

**New Jersey Turnpike Authority  
Financial Summary  
For the Eight Months Ended August 31, 2020**

	<b>Actual YTD January - August</b>	<b>YTD Budget January - August</b>	<b>Annual Budget 2020</b>
<b>Total Revenue</b>	\$ 968,302,000	\$ 1,244,158,000	\$ 1,864,943,000
<b>Operating Expenses</b>	<u>320,987,000</u>	<u>389,288,000</u>	<u>598,971,000</u>
<b>Net Revenue</b>	\$ 647,315,000	\$ 854,870,000	\$ 1,265,972,000
<b>Debt Service Requirements</b>	439,742,000	560,131,000	842,699,000
<b>Maintenance Reserve Fund</b>	89,398,000	89,398,000	134,097,000
<b>Special Reserve Fund</b>	27,533,000	27,533,000	41,300,000
<b>Debt Service Coverage</b>	1.47	1.53	1.50
<b>Total Requirements Coverage</b>	1.16	1.26	1.24

The following un-audited results are for the eight months ended August 31, 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 eight months ended August 31, 2020 was \$968,302,000, which is \$275,856,000, or 22.2%, below the 2020 Budget. Toll revenue was \$815,329,000, which is \$274,197,000, or 25.2%, 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 April. Despite total revenue being under budget, miscellaneous revenue and E-ZPass fees were above budget. Miscellaneous revenue, which totaled \$8,418,000, was \$558,000 or 7.1% above the 2020 budget due to the receipt of insurance recoveries which were not budgeted. E-ZPass fees, which totaled \$53,364,000, were \$1,498,000 or 2.9%, above the 2020 budget.

For the eight months ended August 31, 2020, traffic on the New Jersey Turnpike decreased 28.3% and toll revenue decreased 24.7% compared to the same period in 2019. Traffic and toll revenue decreased entirely due to the impacts of the COVID-19 pandemic. The 2020 traffic and toll revenue 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 eight months ended August 31, 2020 were well below CDM Smith's projections of a 1.2% decrease in traffic and a 1.1% 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 month of August 2020 outperformed CDM Smith's toll revenue projection by 2.6%. Through August 2020, the E-ZPass usage rate on the New Jersey Turnpike was 89.5%, an increase from 86.6% for the same period in 2019.

For the eight months ended August 31, 2020, toll transactions on the Garden State Parkway decreased 22.5% and revenue decreased 23.6% 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 eight months ended August 31, 2020 were well below budget which was based on CDM's projection of a 0.4% increase in toll transactions and a 1.0% increase in toll revenue. However, Garden State parkway toll revenue for the month of August 2020 significantly outperformed CDM Smith's updated toll revenue forecast dated May 20, 2020 by 12.3%. Through August 2020, the E-ZPass usage rate on the Garden State Parkway was 87.6%, an increase from 84.6% for the same period in 2019.

Operating expenses for the eight months ended August 31, 2020 were approximately \$320,987,000, which was 82.5% of the year-to-date budget. The Authority's operating expenses through August were under budget primarily due to lower than budgeted snow and severe weather costs. The Authority spent a total of only \$4,744,000 for snow and severe weather costs in 2020 from the operating expense budget. For the eight months ended August 31, 2020, snow and severe weather costs charged to operating expenses were approximately \$19,162,000 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 eight months ended August 31, 2020, Debt Service totaled \$439,742,000 and included \$391,162,000 in interest payments and \$48,580,000 in principal payments. Debt Service is currently below budget due to the debt refunding completed in June 2020 which reduced current year principal payments.

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund expenses totaled \$129,970,000 for the eight months ended August 31, 2020. Expenditures consisted primarily of \$86,000,000 for the State Transportation Projects Funding Agreement, and \$26,198,000 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 eight months ended August 31, 2020, total expenditures were approximately \$202,408,000. Expenditures included \$35,521,000 for Turnpike Resurfacing, \$24,136,000 for Service Area Renovations, and \$23,381,000 for Parkway Resurfacing.

Total expenditures from the \$7 Billion Capital Improvement Program (CIP) for the eight months ended August 31, 2020 were approximately \$109,046,000. Spending included \$47,118,000 for NBHCE Bridge Re-decking, \$19,009,000 for Interchange Improvements, and \$12,676,000 for the Phase II of sign replacements. In addition to these expenditures, there are open contracts and commitments totaling approximately \$268,150,000. Total expenditures from the 2019 CIP for the eight months ended August 31, 2020 were approximately \$39,893,000. Spending included \$8,187,000 for GSP Shoulder Widening from MP 30 to 35, \$7,308,000 for Turnpike Interchange 6 E-ZPass Improvements, and \$6,460,000 for TPK Interchange 6-9 Berm Surfacing Revisions. 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.