

New Jersey Turnpike Authority



QUARTERLY FINANCIAL ANALYSIS AND UNAUDITED FINANCIAL STATEMENTS AS OF JUNE 30, 2021 AND 2020



Highlights

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- On June 4, 2021 New Jersey lifted the COVID-19 State of Emergency, and Q2 saw a continued increase in travel and a gradual return to offices. These improvements are reflected in the significant increases in traffic and revenue during Q2.
- On April 27th, 2021, the Authority entered into a memorandum of agreement with Local 193C to address various issues including compensation, health benefits, allowances for uniforms, safety shoes, equipment and other Union work rule revisions. On May 25th, 2021, the Authority entered into a memorandum of agreement with Local 200 to address various issues including compensation, health benefits, pay parity, and other Union work rule revisions.
- On April 27, 2021, the Authority entered into a new State Public Transportation Projects Funding Agreement with the Treasurer of the State of New Jersey. The agreement will commence on July 1, 2021 where the Authority will begin to make payments to the Treasurer on a quarterly basis, totaling \$350,000 in fiscal year 2022; \$746,000 in fiscal year 2023; \$465,000 in fiscal year 2024; \$480,000 in fiscal year 2025; \$495,000 in fiscal year 2026; \$510,000 in fiscal year 2027; and \$525,000 in fiscal year 2028. The payments continue at the \$525,000 annual level until such time as NJ Transit has fully eliminated its Capital Budget to Operating Budget transfer and can maintain financial stability with a lesser or zero amount. These payments are inclusive of all payments due in accordance with the second amendment to the original agreement. These payments are payable out of the General Reserve Fund and are subordinate to the obligations of bondholders.
- On June 22, 2021 the Board authorized the Executive Director to (i) consent to assignment of operating agreement for New Jersey Turnpike and Garden State Parkway Restaurants and (ii) enter into an agreement assigning all rights and obligations of HMS Host Tollroads, Inc (HMS) under the operating agreement to Iris Buyer, LLC (Iris). This transfer closed in July of 2021 and the Authority received a \$500 transfer fee along with all outstanding amounts due to the Authority under the prior agreement with HMS.

(Amounts in thousands)

Condensed Summary of Net Position

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	Six months ended June 30, 2021	Twelve months ended December 31, 2020	Variance
Assets:			
Current assets	\$ 1,922,574	1,634,927	287,647
Other noncurrent assets	1,241,241	823,759	417,482
Capital assets, net of accumulated depreciation	12,303,680	12,270,179	33,501
Total assets	<u>\$ 15,467,495</u>	<u>14,728,865</u>	<u>738,630</u>
Deferred outflows	<u>\$ 451,191</u>	<u>449,917</u>	<u>1,274</u>
Liabilities:			
Current liabilities	\$ 1,031,800	836,805	194,995
Noncurrent liabilities	13,924,294	13,532,429	391,865
Total liabilities	<u>\$ 14,956,094</u>	<u>14,369,234</u>	<u>586,860</u>
Deferred inflows	<u>\$ 270,748</u>	<u>270,748</u>	<u>—</u>
Net position:			
Net investment in capital assets	\$ 1,871,603	1,909,970	(38,367)
Restricted under trust agreements	125,489	88,541	36,948
Unrestricted	<u>(1,305,248)</u>	<u>(1,459,711)</u>	<u>154,463</u>
Total net position	<u>\$ 691,844</u>	<u>538,800</u>	<u>153,044</u>

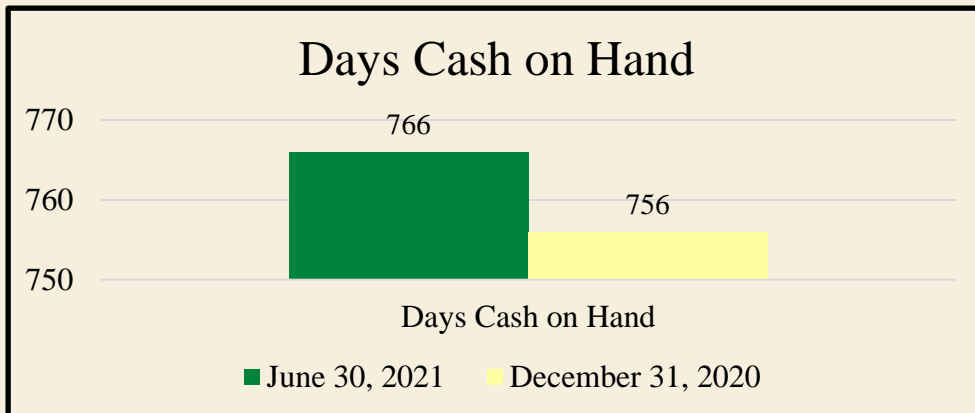
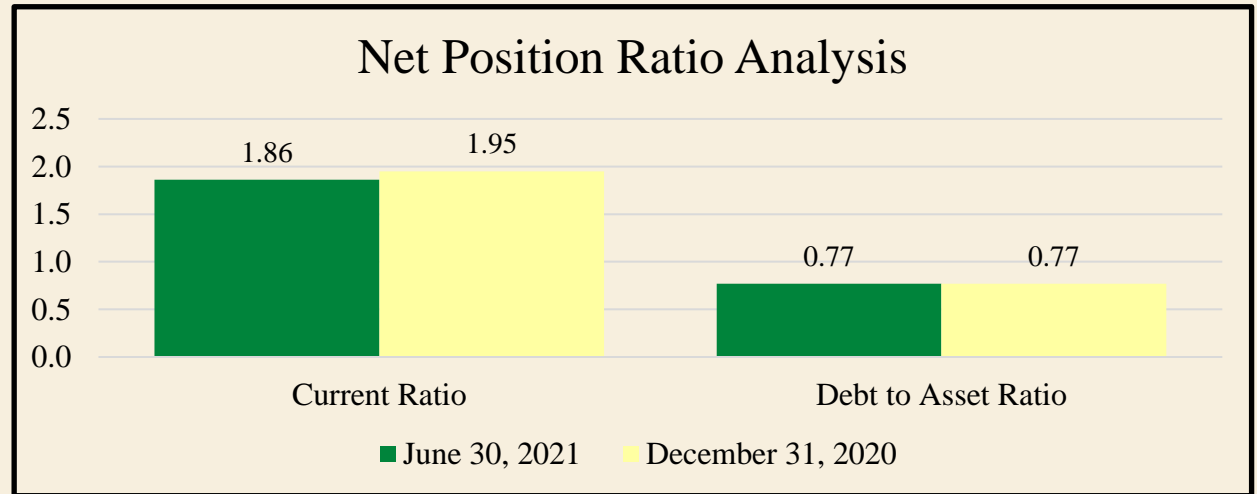
- **Assets** – Current assets increased due to an increase in receivables from away agencies and Build America Bonds subsidy. Other noncurrent assets increased from an increase in restricted investments from the new money bond issuance in February 2021. The increase in capital assets is from continued spending on capital projects.
- **Liabilities** - Current liabilities increased primarily due to an increase in accounts payable and a higher principal payment obligation of the Authority's outstanding bonds payable due on January 1, 2022. The overall increase in current liabilities was partially offset by a decrease in accrued interest payable due to lower interest from maturities on January 1, 2021 and refundings. Non-current liabilities increased as a result of the issuance of Series 2021A Turnpike revenue bonds to fund ongoing and new construction projects. The increase in non-current liabilities is marginally offset by a decrease in hybrid instrument borrowing and a decrease in interest rate swap liabilities. Hybrid instrument borrowing decreased due to January 1, 2021 principal payments, while the decrease in interest rate swap liabilities resulted from the partial termination of an interest rate swap in December 2020 and an increase in the negative mark to market value due to an increase in interest rates.
- **Deferred Outflows/Inflows of Resources** - Deferred outflows increased as the deferred amount on refunding and derivative instruments increased. These increases were due to the refunding completed in February 2021 and an increase in the negative mark to market on interest rate swaps. There is no change in the deferred inflows of resources.
- **Net Position** – The increase is mainly due to higher operating revenues. Toll revenue has increased due to decline in COVID-19 cases and lifting of State of Emergency in New Jersey

(Amounts in thousands)

Condensed Summary of Net Position

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- The current ratio is calculated as the Authority's current assets divided by current liabilities. A strong current ratio is over 1.0 and indicates an organization's ability to meet their short-term obligations.
- The debt to asset ratio is calculated by dividing total debt by total assets. The debt to asset ratio has remained stable despite the effects of the COVID-19 pandemic.



- Days cash on hand is calculated by combining unrestricted cash and unrestricted investments and then dividing by daily operating expenses (taken from the Revenue Fund). This calculation shows the number of days the Authority would be able to pay its operating expenses without the generation of revenue.
- The increase in Days Cash on Hand is primarily due to an increase in toll revenue and E-ZPass fees marginally offset by an increase in operating expenses.

(Amounts in thousands)

Capital Assets

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	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>Variance</u>
Land	833,761	833,761	-
Construction-in-progress	642,980	406,754	236,226
Roadways	4,494,344	4,586,572	(92,228)
Bridges	4,416,737	4,480,429	(63,692)
Buildings and improvements	977,411	990,406	(12,995)
Equipment	938,447	972,257	(33,810)
Total capital assets, net of accumulated depreciation	<u>12,303,680</u>	<u>12,270,179</u>	<u>33,501</u>

- Capital assets, net of accumulated depreciation, are reported at \$12,303,680 as of June 30, 2021 and \$12,270,179 as of December 31, 2020. This represents an increase of \$33,501 or 0.27% in the current year as compared to December 31, 2020. The main reason for the increase is continued capital asset spending in Q2 2021, as the Authority is progressing on the new capital programs. The decrease in each depreciable asset category mainly represents depreciation expense as most asset capitalization does not take place until the end of the year.

(Amounts in thousands)

Capital Spending Program

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Capitalized Project by Category	2021 Budget YTD	2021 Actual to Date	Variance
Roadway			
Bridge Construction, Preservation & Security	\$ 117,075	106,300	(10,775)
Capacity Enhancements- Turnpike	4,669	4,670	1
Capacity Enhancements- Parkway	1,528	136	(1,392)
Pavement Resurfacing	31,984	21,076	(10,908)
Interchanges	25,966	18,837	(7,129)
Resilience	600	—	(600)
Concrete Barrier	13,328	5,907	(7,421)
Drainage Structure	14,002	9,021	(4,981)
Roadway Lighting	14,561	10,777	(3,784)
Other Roadway Improvements	35,294	28,259	(7,035)
Total Roadway	<u>259,008</u>	<u>204,982</u>	<u>(54,026)</u>
Non Roadway			
Facilities	31,090	12,500	(18,590)
Fleet	2,897	3,467	570
Service Area & Arts Center	7,350	2,636	(4,714)
Technology Improvements	36,351	15,560	(20,791)
Total Non-Roadway	<u>77,688</u>	<u>34,163</u>	<u>(43,525)</u>
Total Capitalized Projects	<u>\$ 336,696</u>	<u>239,145</u>	<u>(97,551)</u>

- The current revenue funded capital programs include – (I) Maintenance Reserve Fund (II) Special Projects Reserve Fund and (III) Supplemental Capital Program. The active bond funded Capital Improvement Programs (CIP), recorded in the Construction Fund are (IV) the 2021-2025 CIP, (V) the 2019 CIP, and (VI) the 2008 \$7 Billion CIP
- The Authority budgeted to spend approximately \$336,696 on the revenue funded and bond funded capital spending program for the six months ended June 30, 2021. The Authority continued with its planned CIP work through the six months ended June 30, 2021.
- The Authority spent and committed approximately \$205,000 on the capital projects related to the Roadway construction and improvements and approximately \$34,200 for the other Non-Roadway capital projects.

(Amounts in thousands)

Capital Spending Program (Continued)

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- **Bridge Construction, Preservation and Security** – This primarily includes the construction project on the Laderman Bridge repairs, Washington Bridge repairs along with the other bridge deck reconstruction and rehabilitation projects. Also included are the annual spending for the major bridge repairs on both the roadways.
- **Capacity Enhancement** - Parkway and Turnpike – The main project included in this category is the Newark Bay Hudson County Extension on the Turnpike. This project will widen the extension from two lanes to four lanes.
- **Pavement Resurfacing** – This includes the scheduled pavement resurfacing on both roadways based on target asset life cycle replacement.
- **Interchanges** – The primary projects included are the creation of a high speed bypass at Interchange 16E and 18E, Interchange 6 to 9 berm surfacing revisions, and Interchange 125 improvements.
- **Concrete Barrier** – This includes work related to the rehabilitation of the concrete median on the Parkway and Turnpike median barrier improvements mileposts 0-48 and 72-89.
- **Drainage Structure** – This primarily includes major annual drainage structure repairs and improvements on both the roadways and culvert repairs milepost 115.80 to 115.80A on the Parkway.



(Amounts in thousands)

Capital Spending Program (Continued)

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- **Roadway Lighting** – The work includes lighting repairs and improvement work on both the roadways.
- **Other Roadway Improvements** – The main projects included in this category are the shoulder widening and reconstruction between milepost 30 and 35 on the Parkway, weather guiderail replacement on Parkway and Interstate 78 pavement repairs.
- **Facilities** – The important projects included in this category are toll facilities repairs & improvements on both roadways, HVAC & boiler replacement program and State Police facilities improvements.
- **Fleet** – This includes the scheduled fleet replacement based on target life cycles.
- **Service Areas and Arts Center** – This includes the HMS Host Vince Lombardi curb out project and Arts Center Signal Lot Expansion.
- **Technology Improvements** – The main projects included in this category are the installation of new hybrid changeable message signs on the Turnpike, production toll lane system refresh and implementation of new enterprise asset management software.

Condensed Summary of Revenue, Expenses and Changes in Net Position

(Q2 2021 vs. Q2 2020)

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	<u>Q2 2021</u>	<u>Q2 2020</u>	<u>Variance</u>
Operating revenues:			
Toll revenue	\$ 518,404	233,658	284,746
E-ZPass fees	30,652	16,406	14,246
Concession revenue	8,285	8,157	128
Miscellaneous revenue	3,342	3,041	301
Total operating revenues	<u>560,683</u>	<u>261,262</u>	<u>299,421</u>
Operating expenses, excluding depreciation	(150,679)	(128,276)	(22,403)
Net operating revenue	<u>410,004</u>	<u>132,986</u>	<u>277,018</u>
Depreciation expense	<u>(102,558)</u>	<u>(97,742)</u>	<u>(4,816)</u>
Operating income (loss)	<u>307,446</u>	<u>35,245</u>	<u>272,201</u>
Nonoperating revenues (expenses):			
Build America Bonds subsidy	19,252	19,212	40
Payments to the State of New Jersey	(38,375)	(38,375)	0
Interest expense, Turnpike Revenue Bonds	(137,726)	(139,040)	1,314
Other bond expenses	(309)	(107)	(202)
Investment income	286	7,771	(7,485)
Arts Center	931	997	(66)
Total nonoperating revenues (expenses),	<u>(155,941)</u>	<u>(149,542)</u>	<u>(6,399)</u>
Change in net position, before capital contributions	<u>151,505</u>	<u>(114,297)</u>	<u>265,802</u>
Change in net position	<u>151,505</u>	<u>(114,297)</u>	<u>265,802</u>
Net position – Beginning of period	<u>540,339</u>	<u>590,798</u>	<u>(50,459)</u>
Net position – End of period	<u>\$ 691,844</u>	<u>476,500</u>	<u>215,344</u>

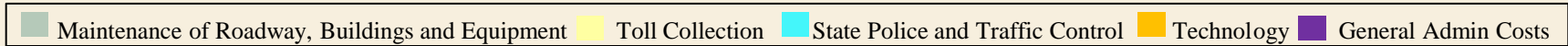
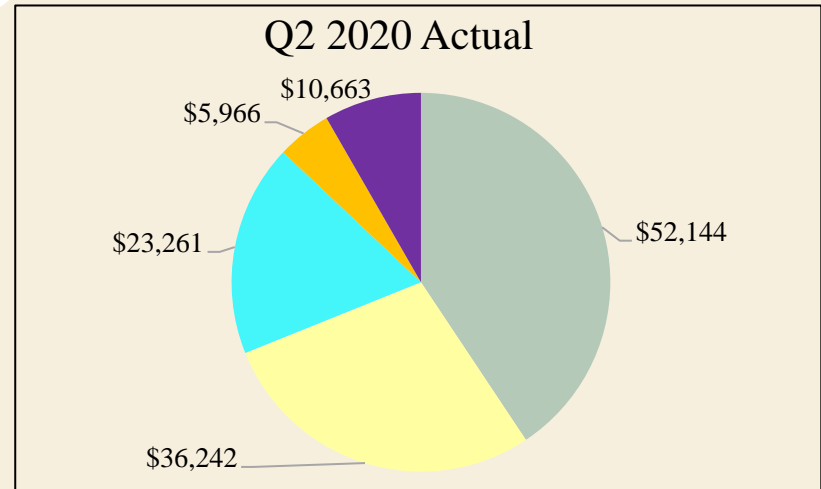
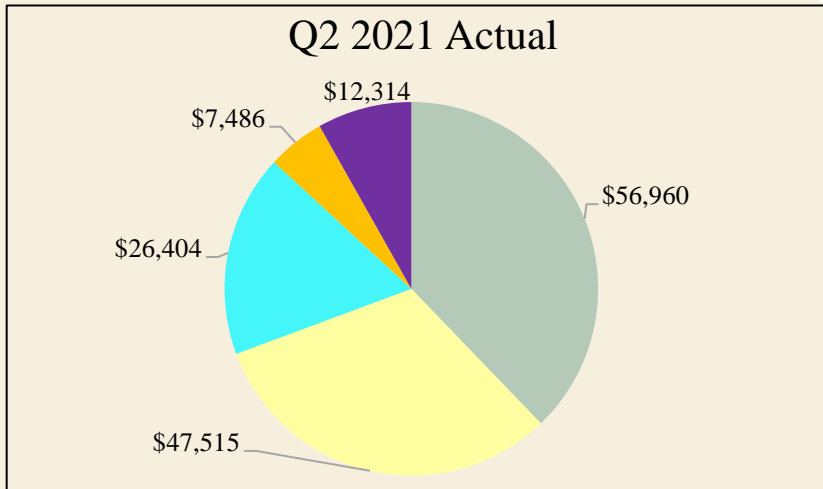
- **Total Operating Revenue** - Increased Toll Revenue from toll rate increase in Sept. 2020 and higher traffic volume as the State of New Jersey has now lifted most of the COVID-19 related restrictions that were in effect in Q2 2020. Higher E-ZPass fees mostly resulted from higher administrative fees collected. This is due to a larger number of toll violations in the period and the use of new collection agencies.
- **Operating Expenses** - Higher Maintenance expense from an increase in bridge inspection costs, drain cleaning costs and usage of vehicle parts. Higher Toll Collection expense from increased credit card fees and higher NJ E-ZPass costs due to higher volumes in 2021 as traffic recovery from COVID-19 continues. State Police and Traffic Control increased due to higher compensation, pension and retirement and food and clothing costs due to contractual increases.
- **Net non-operating expenses** - The main reason for this increase is lower investment income due to lower interest rates.
- **Change in Net Position** - This is due to higher operating income primarily from the increase in Toll Revenue.

(Amounts in thousands)

Operating Expenses

(Q2 2021 vs. Q2 2020)

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- **Operating expenses are higher by \$22,403, or 17.5% for the quarter ended June 30, 2021 as compared to the same period in 2020. An increase in health benefits costs mainly from increased medical insurance usage as well as an increase in pension costs, due to an increase in the employer contribution percentage, are factored into the expense increase across all categories.**
- **Maintenance** – Increased mainly due to an increase in bridge inspection costs, increase in drain cleaning costs and increase in usage of vehicle parts.
- **Toll Collection** – Increased from higher credit card fees and higher NJ E-ZPass costs caused by comparatively higher transactions volume and higher toll revenue in 2021 due to gradual lifting of COVID restrictions and eventual removal of State of Emergency in NJ
- **State Police and Traffic Control** – Increased from higher compensation, pension and retirement and food and clothing costs due to contractual increases.
- **Technology** – Increased due to higher software and hardware expenses as well as an increase in technology support services.
- **General Administrative Costs** – Increased due to higher cost of casualty insurance premium.

(Amounts in thousands)

Condensed Summary of Revenue, Expenses and Changes in Net Position

(June YTD 2021 vs. June YTD 2020)

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	<u>June YTD 2021</u>	<u>June YTD 2020</u>	<u>Variance</u>
Operating revenues:			
Toll revenue	\$ 918,142	571,388	346,754
E-ZPass fees	61,563	36,155	25,408
Concession revenue	15,176	15,340	(164)
Miscellaneous revenue	7,339	6,483	856
Total operating revenues	<u>1,002,220</u>	<u>629,366</u>	<u>372,854</u>
Operating expenses, excluding depreciation	(340,448)	(269,080)	(71,368)
Net operating revenue	<u>661,772</u>	<u>360,286</u>	<u>301,486</u>
Depreciation expense	(205,644)	(195,808)	(9,836)
Operating income (loss)	<u>456,128</u>	<u>164,479</u>	<u>291,649</u>
Nonoperating revenues (expenses):			
Build America Bonds subsidy	38,505	39,011	(506)
Payments to the State of New Jersey	(76,750)	(76,750)	0
Interest expense, Turnpike Revenue Bonds	(264,390)	(264,481)	91
Other bond expenses	(3,279)	(107)	(3,172)
Investment income	333	17,789	(17,456)
Arts Center	2,497	2,286	211
Total nonoperating revenues (expenses),	<u>(303,084)</u>	<u>(282,252)</u>	<u>(20,832)</u>
Change in net position, before capital contributions	153,044	(117,773)	270,817
Capital contributions	—	5,000	(5,000)
Change in net position	<u>153,044</u>	<u>(112,773)</u>	<u>265,817</u>
Net position – Beginning of period	<u>538,800</u>	<u>589,274</u>	<u>(50,474)</u>
Net position – End of period	<u>\$ 691,844</u>	<u>476,500</u>	<u>215,344</u>

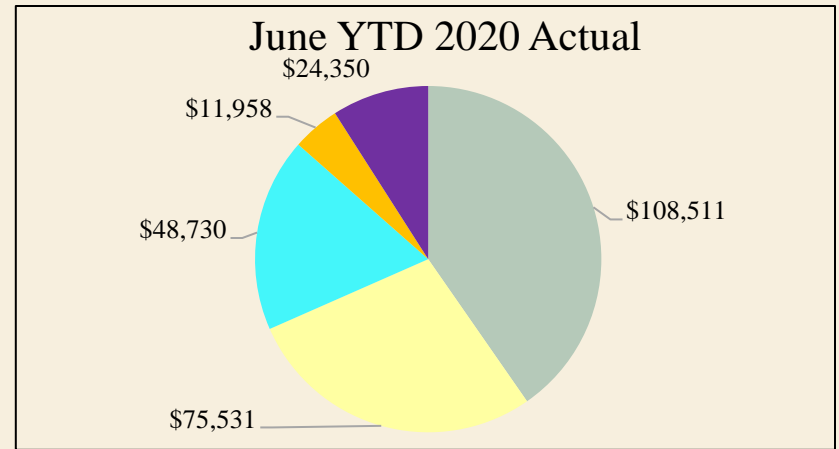
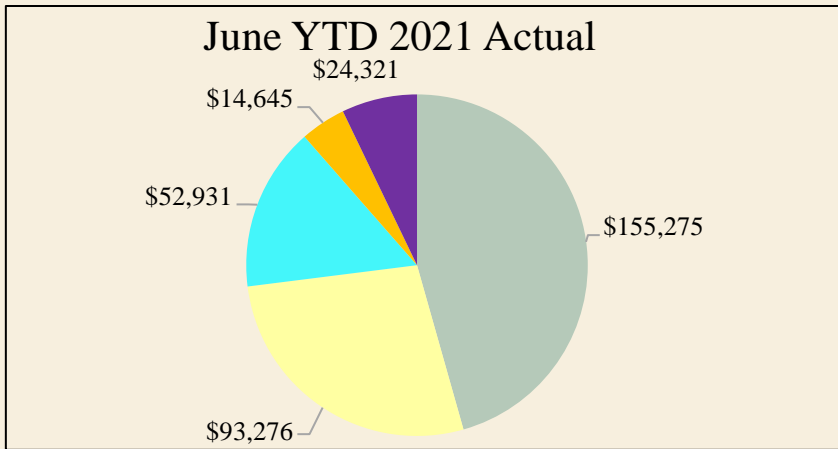
- **Total Operating Revenue** - Toll Revenue increased due to new toll rates effective Sep. 2020 as well as increase in traffic volume partially due to lifting most of the COVID-19 restrictions by the State of New Jersey. E-ZPass fees increased mostly from higher administrative fees due to a greater number of toll violations in the period.
- **Operating Expenses** - Maintenance expenses increased due to higher snow and severe weather costs, additional workplace cleaning and sanitation, higher engineering consultant fees related to bridge inspections, higher general consultant fees, and higher costs related to wastewater treatment. Toll Collection expenses increased due to higher violation processing costs from higher toll violation rate, higher credit card fees, and increased reserves for tag swap program. State Police and Traffic Control costs increased due to an increase in compensation, overtime and pension costs of State Troopers due to contractual increases. Health benefits costs increased from higher medical insurance usage and pension costs increased due to an increase in the employer contribution percentage.
- **Net non-operating expenses** - Investment income decreased due to an overall decline in market interest rates since the COVID-19 pandemic began.
- **Change in Net Position** – Improved due to higher operating income primarily from the toll rate increase on September 13, 2020 and significant traffic volume increase.

(Amounts in thousands)

Operating Expenses

(June YTD 2021 vs. June YTD 2020)

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■ Maintenance of Roadway, Buildings and Equipment
 ■ Toll Collection
 ■ State Police and Traffic Control
 ■ Technology
 ■ General Admin Costs

- Operating expenses are higher by \$81,204, or 17.5% for the six months ended June 30, 2021 as compared to the same period in 2020. An increase in health benefits costs mainly from increased medical insurance usage as well as an increase in pension costs, due to an increase in the employer contribution percentage, are factored into the expense increase across all categories.**
- Maintenance** – Increased due to snow and severe weather expenses from more harsh winter weather and multiple snowstorms in January and February 2021. Additional increase due to more workplace cleaning and sanitizing expenses in response to the COVID-19 pandemic, engineering consultant fees related to bridge inspections, higher general consultant fees and higher costs related to wastewater treatment.
- Toll Collection** - Increased due to higher violation processing costs from higher toll violation rate, increase in credit card fees based on increased volumes and increased reserves for tag swap program.
- State Police and Traffic Control** – Increased mostly due to an increase in compensation, overtime and pension costs of State Troopers due to contractual increase.
- Technology** – Increased due to higher software costs, equipment maintenance, and higher technology support services.
- General Admin Costs** – Decreased slightly due to lower counsel expenses which were slightly offset by higher casualty insurance.

(Amounts in thousands)

Budgetary Analysis of Revenue, Expenses and Changes in Net Position

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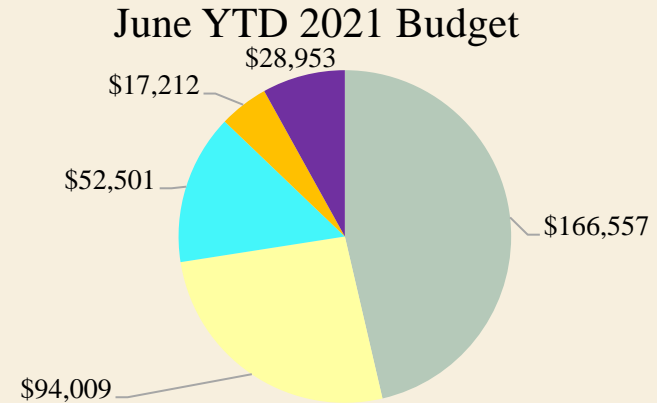
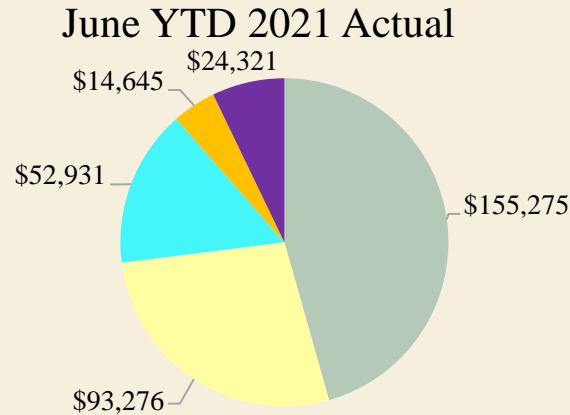
	June YTD 2021 Budget	June YTD 2021	Variance
Operating revenues:			
Toll revenue	\$ 915,870	918,142	2,272
E-ZPass fees	41,064	61,563	20,499
Concession revenue	15,499	15,176	(323)
Miscellaneous revenue	5,988	7,339	1,351
Total operating revenues	978,421	1,002,220	23,799
Operating expenses, excluding depreciation	(359,232)	(340,448)	18,784
Net operating revenue	619,189	661,772	42,583
Depreciation expense	(216,925)	(205,644)	11,281
Operating income (loss)	402,264	456,128	53,864
Nonoperating revenues (expenses):			
Build America Bonds subsidy	38,505	38,505	0
Payments to the State of New Jersey	(76,750)	(76,750)	0
Interest expense, Turnpike Revenue Bonds	(299,851)	(264,390)	35,461
Other bond expenses	(4)	(3,279)	(3,275)
Investment income	10,919	333	(10,586)
Arts Center	2,388	2,497	109
Total nonoperating revenues (expenses),	(324,793)	(303,084)	21,709
Change in net position, before capital contributions	77,471	153,044	75,573
Capital contributions	200	—	(200)
Change in net position	77,671	153,044	75,373
Net position – Beginning of period	538,800	538,800	0
Net position – End of period	\$ 616,471	691,844	75,373

- **Total Operating Revenue** – Above budget mostly from higher than anticipated toll revenue due to increased travel after lifting COVID-19 restrictions and stronger than budgeted commercial traffic, and higher than budgeted administrative fee revenue due to greater volume in part due to the use of additional collection agencies.
- **Operating Expenses** – Below budget mainly due to lower salaries due to vacancies and lower than anticipated health benefits costs which were partially offset by higher than budgeted snow and severe weather costs, State Trooper costs and electronic toll collection costs from higher volumes.
- **Net non-operating expenses** – Below budget due to lower than budgeted interest expense. The Series 2021B refunding resulted in interest savings which were not budgeted. In addition, the 2021 budget included interest for two \$500,000 new money bond issuances, one in November 2020 and one in January 2021, while only one occurred. These savings were slightly offset by lower investment income from lower interest rates and higher other bond expense due to timing.
- **Change in Net Position** – Above budget mainly due to higher than budgeted E-Zpass fees and lower than budgeted interest expense and operating expenses.

(Amounts in thousands)

Budgetary Analysis of Operating Expenses

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■ Maintenance of Roadway, Buildings and Equipment
 ■ Toll Collection
 ■ State Police and Traffic Control
 ■ Technology
 ■ General Admin Costs

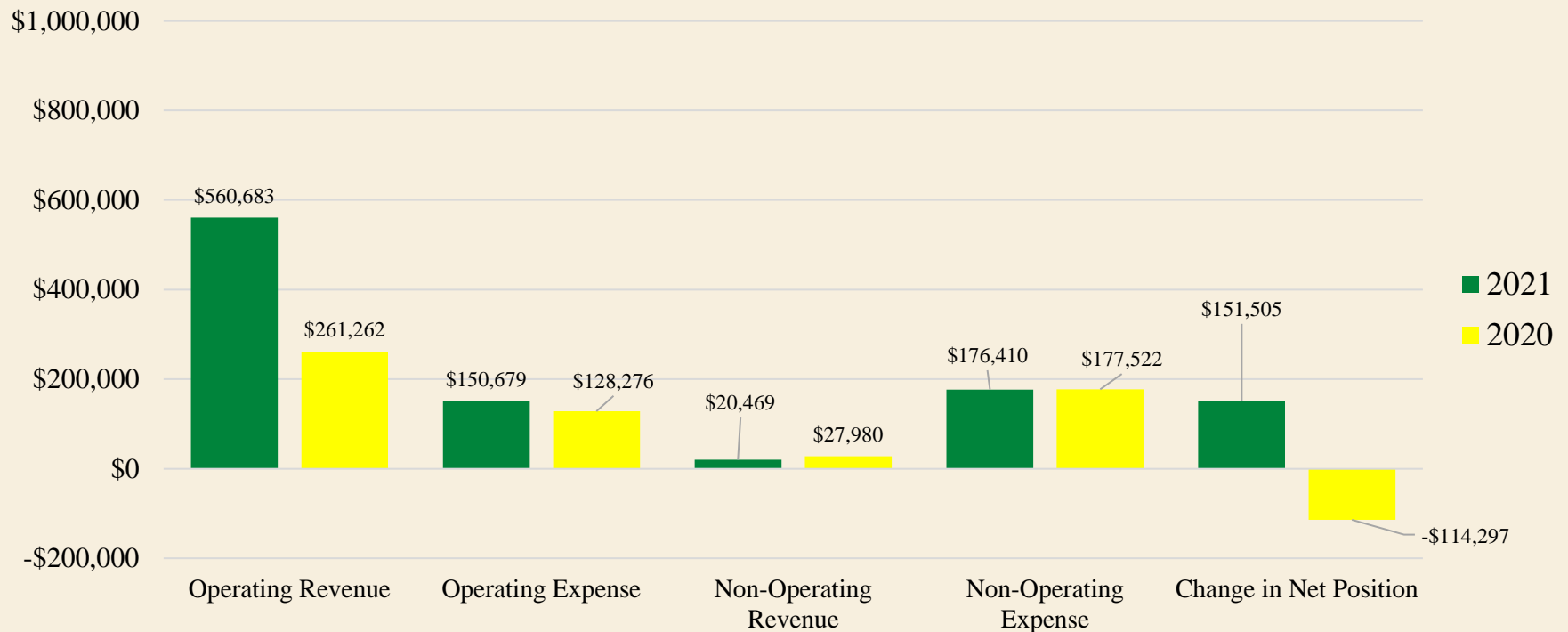
- Operating expenses under budget by \$30,065, or 5.2% for the six months ended June 30, 2021. The main factors for this variance are lower salaries due to vacancies and lower than anticipated health benefits, primarily due to lower than budgeted prescription claims, as usage has been lower than expected and rebates have been higher. Both salaries and benefits are included across all expense categories.**
- Maintenance** – Lower than budget due to lower guiderail costs, lighting and roofing repairs, clear zone expenses, and subsurface GIS mapping. These lower costs were partially offset by higher than budgeted snow and severe weather costs.
- Toll Collection** – Primarily lower than budget due to lower net credit card fees and armored car/money counting services which were partially offset by higher violation processing costs and higher net transponder costs from unbudgeted reserves associated with the tag swap program.
- State Police and Traffic Control** – Over budget due to higher overtime costs for traffic protection in construction zones in addition to contractual increases in State Police fringe benefit rates which were not known at the time of budgeting.
- Technology** – Lower than budget primarily due to lower salaries and health benefits which were partially offset by higher software expenses, equipment maintenance, and professional services from technical support costs.
- General Administrative Costs** – Lower than budget primarily due to lower insurance costs, human resources and benefits consulting costs, and legal services costs.

(Amounts in thousands)

Condensed Summary of Revenue, Expenses and Changes in Net Position (Q2 2021 vs. Q2 2020)

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Summary of Revenue, Expenses, and Changes in Net Position
Q2 2021 vs. Q2 2020



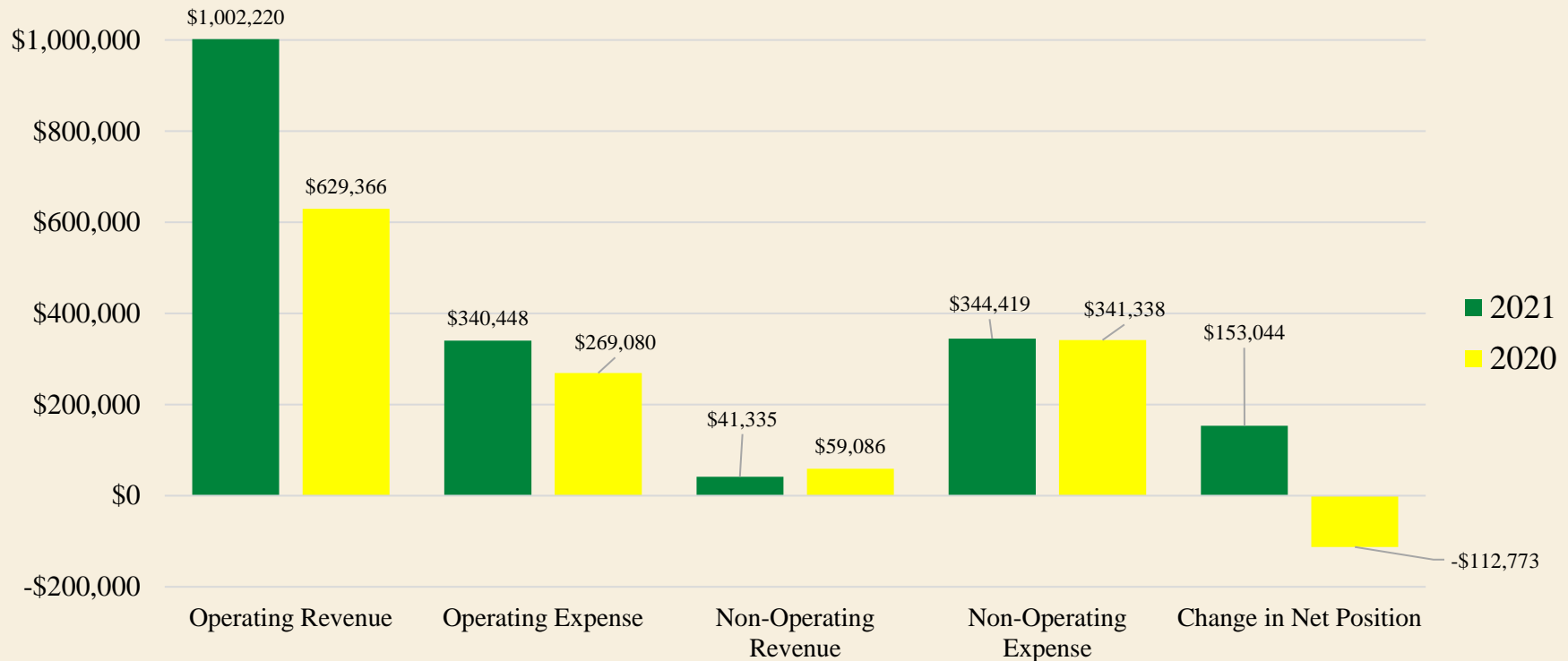
- Operating Revenue, Non-Operating Expense and Change in Net Position all showed improvement in Q2 2021 compared to Q2 2020, driven by higher toll revenue and bond refundings for savings.

(Amounts in thousands)

Condensed Summary of Revenue, Expenses and Changes in Net Position (June YTD 2021 vs. June YTD 2020)

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Summary of Revenue, Expenses, and Changes in Net Position
June YTD 2021 vs. June YTD 2020

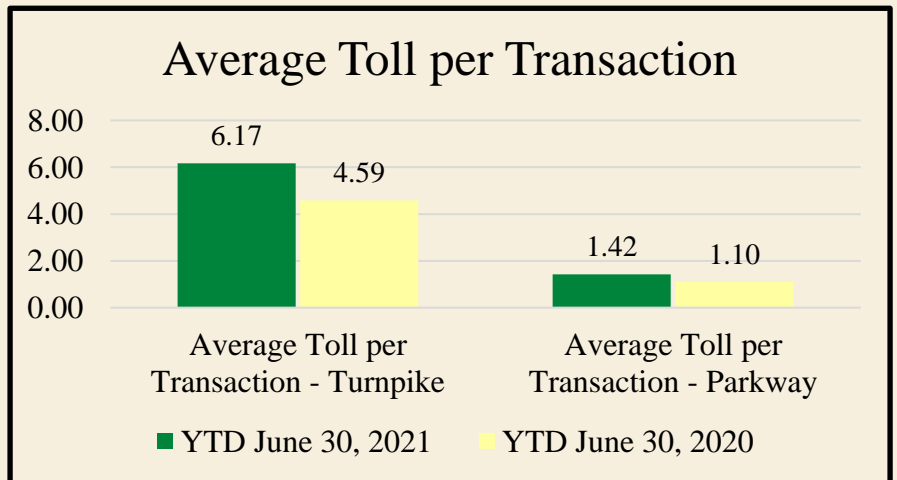
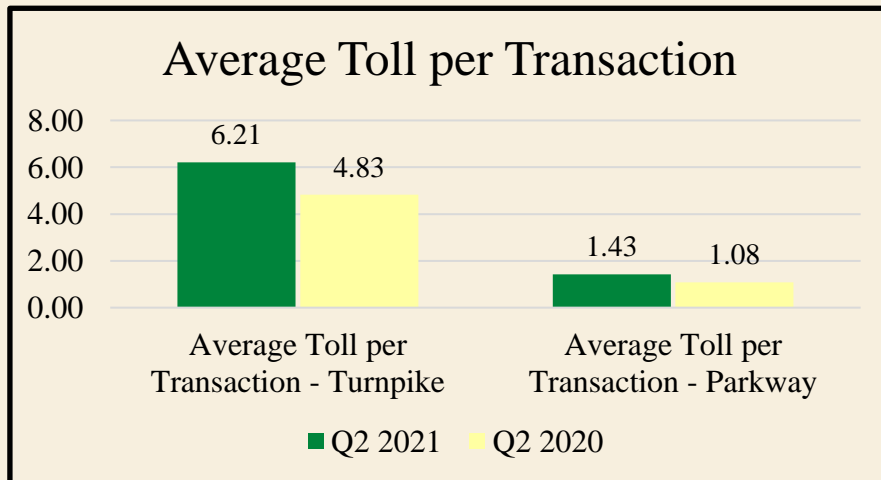
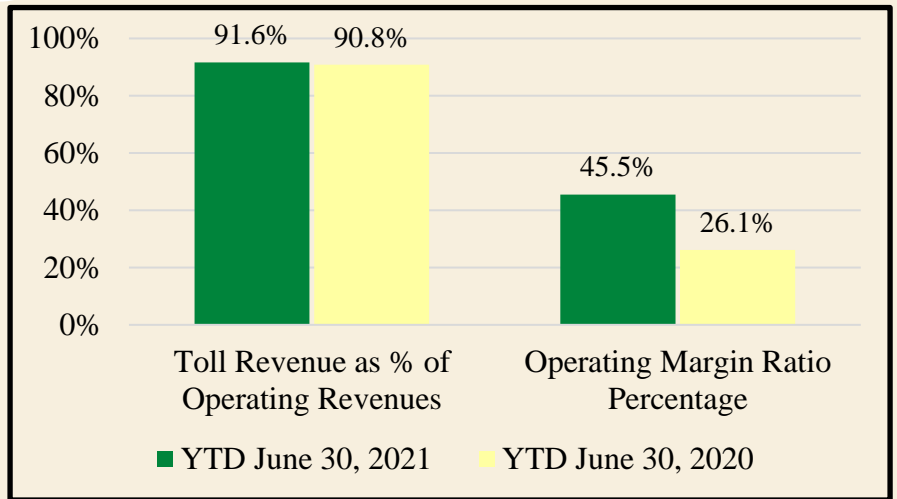
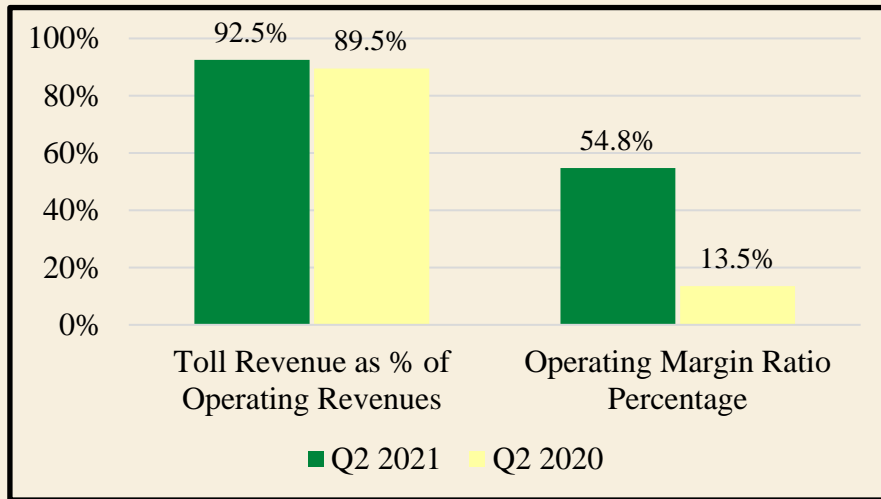


- Operating Revenue and Change in Net Position both improved for the six months ended June 30, 2021 compared to the prior year period, due to increases in toll revenue from the toll rate increase and higher traffic volumes from continued COVID-19 recovery.

(Amounts in thousands)

Revenue and Expense Ratio Analysis

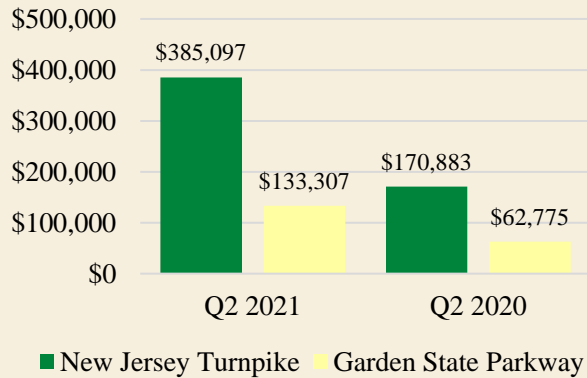
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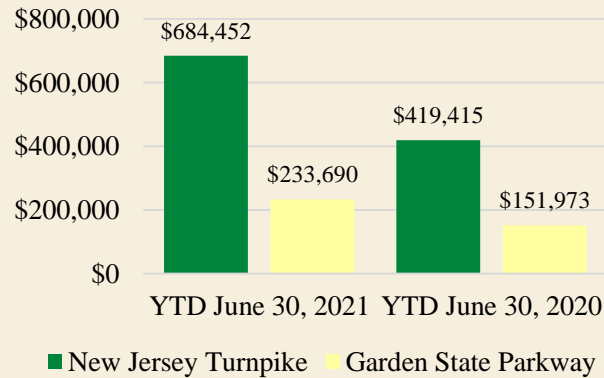
(Amounts in thousands)

Key Performance Metrics - Revenue

Toll Revenue



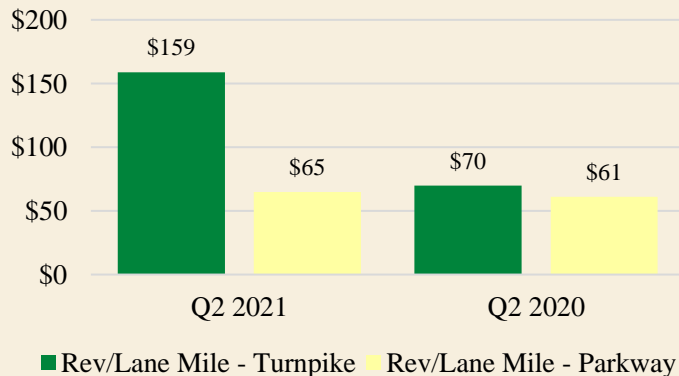
Toll Revenue



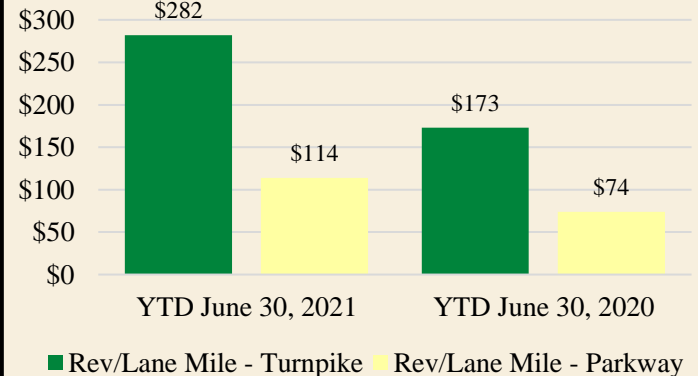
- Toll revenue on the Turnpike and Parkway increased when comparing year-to-date 2021 to the same periods in 2020. This increase is mostly the result of new toll rates and an increase in traffic due to lifting of COVID-19 restrictions.

- Revenue per lane mile has increased on the Turnpike and Parkway when comparing year-to-date 2021 to the same periods in 2020, due mostly to the increase in toll revenue.

Revenue per Lane Mile

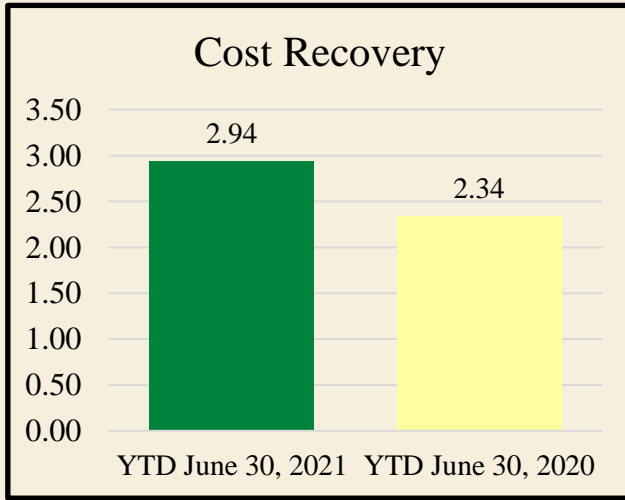
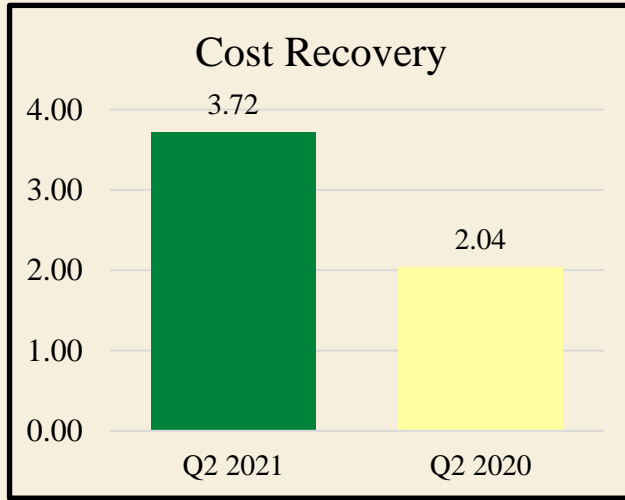
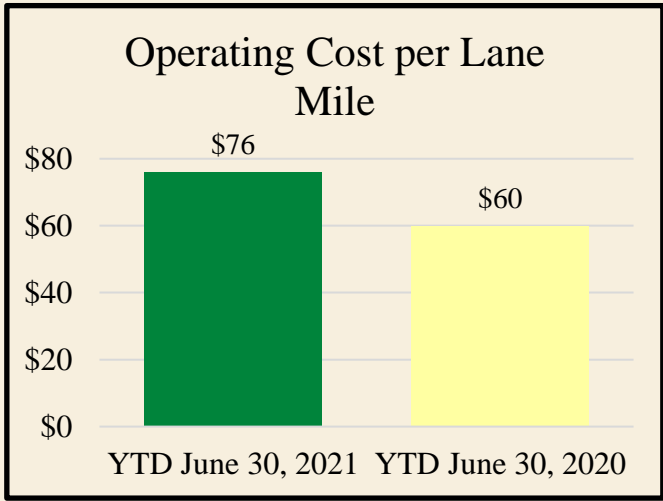
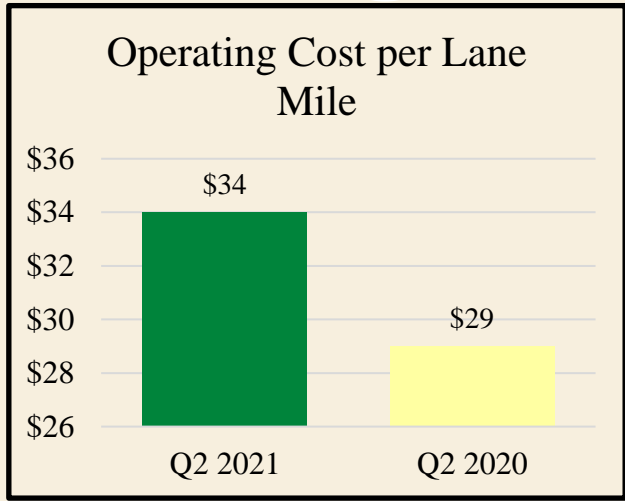


Revenue per Lane Mile



Key Performance Metrics - Expenses

- Operating expenses shown adjacent exclude depreciation. Operating expenses increased over both measurable periods largely due to an increase in maintenance costs and increased toll collection costs as reported in the discussion sections of this report.

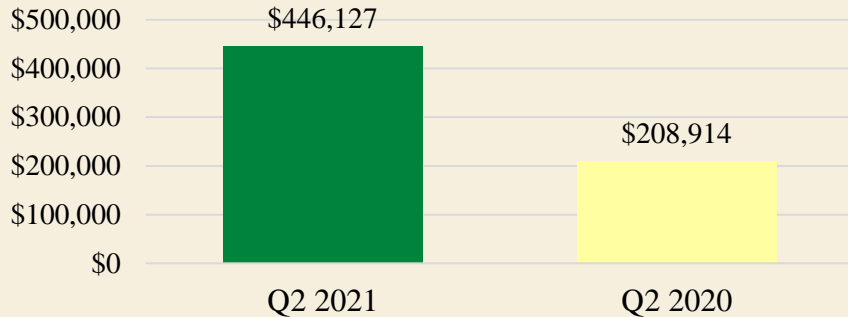


- The cost recovery ratio was above 2.0 times in all periods, which is a strong indicator of the Authority's ability to meet its operating expenses with its operating revenues.

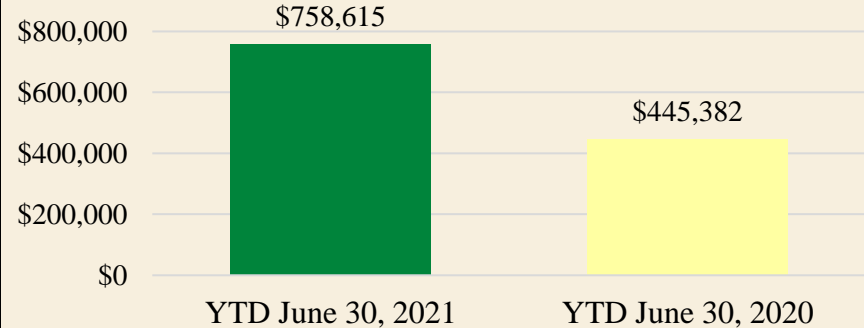
Debt Service Coverage

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Net Revenue Available for Debt Service

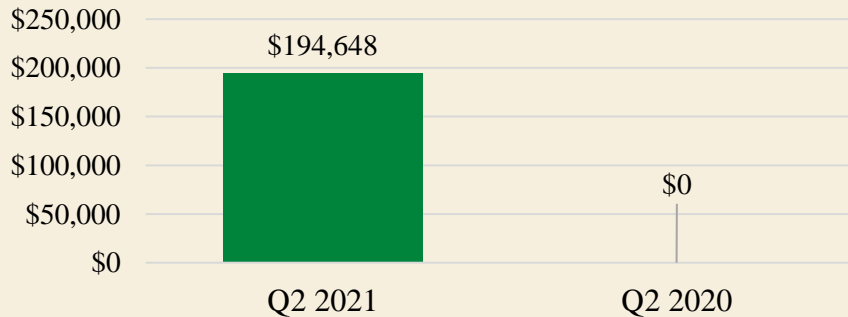


Net Revenue Available for Debt Service

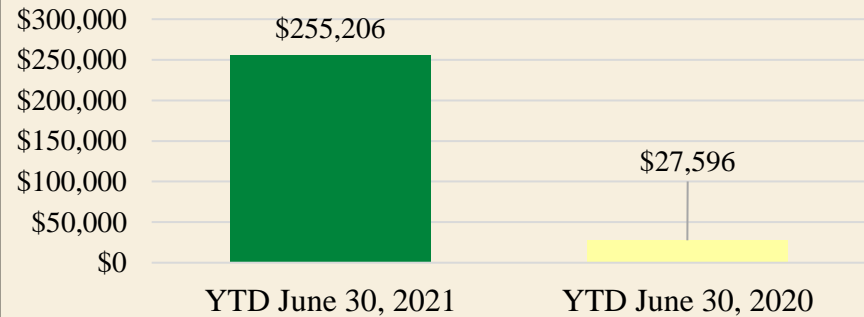


- Net revenue available for debt service increased significantly in both Q2 2021 and for the six months ended June 30, 2021 when compared to the prior periods. The primary reason for this increase is higher toll revenue when compared to the pandemic low in 2020.

Excess Net Revenues



Excess Net Revenues



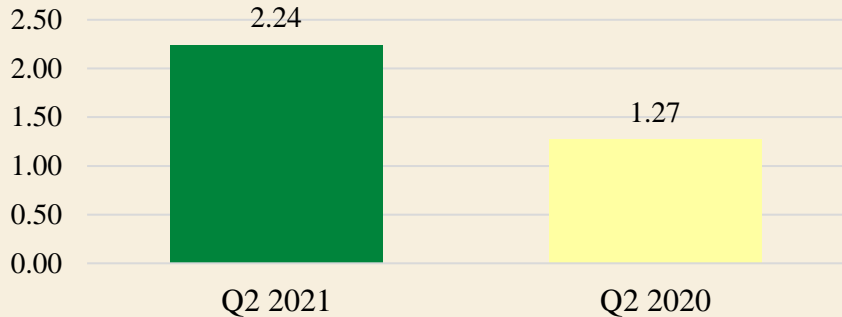
- Excess net revenue increased significantly in both Q2 2021 and for the six months ended June 30, 2021. The reason for this increase is primarily higher toll revenue when compared to 2020.

(Amounts in thousands)

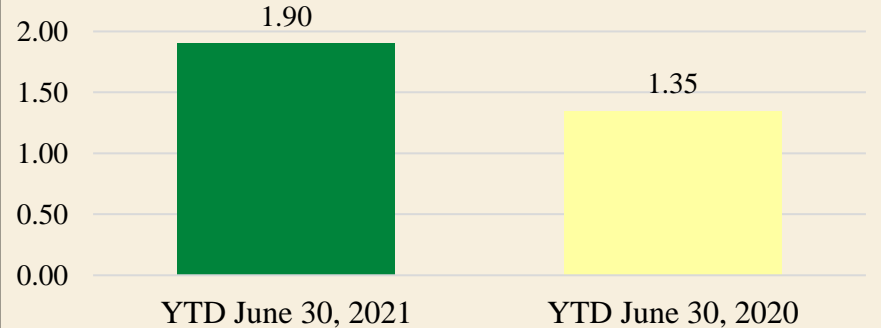
Debt Service Coverage

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Debt Service Coverage Ratio

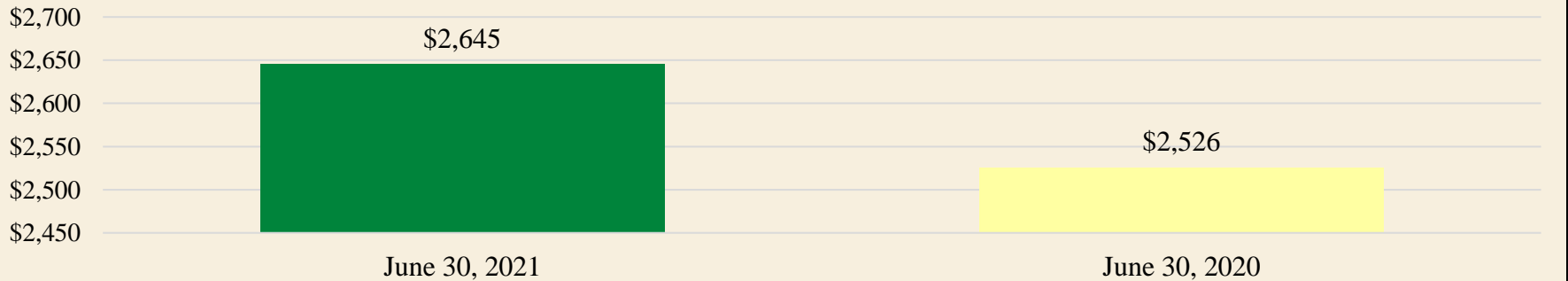


Debt Service Coverage Ratio



- Debt service coverage ratio increased significantly in Q2 2021 and for the six months ended June 30, 2021. Of note, the debt service coverage ratio exceeded 2.0 times in Q2 2021. This increase resulted mainly from an increase in toll revenue when compared to 2020.

Debt per Lane Mile



- Debt per lane mile increased by \$119 to \$2,645 for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020. This increase resulted from issuance of Turnpike Revenue Bonds Series 2021A to fund ongoing and future construction projects.

(Amounts in thousands)

Appendix

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Financial Statements and Supplementary Schedules

(Amounts in thousands)