

**New Jersey Turnpike Authority  
Financial Summary  
For the Three Months Ended March 31, 2023**

	YTD Actual January - March	YTD Amended Budget January - March	2023 Amended Annual Budget
<b>Total Revenue</b>	\$ 595,707,000	\$ 552,300,000	\$ 2,483,700,000
<b>Operating Expenses</b>	156,104,000	190,140,000	718,900,000
<b>Net Revenue</b>	<u>\$ 439,603,000</u>	<u>\$ 362,160,000</u>	<u>\$ 1,764,800,000</u>
<b>Debt Service Requirements - Net</b>	227,325,000	239,540,000	873,300,000
<b>Maintenance Reserve Fund</b>	57,500,000	57,500,000	230,000,000
<b>Special Reserve Fund</b>	12,875,000	12,875,000	51,500,000
<b>Debt Service Coverage</b>	1.93	1.51	2.02
<b>Total Requirements Coverage</b>	1.48	1.17	1.53

The following un-audited results are for the three months ended March 31, 2023.<sup>1</sup> 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 2.02 and a total requirements coverage ratio of 1.53.

The Authority's total revenue for the three months ended March 31, 2023 was \$595,707,000, which is \$43,407,000, or 7.9%, above the 2023 year-to-date budget. Toll revenue was \$499,742,000, which is \$19,042,000, or 4.0%, 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 \$0.33/gallon lower in 2023 compared to the same period in 2022, and when compared to February 2023, gas prices in March have decreased an average of \$0.05/gallon. Investment income was \$11,878,000, or 120.0%, above budget due to both an increase in interest rates above the rates that were budgeted and higher invested balances. E-ZPass fees were \$8,226,000, or 27.4%, above the budget due to conservative budgeting in 2023.

For the three months ended March 31, 2023, traffic on the New Jersey Turnpike increased 5.9% and toll revenue increased 6.3% compared to the same period in 2022. The increase in traffic is primarily due to mild winter weather and overall lower gas prices. 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. 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 2.2% increase in traffic and a 2.3% increase in revenue as compared to the prior year. The actual results for the three months ended March 31, 2023 were above CDM's projections. When compared to the same period in 2019, pre-pandemic, traffic is down 3.2% but revenue is up 40.7% for the same period. Traffic has recovered to about 96.0% of pre-pandemic levels. Through March 2023, the E-ZPass usage rate on the New Jersey Turnpike was 92.4%, an increase from 91.5% for the same period in 2022.

For the three months ended March 31, 2023, toll transactions on the Garden State Parkway increased 7.5% and revenue increased 10.9% 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. The actual results for the three months ended March 31, 2023 were above the budget which was based on CDM Smith's projection of a 3.1% increase in toll transactions and a 6.5% increase in toll revenue. When compared to the same period in 2019, pre-pandemic, traffic is down 3.4% and revenue is up 30.0%. Traffic has recovered to about 96.0% of pre-pandemic levels. Through March 2023, the E-ZPass usage rate on the Garden State Parkway was 90.4%, an increase from 89.5% for the same period in 2022.

Operating expenses for the three months ended March 31, 2023 were approximately \$156,104,000, which is \$34,036,000, or 17.9% 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, salaries because of existing vacancies, and lower than budgeted health benefits costs. These factors were partially offset by higher than budgeted ETC costs due to higher violation collection and transaction processing costs, as well as higher State Police costs due to contractual increases. The Authority spent a total of \$5,295,000 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 events so far in 2023.

<sup>1</sup> 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, 2023**

Debt Service includes interest and principal payments on the Authority's outstanding bonds. For the three months ended March 31, 2023, Debt Service totaled \$227,325,000, which was \$12,215,000 or 5.1% below budget and included \$147,606,000 in interest payments and \$79,719,000 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. Approximately \$873,300,000 of total debt service is funded from revenue (net debt service), while the remaining \$85,000,000 of debt service is funded from bond proceeds (capitalized interest), for a total debt service of \$958,300,000.

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund spending totaled \$217,501,000 for the three months ended March 31, 2023, which was \$5,220,000 or 2.3% below budget. Spending consisted primarily of \$186,487,000 for the 2021 State Public Transportation Projects Funding Agreement, \$5,500,000 for the Transportation Trust Fund, and \$5,000,000 for the 2023 State Public Transportation Projects Funding Agreement. Also included are \$14,759,000 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.

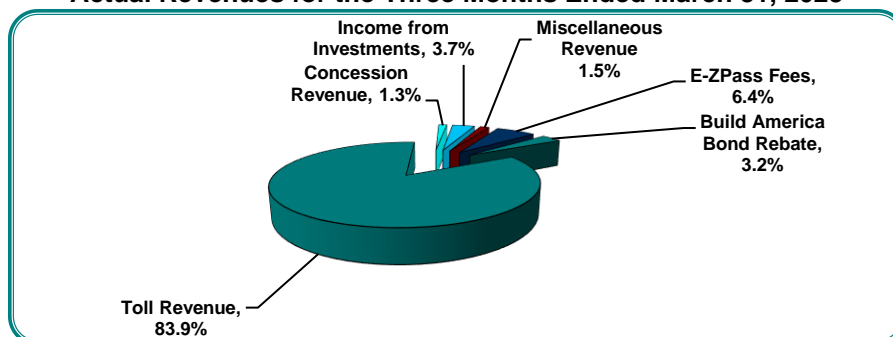
The Capital Budget, which is funded by revenue, consists of the Maintenance Reserve Fund, Special Project Reserve Fund, and the Supplemental Capital Program. For the three months ended March 31, 2023, total expenditures were approximately \$32,124,000, which was 50.0% of the year-to-date spending budget. Expenditures included \$11,799,000 for Service Area Renovations, \$2,687,000 for TPK Resurfacing Milepost 0-122, and \$2,636,000 for Cleanup Contract MP 0-122. In addition to these expenditures, there are open contracts and commitments totaling approximately \$363,495,000.

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 three months ended March 31, 2023, total expenditures were approximately \$86,454,000, which was 45.0% of the year-to-date spending budget. Total expenditures included \$9,353,000 for GSP 128 AB 154.2N & TPK 90-91.37, \$7,584,000 for TPK Bridge Rehabilitation W107.87, E107.88 and 84.24N&S, \$5,576,000 for GSP Shoulder Widening Reconstruction MP 30-35, and \$4,983,000 for Passaic River Bridge Rehabilitation. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,006,129,000.

**Comparison of Budgeted Revenues to Actual Revenues  
For the Three Months Ended March 31, 2023**

	<b>Budgeted</b>	<b>Unaudited Actual</b>
<b>Toll Revenue</b>	\$ 480,700,000	\$ 499,742,000
<b>Concession Revenue</b>	8,200,000	7,974,000
<b>Income from Investments</b>	9,900,000	21,778,000
<b>Miscellaneous Revenue</b>	4,300,000	8,734,000
<b>Build America Bond Subsidy</b>	19,200,000	19,253,000
<b>E-ZPass Fees</b>	30,000,000	38,226,000
<b>Total Revenues</b>	<b>\$ 552,300,000</b>	<b>\$595,707,000</b>

**Actual Revenues for the Three Months Ended March 31, 2023**



For the three months ended March 31, 2023, total revenue was \$595,707,000, which was 7.9%, or \$43,407,000 above the 2023 Budget. Total revenue was above budget mainly due to toll revenue exceeding budget from unusually mild winter weather and the continued increase in travel.

Toll revenue for the period was \$499,742,000 which was 4.0%, or \$19,042,000 greater than the 2023 Budget amount. Toll revenue was \$14,075,000, or 3.9% higher than the 2023 Budget amount on the New Jersey Turnpike and \$4,967,000, or 4.1% higher than the 2023 Budget amount on the Garden State Parkway. Toll revenue was above budget primarily due to milder than expected winter weather and lower gas prices.

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 \$7,974,000 which was \$226,000 or 2.8% below the 2023 Budget. Revenue was slightly lower due to lower than projected food sales, despite an increase in fuel revenue received from the 50% share of the gross profit margin on diesel sales. On the Turnpike, food sales increased 24.0%, fuel sales decreased 9.1% and convenience store sales increased by 10.7% compared to last year. On the Garden State Parkway, food sales increased 32.7%, fuel sales decreased 13.8%, and convenience store sales increased 7.8% compared to the same period in 2022. The increase in food and convenience store sales on the Turnpike are primarily due to the re-opening of the Molly Pitcher and Woodrow Wilson Service Areas which were still closed for renovation in the first quarter of 2022 and the mild winter, while the decrease in fuel sales is mainly due to the closure of the Joyce Kilmer, Walt Whitman and James Fenimore Cooper Service Areas for renovations. On the Parkway, the increase in food and convenience store sales is due to the mild winter and increased travel, while fuel sales decreased due partly to the closure of the Vauxhall and Brookdale South Service Areas for renovations as well as higher gas prices at the Service Areas.

Investment earnings consist of income from invested operating revenues and reserve funds. Investment income was \$21,778,000, which was \$11,878,000 or 120.0% higher than the 2023 Budget. Income from investments was above budget due to both an increase in interest rates over the budgeted rates and higher invested balances. While the budget projected an increase in short-term interest rates, the projection was for a lesser increase compared to the actual increase in rates. The federal reserve continues raising the fed funds rate in response to inflation.

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 \$8,734,000 which was \$4,434,000, or 103.1% higher than the 2023 Budget. Miscellaneous revenue was above the 2023 Budget levels due to a \$2,500,000 insurance recovery for the Delaware River Turnpike Bridge and approximately \$1,069,000 in FEMA recoveries for COVID-19 (Ongoing), Hurricane Ida (2021) and Hurricane Sandy (2012), partially offset by adjustments to billboard advertising revenue.

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 2023 which began in October 2022. The subsidy due was \$19,253,000, which is \$53,000 above the 2023 Budget amount due to rounding.

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 \$38,226,000 was above budget due primarily to an increase in administrative fees, as well as an increase in monthly membership fees as accounts have increased and the increases were not budgeted.

# New Jersey Turnpike Traffic & Revenue Comparison

For the Month of March 2023<sup>(1)</sup>

	<u>Traffic</u>		
	<u>March-23</u>	<u>March-22</u>	<u>% Change</u>
Passenger Vehicles	18,074,000	17,807,000	1.5%
Commercial Vehicles	3,126,000	3,176,000	-1.6%
Overall	<u>21,200,000</u>	<u>20,983,000</u>	<u>1.0%</u>
	<u>Revenue</u>		
	<u>March-23</u>	<u>March-22</u>	<u>% Change</u>
Passenger Vehicles	\$ 87,205,000	\$ 84,107,000	3.7%
Commercial Vehicles	46,733,000	46,654,000	0.2%
Overall	<u>\$ 133,938,000</u>	<u>\$ 130,761,000</u>	<u>2.4%</u>

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

For the month of March 2023, traffic on the New Jersey Turnpike increased 1.0% and toll revenue increased 2.4% when compared to the same period in 2022. These results are ahead of CDM's projections of a decrease of 2.3% in traffic and a decrease of 0.3% in toll revenue for the month of March 2023, despite the decline in commercial traffic, due to less severe winter weather as compared to projections. The increase in toll transactions compared to last year is due to greater passenger car travel due in part to less severe weather and normal growth, while toll revenue increased compared to last year partly due to the 3% annual toll rate indexing effective on January 1, 2023. These results are ahead of CDM's projections of a decrease of 2.3% in traffic and a decrease of 0.3% in toll revenue for the month of March 2023, despite the decline in commercial traffic, due to less severe winter weather as compared to projections.

For the Three Months Ended March 31, 2023<sup>(1)</sup>

	<u>Traffic</u>		
	<u>March-23</u>	<u>March-22</u>	<u>% Change</u>
Passenger Vehicles	50,437,000	47,170,000	6.9%
Commercial Vehicles	8,747,000	8,723,000	0.3%
Overall	<u>59,184,000</u>	<u>55,893,000</u>	<u>5.9%</u>
	<u>Revenue</u>		
	<u>March-23</u>	<u>March-22</u>	<u>% Change</u>
Passenger Vehicles	\$ 243,493,000	\$ 223,549,000	8.9%
Commercial Vehicles	130,882,000	128,700,000	1.7%
YTD Toll Revenue	<u>\$ 374,375,000</u>	<u>\$ 352,249,000</u>	<u>6.3%</u>

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

For the three months ended March 31, 2023, traffic increased 5.9% and toll revenue increased 6.3% when compared to the same period in 2022. Toll revenue has exceeded projections as traffic has exceeded projections. 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. Electronic toll collection remains popular and overall usage rates continue to be strong. Results were above the 2023 Budget which was based on CDM Smith's projections of a 2.2% increase in traffic and a 2.3% increase in revenue, as passenger vehicle traffic has continued to be stronger than projected due to the mild winter weather. For the three months ended March 31, 2023, the *E-ZPass* usage rate for passenger cars was 91.6%, and 97.3% for commercial vehicles. This resulted in an overall *E-ZPass* usage rate of 92.4%. 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 2023<sup>(1)</sup>

	<u>Traffic</u>		
	<u>March-23</u>	<u>March-22</u>	<u>% Change</u>
Passenger Vehicles	29,409,000	28,521,000	3.1%
Commercial Vehicles	508,000	497,000	2.2%
Overall	<u>29,917,000</u>	<u>29,018,000</u>	<u>3.1%</u>
	<u>Revenue</u>		
	<u>March-23</u>	<u>March-22</u>	<u>% Change</u>
Passenger Vehicles	\$ 43,281,000	\$ 40,612,000	6.6%
Commercial Vehicles	1,751,000	1,725,000	1.5%
Overall	<u>\$ 45,032,000</u>	<u>\$ 42,337,000</u>	<u>6.4%</u>

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

For the month of March 2023, toll transactions on the Garden State Parkway increased by 3.1% and toll revenue increased by 6.4% when compared to March 2022. The overall increase in toll transactions can be partially attributed to less severe winter weather compared to last year. The increase in toll revenue is attributed to the increase in transactions, as well as the 3% annual toll rate indexing effective January 1, 2023. The results were above CDM's projections of a 1.6% decrease in traffic and a 1.6% increase in toll revenue for March 2023.

For the Three Months Ended March 31, 2023<sup>(1)</sup>

	<u>Traffic</u>		
	<u>March-23</u>	<u>March-22</u>	<u>% Change</u>
Passenger Vehicles	82,030,000	76,298,000	7.5%
Commercial Vehicles	1,370,000	1,308,000	4.7%
Overall	<u>83,400,000</u>	<u>77,606,000</u>	<u>7.5%</u>
	<u>Revenue</u>		
	<u>March-23</u>	<u>March-22</u>	<u>% Change</u>
Passenger Vehicles	\$ 120,675,000	\$ 108,544,000	11.2%
Commercial Vehicles	4,692,000	4,477,000	4.8%
YTD Toll Revenue	<u>\$ 125,367,000</u>	<u>\$ 113,021,000</u>	<u>10.9%</u>

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

For the three months ended March 31, 2023, toll transactions on the Garden State Parkway increased 7.5% and toll revenue increased 10.9% when compared to the same period in 2022. Toll transactions increased due to the mild winter weather. 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, 2023. Results exceeded the 2023 Budget which was based on CDM Smith's projections of a 3.1% increase in toll transactions and a 6.5% increase in toll revenue, due in part to the overall decrease in gas prices in 2023 which has positively affected discretionary travel. E-ZPass remains popular on the Garden State Parkway as electronic toll collection continues to increase. For the three months ended March 31, 2023, the total E-ZPass usage rate was 90.4%. The E-ZPass usage rate for passenger cars was 90.3%, and 96.2% for commercial vehicles.

Operating Expenses  
For the Three Months Ended March 31, 2023

	<b>2023 Amended Annual Budget</b>	<b>2023 Amended YTD Budget</b>	<b>2023 YTD Actual</b>
<b><u>Maintenance of roadway, buildings &amp; equipment</u></b>			
Maintenance	\$ 266,914,000	\$ 88,084,000	\$ 50,374,000
Engineering	31,474,000	5,251,000	3,311,000
<b>Total Maintenance</b>	<b>298,388,000</b>	<b>93,335,000</b>	<b>53,685,000</b>
<b><u>Toll Collection</u></b>			
Toll Collection	204,877,000	47,633,000	52,377,000
<b><u>State Police &amp; Traffic Control</u></b>			
State Police	108,457,000	24,692,000	26,821,000
Operations	18,446,000	4,294,000	3,835,000
<b>Total State Police and Traffic Control</b>	<b>126,903,000</b>	<b>28,986,000</b>	<b>30,656,000</b>
<b><u>Technology</u></b>			
Information Technology Services	28,780,000	6,921,000	6,852,000
<b><u>General &amp; Administrative</u></b>			
Executive Office	2,100,000	557,000	475,000
Law	15,400,000	3,084,000	3,947,000
Purchasing & Materials Management	9,533,000	2,291,000	1,746,000
Human Resources & Office Services	7,784,000	1,520,000	1,383,000
Finance	17,011,000	4,132,000	3,490,000
Patron & Customer Services	1,769,000	431,000	349,000
Internal Audit	6,313,000	1,250,000	1,144,000
<b>Total General and Administrative</b>	<b>59,910,000</b>	<b>13,265,000</b>	<b>12,534,000</b>
<b>TOTAL OPERATING</b>	<b>\$ 718,858,000</b>	<b>\$ 190,140,000</b>	<b>\$ 156,104,000</b>

For the three months ended March 31, 2023, operating expenses were approximately \$156,104,000, which was 21.7% of the annual budget. Operating expenses through March 2023 were under budget primarily due to lower than budgeted snow/severe weather costs of approximately \$31,000,000, as well as salaries due to existing vacancies and health benefits costs of about \$3,000,000 each. These under budget expenses were partially offset by higher than budgeted Electronic Toll Collection costs of about \$6,000,000 and State Police costs of about \$2,000,000.

Debt Service

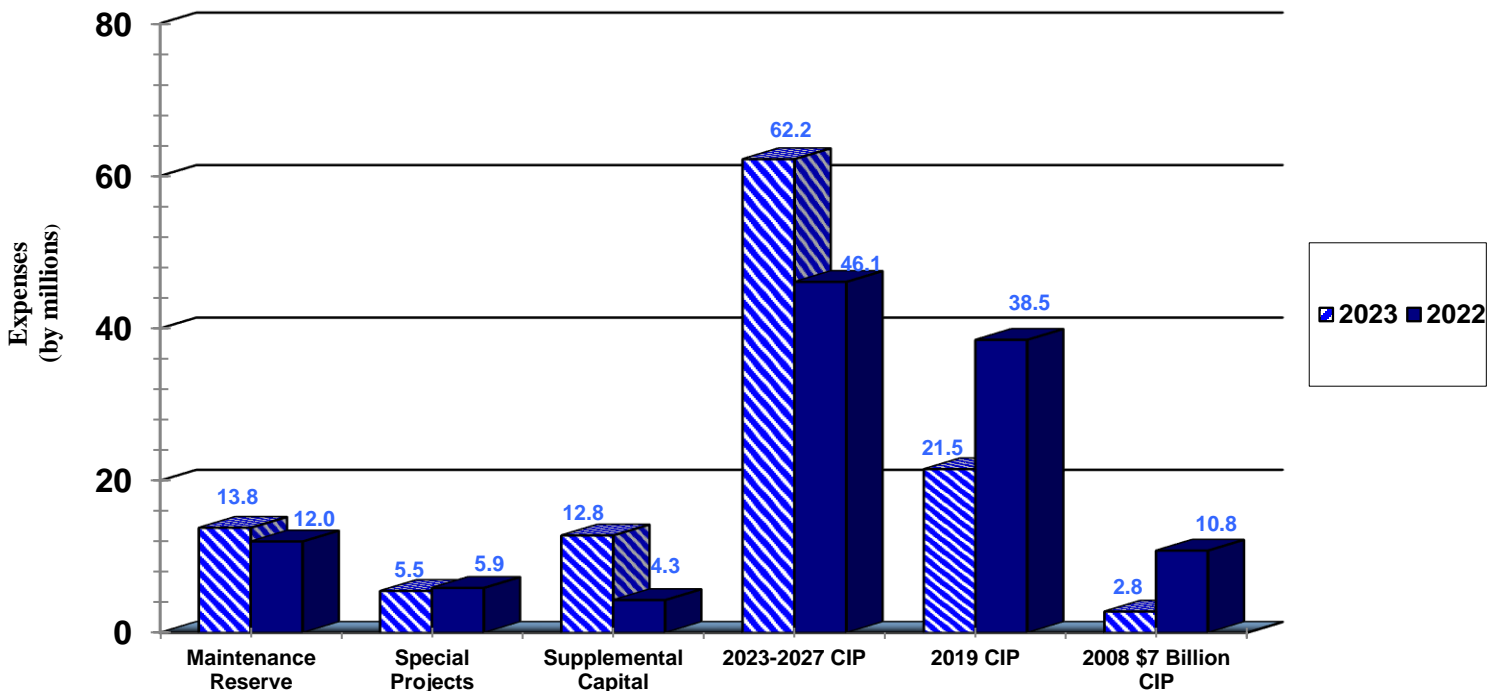
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General Reserve Fund

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund spending totaled \$217,501,000 and consisted primarily of \$186,487,000 for the 2021 State Public Transportation Projects Funding Agreement, \$5,500,000 for the Transportation Trust Fund, and \$5,000,000 for the 2023 State Public Transportation Projects Funding Agreement. Also included are \$14,759,000 in transfers to the Supplemental Capital program in the Construction Fund. General Reserve spending was \$5,220,000 or 2.3% below budget partly due to no spending on extraordinary snow/severe weather events than budgeted.

## Capital Spending Program Expenditures For the Three Months Ended March 31, 2023

	<u>2023</u>	<u>2022</u>
Maintenance Reserve	\$ 13,807,000	\$ 12,047,000
Special Project Reserve	5,469,000	5,890,000
Supplemental Capital	12,848,000	4,303,000
Capital Budget Total	32,124,000	22,240,000
2023-2027 Capital Improvement Program	62,185,000	46,097,000
2019 Capital Improvement Program	21,518,000	38,468,000
2008 \$7 Billion Capital Improvement Program	2,751,000	10,769,000
Construction Fund Total	86,454,000	95,334,000
Total Spending	\$ 118,578,000	\$ 117,574,000



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, 2023, total expenditures from the Capital Budget were approximately \$32,124,000, which was 50.0% of the year-to-date spending budget. Expenditures included \$11,799,000 for Service Area Renovations, \$2,687,000 for TPK Resurfacing Milepost 0-122, and \$2,636,000 for Cleanup Contract MP 0-122. In addition to these expenditures, there are open contracts and commitments totaling approximately \$363,495,000.

The Construction Fund, which is funded by bond proceeds, consists of the 2023-2027 Capital Improvement Program, 2019 Capital Improvement Program, and the 2008 \$7 Billion Capital Improvement Program. For the three months ended March 31, 2023, total expenditures were approximately \$86,454,000, which was 45.0% of the year-to-date spending budget. Expenditures included \$9,353,000 for GSP 128 AB 154.2N & TPK 90-91.37, \$7,584,000 for TPK Bridge Rehabilitation W107.87, E107.88 and 84.24N&S, \$5,576,000 for GSP Shoulder Widening Reconstruction MP 30-35, and \$4,983,000 for Passaic River Bridge Rehabilitation. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,006,129,000.