

**New Jersey Turnpike Authority  
Financial Summary  
For the Ten Months Ended October 31, 2024**

|  | <b>Actual YTD<br/>January - October</b> | <b>YTD Budget<br/>January - October</b> | <b>Estimated/Actual<br/>2024</b> |
|--|---|---|----------------------------------|
| <b>Total Revenue</b>                   | \$ 2,242,818,000                        | \$ 2,159,767,000                        | \$ 2,654,400,000                 |
| <b>Operating Expenses</b>              | 563,535,000                             | 622,729,000                             | 702,800,000                      |
| <b>Net Revenue</b>                     | <u>\$ 1,679,283,000</u>                 | <u>\$ 1,537,038,000</u>                 | <u>\$ 1,951,600,000</u>          |
| <b>Debt Service Requirements - Net</b> | 768,487,000                             | 768,752,000                             | 922,200,000                      |
| <b>Maintenance Reserve Fund</b>        | 200,000,000                             | 200,000,000                             | 240,000,000                      |
| <b>Special Reserve Fund</b>            | 45,083,000                              | 45,053,000                              | 54,100,000                       |
| <b>Debt Service Coverage</b>           | 2.19                                    | 2.00                                    | 2.12                             |
| <b>Total Requirements Coverage</b>     | 1.66                                    | 1.52                                    | 1.60                             |

The following un-audited results are for the ten months ended October 31, 2024.<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, 2024, the Authority is budgeted to have a debt service coverage ratio of 2.12 and a total requirements coverage ratio of 1.60.

The Authority's total revenue for the ten months ended October 31, 2024, was \$2,242,818,000, which is \$83,051,000 or 3.9% above the 2024 year-to-date budget. Toll revenue was \$1,889,169,000, which is \$10,231,000 or 0.5%, below the 2024 year-to-date budget. Toll revenue is below budget mainly due to several severe weather events. In January, three significant snowstorms and a State of Emergency declared for flooding impacted travel. February saw two more snowstorms, followed by a heavy rain and flooding event in March, and two additional flooding events in April. Additionally, a Heat Advisory Warning was issued in June amid a severe heat wave, making it the second hottest June since 1931 and the driest since 1999. According to state records, September and October were the driest consecutive months in New Jersey's history. 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 \$0.18/gallon lower in 2024 compared to the same period in 2023. When compared to September 2024, gas prices in October decreased \$0.07/gallon. Investment income was \$50,652,000, or 101.5%, above budget due to higher invested balances. *E-ZPass* fees were 31,597,000, or 30.3% above the budget due to conservative budgeting in 2024. Miscellaneous revenue was \$5,507,000, or 37.72% above budget due to the \$3.9M in obligated FEMA recoveries for Covid-19 (2020-2023), approximately \$1.8M in Arts Center rent for 2023 PNC variable rent payment, 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 ten months ended October 31, 2024, toll transactions on the New Jersey Turnpike increased 0.8% and toll revenue increased 2.1% 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. In addition, October 2024 had an additional weekday compared to October 2023, which had a positive impact on results. 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 assuming 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 2.7% and revenue is up 42.5% for the same period. Traffic has recovered to 97.3% of pre-pandemic levels. Through October 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 ten months ended October 31, 2024, toll transactions on the Garden State Parkway increased 0.4% and revenue increased 3.0% 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 ten months ended October 31, 2024 were at budget for transactions projections but fell below revenue projections. The budget was based on CDM Smith's projection of a 0.4% 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 3.6%, but revenue is up 33.0%. Traffic has recovered to 96.4% of pre-pandemic levels. Through October 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 ten months ended October 31, 2024, were approximately \$563,535,000, which is \$59,194,000, or 9.5% below the year-to-date budget. The Authority's operating expenses through October 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 \$22,188,000 for snow and severe weather costs in 2024, with \$13,141,000 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

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

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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 ten 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 ten months ended October 31, 2024, Debt Service totaled \$811,547,000, which was \$23,629,000 or 2.8% 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 October 2024 included \$496,489,000 in interest payments and \$315,058,000 in principal payments. Net debt service (funded from revenue, net of capitalized interest) was \$768,487,000 for the ten 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 \$561,307,000 for the ten months ended October 31, 2024, which was \$13,895,000, or 1.9% below the year-to-date budget. Spending consisted primarily of \$392,500,000 for the 2021 State Public Transportation Projects Funding Agreement, \$18,333,000 for the Transportation Trust Fund, and \$16,712,000 for the 2023 State Transportation Agreement. Furthermore, \$107,714,000 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 ten months ended October 31, 2024, total expenditures were approximately \$290,101,000, which was 78.6% of the 2024 year-to-date spending budget. Expenditures included \$85,414,000 for Service Area Improvements, \$16,387,000 for TPK Section 7 Mileposts 54-60 Bridge Repairs, and \$4,258,000 for Major Fleet Tandem Dump Trucks. In addition to these expenditures, there are open commitments totaling approximately \$287,980,000.

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 ten months ended October 31, 2024, total expenditures were approximately \$350,130,000, which was 59.6% of the 2024 year-to-date spending budget. Total expenditures included \$40,693,000 for TPK Bridge Rehabilitation W107.84 and E107.84, 25,324,000 for Passaic River Bridge Rehabilitation, and \$7,511,000 for NBHCE Bridge Re-decking. In addition to these expenditures, there are open commitments totaling approximately \$1,348,064,000.