



NEW JERSEY TURNPIKE AUTHORITY



Quarterly Financial Analysis and Unaudited Financial Statements as of September 30, 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 Nine Months Ended September 30, 2020 and 2019

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

Highlights

- On July 28, 2020, the New Jersey Turnpike Authority (the Authority) issued its Comprehensive Annual Financial Report (CAFR) for the years ended December 31, 2019 and 2018. The financial statements were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States and received an unmodified opinion from the Authority's external auditors.
- On July 28, 2020, the Board of Commissioners entered into a contract with Carahsoft Technology Corporation to begin using their PayIt app to allow patrons without funds to pay their tolls online. The app will conveniently be available for Android, IOS, and PC users. Patrons will pay a small transaction fee based on the amount of the toll if utilizing this app.
- On August 6, 2020, Fitch Ratings affirmed the Turnpike Revenue Bonds at an "A" rating. The rating reflects the stable pre-pandemic traffic and revenue performance, and the prudent operating cost management. The positive rating reflects the Authority's expectations of a continued solid financial profile and stable operational performance, as well as a debt structure with more conservative structural features.
- On September 13, 2020, the toll rates increased 36% on the Turnpike and 27% on the Parkway for all classes of vehicles. Tolls will increase up to maximum 3% pursuant to annual indexing on January 1st of every year beginning in 2022. The increased toll revenue is anticipated to provide sufficient net revenues to issue about \$1 billion of bonds per year to support the newly adopted long range capital program and to satisfy all requirements of the Bond Resolution.
- The Authority's net position decreased by \$83,971, or 14.2%, from \$589,274 as of December 31, 2019, to \$505,303 as of September 30, 2020. The decrease in net position can be attributed to lower operating revenue, which was only partially offset by lower operating expenses and lower non-operating expenses.
- Operating revenue in Q3 2020 is \$421,819, which is \$44,741, or 9.6% less than Q3 2019. Toll revenue on the Turnpike decreased by 12.9%, and traffic decreased by 21.9% in Q3 2020. Parkway toll revenue decreased by 8.8%, while traffic decreased by 12.7% in Q3 2020, compared to Q3 2019. The declines on both roadways were due entirely to the impacts of the COVID-19 pandemic which is marginally offset by the toll rate increase effective September 13, 2020.

September 30, 2020

(Continued)

Condensed Summary of Net Position

	Nine months ended September 30, 2020	Twelve months ended December 31, 2019
Assets:		
Current assets	\$ 1,698,961	2,174,701
Other noncurrent assets	617,399	694,519
Capital assets, net of accumulated depreciation	12,197,965	12,094,445
Total assets	\$ 14,514,325	14,963,665
Deferred outflows	\$ 403,300	388,890
Liabilities:		
Current liabilities	\$ 671,744	970,744
Noncurrent liabilities	13,438,276	13,490,235
Total liabilities	\$ 14,110,020	14,460,979
Deferred inflows	\$ 302,302	302,302
Net position:		
Net investment in capital assets	\$ 1,864,738	1,687,349
Restricted under trust agreements	72,090	246,242
Unrestricted	(1,431,525)	(1,344,317)
Total net position	\$ 505,303	589,274

Discussion of Condensed Summary of Net Position as of September 30, 2020

- **Total Net Position-** The decrease of \$83,971, or 14.2%, is mainly due to lower operating revenues in 2020 due to impact of the COVID-19 pandemic.
- **Assets-** Current assets have declined by \$475,740 or 21.2%. This is due to lower revenues resulting from the impacts of the COVID-19 pandemic reducing amounts available for short-term investments. Other noncurrent assets decreased by \$77,120, or 11.1%, 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. Capital assets increased by \$103,520, or 0.9%, as compared to December 31, 2019 mainly due to continued spending on the capital and construction projects and increase in equipment purchases. The increase in capital assets was partially offset by depreciation expense.
- **Liabilities-** The decrease of \$299,000 or 30.8% in the current liabilities mostly resulted from a decrease in current portion of bonds payable and lower accrued interest payable. The current portion of bonds payable decreased as the Authority refunded certain maturities of its currently outstanding bonds which resulted in reduction of debt service obligation by restructuring principal payments due on 1/1/2021 to 1/1/2026 at the earliest. As a result of restructuring, accrued interest payable as of the September 30, 2020

September 30, 2020

(Continued)

includes only three months. Noncurrent liabilities decreased by \$51,959 or 0.4%, primarily due to a \$101,376 or 0.9% decrease in bonds payable. The decrease in bonds payable was entirely due to the mandatory redemption of outstanding Turnpike Revenue Bonds in January 2020. The 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 as a result of the negative mark to market value increasing due to an interest rates decline.

- Deferred Outflows and Inflows – There is no significant change in the deferred inflows and outflows since December 31, 2019.

Adjusted Net Position

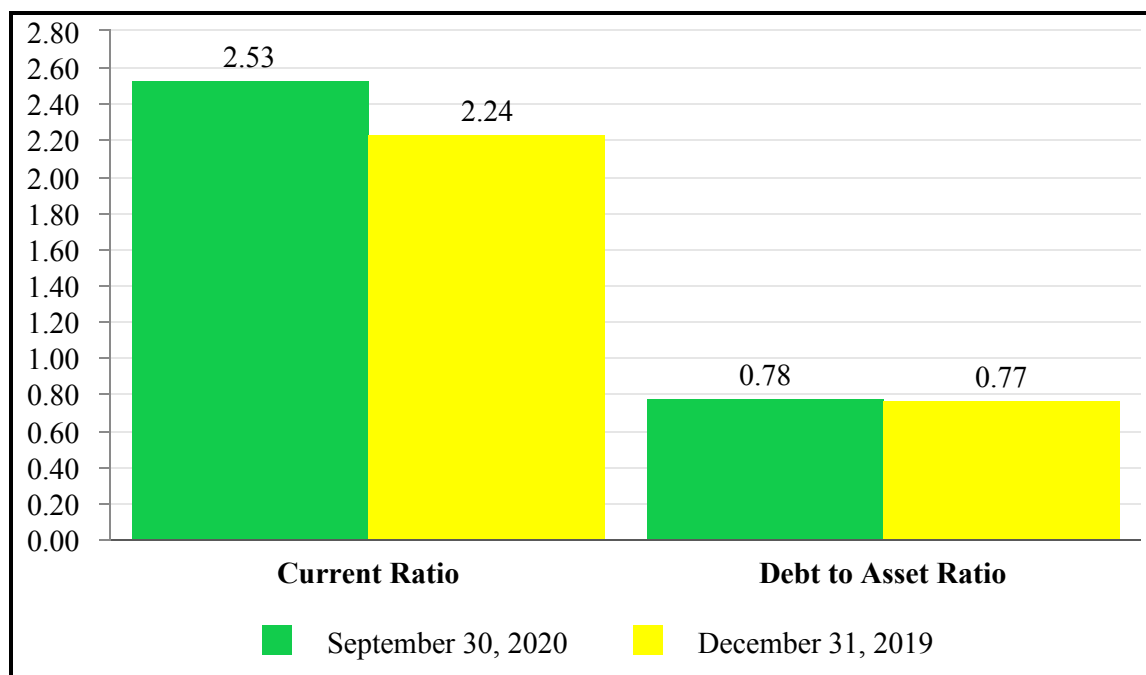
	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Net Position as per GAAP Financials	505,303	589,274
Other postemployment benefit liability/deferral GASB 75, net	1,580,247	1,546,471
Pension liability/deferral GASB 68, net liability	395,022	395,021
Derivatives Instruments/deferrals GASB 53, net	(109,960)	(104,409)
Pollution Remediation GASB 49	11,658	11,658
Leases GASB 62, net	34,344	34,344
Total non cash adjustments	<u>1,911,311</u>	<u>1,883,085</u>
Garden State Arts Foundation	<u>(1,173)</u>	<u>(680)</u>
Net Position as per Bond Resolution	<u>2,415,441</u>	<u>2,471,679</u>

Adjusted net position

Shown above is the Authority's adjusted net position as calculated per the Authority's Bond Resolution. Net position, per the Bond Resolution, has been calculated after adjusting for the accounting impact of various GASB Statements implemented by the Authority over past several years. 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.

Net Position Ratio Analysis – GAAP Basis

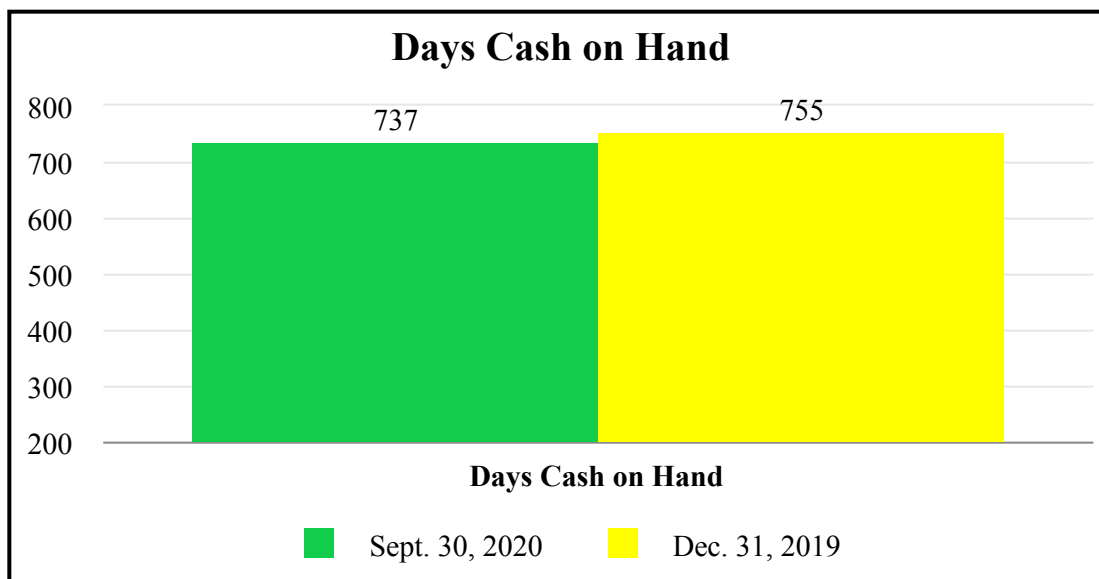
Ratio	Sept. 30, 2020	Dec. 31, 2019	Explanation
Current Ratio	2.53	2.24	The current ratio is calculated by dividing current assets by current liabilities. A current ratio over 1.0 indicates an organization's ability to meet their short term obligations. The Authority's current ratio increased over the period due to a decrease in accrued interest payable and current portion of bonds payable due to the debt refinancing. The ratio indicates a strong capacity to meet short term obligations as it is greater 2.5 times the amount of current assets as compared with current liabilities for September 30, 2020.
Debt to Asset Ratio	0.78	0.77	The debt to assets ratio is calculated by dividing total debt by total assets. A ratio of less than 1.0 indicates an organization has greater assets than liabilities. The debt to asset ratio increased slightly mainly due to a decline in current assets as a result of decline in short term investments resulted from revenue losses.



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 the number of days the Authority would be able to pay its operating expenses without the generation of revenue. The Authority has 737 in days cash on hands as compared to 755 on December 31, 2019. This decrease is primarily due to lower total investments as a result of a decline in operating revenue due to the Covid-19 pandemic.

	<u>Sept. 30, 2020</u>	<u>Dec. 31, 2019</u>
Unrestricted Cash & Investments	\$ 990,045	1,098,509
Daily Operating Expenses (Revenue Fund)	1,343	1,455
Days cash on hand	737	755



Capital Assets

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Land	833,761	833,761
Construction-in-progress	963,017	572,497
Roadways	4,447,664	4,581,959
Bridges	4,255,122	4,345,579
Buildings and improvements	833,973	850,588
Equipment	<u>864,428</u>	<u>910,061</u>
Total capital assets, net of accumulated depreciation	<u><u>12,197,965</u></u>	<u><u>12,094,445</u></u>

Capital assets consist of land, buildings and 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 September 30, 2020 were \$16,889,719 with an accumulated depreciation of \$4,691,754 for a net book value of \$12,197,965. This represents 84.0% of the Authority's total assets.
- Capital assets, net of accumulated depreciation, are reported at \$12,197,965 as of September 30, 2020 and \$12,094,445 as of December 31, 2019. This represents an increase of \$103,520 or 0.86% in the current year as compared to December 31, 2019. The main reason for the increase is due to the increase in equipment purchases and increase in construction in progress in the nine months ended September 30, 2020. This increase is partly offset by an increase in accumulated depreciation in the nine months ended September 30, 2020 as compared to December 31, 2019.



Capital and Construction Program

The Authority creates and maintains its infrastructure and other capital assets with revenue and bond funded capital and construction programs. These programs focus on the maintenance and preservation of the existing infrastructure as well as capacity enhancement and technology and facility improvements. Revenue funded capital program includes – (I) Maintenance Reserve Fund (II) Special Projects Reserve Fund, (III) Supplemental Capital Fund and (IV) the Passaic River Bridge Rehabilitation Program. The Construction Fund includes three active bond funded Capital Improvement Programs (CIP) - (V) the 2021-2025 CIP, (VI) the 2019 CIP, and (VII) the \$7 Billion CIP.

I. Maintenance Reserve Fund

This fund primarily supports the maintenance and resurfacing of roadway and bridges on the Turnpike and Parkway. As of Sept. 30, 2020, the total expenditures were approximately \$133,900 and there are open commitment and contracts totaling approximately \$93,500. The Projects currently included in the Maintenance Reserve Fund are:

Project	Current Budget	Amount Spent or Committed to Date	Percent Spent & Committed to Date
Drainage Structure Repairs	35,156	22,600	64 %
Concrete Barrier Repairs	1	—	100 %
Bridge Repairs	79,952	78,000	98 %
Resurfacing	103,499	99,500	96 %
Major Roadway Repairs	2,508	2,300	90 %
Roadway Lighting	32,117	25,100	78 %
Emergency Repairs	215	—	(10)%
Recovery/Unallocated Chargebacks/ Contingency	2,495	—	— %
Emergency Maintenance	—	—	— %
	\$ 255,943	227,500	89 %

Due to a favorable weather and comparatively less traffic on the roadway, the Authority successfully expedited resurfacing work on both the roadways in 2020.

II. Special Project Reserve Fund

This fund includes spending for the Authority's scheduled major fleet augmentation, which is the Authority's existing scheduled fleet replacement program, as well as other renovation and replacement projects, and studies. As of Sept. 30, 2020, the total expenditures were approximately \$22,800 and there are open commitment and contracts totaling approximately \$27,000. The Projects currently included in the Special Project Reserve Fund are:

Project	Current Budget	Amount Spent or Committed to Date	Percent Spent & Committed to Date
Roadway Improvements	5,400	1,200	22 %
Facility Improvements	20,500	8,600	42 %
Fleet	15,400	15,200	99 %
Technology Improvements	14,900	4,600	31 %
Maintenance of Infrastructure	20,400	16,900	83 %
State Police and Traffic Control	1,500	600	40 %
Technology	2,500	1,500	60 %
General and Administrative Expenses	1,700	1,100	65 %
	\$ 82,300	49,700	60 %

The major projects include work related to bridge inspection, fleet augmentation and building renovation in 2020.

III. Supplemental Capital Fund

This includes funding to continue several necessary multi-year projects including the replacement of the toll collection equipment on both roadways, the pavement repair on the New Jersey Turnpike Interchange 14 approach, improvements to the Garden State Arts Center, and the repairs and improvements to the Service Area parking lots and outside areas. As of Sept. 30, 2020, the total expenditures were approximately \$54,800 and there are open commitment and contracts totaling approximately \$55,100. The Projects currently included in the Supplemental Capital Fund are:

Project	Current Budget	Amount Spent or Committed to Date	Percent Spent & Committed to Date
Bridge Repairs	8,700	—	— %
Roadway Improvements	51,700	38,300	74 %
Resurfacing	18,500	17,100	93 %
Facility Improvements	36,600	17,600	48 %
Service Areas And Arts Center	36,900	27,100	73 %
Technology Improvements	12,100	5,400	45 %
Contingency	5,000	—	— %
Maintenance of Infrastructure	4,000	2,100	52 %
Technology	3,300	2,200	66 %
	\$ 176,800	109,800	62 %

The major projects included are I-78 pavement repairs, additional resurfacing on Garden State Parkway, service area and art center improvement work as well as technology improvement.

IV. Passaic River Bridges Program

In July 2017, the \$100 million Passaic River Bridges Program was established by the Board of Commissioners as a revenue funded Capital Improvement Program. The program is a direct result of the Authority's ability to achieve debt savings through refinancing Series 2009E, Series 2009H, Series 2009I and Series 2013A in 2017. These refinancings reduced the annual interest payments on the Authority's outstanding bond portfolio. This program budget was amended in 2020 from \$100 million to \$132 million. As of Sept. 30, 2020, the total expenditures were approximately \$25,700 and there are open commitment and contracts totaling approximately \$18,900. The Projects currently included in the Passaic River Bridges Program are:

Project	Current Budget	Amount Spent or Committed to Date	Percent Spent & Committed to Date
Passaic River Bridge Rehabilitation Project	97,300	9,300	10 %
Laderman Bridge Repair Project	24,900	24,800	100 %
Washington Bridge Repair Project	9,900	10,400	105 %
	\$ 132,100	44,500	34 %

V. 2021-2025 Capital Improvement Program

The 2021- 2025 CIP, which is derived from the 2020 Long-Range Capital Plan which was approved in May 2020, is starting with a small budget of \$38.3 million primarily related to the design work for the approved projects under this plan. Included in this program initially are several projects focusing on bridge rehabilitation and replacement on both roadways, capacity enhancements such as the Newark Bay Hudson County Extension on the Turnpike, Interchanges 1 to 4 on the Turnpike and Interchange 80 between mileposts 80 and 83 on the Parkway, culvert rehabilitation on both roadways, and Turnpike Interchange 17 ramp bridge replacement. The 2021-2025 CIP will be funded through bond proceeds. The Projects currently included in the 2021- 2025 CIP are the following:

Project	Current Budget	Amount Spent or Committed to Date	Percent Spent & Committed to Date
Bridge Construction, Preservation & Security	\$ 1,606,440	22,050	1.4 %
Capacity Enhancements	1,580,300	4,500	0.3 %
Interchanges	132,000	—	— %
Resiliency	139,500	—	— %
Concrete Barrier	34,400	785	2.3 %
Drainage Structures	423,075	1,300	0.3 %
Roadway Lighting	161,985	3,575	2.2 %
Other Roadway Improvements	216,900	—	— %
Technology Improvements	219,000	2,500	1.1 %
	4,513,600	34,710	0.8 %

VI. 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 and Interchange Improvements.

As of Sept. 30, 2020, the total expenditure for this program were approximately \$51,700 and there are open contracts and commitments totaling approximately \$387,400. Spending includes approximately \$13,100 for the Garden State Parkway Shoulder Widening Project and \$7,400 for the Turnpike Interchange 6 EZ-Pass Improvement Project. 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	\$ 264,800	242,500	92 %
Bridge Improvements	194,300	204,400	105 %
Facilities Improvements	10,000	1,800	18 %
Interchange improvements	10,000	7,500	75 %
Contingency	5,000	—	—
	\$ 484,100	456,200	94 %

VII. \$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 nine months ended September 30, 2020 were approximately \$6,707,700. Spending included approximately \$58,300 for the NBHCE Bridge Re-decking, approximately \$22,400 for the Interchange Improvements, approximately \$15,800 for the Sign Replacements Phase II, approximately \$9,000 for the Facilities Improvements Phase I, and approximately \$4,900 for the Deck Reconstruction Phase II. In addition to these expenditures, there are open contracts and commitments totaling approximately \$252,700. 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)	\$ 2,133,500	2,132,200	100 %
Bridge Improvements	1,704,400	1,670,400	98 %
Roadway Improvements	834,300	831,200	100 %
Interchange Improvements	1,060,300	1,036,200	98 %
Facilities Improvements	684,300	677,900	99 %
Parkway Widening (Milepost 35-80)	583,200	577,900	99 %
	\$ 7,000,000	6,925,800	99 %

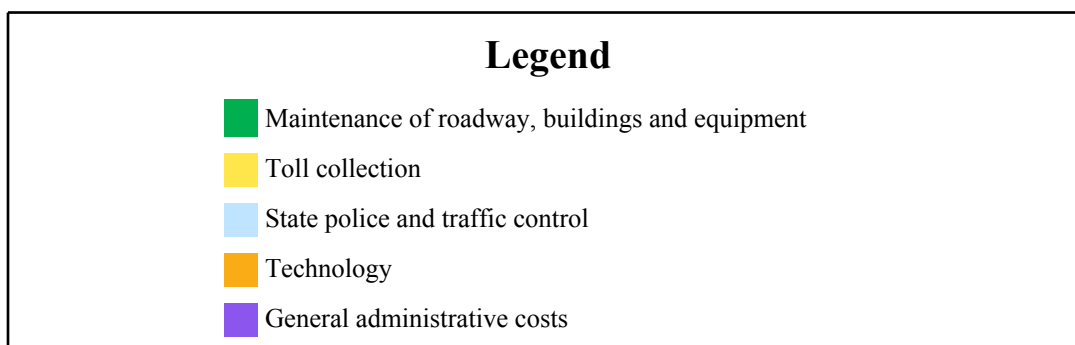
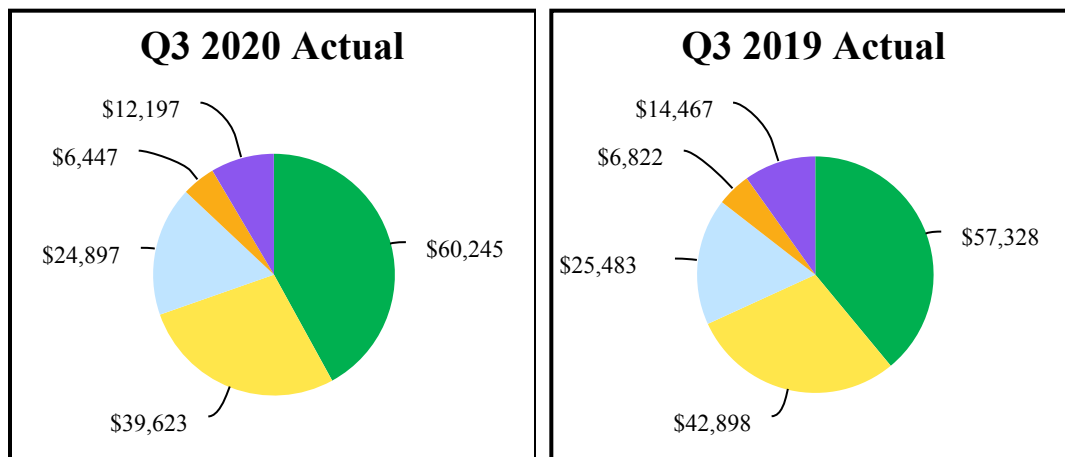


Condensed Summary of Revenue, Expenses and Changes in Net Position

	Q3 2020	Q3 2019	September 2020	September 2019	September 2020
	(Actual)	(Actual)	(Actual)	(Actual)	(Budget)
Operating revenues:					
Toll revenue	\$ 381,629	\$ 432,228	\$ 953,017	1,212,698	1,226,765
E-ZPass fees	27,720	20,472	63,875	60,096	58,693
Concession revenue	8,770	10,148	24,110	25,503	27,431
Miscellaneous revenue	3,700	3,712	10,107	12,191	8,842
Total operating revenues	<u>421,819</u>	<u>466,560</u>	<u>1,051,109</u>	<u>1,310,488</u>	<u>1,321,731</u>
Operating expenses, excluding depreciation	<u>(143,409)</u>	<u>(146,998)</u>	<u>(412,489)</u>	<u>(453,915)</u>	<u>(488,678)</u>
Net operating revenue	278,410	319,562	638,620	856,573	833,053
Depreciation expense	<u>(97,742)</u>	<u>(95,517)</u>	<u>(293,121)</u>	<u>(286,497)</u>	<u>(292,500)</u>
Operating income (loss)	<u>180,668</u>	<u>224,045</u>	<u>345,499</u>	<u>570,076</u>	<u>540,553</u>
Nonoperating revenues (expenses):					
Build America Bonds subsidy	19,502	19,212	58,513	57,513	57,636
Federal and State reimbursements	—	—	—	1,006	—
Payments to the State of New Jersey	(38,375)	(38,500)	(115,125)	(141,000)	(115,125)
Interest expense, Turnpike Revenue Bonds	(139,155)	(140,997)	(403,636)	(407,431)	(404,517)
Other bond expenses	(257)	(2)	(364)	(1,306)	—
Investment income	4,869	13,213	22,658	39,073	22,451
Arts Center	998	998	3,284	3,288	3,286
Total nonoperating revenues (expenses), net	<u>(152,418)</u>	<u>(146,076)</u>	<u>(434,670)</u>	<u>(448,857)</u>	<u>(436,269)</u>
Change in net position, before capital contributions	28,250	77,969	(89,171)	121,219	104,284
Capital contributions	<u>200</u>	<u>200</u>	<u>5,200</u>	<u>200</u>	<u>—</u>
Change in net position	28,450	78,169	(83,971)	121,419	104,284
Net position – Beginning of period	<u>590,719</u>	<u>389,516</u>	<u>589,274</u>	<u>398,254</u>	<u>589,274</u>
Net position – End of period	<u>\$ 619,169</u>	<u>\$ 467,685</u>	<u>\$ 505,303</u>	<u>519,673</u>	<u>693,558</u>

Operating Expenses

Operating expenses by category for the Q3 2020 actuals, Q3 2019 actuals, and Q3 2020 budget and are shown below:



Discussion of Condensed Summary of Revenue, Expenses and Changes in Net Position for the quarter ended September 30, 2020 and 2019

- Operating Revenue – Total operating revenue declined by \$44,741, or by 9.6% for the quarter ended September 30, 2020 as compared to the same period of 2019. This decline is mainly due to decreases in the toll revenue and concession revenue due to the continued impact of the Covid-19 pandemic and to lower miscellaneous revenue due to fewer surplus land and property sales, lower insurance claims, and no FEMA reimbursements in 2020 which is marginally offset by an increase in the E-ZPass fees,

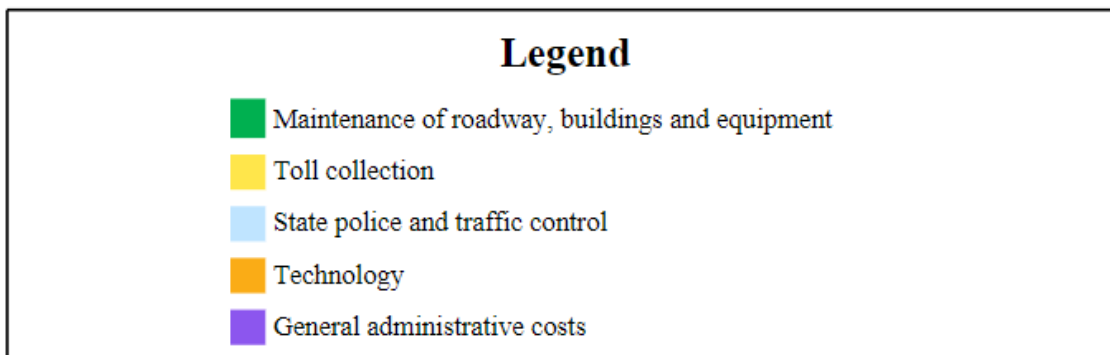
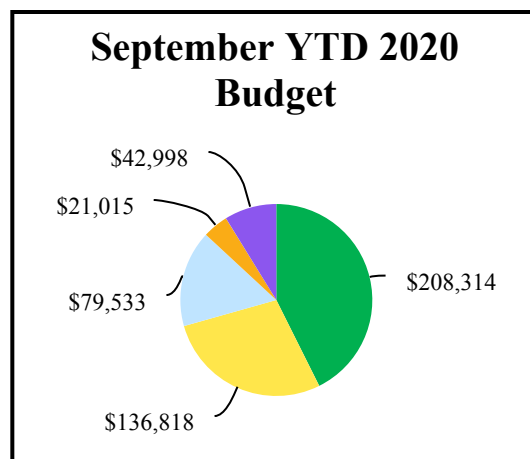
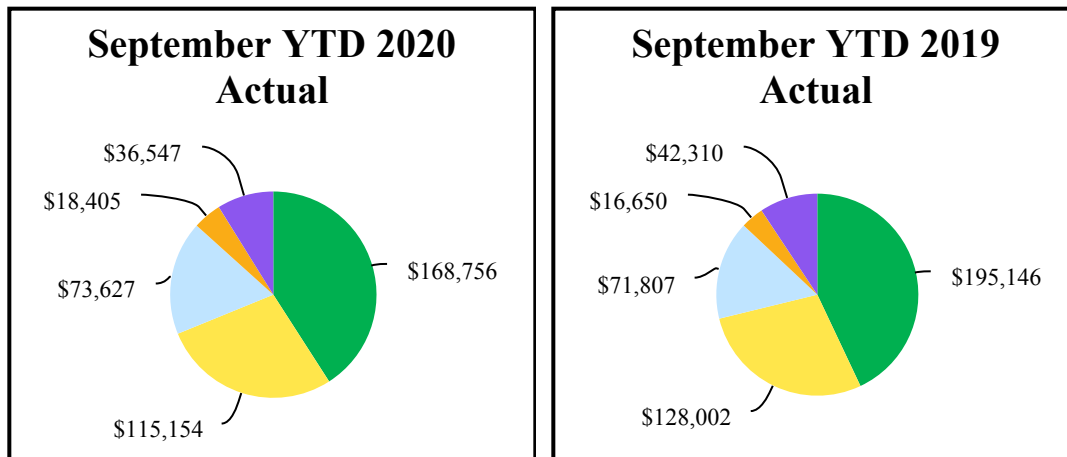


which is partially due to an increase in administrative fees as violation rates have increased.

- **Operating Expenses** – Operating expenses are lower by \$1,741 or by 0.7% for the quarter ended September 30, 2020 as compared to the same period of 2019. Toll collection expenses are lower due to lower electronic toll collection processing costs due to lower volume of toll transactions and revenue. General administrative expenses are lower largely due to decrease in legal expenses and litigation settlement costs. The decrease in operating expense is partially offset by increases in depreciation expense as a result of a higher capital asset base and an increase in roadway lighting maintenance.
- **Non-operating Revenue and Expenses** - Net non-operating expenses are higher by \$6,342 or by 4.3% primarily due to lower investment income. Excluding the investment income, all other nonoperating revenues and expenses for the quarter ended September 30, 2020 are flat as compared to the same period of 2019. The decrease in investment income is due to a decline in the interest rates and lower invested balances as of September 30, 2020.
- **Change in Net Position** – Change in net position for the quarter ended September 30, 2020 is \$49,342 or 63.1% lower as compared to the same period of 2019 largely due to lower operating revenue and higher operating and non-operating expenses.

Operating Expenses

Operating expenses by category for the for the nine months ended September 30, 2020 and for the nine months ended September 30, 2019 actuals shown below:



Discussion of Condensed Summary of Revenue, Expenses and Changes in Net Position for the nine months ended September 30, 2020 and 2019

- Operating Revenue – Total operating revenue declined by \$259,379, or by 19.8% for the nine months ended September 30, 2020 as compared to the same period in 2019. Operating revenues were lower by \$270,622 or 20.5% than the year to date budget. This decline is mainly due to a decrease in the toll revenue and concession revenue due to the continued impact of the Covid-19 pandemic. The lower miscellaneous revenue is due to fewer surplus land and property sales, lower insurance claims and no FEMA reimbursements in 2020 which is marginally offset by an increase in the E-ZPass fees, which is partially due to an increase in administrative fees as violation rates have increased. Toll revenue slightly increased in September 2020 compared to September 2019 due to the toll increase effective September 13, 2020.
- Operating Expenses – Operating expenses are lower by \$34,802 or by 4.7% for the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019. This is lower by \$75,568 or 9.7% than the year to date budget. The main reasons for the lower operating expense are decrease in Maintenance expenses, Toll Collection expenses and General administrative expenses. Maintenance expenses decreased as milder winter weather resulted in lower snow removal costs. Additionally, the Authority had lower equipment and vehicle purchases, lower gas usage and lower facilities maintenance costs all related to the impacts of the COVID-19 pandemic. Other important reasons for the decrease in the operating expenses are decrease in health benefits costs and lower salaries due to vacancies. The overall decrease in operating expense is partially offset by increase in depreciation expense. The depreciation expense increased with the increase in the capital assets as of September 30, 2020.
- Non-operating Revenue and Expenses - Net non-operating expenses are lower by \$14,187 or by 3.2% for the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019. This is also lower than the year to date budget by \$1,599 or 0.4% for the nine months ended September 30, 2020. The decrease is largely due to lower payments to the State 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 overall decrease in the Net non-operating expenses are partially offset by the decrease in the investment income which resulted from lower yields caused by lower interest rates and lower amounts invested.
- Change in net position decreased by \$205,390 or 169.2% for the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019. Change in net position was also \$188,255 or 180.5% below the budgeted amount for the nine months ended September 30, 2020. This is mainly due to lower net operating revenue for the nine months ended September 30, 2020.

September 30, 2020

(Continued)

Adjusted Revenue, Expenses and Changes in Net Position

	Q3 2020	Q3 2019	YTD September 30, 2020	YTD September 30, 2019
Change in Net Position as per GAAP Financials	\$ 28,879	78,222	(83,971)	121,419
Unfunded non-cash adjustments:				
Total operating expenses	11,100	14,151	33,776	44,331
Interest expense, Turnpike Revenue Bonds	7,500	5,579	(5,550)	3,157
Total Non-Cash Adjustment	<u>\$ 18,600</u>	<u>19,730</u>	<u>28,226</u>	<u>47,488</u>
Garden State Arts Foundation	<u>—</u>	<u>(155)</u>	<u>493</u>	<u>64</u>
Change in net position as per Bond Resolution	<u>\$ 47,479</u>	<u>98,107</u>	<u>(56,238)</u>	<u>168,843</u>
Add other non-cash expenses				
Depreciation	97,313	95,466	293,121	286,492
Amortization	<u>(10,569)</u>	<u>(14,122)</u>	<u>(32,736)</u>	<u>(42,264)</u>
Change in Net Position - Non-GAAP	<u>\$ 134,223</u>	<u>179,451</u>	<u>204,147</u>	<u>413,071</u>

Shown above is the Authority's adjusted net position as calculated per the Authority's Bond Resolution. Net position, per the Bond Resolution, has been calculated after adjusting for the accounting impact of various GASB Statements implemented by the Authority over past several years. 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.

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 September 30, 2020 and 2019

(Unaudited)

(In thousands)

Class	Description	Q3 2020		Q3 2019	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 184,736	46,375	227,466	61,527
2	Vehicles having two axles other than type described under Class 1	18,424	2,398	17,210	2,406
3	Vehicle (vehicles), single or in combination, having three axles	8,737	1,007	9,052	1,068
4	Vehicle (vehicles), single or in combination, having four axles	9,919	777	8,656	738
5	Vehicle (vehicles), single or in combination, having five axles	61,613	3,855	54,668	3,778
6	Vehicle (vehicles), single or in combination, having six or more axles	2,572	130	2,575	135
7	Buses having two axles	186	70	517	133
8	Buses having three axles	1,434	178	3,627	362
	Nonrevenue vehicles	—	232	—	314
		<u>\$ 287,621</u>	<u>55,022</u>	<u>323,771</u>	<u>70,461</u>
	Nonrevenue vehicles	—	(232)	—	(314)
	Toll adjustments and discounts	(1,131)	—	(1,130)	—
	Net Uncollected Tolls	<u>(15,967)</u>	<u>—</u>	<u>(12,223)</u>	<u>—</u>
		<u><u>\$ 270,523</u></u>	<u><u>54,790</u></u>	<u><u>310,418</u></u>	<u><u>70,147</u></u>

September 30, 2020

(Continued)

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

NEW JERSEY TURNPIKE

Schedule of Toll Revenue

For the nine months ended September 30, 2020 and 2019

(Unaudited)

(In thousands)

Class	Description	YTD September 30, 2020		YTD September 30, 2019	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 451,885	\$ 122,302	631,331	174,969
2	Vehicles having two axles other than type described under Class 1	47,069	6,404	50,126	6,990
3	Vehicle (vehicles), single or in combination, having three axles	23,447	2,832	30,959	3,389
4	Vehicle (vehicles), single or in combination, having four axles	27,303	2,240	25,117	2,196
5	Vehicle (vehicles), single or in combination, having five axles	171,311	11,120	156,943	11,160
6	Vehicle (vehicles), single or in combination, having six or more axles	7,815	392	9,224	456
7	Buses having two axles	715	237	1,503	385
8	Buses having three axles	5,145	574	10,240	1,006
	Nonrevenue vehicles	—	717	—	1,066
		\$ 734,690	146,818	915,443	201,617
	Nonrevenue vehicles	—	(717)	—	(1,066)
	Toll adjustments and discounts	(3,241)	—	(3,286)	—
	Net Uncollected Tolls	(41,511)	—	(30,682)	—
		<u>\$ 689,938</u>	<u>\$ 146,101</u>	<u>881,475</u>	<u>200,551</u>

September 30, 2020

(Continued)

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
GARDEN STATE PARKWAY
Schedule of Toll Revenue
Quarters ended September 30, 2020 and 2019
(Unaudited)
(In thousands)

Class	Description	Q3 2020		Q3 2019	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 109,203	91,772	119,145	105,319
2	Vehicles having two axles other than type described under Class 1	1,153	497	815	375
3	Vehicle (vehicles), single or in combination, having three axles	1,188	368	1,028	332
4	Vehicle (vehicles), single or in combination, having four axles	1,213	264	1,254	287
5	Vehicle (vehicles), single or in combination, having five axles	820	161	766	161
6	Vehicle (vehicles), single or in combination, having six or more axles	26	5	35	7
7	Buses having two axles	164	76	472	155
8	Buses having three axles	304	127	765	237
	Nonrevenue vehicles	—	377	—	380
		<u>\$ 114,071</u>	<u>93,647</u>	<u>124,280</u>	<u>107,253</u>
	Nonrevenue vehicles	—	(377)	—	(380)
	Toll adjustments and discounts	(92)	—	(97)	—
	Net Uncollected Tolls	<u>(2,873)</u>	<u>—</u>	<u>(2,373)</u>	<u>—</u>
		<u><u>\$ 111,106</u></u>	<u><u>93,270</u></u>	<u><u>121,810</u></u>	<u><u>106,873</u></u>

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

Schedule of Toll Revenue

For the nine months ended September 30, 2020 and 2019

(Unaudited)

(In thousands)

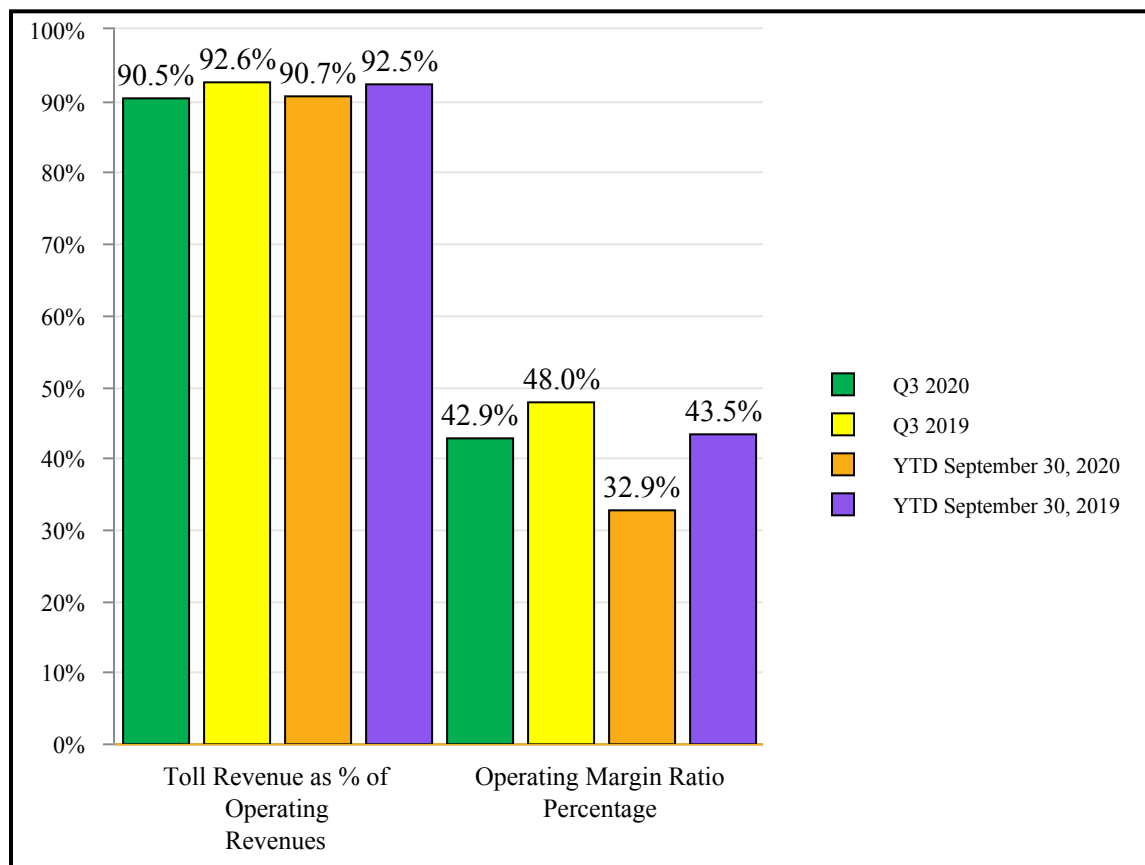
Class	Description	YTD September 30, 2020		YTD September 30, 2019	
		Toll revenue	Number of vehicles	Toll revenue	Number of vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 259,713	227,335	323,975	289,164
2	Vehicles having two axles other than type described under Class 1	2,808	1,266	2,181	1,021
3	Vehicle (vehicles), single or in combination, having three axles	2,873	917	2,611	840
4	Vehicle (vehicles), single or in combination, having four axles	2,809	643	3,061	707
5	Vehicle (vehicles), single or in combination, having five axles	2,170	452	2,214	470
6	Vehicle (vehicles), single or in combination, having six or more axles	85	15	110	22
7	Buses having two axles	664	268	1,408	512
8	Buses having three axles	986	384	2,003	683
	Nonrevenue vehicles	—	1,067	—	1,181
		\$ 272,108	232,347	337,563	294,600
	Nonrevenue vehicles	—	(1,067)	—	(1,181)
	Toll adjustments and discounts	(232)	—	(251)	—
	Net Uncollected Tolls	(8,797)	—	(6,089)	—
		\$ 263,079	231,280	331,223	293,419

September 30, 2020

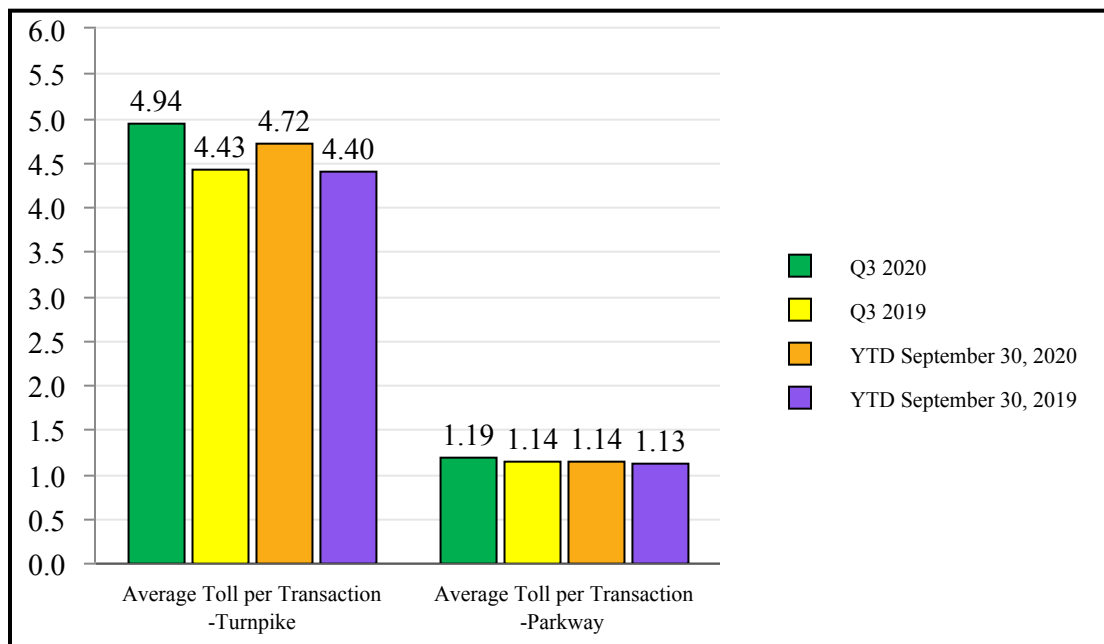
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Revenue and Expense Ratio Analysis – GAAP Basis

Ratio	Q3 2020	Q3 2019	YTD September 30, 2020	YTD September 30, 2019	Explanation
Toll Revenue as % of Operating Revenue	90.5%	92.6%	90.7%	92.5%	Toll revenue as a percentage of operating revenue is calculated by dividing toll revenue by operating revenue. This ratio decreased in Q3 2020 as compared to Q3 2019 due to lower toll revenue from the COVID-19 pandemic. This ratio indicates that almost all of the Authority's revenue is earned from toll collection.
Operating Margin Ratio Percentage	42.9%	48.0%	32.9%	43.5%	The operating margin ratio percentage is calculated by taking operating income before interest and dividing by total operating revenue. This ratio is decreased in Q3 2020 as compared to Q3 2019 due to lower operating revenue due to the pandemic impacts. In Q3 2020 Toll revenue had a significant decrease. Concession revenue and Miscellaneous Revenue also decreased when compared to Q3 2019.



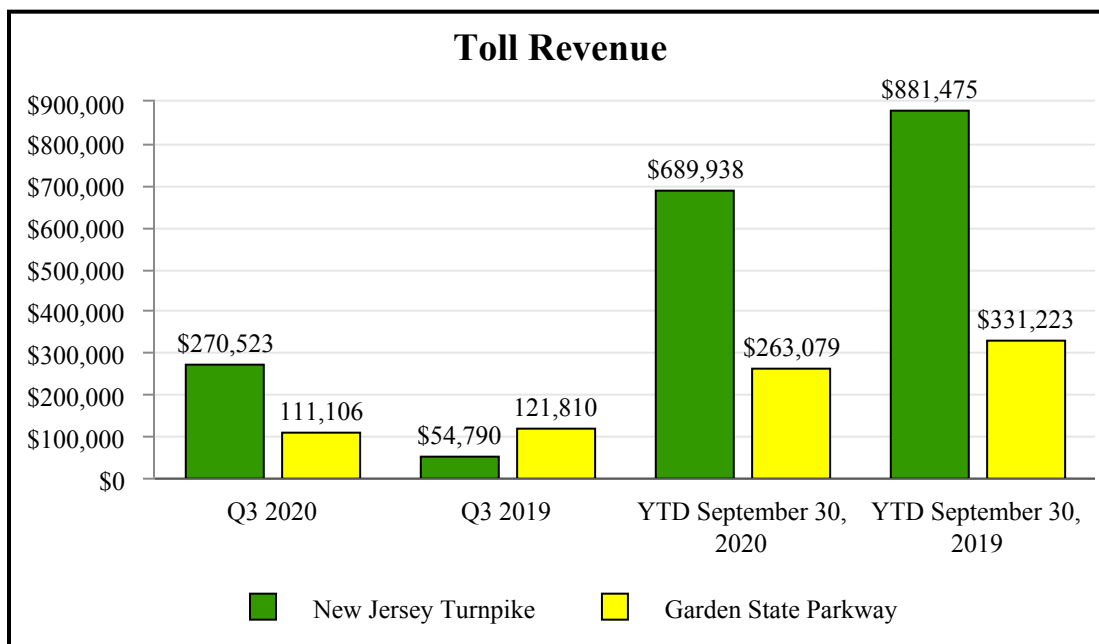
Ratio	Q3 2020	Q3 2019	YTD September 30, 2020	YTD September 30, 2019	Explanation
<i>Average Toll per Transaction -Turnpike</i>	4.94	4.43	4.72	4.40	Average toll per transaction is calculated by dividing toll revenue by the number of toll transactions. The average toll per transaction increased in Q3 2020 as compared to Q2 2019. The decline in passenger vehicles was greater than the decline in commercial vehicles resulting in an overall higher average toll.
<i>Average Toll per Transaction -Parkway</i>	1.19	1.14	1.14	1.13	The average toll per transaction has increased slightly in Q3 2020 as compared to Q3 2019. Although toll revenue and transactions decreased in Q3 2020 compared to Q3 2019, the average toll per transaction slightly increased due to implementation of new toll rates by the Authority in September 2020.



Key Performance Metrics- Revenue and Expenses

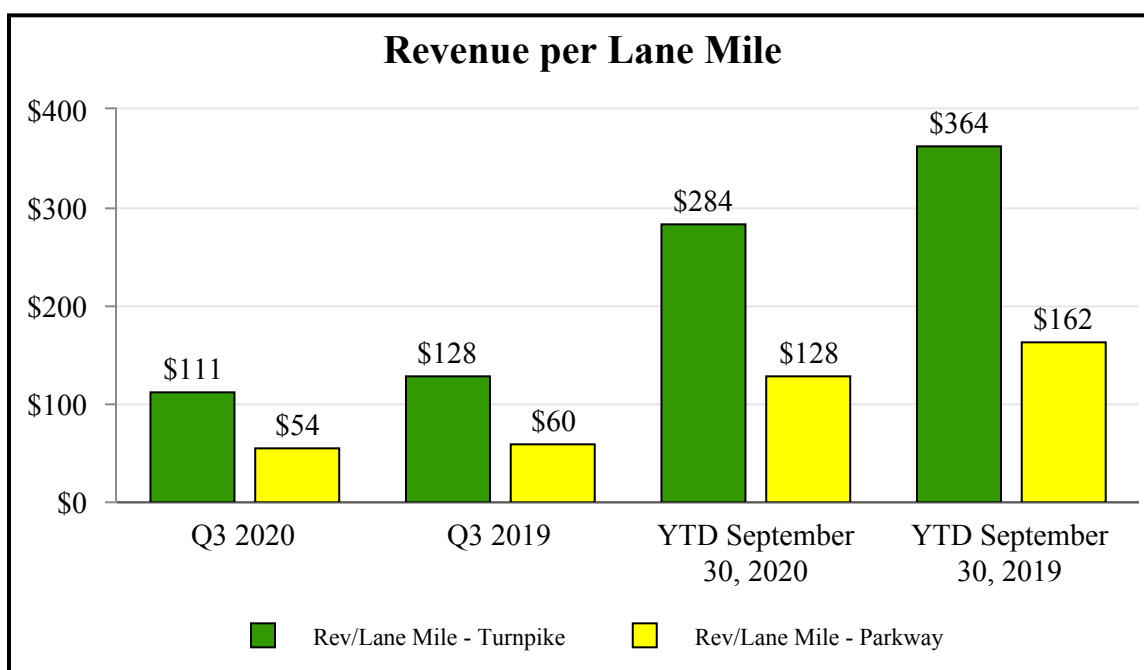
Toll Revenue – Toll revenue on the Turnpike and Parkway declined when comparing year-to-date 2020 and 3rd quarter 2020 to the same periods in 2019. As previously discussed, this decline is due to the impacts of the COVID-19 pandemic.

	Q3 2020	Q3 2019	Percent Change	YTD September 30, 2020	YTD September 30, 2019	Percent Change
Toll Revenue- Turnpike	270,523	310,418	(12.9)%	689,938	881,475	(21.7)%
Toll Revenue- Parkway	111,106	121,810	(8.8)%	263,079	331,223	(20.6)%
Total Toll Revenue	381,629	432,228	(11.7)%	953,017	1,212,698	(21.4)%



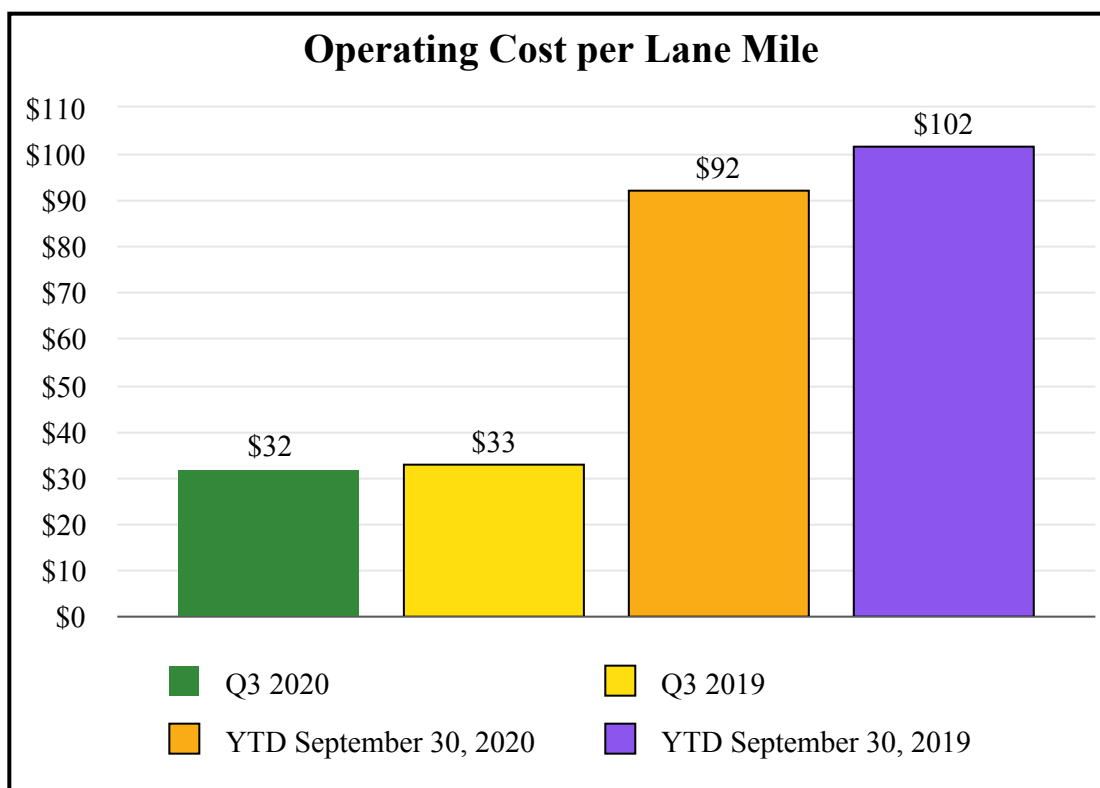
Revenue per Lane Mile – Revenue per lane mile has decreased on the Turnpike and Parkway when comparing year-to-date 2020 and 3rd quarter 2020 to the same periods in 2019.

	Q3 2020	Q3 2019	YTD September 30, 2020	YTD September 30, 2019
Toll Revenue - Turnpike	\$ 270,523	310,418	689,938	881,475
Toll Revenue - Parkway	111,106	121,810	263,079	331,223
Total Toll Revenue	\$ 381,629	432,228	953,017	1,212,698
Lane Miles (actual) - Turnpike	2,427	2,423	2,427	2,423
Lane Miles (actual) - Parkway	2,050	2,041	2,050	2,041
Total Lane Miles (actual)	4,477	4,464	4,477	4,464
Revenue per Lane Mile - Turnpike	\$ 111	128	284	364
Revenue per Lane Mile - Parkway	\$ 54	60	128	162
Revenue per Lane Mile - Authority	\$ 85	97	213	272



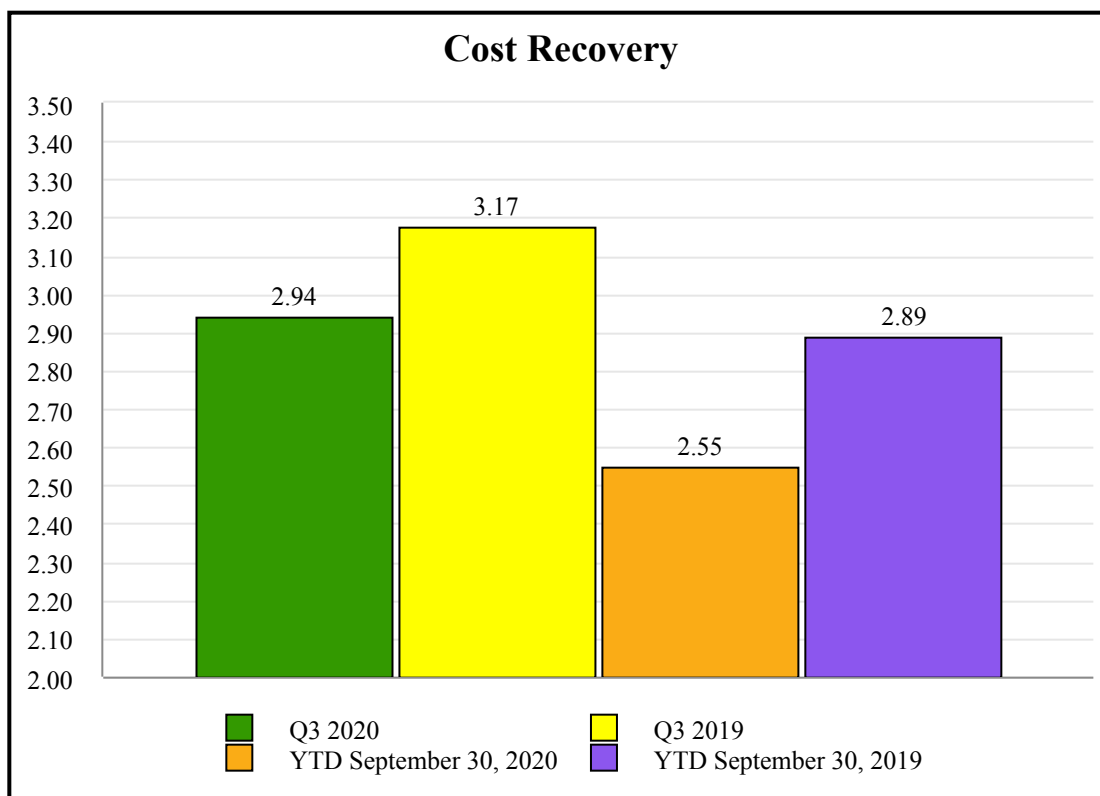
Operating Cost per Lane Mile – Operating expenses shown below exclude depreciation. Operating expenses declined over both measurable periods largely due to lower snow removal costs and lower toll collection costs as reported in the Discussion sections of this report.

	<u>Q3 2020</u>	<u>Q3 2019</u>	<u>YTD September 30, 2020</u>	<u>YTD September 30, 2019</u>
Total operating expenses	\$ 143,409	146,998	412,489	453,915
Lane Miles (actual) - Turnpike	2,427	2,423	2,427	2,423
Lane Miles (actual) - Parkway	<u>2,050</u>	<u>2,041</u>	<u>2,050</u>	<u>2,041</u>
Total Lane Miles	<u><u>4,477</u></u>	<u><u>4,464</u></u>	<u><u>4,477</u></u>	<u><u>4,464</u></u>
Operating cost Excluding Depreciation/Lane Mile - Authority \$	32	33	92	102



Cost Recovery – The cost recovery ratio is calculated by dividing operating revenues by operating expenses. A ratio 1.0 or above is a positive sign as it indicates operating revenues are sufficient to pay for operating expenses. The cost recovery ratio was about 2.94 in Q3 2020 and 3.17 in Q3 2019, which is a strong indicator of the Authority’s ability to meet its operating expenses with its operating revenues.

	<u>Q3 2020</u>	<u>Q3 2019</u>	<u>YTD September 30, 2020</u>	<u>YTD September 30, 2019</u>
Operating Revenue	\$ 421,819	466,560	1,051,109	1,310,488
Operating Expenses (excluding depreciation)	\$ 143,409	146,998	412,489	453,915
Cost Recovery	2.94	3.17	2.55	2.89



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.

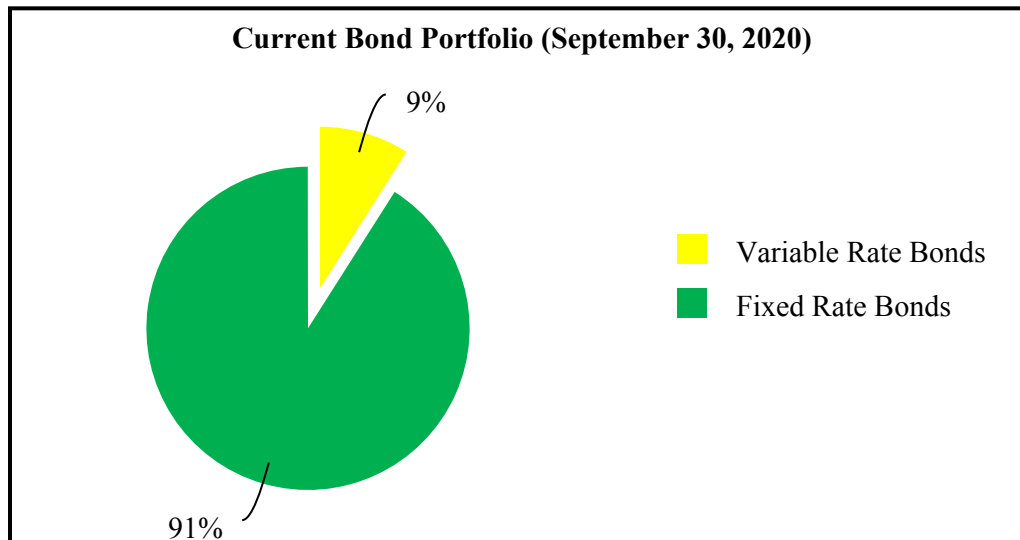
The Guidelines are implemented at the discretion of the Authority and are not a legal covenant with the Bondholders. Such Guidelines can be changed or eliminated at any time at the discretion of the Authority. As specified in the Guidelines, the Authority also adopted an Investment Rate Swap Management 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 September 30, 2020 is comprised of 91% of fixed rate bonds and only 9% of variable rate bonds. These percentages are within the Authority's Guidelines which limit variable rate bonds to 20% of total bonds outstanding.

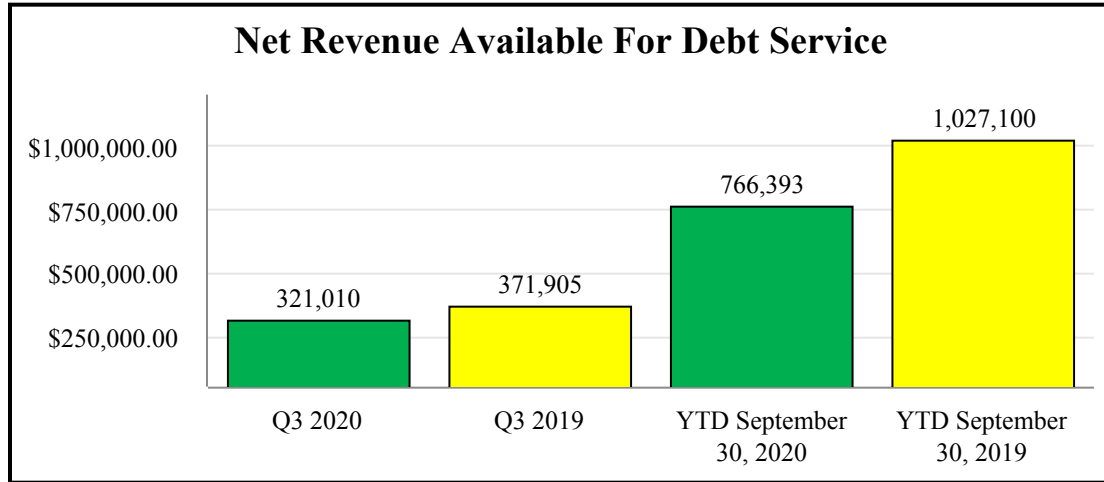


Debt Service Coverage

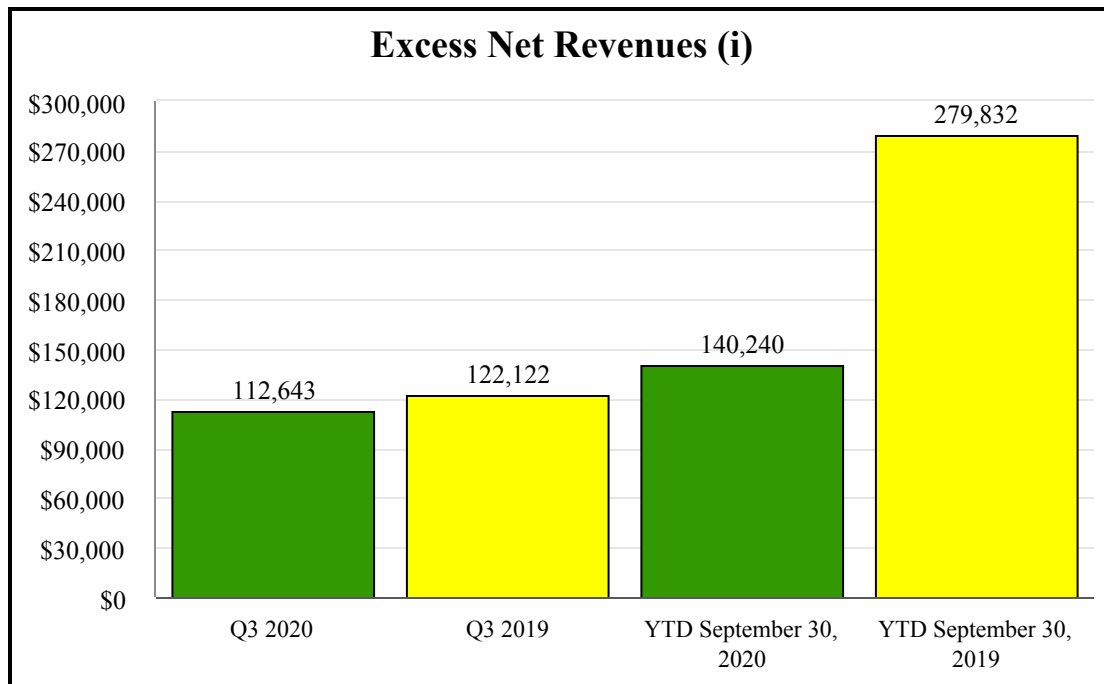
The Revenue Requirement under Section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year, Net Revenues shall at least equal the Net Revenue Requirement for such year. The Net Revenue Requirement means with respect to any period of time, “an amount equal to the greater of (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.”

	Q3 2020	Q3 2019	September 30, 2020	September 30, 2019
(i)				
Net revenue available for debt service	\$ 321,010	371,905	766,393	1,027,100
Less net revenue requirements (the sum of aggregate debt service, maintenance reserve, special project reserve and charges funds payments)	<u>(208,367)</u>	<u>(249,783)</u>	<u>(626,153)</u>	<u>(747,268)</u>
Excess net revenues	<u>\$ 112,643</u>	<u>122,122</u>	<u>140,240</u>	<u>279,832</u>
(ii)				
Net revenue available for debt service	\$ 321,010	371,905.4	766,393	1,027,100
Less net revenue requirements computed under test (120% of aggregate debt service requirements)	<u>(197,422)</u>	<u>(247,909)</u>	<u>(593,526)</u>	<u>(741,230)</u>
Excess net revenues	<u>\$ 123,588</u>	<u>123,996</u>	<u>172,867</u>	<u>285,870</u>
Net revenue available for debt service	<u>\$ 321,010</u>	<u>371,905.4</u>	<u>766,393</u>	<u>1,027,100</u>
Debt service requirements	\$ 164,518	206,591	\$ 494,605	617,692
Debt service coverage ratio	1.95	1.80	1.55	1.66

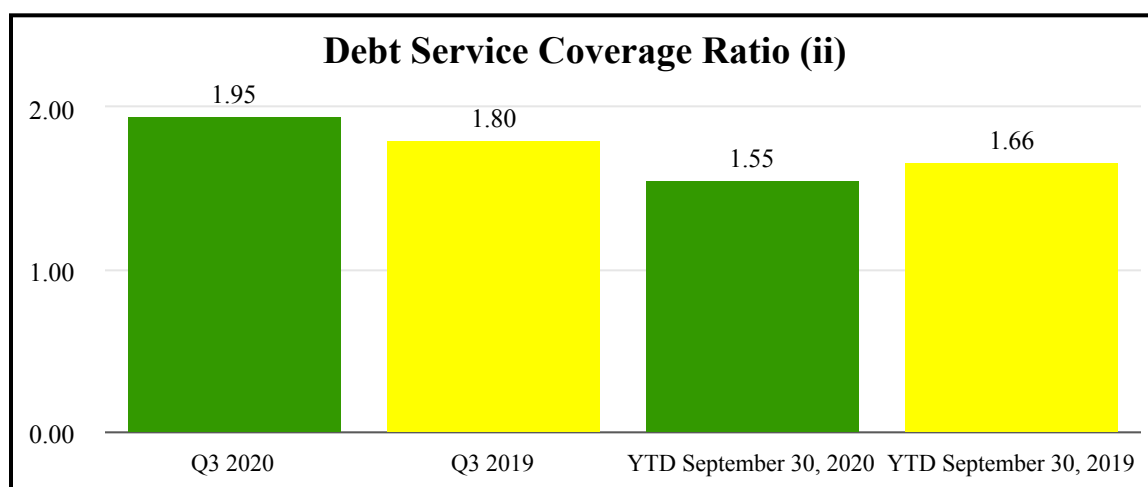
Net revenue available for debt service decreased by 13.7%, or \$50,895 to \$321,010 in Q3 2020 from \$371,905 in Q3 2019. Net revenue available for debt service decreased by 25.4% or \$260,707 to \$766,393 for the nine months ended September 30, 2020 from \$1,027,100 for the nine months ended September 30, 2019. The primary reason for this decrease is lower operating revenue due to the decrease in traffic and toll revenue as a result of the COVID-19 pandemic.



Excess net revenue has decreased by 7.8% or \$9,479 to \$112,643 in Q3 2020 from \$122,122 in Q3 2019. Excess net revenue has decreased by 49.9%, or \$139,592 to \$140,240 for the nine months ended September 30, 2020 from \$279,832 for the nine months ended September 30, 2019. The reason for this decline is lower operating revenue due to a decrease in traffic and toll revenue as a result of the COVID-19 pandemic.

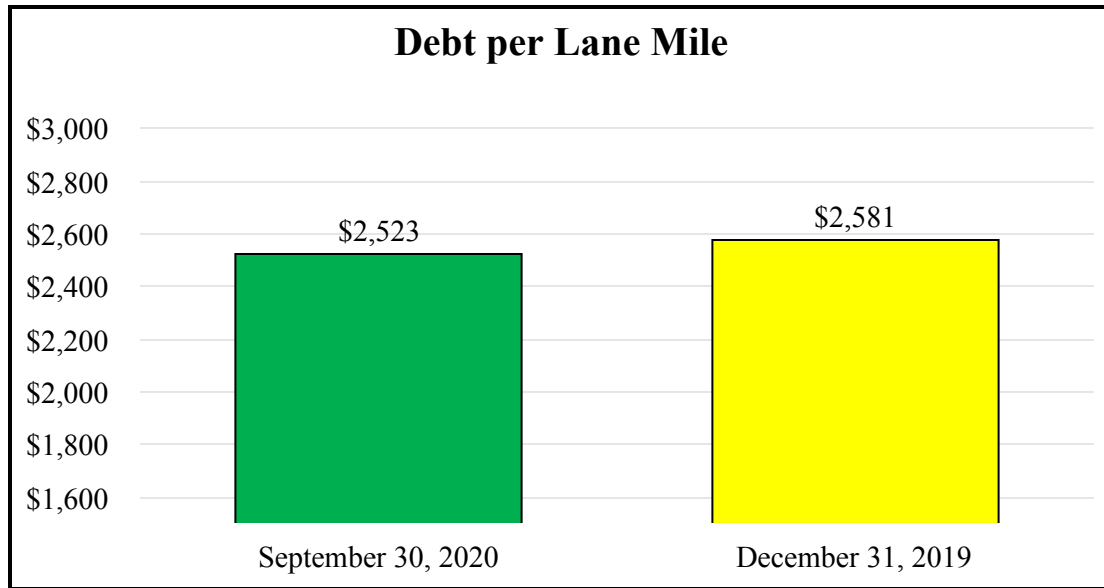


Debt service coverage ratio increased to 1.95 in Q3 2020 from 1.80 in Q3 2019. This increase resulted from lower principal payment and interest expense in Q3 2020 as compared to Q3 2019. Debt service coverage ratio decreased to 1.55 for the nine months ended September 30, 2020 from 1.66 for the nine months ended September 30, 2019. The primary reason for this decrease is lower net revenue available for debt service due to lower operating revenue from less traffic as a result of the COVID-19 pandemic.



Debt per Lane Mile – Debt per lane mile decreased by \$57 to \$2,523 for the nine months ended September 30, 2020 as compared to \$2,581 as of December 31, 2019. This decrease resulted from mandatory redemption of the Series 2009H Turnpike Revenue Bonds, Series 2012B Turnpike Revenue Bonds, Series 2013A Turnpike Revenue Bonds, Series 2014C Turnpike Revenue Bonds, Series 2015A Turnpike Revenue Bonds, Series 2015B Turnpike Revenue Bonds, Series 2015C Turnpike Revenue Bonds, Series 2015D Turnpike Revenue Bonds, Series 2017F Turnpike Revenue Bonds in January 2020.

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Bond indebtedness, net	\$ 11,296,395	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	\$ 2,523	2,581



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
September 30, 2020 and 2019

(In thousands)

	Assets	2020	2019
Current assets:			
Cash		\$ 218,495	143,169
Restricted cash		19,699	23,549
Investments		771,550	974,725
Restricted investments		484,609	612,278
Receivables, net of allowance		150,857	98,008
Inventory		23,227	23,668
Due from State of New Jersey		292	464
Restricted deposits		18,471	20,588
Prepaid expenses		11,761	11,513
Total current assets		<u>1,698,961</u>	<u>1,907,962</u>
Noncurrent assets:			
Restricted investments		617,373	849,618
Long term receivables		26	26
Capital assets, net of accumulated depreciation		12,197,965	11,998,878
Total noncurrent assets		<u>12,815,364</u>	<u>12,848,522</u>
Total assets		<u>\$ 14,514,325</u>	<u>14,756,484</u>
	Deferred Outflows		
Deferred outflows:			
Accumulated decrease in fair value of hedging derivatives		\$ 43,330	19,559
Deferred amounts on refunding and derivative instruments		212,802	233,128
Deferred amount relating to pensions		47,716	76,452
Deferred amount relating to postemployment benefit		99,452	118,672
Total deferred outflows		<u>\$ 403,300</u>	<u>447,811</u>
	Liabilities		
Current liabilities:			
Accounts payable and accrued expenses		\$ 202,296	181,933
Due to State of New Jersey		3,271	2,972
Accrued interest payable		141,333	141,442
Unearned revenue		227,557	190,201
Current portion of bonds payable		72,870	228,205
Current portion of hybrid instrument borrowing		13,492	13,735
Current portion of other long-term liabilities		10,925	14,038
Total current liabilities		<u>671,744</u>	<u>772,526</u>
Noncurrent liabilities:			
Bonds payable, net		\$ 11,223,525	11,339,021
Hybrid instrument borrowing		76,160	91,115
Other long-term liabilities		119,389	142,628
Other postemployment benefits liability		1,633,148	1,795,663
Interest rate swap liabilities		56,520	37,849
Net pension liability		329,534	365,599
Total noncurrent liabilities		<u>13,438,276</u>	<u>13,771,875</u>
Total liabilities		<u>\$ 14,110,020</u>	<u>14,544,401</u>
	Deferred Inflows		
Deferred inflows:			
Accumulated increase in fair value of hedging derivatives		\$ —	—
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>140,221</u>
	Net Position		
Net position:			
Net investment in capital assets		\$ 1,864,738	1,648,781
Restricted under trust agreements		72,090	189,116
Unrestricted		(1,431,525)	(1,318,224)
Total net position		<u>\$ 505,303</u>	<u>519,673</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 nine months ended September 30, 2020 and 2019
(In thousands)

	2020	2019
Operating revenues:		
Toll revenue	\$ 953,017	1,212,698
E-ZPass fees	63,875	60,096
Concession revenue	24,110	25,503
Miscellaneous revenue	10,107	12,191
Total operating revenues	<u>1,051,109</u>	<u>1,310,488</u>
Operating expenses:		
Maintenance of roadway, buildings, and equipment	168,756	195,146
Toll collection	115,154	128,002
State police and traffic control	73,627	71,807
Technology	18,405	16,650
General administrative costs	36,547	42,310
Depreciation	293,121	286,497
Total operating expenses	<u>705,610</u>	<u>740,412</u>
Operating income	<u>345,499</u>	<u>570,076</u>
Nonoperating revenues (expenses):		
Build America Bonds subsidy	58,513	57,513
Federal and State reimbursements	—	1,006
Payments to the State of New Jersey	(115,125)	(141,000)
Interest expense, Turnpike Revenue Bonds	(403,636)	(407,431)
Other bond expenses	(364)	(1,306)
Loss on disposal of capital assets	—	—
Investment income	22,658	39,073
Arts Center	3,284	3,288
Total nonoperating (expenses), net	<u>(434,670)</u>	<u>(448,857)</u>
Change in net position, before capital contributions	(89,171)	121,219
Capital contributions	5,200	200
Change in net position	<u>(83,971)</u>	<u>121,419</u>
Net position – January 1	589,274	398,254
Net position – Sept 30	<u>\$ 505,303</u>	<u>519,673</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Statements of Cash Flows
For the nine months ended September 30, 2020 and 2019
(In thousands)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Receipts from customers and other operating activities	\$ 1,030,141	1,320,836
Payments to suppliers	(266,389)	(206,929)
Payments to employees	(121,081)	(126,078)
Payments for self-insured health benefit claims	(53,110)	(58,973)
Net cash provided by operating activities	<u>589,561</u>	<u>928,856</u>
Cash flows from noncapital financing activities:		
Payments to State of New Jersey	(115,125)	(141,000)
Proceeds from Arts Center	3,284	3,287
Net cash used in noncapital financing activities	<u>(111,841)</u>	<u>(136,707)</u>
Cash flows from capital and related financing activities:		
Proceeds acquired from new capital debt	202,266	478,629
Purchases and sales of capital assets, net	(372,401)	(306,786)
Principal paid on capital debt	(228,205)	(201,025)
Refunded capital debt	(210,400)	—
Proceeds from Build America Bonds subsidy	77,933	38,301
Interest paid on capital debt	(577,741)	(578,836)
Payments for bond expenses	(364)	(1,306)
Proceeds from capital contributions	5,200	200
Net cash used in capital and related financing activities	<u>(1,103,712)</u>	<u>(570,823)</u>
Cash flows from investing activities:		
Purchases of investments	(7,586,892)	(9,128,633)
Sales and maturities of investments	8,243,755	8,872,018
Interest received	29,982	32,002
Net cash provided by (used in) investing activities	<u>686,845</u>	<u>(224,613)</u>
Net decrease in cash	60,853	(3,287)
Cash and restricted cash – January 1	177,341	170,005
Cash and restricted cash – June 30	<u>\$ 238,194</u>	<u>166,718</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 345,499	570,076
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	293,122	286,494
Changes in assets and liabilities:		
Receivables	(68,562)	(15,372)
Inventory	(862)	3,732
Prepaid expenses	(2,834)	(2,554)
Accounts payable and accrued expenses	(47,856)	(25,146)
Unearned revenue	20,452	25,626
Other liabilities	16,826	30,418
Other postemployment benefit liability	30,879	54,750
Deferred outflows related to other postemployment benefit	2,897	832
Net cash provided by operating activities	<u>\$ 589,561</u>	<u>928,856</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Schedule of Net Position – Reconciliation of Bond Resolution to GAAP
September 30, 2020
(With summarized comparative financial information as of September 30, 2019)
(In thousands)

Schedule 1
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	\$ 203,916	—	5,613	3,785	4,082	—	—	217,396	1,099	—	218,495	143,169
Restricted cash	—	12,296	—	—	5,507	1,865	31	19,699	—	—	19,699	23,549
Investments	330,422	—	72,562	86,467	282,099	—	—	771,550	—	—	771,550	974,725
Restricted investments	—	—	—	—	—	196,446	288,163	484,609	—	—	484,609	612,278
Receivables, net of allowance	122,706	—	697	283	27,097	—	—	150,783	74	—	150,857	98,008
Inventory	23,227	—	—	—	—	—	—	23,227	—	—	23,227	23,668
Due from State of New Jersey	292	—	—	—	—	—	—	292	—	—	292	464
Deposits	2,875	—	—	—	15,596	—	—	18,471	—	—	18,471	20,588
Prepaid expenses	11,761	—	—	—	—	—	—	11,761	—	—	11,761	11,513
Interfund	(217,630)	(12,384)	(583)	(28)	235,030	(484)	(3,921)	—	—	—	—	—
Total current assets	<u>477,569</u>	<u>(88)</u>	<u>78,289</u>	<u>90,507</u>	<u>569,411</u>	<u>197,827</u>	<u>284,273</u>	<u>1,697,788</u>	<u>1,173</u>	<u>—</u>	<u>1,698,961</u>	<u>1,907,962</u>
Noncurrent assets:												
Restricted investments	—	301,684	—	—	—	—	315,689	617,373	—	—	617,373	849,618
Long term receivables	—	—	—	—	26	—	—	26	—	—	26	26
Capital assets, net of accumulated depreciation	—	11,413,495	663,230	121,240	—	—	—	12,197,965	—	—	12,197,965	11,998,878
Total noncurrent assets	<u>—</u>	<u>11,715,179</u>	<u>663,230</u>	<u>121,240</u>	<u>26</u>	<u>—</u>	<u>315,689</u>	<u>12,815,364</u>	<u>—</u>	<u>—</u>	<u>12,815,364</u>	<u>12,848,522</u>
Total assets	<u>\$ 477,569</u>	<u>11,715,091</u>	<u>741,519</u>	<u>211,747</u>	<u>569,437</u>	<u>197,827</u>	<u>599,962</u>	<u>14,513,152</u>	<u>1,173</u>	<u>—</u>	<u>14,514,325</u>	<u>14,756,484</u>
Deferred Outflows												
Deferred outflows:												
Accumulated decrease in fair value of hedging derivatives	\$ —	—	—	—	—	—	—	—	—	43,330	43,330	19,559
Deferred amount on refunding and derivative instruments	—	—	—	—	—	—	—	—	—	212,802	212,802	233,128
Deferred amount relating to pensions	—	—	—	—	—	—	—	—	—	47,716	47,716	76,452
Deferred amount relating to other postemployment benefit	—	—	—	—	—	—	—	—	—	99,452	99,452	118,672
Total deferred outflows	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>403,300</u>	<u>403,300</u>	<u>447,811</u>
Liabilities												
Current liabilities:												
Accounts payable and accrued expenses	\$ 107,923	61,538	26,367	3,450	3,018	—	—	202,296	—	—	202,296	181,933
Due to State of New Jersey	3,271	—	—	—	—	—	—	3,271	—	—	3,271	2,972
Accrued interest payable	—	—	—	—	—	141,333	—	141,333	—	—	141,333	141,442
Unearned revenue	189,174	—	—	—	4,039	—	—	193,213	—	34,344	227,557	190,201
Current portion of bonds payable	—	72,870	—	—	—	—	—	72,870	—	—	72,870	228,205
Current portion of hybrid instrument borrowing	—	—	—	—	—	—	—	—	—	13,492	13,492	13,735
Current portion of other long-term liabilities	4,768	—	38	1,449	4,670	—	—	10,925	—	—	10,925	14,038
Total current liabilities	<u>305,136</u>	<u>134,408</u>	<u>26,405</u>	<u>4,899</u>	<u>11,727</u>	<u>141,333</u>	<u>—</u>	<u>623,908</u>	<u>—</u>	<u>47,836</u>	<u>671,744</u>	<u>772,526</u>
Noncurrent liabilities:												
Bonds payable, net	—	11,223,525	—	—	—	—	—	11,223,525	—	—	11,223,525	11,339,021
Hybrid instrument borrowing	—	—	—	—	—	—	—	76,160	—	76,160	76,160	91,115
Other long-term obligations	115,338	—	—	—	13,615	—	—	128,953	—	(9,564)	119,389	142,628
Other postemployment benefit liability	—	—	—	—	121,325	—	—	121,325	—	1,511,823	1,633,148	1,795,663
Interest rate swaps liabilities	—	—	—	—	—	—	—	56,520	—	—	56,520	37,849
Net pension liability	—	—	—	—	—	—	—	—	—	329,534	329,534	365,599
Total noncurrent liabilities	<u>115,338</u>	<u>11,223,525</u>	<u>—</u>	<u>—</u>	<u>134,940</u>	<u>—</u>	<u>—</u>	<u>11,473,803</u>	<u>—</u>	<u>1,964,473</u>	<u>13,438,276</u>	<u>13,771,875</u>
Total liabilities	<u>\$ 420,474</u>	<u>11,357,933</u>	<u>26,405</u>	<u>4,899</u>	<u>146,667</u>	<u>141,333</u>	<u>—</u>	<u>12,097,711</u>	<u>—</u>	<u>2,012,309</u>	<u>14,110,020</u>	<u>14,544,401</u>
Deferred Inflows												
Deferred inflows:												
Accumulated increase in fair value of hedging derivatives	\$ —	—	—	—	—	—	—	—	—	—	—	—
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	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>302,302</u>	<u>302,302</u>	<u>140,221</u>
Net Position												
Net position:												
Net investment in capital assets	\$ —	357,158	663,230	121,240	—	—	599,962	1,741,590	—	123,148	1,864,738	1,648,781
Restricted under trust agreements	—	—	—	—	15,596	56,494	—	72,090	—	—	72,090	189,116
Unrestricted	57,095	—	51,884	85,608	407,174	—	—	601,761	1,173	(2,034,459)	(1,431,525)	(1,318,224)
Total net position	<u>\$ 57,095</u>	<u>357,158</u>	<u>715,114</u>	<u>206,848</u>	<u>422,770</u>	<u>56,494</u>	<u>599,962</u>	<u>2,415,441</u>	<u>1,173</u>	<u>(1,911,311)</u>	<u>505,303</u>	<u>519,673</u>

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 nine months ended September 30, 2020

(With summarized comparative financial information for the nine months ended September 30, 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	\$ 953,017	—	—	—	—	—	—	953,017	—	—	953,017	1,212,698
E-ZPass fees	63,875	—	—	—	—	—	—	63,875	—	—	63,875	60,096
Concession revenue	24,110	—	—	—	—	—	—	24,110	—	—	24,110	25,503
Miscellaneous revenue	9,602	—	—	—	—	—	—	9,602	505	—	10,107	12,191
Total operating revenues	1,050,604	—	—	—	—	—	—	1,050,604	505	—	1,051,109	1,310,488
Operating expenses:												
Maintenance of roadway, buildings and equipment	138,167	4,884	—	8,039	1,201	—	—	152,291	—	16,465	168,756	195,146
Toll collection	105,445	—	—	—	—	—	—	105,445	—	9,709	115,154	128,002
State police and traffic control	71,594	—	—	367	—	—	—	71,961	—	1,666	73,627	71,807
Technology	15,405	—	—	1,312	—	—	—	16,717	—	1,688	18,405	16,650
General administrative costs	31,908	—	—	375	—	—	—	32,283	16	4,248	36,547	42,310
Depreciation	—	245,059	40,017	8,045	—	—	—	293,121	—	—	293,121	286,497
Total operating expenses	362,519	249,943	40,017	18,138	1,201	—	—	671,818	16	33,776	705,610	740,412
Operating income (loss)	688,085	(249,943)	(40,017)	(18,138)	(1,201)	—	—	378,786	489	(33,776)	345,499	570,076
Nonoperating revenues (expenses):												
Build America Bonds subsidy	58,513	—	—	—	—	—	—	58,513	—	—	58,513	57,513
Federal and State reimbursements	—	—	—	—	—	—	—	—	—	—	—	1,006
Payments to the State of New Jersey	—	—	—	—	(115,125)	—	—	(115,125)	—	—	(115,125)	(141,000)
Interest expense, Turnpike Revenue Bonds	—	30,767	—	—	—	(439,953)	—	(409,186)	—	5,550	(403,636)	(407,431)
Other bond expenses	—	—	—	—	(364)	—	—	(364)	—	—	(364)	(1,306)
Investment income	1,250	5,157	903	859	3,840	1,217	9,428	22,654	4	—	22,658	39,073
Arts Center	3,284	—	—	—	—	—	—	3,284	—	—	3,284	3,288
Total nonoperating revenues (expenses), net	63,047	35,924	903	859	(111,649)	(438,736)	9,428	(440,224)	4	5,550	(434,670)	(448,857)
Income before capital contributions and interfund transfers	751,132	(214,019)	(39,114)	(17,279)	(112,850)	(438,736)	9,428	(61,438)	493	(28,226)	(89,171)	121,219
Capital contributions	—	—	—	—	5,200	—	—	5,200	—	—	5,200	200
Interfund transfers	(751,132)	616,007	99,963	30,118	(253,539)	267,025	(8,442)	—	—	—	—	—
Net change in fund balance/change in net position	—	401,988	60,849	12,839	(361,189)	(171,711)	986	(56,238)	493	(28,226)	(83,971)	121,419
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	398,254
Net position (deficit) – June 30	\$ 57,095	357,158	715,114	206,848	422,770	56,494	599,962	2,415,441	1,173	(1,911,311)	505,303	519,673

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 nine months ended September 30, 2020
(With comparative financial information for the nine months ended September 30, 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	\$ 1,029,589	—	48	—	—	—	—	1,029,637	504	—	1,030,141	1,320,836
Payments to suppliers	(207,821)	(4,884)	—	(17,035)	(36,627)	—	—	(266,367)	(22)	—	(266,389)	(206,929)
Payments to employees	(121,081)	—	—	—	—	—	—	(121,081)	—	—	(121,081)	(126,078)
Payments for self insured health benefits claims	(53,110)	—	—	—	—	—	—	(53,110)	—	—	(53,110)	(58,973)
Net cash provided by operating activities	647,577	(4,884)	48	(17,035)	(36,627)	—	—	589,079	482	—	589,561	928,856
Cash flows from noncapital financing activities:												
Receipts from Federal and State reimbursements	—	—	—	—	—	—	—	—	—	—	—	1,006
Payments to State of New Jersey	—	—	—	—	(115,125)	—	—	(115,125)	—	—	(115,125)	(141,000)
Proceeds from Arts Center	3,284	—	—	—	—	—	—	3,284	—	—	3,284	3,287
Net cash (used in) noncapital financing activities	3,284	—	—	—	(115,125)	—	—	(111,841)	—	—	(111,841)	(136,707)
Cash flows from capital and related financing activities:												
Proceeds acquired from new capital debt	—	202,266	—	—	—	—	—	202,266	—	—	202,266	478,629
Purchases and sales of capital assets, net	—	(238,337)	(120,532)	(12,685)	(847)	—	—	(372,401)	—	—	(372,401)	(306,786)
Principal paid on capital debt	—	(228,205)	—	—	—	—	—	(228,205)	—	—	(228,205)	(201,025)
Principal paid on defeased capital debt	—	(210,400)	—	—	—	—	—	(210,400)	—	—	(210,400)	—
Proceeds from Build America Bonds subsidy	77,933	—	—	—	—	—	—	77,933	—	—	77,933	38,301
Interest paid on capital debt	—	—	—	—	—	(577,741)	—	(577,741)	—	—	(577,741)	(578,836)
Payments for bond expenses	—	—	—	—	(364)	—	—	(364)	—	—	(364)	(1,306)
Proceeds from capital contributions	—	—	—	—	5,200	—	—	5,200	—	—	5,200	200
Interfund Transfers related to capital and related financing activities	(662,725)	298,241	100,049	31,364	(23,364)	263,271	(6,836)	—	—	—	—	—
Net cash (used in) capital and related financing activities	(584,792)	(176,435)	(20,483)	18,679	(19,375)	(314,470)	(6,836)	(1,103,712)	—	—	(1,103,712)	(570,823)
Cash flows from investing activities:												
Purchases of investments	(3,430,627)	(1,205,435)	(452,848)	(280,052)	(1,402,804)	(640,530)	(174,596)	(7,586,892)	—	—	(7,586,892)	(9,128,633)
Sales and maturities of investments	3,420,959	1,378,015	476,871	278,033	1,564,530	951,716	173,631	8,243,755	—	—	8,243,755	8,872,018
Interest received	2,263	9,832	842	790	3,324	5,124	7,801	29,976	6	—	29,982	32,002
Net cash (used in) capital and related financing	(7,405)	182,412	24,865	(1,229)	165,050	316,310	6,836	686,839	6	—	686,845	(224,613)
Net decrease in cash	58,664	1,093	4,430	415	(6,077)	1,840	—	60,365	488	—	60,853	(3,287)
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 – June 30	\$ 203,916	12,296	5,613	3,785	9,589	1,865	31	237,095	1,099	—	238,194	166,718
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:												
Operating income (loss)	\$ 688,085	(249,943)	(40,017)	(18,138)	(1,201)	—	—	378,786	489	(33,776)	345,499	570,076
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:												
Depreciation expense	—	—	—	—	293,122	—	—	293,122	—	—	293,122	286,494
Changes in assets and liabilities:												
Receivables	(41,565)	—	48	(198)	(26,847)	—	—	(68,562)	—	—	(68,562)	(15,372)
Inventory	(862)	—	—	—	—	—	—	(862)	—	—	(862)	3,732
Prepaid expenses	(2,834)	—	—	—	—	—	—	(2,834)	—	—	(2,834)	(2,554)
Accounts payable and accrued expenses	(35,036)	—	—	(3,830)	(8,983)	—	—	(47,849)	(7)	—	(47,856)	(25,146)
Unearned revenue	20,550	—	—	—	(98)	—	—	20,452	—	—	20,452	25,626
Other liabilities	19,239	—	—	(2,915)	502	—	—	16,826	—	—	16,826	30,418
Other postemployment benefit liability	—	—	—	—	—	—	—	—	—	30,879	30,879	54,750
Deferred outflows relating to other postemployment benefit	—	—	—	—	—	—	—	—	—	2,897	2,897	832
Net cash provided by (used in) operating activities	\$ 647,577	(4,884)	48	(17,035)	(36,627)	—	—	589,079	482	—	589,561	928,856

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Schedule of Net Revenue Requirement
For the nine months ended September 30, 2020 and 2019
(in thousands)

	2020	2019
Test 1:		
Total operating revenues - bond resolution	\$ 1,050,604	1,309,878
Build America Bonds subsidy	58,513	57,513
Federal and State reimbursements	—	1,006
Total investment income - bond resolution	22,654	39,068
Less earnings on investments - construction fund	(5,157)	(10,444)
Fair market value adjustments	(986)	(372)
Arts center	3,284	3,288
Total pledged revenues	1,128,912	1,399,937
Less revenue operating expenses - revenue fund	(362,519)	(372,837)
Net revenue available for debt service	766,393	1,027,100
Less net revenue requirements:		
Interest expense - debt service	(439,952)	(446,538)
Principal payment - debt service	(54,653)	(171,154)
Revenue transfer to maintenance reserve	(100,573)	(98,601)
Revenue transfer to special project reserve	(30,975)	(30,975)
Excess net revenues	\$ 140,240	279,832
Test 2:		
Total operating revenues - bond resolution	\$ 1,050,604	1,309,878
Build America Bonds subsidy	58,513	57,513
Federal and State reimbursements	—	1,006
Total investment income - bond resolution	22,654	39,068
Less earnings on investments - construction fund	(5,157)	(10,444)
Fair market value adjustments	(986)	(372)
Arts center	3,284	3,288
Total pledged revenues	1,128,912	1,399,937
Less revenue operating expenses - revenue fund	(362,519)	(372,837)
Net revenue available for debt service	766,393	1,027,100
Less 1.2 times aggregate debt service	(593,526)	(741,230.4)
Excess net revenues	\$ 172,867	285,869.6
Debt service coverage ratio	1.55	1.66

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

Schedule of Investments

September 30, 2020

(In thousands)

	Interest rate	Maturity	Par value	Carrying value
Revenue:				
Certificate of deposit	1.85%	11/16/2020	35,000	35,577
Commercial paper	0.10- 0.23	10/01/2020- 12/29/2020	171,458	171,393
Federal agency note	0.07	10/01/2020	20,909	20,909
U.S. Treasury bill	0.01- 0.08	10/01/2020-10/08/2020	102,543	102,543
			<u>329,910</u>	<u>330,422</u>
Construction:				
Certificate of Deposit	0.17%- 1.90%	11/05/2020- 06/04/2021	99,950	100,141
Commercial Paper	0.17- 2.20	10/09/2020- 04/19/2021	145,000	144,630
Money Market Fund	0.08	10/01/2020	20,204	20,204
US Treasury Note with coupon	1.75- 1.88	11/15/2020- 12/15/2020	25,000	25,209
Commercial Paper	0.08	10/02/2020	4,000	4,000
U.S. Treasury bill	0.02- 0.05	10/01/2020	7,500	7,500
			<u>301,654</u>	<u>301,684</u>
Maintenance reserve:				
Commercial paper	0.08%- 0.33%	10/08/2020- 12/11/2020	22,500	22,491
Federal agency note- LT	1.88	11/17/2020	10,000	10,074
Federal agency note	0.06- 0.10	10/09/2020- 12/11/2020	16,000	15,999
U.S. Treasury bill	0.03- 0.09	10/01/2020- 12/10/2020	24,000	23,998
			<u>72,500</u>	<u>72,562</u>
Special project reserve:				
Commercial Paper	0.12%- 2.10%	10/09/2020- 12/11/2020	74,000	73,970
Federal agency note	0.10- 1.51	10/16/2020- 12/11/2020	8,500	8,497
U.S. Treasury bill	0.02	10/01/2020	4,000	4,000
			<u>86,500</u>	<u>86,467</u>
General reserve:				
Certificate of deposit	0.08%- 1.62%	10/05/2020- 12/29/2020	282,281	282,099
			<u>282,281</u>	<u>282,099</u>
Debt service:				
Federal agency note	0.04%- 1.42%	12/31/2020- 01/04/2021	137,545	137,495
Commercial paper	0.04- 1.45	10/01/2020- 12/31/2020	58,979	58,951
			<u>196,524</u>	<u>196,446</u>
Debt reserve:				
Certificate of deposit	0.46%- 3.29%	10/02/2020- 04/09/2024	423,683	426,964
Federal Agency Note - LT	0.13- 2.38	10/13/2021- 05/27/2025	175,250	176,888
			<u>598,933</u>	<u>603,852</u>
Total			<u>\$ 1,868,302</u>	<u>1,873,532</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

September 30, 2019

(In thousands)

	Interest rate	Maturity	Par value	Carrying value
Revenue:				
Certificate of deposit	1.95%- 3.08%	11/15/2019- 07/24/2020	125,000	126,701
Commercial paper	2.01- 2.53	10/03/2019- 03/27/2020	74,684	74,321
Federal agency note	1.90- 2.03	10/01/2019- 12/30/2019	36,481	36,466
U.S. Treasury bill	1.00- 2.00	10/03/19	97,516	97,506
			333,681	334,994
Construction:				
Certificate of Deposit	2.08%- 2.72%	03/25/2020- 04/15/2020	147,140	148,959
Commercial Paper	1.96- 2.52	09/05/2019- 12/19/2019	95,000	94,427
Federal Agency Note	2.00- 2.40	11/08/2019- 08/21/2020	240,000	238,500
Money Market Fund	2.07	10/01/19	63,539	63,543
			545,679	545,429
Maintenance reserve:				
Commercial paper	2.11%- 2.55%	10/08/2019- 12/26/2019	63,351	63,076
Federal agency note	1.96- 2.52	10/03/2019- 12/26/2019	37,338	37,201
U.S. Treasury bill	1.55- 1.60	10/01/2019- 10/29/2019	3,748	3,748
			104,437	104,025
Special project reserve:				
Commercial paper	2.18%- 2.50%	11/12/2019- 12/26/2019	48,905	48,649
Federal agency note	1.68- 2.50	10/21/2019- 12/26/2019	36,822	36,637
U.S. Treasury bill	2.01- 2.24	10/17/2019- 12/26/2019	4,500	4,486
			90,227	89,772
General reserve:				
Certificate of deposit	1.94%- 2.85%	10/04/2019- 12/30/2019	409,932	408,578
Federal agency note	1.85- 1.97	11/29/2019- 12/26/2019	34,848	34,704
U.S Treasury note	1.13	12/31/2019	2,654	2,653
			447,434	445,935
Debt service:				
Federal agency note	2.24%	01/02/20	19,302	19,190
U.S. Treasury bill	1.81- 2.45	01/02/20	297,017	295,493
			316,319	314,683
Debt reserve:				
Certificate of deposit	1.73%- 3.29%	10/15/2019- 04/25/2023	353,085	355,299
Commercial Paper	2.21- 2.28	10/03/2020- 02/27/2020	165,000	164,844
Federal Agency note	1.97- 2.75	04/27/2020- 09/11/2024	80,890	81,640
			598,975	601,783
Total			\$ 2,436,752	2,436,621

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
September 30, 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	\$ 182,526	170,642		99,831	81,312	
Construction	4,858	4,965		3,195	4,374	
Maintenance reserve	5,613	5,613		930	2,460	
General Reserve	1,993	1,992		13,897	13,897	
	<u>194,990</u>	<u>183,212</u>	<u>188,536</u>	<u>117,853</u>	<u>102,043</u>	<u>112,267</u>
Bank of America:						
Revenue	16,326	17,298		23,998	24,629	
	<u>16,326</u>	<u>17,298</u>	<u>20,506</u>	<u>23,998</u>	<u>24,629</u>	<u>26,306</u>
Wells Fargo:						
Revenue	3,556	2,520		9,436	7,556	
Special project reserve	3,785	3,874		2,997	3,346	
General reserve	7,562	7,562		6,236	6,518	
Construction	6,975	6,984				
	<u>21,878</u>	<u>20,940</u>	<u>30,829</u>	<u>18,669</u>	<u>17,420</u>	<u>19,142</u>
Bank of New York Mellon:						
Revenue	933	933		503	503	
	<u>933</u>	<u>933</u>	<u>899</u>	<u>503</u>	<u>503</u>	<u>1,100</u>
TD Bank, NA:						
Revenue	252	566		252	296	
	<u>252</u>	<u>566</u>	<u>841</u>	<u>252</u>	<u>296</u>	<u>341</u>
Investors Bank						
Construction						
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Subject to Pledged Securities	<u>234,379</u>	<u>222,949</u>	<u>\$ 241,611</u>	<u>161,275</u>	<u>144,891</u>	<u>\$ 159,156</u>
Bank of New York Mellon – Trust:						
Construction:	463	202		3,231	3,231	
General reserve	34	131		—	—	
Charges	—	—		—	—	
Debt service	1,865	1,865		25	25	
	<u>2,362</u>	<u>2,198</u> (1)		<u>3,256</u>	<u>3,256</u> (1)	
US Bank:						
Debt reserve	31	31		1,189	1,189	
	<u>31</u>	<u>31</u>		<u>1,189</u>	<u>1,189</u>	
Toll collection and other imprest funds:						
Revenue	323	—		323	—	
	<u>323</u> (2)	<u>—</u>		<u>323</u> (2)	<u>—</u>	
Total subject to bond resolution	<u>237,095</u>	<u>225,178</u>		<u>166,043</u>	<u>149,336</u>	
Investors Bank:						
Garden State Arts Foundation	914	918		493	498	
	<u>914</u>	<u>918</u> (3)		<u>493</u>	<u>498</u> (3)	
Northfield Bank:						
Garden State Arts Foundation	185	185		185	185	
	<u>185</u>	<u>185</u> (3)		<u>185</u>	<u>185</u> (3)	
	<u>\$ 238,194</u>	<u>226,281</u>		<u>166,721</u>	<u>150,019</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
September 30, 2020

(With summarized comparative financial information for the nine months ended September 30, 2019)

(In thousands)

	Completed construction funds	\$7 Billion Capital Improvement Program	2019 Capital Improvement Plan	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	—	513,263	68,790	194,416	145,976	40,572	—	—	963,017	861,277
Roadways	3,185,141	2,925,489	—	39,073	329,063	2,288	—	—	6,481,054	6,382,453
Bridges	1,910,858	3,445,113	—	40,213	430,368	64	—	—	5,826,616	5,709,276
Buildings	375,090	669,239	—	101,119	182	23,184	—	—	1,168,814	936,696
Equipment	552,817	820,009	—	91,456	7,708	144,467	—	—	1,616,457	1,658,451
Cost of investment in facilities	6,684,461	8,538,191	68,790	474,405	913,297	210,575	—	—	16,889,719	16,381,914
Accumulated depreciation	(3,186,164)	(1,098,787)	—	(67,401)	(250,067)	(89,335)	—	—	(4,691,754)	(4,383,036)
Capital assets, net of accumulated depreciation	<u>\$ 3,498,297</u>	<u>7,439,404</u>	<u>68,790</u>	<u>407,004</u>	<u>663,230</u>	<u>121,240</u>	<u>—</u>	<u>—</u>	<u>12,197,965</u>	<u>11,998,878</u>

Completed construction funds:

Original turnpike extensions and additional lanes	\$ 56,936
Revenues invested in facilities	36,399
1966 Turnpike Improvement	139,048
1971 Turnpike Improvement	15,132
1973 Improvement and Funding Program	24,764
1985-1990 Widening Project	287,912
Business Plan for the 90's	725,903
Former NJHA Construction	479,710
2000 Construction Fund	1,150,636
2003 Construction Fund	15,257
2004 Construction Fund	373,574
2005 Construction Fund	67,587
2008/2009 Bond anticipation note	125,439
	<u>\$ 3,498,297</u>

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

Schedule of Bond Indebtedness

September 30, 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 September 30, 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	(42,070)	(63,485)	—	—	540,445
Series 2013A	306,480	(6,165)	(4,795)	—	—	295,520
Series 2013F	90,880	—	—	—	—	90,880
Series 2014A	1,000,000	—	—	—	—	1,000,000
Series 2014C	198,730	(21,090)	(49,085)	—	—	128,555
Series 2015A	92,500	(38,075)	(28,200)	—	—	26,225
Series 2015B	50,000	(33,875)	(16,125)	—	—	—
Series 2015C	43,750	(19,025)	(14,100)	—	—	10,625
Series 2015D	43,750	(19,050)	(14,100)	—	—	10,600
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	(31,050)	—	—	—	368,950
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
Series 2020A	—	—	—	33,875	—	33,875
Series 2020B	—	—	—	24,935	—	24,935
Series 2020C	—	—	—	163,230	—	163,230
	<u>11,012,715</u>	<u>(210,400)</u>	<u>(228,205)</u>	<u>222,040</u>	<u>—</u>	<u>10,796,150</u>
Premiums and discounts, net	540,391	—	—	(1,014)	(39,132)	500,245
	<u>\$ 11,553,106</u>	<u>(210,400)</u>	<u>(228,205)</u>	<u>221,026</u>	<u>(39,132)</u>	<u>11,296,395</u>

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

Schedule of Bond Indebtedness

September 30, 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 September 30, 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	567,257	—	—	29,519	(42,265)	554,511
	<u>\$ 11,331,887</u>	<u>—</u>	<u>(201,025)</u>	<u>478,629</u>	<u>(42,265)</u>	<u>11,567,226</u>

NEW JERSEY TURNPIKE AUTHORITY
(A Component Unit of the State of New Jersey)
Schedule of Refunded Bond and Note Indebtedness
September 30, 2020

(With summarized comparative financial information as of September 30, 2019)

(In thousands)

Note:

As of September 30, 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, 2025	1,078,670	(1,080)	1,077,590	1,072,505
Series 2012B Turnpike Revenue Bonds, redemption July 1, 2025	42,070	—	42,070	—
Series 2014C Turnpike Revenue Bonds, redemption July 1, 2025	21,090	—	21,090	—
Series 2015A Turnpike Revenue Bonds, redemption July 1, 2025	38,075	—	38,075	—
Series 2015C Turnpike Revenue Bonds, redemption July 1, 2025	19,025	—	19,025	—
Series 2015D Turnpike Revenue Bonds, redemption July 1, 2025	19,050	—	19,050	—
Series 2017C-1 Turnpike Revenue Bonds, redemption July 1, 2025	31,050	—	31,050	—
Total	<u>\$ 1,553,290</u>	<u>(179,085)</u>	<u>1,374,205</u>	<u>1,376,765</u>

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

Schedule of Toll Revenue

For the nine months ended September 30, 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	451,885	122,302	631,331	174,969
2	Vehicles having two axles other than type described under Class 1	47,069	6,404	50,126	6,990
3	Vehicle (vehicles), single or in combination, having three axles	23,447	2,832	30,959	3,389
4	Vehicle (vehicles), single or in combination, having four axles	27,303	2,240	25,117	2,196
5	Vehicle (vehicles), single or in combination, having five axles	171,311	11,120	156,943	11,160
6	Vehicle (vehicles), single or in combination, having six or more axles	7,815	392	9,224	456
7	Buses having two axles	715	237	1,503	385
8	Buses having three axles	5,145	574	10,240	1,006
	Nonrevenue vehicles	—	717	—	1,066
		734,690	146,818	915,443	201,617
	Nonrevenue vehicles	—	(717)	—	(1,066)
	Toll adjustments and discounts	(3,241)	—	(3,286)	—
	Net Uncollected Tolls	(41,511)	—	(30,682)	—
		689,938	146,101	881,475	200,551

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

Schedule of Toll Revenue

For the nine months ended September 30, 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	\$ 259,713	227,335	323,975	289,164
2	Vehicles having two axles other than type described under Class 1	2,808	1,266	2,181	1,021
3	Vehicle (vehicles), single or in combination, having three axles	2,873	917	2,611	840
4	Vehicle (vehicles), single or in combination, having four axles	2,809	643	3,061	707
5	Vehicle (vehicles), single or in combination, having five axles	2,170	452	2,214	470
6	Vehicle (vehicles), single or in combination, having six or more axles	85	15	110	22
7	Buses having two axles	664	268	1,408	512
8	Buses having three axles	986	384	2,003	683
	Nonrevenue vehicles	—	1,067	—	1,181
		272,108	232,347	337,563	294,600
	Nonrevenue vehicles	—	(1,067)	—	(1,181)
	Toll adjustments and discounts	(232)	—	(251)	—
	Net Uncollected Tolls	(8,797)	—	(6,089)	—
		<u>\$ 263,079</u>	<u>231,280</u>	<u>331,223</u>	<u>293,419</u>