

**New Jersey Turnpike Authority
Financial Summary
For the Month Ended January 31, 2023**

	Actual YTD January	YTD Budget January	2023 Annual Budget
Total Revenue	\$ 198,847,000	\$ 181,700,000	\$ 2,483,700,000
Operating Expenses	<u>46,942,000</u>	<u>50,506,000</u>	<u>718,866,000</u>
Net Revenue	\$ 151,905,000	\$ 131,194,000	\$ 1,764,834,000
Debt Service Requirements	76,410,000	79,833,000	958,160,000
Maintenance Reserve Fund	19,167,000	19,167,000	230,000,000
Special Reserve Fund	4,292,000	4,292,000	51,500,000
Debt Service Coverage	1.99	1.64	1.84
Total Requirements Coverage	1.52	1.27	1.42

The following un-audited results are for the month ended January 31, 2023.¹ 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, 2023, the Authority is projected to have a debt service coverage ratio of 1.84 and a total requirements coverage ratio of 1.42.

The Authority's total revenue for the month ended January 31, 2023 was \$198,847,000, which is \$17,147,000, or 9.4%, above the 2023 year-to-date budget. Toll revenue was \$166,724,000, which is \$8,924,000, or 5.7%, more than the 2023 year-to-date budget. Toll revenue is greater than budget primarily due to milder than expected winter weather. Gas prices averaged \$0.05/gallon higher in 2023 compared to the same period in 2022. However, when compared to December 2022, gas prices have remained relatively the same in January 2023. Investment income was \$3,447,000, or 101.4%, above budget due to both an increase in interest rates above the rates that were budgeted and higher invested balances. E-ZPass fees were \$3,527,000, or 35.3%, above the budget due to conservative budgeting in 2023.

For the month ended January 31, 2023, traffic on the New Jersey Turnpike increased 16.9% and toll revenue increased 16.0% compared to the same period in 2022. The increase in traffic is primarily due to mild winter weather, as passenger car traffic increased over 19% compared to January 2022. Toll revenue increased primarily due to the increase in traffic as well as the 3% annual toll rate indexing which went into effect on January 1, 2023. In addition, traffic and revenue also increased due to more travel during the January 2023 New Year's Day and Martin Luther King Day holidays compared to the same periods as last year. Also, the month of January 2023 had one extra weekday compared to January 2022, which positively impacted results. The 2023 traffic and toll revenue budgets are based on the Authority's traffic engineering consultant's (CDM Smith) Draw Down Letter dated July 22, 2022 updating the September 21, 2018 Toll Revenue Forecast. CDM Smith projected a 12.1% increase in traffic and a 9.5% increase in revenue as compared to the prior year. The actual results for the month ended January 31, 2023 were above CDM's projections. When compared to the same period in 2019, pre-pandemic, traffic is down 2.9% but revenue is up 40.4% for the same period. Traffic has recovered to about 97.0% of pre-pandemic levels. Through January 2023, the E-ZPass usage rate on the New Jersey Turnpike was 92.4%, an increase from 91.3% for the same period in 2022.

For the month ended January 31, 2023, toll transactions on the Garden State Parkway increased 18.6% and revenue increased 22.3% when compared to the same period in 2022. The increase in toll transactions is primarily due to less severe winter weather, while toll revenue increased mainly due to the increase in toll transactions as well as the 3% annual toll rate indexing. Increased travel during the New Year's Day and Martin Luther King Day holiday weekends as compared to last year also positively impacted results. Also, the month of January 2023 had one extra weekday compared to January 2022 resulting in higher transactions and revenue, as weekdays tend to have more overall traffic than weekend days. The actual results for the month ended January 31, 2023 were above the budget which was based on CDM Smith's projection of a 13.1% increase in toll transactions and a 16.5% increase in toll revenue. When compared to the same period in 2019, pre-pandemic, traffic is down 3.1% and revenue is up 30.4%. Traffic has recovered to about 97.0% of pre-pandemic levels. Through January 2023, the E-ZPass usage rate on the Garden State Parkway was 90.3%, an increase from 89.5% for the same period in 2022.

Operating expenses for the month ended January 31, 2023 were approximately \$46,942,000, which is \$3,564,000, or 7.1% below the year-to-date budget. The Authority's operating expenses through January were below budget primarily due to lower than budgeted snow/severe weather costs, salaries because of existing vacancies, and ETC costs due to lower banking and credit card fees. These factors were partially offset by higher than budgeted insurance and health benefits costs. The Authority spent a total of only \$544,000 for snow and severe weather costs in 2023 from the operating expense budget. 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 no declared state of emergency event in January 2023. The Authority still has about \$70,000,000 in total available in its 2023 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 Month Ended January 31, 2023

Debt Service includes interest and principal payments on the Authority's outstanding bonds. For the month ended January 31, 2023, Debt Service totaled \$76,410,000, which was \$3,423,000 or 4.3% below budget and included \$49,837,000 in interest payments and \$26,573,000 in principal payments. Debt Service is below budget partly because the budget assumed a \$1,000,000,000 new money bond issuance in January 2023 which to date has not been required.

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund spending totaled \$71,577,000 for the month ended January 31, 2023, which was \$5,626,000 or 7.3% below budget. Spending consisted primarily of \$62,167,000 for the new State Transportation Agreement, \$1,833,000 for the Transportation Trust Fund, and \$1,250,000 for Other Post-Employment Benefits. Also included are \$4,452,000 in transfers to the Supplemental Capital program in the Construction Fund. General Reserve is below budget mainly because there was no spending on state of emergency snow/severe weather events.

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, 2023, total expenditures were approximately \$6,054,000, which was 36.7% of the year-to-date spending budget. Expenditures included \$2,586,000 for TPK Resurfacing Milepost 0-122, \$525,000 for GSP Milepost 126-172 Bridge Repairs, and \$512,000 for TPK Milepost 92-122 & NHBCE Bridge Repairs and Resurfacing. In addition to these expenditures, there are open contracts and commitments totaling approximately \$313,282,000.

The Construction Fund, which is funded from bond proceeds, consists of the 2023-2027 Capital Improvement Program, 2019 Capital Improvement Program, and the 2008 \$7 Billion Capital Improvement Program. For the month ended January 31, 2023, total expenditures were approximately \$24,724,000, which was 36.5% of the year-to-date spending budget. Total expenditures included \$4,612,000 for GSP 128 AB 154.2N & TPK 90-91.37, \$3,527,000 for TPK Bridge Rehabilitation W107.87, E107.88 and 84.24N&S, \$2,140,000 for TPK Deck Reconstruction 98.48 to 98.76, and \$1,392,000 for GSP Shoulder Widening Reconstruction MP 30-35. In addition to these expenditures, there are open contracts and commitments totaling approximately \$876,906,000.