeted amount is due to lower damaged tag fees, as damaged tag fees received were higher in Q1 2019 due to the tag swap program.
- Concession revenue increased by \$748 or 11.6% to \$7,183 in Q1 2020 from \$6,435 in Q1 2019. This is also \$248 or 3.6% above the budgeted amount of \$6,935. This increase from last year's actual amount and the current year-to-date budgeted amount is due to the increase in the Monthly Annual Guaranteed Fee for HMS.
- Miscellaneous revenue decreased by \$1,395 or 29.3% to \$3,367 in Q1 2020 from \$4,762 in Q1 2019. This is primarily due to insurance recovery received in Q1 2019. Miscellaneous revenue is \$420 or 14.3% above the budgeted amount of \$2,947. This is due to the budget not incorporating miscellaneous revenue from the Garden State Art Foundation.

Operating Expense Breakdown (not including depreciation)

- Operating expenses, excluding depreciation, totaled \$140,806 for the three months ended March 31, 2020, representing an decrease of \$21,983 from \$162,789 for the three months ended March 31, 2019. Operating expenses, excluding depreciation, was also \$29,130 or 17.1% below the budgeted amount of \$169,936 for the three months ended March 31, 2019. This is all mainly due to a decrease in the expenses related to maintenance of

roadway, buildings and equipment for Q1 2020. There is also a decrease in Other Post Employment benefits cost based on the actuarial report received in Q4 2019, as the Authority's total OPEB obligation declined from the last measurement date.

- Maintenance expenses decreased by \$22,686 or 28.7% to \$56,368 in Q1 2020 from \$79,054 in Q1 2019. This is also \$21,234 or 27.4% below the budgeted amount of \$77,602 in Q1 2020. This decrease is due to lower snow removal and severe weather costs in Q1 2020 since the weather was milder than expected this year. This is offset by an increase in repair costs and a slight increase in cleaning costs in an effort to sanitize the work place in response to the COVID-19 pandemic.
- Toll collection expenses decreased by \$3,103 or 7.3% to \$39,289 in Q1 2020 from \$42,392 in Q1 2019. This is also \$6,244 or 13.7% below the budgeted amount of \$45,533 in Q1 2020. This decrease is mainly due to lower Other Post Employment benefit costs allocated to toll collection in Q1 2020 as compared to Q1 2019. There is also a slight decrease in electronic toll collection processing costs due in part to lower traffic from the COVID-19 pandemic and lower Other Post Employment benefit costs based on the lower overall OPEB obligation..
- State Police and traffic control expenses increased by \$2,947 or 13.1%, to \$25,469 in Q1 2020 from \$22,522 in Q1 2019. This is also \$832 or 3.4% above the budgeted amount of \$24,637 in Q1 2020. The increase from the prior year actual amount and year-to-date budgeted amount is primarily due to higher vehicle purchases in Q1 2020 as compared to Q1 2019. More purchases were made in 2020 mainly to replace an older fleet of vehicles. There is also an increase in pension cost as compared to Q1 2019.
- Technology expenses increased by \$909 or 17.9% to \$5,991 in Q1 2020 from \$5,082 in Q1 2019. This increase is due to an increase in ITS consulting costs and an increase in hardware costs in an effort to strengthen cybersecurity. Technology expenses was \$521 or 8.0% below the budgeted amount of \$6,512 in Q1 2020 due to lower than expected spending on ITS projects.
- General administrative expenses decreased by \$50 or 0.4% to \$13,689 in Q1 2020 from \$13,739 in Q1 2019. This decrease is mainly due to overall lower allocation of Other Post Employment benefit costs in Q1 2020 as compared to Q1 2019. This is offset by an increase in legal costs, security inspections and traffic and revenue study costs. General administrative expenses were \$1,963 or 12.5% below the budgeted amount of \$15,652 due to lower than anticipated spending in the legal, finance and purchasing departments.
- Net non-operating expenses decreased by \$11,821 or 8.2% to \$132,712 in Q1 2020 as compared to \$144,533 in Q1 2019 predominantly due to contractual reduction in payments to the State of New Jersey, lower investment income, and lower federal and state reimbursements. This is offset by bond cost of issuance expense. Net non-operating

(Dollars shown in thousands)

(Unaudited)

expenses was \$13,725 or 9.4% lower than the budgeted amount of \$146,437 in Q1 2020 primarily due to lower than expected interest expenses and higher investment income.

- Payments to the State of New Jersey decreased by \$12,875 or 25.1% to \$38,375 in Q1 2020 from \$51,250 in Q1 2019 . 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. The actual amount and the budgeted amount were the same for payments to the State of New Jersey in Q1 2020 since the payments are based on amounts already scheduled in the contractual agreements.
- Investment income has decreased by \$1,990 or 16.6% to an investment income of \$10,017 in Q1 2020 from the investment income of \$12,007 in Q1 2019. This decrease is due to a decline in short-term interest rates on investments. Investment income was \$2,599 or 35.0% above the budgeted amount of \$7,418 in Q1 2020. This was due to an overall higher investment income than expected for most funds.
- Federal and state reimbursements decreased by \$1,006 or 100%. There was no federal or state reimbursements in Q1 2020 whereas in Q1 2019 \$1,006 was received due to the FEMA reimbursement for Winter Storm Quinn. The actual and budgeted amount were the same for federal and state reimbursements in Q1 2020, since there were no reimbursements expected this year.
- Other bond expenses decreased by \$1,280 or 100.0%. There were no expenses incurred in Q1 2020 whereas in Q1 2019 \$1,280 was incurred due to the issuance of the Series 2019A Turnpike Revenue Bonds. The actual and budgeted amount were the same for other bond expenses in Q1 2020, since no bonds were expected to be issued this quarter.

March 31, 2020

(Continued)



(Dollars shown in thousands)
 (Unaudited)

Adjusted Revenue, Expenses and Changes in Net Position

	Q1 2020	Q1 2019
Change in Net Position as per GAAP Financials	\$ 1,445	(8,739)
Unfunded non-cash adjustments:		
Total operating expenses	6,849	14,629
Interest expense, Turnpike Revenue Bonds	(8,161)	(7,990)
Interfund transfers	—	—
Total Non-Cash Adjustment	<u>\$ (1,312)</u>	<u>6,639</u>
Garden State Arts Foundation	<u>495</u>	<u>495</u>
Change in net position as per Bond Resolution	<u>\$ (362)</u>	<u>(2,595)</u>
Add other non-cash expenses		
Depreciation	98,066	95,515
Amortization	<u>(11,164)</u>	<u>(14,020)</u>
Change in Net Position - Non-GAAP	<u><u>\$ 86,540</u></u>	<u><u>78,900</u></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 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.

March 31, 2020

(Continued)



(Dollars shown in thousands)
(Unaudited)

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, 2020 and 2019

(Unaudited)

(In thousands)

Class	Description	Q1 2020		Q1 2019	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 165,294	47,674	183,972	52,945
2	Vehicles having two axles other than type described under Class 1	15,462	2,175	15,607	2,177
3	Vehicle (vehicles), single or in combination, having three axles	7,762	962	9,596	1,071
4	Vehicle (vehicles), single or in combination, having four axles	9,045	763	8,148	713
5	Vehicle (vehicles), single or in combination, having five axles	56,644	3,803	51,654	3,695
6	Vehicle (vehicles), single or in combination, having six or more axles	2,646	132	3,476	164
7	Buses having two axles	371	112	416	111
8	Buses having three axles	2,884	291	2,929	288
	Nonrevenue vehicles	—	300	—	387
		<u>\$ 260,108</u>	<u>56,212</u>	<u>275,798</u>	<u>61,551</u>
	Nonrevenue vehicles	—	(300)	—	(387)
	Toll adjustments and discounts	(1,091)	—	(1,061)	—
	Net Uncollected Tolls	<u>(10,485)</u>	<u>—</u>	<u>(8,605)</u>	<u>—</u>
		<u><u>\$ 248,532</u></u>	<u><u>55,912</u></u>	<u><u>266,132</u></u>	<u><u>61,164</u></u>

March 31, 2020

(Continued)

(Dollars shown in thousands)
(Unaudited)

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

Schedule of Toll Revenue

Quarters ended March 31, 2020 and 2019

(Unaudited)

(In thousands)

Class	Description	Q1 2020		Q1 2019	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 87,394	78,831	94,377	85,102
2	Vehicles having two axles other than type described under Class 1	827	390	608	286
3	Vehicle (vehicles), single or in combination, having three axles	666	218	642	205
4	Vehicle (vehicles), single or in combination, having four axles	667	159	714	169
5	Vehicle (vehicles), single or in combination, having five axles	654	142	649	140
6	Vehicle (vehicles), single or in combination, having six or more axles	28	5	32	7
7	Buses having two axles	411	157	441	176
8	Buses having three axles	515	183	548	207
	Nonrevenue vehicles	—	383	—	406
		<u>\$ 91,162</u>	<u>80,468</u>	<u>98,011</u>	<u>86,698</u>
	Nonrevenue vehicles	—	(383)	—	(406)
	Toll adjustments and discounts	(84)	—	(62)	—
	Net Uncollected Tolls	<u>(1,880)</u>	<u>—</u>	<u>(1,545)</u>	<u>—</u>
		<u><u>\$ 89,198</u></u>	<u><u>80,085</u></u>	<u><u>96,404</u></u>	<u><u>86,292</u></u>

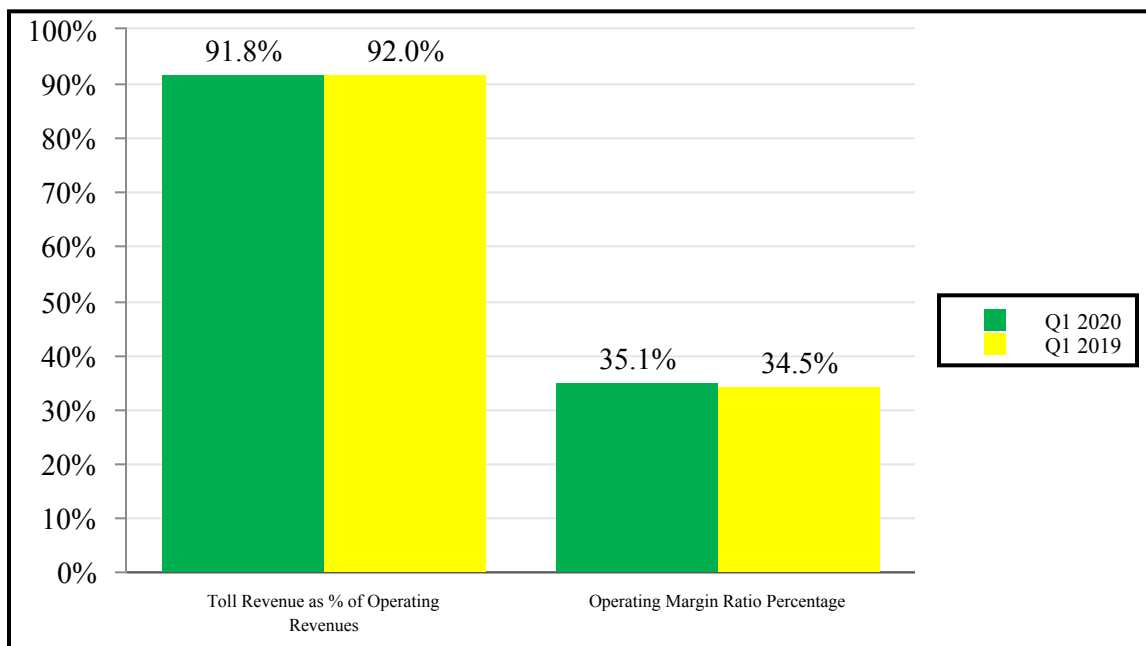
March 31, 2020

(Continued)

(Dollars shown in thousands)
 (Unaudited)

Revenue and Expense Ratio Analysis – GAAP Basis

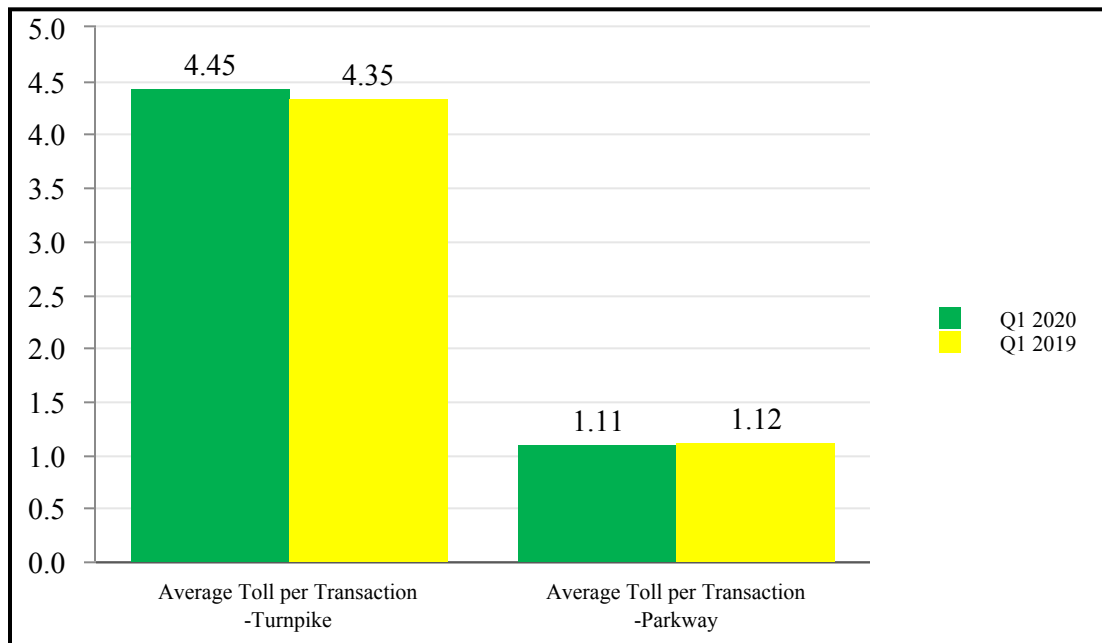
Ratio	Q1 2020	Q1 2019	Explanation
<i>Toll Revenue as % of Operating Revenue</i>	91.8%	92.0%	Toll revenue as percentage of operating revenue is calculated by dividing toll revenue by operating revenue. This ratio decreased slightly in Q1 2020 as compared to Q1 2019 due to lower toll revenue. This ratio indicates that almost all of the Authority’s revenue is earned from toll collection.
<i>Operating Margin Ratio Percentage</i>	35.1%	34.5%	The operating margin ratio percentage is calculated by taking operating income before interest and dividing by total operating revenue. This ratio slightly increased in Q1 2020 as compared to Q1 2019 due to lower operating expenses.



(Dollars shown in thousands)

(Unaudited)

Ratio	Q1 2020	Q1 2019	Explanation
<i>Average Toll per Transaction - Turnpike</i>	4.45	4.35	Average toll per transaction is calculated by dividing toll revenue by the number of toll transactions. The average toll per transaction increased in Q1 2020 as compared to Q1 2019. Though toll revenue decreased, there was an increase in average trips driven by the larger trucks.
<i>Average Toll per Transaction - Parkway</i>	1.11	1.12	The average toll per transaction has decreased slightly in Q1 2020 as compared to Q1 2019. Toll revenue and transactions decreased in Q1 2020 compared to Q1 2019 due to the Stay At Home Order from the COVID-19 pandemic.

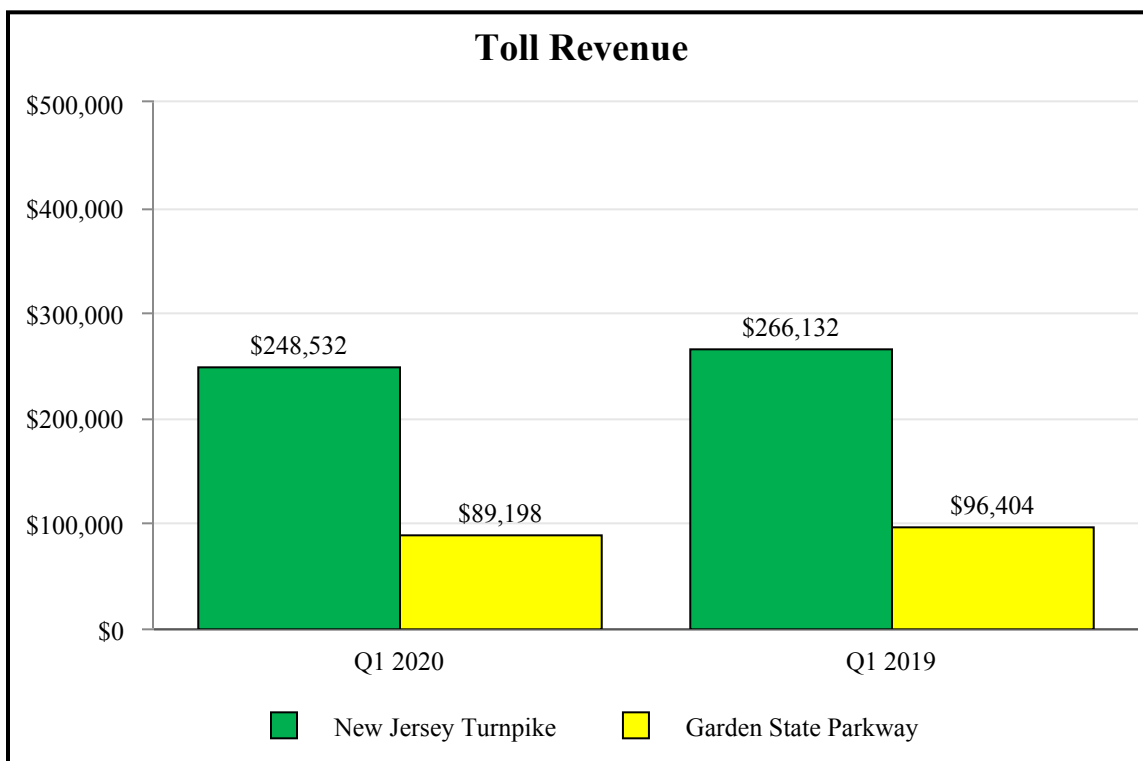


(Dollars shown in thousands)
 (Unaudited)

Key Performance Metrics- Revenue and Expenses

Toll Revenue – Toll revenue has decreased in Q1 2020 from Q1 2019 by 6.8% for the Authority. The decrease in toll revenue on the Turnpike in Q1 2020 from Q1 2019 is 6.6% and the decrease in toll revenue on the Parkway is 7.5%. The overall decrease in the toll revenue on the both roadways is entirely due to the impact of the COVID-19 pandemic crisis and the travel restrictions enforced under the declared State of Emergency and shelter in place order.

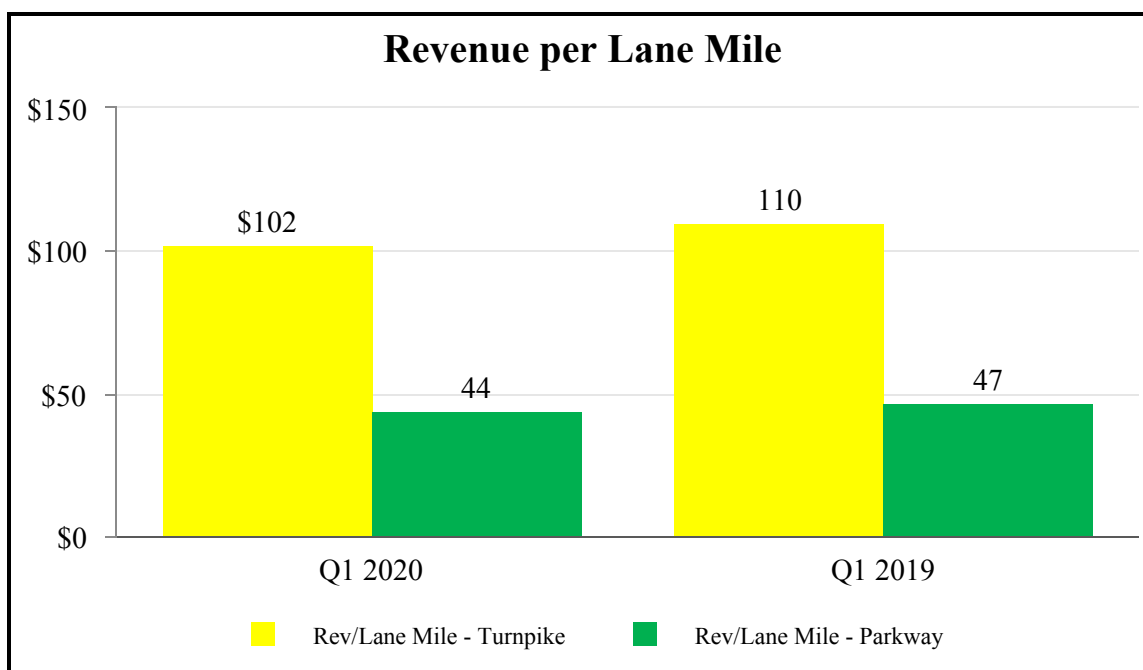
	New Jersey Turnpike	Garden State Parkway	Total
Q1 2020	\$ 248,532	89,198	337,730
Q1 2019	\$ 266,132	96,404	362,536
% change from from Q1 2019 to Q1 2020	(6.6)%	(7.5)%	(6.8)%



Revenue per Lane Mile – Revenue per lane mile has decreased in Q1 2020 from Q1 2019 on the Turnpike and Parkway due to the impact of the COVID-19 pandemic crisis and the travel restrictions enforced under the declared State of Emergency. Overall, toll revenue has decreased on both the roadways for Q1 2020 (See Toll Revenue discussion on page 17).

(Dollars shown in thousands)
 (Unaudited)

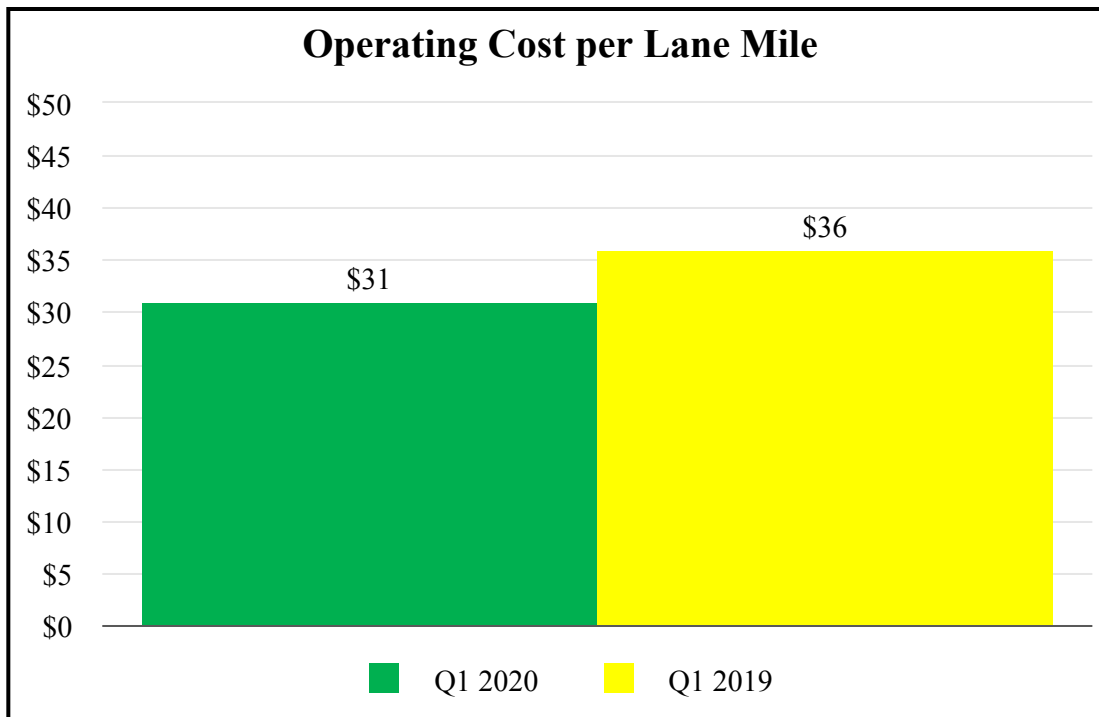
	<u>Q1 2020</u>	<u>Q1 2019</u>
Toll Revenue - Turnpike	\$ 248,532	266,132
Toll Revenue - Parkway	89,198	96,404
Total Toll Revenue	<u>\$ 337,730</u>	<u>362,536</u>
Lane Miles (actual) - Turnpike	2,427	2,423
Lane Miles (actual) - Parkway	2,050	2,041
Total Lane Miles (actual)	<u>4,477</u>	<u>4,464</u>
Revenue per Lane Mile - Turnpike	\$ 102	110
Revenue per Lane Mile - Parkway	\$ 44	47
Revenue per Lane Mile - Authority	\$ 75	81



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 2019 to Q1 2020, operating cost per lane mile slightly decreased mostly because of decrease in maintenance expenses. The decrease in maintenance expense 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.

(Dollars shown in thousands)
 (Unaudited)

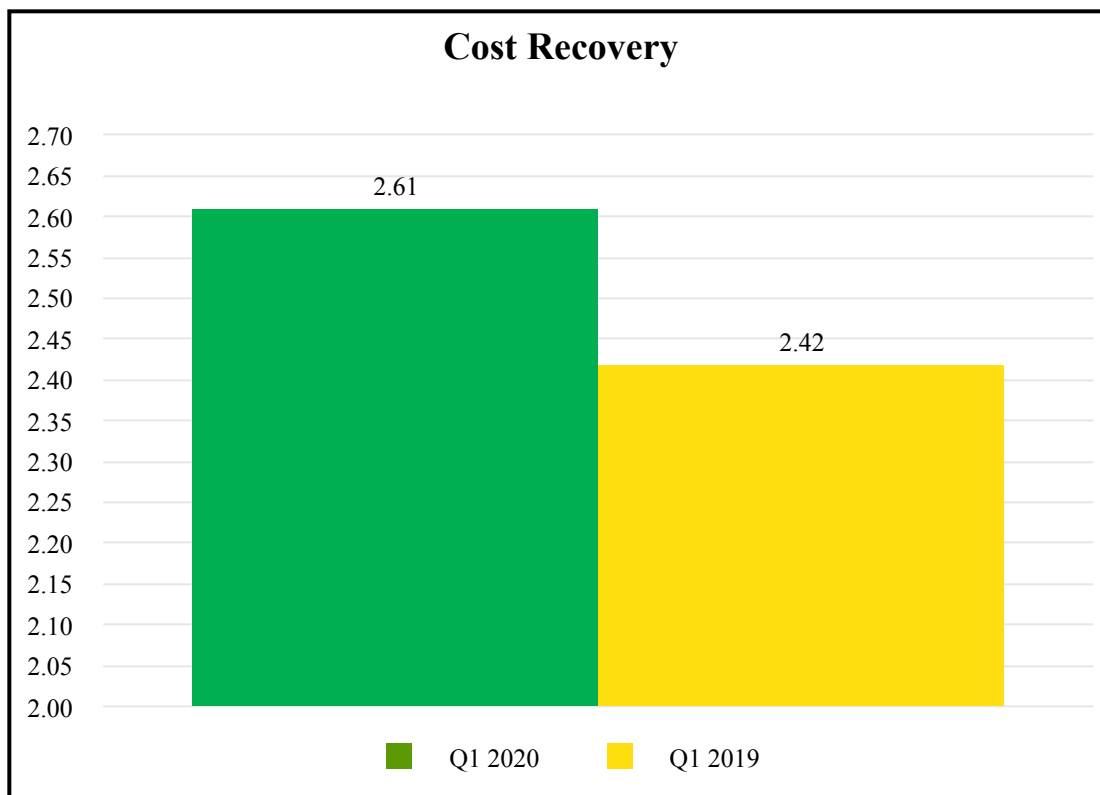
	<u>Q1 2020</u>	<u>Q1 2019</u>
Total operating expenses	\$ 140,806	162,789
Lane Miles (actual) - Turnpike	2,427	2,423
Lane Miles (actual) - Parkway	<u>2,050</u>	<u>2,041</u>
Total Lane Miles	<u><u>4,477</u></u>	<u><u>4,464</u></u>
Operating cost Excluding Depreciation/Lane Mile - Authority	\$ 31	36



(Dollars shown in thousands)
 (Unaudited)

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 2.61 in Q1 2020 and 2.42 in Q1 2019, which is a strong indicator of the Authority’s ability to meet its operating expenses with its operating revenues.

	<u>Q1 2020</u>	<u>Q1 2019</u>
Operating Revenue	\$ 368,029	394,098
Operating Expenses (excluding depreciation)	\$ 140,806	162,789
Cost Recovery	2.61	2.42



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>.

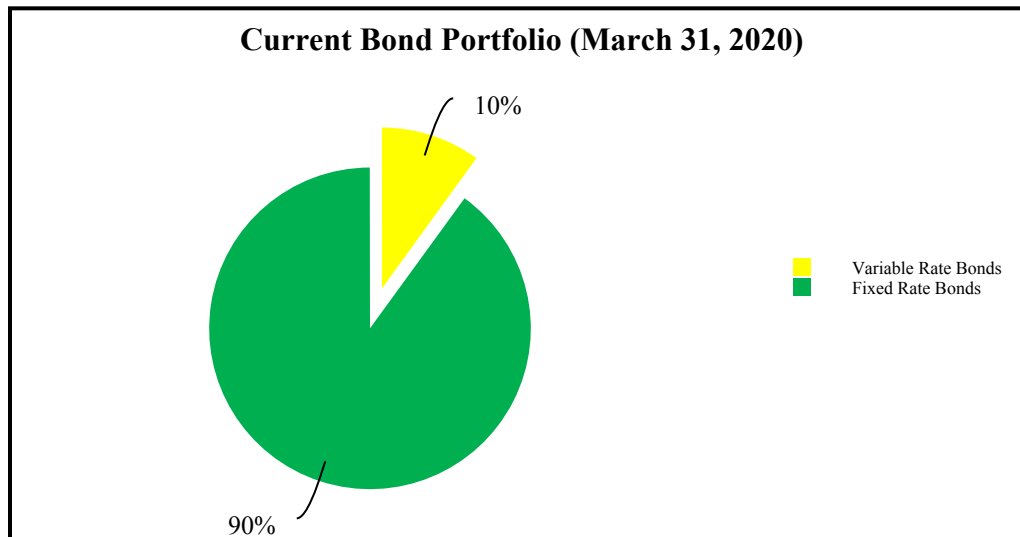


Debt Administration

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, 2020 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.



(Dollars shown in thousands)
 (Unaudited)

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 2020</u>	<u>Q1 2019</u>
(i)		
Net revenue available for debt service	\$ 268,715	294,369
Less net revenue requirements (the sum of aggregate debt service, maintenance reserve, special project reserve and charges funds payments)	<u>(252,810)</u>	<u>(247,711)</u>
Excess net revenues	<u>\$ 15,905</u>	<u>46,658</u>
(ii)		
Net revenue available for debt service	\$ 268,715	294,369
Less net revenue requirements computed under test (120% of aggregate debt service requirements)	<u>(250,753)</u>	<u>(245,423)</u>
Excess net revenues	<u>\$ 17,962</u>	<u>48,946</u>
Net revenue available for debt service	<u>\$ 268,715</u>	<u>294,369</u>
Debt service requirements	<u>\$ 208,961</u>	<u>204,519</u>
Debt service coverage ratio	1.29	1.44

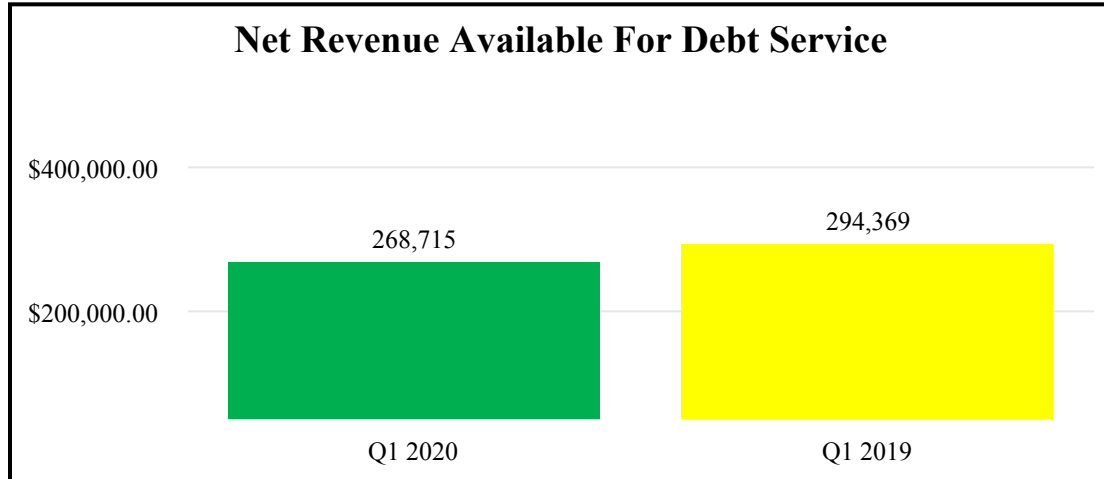
March 31, 2020

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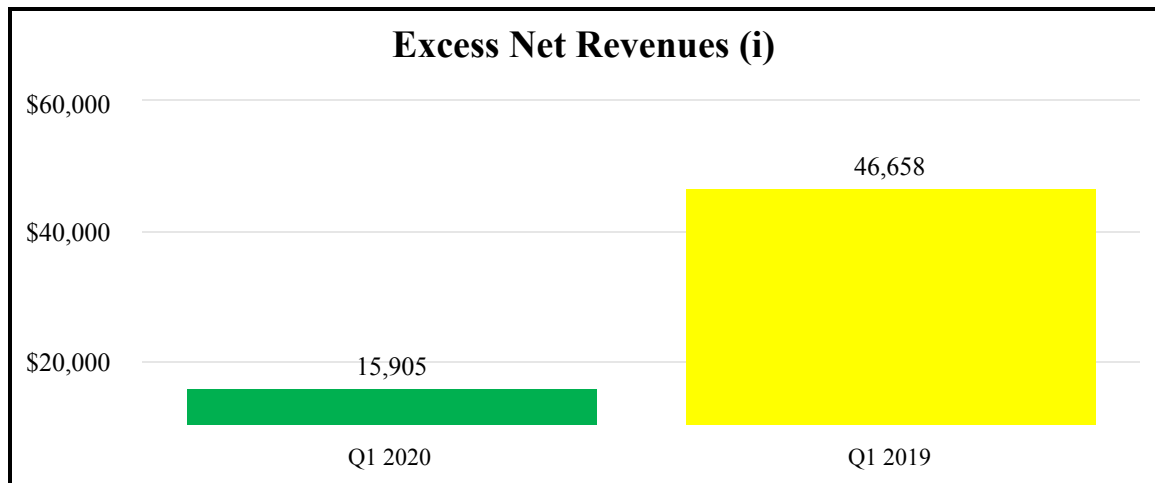
(Dollars shown in thousands)

(Unaudited)

Net revenue available for debt service decreased by 8.7%, or \$25,654 to \$268,715 in 2020 from \$294,369 in 2019. The primary reason for this decrease is lower operating revenue due to decrease in traffic as a result of COVID-19. This decrease was offset by lower operating expenses due to lower maintenance costs as a result of milder weather.



Excess net revenue has decreased by 65.9% or \$30,753 to \$15,905 in 2020 from \$46,658 in 2019. The reason for this decline is lower net revenue available for debt service due to decrease in traffic as a result of COVID-19.



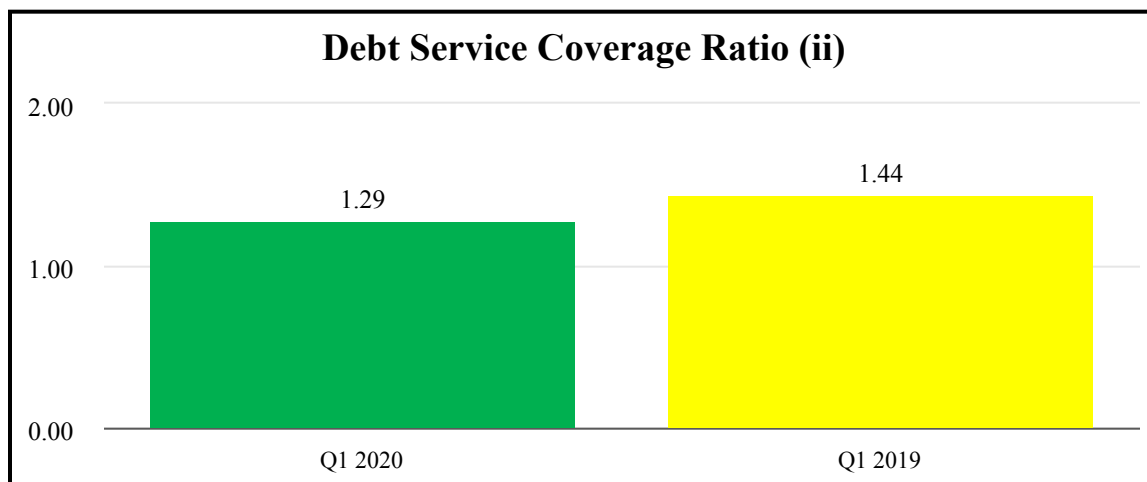
March 31, 2020

(Continued)



(Dollars shown in thousands)
 (Unaudited)

Debt service coverage ratio decreased by 10.4% or 0.2 to 1.29 in 2020 from 1.44 in 2018. The primary reason for this decrease is lower net revenue available for debt service. This is due to lower operating revenue from less traffic as a result of COVID-19. Despite the decline, the debt service coverage ratio remained above bond resolution requirements.



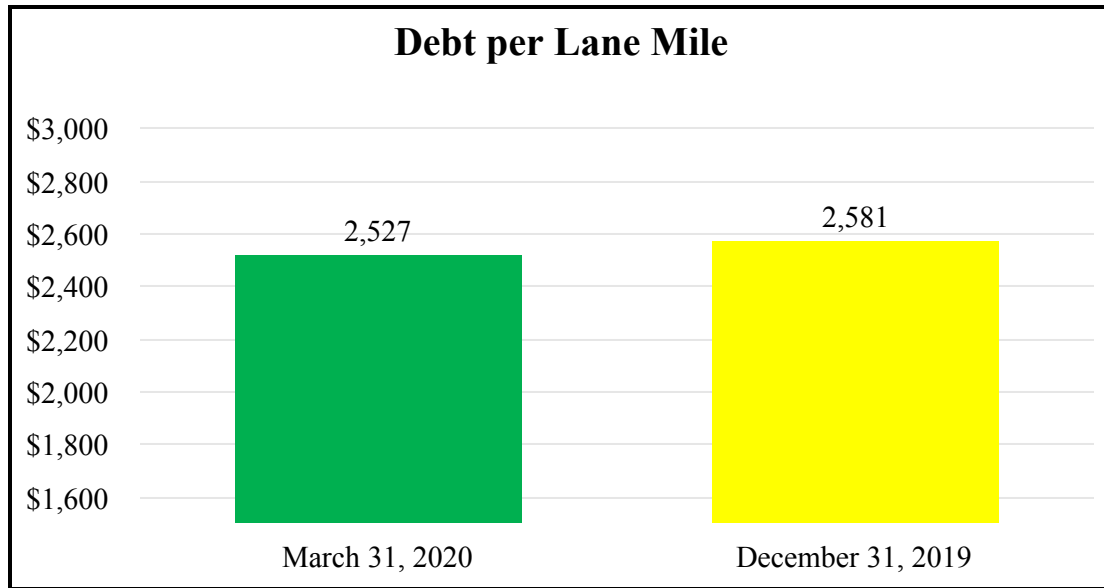
Debt per Lane Mile – Debt per lane mile decreased by \$54 to \$2,527 for the three months ended March 31, 2020 as compared to \$2,581 as of December 31, 2019 due to the redemption of the Series 2012B Turnpike Revenue Bonds, Series 2014C Turnpike Revenue Bonds, Series 2009H Turnpike Revenue Bonds, and Series 2015A Turnpike Revenue Bonds in January 2020.

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Bond indebtedness, net	\$ 11,311,664	11,553,106
Lane Miles (actual) – Turnpike	2,427	2,427
Lane Miles (actual) – Parkway	2,050	2,050
Total Lane Miles (actual)	<u>4,477</u>	<u>4,477</u>
Debt per Lane Mile – Authority	\$ 2,527	2,581

March 31, 2020

(Continued)

(Dollars shown in thousands)
(Unaudited)



March 31, 2020

(Continued)



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, 2020 and 2019

(In thousands)

	Assets	2020	2019
Current assets:			
Cash		\$ 197,384	130,568
Restricted cash		36,138	23,472
Investments		879,045	904,475
Restricted investments		553,011	473,200
Receivables, net of allowance		95,449	97,898
Inventory		23,566	25,966
Due from State of New Jersey		295	2,029
Restricted deposits		18,465	26,720
Prepaid expenses		7,696	7,344
Total current assets		<u>1,811,049</u>	<u>1,691,672</u>
Noncurrent assets:			
Restricted investments		663,967	960,828
Long term receivables		26	—
Capital assets, net of accumulated depreciation		12,086,387	11,933,821
Total noncurrent assets		<u>12,750,380</u>	<u>12,894,649</u>
Total assets		<u>\$ 14,561,429</u>	<u>14,586,321</u>
	Deferred Outflows		
Deferred outflows:			
Accumulated decrease in fair value of hedging derivatives		\$ 44,831	—
Deferred amounts on refunding and derivative instruments		219,425	246,826
Deferred amount relating to pensions		47,716	76,452
Deferred amount relating to postemployment benefit		102,043	119,374
Total deferred outflows		<u>\$ 414,015</u>	<u>442,652</u>
	Liabilities		
Current liabilities:			
Accounts payable and accrued expenses		\$ 177,167	195,867
Due to State of New Jersey		2,928	2,808
Accrued interest payable		139,338	139,608
Unearned revenue		229,230	183,621
Current portion of bonds payable		249,395	228,205
Current portion of hybrid instrument borrowing		13,735	13,735
Current portion of other long-term liabilities		10,807	14,084
Total current liabilities		<u>822,600</u>	<u>777,928</u>
Noncurrent liabilities:			
Bonds payable, net		\$ 11,062,269	11,367,267
Hybrid instrument borrowing		77,379	91,115
Other long-term liabilities		117,507	117,323
Other postemployment benefits liability		1,612,562	1,759,163
Interest rate swap liabilities		60,572	15,257
Net pension liability		329,534	365,599
Total noncurrent liabilities		<u>13,259,823</u>	<u>13,715,724</u>
Total liabilities		<u>\$ 14,082,423</u>	<u>14,493,652</u>
	Deferred Inflows		
Deferred inflows:			
Accumulated increase in fair value of hedging derivatives		\$ —	5,584
Deferred amount relating to pensions		134,426	135,004
Deferred amount relating to other postemployment benefit		167,876	5,217
Total deferred inflows		<u>\$ 302,302</u>	<u>145,805</u>
	Net Position		
Net position:			
Net investment in capital assets		\$ 1,875,572	1,671,678
Restricted under trust agreements		77,910	81,120
Unrestricted		(1,362,763)	(1,363,282)
Total net position		<u>\$ 590,719</u>	<u>389,516</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, 2020 and 2019
(In thousands)

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Toll revenue	\$ 337,730	362,536
E-ZPass fees	19,749	20,365
Concession revenue	7,183	6,435
Miscellaneous revenue	3,367	4,762
Total operating revenues	<u>368,029</u>	<u>394,098</u>
Operating expenses:		
Maintenance of roadway, buildings, and equipment	56,368	79,054
Toll collection	39,289	42,392
State police and traffic control	25,469	22,522
Technology	5,991	5,082
General administrative costs	13,689	13,739
Depreciation	98,066	95,515
Total operating expenses	<u>238,872</u>	<u>258,304</u>
Operating income	<u>129,157</u>	<u>135,794</u>
Nonoperating revenues (expenses):		
Build America Bonds subsidy	19,799	19,151
Federal and State reimbursements	—	1,006
Payments to the State of New Jersey	(38,375)	(51,250)
Interest expense, Turnpike Revenue Bonds	(125,442)	(125,459)
Other bond expenses	—	(1,280)
Loss on disposal of capital assets	—	—
Investment income	10,017	12,007
Arts Center	1,289	1,292
Total nonoperating (expenses), net	<u>(132,712)</u>	<u>(144,533)</u>
Change in net position, before capital contributions	<u>(3,555)</u>	<u>(8,739)</u>
Capital contributions	5,000	—
Change in net position	<u>1,445</u>	<u>(8,739)</u>
Net position – January 1	589,274	398,255
Net position – March 31	<u>\$ 590,719</u>	<u>389,516</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, 2020 and 2019
(In thousands)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Receipts from customers and other operating activities	\$ 382,200	401,664
Payments to suppliers	(110,235)	(69,125)
Payments to employees	(41,323)	(46,301)
Payments for self-insured health benefit claims	(21,690)	(19,046)
Net cash provided by operating activities	<u>208,952</u>	<u>267,192</u>
Cash flows from noncapital financing activities:		
Payments to State of New Jersey	(38,375)	(51,250)
Proceeds from Arts Center	1,289	1,292
Net cash used in noncapital financing activities	<u>(37,086)</u>	<u>(49,958)</u>
Cash flows from capital and related financing activities:		
Proceeds acquired from new capital debt	—	478,629
Purchases and sales of capital assets, net	(96,578)	(74,362)
Principal paid on capital debt	(228,205)	(201,025)
Proceeds from Build America Bonds subsidy	39,011	—
Interest paid on capital debt	(286,623)	(281,600)
Payments for bond expenses	—	(1,280)
Proceeds from capital contributions	5,000	—
Net cash used in capital and related financing activities	<u>(567,395)</u>	<u>(79,638)</u>
Cash flows from investing activities:		
Purchases of investments	(2,274,246)	(4,093,846)
Sales and maturities of investments	2,708,544	3,926,624
Interest received	17,412	13,661
Net cash provided by (used in) investing activities	<u>451,710</u>	<u>(153,561)</u>
Net decrease in cash	56,181	(15,965)
Cash and restricted cash – January 1	<u>177,341</u>	<u>170,005</u>
Cash and restricted cash – March 31	<u>\$ 233,522</u>	<u>154,040</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 129,157	135,794
activities:		
Depreciation expense	98,065	95,516
Changes in assets and liabilities:		
Receivables	(12,951)	(15,855)
Inventory	(1,201)	1,434
Prepaid expenses	1,237	1,626
Accounts payable and accrued expenses	(43,100)	6,257
Unearned revenue	22,125	19,045
Other liabilities	5,021	4,995
Other postemployment benefit liability	10,293	18,250
Net pension liability	—	—
Deferred outflows of resources related to pension	—	—
Deferred inflows of resources related to pension	—	—
Deferred outflows related to other postemployment benefit	306	130
Deferred inflows related to other postemployment benefit	—	—
Pollution remediation liability	—	—
Net cash provided by operating activities	<u>\$ 208,952</u>	<u>267,192</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, 2020
(With summarized comparative financial information as of March 31, 2019)
(In thousands)

Schedule I
UNAUDITED

Assets	Revenue	Construction	Maintenance reserve	Special project reserve	General reserve	Debt service	Debt reserve	Total bond resolution	Garden State Arts Foundation	GAAP Adjustments	Total 2020 GAAP Financials	Total 2019 GAAP Financials
Current assets:												
Cash	\$ 165,681	—	6,146	4,460	19,996	—	—	196,283	1,101	—	197,384	130,568
Restricted cash	—	16,590	—	—	15,528	3,989	31	36,138	—	—	36,138	23,472
Investments	312,335	—	111,336	85,186	370,188	—	—	879,045	—	—	879,045	904,475
Restricted investments	—	—	—	—	—	198,337	354,674	553,011	—	—	553,011	473,200
Receivables, net of allowance	89,299	—	745	82	5,249	—	—	95,375	74	—	95,449	97,898
Inventory	23,566	—	—	—	—	—	—	23,566	—	—	23,566	25,966
Due from State of New Jersey	295	—	—	—	—	—	—	295	—	—	295	2,029
Deposits	2,869	—	—	—	15,596	—	—	18,465	—	—	18,465	26,720
Prepaid expenses	7,696	—	—	—	—	—	—	7,696	—	—	7,696	7,344
Interfund	(136,027)	(232)	(529)	(340)	142,367	(674)	(4,565)	—	—	—	—	—
Total current assets	465,714	16,358	117,698	89,388	568,924	201,652	350,140	1,809,874	1,175	—	1,811,049	1,691,672
Noncurrent assets:												
Restricted investments	—	414,368	—	—	—	—	249,599	663,967	—	—	663,967	960,828
Long term receivables	—	—	—	—	26	—	—	26	—	—	26	—
Capital assets, net of accumulated depreciation	—	11,056,423	566,353	116,289	337,837	—	—	12,076,902	—	9,485	12,086,387	11,933,821
Total noncurrent assets	—	11,470,791	566,353	116,289	337,863	—	249,599	12,740,895	—	9,485	12,750,380	12,894,649
Total assets	\$ 465,714	11,487,149	684,051	205,677	906,787	201,652	599,739	14,550,769	1,175	9,485	14,561,429	14,586,321
Deferred Outflows												
Deferred outflows:												
Accumulated decrease in fair value of hedging derivatives	\$ —	—	—	—	—	—	—	—	—	44,831	44,831	—
Deferred amount on refunding and derivative instruments	—	—	—	—	—	—	—	—	—	219,425	219,425	246,826
Deferred amount relating to pensions	—	—	—	—	—	—	—	—	—	47,716	47,716	76,452
Deferred amount relating to other postemployment benefit	—	—	—	—	—	—	—	—	—	102,043	102,043	119,374
Total deferred outflows	\$ —	—	—	—	—	—	—	—	—	414,015	414,015	442,652
Liabilities												
Current liabilities:												
Accounts payable and accrued expenses	\$ 108,374	48,441	9,563	3,370	7,419	—	—	177,167	—	—	177,167	195,867
Due to State of New Jersey	2,928	—	—	—	—	—	—	2,928	—	—	2,928	2,808
Accrued interest payable	—	—	—	—	—	139,338	—	139,338	—	—	139,338	139,608
Unearned revenue	190,749	—	—	—	4,137	—	—	194,886	—	34,344	229,230	183,621
Current portion of bonds payable	—	249,395	—	—	—	—	—	249,395	—	—	249,395	228,205
Current portion of hybrid instrument borrowing	—	—	—	—	—	—	—	—	—	13,735	13,735	13,735
Current portion of other long-term liabilities	4,702	—	38	1,398	4,669	—	—	10,807	—	—	10,807	14,084
Total current liabilities	306,753	297,836	9,601	4,768	16,225	139,338	—	774,521	—	48,079	822,600	777,928
Noncurrent liabilities:												
Bonds payable, net	—	11,062,269	—	—	—	—	—	11,062,269	—	—	11,062,269	11,367,267
Hybrid instrument borrowing	—	—	—	—	—	—	—	—	—	77,379	77,379	91,115
Other long-term obligations	101,866	—	—	1,106	14,615	—	—	117,587	—	(80)	117,507	117,323
Other postemployment benefit liability	—	—	—	—	125,075	—	—	125,075	—	1,487,487	1,612,562	1,759,163
Interest rate swaps liabilities	—	—	—	—	—	—	—	—	—	60,572	60,572	15,257
Net pension liability	—	—	—	—	—	—	—	—	—	329,534	329,534	365,599
Total noncurrent liabilities	101,866	11,062,269	—	1,106	139,690	—	—	11,304,931	—	1,954,892	13,259,823	13,715,724
Total liabilities	\$ 408,619	11,360,105	9,601	5,874	155,915	139,338	—	12,079,452	—	2,002,971	14,082,423	14,493,652
Deferred Inflows												
Deferred inflows:												
Accumulated increase in fair value of hedging derivatives	\$ —	—	—	—	—	—	—	—	—	—	—	5,584
Deferred amount relating to pensions	—	—	—	—	—	—	—	—	—	134,426	134,426	135,004
Deferred amount relating to other postemployment benefit	—	—	—	—	—	—	—	—	—	167,876	167,876	5,217
Total deferred inflows	\$ —	—	—	—	—	—	—	—	—	302,302	302,302	145,805
Net Position												
Net position:												
Net investment in capital assets	\$ —	127,044	566,353	116,289	337,837	—	599,739	1,747,262	—	128,310	1,875,572	1,671,678
Restricted under trust agreements	—	—	—	—	15,596	62,314	—	77,910	—	—	77,910	81,120
Unrestricted	57,095	—	108,097	83,514	397,439	—	—	646,145	1,175	(2,010,083)	(1,362,763)	(1,363,282)
Total net position	\$ 57,095	127,044	674,450	199,803	750,872	62,314	599,739	2,471,317	1,175	(1,881,773)	590,719	389,516

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, 2020

(With summarized comparative financial information for the three months ended March 31, 2019)

(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 2020 GAAP Financials	Total 2019 GAAP Financials
Operating revenues:												
Toll revenue	\$ 337,730	—	—	—	—	—	—	337,730	—	—	337,730	362,536
E-ZPass fees	19,749	—	—	—	—	—	—	19,749	—	—	19,749	20,365
Concession revenue	7,183	—	—	—	—	—	—	7,183	—	—	7,183	6,435
Miscellaneous revenue	2,862	—	—	—	—	—	—	2,862	505	—	3,367	4,762
Total operating revenues	367,524	—	—	—	—	—	—	367,524	505	—	368,029	394,098
Operating expenses:												
Maintenance of roadway, buildings and equipment	48,894	—	—	1,284	2,840	—	—	53,018	—	3,350	56,368	79,054
Toll collection	36,231	—	—	—	1,082	—	—	37,313	—	1,976	39,289	42,392
State police and traffic control	24,897	—	—	51	184	—	—	25,132	—	337	25,469	22,522
Technology	5,094	—	—	376	184	—	—	5,654	—	337	5,991	5,082
General administrative costs	11,324	—	—	39	1,465	—	—	12,828	12	849	13,689	13,739
Depreciation	—	78,367	13,339	2,781	3,579	—	—	98,066	—	—	98,066	95,515
Total operating expenses	126,440	78,367	13,339	4,531	9,334	—	—	232,011	12	6,849	238,872	258,304
Operating income (loss)	241,084	(78,367)	(13,339)	(4,531)	(9,334)	—	—	135,513	493	(6,849)	129,157	135,794
Nonoperating revenues (expenses):												
Build America Bonds subsidy	19,799	—	—	—	—	—	—	19,799	—	—	19,799	19,151
Federal and State reimbursements	—	—	—	—	—	—	—	—	—	—	—	1,006
Payments to the State of New Jersey	—	—	—	—	(38,375)	—	—	(38,375)	—	—	(38,375)	(51,250)
Interest expense, Turnpike Revenue Bonds	—	13,237	—	—	—	(146,840)	—	(133,603)	—	8,161	(125,442)	(125,459)
Other bond expenses	—	—	—	—	—	—	—	—	—	—	—	(1,280)
Investment income	718	2,548	413	355	1,792	409	3,780	10,015	2	—	10,017	12,007
Arts Center	1,289	—	—	—	—	—	—	1,289	—	—	1,289	1,292
Total nonoperating revenues (expenses), net	21,806	15,785	413	355	(36,583)	(146,431)	3,780	(140,875)	2	8,161	(132,712)	(144,533)
Income before capital contributions and interfund transfers	262,890	(62,582)	(12,926)	(4,176)	(45,917)	(146,431)	3,780	(5,362)	495	1,312	(3,555)	(8,739)
Capital contributions	—	—	—	—	5,000	—	—	5,000	—	—	5,000	—
Interfund transfers	(262,890)	234,456	33,111	9,970	7,830	(19,460)	(3,017)	—	—	—	—	—
Net change in fund balance/change in net position	—	171,874	20,185	5,794	(33,087)	(165,891)	763	(362)	495	1,312	1,445	(8,739)
Net position (deficit) – beginning of January 1	57,095	(44,830)	654,265	194,009	783,959	228,205	598,976	2,471,679	680	(1,883,085)	589,274	398,255
Net position (deficit) – March 31	\$ 57,095	127,044	674,450	199,803	750,872	62,314	599,739	2,471,317	1,175	(1,881,773)	590,719	389,516

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, 2020
(With comparative financial information for the three months ended March 31, 2019)
(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 2020 GAAP Financials	Total 2019 GAAP Financials
Cash flows from operating activities:												
Receipts from customers and other operating activities	\$ 381,695	—	—	—	—	—	—	381,695	505	—	382,200	398,031
Payments to suppliers	(92,616)	—	—	(7,518)	(10,083)	—	—	(110,217)	(18)	—	(110,235)	(65,492)
Payments to employees	(41,323)	—	—	—	—	—	—	(41,323)	—	—	(41,323)	(46,301)
Payments for self insured health benefits claims	(21,690)	—	—	—	—	—	—	(21,690)	—	—	(21,690)	(19,046)
Net cash provided by operating activities	226,066	—	—	(7,518)	(10,083)	—	—	208,465	487	—	208,952	267,192
Cash flows from noncapital financing activities:												
Receipts from Federal and State reimbursements	—	—	—	—	—	—	—	—	—	—	—	—
Payments to State of New Jersey	—	—	—	—	(38,375)	—	—	(38,375)	—	—	(38,375)	(51,250)
Proceeds from Arts Center	1,289	—	—	—	—	—	—	1,289	—	—	1,289	1,292
Net cash (used in) noncapital financing activities	1,289	—	—	—	(38,375)	—	—	(37,086)	—	—	(37,086)	(49,958)
Cash flows from capital and related financing activities:												
Purchases and sales of capital assets, net	—	(67,144)	(13,781)	(2,470)	(13,183)	—	—	(96,578)	—	—	(96,578)	(74,362)
Principal paid on capital debt	—	(228,205)	—	—	—	—	—	(228,205)	—	—	(228,205)	(201,025)
Interest paid on capital debt	—	—	—	—	—	(286,623)	—	(286,623)	—	—	(286,623)	(281,600)
Payments for bond expenses	—	—	—	—	—	—	—	—	—	—	—	(1,280)
Interfund Transfers related to capital and related financing activities	(256,088)	233,616	33,142	11,530	1,588	(23,022)	(766)	—	—	—	—	—
Net cash (used in) capital and related financing activities	(217,077)	(61,733)	19,361	9,060	(6,595)	(309,645)	(766)	(567,395)	—	—	(567,395)	(79,638)
Cash flows from investing activities:												
Purchases of investments	(898,863)	(380,549)	(169,998)	(133,150)	(445,112)	(209,680)	(36,894)	(2,274,246)	—	—	(2,274,246)	(4,093,846)
Sales and maturities of investments	907,666	442,318	155,455	132,577	519,029	519,190	32,309	2,708,544	—	—	2,708,544	3,926,624
Interest received	1,348	5,351	145	121	994	4,099	5,351	17,409	3	—	17,412	13,661
Net cash (used in) capital and related financing	10,151	67,120	(14,398)	(452)	74,911	313,609	766	451,707	3	—	451,710	(153,561)
Net decrease in cash	20,429	5,387	4,963	1,090	19,858	3,964	—	55,691	490	—	56,181	(15,965)
Cash and restricted cash – January 1	145,252	11,203	1,183	3,370	15,666	25	31	176,730	611	—	177,341	170,005
Cash and restricted cash – March 1	\$ 165,681	16,590	6,146	4,460	35,524	3,989	31	232,421	1,101	—	233,522	154,040
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:												
Operating income (loss)	\$ 241,084	(78,367)	(13,339)	(4,531)	(9,334)	—	—	135,513	493	(6,849)	129,157	135,794
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:												
Depreciation expense	3,577	—	—	—	98,065	—	—	98,065	—	—	98,065	95,516
Changes in assets and liabilities:												
Receivables	(7,954)	—	—	3	(5,000)	—	—	(12,951)	—	—	(12,951)	(15,855)
Inventory	(1,201)	—	—	—	—	—	—	(1,201)	—	—	(1,201)	1,434
Prepaid expenses	1,237	—	—	—	—	—	—	1,237	—	—	1,237	1,626
Accounts payable and accrued expenses	(34,605)	—	—	(3,912)	(4,577)	—	—	(43,094)	(6)	—	(43,100)	6,257
Unearned revenue	22,125	—	—	—	—	—	—	22,125	—	—	22,125	19,045
Other liabilities	5,380	—	—	(1,860)	1,501	—	—	5,021	—	—	5,021	4,995
Other postemployment benefit liability	—	—	—	—	3,750	—	—	3,750	—	6,543	10,293	18,250
Deferred outflows relating to other postemployment benefit	—	—	—	—	—	—	—	—	—	306	306	130
Net cash provided by (used in) operating activities	\$ 226,066	—	—	(7,518)	(10,083)	—	—	208,465	487	—	208,952	267,192

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, 2020 and 2019
(in thousands)

	2020	2019
Test 1:		
Total operating revenues - bond resolution	\$ 367,524	393,593
Build America Bonds subsidy	19,799	19,151
Federal and State reimbursements	—	1,006
Total investment income - bond resolution	10,015	12,006
Less earnings on investments - construction fund	(2,548)	(3,013)
Fair market value adjustments	(924)	(297)
Arts center	1,289	1,292
Total pledged revenues	395,155	423,738
Less revenue operating expenses - revenue fund	(126,440)	(129,369)
Net revenue available for debt service	268,715	294,369
Less net revenue requirements:		
Interest expense - debt service	(146,805)	(147,468)
Principal payment - debt service	(62,156)	(57,051)
Revenue transfer to maintenance reserve	(33,524)	(32,867)
Revenue transfer to special project reserve	(10,325)	(10,325)
Excess net revenues	\$ 15,905	46,658
Test 2:		
Total operating revenues - bond resolution	\$ 367,524	393,593
Build America Bonds subsidy	19,799	19,151
Federal and State reimbursements	—	1,006
Total investment income - bond resolution	10,015	12,006
Less earnings on investments - construction fund	(2,548)	(3,013)
Fair market value adjustments	(924)	(297)
Arts center	1,289	1,292
Total pledged revenues	395,155	423,738
Less revenue operating expenses - revenue fund	(126,440)	(129,369)
Net revenue available for debt service	268,715	294,369
Less 1.2 times aggregate debt service	(250,753)	(245,423)
Excess net revenues	\$ 17,962	48,946
Debt service coverage ratio	1.29	1.44

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

Schedule of Investments

March 31, 2020

(In thousands)

	<u>Interest rate</u>	<u>Maturity</u>	<u>Par value</u>	<u>Carrying value</u>
Revenue:				
Certificate of deposit	0.10%-1.95%	04/02/2020-11/16/2020	101,900	102,826
Commercial paper	0.70-2.10	04/02/2020-06/25/2020	155,754	155,428
Federal agency note	0.40-1.00	04/02/2020	37,112	37,111
U.S. Treasury bill	0.25-0.50	04/02/2020	16,970	16,970
			<u>311,736</u>	<u>312,335</u>
Construction:				
Certificate of Deposit	1.90%-2.53%	04/15/2020-12/17/2020	75,000	76,483
Commercial Paper	1.77-2.40	05/04/2020-12/04/2020	227,050	225,549
Federal Agency Note	1.56	06/01/2020	25,000	24,934
Money Market Fund	1.04	04/01/2020	53,818	53,820
Municipal	4.01	08/27/2020	8,000	8,236
U.S. Treasury bill	1.75-1.88	11/15/2020-12/15/2020	25,000	25,346
			<u>413,868</u>	<u>414,368</u>
Maintenance reserve:				
Commercial paper	1.57%-2.22%	04/16/2020-08/03/2020	79,000	78,756
Federal agency note	1.88	11/17/2020	10,000	10,092
U.S. Treasury bill	1.52-1.57	04/16/2020-06/25/2020	22,537	22,488
			<u>111,537</u>	<u>111,336</u>
Special project reserve:				
Commercial paper	1.71%-1.72%	08/03/2020	52,500	52,651
Federal agency note	1.70-2.05	04/17/2020-05/22/2020	11,065	11,042
U.S. Treasury bill	1.49-1.57	04/16/2020-10/16/2020	21,599	21,493
			<u>85,164</u>	<u>85,186</u>
General reserve:				
Certificate of deposit	1.73%	06/18/2020	20,000	20,059
Commercial paper	1.59-2.20	04/13/2020-11/09/2020	339,246	337,149
Federal agency note	1.52	06/18/2020	5,000	4,984
			<u>364,246</u>	<u>362,192</u>
Supplemental Capital:				
Commercial paper	1.98%	04/09/2020	8,000	7,996
			<u>8,000</u>	<u>7,996</u>
Debt service:				
Federal agency note	1.42%-1.46%	07/01/2020-12/31/2020	87,245	86,945
Commercial paper	0.09-1.45	06/25/2020-12/31/2020	111,954	111,392
			<u>199,199</u>	<u>198,337</u>
Debt reserve:				
Certificate of deposit	1.45%-3.29%	04/09/2020-02/27/2024	441,888	445,442
Commercial Paper	1.9	4/11/2020	1,785	1,781
Federal Agency Note - LT	1.63-2.50	04/24/2020-11/25/2024	155,370	157,050
			<u>599,043</u>	<u>604,273</u>
Total			<u>\$ 2,092,793</u>	<u>2,096,023</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.

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	2.57-3.08 %	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	04/01/19	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	2.26-2.30	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	2.10	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 Depositories
March 31, 2020 and 2019

(in thousands)

	2020			2019		
	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	\$ 148,031	134,594		82,389	72,074	
Construction	12,420	12,421		3,892	6,048	
Maintenance reserve	6,146	6,296		1,582	1,582	
General Reserve	12,015	12,014		9,889	9,889	
	<u>178,612</u>	<u>165,325</u>	<u>172,194</u>	<u>97,752</u>	<u>89,593</u>	<u>105,337</u>
Bank of America:						
Revenue	11,784	13,429		22,553	25,150	
	<u>11,784</u>	<u>13,429</u>	<u>23,641</u>	<u>22,553</u>	<u>25,150</u>	<u>29,491</u>
Wells Fargo:						
Revenue	5,133	5,098		6,922	4,501	
Special project reserve	4,460	4,487		3,424	3,509	
General reserve	23,378	18,658		13,179	13,198	
	<u>32,971</u>	<u>28,243</u>	<u>37,699</u>	<u>23,525</u>	<u>21,208</u>	<u>20,586</u>
Bank of New York Mellon:						
Revenue	480	506		855	855	
	<u>480</u>	<u>506</u>	<u>1,033</u>	<u>855</u>	<u>855</u>	<u>929</u>
TD Bank, NA:						
Revenue	252	435		251	502	
	<u>252</u>	<u>435</u>	<u>789</u>	<u>251</u>	<u>502</u>	<u>888</u>
Investors Bank						
Construction						
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Subject to Pledged Securities	<u>224,099</u>	<u>207,938</u>	<u>\$ 235,356</u>	<u>144,936</u>	<u>137,308</u>	<u>\$ 157,232</u>
Bank of New York Mellon – Trust:						
Construction:	4,170	4,170		7,645	7,645	
General reserve	131	131		—	—	
Charges	—	—		—	—	
Debt service	3,989	3,964		23	23	
	<u>8,290</u>	<u>8,265</u> (1)		<u>7,668</u>	<u>7,668</u> (1)	
US Bank:						
Debt reserve	31	31		23	23	
	<u>31</u>	<u>31</u>		<u>23</u>	<u>23</u>	
Toll collection and other imprest funds:						
Revenue	1	—		312	—	
	<u>1</u> (2)	<u>—</u>		<u>312</u> (2)	<u>—</u>	
Total subject to bond resolution	<u>232,421</u>	<u>216,234</u>		<u>152,939</u>	<u>144,999</u>	
Investors Bank:						
Garden State Arts Foundation	916	921		917	926	
	<u>916</u>	<u>921</u> (3)		<u>917</u>	<u>926</u> (3)	
Northfield Bank:						
Garden State Arts Foundation	185	185		184	184	
	<u>185</u>	<u>185</u> (3)		<u>184</u>	<u>184</u> (3)	
	<u>\$ 233,522</u>	<u>217,340</u>		<u>154,040</u>	<u>146,109</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

March 31, 2020

(With summarized comparative financial information for the three months ended March 31, 2019)

(In thousands)

	Completed construction funds	\$7 Billion Capital Improvement Program	Revenue Funded Construction Account	Maintenance reserve	Special project reserve	General reserve	GAAP Adjustments	2020 Total	2019 Total
Land	\$ 660,555	165,078	—	—	—	8,128	—	833,761	833,761
Construction-In-Progress	—	430,115	15,361	22,420	35,566	118,433	9,485	661,591	608,302
Roadways	3,185,141	2,925,489	—	329,063	2,288	51,428	—	6,493,409	6,382,453
Bridges	1,910,858	3,445,113	—	430,368	64	40,213	—	5,826,616	5,709,276
Buildings	375,090	669,239	—	182	23,184	101,120	—	1,168,815	936,696
Equipment	552,817	820,009	—	7,708	139,258	131,971	—	1,651,763	1,655,393
Cost of investment in facilities	6,684,461	8,455,043	15,361	789,741	200,360	451,293	9,485	16,635,955	16,125,881
Accumulated depreciation	(3,141,316)	(987,337)	—	(223,388)	(84,071)	(113,456)	—	(4,549,568)	(4,192,060)
Capital assets, net of accumulated depreciation	<u>\$ 3,543,145</u>	<u>7,467,706</u>	<u>15,361</u>	<u>566,353</u>	<u>116,289</u>	<u>337,837</u>	<u>9,485</u>	<u>12,086,387</u>	<u>11,933,821</u>
Completed construction funds:									
Original turnpike extensions and additional lanes	\$ 57,430								
Revenues invested in facilities	36,762								
1966 Turnpike Improvement	141,617								
1971 Turnpike Improvement	15,250								
1973 Improvement and Funding Program	25,037								
1985-1990 Widening Project	291,896								
Business Plan for the 90's	730,592								
Former NJHA Construction	484,353								
2000 Construction Fund	1,165,896								
2003 Construction Fund	15,366								
2004 Construction Fund	378,525								
2005 Construction Fund	69,000								
2008/2009 Bond anticipation note	131,421								
	<u>\$ 3,543,145</u>								

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

Schedule of Bond Indebtedness

March 31, 2020

(In thousands)

	Amount outstanding December 31, 2019	Refunded or acquired and canceled in current year	Mandatory redemption/ sinking fund installments	Debt issuance	Amortization of premiums and discounts	Amount outstanding March 31, 2020
Turnpike revenue bonds:						
Series 2004 C-2	\$ 132,850	—	—	—	—	132,850
Series 2005 A	173,650	—	—	—	—	173,650
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	646,000	—	(63,485)	—	—	582,515
Series 2013A	306,480	—	(4,795)	—	—	301,685
Series 2013F	90,880	—	—	—	—	90,880
Series 2014A	1,000,000	—	—	—	—	1,000,000
Series 2014C	198,730	—	(49,085)	—	—	149,645
Series 2015A	92,500	—	(28,200)	—	—	64,300
Series 2015B	50,000	—	(16,125)	—	—	33,875
Series 2015C	43,750	—	(14,100)	—	—	29,650
Series 2015D	43,750	—	(14,100)	—	—	29,650
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	—	—	—	—	400,000
Series 2017D	179,375	—	—	—	—	179,375
Series 2017E	359,680	—	—	—	—	359,680
Series 2017F	166,505	—	(1,620)	—	—	164,885
Series 2017G	726,640	—	—	—	—	726,640
Series 2019A	449,110	—	—	—	—	449,110
	<u>11,012,715</u>	<u>—</u>	<u>(228,205)</u>	<u>—</u>	<u>—</u>	<u>10,784,510</u>
Premiums and discounts, net	540,391	—	—	—	(13,237)	527,154
	<u>\$ 11,553,106</u>	<u>—</u>	<u>(228,205)</u>	<u>—</u>	<u>(13,237)</u>	<u>11,311,664</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 Refunded Bond and Note Indebtedness
March 31, 2020

(With summarized comparative financial information as of March 31, 2019)
(In thousands)

Note:

As of March 31, 2020 and 2019, refunded bond and note indebtedness which is still outstanding in fully collateralized escrow accounts is as follows:

Refunded series	Refunded amount	Matured/ redeemed	2020 outstanding	2019 outstanding
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	(1,080)	1,071,425	1,072,505
Total	\$ 1,376,765	(179,085)	1,197,680	1,376,765

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, 2020 and 2019

(Unaudited)

(In thousands)

Class	Description	2020		2019	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	165,294	47,674	183,972	52,945
2	Vehicles having two axles other than type described under Class 1	15,462	2,175	15,607	2,177
3	Vehicle (vehicles), single or in combination, having three axles	7,762	962	9,596	1,071
4	Vehicle (vehicles), single or in combination, having four axles	9,045	763	8,148	713
5	Vehicle (vehicles), single or in combination, having five axles	56,644	3,803	51,654	3,695
6	Vehicle (vehicles), single or in combination, having six or more axles	2,646	132	3,476	164
7	Buses having two axles	371	112	416	111
8	Buses having three axles	2,884	291	2,929	288
	Nonrevenue vehicles	—	300	—	387
		260,108	56,212	275,798	61,551
	Nonrevenue vehicles	—	(300)	—	(387)
	Toll adjustments and discounts	(1,091)	—	(1,061)	—
	Net Uncollected Tolls	(10,485)	—	(8,605)	—
		<u>248,532</u>	<u>55,912</u>	<u>266,132</u>	<u>61,164</u>

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, 2020 and 2019

(Unaudited)

(In thousands)

Class	Description	2020		2019	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 87,394	78,831	94,377	85,102
2	Vehicles having two axles other than type described under Class 1	827	390	608	286
3	Vehicle (vehicles), single or in combination, having three axles	666	218	642	205
4	Vehicle (vehicles), single or in combination, having four axles	667	159	714	169
5	Vehicle (vehicles), single or in combination, having five axles	654	142	649	140
6	Vehicle (vehicles), single or in combination, having six or more axles	28	5	32	7
7	Buses having two axles	411	157	441	176
8	Buses having three axles	515	183	548	207
	Nonrevenue vehicles	—	383	—	406
		91,162	80,468	98,011	86,698
	Nonrevenue vehicles	—	(383)	—	(406)
	Toll adjustments and discounts	(84)	—	(62)	—
	Net Uncollected Tolls	(1,880)	—	(1,545)	—
		<u>\$ 89,198</u>	<u>80,085</u>	<u>96,404</u>	<u>86,292</u>