

FLORIDA'S TURNPIKE SYSTEM

2018

Comprehensive Annual Financial Report
Fiscal Years Ended June 30, 2018 and 2017



Prepared by: The Finance Department of Florida's Turnpike System
An Enterprise Fund of the Florida Department of Transportation

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Florida Department of Transportation

RICK SCOTT
GOVERNOR

605 Suwannee Street
Tallahassee, FL 32399-0450

ERIK R. FENNIMAN
INTERIM SECRETARY

December 21, 2018

Mr. Erik R. Fenniman, Interim Secretary
Florida Department of Transportation
605 Suwannee Street
Tallahassee, Florida 32399

Dear Secretary Fenniman:

On behalf of Florida's Turnpike Enterprise, which is responsible for Florida's Turnpike System ("System"), we are pleased to submit this Comprehensive Annual Financial Report ("CAFR") for fiscal years 2018 and 2017. The report has been prepared in accordance with standards prescribed by the Governmental Accounting Standards Board and other rule-making bodies. The enclosed CAFR reflects the results of operations and the financial condition of the System, and is divided into an Introductory Section (unaudited), Financial Section, and Statistical Section (unaudited), to facilitate an understanding of the financial performance of the System. The responsibility for the accuracy of the data and the completeness and fairness of the presentation in this report rests with the management of the System and the Florida Department of Transportation ("Department").

The System utilizes an internal control structure that is designed to provide reasonable assurance that assets are safeguarded and financial transactions are properly recorded and adequately documented. Inherent limitations of internal controls include cost/benefit considerations, management override, and collusion. Accordingly, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. Many program safeguards are in place to protect the System, including statutory and bond covenant requirements. Management believes the existing internal control structure is designed and operating so that a material misstatement would be prevented or detected and corrected by Department employees in the normal course of performing their duties.

An independent auditor has issued an unmodified opinion on the financial statements for the fiscal years ended June 30, 2018 and 2017, which is presented in the Financial Section of this report. Management's Discussion and Analysis immediately follows the Independent Auditor's Report and provides a narrative overview and analysis of the basic financial statements.

System Profile

The Department is an agency of the State of Florida ("State") and the System is presented as a blended enterprise fund in the financial reports of the State. The System is self-supported by resources generated from toll revenues, concessions and other revenues, investment earnings, and the issuance of municipal bonds. System revenues are pledged for repayment of outstanding bonds. Management is responsible for preserving and reinvesting in the System to ensure financial sustainability. Budgetary control is exercised through operating and capital budgets approved by the State Legislature. Appropriate controls are maintained to ensure expenditures do not exceed authorized limits.

The System was created by the State Legislature in 1953 and became part of the Department in 1969. In 1990, the State Legislature expanded the System's reach by passing Senate Bill 1316 – a visionary plan that authorized the System to utilize toll revenues and bond proceeds to fund transportation expansion projects throughout the State. In 2002, the System became an Enterprise of the Department, responsible for the management and preservation of the System roadways and the collection of tolls on nine other facilities owned or operated by the Department.

Information Useful in Assessing Economic Condition

The System serves a diverse group of customers across the most populous regions of the State. A key component to the System's financial success is the transportation benefit it provides to a variety of customers. Customers choose System roadways based on route preference and time efficiency. Although System roadways are primarily utilized by passenger vehicles, they also serve as an important alternative for commercial vehicles. Due to the combination of vehicle mix and trip purpose, traffic and revenue are significantly influenced by population, employment levels, and tourism.

Florida is the third most populous state and continues to experience strong population growth year after year. According to the Office of Economic and Demographic Research, Florida's population is estimated to be approximately twenty-one million. Over the past decade, Florida's population has grown 12%, easily outpacing the Nation's population growth.

Although Florida is still considered a popular retirement destination, statistics reveal that younger people are relocating to Florida to pursue employment opportunities. Florida's labor force has grown and the unemployment rate remains low. According to the Bureau of Labor Statistics, Florida's unemployment rate was 3.5% as of October 2018, slightly lower than the 3.7% for the Nation. Florida continues to provide an economic climate that is attractive for business in all sectors.

Governor Scott's strategic investment in the tourism industry, along with industry partners, continues to pay big dividends by attracting a record number of visitors for the seventh consecutive year. Florida tourism is on pace to set an annual record, with an estimated 66 million people traveling to the State during the first half of calendar year 2018, up nearly six percent from the same period in 2017. Over 1.2 million Floridians are employed in the tourism industry.

Long-Term Financial Planning

Management remains steadfast in its mission to meet the State's growing transportation needs and stimulate economic development through investment in Florida's infrastructure. The System strives to achieve this goal by delivering capital projects related to safety, capacity, access, preservation, and expansion.

Florida Statutes authorize the issuance of revenue bonds to fund approved projects provided that no more than \$10 billion in bonds are outstanding. Currently, \$2.6 billion of bonds are outstanding with a Five-Year Capital Plan that calls for \$1.5 billion of additional bonds to be issued. The remaining statutory limit will provide the legislative authority for the System to expand beyond the current Five-Year Work Program.

The System continues to report a strong debt service coverage ratio driven by record operating revenues of over \$1 billion for fiscal year 2018. For fiscal year 2018, the System's debt service coverage ratio of 3.3 exceeded the System's debt management policy, as well as the bond indenture requirement of 1.2.

Since opening to traffic in 1957, the System has generated sufficient revenues to operate, maintain, and preserve the System, as well as meet debt service requirements and construct improvements and expansions.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its CAFR for the fiscal year ended June 30, 2017. This was the 26th consecutive year that the System achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. Management believes that the current CAFR continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR is accomplished through the collaborative efforts and dedication of the Department's staff.

Respectfully submitted,

Paul Wai, PE
Executive Director and Chief Executive Officer
Florida's Turnpike Enterprise

Bren W. Dietrich, CPA
Chief Financial Officer
Florida's Turnpike Enterprise

Robin M. Naitove, CPA
Comptroller
Florida Department of Transportation

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Florida's Turnpike System
Florida Department of Transportation

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

MISSION STATEMENTS

Florida's Turnpike:

To help meet the State's growing transportation needs, ensuring value to customers, protecting investors, and managing the Turnpike System in a business-like manner.

Florida Department of Transportation:

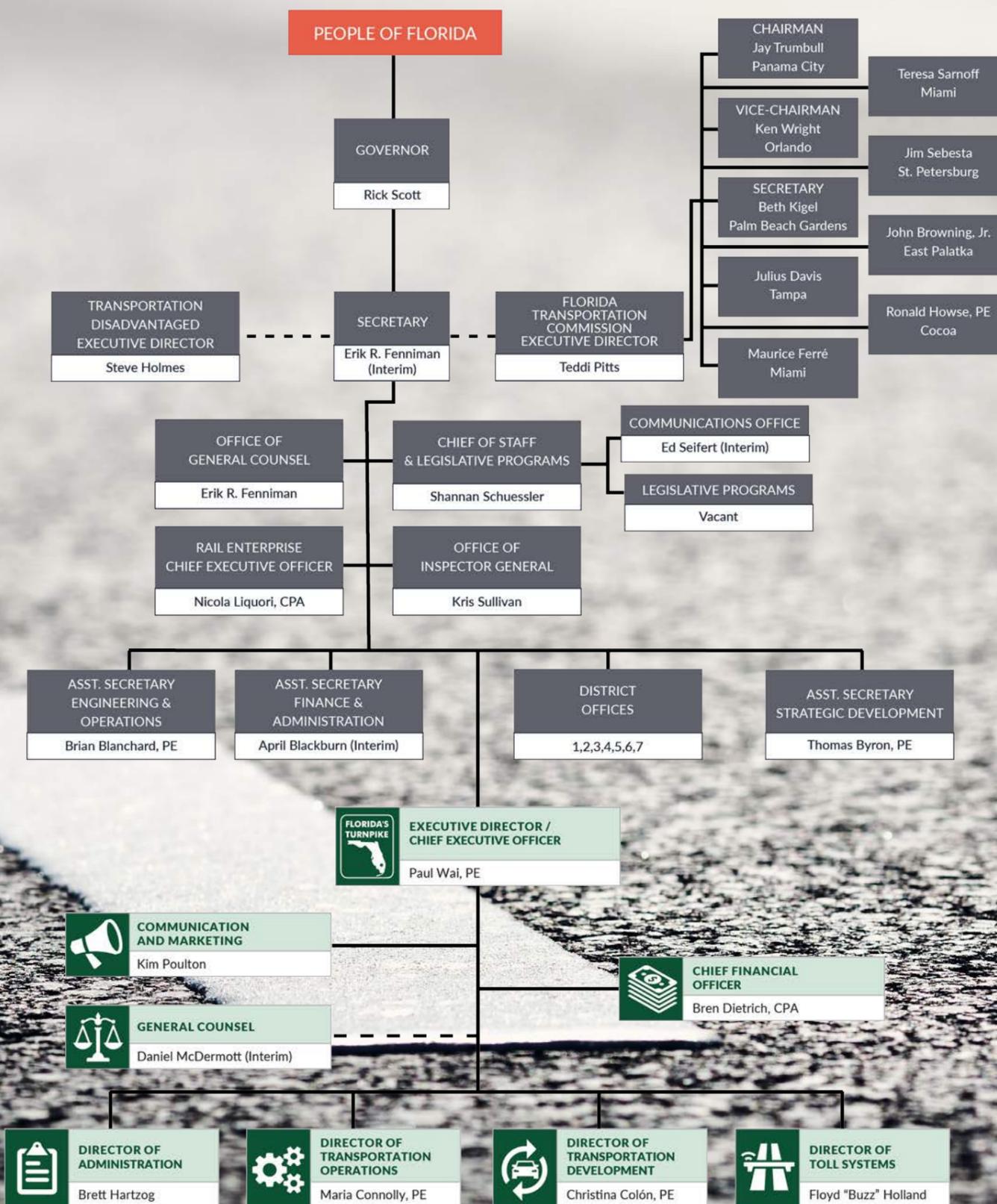
To provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

Florida Transportation Commission:

The mission of the Florida Transportation Commission is to provide leadership in meeting Florida's transportation needs through policy guidance on issues of statewide importance and by maintaining oversight and public accountability for the Department of Transportation and other statutorily specified transportation authorities.

Photo: Turnpike Headquarters

Organizational Structure



PAUL WAI, PE

In January 2018, Secretary Mike Dew appointed Paul Wai as Executive Director of the Florida's Turnpike Enterprise. Mr. Wai joined Florida's Turnpike System in 1993 and has served in various roles. Most recently, Mr. Wai served as the Director of Transportation Operations, responsible for the safe operation of Florida's Turnpike System roadways with oversight of construction, facilities and telecommunications, roadway maintenance, traffic operations, emergency operations, and materials and research.

Mr. Wai is a registered Professional Engineer in Florida with a Bachelor of Science degree in Civil Engineering from Florida State University. Mr. Wai is also a graduate of the American Association of State Highway and Transportation Officials National Transportation Leadership Institute, Florida's Department of Transportation Leadership Academy, and Florida Engineering Leadership Institute.



FLORIDA'S TURNPIKE ROADWAYS

483 Total Miles

8 Service Plazas

3 Million Average Daily Customers

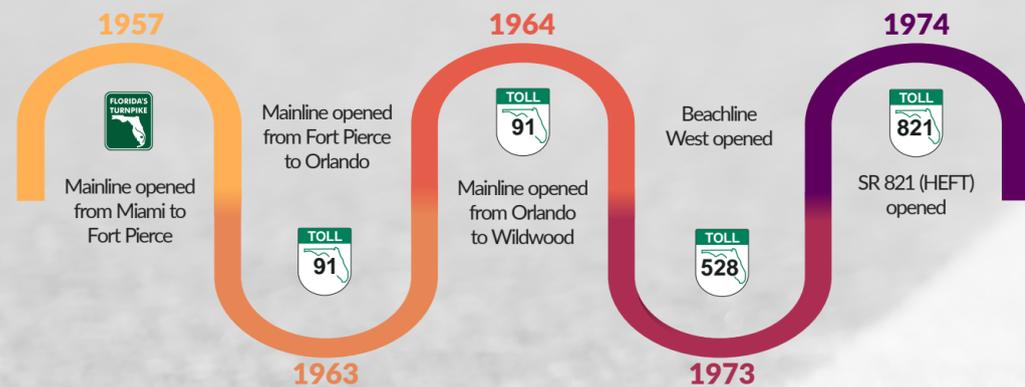
97 All-Electronic-Tolling Miles

The System's roadways consist of the Mainline, nine existing expansion projects, and two expansion projects under construction. Since 2011, the System has been removing cash toll collection and converting segments to All-Electronic Tolling ("AET") in phases to provide at-speed, non-stop tolling by way of a vehicle transponder or image of the vehicle's license plate. To date, 97 centerline miles have been converted to AET.



MAINLINE

The System's Mainline is a 320-mile, multi-lane facility extending from Florida City in Miami-Dade County northward to Wildwood in Sumter County. This roadway consists of (1) the 47-mile SR 821 Homestead Extension of Florida's Turnpike (HEFT), (2) SR 91, which consists of the 43-mile Southern Coin System, the 155-mile Ticket System, the 67-mile Northern Coin System, and (3) the eight-mile Beachline West Expressway. SR 821 (HEFT) and SR 91 are contiguous in a north-south direction. The Beachline West Expressway intersects with the Northern Coin System and has an east-west orientation. The Mainline opened from Miami to Fort Pierce in 1957, Fort Pierce to Orlando in 1963, and Orlando to Wildwood in 1964. The Beachline West Expressway opened in 1973 and SR 821 (HEFT) opened the following year in 1974.



SunPass® and TOLL-BY-PLATE® are registered service marks of the Florida Department of Transportation. All rights are reserved.

Expansion Projects Completed



Sawgrass Expressway: A 23-mile, four-lane limited-access AET facility beginning with a connection to I-595 and I-75, extending north, then east, to its interchange with the Mainline and SW 10th Street in Deerfield Beach. The Sawgrass Expressway provides a bypass of the urban Fort Lauderdale and Miami areas for motorists traveling south from the Mainline in northern Broward County. This facility became part of the System in 1990.



Seminole Expressway: An 18-mile, four-lane limited-access toll facility. The original 12-mile section, SR 426 to US 17/92, opened to traffic in 1994; the final six-mile section, US 17/92 to I-4, opened to traffic in 2002. The Expressway connects at SR 426 in east Orlando with the Central Florida GreeneWay, a toll facility operated by the Central Florida Expressway Authority.



Veterans Expressway: A 15-mile, four-lane limited-access AET facility extending north from the Courtney Campbell Causeway (SR 60) near the Tampa International Airport to Dale Mabry Highway (SR 597) just north of Van Dyke Road. This facility opened to traffic in 1994.



Southern Connector Extension: A six-mile, four-lane limited-access toll facility that connects the Central Florida GreeneWay southwestward to I-4 in Osceola County. The facility opened to traffic in 1996.



Polk Parkway: A 25-mile, two- and four-lane limited-access toll facility that forms a partial loop around the south side of the City of Lakeland, connecting with I-4 at Clark Road on the west and Mout Olive Road on the east. This facility opened to traffic in 1999.



Suncoast Parkway: A 42-mile, four-lane limited-access toll facility that extends from the Veterans Expressway near Van Dyke Road in Hillsborough County, northward through Pasco County, terminating at US 98 in Hernando County. This facility was completed in stages and fully opened to traffic in 2001.



Western Beltway, Part C: An 11-mile, limited-access toll facility extending from I-4 in Osceola County across US 192 to Seidel Road in Orange County. The facility provides an alternative north-south route between the Mainline and I-4. Completed in two stages, the facility fully opened to traffic in 2006.



I-4 Connector: A one-mile, 12-lane limited-access AET facility that connects I-4 to the Selmon Expressway in Hillsborough County. The facility opened to traffic in January 2014.



Beachline East Expressway: A 22-mile, limited-access toll facility that extends from SR 520 in Orange County into Brevard County, where it splits into two branches. The southeast branch continues as SR 528 and connects with the Bennett Causeway at US 1, and the northeast branch connects with SR 405. This facility became part of the System in 2014.

Expansion Projects Under Construction



First Coast Expressway

A 15-mile, four-lane limited-access AET facility that will be located between Blanding Boulevard and I-10 in Duval and Clay counties. This facility is scheduled to open in fiscal year 2019.



Suncoast Parkway 2 Phase One

A 13-mile northern extension of the existing Suncoast Parkway from US 98 to SR 44 in Citrus County. This AET facility will feature interchanges at US 98, Cardinal Street, and SR 44, and two mainline gantries. This extension will provide an alternative to US 19 and better mobility between Citrus County and the Tampa Bay region. This facility is scheduled to open in fiscal year 2022.

- Florida's Turnpike
- Florida's Interstates
- State Roads
- Other Toll Facilities
- Service Plazas
- Coming Soon

Florida Department of Transportation Headquarters

Turnpike Enterprise Headquarters and SunWatch Operations Center

Orlando SunPass Service Center

Boca Raton Data Center

Pompano Beach Operations Center



Photo: Veterans Expressway

TOLL COLLECTION

The System collects tolls using three methods: SunPass electronic toll collection ("ETC"), TOLL-BY-PLATE, and traditional in-lane cash collection.

83% SUNPASS

In an effort to provide customer convenience, reduce operating costs, and improve efficiency, the System launched the SunPass ETC system in 1999. SunPass is a transponder device loaded with prepaid funds that attaches to a vehicle's windshield, allowing customers to bypass traditional cash collection booths. As an added incentive to participate, SunPass customers pay the lowest toll rates. A customer traversing the entire Mainline would receive a 22% discount on the cost of the trip. For fiscal year 2018, 83% of the System's toll transactions were processed via ETC.

SunPass can be purchased online or in person at over 3,100 retail locations throughout the State. SunPass can also be purchased at all Turnpike service plazas, Turnpike gas stations, SunPass service centers, select Florida welcome centers, visitor centers, rest areas, and select county tax collector's offices.

Managing a SunPass account is easy – customers may establish recurring payments, as well as add money to their prepaid accounts using a payment card via the internet, a mobile application, by telephone, or by replenishing their accounts with cash at nearly 2,500 locations throughout the State. The SunPass mobile application is available for download on Android and iOS devices. Additionally, the System has installed SunPass activation terminals at Florida welcome centers and all Turnpike service plazas, allowing customers to activate their transponders, pay TOLL-BY-PLATE invoices, and pay unpaid toll violations with a user-friendly and conveniently-located kiosk.

SunPass customers also have access to SunPass Plus Parking, which can be used to pay for parking at Orlando, Tampa, Palm Beach, Miami, and Ft. Lauderdale-Hollywood international airports, and Hard Rock Stadium in Miami. The SunPass Plus Parking program has been well-received by customers and provides an additional customer benefit to SunPass ownership.

10% TOLL-BY-PLATE

For non-SunPass customers, video tolling of license plates may be utilized. A camera captures a photograph of the license plate as the vehicle passes through the toll facility and matches the license plate to the registered owner of the vehicle. Customers are then invoiced for their tolls. For fiscal year 2018, TOLL-BY-PLATE transactions accounted for approximately 10% of the System's toll transactions.

7% CASH

Traditional cash collection is still utilized at several System toll facilities, however, cash collection only accounted for approximately 7% of toll transactions for fiscal year 2018. The System is continually converting existing cash collection booths to All-Electronic Tolling, with the long-term goal of eliminating all in-lane cash tolling.

Interoperability

The System has been a national leader achieving interoperability through coordinated efforts with state agencies, independent toll authorities, and industry associations both within and outside of Florida. Within Florida, the System partners with smaller, independent toll agencies and private enterprise to incorporate SunPass-compatible toll technology for electronic toll collection. Additionally, the System is currently interoperable with toll agencies in North Carolina and Georgia, allowing customers to use their SunPass, Quick Pass® or Peach Pass®. Interoperability agreements have also been executed with the South Carolina Department of Transportation and the Greenville Southern Connector, in addition to the U.S. Central Hub, encompassing Texas, Oklahoma, and Kansas.

Express Lanes

Express lanes are optional travel lanes that customers can choose to use when they want to bypass congestion. Customers in express lanes will pay a dynamically-priced toll. With dynamic pricing, toll rates increase as the express lanes become more congested. Express lanes provide additional travel lanes and are designed with a limited number of entry and exit points to serve longer, more regional trips by helping move traffic through congested urban areas.



Photo: Kissimmee Park Rd

AFFORDABILITY INDEX

The *Affordability Index* is a measure of total toll revenue to annual vehicle miles traveled ("VMT").



Passenger vehicles (2-axle automobiles and motorcycles) accounted for 94% of the System's VMT during fiscal year 2018. Customers traveled 10.6 billion vehicle miles on the System at an average of nine cents per mile for passenger vehicles and 27 cents per mile for commercial vehicles. The significant usage of the System continues to demonstrate the affordability of toll rates.

TROOP K

Florida Highway Patrol ("FHP") Troop K is dedicated solely to patrolling System roadways. Troop K's safety and enforcement emphasis are on unlawful speed, aggressive drivers, impaired drivers, contraband interdiction, seatbelt and child restraint, the Move Over law, following too closely, and commercial motor vehicle violations. Expenditures incurred by FHP in carrying out its powers and duties while providing law enforcement services on System roadways are treated as part of the cost of the operations of the System.

1957

The year Troop K began patrolling the 110-mile stretch of the System, then known as the Sunshine State Parkway, from Ft. Pierce to the Golden Glades Interchange in Miami.

>200

The number of troopers today patrolling the almost 500 miles of System roadways.

263

The Mainline milepost where Troop K headquarters is located. Troop K has a unique partnership with the System to provide a safe driving environment for our customers.



Photo: Troop K and the Traveling Public

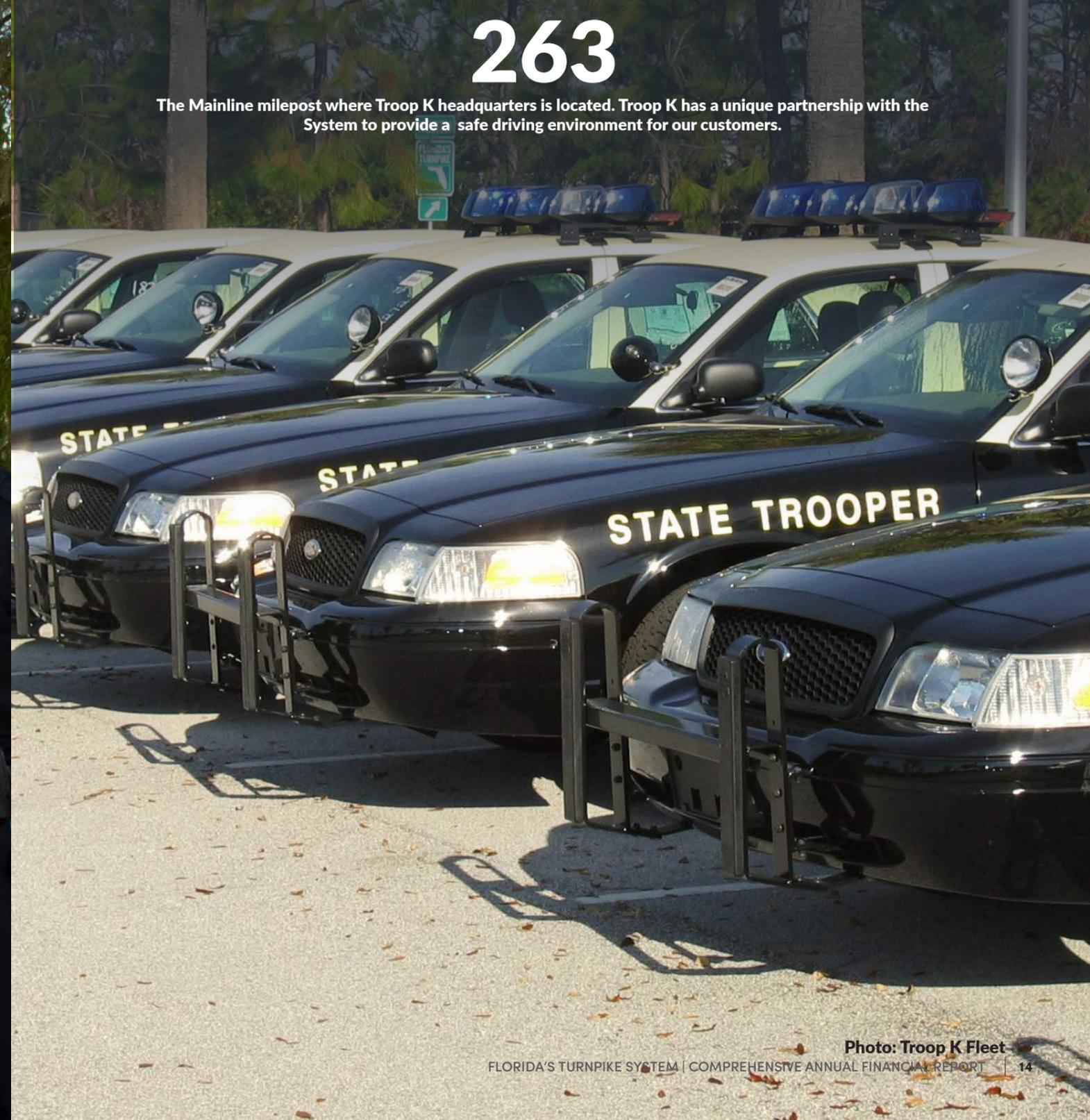


Photo: Troop K Fleet

ROAD RANGERS

Road Rangers is a free highway assistance service available on System roadways. The Road Ranger mission is to provide free highway assistance services during incidents to reduce delay and improve safety for the motoring public and responders. The Road Rangers are equipped, at a minimum, with the following equipment to assist as needed: two-ton jacks, sand, air compressors, auto fluids, booster cables, cell phones, fire extinguishers, first aid kits, flares, flashing arrow boards, public address system, radiator water, reflective cones, wood blocks, and basic repair tools. Uniformed safety patrol drivers are trained in first aid and CPR. Each safety patrol driver provides a comment card or website feedback link to every stranded motorist that is assisted, so that services can be reviewed and improved upon.

***347 (*FHP) | 15-30 MIN**

The hotline number to dial for Road Ranger Assistance. This is the main number for Florida Highway Patrol, who will contact the Road Ranger contractor for that district to render assistance.

The normal waiting time for a stranded motorist after the hotline has been called.

5 MILLION

The approximate number of assists that have been made since the Road Rangers' inception in 2000.



Photo: Road Rangers Patrol Trucks

SAFETY

Incident Management

Intelligent Transportation Systems ("ITS") are crucial for incident management, allowing the Transportation Management Centers ("TMC") to identify and quickly respond to crash scenes, which in turn reduces incident durations, congestion, and provides a safer traveling environment for customers. The System utilizes closed circuit television ("CCTV") cameras, vehicle detection systems, and dynamic message signs to monitor and manage traffic. The Turkey Lake TMC recently completed a full renovation project to create additional space for its operators, dedicated displays to enhance traffic monitoring of express lanes and the opening of the First Coast Expressway, and real-time dashboard reporting for incident and safety managers.

The TMCs work closely with FHP, Road Rangers, towing vendors, other Department Districts, "511" travel information providers, traffic media, and other agencies, to manage traffic and incidents. The TMCs coordinate emergency response efforts, reduce the likelihood of secondary crashes, and advise motorists of traffic conditions. Both TMC locations rely on ITS equipment for real-time information such as the average speeds of traffic, areas of congestion, severe weather information, and other tools to manage incidents on the roadway.

Rapid Incident Scene Clearance ("RISC") is a safety program that utilizes qualified towing companies to quickly clear major roadway obstructions, such as large vehicle crashes, rollovers, fires and cargo spills. The RISC program provides incentives to contractors who utilize specialized equipment and procedures, which significantly reduce clearing times. The RISC program continues to relieve congestion at a fast pace. During fiscal year 2018, RISC towing contractors cleared 134 traffic incidents in an average of 48 minutes, well below the incentivized goal of ninety minutes or less.

Specialty Towing and Roadside Repair

The Specialty Towing and Roadside Repair ("STARR") program facilitates safe, expedient, and efficient towing services for crashed or disabled vehicles on the System. Qualified vendors are required to employ personnel with specialized training and industry-related certification. During fiscal year 2018, STARR vendors responded to over nine thousand calls dispatched by the FHP. They met stated arrival times 93% of the time, and held an average arrival time of just over 22 minutes. The STARR program covers the Mainline, and most of the expansion facilities.

Wrong-Way Driver Detection

Wrong-way crashes are infrequent but the results can be severe. A recent pilot project on SR 821 (HEFT) and Sawgrass Expressway targeted wrong-way drivers. The project included a combination of wrong-way pavement arrows and oversized signs with flashing solar-powered LED lights to alert drivers driving in the wrong direction. In addition, vehicle-alert technology such as radar and cameras were installed to detect wrong-way vehicles and alert the TMCs. The University of Central Florida has been researching wrong-way driving at a national level and is a partner of Florida's Turnpike in evaluating the effectiveness of the wrong-way driver detection system. The recently deployed phase two of the wrong-way driver detection system, along with phase one, began to produce results in fiscal year 2018. The phase two project, commissioned in May 2017, includes oversized wrong-way signs with solar powered rectangular rapid flashing beacons, radar, and cameras along 18 ramps on the Seminole Expressway and Southern Connector Extension. In just over one year, 21 wrong-way driving events were confirmed at the phase two locations - all 21 motorists took corrective action prior to entering the Mainline after being alerted by the wrong-way detection system. From the pilot video evidence, this results in approximately one intervention every 15 days from the expanded system.

Ramp Advisory Speed Signs

In fiscal year 2018, new electronic ramp advisory speed feedback signs were added to ten System interchange ramps in South Florida to reduce the frequency of crashes due to excessive speeds. The high-crash frequency interchanges were selected for this implementation. The electronic sign assemblies include a radar to measure the speed of an approaching vehicle, a means of electronic feedback which indicates the driver's speed followed by a 'slow down' message, along with a static sign panel that displays the advisory speed based on an engineering study for the ramp. Upon completion of this project, the results will be studied to determine if the devices are successful in reducing the frequency of crashes, and for potential deployment of this technology at other locations.

Hurricane Evacuation

In the event of a hurricane, the Department is committed to ensuring a safe evacuation and return for its customers. Several evacuation-related tips are available online at www.floridasturnpike.com/safety. Department Emergency Response Teams (also known as Strike Teams) are also available to assist during catastrophic storms and consist of trained Turnpike employees who are deployed to service plazas to perform pre-storm and post-storm activities. In September 2017, the TMC was closely monitoring increases in traffic levels in advance of Hurricane Irma's path towards Florida. Real-time traffic information was shared with State emergency managers to assist in decision making, including when to suspend tolls. Several Strike Teams were deployed to assist in traffic management at each of the eight service plaza locations. The service plazas were instrumental in providing fuel to evacuating residents when many local fuel stations had run out of fuel prior to the storm's approach. The hurricane wrecker plan supplemented normal Road Ranger coverage in providing free assistance to stranded motorists who may have broken down or ran out of fuel while evacuating from Hurricane Irma.

In addition, each service plaza is equipped with industrial-size generators that can provide up to 72 hours of power. By having uninterrupted power, public and emergency personnel were able to refuel their vehicles post-storm, have access to food and water during evacuations, and utilize restroom facilities.



Photo: Troop K assisting during Hurricane Irma at Turkey Lake Service Plaza



Photo: Sawgrass Expressway Mainline DMS

Dynamic Message Signs

Currently, the System has 165 Dynamic Message Signs ("DMS"). These electronically illuminated signs are strategically placed in locations where customers may experience traffic congestion and incidents. The signs, contained in overhead structures spanning the width of the roadway, provide real-time information about traffic delays, incidents, emergency operations and construction, allowing customers to make better informed travel decisions. During major incidents, the first priority of the TMCs, which operate around the clock, is to provide customers with accurate information as quickly as possible. When traffic conditions do not warrant a motorist response or there is no other information to communicate, the signs can broadcast safety messages about ongoing campaigns such as commuter information, the Move Over law, and other public safety information.

Highway Advisory Radio

The System has installed ten Highway Advisory Radio transmitters at strategic locations along the roadways, providing real-time information on the radio about traffic delays, emergency operations, and construction updates. Messages are broadcast on the 1640 AM frequency 24 hours per day, seven days a week.

Safety Campaigns

During specified holidays, special safety campaigns are run to focus the public's attention on a particular safety issue associated with that holiday period. The campaigns include placing specially crafted messages on DMS, graphics with safety content on service plaza information displays, and short video clips on service station gas pumps. These campaigns focus on reducing distracted driving, reducing driving under the influence, tire safety awareness, sharing the roadway with motorcycles, and attention to not leaving children alone in hot cars.

In addition, during certain holidays, restaurants at the eight 24-hour service plazas along the System, offer free coffee for all motorists who promise to wear their safety belts. This encourages drivers to stop and take a break while traveling long distances and helps reduce driver fatigue.

Safe Phone Zones

The Department invites motorists to stop at one of 64 rest areas, welcome centers, and Turnpike service plazas that have been designated as Safe Phone Zones. Safe Phone Zones provide a place where drivers can safely and conveniently use their phones and other mobile devices for calling, texting, navigating, and accessing mobile applications. Motorists are made aware of upcoming locations on the highway with signs in advance of each facility.

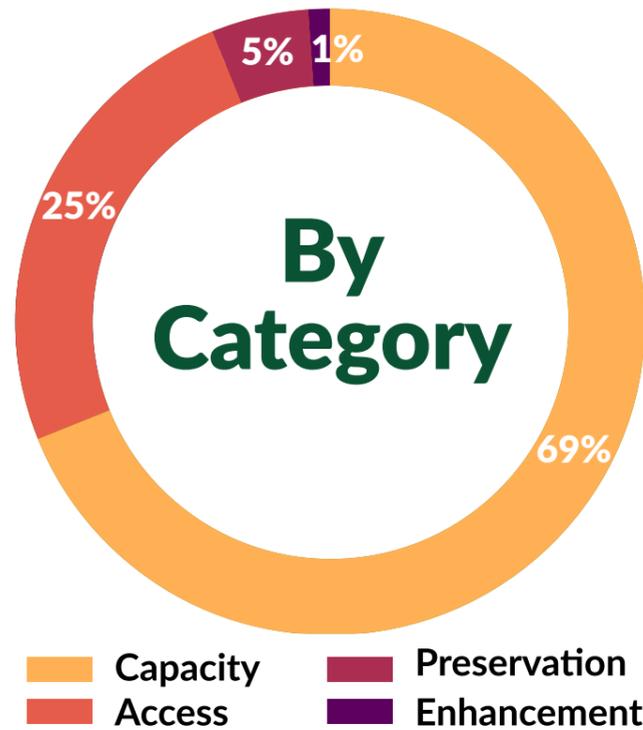
PROJECTS COMPLETED

During fiscal year 2018, nearly 50 projects were completed, spanning 14 counties.

CAPACITY

The largest component of completed projects is comprised of widening projects designed to accommodate anticipated growth in traffic on key urban segments of the System.

Also included in this category are express lanes, which utilize a combination of driver choice and pricing to offer a transportation benefit to the traveling public while simultaneously improving traffic management efficiency in the corridor. Toll rates will be established based on traffic volume, operating speeds, and level of service. Rates will be adjusted up or down based on the supply of free-flow traffic, as well as driver demand. Express lanes are designed to “be there when needed” – drivers will have a choice to stay in the general toll lanes or pay a nominal charge to use the express lanes.



ACCESS

Access projects consist of introducing new points of access on the existing System, as well as improvements to existing interchanges. These projects will facilitate additional access to the System, add capacity to existing ramps, increase operational efficiency, and enhance safety.

PRESERVATION

This category includes resurfacing projects, as well as landscaping and other periodic maintenance projects.

The System participates in the State's Maintenance Rating Program. The Office of the State Maintenance Engineer performs a sampling of specific areas to develop the maintenance rating for roadways. The ratings cover roadway and roadside vegetation, aesthetics, traffic services, and drainage. With an overall rating of 87 for fiscal year 2018, the System continues to exceed the benchmark rating of 80.

ENHANCEMENT

Enhancement projects consist of All-Electronic-Tolling conversion initiatives, technology upgrades, and other safety projects.

Major Projects Completed



Veterans Expressway

During fiscal year 2018, Veterans Expressway was widened from Sugarwood Plaza to Van Dyke Road in Hillsborough County. Covering approximately three miles, this project (1) increases capacity with the addition of four new travel lanes, (2) enhances travel options by providing an express lane in addition to a general toll lane in each direction, and (3) improves the capacity of a heavily traveled commuter corridor for the Tampa Bay Area. This facility also serves as a hurricane evacuation route and is part of the State's Strategic Intermodal System.

Additionally, express lanes running from Dale Mabry Highway to SR 60 on Veterans Expressway were completed in fiscal year 2018. These express lanes will be dynamically-tolled in fiscal year 2019. Today, customers can travel in the new lanes paying only the general toll amount and must have an active SunPass or other interoperable transponder. Cash and TOLL-BY-PLATE are not accepted in the express lanes and only two-axle vehicles are permitted.



Orlando South Interchange

Improvements at the Orlando South Interchange in Orange County were completed in fiscal year 2018, including widening of the existing single lane SR 528 westbound exit ramp to a dual lane ramp, and construction of a new two-lane bridge over US 441 toward the ramp toll plaza within the SR 528/US 441 Interchange. This work is part of the System's ongoing project to improve the interchange, which includes milling and resurfacing, drainage improvements, lighting, highway signing, guardrail, bridges, and constructing sidewalks between SR 528, US 441, and SR 91.



Glades Road

Improvements to the Glades Road north bound exit ramp and intersection were completed in Palm Beach County in fiscal year 2018, including adding an auxiliary lane along the Mainline northbound, and widening the northbound exit ramp to Glades Road from one to two lanes. In addition, a second right turn lane along Glades Road westbound to the Mainline entrance ramp was added. This work is part of the System's ongoing project to improve the interchange, which includes painting the existing Mainline bridge over Glades Road and improvements to signage, pavement markings, signalization, lighting, and drainage.



Fort Pierce Service Plaza

Renovations at the Fort Pierce Service Plaza were completed in January 2018. Featuring larger restroom facilities, a larger lobby, and more seating, the new 40,000 square-foot facility is located on the Mainline at Milepost 144. The facility features six food concepts: Dunkin' Donuts, Wendy's, Earl of Sandwich, Chicken Kitchen, Deli & Co., and Villa Fresh Italian Kitchen.

All eight Turnpike Service plazas have been renovated or rebuilt in the last several years, and are open for business. The Port St. Lucie/Fort Pierce Service plaza was the final to undergo renovation.

CAPITAL PLAN

Over the next several years, the System will invest in new revenue-generating projects and continue to provide safe, well-maintained roadways for greater ease of travel and toll collection efficiency. The System's robust capital program demonstrates its success as a national leader in user-financed transportation.

In addition to various All-Electronic-Tolling ("AET") facility conversions, express lane implementations, widenings, resurfacings, interchange improvements, and other safety initiatives throughout the State, the following activities reflect some of the System's more significant planned and ongoing projects.



First Coast Expressway - Phase One Extension

With construction anticipated to begin in 2019, the First Coast Expressway will be extended from SR 21 (Blanding Boulevard) to US 17. The vision of the completed First Coast Expressway will be a four-lane AET toll road connecting I-10 in Duval County with I-95 in St. Johns County, covering a total distance of 46.5 miles. It will include a new bridge over the St. Johns River near the existing Shands Bridge. Drivers will be able to avoid the congestion on the inner beltway (I-295) if their destination is Clay County or south of Jacksonville.



Suncoast Parkway 2 - Phase One

With an expected completion date in 2022, the Suncoast Parkway will be extended northward for 13 miles from US 98 to SR 44 in Lecanto. This four-lane AET project includes (1) constructing full interchanges at US 98 and W. Cardinal Street and a partial interchange at SR 44, (2) one wildlife corridor and three wildlife culverts, (3) 15 new bridges, (4) two all-electronic tolling gantries and equipment buildings, (5) related drainage, lighting, highway signing, traffic signalization, guardrail and sidewalk, and (6) the extension of the Suncoast Trail to SR 44, as well as a pedestrian overpass constructed over US 98.



Beachline Expressway

Scheduled for completion in 2019, this project widens the Beachline Expressway from four to eight lanes between I-4 and the Mainline, and from six to eight lanes from the Mainline to McCoy Road. The project consists of adding SunPass-only express lanes between I-4 and John Young Parkway and between John Young Parkway and McCoy Road. The project includes ramp improvements at International Drive, Universal Parkway, and John Young Parkway, including auxiliary lanes between the ramps to alleviate traffic weaving. Six bridges will be widened and the bridge over Shingle Creek will be reconstructed. Noise walls behind the Williamsburg subdivision are included. New sidewalk connectivity along International Drive, Universal Parkway, and John Young Parkway is being provided.



SR 821 (HEFT)

Scheduled for completion in 2022, SR 821 (HEFT) will be widened from four to eight lanes, from I-75 to the Mainline (SR 91), including express lanes. Sound barrier walls will be built along qualifying communities. Work also includes asphalt milling and resurfacing, as well as additional drainage, signage, and lighting improvements. Additionally, the project will include intersection improvements at NW 57th Avenue (Red Road) and NW 27th Avenue (University Drive), as well as widening of the bridges located at (1) Flamingo Road, (2) NW 47th Avenue (Palm Avenue), (3) NW 37th Avenue, (4) NW 27th Avenue (University Drive), and (5) Snake Creek Canal.

Scheduled for completion in 2019, SR 821 (HEFT) will be widened from north of Eureka Drive to south of Killian Parkway, including express lanes. Sound barrier walls will be built along qualifying residential areas on both sides of the roadway. Additionally, the SR 874 interchange will be realigned. Work also includes asphalt milling and resurfacing, bridge widening, landscaping, as well as additional drainage, lighting, signage, and traffic signal improvements on local roads. The project also includes consolidation of interchange ramps for SW 120th Street and the removal of service plaza ramps.



Photo: Aerial of Florida's Turnpike - Mainline

FINANCIAL SECTION

Fiscal Year 2018 Snapshot

\$1B
Operating Revenues

\$12B
Assets

\$9B
Net Position

\$602M
Increase in Net Position

\$682M
Net Cash from Operations

3.3
Debt Service Coverage Ratio



RSM US LLP

Independent Auditor's Report

Secretary of Transportation
Florida Department of Transportation
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Florida's Turnpike System (the System), an enterprise fund of the Florida Department of Transportation, which is an agency of the State of Florida, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida's Turnpike System, as of June 30, 2018 and 2017, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the System and do not purport to, and do not present fairly the financial position of the Florida Department of Transportation or the Florida Transportation Enterprise Fund as of June 30, 2018 and 2017, and the changes in their financial position, and where applicable, cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Trend Data on the System's Infrastructure Condition be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated November 1, 2018, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

RSM US LLP

Orlando, Florida
November 1, 2018

As management of Florida's Turnpike System (the "System" or "we" or "us" or "our"), we offer readers of the annual financial report this narrative overview of our financial activities for the fiscal years ended June 30, 2018 and 2017. Please read it in conjunction with the financial statements and notes to the financial statements as a whole.

We operate as a proprietary fund of the Florida Department of Transportation (the "Department"), an agency of the State of Florida (the "State"). Accordingly, we are presented as an enterprise fund in the State's Comprehensive Annual Financial Report ("CAFR"). The statements contained herein only include our accounts and do not include any other accounts of the State.

FINANCIAL HIGHLIGHTS – FISCAL YEAR 2018

We had a positive net position of \$9.2 billion at year end, compared to \$8.6 billion as of the prior year end, reflecting an increase in net position of \$602.0 million or 7.0%. Our net position has almost doubled over the past ten years, serving as an indicator of our financial strength.

Our operating revenues were \$1.1 billion, an increase of \$19.2 million, or 1.8%, compared to the previous fiscal year. The increase was primarily a result of toll indexing and traffic growth, offset by an estimated \$44.6 million of toll suspensions in response to Hurricane Irma. An increase in concessions and other revenue also contributed to the increase in operating revenues, primarily driven by new administrative fees charged to certain interoperable partners for processing of toll transactions.

Certain nonrecurring charges, including non-capital start-up costs for our data processing systems, coupled with new transaction fees charged by certain interoperable partners, drove a \$17.1 million increase in operations and maintenance expense, which accounts for more than two-thirds of the \$25.2 million overall increase in operating expenses.

We invested \$0.5 billion in capital assets as a part of our ongoing capital program, with a primary focus on increasing capacity and access to the System. We spent \$130.4 million in the current fiscal year to maintain and preserve our infrastructure in connection with the Department's condition and maintenance programs.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to our basic financial statements, notes to the financial statements, and required supplementary information. As an enterprise fund, our financial statements are presented in a manner similar to a private sector business.

Balance Sheets

This statement presents information on our assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the sum of the assets and deferred outflows and the sum of liabilities and deferred inflows reported as net position. Over time, increases or decreases in net position are relative indicators of whether our financial position is improving or deteriorating.

Statements of Revenues, Expenses, and Changes in Net Position

This statement shows the results of our total operations during the fiscal year and reflects both operating and nonoperating activities. Changes in net position reflect the current fiscal period's operating impact upon our overall financial position.

Statements of Cash Flows

This statement presents information about our sources and uses of cash and the change in the cash balance during the fiscal year. The direct method of cash flows is presented, ending with a reconciliation of operating income to net cash provided by operating activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other

Certain required supplementary information is presented to disclose trend data on our infrastructure condition.

FINANCIAL ANALYSIS

Balance Sheets

The following table summarizes the components of our balance sheets as of the three preceding fiscal year ends:

(\$ in thousands)	As of June 30			Change		Change		
	2018	2017	2016	2018 vs. 2017		2017 vs. 2016		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
Assets:								
Current assets	\$ 941,393	\$ 1,020,769	\$ 1,086,107	\$ (79,376)	(7.8) %	\$ (65,338)	(6.0) %	
Noncurrent restricted assets	215,087	194,073	223,194	21,014	10.8	(29,121)	(13.0)	
Capital assets – net	10,810,175	10,325,329	9,856,585	484,846	4.7	468,744	4.8	
Other assets	77,317	79,349	66,440	(2,032)	(2.6)	12,909	19.4	
Total assets	12,043,972	11,619,520	11,232,326	424,452	3.7	387,194	3.4	
Deferred outflows of resources	26,492	29,691	36,919	(3,199)	(10.8)	(7,228)	(19.6)	
Total assets and deferred outflows of resources	\$ 12,070,464	\$ 11,649,211	\$ 11,269,245	\$ 421,253	3.6 %	\$ 379,966	3.4 %	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION								
Liabilities:								
Current liabilities	\$ 250,871	\$ 249,305	\$ 301,644	\$ 1,566	0.6 %	\$ (52,339)	(17.4) %	
Long-term portion of bonds payable	2,433,370	2,619,726	2,792,466	(186,356)	(7.1)	(172,740)	(6.2)	
Other liabilities	28,033	32,801	43,999	(4,768)	(14.5)	(11,198)	(25.5)	
Total liabilities	2,712,274	2,901,832	3,138,109	(189,558)	(6.5)	(236,277)	(7.5)	
Deferred inflows of resources	148,382	139,590	139,040	8,792	6.3	550	0.4	
Net position:								
Net investment in capital assets	8,202,492	7,551,130	6,922,696	651,362	8.6	628,434	9.1	
Restricted	125,176	93,660	121,883	31,516	33.6	(28,223)	(23.2)	
Unrestricted	882,140	962,999	947,517	(80,859)	(8.4)	15,482	1.6	
Total net position	9,209,808	8,607,789	7,992,096	602,019	7.0	615,693	7.7	
Total liabilities, deferred inflows of resources, and net position	\$ 12,070,464	\$ 11,649,211	\$ 11,269,245	\$ 421,253	3.6 %	\$ 379,966	3.4 %	

As further discussed below, our assets primarily consist of capital assets, while our liabilities primarily consist of debt on outstanding bonds.

Capital Assets

The following table summarizes our capital assets, net of accumulated depreciation and amortization, as of the three preceding fiscal year ends:

Table 2 - Capital Assets, Net of Depreciation and Amortization

(\$ in thousands)	As of June 30			Change		Change	
	2018	2017	2016	2018 vs. 2017		2017 vs. 2016	
Infrastructure	\$ 7,945,131	\$ 7,811,666	\$ 7,629,841	\$ 133,465	1.7 %	\$ 181,825	2.4 %
Construction in progress	1,528,996	1,206,448	917,982	322,548	26.7	288,466	31.4
Land	951,101	951,869	924,181	(768)	(0.1)	27,688	3.0
Furniture and equipment – net	148,067	164,177	184,788	(16,110)	(9.8)	(20,611)	(11.2)
Buildings and improvements – net	107,887	115,755	121,249	(7,868)	(6.8)	(5,494)	(4.5)
Buildings – nondepreciable	82,687	68,753	68,753	13,934	20.3	-	-
Intangible assets – net	46,306	6,661	9,791	39,645	595.2	(3,130)	(32.0)
Total capital assets – net	\$ 10,810,175	\$ 10,325,329	\$ 9,856,585	\$ 484,846	4.7 %	\$ 468,744	4.8 %

The increase in total capital assets – net, from fiscal year end 2017 to 2018 is primarily attributable to increases in construction in progress, infrastructure, and intangible assets – net. The increase in construction in progress represents additional expenditures for several ongoing expansions, widenings, and interchange projects, including ongoing widening of SR 821 (HEFT), other Mainline roadways, and Veterans Expressway, in addition to expenditures related to SunTrax, an autonomous vehicle test facility. The increase in infrastructure is primarily attributable to the completion of certain widenings and improvements, including portions of the Veterans Expressway and Mainline. The increase in intangible assets – net, represents the recognition of the Centralized Customer Service System, a new application for managing customer toll accounts.

The increase in total capital assets – net, from fiscal year end 2016 to 2017 is primarily attributable to increases in construction in progress and infrastructure, a result of expenditures for several ongoing expansions, widenings, and interchange projects, coupled with the completion of certain System roadway widenings and access projects.

Our financial statements present capital assets in two groups distinguished by whether the capital assets are subject to depreciation and amortization, or not. See *Note 4 – Capital Assets* to the financial statements.

The following table summarizes our major additions of capital assets for fiscal years ended June 30, 2018 and 2017:

Table 3 - Major Capital Asset Additions

(\$ in thousands)	Fiscal Year Ended June 30	
	2018	2017
Widening and capacity improvements	\$ 281,937	\$ 309,884
Expansion projects	30,725	46,134
Interchange and access projects	82,587	75,198
All-Electronic Tolling improvements	50,158	24,288
Total	\$ 445,407	\$ 455,504

Modified Approach for Reporting Infrastructure

Governmental accounting and reporting standards permit an alternative to reporting depreciation for infrastructure assets known as the modified approach. For our highway system and improvements, we made the commitment to maintain and preserve these assets at condition level ratings equal to or greater than those established by the Department. As a result, we do not report depreciation expense for our highway system and improvements; rather, costs for both maintenance and preservation of infrastructure assets are expensed in the period incurred.

As detailed in the required supplementary information included after the notes to the financial statements, we exceeded our targeted infrastructure condition level ratings for the last several years. For fiscal years ending June 30, 2018 and 2017, we estimated we would need to spend \$170.4 million and \$103.8 million, respectively, for infrastructure maintenance and preservation, but expended \$130.4 million and \$123.1 million, respectively. Fluctuations occur from year to year between the amount spent to preserve and maintain the System and the estimated amount resulting from changes in the timing of work activities. Our overall maintenance condition rating is consistent from year to year.

Bonds Payable

The long-term portion of bonds payable and a portion of current liabilities included in Table 1 consists of our outstanding bonds. See *Note 6 – Bonds Payable* to the financial statements.

We are authorized by Section 338.2275 of the Florida Statutes to have up to \$10.0 billion of outstanding bonds to fund approved projects. As of June 30, 2018, we have \$2.6 billion of outstanding bonds related to financing the construction of expansion projects and system improvements.

We issue bonds to fund expansion and improvement projects in accordance with our Debt Management Guidelines. Pursuant to these guidelines, we typically issue 30-year fixed-rate bonds. Bonds are issued to fund projects with an expected useful life not less than the term of the bonds. We do not issue bonds for operations and maintenance costs. Bonds are issued through the State Board of Administration (“SBA”), Division of Bond Finance, in accordance with Section 11(d), Article VII of the State Constitution. Bonds are only issued for projects included in our legislatively- approved Work Program (Section 339.135 (4), F.S.). Planned bond sales are included in the Department’s financially-balanced five-year finance plan and 36-month cash forecast. The resolution authorizing the issuance of bonds requires a debt service reserve be established in an amount as defined in the resolution. Our debt reserve was fully funded for fiscal years 2018 and 2017.

Our debt service coverage ratio was 3.27 and 3.25 for fiscal years 2018 and 2017, respectively. The high coverage is primarily due to increased net operating revenues available for debt service, as further discussed below, and exceeds the 1.2 minimum debt service coverage as required by the bond resolution.

Net Position

The increase in our net position over the three preceding fiscal years was primarily due to positive annual operating results, as further discussed below.

We continue to invest our positive net operating revenues in capital assets, which are used to provide services to customers. Although our investment in capital assets is reported net of related debt, it should be noted that our revenues are utilized to repay this debt in accordance with the bond resolution.

A portion of our net position represents resources subject to bond covenants or other restrictions. Such funds are held to meet bond sinking fund, debt service reserve, and renewal and replacement requirements. The increase in restricted net position for the current fiscal year end is primarily due to the timing of renewal and replacement projects, while the change in restricted net position for the two preceding fiscal year ends is primarily due to changes in the debt service reserve requirement. See *Note 6 – Bonds Payable* to the financial statements.

Unrestricted net position represents residual amounts after all mandatory transfers have been made as required by bond covenants and other restrictions. Typically, unrestricted net position is used to fund capital improvements and to support our ongoing operations. The decrease in unrestricted net position for the current fiscal year end is primarily due to funding certain capital projects with existing cash, while the change in unrestricted net position for the two preceding fiscal year ends is primarily due to increases in annual net revenues.

The following table summarizes our revenues, expenses, and changes in net position for the three preceding fiscal years:

Table 4 - Revenues, Expenses, and Changes in Net Position

(\$ in thousands)	Fiscal Year Ended June 30			Change		Change	
	2018	2017	2016	2018 vs. 2017		2017 vs. 2016	
Operating revenues:							
Toll facilities	\$ 1,017,303	\$ 1,008,420	\$ 955,930	\$ 8,883	0.9 %	\$ 52,490	5.5 %
Toll administrative charges	21,217	20,229	16,993	988	4.9	3,236	19.0
Concessions and other	25,209	15,881	14,226	9,328	58.7	1,655	11.6
Nonoperating revenues:							
Investment earnings (loss)	20,320	(1,942)	28,382	22,262	1,146.3	(30,324)	(106.8)
Interest subsidy	5,551	5,533	5,550	18	0.3	(17)	(0.3)
Total revenues	1,089,600	1,048,121	1,021,081	41,479	4.0	27,040	2.6
Expenses:							
Operations and maintenance	220,887	203,811	188,249	17,076	8.4	15,562	8.3
Business development and marketing	4,115	4,387	4,209	(272)	(6.2)	178	4.2
Renewals and replacements	77,251	76,839	39,917	412	0.5	36,922	92.5
Depreciation and amortization	47,362	44,356	49,365	3,006	6.8	(5,009)	(10.1)
Planning and development	41,556	36,626	24,661	4,930	13.5	11,965	48.5
Other nonoperating expenses – net	108,651	71,904	101,503	36,747	51.1	(29,599)	(29.2)
Total expenses	499,822	437,923	407,904	61,899	14.1	30,019	7.4
Income before contributions	589,778	610,198	613,177	(20,420)	(3.3)	(2,979)	(0.5)
Capital contributions from others	12,241	5,495	4,944	6,746	122.8	551	11.1
Increase in net position	602,019	615,693	618,121	(13,674)	(2.2)	(2,428)	(0.4)
Net position:							
Beginning	8,607,789	7,992,096	7,373,975	615,693	7.7	618,121	8.4
Ending	\$ 9,209,808	\$ 8,607,789	\$ 7,992,096	\$ 602,019	7.0 %	\$ 615,693	7.7 %

The increase in toll facilities revenues from 2017 to 2018 was primarily a result of toll indexing, as further discussed below, coupled with traffic growth, offset by an estimated \$44.6 million of toll suspensions in response to Hurricane Irma. An increase in concessions and other revenue also contributed to the increase in total revenues, primarily driven by new administrative fees charged to certain interoperable partners. The change in investment earnings is primarily due to the market valuation adjustment of investments. The increase in toll facilities revenues from 2016 to 2017 was primarily attributable to growth in toll transactions.

For fiscal years 2018 and 2017, toll transactions increased by approximately four percent and five percent, respectively. Expanded use of the interstate highway system and continued heavy flows of commuter traffic makes the Turnpike an attractive option to the motoring public in both rural and urban areas. Customers perceive the value of the System's well-maintained roadways and high level of service, which contributes to the growth in annual revenues.

Toll revenue reflects the impact of the implementation of Section 338.165(3), Florida Statutes, permitting the Department to index toll rates on existing toll facilities. As such, toll rates were indexed for fiscal years 2018 and 2016 as a result of changes in the annual Consumer Price Index ("CPI"). For fiscal year 2017, the change in the annual CPI was insignificant, and as such, toll rates were not indexed.

The increase in total expenses from 2017 to 2018 was primarily attributable to increased other nonoperating expenses – net and operations and maintenance expenses. Other nonoperating expenses – net increased primarily due to additional interest expense as a result of implementing Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which disallows the capitalization of interest (see Note 1 – Reporting Entity and Summary of Significant Accounting Policies in the notes to the financial statements). The increase in operations and maintenance expense 2017 to 2018 is primarily due to certain nonrecurring charges, including non-capital start-up costs for our data processing systems, coupled with new transaction fees charged by certain interoperable partners. The increase in total expenses from 2016 to 2017 were primarily attributable to increased renewals and replacements costs, resulting from additional resurfacing activity and other non-routine preservation activities driven by the growth in traffic. Further, the increase in planning and development costs from 2016 to 2017 is primarily due to the impairment of construction costs previously capitalized and the need for additional planning and development activity as a result of significant traffic growth.

ECONOMIC CONDITIONS AND OUTLOOK

Since 2010, Florida's economy has expanded at a steady pace. The key drivers for the improving economy are growth in jobs, population, and tourism. As a result, commuter, recreational, and commercial traffic are expected to continue to increase beyond fiscal year 2018.

We believe that fiscal year 2019 toll revenues will be more than sufficient to meet obligations for debt service, operating and maintenance costs, and the preservation of the System. The remaining revenues after the aforementioned costs will be utilized to fund our capital improvement program.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of our financial results and condition for those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Florida's Turnpike System, P.O. Box 613069, Ocoee, Florida 34761, or by calling (407) 264-3998.

BALANCE SHEETS

AS OF JUNE 30, 2018 and 2017

(\$ in thousands)		2018	2017
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Pooled cash and cash equivalents	Note 2	\$ 844,615	\$ 965,075
Accrued interest and accounts receivable		8,190	7,572
Due from governmental agencies	Note 3	81,809	42,820
Other current assets		6,779	5,302
Total current assets		941,393	1,020,769
Noncurrent assets:			
Restricted Assets:			
Restricted cash and cash equivalents	Note 2	215,087	44
Restricted investments	Note 2	-	194,029
Total restricted assets		215,087	194,073
Nondepreciable capital assets	Note 4	10,507,915	10,038,736
Depreciable capital assets – net	Note 4	302,260	286,593
Service concession arrangement receivable	Note 8	77,317	79,349
Total noncurrent assets		11,102,579	10,598,751
Total assets		12,043,972	11,619,520
Deferred outflows of resources	Note 5	26,492	29,691
Total assets and deferred outflows of resources		\$ 12,070,464	\$ 11,649,211
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current liabilities:			
Construction contracts and retainage payable		\$ 72,719	\$ 64,234
Current portion of bonds payable	Note 6	141,130	140,640
Due to governmental agencies – current portion	Note 3	34,099	31,828
Unearned revenue and other current liabilities		2,923	12,603
Total current liabilities		250,871	249,305
Noncurrent liabilities:			
Long-term portion of bonds payable – net of premiums	Note 6	2,433,370	2,619,726
Due to governmental agencies – less current portion	Note 3	27,682	32,400
Unearned revenue and other noncurrent liabilities		351	401
Total noncurrent liabilities		2,461,403	2,652,527
Total liabilities		2,712,274	2,901,832
Deferred inflows of resources	Note 8	148,382	139,590
Net position:			
Net investment in capital assets		8,202,492	7,551,130
Restricted for debt service		88,639	93,660
Restricted for renewal and replacement		36,537	-
Unrestricted		882,140	962,999
Total net position		9,209,808	8,607,789
Total liabilities, deferred inflows of resources, and net position		\$ 12,070,464	\$ 11,649,211

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 and 2017

(\$ in thousands)		2018	2017
Operating revenues:			
Toll facilities		\$ 1,017,303	\$ 1,008,420
Toll administrative charges		21,217	20,229
Concessions and other		25,209	15,881
Total operating revenues		1,063,729	1,044,530
Operating expenses:			
Operations and maintenance		220,887	203,811
Business development and marketing		4,115	4,387
Renewals and replacements		77,251	76,839
Depreciation and amortization		47,362	44,356
Planning and development		41,556	36,626
Total operating expenses		391,171	366,019
Operating income		672,558	678,511
Nonoperating revenues (expenses):			
Investment earnings (loss)		20,320	(1,942)
Interest subsidy	Note 6	5,551	5,533
Interest expense	Note 4	(97,798)	(71,587)
Other – net		(10,853)	(317)
Total nonoperating expenses – net		(82,780)	(68,313)
Income before contributions		589,778	610,198
Capital contributions from others		12,241	5,495
Increase in net position		602,019	615,693
Net position:			
Beginning of year		8,607,789	7,992,096
End of year		\$ 9,209,808	\$ 8,607,789

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 and 2017

(\$ in thousands)	2018	2017
Operating activities:		
Cash received from customers	\$ 998,974	\$ 1,024,615
Cash payments to suppliers for goods and services	(320,292)	(298,413)
Cash payments for personnel	(20,189)	(18,782)
Other operating receipts	23,110	14,455
Net cash provided by operating activities	681,603	721,875
Noncapital financing activities:		
Payments to governmental agencies	-	(68,827)
Contributions to governmental agencies	(2,626)	(1,760)
Net cash used in noncapital financing activities	(2,626)	(70,587)
Capital and related financing activities:		
Proceeds from the issuance of revenue bonds	147,982	161,105
Contributions from other governmental agencies	-	12,930
Receipts from 2009B Build America Bonds interest subsidy	5,551	5,533
Proceeds from the sale of capital assets	7,481	421
Payments for the acquisition or construction of capital assets	(520,476)	(487,899)
Payments for refunding of revenue bonds	(166,448)	(162,110)
Principal paid on revenue bond maturities	(140,640)	(133,590)
Interest paid on revenue bonds	(121,359)	(129,337)
Repayments for advances from governmental agencies	(4,718)	(4,717)
Payments for bond issuance costs	(354)	(375)
Net cash used in capital and related financing activities	(792,981)	(738,039)
Investing activities:		
Proceeds from the sale or maturity of investments	1,379,522	723,585
Interest received	18,363	19,006
Purchase of investments	(1,185,493)	(696,508)
Fair value adjustment on cash equivalents	(3,805)	(20,163)
Net cash provided by investing activities	208,587	25,920
Net increase (decrease) in restricted and unrestricted cash and cash equivalents	94,583	(60,831)
Restricted and unrestricted cash and cash equivalents:		
Beginning of year	965,119	1,025,950
End of year	\$ 1,059,702	\$ 965,119

(Continued)

STATEMENTS OF CASH FLOWS (Continued)

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 and 2017

(\$ in thousands)	2018	2017
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 672,558	\$ 678,511
Adjustments:		
Depreciation and amortization expense	47,362	44,356
Impairment of capital assets	-	10,408
Other noncash adjustments	(3,078)	(2,342)
Change in:		
Accrued interest and accounts receivable	(510)	(6,767)
Due from governmental agencies	(39,437)	(764)
Other current assets	(1,477)	(3,626)
Construction contracts and retainage payable	3,912	1,385
Due to governmental agencies	2,271	732
Unearned revenue and other current liabilities	2	(18)
Net cash provided by operating activities	\$ 681,603	\$ 721,875
Supplemental schedule of noncash investing and capital and related financing activities:		
Bond premium amortization, net	\$ (27,653)	\$ (29,422)
Amortization of deferred losses on early retirement of debt	\$ 4,092	\$ 5,555
Deferred (loss) gain and net bond premiums due to refunding	\$ (3,401)	\$ 1,673
Loss on disposal of capital assets	\$ 6,362	\$ 1,490
Capital asset contributions in deferred inflows of resources	\$ 15,320	\$ -
Purchases of capital assets in current and other liabilities	\$ 62,535	\$ 57,972
Capitalized interest	\$ -	\$ 33,879
Noncash contributions received for capital projects	\$ 5,706	\$ 5,244

The accompanying notes are an integral part of these financial statements.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Florida's Turnpike System (the "System") is part of the Florida Department of Transportation (the "Department"), which is an agency of the State of Florida (the "State"). The Department is responsible for cash management and other administrative and financial matters on behalf of the System. The System's financial statements for fiscal years 2018 and 2017 contained herein include only the accounts and transactions of the System and do not include any other accounts and transactions of the Department or the State. The System is presented as an enterprise fund in the Comprehensive Annual Financial Report ("CAFR") of the State.

Basis of Accounting

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). The operations of the System are accounted for on an accrual basis in order to recognize the flow of economic resources. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

Investments with a maturity of three months or less at the time of purchase are considered to be cash equivalents. Included within this category are repurchase agreements held by the State Board of Administration ("SBA") and cash deposited in the State's general pool of investments, which are reported at fair value. See *Note 2 - Cash and Cash Equivalents and Investments*.

Investments

Investments are stated at fair value with the exception of certain nonparticipating contracts, such as repurchase agreements, which are reported at cost. Fair value is defined by GASB Statement No. 72, *Fair Value Measurement and Application*, as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy categorizes the valuation technique inputs into three levels, as follows: Level 1 – unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date; Level 2 – quoted prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly; and Level 3 – unobservable inputs for an asset or liability. See *Note 2 - Cash and Cash Equivalents and Investments*.

Accrued Interest and Accounts Receivable

Accounts receivable included in the accrued interest and accounts receivable line item are reported at net realizable value and are primarily comprised of the short-term portion of a service concession arrangement receivable. See *Note 8 - Deferred Inflows of Resources*.

Due from Governmental Agencies

Amounts due from governmental agencies are primarily comprised of toll transactions not yet collected on. See *Note 3 - Due from/to Governmental Agencies*.

Other Current Assets

Other current assets are primarily comprised of toll equipment parts for use in toll lanes, as well as inventory of toll transponders that are valued at the lower of cost or market using the first-in-first-out method.

Capital Assets

Capital assets are recorded at historical cost, except for contributed assets received from entities other than the State, which are recorded at acquisition value at the date of contribution. Construction in progress generally consists of project costs for capital assets not yet placed in service. See *Note 4 - Capital Assets*.

Costs for maintenance and repairs are expensed as incurred. The System's capitalization level is one-thousand dollars for tangible assets and five hundred thousand dollars for intangible assets. Depreciation and amortization are charged on a straight-line basis over useful lives ranging from fifteen to thirty years for buildings and improvements, three to ten years for furniture and equipment, and three to fifteen years for intangible assets.

The System has elected to use the modified approach for reporting infrastructure. As such, our highway system improvements are not depreciated. Buildings constructed or acquired meeting the criteria of a Service Concession Arrangement ("SCA") are also not depreciated. See *Note 8 - Deferred Inflows of Resources*. Under the System's policy of accounting for toll facilities, property costs represent a historical accumulation of costs expended to acquire right-of-way and to construct, improve, and place in operation the various projects and related facilities. Acquisition costs also include the costs of improvements that increase the capacity or efficiency of existing infrastructure and certain overhead amounts incurred during the construction phase. Subsequent betterments are capitalized. All such costs are not reduced for subsequent replacements, as replacements are considered to be period costs and are included in renewals and replacements. These policies are consistent with practices followed by similar entities within the toll bridge, turnpike, and tunnel industry and with the modified approach for reporting infrastructure assets pursuant to GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* ("GASB 34").

The modified approach is an alternative to reporting depreciation of infrastructure capital assets, provided that two requirements are met. The System meets the requirements by utilizing an asset management system and disclosing and documenting that infrastructure is preserved at or above an established condition rating.

Depreciation expense is not reported for infrastructure assets and amounts are not capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. Rather, costs for both maintenance and preservation of infrastructure capital assets are expensed in the period incurred. The System relies on the Department to maintain an asset management system that has an up-to-date inventory of System infrastructure assets and that performs condition assessments of those assets, summarizing the results using a measurement scale. Using these results, System management estimates the annual amount to maintain and preserve its infrastructure at a condition level established and disclosed by the System. The information required by GASB 34 is presented in the required supplementary information included after the notes to the financial statements.

The System's management periodically reviews its capital assets and considers impairment whenever indicators of impairment are present, such as when the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset.

Restricted Assets

Certain assets are required to be segregated from other assets due to various bond indenture provisions. These assets are legally restricted for specific purposes, such as construction, renewals and replacements, and debt service.

Bond Premiums and Discounts

Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. See *Note 6 - Bonds Payable*.

Deferred Inflows and Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources until that time. Likewise, deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time. See *Note 5 - Deferred Outflows of Resources* and *Note 8 - Deferred Inflows of Resources*.

Net Position

Net position is comprised of three components: (1) Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, and capital-related deferred outflows of resources, reduced by capital-related borrowings and deferred inflows of resources. (2) Restricted net position is comprised of assets restricted for debt service, net of related liabilities, and assets restricted for renewal and replacement. It is the System's policy to first use restricted assets when an expense is incurred for purposes for which both restricted and unrestricted assets are available. (3) Unrestricted net position consists of net assets that have no restrictions regarding their use.

Operating Revenues and Expenses

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the System are toll collections, toll administrative charges, transaction fees charged to certain interoperable partners, and concession revenue. Operating expenses consist primarily of operations and maintenance charges, including transaction fees charged by certain interoperable partners, renewal and replacement costs, planning and development costs, business development and marketing costs, and depreciation and amortization on certain capital assets. All revenues and expenses not meeting these definitions are recorded as nonoperating revenues and expenses, and primarily consists of investment earnings (loss) and interest expense.

Effective June 11, 2018, the Department outsourced its electronic toll account management and invoicing to a third-party vendor ("Vendor"). Under the contract, the Vendor is to provide services related to the processing and billing of transactions, as well as customer account management, including all inbound and outbound customer communication. Additionally, the Vendor is responsible for leasing, outfitting, and staffing the facilities needed to perform the required services. The initial contract terms end on November 15, 2022, with an option to renew for an additional six years.

Capital Contributions from Others

Amounts included in capital contributions from others represent contributions to the System to support road construction and other capital projects. Such contributions are presented separately, after nonoperating revenues in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and changes therein, as well as disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

In the current year, the fair value adjustment on cash equivalents was segregated from the purchase of investments in the investing activities section of the Statements of Cash Flows; accordingly, certain amounts in the prior year Statements of Cash Flows have been reclassified.

Recently Adopted Accounting Pronouncements

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89") in an effort to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. As detailed in GASB 89, in financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. Such interest cost should not be capitalized as part of the historical cost of a capital asset. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2019, with earlier application encouraged. The System elected to adopt GASB 89 effective July 1, 2017, and as such, no capitalized interest has been recorded for the year ended June 30, 2018.

No pronouncements issued but not adopted are expected to have an impact on the System's financial statements.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

The System's deposit and investment practices are governed by Chapter 280, Florida Statutes, Section 17.57 and Section 215.47, as well as various legal covenants related to outstanding bonds.

Florida Statutes generally require public funds to be deposited in a bank or savings association that is designated by the State Chief Financial Officer ("State CFO") as authorized to receive deposits, and that meets the collateral requirements. The State CFO determines the collateral requirements and collateral pledging level for each Qualified Public Depository ("QPD") following guidelines outlined in Chapter 69C 2, Florida Administrative Code ("FAC"), and Section 280.04, Florida Statutes. The State CFO is directed by the FAC to review the "Public Depository Monthly Reports" and continually monitor the collateral pledging level(s), as well as required collateral of each QPD.

Eligible collateral includes federal, federally-guaranteed, and state and local government obligations, as well as corporate bonds, letters of credit issued by a Federal Home Loan Bank, and with the State CFO's permission, collateralized mortgage obligations, real estate mortgage investment conduits and securities, or other interests in any open-end management investment company registered under the Investment Company Act of 1940, provided the portfolio of such investment company is limited to direct obligations of the United States ("U.S.") government and to repurchase agreements fully collateralized by such direct obligations of the U.S. government, provided such investment company takes delivery of such collateral either directly or through an authorized custodian. Florida Statutes provide that if a loss to public depositors is not covered by (1) deposit insurance, (2) letters of credit, and (3) proceeds from the sale of collateral pledged or deposited by the defaulting depository, the difference will be provided by an assessment levied against other QPDs.

The System deposits monies in the State's general pool of investments. Under Florida Statutes, the State CFO is provided with the powers and duties concerning the investment of certain funds and specifies acceptable investments. The State CFO pools deposited monies from all departments in the State Treasury. The State Treasury, in turn, keeps these funds fully invested to maximize interest earnings. Authorized investment types include certificates of deposit, direct obligations of the U.S. Treasury, obligations of federal agencies, asset-backed or mortgage-backed securities, commercial paper, bankers' acceptances, medium-term corporate obligations, repurchase agreements, reverse repurchase agreements, commingled and mutual funds, obligations of state and local governments, derivatives, put and call options, negotiable certificates of deposit and convertible debt obligations of any corporation domiciled within the U.S. and, subject to certain rating conditions, foreign bonds denominated in U.S. dollars and registered with the Securities and Exchange Commission.

The System's cash and cash equivalents and investments are summarized as follows:

As of June 30, 2018						
	Cash on deposit	Cash held by the State Treasury	Cash held by the SBA	U.S. government securities held by the SBA	Pooled investments with the State Treasury	Total
Pooled cash and cash equivalents	\$ 2,922	\$ 9,632	\$ 7	\$ 49,781	\$ 782,273	\$ 844,615
Restricted cash and cash equivalents	-	-	2,828	175,722	36,537	215,087
Totals	\$ 2,922	\$ 9,632	\$ 2,835	\$ 225,503	\$ 818,810	\$ 1,059,702

As of June 30, 2017						
	Cash on deposit	Cash held by the State Treasury	Cash held by the SBA	U.S. government securities held by the SBA	Pooled investments with the State Treasury	Total
Pooled cash and cash equivalents	\$ 2,657	\$ 2,642	\$ 7	\$ 81,907	\$ 877,862	\$ 965,075
Restricted cash and cash equivalents	-	-	44	-	-	44
Restricted investments	-	-	-	194,029	-	194,029
Totals	\$ 2,657	\$ 2,642	\$ 51	\$ 275,936	\$ 877,862	\$ 1,159,148

For the years ended June 30, 2018 and 2017, the bank balance for cash on deposit was \$2,116 and \$2,079, respectively, all of which was insured by the Federal Deposit Insurance Corporation ("FDIC") or collateralized pursuant to Chapter 280, Florida Statutes.

As of June 30, 2018 and 2017, U.S. government securities held by the SBA are classified as level 1 investments under the fair value hierarchy. Pooled investments with the State Treasury, which are included in cash and cash equivalents, are based on the net asset value of the pool. No allocation is made as to the System's share of the types of investments or their level classification. These investments are liquid and the System can make deposits or draw on them as needed. Further information on the type of investments held by the State Treasury is disclosed in the notes of the State CAFR.

As of June 30, 2017, the System's restricted investments consisted of U.S. Treasury Notes held by the SBA. As of June 30, 2018, the System has no restricted investments. Further information may be obtained from the Chief Operating Officer – Finance and Accounting, State Board of Administration of Florida, 1801 Hermitage Boulevard, Suite 100, Tallahassee, Florida 32308, or by calling (850) 488-4406.

Credit Risk

Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3* ("GASB 40"), requires the disclosure of nationally-recognized credit quality ratings of investments in debt securities, as well as investments in external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities existing at year end, such as Standard & Poor's Ratings Services, Moody's Investors Service, or Fitch Ratings. Excluded from such disclosure requirements are U.S. government obligations and obligations explicitly guaranteed by the U.S. government, since those investments are deemed to have no exposure to credit risk.

The Florida Treasury Investment Pool is rated by Standard & Poor's Ratings Services. The rating at June 30, 2018 and 2017 was A+f.

Custodial Credit Risk

Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits or recover collateral securities that are in possession of an outside party. Custodial credit risk for investments exists when, in the event of the failure of the counterparty to a transaction, a government may be unable to recover the value of the investment or collateral securities that are in the possession of an outside party. The State's policies regarding controls and safeguards over custodial credit risk can be found in the State's CAFR. The SBA's custodial credit risk policy states that custodial credit risk will be minimized through the use of trust accounts maintained at top-tier third party custodian banks. To the extent possible, negotiated trust and custody contracts require that all deposits, investments, and collateral be held in accounts in the SBA's name apart from the assets of the custodian banks.

Concentration of Credit Risk

Increased risk of loss occurs as more investments are acquired from one issuer (i.e., lack of diversification). This results in a concentration of credit risk. GASB 40 requires disclosures of investments by amount and issuer for any issuer that represents five percent or more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government or investments in external investment pools, such as those that the System makes through the SBA or the State's general pool of investments.

Foreign Currency Risk

Foreign currency risk exists when there is a possibility that changes in exchange rates could adversely affect an investment's or deposit's fair value. GASB 40 requires disclosures of value in U.S. dollars by foreign currency denomination and by investment type for investments denominated in foreign currencies. The State's policies regarding controls and safeguards over foreign currency risk can be found in the State's CAFR. For the years ended June 30, 2018 and 2017, the System was not exposed to any foreign currency risks.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Through its investment policy, the State Treasury manages its exposure to interest rate risk by limiting either the maturities or durations of the various investment strategies used for the investment pool. In addition, interest rate risk exposure, in some cases, is managed by limiting the maximum weighted average maturity gap. The maximum weighted average maturity gap is defined as the difference between the weighted average days to maturity of the portfolio minus the weighted average days to maturity of the liabilities. The SBA manages its exposure to interest rate risk through various investment policies. As of June 30, 2018 and 2017, the System's investments mature in less than one year. Additional information pertaining to the maturities of investments held by the State Treasury and SBA, as well as information regarding interest rate risk, can be found in the State's CAFR.



Photo: Minneola Toll Ramp

3. DUE FROM/TO GOVERNMENTAL AGENCIES

The System enters into various agreements with the Department and other governmental agencies in the regular course of operations. At June 30, 2018 and 2017, amounts due from/to governmental agencies consisted of the following:

	2018	2017
Due from governmental agencies:		
Due from the Department ^(A)	\$ 79,870	\$ 40,324
Due from the Department of Financial Services ^(B)	1,826	2,359
Due from other governments	113	137
Total due from governmental agencies	\$ 81,809	\$ 42,820
Due to governmental agencies:		
June operations, maintenance, in-house and overhead reimbursement	\$ 29,264	\$ 26,989
State Infrastructure Bank loans ^(C)	29,400	32,617
State Transportation Trust Fund ^(D)	3,000	4,500
Due to other governments	117	122
Total due to governmental agencies	61,781	64,228
Less current portion	(34,099)	(31,828)
Total due to governmental agencies – less current portion	\$ 27,682	\$ 32,400

- ^(A) Amounts due from the Department were primarily comprised of toll revenue collected from customers and held in a Department fund at year end. The amounts were remitted to the System subsequent to the respective year ends.
- ^(B) Amounts due from the Department of Financial Services (“DFS”) are attributable to escrow deposits held by DFS on behalf of local governments and organizations to fund certain construction costs. Pursuant to the agreement between the System and the local governments, the System is required to incur the construction costs before the deposits are released from escrow.
- ^(C) State Infrastructure Bank (“SIB”) loans were established in 1997 as a pilot program for eight states, which allows those states to capitalize the SIB loans with up to 10% of their Federal Highway apportionments. The SIB acts as a revolving fund to provide assistance in the form of interest free loans, credit enhancements, capital reserves, subsidized interest rates, or to provide other debt financing security. In fiscal year 2005, the System received the last advance for Seminole Expressway, Project 2, with the balance due in installments through 2026. A SIB loan is also being utilized for interest cost subsidies, which will be fully repaid by fiscal year 2034. The repayment of these loans is subordinate to the repayment of bonded debt.
- ^(D) In the spring of 2012, Senate Bill 1998 repealed the Toll Facility Revolving Trust Fund (“TFRTF”) and transferred the funds and future revenues to the State Transportation Trust Fund (“STTF”). This loan will be fully repaid by 2020 from the System’s general reserve fund.

The following table presents maturities of SIB and STTF loans at June 30, 2018:

2019	\$ 4,718
2020	4,717
2021	3,218
2022	3,218
2023	3,218
2024-2028	9,263
2029-2033	3,680
Thereafter	368
Total	\$ 32,400

Payments and Reimbursements to the Department

Transactions between the System and other funds of the Department consist of reimbursements made by the System to the Department. Reimbursements include amounts arising from the use of Department personnel, equipment and materials, and charges incurred from independent suppliers and contractors who are paid directly by the Department on behalf of the System. For the years ended June 30, 2018 and 2017, the System made reimbursements to the Department of \$214,538 and \$202,863, respectively.



Photo: Polk Parkway

4. CAPITAL ASSETS

Changes in the System's capital assets for fiscal years ended June 30, 2018 and 2017 are shown below:

	As of June 30, 2018				
	Beginning	Transfers	Additions	Retirements	Ending
Nondepreciable capital assets:					
Construction in progress	\$ 1,206,448	\$ (175,981)	\$ 498,529	\$ -	\$ 1,528,996
Land	951,869	-	10,821	(11,589)	951,101
Buildings	68,753	-	13,934	-	82,687
Infrastructure	7,811,666	118,232	15,233	-	7,945,131
Total nondepreciable capital assets	10,038,736	(57,749)	538,517	(11,589)	10,507,915
Depreciable capital assets:					
Buildings and improvements	242,614	1,057	935	(9,605)	235,001
Furniture and equipment	309,499	14,797	6,493	(12,358)	318,431
Intangible assets	54,359	41,895	415	-	96,669
Total depreciable capital assets – gross	606,472	57,749	7,843	(21,963)	650,101
Less accumulated depreciation:					
Buildings and improvements	(126,859)	-	(8,332)	8,077	(127,114)
Furniture and equipment	(145,322)	-	(36,365)	11,323	(170,364)
Intangible assets	(47,698)	-	(2,665)	-	(50,363)
Total accumulated depreciation	(319,879)	-	(47,362)	19,400	(347,841)
Total depreciable capital assets – net	286,593	57,749	(39,519)	(2,563)	302,260
Total capital assets	\$ 10,325,329	\$ -	\$ 498,998	\$ (14,152)	\$ 10,810,175

	As of June 30, 2017				
	Beginning	Transfers	Additions	Retirements	Ending
Nondepreciable capital assets:					
Construction in progress	\$ 917,982	\$ (180,532)	\$ 480,030	\$ (11,032)	\$ 1,206,448
Land	924,181	(6,281)	34,778	(809)	951,869
Buildings	68,753	-	-	-	68,753
Infrastructure	7,629,841	181,825	-	-	7,811,666
Total nondepreciable capital assets	9,540,757	(4,988)	514,808	(11,841)	10,038,736
Depreciable capital assets:					
Buildings and improvements	238,954	19	3,641	-	242,614
Furniture and equipment	296,770	4,969	13,674	(5,914)	309,499
Intangible assets	54,583	-	-	(224)	54,359
Total depreciable capital assets – gross	590,307	4,988	17,315	(6,138)	606,472
Less accumulated depreciation:					
Buildings and improvements	(117,705)	-	(9,154)	-	(126,859)
Furniture and equipment	(111,982)	-	(38,794)	5,454	(145,322)
Intangible assets	(44,792)	-	(3,047)	141	(47,698)
Total accumulated depreciation	(274,479)	-	(50,995)	5,595	(319,879)
Total depreciable capital assets – net	315,828	4,988	(33,680)	(543)	286,593
Total capital assets	\$ 9,856,585	\$ -	\$ 481,128	\$ (12,384)	\$ 10,325,329

Capitalized Interest

As discussed in Note 1, the System elected to early adopt GASB 89, which discontinues the capitalization of interest costs. Accordingly, no capitalized interest has been recorded for the current fiscal year. The following table reconciles the System's interest expense, as adjusted for bond premiums and refunding losses, to interest expense as reported on the Statements of Revenues, Expenses, and Changes in Net Position, for fiscal years ended June 30, 2018 and 2017, respectively:

	Year Ended June 30	
	2018	2017
Interest expense – Gross	\$ 97,798	\$ 105,469
Less:		
Interest costs capitalized to assets	-	(33,879)
Interest earned on bond proceeds	-	(3)
Interest expense	\$ 97,798	\$ 71,587

5. DEFERRED OUTFLOWS OF RESOURCES

In accordance with GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities*, losses on bond refunding equal the difference between the reacquisition price and the carrying value of the refunded debt which are reclassified to deferred outflows of resources. The deferred outflows of resources are amortized and recognized as interest expense in a systematic and rational manner over the shorter of the remaining term of the refunded debt or the new debt. As of June 30, 2018, there was outstanding in-substance defeased debt totaling \$90,095. There was no outstanding in-substance defeased debt as of June 30, 2017. The following table presents activity of deferred outflows of resources for the fiscal years ended June 30, 2018 and 2017, respectively:

	Year Ended June 30	
	2018	2017
Beginning balance	\$ 29,691	\$ 36,919
Refunded bonds:		
Reacquisition price over (under) carrying amount	3,401	(1,673)
Defeasance	(2,508)	-
Amortization	(4,092)	(5,555)
Ending balance	\$ 26,492	\$ 29,691

During the fiscal year ended June 30, 2018, certain bonds with maturity dates ranging from 2018 to 2030 with an aggregate outstanding principal balance of \$160,420 were refunded, resulting in a \$33,245 reduction of future debt service payments and a present value savings of \$31,345.

During the fiscal year ended June 30, 2017, certain bonds with maturity dates ranging from 2017 to 2036 with an aggregate outstanding principal balance of \$157,950 were refunded, resulting in a \$32,001 reduction of future debt service payments and a present value savings of \$23,173.

NOTES TO THE FINANCIAL STATEMENTS (\$ amounts presented in thousands (000) unless otherwise noted)

FISCAL YEARS ENDING JUNE 30, 2018 and 2017

6. BONDS PAYABLE

Revenue bonds and the interest payable thereon are obligations of the System, secured by and payable from the pledge of the System's net revenues. Bonds payable as of June 30, 2018 and 2017 were as follows:

Series	Issuance Amount	Interest Rates	Bonds Payable at June 30, 2018				Bonds Payable at June 30, 2017		
			Serial Bonds	Term Bonds	Total Bonds	Maturing in Fiscal Year	Serial Bonds	Term Bonds	Total Bonds
2017A	\$ 131,885	4.00% - 5.00%	\$ 131,885	\$ -	\$ 131,885	2019 - 2030	\$ -	\$ -	\$ -
2016C	142,595	4.00% - 5.00%	138,250	-	138,250	2019 - 2037	142,595	-	142,595
2016B	113,350	2.50% - 5.00%	98,395	-	98,395	2019 - 2027	106,055	-	106,055
2016A	173,385	3.00% - 5.00%	159,960	-	159,960	2019 - 2036	166,835	-	166,835
2015B	195,875	3.00% - 5.00%	183,480	-	183,480	2019 - 2036	189,825	-	189,825
2015A	241,480	2.95% - 5.00%	176,500	44,700	221,200	2019 - 2045	183,575	44,700	228,275
2014A	223,580	3.25% - 5.00%	179,380	35,520	214,900	2019 - 2044	181,795	35,520	217,315
2013C	267,405	4.00% - 5.00%	227,575	-	227,575	2019 - 2043	237,975	-	237,975
2013B	206,035	5.00%	45,890	-	45,890	2019 - 2022	87,845	-	87,845
2013A	183,140	5.00%	118,365	-	118,365	2019 - 2025	132,645	-	132,645
2012A	306,065	2.88% - 5.00%	238,565	47,835	286,400	2019 - 2042	242,560	47,835	290,395
2011A	150,165	3.25% - 5.25%	77,495	33,355	110,850	2019 - 2041	85,390	33,355	118,745
2010B	251,080	4.50% - 5.00%	98,930	115,635	214,565	2019 - 2040	104,250	115,635	219,885
2010A	211,255	5.00%	15,095	-	15,095	2019 - 2030	119,570	-	119,570
2009B	255,000	6.14% - 6.80%	-	255,000	255,000	2020 - 2039	-	255,000	255,000
2009A	68,445	4.00% - 5.00%	9,280	-	9,280	2019 - 2020	16,980	-	16,980
2008A	325,775	5.00%	-	-	-	2018	70,325	-	70,325
2006A	443,290	3.00%	23,525	-	23,525	2019 - 2029	23,525	-	23,525
		Subtotal	\$ 1,922,570	\$ 532,045	\$ 2,454,615		\$ 2,091,745	\$ 532,045	\$ 2,623,790
		Unamortized bond premium— net			119,885				136,576
		Total bonds payable			2,574,500				2,760,366
		Less current portion of bonds payable			(141,130)				(140,640)
		Long-term portion of bonds payable — net			\$ 2,433,370				\$ 2,619,726

As of June 30, 2018, debt service requirements to maturity, including interest at fixed rates, were as follows:

Maturing	Principal	Interest	Total
2019	\$ 141,130	\$ 113,690	\$ 254,820
2020	130,480	106,633	237,113
2021	137,070	100,028	237,098
2022	125,405	93,075	218,480
2023	123,195	86,747	209,942
2024 - 2028	614,805	344,088	958,893
2029 - 2033	522,270	222,244	744,514
2034 - 2038	428,425	108,201	536,626
2039 - 2043	206,380	27,562	233,942
2044 - 2045	25,455	1,404	26,859
Total	\$ 2,454,615	\$ 1,203,672	\$ 3,658,287

American Recovery and Reinvestment Act of 2009

The 2009B Term Bonds were issued under the American Recovery and Reinvestment Act of 2009 ("Recovery Act") as Build America Bonds. Pursuant to the Recovery Act, the System receives a cash subsidy payment from the U.S. Treasury equal to 35% of the interest payable on each interest payment date. The cash payment does not constitute a full faith and credit guarantee of the U.S. Government, but is required to be paid by the Treasury under the Recovery Act. Any cash subsidy payments received by the System are deposited into the Sinking Fund. The cash subsidy interest payments received in fiscal years 2018 and 2017 were \$5,551 and \$5,533, respectively, and are included in nonoperating revenues (expenses) on the Statements of Revenues, Expenses, and Changes in Net Position.

Bond Sales

In December 2017, the State of Florida issued \$131,885 State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2017A ("2017A Bonds"), to refund the outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds Series 2008A, to refund a portion of the outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds Series 2010A, and to pay costs of issuance.

Bond Refunding

The System participates in current and advance refunding of outstanding debt to take advantage of a general reduction in interest rates to reduce future debt service costs. Gains or losses resulting from refunding are recorded as deferred outflows or inflows of resources. For further discussion, see Note 5 - *Deferred Outflows of Resources*.

Bond Covenants

In October 1988, the State Board of Administration, Division of Bond Finance, approved a resolution authorizing the issuance of bonds to provide for the financing of acquisition and construction of System projects or the refunding of such bonds. The resolution was last amended in May 2005. In accordance with the resolution, the System is required to comply with certain covenants. The resolution requires a debt service reserve be established in an amount as defined in the resolution. The debt service reserve requirement for each bond issue is to be funded from bond proceeds, revenues, or through a reserve account credit facility as provided for in the resolution. The Company's debt reserve was fully funded for fiscal years 2018 and 2017. The resolution also requires the Company to maintain a debt service coverage ratio of at least 1.2.

As of June 30, 2018 and 2017, the System was in full compliance with all bond covenants.

7. CHANGES IN NONCURRENT LIABILITIES

	Year Ended June 30, 2018				
	Beginning Balance	Additions	Reductions	Reclass to Current	Ending Balance
Long-term portion of bonds payable – net:					
Long-term portion of bonds payable	\$ 2,483,150	\$ 131,885	\$ (160,420)	\$ (141,130)	\$ 2,313,485
Issuance premiums	136,576	16,097	(32,788)	-	119,885
Total long-term portion of bonds payable – net	2,619,726	147,982	(193,208)	(141,130)	2,433,370
Due to governmental agencies – less current portion	32,400	-	-	(4,718)	27,682
Unearned revenue and other noncurrent liabilities	401	-	-	(50)	351
Total noncurrent liabilities	\$ 2,652,527	\$ 147,982	\$ (193,208)	\$ (145,898)	\$ 2,461,403

	Year Ended June 30, 2017				
	Beginning Balance	Additions	Reductions	Reclass to Current	Ending Balance
Long-term portion of bonds payable – net:					
Long-term portion of bonds payable	\$ 2,639,145	\$ 142,595	\$ (157,950)	\$ (140,640)	\$ 2,483,150
Issuance premiums	153,321	18,510	(35,255)	-	136,576
Total long-term portion of bonds payable – net	2,792,466	161,105	(193,205)	(140,640)	2,619,726
Due to governmental agencies – less current portion	37,117	-	-	(4,717)	32,400
Unearned revenue and other noncurrent liabilities	6,882	-	(6,431)	(50)	401
Total noncurrent liabilities	\$ 2,836,465	\$ 161,105	\$ (199,636)	\$ (145,407)	\$ 2,652,527

8. DEFERRED INFLOWS OF RESOURCES

In April 2009, the System entered into an Agreement (the "Agreement") with Areas USA FLTP, LLC (the "Operator") to reconstruct and operate eight service plazas along the Mainline through January 2040. Pursuant to the Agreement, the System retains ownership of the assets (service plazas) and the Operator is required to return the assets in their original or enhanced condition. The concession fees per the Agreement are based on a fixed monthly rental payment, or a percentage of revenue generated, whichever is greater. The Agreement meets all the criteria of GASB Statement No. 60 - *Accounting and Financial Reporting for Service Concession Arrangements*.

When reconstruction of a service plaza is completed by the Operator, the System records an addition to deferred inflows of resources, which is equal to the difference between the fair value of the asset and the System's obligations, and is subsequently amortized over the remaining term of the agreement. During 2018, the Operator completed reconstruction of the Fort Pierce Service Plaza and recorded a deferred inflow of resources of \$15,320.

Additionally, to account for the guaranteed minimum payment component of the Agreement, a service concession arrangement ("SCA") receivable is recorded by the System with a corresponding entry to deferred inflows of resources, which is equal to the present value of the fixed component of the guaranteed minimum payment.

Activity within the System's service concession arrangements receivable for the years ended June 30, 2018 and 2017 is shown below:

	Year Ended June 30	
	2018	2017
Beginning balance — SCA receivable	\$ 81,284	\$ 83,128
Rent received	(1,936)	(1,844)
Ending balance — SCA receivable	\$ 79,348	\$ 81,284
SCA receivable — current	\$ 2,031	\$ 1,935
SCA receivable — non-current	77,317	79,349
Ending balance — SCA receivable	\$ 79,348	\$ 81,284

The following table presents activity of deferred inflows of resources for the fiscal years ended June 30, 2018 and 2017:

	Year Ended June 30	
	2018	2017
Beginning balance — deferred inflows of resources	\$ (139,590)	\$ (145,771)
Capital asset additions	(15,320)	-
Guaranteed minimum payment	3,316	3,316
Amortization of deferred inflow of resources	3,212	2,865
Ending balance — deferred inflows of resources	\$ (148,382)	\$ (139,590)

Total service plaza concessions revenue, including additional fees and consumer price index adjustments, was \$8,415 and \$7,074 for fiscal years 2018 and 2017, respectively, and is included in the Statements of Revenues, Expenses, and Changes in Net Position as a component of concessions and other.

9. EMPLOYEE BENEFITS

Pensions

Florida Retirement System — The System participates in the Florida Retirement System ("FRS"), a cost-sharing multiple-employer public-employee retirement system administered by the State of Florida, Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions.

The cost of pension benefits for current employees is charged to the System through an overhead rate assessed by the Department in the period the benefits are earned.

Retiree Health Insurance Subsidy Program — In 1987, the Florida Legislature established through Section 112.363, Florida Statutes, the retiree Health Insurance Subsidy ("HIS") to assist retirees of all State-administered retirement systems in paying health insurance costs. The retiree HIS is a cost-sharing multiple-employer defined-benefit pension plan. Eligible retirees or beneficiaries receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service completed at the time of retirement multiplied by five dollars. The payments to individual retirees or beneficiaries were at least thirty dollars, but not more than one hundred and fifty dollars per month during each of the fiscal years. To be eligible to receive the retiree HIS, a retiree under any State administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The cost of the retiree health insurance subsidy program for employees is charged to the System through an overhead rate assessed by the Department in the period the benefits are earned.

The State of Florida applies the guidance in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in accounting for the FRS and HIS. The Department of Financial Services ("DFS") has determined that the System is not a payor fund for the purpose of liquidating the pension and HIS liabilities, therefore, no net pension liability or related deferred amounts are reported in the financial statements of the System. An actuarial valuation has been performed for both plans. Personnel assigned to the System were included in the actuarial analysis and are part of the total pension liabilities, the net pension liabilities, and the plan net positions disclosed in the notes and other required supplementary information of the CAFR of the State of Florida, which may be obtained from the DFS. The FRS also issues a publicly-available financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the State of Florida, Department of Management Services, Division of Retirement, Research, Education and Policy Section, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

Other Postemployment Benefits ("OPEB")

The System participates in the State Employees' Health Insurance Program, a cost-sharing multiple-employer defined-benefit plan administered by the State of Florida, Department of Management Services, Division of State Group Insurance, to provide group health benefits. Section 110.123, Florida Statutes, provides that retirees may participate in the State's group health insurance programs. Although premiums are paid by the retiree, the premium cost to the retiree is implicitly subsidized by the pooling of claims experience with existing State employees, resulting in a single premium determination.

The DFS has determined that the System is not a payor fund for the purpose of liquidating the net OPEB liability, therefore no net OPEB liability or related deferral amounts are reported in the financial statements of the System. An actuarial valuation has been performed for the plan. Personnel assigned to the System were included in the actuarial analysis and are part of the total OPEB liability, net OPEB liability, and plan net position disclosed in the notes and other required supplementary information of the CAFR of the State of Florida, which may be obtained from the DFS.

The cost of group insurance benefits for current employees is charged to the System through an overhead rate assessed by the Department in the period the benefits are earned.

Deferred Compensation Plan

The System, through the State of Florida, offers its employees a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. In accordance with Section 112.215, Florida Statutes, the plan is available to all regular payroll State employees and permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable financial emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are, notwithstanding the mandates of 26 U.S.C. s. 457(b)(6) specifically all of the assets specified in subparagraph 1, held in trust for the exclusive benefit of participants and their beneficiaries as mandated by 26 U.S.C. s. 457(g)(1).

The System does not contribute to the plan. Participation under the plan is solely at the discretion of the employee. The State has no liability for losses under the plan, but does have the duty of due care that would be required to an ordinary and prudent investor. Pursuant to Section 112.215, Florida Statutes, the Deferred Compensation Trust Fund resides in the State Treasury.

Compensated Absences

Employees earn the right to be compensated during absences for vacation and illness. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees by the Department upon separation from State service.

The cost of vacation and vested sick leave benefits is charged to the System through an overhead rate assessed by the Department in the period the benefits are paid. The liability for accrued leave is recorded by the Department, which is responsible for paying accrued leave when it is taken. No liability is reported in the System's financial statements.

10. COMMITMENTS AND CONTINGENCIES

Operating Leases

The System leases certain office space under noncancelable operating leases. As of June 30, 2018, future minimum lease payments under noncancelable operating leases with initial or remaining terms in excess of one year are as follows:

2019	\$	117
2020		91
2021		63
2022		36
Total	\$	307

Rent expense for noncancelable operating leases was \$115 and \$106 for years ended June 30, 2018 and 2017, respectively.

Other Commitments and Contingencies

Commitments on outstanding construction, operations, maintenance, and other service contracts total approximately \$1.2 billion at June 30, 2018.

The System is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of System management, based on the advice of Department legal counsel, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the System's financial position or results of operations.

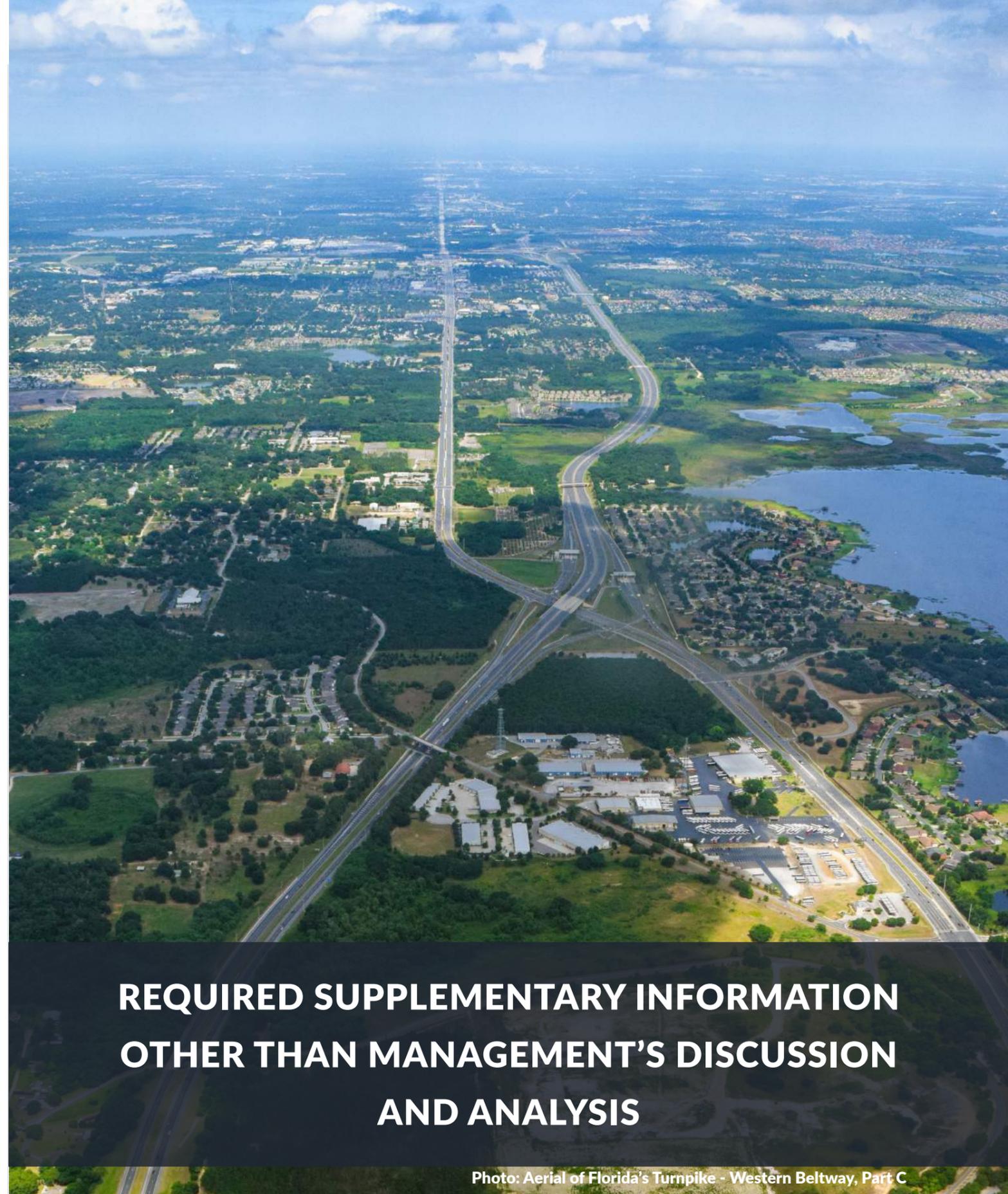
Risk Management

The System participates in various insurance programs established by the State of Florida for property and casualty losses and employee health insurance. Coverages include property, general liability, automobile liability, workers' compensation, and federal civil rights actions. The System reimburses the Department for certain costs, a portion of which covers the related policy premiums. The System is not responsible for losses incurred within the State's insurance programs. Additionally, the System obtains conventional coverage for damage to System bridges, facilities, and eligible business interruptions.

No losses were incurred in fiscal years 2018 or 2017 that exceeded coverages.

11. POLLUTION REMEDIATION

Groundwater and soil contamination related to fuel tank leakage existed at the System's eight service plazas in previous fiscal years. The sites were accepted into the Florida Department of Environmental Protection's ("FDEP") Petroleum Restoration Program. The Program provides for reimbursement of System-contracted remediation or State-contracted cleanup of qualifying sites. As of June 30, 2018, all eight service plaza sites have been remediated with no remaining liability. The liability at June 30, 2017 was \$178 and was developed based on existing site studies performed under the FDEP program.



**REQUIRED SUPPLEMENTARY INFORMATION
 OTHER THAN MANAGEMENT'S DISCUSSION
 AND ANALYSIS**

Photo: Aerial of Florida's Turnpike - Western Beltway, Part C

TREND DATA ON THE SYSTEM'S INFRASTRUCTURE CONDITION

Infrastructure Assets Reported Using the Modified Approach

Pursuant to GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the System adopted an alternative method of recording depreciation expense on its infrastructure assets (highway system and improvements). Under this alternative method, referred to as the modified approach, the System expenses certain maintenance and preservation costs and, consequently, does not report depreciation expense related to infrastructure. System assets accounted for under the modified approach include 483 centerline miles of roadway and 741 bridges.

In using this modified approach, the System relies on the Department to maintain an asset management system that has an up-to-date inventory of System infrastructure assets and to perform condition assessments of those assets, summarizing the results using a measurement scale. Using these results, System management estimates the annual amount to maintain and preserve its infrastructure at a condition level established and disclosed by the System. System management also documents the annual amount expensed to maintain and preserve its infrastructure at or above the established condition level.

Department Condition and Maintenance Programs

Resurfacing Program – Road pavements require periodic resurfacing. The frequency of resurfacing depends on the volume of traffic, type of traffic, pavement material variability, and weather conditions. Resurfacing preserves the structural integrity of highway pavement and includes pavement resurfacing, pavement rehabilitation, and minor reconstruction.

The Department conducts an annual pavement condition survey. Pavements are rated on a scale of 0 to 10 (with 10 being the best) in each of three criteria: ride smoothness, pavement cracking, and wheel path rutting. Ride smoothness is what the motorist experiences; it directly affects motor vehicle operation costs. Pavement cracking refers to the structural deterioration of the pavement, which leads to loss of smoothness and deterioration of the road base by water seepage if not corrected. Wheel path ruts are depressions in pavement caused by heavy use. Ride smoothness and wheel path rutting are measured mechanically, using lasers. Pavement cracking is determined through visual observation by experienced survey crews.

The condition rating scales are set by a statewide committee of pavement engineers, so that a pavement segment receiving a rating of 6 or less in any of the three rating criteria is designated a deficient pavement segment. The standard is to ensure that 80% of the pavement on the System's roadways has a score greater than 6 in all three criteria.

Bridge Repair and Replacement Program – The Department's bridge repair program emphasizes periodic maintenance and specified structural rehabilitation work. The primary focus is on the replacement of structurally deficient or weight-restricted bridges.

The Department conducts bridge condition surveys using the National Bridge Inspection ("NBI") Standards to determine condition ratings. Each bridge is inspected at least once every two years. During the inspection process, the major components, such as deck, superstructure, and substructure, are assigned a condition rating. The condition rating ranges from 0 to 9. A rating of 8 to 9 is very good to excellent, which indicates that no repairs are necessary. A rating of 5 to 7 is fair to good, which indicates that minor repairs are required. A rating below 5 identifies bridges needing major repairs or replacement. A rating of 4 or less indicates a condition of poor to failing and requires urgency in making repairs. A rating of 2 requires closure of the bridge, while a rating of 1 is used for a bridge that is closed. A rating of 0 means the bridge is beyond repair. The standard is to ensure that 90% of all System bridges achieve a rating of 5 or better.

Routine Maintenance Program – The System is responsible for managing and performing routine maintenance on its roadways. Routine maintenance includes many activities, such as highway repair, roadside upkeep, emergency response, maintaining signs, roadway striping, and keeping storm drains clear and structurally sound.

The Department monitors the quality and effectiveness of the System's routine maintenance program by periodic surveys, using the Maintenance Rating Program ("MRP"). The Department has used the MRP since 1985 to evaluate routine maintenance in five broad categories: roadway, roadside, vegetation and aesthetics, traffic services, and drainage. The MRP results in a maintenance rating of 1 to 100 for each category, as well as an overall rating for the System's routine maintenance performance. The standard is to achieve an overall routine maintenance rating of 80 or higher.

The following table presents the System's infrastructure condition ratings for the past three fiscal years:

	Infrastructure Condition Ratings		
	2018	2017	2016
Percentage of pavement meeting Department standards	99%	99%	98%
Percentage of bridges meeting Department standards	99%	99%	99%
Overall routine maintenance rating	87	88	88

The following table presents a comparison of budgeted-to-actual maintenance and preservation costs:

(\$ in thousands)	Budget	Actual	Over (Under)
2018	\$ 170,425	\$ 130,442	\$ (39,983)
2017	103,752	123,129	19,377
2016	77,085	82,792	5,707
2015	81,810	80,017	(1,793)
2014	86,922	98,925	12,003

Budgeted costs are based on a cash basis, while actual costs are reported under the accrual basis of accounting.

For fiscal year 2018, the variance of budget-to-actual is primarily attributable to the timing of certain projects.

For fiscal years prior to 2015, certain planning and development expenses are included as actual costs in the table above. As these expenses generally do not represent maintenance and preservation costs, they have been removed from the analysis for fiscal years 2015 and beyond. Retrospective application of this presentation prior to fiscal year 2015 has been deemed impracticable by the System.





STATISTICAL SECTION

This section of the Florida's Turnpike System ("System") Comprehensive Annual Financial Report provides detailed information to assist users in understanding and assessing the System's overall economic condition in conjunction with the financial statements, notes to the financial statements, and required supplementary information.

Ten-Year Snapshot

72%
Toll Revenue 

107%
Operating Income 

92%
Net Position 

41%
Vehicle Miles Traveled 

44%
Toll Transactions 

122%
Electronic Toll Collection 

TABLE OF CONTENTS

Financial Trends

These schedules contain trend information to help the reader understand how the System's financial position has changed over time.

P.1

Revenue Capacity

These schedules contain information to help the reader assess the System's ability to generate toll revenues.

P.3

Debt Capacity

These schedules present information to help the reader assess the System's current levels of outstanding debt and the System's ability to issue additional debt in the future.

P.36

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the System operates, and provide a basis for comparison over time.

P.38

Operating Information

These schedules contain data on infrastructure, personnel, and other operating information to help the reader understand how the System operates.

P.40

COMPONENTS OF NET POSITION

Fiscal Years 2009 through 2018 (dollars in thousands)



Photo: Seminole Expressway

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Position:										
Net Investment in Capital Assets	\$8,202,492	\$7,551,130	\$6,922,696	\$6,506,936	\$6,111,063	\$5,339,106	\$5,051,519	\$4,791,948	\$4,592,159	\$4,446,638
Restricted	125,176	93,660	121,883	110,351	120,925	149,546	166,228	164,939	158,071	136,453
Unrestricted	882,140	962,999	947,517	756,688	632,266	590,109	474,229	466,221	371,876	223,084
Total Net Position	\$9,209,808	\$8,607,789	\$7,992,096	\$7,373,975	\$6,864,254	\$6,078,761	\$5,691,976	\$5,423,108	\$5,122,106	\$4,806,175

An indicator of the System's financial strength, net position almost doubled over the past ten years, with an average annual growth rate of 8%.

COMPONENTS OF NET POSITION (dollars in thousands)



Source: Audited Financial Statements

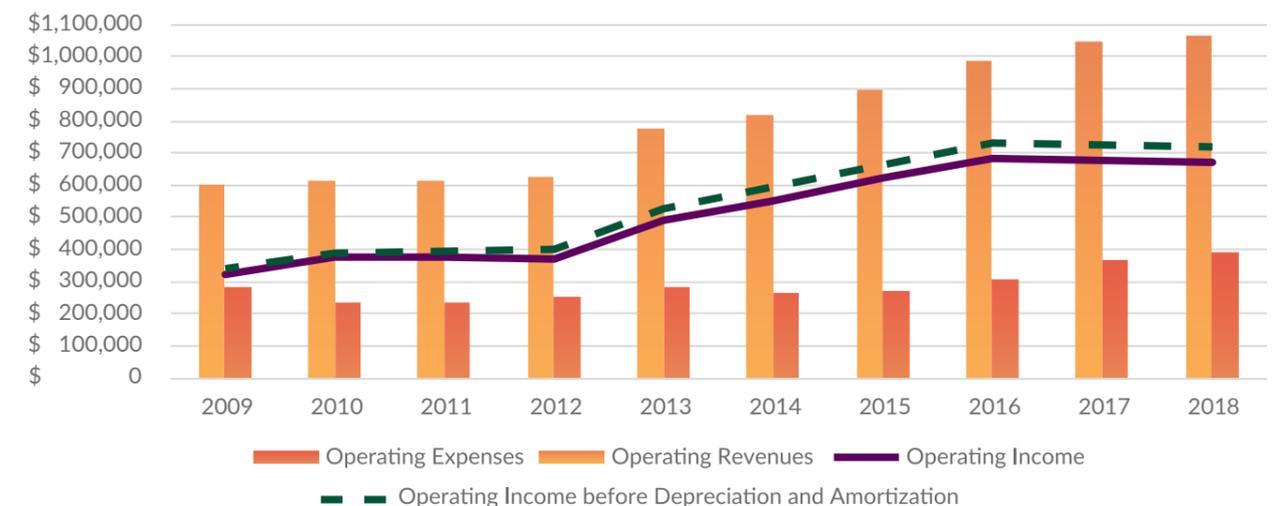
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Fiscal Years 2009 through 2018 (dollars in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating Revenues:										
Toll Facilities ^A	\$1,017,303	\$1,008,420	\$955,930	\$865,950	\$796,301	\$755,542	\$608,812	\$600,079	\$596,173	\$590,528
Toll Administrative Charges ^B	21,217	20,229	16,993	15,334	8,495	6,237	6,301	2,487	-	-
Concessions and Other ^C	25,209	15,881	14,226	13,305	12,073	12,443	11,389	11,867	15,423	14,369
Total Operating Revenues	1,063,729	1,044,530	987,149	894,589	816,869	774,222	626,502	614,433	611,596	604,897
Operating Expenses:										
Operations and Maintenance	220,887	203,811	188,249	175,769	164,191	162,422	177,329	179,245	170,262	186,608
Business Development and Marketing	4,115	4,387	4,209	1,391	1,647	1,203	2,676	3,302	2,160	3,995
Pollution Remediation	-	-	-	547	-	-	-	(1,030)	-	9,502
Renewals and Replacements	77,251	76,839	39,917	40,367	62,684	81,912	44,064	34,502	50,005	62,848
Depreciation and Amortization	47,362	44,356	49,365	34,951	35,419	35,165	31,038	19,110	15,268	17,613
Planning and Development	41,556	36,626	24,661	18,882	-	-	-	-	-	-
Total Operating Expenses	391,171	366,019	306,401	271,907	263,941	280,702	255,107	235,129	237,695	280,566
Operating Income	672,558	678,511	680,748	622,682	552,928	493,520	371,395	379,304	373,901	324,331
Nonoperating Expenses – Net ^D	(82,780)	(68,313)	(67,571)	(80,491)	(81,581)	(107,959)	(99,173)	(96,058)	(66,816)	(68,253)
Income Before Contributions and Transfer	589,778	610,198	613,177	542,191	471,347	385,561	272,222	283,246	307,085	256,078
Capital Contributions (to) from Others ^E	12,241	5,495	4,944	7,449	314,146	1,224	(3,354)	17,756	8,846	34,494
Transfer – Facility Acquisition ^F	-	-	-	(39,919)	-	-	-	-	-	-
Increase in Net Position	\$ 602,019	\$ 615,693	\$618,121	\$509,721	\$785,493	\$386,785	\$268,868	\$301,002	\$315,931	\$290,572

- ^A Toll Facilities revenue has grown annually for each of the past ten fiscal years. This growth is primarily due to traffic increase in all fiscal years except 2013, coupled with toll indexing implemented in fiscal years 2013-2016 and fiscal year 2018. See Page 3 for further discussion of toll rate setting and indexing. The growth in fiscal year 2018 was offset by an estimated \$44.6 million of toll suspensions in response to Hurricane Irma.
- ^B In association with video billings, Toll Administrative Charges were recorded starting in fiscal year 2011 pursuant to section 338.231(3)(b), F.S.
- ^C Concessions and Other revenues experienced significant growth in fiscal year 2018 primarily due to new transaction processing fees charged to certain interoperable partners.
- ^D Nonoperating Expenses – Net increased in fiscal year 2018 primarily due to additional interest expense as a result of implementing Governmental Accounting Standards Board Statement No. 89, which discontinues the capitalization of interest.
- ^E Capital Contributions from Others in fiscal year 2014 is related to the completion of the I-4 Connector.
- ^F Transfer – Facility Acquisition charges in fiscal year 2015 represent the difference between the amount paid and the net book value of the assets transferred from the Florida Department of Transportation for the Beachline East Expressway.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION (dollars in thousands)



Source: Audited Financial Statements

TOLL RATE SETTING AND INDEXING

as of June 30, 2018



Photo: SunPass Gantry at Dusk

Revenue Capacity

TOLL RATE TYPES

Toll rates are differentiated between conventional cash, TOLL-BY-PLATE® ("TBP"), and customers paying through the SunPass® Electronic Toll Collection ("ETC") method on System facilities. The ETC method provides for increased throughput at the toll plazas, enhanced safety, and lower transaction processing costs which allows the System to offer a pricing preference to SunPass customers.

TOLL RATE SETTING

Section 338.231, Florida Statutes, authorizes the Department to fix and adjust toll rates on the System and requires all toll rate changes be implemented through the provisions of the Administrative Procedures Act (Chapter 120, Florida Statutes). This requires a published notice and the opportunity for a public hearing to solicit public comment before adoption of the proposed toll rate change.

TOLL RATE INDEXING

Section 338.165(3), Florida Statutes, authorizes the Department to index toll rates. The law requires that the Department index toll rates on existing toll facilities to the annual Consumer Price Index ("CPI") or similar inflation indicator no more frequently than once a year, and no less frequently than once every five years. SunPass and TBP rates may be adjusted annually on or before July 1 each year based on the actual change in the year-over-year CPI, while cash rates are indexed every five years.

Toll Rate Indexing History

Fiscal Year	SunPass	TBP	Cash	Year-Over-Year CPI Change (SunPass/TBP)	Five-Year CPI Change (Cash)
2018	YES	YES	YES	1.3%	6.6%
2017	NO	NO	NO	0.1%	NA
2016	YES	YES	NO	1.6%	NA
2015	YES	YES	NO	1.5%	NA
2014	YES	YES	NO	2.1%	NA
2013	YES	YES	YES	NA	11.7%

NOTES

Fiscal year 2013 reflects the first full year of implementing toll indexing. The five-year change in CPI of 11.7% was applied to cash and TBP payment methods for toll indexing purposes. SunPass rates were set to be 25 cents less than cash rates.

Toll rates were not indexed in fiscal year 2017 due to the negligible change in CPI.

SunPass® and TOLL-BY-PLATE® are registered service marks of the Florida Department of Transportation. All rights are reserved.

Source: AECOM, Traffic & Revenue Consultant

TOLL COLLECTION - SYSTEM-WIDE

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)

SYSTEM-WIDE

Ten-Year Snapshot

72% Revenue ↑

44% Transactions ↑

+23 Centerline Miles

+243 Lane Miles

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$837,189	\$180,114	\$1,017,303	A 0.9%
2017	818,116	190,304	1,008,420	5.5%
2016	772,090	183,840	955,930	B 10.4%
2015	696,438	169,512	865,950	B 8.7%
2014	624,064	172,237	796,301	B 5.4%
2013	578,278	177,264	755,542	C 24.1%
2012	443,876	164,936	608,812	1.5%
2011	421,598	178,481	600,079	0.7%
2010	395,202	200,971	596,173	1.0%
2009	377,938	212,590	590,528	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	749,505	156,025	905,530	3.7%
2017	717,191	155,663	872,854	4.7%
2016	679,317	154,530	833,847	8.6%
2015	625,017	142,868	767,885	11.2%
2014	562,167	128,417	690,584	4.1%
2013	536,576	126,691	663,267	C -0.2%
2012	525,616	138,663	664,279	1.7%
2011	493,627	159,230	652,857	2.1%
2010	454,012	185,414	639,426	1.4%
2009	430,720	200,141	630,861	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

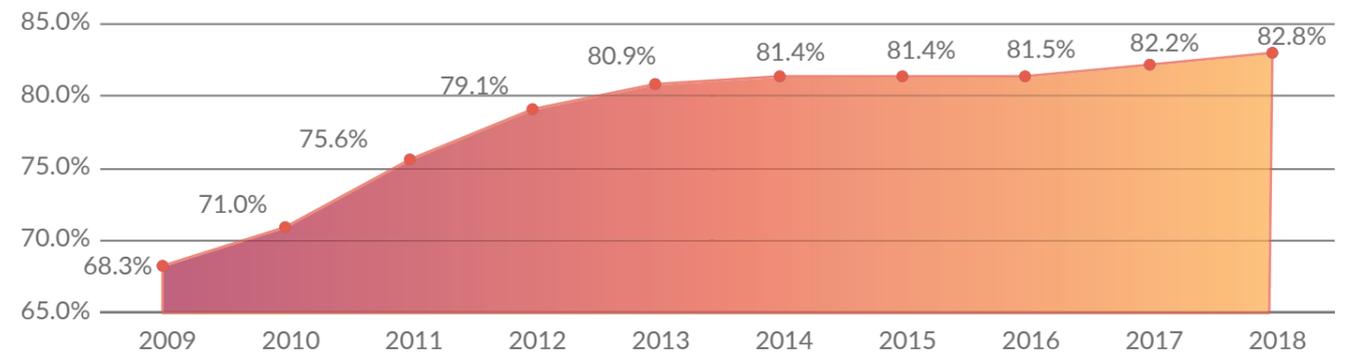
NOTES

- A Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$44.6 million of toll suspensions in response to Hurricane Irma offset the revenue growth.
- B Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.
- C Toll revenue in fiscal year 2013 reflects indexed toll rates for all payment methods. The slight decline in toll transactions was driven by an extra revenue collection day in the preceding period due to a leap year.

For further discussion of toll rate setting and indexing, see page 3.

During this ten-year time period, the I-4 Connector opened to traffic in January 2014 and the Beachline East Expressway was acquired in July 2014.

SUNPASS PARTICIPATION



SunPass participation reflects ETC toll transactions as a percentage of total toll transactions. The sustained growth in SunPass participation reflects the impact of All-Electronic-Tolling conversion and the effectiveness of the SunPass Program.

Source: AECOM, Traffic & Revenue Consultant

Revenue Capacity

TOLL COLLECTION BY ROADWAY - MAINLINE (SR 91, SR 528, SR 821)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Revenue Capacity

Revenue Capacity

Mainline



Ten-Year Snapshot

65% Revenue ↑

34% Transactions ↑

Covering 320 miles, the components of the Mainline, as further discussed in the following pages, include: SR 821 (HEFT), the Southern Coin System (SR 91), the Ticket System (SR 91), the Northern Coin System (SR 91), and the Beachline West Expressway (SR 528).

SUNPASS PREPAID TOLL PROGRAM \$0.07 Toll Rate Per Mile (tois to traverse/length)

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$575,001	\$131,431	\$706,432	A -0.6%
2017	569,421	141,440	710,861	4.3%
2016	542,390	138,996	681,386	B 9.2%
2015	493,104	130,929	624,033	B 7.3%
2014	451,314	130,318	581,632	B 5.6%
2013	418,725	131,990	550,715	C 25.2%
2012	317,920	122,041	439,961	1.3%
2011	300,283	133,947	434,230	0.3%
2010	278,786	154,184	432,970	1.1%
2009	265,971	162,153	428,124	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	463,355	94,692	558,047	2.0%
2017	450,978	96,141	547,119	3.4%
2016	432,004	97,314	529,318	7.3%
2015	401,321	91,793	493,114	7.3%
2014	375,810	83,949	459,759	3.8%
2013	360,777	82,080	442,857	C 0.6%
2012	355,060	84,963	440,023	2.0%
2011	329,098	102,488	431,586	2.2%
2010	297,731	124,506	422,237	1.5%
2009	282,005	133,938	415,943	-

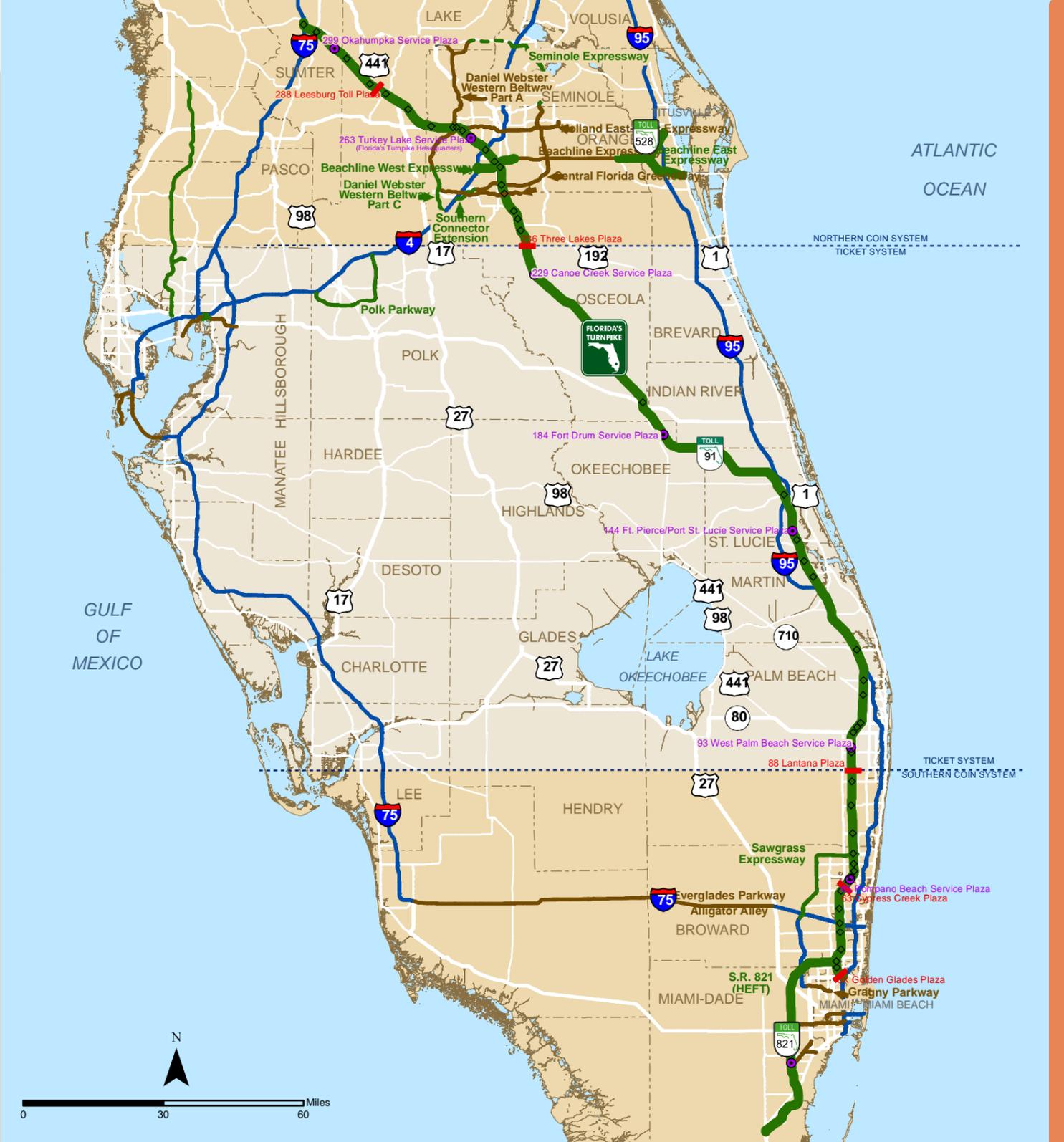
Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- A Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$31.7 million of toll suspensions in response to Hurricane Irma resulted in a revenue decline.
- B Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.
- C Toll revenue in fiscal year 2013 reflects indexed toll rates for all payment methods. The low toll transaction growth rate was driven by an extra revenue collection day in the preceding period due to a leap year.

For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



Mainline (SR 91, SR 528, SR 821)

Toll rates for Mainline components are presented on the following pages.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

- Toll Plaza
- - - Toll System Boundary
- Other Toll Road
- Arterial
- Service Plaza
- Ticket System
- - - Future Other Toll Road
- Other Road
- ◇ Turnpike Interchange
- Existing Turnpike System Facility
- Interstate Highway
- - - County Boundary

TOLL COLLECTION BY ROADWAY - SR 821 (HEFT)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Revenue Capacity

Revenue Capacity

SR 821 (HEFT)



Ten-Year Snapshot

72% Revenue ↑

25% Transactions ↑

This 47-mile section runs from US Route 1 in Florida City in southern Miami-Dade County, north to Broward County and then to a junction with the Southern Coin System.

SUNPASS PREPAID TOLL PROGRAM \$0.09 Toll Rate Per Mile (tolls to traverse/length)

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$152,974	\$17,242	\$170,216	A -5.1%
2017	158,622	20,794	179,416	1.8%
2016	158,806	17,432	176,238	B 8.8%
2015	149,349	12,668	162,017	B 5.6%
2014	141,220	12,201	153,421	B 3.4%
2013	135,872	12,525	148,397	C 37.1%
2012	94,678	13,525	108,203	4.2%
2011	86,262	17,540	103,802	0.6%
2010	75,003	28,161	103,164	4.0%
2009	69,579	29,579	99,158	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	171,883	29,220	201,103	-0.3%
2017	171,543	30,172	201,715	0.1%
2016	171,370	30,230	201,600	5.2%
2015	164,675	26,998	191,673	5.8%
2014	159,164	21,931	181,095	2.5%
2013	157,036	19,662	176,698	C 1.5%
2012	156,466	17,660	174,126	2.9%
2011	140,382	28,836	169,218	2.5%
2010	122,256	42,896	165,152	2.8%
2009	114,450	46,209	160,659	-

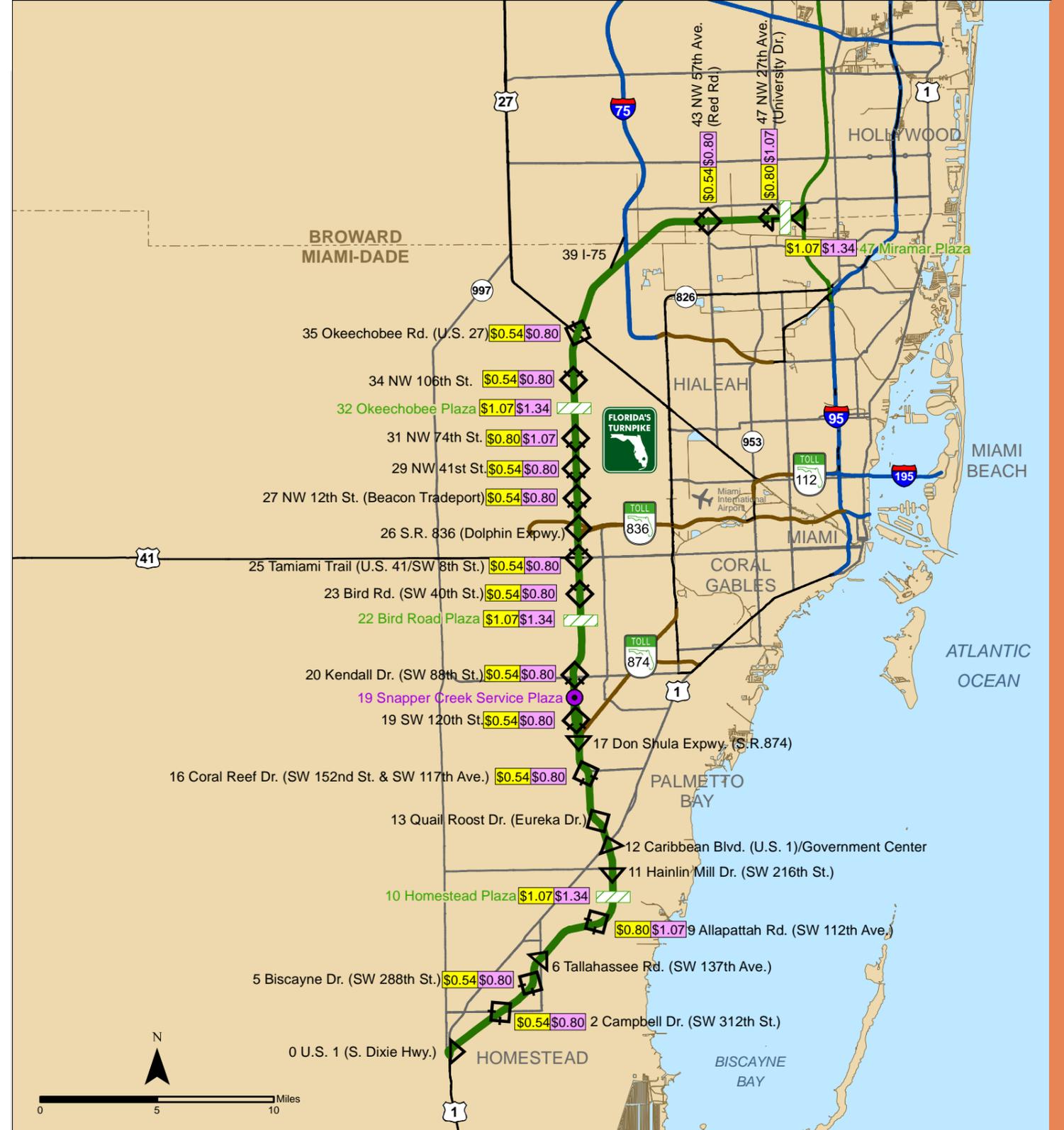
Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- A Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$9.6 million of toll suspensions in response to Hurricane Irma resulted in a revenue decline.
- B Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.
- C Toll revenue in fiscal year 2013 reflects indexed toll rates for all payment methods. The low toll transaction growth rate was driven by an extra revenue collection day in the preceding period due to a leap year.

For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



SR 821 (HEFT)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

- \$0.00 SunPass Toll Rate
- \$0.00 TOLL-BY-PLATE Toll Rate
- Toll Plaza (All-Electronic)
- Service Plaza
- ◆ ▲ Interchange With Toll Collection
- / ◆ ▲ Interchange With No Toll Collection
- Existing Turnpike System Facility, SR 821 (HEFT)
- Existing Turnpike System Facility
- Interstate Highway
- Other Toll Road
- Arterial
- Other Road
- County Boundary

TOLL COLLECTION BY ROADWAY - SOUTHERN COIN SYSTEM (SR 91)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Revenue Capacity

Revenue Capacity

Southern Coin System



SUNPASS PREPAID TOLL PROGRAM \$0.07 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

79% Revenue ↑

34% Transactions ↑

This 43-mile section extends south of the Golden Glades Toll Plaza in northern Miami-Dade County, north through Broward and southern Palm Beach counties to south of the Lantana Toll Plaza.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$149,834	\$24,165	\$173,999	A -0.4%
2017	148,996	25,773	174,769	4.7%
2016	142,511	24,483	166,994	B 11.2%
2015	127,638	22,551	150,189	B 7.6%
2014	114,939	24,706	139,645	B 4.7%
2013	105,882	27,452	133,334	C 32.2%
2012	76,341	24,520	100,861	1.6%
2011	71,672	27,646	99,318	0.7%
2010	66,544	32,116	98,660	1.3%
2009	63,348	34,028	97,376	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	142,317	28,265	170,582	1.8%
2017	139,174	28,423	167,597	3.9%
2016	132,351	28,881	161,232	8.4%
2015	121,416	27,303	148,719	8.2%
2014	111,519	25,883	137,402	3.5%
2013	106,491	26,305	132,796	C -0.6%
2012	105,506	28,111	133,617	1.1%
2011	99,605	32,509	132,114	2.2%
2010	91,133	38,170	129,303	1.6%
2009	86,094	41,131	127,225	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- A Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$7.4 million of toll suspensions in response to Hurricane Irma resulted in a revenue decline.
- B Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.
- C Toll revenue in fiscal year 2013 reflects indexed toll rates for all payment methods. The slight decline in toll transactions was driven by an extra revenue collection day in the preceding period due to a leap year.

For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



Southern Coin System (SR 91)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
 $N - 1$ - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
 Florida's Turnpike Enterprise, 2018

- \$0.00 SunPass Toll Rate
- Toll System Boundary
- Interstate Highway
- Toll Plaza (All-Electronic)
- \$0.00 Cash Toll Rate
- Interchange With Toll Collection
- Other Toll Road
- Service Plaza
- \$0.00 TOLL-BY-PLATE Toll Rate
- Interchange With No Toll Collection
- Arterial
- Existing Turnpike System Facility
- Toll Plaza
- Existing Turnpike System Facility, Southern Coin System
- Other Road
- County Boundary

TOLL COLLECTION BY ROADWAY - TICKET SYSTEM (SR 91)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Ticket System

SUNPASS PREPAID TOLL PROGRAM
\$0.07 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

30% Revenue ↑

27% Transactions ↑

This 155-mile section extends from just south of the Lantana Toll Plaza to just north of the Three Lakes Toll Plaza in Osceola County.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$135,007	\$41,184	\$176,191	A -1.7%
2017	133,373	45,904	179,277	4.1%
2016	124,773	47,466	172,239	B 6.1%
2015	115,280	47,131	162,411	B 7.6%
2014	104,983	45,902	150,885	B 8.2%
2013	95,567	43,860	139,427	C 6.9%
2012	88,314	42,168	130,482	-1.8%
2011	86,940	45,996	132,936	-1.2%
2010	84,483	50,042	134,525	-0.6%
2009	82,633	52,669	135,302	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	48,835	8,623	57,458	1.6%
2017	47,707	8,823	56,530	3.6%
2016	45,172	9,389	54,561	6.3%
2015	42,016	9,311	51,327	7.3%
2014	38,819	9,021	47,840	6.5%
2013	35,870	9,058	44,928	C 0.3%
2012	35,109	9,671	44,780	0.3%
2011	34,077	10,580	44,657	-0.4%
2010	33,182	11,645	44,827	-1.2%
2009	32,707	12,671	45,378	-

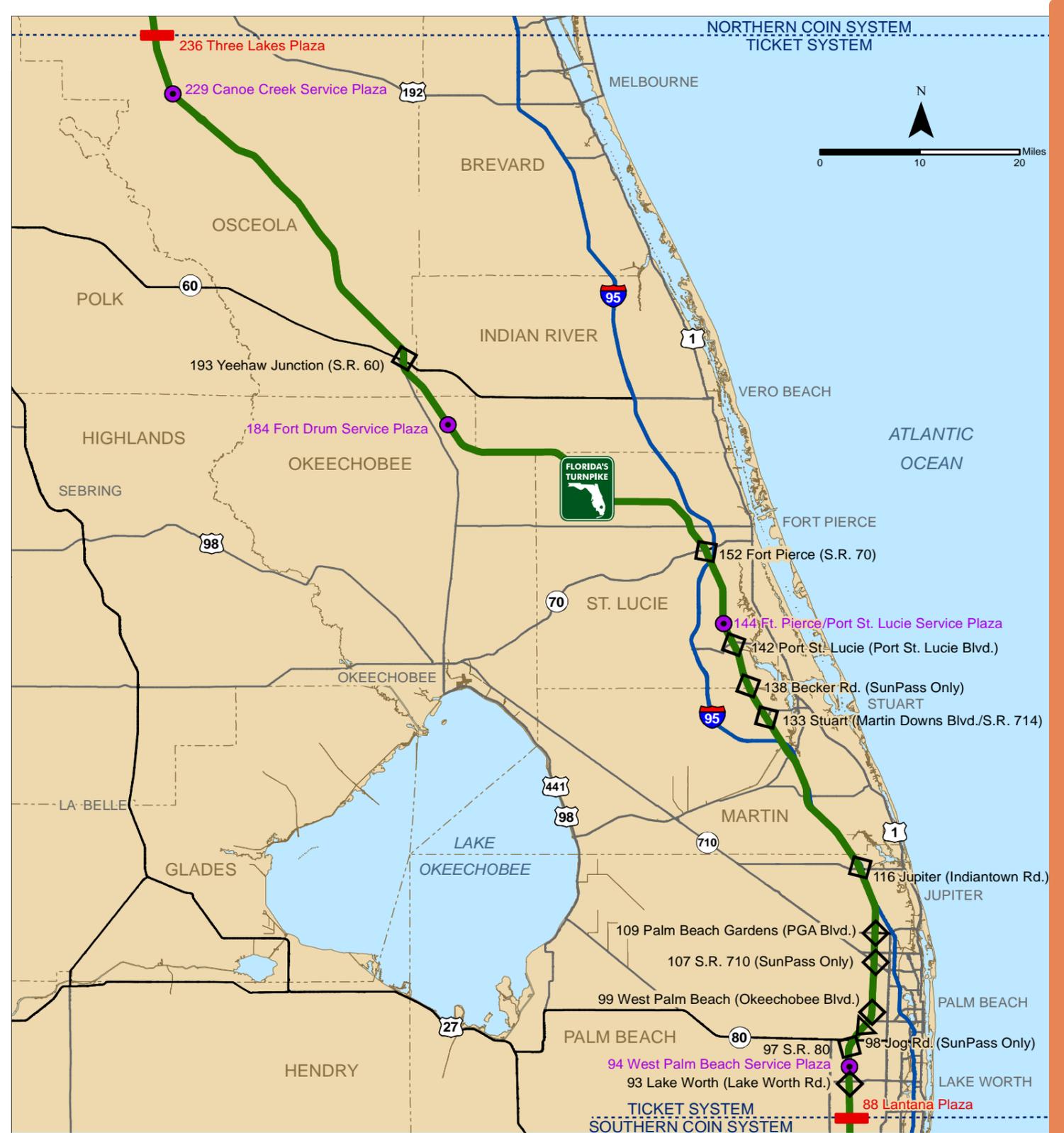
Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- A Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$7.7 million of toll suspensions in response to Hurricane Irma resulted in a revenue decline.
- B Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.
- C Toll revenue in fiscal year 2013 reflects indexed toll rates for all payment methods. The low toll transaction growth rate was driven by an extra revenue collection day in the preceding period due to a leap year.

For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



Ticket System (SR 91)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

- Toll Plaza
- Service Plaza
- Toll System Boundary
- ◆ ▲ Interchange
- Existing Turnpike System Facility, Ticket System
- Interstate Highway
- Arterial
- Other Road
- County Boundary

TOLL COLLECTION BY ROADWAY - NORTHERN COIN SYSTEM (SR 91)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Northern Coin System



SUNPASS PREPAID TOLL PROGRAM \$0.06 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

91% Revenue ↑

59% Transactions ↑

This 67-mile section runs from north of the Three Lakes Toll Plaza through Orlando to I-75 at Wildwood.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$116,416	\$40,626	\$157,042	A 5.1%
2017	108,468	40,912	149,380	7.5%
2016	96,871	42,057	138,928	B 11.5%
2015	83,526	41,060	124,586	B 8.5%
2014	74,718	40,104	114,822	B 6.7%
2013	67,222	40,371	107,593	C 27.0%
2012	49,574	35,133	84,707	1.8%
2011	46,937	36,250	83,187	0.9%
2010	45,049	37,425	82,474	0.3%
2009	43,297	38,946	82,243	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	73,360	21,122	94,482	6.7%
2017	67,422	21,092	88,514	9.4%
2016	59,968	20,916	80,884	11.3%
2015	52,464	20,181	72,645	8.8%
2014	47,473	19,316	66,789	6.2%
2013	43,813	19,106	62,919	C 1.7%
2012	41,207	20,652	61,859	2.1%
2011	39,112	21,487	60,599	1.9%
2010	36,873	22,578	59,451	0.1%
2009	35,713	23,658	59,371	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- A Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$6.3 million of toll suspensions in response to Hurricane Irma offset the revenue growth.
- B Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.
- C Toll revenue in fiscal year 2013 reflects indexed toll rates for all payment methods. The low toll transaction growth rate was driven by an extra revenue collection day in the preceding period due to a leap year.

For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



Northern Coin System (SR 91)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

- \$0.00 SunPass Toll Rate
- \$0.00 Cash Toll Rate
- \$0.00 TOLL-BY-PLATE Toll Rate
- \$0.00 Toll Plaza
- Toll System Boundary
- ◆ ▲ Interchange with Toll Collection
- ◆ ▲ Interchange with No Toll Collection
- ◆ Future Interchange with Toll Collection
- Existing Turnpike System Facility
- Interstate Highway
- Other Toll Road
- Arterial
- Service Plaza
- Existing Turnpike System Facility, Northern Coin System
- Other Road
- County Boundary

TOLL COLLECTION BY ROADWAY - BEACHLINE WEST EXPRESSWAY (SR 528)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Revenue Capacity

Beachline West Expressway



SUNPASS PREPAID TOLL PROGRAM \$0.10 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

106% Revenue ↑

48% Transactions ↑

This eight-mile section is located in the Orlando area and connects I-4 on the west to the beginning of the contiguous Central Florida Expressway Authority ("CFX") Beachline Expressway. An interchange at its midpoint connects the Beachline West Expressway with the Northern Coin System.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$20,770	\$8,214	\$28,984	A 3.4%
2017	19,962	8,057	28,019	3.8%
2016	19,429	7,558	26,987	B 8.7%
2015	17,311	7,519	24,830	B 8.6%
2014	15,454	7,405	22,859	B 4.1%
2013	14,182	7,782	21,964	C 39.8%
2012	9,013	6,695	15,708	4.8%
2011	8,472	6,515	14,987	5.9%
2010	7,707	6,440	14,147	0.7%
2009	7,114	6,931	14,045	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	26,960	7,462	34,422	5.1%
2017	25,132	7,631	32,763	5.5%
2016	23,143	7,898	31,041	8.0%
2015	20,750	8,000	28,750	7.9%
2014	18,835	7,798	26,633	4.4%
2013	17,567	7,949	25,516	C -0.5%
2012	16,772	8,869	25,641	2.6%
2011	15,922	9,076	24,998	6.4%
2010	14,287	9,217	23,504	0.8%
2009	13,041	10,269	23,310	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

A Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$0.7 million of toll suspensions in response to Hurricane Irma offset the revenue growth.

B Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.

C Toll revenue in fiscal year 2013 reflects indexed toll rates for all payment methods. The slight decline in toll transactions was driven by an extra revenue collection day in the preceding period due to a leap year.

For further discussion of toll rate setting and indexing, see page 3.

The SunPass per-mile toll rate shown above is based on the System's portion of tolls only. The System also collects tolls at this facility on behalf of the CFX.

Source: AECOM, Traffic & Revenue Consultant



Revenue Capacity

Beachline West Expressway (SR 528)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

- \$0.00 SunPass Toll Rate
- Existing Turnpike System Facility, Beachline West Expressway
- Other Toll Road
- Interchange With No Toll Collection
- \$0.00 Cash Toll Rate
- Existing Turnpike System Facility
- Arterial
- County Boundary
- Toll Plaza
- Interstate Highway
- Other Road

TOLL COLLECTION BY ROADWAY - SAWGRASS EXPRESSWAY (SR 869)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Revenue Capacity

Sawgrass Expressway



SUNPASS PREPAID TOLL PROGRAM \$0.09 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

80% Revenue ↑

38% Transactions ↑

Opened to traffic in 1990, this 23-mile, four-lane limited-access All-Electronic-Tolling facility begins with a connection to I-595 and I-75, extending north, then east, to its interchange with the Mainline and SW 10th Street in Deerfield Beach.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$79,636	\$7,014	\$86,650	A 1.4%
2017	77,396	8,021	85,417	6.1%
2016	73,570	6,940	80,510	B 10.9%
2015	67,748	4,866	72,614	B 4.1%
2014	61,665	8,103	69,768	B 4.8%
2013	57,308	9,271	66,579	C 29.6%
2012	42,843	8,517	51,360	2.1%
2011	40,813	9,501	50,314	1.2%
2010	39,188	10,514	49,702	3.3%
2009	36,780	11,341	48,121	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	83,071	10,543	93,614	4.5%
2017	79,041	10,510	89,551	4.6%
2016	75,179	10,454	85,633	7.4%
2015	70,368	9,378	79,746	6.2%
2014	65,371	9,750	75,121	4.1%
2013	62,300	9,895	72,195	C 0.0%
2012	61,052	11,127	72,179	2.3%
2011	58,408	12,176	70,584	1.3%
2010	55,684	13,978	69,662	2.7%
2009	52,074	15,736	67,810	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- A Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$3.7 million of toll suspensions in response to Hurricane Irma offset the revenue growth.
- B Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.
- C Toll revenue in fiscal year 2013 reflects indexed toll rates for all payment methods. The low toll transaction growth rate was driven by an extra revenue collection day in the preceding period due to a leap year.

For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



Revenue Capacity

Sawgrass Expressway (SR 869)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

- \$0.00 SunPass Toll Rate
- \$0.00 TOLL-BY-PLATE Toll Rate
- \$0.00 Toll Plaza (All-Electronic)
- Interchange With Toll Collection
- Interchange With No Toll Collection
- Existing Turnpike System Facility, Sawgrass Expressway
- Interstate Highway
- Arterial
- Other Road
- Existing Turnpike System Facility
- County Boundary

TOLL COLLECTION BY ROADWAY - SEMINOLE EXPRESSWAY (SR 417)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Revenue Capacity

Revenue Capacity

Seminole Expressway

SUN-PASS PREPAID TOLL PROGRAM
\$0.12 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

79% Revenue ↑
36% Transactions ↑

This 18-mile, limited-access toll facility was completed in two sections. The original 12-mile section, SR 426 to US 17/92, opened to traffic in 1994; the final six-mile section, US 17/92 to I-4, opened to traffic in 2002.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$48,708	\$9,600	\$58,308	A 5.4%
2017	45,806	9,496	55,302	6.9%
2016	42,363	9,350	51,713	B 14.3%
2015	36,554	8,689	45,243	B 10.6%
2014	32,489	8,430	40,919	B 6.4%
2013	29,739	8,734	38,473	C 22.3%
2012	22,752	8,705	31,457	2.3%
2011	22,087	8,676	30,763	D -0.4%
2010	21,869	9,013	30,882	D -4.9%
2009	22,417	10,071	32,488	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	36,918	7,640	44,558	5.9%
2017	34,722	7,345	42,067	6.3%
2016	32,433	7,159	39,592	11.9%
2015	28,811	6,562	35,373	9.1%
2014	26,267	6,169	32,436	5.2%
2013	24,646	6,173	30,819	C -1.4%
2012	23,642	7,623	31,265	0.5%
2011	23,153	7,964	31,117	D -0.2%
2010	22,538	8,630	31,168	D -4.9%
2009	23,080	9,685	32,765	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

- #### NOTES
- A** Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$2.4 million of toll suspensions in response to Hurricane Irma offset the revenue growth.
 - B** Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.
 - C** Toll revenue in fiscal year 2013 reflects indexed toll rates for all payment methods. The decline in toll transactions was driven by an extra revenue collection day in the preceding period due to a leap year, in addition to construction activities.
 - D** The decline in toll revenue and toll transactions for fiscal years 2010 and 2011 was a result of prolonged economic recovery in the region.
- For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



Seminole Expressway (SR 417)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

\$0.00 SunPass Toll Rate	Interchange With Toll Collection	Other Toll Road	Interstate Highway
\$0.00 Cash Toll Rate	Interchange With No Toll Collection	Arterial	County Boundary
Toll Plaza	Existing Turnpike System Facility, Seminole Expressway	Other Road	

TOLL COLLECTION BY ROADWAY - VETERANS EXPRESSWAY (SR 589)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Revenue Capacity

Veterans Expressway



Ten-Year Snapshot

73% Revenue ↑

36% Transactions ↑

Opened to traffic in 1994, this 15-mile, four-lane limited-access All-Electronic-Tolling ("AET") facility extends north from the Courtney Campbell Causeway (SR 60) near the Tampa International Airport to Dale Mabry Highway (SR 597) just north of Van Dyke Road.

SUNPASS PREPAID TOLL PROGRAM \$0.13 Toll Rate Per Mile (tolls to traverse/length)

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$46,091	\$7,579	\$53,670	A 3.9%
2017	43,405	8,240	51,645	13.0%
2016	39,337	6,384	45,721	B 11.2%
2015	36,121	4,990	41,111	B 3.0%
2014	31,495	8,430	39,925	C -4.1%
2013	31,599	10,017	41,616	D 27.0%
2012	23,152	9,605	32,757	0.9%
2011	22,496	9,970	32,466	2.4%
2010	21,353	10,339	31,692	2.3%
2009	20,126	10,854	30,980	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	54,915	10,323	65,238	8.2%
2017	50,083	10,238	60,321	9.1%
2016	46,047	9,257	55,304	7.6%
2015	43,386	8,026	51,412	6.3%
2014	38,281	10,064	48,345	C -2.4%
2013	38,872	10,670	49,542	D -3.4%
2012	38,108	13,180	51,288	0.7%
2011	37,106	13,827	50,933	2.8%
2010	35,043	14,512	49,555	3.5%
2009	32,757	15,119	47,876	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- A** Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$2.3 million of toll suspensions in response to Hurricane Irma offset the revenue growth.
- B** Toll revenue in fiscal years 2015-2016 reflects indexed toll rates for SunPass and TBP payment methods.
- C** The decrease in toll revenue and toll transactions for fiscal year 2014 was a result of construction activities related to AET conversions, partially offset by indexed toll rates.
- D** Toll revenue in fiscal year 2013 reflects indexed toll rates for all payment methods. The decline in toll transactions was driven by an extra revenue collection day in the preceding period due to a leap year.

For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



Revenue Capacity

Veterans Expressway (SR 589)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

- \$0.00 SunPass Toll Rate
- ◇ △ Interchange With No Toll Collection
- Interstate Highway
- ◇ △ Interchange With Toll Collection
- \$0.00 TOLL-BY-PLATE Toll Rate
- Existing Turnpike System Facility, Veterans Expressway
- Arterial
- Other Toll Road
- ▨ Toll Plaza (All-Electronic)
- Existing Turnpike System Facility
- Other Road
- - - County Boundary

TOLL COLLECTION BY ROADWAY - SOUTHERN CONNECTOR EXT. (SR 417)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Southern Connector Extension



SUNPASS PREPAID TOLL PROGRAM \$0.13 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

224% Revenue ↑

105% Transactions ↑

Opened to traffic in 1996, this six-mile, four-lane limited-access toll facility connects the Central Florida GreeneWay southwestward to I-4 in Osceola County.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$11,325	\$3,084	\$14,409	A 14.1%
2017	9,983	2,643	12,626	15.7%
2016	8,499	2,418	10,917	B 24.8%
2015	6,696	2,050	8,746	B 16.3%
2014	5,641	1,876	7,517	B 10.6%
2013	4,928	1,866	6,794	C 56.4%
2012	2,804	1,539	4,343	3.4%
2011	2,661	1,540	4,201	1.3%
2010	2,551	1,597	4,148	D -6.6%
2009	2,581	1,862	4,443	-

TOLL TRANSACTIONS (transactions in thousands)

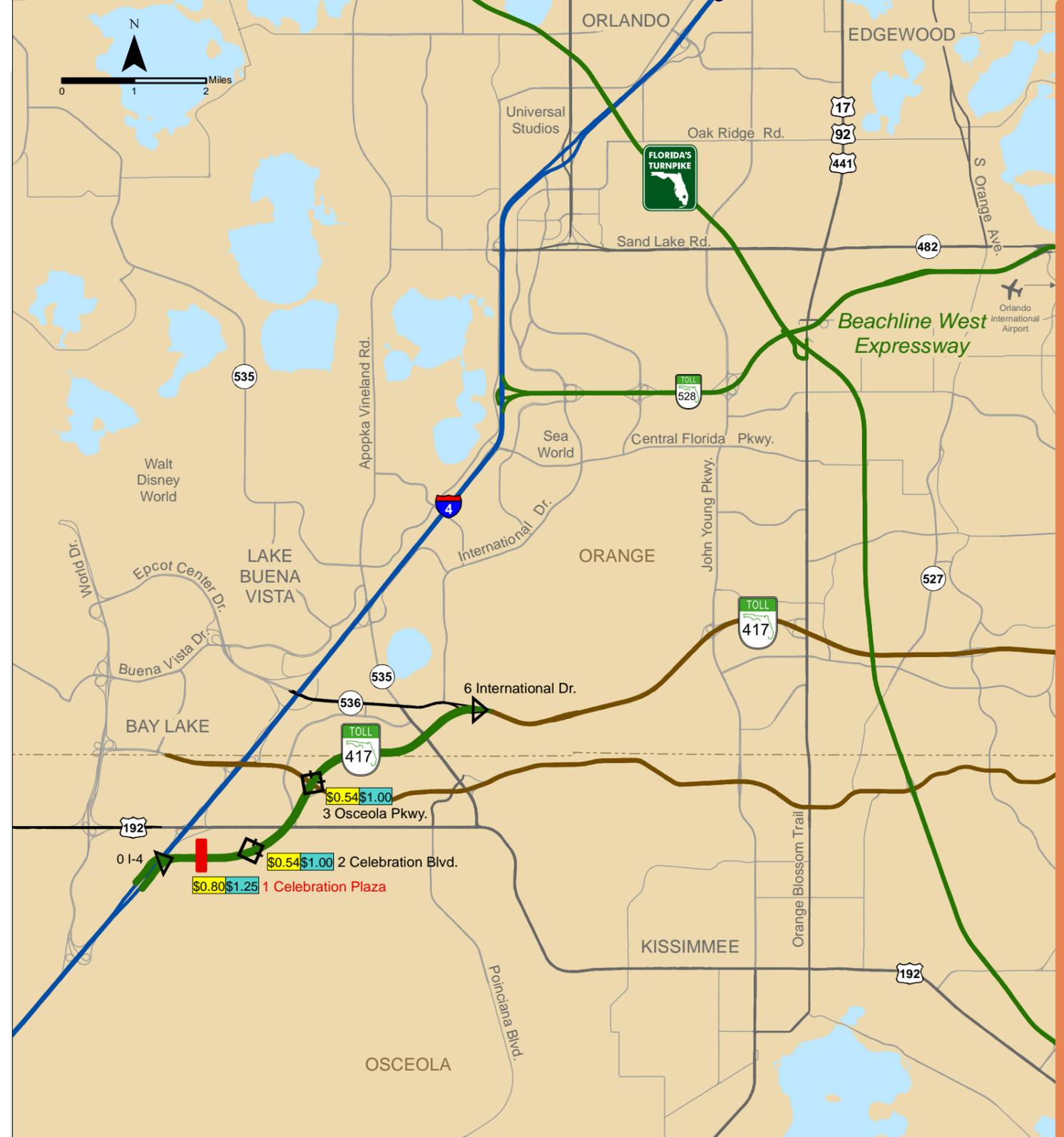
Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	14,431	3,501	17,932	13.5%
2017	12,646	3,157	15,803	16.2%
2016	10,670	2,933	13,603	23.0%
2015	8,567	2,492	11,059	15.2%
2014	7,348	2,251	9,599	9.4%
2013	6,584	2,189	8,773	3.2%
2012	6,091	2,408	8,499	2.2%
2011	5,799	2,520	8,319	2.2%
2010	5,483	2,655	8,138	D -6.9%
2009	5,568	3,175	8,743	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- A Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$0.6 million of toll suspensions in response to Hurricane Irma offset the revenue growth.
- B Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.
- C Toll revenue in fiscal year 2013 reflects indexed toll rates for all payment methods.
- D The decrease in toll revenue and toll transactions for fiscal year 2010 was due to prolonged economic recovery in the region. For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



Southern Connector Extension (SR 417)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

- \$0.00 SunPass Toll Rate
- \$0.00 Cash Toll Rate
- \$0.00 Toll Plaza
- ◇ △ Interchange With No Toll Collection
- ◇ △ Interchange With Toll Collection
- Existing Turnpike System Facility, Southern Connector Extension
- Existing Turnpike System Facility
- Arterial
- Other Road
- County Boundary
- Interstate Highway

TOLL COLLECTION BY ROADWAY - POLK PARKWAY (SR 570)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Revenue Capacity

Polk Parkway



SUNPASS PREPAID TOLL PROGRAM \$0.13 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

65% Revenue ↑

42% Transactions ↑

Opened to traffic in 1999, this 25-mile, two- and four-lane limited-access toll facility forms a partial loop around the south side of the City of Lakeland, connecting with I-4 at Clark Road on the west and Mt. Olive Road on the east.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$27,366	\$8,116	\$35,482	A 5.6%
2017	25,763	7,832	33,595	7.1%
2016	23,540	7,819	31,359	B 13.2%
2015	20,290	7,423	27,713	B 12.7%
2014	17,202	7,388	24,590	B 4.0%
2013	15,766	7,883	23,649	C 4.6%
2012	14,951	7,664	22,615	3.9%
2011	14,060	7,715	21,775	1.8%
2010	13,366	8,025	21,391	D -0.5%
2009	12,762	8,734	21,496	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	29,467	7,812	37,279	5.2%
2017	27,518	7,923	35,441	6.4%
2016	25,318	7,998	33,316	10.7%
2015	22,520	7,583	30,103	9.5%
2014	19,849	7,646	27,495	4.3%
2013	18,466	7,884	26,350	C -3.8%
2012	17,453	9,942	27,395	3.0%
2011	16,335	10,273	26,608	1.5%
2010	15,435	10,774	26,209	D -0.5%
2009	14,613	11,731	26,344	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- A** Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$1.4 million of toll suspensions in response to Hurricane Irma offset the revenue growth.
 - B** Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.
 - C** Toll revenue in fiscal year 2013 reflects indexed toll rates for the cash payment method. The decline in toll transactions was driven by an extra revenue collection day in the preceding period due to a leap year, in addition to construction activities related to resurfacing.
 - D** The decrease in toll revenue and toll transactions for fiscal year 2010 was due to prolonged economic recovery in the region.
- For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



Revenue Capacity

Polk Parkway (SR 570)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

- \$0.00 SunPass Toll Rate
- \$0.00 Cash Toll Rate
- \$0.00 TOLL-BY-PLATE Toll Rate
- Interchange With Toll Collection
- Interchange With No Toll Collection
- Existing Turnpike System Facility, Polk Parkway
- Arterial
- Other Road
- County Boundary
- Toll Plaza
- Interstate Highway

TOLL COLLECTION BY ROADWAY - SUNCOAST PARKWAY (SR 589)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Revenue Capacity

Revenue Capacity

Suncoast Parkway



SUNPASS PREPAID TOLL PROGRAM \$0.08 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

37% Revenue ↑

32% Transactions ↑

Opened to traffic in 2001, this 42-mile, four-lane limited access toll facility that extends from the Veterans Expressway near Van Dyke Road in Hillsborough County, northward through Pasco County, terminating at US 98 in Hernando County.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$22,615	\$5,005	\$27,620	A 2.3%
2017	22,099	4,894	26,993	5.0%
2016	20,998	4,711	25,709	B 8.6%
2015	19,207	4,475	23,682	B 7.6%
2014	16,861	5,150	22,011	B 3.1%
2013	15,790	5,559	21,349	C 2.8%
2012	15,545	5,224	20,769	D -2.2%
2011	15,642	5,591	21,233	3.0%
2010	14,808	5,813	20,621	2.3%
2009	14,115	6,042	20,157	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	28,036	6,940	34,976	6.3%
2017	26,338	6,558	32,896	4.9%
2016	25,206	6,143	31,349	7.3%
2015	23,710	5,507	29,217	9.0%
2014	21,201	5,604	26,805	1.6%
2013	20,527	5,867	26,394	C -4.3%
2012	20,358	7,235	27,593	D -2.0%
2011	20,297	7,854	28,151	2.9%
2010	19,026	8,319	27,345	3.4%
2009	17,745	8,697	26,442	-

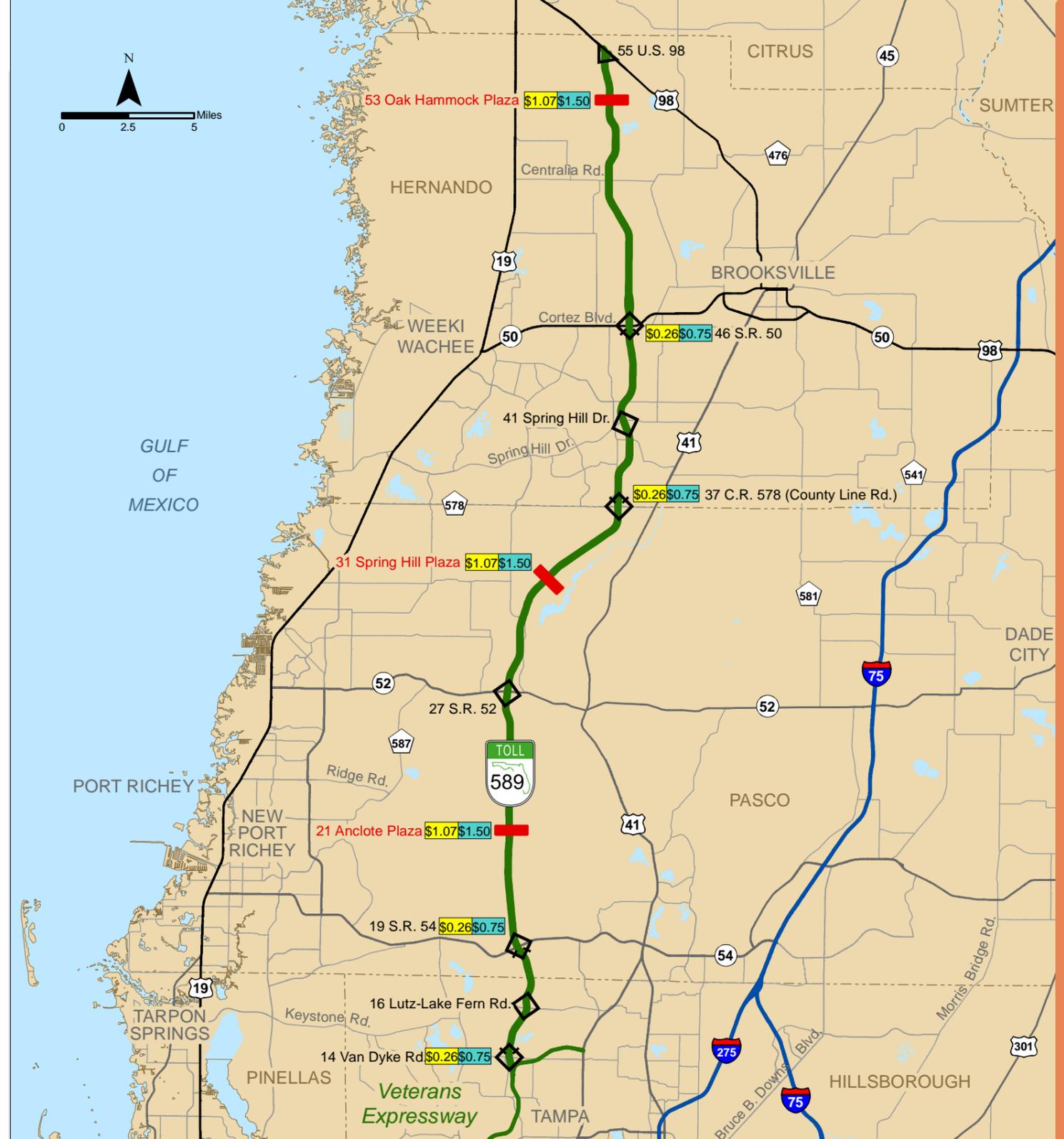
Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- A** Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$1.1 million of toll suspensions in response to Hurricane Irma offset the revenue growth.
- B** Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.
- C** Toll revenue in fiscal year 2013 reflects indexed toll rates for the cash payment method. The decline in toll transactions was driven by an extra revenue collection day in the preceding period due to a leap year, in addition to construction activities.
- D** The decrease in fiscal year 2012 toll revenue and toll transactions was due to variations in the region's economic conditions, as well as the impact of construction activities.

For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



Suncoast Parkway (SR 589)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

\$0.00 SunPass Toll Rate	Interchange With No Toll Collection	Arterial	Interchange With Toll Collection
\$0.00 Cash Toll Rate	Existing Turnpike System Facility, Suncoast Parkway	Other Road	Interstate Highway
Toll Plaza	Existing Turnpike System Facility	County Boundary	

TOLL COLLECTION BY ROADWAY - WESTERN BELTWAY, PART C (SR 429)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Revenue Capacity

Western Beltway, Part C



SUNPASS PREPAID TOLL PROGRAM \$0.10 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

220% Revenue ↑

199% Transactions ↑

Opened to traffic in 2006, this 11-mile, limited-access toll facility extends from I-4 in Osceola County across US 192 to Seidel Road in Orange County.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$11,653	\$3,453	\$15,106	A 16.8%
2017	9,962	2,968	12,930	17.2%
2016	8,259	2,773	11,032	B 24.6%
2015	6,463	2,390	8,853	B 21.5%
2014	5,209	2,080	7,289	B 14.5%
2013	4,423	1,944	6,367	C 14.7%
2012	3,909	1,641	5,550	8.9%
2011	3,556	1,541	5,097	6.9%
2010	3,281	1,486	4,767	1.0%
2009	3,186	1,533	4,719	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	11,404	3,349	14,753	18.1%
2017	9,464	3,023	12,487	16.4%
2016	7,874	2,853	10,727	23.5%
2015	6,205	2,483	8,688	20.5%
2014	5,097	2,112	7,209	13.8%
2013	4,404	1,933	6,337	5.0%
2012	3,852	2,185	6,037	8.6%
2011	3,431	2,128	5,559	8.7%
2010	3,072	2,040	5,112	3.5%
2009	2,878	2,060	4,938	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

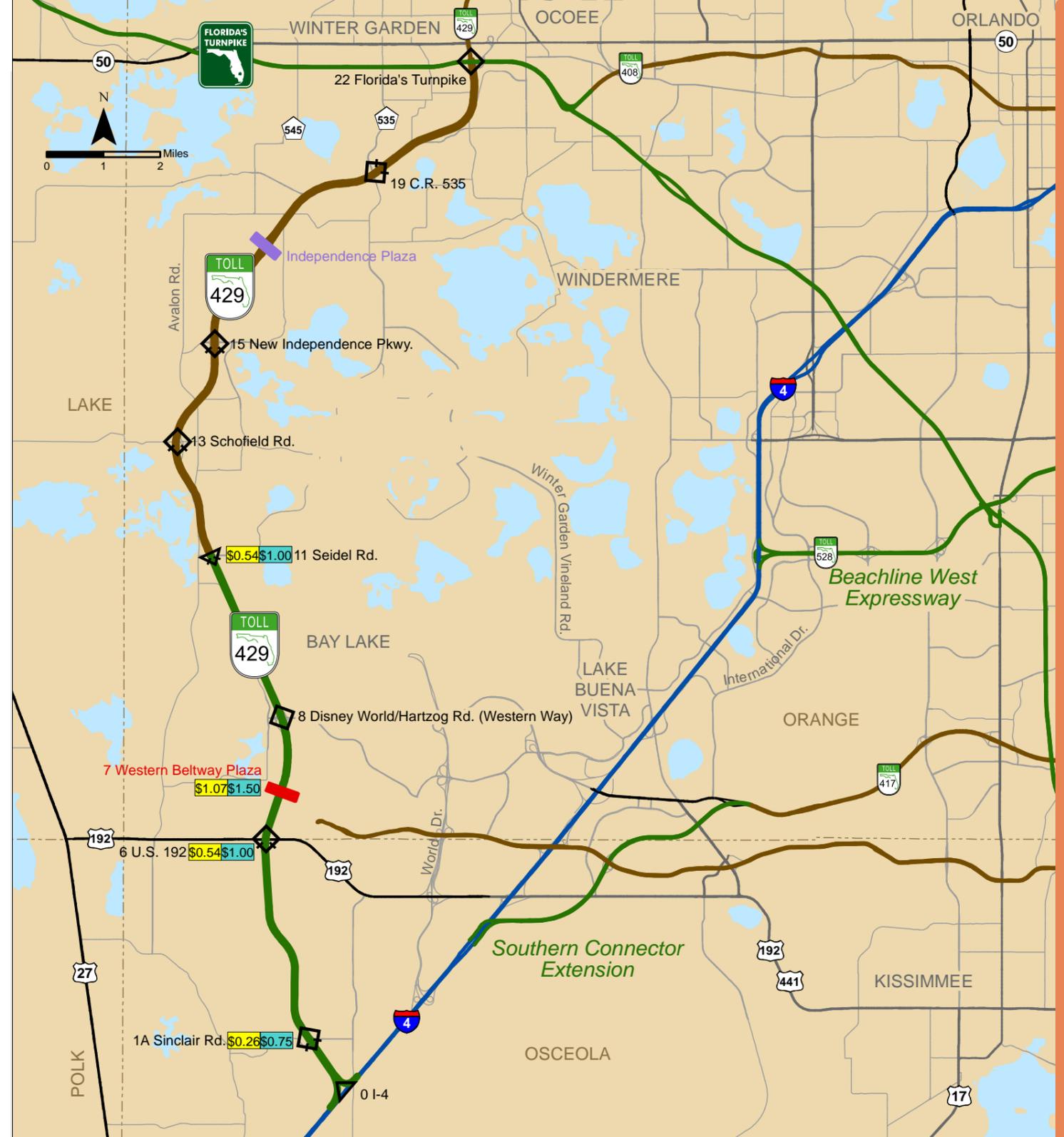
A Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$0.6 million of toll suspensions in response to Hurricane Irma offset the revenue growth.

B Toll revenue in fiscal years 2014-2016 reflects indexed toll rates for SunPass and TBP payment methods.

C Toll revenue in fiscal year 2013 reflects indexed toll rates for the cash payment method.

For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



Revenue Capacity

Daniel Webster Western Beltway, Part C (SR 429)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

- \$0.00 SunPass Toll Rate
- \$0.26 Cash Toll Rate
- \$0.54 SunPass Toll Rate
- \$1.07 Cash Toll Rate
- \$1.00 SunPass Toll Rate
- \$1.50 Cash Toll Rate
- Interchange With Toll Collection
- Interchange With No Toll Collection
- Other Toll Road
- Interstate Highway
- Arterial
- Toll Plaza - CFX
- Existing Turnpike System Facility
- Other Road
- County Boundary

TOLL COLLECTION BY ROADWAY - I-4 CONNECTOR

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



I-4 Connector



SUNPASS PREPAID TOLL PROGRAM \$0.53-\$1.05 Toll Rate

Four-Year Snapshot

58% Revenue ↑

56% Transactions ↑

Opened to traffic on January 6, 2014, the I-4 Connector is a 1-mile elevated bridge-type All-Electronic-Tolling facility with a higher per mile toll rate.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$11,187	\$2,669	\$13,856	3.0% ^A
2017	10,540	2,908	13,448	11.4%
2016	9,636	2,435	12,071	37.6% ^B
2015	7,134	1,640	8,774	NA ^B
2014	2,188	462	2,650	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	14,738	4,169	18,907	7.6%
2017	13,484	4,093	17,577	7.9%
2016	12,354	3,929	16,283	34.6%
2015	9,213	2,881	12,094	NA
2014	2,943	872	3,815	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

^A Toll indexing for SunPass and TBP payment methods was implemented in fiscal year 2018; however, an estimated \$0.6 million of toll suspensions in response to Hurricane Irma offset the revenue growth.

^B Toll revenue in fiscal years 2015 and 2016 reflects indexed toll rates for SunPass and TBP payment methods. The percent change for fiscal year 2015 is not applicable as this facility opened to traffic on January 6, 2014. Accordingly, fiscal year 2014 only reflects a half year of toll collections.

For further discussion of toll rate setting and indexing, see page 3.

Source: AECOM, Traffic & Revenue Consultant



TOLLED MOVEMENTS:

"S" MOVE: To/from the east on I-4
To/from the west on Selmon Expressway

"Z" MOVE: To/from the west on I-4
To/from the east on Selmon Expressway

"T" MOVE: To/from both directions on I-4
to the Port of Tampa (22nd Street)

I-4 Connector

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
Florida's Turnpike Enterprise, 2018

- \$0.00 SunPass Toll Rate
- \$0.00 TOLL-BY-PLATE Toll Rate
- Toll Plaza (All-Electronic)
- I-4 Connector
- ◇ △ Interchange With No Toll Collection
- Interstate Highway
- Other Toll Road
- Arterial
- Other Road

TOLL COLLECTION BY ROADWAY - BEACHLINE EAST EXPRESSWAY (SR 528)

Fiscal Years 2009 through 2018 (dollars and transactions in thousands)



Revenue Capacity

Revenue Capacity

Beachline East Expressway



SUNPASS PREPAID TOLL PROGRAM \$0.02 Toll Rate Per Mile (tolls to traverse/length)

Four-Year Snapshot

11% Revenue ↑

18% Transactions ↑

This 22-mile facility extends east from SR 520 in Orange County into Brevard County where it splits into two branches. The 9-mile southeast branch continues as SR 528 to US 1, while the 7-mile northeast branch becomes SR 407 and connects with SR 405.

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2018	\$3,607	\$2,163	\$5,770	3.0% ^A
2017	3,741	1,862	5,603	1.7%
2016	3,498	2,014	5,512	6.4% ^B
2015	3,121	2,060	5,181	- ^B

TOLL TRANSACTIONS (transactions in thousands)

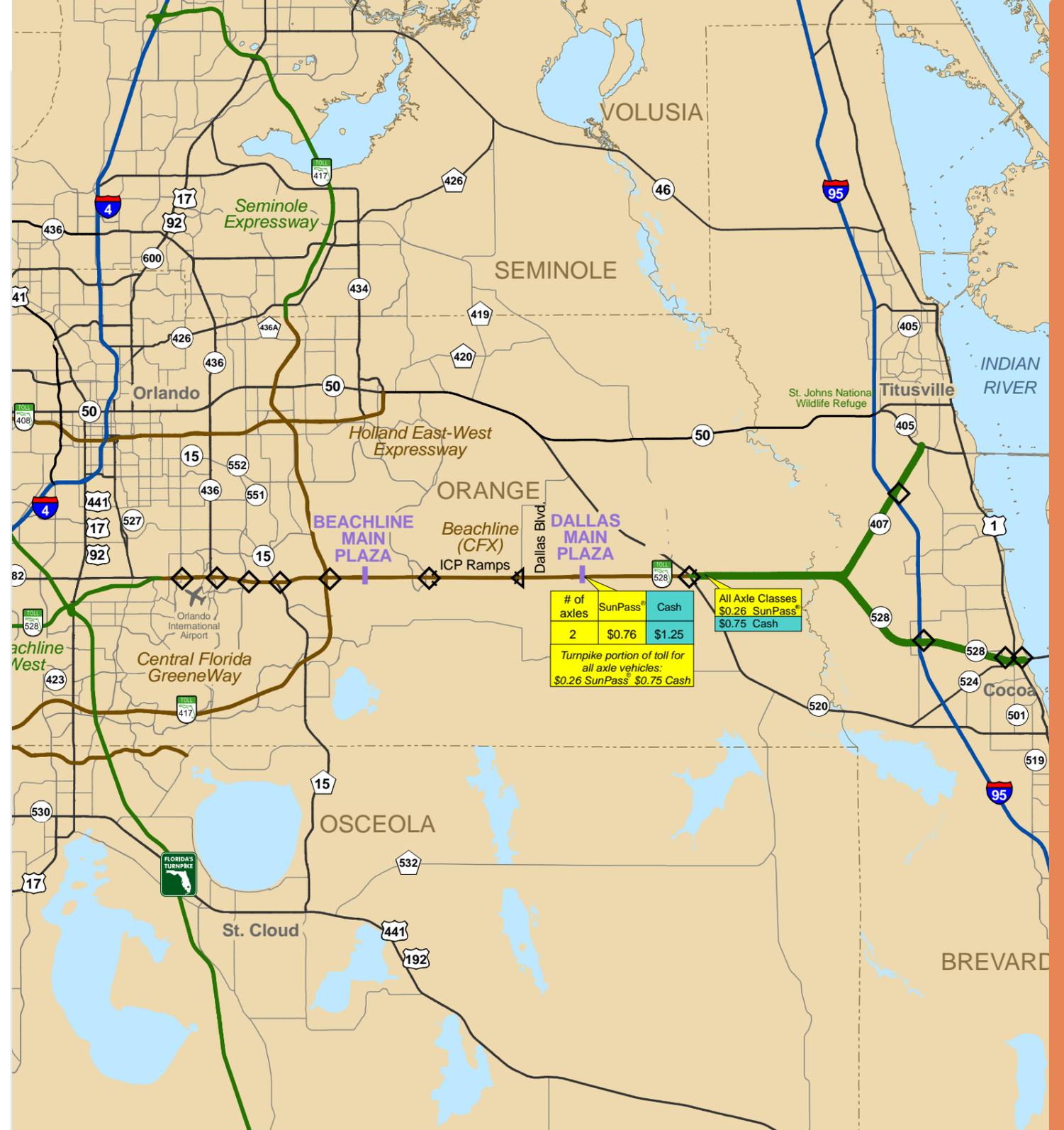
Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2018	13,170	7,056	20,226	3.2%
2017	12,917	6,675	19,592	4.6%
2016	12,232	6,490	18,722	9.6%
2015	10,916	6,163	17,079	-

Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- ^A Toll indexing for all payment methods was implemented in fiscal year 2018; however, an estimated \$0.2 million of toll suspensions in response to Hurricane Irma offset the revenue growth.
 - ^B Toll revenue in fiscal years 2015 and 2016 reflects indexed toll rates for SunPass and TBP payment methods.
- For further discussion of toll rate setting and indexing, see page 3.
- This facility was acquired from the Florida Department of Transportation on July 1, 2014 (fiscal year 2015).

Source: AECOM, Traffic & Revenue Consultant



# of axles	SunPass®	Cash
2	\$0.76	\$1.25

All Axle Classes
 \$0.26 SunPass®
 \$0.75 Cash

Turnpike portion of toll for all axle vehicles:
 \$0.26 SunPass® \$0.75 Cash

Beachline East Expressway (SR 528)

Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicles, use the following formula:
 N minus one - Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

Sources: HERE NAVSTREETS 2018
 Florida's Turnpike Enterprise, 2018

- \$0.00 SunPass Toll Rate
- \$0.00 Cash Toll Rate
- Other Toll Road
- Arterial
- Toll Plaza - CFX
- Interchange With Toll Collection
- Interchange With No Toll Collection
- Minor Arterial
- Existing Turnpike System Facility, Beachline East Expressway
- Interstate Highway
- Existing Turnpike System Facility
- Other Road
- County Boundary

“ Every day I wake up excited to see who I get to help, whether it be first responders or a civilian. If my presence on the scene made at least one person safer, I’ve done my job. ”

- JOHN TIXIER, Road Ranger



RATIOS OF OUTSTANDING DEBT BY TYPE

Fiscal Years 2009 through 2018 (dollars in thousands)

Fiscal Year	Outstanding Debt					Debt Per		
	Revenue Bonds ^A	SIB Loans ^B	STTF Loans ^C	STTF O&M Loans ^D	Total	Centerline Mile	Lane Mile	\$ Operating Revenue ^E
2018	\$2,574,500	\$29,400	\$3,000	\$ -	\$2,606,900	\$5,397	\$1,114	\$2.45
2017	2,760,366	32,617	4,500	-	2,797,483	5,792	1,198	2.68
2016	2,926,056	35,835	6,000	68,827	3,036,718	6,287	1,320	3.08
2015	2,894,419	39,052	7,500	79,327	3,020,298	6,253	1,313	3.38
2014	2,914,955	42,270	9,000	87,851	3,054,076	6,625	1,371	3.74
2013	2,878,854	45,488	9,000	94,410	3,027,752	6,582	1,366	3.91
2012	2,895,077	48,705	9,000	98,959	3,051,741	6,634	1,377	4.87
2011	2,835,228	51,923	9,000	101,480	2,997,631	6,517	1,375	4.88
2010	2,943,688	53,672	9,000	93,096	3,099,456	6,738	1,463	5.07
2009	2,453,194	53,899	9,000	83,100	2,599,193	5,650	1,239	4.30

All debt of the System is related to business type activities (i.e. not governmental activities). No debt of the System is considered overlapping debt, and the System does not have any general obligation debt or debt financed with general government resources. The debt provided above includes principal amounts outstanding. Only revenue bonds have interest components while all other outstanding debt is "interest free."

- ^A Outstanding debt includes short-term and long-term debt for Turnpike Revenue Bonds (net of premiums and discounts and refunding losses, if applicable).
- ^B State Infrastructure Bank ("SIB") loans were used for the Seminole Expressway II project, an interest subsidy for the Series 2003C Turnpike Revenue Bond issue, and construction of southern ramps to connect the Turnpike Mainline at SR 50 with SR 429.
- ^C State Transportation Trust Fund ("STTF") loans from the Department were used for advances related to the acquisition of the Tampa-Hillsborough County and Seminole County Expressways, design costs associated with the Western Beltway, Part C expansion project, and costs associated with the Hollywood Boulevard and the Lake Worth Road interchange modifications. The first repayment of \$1.5 million began in fiscal year 2015 and these loans are expected to be fully repaid by fiscal year 2020.
- ^D STTF loans were received in the form of Operations and Maintenance ("O&M") subsidies on the SR 80 interchange on the Mainline, the Seminole Expressway II project and the Suncoast Parkway. In 2007, a loan was used for advance land acquisition related to future projects. These loans were fully repaid in fiscal year 2017.
- ^E Gross revenue of the System used in the debt ratio calculation is obtained from the Debt Service Coverage calculation on the following page.



Photo: Western Beltway, Part C

Source: Audited Financial Statements

DEBT SERVICE COVERAGE AND LEGALLY BONDED DEBT INFORMATION

Fiscal Years 2009 through 2018 (dollars in thousands)

Fiscal Year	Outstanding Debt							Legally Bonded Debt Information ^B	
	Gross Revenue (no interest)	O&M Expense ^A	Net Revenue Available	Debt Principal	Debt Interest ^C	Total Debt Service	Coverage Ratio ^D	Outstanding Bonded Debt	Debt as a % of Debt Limit
2018	\$1,063,729	\$225,002	\$838,727	\$140,640	\$115,808	\$256,448	3.27	\$2,454,615	24.6%
2017	1,044,530	208,198	836,332	133,590	123,804	257,394	3.25	2,623,790	26.2
2016	987,149	192,458	794,691	129,620	131,835	261,455	3.04	2,772,735	27.7
2015	894,589	177,160	717,429	120,990	132,100	253,090	2.83	2,777,155	27.8
2014	816,869	165,838	651,031	111,425	128,112	239,537	2.72	2,789,550	27.9
2013	774,222	163,625	610,597	111,680	131,938	243,618	2.51	2,772,295	27.7
2012	626,502	180,005	446,497	105,060	140,503	245,563	1.82	2,856,935	28.6
2011	614,433	182,547	431,886	99,000	138,118	237,118	1.82	2,811,830	28.1
2010	611,596	172,422	439,174	91,405	127,005	218,410	2.01	2,910,830	29.1
2009	604,897	190,603	414,294	81,660	121,485	203,145	2.04	2,443,520	24.4

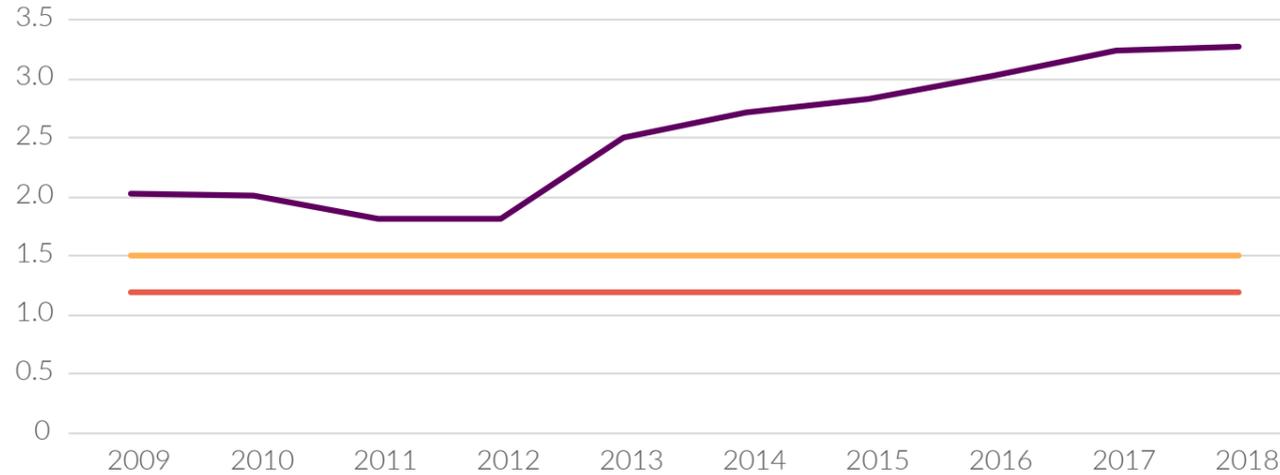
^A Operations and Maintenance ("O&M") expense includes business development and marketing expense.

^B The Department is authorized to borrow money as provided by the State Bond Act for the purpose of paying the cost of any legislatively-approved Turnpike project. The principal and interest on such bonds are payable solely from Turnpike System revenues pledged for their payment. The State Board of Administration, Division of Bond Finance, issues revenue bonds on behalf of the Department in order to help fund Turnpike expansion projects, new interchanges, widenings and other capital projects. Effective July 1, 2007, the Turnpike's legislative bond cap was increased to \$10 billion of outstanding debt under Section 338.2275, Florida Statutes.

^C Beginning in fiscal year 2010, interest payments are reduced by the federal subsidy on Build America Bonds.

^D From fiscal years 2013-2016 and 2018, the System's debt service coverage increased due to higher toll revenue resulting from systemwide toll rate indexing and traffic growth.

DEBT SERVICE COVERAGE COMPLIANCE



— Coverage Ratio — Debt Management Policy Coverage Requirement — Bond Covenant Coverage Requirement

As indicated in the graph above, the System's debt coverage ratio exceeds the requirements of the Bond Covenant and Debt Management Policy.

Source: Audited Financial Statements

DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Years 2009 through 2018

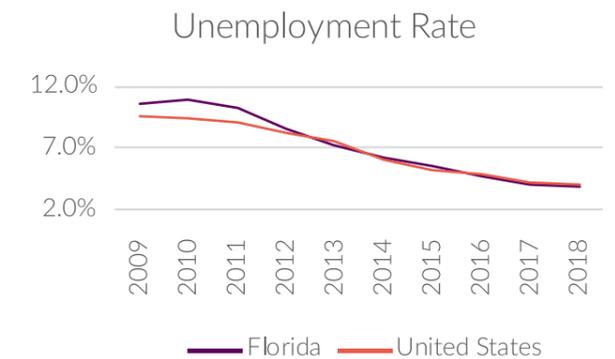
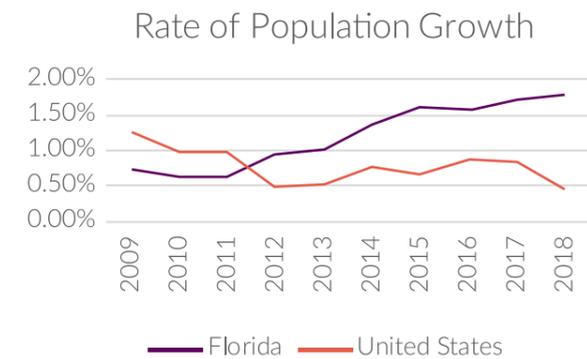
STATE OF FLORIDA						
Calendar Year	Population (000) ^A	Total Personal Income (000) ^A	Per-Capita Income ^A	Consumer Price Index ^B	Labor Force (000) ^A	Unemployment Rate ^C
2018	20,921	\$1,027,863,250	\$42,686	250.8	10,227	3.8%
2017	20,555	982,311,300	42,495	245.1	10,077	4.1
2016	20,208	938,670,750	41,994	240.0	9,837	4.8
2015	19,894	890,253,180	41,105	237.0	9,684	5.5
2014	19,581	851,271,080	39,961	236.7	9,576	6.3
2013	19,314	802,456,420	35,545	233.0	9,459	7.3
2012	19,119	771,633,830	34,900	229.6	9,283	8.6
2011	18,942	774,400,000	36,244	224.9	9,334	10.2
2010	18,826	716,044,000	34,352	218.1	9,268	10.9
2009	18,712	702,197,000	34,279	214.5	9,219	10.5

UNITED STATES						
Calendar Year	Population (000) ^A	Total Personal Income (000) ^A	Per-Capita Income ^A	Consumer Price Index ^B	Labor Force (000) ^A	Unemployment Rate ^C
2018	328,600	\$17,111,425,000	\$45,245	250.8	161,950	4.0%
2017	327,150	16,706,530,000	45,386	245.1	160,300	4.3
2016	324,475	15,982,025,000	44,526	240.0	159,275	4.9
2015	321,650	15,372,200,000	43,801	237.0	157,850	5.3
2014	319,480	14,637,800,000	42,093	236.7	156,380	6.1
2013	317,000	13,808,475,000	37,269	233.0	155,900	7.5
2012	315,330	13,411,730,000	36,788	229.6	154,880	8.2
2011	313,850	13,002,325,000	36,451	224.9	153,400	9.1
2010	310,850	12,402,025,000	35,967	218.1	153,900	9.4
2009	307,850	12,070,350,000	35,892	214.5	154,300	9.5

^A Calendar year 2018 data based on estimates.

^B Calendar year 2018 data for Consumer Price Index calculated on a monthly average through September 2018.

^C Unemployment rates are shown as of June 30 for each year presented.



Sources: Estimates based on the National Economic Estimating Conference (held July 12, 2018), the Florida Economic Estimating Conference (held July 20, 2018), and Bureau of Labor Statistics.

NON-AGRICULTURAL EMPLOYMENT - STATE OF FLORIDA

As of June 30, 2018 and 2009



Photo: Northbound HEFT onramp

Industry Group	June 30, 2018			June 30, 2009		
	Number of Jobs	Rank	Percent of Total Employment	Number of Jobs	Rank	Percent of Total Employment
Trade, Transportation, and Utilities	1,764	1	20.1%	1,485	1	20.6%
Professional & Business Services	1,350	2	15.4	990	4	13.7
Education & Health Services	1,303	3	14.8	1,048	3	14.4
Leisure & Hospitality	1,253	4	14.2	926	5	12.8
Government	1,105	5	12.6	1,115	2	15.4
Financial Activities	578	6	6.6	488	6	6.8
Construction	540	7	6.2	398	7	5.5
Manufacturing	379	8	4.3	323	8	4.5
Other Services	359	9	4.1	300	9	4.2
Information	136	10	1.6	144	10	2.0
Mining and Logging	6	11	0.1	6	11	0.1
Total Non-Agricultural Employment	8,773		00.0%	7,223		100.0%

Since the System services the entire State of Florida, it is deemed that employment by industry within the State is a more relevant socio-economic indicator than principal employers for the environment in which the System operates. As indicated in the above table, total non-agricultural employment as of June 30, 2018 exceeded the same period in 2009 by 1,550, or 21.5%. The employment growth over the last decade is primarily attributable to the areas of (1) professional and business services, (2) leisure and hospitality, and (3) trade, transportation, and utilities.

Source: Bureau of Labor Statistics

NUMBER OF EMPLOYEES

Fiscal Years 2009 through 2018

	Authorized Positions									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Administrative	60	69	66	63	56	56	58	64	66	66
Design Preparation & Right-of-Way Acquisition	35	35	32	30	24	24	21	18	18	18
Maintenance	22	24	24	22	27	25	27	24	27	27
Construction	8	6	6	8	7	9	9	9	9	9
Turnpike Toll Operations	259	271	291	297	306	306	330	318	348	357
Total Authorized Positions	384	405	419	420	420	420	445	433	468	477

	Operations Contract Staff									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Manual Toll Collection	^A 603	605	608	619	790	902	991	1,024	1,329	1,397
SunPass Toll Collection	^B 701	586	551	485	450	410	445	499	417	406
Tolls Data Center	84	56	65	61	61	59	58	55	53	58
Tolls Equipment Maintenance	144	155	137	122	85	89	90	96	101	104
Florida Highway Patrol's Troop K	222	222	222	222	222	198	222	221	221	183
Total Operations Contract Staff	1,754	1,624	1,583	1,509	1,608	1,658	1,806	1,895	2,121	2,148

^A The number of manual toll collection staff has steadily declined due to the phased conversion to All-Electronic-Tolling throughout the System.

^B The increase in SunPass toll collection operations contract staff from fiscal year ended 2017 to 2018 is primarily attributable to a new expanded call center, SunPass program growth, and partnerships with other tolling agencies.



Photo: Sawgrass Expressway

TOLL FACILITIES AND COMPONENTS

Fiscal Years 2009 through 2018

Components	June 30, 2018		Net Additions		June 30, 2009	
	Centerline Miles	Lane Miles	Centerline Miles	Lane Miles	Centerline Miles	Lane Miles
Mainline:						
SR 821 (HEFT)	47	273	-	11	47	262
Southern Coin System ^A	43	306	-	28	43	278
Ticket System	155	613	-	-	155	613
Northern Coin System ^B	67	395	-	86	67	309
Beachline West Expressway	8	41	-	-	8	41
Total Mainline	320	1,628	-	125	320	1,503
Expansion Projects - Completed:						
Sawgrass Expressway	23	134	-	-	23	134
Seminole Expressway	18	73	-	-	18	73
Veterans Expressway ^C	15	94	-	28	15	66
Southern Connector Extension	6	24	-	-	6	24
Polk Parkway	25	92	-	6	25	86
Suncoast Parkway	42	168	-	-	42	168
Western Beltway, Part C	11	44	-	-	11	44
I-4 Connector ^D	1	12	1	12	-	-
Beachline East Expressway ^E	22	72	22	72	-	-
Total Expansion Projects - Completed	163	713	23	118	140	595
Total Existing Turnpike Components	483	2,341	23	243	460	2,098
Under Construction:						
First Coast Expressway - Phase One ^F	15	60	15	60	-	-
Total Under Construction	15	60	15	60	-	-
Total Components	498	2,401	38	303	460	2,098

- ^A During fiscal years 2010, 2011, and 2012, lane miles added to the System component were 16, 6, and 6, respectively.
- ^B During fiscal years 2011, 2012, and 2018, lane miles added to the System component were 56, 28, and 2, respectively.
- ^C During fiscal years 2017 and 2018, lane miles added to the System component were 25 and 3, respectively.
- ^D This facility opened to traffic on January 6, 2014.
- ^E This facility was acquired from the Department on July 1, 2014.
- ^F The System began development on phase one of the First Coast Expressway in fiscal year 2013.

Other significant investments have been made in system preservation, safety, capacity and modernization projects, as well as new access to the System. Such projects include resurfacing, widening, new interchanges, safety improvements, and additional SunPass lanes at toll plazas, All-Electronic Tolling conversion, Traffic Management Centers, fiber optic cable, closed circuit television cameras, dynamic message signs, highway advisory radios, and other investments in technology.

Toll Facilities	June 30, 2018	Net Additions (Deletions)	June 30, 2009
Interchanges	139	10	129
Barriers	25	1	24
Toll Operation Buildings	190	11	179
Service Plaza and Service Station Buildings	16	0	16
Maintenance and Construction Buildings ^A	106	(7)	113
Law Enforcement Buildings	5	(1)	6
Administration Buildings	11	4	7
Radio Communications Buildings	19	0	19
Bridges ^B	741	40	701

- ^A Due to All-Electronic Tolling conversions, maintenance buildings were repurposed to toll operation buildings.
- ^B The primary reason for the net increase in bridges is due to the acquisition of the Beachline East Expressway in 2015 and the addition of the I-4 Connector in 2014.

Sources: ATKINS and HNTB Corporation, General Consultants, and AECOM, Traffic & Revenue Consultant

OPERATING INDICATORS

Fiscal Years 2009 through 2018

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Toll Revenue: (in thousands)										
Passenger Vehicles (2 axle)	\$ 854,287	\$ 854,049	\$ 814,164	\$ 741,727	\$ 685,203	\$ 655,018	\$ 529,045	\$ 523,920	\$ 522,888	\$ 514,519
Truck Vehicles (3+ axle)	163,016	154,371	141,766	124,223	111,098	100,524	79,767	76,159	73,285	76,009
Total	\$1,017,303	\$1,008,420	\$ 955,930	\$ 865,950	\$ 796,301	\$ 755,542	\$ 608,812	\$ 600,079	\$ 596,173	\$ 590,528
Number of Transactions: (in thousands)										
Passenger Vehicles (2 axle)	861,774	832,825	796,501	735,160	661,681	637,063	639,933	629,776	617,316	607,876
Truck Vehicles (3+ axle)	43,756	40,029	37,346	32,725	28,903	26,204	24,346	23,081	22,110	22,985
Total	905,530	872,854	833,847	767,885	690,584	663,267	664,279	652,857	639,426	630,861
Number of Miles: (in thousands)										
Passenger Vehicles (2 axle)	9,999,307	9,746,417	9,332,888	8,659,945	7,815,903	7,472,307	7,466,954	7,399,510	7,312,396	7,181,851
Truck Vehicles (3+ axle)	600,676	556,037	515,622	458,923	415,873	364,407	341,217	327,631	317,399	325,834
Total	10,599,983	10,302,454	9,848,510	9,118,868	8,231,776	7,836,714	7,808,171	7,727,141	7,629,795	7,507,685
Number of Trips: (in thousands) ^A										
Passenger Vehicles (2 axle)	680,003	656,855	628,133	579,373	516,760	496,804	499,127	491,306	481,630	474,606
Truck Vehicles (3+ axle)	34,758	31,859	29,686	26,006	22,833	20,435	18,989	18,006	17,250	17,946
Total	714,761	688,714	657,819	605,379	539,593	517,239	518,116	509,312	498,880	492,552
Average Toll Collected Per Trip:										
Passenger Vehicles (2 axle)	\$1.26	\$1.30	\$1.30	\$1.28	\$1.33	\$1.32	\$1.06	\$1.07	\$1.09	\$1.08
Truck Vehicles (3+ axle)	\$4.69	\$4.85	\$4.78	\$4.78	\$4.87	\$4.92	\$4.20	\$4.23	\$4.25	\$4.24
Average Toll Collected Per Transaction:										
Passenger Vehicles (2 axle)	\$0.99	\$1.03	\$1.02	\$1.01	\$1.04	\$1.03	\$0.83	\$0.83	\$0.85	\$0.85
Truck Vehicles (3+ axle)	\$3.73	\$3.86	\$3.80	\$3.80	\$3.84	\$3.84	\$3.28	\$3.30	\$3.31	\$3.31
Average Length of Trip (in Miles):										
Passenger Vehicles (2 axle)	14.70	14.84	14.86	14.95	15.12	15.04	14.96	15.06	15.18	15.13
Truck Vehicles (3+ axle)	17.28	17.45	17.37	17.65	18.21	17.83	17.97	18.20	18.40	18.16
Average Toll Per Mile:										
Passenger Vehicles (2 axle)	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.07	\$0.07	\$0.07	\$0.07
Truck Vehicles (3+ axle)	\$0.27	\$0.28	\$0.27	\$0.27	\$0.27	\$0.28	\$0.23	\$0.23	\$0.23	\$0.23

SunPass Transponders Sold (in thousands) ^B	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
	1,693	1,798	1,789	1,565	1,243	1,091	1,080	1,137	756	732

Roadway Maintenance Condition Rating ^C	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
	87	88	88	88	89	88	91	91	91	92

- ^A Each trip may involve one or more toll transactions.
- ^B All-Electronic-Tolling conversion on the Sawgrass Expressway and the Veterans Expressway, as well as the opening of the I-4 Connector and traffic growth, contributed to the sales increase in fiscal years 2014 through 2016. Acceptance of SunPass at more Florida toll facilities also boosted sales in fiscal year 2016.
- ^C The Florida Department of Transportation ("Department"), through the State Maintenance Office, rates the System's routine maintenance program from 1 to 100 in five categories (roadway, roadside, vegetation and aesthetics, drainage, and traffic services). An overall rating is also provided for the System with an overall standard established at 80. The System has significantly exceeded this standard for the reporting period. In fiscal year 2013, the Department's methodology for developing the Maintenance Rating Program rating was modified to provide equal weightings to the various maintenance categories which resulted in a lower score. Management believes the change in methodology does not impact the overall condition assessment of the System.

Source: AECOM, Traffic & Revenue Consultant

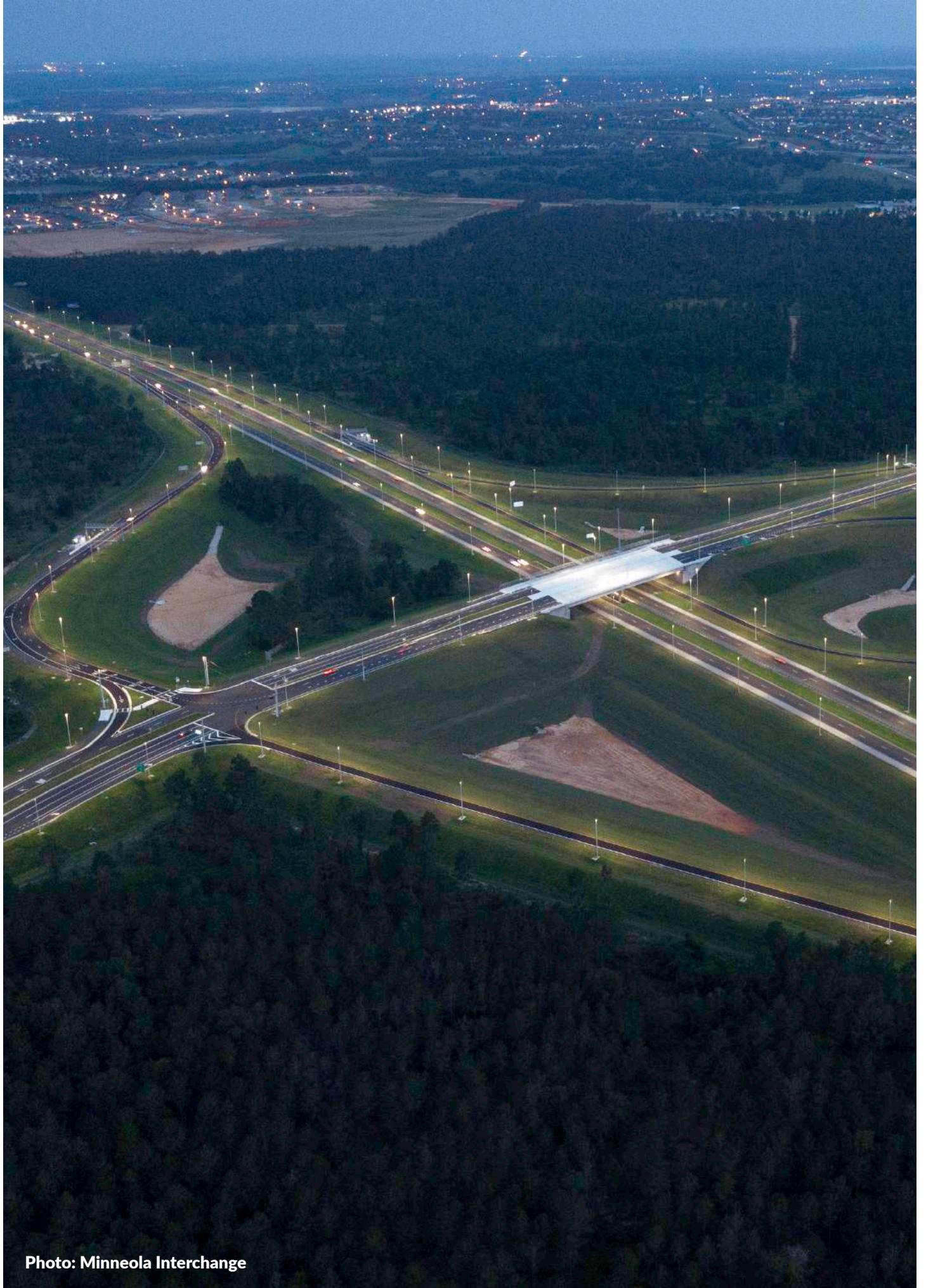


Photo: Minneola Interchange