Refunding Issue - Book- Entry Only

This Official Statement has been prepared by the Division of Bond Finance to provide information about the 2016C Bonds. Selected information is presented on this cover page for the convenience of the reader. ***To make an informed decision, a prospective investor should read this Official Statement in its entirety.*** Unless otherwise indicated, capitalized terms have the meanings given in Appendices E and F.

$142,595,000
STATE OF FLORIDA
Department of Transportation
Turnpike Revenue Refunding Bonds, Series 2016C

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

Bond Ratings	AA Fitch Ratings Aa2 Moody's Investors Service AA Standard & Poor's Ratings Services
Tax Status	In the opinion of Bond Counsel, interest on the 2016C Bonds is excluded from gross income for federal income tax purposes. Such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, however, such interest is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations. The 2016C Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein. See "TAX MATTERS".
Redemption	The 2016C Bonds are subject to optional redemption as provided herein. See "REDEMPTION PROVISIONS" herein for more complete information.
Security	The 2016C Bonds are payable from Net Revenues of the Turnpike System, a reserve account and certain other funds held under the Resolution. **The 2016C Bonds are not a general obligation or indebtedness of the State of Florida, and the full faith and credit of the State of Florida is not pledged to payment of the 2016C Bonds.**
Lien Priority	The lien of the 2016C Bonds on the Net Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds previously issued to refinance capital improvements to the Turnpike System. The aggregate principal amount of Bonds which will be outstanding subsequent to the issuance of the 2016C Bonds is $2,757,380,000, excluding the Refunded Bonds, which will be economically but not legally defeased on the date of closing and are expected to be redeemed on July 1, 2017.
Additional Bonds	Additional bonds payable on a parity with the 2016C Bonds and the Outstanding Bonds may be issued if historical and projected Net Revenues are at least 120% of debt service. This description of the requirements for the issuance of Additional Bonds is only a summary of the complete requirements. See "ADDITIONAL BONDS - Additional Parity Bonds" herein for more complete information.
Purpose	Proceeds of the 2016C Bonds will be used to refund a portion of the outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2008A, and to pay costs of issuance.
Interest Payment Dates	July 1 and January 1, commencing July 1, 2017.
Record Dates	December 15 and June 15.
Form/Denomination	The 2016C Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only through Direct Participants (defined herein) in denominations of $1,000 and integral multiples thereof. Purchasers of the 2016C Bonds will not receive physical delivery of the 2016C Bonds.
Closing/Settlement	It is anticipated that the 2016C Bonds will be available for delivery through the facilities of DTC in New York, New York on February 2, 2017.
Bond Registrar/ Paying Agent	U.S. Bank Trust National Association, New York, New York.
Bond Counsel	Greenberg Traurig, P.A., Miami, Florida.
Issuer Contact	Division of Bond Finance (850) 488-4782, bond@sbafla.com
Maturity Structure	The 2016C Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover.

January 5, 2017

MATURITY STRUCTURE

Initial CUSIP ©	Due Date	Principal Amount	Interest Rate	Price or Yield*	First Optional Redemption Date and Price
343137BH7	July 1, 2018	$4,345,000	5.00%	1.18%	-
343137BJ3	July 1, 2019	4,555,000	5.00	1.43	-
343137BK0	July 1, 2020	4,790,000	5.00	1.64	-
343137BL8	July 1, 2021	5,025,000	5.00	1.80	-
343137BM6	July 1, 2022	5,280,000	5.00	1.95	-
343137BN4	July 1, 2023	5,545,000	5.00	2.05	-
343137BP9	July 1, 2024	5,820,000	5.00	2.18	-
343137BQ7	July 1, 2025	6,110,000	5.00	2.28	-
343137BR5	July 1, 2026	6,415,000	5.00	2.39	-
343137BS3	July 1, 2027**	6,740,000	5.00	2.48	July 1, 2026 @ 100%
343137BT1	July 1, 2028**	7,075,000	5.00	2.55	July 1, 2026 @ 100
343137BU8	July 1, 2029**	7,430,000	5.00	2.62	July 1, 2026 @ 100
343137BV6	July 1, 2030**	7,795,000	5.00	2.69	July 1, 2026 @ 100
343137BW4	July 1, 2031**	8,185,000	5.00	2.76	July 1, 2026 @ 100
343137BX2	July 1, 2032**	8,595,000	5.00	2.82	July 1, 2026 @ 100
343137BY0	July 1, 2033**	9,030,000	4.00	3.33	July 1, 2026 @ 100
343137BZ7	July 1, 2034**	9,385,000	4.00	3.39	July 1, 2026 @ 100
343137CA1	July 1, 2035**	9,760,000	4.00	3.44	July 1, 2026 @ 100
343137CB9	July 1, 2036**	10,155,000	4.00	3.47	July 1, 2026 @ 100
343137CC7	July 1, 2037**	10,560,000	4.00	3.50	July 1, 2026 @ 100

* Price and yield information provided by the underwriter.

** The yield on these maturities are calculated to a 100% call on July 1, 2026.

The State of Florida has not authorized any dealer, broker, salesman or other person to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied on. Certain information herein has been obtained from sources other than records of the State of Florida which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the State of Florida since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the 2016C Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

STATE OFFICIALS

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Division of Bond Finance

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Executive Director and CIO
State Board of Administration

CONSULTANTS TO THE STATE OF FLORIDA

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

ATKINS and HNTB
General Consulting Engineers
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BOND COUNSEL

Greenberg Traurig, P.A.
Miami, Florida

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OFFICIAL STATEMENT

Relating to
$142,595,000
STATE OF FLORIDA
Department of Transportation
Turnpike Revenue Refunding Bonds, Series 2016C

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

INTRODUCTION

This Official Statement sets forth information relating to the sale and issuance of the $142,595,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2016C (the "2016C Bonds"), dated the date of delivery thereof, by the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance").

Proceeds of the 2016C Bonds will be used to refund a portion of the outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2008A, and to pay costs of issuance. The refunding is being effectuated to achieve debt service savings due to lower interest rates. See "THE REFUNDING PROGRAM" below for more detailed information.

The 2016C Bonds will be solely payable from the Net Revenues of the System. The lien of the 2016C Bonds on the Net Revenues is on a parity with certain Turnpike Revenue Bonds issued since 2004. The aggregate principal amount of Bonds which will be outstanding subsequent to the issuance of the 2016C Bonds is $2,757,380,000, excluding the Refunded Bonds which will be economically but not legally defeased on the date of closing and are expected to be redeemed on July 1, 2017. **The 2016C Bonds are not secured by the full faith and credit of the State of Florida.**

Requests for additional information may be made to:

Division of Bond Finance
Phone: (850) 488-4782
Fax: (850) 413-1315
E-mail: bond@sbafla.com
Mail: P. O. Box 13300
Tallahassee, Florida 32317-3300

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Any statements made in this Official Statement which involve opinions or estimates, whether or not expressly stated, are set forth as such and not as representations of fact. No representation is made that any of the opinions or estimates will be realized. To make an informed decision, a full review should be made of the entire Official Statement. The descriptions of the 2016C Bonds and the documents authorizing and securing the same do not purport to be comprehensive or definitive. All references to and descriptions of such documents are qualified by reference to the actual documents. Copies of such documents may be obtained from the Division of Bond Finance.

End of Introduction

AUTHORITY FOR THE ISSUANCE OF THE 2016C BONDS

General Legal Authority

The 2016C Bonds are being issued by the Division of Bond Finance on behalf of the Florida Department of Transportation (the "Department" or "FDOT") pursuant to Article VII, Section 11(d) of the Florida Constitution, the State Bond Act, the Florida Turnpike Enterprise Law (Sections 338.22 - 338.241, Florida Statutes), and other applicable provisions of law. Article VII, Section 11(d), of the Florida Constitution provides that revenue bonds payable solely from funds derived directly from sources other than State tax revenues may be issued by the State of Florida or its agencies, without a vote of the electors, to finance or refinance capital projects. Sections 215.59(2) and 215.79, Florida Statutes, authorize the issuance of revenue bonds and the refunding of such bonds by the Division of Bond Finance pursuant to Article VII, Section 11(d), of the Florida Constitution.

Division of Bond Finance

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

State Board of Administration of Florida

The State Board of Administration of Florida (the "Board of Administration") was created under Article IV, Section 4, of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and succeeds to all the power, control and authority of the state board of administration established pursuant to Article IX, Section 16, of the Constitution of the State of Florida of 1885. It will continue as a body at least for the life of Article XII, Section 9(c) of the Florida Constitution. The Board of Administration is composed of the Governor, as Chairman, the Chief Financial Officer and the Attorney General. Under the State Bond Act, the Board of Administration determines the fiscal sufficiency of all bonds proposed to be issued by the State of Florida or its agencies. The Board of Administration also acts as the fiscal agent of the Department in administering the Revenue Fund, the Sinking Fund, and the Rebate Fund.

Department of Transportation

The Department operates under the Florida Transportation Code, which includes the Florida Turnpike Enterprise Law. The head of the Department is the Secretary of Transportation, nominated by the Florida Transportation Commission, appointed by the Governor and confirmed by the State Senate. Jim Boxold was appointed as Secretary of Transportation by Governor Rick Scott in January 2015 and previously served as FDOT's Chief of Staff.

The Department is a decentralized agency, with a Central Office, seven District Offices, the Turnpike Enterprise and the Rail Enterprise. Each of the District Secretaries and the Executive Director of the Turnpike Enterprise sit on the Executive Board of the Department. The Florida Turnpike Enterprise Law authorizes the Department to acquire, construct, maintain and operate the System.

Florida Turnpike Enterprise

Some of the original portions of the System were constructed and managed by the Florida State Turnpike Authority created in 1953. In 1969, the Department succeeded to all the powers, properties and assets of the Florida State Turnpike Authority. In 1994, the Turnpike District, one of eight Department District Offices, was created to manage the System.

Chapter 2002-20, Laws of Florida, reorganized the Turnpike District into the Florida Turnpike Enterprise (the "Enterprise"). The legislation provided the System with autonomy and flexibility to pursue innovations and best practices found in the private sector and to apply those to the System, which remains an asset of the Department.

In addition to providing additional flexibility in project delivery and enhanced revenue opportunities, Chapter 2002-20, Laws of Florida, authorized the incorporation of the Department's Office of Toll Operations into the Enterprise. The Enterprise collects Tolls for the System as well as five Department owned facilities and two Department operated facilities.

The System operates as an Enterprise within the Department. The Enterprise is organized into eight functional program areas as follows:

Program Area	Office
Finance, Business Development & Concession Management	Chief Financial Officer
Production and Planning	Director of Transportation Development
Highway Operations, Construction, and Maintenance	Director of Transportation Operations
Communications and Marketing	Director of Communications and Marketing
Administration	Director of Administration
Toll Systems and Customer Toll Operations	Director of Toll Systems
Legislative Coordination	Legislative Affairs Liaison
Security & Loss Prevention	Director of Loss Prevention

Administrative Approval

The Department, by a resolution dated May 10, 2016, requested the Division of Bond Finance to issue the 2016C Bonds. The Governing Board authorized the issuance and sale of the 2016C Bonds by a resolution adopted on October 25, 1988, as amended and restated on May 17, 2005, and as supplemented by a resolution adopted on May 10, 2016 (collectively, the "Resolution"). The Board of Administration approved the fiscal sufficiency of the 2016C Bonds by a resolution adopted on May 10, 2016.

DESCRIPTION OF THE 2016C BONDS

The 2016C Bonds and the interest payable thereon are obligations of the Department, secured by and payable solely from a first lien pledge of the Net Revenues of the System on a parity with the previously issued 2006A through 2016B Bonds.

The 2016C Bonds are being issued as fully registered bonds in the denomination of $1,000 or integral multiples thereof. The 2016C Bonds are payable from the Net Revenues as described herein. The 2016C Bonds will be dated the date of delivery thereof and will mature as set forth on the inside front cover. Interest is payable on July 1, 2017, for the period from the date of delivery thereof, to July 1, 2017, and semiannually thereafter on January 1 and July 1 of each year, until maturity or redemption.

The 2016C Bonds will initially be issued exclusively in "book-entry" form. Ownership of one 2016C Bond for each maturity (as set forth on the inside front cover), each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2016C Bonds. Individual purchases of the 2016C Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the 2016C Bonds or any certificate representing their beneficial ownership interest in the 2016C Bonds. See Appendix I, "Provisions for Book-Entry Only System or Registered Bonds" for a description of DTC, certain responsibilities of DTC, the Department and the Bond Registrar/Paying Agent, and the provisions for registration and registration for transfer of the 2016C Bonds if the book-entry only system of registration is discontinued.

REDEMPTION PROVISIONS

Optional Redemption

General. The 2016C Bonds maturing in the years 2018 through 2026 are not redeemable prior to their stated dates of maturity. The 2016C Bonds maturing in 2027 and thereafter are redeemable prior to their stated dates of maturity, at the option of the Division of Bond Finance, (i) in part, by maturities to be selected by the Division of Bond Finance, and by lot within a maturity if less than an entire maturity is to be redeemed, or (ii) as a whole, on July 1, 2026, or on any date thereafter, at the principal amount of the 2016C Bonds so redeemed, together with interest accrued to the date of redemption.

Notice of Redemption

Notices of redemption of 2016C Bonds or portions thereof will be mailed at least 30 days prior to the date of redemption to Registered Owners of record as of 45 days prior to the date of redemption. Such notices of redemption will specify the serial numbers of the 2016C Bonds to be redeemed, if less than all, the redemption price, the date fixed for redemption, and the place for presentation, and will state that interest on the 2016C Bonds called for redemption will cease to accrue upon the redemption date.

Failure to give any required notice of redemption as to any particular 2016C Bonds will not affect the validity of the call for redemption of any 2016C Bonds in respect of which no such failure has occurred. Any notice mailed as provided in the Resolution will be conclusively presumed to have been given, whether or not the Registered Owner receives the notice.

THE REFUNDING PROGRAM

A portion of the proceeds derived from the sale of the 2016C Bonds, together with other legally available moneys, will be used to refund a portion of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2008A, maturing in the years 2018 through 2037, in the outstanding principal amount of $157,950,000 (the “Refunded Bonds”). This refunding is being effectuated to achieve debt service savings.

Simultaneously with the delivery of the 2016C Bonds, the Department will cause to be deposited a portion of the proceeds of the 2016C Bonds, along with other legally available moneys, into an irrevocable escrow account (the “Escrow Deposit Trust Fund”) under an Escrow Deposit Agreement to be entered into among the Department, the Division of Bond Finance and the Board of Administration (the “Escrow Agent”). The Escrow Agent will invest the proceeds in the State Treasury investment pool, or other legally authorized investments. The amount of proceeds initially deposited in escrow plus interest earnings thereon, is expected to be sufficient to redeem the Refunded Bonds on the redemption date. The Refunded Bonds will be considered as remaining outstanding and economically defeased only, and will continue to have a claim upon the Net Revenues of the Turnpike System, as well as the Escrow Deposit Trust Fund, until they are redeemed.

The maturing investments, the earnings thereon (if necessary), and the cash on deposit in the Escrow Deposit Trust Fund are expected to be sufficient to pay (1) all semiannual interest payments accruing through, and (2) the principal of and redemption premium, if any, on the Refunded Bonds on the redemption date. The Refunded Bonds are expected to be called for redemption (by separate redemption notice) on July 1, 2017, at a redemption price equal to the principal amount thereof with interest due thereon through the redemption date, plus a redemption premium, if any. No funds held in escrow will be available to pay debt service on the 2016C Bonds.

Sources and Uses of Funds

Sources:	
Par Amount of 2016C Bonds	$142,595,000
Plus: Original Issue Premium	18,510,465
Excess Reserves from Debt Service Reserve Fund	1,379,346
Sinking Fund Accrual	648,327
Total Sources	$163,133,138
Uses:	
Deposit to the Escrow Deposit Trust Fund	$162,758,142
Costs of Issuance	233,827
Underwriter’s Discount	141,169
Total Uses	$163,133,138

Application of the 2016C Bond Proceeds

Upon receipt of the proceeds of the 2016C Bonds, the Department of Transportation will transfer and apply such proceeds as follows:

(A) The accrued interest, if any, on the 2016C Bonds will be transferred to the Board of Administration and deposited in the Sinking Fund created by the Resolution.

(B) The amount necessary to pay all costs and expenses of the Division of Bond Finance in connection with the preparation, sale and issuance of the 2016C Bonds, including a reasonable charge for the services of the Division of Bond Finance, will be transferred to the Division of Bond Finance to be deposited in the Bond Fee Trust Fund and the Arbitrage Compliance Trust Fund pursuant to written instructions at the delivery of the 2016C Bonds, unless such amount will be provided from another legally available source.

(C) All remaining proceeds will be transferred to the Board of Administration for deposit into a trust fund, to be known as the "State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2016C Escrow Deposit Trust Fund." After the redemption of the Refunded Bonds, any excess proceeds not used for such purpose will be transferred to the Sinking Fund and shall be used for any purpose for which moneys may be legally used from such fund (including the payment of debt service).

SECURITY FOR THE 2016C BONDS

Pledge of Revenues

The 2016C Bonds will be secured by a pledge of and a first lien on, and will be payable solely from, the Net Revenues of the Turnpike System on a parity with the previously issued 2006A through 2016B Bonds (the "Outstanding Bonds") and any Additional Bonds hereafter issued on a parity therewith pursuant to the Resolution. See "ADDITIONAL BONDS" below. The aggregate principal amount of Bonds which will be outstanding subsequent to the issuance of the 2016C Bonds is $2,757,380,000, excluding the Refunded Bonds which will be economically but not legally defeased on the date of closing and are expected to be redeemed on July 1, 2017. The 2016C Bonds are also secured by a subaccount in the Debt Service Reserve Account which also secures the Outstanding Bonds.

The Resolution, which was originally adopted in 1988, defines Net Revenues as the Revenues derived from the operation of the System after deducting the Cost of Operation and Cost of Maintenance. Pursuant to legislation adopted in 1997, the Department covenanted on August 21, 1997, to pay all costs of operation and maintenance of the Turnpike System from the State Transportation Trust Fund ("STTF"), in effect making 100% of the Turnpike System Gross Revenues available for debt service. The costs of operation and maintenance paid from the STTF are to be reimbursed from the Turnpike General Reserve Fund only after provision has been made for payment of debt service and other amounts required with respect to Turnpike Revenue Bonds. See "FLOW OF FUNDS - Payment of Costs of Operation and Maintenance from State Transportation Trust Fund," "FLOW OF FUNDS - Application of Revenues," and "TOLLS - Toll Covenant" below.

The 2016C Bonds are "revenue bonds" within the meaning of Article VII, Section 11(d), of the Florida Constitution, and are payable solely from funds derived directly from sources other than State tax revenues. **The 2016C Bonds do not constitute a general obligation or indebtedness of the State of Florida or any of its agencies or political subdivisions and will not be a debt of the State of Florida or of any agency or political subdivision thereof, and the full faith and credit of the State is not pledged to the payment of the principal of, premium, if any, or interest on the 2016C Bonds. The issuance of the 2016C Bonds does not, directly or indirectly or contingently, obligate the State of Florida to use State funds, other than the Net Revenues, to levy or to pledge any form of taxation whatsoever or to make any appropriation for payment of the principal of, premium, if any, or interest on the 2016C Bonds.**

Debt Service Reserve Account

Generally - The Division of Bond Finance may establish multiple subaccounts in the Debt Service Reserve Account for one or more Series of Bonds, each of which is available to cure deficiencies in the Sinking Fund only with respect to the Series of Bonds for which such subaccount is established. The Debt Service Reserve Requirement for each subaccount in the Debt Service Reserve Account is the lowest of:

(i) 125% of the average Annual Debt Service Requirement for the then current and succeeding fiscal years;

(ii) Maximum Annual Debt Service;

(iii) 10% of the aggregate of the original proceeds received from the initial sale of all Outstanding Bonds; or

(iv) the maximum debt service reserve permitted with respect to Tax-Exempt obligations under the U.S. Internal Revenue Code, as amended,

with respect to the Bonds for which such subaccount has been funded. The Resolution provides that one or more Reserve Account Credit Facilities may be deposited in the Debt Service Reserve Account in lieu of funding it with cash.

Moneys in the Debt Service Reserve Account may be used only for deposit into the Interest Account, Principal Account and Bond Amortization Account when the other moneys available for such purpose are insufficient therefor.

The 2016C Bonds - The 2016C Bonds will be secured by the subaccount in the Debt Service Reserve Account that also secures the 2006A through 2016B Bonds (the "Subaccount"). The Subaccount is funded by cash in the amount of $183,126,105, which represents 125% of the average Annual Debt Service Requirement for the current and succeeding fiscal years on the Outstanding Bonds. No bond proceeds will be required to fund the Debt Service Reserve Requirement.

The Subaccount is also funded by debt service surety bonds totaling $190,879,187 issued by: Ambac Assurance Corporation ("Ambac") in the amount of $84,763,631; MBIA Insurance Corporation ("MBIA") in the amount of $59,394,551; Assured Guaranty Municipal Corp. ("AG Muni", formerly Financial Security Assurance, Inc.) in the amount of $24,574,400; and Financial Guaranty Insurance Company ("FGIC") in the amount of $22,146,605. As a result of downgrades of these insurers, the Turnpike was required to provide additional reserve funding. The Subaccount is now fully funded with cash.

See "MISCELLANEOUS - Bond Ratings" below for a discussion of potential and actual rating agency actions with respect to various insurance companies, including Ambac, MBIA, AG Muni and FGIC.

If more than one Reserve Account Credit Facility is deposited into a subaccount in the Debt Service Reserve Account, the Resolution provides that drawings thereunder will be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder. If a disbursement is made under a Reserve Account Credit Facility, the Department is obligated to either reinstate such instrument immediately following such disbursement to the amount required to be maintained in the Debt Service Reserve Account or to deposit into the applicable subaccount in the Debt Service Reserve Account funds in the amount of the disbursement made under the surety bonds, or a combination of such alternatives as will equal the amount required to be maintained.

Outstanding Parity Bonds

The Division of Bond Finance has issued several series of Department of Transportation Turnpike Revenue and Revenue Refunding Bonds which, subsequent to the issuance of the 2016C Bonds, are expected to be outstanding in the aggregate principal amount of $2,757,380,000, excluding the Refunded Bonds, which will be economically but not legally defeased on the date of closing and are expected to be redeemed on July 1, 2017. The 2016C Bonds are payable from the Net Revenues. The 2016C Bonds are secured by a lien on the Net Revenues on a parity with the Outstanding Bonds. See “ADDITIONAL BONDS” below.

ADDITIONAL BONDS

Additional Parity Bonds

The Division of Bond Finance may issue Additional Bonds payable from Net Revenues on a parity with the Outstanding Bonds and the 2016C Bonds, for the purpose of financing the cost of construction or acquisition of Turnpike Projects, or for the purpose of refunding Bonds, but only under the following terms, limitations and conditions:

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

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

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

(d) A certificate must be filed with the Board of Administration and the Division of Bond Finance signed by an Authorized Officer of the Department setting forth the amount of Net Revenues collected during the immediately preceding fiscal year or any 12 consecutive months selected by the Department out of the 15 months immediately preceding the date of such certificate;

(e) A certificate must be filed with the Board of Administration and the Division of Bond Finance by the Traffic Engineer stating the estimate of the amount of Net Revenues to be collected during the current fiscal year and each fiscal year thereafter, to and including the third complete fiscal year after the Consulting Engineer's estimated date for completion and placing in operation of the Turnpike Projects to be financed by the proposed Additional Bonds, taking into account any revisions to be effective during such period of the Tolls and other income in connection with the operation of the Florida Turnpike;

(f) Determinations must be made by both the Board of Administration and the Division of Bond Finance that:

(1) the amount shown by the certificate described in paragraph (d) are not less than 120% of the amount of the Annual Debt Service Requirement for the current fiscal year on account of all Bonds then Outstanding;

(2) the amount shown by the certificate described in paragraph (e) for the current fiscal year and for each fiscal year to and including the first complete fiscal year after the Consulting Engineer's estimated date for completion and placing in operation of the Turnpike Projects to be financed by the proposed Additional Bonds are not less than 120% of the Annual Debt Service Requirement for each such fiscal year on account of all Bonds then Outstanding and the proposed Additional Bonds; and

(3) the amount shown by the certificate described in paragraph (e) for each of the three complete fiscal years after the Consulting Engineer's estimated date for completion and placing in operation of the Turnpike Projects to be financed by the proposed Additional Bonds are not less than 120% of the Maximum Annual Debt Service for each such fiscal year on account of all Bonds then Outstanding and the proposed Additional Bonds.

The debt service requirement of Bonds to be refunded and defeased from the proceeds of the proposed Additional Bonds is not to be taken into account in making such determinations. Refunding bonds issued for a net debt service savings in each fiscal year are exempt from the provisions of (d), (e) and (f) above.

After the issuance of the 2016C Bonds $360,230,000 Turnpike Revenue Bonds will remain authorized, validated and unissued.

Turnpike Debt Management Policy

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

Junior Lien Obligations

The Division of Bond Finance and Department covenant that until the Bonds are defeased, they will not issue any other obligations, except Additional Bonds, nor voluntarily create or cause to be created any other debt, lien, pledge, assignment, encumbrance or other charge, having priority to or being on a parity with the lien of the Registered Owners of the Bonds upon the Net Revenues. Any such other obligations secured by the Net Revenues, other than the Bonds and Additional Bonds, will contain an express statement that such obligations are junior, inferior, and subordinate to the Bonds theretofore or thereafter issued, as to lien on and source and security for payment from the Net Revenues. The Resolution authorizes the Division of Bond Finance to issue junior lien bonds which will ascend to parity status with the Bonds upon compliance with the requirements for Additional Bonds set forth above.

The Department has also covenanted not to issue any obligations, or create, cause or permit to be created, any debt, lien, pledge, assignment, encumbrance, or any charge upon any of the properties of the System except as otherwise provided in the Resolution.

Subordinated Debt. The System periodically incurs debt due to the Department. The lien of this debt on the net revenues of the System is junior and subordinate to that of the Bonds. The subordinated debt is made up of loans and advances made by the Department to the System for the purpose of advancing improvement and expansion projects with repayments deferred until projects have been incorporated into the System operations. The Department has made loans to the Turnpike System from the State Infrastructure Bank ("SIB") and the STTF.

At December 31, 2016, subordinated debt was outstanding in the amount of $38.6 million. The following table shows the scheduled repayment of subordinated debt.

Scheduled Subordinated Debt Repayments as of December 31, 2016
Turnpike System
(In Thousands)

	FY 2017	FY 2018	FY 2019	FY 2020 and thereafter	Total
SIB Loans	-	$3,218	$3,218	$26,182	$32,618
STTF Loans	$1,500	1,500	1,500	1,500	6,000
	$1,500	$4,718	$4,718	$27,682	$38,618

Source: Turnpike Finance Office.

Planned Near-Term Bond Issues

The Department has established a policy of cash management allowing bond issuance to be based on cash flow requirements over the construction period of the capital improvements undertaken by the Enterprise. The System's latest capital plan calls for capital projects totaling approximately $4.6 billion and additional bonds of approximately $1.4 billion following the sale of the 2016C Bonds. In Fiscal Year 2007, the System's legislative bond cap under Section 338.2275, Florida Statutes, was increased to $10.0 billion outstanding. Bond issuance is expected to occur annually as needed to fund the continuation of projects under construction and start new projects. The following shows planned debt issuances subsequent to the sale of the 2016C Bonds:

Fiscal Year 2017: $453 million,

Fiscal Year 2018: $101 million,

Fiscal Year 2019: $112 million,

Fiscal Year 2020: $309 million,

Fiscal Year 2021: $447 million.

Projects to be funded with the proceeds of these issues include widening and adding express lanes to the Sawgrass Expressway, the Mainline, and the Beachline West Expressway; extension of the Suncoast Parkway from US-98 to SR-44 primarily in Citrus County; improvements to the Golden Glades interchange on the Mainline in Miami-Dade County; and construction of a new tolled interchange at Sand Lake Road on the Mainline at milepost 257 in Orange County. The proceeds will also provide for continued funding for widening and adding express lanes to the Veterans Expressway in Hillsborough County and SR-821 in Miami-Dade County, as well as construction of the First Coast Expressway, a new toll road near Jacksonville, in Clay and Duval counties.

FLOW OF FUNDS

The Resolution establishes: (i) the "Revenue Fund", (ii) the "Operation and Maintenance Fund" or "O&M Fund" (and the "Cost of Operation Account" and the "Cost of Maintenance Account" therein), (iii) the "Sinking Fund" (consisting of the "Interest Account," the "Principal Account," the "Bond Amortization Account," the "Debt Service Reserve Account" and the "Bond Redemption Account"), (iv) the "Renewal and Replacement Fund" or "R&R Fund," (v) the "Operation and Maintenance Reserve Fund" or the "O&M Reserve Fund," (vi) the "General Reserve Fund" and (vii) the "Rebate Fund." All Revenues are deposited daily into a special account in one or more depositories (the "Collection Account"). At least weekly the Department transfers all moneys in the Collection Account to the Board of Administration for deposit into the Revenue Fund.

Except for the O&M Fund and the O&M Reserve Fund, such funds and accounts constitute trust funds for the purposes provided in the Resolution, and the Registered Owners of the Bonds have a lien on all moneys in such funds and accounts until applied as provided therein. See "MISCELLANEOUS - Investment of Funds" below.

Payment of Costs of Operation and Maintenance from State Transportation Trust Fund

Although the Resolution requires that moneys in the Revenue Fund first be applied to pay the Costs of Operation and Maintenance, the Department has covenanted (the "Covenant") to pay such Costs of Operation and Maintenance from the State Transportation Trust Fund ("STTF"). By its terms, the Covenant (i) is a contract enforceable by the Registered Owners, (ii) is not subject to repeal, impairment or amendment which would materially and adversely affect the rights of Registered Owners, and (iii) may be amended only upon compliance with the procedures for amending the Resolution.

The Covenant requires that the STTF be reimbursed from moneys available in the General Reserve Fund, the last fund in the flow of funds. If such moneys are insufficient to reimburse the STTF, the Department must take actions (including deferring projects and increasing Tolls) to increase available revenues. If such actions would adversely impact the security of the Registered Owners or the integrity of the Turnpike System, the reimbursement obligation would become a debt of the Turnpike System to the STTF, payable from the General Reserve Fund. The terms of the Covenant were approved as part of validation proceedings with respect to previously authorized Turnpike Revenue Bonds. The full text of the Covenant is reproduced herein as Appendix D.

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

The following table shows the STTF funds available to meet the Covenant. The management of the System has prepared the prospective financial information set forth below to present the STTF funds available to meet the Covenant. The accompanying prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the System's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the System. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement for the Series 2016C Bonds are cautioned not to place undue reliance on the prospective financial information.

Neither the System's independent auditors, nor any other independent accountants have compiled, examined or performed any procedures with respect to the projected financial information contained in these tables, nor have they expressed any opinion or form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with the projected financial information.

Turnpike Operations and Maintenance Coverage from STTF
(In Millions)

Fiscal Year Ended June 30	State Receipts Available[1]	Prior Lien Obligations[2]	Available for Turnpike Operations & Maintenance	Turnpike Operations & Maintenance[3]	Turnpike Operations & Maintenance Coverage
2012	$2,478.1	$204.4	$2,273.7	$173.7	13.09x
2013	2,664.1	234.1	2,430.0	157.4	15.44
2014	2,983.0	427.5	2,555.5	165.8	15.41
2015	3,142.3	211.7	2,930.6	177.2	16.54
2016	3,383.4	323.7	3,059.7	190.5	16.06
2017	3,463.5	426.8	3,036.7	201.0	15.11
2018	3,575.5	482.5	3,093.0	206.8	14.96
2019	3,722.7	517.3	3,205.4	207.7	15.43
2020	3,843.6	575.1	3,268.5	206.5	15.83
2021	3,960.0	496.6	3,463.4	211.3	16.39

[1] Amounts for Fiscal Years 2012 through 2016 are actual. Projections of State Receipts Available for Fiscal Years 2017 through 2021 are based on the August 2016 Revenue Estimating Conference estimates of the State Transportation Trust Fund Revenue, adjusted by the Department to reflect (i) the statutory percentage reserved for public transportation projects, (ii) exempt revenues, (iii) the Department's share of documentary stamps, and (iv) interest earnings and miscellaneous revenues from the Department's Cash Forecast which is based on the Adopted Work Program Plan with August 2016 Revenue Estimating Conference estimates of the State Transportation Trust Fund Revenue.

[2] Prior Lien Obligations include Right-of-Way Acquisition and Bridge Construction Bond Program debt service, State Infrastructure Bank repayments pledged for debt service, Public-Private Partnerships (P3) Concession Agreements, Design Build Finance Agreements, Authority Operations and Maintenance loans, Renewal and Replacement loans under Lease-Purchase Agreements, Transportation Infrastructure Finance and Innovation Act of 1998 loan repayment, and Turnpike Enterprise Toll Facilities Revolving Trust Fund and Operation and Maintenance loans. Projections of Prior Lien Obligations are based on the Department's Cash Forecast which is based on the Adopted Work Program Plan with August 2016 Revenue Estimating Conference estimates of the State Transportation Trust Fund.

[3] Amounts for Fiscal Years 2012 through 2016 are actual. Projections for Fiscal Years 2017 through 2021 are from Appendix A - "Traffic and Earnings Report". Turnpike Operations and Maintenance includes business development and marketing expense.

Source: State of Florida Department of Transportation.

Application of Revenues

The Resolution provides that on the 15th day of each month, Revenues are first deposited in the O&M Fund in amounts equal to 1/12th of the Cost of Operation and 1/12th of the Cost of Maintenance. By July 2016, the Department had made sufficient deposits in the Cost of Operation and Cost of Maintenance Accounts equal to 1/12th of the budgeted Cost of Operation and 1/12th of the budgeted Cost of Maintenance for Fiscal Year 2016, respectively. Because the Costs of Operation and Maintenance are to be paid from the STTF, the moneys on deposit in the O&M Fund will not need to be drawn down and no Revenues will be deposited therein.

On the 15th day of each month, to the extent necessary, Revenues are deposited (i) first, into the Interest Account in the Sinking Fund, in an amount equal to 1/6th of the interest payable on the Bonds on the next Interest Payment Date; and (ii) next, to the Principal Account in the Sinking Fund in an amount equal to 1/12th of the principal amount of Serial Bonds maturing on the next annual maturity date, and into the Bond Amortization Account in such amounts as may be required for the payment of Term Bonds. Any deficiencies in the Interest Account, the Principal Account and the Bond Amortization Account will be restored from the first Net Revenues available to the Department.

After funding the accounts in the Sinking Fund, Revenues are deposited into each subaccount in the Debt Service Reserve Account to the extent necessary to maintain an amount equal to the Debt Service Reserve Requirement established for the Bonds.

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

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

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

TOLLS

Toll Covenant

The Department has covenanted in the Resolution to fix, establish and collect Tolls for the use of the Turnpike (except non-Toll roads) at such rates, and revise such Tolls from time to time whenever necessary so that the Revenues will be sufficient in each fiscal year to pay at least 100% of the Cost of Maintenance and Cost of Operation, and so that the Net Revenues will be sufficient in each fiscal year to pay at least 120% of the Annual Debt Service Requirement for the Bonds and at least 100% of all other payments required by the Resolution. Excess Revenues collected in any fiscal year will not be taken into account as a credit against the foregoing requirements for any subsequent fiscal year.

The Department will be without power to reduce Toll rates or remove Tolls from all or a portion of the System except in the manner provided in the Resolution, until all the Bonds and interest thereon have been fully paid and discharged, or such payment has been fully provided for. Any such Toll reduction or removal would require a survey and recommendation of the Traffic Engineers, who must certify that in their opinion the amount of Tolls to be produced after such rate reduction or Toll removal in each fiscal year thereafter will continue to be sufficient to comply with the Toll rate covenants above. For purposes of the Resolution, conversion from one system of Toll collection (such as a ticket system) to another system of Toll collection (such as a barrier/ramp system) is not considered a removal of Tolls.

On or before each February 1, the Department must (i) review the financial condition of the System and the Bonds in order to estimate whether the Revenues for the following fiscal year will be sufficient to comply with the Toll covenants; (ii) make a determination with respect thereto by resolution; (iii) file with the Board of Administration certified copies of such resolutions, together with a certificate of an Authorized Officer of the Department setting forth a reasonably detailed statement of the actual and estimated Revenues and other pertinent information for the year for which such determination was made. If the Department determines that the Revenues for the following fiscal year may not be sufficient, it will forthwith cause the Traffic Engineers to make a study and to recommend a schedule of Tolls which will provide Revenues sufficient to comply with the Toll requirements in the following fiscal year and to restore any deficiency at the earliest practicable time, but not later than the next July 1.

Failure to comply with the Toll covenant set forth above will not constitute a default under the Resolution if there is not a failure to pay principal and interest on the Bonds when due and (i) the Department complies with the provisions of the preceding paragraph; or (ii) the Traffic Engineers certify that a Toll schedule which will comply with such Toll covenant is impracticable at that time, and the Department establishes a schedule of Tolls recommended by the Traffic Engineers to comply as nearly as practicable with such Toll covenant.

Toll Collection and Rate Adjustments

Both the Resolution and State law require the Department to fix, adjust, charge and collect Tolls on the System sufficient to pay the costs of the System. The Department follows the public notice requirements set forth in the State of Florida Administrative Procedures Act (the "APA") when fixing or adjusting Toll rates. The APA process results in the public notice occurring close to the time the Toll rate is implemented for existing projects. For new projects, the Department is required by law to publish and adopt a Toll rate during the planning and project development phase.

The System uses several methods of Toll collection including All-Electronic Tolling ("AET") and typically collects a higher Toll rate per mile on expansion projects than on the Mainline. A barrier/ramp (coin) system is used on non-AET segments of the existing System except the segment of the Mainline between Boynton Beach and Kissimmee - this 155-mile section utilizes a ticket system. An electronic Toll collection program has been implemented statewide which uses a transponder/account system, known as SunPass®. In addition to SunPass® Tolls, non-SunPass® Tolls are collected on AET facilities (SR-821, the Sawgrass Expressway, the southern tip of the Southern Coin section of the Mainline, the Veterans Expressway, and the I-4 Connector) through TOLL-BY-PLATE, an alternative toll collection system whereby a vehicle's license plate is captured by a camera for customer identification and billing.

The System has entered into a Toll revenue collection contract with a private contractor which runs through November 30, 2020.

Historical Revenue

Total Toll and concession revenues for the System are summarized in the table below. In Fiscal Years 2008 and 2009, revenues declined to approximately $646 million and $601 million, respectively, due to the impact of the economic downturn. Following the Great Recession, revenues began growing again with annual increases experienced between Fiscal Years 2010 and 2012. In Fiscal Year 2013, total revenues reached $763 million due to the implementation of System-wide toll indexing. Subsequently, revenues increased from $803 million in Fiscal Year 2014 to $963 million in Fiscal Year 2016, due to system-wide traffic growth and annual toll indexing. The average compounded growth rate from 2007 to 2016 was approximately 4.0 percent.

During the early 1990's, almost all of the System revenues were collected on the Mainline. However, with the diversification of the System through the opening of expansion projects, the Mainline now accounts for approximately 72 percent of Toll revenues. As expansion projects continue to be added and their respective revenues ramp up, the System anticipates that expansion project revenues, as a percentage of the total revenues collected, will continue to gradually increase.

Florida's Turnpike System
Historical Revenue ($000)

Fiscal Year	Mainline	Sawgrass Expressway	Seminole Expressway	Veterans Expressway	Southern Connector Extension	Polk Parkway	Suncoast Parkway	Western Beltway Part C	I-4 Connector*	Beachline East Expressway*	Total Toll Revenue	Concession Revenue	Total Turnpike System
2007	$487,686	$52,538	$36,539	$34,354	$5,148	$22,572	$21,743	$3,363	-	-	$663,943	$10,710	$674,653
2008**	461,567	50,902	36,138	33,089	5,130	22,450	21,424	4,871	-	-	635,571	10,363	645,934
2009**	428,124	48,121	32,488	30,980	4,443	21,496	20,157	4,719	-	-	590,528	10,110	600,638
2010	432,970	49,702	30,882	31,692	4,148	21,391	20,621	4,767	-	-	596,173	10,757	606,930
2011	434,230	50,314	30,763	32,466	4,201	21,775	21,233	5,097	-	-	600,079	8,382	608,461
2012	439,961	51,360	31,457	32,757	4,343	22,615	20,769	5,550	-	-	608,812	7,169	615,981
2013***	550,715	66,579	38,473	41,616	6,794	23,649	21,349	6,367	-	-	755,542	7,515	763,057
2014	581,632	69,768	40,919	39,925	7,517	24,590	22,011	7,289	$2,650	-	796,301	7,139	803,440
2015	624,033	72,614	45,243	41,111	8,746	27,713	23,682	8,853	8,774	$5,181	865,950	7,050	873,000
2016	681,386	80,510	51,713	45,721	10,917	31,359	25,709	11,032	12,071	5,512	955,930	7,226	963,156

* Revenue on these expansion projects is reflected from the date of the project's opening or acquisition by the Turnpike.
** The decrease in Fiscal Years 2008 and 2009 revenue is due to a decline in Florida's economic conditions.
***Increase due to toll rate increase.
Source: Appendix A, Traffic and Earnings Report.

In May 2001, the Department successfully completed the final phase of the statewide implementation of SunPass®. SunPass® is the electronic toll collection ("ETC") system operated by the Enterprise and is used on the five Department-owned and two Department-operated toll facilities within the Enterprise. SunPass® transponders are interoperable with other ETC systems in the State including the Central Florida Expressway Authority's E-Pass ETC system and the Lee County LeeWay ETC system. SunPass® is also accepted along the 32-mile Miami-Dade Expressway Authority System and the 15-mile Selmon Crosstown Expressway operated by the Tampa Hillsborough Expressway Authority. Additionally, SunPass® is a convenient method to pay electronically for parking at major international airports in Florida. SunPass® is currently accepted at Orlando, Tampa, Palm Beach, Miami and Fort Lauderdale International Airports. SunPass® customers can travel non-stop through Turnpike Toll plazas. Tolls are registered automatically, through the use of a transponder, after an account has been established with sufficient advance payment.

The following table provides a summary of ETC revenues for the System for the last 10 years. As indicated in the table, SunPass® revenues surpassed 80 percent of the total System Toll revenue starting in Fiscal Year 2015. In Fiscal Year 2006, the Department successfully completed the SunPass® Challenge program that was initiated in December 2002. Under this program, the Department increased the number of SunPass®-only lanes, added new capacity at select toll plazas, made several infrastructure enhancements, and improved the violation enforcement system. The result has been a significant increase in SunPass® participation. Today, the Department is implementing the next generation of ETC technology, known as Open Road Tolling ("ORT") and converting certain System facilities to All-Electronic Tolling ("AET"). Under ORT, conventional toll plazas are replaced with modern toll gantries that allow customers to drive and pay tolls at highway speed. ORT allows ETC customers (i.e. those with SunPass® and interoperable transponders) to pay tolls electronically at highway speeds while maintaining cash toll collection in select outside lanes for the benefit of customers who do not have SunPass®. On February 19, 2011 and April 19, 2014, the SR-821 and the Sawgrass Expressway, respectively, were converted to AET. The Veterans

Expressway was also converted to AET in phases starting on June 14, 2014 and ending on September 6, 2014. Cash toll payments are no longer accepted on these facilities. Customers must pay their tolls electronically using a SunPass® transponder or through the TOLL-BY-PLATE program, which is based on the identification of the registered owner of the vehicle after a license plate image is captured in the lane. TOLL-BY-PLATE customers have the option to establish a video account with prepaid tolls, or pay upon receiving a monthly invoice reflecting the TOLL-BY-PLATE rates, which are higher than the SunPass® toll rates. TOLL-BY-PLATE customers without a prepaid balance are assessed a flat administrative charge of $2.50 on their monthly invoice to recover the cost of administering this payment option.

Florida's Turnpike System

Electronic Toll Collection

Last Ten Years

Fiscal Year	Total Toll Revenue ($000)	Total ETC Revenue ($000)	Percentage ETC Revenue
2007	$663,943	$379,483	57.16%
2008*	635,571	387,382	60.95
2009*	590,528	377,938	64.00
2010	596,173	395,202	66.29
2011	600,079	421,598	70.26
2012	608,812	443,876	72.91
2013**	755,542	578,278	76.54
2014	796,301	624,064	78.37
2015	865,950	696,438	80.42
2016	955,930	772,090	80.77

* The decrease in Fiscal Years 2008 and 2009 total revenues reflects the decline in Florida's economic climate.
** Increase due to toll rate increase.
Source: Turnpike System Comprehensive Annual Financial Reports.

Toll Rate Increases and Indexing

After the opening of Florida's Turnpike in 1957, the first Toll increase occurred in 1979 and remained unchanged for nearly a decade. Under legislative direction to equalize Toll rates and in part to fund System improvements and expansion programs, the Department implemented Toll increases in 1989, 1991, 1993 and 1995 on various portions of the Turnpike Mainline. The combined impact of these Toll adjustments doubled the average Toll per-mile from $0.03 to $0.06. During this period, traffic continued to increase correspondingly with Florida's increase in population, employment, commerce and tourism.

On March 7, 2004, Tolls were increased on the Mainline, Sawgrass Expressway, Seminole Expressway, Veterans Expressway and Southern Connector Extension. This Toll rate increase was for cash customers only, at 25 percent rounded to the quarter. The Toll for SunPass® customers remained the same, effectively giving these customers a discount of 25 percent or more and contributing to an increase in SunPass® participation levels. For example, the two-axle Toll at the Golden Glades barrier plaza increased from $0.75 to $1.00, representing the 25 percent increase rounded to the quarter (i.e., effectively a 33 percent increase). Conversely, SunPass® customers at this location continued to pay a $0.75 Toll. However, some ramp Tolls did not increase due to "per-mile constraints". For example, customers entering SR-821 from SR 836 do not pay a Toll initially, but pay $0.25 if they exit one mile south (i.e., $0.25 per-mile) at US 41. As such, Tolls collected at this ramp were already significantly higher than the average rate of approximately $0.07 per-mile for cash customers, and therefore, were not increased. The Polk Parkway and Suncoast Parkway expansion projects were not programmed with a Toll rate increase in order to allow traffic to ramp-up on these facilities. In addition to the March 2004 Toll rate increase for cash customers, a 10 percent SunPass® frequent-user discount was discontinued. The March 2004 Toll increase had a minimal impact on traffic since cash customers could convert to SunPass® and avoid the increased Toll.

The 2007 Legislature amended Section 338.165, Florida Statutes, to require the Turnpike and other FDOT-owned toll facilities to index toll rates on existing toll facilities to the annual Consumer Price Index ("CPI") or similar inflation indicator effective as of July 1, 2007. Toll rate adjustments for inflation may be made no more frequently than once a year and must be made no less frequently than once every five years as necessary to accommodate cash toll rate schedules. Toll rates may be increased beyond these limits as directed by bond documents, covenants, or governing body authorization or pursuant to Department administrative rule.

Pursuant to this requirement, on June 24, 2012, the cash toll rates were indexed to reflect the change in CPI for the previous five year period, and were adjusted to the next quarter for collection efficiency. TOLL-BY-PLATE toll rates, where offered, were set to be the same as cash rates, while the SunPass® rates were $0.25 less than the cash rates. On the Ticket System, the cash toll rates were indexed by 11.7% and adjusted to the next dime, while the SunPass® toll rates were adjusted to be 25% less than the cash rates. For subsequent years, SunPass® and TOLL-BY PLATE rates are to be adjusted annually based on the year-over-year change in CPI and rounded to the penny, while cash rates will be adjusted every five years and rounded to the quarter. Accordingly, on July 1, 2013, SunPass® and TOLL-BY-PLATE toll rates were adjusted up by 2.1 percent and rounded to the penny. Similarly, on July 1, 2014 and July 1, 2015, SunPass® and TOLL-BY-PLATE rates were indexed by 1.5 percent and 1.6 percent, respectively, rounded to the nearest penny.

The toll indexing implemented Systemwide on June 24, 2012, resulted in a slight decline in overall traffic (approximately 4%) over the twelve month period following the change. Cash customers on some Turnpike facilities switched to SunPass® to obtain lower toll rates.

Despite the indexing implemented Systemwide on July 1, 2013, July 1, 2014 and July 1, 2015, for SunPass® and TOLL-BY-PLATE customers, the System did not experience any impact on traffic. In fact, the continued improvement in the economy contributed to moderate traffic growth. A relatively small increase in toll rates resulting from indexing in these fiscal years did not divert traffic from the System.

THE TURNPIKE SYSTEM

Existing Turnpike System

The Turnpike System consists of several components. The principal one, the 320-mile Mainline, extends in a north-south direction from I-75 at Wildwood in Sumter County to Florida City in southern Miami-Dade County, with an east-west segment intersecting at Orlando in Orange County. The Mainline consists of five different sub-components: SR-821, the Southern Coin System, the Ticket System, the Northern Coin System and the Beachline West Expressway.

In addition to the 320-mile Mainline, the System includes the 18-mile Seminole Expressway in Seminole County, the 15-mile Veterans Expressway in Hillsborough County, the 6-mile Southern Connector Extension in Orange and Osceola counties, the 25-mile Polk Parkway in Polk County, the 42-mile Suncoast Parkway in Hillsborough, Pasco and Hernando counties, the 23-mile Sawgrass Expressway in Broward County, the 11-mile Western Beltway, Part C, in Orange and Osceola counties, the 1-mile I-4 Connector in Hillsborough County, and the 22-mile Beachline East Expressway in Orange and Brevard counties which was acquired by the System on July 1, 2014.

Projects

Recently Completed Projects: The System recently completed the improvements at the I-4 / Mainline interchange in Orange County, construction of auxiliary lanes on SR-821 between NW 74th Street and NW 106th Street in Miami-Dade County, and canal protection improvements on the Mainline in Okeechobee County. Additionally, the System recently converted the Sawgrass Expressway in Broward County, the Veterans Expressway in Hillsborough County, and a portion of the Southern Coin section of the Mainline in Miami-Dade and Broward counties to AET.

Projects Currently Under Construction: The System is currently widening and adding express lanes to various segments of the Veterans Expressway in Hillsborough County, the Beachline West Expressway in Orange County, and SR-821 in Miami-Dade County. Additional projects under construction include the First Coast Expressway in Clay and Duval counties, interchange improvements at Sunrise Boulevard on the Mainline in Broward County, a new interchange on the Mainline at milepost 279 near the City of Minneola in Lake County, a new interchange on the Mainline at SR-417 in Orange County, and infrastructure improvements at the Fort Pierce service plaza.

Ongoing Maintenance and Other Improvements

The Enterprise continues to maintain the System at the high standards established by the Department, allowing for future expansion and capacity improvements. See "TURNPIKE SYSTEM FINANCIAL DATA - Discussion of Results of Operations and Management Analysis" below. The Turnpike's Five Year Work Program includes a multitude of capital projects as follows: widening of SR-821 from Bird Road to Miramar in Miami-Dade and Broward counties; widening of the Sawgrass Expressway from Sunrise Boulevard to Powerline Road in Broward County; widening of the Mainline from Atlantic Boulevard to Lake Worth Road in Broward and Palm Beach counties; widening of the Seminole Expressway from Aloma Avenue to SR-434 in Seminole County; widening of the Beachline West from I-4 to McCoy Road in Orange County; widening of the Mainline from US-192/441 to the Beachline West Expressway in Osceola and Orange counties and from State Road 50 to a new interchange at milepost 279 in Lake County; extension of the Suncoast Parkway from US-98 to SR-44 primarily in Citrus County; AET improvements on the remaining portion of the Southern Coin section of the Mainline in Broward and Palm Beach counties, the Suncoast Parkway in Pasco and Hernando counties, as well as the Ticket System (multiple counties); modification of the Golden Glades interchange on the Mainline in Miami-Dade County; modification to the Interstate 75 / Mainline interchange in Sumter County; and construction of a new tolled interchange at Sand Lake Road on the Mainline at milepost 257 in Orange County.

Project Development Process

The Florida Turnpike Enterprise Law requires that proposed System projects must be developed in accordance with the Florida Transportation Plan. Updated annually, the Florida Transportation Plan defines the State's transportation goals and objectives to be accomplished over a period of at least 20 years. System projects must also conform to the Department's tentative work program guidelines. The work program lists the Transportation projects planned for each of the next five fiscal years and, after review by the Florida Transportation Commission, forms the basis for the governor's budget recommendation to the Legislature.

In developing the tentative work program, the Department is required to program Turnpike Toll and bond financed projects such that the ratio of projects in Miami-Dade, Broward and Palm Beach counties to total System projects is at least 90% of the ratio of net toll revenues collected in those counties to total net toll revenues collected on the System.

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

The Florida Department of Environmental Protection reviews the environmental feasibility of proposed System expansion projects prior to their inclusion in the tentative work program. Projects which impact a local transportation system must be included in the transportation improvement plan of the affected metropolitan planning organization or county, as applicable.

Insurance on Turnpike System

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

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

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

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

Competing Facilities

In addition to the System projects, other transportation improvements have the potential to affect future System traffic to varying degrees. For example, I-95 has been progressively widened in Miami-Dade, Broward and Palm Beach counties to ease congestion. Although most of this widening has been completed, there are other I-95 widening projects in various stages of development. These projects are not expected to have a significant adverse impact on System traffic.

The Department and local transit partners are implementing a network of Express Lanes on I-95 and other major roadways in South Florida. The first phase of 95 Express extends for seven miles and is already open to traffic. This phase includes two sub-phases: 1A and 1B. Sub-phase 1A, which began toll collection in December 2008, includes the seven-mile northbound direction only. Phase 1B began toll collection in January 2010, and includes the southbound direction from the Golden Glades interchange to just south of SR-836 and extends the northbound express lanes further to the south from SR-112 to I-395. The Department extended the 95 Express Lanes with an additional 15 miles into Broward County. Known as phase 2, this project opened to traffic in Spring 2016. The Department is also implementing a third phase on I-95. Phase 3 from Stirling Road in Broward County to Linton Boulevard in Palm Beach County includes a plan to add new dual express lanes in segments. The first segment, 3A (Broward Boulevard to SW 10th Street in Broward County) began construction in mid-2016. Future expansion projects after segment 3A are currently under development and include completion of the dual express lanes in each direction for the full length of the 95 Express Phase 3 limits. Tolls in these lanes are collected electronically using SunPass®, and are variably-priced based on congestion levels. Another major expansion project by FDOT is the 10-mile I-595 corridor that includes three tolled reversible express lanes, interchange improvements, auxiliary lanes, improvements to the I-595 connection with the System, and the implementation of bus rapid transit within the I-595 corridor which opened in March 2014. These projects are not expected to have a significant adverse impact on System traffic.

Another key infrastructure project in the central Florida area is a major improvement on I-4. Termed the I-4 Ultimate, this 21-mile project will add two new express lanes in each direction in the center of I-4 from west of Kirkman Road to east of SR-434 in Seminole County. Tolls will be collected electronically using SunPass® and will be variably-priced based on congestion levels. The first phase of construction started in early 2015. While this project when completed will ease congestion on I-4, it is not expected to adversely impact System facilities.

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

In December 2009, the Florida Legislature approved SunRail, a 61-mile commuter rail system in central Florida that will link DeLand and Poinciana. The section from DeBary in Volusia County to Sand Lake Road in Orange County opened in April 2014. The rail system is expected to have a minimal impact on System facilities.

Additionally, a subsidiary of Florida East Coast Industries Inc. has commenced construction of an intercity passenger rail service for business and leisure passengers. This rail project is a 235-mile service route that will run north-south from Miami to Cocoa, with new tracks that will connect to Orlando, and a possible future extension to Tampa and Jacksonville. The service between Miami and Orlando may be operational as early as 2017. The project is not expected to have a material impact on the System.

Finally, a private company is proposing a light rail system that will operate adjacent to the Beachline Expressway (SR-528). The proposed 14-mile route extends from International Drive (convention center) to the Orlando International Airport. The company is in discussion with the Florida Department of Transportation, the Greater Orlando Aviation Authority, Central Florida Expressway Authority, Orange County, City of Orlando and private land owners who own right-of-way along the 14-mile corridor. The company was awarded the opportunity to lease right-of-way from the Florida Department of Transportation. After all the agreements are finalized and the environmental and construction permits are approved, the rail system may be operational by 2017. This intracity connection provides another transportation choice but is not expected to have a material impact on the System.

TURNPIKE SYSTEM FINANCIAL DATA

The following tables and their components should be read in conjunction with Appendix C, the audited financial statements of the Turnpike System.

Historical Summary of Net Position Data

The following schedule summarizes the statement of net position data for the System. This schedule was derived from the financial statements included in the annual financial statements of the System as audited for June 30 of each fiscal year shown (the Fiscal Year 2016 and 2015 financial statements are included in their entirety as Appendix C).

Historical Summary of Net Position Data
Turnpike System
As of June 30
(In Thousands)

	Fiscal Year Ended June 30,				
Assets:	**2012**	**2013**	**2014**	**2015**	**2016**
Current Assets:					
Cash and Cash Equivalents	$680,845	$679,346	$857,410	$854,693	$997,922
Investments	127	-	-	-	-
Receivables					
Accounts	2,938	9,162	8,480	11,195	8,584
Interest	4,916	906	1,404	1,153	2,565
Due from Other Governments	19,790	25,268	17,542	25,740	45,342
Prepaid expenses	61	-	-	234	240
Inventory	4,551	1,735	2,511	1,550	1,444
Other Assets	-	1,855	6,904	3,934	3,055
Total Current Assets	713,228	718,272	894,251	898,499	1,059,152
Restricted Non-Current Assets:					
Unrestricted Investments	-	-	176	34,448	-
Restricted Non-Current Assets:					
Restricted Cash and Cash Equivalents	119,068	69,594	70,949	37,265	28,028
Restricted Investments	249,927	213,526	191,729	186,314	222,121
Total Restricted Assets	368,995	283,120	262,854	223,579	250,149
Non-Depreciable Capital Assets:					
Construction in Progress	399,188	598,831	950,605	949,387	917,982
Land	863,355	866,624	892,855	903,572	924,181
Infrastructure-Highway System and Improvements	6,311,641	6,432,812	6,878,491	7,224,909	7,629,841
Buildings	-	48,981	60,367	60,367	68,753
Total Non-Depreciable Capital Assets	7,574,184	7,947,248	8,782,318	9,138,235	9,540,757
Depreciable Capital Assets:					
Building and Improvements	263,058	247,870	247,177	240,381	238,954
Furniture and Equipment	152,345	151,261	178,682	198,943	296,770
Intangible Assets	39,952	41,941	44,776	51,951	54,583
Less: Accumulated Depreciation and Amortization	(224,878)	(217,777)	(237,642)	(244,290)	(274,479)
Total Depreciable Capital Assets, net	230,477	223,295	232,993	246,985	315,828
Fiscal Charges, net	13,322	12,818	-	-	-
Other Assets	1,577	-	-	-	-
Service Concessionaire arrangement receivable	-	82,308	76,751	71,467	66,440
Total Noncurrent Assets	8,188,555	8,548,789	9,354,916	9,714,714	10,173,174
Total Assets	8,901,783	9,267,061	10,249,167	10,613,213	11,232,326
Deferred outflows of resources	-	40,102	40,542	36,119	36,919
Total Assets and Deferred Outflows of Resources	$8,901,783	$9,307,163	$10,289,709	$10,649,332	$11,269,245
Liabilities, Deferred Inflows of Resources and Net Position					
Liabilities:					
Current Liabilities:					
Construction Contracts and Retainage Payable	$120,077	$36,199	$154,314	$72,623	$61,769
Current Portion of Bonds Payable	110,185	117,220	119,240	127,045	133,590
Due to Florida Department of Transportation	42,663	32,814	31,320	37,849	99,780
Due to Other Governments	72	106	88	71	143
Deposits Payable	200	200	229	225	225
Unearned Revenue	605	249	275	2,325	6,137
Total Current Liabilities	273,802	186,788	305,466	240,138	301,644
Noncurrent Liabilities:					
Long-Term Portion of Bonds Payable, net	2,784,892	2,761,634	2,795,715	2,767,374	2,792,466
Advances Payable to Florida Department of Transportation	148,898	139,121	125,879	110,662	37,117
Unearned Revenue from Other Governments	649	600	550	500	451
Other Long-Term Liabilities	1,566	-	52,725	19,575	6,431
Total Noncurrent Liabilities	2,936,005	2,901,355	2,974,869	2,898,111	2,836,465
Total Liabilities	$3,209,807	$3,088,143	$3,280,335	$3,138,249	$3,138,109
Deferred Inflows of Resources	-	140,259	145,120	137,108	139,040
Net Position:					
Net Investment in Capital Assets	$5,051,519	$5,339,106	$6,110,327	$6,496,129	$6,908,906
Restricted for Debt Service	133,109	138,716	108,317	90,754	121,883
Restricted for Renewal and Replacement	33,119	10,830	12,608	19,597	25,708
Unrestricted	474,229	590,109	633,002	767,495	935,599
Total Net Position	5,691,976	6,078,761	6,864,254	7,373,975	7,992,096
Total Liabilities, Deferred Inflows of Resources and Net Position	$8,901,783	$ 9,307,163	$10,289,709	$10,649,332	$11,269,245

Source: Florida's Turnpike System financial statements as audited for Fiscal Years 2012 through 2016.

Historical Summary of Revenues, Expenses and Changes in Net Position

The following schedule summarizes the revenues, expenses and changes in net position for the System. These schedules were derived from the financial statements included in the annual financial statements of the System as audited for June 30 of each year shown.

Historical Summary of Revenues, Expenses and Changes in Net Position
Turnpike System
(In Thousands)

	Fiscal Year Ended June 30				
	2012	2013	2014	2015	2016
Operating Revenues:					
Toll facilities	$608,812	$755,542	$796,301	$865,950	$955,930
Toll Administrative Charges[2]	-	-	8,495	15,334	16,993
Concessions	7,169	7,515	7,139	7,050	7,226
Other	4,220	4,928	4,934	6,255	7,000
Total Operating Revenues	620,201	767,985	816,869	894,589	987,149
Operating Expenses:					
Operations and maintenance	171,028	156,185	164,191	175,769	188,249
Business development and marketing	2,676	1,203	1,647	1,391	4,209
Pollution remediation	-	-	-	547	-
Renewals and replacements	44,064	81,912	62,684	59,249	64,578
Depreciation and amortization	31,038	35,165	35,419	34,951	49,365
Total Operating Expenses	248,806	274,465	263,941	271,907	306,401
Operating Income	371,395	493,520	552,928	622,682	680,748
Nonoperating Revenues (Expenses):					
Investment earnings	24,121	3,327	21,547	7,560	28,382
Interest Subsidy	5,943	5,685	5,515	5,509	5,550
Interest expense	(125,821)	(109,188)	(91,539)	(80,854)	(87,211)
Other, net	(3,416)	(7,783)	(17,104)	(12,706)	(14,292)
Total Nonoperating Expenses, net	(99,173)	(107,959)	(81,581)	(80,491)	(67,571)
Income Before Contributions for Capital Projects and Contributions to Other Governments	272,222	385,561	471,347	542,191	613,177
Contributions for Capital Projects	2,274	1,224	314,146 [1]	7,449	4,944
Contributions to Other Governments	(5,628)	-	-	(39,919)	-
Increase in Net Position	268,868	386,785	785,493	509,721	618,121
Net Position:					
Beginning of year	5,423,108	5,691,976	6,078,761	6,864,254	7,373,975
End of year	$5,691,976	$6,078,761	$6,864,254	$7,373,975	$7,992,096

Source: Florida's Turnpike System financial statements as audited for Fiscal Years 2012 through 2016.
[1] Primarily reflects contributions for construction of the I-4 Connector that opened January 2014.
[2] For Fiscal Years 2012 and 2013, Toll Administrative Charges were netted against Operations and Maintenance Expenses.

Discussion of Results of Operations and Management Analysis

The System earned $956 million in toll revenues during Fiscal Year 2016 representing an increase of approximately 10% from Fiscal Year 2015 toll revenues of $866 million. The increase was attributable to growth in toll transactions on the System and the indexing of toll rates that went into effect on July 1, 2015.

In accordance with Section 338.231(3)(b), Florida Statutes, the System collects Toll Administrative Charges on plate-based video bills. Due to the growth in toll transactions and the conversion of the Sawgrass Expressway and Veterans Expressway to All-Electronic Tolling, Toll Administrative Charges grew from $15.3 million for Fiscal Year 2015 to $17.0 million for Fiscal Year 2016. Such amounts are designed to offset the related operating costs.

Fiscal Year 2016 was marked by strong use of the SunPass® electronic toll collection system. With the ability to process nearly four times the volume of vehicles through a dedicated lane as compared to an automatic or manual lane, SunPass® has increased processing throughput resulting in significant time savings for System patrons. For Fiscal Year 2016, SunPass® transactions averaged 81% of total toll transactions on the Turnpike System similar to the prior year. To date, over thirteen million SunPass® transponders have been sold to customers.

Fiscal Year 2016 Operations and Maintenance ("O&M") expenses of $188.2 million increased by approximately 7 percent over Fiscal Year 2015 expenses of $175.8 million. The increase was primarily due to growth in system toll transactions.

With regard to the System's maintenance program, the infrastructure remains in excellent condition. The State Maintenance Engineer for the Department separately evaluates the maintenance condition of Department facilities. A rating of 80 is considered satisfactory with a rating of 100 being the highest possible. In Fiscal Year 2016, the Department's rating for the System was 88.

Operating Revenues

Total operating revenues for the year ended June 30, 2016 were $987.1 million representing an increase of 10.3%, compared to the same period in the prior year. Toll facilities revenue increased by $90.0 million due to the system wide traffic growth and indexing of toll rates. Additional information regarding the change in toll rates can be found under *"Toll Rate Increases and Indexing."* Toll transactions increased to 833.8 million from 767.9 million for the same period in the prior year. The increase of 65.9 million transactions or 8.6% is primarily due to continued economic recovery. Toll administrative charges were $17.0 million, an increase of 10.8% over the same period in the prior year. The additional toll administrative charges are primarily due to the increase in customer billings and the subsequent collection.

Operating Expenses

Total operating expenses including depreciation expense for the year ended June 30, 2016 were $306.4 million, an increase of $34.5 million, or 12.7%, compared to the same period in the prior year. Routine expenses, such as operations and maintenance, increased primarily due to an increase in processing costs resulting from increased transactions. Business development and marketing costs increased primarily due to increased marketing efforts. Renewal and Replacement (R&R) expenses fluctuate from year to year based on management's assessment of needed System preservation. Depreciation expense increased due to upgrading and installing additional electronic tolling equipment on the System.

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Historical Summary of Revenues, Expenses and Debt Service Coverage

The following schedule summarizes the operating revenue and expense for the System. For comparative purposes, debt service coverage is shown based both on Net Revenue, in accordance with the flow of funds pursuant to the Resolution, and on Gross Revenue, consistent with the Department's Covenant to Pay Costs of Operation and Maintenance. See "FLOW OF FUNDS" above.

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

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Gross Revenue[1]					
Tolls	$608,812	$755,542	$796,301	$865,950	$955,930
Toll Administrative Charges[5]	-	-	8,495	15,334	16,993
Concession	7,169	7,515	7,139	7,050	7,226
Miscellaneous Revenue	4,220	4,928	4,934	6,255	7,000
Total	620,201	767,985	816,869	894,589	987,149
Operations and Maintenance Expenses[1]	(173,704)	(157,388)	(165,838)	(177,160)	(192,458)
Net Revenue	$446,497	$610,597	$651,031	$717,429	$794,691
Annual Debt Service[2]	$243,239	$243,618	$239,537	$253,090	$261,425
Net Revenue[3] Annual Debt Service Coverage	1.84x	2.51x	2.72x	2.83x	3.04x
Gross Revenue[4] Annual Debt Service Coverage	2.55x	3.15x	3.41x	3.53x	3.78x
Maximum Annual Debt Service	$243,576	$245,549	$255,462	$264,585	$261,425
Net Revenue[3] Max Annual Debt Service Coverage	1.83x	2.49x	2.55x	2.71x	3.04x
Gross Revenue[4] Max Annual Debt Service Coverage	2.55x	3.13x	3.20x	3.38x	3.78x

[1] Historical Revenues and Operations and Maintenance Expenses are as shown in Florida's Turnpike System Financial Statements for Fiscal Years 2012 through 2016. Operations and Maintenance expenses include Business Development and Marketing expense and exclude Renewal and Replacement costs and Depreciation.

[2] Annual debt service for Fiscal Years 2012 through 2016 is shown net of the federal subsidy on the Series 2009B Build America Bonds, which ranges between $5.5 million and $5.9 million.

[3] Net Revenue is calculated after payment of Cost of Operation and Cost of Maintenance, as provided in the Resolution.

[4] Gross Revenue is calculated in accordance with the Department's Covenant to pay costs of operation and maintenance from the STTF.

[5] For Fiscal Years 2012 and 2013, Toll Administrative Charges were netted against Operations and Maintenance Expenses.

Projected Revenue, Expense and Debt Service Coverage

The following tables of projected revenue, expense and debt service coverage were prepared by the System for internal purposes. The accompanying prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the System's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the System. However, these projections should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information.

Neither the System's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the projected financial information contained in these tables, nor have they expressed any opinion or form of assurance on such projections or their achievability, and assume no responsibility for, and disclaim any association with the projected financial information.

Net Revenue projections for the System in the following table are based upon the projections for revenue and operation and maintenance expense. These estimates include various underlying trends and conditions which have been affected by the recent economic recession. Since the printing of the Preliminary Official Statement, a new Traffic and Earnings Report was prepared which shows increased projections. The increased projections are included in the following two tables. See "Appendix A - Traffic and Earning Reports" for a detailed discussion of the revenue projection assumptions. For comparative purposes, Debt Service Coverage is shown based both on Net Revenue, in accordance with the flow of funds pursuant to the Resolution, and on Gross Revenue consistent with the Department's Covenant to Pay Costs of Operation and Maintenance. See "FLOW OF FUNDS" above.

Forecast Turnpike System Net Revenues

(In Thousands)

	Gross Revenue[1]					
Fiscal Year	Tolls	Concession	Toll Administrative Charges[3]	Total	Operating and Maintenance Expenses[2]	Net Revenue
2017	$963,616	$7,532	$18,650	$989,798	$205,824	$783,974
2018	1,019,604	7,664	19,023	1,046,291	214,645	831,646
2019	1,041,260	7,670	19,403	1,068,333	213,254	855,079
2020	1,057,306	7,711	19,791	1,084,808	212,462	872,346
2021	1,018,006	7,804	20,187	1,108,997	216,633	892,364
2022	1,111,997	7,806	20,591	1,140,394	220,892	919,502
2023	1,139,915	7,898	21,003	1,168,816	225,263	943,553
2024	1,161,277	7,959	21,423	1,190,659	229,720	960,939
2025	1,187,470	8,053	21,851	1,217,374	234,266	983,108
2026	1,213,825	8,148	22,288	1,244,261	238,902	1,005,359
2027	1,241,041	8,244	22,734	1,272,019	243,625	1,028,394

[1] Projected revenues are as shown in Appendix A, "Traffic and Earnings Report" prepared by AECOM Technical Services, Inc.. **No assurance can be given that there will not be material differences between such projections and actual results.**

[2] Operating and Maintenance Expense projections taken from Appendix A, "The Traffic and Earnings Report".

[3] Toll Administrative Charges are estimated by the Turnpike Finance Office and are shown separately. Such revenue does not offset Operations and Maintenance Expenses as in prior Traffic and Earnings Reports. Operations and Maintenance Expense includes Business Development and Marketing Expenses.

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Projected Revenue, Expense and Debt Service Coverage
Turnpike System
(In Thousands)

	Fiscal Years Ending June 30				
Gross Revenue [1]	**2017**	**2018**	**2019**	**2020**	**2021**
Tolls	$963,616	$1,019,604	$1,041,260	$1,057,306	$1,081,006
Toll Administrative Charges	18,650	19,023	19,403	19,791	20,187
Concession	7,532	7,664	7,670	7,711	7,804
Total	989,798	1,046,291	1,068,333	1,084,808	1,108,997
Operations and Maintenance Expenses [2]	(205,824)	(214,645)	(213,254)	(212,462)	(216,633)
Net Revenue	$783,974	$831,646	$855,079	$872,346	$892,364
Annual Debt Service[3]	$257,394	$257,203	$257,678	$241,179	$241,307
Net Revenue[4] Annual Debt Service Coverage	3.05x	3.23x	3.32x	3.62x	3.70x
Gross Revenue[5] Annual Debt Service Coverage	3.85x	4.07x	4.15x	4.50x	4.60x
Maximum Annual Debt Service [6]	$257,678	$257,678	$257,678	$241,307	$241,307
Net Revenue[4] Max Annual Debt Service Coverage	3.04x	3.23x	3.32x	3.62x	3.70x
Gross Revenue[5] Max Annual Debt Service Coverage	3.84x	4.06x	4.15x	4.50x	4.60x

[1] The revenue projections are as shown in Appendix A, "Traffic and Earnings Report." **No assurance can be given that there will not be material differences between such projections and actual results.**

[2] Operating Maintenance Expense projections provided in Appendix A, "Traffic and Earnings Report." Operating and Maintenance Expense includes Business Development and Marketing expense and excludes Renewal and Replacement costs and Depreciation.

[3] Annual debt service is shown net of the Refunded Bonds, which will be economically but not legally defeased on the date of closing and net of the federal subsidy on the previously issued Series 2009B Build America Bonds which is estimated to be approximately $5.5 million annually over the period.

[4] After payment of Cost of Operation and Cost of Maintenance, as provided in the Resolution.

[5] In accordance with the Department's Covenant to pay costs of operation and maintenance from State Transportation Trust Fund.

[6] Maximum Annual Debt Service occurs first in Fiscal Year 2019 and then in Fiscal Year 2021 over the five year forecast period.

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

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SCHEDULE OF DEBT SERVICE

The table below shows the debt service on the Outstanding Bonds, the estimated debt service on the 2016C Bonds and the total debt service. Payments due on July 1 are deemed to accrue in the preceding fiscal year.

Fiscal Year Ending June 30	Outstanding Bonds Debt Service[1,2]	2016C Debt Service[3] Principal	Interest	Total	Total Debt Service
2017	$254,645,580	-	$2,748,375	$2,748,375	$257,393,955
2018	246,216,690	$4,345,000	6,640,850	10,985,850	257,202,540
2019	246,698,940	4,555,000	6,423,600	10,978,600	257,677,540
2020	230,193,190	4,790,000	6,195,850	10,985,850	241,179,040
2021	230,325,310	5,025,000	5,956,350	10,981,350	241,306,660
2022	203,847,415	5,280,000	5,705,100	10,985,100	214,832,515
2023	195,489,596	5,545,000	5,441,100	10,986,100	206,475,696
2024	194,648,607	5,820,000	5,163,850	10,983,850	205,632,457
2025	193,896,223	6,110,000	4,872,850	10,982,850	204,879,073
2026	173,169,232	6,415,000	4,567,350	10,982,350	184,151,582
2027	172,279,973	6,740,000	4,246,600	10,986,600	183,266,573
2028	148,046,732	7,075,000	3,909,600	10,984,600	159,031,332
2029	142,015,370	7,430,000	3,555,850	10,985,850	153,001,220
2030	134,802,847	7,795,000	3,184,350	10,979,350	145,782,197
2031	132,113,275	8,185,000	2,794,600	10,979,600	143,092,875
2032	132,104,547	8,595,000	2,385,350	10,980,350	143,084,897
2033	132,107,387	9,030,000	1,955,600	10,985,600	143,092,987
2034	121,169,984	9,385,000	1,594,400	10,979,400	132,149,384
2035	105,667,524	9,760,000	1,219,000	10,979,000	116,646,524
2036	105,666,058	10,155,000	828,600	10,983,600	116,649,658
2037	75,962,286	10,560,000	422,400	10,982,400	86,944,686
2038	75,975,200	-	-	-	75,975,200
2039	75,894,525	-	-	-	75,894,525
2040	56,498,375	-	-	-	56,498,375
2041	40,318,150	-	-	-	40,318,150
2042	33,546,750	-	-	-	33,546,750
2043	27,239,675	-	-	-	27,239,675
2044	16,818,200	-	-	-	16,818,200
2045	10,041,200	-	-	-	10,041,200
	$3,907,398,839	$142,595,000	$79,811,625	$222,406,625	$4,129,805,464

[1] Debt service is net of the anticipated federal subsidy payments on the Series 2009B Build America Bonds.

[2] Includes $3.2 million in accrued interest on the Refunded Bonds, deposited in the escrow and used to pay debt service on the Refunding Bonds.

[3] For Fiscal Year 2018 through 2037, excludes debt service on the Refunded Bonds, which will be economically defeased and will be called on July 1, 2017. Such debt service ranges from $3.9 million in 2017 to $12.6 million in 2018 through 2037.

Note: Numbers may not add due to rounding.

PROVISIONS OF STATE LAW

Bonds Legal Investment for Fiduciaries

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

Negotiability

The 2016C Bonds will have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Law of the State.

TAX MATTERS

The 2016C Bonds

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the Division of Bond Finance, the Board of Administration and the Department must continue to meet after the issuance of the 2016C Bonds in order that interest on the 2016C Bonds not be included in gross income for federal income tax purposes. The failure by the Division of Bond Finance, the Board of Administration or the Department to meet these requirements may cause interest on the 2016C Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Division of Bond Finance, the Board of Administration and the Department have covenanted in the Resolution to comply with the requirements of the Code in order to maintain the exclusion of interest on the 2016C Bonds from gross income for federal income tax purposes.

In the opinion of Bond Counsel, assuming continuing compliance by the Division of Bond Finance, the Board of Administration and the Department with the tax covenant referred to above, under existing statutes, regulations, rulings and court decisions interest on the 2016C Bonds is excluded from gross income for federal income tax purposes. Interest on the 2016C Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, however, interest on the 2016C Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations. Bond Counsel is further of the opinion that the 2016C Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined therein.

Except as described herein, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the 2016C Bonds. Prospective purchasers of 2016C Bonds should be aware that the ownership of 2016C Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry 2016C Bonds or, in the case of a financial institution, that portion of the owner's interest expense allocable to interest on a 2016C Bond, (ii) the reduction of loss reserve deduction for property and casualty insurance companies by 15% of certain items, including interest on the 2016C Bonds, (iii) the inclusion of interest on the 2016C Bonds in the effectively connected earnings and profits (with adjustments) of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on the 2016C Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) the inclusion of interest on the 2016C Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits.

Original Issue Premium

The 2016C Bonds maturing on July 1 in the years 2018 through 2026 (the "Noncallable Premium Bonds") and the 2016C Bonds maturing on July 1, in the years 2027 through 2037 (the "Callable Premium Bonds") were sold at a price in excess of the amount payable at maturity in the case of the Noncallable Premium Bonds or their earlier call date in the case of the Callable Premium Bonds. Under the Code, the difference between the amount payable at maturity of the Noncallable Premium Bonds and the tax basis to the purchaser and the difference between the amount payable at the call date of the Callable Premium Bonds that minimizes the yield to a purchaser of a Callable Premium Bond and the tax basis to the purchaser (other than a purchaser who holds a Noncallable or Callable Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) is "bond premium". Bond premium is amortized for federal income tax purposes over the term of a Noncallable Premium Bond and over the period to the call date of a Callable Premium Bond that minimizes the yield to the purchaser of the Callable Premium Bond. A purchaser of a Noncallable or Callable Premium Bond is required to decrease his adjusted basis in the Premium Bond by the amount of amortizable bond premium attributable to each taxable year he holds the Premium Bond. The amount of amortizable bond premium attributable to each taxable year is determined at a constant interest rate compounded actuarially. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of the Noncallable or Callable Premium Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Noncallable or Callable Premium Bonds and with respect to the state and local consequences of owning and disposing of Noncallable or Callable Premium Bonds.

Information Reporting and Backup Withholding. Interest paid on tax-exempt bonds such as the 2016C Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2016C Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of 2016C

Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the 2016C Bonds and proceeds from the sale of 2016C Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2016C Bonds. This withholding generally applies if the owner of 2016C Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the 2016C Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes

The 2016C Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and taxes under Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein.

Florida laws governing the imposition of estate taxes do not provide for an exclusion of state or local bonds from the calculation of the value of the gross estate for tax purposes. Florida's estate tax is generally calculated on the basis of the otherwise unused portion of the federal credit allowed for state estate taxes. Under Chapter 198, Florida Statutes, all values for state estate tax purposes are as finally determined for federal estate tax purposes. Since state and local bonds are included in the valuation of the gross estate for federal tax purposes, such obligations would be included in such calculation for Florida estate tax purposes. Prospective owners of the 2016C Bonds should consult their own attorneys and advisors for the treatment of the ownership of the 2016C Bonds for estate tax purposes.

The 2016C Bonds and the income thereon are subject to the tax imposed by Chapter 220, Florida Statutes, on interest, income, or profits on debt obligations owned by corporations and other specified entities.

INDEPENDENT AUDITORS

The financial statements of Florida's Turnpike System as of and for the year ended June 30, 2016, included in Appendix C of this Official Statement have been audited by RSM US LLP, independent auditors, as stated in their report dated October 31, 2016 appearing therein. Their opinion was unmodified with respect thereto. RSM US LLP, the System's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report.

MISCELLANEOUS

Investment of Funds

All State funds are invested by either the State's Chief Financial Officer or the Board of Administration.

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

Investment by the Chief Financial Officer - Funds held in the State Treasury are invested by internal and external investment managers. As of June 30, 2016, the ratio was approximately 49% internally managed funds, 42% externally managed funds, 4% Certificates of Deposit and 5% in an externally managed Security Lending program. The total portfolio market value on June 30, 2016, was $25,654,099,528.79.

Under State law, the Treasury is charged with investing funds of each State agency and the judicial branch. As of June 30, 2016, $17.158 billion of the investments in the Treasury consisted of accounts held by State agencies that are required by law to maintain their investments in the Treasury; additionally, $6.873 billion as of this date consisted of moneys held by certain boards, associations, or entities created by the State Constitution or by State law that are not required to maintain their investments with the Treasury and are permitted to withdraw these funds from the Treasury.

As provided by State law, the Treasury must be able to timely meet all disbursement needs of the State. Accordingly, the Treasury allocates its investments to provide for estimated disbursements plus a cushion for liquidity in instances of greater than expected disbursement demand.

To this end, a portion of Treasury's investments are managed for short term liquidity and preservation of principal. The remainder is managed to obtain maximum yield, given the safety parameters of State law and Treasury's Comprehensive Investment Policy. Investments managed for short term liquidity and preservation of principal are managed "internally" by Treasury personnel. The majority of investments managed for a maximum return are managed by "external" investment managers not employed by the State.

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

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

The Board of Administration adopts specific investment policy guidelines for the management of its funds which reflect the long-term risk, yield, and diversification requirements necessary to meet its fiduciary obligations. As of June 30, 2016, the Board of Administration directed the investment/administration of 30 funds in 530 portfolios.

As of June 30, 2016 the total market value of the FRS (Defined Benefit) Trust Fund was $141,420,636,601.12. The Board of Administration pursues an investment strategy which allocates assets to different investment types. The long-term objective is to meet liability needs as determined by actuarial assumptions. Asset allocation levels are determined by the liquidity and cash flow requirements of the FRS, absolute and relative valuations of the asset class investments, and opportunities within those asset classes. Funds are invested internally and externally under a Defined Benefit Plan Investment Policy Statement.

The Board of Administration uses a variety of derivative products as part of its overall investment strategy. These products are used to manage risk or to execute strategies more efficiently or more cost effectively than could be done in the cash markets. They are not used to speculate in the expectation of earning extremely high returns. Any of the products used must be within investment policy guidelines designed to control the overall risk of the portfolio.

The Board of Administration invests assets in 29 designated funds other than the FRS (Defined Benefit) Trust Fund. As of June 30, 2016, the total market value of these funds equaled $35,121,146,461.32. Each fund is independently managed by the Board of Administration in accordance with the applicable documents, legal requirements and investment plan. Liquidity and preservation of capital are preeminent investment objectives for most of these funds, so investments for these are restricted to high quality money market instruments (e.g., cash, short-term treasury securities, certificates of deposit, banker's acceptances, and commercial paper). The term of these investments is generally short, but may vary depending upon the requirements of each trust and its investment plan.

Investment of bond sinking funds is controlled by the resolution authorizing issuance of a particular series of bonds. The Board of Administration's investment policy with respect to sinking funds is that only U.S. Treasury securities, and repurchase agreements backed thereby, be used.

Bond Ratings

Moody's Investors Service, Fitch Ratings and Standard & Poor's (herein referred to collectively as "Rating Agencies"), have assigned their municipal bond ratings of Aa2, AA and AA, respectively to the 2016C Bonds. Such ratings reflect only the respective views of such Rating Agencies at the time such ratings were issued, and an explanation of the significance of such ratings may be obtained from any of the respective rating agencies.

The Division of Bond Finance and the Department furnished to such Rating Agencies certain information and material in respect to the State and the 2016C Bonds. Generally, Rating Agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the Rating Agencies. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the Rating Agencies, or any of them, if in their or its judgment, circumstances warrant. Any such downward change in, suspension of or withdrawal of such ratings may have an adverse effect on the market price of the 2016C Bonds.

Certain companies provide either bond insurance or reserve account surety bonds on various series of Outstanding Bonds. The Rating Agencies have evaluated (and are continuing to evaluate) the effects of the downturn in the market for certain structured finance instruments, including collateralized debt obligations and residential mortgage backed securities, on the claims-paying ability of financial guarantors. The results of these evaluations have included and may include additional ratings affirmations, changes in rating outlook, reviews for downgrade, and downgrades. To date, the Rating Agencies have downgraded the following companies as indicated: Assured Guaranty Corp. (Assured) - S&P/AA, Moody's/A3; Assured Guaranty Municipal Corp. (AG Muni - formerly, Financial Security Assurance Inc.) - S&P/AA, Moody's/A2, and MBIA Insurance Corporation - S&P/CCC, Moody's/Caa1. Assured has a stable outlook by S&P and Moody's. AG Muni has a stable outlook by both Moody's and S&P. MBIA has a negative outlook by S&P and a developing outlook by Moody's. Fitch has withdrawn its ratings for Ambac Assurance Corporation (Ambac), Financial Guaranty Insurance Company (FGIC), MBIA, Syncora Guarantee Inc. (Syncora), Assured and AG Muni; Moody's and S&P have withdrawn their ratings for FGIC, Ambac and Syncora. Potential investors are directed to the Rating Agencies for additional information on their ongoing evaluations of the financial guaranty industry and individual financial guarantors.

Verification of Mathematical Calculations

The arithmetical accuracy of the mathematical computations supporting the adequacy of the funds deposited pursuant to the Escrow Deposit Agreement and interest earnings thereon to pay principal of, redemption premium and interest on the Refunded Bonds, and the arithmetical accuracy of the mathematical computations relating to the investment of funds in the Escrow Deposit Trust Fund, supporting the conclusion that the 2016C Bonds will not be "arbitrage bonds" under the Internal Revenue Code of 1986, will be verified by Causey Demgen & Moore, P.C., Certified Public Accountants, as a condition of the delivery of the 2016C Bonds. The Refunded Bonds will be economically, but not legally, defeased. See "THE REFUNDING PROGRAM," above.

Litigation

There is no litigation pending, or to the knowledge of the Department or the Division of Bond Finance, threatened, which if successful would have the effect of restraining or enjoining the issuance or delivery of the 2016C Bonds or questioning or affecting the validity of the 2016C Bonds or the proceedings and authority under which the 2016C Bonds are to be issued. The Department and the Division of Bond Finance from time to time engage in certain routine litigation the outcome of which would not be expected to have any material adverse effect on the issuance and delivery of the 2016C Bonds or the Turnpike System.

Legal Matters

The legal opinion of Greenberg Traurig, P.A., Miami, Florida, approving certain legal matters, will be provided on the date of delivery of the 2016C Bonds, as well as a certificate, executed by appropriate State officials, to the effect that to the best of their knowledge the Official Statement, as of its date and as of the date of delivery of the 2016C Bonds, does not contain an untrue statement of a material fact or omit to state a material fact which should be included herein for the purpose for which the Official Statement is intended to be used, or which is necessary to make the statements contained herein, in the light of the circumstances under which they were made, not misleading. A proposed form of the legal opinion of Bond Counsel is attached hereto as Appendix G.

Continuing Disclosure

The Department will undertake, for the benefit of the beneficial owners and the Registered Owners of the 2016C Bonds, to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain material events. Such financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the "MSRB") using its Electronic Municipal Market Access System (EMMA). Any notice of material events will also be transmitted to the MSRB using EMMA. The form of the undertaking is set forth in Appendix H, "Form of Continuing Disclosure Agreement". This undertaking is being made in order to assist the underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission.

Neither the Department nor the Division of Bond Finance has failed, in the previous five years, to comply in all material aspects with any prior disclosure undertakings.

Underwriting

Wells Fargo Bank, National Association (the "Underwriter") has agreed to purchase the 2016C Bonds at an aggregate purchase price of $160,964,296.15 (which represents the par amount of the 2016C Bonds plus an original issue premium of $18,510,465.20 and minus the Underwriter's discount of $141,169.05). The Underwriter may offer and sell the 2016C Bonds to certain dealers (including dealers depositing bonds into investment trusts, including trusts managed by the Underwriter) at prices lower than the offering prices. The offering prices or yields on the 2016C Bonds set forth on the inside front cover may be changed after the initial offering by the Underwriter.

Execution of Official Statement

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

FLORIDA DEPARTMENT OF TRANSPORTATION

JIM BOXOLD
Secretary

DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA on behalf of the STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION

RICK SCOTT
Governor, as Chairman
of the Governing Board

J. BEN WATKINS III
Director
Division of Bond Finance

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FILE NAME: 4089C_FOS

DOT, TURNPIKE REVENUE BONDS, Series 2016C

OPERATOR:	belinda
DATE CREATED:	January 5, 2017
DATE LAST REVISED:	January 5, 2017 January 6, 2017 Jan. 10, 2017
DRAFT:	1 2

SAMPLE USED: 4000ROAD\ 4089C - POS2

SIGN-OFF

January 6, 2017

Working Group: Carol___
Donna____
Will_____