

**New Jersey Turnpike Authority
Financial Summary
For the Month Ended January 31, 2021**

	Actual YTD January	YTD Budget January	2021 Annual Budget
Total Revenue	\$ 151,252,000	\$ 156,292,000	\$ 2,149,468,000
Operating Expenses	<u>43,574,000</u>	<u>50,458,000</u>	<u>622,324,000</u>
Net Revenue	\$ 107,678,000	\$ 105,834,000	\$ 1,527,144,000
Debt Service Requirements	71,399,000	77,352,000	920,757,000
Maintenance Reserve Fund	13,333,000	13,333,000	160,000,000
Special Reserve Fund	4,167,000	4,167,000	50,000,000
Debt Service Coverage	1.51	1.37	1.66
Total Requirements Coverage	1.21	1.12	1.35

The following un-audited results are for the month ended January 31, 2021.¹ 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, 2021, the Authority is projected to have a debt service coverage ratio of 1.66 and a total requirements coverage ratio of 1.35.

The Authority's total revenue for the month ended January 31, 2021 was \$151,252,000, which is \$5,040,000, or 3.2%, below the 2021 year-to-date budget. Toll revenue was \$131,868,000, which is \$4,969,000, or 3.6%, less than the 2021 year-to-date budget. Despite being under budget, toll revenue did increase compared to the prior year. Toll revenue is less than budget due to the continuing impact of the COVID-19 pandemic crisis. New Jersey continues to be in a state of emergency and mandatory restrictions have resulted in lower traffic than anticipated. However, traffic declines have lessened since April 2020 and toll revenue has increased each month compared to the prior year since September 2020. Lower than expected interest income, which was \$1,081,000, or 63.6% under budget was offset by higher E-ZPass fees, which were \$1,175,000, or 16.1%, above the budget.

For the month ended January 31, 2021, traffic on the New Jersey Turnpike decreased 21.8% and toll revenue increased 9.5% compared to the same period in 2020. While traffic decreased entirely due to the impacts of the COVID-19 pandemic, toll revenue increased due to the toll rate increase on September 13, 2020. Both passenger and commercial toll revenue are up 2.9% and 22.3% respectively, compared to 2020. In addition to the effects of the pandemic, January 2021 results were impacted by the month having two more weekend days than January 2020. Weekend days have lower overall and commercial traffic than weekdays. The 2021 traffic and toll revenue budgets are based on the Authority's traffic engineering consultant's (CDM Smith) updated toll revenue forecast dated October 6, 2020. The updated forecast includes both the impacts of COVID-19 and the toll rate increase. The actual results for the month ended January 31, 2021 were below CDM Smith's projections of an 18.5% decrease in traffic and a 12.1% increase in revenue, due to the conservative and precautionary measures taken to control the spread of the virus, as compared to the additional phased openings and travel assumed in the projections. Through January 2021, the E-ZPass usage rate on the New Jersey Turnpike was 89.0%, an increase from 88.3% for the same period in 2020.

For the month ended January 31, 2021, toll transactions on the Garden State Parkway decreased 20.1% and revenue increased 1.1% when compared to the same period in 2020. The slight increase in revenue is due to the toll rate increase on September 13, 2020. The actual results for the month ended January 31, 2021 were below the budget which was based on CDM's projection of a 13.0% decrease in toll transactions and a 9.2% increase in toll revenue, again due to the conservative and precautionary measures taken to control the spread of the virus as compared to the additional phased openings and travel assumed in the projections. The projections include both the impacts of COVID-19 and the toll rate increase. Through January 2021, the E-ZPass usage rate on the Garden State Parkway was 87.0%, an increase from 85.6% for the same period in 2020.

Operating expenses for the month ended January 31, 2021 were approximately \$43,574,000, which was 86.4% of the year-to-date budget. The Authority's operating expenses through January were under mostly due to lower than budgeted health benefits, salaries and credit card fees, which combined were \$6,349,000 under budget. In addition to these, snow and severe weather costs were also under budget in January 2021. The Authority spent a total of \$2,639,000 for snow and severe weather costs in 2021 from the operating expense budget. All snow and severe weather costs are charged to the operating expense budget except for declared state of emergency events, which are charged to the General Reserve Fund. For the month ended January 31, 2021, snow and severe weather costs charged to operating expenses were approximately \$746,000 under budget, with no costs charged to the General Reserve Fund.

Debt Service includes interest and principal payments on the Authority's outstanding debt. For the month ended January 31, 2021, Debt Service totaled \$71,399,000 and included \$48,174,000 in interest payments and \$23,225,000 in principal payments. Debt Service is below budget because the budget assumed \$500 million new money bond issuance in November 2020 and \$500 million in January 2021, but neither were issued as of January 2021.

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund spending totaled \$20,647,000 for the month ended January 31, 2021. Spending consisted primarily of \$10,750,000 for the State Transportation Projects Funding Agreement and \$1,833,000 for the Transportation Trust Fund Agreement. Also included is \$7,875,000 in net transfers to the revenue funded programs in the Construction Fund.

The Capital Budget, which is funded by revenue, consists of the Maintenance Reserve Fund, Special Project Reserve Fund, and the Supplemental Capital Program. For the month ended January 31, 2021, total expenditures were approximately \$7,984,000. Expenditures included \$1,951,000 for Turnpike Bridge Repairs, \$943,000 for Parkway Resurfacing, and \$914,000 for Roadway Lighting Repairs.

Total expenditures from the 2008 \$7 Billion Capital Improvement Program (CIP) for the month ended January 31, 2021 were approximately \$6,297,000. Spending included \$2,922,000 for NBHCE Bridge Re-decking, \$1,900,000 for Phase II Sign Replacements, and \$734,000 for GSP Interchange 125 Phase I Improvements. In addition to these expenditures, there are open contracts and commitments totaling approximately \$188,092,000. Total expenditures from the 2019 CIP for the month ended January 31, 2021 were approximately \$9,853,000. Spending included \$4,459,000 for GSP Shoulder Widening from MP 30 to 35, \$1,632,000 for Turnpike Interchange 6-9 Berm Surface Revision, and \$978,000 for TPK Bridge Lengthening 30.75 and 33.94. In addition to these expenditures, there are open contracts and commitments totaling approximately \$361,998,000. Total expenditures from the 2021-2025 Capital Improvement Program for the month ended January 31, 2021 were approximately \$4,005,000. Spending included \$1,346,000 for TPK Deck Reconstruction MP 35.3 to 37.97 and 74.31 to 74.39, \$1,022,000 for TPK Interchange 17 Ramp Bridge Replacement, and \$831,000 for TPK Bridge Rehabilitation W107.87, E107.88 and 84.24N&S. In addition to these expenditures, there are open contracts and commitments totaling approximately \$91,293,000. All three programs are funded from bond proceeds.

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