

**New Jersey Turnpike Authority
Financial Summary
For the Month Ended January 31, 2024**

	Actual YTD January	YTD Budget January	2024 Annual Budget
Total Revenue	\$ 196,620,000	\$ 192,717,000	\$ 2,578,100,000
Operating Expenses	<u>52,936,000</u>	<u>56,947,000</u>	<u>757,105,000</u>
Net Revenue	\$ 143,684,000	\$ 135,770,000	\$ 1,820,995,000
Debt Service Requirements - Net	76,875,000	76,875,000	922,600,000
Maintenance Reserve Fund	20,000,000	20,000,000	240,000,000
Special Reserve Fund	4,508,000	4,508,000	54,100,000
Debt Service Coverage	1.87	1.77	1.97
Total Requirements Coverage	1.42	1.34	1.50

The following un-audited results are for the month ended January 31, 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 month ended January 31, 2024, was \$196,620,000, which is \$3,903,000, or 2.0% above the 2024 year-to-date budget. Toll revenue was \$161,087,000, which is \$5,413,000, or 3.3%, 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). In addition to the snow days, the 3% toll increase was budgeted for the full year but will not go into effect until March 1, 2024. Gas prices averaged \$0.26/gallon lower in 2024 compared to the same period in 2023, and when compared to December 2023, gas prices in January decreased \$0.12/gallon. Investment income was \$2,389,000, or 46.84%, above budget due to higher invested balances and increases in interest rates. *E-ZPass* fees were \$6,507,000, or 62% above the budget due to conservative budgeting in 2024. Miscellaneous revenue was \$318,000 or 21.2% above budget primarily due to a \$101,000 in FEMA recoveries for Covid-19 (2020-2023) and \$62,000 in surplus property sales.

For the month ended January 31, 2024, traffic on the New Jersey Turnpike decreased 2.0% and toll revenue decreased 3.4% compared to the same period in 2023. The decrease in traffic is primarily due to severe winter weather. Toll revenue decreased primarily as a result of the decrease in traffic as well as the three impactful snow days and State of Emergency (flooding). In addition, traffic and revenue also decreased due to less travel during the New Year's Day and Martin Luther King Day holidays compared to the same periods as last year. 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 2.9% decrease in traffic and a 0.5% decrease in revenue as compared to the prior year. The actual results for the month ended January 31, 2024, were below CDM's projections, as the budget assumed the 3% annual toll rate indexing on January 1, 2024, which will now be implemented as of March 1, 2024. When compared to the same period in 2019, pre-pandemic, traffic is down 4.8% but revenue is up 35.7% for the same period. Traffic has recovered to 95.2% of pre-pandemic levels. Through January 2024, the *E-ZPass* usage rate on the New Jersey Turnpike was 93.05%, an increase from 92.36% for the same period in 2023.

For the month ended January 31, 2024, toll transactions on the Garden State Parkway decreased 3.0% and revenue decreased 3.4% when compared to the same period in 2023. The decrease in toll transactions is primarily due to the three impactful snow days and State of Emergency (Flooding) and the decrease in travel. The actual results for the month ended January 31, 2024, were below the budget which was based on CDM Smith's projection of a 2.0% decrease in toll transactions and a 0.9% increase in toll revenue, as the budget assumed the 3% annual toll rate indexing on January 1, 2024, which will now be implemented as of March 1, 2024. When compared to the same period in 2019, pre-pandemic, traffic is down 6.0%, but revenue is up 25.9%. Traffic has recovered to 94.0% of pre-pandemic levels. Through January 2024, the *E-ZPass* usage rate on the Garden State Parkway was 91.1%, an increase from 90.3% for the same period in 2023.

Operating expenses for the month ended January 31, 2024, were approximately \$52,936,000, which is \$4,011,000 or 7.0% below the year-to-date budget. The Authority's operating expenses through January were below budget primarily due to lower casualty and bridge and property insurance costs, lower general consultant costs, salaries, and lower transponder costs. These factors were partially offset by higher-than-budgeted health benefits costs due to higher usage of Direct Access and prescription plans, and banking services due to increased banking and credit card fees. The Authority spent a total of \$11,852,000 for snow and severe weather costs in 2024, with \$2,804,000 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 month are 6.1% 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 Month Ended January 31, 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 month ended January 31, 2024, Debt Service totaled \$79,768,000, which was \$2,083,000 or 2.5% below budget as the 2024 Budget assumed a \$500M new money bond issuance in January 2024, which to date has not been required. Debt service through January included \$48,262,000 in interest payments and \$31,506,000 in principal payments. Net debt service (funded from revenue, net of capitalized interest) was \$76,875,000 for the month and meets the budget. The 2024 annual debt service budget includes approximately \$922,600,000 of debt service funded from revenue (net debt service), and the remaining \$109,700,000 of debt service funded from bond proceeds (capitalized interest), for a total debt service budget of \$1,032,300,000.

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund spending totaled \$58,952,000 for the month ended January 31, 2024, which was \$665,000, or 1.1% below budget. Spending consisted primarily of \$38,689,000 for the 2021 State Public Transportation Projects Funding Agreement, \$9,048,000 for Extraordinary Events (State of Emergency Events), and \$1,833,000 for the Transportation Trust Fund. Also included are \$7,292,000 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 month ended January 31, 2024, total expenditures were approximately \$14,136,000, which was 52.8% of the 2024 spending budget. Expenditures included \$5,203,000 for Service Area Renovations, \$1,797,000 for Major Fleet Augmentation, and \$882,000 for GSP Resurfacing Milepost 0-126 Section 4. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,354,094,000.

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 month ended January 31, 2024, total expenditures were approximately \$14,526,000, which was 25.5% of the 2024 spending budget. Total expenditures included \$2,138,000 for Passaic River Bridge Rehabilitation, \$544,000 for GSP 128 AB 154.2N & TPK 90-91.37, \$2,901,000 for TPK Bridge Rehabilitation W107.87, E107.88, and \$232,000 for GSP Shoulder Widening Reconstruction MP 30-35. In addition to these expenditures, there are open contracts and commitments totaling approximately \$9,364,163,000.