

**New Jersey Turnpike Authority
Financial Summary
For the Three Months Ended March 31, 2022**

	Actual YTD January - March	YTD Budget January - March	2022 Annual Budget
Total Revenue	\$ 529,897,000	\$ 504,071,000	\$ 2,298,400,000
Operating Expenses	<u>152,329,000</u>	<u>173,079,000</u>	<u>676,600,000</u>
Net Revenue	\$ 377,568,000	\$ 330,992,000	\$ 1,621,800,000
Debt Service Requirements	214,574,000	221,025,000	902,853,000
Maintenance Reserve Fund	50,000,000	50,000,000	200,000,000
Special Reserve Fund	12,500,000	12,500,000	50,000,000
Debt Service Coverage	1.76	1.50	1.80
Total Requirements Coverage	1.36	1.17	1.41

The following un-audited results are for the three months ended March 31, 2022.¹ 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, 2022, the Authority is projected to have a debt service coverage ratio of 1.80 and a total requirements coverage ratio of 1.41.

The Authority's total revenue for the three months ended March 31, 2022 was \$529,897,000, which is \$25,826,000, or 5.1%, above the 2022 year-to-date budget. Toll revenue was \$465,292,000, which is \$18,992,000, or 4.3%, more than the 2022 year-to-date budget. Toll revenue is greater than budget primarily due to stronger than projected commercial traffic growth on the New Jersey Turnpike. However, the impacts of severe winter weather in the month of January 2022 accounted for an approximate \$8 million revenue loss and the winter weather at the end of March 2022 which accounted for an approximate \$2 million in additional revenue loss, for a total of a \$10 million loss. January 2022 was the 9th snowiest January since 1895, with an average snowfall of 18.1" across the entire State. E-ZPass fees were \$6,351,000, or 25.5%, above the budget due to conservative budgeting in 2022.

For the three months ended March 31, 2022, traffic on the New Jersey Turnpike increased 14.1% and toll revenue increased 17.7% compared to the same period in 2021. The increase in traffic is primarily due to the continued return to office, increased travel, and resumption of large-scale public events after the lifting of COVID-related restrictions in 2021. Toll revenue also increased due to the 3% annual toll rate indexing which went into effect on January 1, 2022. In addition, traffic and revenue also increased due to more travel during the February 2022 Presidents' Day holiday weekend compared to the same period as last year. The 2022 traffic and toll revenue budgets are based on the Authority's traffic engineering consultant's (CDM Smith) updated toll revenue forecast dated September 10, 2021. The updated forecast includes both the assumed improved impact of COVID-19 on travel and the 3% annual toll rate indexing. Considering these two factors, CDM Smith projected a 9.7% increase in traffic and a 10.8% increase in revenue as compared to prior year. The actual results for the three months ended March 31, 2022 were above CDM's projections, despite the severe winter weather in January and March which were not projected and accounted for an approximate \$7 million revenue loss. When compared to the same period in 2019, pre-pandemic, traffic is down 8.6% but revenue is up 32.4% for the same period. However, when comparing the month of March 2022 to March 2019, traffic has recovered to about 96% of pre-pandemic levels. Through March 2022, the E-ZPass usage rate on the New Jersey Turnpike was 91.5%, an increase from 89.2% for the same period in 2021.

For the three months ended March 31, 2022, toll transactions on the Garden State Parkway increased 9.3% and revenue increased 12.6% when compared to the same period in 2021. The increase in traffic is primarily due to the increase in travel as COVID-related restrictions continue to be lifted, while toll revenue increased mainly due to the 3% annual toll rate indexing. Increased travel during the Presidents' Day holiday weekend as compared to last year also positively impacted results. The actual results for the three months ended March 31, 2022 were below the budget which was based on CDM's projection of a 9.3% increase in toll transactions and a 14.1% increase in toll revenue, due to the severe winter weather in January and March which were not projected and accounted for an approximate \$3 million revenue loss. The projections include both the assumed impacts of COVID-19 and the 3% annual toll rate indexing. When compared to the same period in 2019, pre-pandemic, traffic is down 10.1% and revenue is up 17.3%. However, when comparing the month of March 2022 to 2019, traffic has recovered to about 94% of pre-pandemic levels. Through March 2022, the E-ZPass usage rate on the Garden State Parkway was 89.5%, an increase from 87.2% for the same period in 2021.

Operating expenses for the three months ended March 31, 2022 were approximately \$152,329,000, which is \$20,750,000, or 12.0%, below the year-to-date budget. The Authority's operating expenses through March were below budget primarily due to lower than budgeted snow/severe weather costs, lower salaries because of existing vacancies, and lower than budgeted health benefit costs, which were partially offset by higher than budgeted transponder costs. The Authority spent a total of \$28,909,000 for snow and severe weather costs in 2022, with \$14,485,000 spent from the operating expense budget and an additional \$14,424,000 spent from 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. The Authority still has about \$34,535,000 in total available in its 2022 operating expense and general reserve budgets for snow and severe weather costs.

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

**Financial Summary
For the Three Months Ended March 31, 2022**

Debt Service includes interest and principal payments on the Authority's outstanding bonds. For the three months ended March 31, 2022, Debt Service totaled \$214,574,000, which was \$6,451,000 or 2.9% below budget and included \$141,811,000 in interest payments and \$72,763,000 in principal payments. Debt Service is below budget partly because the budget assumed a \$500,000,000 new money bond issuance in the beginning of 2022 but has not been issued as of March 2022.

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund spending totaled \$125,369,000 for the three months ended March 31, 2022. Spending consisted primarily of \$87,483,000 for the new State Transportation Agreement, \$14,424,000 for Extraordinary Events (state of emergency weather events), and \$5,500,000 for the Transportation Trust Fund. Also included are \$12,500,000 in transfers to the Supplemental Capital program in the Construction Fund.

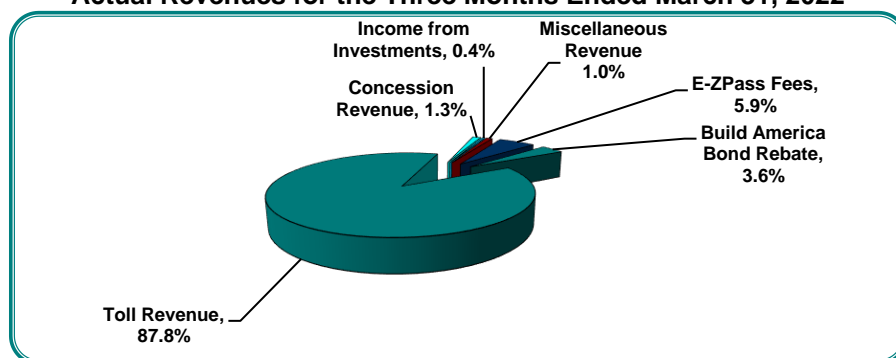
The Capital Budget, which is funded by revenue, consists of the Maintenance Reserve Fund, Special Project Reserve Fund, and the Supplemental Capital Program. For the three months ended March 31, 2022, total expenditures were approximately \$18,170,000, which was 18.5% of the year-to-date spending budget. Expenditures included \$1,888,000 for Network Refresh, \$1,369,000 for TMC Communication Upgrades, and \$1,037,000 for TPK Milepost 92-122 & NBHCE. In addition to these expenditures, there are open contracts and commitments totaling approximately \$251,422,000.

The Construction Fund, which is funded from bond proceeds, consists of the 2022-2026 Capital Improvement Program, 2019 Capital Improvement Program, and the 2008 \$7 Billion Capital Improvement Program. For the three months ended March 31, 2022, total expenditures were approximately \$87,569,000, which was 55.2% of the year-to-date spending budget. Total expenditures included \$6,781,000 for GSP Shoulder Widening from MP 30 to 35, \$6,498,000 for Passaic River Bridge Rehabilitation, \$5,593,000 for TPK Install New Hybrid CMS, and \$5,504,000 for NBHCE Bridge Re-decking. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,045,485,000.

**Comparison of Budgeted Revenues to Actual Revenues
For the Three Months Ended March 31, 2022**

	Budgeted	Unaudited Actual
Toll Revenue	\$ 446,300,000	\$ 465,292,000
Concession Revenue	7,800,000	6,787,000
Income from Investments	1,500,000	2,093,000
Miscellaneous Revenue	3,000,000	5,221,000
Build America Bond Subsidy	19,200,000	19,253,000
E-ZPass Fees	24,900,000	31,251,000
Total Revenues	\$502,700,000	\$529,897,000

Actual Revenues for the Three Months Ended March 31, 2022



For the three months ended March 31, 2022, total revenue was \$529,712,000, which was 5.1%, or \$25,641,000 above the 2022 Budget. Total revenue was above budget mainly due to increased travel and the continued return to office after the lifting of COVID-19 restrictions.

Toll revenue for the period was \$465,292,000 which was 4.3%, or \$18,992,000 greater than the 2022 Budget amount. Toll revenue was \$20,559,000, or 6.2% higher than the 2022 Budget amount on the New Jersey Turnpike and \$1,568,000, or 1.4% lower than the 2022 Budget amount on the Garden State Parkway. Toll revenue was above budget primarily due to stronger than projected commercial vehicle traffic on the New Jersey Turnpike.

Concession revenue consists of revenues generated through the sale of food, gasoline and convenience store items at the service areas located along both roadways. Concession revenue was \$6,787,000 which was \$1,013,000 or 13.0% below the 2022 Budget. Revenue was lower due to severe winter weather in January and March 2022, the impact of the COVID-19 Omicron variant, and the closure of the two McDonald's locations on the Parkway. On the Turnpike, food sales increased 26.1%, fuel sales decreased 11.1% and convenience store sales increased by 11.3% compared to last year. On the Garden State Parkway, food sales decreased 29.0%, fuel sales decreased 3.5%, and convenience store sales increased 13.1% compared to the same period in 2021. The increase in food and convenience store sales on the Turnpike are primarily due to the less severe impacts of the COVID-19 pandemic, while the decrease in fuel sales is mainly due to the closure of the Woodrow Wilson and Molly Pitcher Service Areas for renovations, as well as the overall rise in gas prices. On the Parkway, the increase in Convenience Store sales is due to the less severe impacts of the COVID-19 pandemic, while food sales decreased mainly due to the closure of the two McDonald's locations and fuel sales decreased due partly to the rise in gas prices.

Investment earnings consist of income from invested operating revenues and reserve funds. Investment income was \$2,093,000, which was \$593,000 or 39.5% higher than the 2022 Budget. Income from investments was above budget due to conservative budgeting in 2022. The budget did not project an increase in short-term interest rates, however, rates have slightly increased due to the less severe impacts of COVID-19 on the economy and on interest rates.

Miscellaneous revenue includes fees for cell tower rentals, towing, fiber optic leases, park & ride commissions, property rentals, the Arts Center, and other items. Revenue for the period was \$5,221,000 which was \$850,000, or 19.4% higher than the 2022 Budget. Miscellaneous revenue was above the 2022 Budget levels due to approximately \$250,000 in additional fiber billing for prior year, \$243,000 for cell tower back rent for prior years and \$387,000 in FEMA recoveries for COVID-19 (Ongoing) and Hurricane Ida (2021).

The Build America Bond Subsidy is a direct payment from the U.S. Treasury to the Authority equaling about 35% of the interest payable on the Series 2009F and the Series 2010A Bonds for Federal Fiscal Year 2022 which began in October 2021. The subsidy due was \$19,253,000, which was at the 2022 Budget amount.

E-ZPass fees consist of monthly membership fees, transponder sales, return check fees, administrative fees, interest on prepaid accounts and monthly statement fees. Revenue of \$31,251,000 was above budget due primarily to an increase in administrative fees, as well as an increase in monthly membership fees as accounts have increased.

New Jersey Turnpike Traffic & Revenue Comparison

For the Month of March 2022⁽¹⁾

<u>Traffic</u>			
	<u>March-22</u>	<u>March-21</u>	<u>% Change</u>
Passenger Vehicles	17,807,000	15,856,000	12.3%
Commercial Vehicles	3,176,000	3,099,000	2.5%
Overall	<u>20,983,000</u>	<u>18,955,000</u>	<u>10.7%</u>
<u>Revenue</u>			
	<u>March-22</u>	<u>March-21</u>	<u>% Change</u>
Passenger Vehicles	\$ 84,113,000	\$ 72,440,000	16.1%
Commercial Vehicles	46,657,000	43,473,000	7.3%
Overall	<u>\$ 130,770,000</u>	<u>\$ 115,913,000</u>	<u>12.8%</u>

(1) Includes un-audited data for the month.

For the month of March 2022, traffic on the New Jersey Turnpike increased 10.7% and toll revenue increased 12.8% when compared to the same period in 2021. These results are ahead of CDM's projections of an increase of 2.1% for traffic and an increase of 3.8% for toll revenue for the month of March 2022 mainly due to stronger than projected commercial traffic. The increase in toll revenue is partly due to the 3% annual toll rate indexing effective on January 1, 2022.

For the Three Months Ended Marc 31, 2022⁽¹⁾

<u>Traffic</u>			
	<u>March-22</u>	<u>March-21</u>	<u>% Change</u>
Passenger Vehicles	47,170,000	40,922,000	15.3%
Commercial Vehicles	8,723,000	8,043,000	8.5%
Overall	<u>55,893,000</u>	<u>48,965,000</u>	<u>14.1%</u>
<u>Revenue</u>			
	<u>March-22</u>	<u>March-21</u>	<u>% Change</u>
Passenger Vehicles	\$ 223,555,000	\$ 185,651,000	20.4%
Commercial Vehicles	128,704,000	113,704,000	13.2%
YTD Toll Revenue	<u>\$ 352,259,000</u>	<u>\$ 299,355,000</u>	<u>17.7%</u>

(1) Includes un-audited data for the month.

For the three months ended March 31, 2022, traffic increased 14.1% and toll revenue increased 17.7% when compared to the same period in 2021. Results were above the 2022 Budget which was based on CDM Smith's projections of a 9.7% increase in traffic and a 10.8% increase in revenue, as commercial vehicle traffic has continued to be stronger than projected due to improved economic conditions. Toll revenue has exceeded projections partly due to the 3% annual toll rate indexing effective January 1, 2022. Traffic and revenue also increased due to increased travel and continued return to office after the lifting of COVID-related restrictions in 2021, as well as more travel during the February 2022 Presidents' Day Weekend as compared to last year. Electronic toll collection remains popular and overall usage rates continue to be strong. For the three months ended March 31, 2022, the *E-ZPass* usage rate for passenger cars was 90.5%, and 96.4% for commercial vehicles. This resulted in an overall *E-ZPass* usage rate of 91.5%. The *E-ZPass* usage rate remains one of the highest in the region reflecting acceptance among commuters and frequent travelers of the *E-ZPass* brand and the convenience provided to the users throughout the Northeast.

Garden State Parkway Traffic & Revenue Comparison

For the Month of March 2022⁽¹⁾

	<u>Traffic</u>		
	<u>March-22</u>	<u>March-21</u>	<u>% Change</u>
Passenger Vehicles	28,521,000	26,870,000	6.1%
Commercial Vehicles	497,000	457,000	8.8%
Overall	<u>29,018,000</u>	<u>27,327,000</u>	<u>6.2%</u>

	<u>Revenue</u>		
	<u>March-22</u>	<u>March-21</u>	<u>% Change</u>
Passenger Vehicles	\$ 40,623,000	\$ 37,231,000	9.1%
Commercial Vehicles	1,725,000	1,580,000	9.2%
Overall	<u>\$ 42,348,000</u>	<u>\$ 38,811,000</u>	<u>9.1%</u>

(1) Includes un-audited data for the month.

For the month of March 2022, toll transactions on the Garden State Parkway increased by 6.2% and toll revenue increased by 9.1% when compared to March 2021. The overall increase in toll transactions can be attributed to the easing of COVID-19 restrictions, allowing for increased travel and the continued return to office. The increase in toll revenue is attributed to the 3% annual toll rate indexing effective January 1, 2022. The results were above CDM's projections of a 2.3% increase in traffic and a 5.3% increase in toll revenue for March 2022.

For the Three Months Ended March 31, 2022⁽¹⁾

	<u>Traffic</u>		
	<u>March-22</u>	<u>March-21</u>	<u>% Change</u>
Passenger Vehicles	76,298,000	69,798,000	9.3%
Commercial Vehicles	1,308,000	1,173,000	11.5%
Overall	<u>77,606,000</u>	<u>70,971,000</u>	<u>9.3%</u>

	<u>Revenue</u>		
	<u>March-22</u>	<u>March-21</u>	<u>% Change</u>
Passenger Vehicles	\$ 108,555,000	\$ 96,360,000	12.7%
Commercial Vehicles	4,477,000	4,023,000	11.3%
YTD Toll Revenue	<u>\$ 113,032,000</u>	<u>\$ 100,383,000</u>	<u>12.6%</u>

(1) Includes un-audited data for the month.

For the three months ended March 31, 2022, toll transactions on the Garden State Parkway increased 9.3% and toll revenue increased 12.6% when compared to the same period in 2021. Toll transactions increased due to the increase in travel as COVID-19 related restrictions continue to be lifted. However, toll revenue increased due not only to the increase in toll transactions, but also due to the 3% annual toll rate indexing effective January 1, 2022. Results fell below the 2022 Budget which was based on CDM Smith's projections of a 10.5% increase in toll transactions and a 14.1% increase in toll revenue, due in part to the severe winter weather in January and March which were not projected and accounted for an approximate \$3 million revenue loss. *E-ZPass* remains popular on the Garden State Parkway as electronic toll collection continues to increase. For the three months ended March 31, 2022, the total *E-ZPass* usage rate was 89.5%. The *E-ZPass* usage rate for passenger cars was 89.4%, and 95.5% for commercial vehicles.

Operating Expenses
For the Three Months Ended March 31, 2022

	2022 Annual Budget	YTD Budget	2022 Annual Expenses
<u>Maintenance of roadway, buildings & equipment</u>			
Maintenance	\$ 243,470,000	\$ 74,019,000	\$ 56,851,000
Engineering	29,697,000	5,929,000	5,268,000
Total Maintenance	273,167,000	79,948,000	62,119,000
<u>Toll Collection</u>			
Toll Collection	192,021,000	44,320,000	43,859,000
<u>State Police & Traffic Control</u>			
State Police	107,731,000	24,773,000	24,620,000
Operations	16,521,000	3,825,000	4,510,000
Total State Police and Traffic Control	124,252,000	28,598,000	29,130,000
<u>Technology</u>			
Information Technology Services	25,877,000	6,158,000	5,516,000
<u>General & Administrative</u>			
Executive Office	1,930,000	492,000	450,000
Law	14,629,000	3,617,000	3,334,000
Purchasing & Materials Management	9,129,000	2,241,000	1,835,000
Human Resources & Office Services	7,265,000	1,759,000	1,259,000
Finance	15,756,000	4,082,000	3,703,000
Patron & Customer Services	1,847,000	455,000	(40,000)
Internal Audit	5,767,000	1,409,000	1,164,000
Total General and Administrative	56,323,000	14,055,000	11,705,000
TOTAL OPERATING	\$ 671,640,000	\$ 173,079,000	\$ 152,329,000

For the three months ended March 31, 2022, operating expenses were approximately \$152,329,000, which was 22.7% of the annual budget. Operating expenses through March 2022 were under budget primarily due to lower than budgeted snow/severe weather costs of approximately \$12,000,000, salaries of approximately \$4,000,000 due to existing vacancies, and health benefits costs of about \$2,000,000. These under budget expenses were partially offset by higher than budgeted transponder costs of about \$1,000,000.

Debt Service

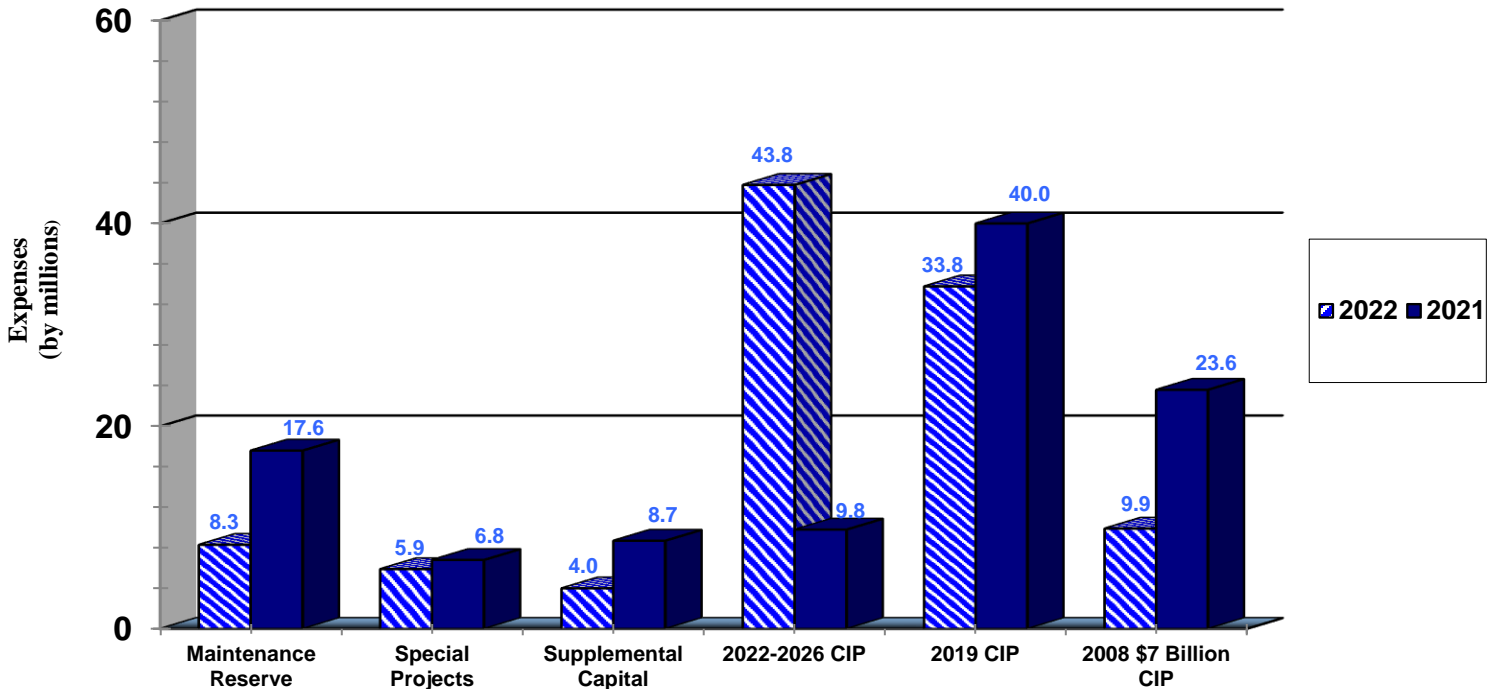
Debt Service includes interest and principal payments on the Authority's outstanding bonds. For the three months ended March 31, 2022, Debt Service totaled \$214,574,000 and included \$141,811,000 in interest payments and \$72,763,000 in principal payments. Debt Service is currently \$6,451,000 or 2.9% below budget partly because the budget assumed a \$500,000,000 new money bond issuance in the beginning of 2022 but has not been issued as of March 2022.

General Reserve Fund

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund spending totaled \$125,369,000 and consisted primarily of \$87,483,000 for the new State Transportation Agreement, \$14,424,000 for Extraordinary Events (state of emergency weather events), and \$5,500,000 for the Transportation Trust Fund. Also included are \$12,500,000 in transfers to the Supplemental Capital program in the Construction Fund.

Capital Spending Program Expenditures For the Three Months Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
Maintenance Reserve	\$ 8,275,000	\$ 17,597,000
Special Project Reserve	5,890,000	6,754,000
Supplemental Capital	4,005,000	8,726,000
Capital Budget Total	18,170,000	33,077,000
2022-2026 Capital Improvement Program	43,839,000	9,783,000
2019 Capital Improvement Program	33,784,000	40,028,000
2008 \$7 Billion Capital Improvement Program	9,946,000	23,582,000
Construction Fund Total	87,569,000	73,393,000
Total Spending	\$ 105,739,000	\$ 106,470,000



The Capital Budget currently includes the Maintenance Reserve Fund, the Special Project Reserve Fund, and the Supplemental Capital Program. Current or accumulated revenues are used to support these funds. The Maintenance Reserve Fund covers the routine upkeep of the Authority's roadways with projects that are directly related to the Turnpike System. These projects consist of major resurfacing, structural repairs, major bridge repairs, and painting. The Special Project Reserve Fund covers non-routine maintenance of the roadways and facilities. These projects consist of, but are not limited to, improving the Authority's facilities, fleet and technology platform. The Supplemental Capital Program generally covers roadway and facilities improvements, as well as major technology initiatives. For the three months ended March 31, 2022, total expenditures from the Capital Budget were approximately \$18,170,000, which was 18.5% of the year-to-date spending budget. Expenditures included \$1,888,000 for Network Refresh, \$1,369,000 for TMC Communication Upgrades, and \$1,037,000 for TPK Milepost 92-122 & NBHCE. In addition to these expenditures, there are open contracts and commitments totaling approximately \$251,422,000.

The Construction Fund, which is funded by bond proceeds, consists of the 2021-2025 Capital Improvement Program, 2019 Capital Improvement Program, and the 2008 \$7 Billion Capital Improvement Program. For the three months ended March 31, 2022, total expenditures were approximately \$87,569,000, which was 55.2% of the year-to-date spending budget. Expenditures included \$6,781,000 for GSP Shoulder Widening from MP 30 to 35, \$6,498,000 for Passaic River Bridge Rehabilitation, \$5,593,000 for TPK Install New Hybrid CMS, and \$5,504,000 for NBHCE Bridge Re-decking. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,045,485,000.