

**New Jersey Turnpike Authority
Financial Summary
For the Ten Months Ended October 31, 2020**

	Actual YTD January - October	YTD Budget January - October	Estimated/Actual 2020
Total Revenue	\$ 1,306,820,000	\$ 1,561,528,000	\$ 1,639,904,000
Operating Expenses	<u>405,658,000</u>	<u>488,072,000</u>	<u>558,971,000</u>
Net Revenue	\$ 901,162,000	\$ 1,073,456,000	\$ 1,080,933,000
Debt Service Requirements	549,480,000	701,414,000	664,218,000
Maintenance Reserve Fund	111,748,000	111,748,000	134,097,000
Special Reserve Fund	34,417,000	34,417,000	41,300,000
Debt Service Coverage	1.64	1.53	1.63
Total Requirements Coverage	1.30	1.27	1.29

The following un-audited results are for the ten months ended October 31, 2020.¹ Based upon these results, revenues will be sufficient to satisfy the requirements of the Authority's Bond Resolution. For the twelve months ending December 31, 2020, the Authority is projected to have a debt service coverage ratio of 1.63 and a total requirements coverage ratio of 1.29.

The Authority's total revenue for the ten months ended October 31, 2020 was \$1,306,820,000, which is \$254,708,000, or 16.3%, below the 2020 Budget. Toll revenue was \$1,109,681,000, which is \$258,188,000, or 18.9%, 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 from COVID-19 impacts continue but have lessened each month since April. Toll revenue has increased each month since September compared to the same month in 2019 due to the toll rate increase effective September 13, 2020. Despite total revenue being under budget, miscellaneous revenue and E-ZPass fees were above budget. Miscellaneous revenue, which totaled \$10,582,000, was \$758,000 or 7.7% above the 2020 budget due to the receipt of insurance recoveries which were not budgeted. E-ZPass fees, which totaled \$74,055,000, were \$7,755,000 or 11.7%, above the 2020 budget.

For the ten months ended October 31, 2020, traffic on the New Jersey Turnpike decreased 26.3% and toll revenue decreased 17.9% compared to the same period in 2019. Traffic and toll revenue decreased entirely due to the impacts of the COVID-19 pandemic, with the toll revenue declines slightly offset by the toll rate increase since September 13, 2020. 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 ten months ended October 31, 2020 were well below CDM Smith's projections of a 1.0% decrease in traffic and a 1.4% increase in revenue. However, New Jersey Turnpike toll revenue for the month of October 2020 increased 15.1% compared to 2019 due to the toll rate increase that went into effect on September 13, 2020 and outperformed CDM Smith's updated toll revenue forecast dated October 6, 2020 by 1.8%. Through October 2020, the E-ZPass usage rate on the New Jersey Turnpike was 89.3%, an increase from 86.8% for the same period in 2019.

For the ten months ended October 31, 2020, toll transactions on the Garden State Parkway decreased 20.4% and revenue decreased 17.6% when compared to the same period in 2019. The decrease in revenue is due entirely to the effects of the COVID-19 pandemic, slightly offset by the toll rate increase since September 13, 2020. The actual results for the ten months ended October 31, 2020 were well below the budget which was based on CDM's projection of a 0.5% increase in toll transactions and a 1.0% increase in toll revenue. Based on the updated toll revenue forecast from CDM Smith dated October 6, 2020, Garden State Parkway toll revenue was only 2.4% below projections for the month of October 2020; however, toll revenue for the month increased 9.4% compared to 2019 due to the toll rate increase on September 13, 2020. Through October 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 ten months ended October 31, 2020 were approximately \$405,658,000, which was 83.1% of the year-to-date budget. The Authority's operating expenses through October were under budget primarily due to lower than budgeted snow and severe weather costs. The Authority spent a total of only \$4,973,000 for snow and severe weather costs in 2020 from the operating expense budget. For the ten months ended October 31, 2020, snow and severe weather costs charged to operating expenses were approximately \$19,352,000 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 ten months ended October 31, 2020, Debt Service totaled \$549,480,000 and included \$488,755,000 in interest payments and \$60,725,000 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 spending totaled \$240,128,000 for the ten months ended October 31, 2020. Spending consisted primarily of \$107,500,000 for the State Transportation Projects Funding Agreement and \$26,703,000 for funding of Service Area Improvements. Also included is \$83,664,000 in net transfers to the Construction Fund, which provides revenue funding for capital projects.

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 ten months ended October 31, 2020, total expenditures were approximately \$257,043,000. Expenditures included \$41,932,000 for Turnpike Resurfacing, \$28,659,000 for Turnpike Bridge Repairs, and \$28,601,000 for Parkway Resurfacing.

Total expenditures from the \$7 Billion Capital Improvement Program (CIP) for the ten months ended October 31, 2020 were approximately \$133,253,000. Spending included \$61,072,000 for NBHCE Bridge Re-decking, \$22,653,000 for Interchange Improvements, and \$17,497,000 for Phase II Sign Replacements. In addition to these expenditures, there are open contracts and commitments totaling approximately \$214,870,00. Total expenditures from the 2019 CIP for the ten months ended October 31, 2020 were approximately \$59,912,000. Spending included \$17,212,000 for GSP Shoulder Widening from MP 30 to 35, \$7,478,000 for Turnpike Interchange 6 E-ZPass Improvements, and \$6,570,000 for TPK Interchange 6-9 Berm Surfacing Revisions. Both programs are funded from bond proceeds. Although there has been no spending to date, there are commitments of \$38,260,000 in the 2021-2025 Capital Improvement Program with spending expected to begin shortly.

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