

**New Jersey Turnpike Authority
Financial Summary
For the Nine Months Ended September 30, 2024**

	Actual YTD January - September	YTD Budget January - September	2024 Annual Budget
Total Revenue	\$ 2,007,619,000	\$ 1,938,650,000	\$ 2,578,100,000
Operating Expenses	<u>504,307,000</u>	<u>558,726,000</u>	<u>757,105,000</u>
Net Revenue	\$ 1,503,312,000	\$ 1,379,924,000	\$ 1,820,995,000
Debt Service Requirements - Net	691,885,000	691,877,000	922,500,000
Maintenance Reserve Fund	180,000,000	180,000,000	240,000,000
Special Reserve Fund	40,575,000	40,575,000	54,100,000
Debt Service Coverage	2.17	1.99	1.97
Total Requirements Coverage	1.65	1.51	1.50

The following un-audited results are for the nine months ended September 30, 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 nine months ended September 30, 2024, was \$2,007,619,000, which is \$68,969,000 or 3.6% above the 2024 year-to-date budget. Toll revenue was \$1,692,665,000, which is \$11,435,000 or 0.7%, below the 2024 year-to-date budget. Toll revenue is below budget primarily due to the three impactful snow events and one State of Emergency (flooding) that occurred in January. Additionally, there were two more snow events in February, followed by one heavy rain/flooding event in March and two in April. Furthermore, a Heat Advisory Warning was issued in June due to a severe heat wave, making it the second warmest month since 1931 and the driest since 1999. 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 \$0.15/gallon lower in 2024 compared to the same period in 2023. When compared to August 2024, gas prices in September decreased \$0.19/gallon. Investment income was \$44,959,000, or 100.4%, above budget due to higher invested balances. *E-ZPass* fees were \$28,328,000, or 30.2% above the budget due to conservative budgeting in 2024. Miscellaneous revenue was \$1,993,000, or 14.9% above budget due to the receipt of the \$1.8M in Arts Center rent for 2023 PNC variable rent payment, \$64K in surplus property sales, and \$200K in Arts Center naming rights revenue from 2020, which was offset by adjustments in advertising and building and property rentals, as well as fiber lease revenue billings.

For the nine months ended September 30, 2024, toll transactions on the New Jersey Turnpike increased 0.8% and toll revenue increased 2.0% compared to the same period in 2023. The increase in toll transactions can be attributed to greater passenger car travel, mild weather, overall lower gas prices, and normal growth. Toll revenue increased mainly due to the 3% annual toll rate indexing that went into effect on March 1, 2024. 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 0.3% decrease in transactions and a 2.7% increase in revenue as compared to the prior year. Thus, the Turnpike exceeded CDM's transactions projections, but were below CDM's revenue projections. The underperformance in revenue is primarily due to the projections assumed the 3% annual toll rate indexing on January 1, 2024, which was implemented as of March 1, 2024. When compared to the same period in 2019, pre-pandemic, transactions are down 2.9% and revenue is up 42.2% for the same period. Traffic has recovered to 97.1% of pre-pandemic levels. Through September 2024, the *E-ZPass* usage rate on the New Jersey Turnpike was 92.8%, an increase from 92.3% for the same period in 2023.

For the nine months ended September 30, 2024, toll transactions on the Garden State Parkway increased 0.3% and revenue increased 2.8% when compared to the same period in 2023. The slight increase in transactions and revenue is primarily due to mild weather, lower gas prices, normal growth and the 3% annual toll rate indexing that went into effect on March 1, 2024. The actual results for the nine months ended September 30, 2024 were below the budget. The budget was based on CDM Smith's projection of a 0.5% increase in toll transactions and a 3.4% increase in toll revenue. The projections assumed the 3% annual toll rate indexing on January 1, 2024, which was implemented on March 1, 2024. When compared to the same period in 2019, pre-pandemic, transactions are down 3.8%, but revenue is up 32.6%. Traffic has recovered to 96.2% of pre-pandemic levels. Through September 2024, the *E-ZPass* usage rate on the Garden State Parkway was 91.2%, an increase from 90.6% for the same period in 2023.

Operating expenses for the nine months ended September 30, 2024, were approximately \$504,307,000, which is \$54,419,000, or 9.7% below the year-to-date budget. The Authority's operating expenses through September were below budget primarily due to lower than budgeted snow/severe weather costs. Additionally, salaries are under budget primarily due to existing vacancies. This was partially offset by higher-than-budgeted State Police costs due to unforeseen Supplemental Enlisted Pay as well as retroactive salary payments. The Authority spent a total of \$22,028,000 for snow and severe weather costs in 2024, with \$12,978,000 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

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

Financial Summary
For the Nine Months Ended September 30, 2024

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 nine months are 6.3% below budget for 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 nine months ended September 30, 2024, Debt Service totaled \$730,014,000, which was \$19,144,000 or 2.6% below budget as the 2024 Budget assumed a \$500M new money bond issuance in January 2024, that was ultimately issued in April. In addition, the 2024 Budget assumed a \$1.0 Billion bond issuance in July 2024, which to date has not been required. Gross Debt Service through September 2024 included \$459,887,000 in interest payments and \$270,127,000 in principal payments. Net debt service (funded from revenue, net of capitalized interest) was \$691,886,000 for the nine months which is \$8,811,000 over budget due to an unbudgeted payment of interest on the 2017D Series. The 2024 annual debt service budget includes approximately \$922,500,000 of debt service funded from revenue (net debt service), and the remaining \$84,700,000 of debt service funded from bond proceeds (capitalized interest), for a total debt service budget of \$1,007,200,000.

The General Reserve Fund includes all contractual payments subordinate to bondholders and expenditures for any other corporate purpose. The General Reserve Fund spending totaled \$506,991,000 for the nine months ended September 30, 2024, which was \$6,851,000, or 1.3% below the year-to-date budget. Spending consisted primarily of \$352,316,000 for the 2021 State Public Transportation Projects Funding Agreement, \$16,500,000 for the Transportation Trust Fund, and \$15,045,000 for the 2023 State Transportation Agreement. Furthermore, \$98,589,000 in transfers to the Supplemental Capital program in the Construction Fund.

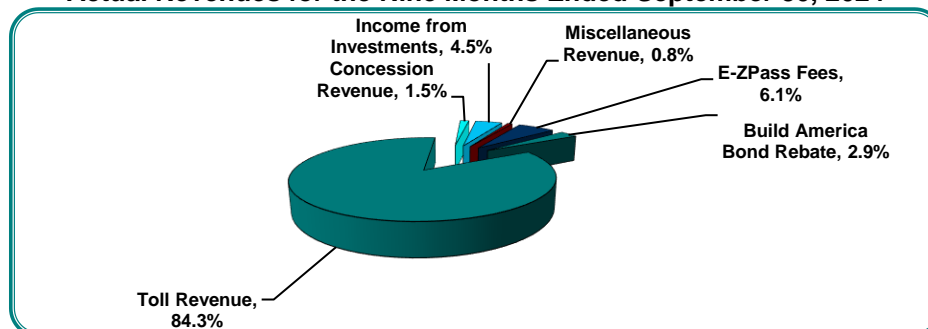
The Capital Budget, which is funded by revenue, consists of the Maintenance Reserve Fund, Special Project Reserve Fund, and the Supplemental Capital Program. For the nine months ended September 30, 2024, total expenditures were approximately \$263,208,000, which was 79.3% of the 2024 year-to-date spending budget. Expenditures included \$80,306,000 for Service Area Improvements, \$16,387,000 for TPK Section 7 Mileposts 54-60 Bridge Repairs, and \$4,244,000 for Major Fleet Tandem Dump Trucks. In addition to these expenditures, there are open commitments totaling approximately \$303,630,000.

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 nine months ended September 30, 2024, total expenditures were approximately \$315,641,000, which was 60.9% of the 2024 year-to-date spending budget. Total expenditures included \$38,406,000 for TPK NBHCE Mileposts 2.9 to 3.4 Improvements, \$21,533,000 for Passaic River Bridge Rehabilitation, and \$6,016,000 for NBHCE Bridge Re-decking. In addition to these expenditures, there are open commitments totaling approximately \$1,245,038,000.

**Comparison of Budgeted Revenues to Actual Revenues
For the Nine Months Ended September 30, 2024**

	Budgeted	Unaudited Actual
Toll Revenue	\$ 1,704,100,000	\$ 1,692,665,000
Concession Revenue	24,800,000	29,316,000
Income from Investments	44,800,000	89,759,000
Miscellaneous Revenue	13,400,000	15,393,000
Build America Bond Subsidy	57,750,000	58,358,000
E-ZPass Fees	93,800,000	122,128,000
Total Revenues	\$ 1,938,650,000	\$2,007,619,000

Actual Revenues for the Nine Months Ended September 30, 2024



For the nine months ended September 30, 2024, total revenue was \$2,007,619,000, which was 3.6%, or \$68,969,000, above the 2024 Budget. Total revenue was above budget mainly due to investment income because of higher invested balances.

Toll revenue for the period was \$1,692,665,000, which was 0.7%, or \$11,435,000 lower than the 2024 Budget amount. Toll revenue was \$8,563,000, or 0.7% lower than the 2024 Budget amount on the New Jersey Turnpike, and \$2,873,000, or 0.6% 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, fuel, and convenience store items at the service areas located along both roadways. Concession revenue was \$29,316,000 which was \$4,516,000 or 18.2% above the 2024 Budget. Revenue was above budget due to the increase in food and convenience store sales, which was offset by a 5.9% decrease in fuel sales. On the Turnpike, food sales increased 12.1%, fuel sales increased 11.0% and convenience store sales increased by 30.2% compared to last year. On the Garden State Parkway, food sales increased by 11.1%, fuel sales decreased by 22.7%, and convenience store sales decreased by 4.0% 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 John Fenwick, Joyce Kilmer, and Walt Whitman Service Areas, as well as the rebranding of food options. On the Parkway, the increase in food sales is primarily due to the re-opening of the Jon Bon Jovi, Whitney Houston, and Connie Chung Service Areas, while fuel and convenience store sales decreased partly due to the closure of the James Gandolfini and Jon Bon Jovi (fuel station) Service Area. Currently, the Jon Bon Jovi (fuel station) and James Gandolfini service areas remain closed for renovations.

Investment earnings consist of income from invested operating revenues and reserve funds. Investment income was \$89,759,000, which was \$44,959,000, or 100.4% 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.

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 \$15,393,000, which was \$1,993,000 or 14.9% higher than the 2024 Budget. Miscellaneous revenue was above the 2024 Budget levels due to the receipt of the \$1.8M in Arts Center rent for 2023 PNC variable rent payment, \$64K in Surplus Property Sales, and \$200K in Arts Center Naming Rights revenue from 2020, which was offset by adjustments in advertising and building and property rentals, as well as fiber lease revenue billings.

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 \$58,358,000, which is \$608,000 above the 2024 Budget due to the receipt of late interest payments in July.

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 \$122,128,000 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 September 2024⁽¹⁾

	<u>Traffic</u>		
	<u>September-24</u>	<u>September-23</u>	<u>% Change</u>
Passenger Vehicles	18,704,000	18,484,000	1.2%
Commercial Vehicles	3,009,000	2,911,000	3.4%
Overall	<u>21,713,000</u>	<u>21,395,000</u>	<u>1.5%</u>

	<u>Revenue</u>		
	<u>September-24</u>	<u>September-23</u>	<u>% Change</u>
Passenger Vehicles	\$ 93,760,000	\$ 90,763,000	3.3%
Commercial Vehicles	46,199,000	44,117,000	4.7%
Overall	<u>\$ 139,959,000</u>	<u>\$ 134,880,000</u>	<u>3.8%</u>

(1) Includes unaudited data for the month.

For the month of September 2024, traffic on the New Jersey Turnpike increased 1.5% and toll revenue increased 3.8% when compared to the same period in 2023. The increase in toll transactions compared to last year can be attributed to greater passenger car travel, mild weather, overall lower gas prices, and normal growth. Toll revenue increased mainly due to the 3% annual toll rate indexing that went into effect on March 1, 2024. The results are above CDM's projections of a 1.1% increase in traffic and a 3.8% increase in revenue.

For the Nine Months Ended September 30, 2024⁽¹⁾

	<u>Traffic</u>		
	<u>September-24</u>	<u>September-23</u>	<u>% Change</u>
Passenger Vehicles	167,998,000	166,516,000	0.9%
Commercial Vehicles	26,810,000	26,826,000	-0.1%
Overall	<u>194,808,000</u>	<u>193,342,000</u>	<u>0.8%</u>

	<u>Revenue</u>		
	<u>September-24</u>	<u>September-23</u>	<u>% Change</u>
Passenger Vehicles	\$ 844,491,000	\$ 826,589,000	2.2%
Commercial Vehicles	408,846,000	402,353,000	1.6%
YTD Toll Revenue	<u>\$ 1,253,337,000</u>	<u>\$ 1,228,942,000</u>	<u>2.0%</u>

(1) Includes unaudited data for the month.

For the nine months ended September 30, 2024, traffic increased 0.8% and toll revenue increased 2.0% compared to the same period in 2023. The increase in traffic is mostly due to normal growth, improved weather, and overall lower gas prices as compared to last year. Toll revenue increased mainly due to the 3% annual toll rate 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 0.3% decrease in traffic and a 2.7% 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 nine months ended September 30, 2024, the *E-ZPass* usage rate for passenger cars was 92.1%, and 97.4% for commercial vehicles. This resulted in an overall *E-ZPass* usage rate of 92.8%. 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 September 2024⁽¹⁾

	<u>Traffic</u>		
	<u>September-24</u>	<u>September-23</u>	<u>% Change</u>
Passenger Vehicles	30,756,000	30,268,000	1.6%
Commercial Vehicles	520,000	544,000	-4.4%
Overall	<u>31,276,000</u>	<u>30,812,000</u>	<u>1.5%</u>
	<u>Revenue</u>		
	<u>September-24</u>	<u>September-23</u>	<u>% Change</u>
Passenger Vehicles	\$ 47,159,000	\$ 44,900,000	5.0%
Commercial Vehicles	1,938,000	2,001,000	-3.1%
Overall	<u>\$ 49,097,000</u>	<u>\$ 46,901,000</u>	<u>4.7%</u>

(1) Includes unaudited data for the month.

For the month of September 2024, toll transactions on the Garden State Parkway increased 1.5% and toll revenue increased by 4.7% when compared to September 2023. The increase in transactions is due to greater passenger car travel and mild weather compared to last year. 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 below CDM's projections of a 2.4% increase in traffic and a 5.6% increase in toll revenue for September 2024.

For the Nine Months Ended September 30, 2024⁽¹⁾

	<u>Traffic</u>		
	<u>September-24</u>	<u>September-23</u>	<u>% Change</u>
Passenger Vehicles	277,657,000	276,817,000	0.3%
Commercial Vehicles	4,667,000	4,750,000	-1.7%
Overall	<u>282,324,000</u>	<u>281,567,000</u>	<u>0.3%</u>
	<u>Revenue</u>		
	<u>September-24</u>	<u>September-23</u>	<u>% Change</u>
Passenger Vehicles	\$ 421,993,000	\$ 410,291,000	2.9%
Commercial Vehicles	17,334,000	17,202,000	0.8%
YTD Toll Revenue	<u>\$ 439,327,000</u>	<u>\$ 427,493,000</u>	<u>2.8%</u>

(1) Includes unaudited data for the month.

For the nine months ended September 30, 2024, toll transactions on the Garden State Parkway increased 0.3% and toll revenue increased 2.8% when compared to the same period in 2023. Toll transactions increased due to normal growth and overall lower gas prices as compared to the prior year. 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 0.5% increase in traffic but fell short of their projections of a 3.4% 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 nine months ended September 30, 2024, the total *E-ZPass* usage rate was 91.2%. The *E-ZPass* usage rate for passenger cars was 91.1%, and 95.8% for commercial vehicles.

Operating Expenses
For the Nine Months Ended September 30, 2024

	2024 Annual Budget	2024 YTD Budget	2024 YTD Actual
<u>Maintenance of roadway, buildings & equipment</u>			
Maintenance	\$ 280,439,000	\$ 210,802,000	\$ 178,346,000
Engineering	31,312,000	21,484,000	18,422,000
Total Maintenance	311,751,000	232,286,000	196,768,000
<u>Toll Collection</u>			
Toll Collection	211,957,000	155,722,000	150,027,000
<u>State Police & Traffic Control</u>			
State Police	112,829,000	83,423,000	84,650,000
Operations	20,861,000	15,117,000	14,848,000
Total State Police and Traffic Control	133,690,000	98,540,000	99,498,000
<u>Technology</u>			
Information Technology Services	33,325,000	24,212,000	18,128,000
<u>General & Administrative</u>			
Executive Office	2,231,000	1,645,000	1,187,000
Law	19,864,000	13,568,000	11,459,000
Purchasing & Materials Management	9,784,000	7,087,000	6,298,000
Human Resources & Office Services	8,440,000	6,055,000	4,855,000
Finance	17,808,000	13,632,000	11,155,000
Patron & Customer Services	1,815,000	1,336,000	1,088,000
Internal Audit	6,440,000	4,643,000	3,844,000
Total General and Administrative	66,382,000	47,966,000	39,886,000
TOTAL OPERATING	\$ 757,105,000	\$ 558,726,000	\$ 504,307,000

For the nine months ended September 30, 2024, operating expenses were approximately \$504,307,000, which was 66.6% of the annual budget and 90.3% of the year-to-date budget. Operating expenses through September 2024 were under budget by \$54,419,000. This is primarily due to three under budget key drivers: snow/severe weather (\$20,964,000), salaries due to existing vacancies (\$5,452,000), and health benefits costs (\$1,827,000). These under-budget expenses were partially offset by State Police costs of about \$853,000 due to increases in salary expenses and rises in overtime costs.

Debt Service

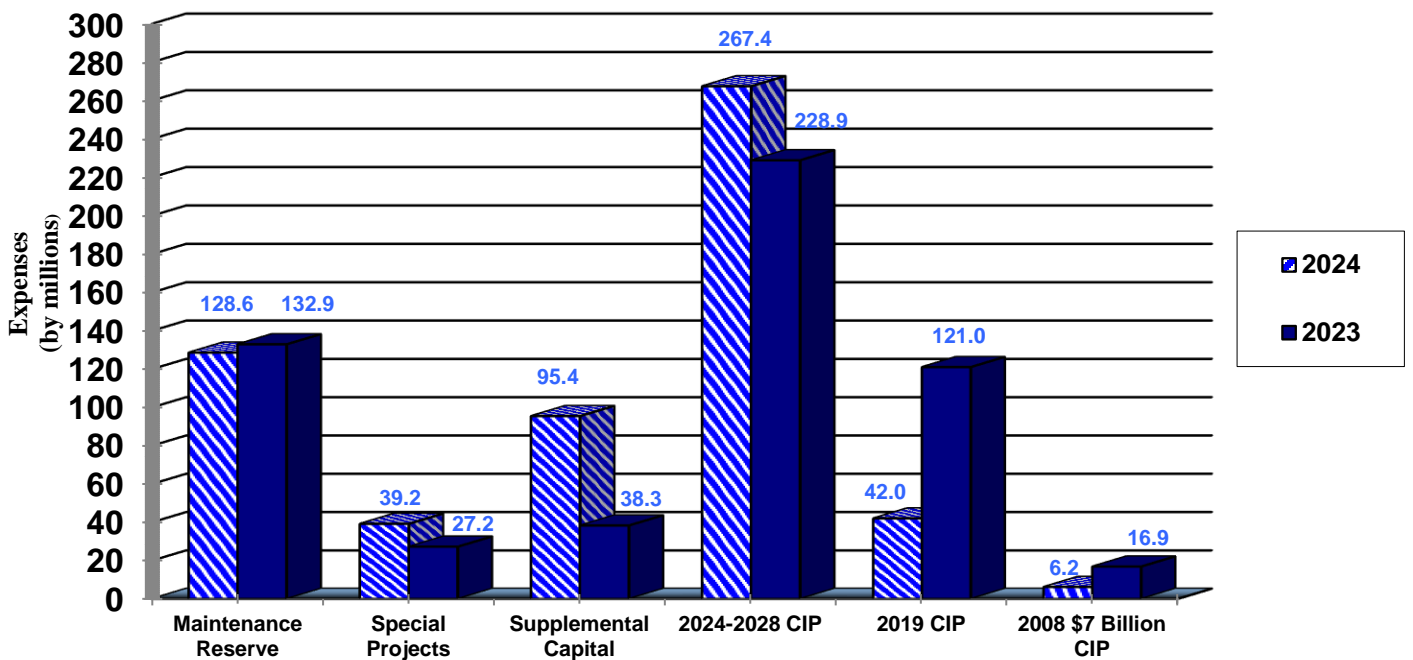
Debt Service includes interest and principal payments on the Authority's outstanding bonds. For the nine months ended September 30, 2024, Debt Service totaled \$730,014,000 and included \$459,887,000 in interest payments and \$270,127,000 in principal payments. Debt Service is currently \$19,144,000 or 2.6% below budget because the 2024 Budget assumed a \$500M new money bond issuance in January 2024, that was ultimately issued in April. Net debt service (funded from revenue, net of capitalized interest) was \$691,886,000 for the nine 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 \$506,991,000 and consisted primarily of \$352,316,000 for the 2021 State Public Transportation Projects Funding Agreement, \$16,500,000 for the Transportation Trust Fund, and \$15,045,000 for the 2023 State Transportation Agreement. Also included are \$98,589,000 in transfers to the Supplemental Capital program in the Construction Fund (including chargebacks). General Reserve spending was \$6,851,000 or 1.3% below budget partly due to lower than budgeted spending on extraordinary snow/severe weather events.

Capital Spending Program Expenditures For the Nine Months Ended September 30, 2024

	<u>2024</u>	<u>2023</u>
Maintenance Reserve	\$ 128,580,000	\$ 132,921,000
Special Project Reserve	39,182,000	27,242,000
Supplemental Capital	95,446,000	38,316,000
Capital Budget Total	<u>263,208,000</u>	<u>198,479,000</u>
2024-2028 Capital Improvement Program	267,449,000	228,866,000
2019 Capital Improvement Program	42,004,000	121,028,000
2008 \$7 Billion Capital Improvement Program	6,188,000	16,853,000
Construction Fund Total	<u>315,641,000</u>	<u>366,747,000</u>
Total Spending	<u>\$ 578,849,000</u>	<u>\$ 565,226,000</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 nine months ended September 30, 2024, total expenditures from the Capital Budget were approximately \$263,208,000, which was 79.3% of the year-to-date spending budget. Expenditures included \$80,306,000 for Service Area Improvements, \$16,387,000 for TPK Section 7 Mileposts 54-60 Bridge Repairs, and \$4,244,000 for Major Fleet Tandem Dump Trucks. In addition to these expenditures, there are open contracts and commitments totaling approximately \$303,630,000.

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 nine months ended September 30, 2024, total expenditures were approximately \$315,641,000, which was 60.9% of the 2024 year-to-date spending budget. Total expenditures included \$38,406,000 for TPK NBHCE Mileposts 2.9 to 3.4 Improvements, \$21,533,000 for Passaic River Bridge Rehabilitation, and \$6,016,000 for NBHCE Bridge Re-decking. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,245,038,000.