

**New Jersey Turnpike Authority  
Financial Summary  
For the Six Months Ended June 30, 2020**

	<b>Actual YTD January - June</b>	<b>YTD Budget January - June</b>	<b>Annual Budget 2020</b>
<b>Total Revenue</b>	\$ 682,355,000	\$ 897,052,000	\$ 1,864,943,000
<b>Transfer from General Reserve Fund</b>	47,605,000	-	-
<b>Operating Expenses</b>	<u>237,729,000</u>	<u>291,006,000</u>	<u>598,971,000</u>
<b>Net Revenue</b>	\$ 492,231,000	\$ 606,046,000	\$ 1,265,972,000
<b>Debt Service Requirements</b>	403,639,000	403,665,000	842,699,000
<b>Maintenance Reserve Fund</b>	67,049,000	67,049,000	134,097,000
<b>Special Reserve Fund</b>	20,650,000	20,650,000	41,300,000
<b>Debt Service Coverage</b>	1.22	1.50	1.50
<b>Total Requirements Coverage</b>	1.00	1.23	1.24

The following un-audited results are for the six months ended June 30, 2020.<sup>1</sup> Based upon these results, revenues will be sufficient to satisfy the requirements of the Authority's Bond Resolution. For the twelve months ending December 31, 2020, the Authority is budgeted 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 six months ended June 30, 2020 was \$682,355,000, which is \$214,697,000, or 23.9%, below the 2020 Budget. Toll revenue was \$571,383,000, which is \$212,130,000, or 27.1%, less than the 2020 budget. Toll revenue is less than budget due to the impact of the COVID-19 pandemic crisis and the shelter in place and non-essential business closures imposed under the declared State of Emergency. The toll revenue declines have lessened each month since June. Of note, commercial toll revenue on the New Jersey Turnpike actually increased by 3.5% for the month of June 2020 compared to June 2019. Despite total revenue being under budget, income from investments was above budget. Income from investments, which totaled \$12,592,000, was \$690,000 or 5.8% above the 2020 budget due to higher than projected yields on investments. Interest income is not expected to remain over budget, as short-term interest rates have fallen since early March.

For the six months ended June 30, 2020, traffic on the New Jersey Turnpike decreased 30.0% and toll revenue decreased 26.6% compared to the same period in 2019. Traffic and toll revenue decreased entirely due to the impacts of the COVID-19 pandemic. Both traffic and toll revenue were lower than budgeted. The 2020 budget is based on the Authority's traffic engineering consultant's (CDM Smith) projections included in a toll revenue forecast study dated September 27, 2018. The actual results for the six months ended June 30, 2020 were well below CDM Smith's projections of a 2.0% decrease in traffic and a 0.3% increase in revenue. However, based on the updated toll revenue forecast from CDM Smith dated May 20, 2020, New Jersey Turnpike toll revenue for the 2<sup>nd</sup> Quarter of 2020 has outperformed CDM Smith's toll revenue projection by 6.8%. Through June 2020, the E-ZPass usage rate on the New Jersey Turnpike was 90.4%, an increase from 86.8% for the same period in 2019.

For the six months ended June 30, 2020, toll transactions on the Garden State Parkway decreased 26.0% and revenue decreased 27.4% when compared to the same period in 2019. The decrease in revenue is due entirely to the effects of the COVID-19 pandemic. The actual results for the six months ended June 30, 2020 were well below budget which was based on CDM's projection of flat toll transactions and a 0.5% increase in toll revenue. However, Garden State parkway toll revenue for the 2<sup>nd</sup> Quarter has significantly outperformed CDM Smith's updated toll revenue forecast dated May 20, 2020 by 23.0%. Through June 2020, the E-ZPass usage rate on the Garden State Parkway was 88.3%, an increase from 84.6% for the same period in 2019.

Operating expenses for the six months ended June 30, 2020 were approximately \$237,279,000, which was 81.5% of the year-to-date budget. The Authority's operating expenses through June were under budget primarily due to lower than budgeted snow and severe weather costs. The Authority spent a total of only \$4,503,000 for snow and severe weather costs in 2020 from the operating expense budget. For the six months ended June 30, 2020, snow and severe weather costs charged to operating expenses were approximately \$19,043,000 under budget. In addition to snow, health benefits, salaries, and electronic toll collection processing costs are all under budget.

Debt Service includes interest and principal payments on the Authority's outstanding debt. For the six months ended June 30, 2020, Debt Service totaled \$403,639,000 and included \$293,652,000 in interest payments and \$109,987,000 in principal payments. Debt Service is currently at budget.

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund expenses totaled \$96,000,000 for the six months ended June 30, 2020. Expenditures consisted primarily of \$64,500,000 for the State Transportation Projects Funding Agreement, and \$18,026,000 for funding of Service Area Improvements.

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 six months ended June 30, 2020, total expenditures were approximately \$152,552,000. Expenditures included \$24,693,000 for Turnpike Resurfacing, \$20,039,000 for Parkway Resurfacing, and \$19,474,000 for Service Area renovations.

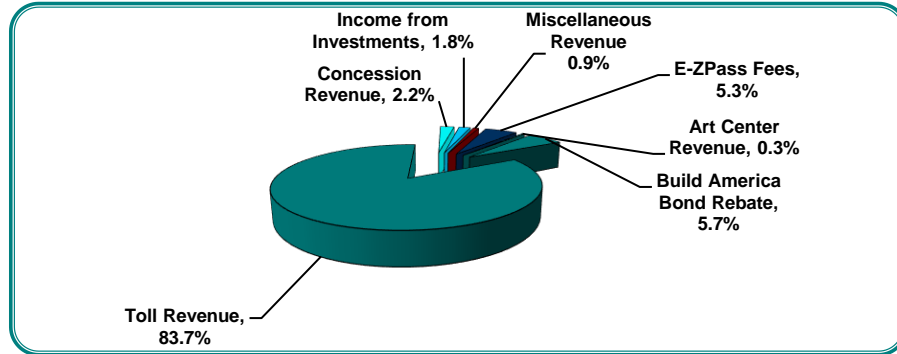
Total expenditures from the \$7 Billion Capital Improvement Program (CIP) for the six months ended June 30, 2020 were approximately \$83,382,000. Spending included \$35,330,000 for NBHCE Bridge Re-decking, \$11,325,000 for Interchange Improvements, and \$10,236,000 for the Phase II of sign replacements. In addition to these expenditures, there are open contracts and commitments totaling approximately \$265,124,000. Total expenditures from the 2019 CIP for the six months ended June 30, 2020 were approximately \$26,797,000. Spending included \$4,720,000 for Turnpike Interchange 6 E-ZPass Improvements, \$4,640,000 for TPK Interchange 6-9 Berm Surfacing Revisions, and \$4,438,000 for GSP Shoulder Widening from MP 30 to 35. Both programs are funded from bond proceeds.

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

**Comparison of Budgeted Revenues to Actual Revenues  
For the Six Months Ended June 30, 2020**

	<u>Budgeted</u>	<u>Unaudited Actual</u>
<b><i>Toll Revenue</i></b>	783,513,000	571,383,000
<b><i>Concession Revenue</i></b>	16,550,000	15,336,000
<b><i>Income from Investments</i></b>	11,902,000	12,592,000
<b><i>Miscellaneous Revenue</i></b>	5,895,000	5,829,000
<b><i>Build America Bond Subsidy</i></b>	38,424,000	39,011,000
<b><i>Arts Center Revenue</i></b>	2,289,000	2,286,000
<b><i>E-ZPass Fees</i></b>	38,479,000	35,918,000
<b><i>Total Revenues</i></b>	<b>897,052,000</b>	<b>682,355,000</b>

**Actual Revenues for the Six Months Ended June 30, 2020**



For the six months ended June 30, 2020, total revenue was \$682,355,000, which was 23.9%, or \$214,697,000 below the 2020 Budget. The decrease is due to the impact of the COVID-19 pandemic crisis, which is impacting many revenue categories.

Toll revenue for the period was \$571,383,000 which was 27.1%, or \$212,130,000 less than the 2020 Budget amount. Toll revenue was \$153,640,000 lower than the 2020 Budget amount on the New Jersey Turnpike and \$58,489,000 lower than the 2020 Budget amount on the Garden State Parkway. The decrease is attributed to the Stay at Home order issued on March 21, 2020 in New Jersey due to the COVID-19 pandemic, although declines were experienced since March 11, 2020.

Concession revenue consists of revenues generated through the sale of food, gasoline and convenience store items at the service areas located along both roadways. Concession revenue was \$15,336,000 which was \$1,214,000 or 7.3% below the 2020 Budget. Revenue was lower due to the COVID-19 pandemic. The Authority receives 50% of the gross profit margin on all diesel fuel sold for both roadways. On the Turnpike, food sales decreased 56.9%, fuel sales decreased 30.5% and convenience store sales decreased by 8.5% compared to last year. On the Garden State Parkway, food sales decreased 46.7%, fuel sales decreased 30.3%, and convenience store sales increased 12.3% compared to the same period in 2019. The decrease in sales is due to a combination of service area closures for renovation and less travel from the COVID-19 pandemic. However, the Richard Stockton and Vince Lombardi Service Areas recently reopened on June 17, 2020 and June 29, 2020 respectively.

Investment earnings consist of income from invested operating revenues and reserve funds. Investment income was \$12,592,000, which was \$690,000 or 5.8% higher than the 2020 Budget. Income from investments increased due to higher than projected yields on investments. Although the budget projected a decline in short-term interest rates, interest rates in the first part of the year were higher than budgeted. Investment income is expected to be below budget for the remainder of the year as short-term interest rates have declined.

Miscellaneous revenue includes fees for cell tower rentals, towing, fiber optic leases, park & ride commissions, property rentals, and other items. Revenue for the period was \$5,829,000 which was \$66,000, or 1.1% lower than the 2020 Budget. Miscellaneous revenue was below the 2020 Budget levels due in part to lower than expected surplus sales.

The Build America Bond Subsidy is a direct payment from the U.S. Treasury to the Authority equaling about 32.6% of the interest payable on the Series 2009F and the Series 2010A Bonds for Federal Fiscal Year 2020 which began in October 2019. The subsidy received was \$39,011,000, which was \$587,000 higher than projected due to additional interest included in a late payment made to the Authority by the U.S Treasury as the payment was made after the 1/1/2020 due date.

Arts Center revenue consists of rent and naming rights for the PNC Bank Arts Center located in Holmdel. For the six months ended June 30, 2020, revenue was \$2,286,000, representing the minimum guaranteed rent payment. All shows for the 2020 season have been cancelled.

E-ZPass fees consist of monthly membership fees, transponder sales, return check fees, administrative fees, interest on prepaid accounts and monthly statement fees. Revenue of \$35,918,000 was below budget due to an 11% decrease in administrative fees, as collection rates have decreased in 2020.

# New Jersey Turnpike Traffic & Revenue Comparison

**For the Month of June 2020<sup>(1)</sup>**

	<u><b>Traffic</b></u>		
	<u>June-20</u>	<u>June-19</u>	<u>% Change</u>
Passenger Vehicles	12,641,000	20,361,000	-37.9%
Commercial Vehicles	2,705,000	2,793,000	-3.2%
Overall	<u>15,346,000</u>	<u>23,154,000</u>	<u>-33.7%</u>
	<u><b>Revenue</b></u>		
	<u>June-20</u>	<u>June-19</u>	<u>% Change</u>
Passenger Vehicles	\$ 45,761,000	\$ 73,014,000	-37.3%
Commercial Vehicles	30,190,000	29,181,000	3.5%
Overall	<u>\$ 75,951,000</u>	<u>\$ 102,195,000</u>	<u>-25.7%</u>

(1) Includes un-audited data for the month.

For the month of June 2020, traffic on the New Jersey Turnpike decreased 33.7% and toll revenue decreased 25.7% when compared to the same period in 2019. These results are well below budgeted amounts which were based on CDM's projection of an increase of 0.8% for traffic and below CDM's projection of an increase of 2.9% for revenue for the month of June 2020. However, traffic and toll revenue significantly outperformed CDM Smith's updated toll revenue forecast by 17.9% for the month of June 2020. Traffic and revenue were both negatively impacted by the COVID-19 pandemic. For the month of June 2020, commercial vehicle revenue increased due to longer trips being taken primarily by 5 axle vehicles. The monthly increase in commercial revenue was the first monthly increase since February 2020.

**For the Six Months Ended June 30, 2020<sup>(1)</sup>**

	<u><b>Traffic</b></u>		
	<u>June-20</u>	<u>June-19</u>	<u>% Change</u>
Passenger Vehicles	75,927,000	113,442,000	-33.1%
Commercial Vehicles	15,385,000	16,962,000	-9.3%
Overall	<u>91,312,000</u>	<u>130,404,000</u>	<u>-30.0%</u>
	<u><b>Revenue</b></u>		
	<u>June-20</u>	<u>June-19</u>	<u>% Change</u>
Passenger Vehicles	\$ 253,919,000	\$ 393,851,000	-35.5%
Commercial Vehicles	165,491,000	177,208,000	-6.6%
YTD Toll Revenue	<u>\$ 419,410,000</u>	<u>\$ 571,059,000</u>	<u>-26.6%</u>

(1) Includes un-audited data for the month.

For the six months ended June 30, 2020, traffic decreased 30.0% and toll revenue decreased 26.6% when compared to the same period in 2019. Traffic and revenue decreased entirely due the effects of the COVID-19 pandemic. Beginning in mid-March, the State of New Jersey has issued a series of guidelines and orders designed to lessen the effects of the pandemic on the public. These actions have at various times included stay at home orders, travel restrictions and the mandatory closing of non-essential businesses. Due to these actions, the State has seen a dramatic improvement in the spread of the disease. Unfortunately, many parts of the country are not doing as well as New Jersey and the State has had to halt reopening plans. In addition, cash toll collection was suspended from March 24 – May 18, 2020, further impacting toll revenue. Results fell below the 2020 Budget which was based on CDM Smith's projections of a 2.0% decrease in traffic and a 0.3% increase in revenue.

Electronic toll collection remains popular and overall usage rates continue to be strong. For the six months ended June 30, 2020, the *E-ZPass* usage rate for passenger cars was 89.2%, and for commercial vehicles was 96.3%. This resulted in an overall *E-ZPass* usage rate of 90.4%. The *E-ZPass* usage rate remains one of the highest in the region reflecting acceptance among commuters and frequent travelers of the *E-ZPass* brand and the convenience provided to the users throughout the Northeast.

# Garden State Parkway Traffic & Revenue Comparison

**For the Month of June 2020<sup>(1)</sup>**

	<u><b>Traffic</b></u>		
	<u>June-20</u>	<u>June-19</u>	<u>% Change</u>
Passenger Vehicles	25,902,000	34,021,000	-23.9%
Commercial Vehicles	476,000	511,000	-6.8%
Overall	<u>26,378,000</u>	<u>34,532,000</u>	<u>-23.6%</u>
	<u><b>Revenue</b></u>		
	<u>June-20</u>	<u>June-19</u>	<u>% Change</u>
Passenger Vehicles	\$ 29,384,000	\$ 37,480,000	-21.6%
Commercial Vehicles	1,512,000	1,550,000	-2.5%
Overall	<u>\$ 30,896,000</u>	<u>\$ 39,030,000</u>	<u>-20.8%</u>

(1) Includes un-audited data for the month.

For the month of June 2020, toll transactions on the Garden State Parkway decreased by 23.6% and toll revenue decreased by 20.8% when compared to June 2019. Both results are well below the 2020 Budget which was based on CDM's projections of a 1.8% increase in traffic and a 2.6% increase in toll revenue. However, toll revenue significantly outperformed CDM Smith's updated toll revenue forecast by 35.0% for the month of June 2020. The decline in toll transactions and revenue is due to effects of the COVID-19 pandemic and the travel restrictions, stay at home orders and mandatory non-essential business closures designed to lessen the effects of the pandemic on the public. Due to favorable weather conditions, the Parkway has seen steady traffic in the southern sections near the shore areas.

**For the Six Months Ended June 30, 2020<sup>(1)</sup>**

	<u><b>Traffic</b></u>		
	<u>June-20</u>	<u>June-19</u>	<u>% Change</u>
Passenger Vehicles	135,563,000	183,845,000	-26.3%
Commercial Vehicles	2,446,000	2,702,000	-9.5%
Overall	<u>138,009,000</u>	<u>186,547,000</u>	<u>-26.0%</u>
	<u><b>Revenue</b></u>		
	<u>June-20</u>	<u>June-19</u>	<u>% Change</u>
Passenger Vehicles	\$ 144,956,000	\$ 201,423,000	-28.0%
Commercial Vehicles	7,017,000	7,988,000	-12.2%
YTD Toll Revenue	<u>\$ 151,973,000</u>	<u>\$ 209,411,000</u>	<u>-27.4%</u>

(1) Includes un-audited data for the month.

For the six months ended June 30, 2020, toll transactions on the Garden State Parkway decreased 26.0% and revenue decreased 27.4% when compared to the same period in 2019. Toll transactions and revenue decreased due to effects of the COVID-19 pandemic. As with the New Jersey Turnpike, cash toll collection was suspended from March 24 – May 18, 2020, further impacting cash toll collections. Results fell below the 2020 Budget which was based on CDM Smith's projections of flat traffic and a 0.5% increase in toll revenue.

*E-ZPass* remains popular on the Garden State Parkway as electronic toll collection continues to increase. For the six months ended June 30, 2020, the total *E-ZPass* usage rate was 88.3%, up from 84.6% in the same period in 2019. The *E-ZPass* usage rate for passenger cars was 88.2%, and for commercial vehicles was 95.2%.

Operating Expenses  
For the Six Months Ended June 30, 2020

	<u>2020</u> <u>Annual Budget</u>	<u>YTD</u> <u>Expenses</u>
<b><u>Maintenance of roadway, buildings &amp; equipment</u></b>		
Maintenance	\$ 240,163,000	\$ 86,408,000
Engineering	10,413,000	3,544,000
<b>Total Maintenance</b>	<b>250,576,000</b>	<b>89,952,000</b>
<b><u>Toll Collection</u></b>		
Toll Collection	169,995,000	69,000,000
<b><u>State Police &amp; Traffic Control</u></b>		
State Police	89,247,000	41,327,000
Operations	13,811,000	5,964,000
<b>Total State Police and Traffic Control</b>	<b>103,058,000</b>	<b>47,291,000</b>
<b><u>Technology</u></b>		
Information Technology Services	24,445,000	9,914,000
<b><u>General &amp; Administrative</u></b>		
Executive Office	1,731,000	679,000
Law	10,911,000	5,176,000
Purchasing & Materials Management	8,506,000	3,311,000
Human Resources & Office Services	6,876,000	2,416,000
Finance	14,472,000	6,059,000
Patron & Customer Services	2,822,000	1,194,000
Internal Audit	5,579,000	2,287,000
<b>Total General and Administrative</b>	<b>50,897,000</b>	<b>21,122,000</b>
<b>TOTAL OPERATING</b>	<b>\$ 598,971,000</b>	<b>\$ 237,279,000</b>

For the six months ended June 30, 2020, operating expenses were approximately \$237,279,000, which was 39.6% of the annual budget and 81.5% of the year-to-date budget. Operating expenses through June 2020 were under budget primarily due to lower than expected snow and severe weather costs charged to operating expenses. The Authority spent \$4,503,000 for snow and severe weather costs in its operating expense budget in the first six months of 2020, which was approximately \$19,043,000 under budget. All snow and severe weather costs are charged to operating expenses except for declared state of emergency events, which are budgeted and charged to the General Reserve Fund. For the first six months of 2020, the Authority has not charged anything to Extraordinary Events in its General Reserve Fund budget. Health benefits, salaries, and electronic toll collection processing costs also contributed to operating expenses being under budget.

Debt Service

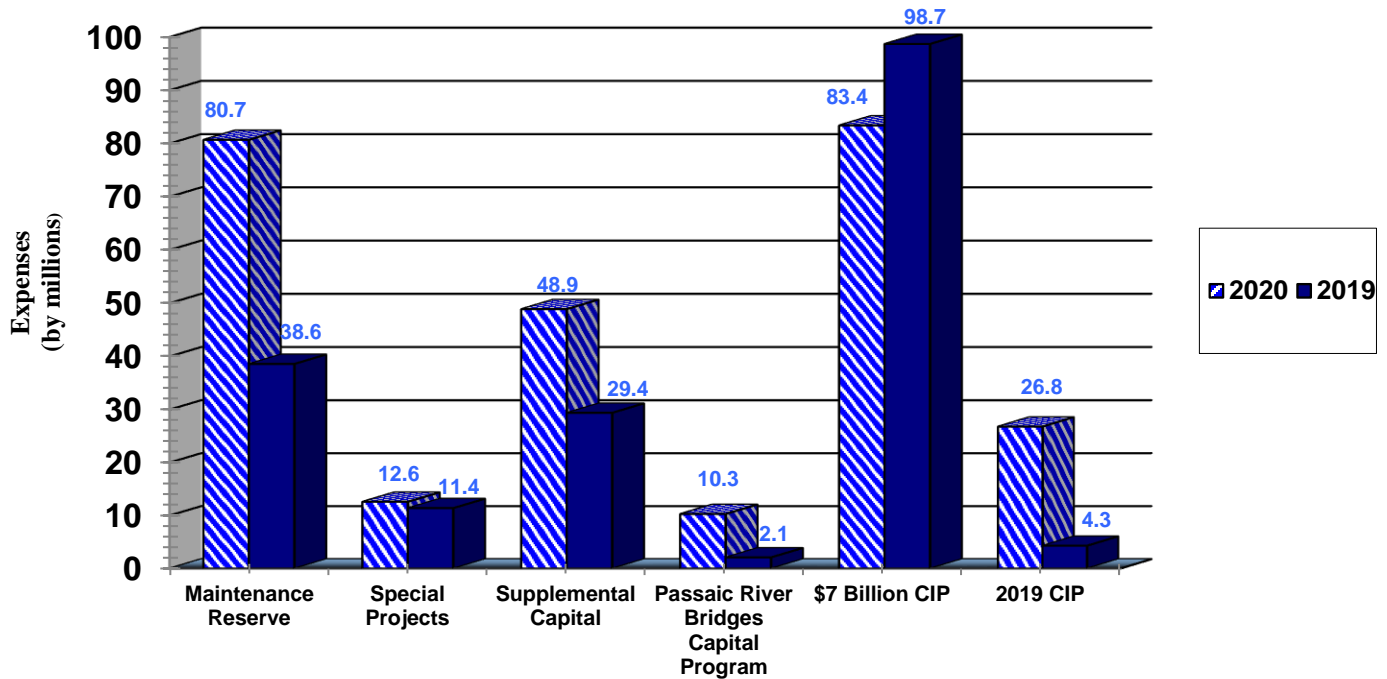
Debt Service includes interest and principal payments on NJTA's outstanding debt. For the six months ended June 30, 2020, Debt Service totaled \$403,639,000 and included \$293,652,000 in interest payments and \$109,987,000 in principal payments. Debt Service is currently at budget.

General Reserve Fund

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund expenses totaled \$96,000,000 and consisted primarily of \$64,500,000 for the State Transportation Projects Funding Agreement, and \$18,026,000 for funding of Service Area Improvements. Spending from the General Reserve Fund decreased by \$29,460,000 in 2020 primarily due to lower spending on snow state of emergency events.

## Capital Budget and Construction Fund Expenditures For the Six Months Ended June 30, 2020

	<u>2020</u>	<u>2019</u>
Maintenance Reserve	\$ 80,730,000	\$ 38,603,000
Special Project Reserve	12,588,000	11,412,000
Supplemental Capital	48,917,000	29,374,000
Passaic River Bridges Rehabilitation Program	10,317,000	2,075,000
Capital Budget Total	152,552,000	81,464,000
\$7 Billion Capital Improvement Program	83,382,000	98,729,000
2019 Capital Improvement Program	26,797,000	4,338,000
Total Spending	\$ 262,731,000	\$ 184,531,000



The Capital Budget currently includes the Maintenance Reserve Fund, the Special Project Reserve Fund, the Supplemental Capital Program, and the Passaic River Bridges Rehabilitation Program. Current or accumulated revenues are used to support these funds. The Maintenance Reserve Fund covers the routine upkeep of the Authority's roadways with projects that are directly related to the Turnpike System. These projects consist of major resurfacing, structural repairs, major bridge repairs, and painting. The Special Project Reserve Fund covers non-routine maintenance of the roadways and facilities. These projects consist of, but are not limited to, improving the Authority's facilities and technology platform. The Supplemental Capital Fund generally covers roadway and facilities improvements, as well as major technology projects. The Passaic River Bridges Capital Program covers the rehabilitation of the three (3) bridges that cross the Passaic River.

For the six months ended June 30, 2020, total expenditures from the Capital Budget were approximately \$152,552,000. Expenditures included \$24,693,000 for Turnpike Resurfacing, \$20,039,000 for Parkway Resurfacing, and \$19,474,000 for the Service Area renovations.

Bond proceeds fund the \$7 Billion Capital Improvement Program and the 2019 Capital Improvement Program. Total expenditures from the \$7 Billion Capital Improvement Program for the six months ended June 30, 2020 were approximately \$83,382,000. Expenses included \$35,330,000 for the NBHCE Bridge Re-decking, \$11,325,000 for Interchange Improvements, and \$10,236,000 for Phase II of Sign Replacements. In addition to these expenditures, there are open contracts and commitments totaling approximately \$265,124,000. Total expenditures from the 2019 Capital Improvement Program for the six months ended June 30, 2020 were approximately \$26,797,000. Expenses include \$4,720,000 for Turnpike Interchange 6 E-ZPass Improvements, \$4,640,000 for Interchange 6-9 Berm Surfacing Revisions, and \$4,438,000 for GSP Shoulder Widening from MP 30 to 35. In addition to these expenditures, there are open contracts and commitments totaling approximately \$331,994,000.