

New Jersey Turnpike Authority
Financial Summary
For the Four Months Ended April 30, 2024

	Actual YTD January - April	YTD Budget January - April	2024 Annual Budget
Total Revenue	\$ 824,470,000	\$ 798,167,000	\$ 2,578,100,000
Operating Expenses	215,459,000	247,111,000	757,105,000
Net Revenue	\$ 609,011,000	\$ 551,056,000	\$ 1,820,995,000
Debt Service Requirements - Net	307,501,000	307,501,000	922,500,000
Maintenance Reserve Fund	80,000,000	80,000,000	240,000,000
Special Reserve Fund	18,033,000	18,033,000	54,100,000
Debt Service Coverage	1.98	1.79	1.97
Total Requirements Coverage	1.50	1.36	1.50

The following un-audited results are for the four months ended April 30, 2024.¹ 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, 2024, the Authority is projected to have a debt service coverage ratio of 1.97 and a total requirements coverage ratio of 1.50.

The Authority's total revenue for the four months ended April 30, 2024, was \$824,470,000, which is \$26,303,000 or 3.3% above the 2024 year-to-date budget. Toll revenue was \$687,695,000, which is \$6,305,000 or 0.9%, below the 2024 year-to-date budget. Toll revenue is below budget primarily due to the three impactful snow days and one State of Emergency (flooding) that occurred January. Furthermore, there were two more snow days in February, followed by one heavy rain/flooding event in March and two in April. In addition to the severe weather, the 3% toll increase was budgeted for the full year but did not go into effect until March 1, 2024. Gas prices averaged \$0.02/gallon higher in 2024 compared to the same period in 2023, and when compared to March 2024, gas prices in April increased \$0.19/gallon. Investment income was \$17,491,000, or 88.8%, above budget due to higher invested balances and increases in interest rates. *E-ZPass* fees were \$13,095,000, or 31.3% above the budget due to conservative budgeting in 2024. Miscellaneous revenue was \$1,524,000, or 25.0% above budget due to the receipt of the \$1.8M in Arts Center rent for 2023 PNC variable rent payment.

For the four months ended April 30, 2024, traffic on the New Jersey Turnpike increased 1.3% and toll revenue increased 1.0% compared to the same period in 2023. The increase in traffic can be attributed to greater passenger car travel, and normal growth. Toll revenue increased mainly due to the 3% annual toll rate indexing that went into effect on March 1, 2024. In addition, April 2024 had two more weekdays compared to April 2023, which had a positive impact on results. The 2024 traffic and toll revenue budgets are based on the Authority's traffic engineering consultant's (CDM Smith) New Jersey Turnpike System 2023 Traffic and Toll Revenue Forecast Study dated July 28, 2023. CDM Smith projected a 0.6% decrease in traffic and a 1.9% increase in revenue as compared to the prior year. The actual results for the four months ended April 30, 2024, exceeded CDM's traffic projections, but were below CDM's revenue projections, as the budget assumed the 3% annual toll rate indexing on January 1, 2024, which was only implemented as of March 1, 2024. When compared to the same period in 2019, pre-pandemic, traffic is down 2.7% and revenue is up 40.5% for the same period. Traffic has recovered to 97.4% of pre-pandemic levels. Through April 2024, the *E-ZPass* usage rate on the New Jersey Turnpike was 93.0%, an increase from 92.4% for the same period in 2023.

For the four months ended April 30, 2024, toll transactions on the Garden State Parkway increased 0.5% and revenue increased 2.0% when compared to the same period in 2023. The slight increase in traffic and revenue is primarily due to normal growth and the 3% annual toll rate indexing that went into effect on March 1, 2024. The actual results for the four months ended April 30, 2024, exceeded CDM Smith's projection of a 0.1% increase in toll transactions, but was below the toll revenue projection increase of 3.0%, as the budget assumed the 3% annual toll rate indexing on January 1, 2024, which was only implemented as of March 1, 2024. When compared to the same period in 2019, pre-pandemic, traffic is down 3.5%, but revenue is up 31.7%. Traffic has recovered to 96.5% of pre-pandemic levels. Through April 2024, the *E-ZPass* usage rate on the Garden State Parkway was 91.0%, an increase from 90.4% for the same period in 2023.

Operating expenses for the four months ended April 30, 2024, were approximately \$215,459,000, which is \$31,652,000, or 12.8% below the year-to-date budget. The Authority's operating expenses through April were below budget primarily due to lower than budgeted snow/severe weather costs. This was partially offset by higher-than-budgeted electronic toll collection costs due to higher credit card fees and violation processing costs, as well as higher-than-budgeted State Police costs due to holiday cash out pay for troopers. The Authority spent a total of \$21,731,000 for snow and severe weather costs in 2024, with \$12,684,000 charged to operating expenses and an additional \$9,048,000 charged to extraordinary events in the General Reserve Fund. All snow and severe weather costs are considered operating expenses and paid from the Revenue Fund, except for declared state of emergency events, which are charged to the General Reserve Fund. New Jersey had one declared state of emergency event in January 2024. When excluding snow/severe weather costs and its budget, operating expenses for the four months are 5.4% below budget for 2024.

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

Financial Summary
For the Four Months Ended April 30, 2024

Debt Service includes interest and principal payments on the Authority's outstanding bonds and is funded primarily through revenue and to a much lesser extent bond proceeds (capitalized interest). For the four months ended April 30, 2024, Debt Service totaled \$320,973,000, which was \$6,431,000 or 2.0% below budget as the 2024 Budget assumed a \$500M new money bond issuance in January 2024, that was ultimately issued in April. Debt service through April included \$194,950,000 in interest payments and \$126,023,000 in principal payments. Net debt service (funded from revenue, net of capitalized interest) was \$307,501,000 for the four months and meets the budget. The 2024 annual debt service budget includes approximately \$922,500,000 of debt service funded from revenue (net debt service), and the remaining \$84,700,000 of debt service funded from bond proceeds (capitalized interest), for a total debt service budget of \$1,007,200,000.

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund spending totaled \$228,829,000 for the four months ended April 30, 2024, which was \$9,287,000, or 3.9% below budget. Spending consisted primarily of \$154,816,000 for the 2021 State Public Transportation Projects Funding Agreement, \$9,048,000 for Extraordinary Events (State of Emergency Events), and \$7,333,000 for the Transportation Trust Fund. Also included are \$44,267,000 in transfers to the Supplemental Capital program 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 four months ended April 30, 2024, total expenditures were approximately \$78,322,000, which was 62.3% of the 2024 year-to-date spending budget. Expenditures included \$21,432,000 for Service Area Improvements, \$3,340,000 for Tolling Legacy Parts Replacement, and \$3,145,000 for GSP Milepost 126-172 Bridge Repairs. In addition to these expenditures, there are open contracts and commitments totaling approximately \$403,326,000.

The Construction Fund, which is funded from bond proceeds, consists of the 2024-2028 Capital Improvement Program, the 2019 Capital Improvement Program, and the 2008 \$7 Billion Capital Improvement Program. For the four months ended April 30, 2024, total expenditures were approximately \$107,486,000, which was 48.6% of the 2024 year-to-date spending budget. Total expenditures included \$15,008,000 for TPK Bridge Rehabilitation W107.84 and E107.84, \$8,825,000 for TPK Deck Reconstruction Mileposts 98.48 to 98.76, and \$7,531,000 for Passaic River Bridge Rehabilitation. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,135,280,000.