Refunding Issue - Book-Entry Only

This Official Statement has been prepared by the Division of Bond Finance to provide information about the 2022A Bonds. Selected information is presented on this cover page for the convenience of the reader. ***To make an informed decision, a prospective investor should read this Official Statement in its entirety.*** Unless otherwise indicated, capitalized terms have the meanings given in Appendices E, F, and G.

$178,295,000
STATE OF FLORIDA
Department of Transportation
Turnpike Revenue Refunding Bonds
Series 2022A

Dated: Date of Delivery **Due:** July 1, as shown on the inside cover

Bond Ratings	AA (stable outlook) | Fitch Ratings Aa2 (stable outlook) | Moody's Investors Service AA (stable outlook) | S&P Global Ratings
Tax Status	In the opinion of Bond Counsel, interest on the 2022A Bonds is excluded from gross income for federal income tax purposes. Interest on the 2022A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The 2022A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, on interest income or profits on debt obligations owned by corporations, as defined therein. See "TAX MATTERS" and "Appendix H – Form of Approving Opinion of Bond Counsel" herein.
Redemption	The 2022A Bonds are not subject to redemption prior to their stated dates of maturity.
Security	The 2022A Bonds are payable from Net Revenues of the Turnpike System and certain other funds held under the Resolution. **The 2022A Bonds are not a general obligation of the State of Florida, and the full faith and credit of the State of Florida is not pledged to payment of the 2022A Bonds.** See "SECURITY FOR THE BONDS" herein for more complete information.
Lien Priority	The lien of the 2022A Bonds on the Net Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds and any subsequently issued Additional Bonds. The aggregate principal amount of Bonds which will be Outstanding subsequent to the issuance of the 2022A Bonds is $3,104,115,000 excluding the Refunded Bonds, which will be economically, but not legally, defeased and redeemed on July 1, 2022.
Additional Bonds	Additional Bonds payable on a parity with the 2022A Bonds and the Outstanding Bonds may be issued if historical and projected Net Revenues are at least 120% of the Annual Debt Service Requirement and the Maximum Annual Debt Service in specified years. Additional statutory limitations also apply. See "ADDITIONAL BONDS" herein for more complete information.
Purpose	Proceeds of the 2022A Bonds will be used to refund a portion of the Outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2012A, and to pay costs of issuance as more fully described in "THE REFUNDING PROGRAM" herein.
Interest Payment Dates	January 1 and July 1, commencing July 1, 2022.
Record Dates	June 15 and December 15.
Form/ Denomination	The 2022A Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only through Direct Participants (defined herein) in denominations of $1,000 and integral multiples thereof. Purchasers of the 2022A Bonds will not receive physical delivery of the 2022A Bonds.
Closing/ Settlement	The 2022A Bonds will be available for delivery through the facilities of DTC in New York, New York on April 14, 2022.
Bond Registrar/ Paying Agent	U.S. Bank Trust Company, National Association, Orlando, Florida
Bond Counsel	Greenberg Traurig, P.A., Miami, Florida.
Issuer Contact/ Website	Division of Bond Finance, phone: (850) 488-4782, email: bond@sbafla.com, website: www.sbafla.com/bond
Maturity Structure	The 2022A Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover.

March 24, 2022

MATURITY STRUCTURE

Initial CUSIP ©	Due Date	Principal Amount	Interest Rate	Yield*
343137 MS1	July 1, 2023	$7,905,000	5.00%	1.49%
343137 MT9	July 1, 2024	18,580,000	5.00	1.68
343137 MU6	July 1, 2025	24,040,000	5.00	1.80
343137 MV4	July 1, 2026	25,235,000	5.00	1.89
343137 MW2	July 1, 2027	26,505,000	5.00	2.00
343137 MX0	July 1, 2028	15,575,000	5.00	2.07
343137 MY8	July 1, 2029	10,945,000	5.00	2.13
343137 MZ5	July 1, 2030	11,485,000	5.00	2.20
343137 NA9	July 1, 2031	12,060,000	5.00	2.25
343137 NB7	July 1, 2032	12,665,000	5.00	2.32
343137 NC5	July 1, 2033	13,300,000	5.00	2.38

* Yield information provided by the underwriter.

The State of Florida has not authorized any dealer, broker, salesman or other person to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied on. Certain information herein has been obtained from sources other than records of the State of Florida which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the State of Florida since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the 2022A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

STATE OFFICIALS

GOVERNING BOARD OF THE DIVISION OF BOND FINANCE

GOVERNOR
RON DESANTIS
Chairman

ATTORNEY GENERAL
ASHLEY MOODY
Secretary

CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
Treasurer

COMMISSIONER OF AGRICULTURE
NIKKI FRIED

J. BEN WATKINS III
Director
Division of Bond Finance

VACANT
Secretary
Department of Transportation

LAMAR TAYLOR
Interim Executive Director and CIO
State Board of Administration of Florida

CONSULTANTS TO THE STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION

AECOM Technical Services, Inc.
Traffic Engineers
New York, New York

ATKINS and HNTB
General Consulting Engineers
Orlando, Florida

BOND COUNSEL

Greenberg Traurig, P.A.
Miami, Florida

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OFFICIAL STATEMENT
Relating to
$178,295,000
STATE OF FLORIDA
Department of Transportation
Turnpike Revenue Bonds
Series 2022A

For definitions of capitalized terms not defined in the text hereof, see Appendices E, F, and G.

INTRODUCTION

This Official Statement sets forth information relating to the sale and issuance of the $178,295,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2022A (the "2022A Bonds"), dated the date of delivery thereof, by the Division of Bond Finance of the State Board of Administration of Florida (the "Division").

Proceeds of the 2022A Bonds will be used to refund a portion of the Outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2012A, and to pay costs of issuance, as detailed in "THE REFUNDING PROGRAM" herein.

The 2022A Bonds will be solely payable from the Net Revenues of the Turnpike System. The lien of the 2022A Bonds on the Net Revenues is a first lien on such revenues and will be on parity with the Outstanding Bonds. The aggregate principal amount of Bonds which will be Outstanding subsequent to the issuance of the 2022A Bonds is $3,104,115,000 excluding the Refunded Bonds, which will be economically, but not legally, defeased and redeemed on July 1, 2022. **The 2022A Bonds are not secured by the full faith and credit of the State of Florida and credit of the State of Florida is not pledged to the payment of the 2022A Bonds.** See "SECURITY FOR THE BONDS" herein for more detailed information.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Any statements made in this Official Statement which involve opinions or estimates, whether or not expressly stated, are set forth as such and not as representations of fact. No representation is made that any of the opinions or estimates will be realized. To make an informed decision, a full review should be made of the entire Official Statement. The descriptions of the 2022A Bonds and the documents authorizing and securing the same do not purport to be comprehensive or definitive. All references to and descriptions of such documents are qualified by reference to the actual documents. Copies of such documents may be obtained from the Division. Any addresses of or links to websites, which are contained herein, are not incorporated into this Official Statement and are given for convenience only. Requests for additional information may be made to the Division at:

Division of Bond Finance

Phone: (850) 488-4782
Fax: (850) 413-1315
Email: bond@sbafla.com
Mail: P. O. Box 13300
Tallahassee, Florida 32317-3300
Website: www.sbafla.com/bond

Certain statements contained in this Official Statement (including the Appendices hereto) reflect not historical facts but forecasts and constitute "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "budget" and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements in this Official Statement are expressly qualified in their entirety by the cautionary statement set forth above. Estimates are based on information available at the time of the estimates. Such estimates are subject to revision as additional information becomes available. Also, estimates are subject to risks and uncertainties which may cause results to differ materially from those estimates set forth herein. No assurance is given that actual results will not differ materially from the estimates provided herein.

End of Introduction

AUTHORITY FOR THE ISSUANCE OF THE 2022A BONDS

General Legal Authority

The 2022A Bonds are being issued by the Division on behalf of the State of Florida Department of Transportation (the "Department") pursuant to Article VII, Section 11(d) of the Florida Constitution; the State Bond Act (Sections 215.57 through 215.83, Florida Statutes), and the Florida Turnpike Enterprise Law (Sections 338.22–338.241, Florida Statutes) (collectively, the "Act"); and other applicable provisions of law.

Article VII, Section 11(d) of the Florida Constitution provides that revenue bonds payable solely from funds derived directly from sources other than State tax revenues may be issued by the State of Florida or its agencies, without a vote of the electors, to finance or refinance capital projects. Section 215.59(2), Florida Statutes, authorizes the Division to issue revenue bonds pursuant to Article VII, Section 11(d) of the Florida Constitution, and Section 338.227(3), Florida Statutes, authorizes the Division to issue such revenue bonds on behalf of the Department to finance or refinance the cost of Florida Turnpike System projects, subject to specific legislative authorization. Additionally, Section 215.79, Florida Statutes, authorizes the Division to issue refunding bonds to refund any outstanding revenue bonds.

Division of Bond Finance

The Division is a public body corporate created pursuant to the State Bond Act, and is authorized to issue bonds on behalf of the State and its agencies. The Governing Board of the Division (the "Governing Board") is composed of the Governor, as Chairman, and the Cabinet of the State of Florida, consisting of the Attorney General, as Secretary, the Chief Financial Officer, as Treasurer, and the Commissioner of Agriculture. The Director of the Division serves as an assistant secretary of the Governing Board and directs the day-to-day operations of the Division, including the issuance of bonds.

State Board of Administration of Florida

The State Board of Administration of Florida (the "Board") was created under Article IV, Section 4 of the Florida Constitution, as revised in 1968 and subsequently amended, and succeeds to all the power, control and authority of the state board of administration established pursuant to Article IX, Section 16 of the Florida Constitution of 1885. It will continue as a body at least for the life of Article XII, Section 9(c) of the Florida Constitution. The Board is composed of the Governor, as Chairman, the Chief Financial Officer, and the Attorney General. Under the State Bond Act, the Board determines the fiscal sufficiency of all bonds proposed to be issued by the State of Florida and its agencies. It also acts as the fiscal agent of the Department in administering various funds and accounts established pursuant to the Resolution. See "SECURITY FOR THE BONDS – Flow of Funds" herein for a more detailed description of the funds and accounts managed by the Board.

Florida Transportation Commission

The Florida Transportation Commission (the "Commission") is the statutorily-created oversight board of the Department. It consists of nine members appointed by the Governor, subject to confirmation by the Senate, who serve staggered four-year terms. The Commission's mission is to provide policy guidance on transportation issues of statewide importance and by maintaining public accountability for the Department and other statutorily specified transportation authorities. The Commission reviews major transportation policy initiatives or revisions submitted by the Department; provides recommendations on major transportation policy to the Governor and State legislature; and reviews the performance, work program, financial status, budget requests, and long-range plans of the Department.

Department of Transportation

The Department is an executive branch State agency created pursuant to Article IV, Section 6 of the Florida Constitution and Section 20.23, Florida Statutes. The Department operates under the Florida Transportation Code (as defined in Section 334.01, Florida Statutes), which sets forth the Department's role in the planning and development of an integrated, balanced statewide transportation system guided by the principals of preserving the existing transportation infrastructure, enhancing Florida's economic competitiveness, and improving travel choices to ensure mobility. In addition to the Florida Transportation Code, the Department is governed by the Florida Turnpike Enterprise Law (Sections 338.22-338.241, Florida Statutes), which authorizes the Department to acquire, construct, maintain, and operate limited access toll highways and associated feeder roads and other structures as part of the Florida Turnpike System (the "Turnpike System" or the "System").

The head of the Department is the Secretary of Transportation, who is nominated by the Commission, appointed by the Governor, and confirmed by the State Senate. The Department is a decentralized agency, with a Central Office, seven

District Offices (each with its own Secretary), the Turnpike Enterprise, and the Florida Rail Enterprise. Each of the District Secretaries and the Chief Executive Officer of the Turnpike Enterprise sit on the Executive Board of the Department.

Florida Turnpike Enterprise

The Florida Turnpike Enterprise (the "Turnpike Enterprise" or the "Enterprise") operates the System pursuant to the Florida Turnpike Enterprise Law. Previously, some of the original portions of the System were constructed and managed by the Florida State Turnpike Authority, which was created in 1953 and incorporated into the Department in 1969, at which time and the Department succeeded to all the powers, properties and assets of the Florida State Turnpike Authority. Subsequently, in 1994, the Turnpike District, one of eight Department District Offices, was created to manage the System. Chapter 2002-20, Laws of Florida, reorganized the Turnpike District into the Enterprise. Since 2002, the System, which remains an asset of the Department, has been operated by the Enterprise as a business unit within the Department. In addition to creating the Enterprise to operate the System, Chapter 2002-20, Laws of Florida, incorporated the Department's Office of Toll Operations into the Enterprise. The Enterprise collects Tolls for the System as well as nine Department-owned facilities and two Department-operated facilities. See "TOLLS – Methods of Toll Collection" herein for additional information. While the Enterprise is a business unit of the Department, it has the autonomy and flexibility to pursue innovations and best practices found in the private sector and apply those to the System to improve cost-effectiveness and timeliness in project delivery, increase System revenues, expand the System's capital program capability, and improve quality of service to its customers, while protecting Bondholders and preserving, expanding, and improving the System.

Nicola Liquori serves as the Chief Executive Officer and Executive Director of the Enterprise. Prior to her appointment, Ms. Liquori served as the Chief Executive Officer for the Central Florida Rail Systems/Sun Rail; she also previously served as the Deputy Executive Director and Chief Financial Officer of the Enterprise. The Chief Executive Officer of the Enterprise and seven-member leadership team made up of the Chief Financial Officer (Jacki Churchill), the Director of Transportation Development (Christina Colon), the Director of Transportation Operations (Maria Connolly), the Director of Communications-Marketing (Angela Starke), the Director of Administration (Laura Duran), the Director of Toll Operations (Juan Ignacio Gomez Lobo), and the Chief Counsel (Mark Dlugokienski) oversee the Enterprise's operation of the System and Department-owned and operated Toll facilities. The Enterprise is organized into six functional program areas as follows:

Program Area	Office
Finance, Procurement, Business Development and Concessions	Chief Financial Officer
Production and Planning	Director of Transportation Development
Highway Operations, Construction, and Maintenance	Director of Transportation Operations
Communications and Marketing	Director of Communications – Marketing
Administration	Director of Administration
Toll Systems and Customer Toll Operations	Director of Toll Operations

Administrative Approval

The Governing Board authorized the issuance of various Series of State of Florida, Department of Transportation Turnpike Revenue Bonds (the "Bonds") by a resolution, the Authorizing Resolution, adopted on October 25, 1988, as amended and restated on May 17, 2005, a copy of which is attached hereto as Appendix E, and as further amended by the Forty-eighth Supplemental Resolution, adopted on December 4, 2018 (the "Amendment"), a copy of which is attached hereto as Appendix F (collectively, "Resolution").

The Department, by a resolution dated September 21, 2021, requested the Division to issue the 2022A Bonds. The Governing Board authorized the issuance and competitive sale of the 2022A Bonds by the Fifty-seventh Supplemental Resolution, adopted on September 21, 2021, a copy of which is attached hereto as Appendix G. The Board approved the fiscal sufficiency of the 2022A Bonds by resolution adopted on September 21, 2021.

DESCRIPTION OF THE BONDS

The 2022A Bonds and the interest payable thereon are obligations of the Department, secured by and payable solely from a first lien pledge of the Net Revenues of the System on a parity with the Outstanding State of Florida, Department of Transportation Turnpike Revenue and Revenue Refunding Bonds, Series 2012A through 2021C (the "Outstanding Bonds"). See "SECURITY FOR THE BONDS" herein for additional information.

The 2022A Bonds are being issued as fully registered bonds in the denomination of $1,000 or integral multiples thereof. The 2022A Bonds will be dated the date of delivery thereof and will mature as set forth on the inside front cover. Interest is payable on July 1, 2022, for the period from the date of delivery thereof, to July 1, 2022, and semiannually thereafter on January 1 and July 1 of each year, until maturity or redemption. Interest on the 2022A Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The 2022A Bonds will initially be issued exclusively in "book-entry" form. Ownership of one 2022A Bond for each maturity (as set forth on the inside front cover), each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2022A Bonds. Individual purchases of the 2022A Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the 2022A Bonds or any certificate representing their beneficial ownership interest in the 2022A Bonds. See Appendix J, "Provisions for Book-Entry Only System or Registered Bonds" for a description of DTC, certain responsibilities of DTC, the Department, and the Bond Registrar/Paying Agent, and the provisions for registration and registration for transfer of the 2022A Bonds if the book-entry only system of registration is discontinued.

REDEMPTION PROVISIONS

The 2022A are not subject to redemption prior to their stated dates of maturity.

THE REFUNDING PROGRAM

A portion of the proceeds derived from the sale of the 2022A Bonds, together with other legally available moneys, will be used to refund the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2012A, maturing in the years 2023 through 2033, in the outstanding principal amount of $214,240,000 (the "Refunded Bonds"). This refunding is being effectuated to achieve debt service savings.

Simultaneously with the delivery of the 2022A Bonds, the Department will cause to be deposited a portion of the proceeds of the 2022A Bonds, along with other legally available moneys, into an irrevocable escrow account to be known as the "State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2022A Escrow Deposit Trust Fund" (the "Escrow Deposit Trust Fund") under an Escrow Deposit Agreement to be entered into among the Department, the Division, and the Board (the latter, the "Escrow Agent"). The Escrow Agent will invest a portion of the monies initially deposited in the Escrow Deposit Trust Fund in the State Treasury investment pool, a fund held and invested by the State Treasurer of Florida. Additionally, the Division will direct the Board to release a portion of the moneys currently held in the subaccount in the Debt Service Reserve Account (the "Excess Reserve Funds") and apply the same to the redemption of the Refunded Bonds together with the proceeds of the 2022A Bonds and other monies in escrow that are available for such purpose. For additional information about the Debt Service Reserve Account, see "SECURITY FOR THE BONDS – Debt Service Reserve Account" herein. The Excess Reserve Funds will be separately transferred to the Bond Registrar/ Paying Agent on or before the redemption date. The amount of monies initially deposited in escrow, together with interest thereon, when combined with the Excess Reserve Funds, are expected to be sufficient to redeem the Refunded Bonds on the redemption date. The Refunded Bonds will be considered as remaining outstanding and economically defeased only, and will continue to have a claim upon the Net Revenues of the Turnpike System as well as the Escrow Deposit Trust Fund, until they are redeemed.

The Refunded Bonds will be called for redemption, by separate redemption notice, and will be redeemed on July 1, 2022, at a redemption price equal to the principal amount thereof with interest due thereon through the redemption date. No funds held in the Escrow Deposit Trust Fund will be available to pay debt service on the 2022A Bonds.

Sources and Uses of Funds

Sources of Funds:	
Par Amount of 2022A Bonds	$178,295,000
Original Issue Premium	27,507,380
Release of Excess Reserve Funds	10,716,207
Sinking Fund Accrual	1,763,666
Total Sources	$218,282,253
Uses of Funds:	
Deposit to the Escrow Deposit Trust Fund	$207,051,124
Transfer of Excess Reserve Funds	10,716,207
Underwriter's Discount	207,262
Cost of Issuance	307,660
Total Uses	$218,282,253

Application of the 2022A Bond Proceeds

Upon receipt of the proceeds of the 2022A Bonds, and after reserving an amount sufficient to pay all Costs of Issuance, including a reasonable service charge for the services of the Division, and accrued interest, if any, the Department will transfer all remaining proceeds to the Board for deposit into the Escrow Deposit Trust Fund. After the redemption of the Refunded Bonds, any excess moneys not used for such purpose will be transferred to the Sinking Fund and shall be used for any purpose for which moneys may be legally used from such fund (including the payment of debt service).

SECURITY FOR THE BONDS

The 2022A Bonds will be secured by a pledge of and a first lien on, and will be payable solely from, the Net Revenues of the Turnpike System on a parity with the Outstanding Bonds and any Additional Bonds hereafter issued. See "ADDITIONAL BONDS" below for a discussion of the terms, restrictions, and conditions on the issuance of Additional Bonds pursuant to the Resolution. The aggregate principal amount of Bonds which will be outstanding subsequent to the issuance of the 2022A Bonds is $3,104,115,000 excluding the Refunded Bonds, which will be economically, but not legally, defeased and redeemed on July 1, 2022.

Pledge of Revenues

The Resolution defines Net Revenues as the revenues derived from the operation of the System after deducting the Cost of Operation and Cost of Maintenance. The Department has covenanted to pay all costs of operation and maintenance of the System from the State Transportation Trust Fund ("STTF"), in effect making 100% of System Gross Revenues available for debt service. The System's costs of operation and maintenance paid from the STTF are to be reimbursed from the Turnpike General Reserve Fund only after provision has been made for payment of debt service and other amounts required with respect to the Bonds. See "SECURITY FOR THE BONDS – Payment of Costs of Operation and Maintenance from STTF" herein.

The 2022A Bonds are "revenue bonds" within the meaning of Article VII, Section 11(d), of the Florida Constitution, and are payable solely from funds derived directly from sources other than State tax revenues. **The 2022A Bonds do not constitute a general obligation or indebtedness of the State of Florida or any of its agencies or political subdivisions and will not be a debt of the State of Florida or of any agency or political subdivision thereof, and the full faith and credit of the State is not pledged to the payment of the principal of, premium, if any, or interest on the 2022A Bonds. The issuance of the 2022A Bonds does not, directly or indirectly or contingently obligate the State of Florida to use State funds, other than the Net Revenues of the System, to levy or to pledge any form of taxation whatsoever or to make any appropriation for payment of the principal of, premium, if any, or interest on the 2022A Bonds.**

Flow of Funds

The Resolution establishes certain funds and accounts, as follows: (i) the "Revenue Fund", (ii) the "Operation and Maintenance Fund" (consisting of the "Cost of Operation Account" and the "Cost of Maintenance Account"); (iii) the "Sinking Fund" (consisting of the "Interest Account," the "Principal Account," the "Bond Amortization Account," the "Debt Service Reserve Account," and the "Bond Redemption Account"); (iv) the "Renewal and Replacement Fund," or "R&R Fund;" (v) the "Operation and Maintenance Reserve Fund;" (vi) the "General Reserve Fund;" and (vii) the "Rebate Fund."

All Revenues are deposited daily into a special account in one or more depositories (the "Collection Account"). At least weekly the Department transfers all moneys in the Collection Account to the Board for deposit into the Revenue Fund. Except for the Operation and Maintenance Fund and the Operation and Maintenance Reserve Fund, such funds and accounts constitute trust funds for the purposes provided in the Resolution, and the Registered Owners of the Bonds have a lien on all moneys in such funds and accounts until applied as provided therein. See "MISCELLANEOUS – Investment of Funds" below for a discussion of the investment of such funds by the Board.

Application of Revenues

The Resolution provides that on the 15th day of each month, Revenues deposited in the Revenue Fund shall be deposited, to the extent necessary, in the following funds and accounts and applied as described below.

Revenues are first deposited into the Operation and Maintenance Fund in amounts equal to 1/12th of the Cost of Operation and 1/12th of the Cost of Maintenance. By July 2021, the Department had made sufficient deposits in the Cost of Operation Account and Cost of Maintenance Accounts equal to 1/12th of the budgeted Cost of Operation and 1/12th of the budgeted Cost of Maintenance for Fiscal Year 2022, respectively. Because the Costs of Operation and Maintenance are to be paid from the STTF in accordance with the Covenant, as defined below, instead of from the Operation and Maintenance Fund, the moneys on deposit in the Operation and Maintenance Fund will not need to be drawn down and no additional Revenues will be deposited therein. See "SECURITY FOR THE BONDS – Payment of Costs of Operation and Maintenance from STTF" below for a discussion of the payment of the Cost of Operation and the Cost of Maintenance by the Department pursuant to the Covenant.

Next, Revenues are deposited into the Interest Account in the Sinking Fund, in an amount equal to 1/6th of the interest payable on the Bonds on the next Interest Payment Date and into the Principal Account in the Sinking Fund in an amount equal to 1/12th of the principal amount of Serial Bonds maturing on the next annual maturity date, and into the Bond Amortization Account in such amounts as may be required for the payment of Term Bonds in such Fiscal Year. No distinction or preference exists in the use of the moneys on deposit in the Sinking Fund for payment into the Interest Account, the Principal Account and the Bond Amortization Account, as such accounts are on a parity with each other as to payment from the Sinking Fund. Any deficiencies in these accounts will be restored from the first Net Revenues available to the Department.

Revenues are then deposited into each subaccount in the Debt Service Reserve Account to the extent necessary to maintain an amount equal to the Debt Service Reserve Requirement established for the Bonds in each such subaccount. See "SECURITY FOR THE BONDS – Debt Service Reserve Account" below for a discussion on the amount of this requirement.

Thereafter, Revenues are deposited in the Renewal and Replacement Fund to the extent necessary to pay 1/12th of the amount certified by the Consulting Engineer for the current Fiscal Year as being necessary for the purposes of the Renewal and Replacement Fund. The Department may withdraw and transfer to any other fund any excess amount certified by the Consulting Engineer as not being necessary for the purposes of the Renewal and Replacement Fund. Moneys in the Renewal and Replacement Fund are used to pay the cost of replacement or renewal of capital assets or facilities of the Turnpike System, or extraordinary repairs of the Turnpike System, excluding non-Toll roads other than Feeder Roads. The moneys in the Renewal and Replacement Fund may be deposited into the Interest Account, Principal Account, and Bond Amortization Account only when the moneys in the Revenue Fund and the Debt Service Reserve Account are insufficient therefor.

Subsequently, Revenues are deposited into the Operation and Maintenance Reserve Fund to the extent necessary to maintain an amount on deposit therein of at least equal to 1/8th of the sum of the Cost of Operation and the Cost of Maintenance for the current Fiscal Year as set forth in the Annual Budget of the Department. Any moneys in the Operation and Maintenance Reserve Fund in excess of the amount required to be maintained therein may be transferred at the direction of the Department to the General Reserve Fund.

Lastly, the balance of any moneys remaining in the Revenue Fund not needed for the foregoing payments are deposited in the General Reserve Fund and applied by the Department for any lawful purpose; provided, however, that no such deposit may be made unless all payments described above, including any deficiencies for prior payments, have been made in full to the date of such deposits.

Payment of Cost of Operation and Cost of Maintenance from the STTF

Although the Resolution requires that moneys in the Revenue Fund first be applied to pay the Cost of Operation and Cost of Maintenance, the Department has covenanted and agreed to pay such Cost of Operation and Cost of Maintenance from the STTF (the "Covenant"), as authorized by Section 206.46(5), Florida Statutes. By its terms, the Covenant (i) is a contract enforceable by the Registered Owners; (ii) is not subject to repeal, impairment, or amendment which would materially and adversely affect the rights of Registered Owners; and (iii) may be amended only upon compliance with the procedures for amending the Resolution. The terms of the Covenant were approved as part of validation proceedings with respect to previously authorized Turnpike Revenue and Revenue Refunding Bonds. A copy of the Covenant is attached hereto as Appendix D. Further, the State has covenanted that it will not repeal or impair or amend the statutory authorization for the Covenant in any manner that will materially and adversely affect the rights of Bondholders so long as Bonds are outstanding.

Pursuant to the Covenant, the Department pays all Cost of Operation and Cost of Maintenance directly from monies in the STTF. The Covenant requires that the STTF be reimbursed from moneys available in the General Reserve Fund, the last fund in the flow of funds, on a monthly basis. If there are insufficient monies in the General Reserve Fund to reimburse the STTF, the Department must take actions (including deferring projects and increasing Tolls) to increase available revenues. If such actions would adversely impact the security of the Registered Owners or the integrity of the System, the reimbursement obligation would become a debt of the Enterprise to the STTF, payable from the General Reserve Fund.

For Fiscal Year 2021, the Enterprise advanced $125 million to the STTF, which will reduce its reimbursements to the STTF for payments made for Cost of Operation and Cost of Maintenance by $25 million per year in each of the Fiscal Years from 2021 through 2025. These reductions to reimbursements to the STTF for payments made for Cost of Operation and Cost of Maintenance are not included in financial projections for Fiscal Years 2022 through 2025 shown herein in "SECURITY

FOR THE BONDS – Turnpike Operations and Maintenance ("O&M") Coverage from STTF" or "TURNPIKE SYSTEM FINANCIAL DATA – Projected Revenues, Expenses, and Debt Service Coverage."

The STTF is funded by various transportation-related taxes, fees, fines, and surcharges, including motor fuel taxes and motor vehicle license taxes (collectively, the "State Tax Component"), as well as federal aid, interest earnings, and miscellaneous revenues. By law, a minimum of 15% of STTF receipts are reserved for public transportation projects. STTF receipts are available to pay the Cost of Operation and Cost of Maintenance only after payment of debt service and making loan repayments on certain non-Turnpike bond programs and costs of operation and maintenance on certain expressway systems (collectively, the "Prior Lien Obligations"). The list and amounts of Prior Lien Obligations are subject to revision, but may never become so extensive as to impair the ability of the Department to pay the Cost of Operation and the Cost of Maintenance from the STTF pursuant to the Covenant.

The following table shows the STTF funds available to meet the Covenant. The Enterprise has prepared the prospective financial information set forth below to present the STTF funds available to meet the Covenant. The accompanying prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Enterprise's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of their knowledge and belief, the expected course of action and the expected future financial performance of the System. Neither the Enterprise's independent auditors, nor any other independent accountants have compiled, examined or performed any procedures with respect to the projected financial information contained in the following table. **Additionally, the projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections. No representation is made that the amounts of STTF receipts will be available or that the Prior Lien Obligations will not be revised in any projected Fiscal Year.**

Turnpike Operations and Maintenance ("O&M") Coverage from STTF
(in millions of dollars)

	Fiscal Year	STTF Receipts Available[1]	Prior Lien Obligations[2]	Available for Turnpike O&M	Turnpike O&M Payments[3]	Turnpike O&M Coverage
Historical	2017	$3,572.6	$387.0	$3,185.6	$215.7	14.76x
	2018	3,616.3	370.4	3,245.9	233.0	13.93x
	2019	3,776.9	490.8	3,286.1	238.3	13.78x
	2020	3,829.9	722.3	3,107.6	242.9	12.79x
	2021	3,959.3	598.4	3,360.9	252.5	13.31x
Projected	2022	$4,274.7	$779.9	$3,494.9	$249.8	13.99x
	2023	4,369.2	523.0	3,846.1	260.1	14.79x
	2024	4,510.0	572.2	3,937.9	266.1	14.80x
	2025	4,606.5	512.1	3,094.3	271.1	15.10x
	2026	4,692.5	471.3	4,221.2	277.9	15.19x
	2027	4,825.1	486.1	4,339.1	284.8	15.24x

Source: Florida Turnpike Enterprise Finance Office.

1 Amounts for Fiscal Years 2017 through 2021 are actual. Projections of State Receipts Available for Fiscal Years 2022 through 2027 are based on the Revenue Estimating Conference estimates of STTF Revenue, adjusted by the Department to reflect the statutory percentage reserved for public transportation projects, exempt revenues, the Department's share of documentary stamps, and interest earnings and miscellaneous revenues from the Department's Cash Forecast based on the Tentative Work Program Plan with January 2022 Revenue Estimating Conference estimates of the STTF.

2 Amounts for Fiscal Years 2017 through 2021 are actual. Projections of Prior Lien Obligations for Fiscal Years 2022 through 2027 are based on the Department's Cash Forecast which is based on the Tentative Work Program Plan with January 2022 Revenue Estimating Conference estimates of the STTF. Prior Lien Obligations include debt service payments on Right-of-Way Acquisition and Bridge Construction Bonds, Federal Highway Reimbursement Revenue Bonds (Indirect GARVEEs), certain Seaport Bonds, Florida Department of Transportation Financing Corporation bonds, State Infrastructure Bank repayments pledged for debt service, Public-Private Partnership Concession Agreements and Design Build Finance Agreements, Authority Operations and Maintenance loans, Renewal and Replacement loans under Lease-Purchase Agreements, Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) loan repayments, and Turnpike Enterprise Toll Facilities Revolving Trust Fund and Operation and Maintenance loans.

3 Amounts for Fiscal Years 2017 through 2021 are actual. Amounts for Fiscal Years 2022 through 2027 are projections from the Traffic and Earnings Report, attached hereto as Appendix A. In Fiscal Year 2021, the Enterprise advanced $125 million to the STTF, which reduced its reimbursements to the STTF for payments made for Cost of Operation and Cost of Maintenance by $25 million in Fiscal Year 2021 and will reduce its reimbursements by $25 million per year in each Fiscal Year from 2022 through 2025; such reductions discussed in "SECURITY FOR THE BONDS – Payment of Cost of Operation and Cost of Maintenance from STTF" are not reflected in the table above.

Debt Service Reserve Account

Generally –The Resolution establishes a Debt Service Reserve Account and subaccounts therein to secure one or more Series of Bonds, to be funded at the discretion of the Director of the Division. Moneys deposited in the Debt Service Reserve Account may be used only for deposit into the Interest Account, Principal Account and Bond Amortization Account when the other moneys available for such purpose are insufficient therefor. Each subaccount is available to cure deficiencies in the Sinking Fund only with respect to the Series of Bonds for which it was established. The Resolution also allows one or more Reserve Account Credit Facilities to be deposited in the Debt Service Reserve Account in lieu of funding it with cash.

Debt Service Reserve Requirement – The Resolution establishes the Debt Service Reserve Requirement for each subaccount in the Debt Service Reserve Account as an amount determined by the Director of the Division that does not exceed the lesser of (i) 125% of the average Annual Debt Service Requirement for the then current and succeeding Fiscal Years; (ii) the Maximum Annual Debt Service; (iii) 10% of the aggregate of the original proceeds received from the initial sale of all Outstanding Bonds; or (iv) the maximum debt service reserve permitted with respect to Tax-Exempt obligations under the Internal Revenue Code, as amended, with respect to the Bonds for which subaccount has been funded. The Amendment, which became effective in accordance with Section 7.03 of the Resolution upon the issuance of the 2021C Bonds, permits the Debt Service Reserve Requirement to be zero. As such, the Division may issue Bonds that are not secured by a subaccount in the Debt Service Reserve Account.

Debt Service Reserve Subaccount Securing the 2012A through 2021B Bonds – The Outstanding 2012A through 2021B Bonds are secured by a subaccount in the Debt Service Reserve Account (the "Subaccount"). The Subaccount is funded by cash and U.S. Treasury investments in the amount of $170,705,220, which represents 125% of the average Annual Debt Service Requirement for the current and succeeding Fiscal Years on the Outstanding 2012A through 2021B Bonds. The Amendment permits, *but does <u>not</u> require*, the reduction of the Debt Service Reserve Requirement to zero on the 2018A through 2021B Bonds, at which time the Registered Owners of such Bonds would no longer have any claim on the Subaccount. At this time, there are no plans to reduce the Debt Service Reserve Requirement for the 2018A through 2021B Bonds pursuant to the Amendment. As a result of the refunding of the Refunded Bonds and reduction in the Annual Debt Service Requirement, the Debt Service Reserve Requirement will be reduced by $10,716,207. These funds, being the Excess Reserve Funds, will be withdrawn from the Subaccount and applied as described in "THE REFUNDING PROGRAM" herein. Following the issuance of the 2022A Bonds and the redemption of the Refunded Bonds, the Subaccount will be funded in the amount of $159,989,013.

The Subaccount is also funded by debt service surety bonds totaling $190,879,187 issued by: Ambac Assurance Corporation ("Ambac") in the amount of $84,763,631; MBIA Insurance Corporation ("MBIA") in the amount of $59,394,551; Assured Guaranty Municipal Corp., formerly Financial Security Assurance, Inc. ("AG Muni"), in the amount of $24,574,400; and Financial Guaranty Insurance Company ("FGIC") in the amount of $22,146,605. MBIA has entered into a reinsurance agreement with National Public Finance Guarantee Corporation ("National") whereby National has reinsured all U.S. public finance transactions of MBIA. As a result of downgrades of these insurers, the Department was required to provide additional reserve funding. As a result, the Subaccount is now fully funded with cash and U.S. Treasury investments. See "MISCELLANEOUS – Bond Ratings" below for the current ratings of Ambac, MBIA, AG Muni, and FGIC.

2022A Bonds Not Secured by the Debt Service Reserve Account

The Debt Service Reserve Requirement for the 2022A Bonds has been determined by the Director of the Division to be zero. No deposit will be made to any subaccount in the Debt Service Reserve Account from the proceeds of the 2022A Bonds. **The 2022A Bonds will <u>not</u> be secured by the Debt Service Reserve Account or any subaccount therein.**

Turnpike Debt Management Policy

The Department has established debt management guidelines for the Enterprise designed to assure a sound financial decision-making process and affirm the future financial viability of the System. The guidelines provide that the Department will borrow only to fund capital requirements, not operating and maintenance costs, and that the final maturity of Bonds issued to finance System improvements may not exceed the useful lives of such improvements. The guidelines also call for the Department to adjust its capital plans in order to maintain annual debt coverage ratios of at least 1.5 times Net Revenue or 2.0 times Gross Revenue, and to periodically prepare cash forecasts and financial plans.

Junior Lien Obligations

The Division and Department covenant that until the Bonds are defeased, they will not issue any other obligations, except Additional Bonds, nor voluntarily create or cause to be created any other debt, lien, pledge, assignment, encumbrance, or other charge, having priority to or being on a parity with the lien of the Registered Owners of the Bonds upon the Net

Revenues. Any such other obligations secured by the Net Revenues, other than the Bonds and Additional Bonds, will contain an express statement that such obligations are junior, inferior, and subordinate to the Bonds theretofore or thereafter issued, as to lien on and source and security for payment from the Net Revenues. The Resolution authorizes the Division to issue junior lien bonds which will ascend to parity status with the Bonds upon compliance with the requirements for Additional Bonds set forth above. The Department has also covenanted not to issue any obligations, or create, cause or permit to be created, any debt, lien, pledge, assignment, encumbrance, or any charge upon any of the properties of the System except as otherwise provided in the Resolution.

Subordinated Debt – The Enterprise periodically incurs debt due to the Department. The lien of this debt on the Net Revenues of the System is junior and subordinate to that of the Bonds. The subordinated debt is made up of loans and advances made by the Department to the Enterprise for the purpose of advancing improvement and expansion projects with repayments deferred until projects have been incorporated into the System operations. The Department has made loans to the Enterprise from the federally funded State Infrastructure Bank ("SIB") and the STTF. The Enterprise paid off its loan from the STTF in January 2020, and as of June 30, 2021, subordinated debt was outstanding in the amount of $19.7 million for the loans from the SIB. The following table shows the scheduled repayment of subordinated debt.

Scheduled Subordinated Debt Repayments as of June 30, 2021
(in thousands of dollars)

Fiscal Year	**2022**	**2023**	**2024**	**2025**	**2026-2034**	**Total**
SIB Loans	$3,218	$3,218	$3,218	$3,218	$6,875	$19,747

Source: Florida Turnpike Enterprise Finance Office.

ADDITIONAL BONDS

Issuance of Additional Bonds

Upon the request of the Department, the Division may issue Additional Bonds payable from Net Revenues on a parity with the Outstanding Bonds for the purpose of financing the cost of construction or acquisition of Turnpike Projects, or refunding Outstanding Bonds, but only under the following terms, limitations, and conditions:

(a) The Board must approve the fiscal sufficiency of the Additional Bonds prior to the sale thereof;

(b) Sufficient Revenues must have been collected and transferred to the Board to make all prior and current payments under the Resolution, and neither the Division nor the Department may be in default thereunder;

(c) All principal of and interest on any Bonds which became due on or prior to the date of delivery of the Additional Bonds must be paid;

(d) The Department must file a certificate with the Board and the Division signed by an Authorized Officer of the Department setting forth the Net Revenues collected during the immediately preceding Fiscal Year, or any 12 consecutive months selected by the Department out of the 15 months immediately preceding the date of such certificate;

(e) The Department must file a certificate with the Board and the Division from the Traffic Engineer stating the estimated Net Revenues to be collected during the current Fiscal Year and each Fiscal Year thereafter, up to and including the third complete Fiscal Year after the Consulting Engineer's estimated date for completion and placing in operation of the Turnpike Projects to be financed by the proposed Additional Bonds, taking into account any revisions to the Tolls and other income in connection with the operation of the System which will become effective during such period; and

(f) The Board and the Division must determine that:

(1) the amount of Net Revenues shown by the certificate described in paragraph (d) are at least 120% of the Annual Debt Service Requirement for the current Fiscal Year on account of all Bonds then Outstanding;

(2) the amount of Net Revenues shown by the certificate described in paragraph (e) for the current Fiscal Year and for each Fiscal Year thereafter, up to and including the first complete Fiscal Year immediately succeeding the estimated completion date of the Turnpike Projects to be financed by the Additional

Bonds, are at least 120% of the Annual Debt Service Requirement for each such Fiscal Year on account of all Bonds then Outstanding and the proposed Additional Bonds; and

(3) the amount of Net Revenues shown by the certificate described in paragraph (e) for each of the three complete Fiscal Years after the estimated completion date of the Turnpike Projects to be financed by the Additional Bonds are at least 120% of the Maximum Annual Debt Service for each such Fiscal Year on account of all Bonds then Outstanding and the proposed Additional Bonds.

The Annual Debt Service Requirement of any Bonds to be refunded and defeased from the proceeds of the proposed Additional Bonds is excluded in making the determinations required in paragraph (f) above. Additionally, those Additional Bonds which are issued to refund Outstanding Bonds with debt service savings in each Fiscal Year are exempt from the provisions of paragraphs (d), (e), and (f) above. All of the applicable above terms, conditions and restrictions having been complied with, the 2022A Bonds will be issued on a parity with the Outstanding Bonds.

Planned Near-Term Bond Issues

The Department established a cash management policy allowing bond issuance to be based on cash flow requirements over the construction period of the capital improvements undertaken by the Enterprise. The Adopted Work Program for the System, which consists of the five-year period from Fiscal Year 2022 through 2026, includes approximately $8.9 billion of capital projects of which approximately $2.6 billion will be funded through planned Bond issuances in Fiscal Year 2022 through Fiscal Year 2026, including $550.0 million of proceeds generated by the issuance of the 2021B and 2021C Bonds in Fiscal Year 2022. See “THE TURNPIKE SYSTEM – Project Development Process” herein for a discussion of the annual development of the Department’s Adopted Work Program, which includes all planned capital projects for the System. The Enterprise’s statutory cap under Section 338.2275, Florida Statutes, limits the amount of Bonds that may be outstanding at any given time to $10.0 billion.

The Department expects to issue Bonds annually, as needed, to fund the continuation of Turnpike Projects under construction and undertake new Turnpike Projects. The following are the Department’s planned new money Bond issuances for Fiscal Year 2022 through Fiscal Year 2026:

Planned Near-Term Bond Issues
(in millions of dollars)

Fiscal Year	**2022[1]**	**2023**	**2024**	**2025**	**2026**	**Total**
Amount of Bonds	$705.0	$427.6	$449.4	$472.9	$509.0	$2,563.9

Source: Florida Turnpike Enterprise Finance Office.
[1] Fiscal Year 2022 includes $550.0 million of proceeds generated by the issuance the 2021B and 2021C Bonds.

The various Turnpike Projects that the Enterprise anticipates funding with the proceeds of these planned debt issuances in Fiscal Year 2022 through Fiscal Year 2026 include: the extension of the First Coast Expressway in Clay County; widening the Sawgrass Expressway in Broward County; widening the Mainline in Lake County, Palm Beach County, and Osceola County; widening the Seminole Expressway in Seminole County; the extension of the Central Polk Parkway in Polk County; interchange improvements on the Sawgrass Expressway in Broward County; interchange modifications on the Mainline in Osceola County; the construction of new tolled interchanges on the Mainline in Osceola County and Orange County; widening the Homestead Extension of Florida’s Turnpike (“HEFT”) in Miami-Dade County; and the construction of the Suncoast Parkway, primarily in Citrus County.

TOLLS

Toll Covenant

The Department has covenanted in the Resolution to fix, establish, and collect Tolls for the use of the System (except non-Toll roads) at such rates, and revise such Tolls from time to time whenever necessary so that the Revenues will be sufficient in each Fiscal Year to pay at least 100% of the Cost of Maintenance and Cost of Operation, and so that the Net Revenues will be sufficient in each Fiscal Year to pay at least 120% of the Annual Debt Service Requirement for the Bonds and at least 100% of all other payments required by the Resolution (the “Toll Covenant”). Excess Revenues collected in any Fiscal Year may not be credited against the foregoing requirements for any subsequent Fiscal Year. Additionally, State law requires the Department to fix, adjust, charge, and collect Tolls that are sufficient to pay the costs of operating and maintaining the System and to pay principal of and interest on the Bonds. The State has also pledged to Bondholders that the State will not limit or restrict the Department’s ability to establish and collect sufficient Tolls and fulfill its covenants with Bondholders.

The Resolution provides that the Department may not reduce Toll rates or remove Tolls from all or any portion of the System so long as any of the Bonds are Outstanding unless the Traffic Engineers certify that the amount of Toll revenues to be produced after any such proposed Toll rate reduction or Toll removal will be sufficient to comply with the Toll Covenant in each Fiscal Year thereafter. From time to time, the Governor may declare a State of Emergency in response to a hurricane that temporarily suspends Toll collection on specified portions of the System in order to facilitate an orderly evacuation from and subsequent return to impacted areas. Historically, temporary suspensions of Toll collection during such times have had minimal impacts to System Revenues.

Annually, on or before February 1, the Department reviews the financial condition of the System and the Bonds, and estimates the Revenues for the following Fiscal Year to determine by resolution whether the estimated Revenues will be sufficient to comply with the Toll Covenant. The Department files such resolution and a certificate setting forth the pertinent financial information required by the Resolution with the Board. If the Department determines that the Revenues for the following Fiscal Year may not be sufficient to comply with the Toll Covenant, it will have the Traffic Engineers make a study and recommend a schedule of Tolls which will provide Revenues sufficient to comply with the Toll Covenant in such Fiscal Year and to restore any deficiency at the earliest practicable time; if there is a deficiency, the Department must implement the recommended schedule of Tolls as soon as practicable during such Fiscal Year.

Failure to comply with the Toll Covenant will not constitute a default under the Resolution if principal and interest on the Bonds is paid when due and the Department either (i) establishes a schedule of Tolls recommended by the Traffic Engineers which will comply with the Toll Covenant during such Fiscal Year; or (ii) if the Traffic Engineers certify that a Toll schedule which would comply with the Toll Covenant is impracticable at that time, establishes a schedule of Tolls recommended by the Traffic Engineers which will comply as nearly as practicable with the Toll Covenant.

Toll Rate Adjustments

Both the Resolution and State law require the Department to fix, adjust, charge, and collect Tolls on the System sufficient to pay the costs of the System and to pay debt service on the Bonds, as discussed in “TOLLS – Toll Covenant,” above. The Department may increase Toll rates and may increase the number of toll gates at any time and from time to time upon the written recommendation of the Traffic Engineers. The Department may make any other adjustment or reclassification of Toll rates or establish special Toll rates (except for Toll rate reductions, which are subject to the provisions discussed in “TOLLS – Toll Covenant” above), provided that such action is recommended by the Traffic Engineers and will not result in a reduction in Net Revenues in any Fiscal Year. From time to time, the Enterprise may implement discount or rebate programs for SunPass customers on the System or portions thereof and on Department-owned or operated Toll facilities. See Appendix A, “Traffic and Earnings Report” for a breakdown of the current Toll rates by vehicle classification and payment method for the various components of the System and a comparison of those Toll rates to the published rates of other toll roads in the State and with a cross-section of toll roads nationwide.

The Department follows the public notice requirements set forth in the State of Florida Administrative Procedures Act (the “APA”) when fixing or adjusting Toll rates. The Department must send a notice of its intent to implement a revised Toll rate schedule to the Florida Department of State along with documentation regarding the purpose, intent, and economic impact of the proposed revision to the Toll rates, which is then published in the Florida Administrative Register (“FAR”). After public comment and a public hearing, if requested, the Department’s final action will then be published in FAR. The APA process results in the public notice occurring close to the time the Toll rate is implemented for existing projects. For new Turnpike Projects, the Department is required by law to publish and adopt a Toll rate during the planning and project development phase.

Statutory Requirement to Index Tolls to Inflation – Section 338.165, Florida Statutes, requires the Department to index Toll rates on existing System facilities and other Department-owned toll facilities to the annual Consumer Price Index (“CPI”) or similar inflation indicator. Toll rate adjustments for inflation may be made no more frequently than once a year and must be made no less frequently than once every five years. Toll rates may be increased above inflation to comply with statutory Toll covenants and the Toll Covenant. Toll rates may also be adjusted above inflation if authorized by the Governing Board, or pursuant to Department administrative rule. The Department typically evaluates SunPass and TOLL-BY-PLATE Toll rates on an annual basis to determine whether the year-over-year change in CPI merits an adjustment, and has adjusted the cash Toll rates every five years. The first indexing of Toll rates pursuant to this statutory requirement occurred in 2012. Following the initial indexing of Toll rates, SunPass and TOLL-BY-PLATE Toll rates were incrementally increased in Fiscal Years 2014, 2015, and 2016 and again in Fiscal Year 2018. See Appendix A, “Traffic and Earnings Report, Table 4 – Toll Increases and Toll Modifications” for additional information on the increases from each Toll rate indexing and other historical Toll rate modifications. The initial Systemwide indexing resulted in a slight decline in overall traffic (approximately 1.5%) from Fiscal Year 2012 to Fiscal Year 2013, and the relatively small increase in Toll rates resulting from indexing from Fiscal Years 2014 through 2018 did not negatively impact traffic. Overall traffic on the System increased by over 36% from Fiscal Year 2013 through 2018. See “TOLLS – Historical Toll Transactions” herein for additional information on System traffic.

While Toll rates are evaluated annually, the Department has flexibility to select the timing of any Toll rate adjustments for inflation within the statutory one- to five-year adjustment period and decided to hold Toll rates constant in Fiscal Years 2019 through 2022. As part of the 2022 Legislative Session, the State Legislature adopted an amendment to Section 338.165, Florida Statutes, which prohibits adjusting Toll rates for inflation during the 2023 Fiscal Year. All Toll revenue projections shown in the "TURNPIKE SYSTEM FINANCIAL DATA – Projected Revenues, Expenses, and Debt Service Coverage," which are as stated in Appendix A, "Traffic and Earnings Report," are based on the current Toll rate structure and do not include potential additional Toll revenues from increases in Toll rates.

Methods of Toll Collection

The primary method for Toll collection on System facilities is electronic toll collection ("ETC") and a number of the System's facilities now use All-Electronic Tolling ("AET"). Under AET, conventional toll plazas are replaced with modern toll gantries that allow customers to pay tolls electronically at highway speeds. When using AET Toll facilities customers must pay tolls electronically using a SunPass, or other interoperable transponder, or through the TOLL-BY-PLATE program. Cash toll payments are no longer accepted on these facilities. The HEFT was converted to AET in February 2011, the Southern Coin System was converted to AET in phases from January 2014 through March 2020, the Sawgrass Expressway converted to AET in April 2014, and the Veterans Expressway was converted to AET in phases from June 2014 through September 2014. Most recently, the Suncoast Parkway was converted to AET in January 2020, followed by the Northern Coin System in phases from July 2020 through January 2021, and the Ticket System in November 2021. A barrier/ramp (coin) system is used on non-AET components of the existing System. See "THE TURNPIKE SYSTEM – The Existing Turnpike System" for a description of the various components and sub-components of the System.

The Department has contracts with two private vendors for Toll revenue collection. The contract with Faneuil, Inc. for Toll collectors runs through November 30, 2025. The contract with Conduent State and Local Solutions, Inc. for ETC processing and collection runs through November 15, 2022.

Electronic Toll Collection – ETC provides the ability to process nearly four times the volume of vehicles through a dedicated lane as compared to an automatic or manual lane. The majority of ETC transactions are collected via SunPass®, the ETC system operated by the Enterprise and available for use on System facilities as well as the Department-owned toll roads and bridges throughout the State.

Tolls for SunPass customers register automatically through the use of a transponder and are deducted from the SunPass customer's prepaid account. SunPass customers made up approximately 75% of System traffic in Fiscal Year 2021. See Appendix A, "Traffic and Earnings Report, Table 42 – Florida's Turnpike System FY 2021 SunPass Participation" for a breakdown of the percent of vehicles using SunPass by component of the System. SunPass transponders are interoperable with other ETC systems in the State including the Central Florida Expressway Authority's E-Pass system and Lee County's LeeWay system. SunPass is also accepted on the Miami-Dade Expressway Authority System, the Tampa Hillsborough Expressway Authority, and a number of local toll roads and bridges throughout the State. Additionally, the Enterprise has agreements with Georgia's State Road and Tollway Authority and the North Carolina Turnpike Authority which allows for interoperability between SunPass, Peach Pass, and NC Quick Pass transponders. In May 2021, the Enterprise achieved national interoperability and is now a full member of the Interagency Group, which allows for SunPass interoperability anywhere E-Z Pass is accepted and allows the more than 43 million E-Z Pass transponders to be used to pay Tolls on all System and Department-owned or operated facilities that use SunPass.

TOLL-BY-PLATE is an alternative image-based ETC system where a vehicle's license plate is captured by a camera for customer identification and billing. Vehicles that are not equipped with SunPass or another interoperable transponder traveling on System facilities that use AET will automatically be processed as a TOLL-BY-PLATE transaction. TOLL-BY-PLATE customers have the option to establish an account with a prepaid balance against which Tolls are debited at the SunPass Toll rate, or pay upon receiving a monthly invoice reflecting the TOLL-BY-PLATE rates, which are higher than the SunPass Toll rates. TOLL-BY-PLATE customers without a prepaid account are assessed a flat administrative charge of $2.50 on their monthly Toll enforcement invoice to recover the cost of administering this payment option, in accordance with Section 338.231(3)(b), Florida Statutes.

Historical ETC Revenue – As shown in the table below, ETC Toll revenues comprise approximately 80% of total System Toll revenue. See Appendix A, "Traffic and Earnings Report" for additional information regarding the percent of ETC transactions for various components of the System. The following table provides a summary of ETC revenues for the System for the last ten Fiscal Years, during which time the Department has converted a number of System facilities to AET.

Historical ETC Revenue
(in thousands of dollars)

Fiscal Year	ETC Toll Revenue[1]	Total Toll Revenue	Percentage ETC Revenue
2012	$443,876	$608,812	72.9%
2013	578,278	755,542	76.5%
2014	624,064	796,301	78.4%
2015	696,438	865,950	80.4%
2016	772,090	955,930	80.8%
2017	818,116	1,008,420	81.1%
2018	837,189	1,017,303	82.3%
2019	873,326	1,052,357	83.0%
2020	770,198	956,260	80.5%
2021	759,201	969,862	78.3%

Source: Appendix A – Traffic and Earnings Report and Florida Turnpike Enterprise Finance Office.
[1] *Excludes Toll administrative charges and ETC transaction fees charged to certain interoperable partners.*

Nonpayment and Escalation – Toll invoices must be paid within 30 days. If a SunPass or TOLL-BY-PLATE customer fails to pay a Toll invoice by the due date, a second invoice will be mailed and the customer will be assessed an additional $2.50 administrative charge. Failure to pay within 30 days after the second notice may result in the unpaid Tolls and administrative charges being assigned to a collection agency. Failure to pay Tolls, administrative charges, and fees that have been assigned to a collection agency may have additional consequences for the registered owner of the vehicle. The Department may request the Florida Department of Highway Safety and Motor Vehicles to place a registration stop on the license plate of the registered owner of the vehicle, which prevents the renewal of the registered owner's driver's license or vehicle registration. The Department may issue a Uniform Traffic Citation to the registered owner of a vehicle that fails to timely pay a Toll enforcement invoice.

Historical Toll Transactions

The System serves a combination of commuters, recreational travelers, and commercial vehicles year-round. Approximately six percent of the traffic on the Mainline consists of commercial vehicles with three or more axles. The System experienced consistent traffic growth following the Great Recession through February 2020 as a result of strong population and tourism growth coupled with low unemployment rates. Various components of the System in Central Florida benefited from record attendance at attractions, passenger cruises from Port Canaveral, and new hotels in the corridor; and components in both Central and South Florida benefited from significant residential and commercial development. Additionally, the opening of additional interchanges on the Mainline, which made the System more accessible for local users, also contributed to traffic growth during this time.

Fiscal Year 2020 and 2021 traffic was impacted by the COVID-19 pandemic. The System experienced average traffic growth of 5.0% through the first eight months of Fiscal Year 2020, which was offset by a 31.7% decline during the last four months of the Fiscal Year driven by shelter-at-home orders issued by the State and local governments in response to COVID-19, resulting in an overall decline in traffic of 7.6% compared to the prior Fiscal Year. Declines were greatest in April 2020, but traffic steadily improved thereafter and recovered swiftly during spring 2021, reaching pre-pandemic levels by the end of Fiscal Year 2021 following the statewide COVID-19 vaccine rollout.

Fiscal Year 2022 Toll transactions from July 2021 through January 2022 have surpassed pre-pandemic levels and average approximately 10% and 32% higher than the same seven-month period of Fiscal Year 2020 and 2021, respectively. See Appendix A, "Traffic and Earnings Report, Table 32 – Turnpike System Traffic Transactions FY 2012-2021" for a breakdown of traffic by component of the System from Fiscal Year 2012 through 2021.

The total Toll transactions for the System for the current and past five Fiscal Years, broken out by month for each Fiscal Year, are summarized in the following table.

Historical Toll Transactions
(in thousands)

	Fiscal Year					
Transactions by Month	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22[1]**
July	70,487	72,903	75,960	79,104	62,563	81,629
August	71,481	75,212	78,472	80,359	64,275	79,490
September	68,683	66,199	72,220	74,537	65,062	78,405
October	70,115	77,358	79,020	83,024	70,515	84,844
November	71,529	75,361	76,567	79,999	66,165	96,307[2]
December	74,686	77,328	77,523	82,566	72,160	103,730[2]
January	72,889	76,011	78,046	82,766	69,973	95,899[2]
February	69,488	72,600	74,055	80,081	68,239	--
March	80,117	82,463	83,839	65,586	80,822	--
April	74,523	77,240	79,704	38,794	79,186	--
May	76,370	77,439	81,026	52,159	81,519	--
June	72,486	75,415	75,298	61,594	80,583	--
Total Transactions	**872,854**	**905,530**	**931,730**	**860,569**	**861,062**	**620,604**
% Change in Transactions	**(1.2%)**	**3.7%**	**2.9%**	**(7.6%)**	**0.1%**	**31.8%[1]**

Source: Florida Turnpike Enterprise Finance Office.

1 Fiscal Year 2022 figures are preliminary, unaudited. Percent change in transactions for Fiscal Year 2022 reflects the growth in transactions compared to transactions through the similar period in Fiscal Year 2021.

2 Conversion of the Ticket System to AET using Mainline plazas in November 2021 contributed to a significantly higher number of transactions at similar Toll rates in effect prior to the change. Previously, a trip on the Ticket System registered one transaction, now the same trip registers as a separate transaction for each Mainline plaza that a customer passes through.

Historical Operating Revenue

The Mainline accounts for approximately 68% of Toll revenues. The Enterprise typically charges higher per-mile Toll rates on expansion Turnpike Projects than on the Mainline. As expansion projects continue to be added, the percentage of Toll revenues generated by expansion projects will continue to gradually increase while the percentage generated by the Mainline will gradually decrease. The increase in Toll revenues between Fiscal Years 2012 and 2013, was largely due to the implementation of Systemwide Toll rate indexing, including a five-year adjustment to cash rates. Subsequently, Toll revenues increased steadily from Fiscal Year 2014 through 2016 due to Systemwide traffic growth and annual Toll rate indexing. From Fiscal Year 2017 through 2019 Toll revenues exceeded $1.0 billion annually due to continued Systemwide traffic growth.

As a result of traffic declines due to COVID-19 described above in “TOLLS – Historical Toll Transactions,” Toll revenues declined to $965 million in Fiscal Year 2020, a decrease of $96.28 million or 9.1% from Fiscal Year 2019. Toll revenues in Fiscal Year 2021 increased $11.81 million or 1.22% from Fiscal Year 2020 as traffic levels improved. See “TURNPIKE SYSTEM FINANCIAL DATA – Discussion and Analysis for Fiscal Years 2020 and 2021 and the Impact of COVID-19” herein for additional information on Fiscal Year 2020 and 2021 Toll revenues.

Preliminary and unaudited Toll revenues for the first seven months of Fiscal Year 2022, from July 2021 through January 2022, total approximately $630.2 million, an increase of approximately $165.2 million or 35.5% from the same seven-month period in Fiscal Year 2021.

Non-Toll operating revenues from Toll administrative charges and concessions and other revenues have generally increased over the last ten Fiscal Years. TOLL-BY-PLATE customers are charged a flat administrative charge as discussed in “TOLLS – Methods of Toll Collection” above. The steady increase in Toll administrative charges from Fiscal Year 2012 through 2018 was largely due to the increased percentage of System customers using TOLL-BY-PLATE instead of paying Tolls in cash. Toll administrative charges were lower in Fiscal Year 2019 as a result of the temporary waiver of the fees and administrative charges in connection with the System’s transition to a new vendor for ETC. Toll administrative charges in Fiscal Years 2020 and 2021 remained below Fiscal Year 2018 as a result of the continued impact of the COVID-19 pandemic. Concession revenues primarily consist of revenues from the sale of food and other items at the eight service plazas along the Mainline, and include advertisement revenues. Other revenues of the System include transaction fees charged to certain interoperable partners and rental car companies.

The total operating revenues, consisting of Toll revenues, Toll administrative charges, concession revenues, and other revenues for the System for the past ten Fiscal Years are summarized in the following table.

Historical Operating Revenue
(in thousands of dollars)

	Fiscal Year Ended June 30,									
Toll Revenue by Component	**2012**	**2013[2]**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Mainline	$439,961	$550,715	$581,632	$624,033	$681,386	$710,861	$706,432	$727,411	$643,138	$662,910
Sawgrass Expressway	51,360	66,579	69,768	72,614	80,510	85,417	86,650	88,747	80,244	76,395
Seminole Expressway	31,457	38,473	40,919	45,243	51,713	55,302	58,308	60,209	56,008	53,422
Veterans Expressway	32,757	41,616	39,925	41,111	45,721	51,645	53,670	56,582	53,781	51,896
Southern Conn. Extension	4,343	6,794	7,517	8,746	10,917	12,626	14,409	15,148	13,203	12,101
Polk Parkway	22,615	23,649	24,590	27,713	31,359	33,595	35,482	36,848	35,431	37,099
Suncoast Parkway	20,769	21,349	22,011	23,682	25,709	26,993	27,620	29,214	26,623	27,855
Western Beltway Part C	5,550	6,367	7,289	8,853	11,032	12,930	15,106	16,942	15,771	15,795
I-4 Connector[1]	-	-	2,650	8,774	12,071	13,448	13,856	14,390	14,013	13,113
Beachline East Expressway[1]	-	-	-	5,181	5,512	5,603	5,770	6,866	6,256	5,710
First Coast Expressway[1]	-	-	-	-	-	-	-	-	11,792	13,566
Total Toll Revenues	**$608,812**	**$755,542**	**$796,301**	**$865,950**	**$955,930**	**$1,008,420**	**$1,017,303**	**$1,052,357**	**$956,260**	**$969,862**
Toll Administrative Charges	$2,487	$6,301	$8,495	$15,334	$16,993	$20,229	$21,217	$2,205	$17,288	$21,065
Concession Revenues	7,169	7,515	7,139	7,050	7,226	8,457	9,878	8,922	8,733	9,822
Other Revenues	4,220	4,928	4,934	6,255	7,000	7,424	15,331	14,610	13,568	11,941
Total Operating Revenue[3]	**$620,201**	**$767,985**	**$816,869**	**$894,589**	**$987,149**	**$1,044,530**	**$1,063,729**	**$1,078,094**	**$995,849**	**$1,012,690**

Source: Appendix A – Traffic and Earnings Report and Florida Turnpike Enterprise Finance Office.

[1] Revenue is reflected from the date of the component's opening or acquisition by the Turnpike.

[2] The increase in Toll revenue in Fiscal Year 2013 is due to the indexing of toll rates, including a five-year adjustment to cash rates.

[3] Toll Administrative Charges in Fiscal Year 2012 and 2013 were not included in Operating Revenues and were netted against Cost of Operation and Cost of Maintenance.

THE TURNPIKE SYSTEM

The Existing Turnpike System

The Turnpike System consists of multiple components spanning approximately 500 miles across the State, which are used by approximately 3 million customers per day. The System currently serves 19 of the State's 67 counties and, through the connecting interstate highways, provides service to most of the heavily populated areas of the State. The population of the counties served by the System represents nearly two-thirds of the State's total population.

The principal component of the System is the 320-mile Mainline, which extends in a north-south direction from I-75 at Wildwood in Sumter County to Florida City in southern Miami-Dade County, with an east-west segment intersecting at Orlando in Orange County. The Mainline consists of five different sub-components: (1) the HEFT, (2) the Southern Coin System, (3) the Ticket System, (4) the Northern Coin System, and (5) the Beachline West Expressway. In addition to the Mainline, the System includes the 18-mile Seminole Expressway in Seminole County; the 15-mile Veterans Expressway in Hillsborough County; the six-mile Southern Connector Extension in Orange and Osceola Counties; the 25-mile Polk Parkway in Polk County; the 42-mile Suncoast Parkway in Hillsborough, Pasco, and Hernando Counties; the 23-mile Sawgrass Expressway in Broward County; the 11-mile Daniel Webster Western Beltway, Part C, in Orange and Osceola Counties; the one-mile I-4 Connector in Hillsborough County; the 22-mile Beachline East Expressway in Orange and Brevard Counties; and the 15-mile First Coast Expressway in Clay and Duval Counties. See Appendix A, "Traffic and Earnings Report" for a detailed description of the components of the System.

Projects

Recently Completed Projects – The Enterprise recently completed the widening of the Beachline West Expressway from I-4 to McCoy Road in Orange County; widening of the Mainline from the Beachline to Osceola Parkway; the AET conversion of the Suncoast Parkway, the Northern Coin System, and the Ticket System; and interchange improvements at Sunrise Boulevard in Broward County and on the Mainline at I-75 in Sumter County.

Projects Currently Under Construction – The Enterprise is currently widening the Mainline in Orange, Lake, and Palm Beach Counties, the Polk Parkway from milepost 18 to milepost 22, and the HEFT in Miami-Dade County. Additional projects under construction include the next phase of the First Coast Expressway from Blanding Boulevard to the St. Johns River in Clay County; the extension of the Suncoast Parkway from US-98 to State Road 44, in Citrus County; the Suntrax Connected/Automated Vehicle Test Facility in Polk County; and direct connect ramps from the Mainline to I-4 in Orange County. AET improvements are also under construction on the Polk Parkway.

Ongoing Maintenance and Other Improvements

The Enterprise maintains the System at the high standards established by the Department, allowing for future expansion and capacity improvements and System infrastructure remains in excellent condition. The Enterprise is responsible for managing and performing routine maintenance on System roadways, including highway repair, roadside upkeep, emergency response, maintaining signs, roadway striping, and keeping storm drains clear and structurally sound. The State Maintenance Engineer for the Department separately evaluates the maintenance condition of Department facilities, including the System, using the Maintenance Rating Program ("MRP") to evaluate routine maintenance in five broad categories: roadway, roadside, vegetation and aesthetics, traffic services, and drainage. An MRP rating of 80 is considered satisfactory with a rating of 100 being the highest possible. In Fiscal Year 2021, the Department's rating for the System was 88. The Enterprise recently revised its standard MRP rating for the System from 85 to 90. While the System does not currently meet the new standard, the Enterprise is committed to investing in projects necessary to adequately preserve the System's infrastructure. See "TREND DATA ON THE SYSTEM'S INFRASTRUCTURE CONDITION – Department Condition and Maintenance Programs" in Appendix C, "Audited Financial Statements of Florida's Turnpike System for Fiscal Years 2021 and 2020" for additional information on the condition of System roads and bridges.

Project Development Process

The Florida Turnpike Enterprise Law requires that proposed System projects must be developed in accordance with the Florida Transportation Plan, approved by the State Legislature, and determined to be economically feasible. Updated annually, the Florida Transportation Plan defines the State's transportation goals and objectives to be accomplished over a period of at least 20 years. System projects must also conform to the Department's Tentative Work Program guidelines.

Legislative Approval – Annually, the Department prepares a list of the transportation projects, including System projects, that are planned for each of the next five Fiscal Years (the "Tentative Work Program") in accordance with Section

339.135, Florida Statutes. The Tentative Work Program, after review by the Commission, is submitted to the Governor and forms the basis for the Governor's budget recommendation to the Legislature. The Department is required to adopt a final work program (the "Adopted Work Program") before the beginning of the Fiscal Year, which may include only those projects submitted as part of the Tentative Work Program, as such projects are amended by the General Appropriations Act or any other act containing appropriations, together with any additional projects that are separately identified by specific appropriation in the General Appropriations Act, and any roll forwards. The Department cannot undertake transportation projects unless they are listed in the Adopted Work Program. In developing the Tentative Work Program, the Department is required to program Toll and Bond-financed projects such that the ratio of projects in Miami-Dade, Broward, and Palm Beach Counties to total System projects is at least 90% of the ratio of net Toll revenues collected in those counties to total net Toll revenues collected on the System.

Economic Feasibility – Proposed System expansion projects must meet a statutory test for economic feasibility which requires the estimated net revenues of the project to be sufficient to pay at least (i) 50% of the debt service on any bonds issued to finance such project by the end of the 12th year of operation, and (ii) 100% of the debt service on such bonds by the end of the 30th year of operation. The test is designed to guard against an expansion project being unable to support its own debt and is applied only to the portion of the project cost funded by bond proceeds. The feasibility test is not applied to non-expansion projects such as interchanges and widenings, which are subject to established evaluation processes and strict needs tests.

Environmental Feasibility – The State of Florida Department of Environmental Protection reviews the environmental feasibility of proposed System expansion projects prior to their inclusion in the Tentative Work Program. Projects which impact a local transportation system must be included in the Transportation Improvement Plan of the affected metropolitan planning organization or county, as applicable.

Phases of Project Development – There are five phases of project development for all System projects: planning, project development and environment ("PD&E") study, design, right-of-way acquisition, and construction. First, projects are identified in the planning phase and planning-level corridor studies, such as feasibility studies, are conducted to determine the need for the project. Next, during the PD&E phase, the Enterprise and the Department evaluate the potential impacts that a project may have and develop solutions to the identified transportation needs that offer the greatest benefit with the least impact. Enterprise and the Department conduct (i) social and economic analyses to assess the sociocultural and the economic impacts and benefits of the project; (ii) cultural resource studies to determine the potential for a project's impacts on archaeological resources, historic sites, and historic architecture in the area; (iii) natural studies of wetlands and surface waters, protected species and habitat, floodplains, and waterways in the area; and (iv) physical studies on the effects project may have on traffic noise, air quality, and contamination to mitigate the impacts of a project as may be required by State or federal laws. Thereafter, the set of documents that are used to build the project are prepared during the design phase; this includes the development of construction plans, specifications, and final estimates. Additionally, permits are obtained during this phase. During the right-of-way acquisition phase, the Department purchases any property that it needs for the project. Finally, the construction phase is when the project is built.

Insurance on Turnpike System

The System has comprehensive insurance coverage from a combination of the State Risk Management Trust Fund and the Department's Bridge, Property and Business Interruption Program.

Primary insurance with the State Risk Management Trust Fund is provided through a self-insurance program of the Florida Department of Financial Services, Bureau of Property, which is offered to all state agencies and includes a private coinsurance rider to protect the State Risk Management Trust Fund against loss from major perils. Insurance under the State Risk Management Trust Fund covers physical loss to buildings and contents as a result of fire, flood, lightning, windstorm or hail, explosion and smoke. The State Risk Management Trust Fund provides a lower deductible than is provided with the Department's Bridge, Property, and Business Interruption Program.

Additional insurance with the Department's Bridge, Property and Business Interruption Program is provided by a Florida Department of Management Services' state contract with insurance brokers that defines perils, hazards, and coverage for several toll road systems in Florida. Coverage is extended to major bridges, overpasses and underpasses, toll revenue producing buildings and structures, and use and occupancy on system operations. Use and occupancy (business interruption) coverage is subject to a seven-day waiting period and must be directly related to the physical damage that creates the inability to collect Tolls. The waiving of Tolls for evacuation and recovery efforts is not covered under the policy.

As a component of the Department, the System participates in the Florida Casualty Insurance Risk Management Trust Fund, a self-insurance fund which provides insurance for State employee workers' compensation, general liability, fleet automotive liability, federal civil rights actions, and court-awarded attorney's fees. In addition, employees are covered by the State's Employee Health Insurance Fund.

The Resolution requires that insurance proceeds, other than use and occupancy insurance, be used to restore or replace damaged facilities, to redeem Bonds, or to reimburse the Department if it has advanced funds for restoration or replacement. Proceeds of use and occupancy insurance must be deposited in the Revenue Fund.

Competing Facilities

The use of the System can save motorists time traveling between cities in the southern and central portions of the State. See Appendix A, "Traffic and Earnings Report – Table 45 Travel Time Comparisons." Other transportation improvements have the potential to affect future System traffic to varying degrees. For example, I-95 has been progressively widened in Miami-Dade, Broward, and Palm Beach Counties to ease congestion. Although most of this widening has been completed, there are other I-95 widening projects in various stages of development. These projects are not expected to have a significant adverse impact on System traffic.

I-95, I-595, and I-75 Express Lanes – The Department and local transit partners are implementing a network of tolled Express Lanes on I-95 and other major roadways in South Florida. The I-95 Express project is being built in several phases. Phase 1, which extends for seven miles between the Golden Glades interchange and I-395 in Miami-Dade County opened to traffic in December 2008 for the northbound direction and in January 2010 for the southbound direction. Phase 2, which extended the I-95 Express Lanes an additional 15 miles into Broward County, opened to traffic in spring 2016. Phase 3, under construction and is scheduled for completion in spring 2024, will extend the I-95 Express Lanes from Stirling Road in Broward County to Linton Boulevard in Palm Beach County and includes a plan to add new dual express lanes in segments. Tolls on these I-95 Express Lanes are collected using SunPass and are variably-priced based on congestion levels. Another major expansion project was the 10-mile I-595 corridor that includes three tolled reversible express lanes, interchange improvements, auxiliary lanes, improvements to the I-595 connection with the System, and the implementation of bus rapid transit within the I-595 corridor which opened in March 2014. In March 2018, District 4 opened four tolled express lanes on I-75 in western Broward County and northwest Miami-Dade County (between I-595 and south of Miami Gardens Drive). Additionally, a separate project, in conjunction with District 6, extended these I-75 express lanes further south to, and along, State Road 826 (Palmetto Expressway) which opened to traffic in September 2019. These express lane projects have not and are not expected to have a significant adverse impact on System traffic.

I-4 Ultimate – Another key infrastructure project in the central Florida area is a major improvement on I-4. Termed the I-4 Ultimate, this 21-mile project will add two new express lanes in each direction in the center of I-4 from west of Kirkman Road in Orange County to east of State Road 434 in Seminole County, as well as direct connections to and from the south on the Turnpike and to and from the east on the I-4 express lanes. Tolls will be collected using SunPass and will be variably priced based on congestion levels. The first phase of construction commenced in early 2015 and is scheduled for completion in Fiscal Year 2022. While this project when completed will ease congestion on I-4, it is not expected to adversely impact System traffic.

Rail Services – The Tri-County Commuter Rail system between Miami and West Palm Beach, which began operation in January 1989, provides a public transportation alternative to the Turnpike and I-95 in south Florida. To date, this service has not adversely affected System traffic and it is not anticipated to affect System traffic in the future.

In December 2009, the State Legislature approved SunRail, a 61-mile commuter rail system operated by the Department in central Florida. Phase 1, a 32-mile section in Volusia and Orange Counties opened in April 2014, and Phase 2 South, a 17-mile expansion in Osceola County opened in July 2018. The proposed Phase 2 North, a 12-mile extension in Volusia County is in development and a timetable for construction has not been established. The rail system is expected to have a minimal impact on System facilities.

Additionally, Brightline has commenced construction of a privately-operated intercity passenger rail service for business and leisure passengers. This rail project is a 235-mile service route that will run north-south for 195 miles along the eastern coast of the State from Miami to Cocoa, with 40 additional miles of new tracks along the Beachline Expressway that will connect to Orlando at a station at the Orlando International Airport. The Department has signed agreements with Brightline authorizing the use of the Beachline Expressway right-of-way for this project. Service between Miami and West Palm Beach began in May 2018. Construction to connect to Orlando International Airport began in May 2019. A future Brightline extension to connect to Walt Disney World in Orlando and to Tampa is currently under study. The project is not expected to have a material impact on the System.

TURNPIKE SYSTEM FINANCIAL DATA

The following tables and their components should be read in conjunction the audited financial statements of the System for Fiscal Years 2021 and 2020, attached hereto as Appendix C. The System's financial statements are subject to audit procedures as part of the audit of Florida's Comprehensive Annual Financial Report and are independently audited as described in "INDEPENDENT AUDITORS" herein.

Historical Summary of Net Position Data

The following schedule summarizes the statement of net position data for the System. This schedule was derived from the financial statements included in the annual audited financial statements of the System.

Historical Summary of Net Position Data
(in thousands of dollars)

	As of June 30,				
Assets	**2017**	**2018**	**2019**	**2020**	**2021**
Current Assets					
Cash and Cash Equivalents	$965,075	$828,758	$1,064,941	$896,836	$559,214
Accrued interest and accounts receivable	7,572	8,190	9,015	7,129	5,487
Due from Other Governments	42,820	81,809	77,340	48,512	68,822
Other Current Assets	5,302	6,779	5,927	8,252	32,134
Total Current Assets	$1,020,769	$925,536	$1,157,223	$960,729	$665,657
Non-Current Assets					
Unrestricted Investments	-	-	-	-	50,613
Restricted Cash and Cash Equivalents	44	230,944	271,810	133,977	29,702
Restricted Investments	194,029	-	-	183,239	172,549
Non-Depreciable Capital Assets	10,038,736	10,507,915	10,999,824	11,725,630	12,475,062
Depreciable Capital Assets – Net	286,593	302,260	277,183	235,334	204,134
Service Concessionaire Arrangement Receivable	79,349	77,317	75,182	72,941	70,588
Operations and maintenance deposit	-	-	-	-	75,000
Other Noncurrent Assets	-	-	-	1,120	2,273
Total Noncurrent Assets	10,598,751	11,118,436	11,623,999	12,352,241	13,079,921
Total Assets	$11,619,520	$12,043,972	$12,781,222	$13,312,970	$13,745,578
Deferred Outflows of Resources	29,691	26,492	27,553	25,304	21,281
Total Assets and Deferred Outflows of Resources	$11,649,211	$12,070,464	$12,808,775	$13,338,274	$13,766,859
Liabilities, Deferred Inflows of Resources, and Net Position					
Current Liabilities					
Construction Contracts and Retainage Payable	$64,234	$72,719	$71,694	$93,750	$73,467
Current Portion of Bonds Payable	140,640	141,130	134,200	143,320	135,595
Due to governmental agencies – Current Portion	31,828	34,099	38,393	34,910	39,407
Unearned Revenue and Other Current Liabilities	12,603	2,923	2,631	3,457	5,360
Total Current Liabilities	$249,305	$250,871	$246,918	$275,437	$253,829
Noncurrent Liabilities					
Long-Term Portion of Bonds Payable, Net	2,619,726	2,433,370	2,589,925	2,611,330	2,653,967
Due to Governmental Agencies – Less Current Portion	32,400	27,682	22,964	19,747	16,529
Unearned Revenue from Other Governments and Other Noncurrent Liabilities	401	351	302	252	203
Total Noncurrent Liabilities	2,652,527	2,461,403	2,613,191	2,631,329	2,670,699
Total Liabilities	$2,901,832	$2,712,274	$2,860,109	$2,906,766	$2,924,528
Deferred Inflows of Resources	$139,590	$148,382	$141,507	$134,632	127,758
Net Position					
Net Investment in Capital Assets	$7,551,130	$8,202,492	$8,561,567	9,227,642	9,810,026
Restricted for Debt Service and Renewal and Replacement	93,660	135,824	141,888	154,304	184,404
Unrestricted	962,999	871,492	1,103,704	914,930	720,143
Total Net Position	$8,607,789	$9,209,808	$9,807,159	$10,296,876	$10,714,573
Total Liabilities, Deferred Inflows, and Net Position	$11,649,211	$12,070,464	$12,808,775	$13,338,274	$13,766,859

Historical Summary of Revenues, Expenses and Changes in Net Position

The following schedule summarizes the revenues, expenses and changes in net position for the System. These schedules were derived from the financial statements included in the annual audited financial statements of the System.

Historical Summary of Revenues, Expenses and Changes in Net Position
(in thousands of dollars)

	Fiscal Year Ended June 30				
	2017	**2018**	**2019**	**2020**	**2021**
Operating Revenues					
Toll Facilities [1]	$1,008,420	$1,017,303	$1,052,357	$956,260	$969,862
Toll Administrative Charges [2]	20,229	21,217	2,205	17,288	21,065
Concessions and Other Revenue [3]	15,881	25,209	23,532	22,301	21,763
Total Operating Revenues	$1,044,530	$1,063,729	$1,078,094	$995,849	$1,012,690
Operating Expenses					
Operations and Maintenance	$211,333	$228,905	$235,939	$241,050	$250,877
Business Development and Marketing	4,387	4,115	2,405	1,832	1,614
Renewals and Replacements	76,839	77,251	121,221	147,422	155,094
Depreciation and Amortization	44,356	47,362	54,820	60,724	59,180
Planning and Development	29,104	33,538	29,460	27,772	43,735
Total Operating Expenses	$366,019	$391,171	$443,845	$478,800	$510,500
Operating Income	$678,511	$672,558	$634,249	$517,049	$502,190
Non-operating Revenues (Expenses)					
Investment Earnings	($1,942)	$20,320	$56,978	$62,212	($17,726)
Interest Subsidy	5,533	5,551	3,561	-	-
Interest Expense	(71,587)	(97,798)	(94,415)	(92,139)	(86,486)
Other Expenses, Net	(317)	(10,853)	(7,992)	(4,517)	(9,179)
Total Non-operating Expenses, Net	($68,313)	($82,780)	($41,868)	($34,444)	($113,391)
Income Before Contributions for Capital Projects and Contributions to Other Governments	$610,198	$589,778	$592,381	$482,605	$388,799
Contributions for Capital Projects	5,495	12,241	4,970	7,112	28,898
Increase in Net Position	$615,693	$602,019	$597,351	$489,717	$417,697
Net Position					
Beginning of year	$7,992,096	$8,607,789	$9,209,808	$9,807,159	$10,296,876
End of year	$8,607,789	$9,209,808	$9,807,159	$10,296,876	$10,714,573

[1] Toll facility revenue in Fiscal Year 2020 reflects an estimated $12 million revenue loss as a result of the 5-day toll suspension on most Turnpike facilities from September 1–5, 2019 to aid evacuation efforts from Hurricane Dorian following the declaration of a State of Emergency by the Governor.
[2] Toll administrative charges were lower in Fiscal 2019 as a result of the temporary waiver of the fees and administrative charges.
[3] Concessions and other revenues peaked in Fiscal Year 2018 due to certain one-time performance penalties collected from two System vendors; these performance penalties were assessed against vendors that failed to meet certain contractual performance metrics. Other revenue also includes transaction fees charged to certain interoperable partners and rental car companies.

Discussion and Analysis for Fiscal Years 2020 and 2021 and the Impact of COVID-19

Operating Revenues –Total operating revenues were $1.0 billion in Fiscal Year 2021, an increase of $16.8 million, or 1.7% compared to Fiscal Year 2020. The increase was primarily due to a $13.6 million Toll revenue increase resulting from a strong growth in higher-paying commercial traffic. In addition, Toll administrative charges increased compared to the prior Fiscal Year, primarily from the resumption of Toll administrative charges assessed on TOLL-BY-PLATE transactions that were temporarily suspended during the prior Fiscal Year in response to COVID-19. Despite the initial impact of COVID-19 on System traffic, traffic started to rebound in the second half of the Fiscal Year, resulting in both traffic and revenue collections being above forecasts.

Total operating revenues decreased by approximately $82.2 million, or 7.6%, in Fiscal Year 2020, from Fiscal Year 2019. The decrease was primarily due to the traffic impact from COVID-19; Toll revenues decreased by approximately $96.1 million (9.1%) in Fiscal Year 2020, as compared to Fiscal Year 2019. The decrease was partially offset by the resumption of Toll administrative charges that were temporarily suspended during Fiscal Year 2019 in connection with the transition to a new ETC processing system. See "TOLLS – Methods of Collection" above for additional information.

Operating Expenses – Total operating expenses increased by 6.6% in Fiscal Year 2021, as compared to Fiscal Year 2020. The increase was primarily a result of an increase in planning and development activity, which is attributable to the System's continued traffic growth in the past several years, the related impact to System roadways, and the continued effort to provide mobility and connectivity to System customers, which accounted for 50% of the total increase in operating expenses. The System spent $239.4 million in the fiscal year to maintain and preserve System infrastructure in connection with the Department's condition and maintenance programs, up 9.0% from the prior Fiscal Year. Additionally, the System has invested over $700 million in capital assets as a part of its ongoing capital program, with a primary focus on increasing capacity and access to the System.

Fiscal Year 2020 total operating expenses increased by approximately $35 million, or 7.9%, from Fiscal Year 2019. Renewals and replacements accounted for 75.0% of the total increase in operating expenses, reflecting the System's commitment to preserve its infrastructure; these renewals and replacements were part of the $219.7 million spent in Fiscal Year 2020 to maintain and preserve the System's infrastructure in connection with the Department's condition and maintenance programs.

Net Position – The decrease in unrestricted net position at June 30, 2021 compared to the prior Fiscal Year is due to funding certain capital projects with cash. The System's unrestricted cash balance at the end of Fiscal Year 2021 was approximately $559.2 million. While the System's unrestricted cash balance decreased in Fiscal Year 2021, the System anticipates it will increase annually beginning in Fiscal Year 2022 and thereafter. The decrease in unrestricted net position for the year end of Fiscal Year 2020 is primarily a result of lower annual revenues due to the impact of COVID-19; however, despite the impact of the COVID-19 pandemic, the System's unrestricted cash balance at the end of Fiscal Year 2020 was approximately $896.8 million.

Historical Summary of Revenues, Expenses and Debt Service Coverage

The following schedule summarizes the historical operating revenues and expenses for the System. For comparative purposes, debt service coverage is shown based both on Net Revenue, which is calculated as Gross Revenue less Cost of Operation and Cost of Maintenance in accordance with the Resolution, and on Gross Revenue, which reflects debt service coverage consistent with the Department's Covenant as described in "SECURITY FOR THE BONDS – Payment of Cost of Operation and Cost of Maintenance from STTF" above.

Historical Summary of Revenue and Expense and Debt Service Coverage
(In Thousands)

	Fiscal Year Ended June 30				
Gross Revenue	**2017**	**2018**	**2019**	**2020**	**2021**
Toll Facilities	$1,008,420	$1,017,303	$1,052,357	$956,260	$969,862
Toll Administrative Charges	20,229	21,217	2,205	17,288	21,065
Concession and Other	15,881	25,209	23,532	22,301	21,763
Total Gross Revenue	$1,044,530	$1,063,729	$1,078,094	$995,849	$1,012,690
Cost of Operation and Cost Maintenance[1]					
Operations and Maintenance Expenses	$211,333	$228,905	$235,939	$241,050	$250,877
Business Development and Marketing Expenses	4,387	4,115	2,405	1,832	1,614
Total Cost of Operations and Cost of Maintenance[1]	$215,720	$233,020	$238,344	$242,882	$252,491
Net Revenue	$828,810	$830,709	$839,750	$752,967	$760,199
Annual Debt Service[2]	$257,678	$256,514	$258,980	$251,895	$257,795
Net Revenue Annual Debt Service Coverage	3.22x	3.24x	3.24x	2.99x	2.95x
Gross Revenue Annual Debt Service Coverage	4.05x	4.15x	4.16x	3.95x	3.93x
Maximum Annual Debt Service	$257,678	$256,514	$258,980	$253,422	$257,795
Net Revenue Max Annual Debt Service Coverage	3.22x	3.24x	3.24x	2.97x	2.95x
Gross Revenue Max Annual Debt Service Coverage	4.05x	4.15x	4.16x	3.93x	3.93x

1 Cost of Operation and Cost of Maintenance do not include other Operating Expenses, being Renewal and Replacement, Depreciation and Amortization, Pollution Remediation, and Planning and Development costs.

2 Annual debt service for Fiscal Years 2017 through 2019 is shown net of the federal subsidy on the Series 2009B Build America Bonds, which was approximately $5.5 million for Fiscal Years 2016 and 2017, $5.6 million for Fiscal Year 2018, and $3.6 million for Fiscal Year 2019. The Series 2009B Build America Bonds were redeemed July 1, 2019.

Projected Revenues, Expenses, and Debt Service Coverage

The following tables of projected revenues, expenses, and debt service coverage were prepared by the Enterprise for internal purposes. The accompanying prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Enterprise's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the System. Neither the Enterprise's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the projected financial information contained in these tables.

The Department does not generally publish its business plans and strategies for the System or make external disclosures of its anticipated financial position or results of operations. Accordingly, the Department does not intend to update or otherwise revise the prospective financial information to reflect circumstances existing since its preparation or to reflect the occurrence of unanticipated events even in the event that any or all of the underlying assumptions are shown to be in error. Furthermore, the Department does not intend to update or revise the prospective financial information to reflect changes in general economic or industry conditions occurring after the date hereof.

Forecast Net Revenues – The following table sets forth the projections for Net Revenues, which are Gross Revenues less Cost of Operation and Cost of Maintenance. The Toll revenue projections are based on the current Toll rate structure and do not include any statutorily-required Toll rate indexing. The Gross and Net Revenue projections do not include other revenues of the System, such as transaction fees charged to certain interoperable partners and rental car companies. The projections for operation and maintenance expenses are also conservative and include the maximum expenditures that could occur in each Fiscal Year and do not incorporate the impact of the repayment of the advance to STTF, which will reduce the System's Cost of Operation and Cost of Maintenance in each of the Fiscal Years from 2022 through 2025 discussed in "SECURITY FOR THE BONDS – Payment of Costs of Operation and Maintenance from the STTF" above. The revenue projections are based on the assumptions set forth in the Traffic and Earnings Report, which was prepared in September 2021. See Appendix A, "Traffic and Earnings Report" for a detailed discussion of the projection assumptions and forecasting tools and models employed in the revenue projections. ***These projections were based on the best information available when the estimates were made, which was believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.***

Forecast Net Revenues[1]
(in thousands of dollars)

Fiscal Year	Toll Revenue	Concession Revenue	Toll Admin. Charges	Gross Revenue	O&M Expenses[2]	Net Revenue
2022	$1,023,548	$ 9,279	$21,945	$1,054,772	$249,772	$ 805,000
2023	1,081,010	9,410	22,739	1,113,159	260,142	853,017
2024	1,125,854	9,544	23,225	1,158,623	266,139	892,484
2025	1,165,074	9,622	23,565	1,198,261	271,097	927,164
2026	1,203,871	9,761	23,870	1,237,502	277,875	959,627
2027	1,241,540	9,902	24,127	1,275,569	284,821	990,748
2028	1,274,717	10,046	24,274	1,309,037	291,943	1,017,094
2029	1,307,861	10,193	24,399	1,342,453	299,241	1,043,212
2030	1,341,615	10,341	24,515	1,376,471	306,722	1,069,749
2031	1,371,355	10,493	24,539	1,406,387	314,391	1,091,996
2032	1,397,428	10,648	24,631	1,432,707	322,251	1,110,456

1 Projected revenues are as shown in Appendix A, "Traffic and Earnings Report." Projected Gross and Net Revenues do not include other revenues of the System, such as transaction fees charged to certain interoperable partners and rental car companies, which are included in the System's audited financial statements with Concession Revenue. Projected Toll revenues are based on the current Toll rate structure and do not include additional Toll revenues from future Toll rate increases.

2 Projected O&M Expenses are as shown in Appendix A, "Traffic and Earnings Report" and include business development and marketing expenses (collectively, the Cost of Operation and Cost of Maintenance), but do not incorporate the impact of the repayment of the advance to STTF in Fiscal Years 2022 through 2025.

Projected Revenues, Expenses, and Debt Service Coverage – The following table shows the projected debt service coverage for Fiscal Year 2022 through Fiscal Year 2026 based on the projected Gross and Net Revenues above. For comparative purposes, the projected debt service coverage is shown based both on Net Revenue, which is calculated as Gross Revenue less Cost of Operation and Cost of Maintenance in accordance with the Resolution, and on Gross Revenue, which reflects debt service coverage consistent with the Department's Covenant as described in "SECURITY FOR THE BONDS – Payment of Cost of Operation and Cost of Maintenance from STTF" above. ***These projections were based on the best information available when the estimates were made, which was believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.***

Projected Revenues, Expenses, and Debt Service Coverage
(in thousands of dollars)

	Fiscal Year Ending June 30,				
Gross Revenue[1]	**2022**	**2023**	**2024**	**2025**	**2026**
Toll Facilities	$1,023,548	$1,081,010	$1,125,854	$1,165,074	$1,203,871
Toll Administrative Charges	21,945	22,739	23,225	23,565	23,870
Concession Revenue	9,279	9,410	9,544	9,622	9,761
Other Revenue	-	-	-	-	-
Total Gross Revenue	$1,054,772	$1,113,159	$1,158,623	$1,198,261	$1,237,502
Cost of Operation and Cost Maintenance[2]	$249,772	$260,142	$266,139	$271,097	$277,875
Net Revenue[1]	$805,000	$853,017	$892,484	$927,164	$959,627
Annual Debt Service	$261,988	$258,487	$257,431	$256,934	$236,197
Net Revenue Annual Debt Service Coverage	3.07x	3.30x	3.47x	3.61x	4.06x
Gross Revenue Annual Debt Service Coverage	4.03x	4.31x	4.50x	4.66x	5.24x
Maximum Annual Debt Service[3]	$261,988	$258,487	$257,431	$256,934	$236,197
Net Revenue MADS Coverage	3.07x	3.30x	3.47x	3.61x	4.06x
Gross Revenue MADS Coverage	4.03x	4.31x	4.50x	4.66x	5.24x

1 Projected Revenues are as shown in in Appendix A, "Traffic and Earnings Report." Projected Gross and Net Revenues do not include other revenues of the System, such as transaction fees charged to certain interoperable partners and rental car companies. Projected Toll revenues are based on the current Toll rate structure and do not include additional Toll revenues from future Toll rate increases.

2 Reflects the projected Operating Maintenance Expenses, inclusive of business development and marketing expense, provided in Appendix A, "Traffic and Earnings Report," and does not incorporate the impact of the repayment of the advance to STTF in Fiscal Years 2022 through 2025.

3 Maximum Annual Debt Service occurs in Fiscal Year 2022 and declines thereafter.

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SCHEDULE OF DEBT SERVICE

The following table shows the debt service on the Outstanding Bonds subsequent to the refunding accomplished with proceeds of the 2022A Bonds, the debt service on the 2022A Bonds, and the total debt service. Payments due on July 1 are deemed to accrue in the preceding Fiscal Year.

	Outstanding	Debt Service on the 2022A Bonds			Total
Fiscal Year	Debt Service[1]	Principal	Interest	Total	Debt Service
2022[2]	$260,081,099	-	$1,906,766	$1,906,766	$261,987,865
2023	241,667,378	$7,905,000	8,914,750	16,819,750	258,487,128
2024	230,331,878	18,580,000	8,519,500	27,099,500	257,431,378
2025	225,303,378	24,040,000	7,590,500	31,630,500	256,933,878
2026	204,573,378	25,235,000	6,388,500	31,623,500	236,196,878
2027	203,675,728	26,505,000	5,126,750	31,631,750	235,307,478
2028	189,847,519	15,575,000	3,801,500	19,376,500	209,224,019
2029	189,835,819	10,945,000	3,022,750	13,967,750	203,803,569
2030	185,416,613	11,485,000	2,475,500	13,960,500	199,377,113
2031	182,937,313	12,060,000	1,901,250	13,961,250	196,898,563
2032	182,917,150	12,665,000	1,298,250	13,963,250	196,880,400
2033	182,929,000	13,300,000	665,000	13,965,000	196,894,000
2034	187,526,744	-	-	-	187,526,744
2035	172,004,894	-	-	-	172,004,894
2036	172,006,944	-	-	-	172,006,944
2037	142,296,806	-	-	-	142,296,806
2038	131,331,238	-	-	-	131,331,238
2039	131,266,963	-	-	-	131,266,963
2040	114,120,431	-	-	-	114,120,431
2041	101,696,856	-	-	-	101,696,856
2042	96,516,500	-	-	-	96,516,500
2043	90,210,238	-	-	-	90,210,238
2044	79,789,213	-	-	-	79,789,213
2045	73,013,688	-	-	-	73,013,688
2046	62,970,100	-	-	-	62,970,100
2047	62,972,300	-	-	-	62,972,300
2048	62,976,100	-	-	-	62,976,100
2049	44,871,725	-	-	-	44,871,725
2050	35,325,188	-	-	-	35,325,188
2051	26,070,788	-	-	-	26,070,788
Total	**$4,266,482,962**	**$178,295,000**	**$51,611,016**	**$229,906,016**	**$4,496,388,978**

[1] Excludes debt service on the Refunded Bonds, which will be economically, but not legally, defeased and will be redeemed on July 1, 2022.
[2] Includes approximately $1.8 million in Fiscal Year 2022 of accrued debt service on the Refunded Bonds.

PROVISIONS OF STATE LAW

Bonds Legal Investment for Fiduciaries

The State Bond Act provides that all bonds issued by the Division are legal investments for state, county, municipal or other public funds, and for banks, savings banks, insurance companies, executors, administrators, trustees, and all other fiduciaries and also are securities eligible as collateral deposits for all state, county, municipal, or other public funds.

Negotiability

The 2022A Bonds will have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code – Investment Securities Law of the State.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, assuming continuing compliance by the Division, the Board, and the Department with the tax covenant referred to below and the accuracy of certain representations and certifications of the State as to current compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code)", under existing statutes, regulations, rulings and court decisions interest on the 2022A Bonds is excluded from gross income for federal income tax purposes, and interest on the 2022A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that the 2022A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined therein.

Except as described herein, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the 2022A Bonds. Prospective purchasers of 2022A Bonds should be aware that the ownership of 2022A Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry 2022A Bonds or, in the case of a financial institution, that portion of the owner's interest expense allocable to interest on a 2022A Bond, (ii) the reduction of loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including interest on the 2022A Bonds, (iii) the inclusion of interest on the 2022A Bonds in the effectively connected earnings and profits (with adjustments) of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on the 2022A Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) the inclusion of interest on the 2022A Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits.

Federal Tax Requirements

The Code includes requirements which the Division, the Board, and the Department must continue to meet after the issuance of the 2022A Bonds in order that interest on the 2022A Bonds not be included in gross income for federal income tax purposes. The failure by the Division, the Board, or the Department to meet these requirements may cause interest on the 2022A Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Division, the Board, and the Department have covenanted in the Resolution to comply with the requirements of the Code in order to maintain the exclusion of interest on the 2022A Bonds from gross income for federal income tax purposes.

From time to time, there are legislative proposals pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of interest on the 2022A Bonds, adversely affect the market price or marketability of the 2022A Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the 2022A Bonds.

Original Issue Premium

The 2022A Bonds (the "Premium Bonds"), may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Premium Bonds should consult with their tax advisors regarding the determination for U.S. federal income tax purposes of the amount of bond premium properly accruable in any period with respect to the Premium bonds, other U.S. federal tax consequences regarding bond premium, and the treatment of bond premium for purposes of state and local taxes on, or based on, income.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2022A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2022A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the 2022A Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the 2022A Bonds and proceeds from the sale of the 2022A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the 2022A Bonds. This withholding generally applies if the owner of the 2022A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the 2022A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes

The 2022A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income, or profits on debt obligations owned by corporations, as defined therein. Florida laws governing the imposition of estate taxes do not provide for an exclusion of state or local bonds from the calculation of the value of the gross estate for tax purposes. Florida's estate tax is generally calculated on the basis of the otherwise unused portion of the federal credit allowed for state estate taxes. Under Chapter 198, Florida Statutes, all values for state estate tax purposes are as finally determined for federal estate tax purposes. Since state and local bonds are included in the valuation of the gross estate for federal tax purposes, such obligations would be included in such calculation for Florida estate tax purposes. Prospective owners of the 2022A Bonds should consult their own attorneys and advisors for the treatment of the ownership of the 2022A Bonds for estate tax purposes. The 2022A Bonds and the income thereon are subject to the tax imposed by Chapter 220, Florida Statutes, on interest, income, or profits on debt obligations owned by corporations and other specified entities.

INDEPENDENT AUDITORS

The Enterprise's financial statements as of and for the year ended June 30, 2021, have been audited by RSM US LLP, independent auditors, as stated in their report dated October 29, 2021, appearing therein. Their opinion was unmodified with respect thereto. RSM US LLP has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. A copy of the Enterprise's audited financial statements for Fiscal Years 2021 and 2020 is attached hereto as Appendix C.

MISCELLANEOUS

Variable Rate Debt and Derivatives

The Division does not generally issue variable rate debt or enter into derivative contracts in connection with its bond issues. The Division does not have any outstanding variable rate debt and has not entered into any derivative transactions on behalf of the State or any of its agencies.

Investment of Funds

All State funds are invested by either the State's Chief Financial Officer or the Board. At closing, the proceeds of the 2022A Bonds, net of issuance costs, will be deposited and invested pursuant to the Escrow Deposit Agreement, as described under the heading "THE REFUNDING PROGRAM" above.

Funds Held Pursuant to the Resolution – The Resolution directs the manner in which funds held in the various funds and accounts for the Bonds may be invested. The Board manages the funds created pursuant to the Resolution, except for the Turnpike Plan Construction Fund, the Renewal and Replacement Fund, and the General Reserve Fund, which are held in the State Treasury. Moneys in the funds and accounts may generally be invested and reinvested in Permitted Investments as defined in the Resolution, except that the Renewal and Replacement Fund and the General Reserve Fund may be invested as provided by law. All investments must mature not later than the dates on which moneys are needed for their authorized purposes. Income and interest received upon any investments of the moneys is deposited in the Revenue Fund and used in the same manner and order of priority as other moneys on deposit therein, unless otherwise provided by resolution; provided that investment earnings on moneys in the Rebate Fund and the Turnpike Plan Construction Fund are deposited therein, respectively.

Investment by the Chief Financial Officer – Funds held in the State Treasury are invested by internal and external investment managers. As of December 31, 2021, the ratio was approximately 55% internally managed funds, 41% externally managed funds, 1% Certificates of Deposit and 3% in an externally managed Security Lending program. The total portfolio market value on December 31, 2021, was approximately $48.580 billion.

Under State law, the Treasury is charged with investing funds of each State agency and the judicial branch. As of December 31, 2021, approximately $39.578 billion of the investments in the Treasury consisted of accounts held by State agencies that are required by law to maintain their investments in the Treasury; additionally, approximately $7.511 billion as of this date consisted of moneys held by certain boards, associations, or entities created by the State Constitution or by State law that are not required to maintain their investments with the Treasury and are permitted to withdraw these funds from the Treasury.

As provided by State law, the Treasury must be able to timely meet all disbursement needs of the State. Accordingly, the Treasury allocates its investments to provide for estimated disbursements plus a cushion for liquidity in instances of greater-than-expected disbursement demand. To this end, a portion of Treasury's investments are managed for short-term liquidity and preservation of principal. The remainder is managed to obtain maximum yield, given the safety parameters of State law and Treasury's Comprehensive Investment Policy. Investments managed for short-term liquidity and preservation of principal are managed "internally" by Treasury personnel. The majority of investments managed for a maximum return are managed by "external" investment companies hired by the State.

The Externally Managed Investment Program provides long-term value while limiting risk appropriately and provides a backup source of liquidity. External investment strategy focuses on medium-term and long-term fixed income securities, rather than money market instruments, in order to take advantage of higher returns historically achieved by such securities. Portfolio managers are hired to actively manage funds. These funds may be invested in U.S. Treasury government agency obligations, investment grade corporate debt, municipal debt, mortgage backed securities, asset backed securities, and U.S. dollar denominated investment-grade foreign bonds that are registered with the Securities and Exchange Commission. The managers may also use leveraging techniques such as forward purchase commitments, and interest rate futures.

Investment by the Board – The Board manages investment of assets on behalf of the members of the Florida Retirement System (the "FRS") Defined Benefit Plan. It also acts as sinking fund trustee for most State bond issues and oversees the management of FRS Investment Plan investment options, Florida Hurricane Catastrophe Fund moneys, a short-term investment pool for local governments, and smaller trust accounts on behalf of third-party beneficiaries.

The Board adopts specific investment policy guidelines for the management of its funds which reflect the long-term risk, yield, and diversification requirements necessary to meet its fiduciary obligations. As of December 31, 2021, the Board [of Administration] directed the investment/administration of 26 funds.

As of December 31, 2021, the total market value of the FRS (Defined Benefit) Trust Fund was approximately $206.4 billion. The Board pursues an investment strategy which allocates assets to different investment types. The long-term objective is to meet liability needs as determined by actuarial assumptions. Asset allocation levels are determined by the liquidity and cash flow requirements of the FRS, absolute and relative valuations of the asset class investments, and opportunities within those asset classes. Funds are invested internally and externally under a Defined Benefit Plan Investment Policy Statement.

The Board uses a variety of derivative products as part of its overall investment strategy. These products are used to manage risk or to execute strategies more efficiently or more cost effectively than could be done in the cash markets. They are not used to speculate in the expectation of earning extremely high returns. Any of the products used must be within investment policy guidelines designed to control the overall risk of the portfolio. The Board invests assets in 25 designated funds other than the FRS (Defined Benefit) Trust Fund. As of December 31, 2021, the total market value of these funds equaled approximately $53.521 billion. Each fund is independently managed by the Board in accordance with the applicable documents, legal requirements and investment plans. Liquidity and preservation of capital are preeminent investment objectives for most of these funds, so investments for these are restricted to high quality money market instruments (e.g., cash, short-term treasury securities, certificates of deposit, banker's acceptances, and commercial paper). The term of these investments is generally short, but may vary depending upon the requirements of each trust and its investment plan.

Bond Ratings

Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's), and S&P Global Ratings ("S&P") (collectively, the "Rating Agencies"), have assigned their municipal bond ratings of AA (stable outlook), Aa2 (stable outlook), and AA (stable outlook) respectively to the 2022A Bonds. Such ratings reflect only the respective views of such Rating Agencies at the time such ratings were issued, and an explanation of the significance of such ratings may be obtained from any of the respective rating agencies.

The Division and the Department furnished to such Rating Agencies certain information and materials in respect to the State and the 2022A Bonds. Generally, Rating Agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the Rating Agencies. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the Rating Agencies, or any of them, if in their or its judgment, circumstances warrant. Any such downward change in, suspension of or withdrawal of such ratings may have an adverse effect on the market price of the 2022A Bonds.

Certain companies provide either bond insurance or reserve account surety bonds on various series of Outstanding Bonds. Currently, AG Muni is rated AA (stable outlook) and A2 (stable outlook) by S&P and Moody's, respectively; and MBIA and National, which has reinsured all of MBIA's US public finance transactions, are rated Caa1 (negative outlook) and Baa2 (negative outlook) respectively by Moody's. The Rating Agencies have all withdrawn their ratings for Ambac and FGIC; additionally, Fitch has withdrawn its ratings for AG Muni and MBIA, and S&P has withdrawn its ratings for MBIA and National. Potential investors are directed to the Rating Agencies for additional information on these financial guarantors.

Information Technology Security

Similar to other large organizations, the State relies on electronic systems and information technologies ("IT") to conduct operations. Protecting the State's IT infrastructure and data is essential to delivering government services. The State maintains a security posture designed to protect data, deter attacks on IT infrastructure, and respond to security incidents to minimize the impact on operations. The State has also historically maintained reserve funds and a liquidity position that provide the ability to respond to potential incidents.

The State has defended against cyber-attacks in the past, and cyber-attacks are an on-going risk to the State's IT infrastructure and data. Despite the State's robust cybersecurity policies and procedures designed to protect their data and IT infrastructure, no assurance is given that such security measures will prevent cyber-attacks, nor can any assurance be given that any cyber-attacks, if successful, will not have a material impact on State operations.

The Florida Digital Service ("FDS"), created within the State of Florida Department of Management Services, is the lead entity for cybersecurity for the State and is led by the State Chief Information Officer who is charged with implementing the State's comprehensive framework for addressing cybersecurity and establishing standards and processes consistent with best practices for IT security across all State agencies. The FDS is responsible for assessing cybersecurity risks and determining appropriate security measures for each State agency; creating and annually updating the statewide cybersecurity strategic plan, including security goals and objectives and performance monitoring; developing a framework for use by State agencies to meet their IT security responsibilities, such as conducting IT security risk assessments and reporting IT security incidents; and annually reviewing each State agency's IT security plans. State law requires State agencies to annually review and consider upgrades to computing and software applications to help mitigate against potential breaches. Within the State's emergency response capabilities through the Florida Division of Emergency Management ("DEM"), FDS established a Cybersecurity Operation Center ("CSOC") that creates a centralized threat clearinghouse and site for incident response coordination. The CSOC is staffed by cybersecurity experts that help to monitor threats and vulnerabilities faced by state agencies during emergency and regular operations. The Florida Cybersecurity Advisory Council, comprised of cybersecurity experts from outside of State government, serves as an additional resource to assist State agencies by reviewing cybersecurity policies, assessing ongoing and potential risks, assisting the FDS in developing cybersecurity best practice and examining inconsistencies between state and federal law regarding cybersecurity.

Additionally, the Department has policies and procedures in place to protect its data, IT infrastructure, and electronic systems; such policies and procedures incorporate protections for Toll operations, including the collection and disbursement of Toll revenues. The Office of Information Technology and Security Risk and Compliance Office within the Enterprise are designed to protect data, information, and critical resources related to the Enterprise's Toll operations and systems, including SunPass, from a wide range of threats in order to ensure business continuity and minimize business risk to Toll operations and related systems. The Department protects such Toll operations and related systems through the establishment and implementation of a suitable set of controls, including policies, processes, procedures, organizational structures, and software and hardware functions. This set of controls includes measures which govern the acquisition, privacy, security, and confidentiality of data, especially highly sensitive data, and the responsibilities of offices and individuals for such data to protect data and information, and IT infrastructure, electronic systems, and assets, and to preserve privacy. This set of controls is monitored, reviewed, and improved, where necessary, to ensure that the specific security and business objectives of the Enterprise's Toll operations activities are met.

The Board acts as the fiscal agent for the bonds issued by the Division on behalf of the State and its agencies, including the Department. As trustee for the Division's bond programs, the Board protects its data and IT infrastructure, including data and information related to bond programs, through a multifaceted cybersecurity strategy. The Board's cybersecurity strategy includes a comprehensive set of security policies and procedures, which are designed to guide staff in their cybersecurity responsibilities; a security awareness program, which educates staff on active cybersecurity threats and security best practices; a risk-based threat and vulnerability management program; and a managed threat detection and incident response service which is continuously monitored by a third-party service provider. Additionally, the Board has implemented access and authentication protocols, which include multi-factor authentication and industry standard encryption to protect data in transit and at rest. As a further precaution, the Board's cybersecurity program is subjected to routine internal audits to evaluate the effectiveness of the program, as well as annual external audits and penetration testing to identify opportunities to improve its security posture. The Board's cybersecurity strategy is supported by administrative and technical controls, which assist in identifying potential threats and preventing attacks that may target the Board's data and IT systems. In the event a cybersecurity issue arises, the Board has an incident response capability to quickly address such issues, including comprehensive plans and external services to assist with incident response, crisis communication, and breach notification management.

Environmental Risk Factors

With more than 2,000 linear miles of coastline and relatively low elevations, Florida's weather and natural resources affect its economy in a variety of ways. Economic activity attributable to in-migration and tourism represents a significant part of the State's economy, and the State's warm weather and beaches are responsible for attracting seasonal and permanent residents and tourists to the State. In addition, a majority of the State's residents live and work in coastal counties. Because of the State's reliance on its natural resources to generate business and sustain in-migration, its economy and financial condition may be vulnerable to the impacts of environmental events, including hurricanes and inland and coastal flooding, as well as long-term environmental risks associated with climate change, such as accelerated sea level rise.

The State has effectively responded to past environmental events because of its financial resources, emergency response system, and dedicated leadership and regulatory programs focused on addressing environmental risks. However, the frequency of environmental events, such as hurricanes, may increase on an annual basis according to models and forecasts. Consequently, the magnitude of the impact on the State's operations, economy, or financial condition from environmental risks is indeterminate and is unpredictable for future environmental events. There can be no assurance that such risks will not have an adverse effect on the operations, economy, or financial condition of the State.

Resources – The State has a variety of resources available to respond to damage caused by environmental events. The State has financial reserves available to cover response-related expenditures, and, in most cases, the State can request reimbursement from federal relief funds to pay for a portion of such expenditures. Further, upon a declaration of a state of emergency, State law provides the Governor broad spending authority to meet financial needs resulting from a disaster. Notwithstanding multiple hurricanes, State finances and the economy have only experienced temporary economic disruption. In addition, the State has improved its resiliency to the threat of environmental risks through the establishment of the Florida Hurricane Catastrophe Fund and the Citizens Property Insurance Corporation to stabilize the property insurance market in the State.

Emergency Response – The State can respond to the impacts of environmental events through its robust emergency response system. DEM was established as part of the State's structure to plan for and respond to both natural and manmade disasters. In addition to coordinating disaster response activities, DEM prepares and implements a statewide Comprehensive Emergency Management Plan and routinely conducts extensive exercises to test state and county emergency response capabilities.

Leadership – The State's response to environmental risks includes the creation of state-level leadership positions to help coordinate resilience efforts through Florida's 67 counties and over 400 cities. Although a portion of environmental resiliency efforts in each county or city falls on its respective local government leadership, state-level leadership provides valuable resources and support to local governments. In 2019, the Governor created the position of Chief Resilience Officer in the Executive Office of the Governor to work with state agencies to, in part, develop and coordinate the implementation of a comprehensive statewide resilience plan with goals designed to adapt to the environmental challenges facing Florida's communities. Also in 2019, the Governor created the Office of Environmental Accountability and Transparency, led by the State's Chief Science Officer, to conduct scientific research that focuses on current and emerging environmental concerns most pressing to Floridians. The Chief Resilience Officer consults with the Chief Science Officer on policy issues so that each policy decision takes into consideration the environmental impact strictly from a scientific perspective.

Regulatory Programs and Planning (State Level) – The State's resilience to environmental risks has been enhanced through state law restrictions and targeted regulatory programs. Coastal construction is regulated by the State of Florida Department of Environmental Protection ("DEP") in various ways in order to protect the State's beaches and dunes from imprudent construction. For example, under the Coastal Zone Protection Act, State law imposes strict construction standards for most activities within the "coastal building zone", which covers over 1,500 feet from the coastline. Further, the Office of Resilience and Coastal Protection was created within DEP to focus time, energy, and resources into resiliency issues. DEP regulations include a prohibition on most construction within 50 feet of the mean high-water line, known as the 50-foot setback. Also, DEP requires new construction in the coastal areas with higher risks of environmental impacts to meet more stringent standards and demonstrate that the proposed project will not result in a significant adverse impact. Additionally, for coastal areas that are further inland, DEP makes 30-year erosion projections and generally will not issue construction permits for areas projected to be within the erosion projection. In lieu of meeting State law restrictions, local governments may establish coastal construction zoning and building codes as long as they are pre-approved by DEP.

In 2020, the State enacted the Clean Waterways Act that strengthens regulatory requirements and provides a wide range of water-quality protection provisions aimed at minimizing the impact of known sources of nutrient pollution, including stormwater-related pollution. The Clean Waterways Act directed DEP and Florida's water management districts to update stormwater design and operation regulations using the latest scientific information.

Regulatory Programs and Planning (Local Level) – DEP also implements programs related to sea-level rise and coastal issues that offer technical assistance and funding to communities dealing with coastal flooding, erosion, and ecosystem changes, including the Beach Management Funding Assistance Program and the Florida Resilient Coastlines Program.

On the regional level, Broward, Miami-Dade, Monroe, and Palm Beach Counties formed a collaboration, the Southeast Florida Regional Climate Change Compact (Compact), to address climate change. The Compact's work includes developing a Regional Climate Action Plan and developing a Unified Sea-Level Rise Projection. Many local governments in southeast Florida have since incorporated the Compact's projections into their planning documents and policies. Florida's local governments in coastal areas are required to have a coastal management element in their comprehensive plans that uses principles to reduce flood risk and eliminate unsafe development in coastal areas. In certain coastal areas, local governments are authorized to establish an "adaptation action area" designation in their comprehensive plan to develop policies and funding priorities that improve coastal resilience and plan for sea-level rise.

Planning for the Future – Although the State has effectively responded to past environmental events, the State is vulnerable to future environmental events. In order to position itself to effectively respond to future events, the State has taken additional actions to plan for the future. In 2020, the State Legislature enacted legislation, effective July 1, 2021, that requires DEP to adopt rules to develop a standard by which a governmental entity must conduct a sea level impact projection ("SLIP") study under certain circumstances prior to commencing construction of a coastal structure. The DEP and the Chief Science Officer will review the SLIP studies in order to develop policies and guidance to address issues that may arise on a statewide basis.

Additionally, in 2021, the Governor signed into law Senate Bill 1954, which establishes statewide programs for adaptation to flooding and sea level rise. The programs are intended to address flooding all across the state, including the creation of the Resilient Florida Grant Program within the DEP to provide grants to counties or municipalities for community resilience planning, such as vulnerability assessments, plan development, and projects to adapt critical assets. The law also requires DEP to develop a Comprehensive Statewide Flood Vulnerability and Sea Level Rise Data Set and Assessment, including statewide sea level rise projections, containing information necessary to determine the risks of flooding and sea level rise to inland and coastal communities. DEP is also directed to develop the Statewide Flooding and Sea Level Rise Resilience Plan consisting of ranked projects addressing the risks of flooding and sea level rise to communities in the state. Furthermore, the law creates the Florida Flood Hub for Applied Research and Innovation within the University of South Florida ("USF") College of Marine Science. USF's College of Marine Science will serve as the lead institution to coordinate efforts to support applied research and innovation to address flooding and sea level rise in the state.

For a discussion of the environmental feasibility studies and other evaluations of the potential impacts to the State's environment, as well as mitigation of such impacts, that the Department conducts prior to the construction of new Turnpike Projects, see "THE TURNPIKE SYSTEM – Project Development Process" above.

Litigation

There is no litigation pending, or to the knowledge of the Department or the Division, threatened, which if successful would have the effect of restraining or enjoining the issuance or delivery of the 2022A Bonds or questioning or affecting the validity of the 2022A Bonds or the proceedings and authority under which the 2022A Bonds are to be issued. The Department and the Division from time to time engage in certain routine litigation the outcome of which would not be expected to have any material adverse effect on the issuance and delivery of the 2022A Bonds or the Turnpike System.

Legal Matters

The legal opinion of Greenberg Traurig, P.A., Miami, Florida, approving certain legal matters, will be provided on the date of delivery of the 2022A Bonds, as well as a certificate, executed by appropriate State officials, to the effect that to the best of their knowledge the Official Statement, as of its date and as of the date of delivery of the 2022A Bonds, does not contain an untrue statement of a material fact or omit to state a material fact which should be included herein for the purpose for which the Official Statement is intended to be used, or which is necessary to make the statements contained herein, in the light of the circumstances under which they were made, not misleading. A proposed form of the legal opinion of Bond Counsel is attached hereto as Appendix H.

Continuing Disclosure

The Department will undertake, for the benefit of the beneficial owners and the Registered Owners of the 2022A Bonds, to provide, or cause to be provided, certain annual financial information and operating data and to provide notices of certain material events. Such annual financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the "MSRB") using its Electronic Municipal Market Access System ("EMMA"). Any notice of material events will also be transmitted to the MSRB using EMMA. This undertaking is being made in order to assist the underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The form of the undertaking is set forth in Appendix I, "Form of Continuing Disclosure Agreement." The Division has policies and procedures in place to assist the Department in complying with disclosure undertakings. Neither the Department nor the Division has failed, in the previous five years, to comply in all material aspects with any prior disclosure undertakings.

From time to time, the Department may voluntarily submit additional information that is not required by any of the Department's continuing disclosure undertakings on EMMA or the Division's website at https://www.sbafla.com/bond/. Information specific to the Turnpike System may be found on various pages of the Division's website, including https://www.sbafla.com/bond/Bond-Programs/Toll-Facilities-Turnpike; however, the information on the Division's website is not incorporated by reference into this Official Statement and the Division is not obligated to provide or update such information at any time in the future. Additionally, the Division may independently provide periodic information about the financial and operating performance of the State and its agencies on its website. In such instances, neither the Department nor the Division will have any obligation to update such information or include it in any future submission.

Underwriting

J.P. Morgan Securities LLC (the "Underwriter") has agreed to purchase the 2022A Bonds at an aggregate purchase price of $205,595,118.22 (which represents the par amount of the 2022A Bonds plus an original issue premium of $27,507,380.10 and minus the Underwriter's discount of $207,261.88). The Underwriter may offer and sell the 2022A Bonds to certain dealers (including dealers depositing bonds into investment trusts, including trusts managed by the Underwriter) at prices lower than the offering prices. The offering prices or yields on the 2022A Bonds set forth on the inside front cover may be changed after the initial offering by the Underwriter.

Execution of Official Statement

The execution and delivery of this Official Statement have been duly authorized by the Department and the Division.

STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION

DIVISION OF BOND FINANCE of the
STATE BOARD OF ADMINISTRATION