

New Jersey Turnpike Authority
Financial Summary
For the Three Months Ended March 31, 2024

	Actual YTD January - March	YTD Budget January - March	2024 Annual Budget
Total Revenue	\$ 604,918,000	\$ 583,350,000	\$ 2,578,100,000
Operating Expenses	161,665,000	189,785,000	757,105,000
Net Revenue	\$ 443,253,000	\$ 393,565,000	\$ 1,820,995,000
Debt Service Requirements - Net	230,626,000	230,626,000	922,600,000
Maintenance Reserve Fund	60,000,000	60,000,000	240,000,000
Special Reserve Fund	13,525,000	13,525,000	54,100,000
Debt Service Coverage	1.92	1.71	1.97
Total Requirements Coverage	1.46	1.29	1.50

The following un-audited results are for the three months ended March 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 three months ended March 31, 2024, was \$604,918,000, which is \$21,568,000, or 3.7% above the 2024 year-to-date budget. Toll revenue was \$502,901,000, which is \$2,199,000, or 0.4%, 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, an additional two snow days in February, and a heavy rain/flooding event in March. In addition to the severe weather, the 3% toll increase was budgeted for the full year but did not go into effect until March 1, 2024. Gas prices averaged \$0.02/gallon lower in 2024 compared to the same period in 2023, and when compared to February 2024, gas prices in March increased \$0.10/gallon. Investment income was \$12,853,000, or 86.8%, above budget due to higher invested balances and increases in interest rates. *E-ZPass* fees were \$10,883,000, or 34.7% above the budget due to conservative budgeting in 2024. Miscellaneous revenue was \$176,000, or 3.8% below budget primarily because of adjustments in advertising and building and property rentals.

For the three months ended March 31, 2024, traffic on the New Jersey Turnpike increased 1.1% and toll revenue increased 0.5% compared to the same period in 2023. The increase in traffic can be attributed to greater passenger car travel, normal growth, and overall lower gas prices. Toll revenue increased mainly due to the 3% annual toll rate indexing that went into effect on March 1, 2024. Despite the overall increases in both traffic and revenue, March 2024 had two more weekend days compared to March 2023, which had a negative impact on results, as weekend days have lower overall and commercial traffic than weekdays. 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 1.5% decrease in traffic and a 0.7% increase in revenue as compared to the prior year. The actual results for the three months ended March 31, 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 was only implemented as of March 1, 2024. When compared to the same period in 2019, pre-pandemic, traffic is down 2.2% and revenue is up 41.3% for the same period. Traffic has recovered to 97.8% of pre-pandemic levels. Through March 2024, the *E-ZPass* usage rate on the New Jersey Turnpike was 93.0%, an increase from 92.4% for the same period in 2023.

For the three months ended March 31, 2024, toll transactions on the Garden State Parkway increased 0.3% and revenue increased 1.2% when compared to the same period in 2023. The slight increase in traffic and revenue is primarily due to normal growth and the 3% annual toll rate indexing that went into effect on March 1, 2024. The actual results for the three months ended March 31, 2024, exceeded CDM Smith's projection of a 0.7% decrease in toll transactions, but was below the toll revenue projection increase of 2.2%, as the budget assumed the 3% annual toll rate indexing on January 1, 2024, which was only implemented as of March 1, 2024. When compared to the same period in 2019, pre-pandemic, traffic is down 3.1%, but revenue is up 31.6%. Traffic has recovered to 96.9% of pre-pandemic levels. Through March 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 three months ended March 31, 2024, were approximately \$161,665,000, which is \$28,120,000 or 14.8% 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. This was partially offset by higher-than-budgeted electronic toll collection costs due to higher credit card fees and violation processing costs, as well as higher-than-budgeted State Police costs due to holiday cash out pay for troopers. The Authority spent a total of \$21,093,000 for snow and severe weather costs in 2024, with \$12,045,000 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 three months are 5.8% 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 Three Months Ended March 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 three months ended March 31, 2024, Debt Service totaled \$239,303,000, which was \$6,250,000 or 2.5% below budget as the 2024 Budget assumed a \$500M new money bond issuance in January 2024, which is set to be issued in April. Debt service through March included \$144,794,000 in interest payments and \$94,517,000 in principal payments. Net debt service (funded from revenue, net of capitalized interest) was \$230,626,000 for the three 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 \$169,412,000 for the three months ended March 31, 2024, which was \$9,546,000, or 5.3% below budget. Spending consisted primarily of \$116,066,000 for the 2021 State Public Transportation Projects Funding Agreement, \$9,048,000 for Extraordinary Events (State of Emergency Events), and \$5,500,000 for the Transportation Trust Fund. Also included are \$29,056,000 in transfers to the Supplemental Capital program in the Construction Fund.

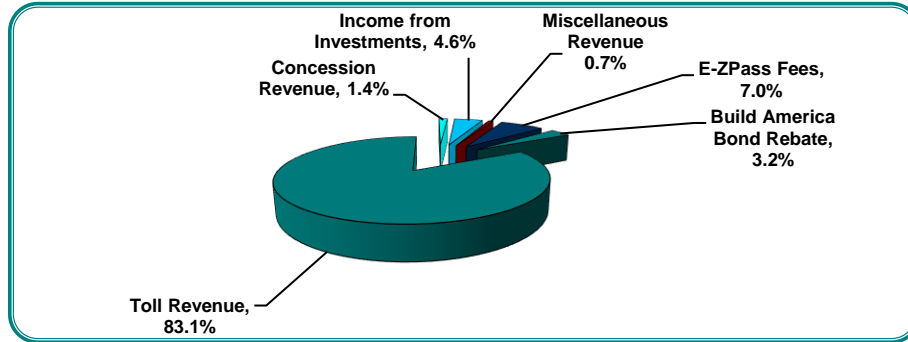
The Capital Budget, which is funded by revenue, consists of the Maintenance Reserve Fund, Special Project Reserve Fund, and the Supplemental Capital Program. For the three months ended March 31, 2024, total expenditures were approximately \$38,272,000, which was 42.9% of the 2024 spending budget. Expenditures included \$13,128,000 for Service Area Improvements, \$2,223,000 for Tolling Legacy Parts Replacement, and \$1,817,000 for TPK Milepost 92-122 & NBHCE Bridge Repairs. In addition to these expenditures, there are open contracts and commitments totaling approximately \$422,480,000.

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 three months ended March 31, 2024, total expenditures were approximately \$67,640,000, which was 41.2% of the 2024 spending budget. Total expenditures included \$8,317,000 for TPK Bridge Rehabilitation W107.84 and E107.84, \$6,512,000 for Passaic River Bridge Rehabilitation, and \$938,000 for NBHCE Bridge Re-decking. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,149,023,000.

**Comparison of Budgeted Revenues to Actual Revenues
For the Three Months Ended March 31, 2024**

	Budgeted	Unaudited Actual
Toll Revenue	\$ 505,100,000	\$ 502,901,000
Concession Revenue	8,200,000	8,404,000
Income from Investments	14,800,000	27,653,000
Miscellaneous Revenue	4,600,000	4,424,000
Build America Bond Subsidy	19,250,000	19,253,000
E-ZPass Fees	31,400,000	42,283,000
Total Revenues	\$ 583,350,000	\$604,918,000

Actual Revenues for the Three Months Ended March 31, 2024



For the three months ended March 31, 2024, total revenue was \$604,918,000, which was 3.7%, or \$21,568,000, above the 2024 Budget. Total revenue was above budget mainly due to investment income because of higher invested balances and increases in interest rates.

Toll revenue for the period was \$502,901,000, which was 0.4%, or \$2,199,000 lower than the 2024 Budget amount. Toll revenue was \$823,000, or 0.2% lower than the 2024 Budget amount on the New Jersey Turnpike, and \$1,376,000, or 1.1% lower than the 2024 Budget amount on the Garden State Parkway. Toll revenue was below budget primarily due to severe weather winter weather as well as the 3% toll increase, which was budgeted for the full year but did not go into effect until March 1, 2024.

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 \$8,404,000 which was \$204,000 or 2.5% above the 2024 Budget. Revenue was above budget due to the increase in food and convenience store sales, which was offset by an 8.4% decrease in fuel sales. On the Turnpike, food sales increased 16.5%, fuel sales increased 5.9% and convenience store sales increased by 26.6% compared to last year. On the Garden State Parkway, food sales increased by 21.6%, fuel sales decreased by 22.8%, and convenience store sales decreased by 5.7% compared to the same period in 2023. The increase in food, fuel, and convenience store sales on the Turnpike is primarily due to the re-opening of the Joyce Kilmer and Walt Whitman Service Areas, which were closed for renovation in the first quarter of 2023, as well as the rebranding of food options. On the Parkway, the increase in food sales is due to increased travel is primarily due to the opening of the Whitney Houston and Connie Chung Service Areas, while fuel and convenience store sales decreased partly due to the closure of the Jon Bon Jovi and James Gandolfini Service Areas. Currently, the Jon Bon Jovi and James Gandolfini service areas remain closed for renovations.

Investment earnings consist of income from invested operating revenues and reserve funds. Investment income was \$27,653,000, which was \$12,853,000, or 86.8% higher than the 2024 Budget. Income from investments was above budget due to 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 and ride commissions, property rentals, the Arts Center, and other items. Revenue for the period was \$4,424,000, which was \$176,000 or 3.8% lower than the 2024 Budget. Miscellaneous revenue was below the 2024 Budget levels due to adjustments in advertising and building and property rentals.

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 2024 which began in October 2023. The subsidy due was \$19,253,000, which is \$3,000 above the 2024 Budget 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 \$42,283,000 was above budget due primarily to an increase in administrative fees and interest income, as well as an increase in monthly membership fees as more accounts have been opened, with all increases exceeding the increases that were budgeted.

New Jersey Turnpike Traffic & Revenue Comparison

For the Month of March 2024⁽¹⁾

	<u>Traffic</u>		
	<u>March-24</u>	<u>March-23</u>	<u>% Change</u>
Passenger Vehicles	18,620,000	18,074,000	3.0%
Commercial Vehicles	2,813,000	3,126,000	-10.0%
Overall	<u>21,433,000</u>	<u>21,200,000</u>	<u>1.1%</u>
	<u>Revenue</u>		
	<u>March-24</u>	<u>March-23</u>	<u>% Change</u>
Passenger Vehicles	\$ 92,949,000	\$ 87,208,000	6.6%
Commercial Vehicles	\$ 43,099,000	\$ 46,734,000	-7.8%
Overall	<u>\$ 136,048,000</u>	<u>\$ 133,942,000</u>	<u>1.6%</u>

(1) Includes unaudited data for the month.

For the month of March 2024, traffic on the New Jersey Turnpike increased 1.1% and toll revenue increased 1.6% when compared to the same period in 2023. The increase in toll transactions compared to last year is due in part to normal growth, while the decline in commercial traffic can be attributed in part to the month of March 2024 having two extra weekend days compared to March 2023, which had a negative impact on results, as weekend days have lower overall and commercial traffic than weekdays. Toll revenue increased only slightly compared to last year due to the decrease in commercial traffic, despite the increase in passenger travel. The results are above CDM's projections of a 2.8% decrease in traffic and a 1.1% decrease in revenue.

For the Three Months Ended March 31, 2024⁽¹⁾

	<u>Traffic</u>		
	<u>March-24</u>	<u>March-23</u>	<u>% Change</u>
Passenger Vehicles	51,334,000	50,437,000	1.8%
Commercial Vehicles	8,474,000	8,747,000	-3.1%
Overall	<u>59,808,000</u>	<u>59,184,000</u>	<u>1.1%</u>
	<u>Revenue</u>		
	<u>March-24</u>	<u>March-23</u>	<u>% Change</u>
Passenger Vehicles	\$ 248,040,000	\$ 243,496,000	1.9%
Commercial Vehicles	128,037,000	130,884,000	-2.2%
YTD Toll Revenue	<u>\$ 376,077,000</u>	<u>\$ 374,380,000</u>	<u>0.5%</u>

(1) Includes unaudited data for the month.

For the three months ended March 31, 2024, traffic increased 1.1% and toll revenue increased 0.5% when compared to the same period in 2023. The increase in traffic is mostly due to normal growth and overall lower gas prices as compared to last year. Toll revenue increased mainly due to the 3% toll indexing that went into effect on March 1, 2024. Electronic toll collection remains popular and overall usage rates continue to be strong. Results were above the 2024 Budget for traffic but fell below for revenue which was based on CDM Smith's projections of a 1.5% decrease in traffic and a 0.7% increase in revenue, as the budget assumed the 3% annual toll rate indexing on January 1, 2024, which was only implemented as of March 1, 2024. For the three months ended March 31, 2024, the *E-ZPass* usage rate for passenger cars was 92.2%, and 97.5% for commercial vehicles. This resulted in an overall *E-ZPass* usage rate of 93.0%. 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 2024 ⁽¹⁾

	<u>Traffic</u>		
	<u>March-24</u>	<u>March-23</u>	<u>% Change</u>
Passenger Vehicles	29,338,000	29,409,000	-0.2%
Commercial Vehicles	470,000	508,000	-7.5%
Overall	<u>29,808,000</u>	<u>29,917,000</u>	<u>-0.4%</u>
	<u>Revenue</u>		
	<u>March-24</u>	<u>March-23</u>	<u>% Change</u>
Passenger Vehicles	\$ 44,616,000	\$ 43,285,000	3.1%
Commercial Vehicles	1,687,000	1,751,000	-3.7%
Overall	<u>\$ 46,303,000</u>	<u>\$ 45,036,000</u>	<u>2.8%</u>

(1) Includes unaudited data for the month.

For the month of March 2024, toll transactions on the Garden State Parkway decreased 0.4% and toll revenue increased by 2.8% when compared to March 2023. The slight decrease in traffic is because of March 2024 having two more weekend days than March 2023, as weekend days see less overall traffic compared to weekdays. The increase in toll revenue is attributed to the 3% annual toll rate indexing which went into effect on March 1, 2024. The results were above CDM's projections of a 2.6% decrease in traffic and a 0.3% increase in toll revenue for March 2024.

For the Three Months Ended March 31, 2024 ⁽¹⁾

	<u>Traffic</u>		
	<u>March-24</u>	<u>March-23</u>	<u>% Change</u>
Passenger Vehicles	82,252,000	82,030,000	0.3%
Commercial Vehicles	1,367,000	1,370,000	-0.2%
Overall	<u>83,619,000</u>	<u>83,400,000</u>	<u>0.3%</u>
	<u>Revenue</u>		
	<u>March-24</u>	<u>March-23</u>	<u>% Change</u>
Passenger Vehicles	\$ 122,054,000	\$ 120,679,000	1.1%
Commercial Vehicles	4,771,000	4,692,000	1.7%
YTD Toll Revenue	<u>\$ 126,825,000</u>	<u>\$ 125,371,000</u>	<u>1.2%</u>

(1) Includes unaudited data for the month.

For the three months ended March 31, 2024, toll transactions on the Garden State Parkway increased 0.3% and toll revenue increased 1.2% when compared to the same period in 2023. Toll transactions increased due to normal growth. However, toll revenue increased due not only to the increase in toll transactions but also due to the 3% annual toll rate indexing effective March 1, 2024. The results exceeded CDM Smith's projections of a 0.7% decrease in traffic but fell short of their projections of a 2.2% increase in revenue, as the budget assumed the 3% annual toll rate indexing on January 1, 2024, which was only implemented as of March 1, 2024. *E-ZPass* remains popular on the Garden State Parkway as electronic toll collection continues to increase. For the three months ended March 31, 2024, the total *E-ZPass* usage rate was 91.0%. The *E-ZPass* usage rate for passenger cars was 90.9%, and 96.6% for commercial vehicles.

Operating Expenses
For the Three Months Ended March 31, 2024

	2024 Annual Budget	2024 YTD Budget	2024 YTD Actual
<u>Maintenance of roadway, buildings & equipment</u>			
Maintenance	\$ 280,439,000	\$ 84,639,000	\$ 61,120,000
Engineering	31,312,000	5,477,000	5,590,000
Total Maintenance	311,751,000	90,116,000	66,710,000
<u>Toll Collection</u>			
Toll Collection	211,957,000	45,875,000	45,188,000
<u>State Police & Traffic Control</u>			
State Police	112,829,000	26,356,000	27,532,000
Operations	20,861,000	4,804,000	4,166,000
Total State Police and Traffic Control	133,690,000	31,160,000	31,698,000
<u>Technology</u>			
Information Technology Services	33,326,000	7,454,000	6,165,000
<u>General & Administrative</u>			
Executive Office	2,231,000	538,000	374,000
Law	19,864,000	4,145,000	3,597,000
Purchasing & Materials Management	9,784,000	2,336,000	1,982,000
Human Resources & Office Services	8,440,000	1,872,000	1,360,000
Finance	17,808,000	4,344,000	3,142,000
Patron & Customer Services	1,815,000	436,000	368,000
Internal Audit	6,439,000	1,509,000	1,081,000
Total General and Administrative	66,381,000	15,180,000	11,904,000
TOTAL OPERATING	\$ 757,105,000	\$ 189,785,000	\$ 161,665,000

For the three months ended March 31, 2024, operating expenses were approximately \$161,665,000, which was 21.4% of the annual budget and 85.2% of the year-to-date budget. Operating expenses through March 2024 were under budget by \$28,120,000. This is primarily due to three under budget key drivers: snow/severe weather (\$18,800,000), health benefits costs (\$2,200,000), and salaries due to existing vacancies (\$1,800,000). These under-budget expenses were partially offset by higher-than-budgeted electronic toll collection costs of about \$1,600,000 and State Police costs of about \$1,100,000.

Debt Service

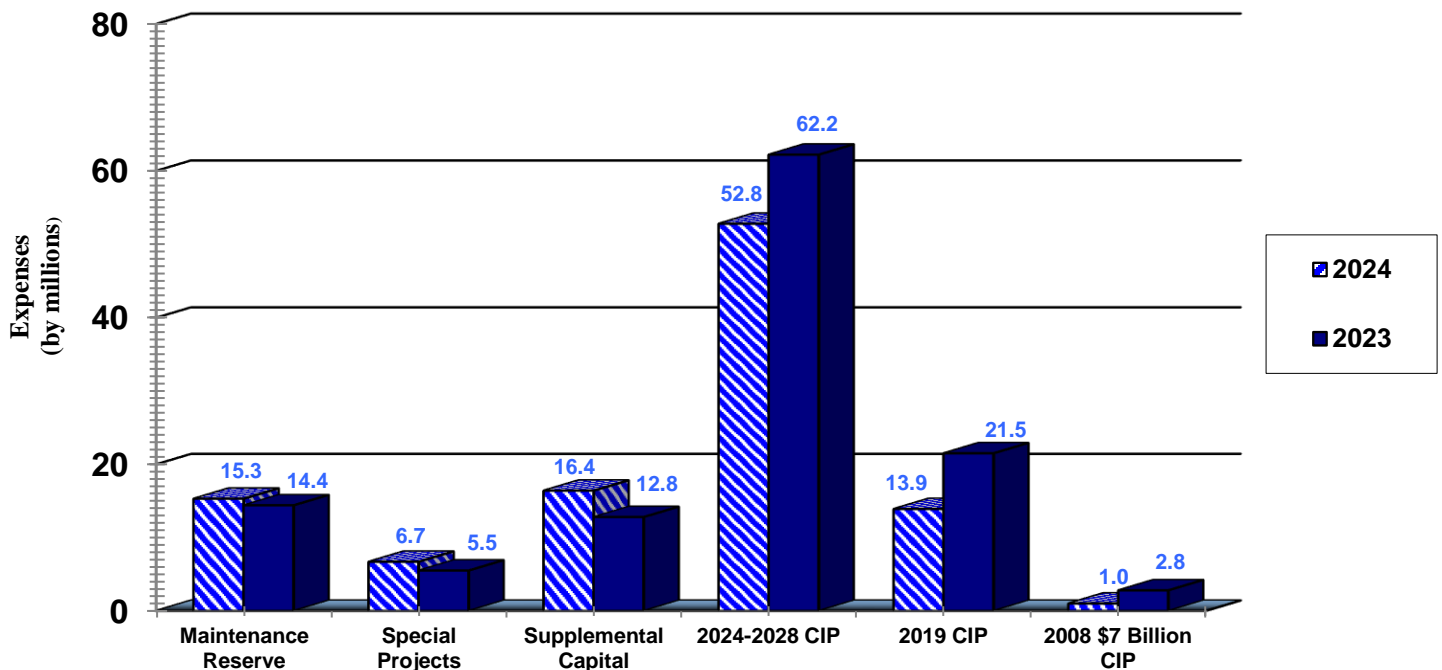
Debt Service includes interest and principal payments on the Authority's outstanding bonds. For the three months ended March 31, 2024, Debt Service totaled \$239,303,000 and included \$144,785,000 in interest payments and \$94,518,000 in principal payments. Debt Service is currently \$6,250,000 or 2.5% below budget partly because the budget assumed a \$500M new money bond issuance in January 2024, which is set to be issued in April. Net debt service (funded from revenue, net of capitalized interest) was \$230,626,000 for the three months and meets the budget.

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 \$169,412,000 and consisted primarily of \$116,066,000 for the 2021 State Public Transportation Projects Funding Agreement, \$9,048,000 for Extraordinary Events (state of emergency weather events), and \$5,500,000 for the Transportation Trust Fund. Also included are \$29,056,000 in transfers to the Supplemental Capital program in the Construction Fund. General Reserve spending was \$9,546,000 or 5.3% below budget partly due to lower than budgeted spending on extraordinary snow/severe weather events.

Capital Spending Program Expenditures For the Three Months Ended March 31, 2024

	<u>2024</u>	<u>2023</u>
Maintenance Reserve	\$ 15,259,000	\$ 14,385,000
Special Project Reserve	6,659,000	5,469,000
Supplemental Capital	<u>16,354,000</u>	<u>12,848,000</u>
Capital Budget Total	38,272,000	32,702,000
2024-2028 Capital Improvement Program	52,761,000	62,185,000
2019 Capital Improvement Program	13,887,000	21,518,000
2008 \$7 Billion Capital Improvement Program	<u>992,000</u>	<u>2,751,000</u>
Construction Fund Total	67,640,000	86,454,000
Total Spending	<u>\$ 105,912,000</u>	<u>\$ 119,156,000</u>



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, 2024, total expenditures from the Capital Budget were approximately \$38,272,000, which was 42.9% of the year-to-date spending budget. Expenditures included \$13,126,000 for Service Area Improvements, \$2,223,000 for Tolling Legacy Parts Replacement, and \$1,817,000 for TPK Milepost 92-122 & NBHCE Bridge Repairs. In addition to these expenditures, there are open contracts and commitments totaling approximately \$422,480,000.

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 three months ended March 31, 2024, total expenditures were approximately \$67,640,000, which was 41.2% of the 2024 spending budget. Total expenditures included \$8,317,000 for TPK Bridge Rehabilitation W107.84 and E107.84, \$6,512,000 for Passaic River Bridge Rehabilitation, and \$938,000 for NBHCE Bridge Re-decking. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,149,023,000.