

**New Jersey Turnpike Authority  
Financial Summary  
For the Nine Months Ended September 30, 2020**

	Actual YTD January - September	YTD Budget January - September	Estimated/Actual 2020
<b>Total Revenue</b>	\$ 1,128,567,000	\$ 1,400,604,000	\$ 1,639,904,000
<b>Operating Expenses</b>	<u>362,272,000</u>	<u>420,515,000</u>	<u>558,971,000</u>
<b>Net Revenue</b>	\$ 766,295,000	\$ 980,089,000	\$ 1,080,933,000
<b>Debt Service Requirements</b>	494,605,000	630,773,000	664,218,000
<b>Maintenance Reserve Fund</b>	100,573,000	100,573,000	134,097,000
<b>Special Reserve Fund</b>	30,975,000	30,975,000	41,300,000
<b>Debt Service Coverage</b>	1.55	1.55	1.63
<b>Total Requirements Coverage</b>	1.22	1.29	1.29

The following un-audited results are for the nine months ended September 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 projected to have a debt service coverage ratio of 1.63 and a total requirements coverage ratio of 1.29.

The Authority's total revenue for the nine months ended September 30, 2020 was \$1,128,567,000, which is \$272,037,000, or 19.4%, below the 2020 Budget. Toll revenue was \$953,014,000, which is \$273,751,000, or 22.3%, 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 \$9,593,000, was \$751,000 or 8.5% above the 2020 budget due to the receipt of insurance recoveries which were not budgeted. E-ZPass fees, which totaled \$63,875,000, were \$5,182,000 or 8.8%, above the 2020 budget.

For the nine months ended September 30, 2020, traffic on the New Jersey Turnpike decreased 27.2% and toll revenue decreased 21.7% 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 are 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 nine months ended September 30, 2020 were well below CDM Smith's projections of a 1.1% decrease in traffic and a 1.2% increase in revenue. Based on the updated toll revenue forecast from CDM Smith dated May 20, 2020, New Jersey Turnpike toll revenue was only 2.9% below projections for the month of September 2020; however, toll revenue for the month increased 2.3% compared to 2019 due to the toll increase that went into effect on September 13, 2020. Through September 2020, the E-ZPass usage rate on the New Jersey Turnpike was 89.4%, an increase from 86.7% for the same period in 2019.

For the nine months ended September 30, 2020, toll transactions on the Garden State Parkway decreased 21.2% and revenue decreased 20.6% 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 nine months ended September 30, 2020 were well below the budget which was based on CDM's projection of a 0.5% increase in toll transactions and a 1.1% increase in toll revenue. However, Garden State Parkway toll revenue for the month of September 2020 increased 3.0% compared to 2019 due to the toll increase on September 13, 2020 and outperformed CDM Smith's updated toll revenue forecast dated May 20, 2020 by 6.8%. Through September 2020, the E-ZPass usage rate on the Garden State Parkway was 87.5%, an increase from 84.7% for the same period in 2019.

Operating expenses for the nine months ended September 30, 2020 were approximately \$362,272,000, which was 86.1% of the year-to-date budget. The Authority's operating expenses through September were under budget primarily due to lower than budgeted snow and severe weather costs. The Authority spent a total of only \$4,734,000 for snow and severe weather costs in 2020 from the operating expense budget. For the nine months ended September 31, 2020, snow and severe weather costs charged to operating expenses were approximately \$19,179,000 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 nine months ended September 30, 2020, Debt Service totaled \$494,605,000 and included \$439,952,000 in interest payments and \$54,653,000 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 \$143,589,000 for the nine months ended September 30, 2020. Expenditures consisted primarily of \$96,750,000 for the State Transportation Projects Funding Agreement, and \$26,648,000 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 nine months ended September 30, 2020, total expenditures were approximately \$234,069,000. Expenditures included \$41,188,000 for Turnpike Resurfacing, \$27,263,000 for Parkway Resurfacing, and \$25,827,000 for Turnpike Bridge Repairs.

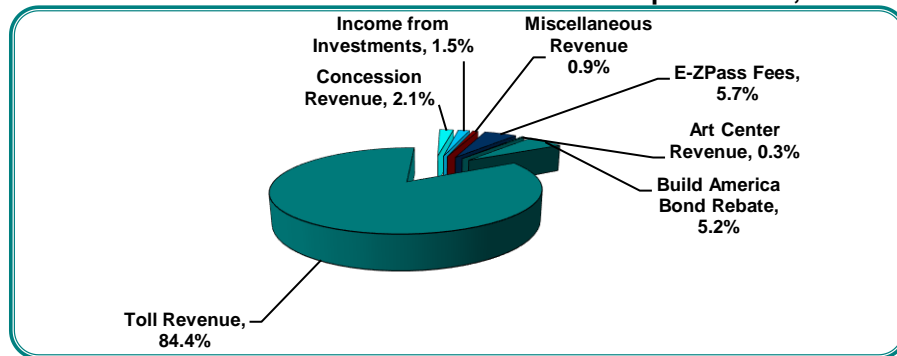
Total expenditures from the \$7 Billion Capital Improvement Program (CIP) for the nine months ended September 30, 2020 were approximately \$122,531,000. Spending included \$55,069,000 for NBHCE Bridge Re-decking, \$20,855,000 for Interchange Improvements, and \$15,825,000 for the Phase II of sign replacements. In addition to these expenditures, there are open contracts and commitments totaling approximately \$258,451,000. Total expenditures from the 2019 CIP for the nine months ended September 30, 2020 were approximately \$49,949,000. Spending included \$13,105,000 for GSP Shoulder Widening from MP 30 to 35, \$7,342,000 for Turnpike Interchange 6 E-ZPass Improvements, and \$6,537,000 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.

**Comparison of Budgeted Revenues to Actual Revenues  
For the Nine Months Ended September 30, 2020**

	<u>Budgeted</u>	<u>Unaudited Actual</u>
<b>Toll Revenue</b>	1,226,765,000	953,014,000
<b>Concession Revenue</b>	27,431,000	23,761,000
<b>Income from Investments</b>	17,951,000	16,527,000
<b>Miscellaneous Revenue</b>	8,842,000	9,593,000
<b>Build America Bond Subsidy</b>	57,636,000	58,513,000
<b>Arts Center Revenue</b>	3,286,000	3,284,000
<b>E-ZPass Fees</b>	58,693,000	63,875,000
<b>Total Revenues</b>	<b>1,400,604,000</b>	<b>1,128,567,000</b>

**Actual Revenues for the Nine Months Ended September 30, 2020**



For the nine months ended September 30, 2020, total revenue was \$1,128,567,000, which was 19.4%, or \$272,037,000 below the 2020 Budget. The decrease is due to the impact of the COVID-19 pandemic, which is impacting most revenue categories.

Toll revenue for the period was \$953,014,000 which was 22.3%, or \$273,751,000 less than the 2020 Budget amount. Toll revenue was \$202,100,000, or 22.7% lower than the 2020 Budget amount on the New Jersey Turnpike and \$71,651,000, or 21.4% 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. For the month of September 2020, toll revenue increased compared to September 2019, as the toll rate increase, effective September 13<sup>th</sup>, offset the toll revenue declines that month which were due to the pandemic.

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 \$23,761,000 which was \$3,670,000 or 13.4% 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 55.7%, fuel sales decreased 24.2% and convenience store sales decreased by 2.4% compared to last year. On the Garden State Parkway, food sales decreased 39.4%, fuel sales decreased 22.6%, and convenience store sales increased 13.8% 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. No additional service areas are scheduled to be closed until the fall of 2021.

Investment earnings consist of income from invested operating revenues and reserve funds. Investment income was \$16,527,000, which was \$1,424,000 or 7.9% lower than the 2020 Budget. Income from investments decreased due to lower interest rates and lower average invested balances due to the decline in revenue. 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 and invested balances 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 \$9,593,000 which was \$751,000, or 8.5% higher than the 2020 Budget. Miscellaneous revenue was above the 2020 Budget levels mostly due to the receipt of insurance recoveries which were not budgeted.

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 \$58,513,000, which was \$877,000 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, as well as a lower than expected automatic federal deficit reduction cut in the subsidy for the current federal fiscal year from 5.9% to 5.7%.

Arts Center revenue consists of rent and naming rights for the PNC Bank Arts Center located in Holmdel. For the nine months ended September 30, 2020, revenue was \$3,284,000, representing naming rights and the minimum guaranteed rent payment which has been invoiced but is not due to be paid until year end. 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 \$63,875,000 was above budget due to a 16% increase in administrative fees, as more APRs have been issued in 2020 as violation rates have increased.

**New Jersey Turnpike  
Traffic & Revenue Comparison  
For the Month of September 2020<sup>(1)</sup>**

	<u>Traffic</u>		
	<u>September-20</u>	<u>September-19</u>	<u>% Change</u>
Passenger Vehicles	15,414,000	19,507,000	-21.0%
Commercial Vehicles	2,815,000	2,839,000	-0.8%
Overall	18,229,000	22,346,000	-18.4%

	<u>Revenue</u>		
	<u>September-20</u>	<u>September-19</u>	<u>% Change</u>
Passenger Vehicles	\$ 64,397,000	\$ 67,217,000	-4.2%
Commercial Vehicles	35,074,000	30,020,000	16.8%
Overall	\$ 99,471,000	\$ 97,237,000	2.3%

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

For the month of September 2020, traffic on the New Jersey Turnpike decreased 18.4% and toll revenue increased 2.3% when compared to the same period in 2019. These results are well below budgeted amounts which were based on CDM's projection of a decrease of 0.1% for traffic and below CDM's projection of an increase of 2.4% for revenue for the month of September 2020. The increase in commercial revenue and total revenue is due to the toll rate increase that went into effect on September 13, 2020. Traffic and revenue continue to both be negatively impacted by the COVID-19 pandemic. Based on the updated toll revenue forecast from CDM Smith dated May 20, 2020, toll revenue was 5.5% below projections.

**For the Nine Months Ended September 30, 2020<sup>(1)</sup>**

	<u>Traffic</u>		
	<u>September-20</u>	<u>September-19</u>	<u>% Change</u>
Passenger Vehicles	122,301,000	174,969,000	-30.1%
Commercial Vehicles	23,801,000	25,581,000	-7.0%
Overall	146,102,000	200,550,000	-27.1%

	<u>Revenue</u>		
	<u>September-20</u>	<u>September-19</u>	<u>% Change</u>
Passenger Vehicles	\$ 430,129,000	\$ 614,047,000	-30.0%
Commercial Vehicles	259,806,000	267,428,000	-2.9%
YTD Toll Revenue	\$ 689,935,000	\$ 881,475,000	-21.7%

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

For the nine months ended September 30, 2020, traffic decreased 27.1% and toll revenue decreased 21.7% 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. Results fell below the 2020 Budget which was based on CDM Smith's projections of a 1.1% decrease in traffic and a 1.2% increase in revenue. Since March 2020, toll revenue has outperformed CDM Smith's updated toll revenue forecast dated May 20, 2020 by 0.4%.

Electronic toll collection remains popular and overall usage rates continue to be strong. For the nine months ended September 30, 2020, the *E-ZPass* usage rate for passenger cars was 88.2%, and for commercial vehicles was 95.7%. This resulted in an overall *E-ZPass* usage rate of 89.4%. 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 September 2020<sup>(1)</sup>**

<b><u>Traffic</u></b>			
	<u>September-20</u>	<u>September-19</u>	<u>% Change</u>
Passenger Vehicles	28,832,000	32,375,000	-10.9%
Commercial Vehicles	491,000	488,000	0.6%
Overall	<u>29,323,000</u>	<u>32,863,000</u>	<u>-10.8%</u>
<b><u>Revenue</u></b>			
	<u>September-20</u>	<u>September-19</u>	<u>% Change</u>
Passenger Vehicles	\$ 36,717,000	\$ 35,734,000	2.8%
Commercial Vehicles	1,630,000	1,498,000	8.8%
Overall	<u>\$ 38,347,000</u>	<u>\$ 37,232,000</u>	<u>3.0%</u>

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

For the month of September 2020, toll transactions on the Garden State Parkway decreased by 10.8% and toll revenue increased by 3.0% when compared to September 2019. While traffic results were well below the monthly increase included in the 2020 budget of 0.9%, the monthly toll revenue increase exceeded the monthly budget increase of 1.2%, due to the toll increase that went into effect on September 13, 2020 which was not budgeted. September 2020 monthly toll revenue also outperformed CDM Smith's toll revenue forecast, dated May 2020, by 5.9%. The overall decline in toll transactions and revenue is due to the impacts 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 Nine Months Ended September 30, 2020<sup>(1)</sup>**

<b><u>Traffic</u></b>			
	<u>September-20</u>	<u>September-19</u>	<u>% Change</u>
Passenger Vehicles	227,335,000	289,164,000	-21.4%
Commercial Vehicles	3,946,000	4,254,000	-7.2%
Overall	<u>231,281,000</u>	<u>293,418,000</u>	<u>-21.2%</u>
<b><u>Revenue</u></b>			
	<u>September-20</u>	<u>September-19</u>	<u>% Change</u>
Passenger Vehicles	\$ 251,446,000	\$ 318,397,000	-21.0%
Commercial Vehicles	11,634,000	12,826,000	-9.3%
YTD Toll Revenue	<u>\$ 263,080,000</u>	<u>\$ 331,223,000</u>	<u>-20.6%</u>

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

For the nine months ended September 30, 2020, toll transactions on the Garden State Parkway decreased 21.2% and revenue decreased 20.6% when compared to the same period in 2019. Toll transactions and revenue decreased due to effects of the COVID-19 pandemic. Results fell below the 2020 Budget which was based on a 0.5% increase in toll transactions and a 1.1% increase in toll revenue. Since March 2020, toll revenue has outperformed CDM Smith's updated toll revenue forecast by 12.3%.

*E-ZPass* remains popular on the Garden State Parkway as electronic toll collection continues to increase. For the nine months ended September 30, 2020, the total *E-ZPass* usage rate was 87.5%, up from 84.7% in the same period in 2019. The *E-ZPass* usage rate for passenger cars was 87.4%, and for commercial vehicles was 94.2%.

Operating Expenses  
For the Nine Months Ended September 30, 2020

	<b>2020 Annual Budget</b>	<b>YTD Expenses</b>
<b><u>Maintenance of roadway, buildings &amp; equipment</u></b>		
Maintenance	\$ 240,163,000	\$ 132,573,000
Engineering	10,413,000	5,518,000
<b>Total Maintenance</b>	<b>250,576,000</b>	<b>138,091,000</b>
<b><u>Toll Collection</u></b>		
Toll Collection	169,995,000	105,108,000
<b><u>State Police &amp; Traffic Control</u></b>		
State Police	89,247,000	62,348,000
Operations	13,811,000	9,172,000
<b>Total State Police and Traffic Control</b>	<b>103,058,000</b>	<b>71,520,000</b>
<b><u>Technology</u></b>		
Information Technology Services	24,445,000	15,665,000
<b><u>General &amp; Administrative</u></b>		
Executive Office	1,731,000	1,044,000
Law	10,911,000	7,427,000
Purchasing & Materials Management	8,506,000	5,067,000
Human Resources & Office Services	6,876,000	3,806,000
Finance	14,472,000	9,106,000
Patron & Customer Services	2,822,000	1,883,000
Internal Audit	5,579,000	3,555,000
<b>Total General and Administrative</b>	<b>50,897,000</b>	<b>31,888,000</b>
<b>TOTAL OPERATING</b>	<b>\$ 598,971,000</b>	<b>\$ 362,272,000</b>

For the nine months ended September 30, 2020, operating expenses were approximately \$362,272,000, which was 60.5% of the annual budget and 86.1% of the year-to-date budget. Operating expenses through September 2020 were under budget primarily due to lower than expected snow and severe weather costs charged to operating expenses. The Authority spent \$4,734,000 for snow and severe weather costs in its operating expense budget in the first nine months of 2020, which was approximately \$19,179,000 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 nine 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. Health benefits are under budget due to lower usage by employees and retirees under the Authority's self-funded plans. Salaries are under budget due to vacancies. Finally, toll collection costs are under budget due to lower toll transaction and revenue volumes, resulting in lower processing, credit card and cash counting costs.

Debt Service

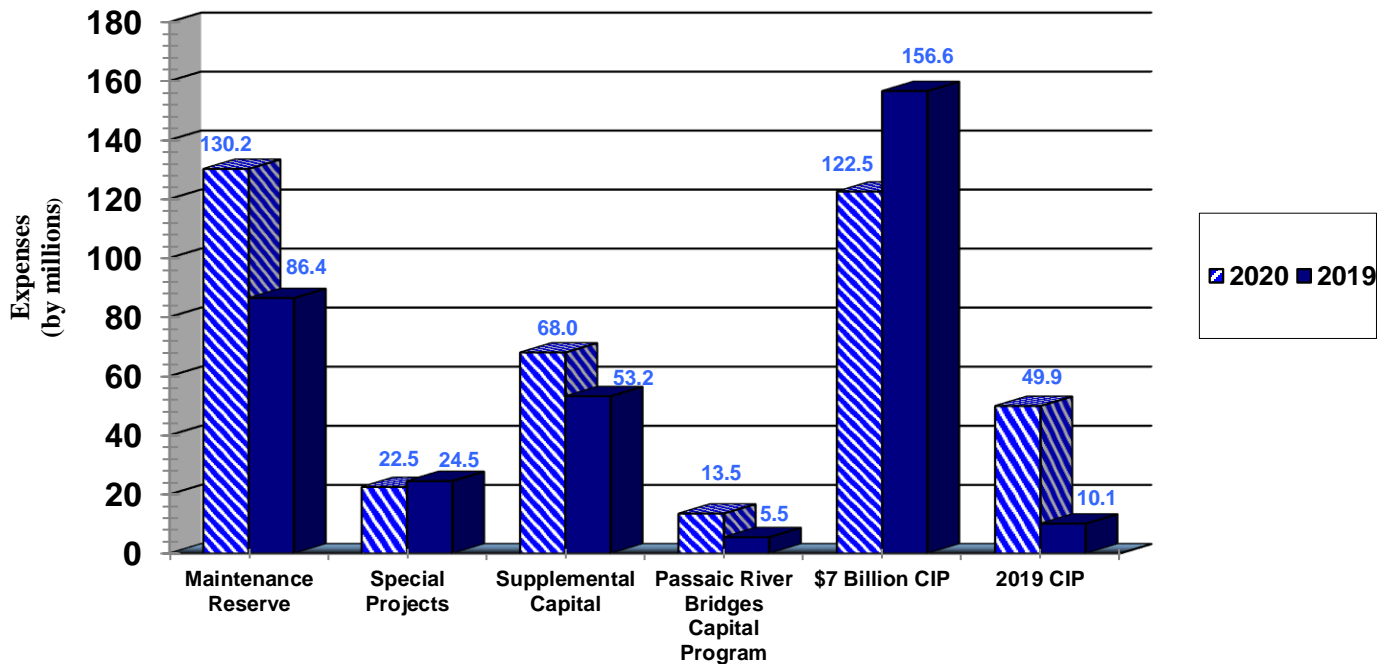
Debt Service includes interest and principal payments on NJTA's outstanding debt. For the nine months ended September 30, 2020, Debt Service totaled \$494,605,000 and included \$439,952,000 in interest payments and \$54,653,000 in principal payments. Debt Service is currently below budget due to the debt refunding completed in June 2020 which reduced current year principal payments.

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 \$143,589,000 and consisted primarily of \$96,750,000 for the State Transportation Projects Funding Agreement, and \$26,648,000 for funding of Service Area Improvements. Spending from the General Reserve Fund decreased by \$25,228,000 in 2020 primarily due to lower spending on snow state of emergency events.

## Capital Budget and Construction Fund Expenditures For the Nine Months Ended September 30, 2020

	<u>2020</u>	<u>2019</u>
Maintenance Reserve	\$ 130,151,000	\$ 86,422,000
Special Project Reserve	22,488,000	24,483,000
Supplemental Capital	67,960,000	53,222,000
Passaic River Bridges Rehabilitation Program	13,470,000	5,539,000
Capital Budget Total	234,069,000	169,666,000
\$7 Billion Capital Improvement Program	122,531,000	156,574,000
2019 Capital Improvement Program	49,949,000	10,068,000
Total Spending	\$ 406,549,000	\$ 336,308,000



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, fleet and technology platform. The Supplemental Capital Fund generally covers roadway and facilities improvements, as well as major technology initiatives. The Passaic River Bridges Capital Program covers the rehabilitation of the three (3) bridges that cross the Passaic River.

For the nine months ended September 30, 2020, total expenditures from the Capital Budget were approximately \$234,069,000. Expenditures included \$41,188,000 for Turnpike Resurfacing, \$27,263,000 for Parkway Resurfacing, and \$25,827,000 for Turnpike Bridge Repairs. Expenditures have increased significantly in the Maintenance Reserve Fund due to both scheduled work and resurfacing work which was accelerated due to more lane closure availability in 2020 from reduced traffic volumes.

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 nine months ended September 30, 2020 were approximately \$122,531,000. Expenses included \$55,069,000 for the NBHCE Bridge Re-decking, \$20,855,000 for Interchange Improvements, and \$15,825,000 for Phase II of Sign Replacements. In addition to these expenditures, there are open contracts and commitments totaling approximately \$258,451,000. Total expenditures from the 2019 Capital Improvement Program for the nine months ended September 30, 2020 were approximately \$49,949,000. Expenses include \$13,105,000 for GSP Shoulder Widening from MP 30 to 35, \$7,342,000 Turnpike Interchange 6 E-ZPass Improvements, and \$6,537,000 for Interchange 6-9 Berm Surfacing Revisions. In addition to these expenditures, there are open contracts and commitments totaling approximately \$389,114,000.