FLORIDA'S TURNPIKE SYSTEM

2019

Fiscal Years Ended June 30, 2019 and 2018

Comprehensive Annual Financial Report

An Enterprise Fund of the Florida Department of Transportation

Prepared by: The Finance Department of Florida's Turnpike System

CONTENTS

Florida Department of Transportation
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KEVIN J. THIBAULT, P.E.
SECRETARY

December 27, 2019
Mr. Kevin J. Thibault, P.E.
Secretary of Transportation
Florida Department of Transportation
605 Suwannee Street – M.S. 57
Tallahassee, FL 32399-0450

Dear Secretary Thibault:

On behalf of Florida's Turnpike Enterprise, which is responsible for Florida's Turnpike System ("System"), we are pleased to submit this Comprehensive Annual Financial Report ("CAFR") for fiscal years 2019 and 2018. The report has been prepared in accordance with standards prescribed by the Governmental Accounting Standards Board and other rule-making bodies. The enclosed CAFR reflects the results of operations and the financial condition of the System, and is divided into an Introductory Section (unaudited), Financial Section, and Statistical Section (unaudited), to facilitate an understanding of the financial performance of the System. The responsibility for the accuracy of the data and the completeness and fairness of the presentation in this report rests with the management of the System and the Florida Department of Transportation ("Department").

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

An independent auditor has issued an unmodified opinion on the financial statements for the fiscal years ended June 30, 2019 and 2018, which is presented in the Financial Section of this report. Management's Discussion and Analysis immediately follows the Independent Auditor's Report and provides a narrative overview and analysis of the basic financial statements.

System Profile

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

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

Economic Condition and Long-Term Financial Planning

The System serves a diverse group of customers across the most populous regions of the State. A key component to the System's financial success is the transportation benefit it provides to a variety of customers. Customers choose System roadways based on route preference and time efficiency.

Although System roadways are primarily utilized by passenger vehicles, they also serve as an important alternative for commercial vehicles. Due to the combination of vehicle mix and trip purpose, traffic and revenue are significantly influenced by population, employment levels, and tourism.

With over 21 million residents as of June 2019, the State's population growth rate continues to outpace the nation. The State's unemployment rate as of June 2019 was 3.4%, compared to 3.7% for the Nation. More than 130 million people visited the State during fiscal year 2019. Low unemployment rates and record growth in population and tourism provide for an economic climate that continues to be attractive for business in all sectors.

The System continues to experience growth in traffic due to the increases in population, tourism, and employment. With tremendous growth over the past decade, the Turnpike has reinvested toll revenues in transportation improvements including access and capacity projects, as well as new toll roads that expand the System.

Florida Statutes authorize the issuance of revenue bonds to fund approved projects provided that no more than $10 billion in bonds are outstanding. Currently, $2.7 billion of bonds are outstanding, and the Five-Year Capital Plan calls for the issuance of an additional $2.3 billion. The remaining statutory limit will provide the legislative authority for the System to expand beyond the current Five-Year Work Program.

The System continues to report a strong debt service coverage ratio driven by record operating revenues of over $1 billion for fiscal year 2019. For the same period, the System's debt service coverage ratio of 3.3 exceeded the System's debt management policy, as well as the bond indenture requirement of 1.2.

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

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its CAFR for the fiscal year ended June 30, 2018. This was the 27th consecutive year that the System achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. Management believes that the current CAFR continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

Nicola A. Liquori

Nicola A. Liquori, CPA
Executive Director and Chief Executive Officer
Florida's Turnpike Enterprise

Bren W. Dietrich

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

Robin M. Naitove

Robin M. Naitove, CPA
Comptroller
Florida Department of Transportation

MISSION STATEMENTS

Florida's Turnpike:

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

Florida Department of Transportation:

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

Florida Transportation Commission:

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

INITIATIVES

SAFETY

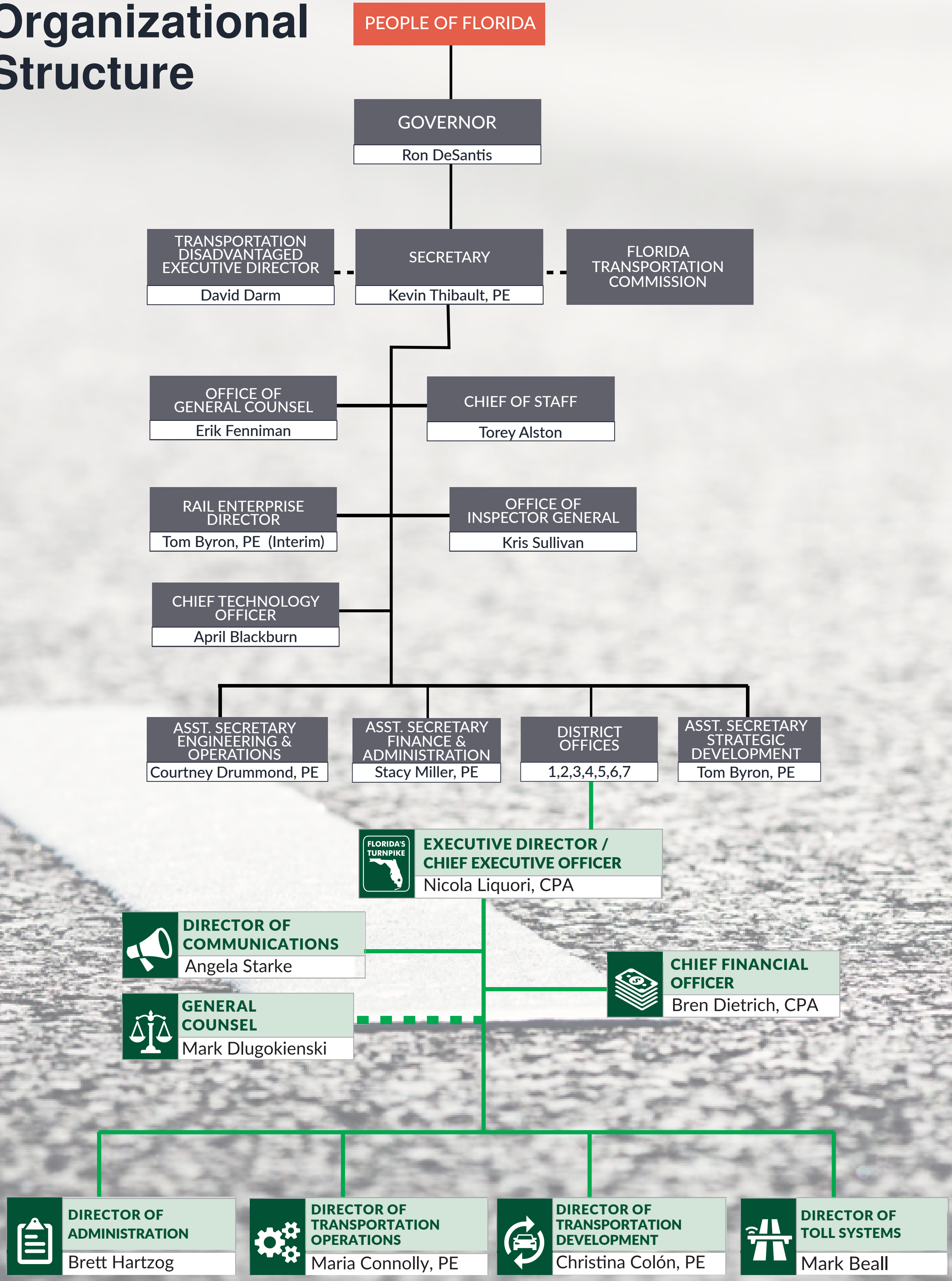
MOBILITY

INNOVATION

"Our administration is committed to enhancing ***safety*** for our motorists, ***relieving congestion*** throughout our roadways, and a strong embrace of technology and ***innovation*** to meet our infrastructure needs."

- Governor Ron DeSantis

Organizational Structure



Kevin Thibault, PE

Kevin J. Thibault was named Secretary of the Florida Department of Transportation ("Department") by Governor Ron DeSantis on January 18, 2019. As Secretary, Mr. Thibault oversees the Department with the statutory responsibility to coordinate the planning and development of a safe, viable, and balanced transportation system serving all regions of the State, and to assure the compatibility of all components, including multimodal facilities.

Secretary Thibault spent half of his professional career in the private sector providing transportation engineering services for states like Florida, Massachusetts, Rhode Island, Vermont, Indiana, Kentucky, California, and Virginia. For over 16 years, Secretary Thibault served in various roles within FDOT from project management to executive leadership, and has consistently focused on the importance of partnerships to deliver the transportation needs of the State. Mr. Thibault received his Bachelor of Science Degree in Civil Engineering from the University of Massachusetts Dartmouth.

Nicola Liquori, CPA

Nicola A. Liquori was appointed the Executive Director and Chief Executive Officer of Florida's Turnpike Enterprise ("FTE") on August 14, 2019. In this role, she has the statutory responsibility to manage the System, including advertising and promoting the advantages of using the System and its facilities; and including the cooperation and coordination with other entities to accomplish the mission of FTE.

Ms. Liquori has worked for the Department for 13 years and prior to her appointment at FTE, served as the Chief Executive Officer for the Central Florida Commuter Rail System/SunRail. During her tenure, the 61-mile rail corridor expanded its service area by adding four stations, increasing ridership by nearly 80 percent, and providing on-time reliability of over 95 percent. Prior to serving in this role, she was the Deputy Executive Director and Chief Financial Officer of FTE. Ms. Liquori began her career in public accounting, focused on auditing and taxation. She is a certified public accountant and has a master's degree in management and a bachelor's degree in accounting.

ROADWAYS

Comprising 498 total miles, the System's roadways consist of the Mainline and ten existing expansion projects. Additionally, two new expansion projects are under construction, which will add an additional 33 miles.

MAINLINE

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

EXPANSION PROJECTS

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

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

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

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

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

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

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

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

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

First Coast Expressway: A 15-mile, four-lane limited-access AET facility that is located between Blanding Boulevard and I-10 in Duval and Clay counties. This facility opened to traffic in 2019.

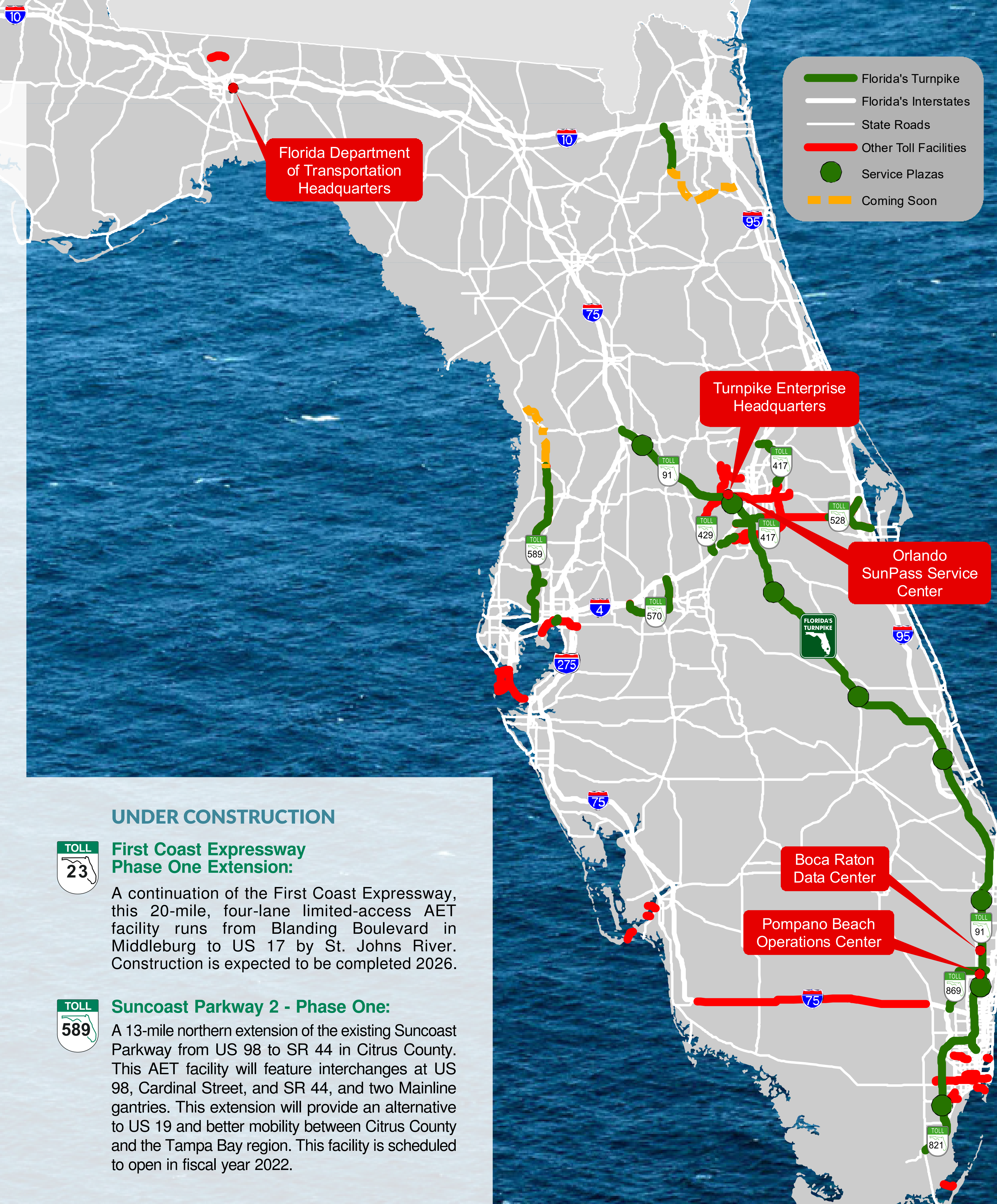
UNDER CONSTRUCTION

First Coast Expressway Phase One Extension:

A continuation of the First Coast Expressway, this 20-mile, four-lane limited-access AET facility runs from Blanding Boulevard in Middleburg to US 17 by St. Johns River. Construction is expected to be completed 2026.

Suncoast Parkway 2 - Phase One:

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



TOLL COLLECTION

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

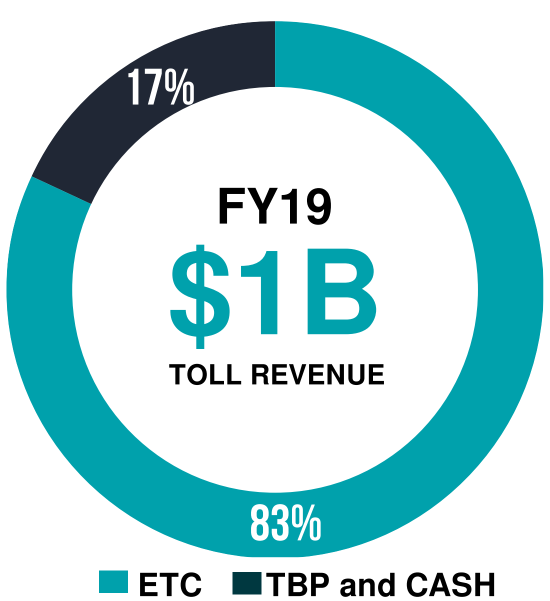
In an effort to provide convenience and reduced toll rates to customers, FDOT launched the SunPass ETC system in 1999. SunPass is a prepaid toll program - customers establish an account, provide vehicle information, add funds, and use a transponder device attached to a vehicle’s windshield to bypass traditional cash collection booths. Because SunPass customers pay the lowest toll rates, a customer traversing the entire Mainline would receive a 22% discount on the cost of the trip. Transponders can be purchased online or in person at various retail locations throughout the State, as well as Turnpike service plazas, Turnpike gas stations, SunPass service centers, select Florida welcome centers, visitor centers, rest areas, and select county tax collector offices.

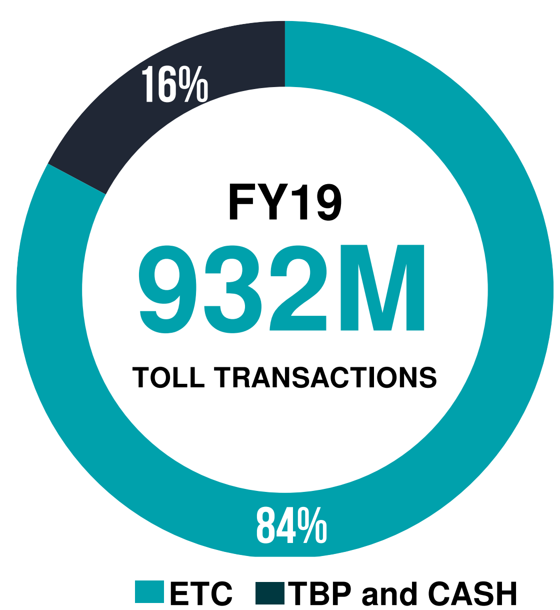
Managing a SunPass account is easy – customers may establish recurring payments, as well as add money to their prepaid accounts using a payment card via the internet, a mobile application, by telephone, or by replenishing their accounts with cash at various locations throughout the State. The SunPass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

Additionally, SunPass is the most economical way for FDOT to collect tolls and enhances safety as customers do not have to stop to pay a toll.

For non-SunPass customers, video tolling of license plates (TBP) may be utilized. A camera captures a photograph of the license plate as the vehicle passes through the toll facility and matches the license plate to the registered owner of the vehicle. Customers are then invoiced for their tolls.

Traditional cash collection is still utilized at several System toll facilities; however, the System is continually converting existing cash collection booths to All-Electronic Tolling.

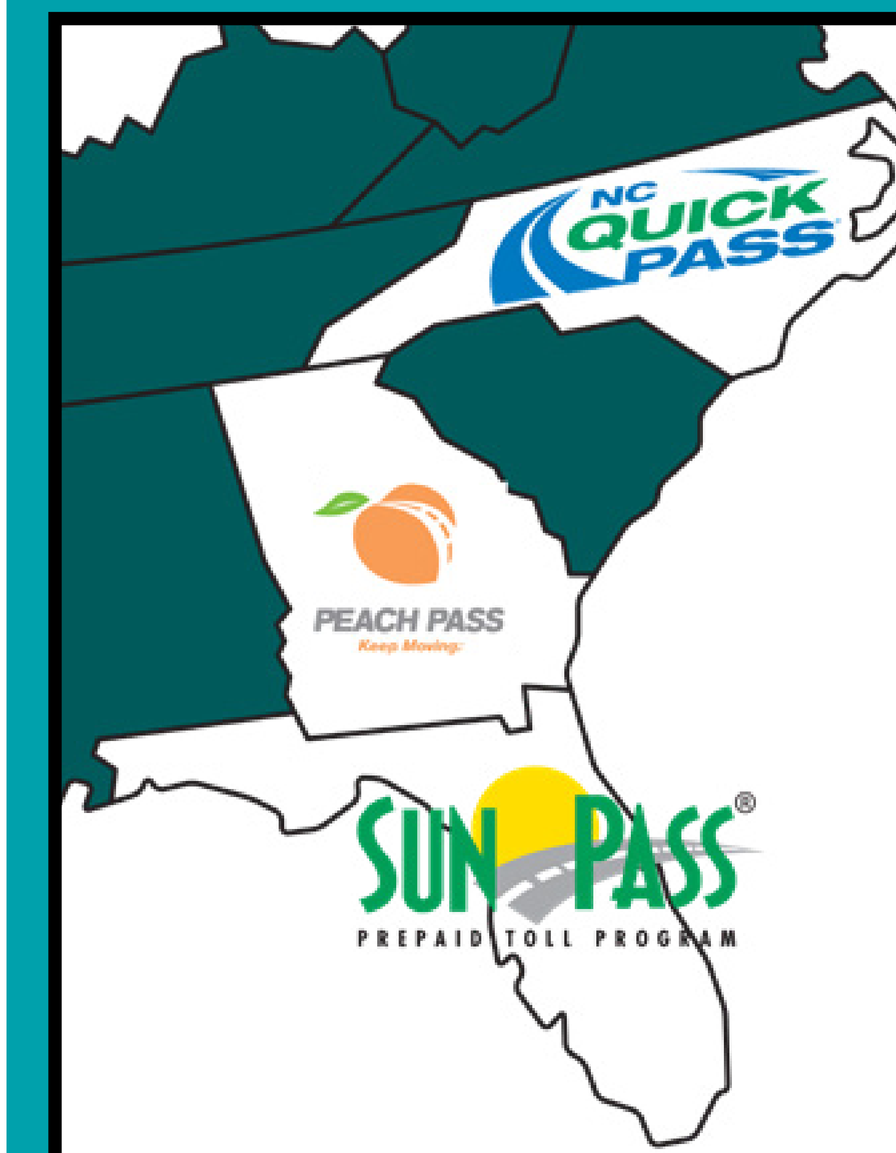




SUNPASS PLUS PARKING

As an added customer benefit, SunPass customers also have access to SunPass Plus Parking, which can be used to pay for parking at the following:

INTEROPERABILITY



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

SAFETY

DISTRACTED DRIVING

Section 316.305, Florida Statutes, effective on July 1, 2019. Motorists can be stopped and cited for texting and driving.

SAFETY CONTINUED

TROOP K

Florida Highway Patrol ("FHP") Troop K is dedicated solely to patrolling System roadways. Troop K's safety and enforcement emphasis are on unlawful speed, aggressive drivers, impaired drivers, contraband interdiction, seatbelt and child restraint, the Move Over law, following too closely, and commercial motor vehicle violations. Expenditures incurred by FHP in carrying out its powers and duties while providing law enforcement services on System roadways are treated as part of the cost of the operations of the System. Dial *347 for assistance.

ROAD RANGERS

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

INCIDENT MANAGEMENT

Intelligent Transportation Systems ("ITS") are crucial for incident management, allowing the Transportation Management Centers ("TMC") to identify and quickly respond to crash scenes, which in turn reduces incident durations, congestion, and provides a safer traveling environment for customers. The System utilizes closed circuit television cameras, vehicle detection systems, and dynamic message signs to monitor and manage traffic. The Turkey Lake TMC completed a full renovation project in 2018 to create additional space for its operators, dedicated displays to enhance traffic monitoring, and real-time dashboard reporting for incident and safety managers. In addition, during fiscal year 2019, System planners, architects, and designers began development on two additional modifications to operations control rooms at Pompano Beach Operations Center, and at FHP's Lake Worth Regional Communications Center. These improvements will allow for greater coordination among agencies.

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

Rapid Incident Scene Clearance ("RISC") is a safety program that utilizes qualified towing companies to quickly clear major roadway obstructions, such as large vehicle crashes, rollovers, fires, and cargo spills. The RISC program provides incentives to contractors who utilize specialized equipment and procedures, which significantly reduce clearing times. The RISC program continues to relieve congestion at a fast pace. During fiscal year 2019, RISC towing contractors cleared 123 traffic incidents in an average of 54 minutes, well below the incentivized goal of ninety minutes or less.

The Specialty Towing and Roadside Repair ("STARR") program facilitates safe, expedient, and efficient towing services for crashed or disabled vehicles on the System. Qualified vendors are required to employ personnel with specialized training and industry-related certification. During fiscal year 2019, STARR vendors responded to nearly nine thousand calls dispatched by the FHP. They met stated arrival times 93% of the time, and held an average arrival time of just under 22 minutes. The STARR program covers the Mainline, and most of the expansion facilities.

SAFETY CONTINUED

WRONG-WAY DRIVER DETECTION

Wrong-way crashes are infrequent but the results can be severe. A recent pilot project on SR 821 (HEFT) and Sawgrass Expressway targeted wrong-way drivers. The project included a combination of wrong-way pavement arrows and oversized signs with flashing solar-powered LED lights to alert drivers driving in the wrong direction. In addition, vehicle-alert technology such as radar technology and cameras were installed to detect wrong-way vehicles and alert the TMCs. The University of Central Florida has been researching wrong-way driving at a national level and is a partner of the System in evaluating the effectiveness of the wrong-way driver detection system. The recently deployed phase two of the wrong-way driver detection system, along with phase one, began to produce results in fiscal year 2018. The phase two project, commissioned in May 2017, includes oversized wrong-way signs with solar powered rectangular rapid flashing beacons, radar, and cameras along 18 ramps on the Seminole Expressway and Southern Connector Extension. In fiscal year 2019, the phase one wrong way detection technology alerted to 19 instances of a motorist traveling in the wrong direction. Further, the phase two technology deployment alerted to 16 instances of motorists traveling in the wrong direction.

RAMP ADVISORY SPEED SIGNS

Recently, new electronic ramp advisory speed feedback signs were added to ten System interchange ramps in South Florida to reduce the frequency of crashes by drivers that navigate these ramps at excessive speeds. High-crash frequency interchanges were selected for this implementation. The electronic sign assemblies use radar technology to measure the speed of an approaching vehicle, electronic feedback signs then return the vehicle's speed, followed by a 'slow down' message, along with a static sign panel that displays the advisory speed. This project will be studied in upcoming years to see if this program is successful in reducing the frequency of crashes at these locations.

HURRICANE EVACUATION

In the event of a hurricane, the Department is committed to ensuring a safe evacuation and return for its travelers. Several evacuation-related tips are available online at www.floridasturnpike.com/safety. Department Emergency Response Teams (known as Strike Teams) are also available to assist during major storms and consist of trained employees who are deployed to service plazas to perform pre-storm and post-storm activities. The service plazas are instrumental in providing fuel to evacuating residents when many local fuel stations run out of fuel prior to a storm's approach.

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

During fiscal year 2019, the System deployed Uninterruptible Power Supply ("UPS") systems at 32 strategically-identified locations as part of its hurricane preparedness planning. The UPS systems will allow the TMCs to continuously monitor traffic in the event of a power outage.

Emergency Shoulder Use ("ESU") is an innovative strategy to increase traffic capacity during major hurricane evacuations using existing paved shoulders. First developed in 2017 and covering key corridors within the State, ESU plans replace the former one-way plans. ESU plans cover System roadways northbound from SR 50 in Winter Garden to US 301 in Wildwood.

DYNAMIC MESSAGE SIGNS

Currently, the System has 170 Dynamic Message Signs ("DMS"). These electronically illuminated signs are strategically placed in locations where customers may experience traffic congestion and incidents. The signs, mounted on overhead structures spanning the width of the roadway, provide real-time information about traffic delays, incidents, emergency operations and construction, allowing customers to make better-informed travel decisions. During major incidents, the first priority of the TMCs, which operate around the clock, is to provide customers with accurate information as quickly as possible. When traffic conditions do not warrant a motorist response or there is no other information to communicate, the signs broadcast commuter information, and public safety information.

SAFETY CONTINUED

HIGHWAY ADVISORY RADIO

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

SAFETY CAMPAIGNS

During specified holidays, special safety campaigns are run to focus the public's attention on a particular safety issue associated with that holiday period. The campaigns include placing specially crafted messages on DMS, graphics with safety content on service plaza information displays, and short video clips on service station gas pumps. These campaigns focus on reducing distracted driving, reducing driving under the influence, tire safety awareness, sharing the roadway with motorcycles, and attention to not leaving children alone in hot cars. In addition, during certain holidays, restaurants at the eight 24-hour service plazas along the System offer free coffee for all motorists who promise to wear their safety belts. This encourages drivers to stop and take a break while traveling long distances and helps reduce driver fatigue.

BLUETOOTH TRAVEL TIME

In fiscal year 2019, the System deployed 192 Bluetooth Travel Time readers. The Bluetooth Travel Time System ("BTTS") uses strategically-placed Bluetooth readers, which are placed along System roadways, to detect bluetooth devices in passing vehicles. The BTTS then time stamps passing vehicles, providing more accurate and up-to-date travel time information. These devices allow engineers and planners to monitor traffic and recommend improvements to provide reliable and predicable travel for motorists.

FLORIDA 511

Florida's 511 Traveler Information System is one of the most effective ways drivers can keep informed about roadway conditions during severe weather, evacuations, and emergencies. Just dial "511." Depending on the volume of calls, some callers may get connected to a touch-tone only mode. Travelers can also download the Florida 511 application for iOS and Android devices to get access to the same information. 511 provides locally-generated reports on traffic conditions on major evacuation routes, road and bridge closures, toll suspensions, and other travel alerts for affected counties, cities, roadways, and agencies.

Photo: Northern Coin System

DID YOU KNOW?

During major hurricane evacuations, motorists will be permitted to use existing paved shoulders in an effort to improve the flow of traffic. System roadways covered include the Mainline from SR 50 in Winter Garden, northbound to US 301 in Wildwood.

MOBILITY

MAJOR PROJECT ACCOMPLISHMENTS

Photo: First Coast Expressway

NEW ROADWAY

The first segment of the First Coast Expressway (SR 23), which extends 15 miles from I-10 in Duval County to State Road 21 in Clay County, was completed in fiscal year 2019, while toll collection began July 2019 (fiscal year 2020).

First Coast Expressway (SR 23) is a multi-lane, AET, limited-access toll road that, once all segments are completed, will cross parts of Duval, Clay, and St. Johns counties. The total length of the proposed roadway after the completion of all segments is approximately 46 miles. The First Coast Expressway will reduce congestion on other major roadways in the region, important not only for daily commuters but also critically important during times of storm-related evacuation.

Construction of the second segment, which runs from north of State Road 21 to east of County Road 209, and includes a new bridge over Black Creek near the Byron Road/Lake Asbury community, began in fiscal year 2019 and is expected to be completed in 2026.

The southeastern third segment includes a new bridge over the St. Johns River where Shands Bridge currently stands and ultimately connects to I-95 in St. Johns County. The new bridge over the St. Johns River will increase vertical clearance to 65 feet from the current 45 feet to accommodate additional shipping traffic. Construction is expected to begin in 2022.

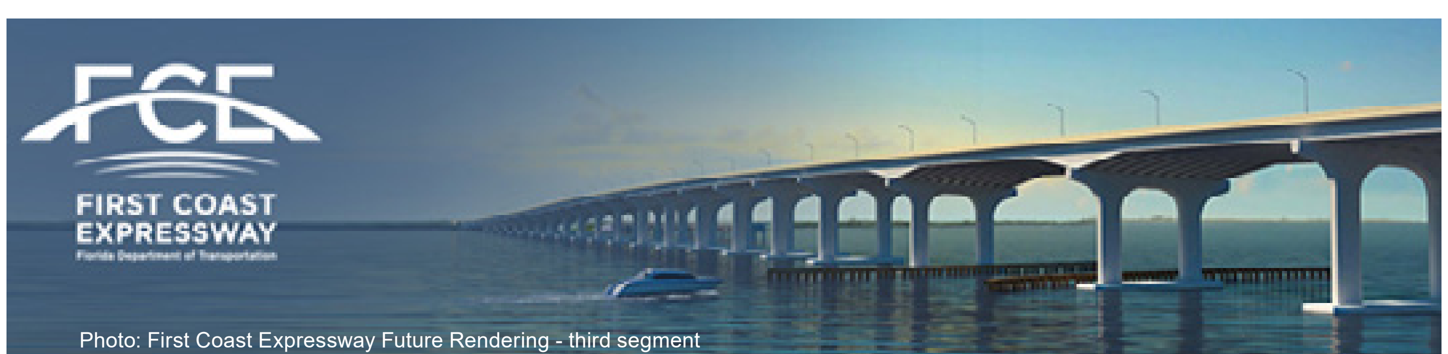
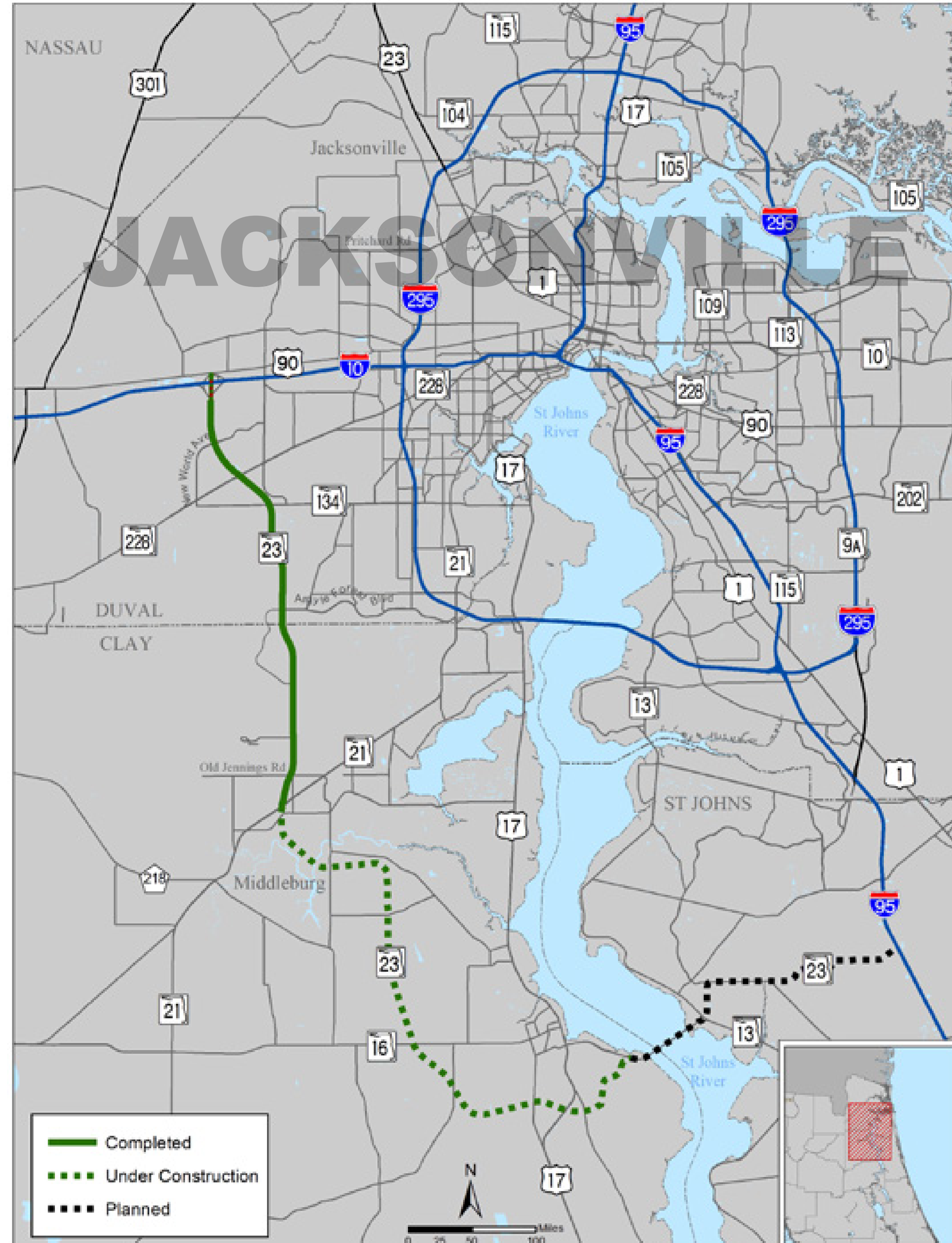


Photo: First Coast Expressway Future Rendering - third segment



MOBILITY

CONGESTION RELIEF

Widening of Beachline West Expressway

In fiscal year 2019, widening of Beachline West Expressway between I-4 (MP0) and the Mainline (MP4) was completed, adding two extra lanes in each direction, raising the total number of lanes from four to eight. An additional lane was also added between the Mainline (MP4) and McCoy Road (MP8), increasing the total number of lanes from six to eight. These capacity improvements will accommodate future traffic growth.

Photo: Beachline West Expressway

Widening of HEFT (SR 821)

In fiscal year 2019, widening of HEFT (SR 821) from SW 288th Street/Biscayne Drive (MP5) to SW 216th Street (MP 12) was completed, adding one extra lane in each direction, raising the total number of lanes from four to six. These new inside lanes improve traffic flow and enhance regional connectivity. Milling, resurfacing, and major storm-water drainage improvements were also included as part of this project.

Interchange Improvements at Mainline and I-75 (MP 309)

In coordination with the Department, the System completed improvements to the interchange at the Mainline and I-75 in Sumter County. The improvements help to alleviate undesirable traffic operating conditions caused by the proximity of the I-75/Mainline and I-75/SR 44 interchange ramps.

INNOVATION

SunTrax is a large-scale facility capable of testing toll systems and other emerging technologies. During fiscal year 2019, construction of a portion of the facility was completed – a 2.25 mile long oval track.

SUNTRAX™

America's New Center for Transportation Innovation

Our Mission
To accelerate the future of transportation

Our Vision
A continuously-evolving center for the development of innovative technologies that improve transportation safety, efficiency, and accessibility

About

Dedicated to the research, development, and testing of emerging transportation technologies in safe and controlled environments, SunTrax is a large-scale, state-of-the-art facility being developed by the Department and the System.

SunTrax is centrally located in Florida, **situated on 475-acres** off I-4 in Polk County, between Tampa and Orlando,

The site is composed of a **2.25-mile-long test track** making it the only high-speed autonomous vehicle (AV) testing facility in the southeastern United States.

The **200-acre infield** will focus on connected and autonomous vehicle (CAV) testing and will feature multiple simulated transportation environments. Construction of the infield began in the fall of 2019 and is expected to be complete in late 2021.

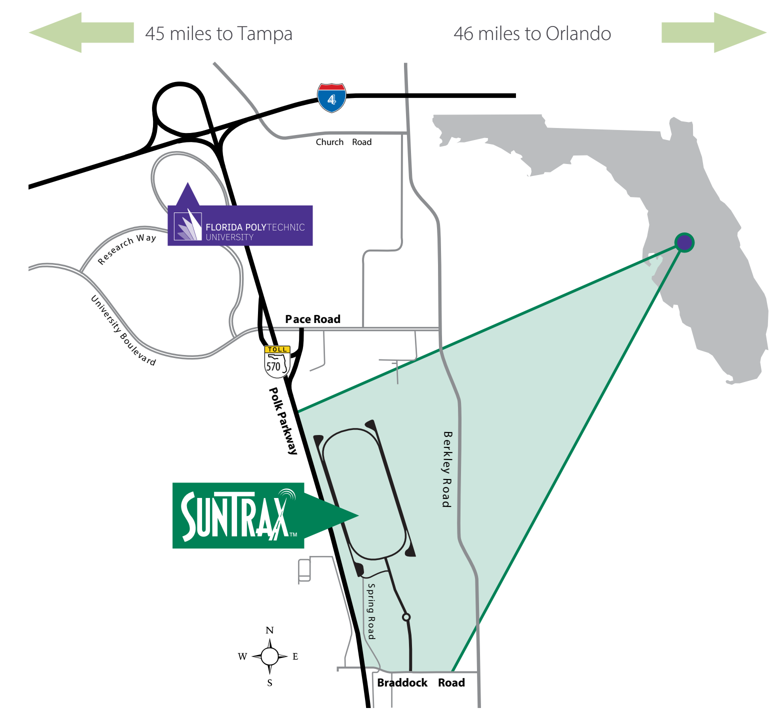



Photo: SunTrax Test Track

CAPITAL PLAN

Over the next several years, the System will invest in new revenue-generating projects and continue to provide safe, well-maintained roadways for greater ease of travel and toll collection efficiency. The System's robust capital program demonstrates its success as a national leader in user-financed transportation. In addition to various All-Electronic Tolling ("AET") facility conversions, widenings, resurfacings, interchange improvements, and other safety initiatives throughout the State, the following activities reflect some of the System's more significant planned and ongoing projects.

WORK PROGRAM

FY20

- Construction of First Coast Expressway - second segment from State Road 21 to County Road 209
- SunTrax construction
- Widen HEFT (SR 821) from MP34-39
- Widen Polk Parkway from MP18-22

FY21

- New interchange at Mainline MP257
- Widen Mainline from MP271-279
- Interchange improvements on HEFT (SR 821) at MP11-12
- AET conversion of Polk Parkway from MP0-18

FY22

- Widen and interchange improvement on Mainline from MP279-289
- Widen Sawgrass Expressway from MP8-18
- Interchange improvements on Mainline at MP240
- Interchange improvements on Sawgrass Expressway at MP8
- Begin construction of First Coast Expressway – third segment from County Road 209 to I-95

FY23

- New construction - Central Polk Parkway from State Road 570 to State Road 35
- New road construction of Suncoast Parkway 2 – Phase Two from State Road 44 to County Road 486

FY24

- Widen Sawgrass Expressway from MP5-7
- Widen Mainline from MP242-249

FY25

- Widen Seminole Expressway from MP38-44
- New road construction - Central Polk Parkway from State Road 35 to State Road 60
- Widen HEFT (SR 821) from MP0-2
- Widen Mainline from MP0-3

Photo: Ticket System

FINANCIAL SECTION

Fiscal Year 2019 Snapshot

$1B
Operating Revenue

$13B
Assets

$10B
Net Position

$597M
Increase in Net Position

$701M
Net Cash from Operations

3.3
Debt Service Coverage Ratio

RSM US LLP

Independent Auditor's Report

Secretary of Transportation
Florida Department of Transportation
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Florida's Turnpike System (the System), an enterprise fund of the Florida Department of Transportation, which is an agency of the State of Florida, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida's Turnpike System, as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the System and do not purport to, and do not present fairly the financial position of the Florida Department of Transportation or the Florida Transportation Enterprise Fund as of June 30, 2019 and 2018, and the changes in their financial position, and where applicable, cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

RSM US LLP

Orlando, Florida
October 28, 2019

As management of Florida's Turnpike System (the "System" or "we" or "us" or "our"), we offer readers of the annual financial report this narrative overview of our financial activities for the fiscal years ended June 30, 2019 and 2018. Please read it in conjunction with the financial statements and notes to the financial statements as a whole.

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

FINANCIAL HIGHLIGHTS – FISCAL YEAR 2019

With net position of $9.8 billion at year end and current assets that exceed current liabilities by nearly five times, we are positioned to meet our current and ongoing capital needs and bondholder obligations.

Despite a $19.0 million decrease in administrative fee revenue due to a temporary suspension of toll administrative charges in connection with our transition to a new toll management back-office system, we realized operating revenues of $1.1 billion, reflecting 1.4% growth over the prior year.

Operating expenses increased by 13.5% compared to the previous fiscal year. Renewals and replacements accounted for 83.5% of the total increase in operating expenses, reflecting our commitment to preserve our infrastructure. We spent $188.0 million in the fiscal year to maintain and preserve our infrastructure in connection with the Department's condition and maintenance programs. Additionally, we invested over half a billion dollars in capital assets as a part of our ongoing capital program, with a primary focus on increasing capacity and access to the System.

USING THIS ANNUAL REPORT

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

Statements of Net Position

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

Statements of Revenues, Expenses, and Changes in Net Position

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

Statements of Cash Flows

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

Notes to the Financial Statements

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

Other

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

FINANCIAL ANALYSIS

Statements of Net Position

The following table summarizes the components of our statements of net position as of the three preceding fiscal year ends:

Table 1 - Statements of Net Position

	As of June 30,			Change		Change	
($ in thousands)	2019	2018	2017	2019 vs. 2018		2018 vs. 2017	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Current assets	$ 1,157,223	$ 925,536	$ 1,020,769	$ 231,687	25.0 %	$ (95,233)	(9.3) %
Noncurrent restricted assets	271,810	230,944	194,073	40,866	17.7	36,871	19.0
Capital assets — net	11,277,007	10,810,175	10,325,329	466,832	4.3	484,846	4.7
Other assets	75,182	77,317	79,349	(2,135)	(2.8)	(2,032)	(2.6)
Total assets	**12,781,222**	**12,043,972**	**11,619,520**	**737,250**	**6.1**	**424,452**	**3.7**
Deferred outflows of resources	**27,553**	**26,492**	**29,691**	**1,061**	**4.0**	**(3,199)**	**(10.8)**
Total assets and deferred outflows of resources	**$ 12,808,775**	**$ 12,070,464**	**$ 11,649,211**	**$ 738,311**	**6.1 %**	**$ 421,253**	**3.6 %**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION							
Liabilities:							
Current liabilities	$ 246,918	$ 250,871	$ 249,305	$ (3,953)	(1.6) %	$ 1,566	0.6 %
Long-term portion of bonds payable	2,589,925	2,433,370	2,619,726	156,555	6.4	(186,356)	(7.1)
Other liabilities	23,266	28,033	32,801	(4,767)	(17.0)	(4,768)	(14.5)
Total liabilities	**2,860,109**	**2,712,274**	**2,901,832**	**147,835**	**5.5**	**(189,558)**	**(6.5)**
Deferred inflows of resources	**141,507**	**148,382**	**139,590**	**(6,875)**	**(4.6)**	**8,792**	**6.3**
Net position:							
Net investment in capital assets	8,561,567	8,202,492	7,551,130	359,075	4.4	651,362	8.6
Restricted	141,888	135,824	93,660	6,064	4.5	42,164	45.0
Unrestricted	1,103,704	871,492	962,999	232,212	26.6	(91,507)	(9.5)
Total net position	**9,807,159**	**9,209,808**	**8,607,789**	**597,351**	**6.5**	**602,019**	**7.0**
Total liabilities, deferred inflows of resources, and net position	**$ 12,808,775**	**$ 12,070,464**	**$ 11,649,211**	**$ 738,311**	**6.1 %**	**$ 421,253**	**3.6 %**

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

Capital Assets

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

Table 2 - Capital Assets, Net of Depreciation and Amortization

($ in thousands)	As of June 30, 2019	2018	2017	Change 2019 vs. 2018		Change 2018 vs. 2017	
Infrastructure	$ 8,614,566	$ 7,945,131	$ 7,811,666	$ 669,435	8.4 %	$ 133,465	1.7 %
Construction in progress	1,338,709	1,528,996	1,206,448	(190,287)	(12.4)	322,548	26.7
Land	963,862	951,101	951,869	12,761	1.3	(768)	(0.1)
Furniture and equipment — net	125,694	148,067	164,177	(22,373)	(15.1)	(16,110)	(9.8)
Buildings and improvements — net	114,805	107,887	115,755	6,918	6.4	(7,868)	(6.8)
Buildings — nondepreciable	82,687	82,687	68,753	-	-	13,934	20.3
Intangible assets — net	36,684	46,306	6,661	(9,622)	(20.8)	39,645	595.2
Total capital assets — net	$ 11,277,007	$10,810,175	$ 10,325,329	$ 466,832	4.3 %	$ 484,846	4.7 %

The increase in total capital assets – net, from fiscal year end 2018 to 2019 is primarily attributable to an increase in infrastructure resulting from the completion of First Coast Expressway, coupled with the completion of certain widenings and improvements, including portions of SR 821 (HEFT) and Beachline West Expressway.

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

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

The following table summarizes additions to infrastructure by type for fiscal years ended June 30, 2019 and 2018:

Table 3 - Additions to Infrastructure

($ in thousands)	2019	2018
Widening and capacity improvements	$ 278,977	$ 83,499
Interchange and access projects	140,789	25,848
Expansion projects	185,400	-
Technology, safety, and other projects	64,269	24,118
Total	$ 669,435	$ 133,465

Modified Approach for Reporting Infrastructure

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

As detailed in the required supplementary information after the notes to the financial statements, we exceeded our targeted infrastructure condition level ratings for the last several years. For fiscal years ending June 30, 2019 and 2018, we estimated we would need to spend $189.4 million and $170.4 million, respectively, for infrastructure maintenance and preservation, but expended $188.0 million and $138.5 million, respectively. Fluctuations occur from year to year between the amount spent to preserve and maintain the System and the estimated amount resulting from changes in the timing of work activities.

Bonds Payable

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

We are authorized by Section 338.2275 of the Florida Statutes to have up to $10.0 billion of outstanding bonds to fund approved projects. As of June 30, 2019, we have $2.7 billion of outstanding bonds related to financing the construction of expansion projects and system improvements.

We issue bonds to fund expansion and improvement projects in accordance with our Debt Management Guidelines. Pursuant to these guidelines, we typically issue 30-year fixed-rate bonds. Bonds are issued to fund projects with an expected useful life not less than the term of the bonds. We do not issue bonds for operations and maintenance costs. Bonds are issued through the State Board of Administration ("SBA"), Division of Bond Finance, in accordance with Section 11(d), Article VII of the State Constitution. Bonds are only issued for projects included in our legislatively-approved Work Program (Section 339.135 (4), F.S.). Planned bond sales are included in the Department's financially-balanced five-year finance plan and 36-month cash forecast. The resolution authorizing the issuance of bonds requires a debt service reserve be established in an amount as defined in the resolution. Our reserve was fully funded for fiscal years 2019 and 2018.

Our debt service coverage ratio was 3.25 and 3.24 for fiscal years 2019 and 2018, respectively, exceeding the 1.2 minimum debt service coverage as required by the bond resolution. The high coverage is primarily due to increased net operating revenues available for debt service, as further discussed below.

Net Position

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

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

A portion of our net position represents resources subject to bond covenants or other restrictions. Such funds are held to meet bond sinking fund, debt service reserve, and renewal and replacement requirements. The change in restricted net position for the two preceding fiscal year ends is primarily due to the timing of renewal and replacement projects.

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

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

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

	Fiscal Year Ended June 30,			Change		Change	
($ in thousands)	2019	2018	2017	2019 vs. 2018		2018 vs. 2017	
Operating revenues:							
Toll facilities	$ 1,052,357	$ 1,017,303	$ 1,008,420	$ 35,054	3.4 %	$ 8,883	0.9 %
Toll administrative charges	2,205	21,217	20,229	(19,012)	(89.6)	988	4.9
Concessions and other	23,532	25,209	15,881	(1,677)	(6.7)	9,328	58.7
Nonoperating revenues:							
Investment earnings (loss)	56,978	20,320	(1,942)	36,658	180.4	22,262	1,146.3
Interest subsidy	3,561	5,551	5,533	(1,990)	(35.8)	18	0.3
Total revenues	1,138,633	1,089,600	1,048,121	49,033	4.5	41,479	4.0
Expenses:							
Operations and maintenance	235,939	228,905	211,333	7,034	3.1	17,572	8.3
Business development and marketing	2,405	4,115	4,387	(1,710)	(41.6)	(272)	(6.2)
Renewals and replacements	121,221	77,251	76,839	43,970	56.9	412	0.5
Depreciation and amortization	54,820	47,362	44,356	7,458	15.7	3,006	6.8
Planning and development	29,460	33,538	29,104	(4,078)	(12.2)	4,434	15.2
Other nonoperating expenses — net	102,407	108,651	71,904	(6,244)	(5.7)	36,747	51.1
Total expenses	546,252	499,822	437,923	46,430	9.3	61,899	14.1
Income before contributions	592,381	589,778	610,198	2,603	0.4	(20,420)	(3.3)
Capital contributions from others	4,970	12,241	5,495	(7,271)	(59.4)	6,746	122.8
Increase in net position	597,351	602,019	615,693	(4,668)	(0.8)	(13,674)	(2.2)
Net position:							
Beginning	9,209,808	8,607,789	7,992,096	602,019	7.0	615,693	7.7
Ending	$ 9,807,159	$ 9,209,808	$ 8,607,789	$ 597,351	6.5 %	$ 602,019	7.0 %

The increase in toll facilities revenues from 2018 to 2019 was primarily a result of traffic growth, coupled with the absence of toll suspension losses incurred in the prior period related to Hurricane Irma, and offset by lower postpaid toll collections due to delayed billings in connection with our transition to a new toll management back-office system. The decrease in toll administrative charges reflects a temporary suspension of fees as a result of our transition to a new toll management back-office system. The change in investment earnings is primarily due to the market valuation adjustment of investments.

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

For fiscal years 2019 and 2018, toll transactions increased by approximately three percent and four percent, respectively. Expanded use of the interstate highway system and continued heavy flows of commuter traffic makes the Turnpike an attractive option to the motoring public in both rural and urban areas. Customers perceive the value of the System's well-maintained roadways and high level of service, which contributes to the growth in annual revenues.

Toll revenue reflects the impact of the implementation of Section 338.165(3), Florida Statutes, permitting the Department to index toll rates on existing toll facilities. As such, toll rates were indexed for fiscal year 2018 as a result of changes in the annual Consumer Price Index ("CPI"). Toll rates were not indexed for fiscal year 2019 due to the transition to the new toll management back-office system and related delays.

The rise in total expenses from 2018 to 2019 was primarily attributable to an increase in renewals and replacements in an ongoing effort to preserve our infrastructure.

The increase in total expenses from 2017 to 2018 was primarily attributable to increased other nonoperating expenses – net and operations and maintenance expenses. Other nonoperating expenses – net increased primarily due to additional interest expense as a result of implementing Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which disallows the capitalization of interest. Further, the increase in operations and maintenance expense from 2017 to 2018 was primarily due to certain nonrecurring charges, including non-capital start-up costs for our data processing systems, coupled with new transaction fees charged by certain interoperable partners.

ECONOMIC CONDITIONS AND OUTLOOK

Since 2010, Florida's economy has expanded. Economic growth continued in fiscal year 2019, albeit at a slightly diminishing rate. The key drivers for the sustained economic growth are new jobs, continuous wage growth, reduction in unemployment, increases in discretionary and non-discretionary consumer spending in Florida, and longstanding growth in population and tourism complemented by increases in building permits. As a result, commuter, recreational, and commercial traffic are expected to continue to increase beyond fiscal year 2019.

We believe that fiscal year 2020 toll revenues will be more than sufficient to meet obligations for debt service, operating and maintenance costs, and the preservation of the System. The remaining revenues after the aforementioned costs will be utilized to fund our capital improvement program.

REQUEST FOR INFORMATION

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

STATEMENTS OF NET POSITION
AS OF JUNE 30, 2019 and 2018

($ in thousands)		2019	2018
ASSETS			
Current assets:			
Pooled cash and cash equivalents	Note 2	$ 1,064,941	$ 828,758
Accrued interest and accounts receivable		9,015	8,190
Due from governmental agencies	Note 3	77,340	81,809
Other current assets		5,927	6,779
Total current assets		1,157,223	925,536
Noncurrent assets:			
Restricted cash and cash equivalents	Note 2	271,810	230,944
Nondepreciable capital assets	Note 4	10,999,824	10,507,915
Depreciable capital assets — net	Note 4	277,183	302,260
Service concession arrangement receivable	Note 8	75,182	77,317
Total noncurrent assets		11,623,999	11,118,436
Total assets		12,781,222	12,043,972
DEFERRED OUTFLOWS OF RESOURCES	Note 5	27,553	26,492
LIABILITIES			
Current liabilities:			
Construction contracts and retainage payable		71,694	72,719
Current portion of bonds payable	Note 6	134,200	141,130
Due to governmental agencies — current portion	Note 3	38,393	34,099
Unearned revenue and other current liabilities		2,631	2,923
Total current liabilities		246,918	250,871
Noncurrent liabilities:			
Long-term portion of bonds payable — net of premiums	Note 6	2,589,925	2,433,370
Due to governmental agencies — less current portion	Note 3	22,964	27,682
Unearned revenue and other noncurrent liabilities		302	351
Total noncurrent liabilities		2,613,191	2,461,403
Total liabilities		2,860,109	2,712,274
DEFERRED INFLOWS OF RESOURCES	Note 8	141,507	148,382
NET POSITION:			
Net investment in capital assets		8,561,567	8,202,492
Restricted for debt service		98,633	88,639
Restricted for renewal and replacement		43,255	47,185
Unrestricted		1,103,704	871,492
Total net position		$ 9,807,159	$ 9,209,808

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

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 and 2018

($ in thousands)	2019	2018
Operating revenues:		
Toll facilities	$ 1,052,357	$ 1,017,303
Toll administrative charges	2,205	21,217
Concessions and other	23,532	25,209
Total operating revenues	1,078,094	1,063,729
Operating expenses:		
Operations and maintenance	235,939	228,905
Business development and marketing	2,405	4,115
Renewals and replacements	121,221	77,251
Depreciation and amortization	54,820	47,362
Planning and development	29,460	33,538
Total operating expenses	443,845	391,171
Operating income	634,249	672,558
Nonoperating revenues (expenses):		
Investment earnings	56,978	20,320
Interest subsidy	3,561	5,551
Interest expense	(94,415)	(97,798)
Other — net	(7,992)	(10,853)
Total nonoperating expenses — net	(41,868)	(82,780)
Income before contributions	592,381	589,778
Capital contributions from others	4,970	12,241
Increase in net position	597,351	602,019
Net position:		
Beginning of year	9,209,808	8,607,789
End of year	$ 9,807,159	$ 9,209,808

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

STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 and 2018

($ in thousands)	2019	2018
Operating activities:		
Cash received from customers	$ 1,058,844	$ 998,974
Cash payments to suppliers for goods and services	(361,661)	(320,292)
Cash payments for personnel	(18,080)	(20,189)
Other operating receipts	22,277	23,110
Net cash provided by operating activities	701,380	681,603
Noncapital financing activities:		
Contributions to governmental agencies	(1,775)	(2,626)
Net cash used in noncapital financing activities	(1,775)	(2,626)
Capital and related financing activities:		
Proceeds from the issuance of revenue bonds	575,050	147,982
Receipts from 2009B Build America Bonds interest subsidy	3,561	5,551
Proceeds from the sale of capital assets	8,042	7,481
Payments for the acquisition or construction of capital assets	(531,076)	(520,476)
Payments for refunding of revenue bonds	(258,695)	(166,448)
Principal paid on revenue bond maturities	(143,680)	(140,640)
Interest paid on revenue bonds	(118,526)	(121,359)
Repayments for advances from governmental agencies	(4,718)	(4,718)
Payments for bond issuance costs	(2,342)	(354)
Net cash used in capital and related financing activities	(472,384)	(792,981)
Investing activities:		
Proceeds from the sale or maturity of investments	-	1,379,522
Interest received	28,379	18,363
Purchase of investments	-	(1,185,493)
Net change in pooled cash equivalents	21,449	(3,805)
Net cash provided by investing activities	49,828	208,587
Net increase in restricted and unrestricted cash and cash equivalents	277,049	94,583
Restricted and unrestricted cash and cash equivalents:		
Beginning of year	1,059,702	965,119
End of year	$ 1,336,751	$ 1,059,702

(Continued)

STATEMENTS OF CASH FLOWS (Continued)
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 and 2018

($ in thousands)	2019	2018
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 634,249	$ 672,558
Adjustments:		
Depreciation and amortization expense	54,820	47,362
Other noncash adjustments	(837)	(3,078)
Change in:		
Accrued interest and accounts receivable	697	(510)
Due from governmental agencies	4,124	(39,437)
Other current assets	852	(1,477)
Construction contracts and retainage payable	3,177	3,912
Due to governmental agencies	4,294	2,271
Unearned revenue and other current liabilities	4	2
Net cash provided by operating activities	$ 701,380	$ 681,603
Supplemental schedule of noncash investing and capital and related financing activities:		
Bond premium amortization, net	$ 27,414	$ 27,653
Amortization of deferred losses on early retirement of debt	$ 3,303	$ 4,092
Deferred loss and net bond premiums due to refunding	$ 4,364	$ 3,401
Loss on disposal of capital assets	$ 3,040	$ 6,362
Capital asset contributions in deferred inflows of resources	$ -	$ 15,320
Purchases of capital assets in current and other liabilities	$ 58,333	$ 62,535
Noncash contributions received for capital projects	$ 5,861	$ 5,706

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

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Florida's Turnpike System (the "System") is part of the Florida Department of Transportation (the "Department"), which is an agency of the State of Florida (the "State"). The Department is responsible for cash management and other administrative and financial matters on behalf of the System. The System's financial statements for fiscal years 2019 and 2018 contained herein include only the accounts and transactions of the System and do not include any other accounts and transactions of the Department or the State. The System is presented as an enterprise fund in the Comprehensive Annual Financial Report ("CAFR") of the State.

Basis of Accounting

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

Cash and Cash Equivalents

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

Investments

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

Accrued Interest and Accounts Receivable

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

Due from Governmental Agencies

Amounts due from governmental agencies are primarily comprised of toll revenue collected from customers and held for remittance to the System in a Department fund at year end. See *Note 3 – Due from/to Governmental Agencies*.

Other Current Assets

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

Capital Assets

Capitalization Policy

Costs to acquire capital assets, and to replace existing capital assets (or otherwise prolong their useful lives), are capitalized under the System's capitalization policy. Such costs represent a historical accumulation of costs expended to acquire right-of-way and to construct, improve, and place in operation the System's various projects and related facilities, as well as costs of improvements that increase the capacity or efficiency of existing infrastructure and certain overhead amounts incurred during the construction phase.

The System's capitalization level is one thousand dollars for tangible assets and five hundred thousand dollars for intangible assets. Capital assets are recorded at historical cost, except for contributed assets received from entities other than the State, which are recorded at acquisition value at the date of contribution. Construction in progress generally consists of project costs for capital assets not yet placed in service. See *Note 4 – Capital Assets*.

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

Depreciation Policy

Depreciation and amortization are charged on a straight-line basis over useful lives ranging from fifteen to thirty years for depreciable buildings and improvements, three to ten years for furniture and equipment and three to fifteen years for intangible assets.

The System has elected to use the "modified approach" for reporting infrastructure, which considers infrastructure assets to last indefinitely, pending certain requirements. As such, depreciation expense is not reported for infrastructure assets and amounts are not capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. Rather, costs for both maintenance and preservation of infrastructure capital assets are expensed in the period incurred. Further, buildings constructed or acquired meeting the criteria of a Service Concession Arrangement ("SCA") are also not depreciated. See *Note 8 – Deferred Inflows of Resources*.

In compliance with requirements of the modified approach, the System relies on the Department to maintain an asset management system that has an up-to-date inventory of System infrastructure assets and that performs condition assessments of those assets, summarizing the results using a measurement scale. Using these results, System management estimates the annual amount to maintain and preserve its infrastructure at a condition level established and disclosed by the System. See the required supplementary information included after the notes to the financial statements.

Restricted Assets

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

Bond Premiums and Discounts

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

Deferred Inflows and Outflows of Resources

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

Net Position

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

Operating Revenues and Expenses

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

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

Capital Contributions from Others

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

Use of Estimates

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

Reclassifications

Certain amounts were reclassed in the current year between planning and development and operations and maintenance. Additionally, a reclassification was made between net position restricted for renewal and replacement and unrestricted net position, and pooled cash and cash equivalents and restricted cash and cash equivalents. Accordingly, amounts in the prior year Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position have been reclassified.

Recently Adopted Accounting Pronouncements

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

2. CASH AND CASH EQUIVALENTS

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

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

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

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


Photo: HEFT (SR 821)

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

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

As of June 30, 2019

	Cash on deposit	Cash held by the State Treasury	Cash held by the SBA	U.S. government securities held by the SBA	Pooled investments with the State Treasury	Total
Pooled cash and cash equivalents	$ 2,766	$ 3,446	$ 33	$ 90,327	$ 968,369	$1,064,941
Restricted cash and cash equivalents	-	4,169	178	173,318	94,145	271,810
Totals	$ 2,766	$ 7,615	$ 211	$ 263,645	$ 1,062,514	$1,336,751

As of June 30, 2018

	Cash on deposit	Cash held by the State Treasury	Cash held by the SBA	U.S. government securities held by the SBA	Pooled investments with the State Treasury	Total
Pooled cash and cash equivalents	$ 2,922	$ 3,066	$ 7	$ 49,781	$ 772,982	$ 828,758
Restricted cash and cash equivalents	-	6,566	2,828	175,722	45,828	230,944
Totals	$ 2,922	$ 9,632	$ 2,835	$ 225,503	$ 818,810	$1,059,702

For the years ended June 30, 2019 and 2018, the bank balance for cash on deposit was $1,792 and $2,116, respectively, all of which was insured by the Federal Deposit Insurance Corporation ("FDIC") or collateralized pursuant to Chapter 280, Florida Statutes.

As of June 30, 2019 and 2018, U.S. government securities held by the SBA are classified as level 1 investments under the fair value hierarchy. Further information on the types of cash and cash equivalents held by the SBA can be obtained by contacting the Chief Operating & Financial Officer, State Board of Administration of Florida, 1801 Hermitage Boulevard, Suite 101, Tallahassee, Florida 32308, or by calling (850) 488-4406.

Pooled investments with the State Treasury, which are included in cash and cash equivalents, are based on fair value and no allocation is made as to the System's share or level classification. These cash equivalents are liquid and the System can make deposits or draw on them as needed. Further information on the types of cash and cash equivalents held by the State Treasury is disclosed in the notes of the State CAFR.

Credit Risk

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

The Florida Treasury Investment Pool is rated by Standard & Poor's Ratings Services. The rating at June 30, 2019 and 2018 was AA-f and A+f, respectively.

Custodial Credit Risk

Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits or recover collateral securities that are in possession of an outside party.

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

Concentration of Credit Risk

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

Foreign Currency Risk

Foreign currency risk exists when there is a possibility that changes in exchange rates could adversely affect an investment's or deposit's fair value. GASB 40 requires disclosures of value in U.S. dollars by foreign currency denomination and by investment type for investments denominated in foreign currencies. The State's policies regarding controls and safeguards over foreign currency risk can be found in the State's CAFR. For the years ended June 30, 2019 and 2018, the System was not exposed to any foreign currency risks.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Through its investment policy, the State Treasury manages its exposure to interest rate risk by limiting either the maturities or durations of the various investment strategies used for the investment pool. In addition, interest rate risk exposure, in some cases, is managed by limiting the maximum weighted average maturity gap. The maximum weighted average maturity gap is defined as the difference between the weighted average days to maturity of the portfolio minus the weighted average days to maturity of the liabilities. The SBA manages its exposure to interest rate risk through various investment policies. As of June 30, 2019 and 2018, the System's investments mature in less than one year. Additional information pertaining to the maturities of investments held by the State Treasury and SBA, as well as information regarding interest rate risk, can be found in the State's CAFR.

Photo: Minneola Toll Ramp

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

3. DUE FROM/TO GOVERNMENTAL AGENCIES

The System enters into various agreements with the Department and other governmental agencies in the regular course of operations. At June 30, 2019 and 2018, amounts due from/to governmental agencies consisted of the following:

	2019	2018
Due from governmental agencies:		
Due from the Department [(a)]	$ 75,588	$ 79,870
Due from the Department of Financial Services [(b)]	1,546	1,826
Due from other governments	206	113
Total due from governmental agencies	$ 77,340	$ 81,809
Due to governmental agencies:		
June operations, maintenance, in-house and overhead reimbursement	$ 33,570	$ 29,264
State Infrastructure Bank loans [(c)]	26,182	29,400
State Transportation Trust Fund [(d)]	1,500	3,000
Due to other governments	105	117
Total due to governmental agencies	61,357	61,781
Less current portion	(38,393)	(34,099)
Total due to governmental agencies — less current portion	$ 22,964	$ 27,682

(a) Amounts due from the Department were primarily comprised of toll revenue collected from customers and held in a Department fund at year end. The amounts were remitted to the System subsequent to the respective year ends.

(b) Amounts due from the Department of Financial Services ("DFS") were attributed to escrow deposits held by DFS on behalf of local governments and organizations to fund certain construction costs. Pursuant to the agreement between the System and the local governments, the System is required to incur the construction costs before the deposits are released from escrow.

(c) State Infrastructure Bank ("SIB") loans were established in 1997 as a pilot program for eight states, which allows those states to capitalize the SIB loans with up to 10% of their Federal Highway apportionments. The SIB acts as a revolving fund to provide assistance in the form of interest free loans, credit enhancements, capital reserves, subsidized interest rates, or to provide other debt financing security. In fiscal year 2005, the System received the last advance for Seminole Expressway, Project 2, with the balance due in installments through 2026. A SIB loan is also being utilized for interest cost subsidies, which will be fully repaid by fiscal year 2034. The repayment of these loans is subordinate to the repayment of bonded debt.

(d) In the spring of 2012, Senate Bill 1998 repealed the Toll Facility Revolving Trust Fund ("TFRTF") and transferred the funds and future revenues to the State Transportation Trust Fund ("STTF"). This loan will be fully repaid by 2020 from the System's general reserve fund.

The following table presents maturities of SIB and STTF loans at June 30, 2019:

2020	$ 4,718
2021	3,218
2022	3,218
2023	3,218
2024	3,218
2025-2029	6,782
2030-2034	3,310
Total	$ 27,682

Payments and Reimbursements to the Department

Transactions between the System and other funds of the Department consist of reimbursements made by the System to the Department. Reimbursements include amounts arising from the use of Department personnel, equipment and materials, and charges incurred from independent suppliers and contractors who are paid directly by the Department on behalf of the System. For the years ended June 30, 2019 and 2018, the System made reimbursements to the Department of $238,983 and $214,538, respectively.

Photo: Polk Parkway

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

4. CAPITAL ASSETS

Changes in the System's capital assets for fiscal years ended June 30, 2019 and 2018 are shown below:

Fiscal Year Ended June 30, 2019	Beginning	Transfers	Additions	Retirements	Ending
Nondepreciable capital assets:					
Construction in progress	$ 1,528,996	$ (691,201)	$ 500,914	$ -	$ 1,338,709
Land	951,101	-	22,677	(9,916)	963,862
Buildings	82,687	-	-	-	82,687
Infrastructure	7,945,131	669,435	-	-	8,614,566
Total nondepreciable capital assets	10,507,915	(21,766)	523,591	(9,916)	10,999,824
Depreciable capital assets:					
Buildings and improvements	235,001	11,403	3,885	(322)	249,967
Furniture and equipment	318,431	10,363	5,258	(5,707)	328,345
Intangible assets	96,669	-	-	(13,392)	83,277
Total depreciable capital assets — gross	650,101	21,766	9,143	(19,421)	661,589
Less accumulated depreciation:					
Buildings and improvements	(127,114)	-	(8,360)	312	(135,162)
Furniture and equipment	(170,364)	-	(36,979)	4,692	(202,651)
Intangible assets	(50,363)	-	(9,481)	13,251	(46,593)
Total accumulated depreciation	(347,841)	-	(54,820)	18,255	(384,406)
Total depreciable capital assets — net	302,260	21,766	(45,677)	(1,166)	277,183
Total capital assets	$ 10,810,175	$ -	$ 477,914	$ (11,082)	$ 11,277,007

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

5. DEFERRED OUTFLOWS OF RESOURCES

In accordance with GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities*, losses on bond refunding equal the difference between the reacquisition price and the carrying value of the refunded debt which are reclassified to deferred outflows of resources. The deferred outflows of resources are amortized and recognized as interest expense in a systematic and rational manner over the shorter of the remaining term of the refunded debt or the new debt. See *Note 6 – Bonds Payable.*

The following table presents activity of deferred outflows of resources for the fiscal years ended June 30, 2019 and 2018, respectively:

	2019	2018
Beginning balance	$ 26,492	$ 29,691
Refunded bonds:		
Reacquisition price over carrying amount	4,364	3,401
Defeasance	-	(2,508)
Amortization	(3,303)	(4,092)
Ending balance	$ 27,553	$ 26,492

In February 2019, the System issued $224,455 in revenue bonds with coupon rates ranging from four to five percent, to advance refund certain outstanding revenue bonds with coupon rates ranging from six to seven percent. The net proceeds of $253,367, after payment of $655 in issuance costs, plus an additional $7,823 of existing monies, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability has been removed from the System's financial statements. The advance refunding reduces the System's aggregate debt service payments by $45,554 through fiscal year 2039, resulting in a present value savings of $32,814.

In December 2017, the System issued $131,885 in revenue bonds with coupon rates ranging from four to five percent, to advance refund certain outstanding revenue bonds with coupon rates of five percent. The net proceeds of $147,628, after payment of $354 in issuance costs, plus an additional $22,763 of existing monies, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability has been removed from the System's financial statements. The advance refunding reduces the System's aggregate debt service payments by $33,245 through fiscal year 2030, resulting in a present value savings of $31,345.

The total amount of outstanding in-substance defeased debt as of June 30, 2019 and 2018, was $345,095 and $90,095, respectively.


Photo: First Coast Expressway

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

6. BONDS PAYABLE

Revenue bonds and the interest payable thereon are obligations of the System, secured by and payable from the pledge of the System's net revenues. Bonds payable as of June 30, 2019 and 2018 were as follows:

			Bonds Payable at June 30, 2019				Bonds Payable at June 30, 2018		
Series	Issuance Amount	Interest Rates	Serial Bonds	Term Bonds	Total Bonds	Maturing in Fiscal Year	Serial Bonds	Term Bonds	Total Bonds
2019A	$ 224,455	4.00% - 5.00%	$ 224,455	$ -	$ 224,455	2020 - 2039	$ -	$ -	$ -
2018A	299,975	4.00% - 5.00%	231,705	65,720	297,425	2020 - 2048	-	-	-
2017A	131,885	4.00% - 5.00%	116,520	-	116,520	2020 - 2030	131,885	-	131,885
2016C	142,595	4.00% - 5.00%	133,695	-	133,695	2020 - 2037	138,250	-	138,250
2016B	113,350	2.50% - 5.00%	90,375	-	90,375	2020 - 2027	98,395	-	98,395
2016A	173,385	3.00% - 5.00%	152,740	-	152,740	2020 - 2036	159,960	-	159,960
2015B	195,875	3.00% - 5.00%	176,815	-	176,815	2020 - 2036	183,480	-	183,480
2015A	241,480	2.95% - 5.00%	169,075	44,700	213,775	2020 - 2045	176,500	44,700	221,200
2014A	223,580	3.25% - 5.00%	176,845	35,520	212,365	2020 - 2044	179,380	35,520	214,900
2013C	267,405	4.00% - 5.00%	216,655	-	216,655	2020 - 2043	227,575	-	227,575
2013B	206,035	5.00%	22,945	-	22,945	2020 - 2022	45,890	-	45,890
2013A	183,140	5.00%	104,060	-	104,060	2020 - 2025	118,365	-	118,365
2012A	306,065	2.88% - 5.00%	234,370	47,835	282,205	2020 - 2042	238,565	47,835	286,400
2011A	150,165	3.25% - 5.25%	69,200	33,355	102,555	2020 - 2041	77,495	33,355	110,850
2010B	251,080	4.50% - 5.00%	93,345	115,635	208,980	2020 - 2040	98,930	115,635	214,565
2010A	211,255	5.00%	-	-	-	2019	15,095	-	15,095
2009B	255,000	6.14% - 6.80%	-	-	-	2019	-	255,000	255,000
2009A	68,445	5.00%	1,275	-	1,275	2020	9,280	-	9,280
2006A	443,290	3.00%	23,525	-	23,525	2020 - 2029	23,525	-	23,525
		Subtotal	$ 2,237,600	$ 342,765	2,580,365		$ 1,922,570	$ 532,045	2,454,615
		Unamortized bond premium— net			143,760				119,885
		Total bonds payable			2,724,125				2,574,500
		Less current portion of bonds payable			(134,200)				(141,130)
		Long-term portion of bonds payable — net			$ 2,589,925				$ 2,433,370

As of June 30, 2019, debt service requirements to maturity, including interest at fixed rates, were as follows:

Maturing	Principal	Interest	Total
2020	$ 134,200	$ 113,281	$ 247,481
2021	140,880	106,571	247,451
2022	129,485	99,527	229,012
2023	127,560	93,099	220,659
2024	134,040	86,721	220,761
2025 - 2029	616,595	346,643	963,238
2030 - 2034	559,630	226,517	786,147
2035 - 2039	437,490	113,761	551,251
2040 - 2044	225,110	39,839	264,949
2045 - 2048	75,375	7,087	82,462
Total	$ 2,580,365	$ 1,233,046	$ 3,813,411

Bond Sales

In February 2019, the State of Florida issued $224,455 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2019A ("2019A Bonds"), to refund the outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2009B Build America Bonds, and to pay costs of issuance. The 2009B Term Bonds were issued under the American Recovery and Reinvestment Act of 2009 ("Recovery Act") as Build America Bonds. Pursuant to the Recovery Act, the System receives a cash subsidy payment from the U.S. Treasury. The cash payment does not constitute a full faith and credit guarantee of the U.S. Government, but is required to be paid by the Treasury under the Recovery Act. Any cash subsidy payments received by the System are deposited into the Sinking Fund. The cash subsidy interest payments received in fiscal years 2019 and 2018 were $3,561 and $5,551, respectively, and are included in nonoperating revenues (expenses) on the Statements of Revenues, Expenses, and Changes in Net Position.

In December 2018, the State of Florida issued $299,975 State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2018A ("2018A Bonds"), to finance capital improvements, fund a reserve account, and pay costs of issuance. In December 2017, the State of Florida issued $131,885 State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2017A ("2017A Bonds"), to refund the outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds Series 2008A, to refund a portion of the outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds Series 2010A, and to pay costs of issuance.

Bond Refunding

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

Bond Covenants

In October 1988, the SBA, Division of Bond Finance, approved a resolution authorizing the issuance of bonds to provide for the financing of acquisition and construction of System projects or the refunding of such bonds. The resolution was last amended in May 2005. The principal and interest on such bonds are payable solely from the System's net revenues pledged for their payment, defined as operating revenues less operations and maintenance expense. Pursuant to legislation adopted in 1997, the Department covenanted to pay all costs of operations and maintenance expense of the System from the STTF, in effect making 100% of the System's gross revenues available for debt service. As of June 30, 2019 and 2018, the System's total pledged amounts, consisting of outstanding principal and future interest payments, were $3,813,411 and $3,658,287, respectively.

The System recognized $1,078,094 and $1,063,729 of operating revenues in fiscal years 2019 and 2018, respectively, and made principal and interest payments on outstanding bonds totaling $262,206 and $261,999, respectively.

The resolution requires a debt service reserve be established in an amount as defined in the resolution. The debt service reserve requirement for each bond issue is to be funded from bond proceeds, revenues, or through a reserve account credit facility as provided for in the resolution. The System's debt reserve was fully funded for fiscal years 2019 and 2018. The resolution also requires the System to maintain a debt service coverage ratio of at least 1.2. As of June 30, 2019 and 2018, the System was in full compliance with all bond covenants.

7. CHANGES IN NONCURRENT LIABILITIES

	Fiscal Year Ended June 30, 2019				
	Beginning	Additions	Reductions	Ending	Due Within One Year
Bonds payable:					
Revenue bonds	$ 2,454,615	$ 524,430	$ (398,680)	$ 2,580,365	$ 134,200
Issuance premiums	119,885	50,620	(26,745)	143,760	-
Total bonds payable	2,574,500	575,050	(425,425)	2,724,125	134,200
Due to governmental agencies [a]	32,400	-	(4,718)	27,682	4,718
Unearned revenue and other liabilities	401	-	(50)	351	49
Total noncurrent liabilities	$ 2,607,301	$ 575,050	$ (430,193)	$ 2,752,158	$ 138,967

	Fiscal Year Ended June 30, 2018				
	Beginning	Additions	Reductions	Ending	Due Within One Year
Bonds payable:					
Revenue bonds	$ 2,623,790	$ 131,885	$ (301,060)	$ 2,454,615	$ 141,130
Issuance premiums	136,576	16,097	(32,788)	119,885	-
Total bonds payable	2,760,366	147,982	(333,848)	2,574,500	141,130
Due to governmental agencies [a]	37,117	-	(4,717)	32,400	4,718
Unearned revenue and other liabilities	451	-	(50)	401	50
Total noncurrent liabilities	$ 2,797,934	$ 147,982	$ (338,615)	$ 2,607,301	$ 145,898

[a] Amounts include State Infrastructure Bank Loans and amounts due to the State Transportation Trust Fund. See *Note 3 – Due From/To Governmental Agencies*.

8. DEFERRED INFLOWS OF RESOURCES

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

When reconstruction of a service plaza is completed by the Operator, the System records an addition to deferred inflows of resources, which is equal to the difference between the fair value of the asset and the System's obligations, and is subsequently amortized over the remaining term of the agreement.

NOTES TO THE FINANCIAL STATEMENTS ($ amounts presented in thousands (000) unless otherwise noted)
FISCAL YEARS ENDING JUNE 30, 2019 and 2018

During fiscal year 2018, the Operator completed reconstruction of the Fort Pierce Service Plaza and recorded a deferred inflow of resources of $15,320. The Fort Pierce Service Plaza was the last of eight plazas to be reconstructed.

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

Activity within the System's service concession arrangements receivable for the fiscal years ended June 30, 2019 and 2018 is shown below:

	2019	2018
Beginning balance — SCA receivable	$ 79,348	$ 81,284
Guaranteed payments, excluding interest income	(2,032)	(1,936)
Ending balance — SCA receivable	$ 77,316	$ 79,348
SCA receivable — current	$ 2,134	$ 2,031
SCA receivable — non-current	75,182	77,317
Ending balance — SCA receivable	$ 77,316	$ 79,348

The following table presents activity of deferred inflows of resources for the fiscal years ended June 30, 2019 and 2018:

	2019	2018
Beginning balance — deferred inflows of resources	$ (148,382)	$ (139,590)
Capital asset additions	-	(15,320)
Amortization of deferred inflows of resources	6,875	6,528
Ending balance — deferred inflows of resources	$ (141,507)	$ (148,382)

Total service plaza concessions revenue, including additional fees and consumer price index adjustments, was $7,476 and $8,415 for fiscal years 2019 and 2018, respectively, and is included in the Statements of Revenues, Expenses, and Changes in Net Position as a component of concessions and other.

9. EMPLOYEE BENEFITS

Pensions

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

An amount representing pension benefits for current personnel assigned to the System is charged to the System through an overhead rate assessed by the Department in the period the benefits are earned.

Retiree Health Insurance Subsidy Program — In 1987, the Florida Legislature established through Section 112.363, Florida Statutes, the retiree Health Insurance Subsidy ("HIS") to assist retirees of all State-administered retirement systems in paying health insurance costs. The retiree HIS is a cost-sharing multiple-employer defined-benefit pension plan. Eligible retirees or beneficiaries receive a monthly retiree health insurance subsidy payment equal to the number of years of creditable service completed at the time of retirement multiplied by five dollars.

The payments to individual retirees or beneficiaries were at least thirty dollars, but not more than one hundred and fifty dollars per month during each of the fiscal years. To be eligible to receive the retiree HIS, a retiree under any State administered retirement system must provide proof of health insurance coverage, which can include Medicare.

An amount for the retiree health insurance subsidy program for personnel assigned to the System is charged to the System through an overhead rate assessed by the Department in the period the benefits are earned.

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

Other Postemployment Benefits ("OPEB")

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

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

An amount representing group insurance benefits for current personnel assigned to the System is charged to the System through an overhead rate assessed by the Department in the period the benefits are earned.

Deferred Compensation Plan

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

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

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

Compensated Absences

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

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

10. COMMITMENTS AND CONTINGENCIES

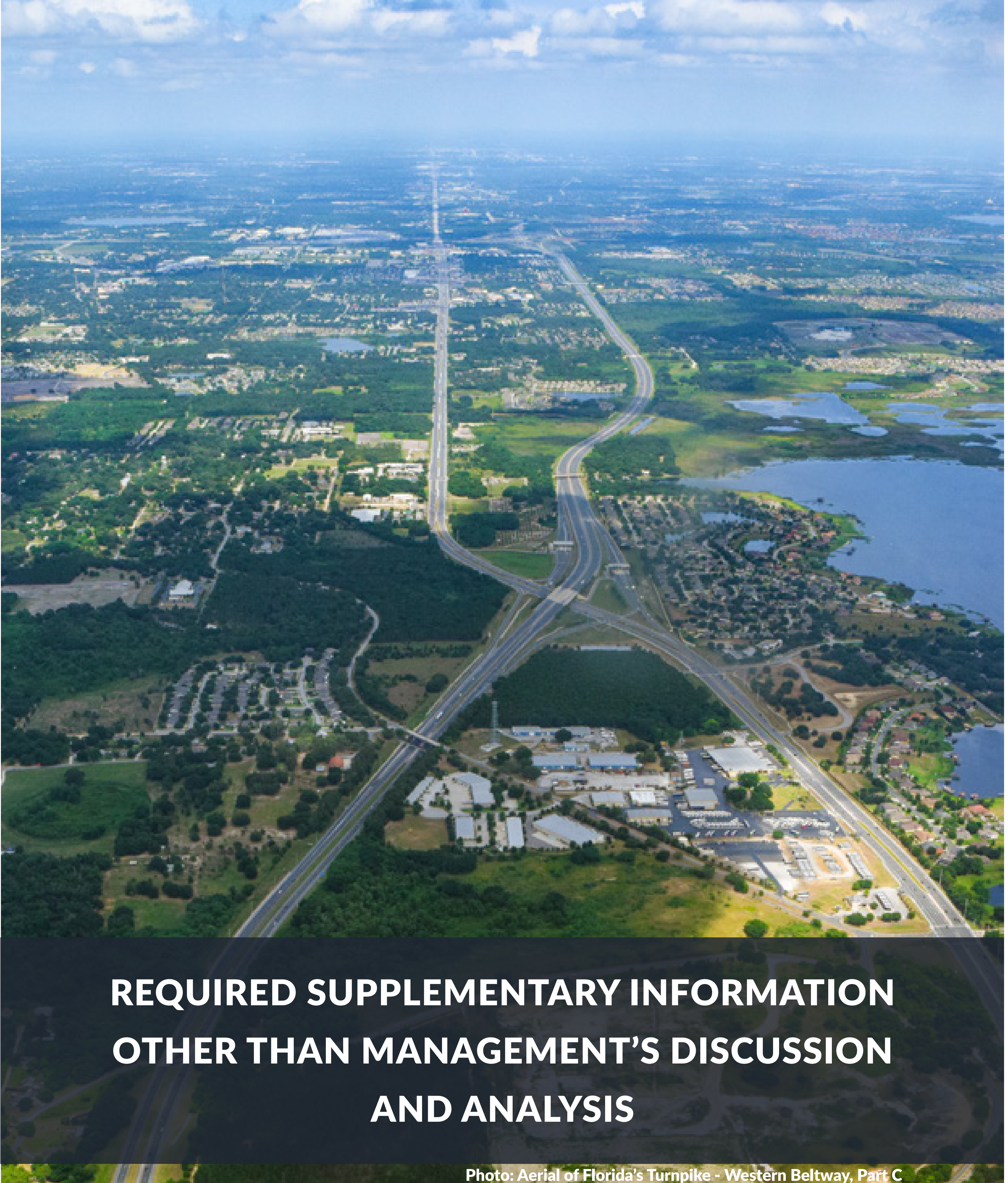
Commitments on outstanding construction, operations, maintenance, and other service contracts total approximately $1.9 billion and $1.2 billion at June 30, 2019 and 2018, respectively.

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

Risk Management

The System participates in various insurance programs established by the State of Florida for property and casualty losses and employee health insurance. Coverages include property, general liability, automobile liability, workers' compensation, and federal civil rights actions. The System reimburses the Department for certain costs, a portion of which covers the related policy premiums. The System is not responsible for losses incurred within the State's insurance programs. Additionally, the System obtains conventional coverage for damage to System bridges, facilities, and eligible business interruptions. No losses were incurred in fiscal years 2019 or 2018 that exceeded coverages.

Photo: Beachline East Expressway crossing St. Johns River



REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

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

TREND DATA ON THE SYSTEM'S INFRASTRUCTURE CONDITION

Infrastructure Assets Reported Using the Modified Approach

Pursuant to GASB Statement *No. 34, Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments,* the System adopted an alternative method of recording depreciation expense on its infrastructure assets (highway system and improvements). Under this alternative method, referred to as the modified approach, the System expenses certain maintenance and preservation costs and, consequently, does not report depreciation expense related to infrastructure. As of June 30, 2019, System assets accounted for under the modified approach include 498 centerline miles of roadway and 763 bridges.

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

Department Condition and Maintenance Programs

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

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

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

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

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

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

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

The following table presents the System's infrastructure condition ratings:

	Infrastructure Condition Ratings		
	2019	**2018**	**2017**
Percentage of pavement meeting Department standards	97%	99%	99%
Percentage of bridges meeting Department standards	99%	99%	99%
Overall routine maintenance rating	85	87	88

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

($ in thousands)	Budget	Actual	Over (Under)
2019	$ 189,437	$ 187,970	$ (1,467)
2018	170,425	138,460	(31,965)
2017	103,752	130,651	26,899
2016	77,085	88,820	11,735
2015	81,810	84,826	3,016

Budgeted costs are based on a cash basis, while actual costs are reported under the accrual basis of accounting. For fiscal years 2015 to 2019, the variance of budgeted-to-actual costs is primarily attributable to the timing of preservation projects.

Photo: Veterans Expressway Lane Entrance

STATISTICAL SECTION

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

Ten-Year Snapshot

77%
Increase in Toll Revenue

70%
Increase in Operating Income

91%
Increase in Net Position

44%
Increase in Miles Traveled

46%
Increase in Toll Transactions

325
Lane Miles Added

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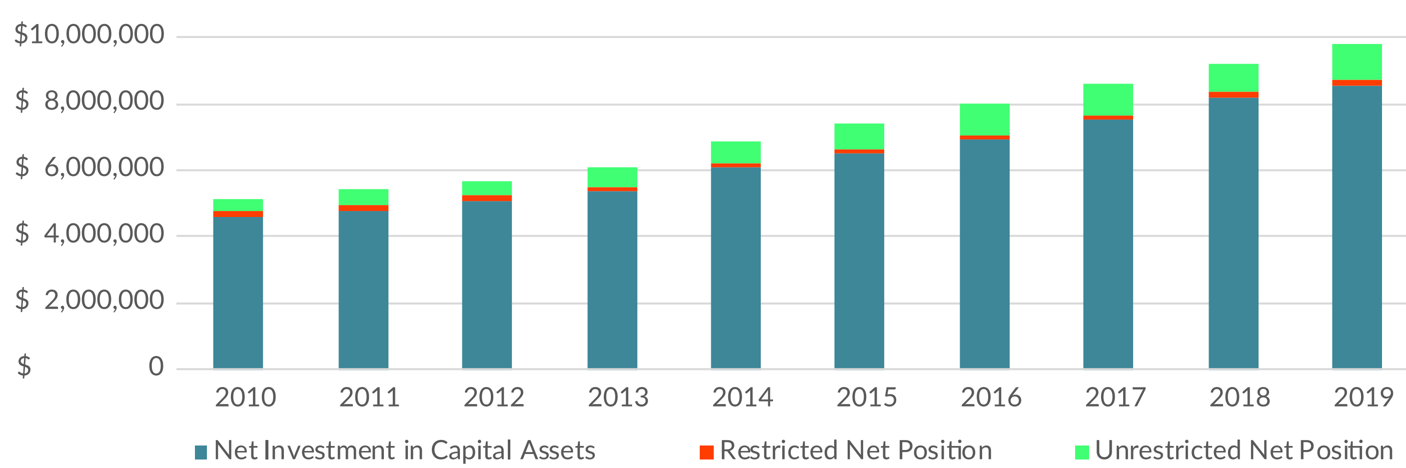
COMPONENTS OF NET POSITION
Fiscal Years 2010 through 2019 (dollars in thousands)


Photo: Southern Connector Extension

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Position:										
Net Investment in Capital Assets	$8,561,567	$8,202,492	$7,551,130	$6,922,696	$6,506,936	$6,111,063	$5,339,106	$5,051,519	$4,791,948	$4,592,159
Restricted	141,888	135,824	93,660	121,883	110,351	120,925	149,546	166,228	164,939	158,071
Unrestricted	1,103,704	871,492	962,999	947,517	756,688	632,266	590,109	474,229	466,221	371,876
Total Net Position	$9,807,159	$9,209,808	$8,607,789	$7,992,096	$7,373,975	$6,864,254	$6,078,761	$5,691,976	$5,423,108	$5,122,106

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

COMPONENTS OF NET POSITION (dollars in thousands)



Source: Audited Financial Statements

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Fiscal Years 2010 through 2019 (dollars in thousands)

		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating Revenues:											
Toll Facilities	A	$1,052,357	$1,017,303	$1,008,420	$955,930	$865,950	$796,301	$755,542	$608,812	$600,079	$596,173
Toll Administrative Charges	B	2,205	21,217	20,229	16,993	15,334	8,495	6,237	6,301	2,487	—
Concessions and Other	C	23,532	25,209	15,881	14,226	13,305	12,073	12,443	11,389	11,867	15,423
Total Operating Revenues		1,078,094	1,063,729	1,044,530	987,149	894,589	816,869	774,222	626,502	614,433	611,596
Operating Expenses:											
Operations and Maintenance		235,939	228,905	211,333	188,249	175,769	164,191	162,422	177,329	179,245	170,262
Business Development and Marketing		2,405	4,115	4,387	4,209	1,391	1,647	1,203	2,676	3,302	2,160
Pollution Remediation		—	—	—	—	547	—	—	—	(1,030)	—
Renewals and Replacements	D	121,221	77,251	76,839	39,917	40,367	62,684	81,912	44,064	34,502	50,005
Depreciation and Amortization		54,820	47,362	44,356	49,365	34,951	35,419	35,165	31,038	19,110	15,268
Planning and Development		29,460	33,538	29,104	24,661	18,882	—	—	—	—	—
Total Operating Expenses		443,845	391,171	366,019	306,401	271,907	263,941	280,702	255,107	235,129	237,695
Operating Income		634,249	672,558	678,511	680,748	622,682	552,928	493,520	371,395	379,304	373,901
Nonoperating Expenses — Net	E	(41,868)	(82,780)	(68,313)	(67,571)	(80,491)	(81,581)	(107,959)	(99,173)	(96,058)	(66,816)
Income Before Contributions and Transfer		592,381	589,778	610,198	613,177	542,191	471,347	385,561	272,222	283,246	307,085
Capital Contributions from (to) Others	F	4,970	12,241	5,495	4,944	7,449	314,146	1,224	(3,354)	17,756	8,846
Transfer — Facility Acquisition	G	—	—	—	—	(39,919)	—	—	—	—	—
Increase in Net Position		$597,351	$602,019	$615,693	$618,121	$509,721	$785,493	$386,785	$268,868	$301,002	$315,931

A Toll Facilities revenue has continued to grow due to increased traffic (see page 4), toll rate indexing (see page 3), and various other demographic and economic factors (see page 38).

B Collection of Toll Administrative Charges associated with video billings began during fiscal year 2011, in accordance with Florida Statutes section 338.231(3)(b). The decrease in fiscal year 2019 is due to a temporary suspension of toll administrative charges in connection with the System's transition to a new toll management back-office system.

C Concessions and Other revenues experienced significant growth beginning in fiscal year 2018 as a result of new transaction processing fees charged to certain interoperable partners.

D Renewals and Replacements represent costs for roadway preservation, including resurfacing projects, landscaping, and other periodic maintenance projects. The increase in fiscal year 2019 is due to a number of large resurfacing projects that were needed to preserve the System's infrastructure.

E Nonoperating Expenses — Net are primarily comprised of investment earnings (loss) and interest expense. The increase in fiscal year 2019 is primarily a result of investment earnings, while the decrease in fiscal year 2018 is primarily a result of implementing Government Accounting Standards Board Statement No. 89, which discontinued the capitalization of interest.

F Capital Contributions from Others in fiscal year 2014 is related to the completion of the I-4 Connector (see page 31).

G Transfer — Facility Acquisition charges in fiscal year 2015 represent the difference between the amount paid and the net book value of the assets transferred from the Florida Department of Transportation for the acquisition of Beachline East Expressway (see page 33).

Source: Audited Financial Statements


Photo: Ticket System

Financial Trends

TOLL RATE SETTING AND INDEXING

as of June 30, 2019

Photo: SunPass Gantry at Dusk

TOLL RATE TYPES

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

TOLL RATE SETTING

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

TOLL RATE INDEXING

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

Fiscal Year		Toll Rate Indexing History: SunPass	TBP	Cash	Year-Over-Year CPI Change (SunPass/TBP)	Five-Year CPI Change (Cash)
2019	A	**NO**	**NO**	**NO**	2.1%	NA
2018		**YES**	**YES**	**YES**	1.3%	6.6%
2017	B	**NO**	**NO**	**NO**	0.1%	NA
2016		**YES**	**YES**	**NO**	1.6%	NA
2015		**YES**	**YES**	**NO**	1.5%	NA
2014		**YES**	**YES**	**NO**	2.1%	NA
2013	C	**YES**	**YES**	**YES**	NA	11.7%

NOTES

A Toll rates were not indexed for SunPass and TBP in fiscal year 2019 due to the System's transition to a new toll management back-office system.

B Toll rates were not indexed for SunPass and TBP in fiscal year 2017 due to the negligible change in CPI.

C Fiscal Year 2013 reflects the first full year that toll indexing was implemented. The five-year change in CPI was applied to all payment methods for toll indexing purposes.

Source: AECOM, Traffic & Revenue Consultant

TOLL COLLECTION - SYSTEM-WIDE

Fiscal Years 2010 through 2019 (dollars and transactions in thousands)

SYSTEM-WIDE

Ten-Year Snapshot

77% Revenue ↑	46% Transactions ↑	+38 Centerline Miles	+325 Lane Miles

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue		% Change
2019	$873,326	$179,031	$1,052,357		3.4%
2018	$837,189	$180,114	$1,017,303		0.9%
2017	$818,116	$190,304	$1,008,420	A	5.5%
2016	$772,090	$183,840	$955,930	B	10.4%
2015	$696,438	$169,512	$865,950	B	8.7%
2014	$624,064	$172,237	$796,301	B	5.4%
2013	$578,278	$177,264	$755,542	C	24.1%
2012	$443,876	$164,936	$608,812		1.5%
2011	$421,598	$178,481	$600,079		0.7%
2010	$395,202	$200,971	$596,173		-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions		% Change
2019	777,742	153,988	931,730		2.9%
2018	749,505	156,025	905,530		3.7%
2017	717,191	155,663	872,854		4.7%
2016	679,317	154,530	833,847	B	8.6%
2015	625,017	142,868	767,885	B	11.2%
2014	562,167	128,417	690,584		4.1%
2013	536,576	126,691	663,267		-0.2%
2012	525,616	138,663	664,279		1.7%
2011	493,627	159,230	652,857		2.1%
2010	454,012	185,414	639,426		-

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

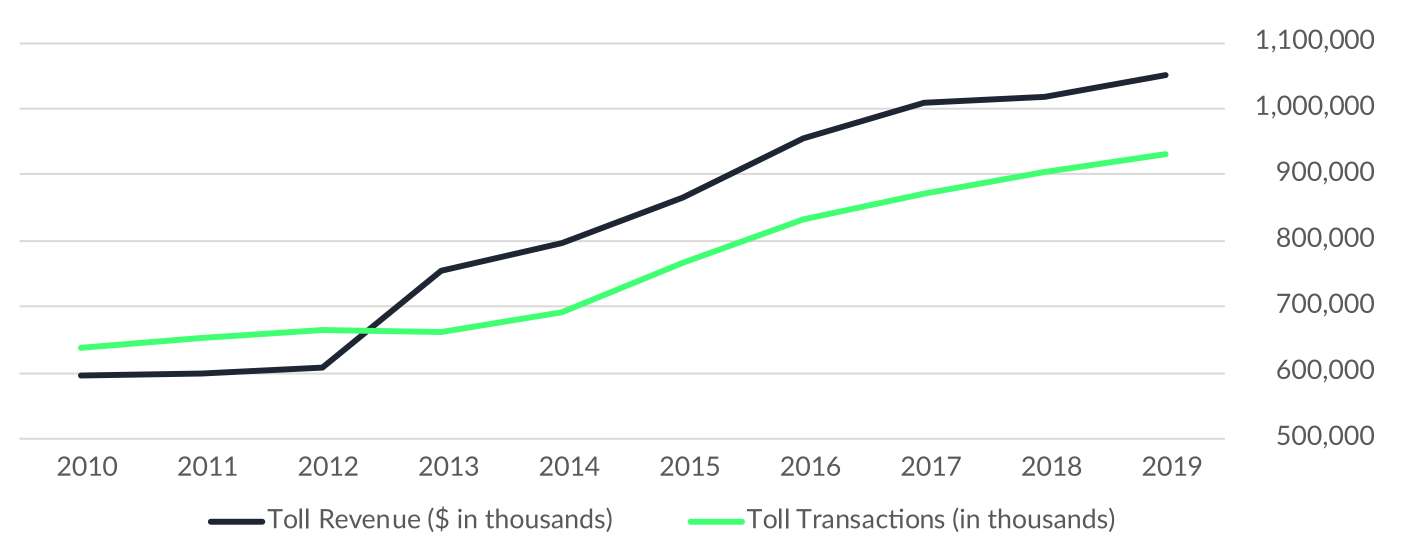
NOTES

A The increase in toll revenue was primarily attributable to traffic growth as a result of added capacity to the System (see page 41), coupled with favorable economic conditions (see page 38).

B The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).

C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3).

TOLL REVENUE AND TOLL TRANSACTIONS - 10-YEAR TREND (dollars and transactions in thousands)



Source: AECOM, Traffic & Revenue Consultant

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

Fiscal Years 2010 through 2019 (dollars and transactions in thousands)

Mainline (SR 91, SR 528, SR 821)

SunPass $0.07 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

68% Revenue

35% Transactions

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2019	$596,026	$131,385	$727,411	3.0%
2018	575,001	131,431	706,432	A -0.6%
2017	569,421	141,440	710,861	4.3%
2016	542,390	138,996	681,386	B 9.2%
2015	493,104	130,929	624,033	B 7.3%
2014	451,314	130,318	581,632	B 5.6%
2013	418,725	131,990	550,715	C 25.2%
2012	317,920	122,041	439,961	1.3%
2011	300,283	133,947	434,230	0.3%
2010	278,786	154,184	432,970	-

TOLL TRANSACTIONS (transactions in thousands)

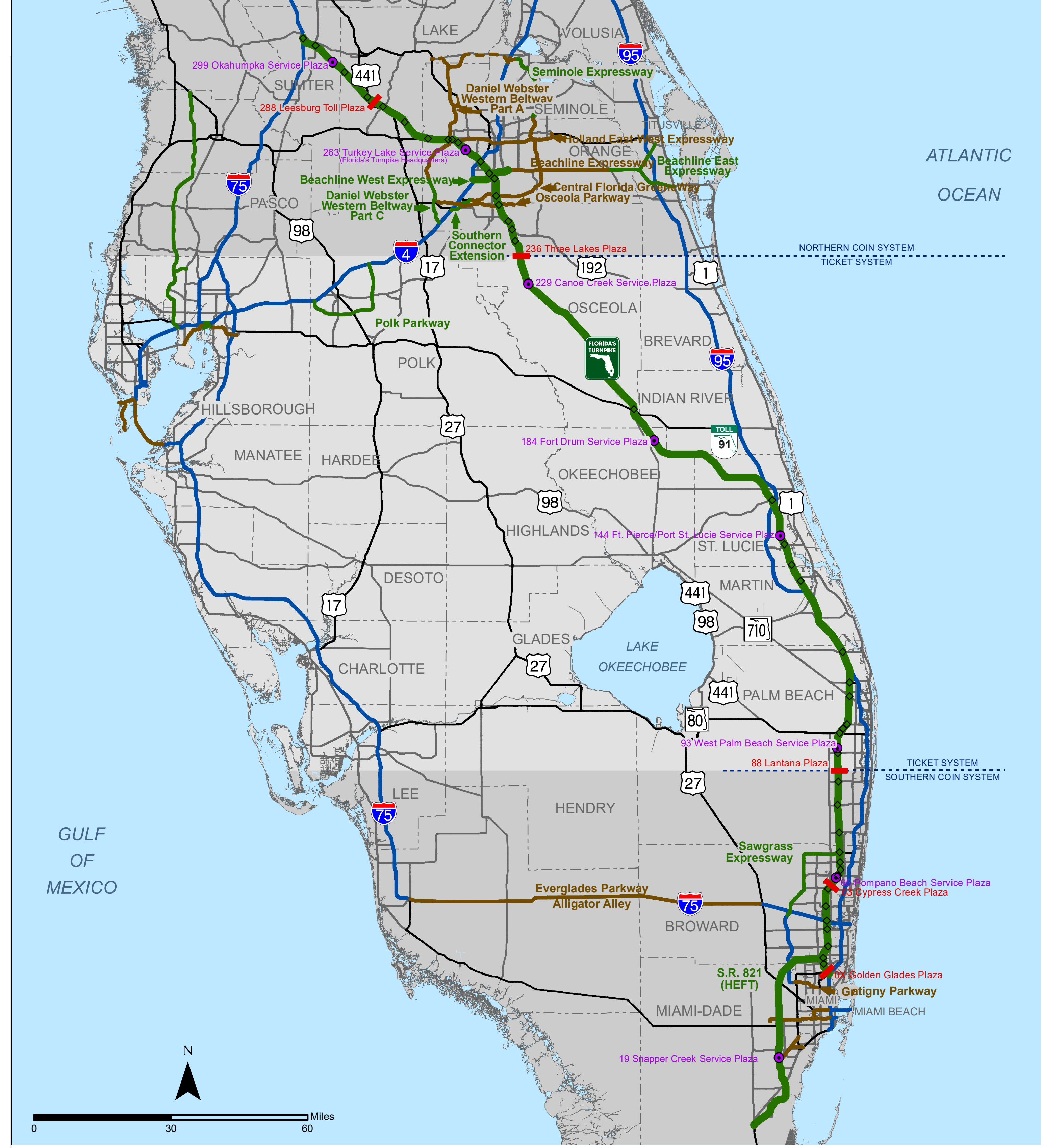
Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2019	477,737	90,478	568,215	1.8%
2018	463,355	94,692	558,047	2.0%
2017	450,978	96,141	547,119	3.4%
2016	432,004	97,314	529,318	B 7.3%
2015	401,321	91,793	493,114	B 7.3%
2014	375,810	83,949	459,759	3.8%
2013	360,777	82,080	442,857	0.6%
2012	355,060	84,963	440,023	2.0%
2011	329,098	102,488	431,586	2.2%
2010	297,731	124,506	422,237	-

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

NOTES

- A The decrease in toll revenue was primarily attributable to toll suspensions in response to Hurricane Irma, partially offset by indexed toll rates (see page 3).
- B The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3).

Source: AECOM, Traffic & Revenue Consultant



Mainline (SR 91, SR 528, SR 821)

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

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

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

Revenue Capacity

TOLL COLLECTION BY ROADWAY - SR 821 (HEFT)

Fiscal Years 2010 through 2019 (dollars and transactions in thousands)

SR 821 (HEFT)

SUNPASS $0.09 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

68% Revenue

23% Transactions

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue		% Change
2019	$157,780	$15,033	$172,813		1.5%
2018	152,974	17,242	170,216	A	-5.1%
2017	158,622	20,794	179,416		1.8%
2016	158,806	17,432	176,238	C	8.8%
2015	149,349	12,668	162,017	C	5.6%
2014	141,220	12,201	153,421		3.4%
2013	135,872	12,525	148,397	C	37.1%
2012	94,678	13,525	108,203		4.2%
2011	86,262	17,540	103,802		0.6%
2010	75,003	28,161	103,164		-

TOLL TRANSACTIONS (transactions in thousands)

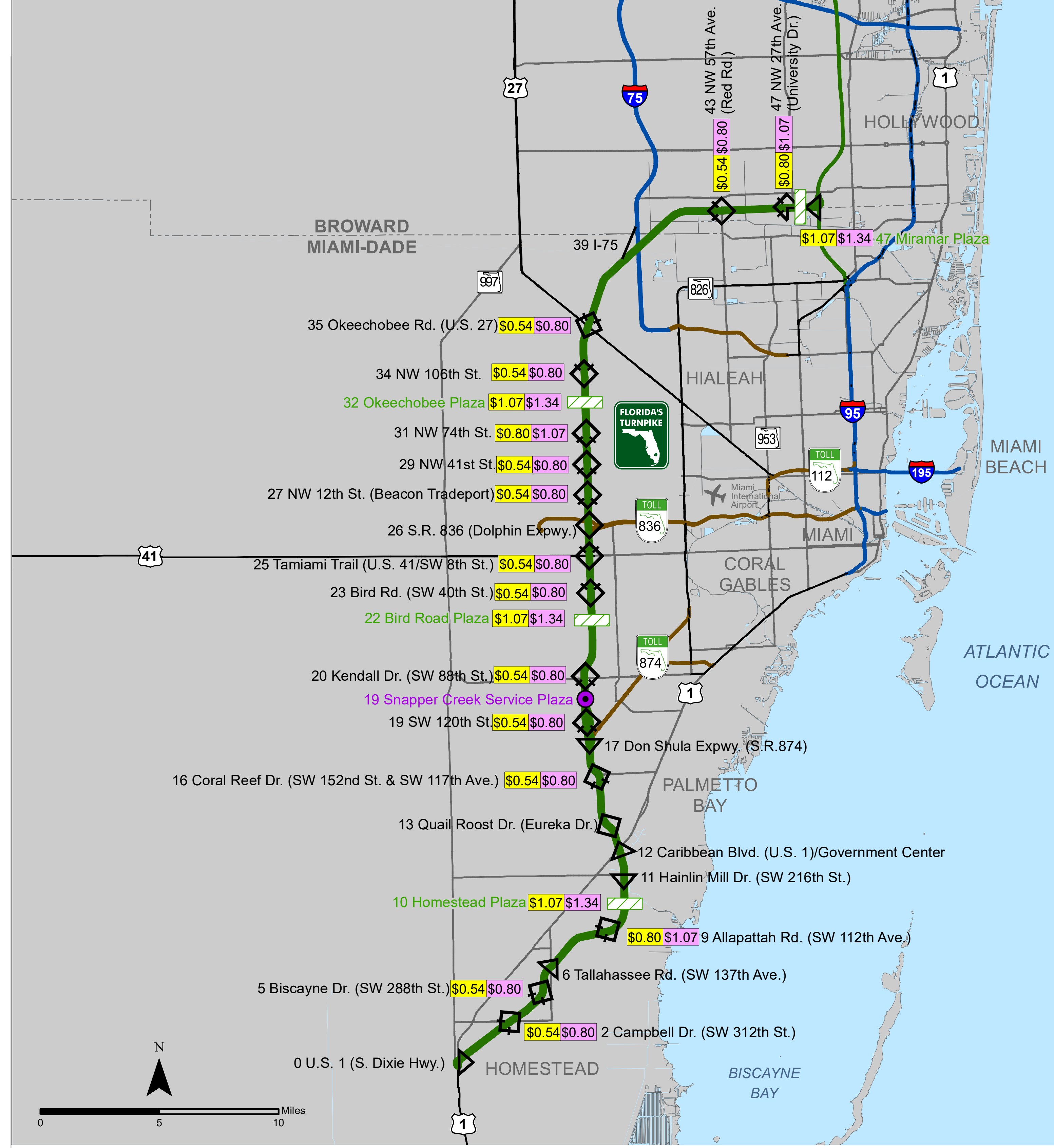
Fiscal Year	ETC	Non-ETC	Total Toll Transactions		% Change
2019	174,752	27,792	202,544		0.7%
2018	171,883	29,220	201,103	B	-0.3%
2017	171,543	30,172	201,715		0.1%
2016	171,370	30,230	201,600	C	5.2%
2015	164,675	26,998	191,673	C	5.8%
2014	159,164	21,931	181,095		2.5%
2013	157,036	19,662	176,698		1.5%
2012	156,466	17,660	174,126		2.9%
2011	140,382	28,836	169,218		2.5%
2010	122,256	42,896	165,152		-

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

NOTES

- A The decrease in toll revenue was primarily attributable to toll suspensions in response to Hurricane Irma, partially offset by indexed toll rates (see page 3).
- B The slight decrease in toll transactions was driven by construction activity related to widenings (see page 41) and the impact of Hurricane Irma.
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).

Source: AECOM, Traffic & Revenue Consultant



SR 821 (HEFT)

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

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

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

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

Fiscal Years 2010 through 2019 (dollars and transactions in thousands)

Southern Coin System (SR 91)

$0.07 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

80% Revenue

35% Transactions

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue		% Change
2019	$153,269	$23,973	$177,242		1.9%
2018	149,834	24,165	173,999	A	-0.4%
2017	148,996	25,773	174,769		4.7%
2016	142,511	24,483	166,994	B	11.2%
2015	127,638	22,551	150,189	B	7.6%
2014	114,939	24,706	139,645		4.7%
2013	105,882	27,452	133,334	C	32.2%
2012	76,341	24,520	100,861		1.6%
2011	71,672	27,646	99,318		0.7%
2010	66,544	32,116	98,660		-

TOLL TRANSACTIONS (transactions in thousands)

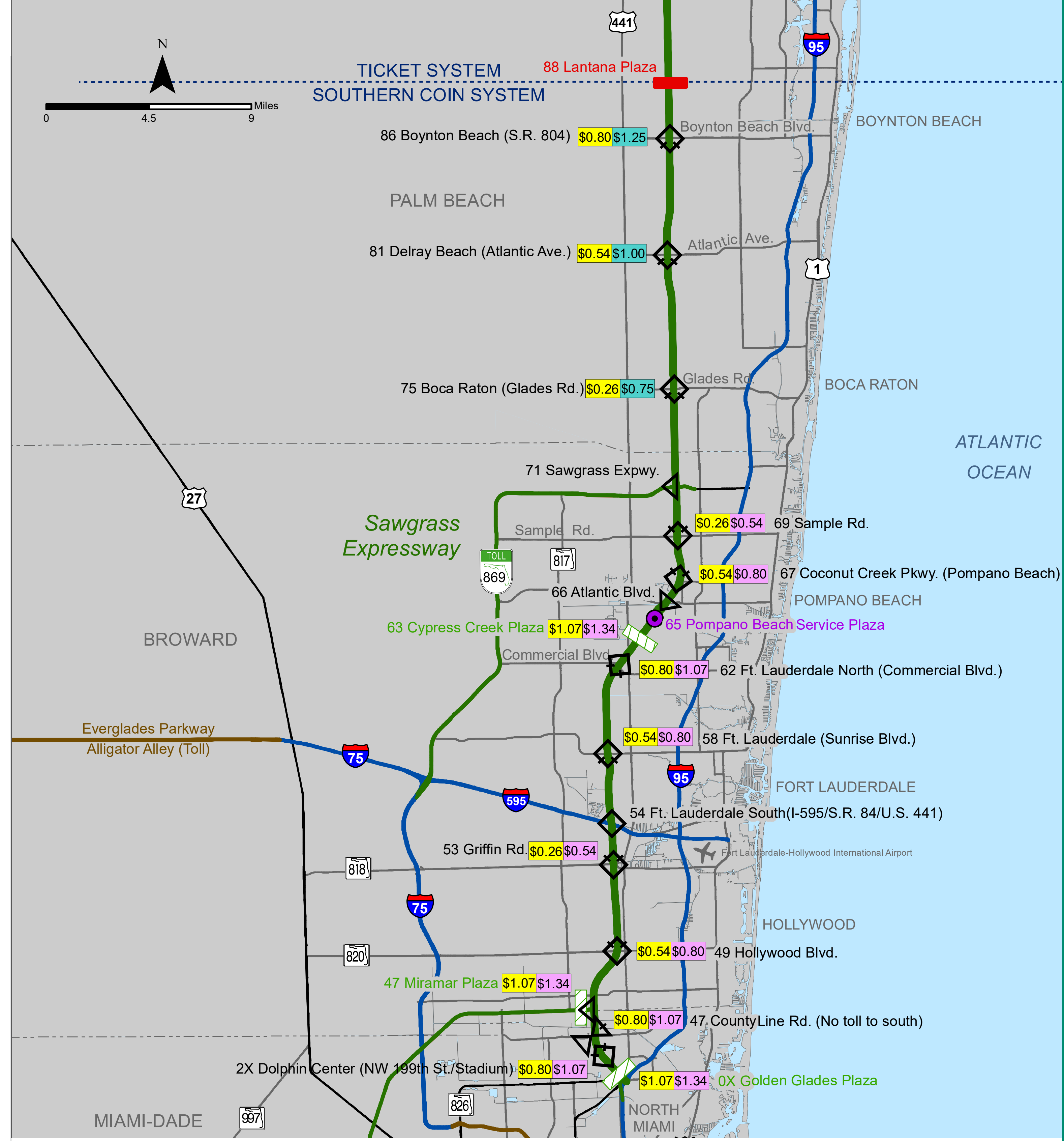
Fiscal Year	ETC	Non-ETC	Total Toll Transactions		% Change
2019	147,905	26,377	174,282		2.2%
2018	142,317	28,265	170,582		1.8%
2017	139,174	28,423	167,597		3.9%
2016	132,351	28,881	161,232	B	8.4%
2015	121,416	27,303	148,719	B	8.2%
2014	111,519	25,883	137,402		3.5%
2013	106,491	26,305	132,796		-0.6%
2012	105,506	28,111	133,617		1.1%
2011	99,605	32,509	132,114		2.2%
2010	91,133	38,170	129,303		-

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

NOTES

- A The decrease in toll revenue was primarily attributable to toll suspensions in response to Hurricane Irma, partially offset by indexed toll rates (see page 3).
- B The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3).

Source: AECOM, Traffic & Revenue Consultant



Southern Coin System (SR 91)

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

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

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

Revenue Capacity

Fiscal Years 2010 through 2019 (dollars and transactions in thousands)

Ticket System (SR 91)

SUNPASS $0.07 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

37% Revenue ⬆

29% Transactions ⬆

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2019	$141,401	$42,515	$183,916	4.4%
2018	135,007	41,184	176,191	(A) -1.7%
2017	133,373	45,904	179,277	4.1%
2016	124,773	47,466	172,239	(B) 6.1%
2015	115,280	47,131	162,411	(B) 7.6%
2014	104,983	45,902	150,885	(B) 8.2%
2013	95,567	43,860	139,427	(C) 6.9%
2012	88,314	42,168	130,482	-1.8%
2011	86,940	45,996	132,936	-1.2%
2010	84,483	50,042	134,525	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2019	49,372	8,432	57,804	0.6%
2018	48,835	8,623	57,458	1.6%
2017	47,707	8,823	56,530	3.6%
2016	45,172	9,389	54,561	(B) 6.3%
2015	42,016	9,311	51,327	(B) 7.3%
2014	38,819	9,021	47,840	(B) 6.5%
2013	35,870	9,058	44,928	0.3%
2012	35,109	9,671	44,780	0.3%
2011	34,077	10,580	44,657	-0.4%
2010	33,182	11,645	44,827	-

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

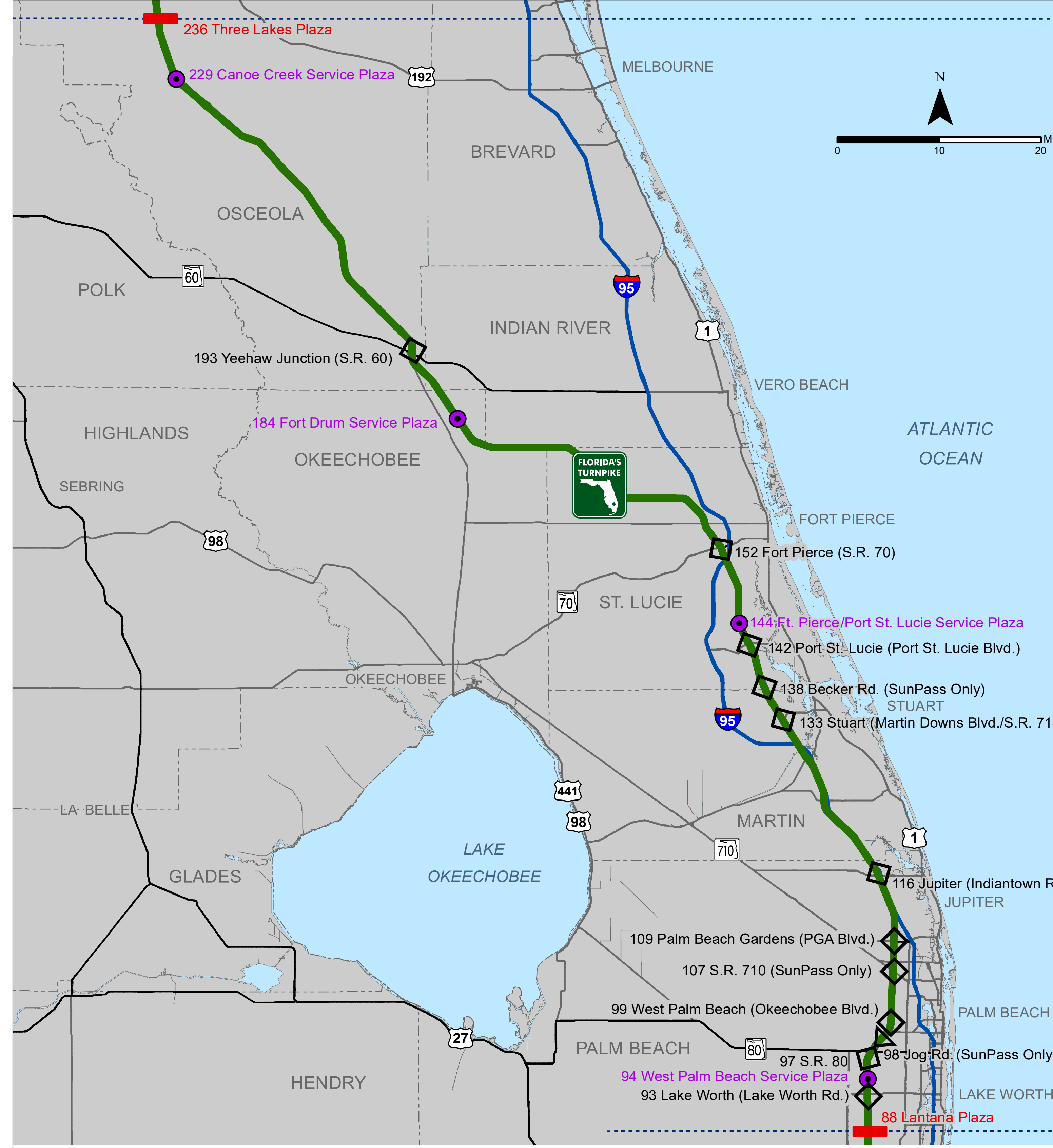
NOTES

(A) The decrease in toll revenue was primarily attributable to toll suspensions in response to Hurricane Irma, partially offset by indexed toll rates (see page 3).

(B) The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).

(C) The increase in toll revenue was primarily attributable to indexed toll rates (see page 3).

Source: AECOM, Traffic & Revenue Consultant



Ticket System (SR 91)

Northern Coin System (SR 91)

SunPass $0.06 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

99% Revenue ↑

65% Transactions ↑

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue		% Change
2019	$121,658	$42,462	$164,120		4.5%
2018	116,416	40,626	157,042	A	5.1%
2017	108,468	40,912	149,380	B	7.5%
2016	96,871	42,057	138,928	C	11.5%
2015	83,526	41,060	124,586	C	8.5%
2014	74,718	40,104	114,822	C	6.7%
2013	67,222	40,371	107,593	D	27.0%
2012	49,574	35,133	84,707		1.8%
2011	46,937	36,250	83,187		0.9%
2010	45,049	37,425	82,474		-

TOLL TRANSACTIONS (transactions in thousands)

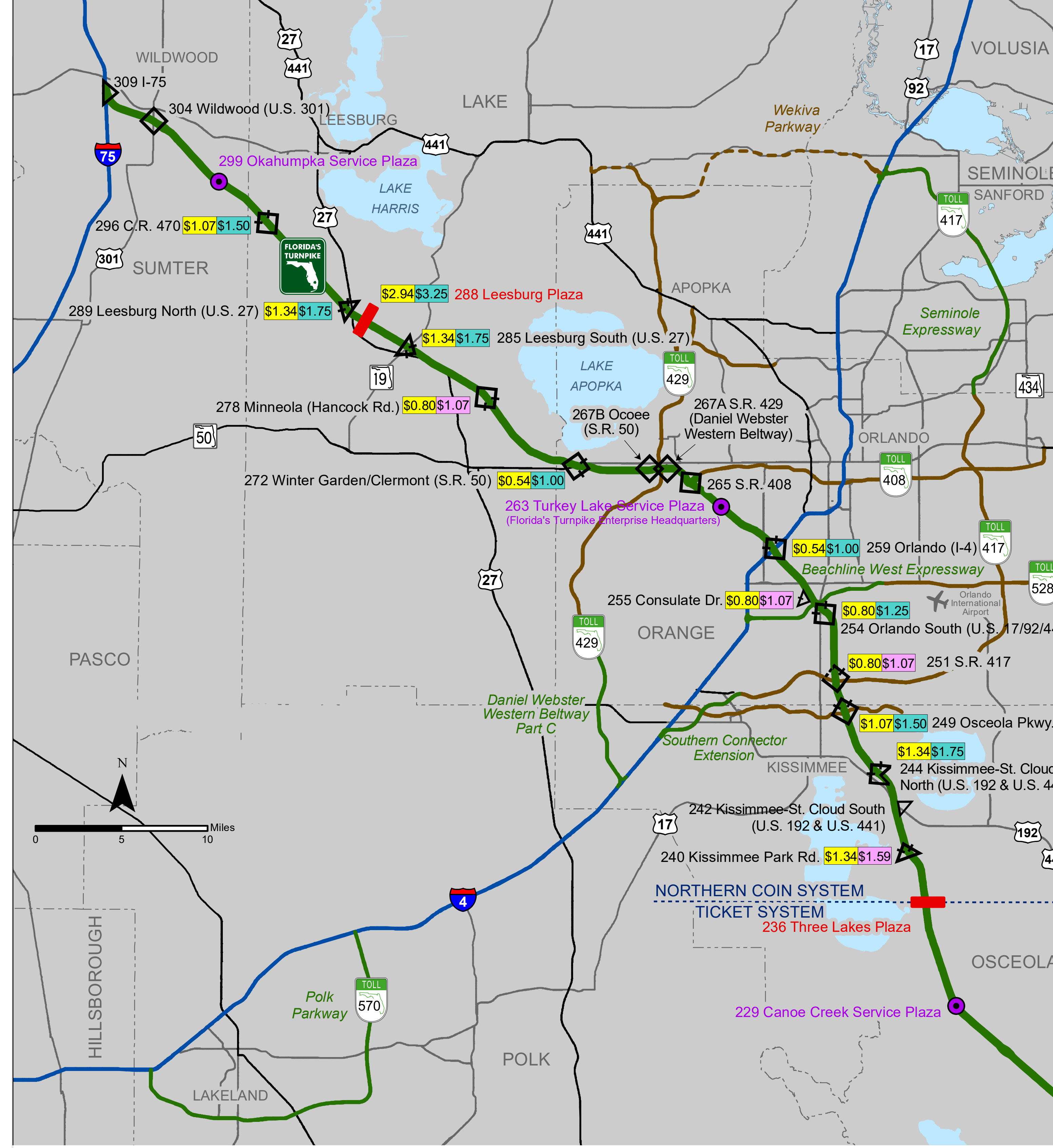
Fiscal Year	ETC	Non-ETC	Total Toll Transactions		% Change
2019	77,243	20,706	97,949		3.7%
2018	73,360	21,122	94,482	A	6.7%
2017	67,422	21,092	88,514	B	9.4%
2016	59,968	20,916	80,884	C	11.3%
2015	52,464	20,181	72,645	C	8.8%
2014	47,473	19,316	66,789	C	6.2%
2013	43,813	19,106	62,919		1.7%
2012	41,207	20,652	61,859		2.1%
2011	39,112	21,487	60,599		1.9%
2010	36,873	22,578	59,451		-

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

NOTES

- A The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38) that were partially offset by toll suspensions in response to Hurricane Irma.
- B The increase in toll revenue was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).
- D The increase in toll revenue was primarily attributable to indexed toll rates (see page 3).

Source: AECOM, Traffic & Revenue Consultant



Northern Coin System (SR 91)

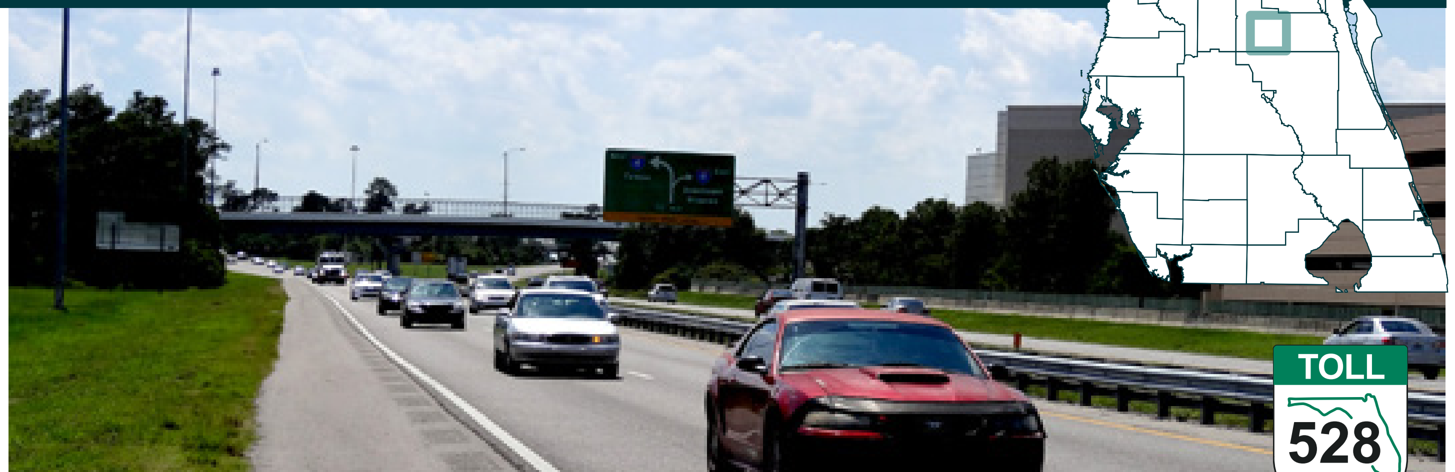
Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicle rates, use the following formula: Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

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

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

Beachline West Expressway (SR 528)

$0.10 Toll Rate Per Mile (tolls to traverse/length)



Ten-Year Snapshot

107% Revenue

52% Transactions

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2019	$21,918	$7,402	$29,320	1.2%
2018	20,770	8,214	28,984	3.4%
2017	19,962	8,057	28,019	3.8%
2016	19,429	7,558	26,987	B 8.7%
2015	17,311	7,519	24,830	B 8.6%
2014	15,454	7,405	22,859	4.1%
2013	14,182	7,782	21,964	C 39.8%
2012	9,013	6,695	15,708	4.8%
2011	8,472	6,515	14,987	5.9%
2010	7,707	6,440	14,147	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2019	28,465	7,171	35,636	3.5%
2018	26,960	7,462	34,422	A 5.1%
2017	25,132	7,631	32,763	A 5.5%
2016	23,143	7,898	31,041	B 8.0%
2015	20,750	8,000	28,750	B 7.9%
2014	18,835	7,798	26,633	4.4%
2013	17,567	7,949	25,516	-0.5%
2012	16,772	8,869	25,641	2.6%
2011	15,922	9,076	24,998	6.4%
2010	14,287	9,217	23,504	-

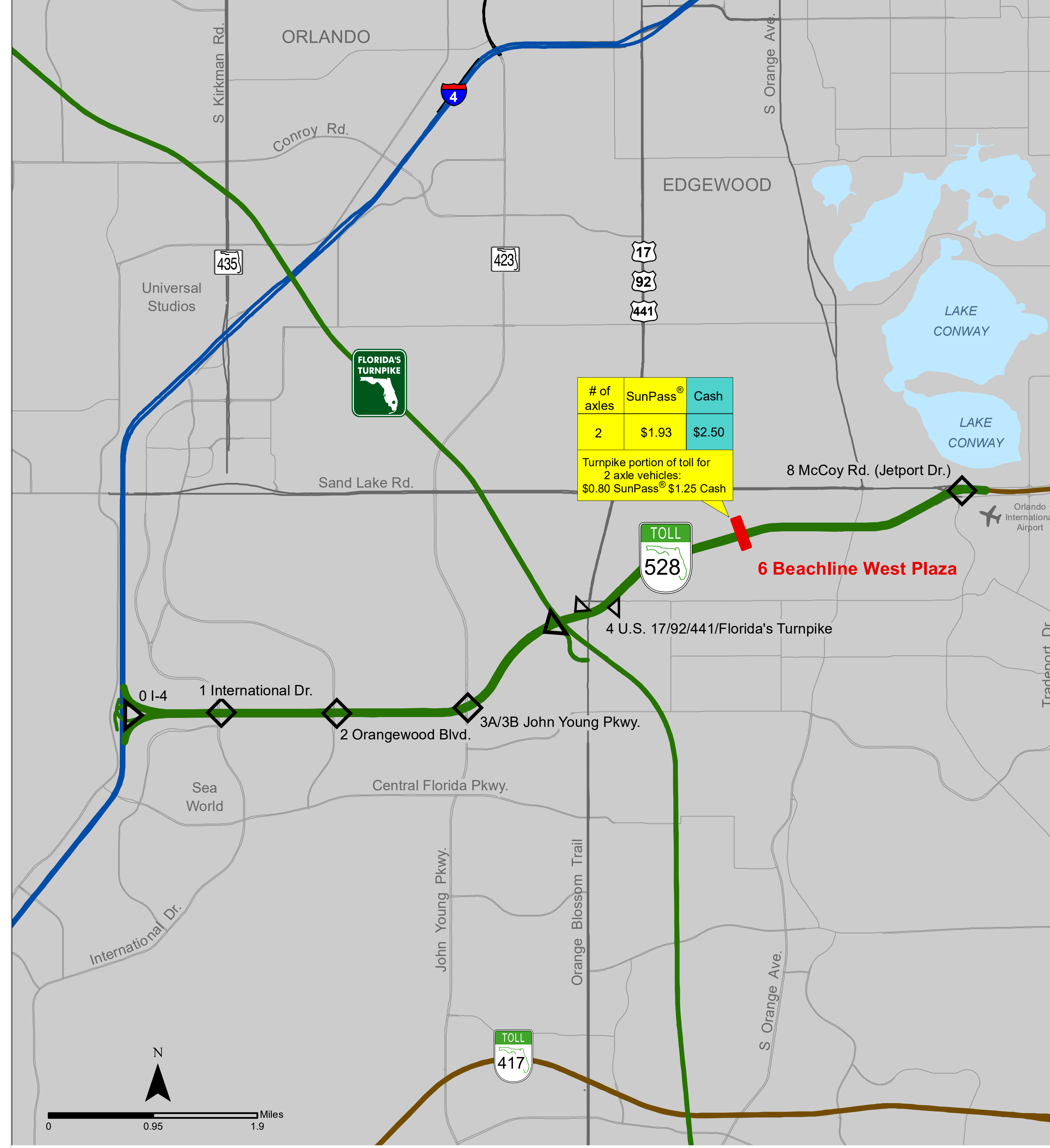
Electronic Toll Collection ("ETC") includes SunPass and all interoperable partners, while Non-ETC includes TOLL-BY-PLATE ("TBP") and cash collections.

NOTES

- A The increase in toll transactions was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- B The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3).

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

Source: AECOM, Traffic & Revenue Consultant



Beachline West Expressway (SR 528)

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

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

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

TOLL COLLECTION BY ROADWAY - SAWGRASS EXPRESSWAY (SR 869)

Fiscal Years 2010 through 2019 (dollars and transactions in thousands)

Sawgrass Expressway (SR 869)

SunPass $0.09 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

79% Revenue

39% Transactions

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2019	$82,709	$6,038	$88,747	2.4%
2018	79,636	7,014	86,650	1.4%
2017	77,396	8,021	85,417	A 6.1%
2016	73,570	6,940	80,510	B 10.9%
2015	67,748	4,866	72,614	4.1%
2014	61,665	8,103	69,768	4.8%
2013	57,308	9,271	66,579	C 29.6%
2012	42,843	8,517	51,360	2.1%
2011	40,813	9,501	50,314	1.2%
2010	39,188	10,514	49,702	-

TOLL TRANSACTIONS (transactions in thousands)

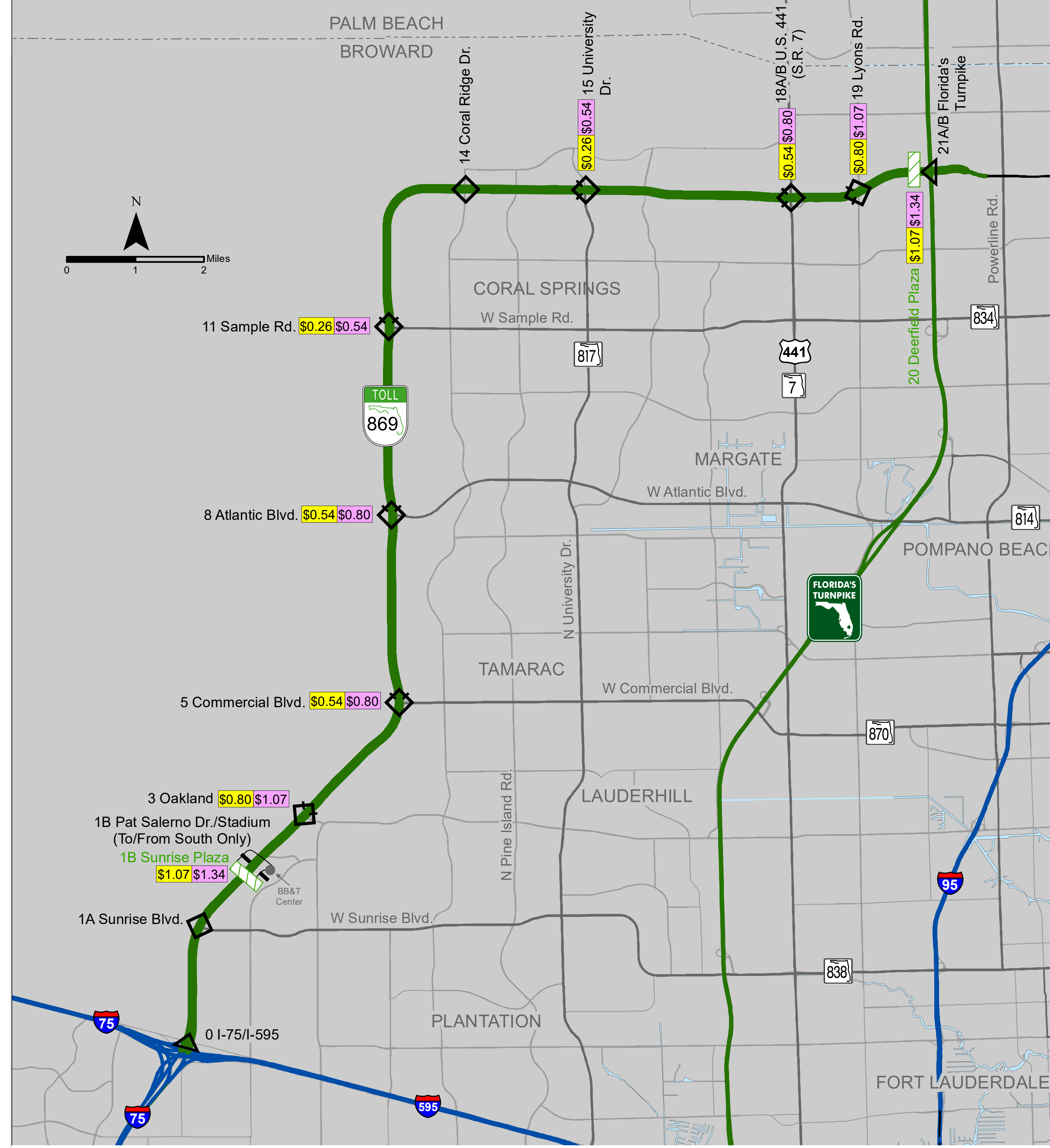
Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2019	85,803	10,755	96,558	3.1%
2018	83,071	10,543	93,614	4.5%
2017	79,041	10,510	89,551	4.6%
2016	75,179	10,454	85,633	B 7.4%
2015	70,368	9,378	79,746	B 6.2%
2014	65,371	9,750	75,121	4.1%
2013	62,300	9,895	72,195	0.0%
2012	61,052	11,127	72,179	2.3%
2011	58,408	12,176	70,584	1.3%
2010	55,684	13,978	69,662	-

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

NOTES

- A The increase in toll revenue was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- B The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3).

Source: AECOM, Traffic & Revenue Consultant



Sawgrass Expressway (SR 869)

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

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

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

TOLL COLLECTION BY ROADWAY - SEMINOLE EXPRESSWAY (SR 417)

Fiscal Years 2010 through 2019 (dollars and transactions in thousands)

Seminole Expressway (SR 417)

$0.12 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

95% Revenue

46% Transactions

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue		% Change
2019	$50,500	$9,709	$60,209		3.3%
2018	48,708	9,600	58,308	A	5.4%
2017	45,806	9,496	55,302	B	6.9%
2016	42,363	9,350	51,713	C	14.3%
2015	36,554	8,689	45,243	C	10.6%
2014	32,489	8,430	40,919	C	6.4%
2013	29,739	8,734	38,473	D	22.3%
2012	22,752	8,705	31,457		2.3%
2011	22,087	8,676	30,763		-0.4%
2010	21,869	9,013	30,882		-

TOLL TRANSACTIONS (transactions in thousands)

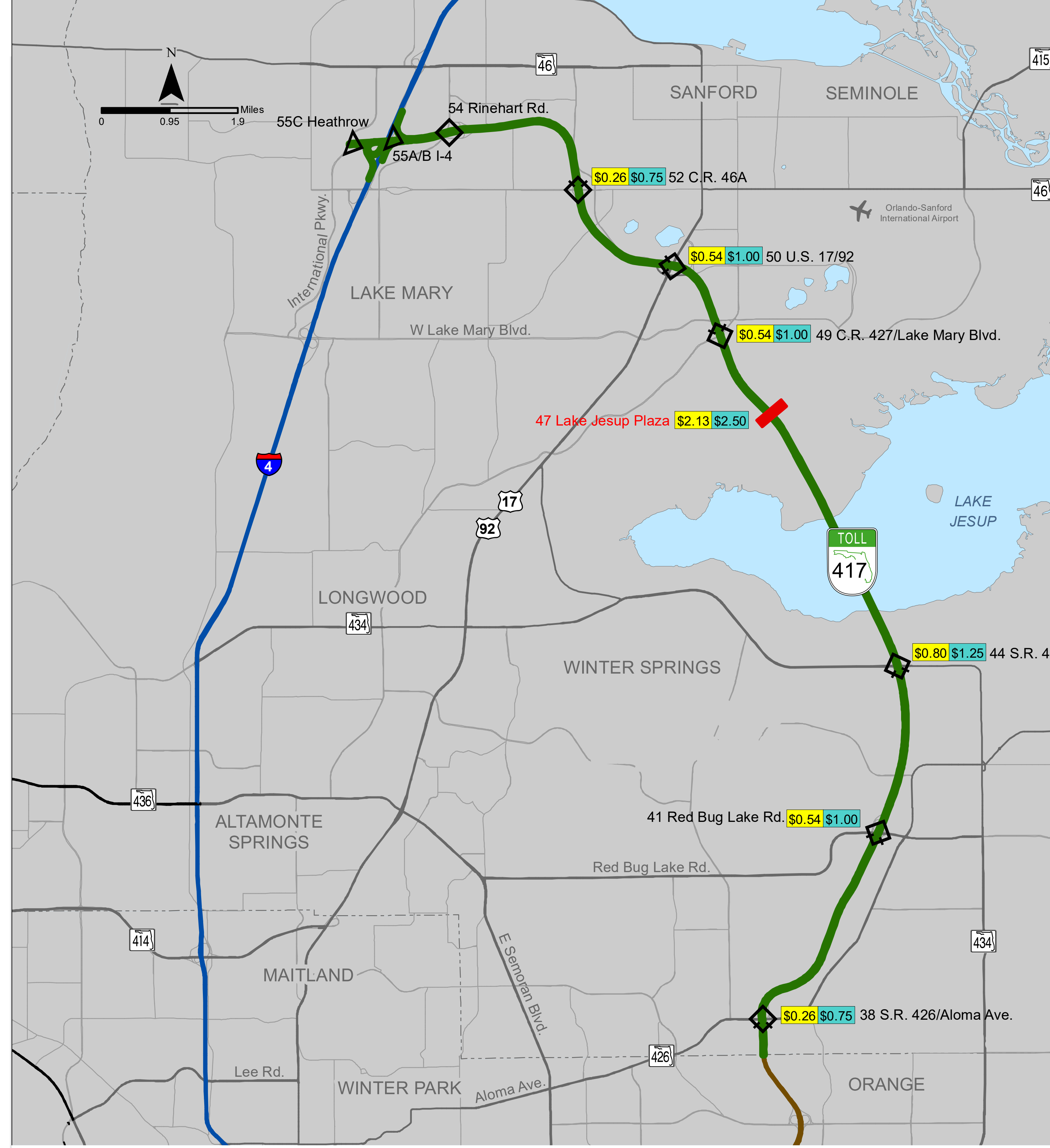
Fiscal Year	ETC	Non-ETC	Total Toll Transactions		% Change
2019	38,290	7,114	45,404		1.9%
2018	36,918	7,640	44,558	A	5.9%
2017	34,722	7,345	42,067	B	6.3%
2016	32,433	7,159	39,592	C	11.9%
2015	28,811	6,562	35,373	C	9.1%
2014	26,267	6,169	32,436	C	5.2%
2013	24,646	6,173	30,819	E	-1.4%
2012	23,642	7,623	31,265		0.5%
2011	23,153	7,964	31,117		-0.2%
2010	22,538	8,630	31,168		-

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

NOTES

- A The increase in toll revenue was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38), partially offset by toll suspensions in response to Hurricane Irma.
- B The increase in toll revenue was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).
- D The increase in toll revenue was primarily attributable to indexed toll rates (see page 3).
- E The decline in toll transactions was primarily due to construction activities.

Source: AECOM, Traffic & Revenue Consultant



Seminole Expressway (SR 417)

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

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

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

Veterans Expressway (SR 589)

SunPass $0.12 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

79% Revenue ⬆

42% Transactions ⬆

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue		% Change
2019	$49,898	$6,684	$56,582		5.4%
2018	46,091	7,579	53,670		3.9%
2017	43,405	8,240	51,645	B	13.0%
2016	39,337	6,384	45,721	C	11.2%
2015	36,121	4,990	41,111		3.0%
2014	31,495	8,430	39,925	D	-4.1%
2013	31,599	10,017	41,616	E	27.0%
2012	23,152	9,605	32,757		0.9%
2011	22,496	9,970	32,466		2.4%
2010	21,353	10,339	31,692		-

TOLL TRANSACTIONS (transactions in thousands)

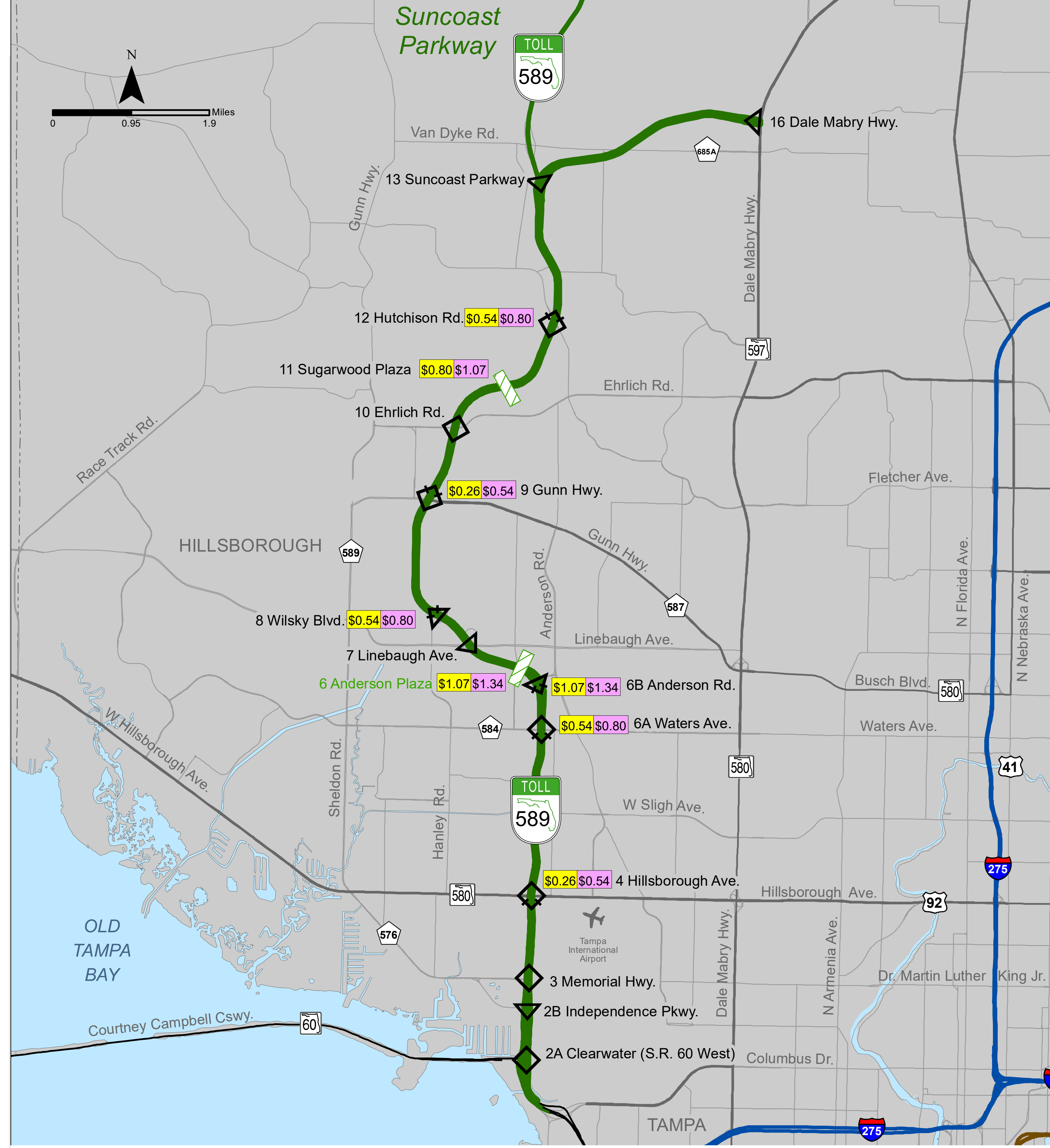
Fiscal Year	ETC	Non-ETC	Total Toll Transactions		% Change
2019	58,922	11,236	70,158	A	7.5%
2018	54,915	10,323	65,238	A	8.2%
2017	50,083	10,238	60,321	B	9.1%
2016	46,047	9,257	55,304	C	7.6%
2015	43,386	8,026	51,412	C	6.3%
2014	38,281	10,064	48,345	D	-2.4%
2013	38,872	10,670	49,542	E	-3.4%
2012	38,108	13,180	51,288		0.7%
2011	37,106	13,827	50,933		2.8%
2010	35,043	14,512	49,555		-

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

NOTES

- A The increase in toll transactions was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- B The increase in toll revenue was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).
- D The decrease in toll revenue and toll transactions was driven by construction activity related to AET conversions, partially offset by indexed toll rates (see page 3).
- E The increase in toll revenue was primarily attributable to indexed toll rates (see page 3), while the decrease in toll transactions was driven by construction activity related to AET conversions.

Source: AECOM, Traffic & Revenue Consultant



Veterans Expressway (SR 589)

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

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

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

TOLL COLLECTION BY ROADWAY - SOUTHERN CONNECTOR EXTENSION (SR 417)

Fiscal Years 2010 through 2019 (dollars and transactions in thousands)

Southern Connector Extension (SR 417)

SunPass $0.13 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

265% Revenue

131% Transactions

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue		% Change
2019	$11,997	$3,151	$15,148	A	5.1%
2018	11,325	3,084	14,409	B	14.1%
2017	9,983	2,643	12,626	A	15.7%
2016	8,499	2,418	10,917	C	24.8%
2015	6,696	2,050	8,746	C	16.3%
2014	5,641	1,876	7,517	C	10.6%
2013	4,928	1,866	6,794	D	56.4%
2012	2,804	1,539	4,343		3.4%
2011	2,661	1,540	4,201		1.3%
2010	2,551	1,597	4,148		-

TOLL TRANSACTIONS (transactions in thousands)

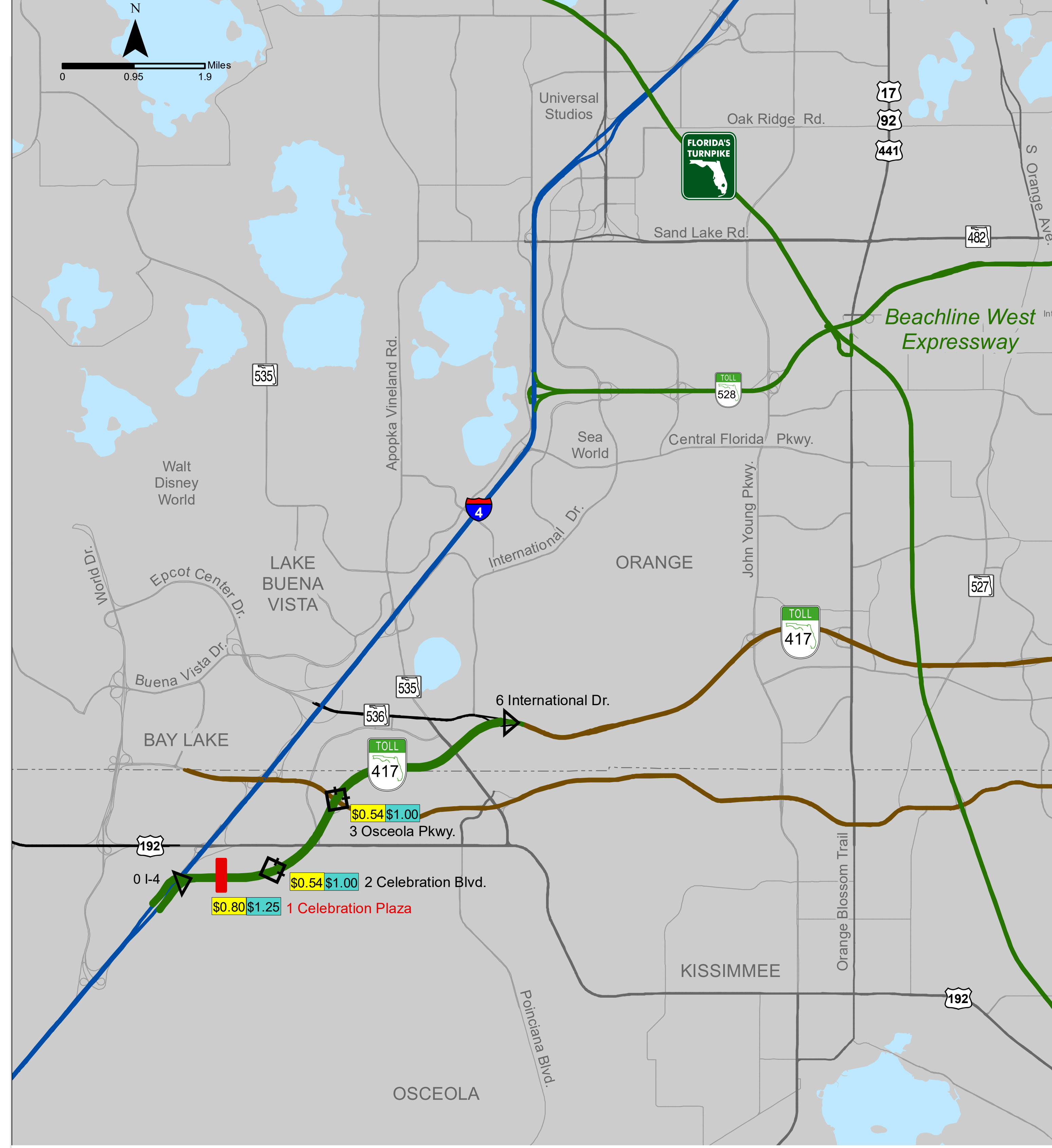
Fiscal Year	ETC	Non-ETC	Total Toll Transactions		% Change
2019	15,305	3,523	18,828	A	5.0%
2018	14,431	3,501	17,932	B	13.5%
2017	12,646	3,157	15,803	A	16.2%
2016	10,670	2,933	13,603	C	23.0%
2015	8,567	2,492	11,059	C	15.2%
2014	7,348	2,251	9,599	C	9.4%
2013	6,584	2,189	8,773		3.2%
2012	6,091	2,408	8,499		2.2%
2011	5,799	2,520	8,319		2.2%
2010	5,483	2,655	8,138		-

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

NOTES

- A The increase in toll revenue was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- B The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38), partially offset by toll suspensions in response to Hurricane Irma.
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).
- D The increase in toll revenue was primarily attributable to indexed toll rates (see page 3).

Source: AECOM, Traffic & Revenue Consultant



Southern Connector Extension (SR 417)

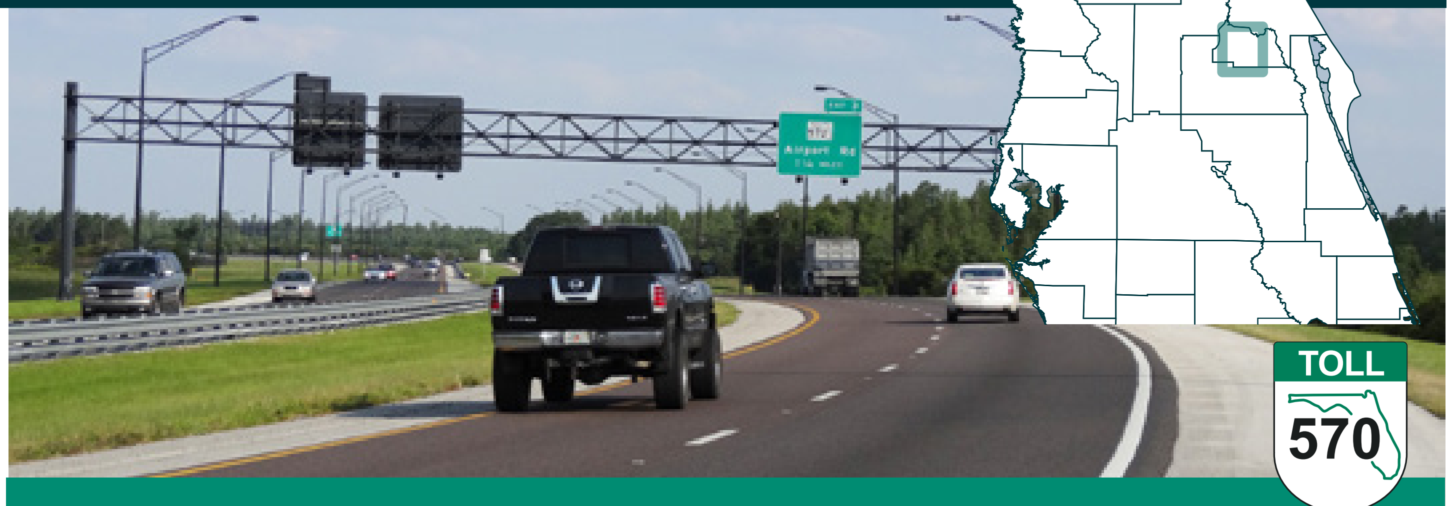
Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicle rates, use the following formula: Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

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

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

Polk Parkway (SR 570)

$0.13 Toll Rate Per Mile (tolls to traverse/length)



Ten-Year Snapshot

72% Revenue

45% Transactions

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue		% Change
2019	$28,757	$8,091	$36,848		3.8%
2018	27,366	8,116	35,482	A	5.6%
2017	25,763	7,832	33,595	B	7.1%
2016	23,540	7,819	31,359	C	13.2%
2015	20,290	7,423	27,713	C	12.7%
2014	17,202	7,388	24,590		4.0%
2013	15,766	7,883	23,649		4.6%
2012	14,951	7,664	22,615		3.9%
2011	14,060	7,715	21,775		1.8%
2010	13,366	8,025	21,391		-

TOLL TRANSACTIONS (transactions in thousands)

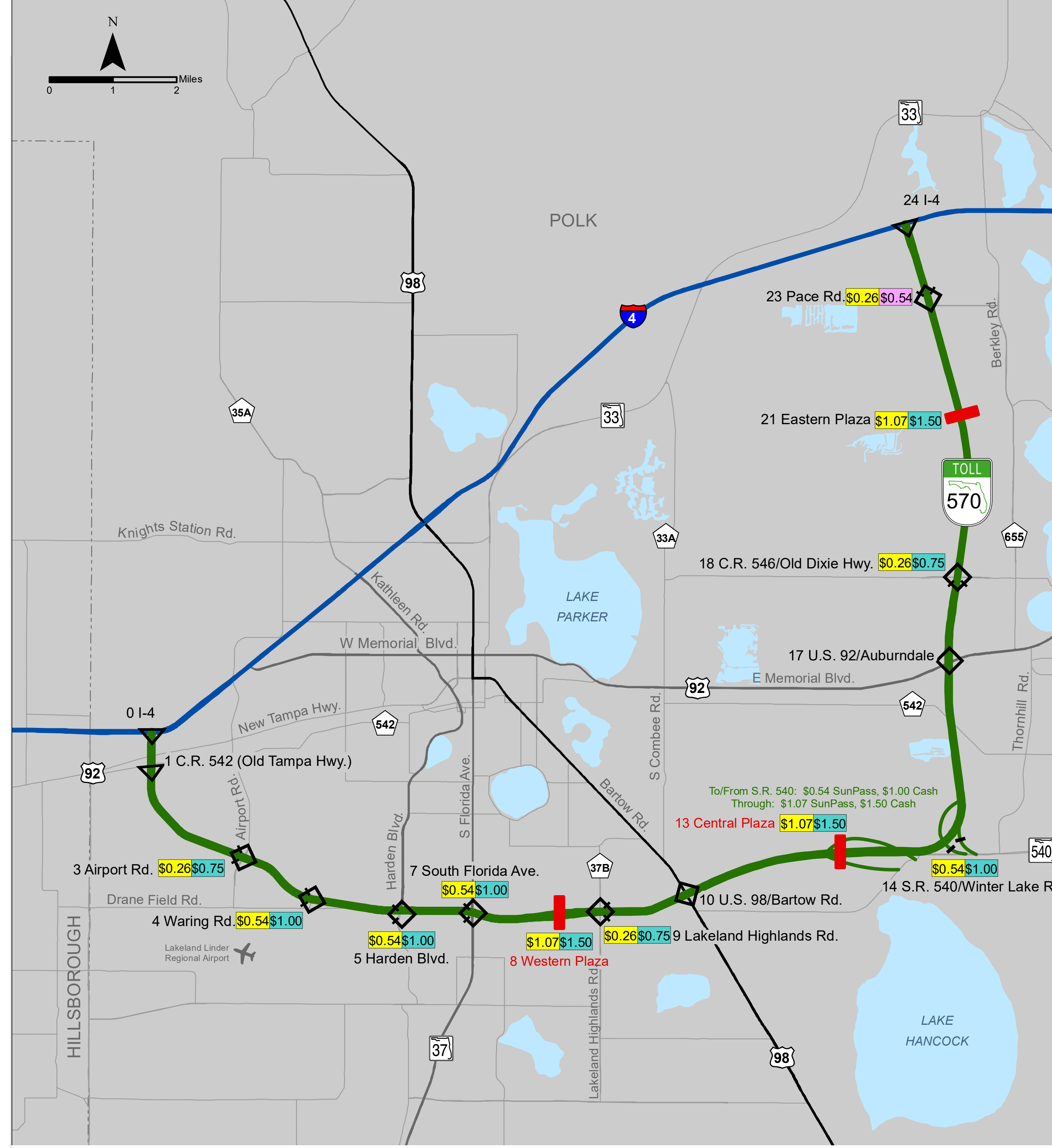
Fiscal Year	ETC	Non-ETC	Total Toll Transactions		% Change
2019	30,668	7,453	38,121		2.3%
2018	29,467	7,812	37,279	A	5.2%
2017	27,518	7,923	35,441	B	6.4%
2016	25,318	7,998	33,316	C	10.7%
2015	22,520	7,583	30,103	C	9.5%
2014	19,849	7,646	27,495		4.3%
2013	18,466	7,884	26,350	D	-3.8%
2012	17,453	9,942	27,395		3.0%
2011	16,335	10,273	26,608		1.5%
2010	15,435	10,774	26,209		-

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

NOTES

- A The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38), partially offset by toll suspensions in response to Hurricane Irma.
- B The increase in toll revenue was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).
- D The decline in toll transactions was primarily attributable to construction activities related to resurfacing.

Source: AECOM, Traffic & Revenue Consultant



Polk Parkway (SR 570)

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

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

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

TOLL COLLECTION BY ROADWAY - SUNCOAST PARKWAY (SR 589)

Fiscal Years 2010 through 2019 (dollars and transactions in thousands)

Suncoast Parkway (SR 589)

$0.08 Toll Rate Per Mile (tolls to traverse/length)

Ten-Year Snapshot

42% Revenue ⬆

35% Transactions ⬆

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	Note	% Change
2019	$24,255	$4,959	$29,214	A	5.8%
2018	22,615	5,005	27,620		2.3%
2017	22,099	4,894	26,993	A	5.0%
2016	20,998	4,711	25,709	C	8.6%
2015	19,207	4,475	23,682	C	7.6%
2014	16,861	5,150	22,011		3.1%
2013	15,790	5,559	21,349		2.8%
2012	15,545	5,224	20,769	D	-2.2%
2011	15,642	5,591	21,233		3.0%
2010	14,808	5,813	20,621		-

TOLL TRANSACTIONS (transactions in thousands)

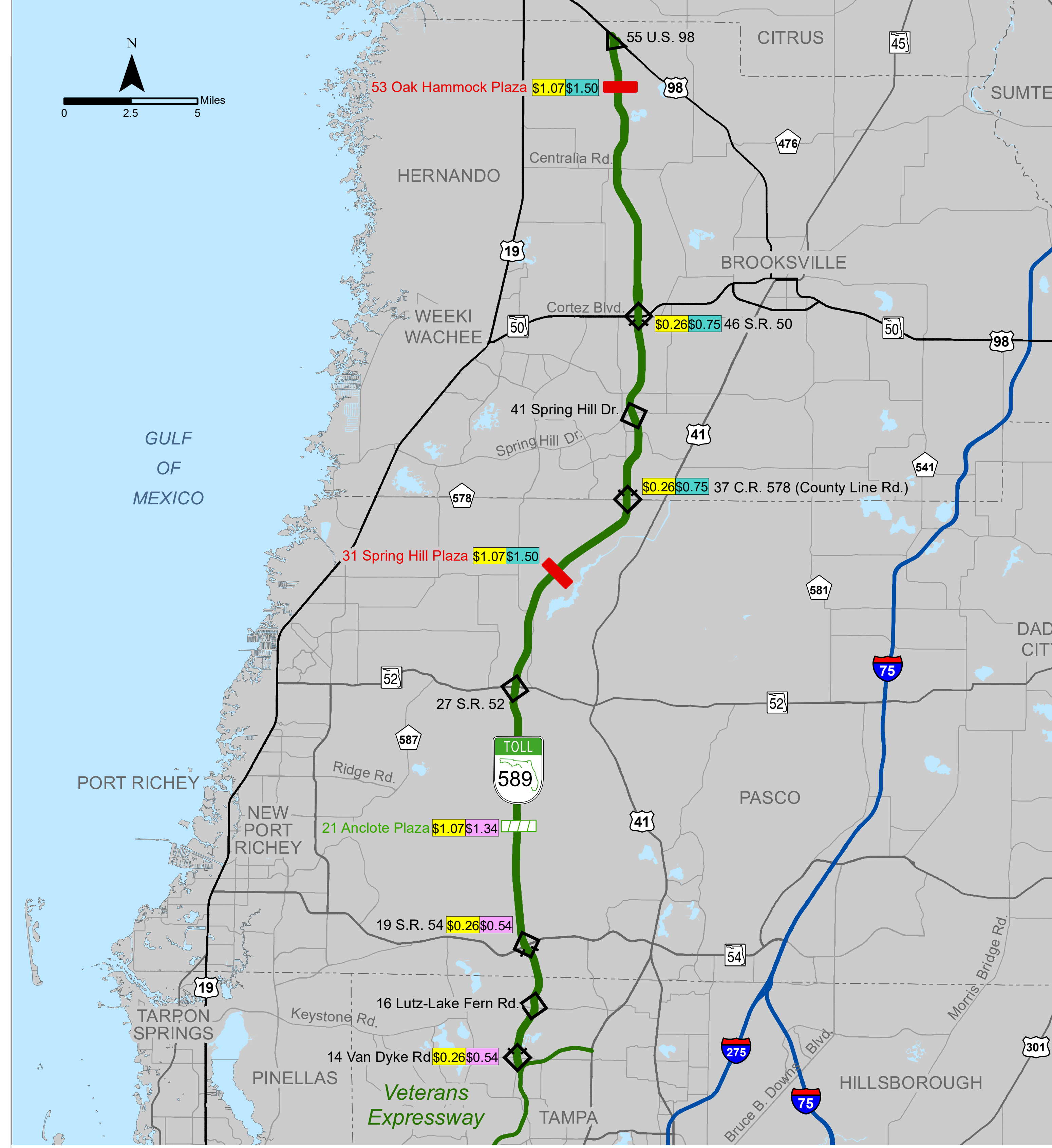
Fiscal Year	ETC	Non-ETC	Total Toll Transactions	Note	% Change
2019	29,352	7,458	36,810	A	5.2%
2018	28,036	6,940	34,976	B	6.3%
2017	26,338	6,558	32,896		4.9%
2016	25,206	6,143	31,349	C	7.3%
2015	23,710	5,507	29,217	C	9.0%
2014	21,201	5,604	26,805		1.6%
2013	20,527	5,867	26,394	D	-4.3%
2012	20,358	7,235	27,593	D	-2.0%
2011	20,297	7,854	28,151		2.9%
2010	19,026	8,319	27,345		-

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

NOTES

- (A) The increase in toll revenue was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- (B) The increase in toll transactions was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- (C) The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).
- (D) The decrease in toll revenue and toll transactions was primarily attributable to construction activities.

Source: AECOM, Traffic & Revenue Consultant



Suncoast Parkway (SR 589)

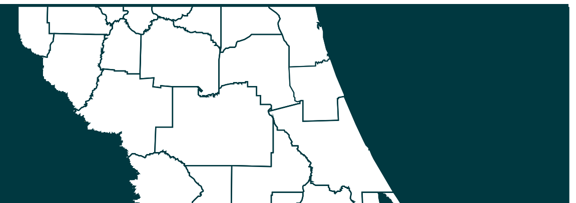
Toll rates shown for two-axle vehicles only. To calculate three-plus axle vehicle rates, use the following formula: Number of vehicle axles, minus one, multiplied by the two-axle toll rate.

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

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

Western Beltway, Part C (SR 429)

SUNPASS $0.10 Toll Rate Per Mile (tolls to traverse/length)



Ten-Year Snapshot

255% Revenue

225% Transactions

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue		% Change
2019	$13,199	$3,743	$16,942	A	12.2%
2018	11,653	3,453	15,106	B	16.8%
2017	9,962	2,968	12,930	A	17.2%
2016	8,259	2,773	11,032	C	24.6%
2015	6,463	2,390	8,853	C	21.5%
2014	5,209	2,080	7,289	C	14.5%
2013	4,423	1,944	6,367	C	14.7%
2012	3,909	1,641	5,550	A	8.9%
2011	3,556	1,541	5,097	A	6.9%
2010	3,281	1,486	4,767		-

TOLL TRANSACTIONS (transactions in thousands)

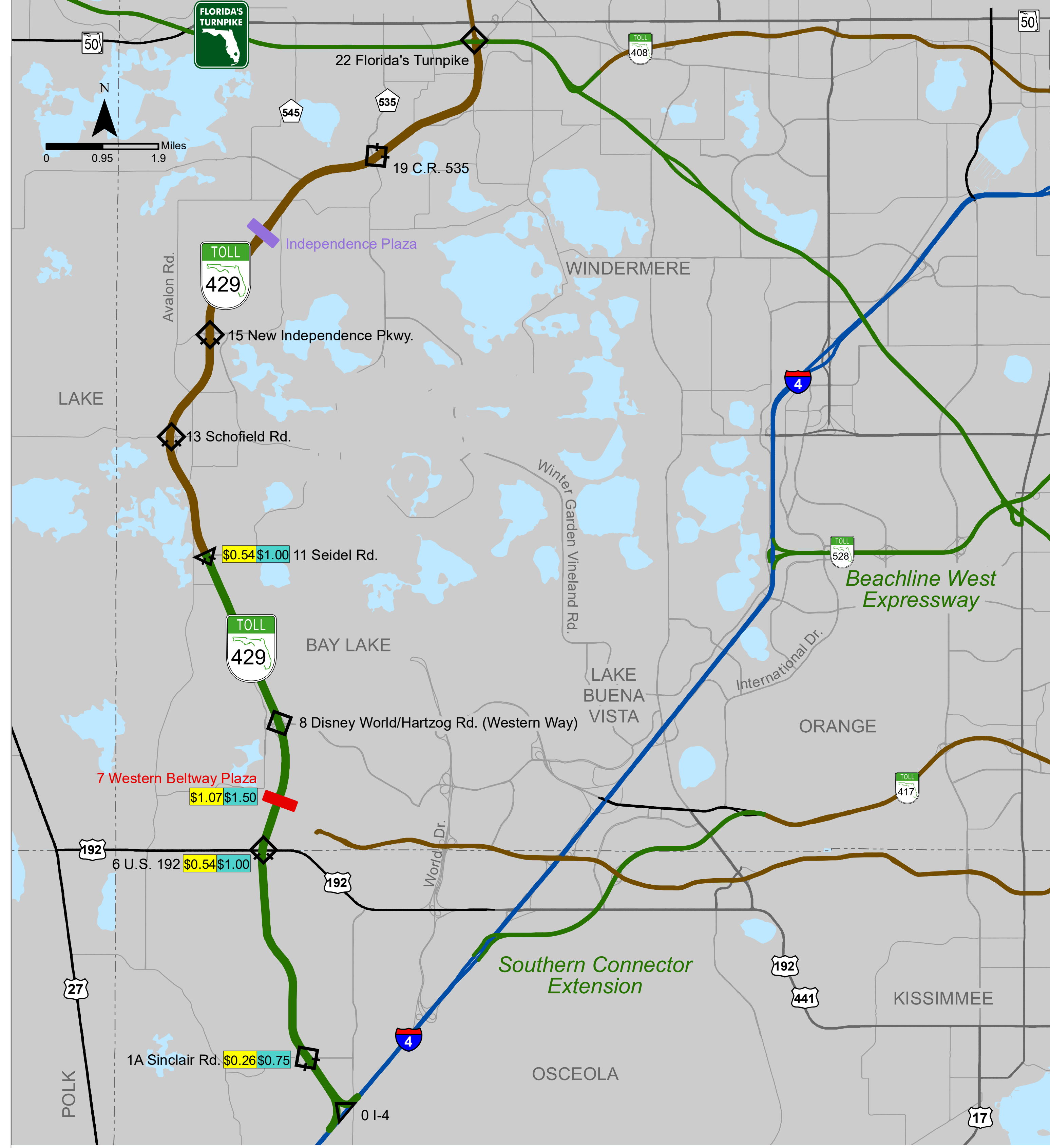
Fiscal Year	ETC	Non-ETC	Total Toll Transactions		% Change
2019	13,041	3,597	16,638	A	12.8%
2018	11,404	3,349	14,753	B	18.1%
2017	9,464	3,023	12,487	A	16.4%
2016	7,874	2,853	10,727	C	23.5%
2015	6,205	2,483	8,688	C	20.5%
2014	5,097	2,112	7,209	C	13.8%
2013	4,404	1,933	6,337	C	5.0%
2012	3,852	2,185	6,037	A	8.6%
2011	3,431	2,128	5,559	A	8.7%
2010	3,072	2,040	5,112		-

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

NOTES

- A The increase in toll revenue was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- B The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38), partially offset by toll suspensions in response to Hurricane Irma.
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).

Source: AECOM, Traffic & Revenue Consultant



Western Beltway, Part C (SR 429)

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

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

$0.00 SunPass Toll Rate
$0.00 Cash Toll Rate
Toll Plaza - Turnpike System
Interchange With Toll Collection
Interchange With No Toll Collection
Existing Turnpike System Facility, Western Beltway, Part C
Other Toll Road
Interstate Highway
Arterial
Toll Plaza - CFX
Existing Turnpike System Facility
Other Road
County Boundary

TOLL COLLECTION BY ROADWAY - I-4 CONNECTOR

Fiscal Years 2014 through 2019 (dollars and transactions in thousands)

I-4 Connector

$0.53-$1.05 Toll Rate Per Mile (tolls to traverse/length)

Five-Year Snapshot

64% Revenue

64% Transactions

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue		% Change
2019	$11,937	$2,453	$14,390		3.9%
2018	11,187	2,669	13,856		3.0%
2017	10,540	2,908	13,448	B	11.4%
2016	9,636	2,435	12,071	C	37.6%
2015	7,134	1,640	8,774	D	N/A
2014	2,188	462	2,650		-

TOLL TRANSACTIONS (transactions in thousands)

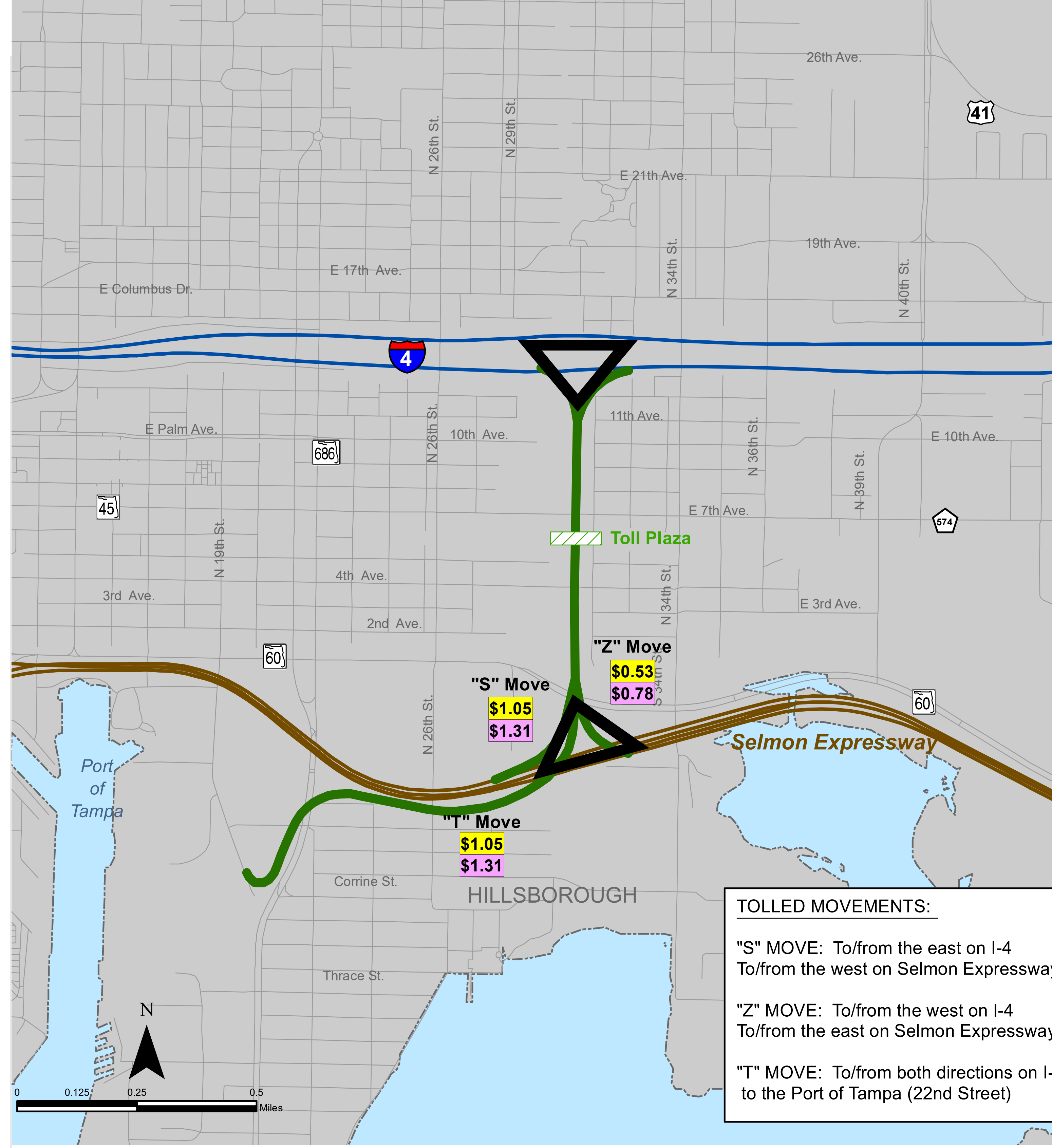
Fiscal Year	ETC	Non-ETC	Total Toll Transactions		% Change
2019	15,441	4,406	19,847		5.0%
2018	14,738	4,169	18,907	A	7.6%
2017	13,484	4,093	17,577	B	7.9%
2016	12,354	3,929	16,283	C	34.6%
2015	9,213	2,881	12,094	D	N/A
2014	2,943	872	3,815		-

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

NOTES

- A The increase in toll transactions was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- B The increase in toll revenue was primarily attributable to traffic growth as a result of favorable economic conditions (see page 38).
- C The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of the ramp up on a new facility.
- D The percent change for fiscal year 2015 is not applicable as this facility opened to traffic on January 6, 2014; accordingly, fiscal year 2014 only reflects a half year of toll collections.

Source: AECOM, Traffic & Revenue Consultant



I-4 Connector

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

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

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

Beachline East Expressway (SR 528)

$0.02 Toll Rate Per Mile (tolls to traverse/length)

Five-Year Snapshot

33% Revenue

24% Transactions

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

TOLL REVENUE (dollars in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Revenue	% Change
2019	$4,048	$2,818	$6,866 (A)	19.0%
2018	3,607	2,163	5,770	3.0%
2017	3,741	1,862	5,603	1.7%
2016	3,498	2,014	5,512 (B)	6.4%
2015	3,121	2,060	5,181	-

TOLL TRANSACTIONS (transactions in thousands)

Fiscal Year	ETC	Non-ETC	Total Toll Transactions	% Change
2019	13,183	7,968	21,151	4.6%
2018	13,170	7,056	20,226	3.2%
2017	12,917	6,675	19,592	4.6%
2016	12,232	6,490	18,722 (B)	9.6%
2015	10,916	6,163	17,079	-

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

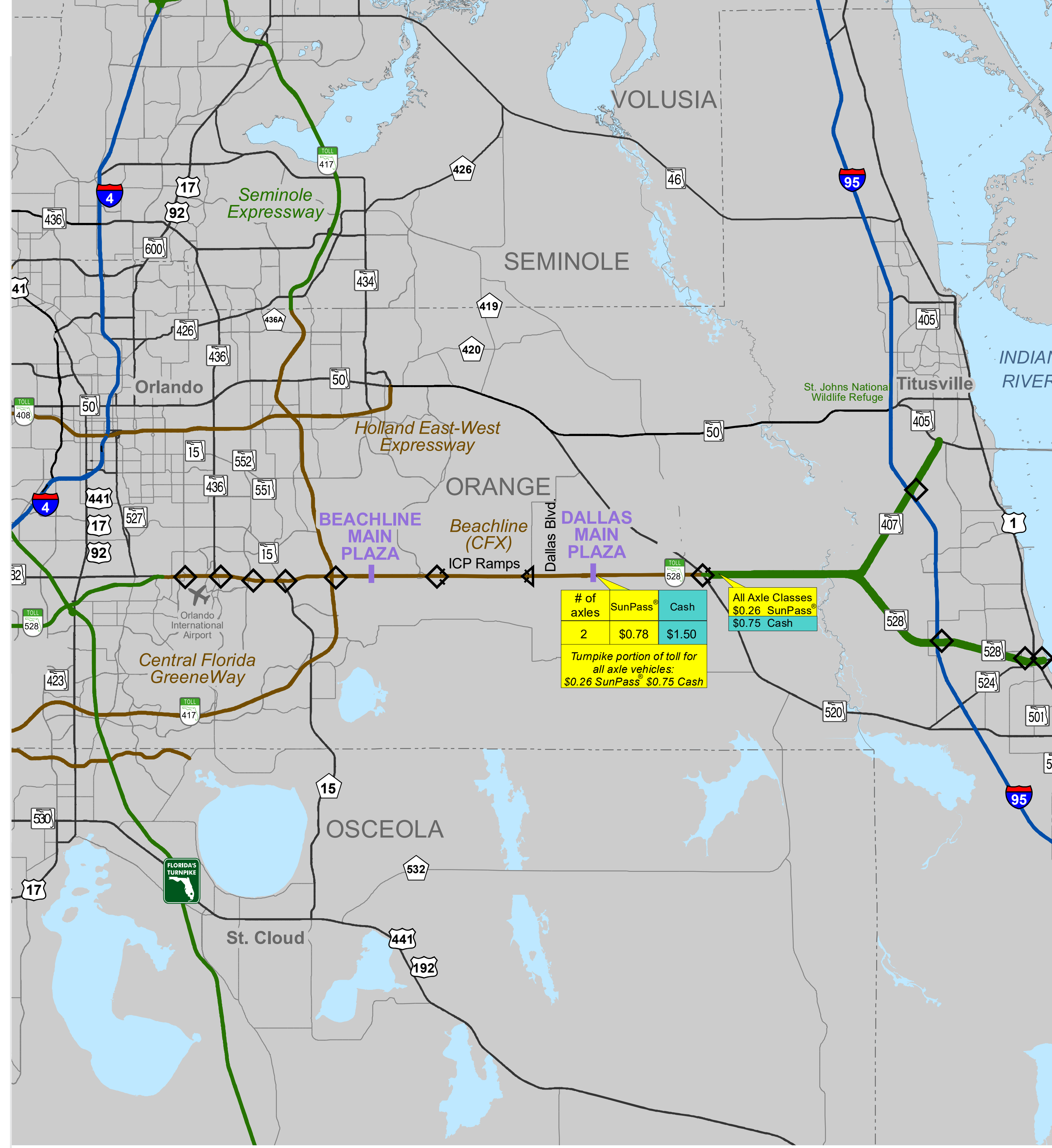
NOTES

(A) The increase in toll revenue was primarily attributable to the timing of interoperable toll receipts, coupled with traffic growth as a result of favorable economic conditions (see page 38).

(B) The increase in toll revenue was primarily attributable to indexed toll rates (see page 3) and traffic growth as a result of favorable economic conditions (see page 38).

This facility was acquired from the Florida Department of Transportation on July 1, 2014 (fiscal year 2015).

Source: AECOM, Traffic & Revenue Consultant



Beachline East Expressway (SR 528)

Did you know?

SunPass customers pay the lowest toll rates. A customer traversing the entire Mainline receives a 22% discount on the cost of the trip.

Photo: SunPass promotional booth

RATIOS OF OUTSTANDING DEBT BY TYPE

Fiscal Years 2010 through 2019 (dollars in thousands)

	Outstanding Debt					Debt Per		
Fiscal Year	Revenue Bonds (A)	SIB Loans (B)	STTF Loans (C)	STTF O&M Loans (D)	Total	Centerline Mile	Lane Mile	$ Operating Revenue (E)
2019	$2,724,125	$26,182	$1,500	$ -	$2,751,807	$5,526	$1,136	$2.55
2018	2,574,500	29,400	3,000	-	2,606,900	5,397	1,114	2.45
2017	2,760,366	32,617	4,500	-	2,797,483	5,792	1,198	2.68
2016	2,926,056	35,835	6,000	68,827	3,036,718	6,287	1,320	3.08
2015	2,894,419	39,052	7,500	79,327	3,020,298	6,253	1,313	3.38
2014	2,914,955	42,270	9,000	87,851	3,054,076	6,625	1,371	3.74
2013	2,878,854	45,488	9,000	94,410	3,027,752	6,582	1,366	3.91
2012	2,895,077	48,705	9,000	98,959	3,051,741	6,634	1,377	4.87
2011	2,835,228	51,923	9,000	101,480	2,997,631	6,517	1,375	4.88
2010	2,943,688	53,672	9,000	93,096	3,099,456	6,738	1,463	5.07

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

(A) Outstanding debt includes short-term and long-term debt for Turnpike Revenue Bonds (net of premiums and discounts and refunding losses, if applicable).

(B) State Infrastructure Bank ("SIB") loans were used for the Seminole Expressway II project, an interest subsidy for the Series 2003C Turnpike Revenue Bond issue, and construction of southern ramps to connect the Turnpike Mainline at SR 50 with SR 429.

(C) State Transportation Trust Fund ("STTF") loans from the Department were used for advances related to the acquisition of the Tampa-Hillsborough County and Seminole County Expressways, design costs associated with the Western Beltway, Part C expansion project, and costs associated with the Hollywood Boulevard and the Lake Worth Road interchange modifications. The first repayment of $1.5 million began in fiscal year 2015 and these loans are expected to be fully repaid by fiscal year 2020.

(D) STTF loans were received in the form of Operations and Maintenance ("O&M") subsidies on the SR 80 interchange on the Mainline, the Seminole Expressway II project and the Suncoast Parkway. In 2007, a loan was used for advance land acquisition related to future projects. These loans were fully repaid in fiscal year 2017.

(E) Gross revenue of the System used in the debt ratio calculation is obtained from the Debt Service Coverage calculation on the following page.

Source: Audited Financial Statements

Photo: Sawgrass Expressway

DEBT SERVICE COVERAGE AND LEGALLY BONDED DEBT INFORMATION

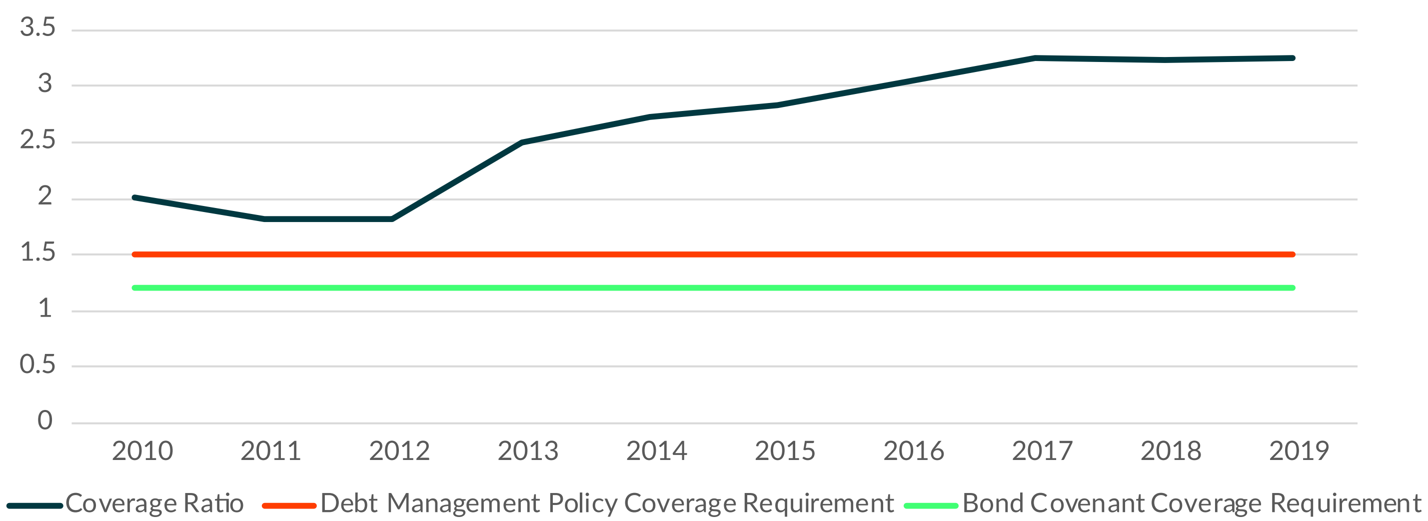
Fiscal Years 2010 through 2019 (dollars in thousands)

	Outstanding Debt							Legally Bonded Debt Information (B)	
Fiscal Year	Gross Revenue (no interest)	O&M (A) Expense	Net Revenue Available	Debt Principal	Debt Interest	Total Debt Service	Coverage Ratio	Outstanding Bonded Debt	Debt as a % of Debt Limit
2019	$1,078,094	$238,344	$839,750	$143,680	$114,965	$258,645	3.25	$2,580,365	25.80%
2018	1,063,729	233,020	830,709	140,640	115,808	256,448	3.24	2,454,615	24.55
2017	1,044,530	215,720	828,810	133,590	123,804	257,394	3.22	2,623,790	26.24
2016	987,149	192,458	794,691	129,620	131,835	261,455	3.04	2,772,735	27.73
2015	894,589	177,160	717,429	120,990	132,100	253,090	2.83	2,777,155	27.77
2014	816,869	165,838	651,031	111,425	128,112	239,537	2.72	2,789,550	27.90
2013	774,222	163,625	610,597	111,680	131,938	243,618	2.51	2,772,295	27.72
2012	626,502	180,005	446,497	105,060	140,503	245,563	1.82	2,856,935	28.57
2011	614,433	182,547	431,886	99,000	138,118	237,118	1.82	2,811,830	28.12
2010	611,596	172,422	439,174	91,405	127,005	218,410	2.01	2,910,830	29.11

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

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

DEBT SERVICE COVERAGE COMPLIANCE



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

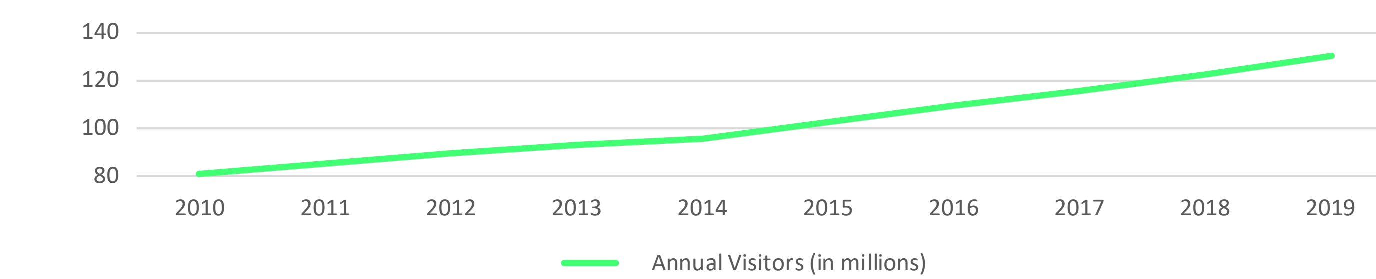
Source: Audited Financial Statements

DEMOGRAPHIC AND ECONOMIC STATISTICS

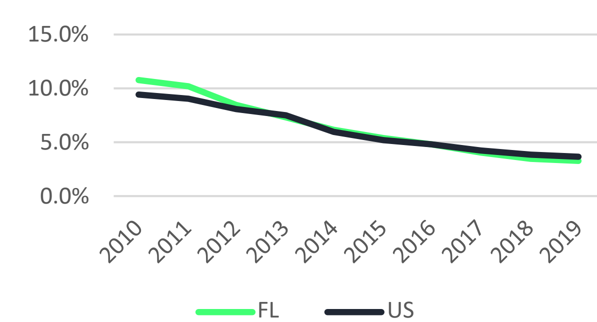
Fiscal Years 2010 through 2019

STATE OF FLORIDA					
	As of June 30		For the Fiscal Year Ended June 30		
Year	Population (in millions)	Unemployment Rate	Total Personal Income (in millions)	Per-Capita Income	Visitors (in millions)
2019	21.2	3.4%	$1,080,630	$50,908	130.2
2018	20.9	3.6	1,027,863	49,131	122.8
2017	20.6	4.2	982,311	47,789	115.7
2016	20.2	4.8	938,671	46,450	109.9
2015	19.9	5.5	890,253	44,750	102.4
2014	19.6	6.3	851,271	43,474	95.9
2013	19.3	7.3	802,456	41,548	93.2
2012	19.1	8.6	771,634	40,360	89.9
2011	18.9	10.2	774,400	40,883	85.1
2010	18.8	10.9	716,044	38,035	81.0

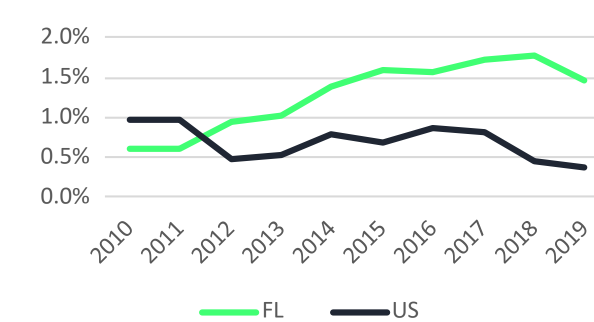
TOURISM (in millions)



UNEMPLOYMENT RATE



RATE OF POPULATION GROWTH



Sources: U.S. Bureau of Labor Statistics
Florida Economic Estimating Conference / Held February 20, 2019
National Economic Estimating Conference / Held December 10, 2019
VISIT FLORIDA / https://www.visitflorida.org/resources/research/

NON-AGRICULTURAL EMPLOYMENT - STATE OF FLORIDA
As of June 30, 2019 and 2010


Photo: Northbound HEFT

(number of jobs in thousands)	June 30, 2019			June 30, 2010		
Industry Group	Number of Jobs	Rank	Percent of Total Employment	Number of Jobs	Rank	Percent of Total Employment
Trade, Transportation, and Utilities	1,798	1	20.3%	1,471	1	20.6%
Professional & Business Services	1,397	2	15.7	1,008	4	14.0
Education & Health Services	1,328	3	14.9	1,072	3	14.9
Leisure & Hospitality	1,241	4	13.9	931	5	12.9
Government	1,114	5	12.5	1,128	2	15.7
Financial Activities	586	6	6.6	478	6	6.6
Construction	552	7	6.2	353	7	4.9
Manufacturing	376	8	4.2	310	8	4.3
Other Services	359	9	4.0	297	9	4.1
Information	140	10	1.6	137	10	1.9
Mining and Logging	6	11	0.1	5	11	0.1
Total Non-Agricultural Employment	8,897		100.0%	7,190		100.0%

Since the System services the entire State of Florida, it is deemed that employment by industry within the State is a more relevant socio-economic indicator than principal employers for the environment in which the System operates. As indicated in the above table, total non-agricultural employment as of June 30, 2019 exceeded the same period in 2010 by 1,707, or 23.7%. The employment growth over the last decade is primarily attributable to the areas of (1) professional and business services, (2) leisure and hospitality, and (3) trade, transportation, and utilities.

Source: Bureau of Labor Statistics

PERSONNEL ASSIGNED TO THE SYSTEM
As of June 30, 2019 through 2010

	Authorized Positions as of June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Administrative	61	60	69	66	63	56	56	58	64	66
Design Preparation & Right-of-Way Acquisition	37	35	35	32	30	24	24	21	18	18
Maintenance	21	22	24	24	22	27	25	27	24	27
Construction	8	8	6	6	8	7	9	9	9	9
Turnpike Toll Operations	257	259	271	291	297	306	306	330	318	348
Total Authorized Positions	384	384	405	419	420	420	420	445	433	468

	Operations Contract Staff as of June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Manual Toll Collection (A)	537	603	605	608	619	790	902	991	1,024	1,329
SunPass Toll Collection (B)	794	701	586	551	485	450	410	445	499	417
Tolls Data Center	82	84	56	65	61	61	59	58	55	53
Tolls Equipment Maintenance	127	144	155	137	122	85	89	90	96	101
Florida Highway Patrol's Troop K	222	222	222	222	222	222	198	222	221	221
Total Operations Contract Staff	1,762	1,754	1,624	1,583	1,509	1,608	1,658	1,806	1,895	2,121

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

(B) The increase in SunPass toll collection operations contract staff is primarily attributable to a new expanded call center, SunPass program growth, and partnerships with other tolling agencies.


Photo: Sawgrass Expressway

TOLL FACILITIES AND COMPONENTS

Fiscal Years 2010 through 2019

Net Additions (Deletions) by Fiscal Year

	June 30, 2019	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	June 30, 2009
Lane Miles - Mainline:												
SR 821 (HEFT)	286	13	-	11	-	-	-	-	-	-	-	262
Southern Coin System	306	-	-	-	-	-	-	-	6	6	16	278
Ticket System	613	-	-	-	-	-	-	-	-	-	-	613
Northern Coin System	395	-	2	-	-	-	-	-	28	56	-	309
Beachline West Expressway	67	26	-	-	-	-	-	-	-	-	-	41
Total Lane Miles - Mainline	1,667	39	2	11	-	-	-	-	34	62	16	1,503
Lane Miles - Expansion Projects:												
Sawgrass Expressway	134	-	-	-	-	-	-	-	-	-	-	134
Seminole Expressway	73	-	-	-	-	-	-	-	-	-	-	73
Veterans Expressway	94	-	4	24	-	-	-	-	-	-	-	66
Southern Connector Extension	24	-	-	-	-	-	-	-	-	-	-	24
Polk Parkway	92	-	-	-	-	-	-	-	2	-	4	86
Suncoast Parkway	168	-	-	-	-	-	-	-	-	-	-	168
Western Beltway, Part C	44	-	-	-	-	-	-	-	-	-	-	44
I-4 Connector	12	-	-	-	-	-	12	-	-	-	-	-
Beachline East Expressway	72	-	-	-	-	72	-	-	-	-	-	-
First Coast Expressway - Phase One	43	43	-	-	-	-	-	-	-	-	-	-
Total Lane Miles - Expansion Projects	756	43	4	24	-	72	12	-	2	-	4	595
Total Lane Miles - System-wide	2,423	82	6	35	-	72	12	-	36	62	20	2,098

Lane miles are calculated by multiplying the length of a roadway by the number of lanes it has. Lane mileage provides a total amount of mileage covered by lanes belonging to a specific roadway. The increase in lane miles over the past ten fiscal years is primarily driven by (1) the expansion of Northern Coin System in fiscal year 2011 and 2012, (2) the acquisition of Beachline East Expressway in fiscal year 2015, (3) completion of First Coast Expressway and widening of Beachline West Expressway in fiscal year 2019, and (5) expansion of Veterans Expressway in fiscal year 2017.

Net Additions (Deletions) by Fiscal Year

	June 30, 2019	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	June 30, 2009
Other Components:												
Bridges	763	22	2	(1)	(3)	27	16	(1)	1	4	(5)	701
Buildings	358	11	-	5	(7)	(17)	3	(2)	22	(6)	9	340
Interchanges	144	5	-	1	-	6	-	-	1	-	2	129
Barriers	25	-	-	-	-	-	1	-	-	-	-	24

The primary reason for the net increase in bridges is due to the (1) completion of First Coast Expressway in fiscal year 2019, (2) acquisition of the Beachline East Expressway in fiscal year 2015, and (3) the addition of the I-4 Connector in fiscal year 2014.

Buildings primarily consist of toll operations and maintenance and construction facilities. Due to All-Electronic Tolling conversions, several toll operations buildings were repurposed to maintenance buildings over the past ten fiscal years.

Additionally, other significant investments have been made for System preservation, safety, capacity, and modernization projects. Such projects include resurfacing, safety improvements, additional SunPass lanes at toll plazas, All-Electronic Tolling conversions, Traffic Management Centers, fiber optic cable, closed-circuit television cameras, dynamic message signs, highway advisory radios, and other investments in technology.

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

OPERATING INDICATORS

Fiscal Years 2010 through 2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Toll Revenue: (in thousands)										
Passenger Vehicles (2 axle)	$878,217	$854,287	$854,049	$814,164	$741,727	$685,203	$655,018	$529,045	$523,920	$522,888
Truck Vehicles (3+ axle)	174,140	163,016	154,371	141,766	124,223	111,098	100,524	79,767	76,159	73,285
Total	$1,052,357	$1,017,303	$1,008,420	$955,930	$865,950	$796,301	$755,542	$608,812	$600,079	$596,173
Number of Transactions: (in thousands)										
Passenger Vehicles (2 axle)	885,994	861,774	832,825	796,501	735,160	661,681	637,063	639,933	629,776	617,316
Truck Vehicles (3+ axle)	45,736	43,756	40,029	37,346	32,725	28,903	26,204	24,346	23,081	22,110
Total	931,730	905,530	872,854	833,847	767,885	690,584	663,267	664,279	652,857	639,426
Number of Miles: (in thousands)										
Passenger Vehicles (2 axle)	10,336,589	9,999,307	9,746,417	9,332,888	8,659,945	7,815,903	7,472,307	7,466,954	7,399,510	7,312,396
Truck Vehicles (3+ axle)	644,546	600,676	556,037	515,622	458,923	415,873	364,407	341,217	327,631	317,399
Total	10,981,135	10,599,983	10,302,454	9,848,510	9,118,868	8,231,776	7,836,714	7,808,171	7,727,141	7,629,795
Number of Trips: (A) (in thousands)										
Passenger Vehicles (2 axle)	699,078	680,003	656,855	628,133	579,373	516,760	496,804	499,127	491,306	481,630
Truck Vehicles (3+ axle)	36,410	34,758	31,859	29,686	26,006	22,833	20,435	18,989	18,006	17,250
Total	735,488	714,761	688,714	657,819	605,379	539,593	517,239	518,116	509,312	498,880
Average Toll Collected Per Trip:										
Passenger Vehicles (2 axle)	$1.26	$1.26	$1.30	$1.30	$1.28	$1.33	$1.32	$1.06	$1.07	$1.09
Truck Vehicles (3+ axle)	$4.78	$4.69	$4.85	$4.78	$4.78	$4.87	$4.92	$4.20	$4.23	$4.25
Average Toll Collected Per Transaction:										
Passenger Vehicles (2 axle)	$0.99	$0.99	$1.03	$1.02	$1.01	$1.04	$1.03	$0.83	$0.83	$0.85
Truck Vehicles (3+ axle)	$3.81	$3.73	$3.86	$3.80	$3.80	$3.84	$3.84	$3.28	$3.30	$3.31
Average Length of Trip (in Miles):										
Passenger Vehicles (2 axle)	14.79	14.70	14.84	14.86	14.95	15.12	15.04	14.96	15.06	15.18
Truck Vehicles (3+ axle)	17.70	17.28	17.45	17.37	17.65	18.21	17.83	17.97	18.20	18.40
Average Toll Per Mile:										
Passenger Vehicles (2 axle)	$0.09	$0.09	$0.09	$0.09	$0.09	$0.09	$0.09	$0.07	$0.07	$0.07
Truck Vehicles (3+ axle)	$0.27	$0.27	$0.28	$0.27	$0.27	$0.27	$0.28	$0.23	$0.23	$0.23
Roadway Maintenance Condition Rating (B)	85	87	88	88	88	89	88	91	91	91

(A) Each trip may involve one or more toll transactions.

(B) The Florida Department of Transportation ("Department"), through the State Maintenance Office, rates the System's routine maintenance program from 1 to 100 in five categories (roadway, roadside, vegetation and aesthetics, drainage, and traffic services). An overall rating is also provided for the System with an overall standard established at 80. The System has significantly exceeded this standard for the reporting period. In fiscal year 2013, the Department's methodology for developing the Maintenance Rating Program rating was modified to provide equal weightings to the various maintenance categories which resulted in a lower score. Management believes the change in methodology does not impact the overall condition assessment of the System.

Source: AECOM, Traffic & Revenue Consultant

Photo: Consulate Drive Exit