

**New Jersey Turnpike Authority
Financial Summary
For the Two Months Ended February 29, 2024**

| | Actual YTD January - February | YTD Budget January - February | 2024 Annual Budget |
|--|----------------------------------|----------------------------------|-----------------------|
| Total Revenue | \$ 389,469,000 | \$ 379,434,000 | \$ 2,578,100,000 |
| Operating Expenses | 112,714,000 | 130,395,000 | 757,105,000 |
| Net Revenue | \$ 276,755,000 | \$ 249,039,000 | \$ 1,820,995,000 |
| Debt Service Requirements - Net | 153,751,000 | 153,751,000 | 922,600,000 |
| Maintenance Reserve Fund | 40,000,000 | 40,000,000 | 240,000,000 |
| Special Reserve Fund | 9,017,000 | 9,017,000 | 54,100,000 |
| Debt Service Coverage | 1.80 | 1.62 | 1.97 |
| Total Requirements Coverage | 1.36 | 1.23 | 1.50 |

The following un-audited results are for the two months ended February 29, 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 two months ended February 29, 2024, was \$389,469,000, which is \$10,035,000, or 2.6% above the 2024 year-to-date budget. Toll revenue was \$320,549,000, which is \$6,851,000, or 2.1%, 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 January, and an additional two snow days in February. 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 \$0.22/gallon lower in 2024 compared to the same period in 2023, and when compared to January 2024, gas prices in February increased \$0.08/gallon. Investment income was \$8,657,000, or 89.2%, above budget due to higher invested balances and increases in interest rates. *E-ZPass* fees were \$8,041,000, or 38.3% above the budget due to conservative budgeting in 2024. Miscellaneous revenue was \$11,000, or 0.4% slightly below budget primarily because of an adjustment to advertising.

For the two months ended February 29, 2024, traffic on the New Jersey Turnpike increased 1.0% and toll revenue decreased 0.2% compared to the same period in 2023. The increase in traffic can be attributed mainly to February having an additional weekday because of 2024 being a Leap Year. Toll revenue decreased slightly as a result of the three impactful snow days and State of Emergency (flooding) in January, and an additional two snow days in February. 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 0.8% decrease in traffic and a 1.7% increase in revenue as compared to the prior year. The actual results for the two months ended February 29, 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 will now be implemented as of March 1, 2024. When compared to the same period in 2019, pre-pandemic, traffic is down 2.0% and revenue is up 40.0% for the same period. Traffic has recovered to 98.0% of pre-pandemic levels. Through February 2024, the *E-ZPass* usage rate on the New Jersey Turnpike was 93.1%, an increase from 92.4% for the same period in 2023.

For the two months ended February 29, 2024, toll transactions on the Garden State Parkway increased 0.6% and revenue increased 0.2% when compared to the same period in 2023. The slight increase in traffic and revenue is primarily due to February having one extra weekday because of 2024 being a Leap Year. The actual results for the two months ended February 29, 2024, exceeded CDM Smith's projection of a 0.3% increase in toll transactions, but was below CDM Smith's toll revenue projection increase of 3.3%, 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 2.7%, but revenue is up 30.3%. Traffic has recovered to 97.3% of pre-pandemic levels. Through February 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 two months ended February 29, 2024, were approximately \$112,714,000, which is \$17,682,000 or 13.6% below the year-to-date budget. The Authority's operating expenses through February were below budget primarily due to lower than budgeted snow/severe weather costs. This was partially offset by higher-than-budgeted health benefits costs due to higher usage of Direct Access and prescription plans, as well as higher-than-budgeted insurance costs due to settled claims and outside counsel fees. The Authority spent a total of \$16,077,000 for snow and severe weather costs in 2024, with \$7,029,000 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 two months are 0.9% 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 Two Months Ended February 29, 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 two months ended February 29, 2024, Debt Service totaled \$159,535,000, which was \$4,167,000 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 February included \$96,523,000 in interest payments and \$63,012,000 in principal payments. Net debt service (funded from revenue, net of capitalized interest) was \$153,751,000 for the two months 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 \$110,211,000 for the two months ended February 29, 2024, which was \$9,025,000, or 7.6% below budget. Spending consisted primarily of \$77,377,000 for the 2021 State Public Transportation Projects Funding Agreement, \$9,048,000 for Extraordinary Events (State of Emergency Events), and \$3,667,000 for the Transportation Trust Fund. Also included are \$14,877,000 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 two months ended February 29, 2024, total expenditures were approximately \$20,364,000, which was 40.3% of the 2024 spending budget. Expenditures included \$5,618,000 for Service Area Renovations, \$1,797,000 for Major Fleet Augmentation, and \$1,039,000 for GSP Milepost 126-172 Bridge Repairs. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,270,272,000.

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 two months ended February 29, 2024, total expenditures were approximately \$40,307,000, which was 36.6% of the 2024 spending budget. Total expenditures included \$5,064,000 for Passaic River Bridge Rehabilitation, \$1,594,000 for TPK Lighting Upgrades Interchanges 10 and 11, and \$318,000 for NBHCE Bridge Re-decking. In addition to these expenditures, there are open contracts and commitments totaling approximately \$9,375,596,000.