



**STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION
TURNPIKE SYSTEM**

ANNUAL REPORT
With Respect to
TURNPIKE SYSTEM REVENUE BONDS

February 22, 2018

STATE OF NEW HAMPSHIRE
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This Annual Report dated February 22, 2018 (the “Annual Report”) of the State of New Hampshire (the “State”) is prepared and submitted in accordance with the requirements of the Continuing Disclosure Certificates dated December 1, 2009, January 5, 2012, August 30, 2012, November 5, 2012 and June 24, 2015 (collectively, the “Continuing Disclosure Certificates”) executed by the State for the benefit of the owners of \$217,215,000 State of New Hampshire Turnpike System Revenue Bonds, 2009 Series A (Federally Taxable – Build America Bonds – Direct Payment), 2009 Refunding Series B, the \$42,115,000 State of New Hampshire Turnpike System Revenue Bonds, 2012 Refunding Series (Delayed Delivery), the \$110,180,000 State of New Hampshire Turnpike System Revenue Bonds, 2012 Series C, the \$65,355,000 State of New Hampshire Turnpike System Revenue Bonds, 2012 Refunding Series B (Delayed Delivery) and the \$45,800,000 State of New Hampshire Turnpike System Revenue Bonds, 2015 Series A (collectively, the “Bonds”). The State’s audited financial statements pertaining to its Turnpike System for the fiscal year ended June 30, 2017, prepared in accordance with generally accepted accounting principles were filed with the Municipal Securities Rulemaking Board (MSRB) on December 21, 2017 and the financial statements were included in the State’s Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017 (the “CAFR”). The CAFR was filed with the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system on December 27, 2017. The Financial Statements are incorporated herein by reference.

For questions about this report or the need for additional information, please contact the New Hampshire Department of Transportation, Leonard Russell, Division of Finance, John O. Morton Building, 7 Hazen Drive, Concord, NH 03302-0483 or telephone 603.271.2546.

Annual Report

This Annual Report is submitted pursuant to the Continuing Disclosure Certificates and updates certain information contained in the State’s most recent Official Statement pertaining to the Bonds dated June 10, 2015 (the “Official Statement”), which contains certain information pertaining to the State’s Turnpike System. This Annual Report does not constitute an offer to sell or the solicitation of an offer to buy the Bonds.

Pursuant to the Continuing Disclosure Certificates, the State hereby updates the information requested in Section 4, “Content of Annual Reports,” of the Continuing Disclosure Certificates as follows (the headings and page numbers refer to the applicable portions of the Official Statement):

- THE TURNPIKE SYSTEM – General Description, with respect to the first paragraph on page 20:

General Description

The Turnpike System presently consists of 89 miles of limited access highway, 36 miles of which are part of the U.S. Interstate Highway System. The Turnpike System comprises a total of approximately 658 total lane miles, 170 bridges, 49 interchanges, 84 toll lanes, and 25 facilities. Since beginning operations in 1950, the Turnpike System has contributed to the development of the New Hampshire economy. It has also been a major factor in the growth of the tourist industry in the State. The Turnpike System consists of three limited access highways: the Blue Star Turnpike (I-95) and the Spaulding Turnpike, (together referred to as the Eastern Turnpike), and the Central Turnpike. The Turnpike System primarily serves the major cities located in the central and eastern sections of southern New Hampshire. See *State Demographic and Economic Statistics* in Appendix B for a general description of the State and its economy, including population, personal income, employment and employers, state and local taxation, housing, building activity, transportation and education.

- THE TURNPIKE SYSTEM – Maintenance of the Turnpike System, with respect to the table captioned “Renewal and Replacement Expenditures” on page 25:
 - See Attachment A.
- THE TURNPIKE SYSTEM – Toll Rates, with respect to the table captioned “Turnpike System Toll Rate Schedule” on page 35:
 - There have been no changes to the Turnpike System Toll Rate Schedule.
- THE TURNPIKE SYSTEM – Turnpike System – Historical Revenues and Expenditures, with respect to the table captioned “Statement of Revenues, Expenses and Changes in Net Position” on page 36:
 - See Attachment B.
- THE TURNPIKE SYSTEM – Management Discussion of Historical Revenues and Expenditures (only with respect to the preceding fiscal year) on pages 37 and 38:

Fiscal Year 2017

Gross Revenue available for operating expenses, debt service, reserves, and improvement increased by \$1.7 million or a 1.2% increase over the prior year. The 2017 revenues include:

Description	(Amounts in thousands)
Total Operating Revenues	\$ 131,388
Investment Income	434
Welcome Center Revenue	884
Facility Sustainment Reserve	154
BABS Subsidy	2,915
Local Contributions	1,203
Miscellaneous Income	<u>340</u>
Gross Revenue	\$ 137,318

Total Operating Revenues increased \$0.7 million or 0.5% to \$131.4 million over the prior year.

Total Operating Expenses increased \$13.6 million or 18.8% over the previous year due to a confluence of factors:

- \$1.8 million increase in payroll and benefit expenses primarily due to cost-of-living payroll adjustments and overtime incurred to support winter operations as well as increases in employer-paid health benefits, workers' compensation and pension costs;
- \$1.5 million increase in enforcement activities by the Department of Safety due to increases in cost-of-living payroll adjustments, employer-paid health benefits, and replacement vehicles;
- \$2.4 million of increased liability due to additional mandates on testing at active pollution remediation sites for new chemical contaminants;
- \$1.6 million in increased Renewal & Replacement activities due to timing of construction project activities;
- \$1.2 million in increased costs for winter maintenance as compared with the previous year's mild winter;
- \$5.1 million of additional depreciation expense primarily due to the capitalization of equipment and infrastructure in fiscal year 2017.

Total Non-Operating Expenses decreased approximately \$3.3 million or 31.0% to \$7.3 million primarily as a result of a decrease in bond interest expense of \$2.3 million augmented by an increase in miscellaneous income for the recognition of revenue earned for City of Dover utility work of \$1.2 million.

Renewal and Replacement Operating Expenses for fiscal years 2017 and 2016 were \$9.1 million and \$7.5 million respectively. Renewal & Replacement capitalized expenses for fiscal years 2017 and 2016 were \$0.1 million and \$0.4 million respectively. For fiscal year 2018, the budget is \$12.8 million. Appropriations for Renewal & Replacement expenditures do not lapse and are carried forward and made available in subsequent years.

Fiscal Year 2017 Status of Capital Fixed Assets

Capital Improvement Program Net Capital Assets increased \$13.2 million or 1.5% to \$915.3 million over the prior year. The Turnpike System capitalized \$39.3 million primarily in infrastructure, construction in progress, and equipment. Accumulated Depreciation offsets the increases in Capital Assets by \$26.1 million.

Fiscal Year 2017 Summary of Liabilities and Debt Service

Total Liabilities decreased \$23.3 million or 4.9% to \$450.6 million from the prior year. This change was driven primarily by a decrease in revenue bond debt in both short and long-term bonds payable. Both Current and Non-Current Liabilities experienced decreases, \$8.4 million and \$14.9 million respectively.

Current Liabilities consist primarily of accrued operating expenses, unearned revenue, and the current portion of revenue bonds. The decrease in Current Liabilities is the result of a \$10.0 million reduction in short-term revenue bonds payable. This is offset by a \$1.3 million increase in unearned revenue primarily from funds received in advance by the City of Dover for utility work.

Non-current Liabilities decreased by \$14.9 million primarily due to a \$20.7 million decrease in revenue bonds payable per current debt schedule offset by a \$2.4 million increase in liabilities related to pollution remediation and a \$3.7 million increase in future pension obligations.

Restricted assets at fair market value are segregated into the following accounts as of June 30, 2017:

(Amounts in thousands)

Restricted Assets	2017	2016
Revenue Bond Debt Service Reserve Account	\$ 13,954	\$ 9,966
Revenue Bond Cash Construction Account	0	14,110
Revenue Bond Insurance Reserve Account	3,434	3,003
Total Investments – Restricted	17,388	27,079
Revenue Bond Cash Construction Account	0	5,038
Revenue Bond Principal Debt Service Account	9,266	13,279
Revenue Bond Interest Debt Service Account	5,190	5,676
Revenue Bond Debt Service Reserve Account	27,396	31,387
Facility Sustainment and Reinvestment Reserve Account	154	0
Total Cash & Cash Equivalents – Restricted	42,006	55,380
Total Restricted Assets	\$ 59,394	\$ 82,459

The amounts shown above are invested in permitted investments in accordance with the Bond Resolution.

There were no changes to the **Turnpike System Bond ratings** during fiscal year 2017. The current ratings assigned to the Bonds by Fitch Ratings, Inc., Moody's Investors Services, Inc., and Standard & Poor's are "A+" (outlook: stable), "A1" (outlook: stable) and "A+" (outlook: stable), respectively.

- THE TURNPIKE SYSTEM, with respect to the table captioned "Schedule of Debt Service Coverage Ratio" on page 45:
 - See Attachment C and C-1.
- TURNPIKE SYSTEM INDEBTEDNESS, with respect to the table captioned "Turnpike System Debt Service" on page 47:
 - See Attachment D.
- CAPITAL IMPROVEMENT PROGRAM, with respect to the description and the table captioned "Project Descriptions" on pages 47-51:

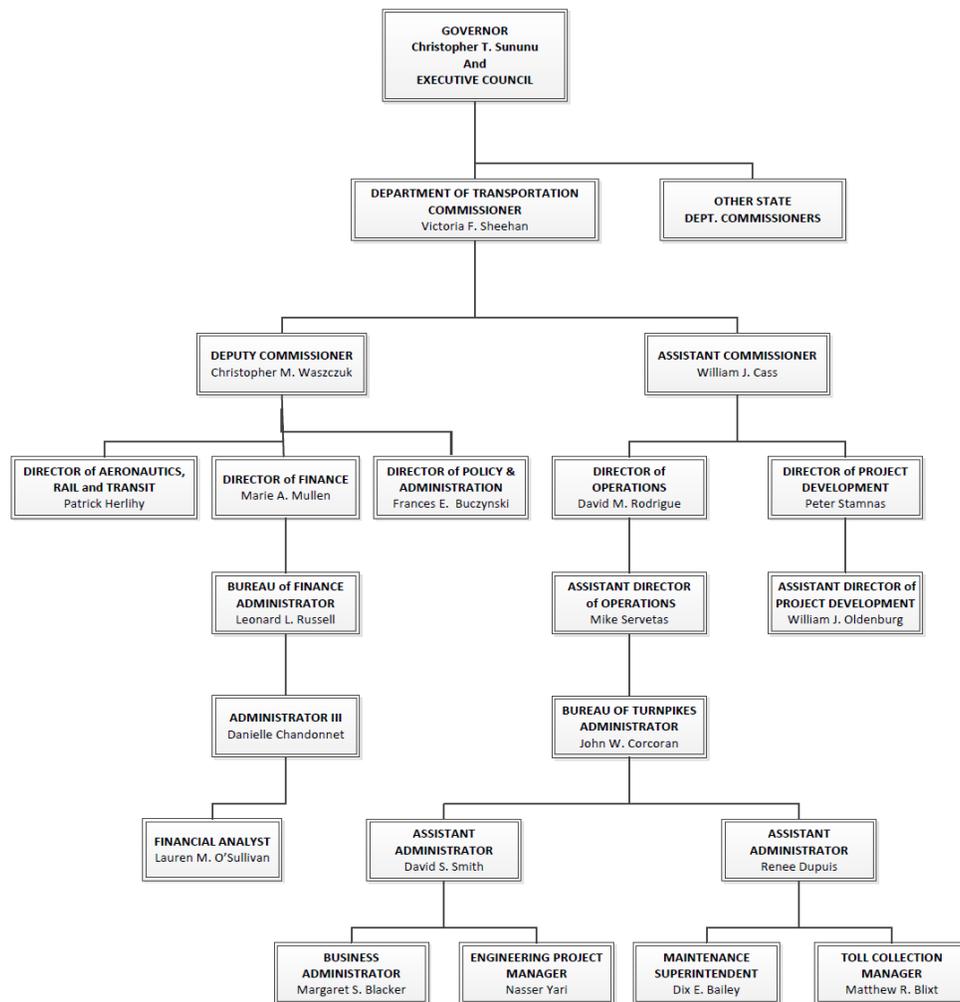
In 1986, the State Legislature adopted the State's first Ten-Year Capital Improvement Program for transportation in New Hampshire, including specific components relating to the Turnpike System. Every two years, this long-term capital program is updated and revised. The Turnpike System component of the Ten-Year Plan, as from time to time modified by the Legislature, is referred as the "Capital Improvement Program." The current total estimated cost of the Capital Improvement Program, including expenditures to date, is approximately \$1.349 billion through fiscal year 2026, which the State has funded and intends to fund through Bond proceeds, investment earnings, available toll revenues, and federal funds. As of June 30, 2017, over \$927 million had been expended on the Capital Improvement Program, of which amount, approximately \$711 million had been funded with proceeds of Bonds.

- CAPITAL IMPROVEMENT PROGRAM EXPENDITURES, with respect to the table captioned "Capital Improvement Program Expenditures" on page 52:
 - See Attachment E.
- APPENDIX A, with respect to the report titled "New Hampshire Turnpike System Traffic and Revenue Study":
 - See Appendix A for "Annual Traffic and Toll Revenue Trends" for the fiscal years ending 2000 through 2017.
- APPENDIX B, with respect to the section title "State Demographic and Economic Data":
 - The most recent State Demographic and Economic Data for Fiscal Year 2017 are included in the State of New Hampshire CAFR for the Year Ended June 30, 2017 pages 151-153 filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website under the Continuing Disclosures for the State of New Hampshire General Obligation Capital Improvement Bonds, Series 2017B.

Fiscal Year 2017 Financial Statements

- APPENDIX C, with respect to the section title “Turnpike System Audited Financial Statements Fiscal Year 2014”:
 - The audited financial statements for Fiscal Year 2017 are filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website.
 - For the fiscal year 2017 audited financial statements, a deficiency in internal control related to recording costs associated with non-Turnpike assets was noted.

The following chart shows the organization of State government relating to the Turnpike System:



This Annual Report has been executed and delivered on behalf of the State pursuant to the Continuing Disclosure Certificates.

STATE OF NEW HAMPSHIRE

By:

A handwritten signature in blue ink that reads "Victoria F. Sheehan". The signature is written in a cursive style with a large initial 'V'.

Victoria F. Sheehan
Commissioner
Department of Transportation

RENEWAL AND REPLACEMENT COSTS
Fiscal Years 2002 through 2018
GAAP Basis and Budget
(Amounts in thousands)

<u>Fiscal Year</u>	<u>Amount</u>
2002	5,724
2003	7,058
2004	4,973
2005	3,114
2006	4,567
2007	8,552
2008	11,842
2009	7,805
2010	7,793
2011	14,309
2012	9,320
2013	9,628*
2014	11,279*
2015	8,229*
2016	7,911*
2017	9,251*
2018	18,224**
2019	14,270***

* Beginning in 2013, Renewal and Replacement Costs are capitalized, if appropriate, per Generally Accepted Accounting Principles (GAAP). For fiscal year 2017, approximately \$9.1 million was expensed and \$0.1 million was capitalized.

** Fiscal year 2018 includes the authorized budget amount of \$12.8 million plus a carryover from fiscal year 2017 of \$5.4 million.

*** Proposed biennial agency-phase State budget.

Turnpike System-Historical Revenues and Expenditures

The Turnpike System is part of the State primary government and is accounted for as an enterprise fund of the State. The financial information below is derived from audited financial statements of the Turnpike System.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION New Hampshire Turnpike System (Amounts in thousands) For the Fiscal Years Ended June 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Operating Revenues</u>					
Tolls and Other Operating Revenue	\$ 131,388	\$ 130,714	\$ 124,412	\$ 119,325	\$ 117,819
<u>Operating Expenses</u>					
Personnel Services	9,850	9,074	9,868	9,703	10,016
Payroll Benefits	6,064	5,026	5,599	6,101	6,596
Enforcement	8,748	7,221	6,312	5,843	5,539
Renewal & Replacement*	9,144	7,523	7,544	9,430	6,368
Supplies, Materials and Other†	4,807	2,238	3,467	2,859	3,051
Equipment and Repairs†	4,475	3,991	4,988	4,467	4,608
Indirect Costs	2,460	2,501	2,645	2,571	2,729
Welcome Centers‡	880	939	-	-	-
Heat, Light, and Power	986	939	1,095	1,266	1,275
Bank and Credit Card Fees	2,915	2,538	2,328	2,225	2,101
Rentals	1,051	632	1,076	956	776
E-ZPass Processing Fees	6,909	6,869	6,362	5,876	5,010
Transponder Expense	758	1,055	620	602	512
Depreciation and Amortization	27,286	22,143	22,398	22,832	21,491
Impairment of Capital Assets	-	-	27,675	-	-
GASB 68 Pension Expense Adjustment§§	-	-	-	10,138	-
Total Operating Expenses	<u>86,333</u>	<u>72,689</u>	<u>101,977</u>	<u>84,869</u>	<u>70,072</u>
Operating Income	<u>45,055</u>	<u>58,025</u>	<u>22,435</u>	<u>34,456</u>	<u>47,747</u>
<u>Non-Operating Revenues (Expenses)</u>					
Investment Income	434	998	87	78	98
Welcome Center Revenue‡	884	774	118	-	-
Miscellaneous Income	4,524	3,135	3,157	3,112	3,195
Gain/ (Loss) on the Sale of Other Capital Assets	88	46	7	(87)	-
Interest on Bonds and Note	(13,142)	(15,402)	(14,005)	(15,512)	(17,575)
Miscellaneous Expense	(48)	(79)	(390)	(44)	-
Amortization on Bond Issuance Costs§	-	-	-	-	(2,630)
Total Non-operating Revenues/(Expenses)	<u>(7,260)</u>	<u>(10,528)</u>	<u>(11,026)</u>	<u>(12,453)</u>	<u>(16,912)</u>
Change in Net Position Before Capital Contributions	<u>37,795</u>	<u>47,497</u>	<u>11,409</u>	<u>22,003</u>	<u>30,835</u>
Capital Contributions	<u>44</u>	<u>87</u>	<u>74</u>	<u>3,108</u>	<u>9,930</u>
Change in Net Position	<u>37,839</u>	<u>47,584</u>	<u>11,483</u>	<u>25,111</u>	<u>40,765</u>
Net Position – July 1§	<u>594,451</u>	<u>546,867</u>	<u>535,384</u>	<u>510,273</u>	<u>469,508</u>
Net Position – June 30§§	<u>\$ 632,290</u>	<u>\$ 594,451</u>	<u>\$ 546,867</u>	<u>\$ 535,384</u>	<u>\$ 510,273</u>

*Beginning in fiscal year 2013 certain identified Renewal & Replacement costs were capitalized in the amount of \$3.3 million, \$1.8 million in fiscal year 2014, \$0.7 million in fiscal year 2015, \$0.4 million in fiscal year 2016 and \$0.1 million in fiscal year 2017.

†Beginning in fiscal year 2015, certain identified Supplies, Materials and Other costs were moved to Equipment and Repair. Fiscal year 2014 is restated to reflect the change in the amount of \$59 thousand for comparative purposes.

‡Beginning in fiscal year 2016, expenses related to operation of the Welcome Centers are reported separately. Prior fiscal years reported Welcome Center expenses in the other operating expense lines.

§Hooksett Welcome Center Concession Operations began in fiscal year 2015.

§Fiscal year 2013 Net Position restated per GASB 65 for fiscal year 2013 balance of Deferred Bond Issue Costs of \$2,158. Per GASB 65, bond issuance costs should be expensed as incurred, except for prepaid insurance costs.

§§Fiscal year 2014 Net Position restated per GASB 68 for pension liability reporting. The net position in fiscal year 2014 is reduced by \$10.1 million to \$535.4 million from \$545.5 million.

SCHEDULE OF DEBT SERVICE COVERAGE RATIO
For the Fiscal Years 2017 - 1999
(Amounts in thousands)

Fiscal Year	Gross Revenues	Direct Operating Expenses	(A) Net Revenue Available for Service	(B) Revenue Bond Debt Service Requirements	(A / B) Revenue Bond Coverage Ratio	(C) G.O. Bond Debt Service Requirements	(D) Renewal & Replacement	(B+C+D) Total	(A /
									(B+C+D)) All Obligations Coverage Ratio
2017	\$ 133,046	\$ 49,903 ¹	\$ 83,143	\$ 41,345 ²	2.01	\$ -	\$ 9,600	\$ 50,945	1.63 ³
2016	\$ 132,725	\$ 43,023 ¹	\$ 89,702	\$ 41,332 ²	2.17	\$ -	\$ 9,700	\$ 51,032	1.76 ⁴
2015	\$ 124,811	\$ 44,361 ¹	\$ 80,450	\$ 39,091 ²	2.06	\$ -	\$ 8,900	\$ 47,991	1.68 ⁴
2014	\$ 119,373	\$ 42,469 ¹	\$ 76,904	\$ 39,044 ²	1.97	\$ -	\$ 10,000	\$ 49,044	1.57 ⁴
2013	\$ 118,027	\$ 42,213 ¹	\$ 75,814	\$ 38,299 ²	1.98	\$ -	\$ 9,800	\$ 48,099	1.58 ⁴
2012	\$ 118,856 ⁵	\$ 40,653 ¹	\$ 78,203	\$ 33,328	2.35	\$ -	\$ 9,200	\$ 42,528	1.84 ⁴
2011	\$ 119,314	\$ 42,339 ¹	\$ 76,975	\$ 33,745	2.28	\$ 599	\$ 9,800	\$ 44,144	1.74 ⁴
2010	\$ 119,407	\$ 40,171 ¹	\$ 79,236	\$ 29,656	2.67	\$ 669	\$ 9,600	\$ 39,925	1.98
2009	\$ 107,660	\$ 40,361 ¹	\$ 67,299	\$ 25,873	2.60	\$ 1,597	\$ 10,040	\$ 37,510	1.79
2008	\$ 106,814	\$ 37,122 ¹	\$ 69,692	\$ 25,710	2.71	\$ 1,713	\$ 8,300	\$ 35,723	1.95
2007	\$ 89,054	\$ 36,158 ¹	\$ 52,896	\$ 28,078	1.88	\$ 2,985	\$ 6,047	\$ 37,110	1.43
2006	\$ 83,054	\$ 41,784 ¹	\$ 41,270	\$ 25,831	1.60	\$ 4,219	\$ 5,871	\$ 35,921	1.15
2005	\$ 68,318	\$ 30,041	\$ 38,277	\$ 27,003	1.42	\$ 4,246	\$ 5,700	\$ 36,949	1.04
2004	\$ 66,463	\$ 26,568	\$ 39,895	\$ 23,865	1.67	\$ 4,842	\$ 5,600	\$ 34,307	1.16
2003	\$ 67,086	\$ 24,505	\$ 42,581	\$ 24,749	1.72	\$ 5,183	\$ 5,700	\$ 35,632	1.20
2002	\$ 66,218	\$ 23,877	\$ 42,341	\$ 26,452	1.60	\$ 5,415	\$ 5,365	\$ 37,232	1.14
2001	\$ 63,981	\$ 21,352	\$ 42,629	\$ 25,352	1.68	\$ 5,696	\$ 5,431	\$ 36,479	1.17
2000	\$ 63,034	\$ 22,064	\$ 40,970	\$ 26,452	1.55	\$ 5,973	\$ 5,308	\$ 37,733	1.09
1999	\$ 59,257	\$ 18,794	\$ 40,463	\$ 22,286	1.82	\$ 6,304	\$ 4,119	\$ 32,709	1.24

1. Fiscal years 2006 through 2017 calculations of Direct Operating Expenses deduct the entire amount of current year depreciation expense (Turnpikes, Federal, & Highway match portions). Prior year calculations reflect the historical practice of deducting only the Turnpikes portion of depreciation expense.

2. For fiscal years 2013 through 2017, the debt service requirement consists of total payments to the Debt Service Account as required by the bond resolution. Debt service requirement calculations in the previous fiscal years consisted of the actual principal and interest paid during the fiscal year. Debt service reflects reduced Build America Bonds subsidy payments resulting from federal sequestration.

3. Unaudited toll covenant calculations indicate adequate toll revenues for fiscal year 2017. The revenue bond coverage ratio was satisfied at 2.01 for the 1.2 times test. The all obligations coverage ratio was satisfied at 1.63 for the 1.0 times test, as calculated by the Department.

4. During fiscal year 2016, a note payable of \$418 thousand (including interest) was made to the State Highway Fund. This payment was final payment to the State Highway Fund for the I-95 Piscataqua River Bridge Acquisition. The Turnpike System's unrestricted cash balance at June 30, 2016 was \$51.0 million and deemed more than sufficient to satisfy the Note Payable to the State Highway Fund. It was determined that current fiscal year 2016 revenues for this payment were not needed and accordingly, the Note Payable to State Highway Fund was not included in the all obligations ratio for fiscal years 2011 through 2015.

5. Gross Revenues less Federal revenue of \$1.3 million.

STATE OF NEW HAMPSHIRE
 ENTERPRISE FUND - TURNPIKE SYSTEM
 TURNPIKE REVENUE BONDS
 COVENANT TEST-GAAP BASIS
 FOR THE TWELVE-MONTH PERIOD ENDING JUNE 30, 2017 (Amounts in thousands)

Operating Revenue per Financial Statements	\$131,388	
Non-Operating Revenue	5,930	
BABs Interest	(2,915)	
Facility & Sustainment Reserve	(154)	
Private/Local Funds	<u>(1,203)</u>	
GROSS REVENUES FOR BOND CALCULATION		133,046
Operating Expenses	86,333	
Renewal and Replacement	(9,144)	
Depreciation	<u>(27,286)</u>	
DIRECT OPERATING EXPENSES FOR COVENANT CALCULATION		49,903
NET REVENUES FOR COVENANT CALCULATION		<u>\$83,143</u> A
DEBT SERVICE- REVENUE BONDS		
Principal	23,842	
Interest	20,421	
BABs Subsidy	<u>(2,918)</u>	
TOTAL DEBT SERVICE- REVENUE BONDS		<u>\$41,345</u> B
DEBT SERVICE- GENERAL OBLIGATION BONDS		
Principal	-	
Interest	-	
TOTAL DEBT SERVICE- GENERAL OBLIGATION BONDS		<u>-</u> C
RENEW AND REPLACEMENT		
Annual (Fiscal Year 2017 Budgeted Amount)		<u>\$9,600</u> D

COVENANTS	<u>RATIO</u>	<u>MINIMUM AMOUNT</u>	<u>COVENANT SATISFIED?</u>
One of the following tests must be satisfied:			
1. The value of (A) must be greater than 1.2 times the value of (B). To test Compliance with this covenant, the following formula is used to provide a ratio comparison: The ratio of (A) divided by (B) must be greater than the ratio of 1.2.	<u>2.01</u>	<u>1.20</u>	<u>YES</u>
2. The value of (A) must be greater than the sum of (B+C+D). To test compliance with this covenant, the following formula is used to Provide a ratio comparison. The ratio of (A) divided by (B+C+D) must be greater than the ratio of 1.00.	<u>1.63</u>	<u>1.00</u>	<u>YES</u>

TURNPIKE SYSTEM DEBT SERVICE ^{*(1)}
For Fiscal Years 2017 through 2043
(on an Accrual Basis)

Fiscal Year Ending June 30	Existing Debt Service	Debt Service on 2015 Series A Bonds	Total Debt Service Payable By Turnpike
2017	\$37,374,850	\$3,973,500	\$41,348,350
2018	33,021,993	8,321,500	41,343,493
2019	33,020,659	8,317,313	41,337,972
2020	30,917,596	10,420,125	41,337,721
2021	26,325,617	15,013,000	41,338,617
2022	26,523,271	8,019,125	34,542,396
2023	26,337,289	1,317,750	27,655,039
2024	26,263,478	-	26,263,478
2025	20,807,702	-	20,807,702
2026	20,676,168	-	20,676,168
2027	20,691,276	-	20,691,276
2028	20,705,381	-	20,705,381
2029	20,724,400	-	20,724,400
2030	15,174,807	-	15,174,807
2031	15,186,630	-	15,186,630
2032	15,194,044	-	15,194,044
2033	15,197,519	-	15,197,519
2034	15,204,916	-	15,204,916
2035	15,211,258	-	15,211,258
2036	15,218,826	-	15,218,826
2037	15,226,028	-	15,226,028
2038	15,235,890	-	15,235,890
2039	15,243,377	-	15,243,377
2040	9,433,197	-	9,433,197
2041	6,522,167	-	6,522,167
2042	6,520,900	-	6,520,900
2043	543,400	-	543,400
	\$518,502,639	\$55,382,313	\$573,884,952

* Totals may not add due to rounding.

⁽¹⁾ Net of direct payments expected to be received from the United States Treasury. While the State is entitled to request subsidies in the amount of 35% of taxable interest payable by the State in connection with its \$150,000,000 Turnpike System Revenue Bonds, 2009 Series A (Federally Taxable - Build America Bonds - Direct Payment), due to the effects of sequestration, the State has received and currently expects to receive through federal fiscal year 2025, approximately 6.6% less than the requested amount. See "Security for the Bonds — Toll Rate Covenant — Build America Bonds."

**CAPITAL IMPROVEMENT PROGRAM EXPENDITURES AND ESTIMATED
FISCAL YEARS 1986 THROUGH 2019**

Set forth below is a table of Capital Improvement Program expenditures on an unaudited cash basis for fiscal years 1986 through 2009, on a GAAP basis for fiscal years 2010 through 2017, and on a forecasted basis for fiscal years 2018 and 2019. The timing and amounts of forecasted capital expenditures are subject to change.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Capital</u> <u>Expenditures</u>
1986	\$ 3,703,014
1987	12,846,330
1988	15,092,609
1989	34,183,782
1990	31,457,483
1991	25,308,194
1992	29,988,101
1993	33,941,502
1994	30,665,402
1995	40,452,057
1996	29,198,433
1997	24,917,835
1998	26,260,770
1999	30,544,034
2000	19,719,168
2001	10,148,747
2002	6,469,689
2003	10,242,505
2004	19,437,590
2005	20,503,930
2006	13,176,569
2007	8,514,987
2008	9,159,186
2009	23,250,730
2010	66,088,919
2011	51,613,827
2012	59,322,096*
2013	77,656,689
2014	52,836,197
2015	31,356,833
2016	44,040,110
2017	<u>35,282,902</u>
Actual	927,380,220
2018	36,690,000**
2019	<u>29,350,000**</u>
Estimated	<u>66,040,000</u>
Total	\$ <u>993,420,220</u>

* The Annual Report with Respect to Turnpike System Revenue Bonds dated February 22, 2013 reported \$59,142,096 which was understated by \$180,000.

** Estimate from Turnpike System Priority Capital Improvement Program (Status Report –January, 2018).

ANNUAL TRAFFIC AND TOLL REVENUE TRENDS
New Hampshire Turnpike System
For the Years Ended June 30

The table below shows annual toll transaction and revenue trends for the Turnpike System during the period beginning with fiscal year 2000 and ending with fiscal year 2017.

Fiscal Year	Annual Toll Transactions	Percent Change from Prior Year	Annual Toll Revenues*	Percent Change from Prior Year
2017	120,173,383	1.54%	\$127,938,000	0.63%
2016	118,354,448	5.39%	\$127,143,000	4.77%
2015 [†]	112,301,452	0.73%	\$121,353,000	3.27%
2014	111,482,133	2.99%	\$117,516,000	1.69%
2013	108,245,229	-0.44%	\$115,562,000	-1.10%
2012	108,718,537	0.00%	\$116,844,000	0.16%
2011	108,723,856	0.36%	\$116,659,180	0.54%
2010	108,336,576	0.63%	\$116,036,026	11.67%
2009	107,653,154	-4.90%	\$103,907,003	3.40%
2008	113,186,722	-2.00%	\$100,406,992	22.20%
2007	115,457,650	0.80%	\$82,175,322	7.20%
2006 ⁺	114,562,787	4.10%	\$76,633,131	16.20%
2005 [#]	110,040,272	-0.50%	\$65,956,309	0.30%
2004 [#]	110,573,506	0.50%	\$65,780,607	2.20%
2003	109,978,691	2.10%	\$64,367,301	0.00%
2002	107,729,932	4.00%	\$64,371,208	4.60%
2001	103,583,561	4.20%	\$61,536,675	2.30%
2000	99,363,028	5.70%	\$60,166,815	5.40%

* Excludes charge account interest and miscellaneous income.

[†] The Exit 12 Bedford Road toll plaza on the Central Turnpike was discontinued at 9:00pm July 18, 2014.

⁺ Beginning with FY06, Toll Revenue amounts agree to the Annual Financial Reports. Cash basis revenue was used in prior years.

[#] Hampton toll plaza: One-way tolls September-October 2003 and July-October 2004.