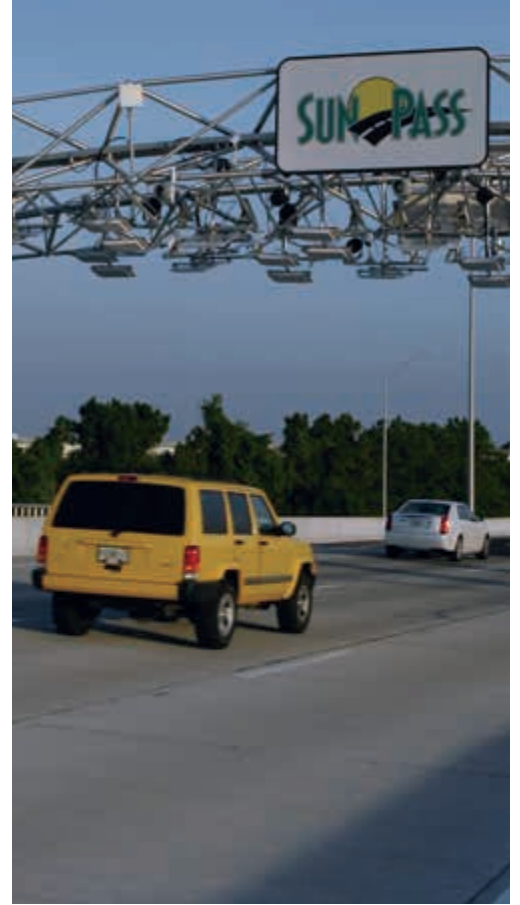


FLORIDA'S TURNPIKE SYSTEM

Comprehensive Annual Financial Report | Fiscal Years Ended June 30, 2016 and 2015



An Enterprise Fund of the Florida Department of Transportation

Table of Contents

Introductory Section (Unaudited)

- i Certificate of Achievement for Excellence in Financial Reporting
- 1 Letter of Transmittal
- 2 Description of Florida's Turnpike System
- 4 Expansion and Innovation
- 4 Economic Condition
- 8 Major Project Accomplishments
- 10 Capital Plan
- 12 Safety and System Preservation
- 14 Expansion Program
- 16 SunPass® and Account Services
- 19 Fiscal Discipline and Financial Management
- 20 Organizational Structure

Financial Section

- 1 Independent Auditor's Report
- 3 Management's Discussion and Analysis (Unaudited)
- 12 Financial Statements
 - 12 Balance Sheets
 - 14 Statements of Revenues, Expenses, and Changes in Net Position
 - 15 Statements of Cash Flows
 - 17 Notes to Financial Statements (Notes are an integral part of the Financial Statements)
- 39 Required Supplementary Information Other Than Management's Discussion and Analysis (Unaudited)

Statistical Section (Unaudited)

- 2 Balance Sheets
- 4 Statements of Revenues, Expenses and Changes in Net Position
- 6 Capital Assets
- 8 Toll and Rate Per Mile
- 9 Principal Customers
- 10 Revenue
- 12 Electronic Toll Collection (ETC)
- 13 Mainline
- 14 SR 821 (HEFT)
- 16 Golden Glades to Wildwood
- 18 Beachline West Expressway
- 20 Sawgrass Expressway
- 22 Seminole Expressway
- 24 Veterans Expressway
- 26 Southern Connector Extension
- 28 Polk Parkway
- 30 Suncoast Parkway
- 32 Western Beltway, Part C
- 34 I-4 Connector
- 36 Beachline East Expressway
- 38 Concession Revenue
- 39 Ratios of Outstanding Debt by Type
- 40 Debt Service Coverage
- 41 Legally Bonded Debt Information
- 42 Demographic and Economic Statistics
- 43 Non-Agricultural Employment – State of Florida
- 44 Number of Employees
- 46 Turnpike Components and Toll Facilities
- 48 Operating Indicators
- 50 Comparative Passenger Car Tolls

“Florida’s Turnpike Enterprise hits the Trifecta, Third Ratings Agency Upgrades Turnpike Bonds in 2016”

- Source: FDOT News Release, August 25, 2016



Jim Boxold, Secretary of the Florida Department of Transportation said, “The decision by Fitch to upgrade the bond rating for Florida’s Turnpike reaffirms what we have known for some time. The state of Florida has one of the best and most respected tolling agencies in the country.”

Diane Gutierrez-Scaccetti, Executive Director of Florida’s Turnpike Enterprise said, “To receive an upgrade from even a single rating service is a significant accomplishment for a toll agency. To receive an upgrade from three agencies is a testament to the hard work of the FTE team and ultimately a benefit for our customers.”

statewide system with 483 lane miles located in 17 of 67 counties that encompass 61 percent of Florida's population.
For more information, please visit FloridaTurnpike.com.
End



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Florida's Turnpike System
Florida Department of Transportation**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the 24th consecutive year that the System achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. Management believes that the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.



Florida Department of Transportation

RICK SCOTT
GOVERNOR

605 Suwannee Street
Tallahassee, FL 32399-0450

JIM BOXOLD
SECRETARY

December 22, 2016

Mr. Jim Boxold, Secretary
Florida Department of Transportation
605 Suwannee Street
Tallahassee, Florida 32399

Dear Secretary Boxold:

On behalf of Florida's Turnpike System (System), we are pleased to submit this Comprehensive Annual Financial Report (CAFR) for fiscal years 2016 and 2015. The report has been prepared in accordance with standards prescribed by the Governmental Accounting Standards Board and other rule-making bodies. The responsibility for the accuracy of the data and the completeness and fairness of the presentation in this report rests with the management of the System and the Florida Department of Transportation (Department). Management has established an internal control structure that is designed to provide reasonable assurance that assets are safeguarded and financial transactions are properly recorded and adequately documented.

The Department is an agency of the State of Florida and the System is presented as a blended enterprise fund in the financial reports of the State of Florida. The enclosed CAFR reflects the results of operations and the financial condition for the System and is divided into an Introductory Section, Financial Section, and Statistical Section to facilitate an understanding of the financial performance of the System. An independent auditor has issued an unmodified opinion on the financial statements for the fiscal years ended June 30, 2016 and 2015, which is presented in the Financial Section of this report. Management's Discussion and Analysis immediately follows the Independent Auditor's Report and provides a narrative overview and analysis of the basic financial statements.

System highlights for fiscal year 2016 include record growth in toll revenues, operating income and net position. Fiscal year 2016 toll revenues of \$956 million exceeded the prior year by approximately 10 percent. The increase is primarily attributed to continued systemwide traffic growth prompted by a diversified economy, an increasing population and a business-friendly government. Similarly, operating income significantly increased to \$681 million, or nine percent over the prior year. The increase in net position, after accounting for all revenues, expenses and capital contributions for the year was \$618 million. With the increase in operating income, the System's ability to reinvest in transportation projects to support the Department's mission continues to strengthen.

The preparation of the CAFR is accomplished through the collaborative efforts and dedication of the Department's staff. Management remains steadfast in its mission to meet the State's growing transportation needs and stimulate economic development through investment in Florida's infrastructure.

Respectfully submitted,

A handwritten signature in blue ink that reads "Diane Gutierrez-Scaccetti".

Diane Gutierrez-Scaccetti
Executive Director and Chief Executive Officer
Florida's Turnpike Enterprise

A handwritten signature in blue ink that reads "Bren W. Dietrich".

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

A handwritten signature in blue ink that reads "Robin M. Naitove".

Robin M. Naitove, CPA
Comptroller
Florida Department of Transportation

Description of Florida's Turnpike System



Florida's Turnpike System ("Turnpike" or "System") consists of limited-access toll facilities. Financed primarily by toll and concession revenues, the Turnpike provides the State's residents and visitors with a safe, efficient and pleasant means of travel. The System consists of the Mainline and nine existing expansion projects. Throughout the System, tolls are collected through SunPass®, TOLL-BY-PLATE® or cash payment methods. Since 2011, the Turnpike has been removing cash toll collection and converting segments to All-Electronic Tolling (AET) in phases to provide at-speed, non-stop tolling by way of a vehicle transponder or image of the vehicle's license plate.



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

Expansion Projects



Sawgrass Expressway: A 23-mile, four-lane limited-access AET facility beginning with a connection to I-595 and I-75, extending north, then east, to its interchange with Florida's Turnpike (SR 91) and SW 10th Street in Deerfield Beach. Sawgrass Expressway provides a bypass of the urban Fort Lauderdale and Miami areas for motorists traveling south from the Mainline in northern Broward County. This facility became part of the System in 1990.



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



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



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



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



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



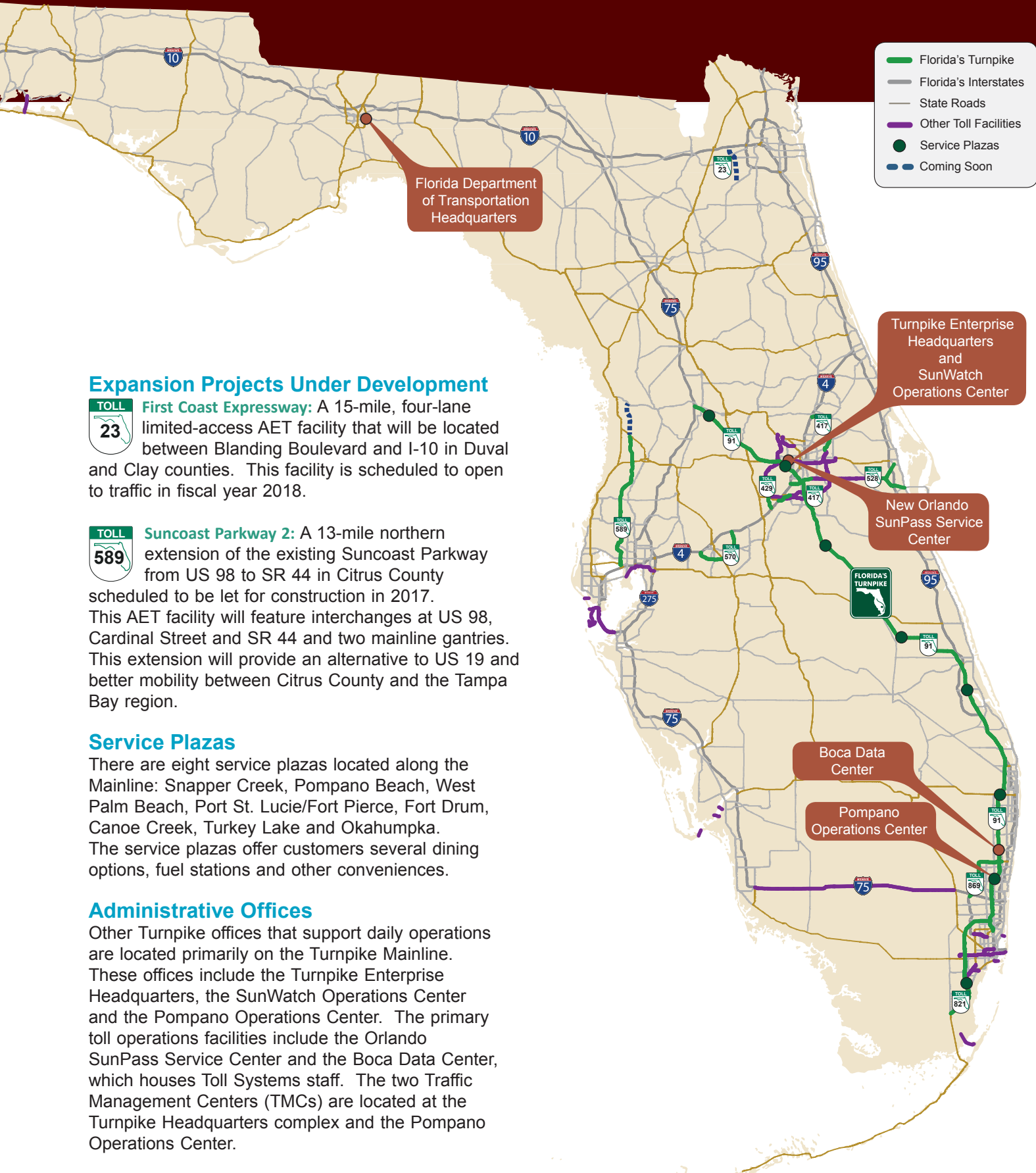
Western Beltway, Part C: An 11-mile, limited-access toll facility extending from I-4 in Osceola County across US 192 to Seidel Road in Orange County. The facility provides an alternative north-south route between Florida's Turnpike and I-4. Completed in two stages, the facility fully opened to traffic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



Exit 2 I-4 Connector: A one-mile, 12-lane limited-access AET facility that connects I-4 to the Selmon Expressway in Hillsborough County. The facility opened to traffic in January 2014.



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



Expansion Projects Under Development

TOLL 23 **First Coast Expressway:** A 15-mile, four-lane limited-access AET facility that will be located between Blanding Boulevard and I-10 in Duval and Clay counties. This facility is scheduled to open to traffic in fiscal year 2018.

TOLL 589 **Suncoast Parkway 2:** A 13-mile northern extension of the existing Suncoast Parkway from US 98 to SR 44 in Citrus County scheduled to be let for construction in 2017. This AET facility will feature interchanges at US 98, Cardinal Street and SR 44 and two mainline gantries. This extension will provide an alternative to US 19 and better mobility between Citrus County and the Tampa Bay region.

Service Plazas

There are eight service plazas located along the Mainline: Snapper Creek, Pompano Beach, West Palm Beach, Port St. Lucie/Fort Pierce, Fort Drum, Canoe Creek, Turkey Lake and Okahumpka. The service plazas offer customers several dining options, fuel stations and other conveniences.

Administrative Offices

Other Turnpike offices that support daily operations are located primarily on the Turnpike Mainline. These offices include the Turnpike Enterprise Headquarters, the SunWatch Operations Center and the Pompano Operations Center. The primary toll operations facilities include the Orlando SunPass Service Center and the Boca Data Center, which houses Toll Systems staff. The two Traffic Management Centers (TMCs) are located at the Turnpike Headquarters complex and the Pompano Operations Center.

Expansion and Innovation

In 1990, the Florida Legislature passed Senate Bill 1316 – a visionary plan that authorized the Turnpike to leverage toll revenues and issue bonds to build needed transportation projects throughout the State. The sustainable nature of the plan required that, after a project opened, its toll revenues contributed to the System's financial engine to fund the next generation of expansion projects. Turnpike revenues for fiscal year 2016 were nearly eight times greater than the \$123 million collected in 1990. As a result of this plan and the consistent growth in revenue, the Turnpike invested approximately \$3 billion in nine expansion projects spanning 163 centerline miles.

Over the past 25 years, the pace of Florida's growth and transportation needs have outpaced funding levels. Additionally, construction costs for new transportation infrastructure have increased significantly. From a national perspective, the rate of construction for new transportation facilities has declined, although the need for them has not. Florida, however, has overcome these challenging trends, in part, by building user-financed toll facilities and installing electronic toll collection technology to reduce operating costs.

Recognizing the importance to manage the bottom line of the business, the Turnpike launched the SunPass electronic toll collection system in 1999. SunPass is a mechanism to reduce operating

costs and provide customers with significant travel-time savings and convenience through non-stop travel. The Turnpike continues to strive for technological advancements in toll collection by offering All-Electronic Tolling and TOLL-BY-PLATE (video tolling of license plates for non-SunPass customers). The Turnpike is also developing express lanes to provide dynamic pricing of select lanes to manage congestion and provide customer choice. With these operational savings and a foundation of dependable revenue growth from the existing mainline and expansion facilities, the Turnpike is well positioned to extend its model of financing, building and leveraging expansion projects for another 25 years.



Secretary's Challenge

INNOVATIVE

We must continue to embrace innovation, whether it's new technology or a new approach to our business.

EFFICIENT

We must leverage technology and find more efficiencies in existing contracted functions.

EXCEPTIONAL

Florida's infrastructure is consistently rated among the best in the country. We should share our story to further our reputation as a national leader in transportation.

Economic Condition

Operating Performance

Fiscal year 2016 was a year of record revenue and operating performance for Florida's Turnpike. Toll revenues from customers amounted to \$956 million for the year ended June 30, 2016, an increase of 10.4 percent over the previous year. The increase was fueled by another year of record growth in ridership on Turnpike facilities. Overall, customer transactions grew by 8.6 percent based on increased traffic on all existing facilities.

The transaction growth in fiscal year 2016 also impacted operations and maintenance expenses, primarily toll collection costs. These costs increased as a result of additional electronic transaction processing, customer account management, billing and payment processing activities. Video billing is a form of toll collection that invoices a customer for toll usage, typically on a monthly basis. The Turnpike is statutorily authorized to assess an administrative

charge to customers who receive a video bill in order to recover the associated costs. Accordingly, toll administrative charges of \$17 million were collected during fiscal year 2016 to offset related labor and material expenses. Operations and maintenance costs net of toll administrative charges totaled \$171 million, an increase of 6.7 percent compared to the prior year.

As a user-financed toll facility, the System must demonstrate financial sustainability. Its ability to reinvest net revenues back into the System creates value to customers in the form of transportation improvements. The Turnpike increased its net position by \$618 million as a result of its operating performance for fiscal year 2016.

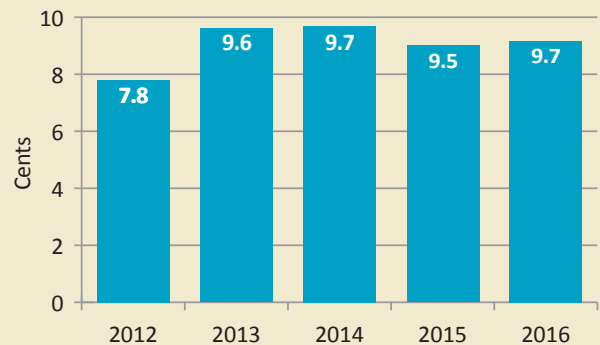
Key Performance Indicators

Affordability Index

Affordability Index is a measure of toll revenue to annual vehicle miles traveled.

Customers traveled 9.8 billion vehicle miles on the System at an average of 9.7 cents per vehicle mile during fiscal year 2016. The significant usage of the System continues to demonstrate that Turnpike toll rates are affordable and very competitive nationally.

Fiscal Years 2012 - 2016

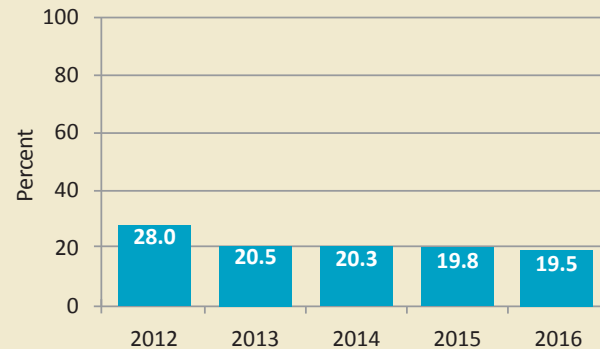


Operating Expense Percentage

Operating Expense Percentage is a calculation of operations and maintenance expense as a percentage of revenue.

The Turnpike's continued commitment to manage costs is demonstrated by the Operating Expense Percentage reaching a five-year low of 19.5 percent.

Fiscal Years 2012 - 2016

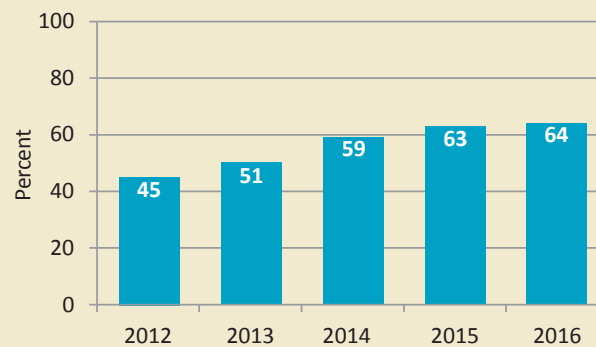


System Transportation Asset Reinvestment (STAR)

STAR is a bottom-line calculation of income before contributions for capital projects as a percentage of toll revenue.

The Turnpike achieved a STAR quotient of 64 percent in fiscal year 2016, an indication of substantial resources available for System reinvestment.

Fiscal Years 2012 - 2016



Economic Condition

Outlook

The Turnpike serves a diverse group of customers across the most populous regions of the State. A key component to the Turnpike's financial success is the transportation benefit it provides to a variety of customers. Customers choose Turnpike roadways based on route preference and value of time. Based on the most recent survey, almost 60 percent use the Turnpike for business purposes, such as commuting to work. In addition, one in every four trips on the Turnpike is made for recreational or other infrequent activities. Although 96 percent of vehicles utilizing the System are passenger vehicles, the Turnpike is an important alternative for commercial vehicles. The combination of vehicle mix and trip purpose means that traffic and revenue are significantly influenced by population, employment levels and tourism in the State.

Florida is the third most populous state and continues to experience strong population growth year after year. According to the US Census Bureau, Florida's population is reported to be over 20 million. Over the past five years, Florida's population grew by 5.7 percent, easily outpacing the nation's population growth of 3.4 percent. Although Florida is still considered a popular retirement destination, statistics reveal that younger people are relocating to Florida to pursue employment opportunities.

Florida's labor force has grown and the unemployment rate continues to decline. As of July 2016, Florida's unemployment rate was 4.7 percent, slightly lower than the 4.9 percent for the US. Additionally, Florida's annual job growth rate exceeds the nation's rate. Florida continues to provide an economic climate that is attractive for business in all sectors.

Toll Revenue

Based on the strong operating performance of the Turnpike in fiscal year 2016 and the continued strengthening of the Florida economy, it is anticipated that toll revenue will continue to grow. The Turnpike Mainline contributes over 71 percent of total toll revenue, and the expansion projects account for the remainder. In fact, the latest forecast indicates annual revenue approaching \$1 billion for fiscal year 2017.



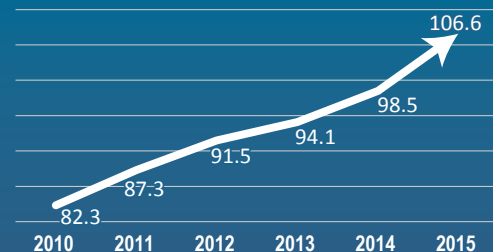
Governor Rick Scott

A YEAR OF RECORD TOURISM

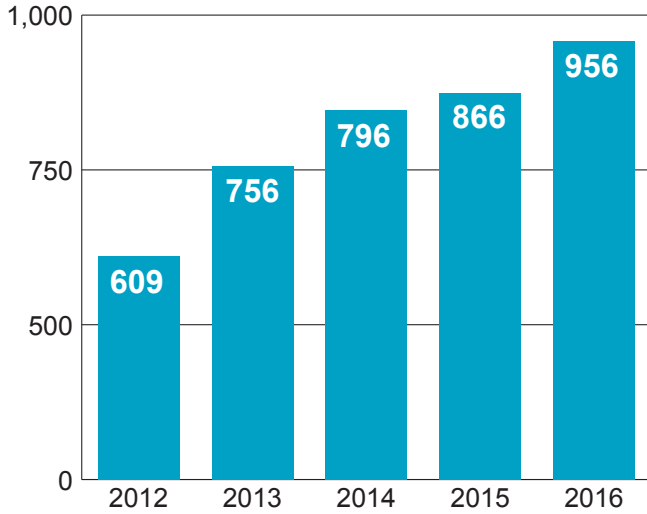
The Governor's vision has cemented tourism as an integral part of the State's economic engine. Unquestionably, it is paying big dividends. In fact, Florida welcomed a historic 107 million tourists in 2015, becoming the first state in the nation to exceed the 100 million mark. As a result of five consecutive years of record visitors, over 1.2 million Floridians are employed in the tourism industry, the highest ever.

These record number of visitors not only spent \$89 billion, but also contributed to the Turnpike's solid traffic growth in fiscal year 2016. The Governor's strategic investment in the tourism industry along with industry partners continues to attract visitors and fuel the State's economy.

Historic Growth of Tourists (in Millions)



**Toll Revenues - Turnpike System
Fiscal Years 2012 - 2016
(\$ in Millions)**



Concession Revenue

The eight service plazas along the Mainline are operated under a 30-year service concession arrangement. This agreement requires the concessionaire to make capital improvements and operate and maintain the plazas during the contract term. The 24-hour operations include a variety of dining options, fuel services, travel information, convenience stores, ATMs, premium coffee, dog walk areas and other amenities for customers. Each service plaza is themed to highlight Florida’s natural assets – sun, water or land.



The Okahumpka Service Plaza was designed to highlight Florida’s natural asset – the land.

Renovations at seven of the service plazas are complete. Most recently the Okahumpka Service Plaza renovation included investments of \$9.8 million from the concessionaire and \$3.2 million from the Turnpike. The newly renovated building opened in October 2015 and qualified for the US Green Building Council Leadership in Energy and Environmental Design (LEED) silver status, based on state-of-the-art building and landscape design. Upon completion of the Port St. Lucie/Fort Pierce service plaza the concessionaire will have invested \$90 million in capital improvements.



The Port St. Lucie/Fort Pierce service plaza is under construction and is scheduled to be complete in fiscal year 2018.

The Turnpike receives concession fees based on a percentage of sales generated with a guaranteed minimum payment. For fiscal year 2016, the Turnpike recognized \$6 million of revenue from the concessionaire.

The Turnpike continues to seek new means of generating additional non-toll revenues through partnerships with the private sector. The Turnpike contracts with third-party providers for sponsorship programs and advertisements on tollbooths and highway signage which provide additional revenue. These non-toll revenues totaled \$1 million in fiscal year 2016. In addition, the Turnpike realizes revenues from leasing its communication towers which are utilized by wireless communication providers.

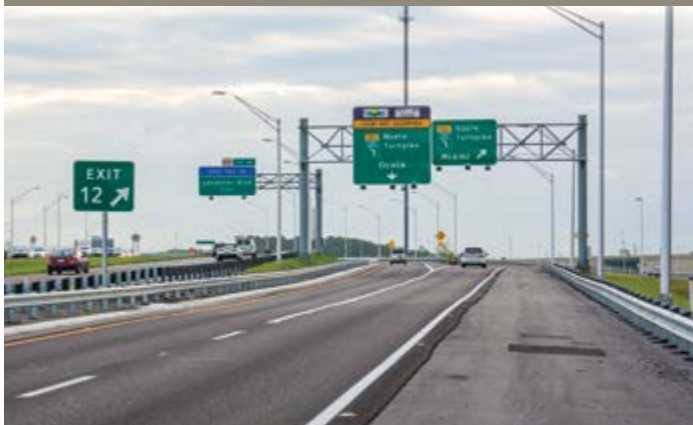
Major Project Accomplishments



Okahumpka Service Plaza

As of October 2015, the newly renovated Okahumpka Service Plaza is land-themed and showcases bold landscaping that creates a unique place for customers to rest and recharge. Over 600 palm trees and 200 shrubs blend into the existing mature live oaks and slash pines, while crape myrtles and southern magnolias add vibrant colors to the surrounding landscape.

The LEED silver building is full of natural Florida sunlight as a result of a majestic open clerestory featuring large windows and high ceilings. A 400-gallon freshwater aquarium between the restaurant seating and convenience store adds to the environment, creating a beautiful oasis for Turnpike patrons.



State Road 417/Mainline

Partnering with Central Florida Expressway Authority, two ramp movements between SR 417 and the Turnpike Mainline opened in fiscal year 2015. During fiscal year 2016, ramp construction was completed at the interchange providing three additional movements. Motorists traveling west on SR 417 can now connect to the Northbound Turnpike. Those traveling east on SR 417 can now proceed to the Southbound or Northbound Mainline. Three more movements are scheduled for construction beginning in fiscal year 2017. Upon completion in fiscal year 2021, all directional movements will be available between these two heavily-traveled systems, providing customers access to numerous Central Florida destinations, including tourist attractions, the Orlando International Airport and the Lake Nona medical district.



SR 821 Homestead Extension of Florida's Turnpike (HEFT)

Six widening projects under construction on SR 821 will provide much needed capacity through this corridor. These widenings are underway between Southwest 288th Street and SR 836 to add tolled express lanes in each direction which will provide customers with a choice to reduce travel times for a nominal charge.

It is anticipated that these projects will be completed in phases during 2017 and 2018, and that a total of 60 additional lane miles will be put into service. These improvements will ensure that the Turnpike is able to keep up with the growth in traffic projected in the next decade.



TOLL-BY-PLATE



Centralized Customer Service System

In November 2015, the Department together with Florida toll authorities signed a seven year, \$600 million contract to develop a new Centralized Customer Service System (CCSS). The CCSS will create efficiencies and reduce costs by consolidating multiple back office operations to process customer transactions and manage customer accounts.

The CCSS will become the state-of-the-art system necessary for the Turnpike's growing SunPass customer base and will support new transactions such as parking transactions at major Florida airports and sports stadiums. As the Turnpike works toward the goal of national interoperability, the CCSS will be the backbone for the Southeast US toll processing hub and serve as a springboard for connections to other interoperable partners.

Capital Plan

With its strong historical financial performance and anticipated traffic and revenue growth, the Turnpike is investing in new revenue-generating projects and continuing to provide safe, well-maintained roadways for greater ease of travel and toll collection efficiency. During the next several years, the Turnpike will undertake many system projects, including new toll roads, widenings, and interchanges, as well as safety projects, preservation and maintenance. These robust programs exemplify the Turnpike as a national leader in user-financed transportation.

System Expansion

First Coast Expressway

The first phase of the First Coast Expressway in Jacksonville will be open to traffic in fiscal year 2018. The 15-mile, four-lane AET facility will link Blanding Boulevard in Clay County with I-10 in Duval County and is expected to provide significant employment opportunities as well as economic development in the area. The new toll facility is being built in partnership with FDOT District Two and will allow the Turnpike to expand into a new region of the State. The Turnpike and District Two have funded construction of the next segment of the First Coast Expressway from Blanding Boulevard to US 17. Construction on the next segment is anticipated to begin in fiscal year 2019.



The first phase of the First Coast Expressway (Blanding Blvd to I-10) will be complete in fiscal year 2018.

Suncoast Parkway 2

Construction is scheduled to begin in 2017 on the first phase of the Turnpike's latest expansion project – the Suncoast Parkway 2. This 13-mile, four-lane limited-access toll facility will extend from the northern terminus of the existing Suncoast Parkway at US 98 in Hernando County north for 13 miles into Citrus County where it will terminate at SR 44. The new road will provide an alternative to US 19 for north-south trips in Hernando and Citrus counties and will reduce travel times, relieve congestion, enhance safety, and provide for improved mobility between Citrus County and the Tampa Bay region. Citrus County business leaders and county commissioners have been supportive of Suncoast Parkway 2 because of the regional significance of the project to surface transportation.



Suncoast Parkway 2 extends the Suncoast Parkway into Citrus County.

System Improvements

Capacity

The largest component of the Turnpike capital improvement plan is comprised of widening projects designed to accommodate anticipated growth in traffic on key urban segments of the System over the next decade and beyond. Approximately \$2 billion of widening projects are scheduled in fiscal years 2017 through 2022, many of which include express lanes.

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

The Northern Coin System of the Mainline will be widened from four to eight lanes between milepost 242 and 254 in Orange and Osceola counties and between

milepost 273 and 279 in Orange and Lake counties. Demand continues to grow on the southern portion of the Northern Coin System which serves commuters between Kissimmee and Orlando, freight operators delivering cargo to and from the Orlando International Airport, and visitors seeking destinations along the Beachline Expressway. The increased capacity on the northern portion and the new interchange in the City of Minneola will help reduce congestion and provide additional access to the Mainline. Also, the Beachline West Expressway will be widened to add express lanes between I-4 and the Mainline and between the Mainline and McCoy Road. These improvements will alleviate congestion between the Orlando International Airport and International Drive attractions including the Orange County Convention Center.

Due to projected growth in South Florida, the Mainline will be widened from six to ten lanes from Atlantic Boulevard to Wiles Road and from Glades Road to Atlantic Avenue. Additionally, the Mainline will be widened from four to eight lanes from the Lantana Toll Plaza to Lake Worth Road. In Broward County, the Sawgrass Expressway will be widened up to ten lanes, with express lanes in most locations. Currently, the Sawgrass serves nearly 300 thousand customers per day.

Even farther south, SR 821 (HEFT) will be widened from six to ten lanes between Bird Road and I-75



(milepost 23 to 39) and from four to eight lanes between I-75 and Miramar (milepost 39 to 47), with interchange improvements at 57th Avenue and 27th Avenue, as well as express lanes in most areas. State Road 821 (HEFT) is the most heavily traveled segment of the System, and transactions continue to increase with current year growth exceeding five percent. These express lane improvements will enhance mobility in these heavily populated urban areas and accommodate projected growth in the region over the next few decades.

Access

In addition to the numerous planned capacity improvements, the capital plan includes a number of projects that will introduce new points of access on the existing System, as well as improvements to existing interchanges.

From fiscal year 2017 through 2022, interchange modifications and improvements will be made at I-75 in Sumter County, I-4 and Orlando South (US 17/92/441) in Orange County, Glades Road in Palm Beach County, Sunrise Boulevard in Broward County, as well as Hainlin Mills Drive, Campbell Drive and Golden Glades/I-95 in Miami-Dade County. These projects will facilitate additional access to the System, add capacity to existing ramps, increase operational efficiency and enhance safety.

Of note, the Turnpike will be constructing a new tolled interchange on the Mainline at Sand Lake Road in Orange County in fiscal year 2021. This project is designed to relieve anticipated congestion at the adjacent Turnpike interchanges at Consulate Drive and I-4 and will provide better access to retail establishments and tourist attractions in and around the Sand Lake corridor.

Safety and System Preservation

Safety

The Turnpike remains committed to customer safety. Technology has been installed, replaced or upgraded along the System to improve oversight of road and weather conditions, and to improve communication to Turnpike customers in order to create a safer traveling environment.

Wrong-Way Driver Detection

Wrong-way crashes are infrequent but the results can be severe. A recent pilot project on SR 821 (HEFT) and Sawgrass Expressway targeted wrong-way drivers. The project included a combination of wrong-way pavement arrows and oversized signs with flashing solar-powered LED lights to alert drivers driving in the wrong direction. In addition, vehicle-alert technology such as radar and cameras were installed to detect wrong-way vehicles and alert the Traffic Management Center (TMC).



The University of Central Florida has been researching wrong-way driving at a national level and is now working with the Turnpike to evaluate the effectiveness of the wrong-way driver detection system. In fiscal year 2016, the Turnpike procured the equipment to deploy Phase 2 of the wrong-way driver detection system. Phase 2 will include installing oversized wrong-way signs with solar powered Rectangular Rapid Flashing Beacons (RRFB), radars, and cameras along 18 ramps on the Seminole Expressway and Southern Connector Extension.

Road Weather Information Stations

The Road Weather Information Stations (RWIS) system gathers environmental data such as visibility, wind and precipitation to assess and forecast weather conditions that may affect road conditions. The system aids in early detection and fast response by the TMC when safety hazards are found.

The Turnpike installed RWIS at 12 additional locations between Yeehaw Junction and Kissimmee on the Turnpike Mainline. The rural Yeehaw Junction/ Kissimmee section of the Turnpike is subject to severe thunderstorms, wildfires and fog conditions, and will benefit from the additional detection and monitoring systems. The fiscal year 2016 deployment completes the installation along this section of the Turnpike and brings the number of RWIS locations within the rural section of the Turnpike to 24, raising the total number of RWIS installations to 27 sites systemwide.

ITS Improvement and Replacements

Intelligent Transportation Systems (ITS) are crucial for incident management. They allow the TMC to identify and quickly respond to crash scenes which in turn reduces incident durations, congestion, and provides a safer traveling environment for Turnpike motorists. The Turnpike has recently upgraded over 100 Closed Circuit Television (CCTV) cameras and 120 Vehicle Detection Systems (VDS), installed seven arterial Dynamic Message Signs (DMS), and replaced six mainline full size DMS with new full color, high definition displays. These and future improvements are aimed at improving data collection to screen for incidents, and enhancing data dissemination through signage.

Traffic Management Centers

The TMCs located along the Mainline in Pompano Beach at milepost 65 and Orlando at milepost 263, work closely with Florida Highway Patrol (FHP), Road Rangers, towing vendors, other Department Districts, "511" travel information providers, traffic media, and other agencies to manage traffic and incidents. During fiscal year 2016, the TMCs managed nearly 143 thousand incidents with the help of one or more communication and safety partners. The TMCs coordinate emergency response efforts, reduce the likelihood of secondary crashes, and advise motorists of traffic conditions. Both TMC locations rely on ITS equipment for up-to-date information such as the average speeds of traffic, areas of congestion, and other tools to manage incidents on the roadway.

Florida Highway Patrol

Troop K of the FHP is the main law-enforcement presence on Turnpike roadways and at the service plazas. The FHP responds to crashes and incidents on the road, provides toll enforcement at targeted locations, and continues to assist over 50 thousand Turnpike customers per year.

Road Ranger

The Turnpike's Road Rangers, also known as the State Farm Safety Patrol, travel the System looking for stranded motorists, removing debris from the roadway and assisting in traffic accidents or other incidents. In fiscal year 2016, Road Rangers conducted over 150 thousand motorist activities and responded to over six thousand crashes.

Rapid Incident Scene Clearance

Rapid Incident Scene Clearance (RISC) is a safety program that utilizes qualified towing companies to quickly clear major roadway obstructions, such as large vehicle crashes, rollovers, fires and cargo spills. The program provides incentives to contractors who utilize specialized equipment and procedures which significantly reduces clearance times. The RISC program continues to relieve congestion at a fast pace. During fiscal year 2016, RISC towing contractors cleared 86 traffic incidents in an average of 60 minutes, well below the incentivized goal of 90 minutes.

Specialty Towing and Roadside Repair

The Specialty Towing and Roadside Repair (STARR) program facilitates safe, expedient and efficient towing service for wrecked or disabled vehicles on the Turnpike. Qualified vendors are required to employ personnel with specialized training and industry-related certification. During fiscal year 2016, STARR vendors responded to nearly eight thousand calls dispatched by the FHP. They met their stated arrival time 91 percent of the time, and held an average arrival time of approximately 20 minutes. The STARR program covers the Turnpike Mainline, Sawgrass Expressway, Beachline Expressway, Veterans Expressway and Suncoast Parkway.

Department Emergency Response Teams

Department Emergency Response Teams consist of trained employees who are deployed to service plazas to perform pre-storm and post-storm activities. Each service plaza is equipped with industrial-size generators that can provide up to 72 hours of power. By having uninterrupted power, the public and emergency personnel are able to refuel their vehicles, have access to food and water during evacuations and utilize restroom facilities.

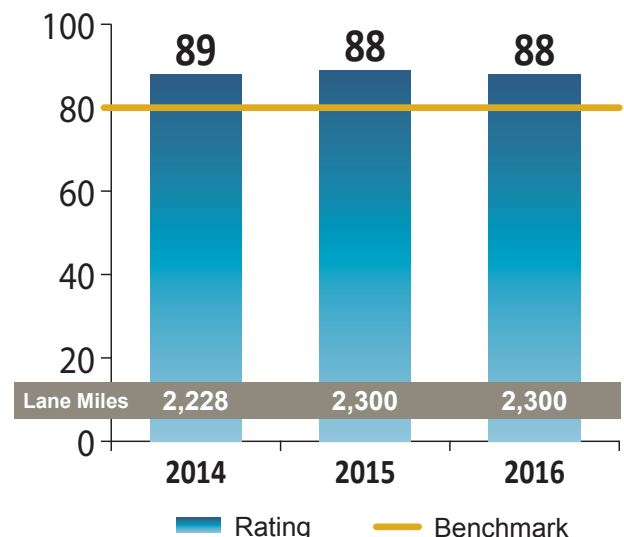
System Preservation

The Turnpike's maintenance and asset management programs are comprehensive in nature, resulting in one of the best maintained roadway systems in the country. These programs consist of periodic roadway resurfacing and preservation projects on existing facilities. Most Turnpike roads are resurfaced every 10 to 12 years. The Turnpike's various maintenance teams keep facilities and roads open to the traveling public, remove debris and conduct pre-storm and post-storm inspections in the event of a disaster.

The Turnpike also participates in the State's Maintenance Rating Program (MRP). The Office of the State Maintenance Engineer performs a sampling of five specific areas to develop the maintenance rating for roadways on the State highway system. The ratings cover roadway, roadside, vegetation and aesthetics, traffic services and drainage. With an overall rating of 88 for fiscal year 2016, the Turnpike continues to exceed the benchmark rating of 80. In keeping with its high standards, the Turnpike establishes routine maintenance funding levels to provide its customers with a safe and comfortable journey.

In fiscal years 2017 through 2020, the Turnpike has programmed \$388 million to resurface 786 lane miles of existing System roads along the Turnpike Mainline, the Polk Parkway, the Beachline East Expressway, the Seminole Expressway, and SR 821 (HEFT).

**Maintenance Rating
Fiscal Years 2014-2016**



EXPANSION

25 Years of Growth

Florida's Turnpike is a major part of the Strategic Intermodal System (SIS) with over two million customers traveling the Turnpike daily. The vision of the expanded System, authorized by the Florida Legislature in 1990 and supported by the Florida Transportation Commission since that time, enables the Department to develop the Turnpike as a financial engine to build needed transportation projects around Florida. As expansion projects become financially self-sufficient, expansion revenues are leveraged through bonds, System revenues and partnership funds to build additional projects.

1994

**Seminole Expressway
Phase 1**
—12 Miles—

The Seminole County Expressway Authority (SCEA) initially reserved the right of way for the project. Encountering financing difficulties, the Legislature authorized the use of Turnpike revenue bonds. Through a partnering agreement, SCEA completed final design and permitting before transferring the project and the outstanding Toll Facility Revolving Trust loan to the Turnpike. The Turnpike then constructed the \$204 million facility.

**23
miles**

1990

Sawgrass Expressway
—23 Miles—

Initially financed and built by the Broward County Expressway Authority (BCEA), the Sawgrass was the first facility acquired by the Turnpike. To relieve the burden of Broward County's gasoline tax funds pledged to repay Sawgrass bonds, the Legislature authorized the Turnpike to assume ownership and operations. The Turnpike assumed \$215 million of the outstanding Sawgrass bonds and repaid \$19 million of Broward gasoline taxes. Today, the Sawgrass operates as a seamless, integrated Turnpike facility.

**50
miles**

1994

Veterans Expressway
—15 Miles—

Similar to the SCEA, the Tampa Hillsborough County Expressway Authority (THEA) initially started construction on this long-awaited facility. Given funding challenges, the Legislature authorized the use of Turnpike revenue bonds to complete the project. The partnering agreement transferred the project and the outstanding Toll Facility Revolving Trust loan to the Turnpike. The Turnpike then constructed the \$352 million facility.

**56
miles**

1996

**Southern Connection
Extension**
—6 Miles—

This extension was the Turnpike's first expansion project developed and financed by public and private partners. Beyond donations of right of way, the private sector initiated and designed the project through the formation of the Transportation Development Group Trust. The project is an outstanding example of shared risk with nine signatories to the agreement. Funding for the \$153 million facility was evenly split with Turnpike contributing 48%.

**81
miles**

1999

Polk Parkway
—25 Miles—

Formulated in the 1950s as a circumferential route around Lakeland, the project was delayed due to funding shortfalls. Adding user-financed tolls, the Legislature in cooperation with local leaders in Polk County and the City of Lakeland, incorporated the facility into the Turnpike Work Program. Funding for the \$488 million project came from Turnpike revenue bonds, an interest-free Right of Way Trust Fund loan and private contributions towards the Pace Road interchange.

**123
miles**

**129
miles**

PROGRAM

2001

Suncoast Parkway 1
—42 Miles—

Ensuring harmony with the surrounding environment while linking the established areas of Tampa, the facility maintains a distinctive aesthetic design that includes the Suncoast Trail, a designated National Recreation Trail and key component of Florida's System of Greenways and Trails. Funding for this \$507 million scenic parkway includes operating and maintenance subsidies from the State Transportation Trust Fund and federal program enhancement grants from the FHWA for the trail.

2002

Seminole Expressway Phase 2
—6 Miles—

Upon taking over the original SCEA project, the Turnpike agreed to support planning efforts for the remaining six-mile "missing link" to I-4 near Sanford. US House Representative John Mica lead the charge to aggregate Federal funds, right of way bonds, FDOT District funds and local funds to support 61 percent of the project's \$265 million cost. The remaining costs were funded with Turnpike bonds.

2014

I-4 Connector
—1 Mile—

Linking two major east-west corridors, the I-4 Connector improves the movement of people and goods through the Tampa area. It also provides truck-only direct access to the Port of Tampa and removes trucks from the historic streets of Ybor City. Following the Great Recession, the project was a partnership for job creation and economic growth. At a cost of \$645 million (\$438 million Federal, \$122 million State/Local and \$85 million Turnpike bonds), the project is one of the largest ever built in Tampa.

140
miles

163
miles

178
miles

2006

Western Beltway
—11 Miles—

Championed by Daniel Webster, US House Representative, the project traverses two counties and greatly enhances access to the Turnpike and Central Florida's attractions. Through revenue bonds and a Toll Facility Revolving Trust Fund loan, the Turnpike funded 60 percent of the project's \$314 million cost. The remaining partner funds were comprised of right of way bonds, State Transportation Trust Fund monies and contributions from the private sector.

2014

Beachline East Expressway
—22 Miles—

The Turnpike acquired this second expansion project for \$60 million. The facility is a crucial connection for residents and visitors traveling to the Orlando International Airport, the east coast beaches, John F. Kennedy Space Center, and the aerospace industry. To facilitate operating efficiencies, the Turnpike partnered with the Central Florida Expressway Authority (CFX) to collect tolls on behalf of the Turnpike at the CFX Dallas Main Plaza.

2017

First Coast Expressway
—15 Miles—

Envisioned as early as 1976, the project came to fruition through coordination with Duval County, Clay County, Cecil Field Naval Air Station and public financing shared by the Turnpike and FDOT District 2. Funding for the facility consists of \$244 million of State/Local funds and \$199 million of Turnpike bonds and toll revenues.

SunPass® and Account Services



Sponsorships

Transponder-based toll collection reduces operating costs and provides customers with predictable travel times through the convenience of non-stop travel. In a strategic effort to increase SunPass participation the Turnpike has partnered with major Florida sports organizations which include Florida Citrus Sports, Orlando Magic, Jacksonville Jaguars, Florida State Seminoles and

Florida's newest major sporting franchise, Orlando City Soccer Club. The SunPass brand is promoted at stadium venues, sponsored game nights, the Florida Citrus parade, social media platforms and other events throughout the year. SunPass commercials feature Jacksonville Jaguars wide receiver Allen Hurns. The SunPass logos can be seen all around the State.



SunPass

SunPass mini transponders and SunPass slim portable transponders are available for sale at over three thousand locations throughout Florida. In cooperation with VISIT FLORIDA®, the Turnpike now offers SunPass mini transponders in vending machines at welcome centers on major interstates. The transponders can be purchased using cash or payment cards and then activated, mounted and ready for use in a matter of minutes. In addition, numerous outreach events are conducted to explain the benefits of SunPass, as well as to assist individuals with registration and activation of newly purchased transponders. Transponders can be activated via the SunPass website, at a Florida welcome center or service plaza kiosk or by calling a customer service representative at 888-TOLL-FLA. In fiscal year 2016, over 1.8 million transponders were sold, an increase of 14 percent over the prior year.

Account Programs

Turnpike customers have the choice of two toll account programs: transponder-based and license plate-based. The transponder-based program, SunPass, allows customers to establish a prepaid toll account with a corresponding transponder in their vehicle to record transactions electronically at tolling points along the System and other facilities, as well as pay for parking at airports around the State, and the Hard Rock Stadium in Miami Gardens. SunPass customers pay the lowest toll rates available as SunPass rates are lower than other payment options. Both the Turnpike and customers benefit from this form of electronic toll collection (ETC). The license plate-based program, TOLL-BY-PLATE, captures a photograph of the license plate as the vehicle passes through the toll facility and matches the license plate to the registered owner of the vehicle. Customers who do not establish a prepaid account are invoiced for their tolls.

Account Management

The Turnpike offers its customers a variety of payment choices. Customers may establish recurring payments, as well as add money to their prepaid account using a payment card via the internet, a mobile application or by telephone. In addition, SunPass customers can replenish their account with cash at nearly 5,400 retail locations throughout the State of Florida, including grocery, convenience and check cashing stores. In fiscal year 2016, more than \$1.3 billion of replenishments were processed for accountholders. Customers without a prepaid account may pay toll invoices via the internet, telephone or mail.

Systemwide, SunPass participation held steady at 81 percent for fiscal year 2016. Participation peaks in urban areas that serve a higher volume of commuters. For instance, SunPass electronic toll collection was introduced on the Sawgrass Expressway in fiscal year 2000. In its first year, the ETC participation rate on the Sawgrass was a mere 16 percent. Today, the Sawgrass Expressway has an ETC participation rate of 88 percent. This efficient method of toll collection will continue to grow as additional Turnpike facilities are converted to AET.



SunPass[®] and Account Services

Interoperability

The Turnpike has been a national leader achieving interoperability through coordinated efforts with state agencies, independent toll authorities and industry associations both within and outside of Florida. Within Florida, the Turnpike partners with smaller, independent toll agencies and private enterprise to incorporate SunPass-compatible toll technology for electronic toll collection. Additionally, the Turnpike works with toll agencies in North Carolina and Georgia to allow customers from those States to use their Quick Pass[®] or Peach Pass[®] on the Turnpike. Likewise, SunPass is accepted on

toll roads in North Carolina and Georgia. These partnerships provide value to customers and are pivotal to preparing for national toll interoperability. The Turnpike data center processes 1.6 billion toll transactions annually. The Turnpike's future plans entail transforming its data center into the Southeast US toll processing hub. This aggressive goal will expand processing services to other transportation agencies in the Southeast. In conjunction with the development of the Southeast Hub, an additional hub is under development to serve the central states. Ultimately, the hubs will link together to make progress towards national interoperability.



New Orlando SunPass Service Center

In September 2016, the Department held a grand opening of the new Orlando SunPass service center, a 70,000-square-foot call center at West Oaks mall in Ocoee, Florida. This state-of-the-art facility is a major milestone in the Centralized Customer Service System (CCSS) project. With a goal of providing a better customer experience, "one call solves it all," the new facility is expected to process over one billion transactions a year and manage nearly six million SunPass accounts.

Fiscal Discipline and Financial Management

The Turnpike has demonstrated the strength of its financial management policies over six decades of operations. Management is responsible for preserving and reinvesting in the System to ensure financial sustainability. Budgetary control is exercised through expenditure and capital budgets approved by the State Legislature. Controls are maintained to ensure expenditures do not exceed authorized limits. As of June 30, 2016, the Turnpike reported a net position of \$8 billion, an increase of 8.4 percent over the prior fiscal year. The Turnpike is financially self-supporting from resources generated by toll and concession revenues, investment income and the issuance of municipal bonds. Turnpike revenues are pledged for repayment of outstanding bonds.

Safeguards and Internal Controls

Management is responsible for establishing and maintaining a system of internal controls designed to ensure financial statements are prepared in conformity with accounting principles generally accepted in the United States and for safeguarding the Turnpike's assets against loss from unauthorized use or disposal. A number of program safeguards are in place to protect the Turnpike including statutory and bond covenant requirements. Management believes the existing internal control structure is designed and operating so that a material misstatement would be prevented or detected and corrected by Department employees in the normal course of performing their duties.

Debt Management

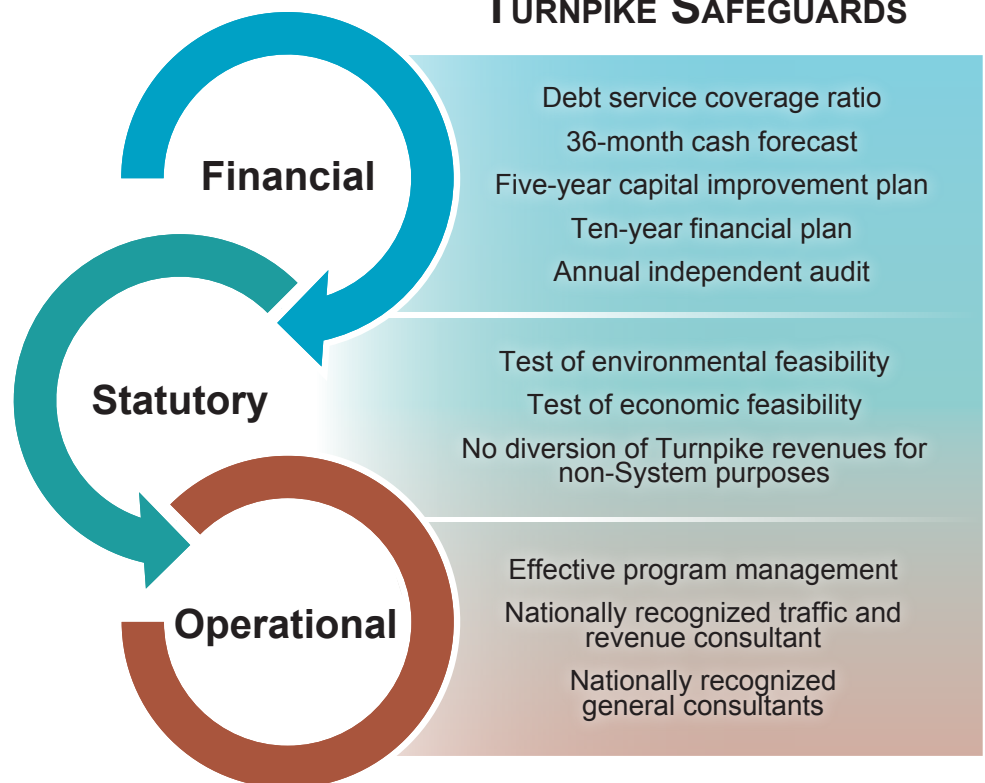
Florida Statutes Section 338.2275 authorizes the Turnpike to issue revenue bonds to fund approved projects provided that no more than \$10 billion in bonds are outstanding. Currently, \$2.8 billion of bonds are outstanding with a Five-Year Capital Plan that calls for \$1.5 billion of additional bonds to be issued.

The remaining statutory limit will provide the legislative authority for the Turnpike to expand beyond the current Five-Year Work Program. The Turnpike continues to report strong debt service coverage ratios due to

revenue growth and stable operating and maintenance expenses. For fiscal year 2016, the Turnpike's debt service coverage ratio of 3.0 exceeded the Turnpike's debt management policy as well as the bond indenture requirement.

The Turnpike pledges revenue from the existing System in addition to revenues projected from new facilities when issuing bonds to construct new projects. Since opening to traffic in 1957, the Turnpike has generated sufficient revenue to construct improvements and expansions, operate, maintain and preserve the System and meet all debt service requirements.

During fiscal year 2016, the Turnpike benefited from favorable interest rates by issuing new money and refunding bonds. The Turnpike issued \$724.1 million State of Florida, Department of Transportation Turnpike Revenue Bonds, to finance capital improvements and to refund outstanding debt of \$598.9 million. These issues resulted in a present value savings of approximately \$83.6 million of future debt service costs.



Organizational Structure

The Florida State Legislature created Florida's Turnpike in 1953 as the Florida State Turnpike Authority, which subsequently became part of the Department in 1969. In 2002, the Turnpike became an Enterprise within the Department. The Enterprise is responsible for the management of Florida's Turnpike System and the collection of tolls on eight other facilities owned or operated by the Department.

In accordance with Florida Statutes, the Florida Transportation Commission (FTC) serves as a citizen's oversight body for the Department. The FTC's purpose is to review major transportation policy initiatives submitted by the Department and recommend major transportation policy to the Governor and Legislature. The Commission consists of nine members with private-sector experience who are appointed by the Governor and who serve uncompensated, staggered terms of four years. Additionally, the Commission is responsible for nominating candidates for the selection of the Secretary of Transportation. As the head of the agency, the Secretary is appointed by the Governor and subject to confirmation by the Senate.

In December 2014, Governor Scott appointed Jim Boxold the 16th Secretary of the Florida Department of Transportation. Secretary Boxold served as the Chief of Staff to the Department since July 2013. Prior to joining the Department, he served 10 years as the Director of Cabinet Affairs for the Florida Commissioner of Agriculture.

The Department consists of seven Districts and the Turnpike Enterprise. The District Secretaries and the Executive Director of the Enterprise report to the Department's Secretary.

Florida Transportation Commission



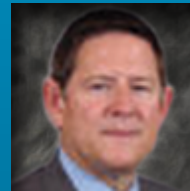
Vice-Chairman
Ken Wright
Orlando



Chairman
Jay Trumbull
Panama City



Secretary
Beth Kigel
West Palm Beach



Donnie Ellington
Gainesville



Maurice Ferré
Miami



Teresa Sarnoff
Miami



Jim Sebesta
St. Petersburg



John Browning, Jr.
East Palatka



Ronald Howse, PE
Cocoa

Mission Statements

Florida Transportation Commission

To provide leadership in meeting Florida's transportation needs through policy guidance on issues of Statewide importance and maintaining public accountability for the Department of Transportation.

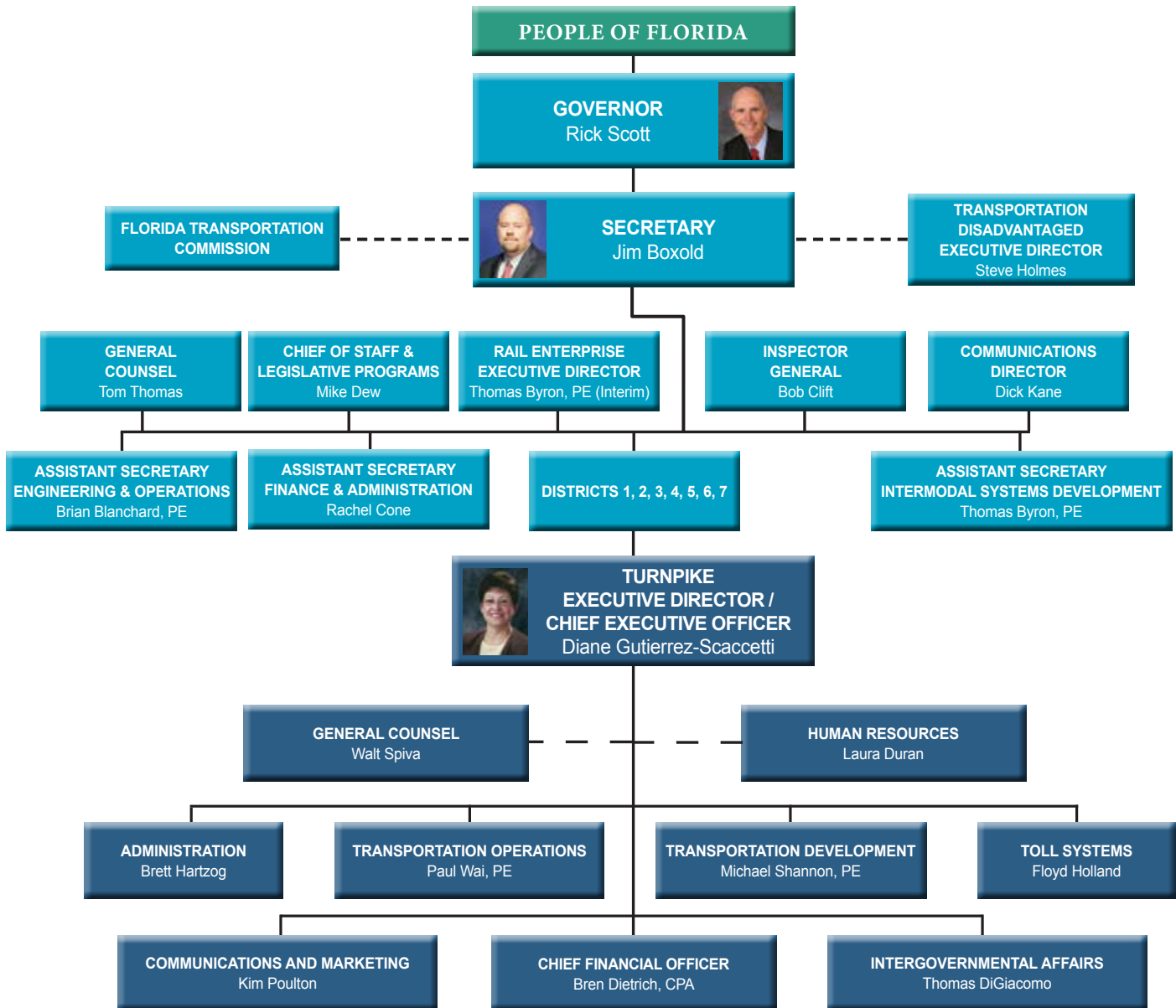
Florida Department of Transportation

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

Florida's Turnpike Enterprise

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

Reporting to the Turnpike Executive Director are Administration, Transportation Operations, Transportation Development, Toll Systems, Communications and Marketing, the Chief Financial Officer, and Intergovernmental Affairs.



A Special Thanks



In June 2016, the former CFO, Nicola Liquori, accepted the position of Executive Director for SunRail, the Department's commuter rail system in Central Florida. For the past ten years, Ms. Liquori provided financial oversight for the Turnpike during the Great Recession, as well as the period of growth that occurred subsequently. In addition to ensuring that the Turnpike met all its contractual and statutory financial obligations during this time, she oversaw the funding of numerous capital improvement projects, three expansion projects, a toll facility acquisition, as well as bond issuances, including refinancing transactions, of nearly \$3.9 billion. Just prior to her departure, the Turnpike received bond rating upgrades from Moody's Investors Service and Standard & Poor's Ratings Services, and received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the 24th consecutive year. The Turnpike expresses its sincere gratitude to Ms. Liquori for her financial stewardship over the System for the last decade, and wishes her well in her new role with the Department.

THIS PAGE INTENTIONALLY LEFT BLANK



RSM US LLP

Independent Auditor's Report

Secretary of Transportation
Florida Department of Transportation
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Florida's Turnpike System (the System), an enterprise fund of the Florida Department of Transportation, which is an agency of the State of Florida, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida's Turnpike System, as of June 30, 2016 and 2015, and the respective changes in financial position and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the System and do not purport to, and do not represent fairly the financial position of the Florida Department of Transportation or the Florida Transportation Enterprise Fund as of June 30, 2016 and 2015 and the changes in their financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our reports dated October 31, 2016 and November 6, 2015 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

RSM US LLP

Orlando, Florida
October 31, 2016

**FLORIDA'S TURNPIKE SYSTEM
DEPARTMENT OF TRANSPORTATION
STATE OF FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2016 AND 2015**

As management of Florida's Turnpike System (the "System"), we offer readers of our annual financial report this narrative overview of the financial activities of the System for the fiscal years ended June 30, 2016 and 2015. Please read it in conjunction with the financial statements as a whole.

The System operates as an enterprise fund of the Florida Department of Transportation (the "Department"), an agency of the State of Florida. The statements contained herein include only the accounts of the System and do not include any other accounts of the Department or the State of Florida. The System is presented as an enterprise fund in the financial statements of the State of Florida.

FINANCIAL HIGHLIGHTS

Fiscal Year 2016

- Moody's Investors Service and Standard & Poor's Ratings Services upgraded the System's bond ratings, while Fitch Ratings upgraded shortly after year end (September 2016).
- The System's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$8.0 billion at the end of the fiscal year, an increase of \$618.1 million.
- Total operating revenues increased by over \$90 million (10.3%); a result of an increase in toll transactions and the indexing of toll rates, among other factors. Operating expenses also increased by \$34.5 million (12.7%), primarily due to the increase in toll transactions and higher depreciation expense related to installation of equipment along the system.
- The System invested over \$400 million in capital assets as a part of its ongoing capital work program, which includes investment in widening and new expansion projects.
- The System issued \$724.1 million in Turnpike Revenue and Refunding Bonds to fund continued investment in infrastructure and refund outstanding debt of \$598.9 million for debt service cost savings.

Fiscal Year 2015

- The System's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$7.4 billion at the end of the fiscal year, an increase of \$509.7 million.
- Total operating revenues increased by \$77.7 million (9.5%); a result of an increase in toll transactions and the indexing of toll rates, among other factors. Operating expenses increased by \$8.0 million (3.0%), primarily due to the increase in toll transactions.
- The System invested \$355.9 million in capital assets as a part of its ongoing capital work program, which includes investment in widening and new expansion projects.
- The System issued \$223.6 million in Turnpike Revenue and Refunding Bonds to fund continued investment in System infrastructure and refund outstanding debt for debt service cost savings.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the System's basic financial statements, notes to the financial statements, and required supplementary information. While the System is considered part of the Department, which is an agency of the State of Florida, it is also considered an enterprise fund. Therefore, the System's financial statements are presented in a manner similar to a private sector business.

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

Statement of Revenues, Expenses, and Changes in Net Position — This statement shows the results of the System's total operations during the fiscal year and reflects both operating and nonoperating activities. Changes in net position reflect the current fiscal period's operating impact upon the overall financial position of the System.

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

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

Other — Certain required supplementary information is presented to disclose trend data on the System's infrastructure condition.

FINANCIAL ANALYSIS

Net position serves as an indicator of the System's financial strength. The System's net position as of June 30, 2016 and 2015 was \$8.0 billion and \$7.4 billion, an increase of \$618.1 million and \$509.7 million, respectively, as compared to the prior fiscal year. Increases in net position were primarily due to positive operating results. The System continues to invest its positive net operating revenues in capital assets, (see Table 1). The System uses these capital assets to provide services to customers. Although the System's investment in capital assets is reported net of related debt, it should be noted that System revenues are utilized to repay this debt in accordance with the bond resolution.

Table 1
Balance Sheets of Florida's Turnpike System
(In Millions)

	As of June 30,		
	2016	2015	2014
Current assets	\$ 1,059.2	\$ 898.5	\$ 894.2
Noncurrent restricted assets	250.1	223.6	262.8
Capital assets—net of accumulated depreciation and amortization	9,856.6	9,385.2	9,015.3
Other noncurrent assets	<u>66.4</u>	<u>105.9</u>	<u>76.9</u>
Total assets	<u>11,232.3</u>	<u>10,613.2</u>	<u>10,249.2</u>
Deferred outflows of resources	<u>36.9</u>	<u>36.1</u>	<u>40.5</u>
Total assets and deferred outflows of resources	<u>\$ 11,269.2</u>	<u>\$ 10,649.3</u>	<u>\$ 10,289.7</u>
Current liabilities	\$ 301.6	\$ 240.1	\$ 305.4
Long-term debt outstanding and other liabilities	<u>2,836.5</u>	<u>2,898.1</u>	<u>2,974.9</u>
Total liabilities	<u>3,138.1</u>	<u>3,138.2</u>	<u>3,280.3</u>
Deferred inflows of resources	<u>139.0</u>	<u>137.1</u>	<u>145.1</u>
Net position:			
Net investment in capital assets	6,908.9	6,506.9	6,111.0
Restricted	147.6	110.4	121.0
Unrestricted	<u>935.6</u>	<u>756.7</u>	<u>632.3</u>
Total net position	<u>7,992.1</u>	<u>7,374.0</u>	<u>6,864.3</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 11,269.2</u>	<u>\$ 10,649.3</u>	<u>\$ 10,289.7</u>

A portion of the System's net position represents resources subject to bond covenants or other restrictions. Such funds are held to meet bond sinking fund, debt service reserve and renewal and replacement requirements. As of June 30, 2016 and 2015, net position subject to these restrictions totaled \$147.6 million and \$110.4 million, respectively. For fiscal year 2016, this represents an increase of \$37.2 million from the prior year. This change is primarily due to an increase in the debt service reserve requirement. For fiscal year 2015, this represents a decrease of \$10.6 million from the prior year. This change is primarily due to a \$16.4 million decrease of the debt service reserve requirement. Additional information on the System's debt service funding can be found in Note 9 – *Bonds Payable* to the financial statements.

Unrestricted net position of \$935.6 million and \$756.7 million as of June 30, 2016 and 2015, respectively, represents residual amounts after all mandatory transfers have been made as required by bond covenants and other restrictions. Typically, unrestricted net position is used to fund capital improvements and to support the ongoing operations of the System. For fiscal years 2016 and 2015, this represents increases of \$178.9 million and \$124.4 million, respectively, due to increases in total net revenues for both years.

Table 2
Changes in Net Position of Florida's Turnpike System
(In Millions)

	For the Year Ended June 30,		
	2016	2015	2014
Operating revenues from toll facilities	\$ 955.9	\$ 866.0	\$ 796.3
Operating revenues from toll administrative charges	17.0	15.3	8.5
Operating revenues from concessions and other sources	14.2	13.3	12.1
Nonoperating investment earnings	28.4	7.6	21.5
Nonoperating interest subsidy	<u>5.6</u>	<u>5.5</u>	<u>5.5</u>
Total revenues	<u>1,021.1</u>	<u>907.7</u>	<u>843.9</u>
Operations and maintenance expense	(188.2)	(175.8)	(164.2)
Business development and marketing expense	(4.2)	(1.4)	(1.6)
Pollution remediation	-	(0.5)	-
Renewals and replacements expense	(64.6)	(59.2)	(62.7)
Depreciation and amortization expense	(49.4)	(35.0)	(35.4)
Nonoperating interest expense	(87.2)	(80.9)	(91.5)
Other nonoperating expense—net	<u>(14.3)</u>	<u>(12.7)</u>	<u>(17.1)</u>
Total expenses	<u>(407.9)</u>	<u>(365.5)</u>	<u>(372.5)</u>
Income before contributions and transfer	613.2	542.2	471.4
Contributions for capital projects	4.9	7.4	314.1
Transfer-facility acquisition	<u>-</u>	<u>(39.9)</u>	<u>-</u>
Increase in net position	618.1	509.7	785.5
Net position:			
Beginning of year	<u>7,374.0</u>	<u>6,864.3</u>	<u>6,078.8</u>
End of year	<u>\$ 7,992.1</u>	<u>\$ 7,374.0</u>	<u>\$ 6,864.3</u>

Total revenues for fiscal years 2016 and 2015 were \$1.0 billion and \$907.7 million, respectively, with corresponding increases of \$113.4 million and \$63.8 million over the prior years. The yearly increases were primarily attributable to higher toll revenues due to an increase in toll transactions and the indexing of toll rates. For the years ended 2016 and 2015, toll transactions increased by nine percent and over eleven percent, respectively, compared to the prior fiscal years. Additionally, both years reflected the effect of the implementation of Section 338.165(3), Florida Statutes, requiring the Department to index toll rates on existing toll facilities. On July 1, 2015 and 2014, toll rates were indexed by the changes in the annual Consumer Price Index (CPI) of 1.6% and 1.5%, respectively. It is also important to note that the System has a broad customer base and the ability to serve more than half of the State's population. Expanded use of the interstate highway system and continuing heavy flows of commuter traffic make the System an attractive option to the motoring public in both rural and urban areas. Customers perceive the value of the Systems' well-maintained limited-access roadways and its high level of service.

Total expenses (including depreciation and amortization expense) for fiscal year 2016 were \$407.9 million, an increase of \$42.4 million compared to fiscal year 2015. This is primarily due to \$12 million increase in

operations and maintenance expense due to growth in toll transactions and \$14 million increase in depreciation and amortization expense due to additional equipment installed during the year.

Total expenses (including depreciation and amortization expense) for fiscal year 2015 were \$365.5 million, a decrease of \$7.0 million compared to fiscal year 2014. The decrease is primarily due to \$10.6 million decrease in interest expense due to higher capitalized interest as compared to the prior year. Additionally, renewals and replacements expense decreased by \$3.5 million due to less resurfacing requirements compared to the prior year offset by an \$11.6 million increase in operations and maintenance expense. The increase in operations and maintenance expense is primarily due to the overall growth of system toll transactions, the addition of the Beachline East Expressway, and the impacts of the first full year of traffic on the I-4 Connector. Since the System utilizes the modified approach for reporting infrastructure, it is required to maintain its infrastructure assets at certain levels. Fluctuations in expense levels from year to year will result based on management's assessment of needed System preservation. The overall infrastructure condition rating was not affected by the decrease in renewals and replacements expenses in fiscal years 2015. See the Required Supplementary Information included after the Notes to Financial Statements for more information.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets As of June 30, 2016 and 2015, the System reported approximately \$9.9 billion and \$9.4 billion, respectively, in constructed, purchased, and donated capital assets (net of accumulated depreciation and amortization), which was \$471.4 million and \$369.9 million higher than the prior years. These increases were primarily due to the widening of the Veterans Expressway which included the conversion to All-Electronic Tolling; widening of the Beachline West Expressway (from I-4 to the Mainline); widening of the SR 821 (HEFT) in Miami-Dade County; renovation of the Okahumpka Service Plaza in October 2015; a new interchange at SR 417 and the Turnpike Mainline opened in May 2016; the acquisition of the Beachline East Expressway on July 1, 2014 and completion of the I-4 Connector expansion project in January 2014. Other additions over the past two years were mainly in the category of infrastructure and related construction in progress assets which reflect the System's ongoing investment in its capital work program (see Table 3). The System's financial statements present capital assets in two groups distinguished by whether the capital asset is subject to depreciation/amortization or not subject to depreciation/amortization.

Table 3

**Capital Assets of Florida's Turnpike System
(Net of Depreciation or Amortization, in Millions)**

	<u>As of June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Infrastructure	\$ 7,629.8	\$ 7,224.9	\$ 6,878.5
Construction in progress	918.0	949.4	950.6
Land	924.2	903.6	892.9
Buildings—nondepreciable	68.8	60.4	60.3
Buildings and improvements—net	121.2	128.2	132.1
Furniture and equipment—net	184.8	105.1	88.0
Intangible assets—net	<u>9.8</u>	<u>13.6</u>	<u>12.9</u>
Total capital assets—net	<u>\$ 9,856.6</u>	<u>\$ 9,385.2</u>	<u>\$ 9,015.3</u>

For fiscal years ended 2016 and 2015, major additions of capital assets, including those in progress, were as follows (in millions):

	2016	2015
Widening and capacity improvements	\$ 281.0	\$ 171.9
Expansion projects	102.0	54.7
Interchange and access projects	85.3	50.0
All-Electronic Tolling improvements	7.8	39.2
Safety improvements	4.6	5.4
Intelligent transportation system improvements	<u>2.7</u>	<u>0.4</u>
Total	<u>\$ 483.4</u>	<u>\$ 321.6</u>

The System's capital program is made up of a number of ongoing projects, which include construction of the new First Coast Expressway in Clay and Duval counties; widening of the Beachline West Expressway (from I-4 to the Mainline); widening of the SR 821 (HEFT) in Miami-Dade County; as well as other interchange improvements.

Capital projects planned for the fiscal year ending June 30, 2017 include \$369.4 million of widening and capacity improvement projects on the Mainline in Orange and Osceola counties and the Beachline West Expressway; a \$209.8 million expansion of the Suncoast Parkway into Citrus and Hernando counties and \$49.7 million to develop a state-of-the-art transportation technology testing facility, SunTrax. These projects will be funded over the next few years with toll revenues, bond proceeds, as well as available state and local funds.

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

As detailed in the required supplementary information included after the Notes to Financial Statements, the System has exceeded its targeted infrastructure condition level ratings for the last several years. For fiscal years 2016 and 2015, the System estimated it would need to spend \$77.1 million and \$81.8 million, respectively, for infrastructure maintenance and preservation, but actually expended \$107.5 million and \$97.8 million, respectively. Fluctuations occur from year to year between the amount spent to preserve and maintain the System, and the estimated amount resulting from the timing of work activities. Over a period of time, the amount expended is comparable to the estimate. As such, the System's overall maintenance condition rating is consistent from year to year.

Additional information on the System's current capital assets can be found in Note 5 – *Capital Assets* in the financial statements.

Noncurrent Liabilities — At the end of fiscal year 2016, the System had outstanding bonds (net of unamortized premiums/discounts) and other noncurrent liabilities payable totaling \$2.8 billion. This amount represents a decrease of the System's long-term debt obligations by \$61.6 million from June 30, 2015. This decrease was primarily due to \$73.5 million of advances from the Department reclassified to current liabilities

from long term liabilities, \$13.1 million repayment of other liabilities related to the construction of capital assets offset by a \$25.1 million net increase on outstanding bonds and current year refundings.

At the end of fiscal year 2015, the System had outstanding bonds (net of unamortized premiums/discounts) and other noncurrent liabilities payable totaling \$2.9 billion. This amount represents a decrease of the System's long-term debt obligations by \$76.8 million from June 30, 2014. This decrease was primarily due to a \$33.2 million repayment of other liabilities related to the construction of capital assets and a \$36.1 million decrease of principal on outstanding bonds and current year refundings.

Additional information on the System's outstanding noncurrent liabilities can be found in Notes 8, 9, and 10 to the financial statements.

The System is authorized by Section 338.2275 of the Florida Statutes to have up to \$10.0 billion of outstanding bonds to fund approved projects. As of June 30, 2016, the System has \$2.8 billion of outstanding bonds related to the financing of the construction of expansion projects and system improvements.

The System issues bonds to fund expansion and improvement projects in accordance with System Debt Management Guidelines. Pursuant to these guidelines, the System typically issues 30-year fixed-rate bonds. Bonds are issued to fund projects with an expected useful life not less than the term of the bonds. The System does not issue bonds for operations and maintenance costs. Bonds are issued through the State Board of Administration (SBA), Division of Bond Finance, in accordance with s.11(d), Article VII of the State Constitution. Bonds are only issued for projects included in the System's legislatively (Section 339.135 (4), F.S.) approved Work Program.

The planned bond sales are included in the Department's financially balanced five-year finance plan and 36-month cash forecast as required by the legislature (Section 339.135 (4), F.S.).

The resolution authorizing the issuance of bonds requires a debt service reserve be established in an amount as defined in the resolution. The System is fully funded for fiscal years 2016 and 2015. Additional information on the System's debt service reserve requirements can be found in Note 9 – *Bonds Payable* to the financial statements.

During fiscal year 2016 the System's bond program received upgrades from Moody's Investors Service from Aa3 to Aa2 and Standard & Poor's Ratings Services from AA- to AA, while Fitch Ratings upgraded shortly after year end (September 2016) from AA- to AA. The System's debt service coverage ratio was 3.04 and 2.83 for fiscal years 2016 and 2015, respectively. This higher coverage is primarily due to an increase of \$80 million of net operating revenues available for debt service. This coverage ratio exceeds the 1.2 minimum debt service coverage as required by the bond resolution.

Table 4
Outstanding Noncurrent Liabilities of Florida's Turnpike System
(Net of Premiums and Discounts, in Millions)

	<u>As of June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Bonds payable (backed by System revenues)	\$ 2,792.5	\$ 2,767.4	\$ 2,795.7
Advances payable to the Florida Department of Transportation	37.1	110.7	125.9
Other long-term liabilities	<u>6.9</u>	<u>20.0</u>	<u>53.3</u>
Total noncurrent liabilities	<u>\$ 2,836.5</u>	<u>\$ 2,898.1</u>	<u>\$ 2,974.9</u>

ECONOMIC CONDITIONS AND OUTLOOK

Since 2010, Florida's economy has expanded at a steady pace. The key drivers for the improving economy are significant job growth, increases in population and year-over-year record highs recorded in the volume of tourists visiting Florida. As a result, commuter, recreational and commercial traffic are expected to continue to increase beyond 2016.

Fiscal year 2016 toll revenues reflect the statutorily required indexing of toll rates. Management believes that fiscal year 2017 toll revenues will be sufficient to meet its obligations for debt service, operating and maintenance costs, and the preservation of the System. The remaining revenues will be utilized to fund the System's capital improvement program.

REQUEST FOR INFORMATION

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

THIS PAGE INTENTIONALLY LEFT BLANK

**FLORIDA'S TURNPIKE SYSTEM
DEPARTMENT OF TRANSPORTATION
STATE OF FLORIDA**

**BALANCE SHEETS
JUNE 30, 2016 AND 2015
(In thousands)**

	2016	2015
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS:		
CURRENT ASSETS:		
Pooled cash and cash equivalents (Note 3)	\$ 997,922	\$ 854,693
Receivables:		
Accounts	8,584	11,195
Interest	2,565	1,153
Due from other governments (Note 4)	45,342	25,740
Prepaid expenses	240	234
Inventory	1,444	1,550
Other assets	<u>3,055</u>	<u>3,934</u>
Total current assets	<u>1,059,152</u>	<u>898,499</u>
NONCURRENT ASSETS:		
Unrestricted investments	<u>-</u>	<u>34,448</u>
Restricted assets:		
Restricted cash and cash equivalents (Note 3)	28,028	37,265
Restricted investments (Note 3)	<u>222,121</u>	<u>186,314</u>
Total restricted assets	<u>250,149</u>	<u>223,579</u>
Nondepreciable capital assets (Note 5):		
Construction in progress	917,982	949,387
Land	924,181	903,572
Buildings	68,753	60,367
Infrastructure – highway system and improvements	<u>7,629,841</u>	<u>7,224,909</u>
Total nondepreciable capital assets	<u>9,540,757</u>	<u>9,138,235</u>
Depreciable capital assets (Note 5):		
Buildings and improvements	238,954	240,381
Furniture and equipment	296,770	198,943
Intangible assets	54,583	51,951
Less accumulated depreciation and amortization	<u>(274,479)</u>	<u>(244,290)</u>
Total depreciable capital assets – net	<u>315,828</u>	<u>246,985</u>
Service concession arrangement receivable (Note 11)	<u>66,440</u>	<u>71,467</u>
Total noncurrent assets	<u>10,173,174</u>	<u>9,714,714</u>
Total assets	<u>11,232,326</u>	<u>10,613,213</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 6)		
	<u>36,919</u>	<u>36,119</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 11,269,245</u>	<u>\$ 10,649,332</u>

(Continued)

**FLORIDA'S TURNPIKE SYSTEM
DEPARTMENT OF TRANSPORTATION
STATE OF FLORIDA**

**BALANCE SHEETS
JUNE 30, 2016 AND 2015**

(In thousands)

	2016	2015
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES:		
CURRENT LIABILITIES:		
Construction contracts and retainage payable	\$ 61,769	\$ 72,623
Current portion of bonds payable (Notes 9, 10)	133,590	127,045
Due to Florida Department of Transportation (Notes 7, 8, 10)	99,780	37,849
Due to other governments	143	71
Deposits payable	225	225
Unearned revenue	<u>6,137</u>	<u>2,325</u>
Total current liabilities	<u>301,644</u>	<u>240,138</u>
NONCURRENT LIABILITIES:		
Long-term portion of bonds payable – net of premiums of \$153,321 and \$117,264, respectively (Notes 9, 10)	2,792,466	2,767,374
Advances payable to Florida Department of Transportation (Notes 8, 10)	37,117	110,662
Unearned revenue from other governments (Note 10)	451	500
Other long-term liabilities (Note 10)	<u>6,431</u>	<u>19,575</u>
Total noncurrent liabilities	<u>2,836,465</u>	<u>2,898,111</u>
Total liabilities	<u>3,138,109</u>	<u>3,138,249</u>
DEFERRED INFLOWS OF RESOURCES (Note 11)	<u>139,040</u>	<u>137,108</u>
NET POSITION:		
Net investment in capital assets	6,908,906	6,506,936
Restricted for debt service	121,883	90,754
Restricted for renewal and replacement	25,708	19,597
Unrestricted	<u>935,599</u>	<u>756,688</u>
Total net position	<u>7,992,096</u>	<u>7,373,975</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 11,269,245</u>	<u>\$ 10,649,332</u>

(Concluded)

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

**FLORIDA'S TURNPIKE SYSTEM
DEPARTMENT OF TRANSPORTATION
STATE OF FLORIDA**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2016 AND 2015**

(In thousands)

	2016	2015
OPERATING REVENUES:		
Toll facilities	\$ 955,930	\$ 865,950
Toll administrative charges	16,993	15,334
Concessions	7,226	7,050
Other	<u>7,000</u>	<u>6,255</u>
Total operating revenues	<u>987,149</u>	<u>894,589</u>
OPERATING EXPENSES:		
Operations and maintenance	188,249	175,769
Business development and marketing	4,209	1,391
Pollution remediation	-	547
Renewals and replacements	64,578	59,249
Depreciation and amortization (Note 5)	<u>49,365</u>	<u>34,951</u>
Total operating expenses	<u>306,401</u>	<u>271,907</u>
OPERATING INCOME	<u>680,748</u>	<u>622,682</u>
NONOPERATING REVENUES (EXPENSES):		
Investment earnings	28,382	7,560
Interest subsidy (Note 9)	5,550	5,509
Interest expense	(87,211)	(80,854)
Other – net	<u>(14,292)</u>	<u>(12,706)</u>
Total nonoperating expenses – net	<u>(67,571)</u>	<u>(80,491)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFER	613,177	542,191
CONTRIBUTIONS FOR CAPITAL PROJECTS (Note 13)	4,944	7,449
TRANSFER – FACILITY ACQUISITION (Note 5)	<u>-</u>	<u>(39,919)</u>
INCREASE IN NET POSITION	618,121	509,721
NET POSITION:		
Beginning of year	<u>7,373,975</u>	<u>6,864,254</u>
End of year	<u>\$ 7,992,096</u>	<u>\$ 7,373,975</u>

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

**FLORIDA'S TURNPIKE SYSTEM
DEPARTMENT OF TRANSPORTATION
STATE OF FLORIDA**

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015
(In thousands)**

	2016	2015
OPERATING ACTIVITIES:		
Cash received from customers	\$ 959,630	\$ 877,241
Cash payments to suppliers for goods and services	(239,784)	(219,650)
Cash payments for personnel	(18,888)	(18,196)
Other operating receipts	<u>16,293</u>	<u>7,557</u>
Net cash provided by operating activities	<u>717,251</u>	<u>646,952</u>
NONCAPITAL FINANCING ACTIVITIES:		
Payments to Florida Department of Transportation	(10,500)	(8,524)
Contributions to other governments	<u>(5,255)</u>	<u>(1,271)</u>
Net cash used in noncapital financing activities	<u>(15,755)</u>	<u>(9,795)</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of revenue bonds	794,965	239,388
Receipts from 2009B Build America Bonds interest subsidy	5,550	5,509
Principal paid on revenue bond maturities	(129,620)	(120,990)
Interest paid on revenue bonds	(137,385)	(137,609)
Payments for bond issuance costs	(2,833)	(1,457)
Payments for refunding of revenue bonds	(613,420)	(116,937)
Payments to Florida Department of Transportation for advances	(4,717)	(4,717)
Payment to acquire facility	-	(60,000)
Receipt of contributions from other governments	3,398	3,232
Payments for the acquisition or construction of capital assets	(508,782)	(459,881)
Proceeds from the sale of capital assets	161	227
Insurance recoveries	<u>-</u>	<u>583</u>
Net cash used in capital and related financing activities	<u>(592,683)</u>	<u>(652,652)</u>
INVESTING ACTIVITIES:		
Proceeds from the sale or maturity of investments	750,044	640,669
Investment earnings	26,478	7,981
Purchase of investments	<u>(751,343)</u>	<u>(669,556)</u>
Net cash provided by (used in) investing activities	<u>25,179</u>	<u>(20,906)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS	133,992	(36,401)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>891,958</u>	<u>928,359</u>
End of year	<u>\$ 1,025,950</u>	<u>\$ 891,958</u>

(Continued)

**FLORIDA'S TURNPIKE SYSTEM
DEPARTMENT OF TRANSPORTATION
STATE OF FLORIDA**

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015
(In thousands)**

	2016	2015
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 680,748	\$ 622,682
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	49,365	34,951
Pollution remediation	-	547
Other noncash adjustments	(355)	(1,402)
(Increase) decrease in:		
Due from other governments	(13,562)	(6,304)
Accounts receivable	2,840	(2,988)
Prepaid expenses	(6)	(234)
Inventory	106	1,170
Other assets	879	2,970
Increase (decrease) in:		
Due to Florida Department of Transportation	3,604	5,061
Due to other governments	72	(17)
Deposits payable	-	(4)
Construction contracts and retainage payable	(6,854)	(9,717)
Unearned revenue	414	237
Total adjustments	<u>36,503</u>	<u>24,270</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 717,251</u>	<u>\$ 646,952</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Bond premium amortization – net	\$ (27,302)	\$ (25,486)
Amortization of deferred losses on early retirement of debt	\$ 6,214	\$ 7,911
Deferred losses and net bond premiums due to refunding	\$ (14,529)	\$ (1,952)
Loss on disposed capital assets	\$ 4,414	\$ 9,525
Contributions for capital projects	\$ 2,088	\$ 7,449
Capital asset contributions in other – net	\$ (201)	\$ (78)
Capital asset contributions in deferred inflow of resources	\$ 9,942	\$ -
Purchases of capital assets in current and other liabilities	\$ 56,892	\$ 35,230
Capitalized interest	\$ 27,929	\$ 38,005
Unrealized losses on investments	\$ 60	\$ (30)

(Concluded)

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

**FLORIDA'S TURNPIKE SYSTEM
DEPARTMENT OF TRANSPORTATION
STATE OF FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015**

1. REPORTING ENTITY

Florida's Turnpike System (the "System") is part of the Florida Department of Transportation (the "Department"), which is an agency of the State of Florida (the "State"). The Department is responsible for cash management and other administrative and financial matters on behalf of the System. The fiscal years 2016 and 2015 financial statements contained herein include only the accounts of the System and do not include any other accounts of the Department or the State. The System is presented as an enterprise fund in the financial reports of the State.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These policies represent applications of generally accepted accounting principles (GAAP) that are unique to state and local governments. In addition, they describe situations where the government has elected an accounting treatment from among several GAAP alternatives.

Basis of Presentation — Fund Accounting — The System is an enterprise fund — a proprietary fund of the Department. The focus of proprietary fund measurement is on economic resources, or the determination of operating income, changes in net position, financial position, and cash flows. The following is a general description of the Turnpike System enterprise fund:

Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met, and governments should apply each of these criteria in the context of the activity's principal revenue sources.

- a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
- b. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation and amortization or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.
- c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation and amortization or debt service).

Management believes that the activities of the System meet all three criteria.

Basis of Accounting — Basis of accounting refers to the timing of recognition of revenues and expenses in the accounts and reporting in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Proprietary funds utilize the accrual basis of accounting. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Cash and Cash Equivalents — Investments with a maturity of three months or less when purchased are considered to be cash equivalents. Included within this category are repurchase agreements held by the

State Board of Administration (SBA) and cash deposited in the State's general pool of investments, which are reported at cost.

Investments — Investments are stated at fair value with the exception of certain nonparticipating contracts, such as repurchase agreements, which are reported at cost. Fair value is defined by GASB Statement No. 72, *Fair Value Measurement and Application*, as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy categorizes the inputs to the valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date. Level 2 inputs are significant other observable inputs and Level 3 inputs are unobservable inputs.

Accounts Receivable — Accounts receivable are reported at their net realizable value and includes the short-term portion of the service concession arrangement receivable.

Inventory — Inventory consists of SunPass transponders that are valued at the lower of cost or market (first-in, first-out method).

Other Assets — Other assets consists of toll equipment parts for use in All-Electronic Tolling lanes on the System. Toll equipment parts are reported at historical cost and classified as current if planned use is within the operating cycle of 12 months, otherwise, they are classified as noncurrent.

Capital Assets — Capital assets are recorded at historical cost, except for contributed assets received from entities other than the State of Florida, which are recorded at acquisition value at the date of contribution. Construction in progress consists of project costs for highway infrastructure, improvements, buildings, equipment and software development that are not yet complete and have not been placed in service.

Construction period interest cost, net of interest earned on the unexpended proceeds of borrowings, is capitalized as part of capital assets by applying the weighted average interest rate to the average amount of eligible accumulated construction expenditures during the construction period. Costs for maintenance and repairs are expensed as incurred. The System's capitalization level is \$1,000 for tangible assets and \$10,000 for intangible assets. Depreciation and amortization, on a straight-line basis, is charged over useful lives ranging from 15 to 30 years for buildings and improvements, 3 to 10 years for furniture and equipment, and 3 to 15 years for intangible assets.

Infrastructure capital assets are recorded as highway system improvements and are not depreciated (see the following policy regarding the modified approach for reporting infrastructure). Buildings constructed or acquired meeting the criteria of a Service Concession Arrangement (see Note 5) are not depreciated. Under the System's policy of accounting for toll facilities pursuant to "betterment accounting," property costs represent a historical accumulation of costs expended to acquire right-of-way and to construct, improve, and place in operation the various projects and related facilities. Acquisition costs also include the costs of enlargement, betterments, and certain overhead amounts incurred during the construction phase. Subsequent betterments are capitalized. All such costs are not reduced for subsequent replacements, as replacements are considered to be period costs and are included in renewals and replacements. These policies are consistent with practices followed by similar entities within the toll bridge, turnpike, and tunnel industry and with the modified approach for reporting infrastructure assets pursuant to GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*.

Modified Approach for Reporting Infrastructure — The modified approach is an alternative to reporting depreciation of infrastructure capital assets, provided that two requirements are met. The System meets the requirements by utilizing an asset management system and disclosing and

documenting that infrastructure is preserved at or above an established condition rating. Significant aspects of the System's modified approach policy are: the System has made the commitment to preserve and maintain its infrastructure assets (highway system and improvements) at levels equal to or greater than those established by the Department. Depreciation expense is not reported for infrastructure assets and amounts are not capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. Rather, costs for both maintenance and preservation of infrastructure capital assets are expensed in the period incurred. The System relies on the Department to maintain an asset management system that has an up-to-date inventory of System infrastructure assets and that performs condition assessments of those assets, summarizing the results using a measurement scale. Using these results, System management estimates the annual amount to maintain and preserve its infrastructure at a condition level established and disclosed by the System. The information required by GASB Statement No. 34 is presented in the required supplementary information included after the Notes to Financial Statements.

Impairment of Capital Assets — The System's management reviews its capital assets and considers impairment whenever indicators of impairment are present, such as when the decline in service utility of the capital asset is large in magnitude, and the event or change in circumstance is outside the normal life cycle of the capital asset. Pursuant to these guidelines, management has determined that no material impairments existed at June 30, 2016 and 2015.

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

Bond Premiums and Discounts — Bond premiums and discounts are deferred and amortized over the term of the bonds using the interest method.

Deferred Inflows and Outflows of Resources — Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Likewise, deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Restricted Net Position — Restricted net position is comprised of assets restricted for debt service and renewals and replacements net of related liabilities and deferred inflows of resources. It is the System's policy to first use restricted assets when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Net Investment in Capital Assets — This component of net position consists of capital assets — net of accumulated depreciation and amortization and capital-related deferred outflows of resources, reduced by capital-related borrowings and deferred inflows of resources.

Operating Revenues and Expenses — Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the System are toll collections, toll administrative charges and concession revenue. Operating expenses consist primarily of operations, maintenance, renewal and replacement costs, pollution remediation, and business development and marketing costs, as well as depreciation and amortization on certain capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Capital Contributions to Others — Amounts included in contributions to others represent capital contributions to others by the System to support other road construction projects in conjunction with

System projects. Such contributions are authorized by Chapter 338 of the Florida Statutes. These are presented as nonoperating revenues and expenses.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Reclassification — In order to conform with fiscal year 2016 presentation, the System reclassified noncapital financing activities which were previously reported as operating activities.

New Accounting Standards — In February 2015, the GASB issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The system implemented GASB Statement No. 72 during fiscal year 2016 which required additional disclosures for investments.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

The System's deposit and investment practices are governed by Chapter 280, Florida Statutes, Section 17.57, and Section 215.47, as well as various legal covenants related to the outstanding bond issues. At June 30, 2016 and 2015, the carrying amounts of the System's cash on deposit in its bank accounts were \$2.3 million and \$1.9 million, respectively. The related bank balance was \$1.9 million and \$1.5 million, respectively, all of which were insured by the Federal Deposit Insurance Corporation or collateralized pursuant to Chapter 280, Florida Statutes.

Chapter 280, Florida Statutes, generally requires public funds to be deposited in a bank or savings association that is designated by the State Chief Financial Officer (State CFO) as authorized to receive deposits in the State and that meets the collateral requirements. The State CFO determines the collateral requirements and collateral pledging level for each Qualified Public Depository (QPD) following guidelines outlined in Chapter 69C-2, Florida Administrative Code (FAC), and Section 280.04, Florida Statutes. The State CFO is directed by FAC to review the "Public Depository Monthly Reports" and continually monitor the collateral pledging level(s) and required collateral of each QPD

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

The System deposits monies in the State's general pool of investments. Under Section 17.57, Florida Statutes, the State CFO is provided with the powers and duties concerning the investment of certain funds and specifies acceptable investments. The State CFO pools deposited monies from all departments in the State Treasury. The State Treasury, in turn, keeps these funds fully invested to maximize interest earnings. Authorized investment types are set forth in Section 17.57, Florida Statutes, and include

certificates of deposit, direct obligations of the U.S. Treasury, obligations of federal agencies, asset-backed or mortgage-backed securities, commercial paper, bankers' acceptances, medium-term corporate obligations, repurchase agreements, reverse repurchase agreements, commingled and mutual funds, obligations of state and local governments, derivatives, put and call options, negotiable certificates of deposit and convertible debt obligations of any corporation domiciled within the U.S. and, subject to certain rating conditions, foreign bonds denominated in U.S. dollars and registered with the Securities and Exchange Commission for sale in the U.S. Certain investments, such as mutual funds, cannot be categorized by all the different investment types because they are not evidenced by securities that exist in physical or book entry form. Securities held by the other parties underlying securities lending agreements also are not categorized.

At June 30, 2016 and 2015, U.S. government securities held by the SBA in the amount of \$297.2 million and \$220.8 million, respectively, are categorized as level 1 investments. Pooled investments with the State Treasury in the amount of \$946.9 million and \$819.3 million for the years ended June 30, 2016 and 2015, respectively, are based on the net assets value of the pool. No allocation is made as to the System's share of the types of investments or their risk categories. Further information on the type of investments held by the State Treasury is disclosed in the footnotes of the Comprehensive Annual Financial Report of the State of Florida.

The System currently invests in U.S. Treasury securities through the SBA. Further information may be obtained from the Chief Operating Officer — Finance and Accounting, State Board of Administration of Florida, 1801 Hermitage Boulevard, Suite 100, Tallahassee, Florida 32308, (850) 488-4406.

At June 30, 2016 and 2015, the System's cash, cash equivalents, and investments (stated at fair value) consisted of the following amounts (in thousands):

	2016	2015
Cash and restricted cash:		
Cash on hand	\$ -	\$ 34
Cash on deposit	2,313	1,875
Cash held by the State Treasury	1,542	1,926
Cash held by the SBA	<u>87</u>	<u>68,846</u>
Total cash and restricted cash	<u>3,942</u>	<u>72,681</u>
Cash equivalents and restricted cash equivalents:		
U.S. government securities held by the SBA (maturity <90 days)	75,114	-
Pooled investments with the State Treasury	<u>946,894</u>	<u>819,277</u>
Total cash equivalents	<u>1,022,008</u>	<u>819,277</u>
Restricted investments – U.S. government securities held by the SBA	222,121	186,314
Unrestricted investments – U.S. government securities held by the SBA	<u>-</u>	<u>34,448</u>
Total	<u>\$ 1,248,071</u>	<u>\$ 1,112,720</u>

As of June 30, 2016 and 2015, cash, cash equivalents, and investments as presented in the Balance Sheets were comprised of the following (in thousands):

Pooled cash and cash equivalents:		
Cash on hand	\$ -	\$ 34
Cash on deposit	2,313	1,875
Cash held by the State Treasury	1,036	1,420
Cash and cash equivalents held by the SBA	74,128	68,827
Pooled investments with the State Treasury	<u>920,445</u>	<u>782,537</u>
Total pooled cash and cash equivalents	<u>997,922</u>	<u>854,693</u>
Noncurrent restricted assets:		
Restricted cash and cash equivalents:		
Cash held by the State Treasury	506	506
Cash and cash equivalents held by the SBA	1,073	19
Pooled investments with the State Treasury	<u>26,449</u>	<u>36,740</u>
Total restricted cash and cash equivalents	<u>28,028</u>	<u>37,265</u>
Restricted investments – U.S. government securities held by the SBA	222,121	186,314
Unrestricted investments – U.S. government securities held by the SBA	<u>-</u>	<u>34,448</u>
Total	<u>\$ 1,248,071</u>	<u>\$ 1,112,720</u>

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

The Florida Treasury Investment Pool is rated by Standard & Poor’s Ratings Services. The rating at June 30, 2016 was A+f. The System relies on the controls and safeguards provided by Section 17.57, Florida Statutes, to address the credit risk that may exist for its investments in the State’s general pool, as discussed above.

Custodial Credit Risk — Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits or recover collateral securities that are in possession of an outside party. Custodial credit risk for investments exists when, in the event of the failure of the counterparty to a transaction, a government may be unable to recover the value of investment or collateral securities that are in the possession of an outside party. The System relies on the controls and safeguards provided by Section 17.57, Florida Statutes, to address the custodial credit risk that may exist for its investments in the State’s general pool, as discussed above. The SBA’s custodial credit risk policy states that custodial credit risk will be minimized through the use of trust accounts maintained at top tier third party custodian banks. To the extent possible, negotiated trust and custody contracts require that all deposits, investments, and collateral be held in accounts in the SBA’s name apart from the assets of the custodian banks.

Concentration of Credit Risk — Increased risk of loss occurs as more investments are acquired from one issuer (i.e., lack of diversification). This results in a concentration of credit risk. GASB Statement No. 40 requires disclosures of investments by amount and issuer for any issuer that represents five percent or more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government or investments in external investment pools, such as those that the System makes through the SBA or the State’s general pool of investments.

Foreign Currency Risk — Foreign currency risk exists when there is a possibility that changes in exchange rates could adversely affect an investment’s or deposit’s fair value. GASB Statement No. 40 requires disclosures of value in U.S. dollars by foreign currency denomination and by investment type for investments denominated in foreign currencies. The System relies on the controls and safeguards provided by Section 17.57, Florida Statutes, to address the foreign currency risk that may exist for its investments in the State’s general pool, as discussed above. For the years ended June 30, 2016 and 2015, the System was not exposed to any foreign currency risks.

Interest Rate Risk — Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value. GASB Statement No. 40 requires that interest rate risk be disclosed using one of five approved methods.

Interest rate risk disclosures are required for all debt investments, as well as investments in external investment pools and other pooled investments that do not meet the definition of a 2a7-like pool. Information regarding interest rate risk for the State’s general pool of investments can be found in the State of Florida Comprehensive Annual Financial Report.

The System's investments reported on its Balance Sheets consist of U.S. Treasury Notes held by the SBA. As of June 30, 2016 and 2015, the maturity dates of these securities were less than a year.

4. DUE FROM OTHER GOVERNMENTS

As of June 30, 2016 and 2015, amounts due from other governments consisted of the following (in thousands):

	2016	2015
Due from the Department	\$ 36,600	\$ 23,071
Due from the Department of Financial Services	5,644	2,029
Due from other governments	<u>3,098</u>	<u>640</u>
Total	<u>\$ 45,342</u>	<u>\$ 25,740</u>

The amount due from the Department of Financial Services (DFS) is attributable to escrow deposits held by DFS on behalf of local governments and organizations to fund certain construction costs. Pursuant to the agreement between the System and the local governments, the System is required to incur the construction costs before the deposits are released from escrow. In addition, at June 30, 2016 and 2015, amounts due from the Department were \$36.6 million and \$23.1 million, respectively, which were primarily comprised of toll revenue that was collected from customers and held in a Department fund at year-end. The amounts were remitted to the System subsequent to the respective year-ends.

5. CAPITAL ASSETS

Changes in the System's capital assets for the fiscal years ended June 30, 2016 and 2015 are shown below (in thousands):

2016	Beginning Balance	Transfers	Additions	Retirements	Ending Balance
Nondepreciable capital assets:					
Construction in progress	\$ 949,387	\$ (515,599)	\$ 484,194	\$ -	\$ 917,982
Land	903,572	-	21,066	(457)	924,181
Buildings	60,367	-	8,386	-	68,753
Infrastructure – highway system and improvements	<u>7,224,909</u>	<u>399,281</u>	<u>5,651</u>	<u>-</u>	<u>7,629,841</u>
Total nondepreciable capital assets	<u>9,138,235</u>	<u>(116,318)</u>	<u>519,297</u>	<u>(457)</u>	<u>9,540,757</u>
Depreciable capital assets:					
Buildings and improvements	240,381	2,535	-	(3,962)	238,954
Furniture and equipment	198,943	111,517	6,617	(20,307)	296,770
Intangible assets	51,951	2,802	-	(170)	54,583
Less accumulated depreciation and amortization:					
Buildings and improvements	(112,174)	-	(8,472)	2,941	(117,705)
Furniture and equipment	(93,814)	(536)	(34,252)	16,620	(111,982)
Intangible assets	<u>(38,302)</u>	<u>-</u>	<u>(6,641)</u>	<u>151</u>	<u>(44,792)</u>
Total depreciable capital assets	<u>246,985</u>	<u>116,318</u>	<u>(42,748)</u>	<u>(4,727)</u>	<u>315,828</u>
Total capital assets	<u>\$ 9,385,220</u>	<u>\$ -</u>	<u>\$ 476,549</u>	<u>\$ (5,184)</u>	<u>\$ 9,856,585</u>
2015	Beginning Balance	Transfers	Additions	Retirements	Ending Balance
Nondepreciable capital assets:					
Construction in progress	\$ 950,605	\$ (364,664)	\$ 363,446	\$ -	\$ 949,387
Land	892,855	61	10,657	(1)	903,572
Buildings	60,367	-	-	-	60,367
Infrastructure – highway system and improvements	<u>6,878,491</u>	<u>333,064</u>	<u>13,354</u>	<u>-</u>	<u>7,224,909</u>
Total nondepreciable capital assets	<u>8,782,318</u>	<u>(31,539)</u>	<u>387,457</u>	<u>(1)</u>	<u>9,138,235</u>
Depreciable capital assets:					
Buildings and improvements	247,177	3,831	7,608	(18,235)	240,381
Furniture and equipment	178,682	27,508	12,547	(19,794)	198,943
Intangible assets	44,776	200	7,000	(25)	51,951
Less accumulated depreciation and amortization:					
Buildings and improvements	(115,048)	-	(8,352)	11,226	(112,174)
Furniture and equipment	(90,717)	-	(20,149)	17,052	(93,814)
Intangible assets	<u>(31,877)</u>	<u>-</u>	<u>(6,450)</u>	<u>25</u>	<u>(38,302)</u>
Total depreciable capital assets	<u>232,993</u>	<u>31,539</u>	<u>(7,796)</u>	<u>(9,751)</u>	<u>246,985</u>
Total capital assets	<u>\$ 9,015,311</u>	<u>\$ -</u>	<u>\$ 379,661</u>	<u>\$ (9,752)</u>	<u>\$ 9,385,220</u>

Capitalized Interest — The reduction to interest expense during the year ended June 30, 2016 was \$29.1 million. This is comprised of \$1.2 million of interest earned on related investments acquired with revenue bond proceeds, and \$27.9 million capitalized as part of capital assets. The reduction to interest expense during the year ended June 30, 2015 was \$39.2 million. This is comprised of \$1.2 million of interest earned on related investments acquired with revenue bond proceeds and \$38.0 million capitalized as part of capital assets.

Nondepreciable Capital Assets — Buildings — In April 2009, the System entered into an agreement (the “Agreement”) with Areas USA FLTP, LLC (the “Operator”) to reconstruct and operate the eight service plazas along the Mainline through January 2040. Pursuant to the Agreement, the System retains ownership of the assets, and the Operator is required to return a facility(s) to the System in their original or enhanced condition. The Agreement meets all the criteria of GASB Statement No. 60. In accordance with GASB Statement No. 72 – *Fair Value Measurement and Application*, the System has recorded the reconstructed assets at acquisition value with a corresponding deferred inflow of resources and will not depreciate these assets. For the year ended June 30, 2016, the Okahumpka service plaza was reconstructed and the System recorded additions of \$8.4 million of buildings—nondepreciable and \$4.7 million of infrastructure. For the year ended June 30, 2015, there were no additions, as the two remaining plaza were under reconstruction. See Note 11 – *Deferred Inflows of Resources* for further disclosures related to the corresponding deferred inflow.

Acquisition of Beachline East Expressway — In July 2014, the System acquired the Beachline East Expressway from the Department for \$60.0 million based on the net present value of the future revenues. The Beachline East Expressway is an east-west, 22-mile, four-lane limited-access toll facility that extends east from SR 520 in Orange County for seven miles into Brevard County where it splits into two branches. The five-mile northeast branch becomes SR 407 and extends to a connection with SR 405, while the nine-mile southeast branch continues as SR 528 to a connection with the Bennett Causeway at US 1. The facility connects the John F. Kennedy Space Center and the aerospace industry to Orlando and serves as a regional connector to Florida’s east coast. Since the assets were acquired from the Department, the System records the assets at historical cost and their associated accumulated depreciation. The difference between the \$60.0 million paid to the Department and the net book value of the assets is the transfer for facility acquisition (\$39.9 million) on the accompanying Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2015.

6. DEFERRED OUTFLOWS OF RESOURCES

At June 30, 2016 and 2015, deferred outflows of resources totaled \$36.9 million and \$36.1 million, respectively. In accordance with GASB Statement No. 65, refunding losses on bond refunding equal the difference between the reacquisition price and the carrying value of the refunded debt which are reclassified to deferred outflows of resources. The deferred outflows of resources are amortized and recognized as interest expense in a systematic and rational manner over the shorter of the remaining term of the refunded debt or the new debt. At June 30, 2016 there was no outstanding in-substance defeased debt.

In August 2015, a portion of the 2015A Bonds, together with other legally available moneys refunded the 2005A Bonds maturing in the years 2016 through 2029, with an outstanding principal amount of \$74.6 million. The reacquisition price of the refunding debt exceeded the carrying amount of the refunded debt by \$2.2 million. The refunding resulted in a reduction in future debt service payments of \$12.8 million and a present value savings associated with the refunding of \$10.5 million.

In November 2015, the 2015B Bonds, together with other legally available moneys refunded the 2007A Bonds maturing in the years 2017 through 2036, with an outstanding principal amount of \$210.7

million. The reacquisition price of the refunding debt exceeded the carrying amount of the refunded debt by \$2.7 million. The refunding resulted in a reduction in future debt service payments of \$43.7 million and a present value savings associated with the refunding of \$31.9 million.

In February 2016, the 2016A Bonds, together with other legally available moneys refunded the 2006A Bonds new money portion maturing in the years 2017 through 2036, excluding 2027, 2028 and 2029, with an outstanding principal amount of \$188.1 million. The reacquisition price of the refunding debt exceeded the carrying amount of the refunded debt by \$2.3 million. The refunding resulted in a reduction in future debt service payments of \$34.9 million and a present value savings associated with the refunding of \$26.0 million.

In April 2016, the 2016B Bonds, together with other legally available moneys refunded the 2006A Bonds new money portion maturing in the year 2027 and refunding portion maturing in years 2017 through 2027, with an outstanding principal amount of \$125.5 million. The reacquisition price of the refunding debt exceeded the carrying amount of the refunded debt by \$5.1 million. The refunding resulted in a reduction in future debt service payments of \$17.2 million and a present value savings associated with the refunding of \$15.2 million.

These refundings took advantage of a general reduction in interest rates to achieve an overall reduction in future debt service costs.

7. DUE TO FLORIDA DEPARTMENT OF TRANSPORTATION

At June 30, 2016 and 2015, amounts due to the Department consisted of the following (in thousands):

	2016	2015
June operations, maintenance, in-house, and overhead reimbursement	\$ 26,235	\$ 22,632
Current portion of advances payable to the Department	<u>73,545</u>	<u>15,217</u>
Total	<u>\$ 99,780</u>	<u>\$ 37,849</u>

8. ADVANCES PAYABLE TO FLORIDA DEPARTMENT OF TRANSPORTATION

At June 30, 2016 and 2015, advances payable to the Department consisted of the following (in thousands):

	2016	2015
State Infrastructure Bank loans	\$ 35,835	\$ 39,052
Operations and maintenance subsidy	68,827	79,327
Advances from State Transportation Trust Fund	<u>6,000</u>	<u>7,500</u>
Total	<u>\$ 110,662</u>	<u>\$ 125,879</u>
As presented in Balance Sheets:		
Current portion	\$ 73,545	\$ 15,217
Long-term portion	\$ 37,117	\$ 110,662

State Infrastructure Bank (“SIB”) Loans were established in 1997 as a pilot program for eight states, which allows those states to capitalize the SIB with up to 10% of their Federal Highway apportionments. The SIB acts as a revolving fund to provide assistance in the form of loans, credit enhancements, capital reserves, subsidized interest rates, or to provide other debt financing security. Such loans are interest free. In fiscal year 2005, the System received the last advance of the \$55.5 million loan for Seminole Expressway, Project 2. Repayments of \$2.5 million occurred as scheduled in 2016 and 2015, with the balance due in installments through 2026. A SIB loan of \$16.9 million is also being utilized for interest cost subsidies for the 2003C bond sale. Repayments on this loan were \$0.7 million for both fiscal year 2016 and 2015, and will be fully repaid by fiscal year 2034. The repayment of these loans is subordinate to the repayment of bonded debt.

As provided in Section 338.223 (4), Florida Statutes, the Department is authorized to make operations and maintenance loans to the System in a fiscal year, subject to a limitation of 1.5% of state transportation tax revenues available for that fiscal year. For the years ended June 30, 2016 and 2015, \$0.2 million and \$0.4 million, respectively, were provided to the System. Repayments on these loans were \$10.5 million (net of \$0.2 million subsidy provided) and \$8.5 million (net of \$0.4 million subsidy provided) for fiscal year 2016 and 2015, respectively.

In the Spring of 2012, Senate Bill 1998 repealed the Toll Facility Revolving Trust Fund (“TFRTF”) and transferred the funds and future revenues to the State Transportation Trust Fund. Through fiscal year 2009, the System had been awarded and had expended \$9.0 million in TFRTF loans from the Department. Repayments on this loan were \$1.5 million for both fiscal year 2016 and 2015 and will be fully repaid by 2020 from the System’s general reserve fund.

Following are maturities of advances payable to the Department at June 30, 2016 (in thousands):

2017	\$ 73,545
2018	4,717
2019	4,717
2020	4,717
2021-2025	16,088
2026-2030	4,300
2031-2034	<u>2,578</u>
Total	<u>\$ 110,662</u>

9. BONDS PAYABLE

Bonds payable as of June 30, 2016 and 2015 were as follows (in thousands):

	Maturing In	Interest Rate	2016	2015
\$113,350 Revenue Bonds, Series 2016B: Serial Bonds	2017-2027	2.50%-5.00%	<u>\$ 113,350</u>	
\$173,385 Revenue Bonds, Series 2016A: Serial Bonds	2017-2036	3.00%-5.00%	<u>173,385</u>	
\$195,875 Revenue Bonds, Series 2015B: Serial Bonds	2017-2036	3.00%-5.00%	<u>195,875</u>	
\$241,480 Revenue Bonds, Series 2015A: Serial Bonds	2017-2040	2.95%-5.00%	190,380	
Term Bonds	2041-2045	4.00%	<u>44,700</u>	
Total 2015 Series A			<u>235,080</u>	
\$223,580 Revenue Bonds, Series 2014A: Serial Bonds	2016-2038	3.25%-5.00%	184,095	\$ 186,310
Term Bonds	2039-2044	4.00%	<u>35,520</u>	<u>35,520</u>
Total 2014 Series A			<u>219,615</u>	<u>221,830</u>
\$267,405 Revenue Bonds, Series 2013C: Serial Bonds	2016-2043	4.00%-5.00%	<u>247,880</u>	<u>257,310</u>
\$206,035 Revenue Bonds, Series 2013B: Serial Bonds	2016-2022	5.00%	<u>125,460</u>	<u>154,850</u>
\$183,140 Revenue Bonds, Series 2013A: Serial Bonds	2016-2025	5.00%	<u>146,175</u>	<u>158,995</u>
\$306,065 Revenue Bonds, Series 2012A: Serial Bonds	2016-2033	2.875%-5.00%	246,365	249,990
Term Bonds	2034-2042	3.25%-4.00%	<u>47,835</u>	<u>47,835</u>
Total 2012 Series A			<u>294,200</u>	<u>297,825</u>
\$150,165 Revenue Bonds, Series 2011A: Serial Bonds	2016-2039	3.25%-5.25%	92,910	100,080
Term Bonds	2035-2041	4.75%-5.00%	<u>33,355</u>	<u>33,355</u>
Total 2011 Series A			<u>126,265</u>	<u>133,435</u>
\$251,080 Revenue Bonds, Series 2010B: Serial Bonds	2016-2031	5.00%	109,315	114,140
Term Bonds	2032-2040	4.50%-5.00%	<u>115,635</u>	<u>115,635</u>
Total 2010 Series B			<u>224,950</u>	<u>229,775</u>

(Continued)

	Maturing In	Interest Rate	2016	2015
\$211,255 Revenue Bonds, Series 2010A: Serial Bonds	2016-2030	5.00%	<u>133,265</u>	<u>146,310</u>
\$255,000 Revenue Bonds, Series 2009B: Build America Term Bonds	2020-2039	6.14%-6.80%	<u>255,000</u>	<u>255,000</u>
\$68,445 Revenue Bonds, Series 2009A: Serial Bonds	2016-2020	3.50%-5.00%	<u>24,325</u>	<u>31,370</u>
\$325,775 Revenue Bonds, Series 2008A: Serial Bonds	2016-2029	5.00%	152,505	165,470
Term Bonds	2030-2037	4.50%-5.00%	<u>81,880</u>	<u>81,880</u>
Total 2008 Series A			<u>234,385</u>	<u>247,350</u>
\$256,075 Revenue Bonds, Series 2007A: Serial Bonds	2016-2030	5.00%	-	130,970
Term Bonds	2031-2036	5.00%	<u>-</u>	<u>85,825</u>
Total 2007 Series A			<u>-</u>	<u>216,795</u>
\$443,290 Revenue Bonds, Series 2006A: Serial Bonds	2016-2029	3.00%-5.00%	23,525	252,710
Term Bonds	2030-2036	4.50%-4.75%	<u>-</u>	<u>98,975</u>
Total 2006 Series A			<u>23,525</u>	<u>351,685</u>
\$93,560 Refunding Bonds, Series 2005A: Serial Bonds	2016-2029	4.25%-5.00%	<u>-</u>	<u>74,625</u>
Subtotal			2,772,735	2,777,155
Add unamortized bond premium			<u>153,321</u>	<u>117,264</u>
Total			<u>\$2,926,056</u>	<u>\$2,894,419</u>
As presented in the Balance Sheets:				
Current portion			\$ 133,590	\$ 127,045
Long-term portion			\$2,792,466	\$2,767,374

(Concluded)

As of June 30, 2016, debt service requirements to maturity, including interest at fixed rates, were as follows (in thousands):

Maturing	Principal	Interest	Total
2017	\$ 133,590	\$ 129,830	\$ 263,420
2018	141,075	123,235	264,310
2019	148,530	116,258	264,788
2020	139,455	108,831	248,286
2021	146,495	101,777	248,272
2022-2026	640,320	408,382	1,048,702
2027-2031	539,415	272,459	811,874
2032-2036	516,130	155,301	671,431
2037-2041	286,860	52,937	339,797
2042-2045	<u>80,865</u>	<u>6,781</u>	<u>87,646</u>
Total	<u>\$ 2,772,735</u>	<u>\$ 1,475,791</u>	<u>\$ 4,248,526</u>

Bonds and the interest payable thereon are obligations of the System, secured by and payable from the pledge of the net revenues of the System.

The 2009B Bonds were issued under the American Recovery and Reinvestment Act of 2009 (Recovery Act) as Build America Term Bonds (BABs). Pursuant to the Recovery Act, the State receives a cash subsidy payment from the U.S. Treasury equal to 35% of the interest payable on each interest payment date. The cash payment does not constitute a full faith and credit guarantee of the U.S. Government, but is required to be paid by the Treasury under the Recovery Act. Any cash subsidy payments received by the State are deposited into the Sinking Fund. The cash subsidy interest payments received in fiscal year 2016 and 2015 were both \$5.5 million, and are included in nonoperating revenues on the Statements of Revenues, Expenses, and Changes in Net Position. The fiscal year 2016 and 2015 subsidies were slightly reduced due to the effect of the federal sequestration. Any decrease in subsidy will not have a material effect on the overall financial position of the System.

Bond Sales — In April, 2016 the State of Florida issued the \$113.3 million State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2016B (2016B Bonds), to refund a portion of the outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2006A, and to pay costs of issuance.

In February, 2016 the State of Florida issued the \$173.4 million State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2016A (2016A Bonds), to refund a portion of the outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2006A, and to pay costs of issuance.

In November, 2015 the State of Florida issued the \$195.9 million State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2015B (2015B Bonds), to refund the outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2007A, and to pay costs of issuance.

In August, 2015 the State of Florida issued the \$241.5 million State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2015A (2015A Bonds), to finance capital improvements, to refund all of the outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2005A, to fund a reserve account, and to pay costs of issuance.

Bond Refunding — The System participates in current and advance refundings of outstanding debt to take advantage of a general reduction in interest rates to reduce future debt service costs. Gains or losses resulting from refunding are recorded as deferred outflows or inflows of resources. These are disclosed in Note 6—*Deferred Outflows of Resources*.

Bond Covenants — In October 1988 the State Board of Administration, Division of Bond Finance, approved a resolution authorizing the issuance of bonds to provide for the financing of acquisition and construction of System projects or the refunding of such bonds. The resolution was last amended in May 2005. In accordance with the resolution, the System is required to comply with certain covenants. As of June 30, 2016 and 2015, the System is in full compliance with these covenants.

10. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the years ended June 30, 2016 and 2015, was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Amount Due in More than One Year
2016						
Bonds payable	\$2,777,155	\$ 724,090	\$ (728,510)	\$2,772,735	\$ 133,590	\$2,639,145
Add unamortized amounts for issuance premiums	<u>117,264</u>	<u>70,875</u>	<u>(34,818)</u>	<u>153,321</u>	<u>-</u>	<u>153,321</u>
Total bonds payable	2,894,419	794,965	(763,328)	2,926,056	133,590	2,792,466
Advances payable to the Department	125,879	-	(15,217)	110,662	73,545	37,117
Unearned revenue from other governments	550	-	(50)	500	49	451
Other long-term liabilities	<u>50,649</u>	<u>-</u>	<u>(31,682)</u>	<u>18,967</u>	<u>12,536</u>	<u>6,431</u>
Total	<u>\$3,071,497</u>	<u>\$ 794,965</u>	<u>\$ (810,277)</u>	<u>\$3,056,185</u>	<u>\$ 219,720</u>	<u>\$2,836,465</u>
2015						
Bonds payable	\$2,789,550	\$ 223,580	\$ (235,975)	\$2,777,155	\$ 127,045	\$2,650,110
Add unamortized amounts for issuance premiums	<u>125,405</u>	<u>15,808</u>	<u>(23,949)</u>	<u>117,264</u>	<u>-</u>	<u>117,264</u>
Total bonds payable	2,914,955	239,388	(259,924)	2,894,419	127,045	2,767,374
Advances payable to the Department	139,121	-	(13,242)	125,879	15,217	110,662
Unearned revenue from other governments	600	-	(50)	550	50	500
Other long-term liabilities	<u>138,238</u>	<u>-</u>	<u>(87,589)</u>	<u>50,649</u>	<u>31,074</u>	<u>19,575</u>
Total	<u>\$3,192,914</u>	<u>\$ 239,388</u>	<u>\$ (360,805)</u>	<u>\$3,071,497</u>	<u>\$ 173,386</u>	<u>\$2,898,111</u>

11. DEFERRED INFLOWS OF RESOURCES

In April 2009, the System entered into an Agreement (the “Agreement”) with Areas USA FLTP, LLC (the “Operator”) to reconstruct and operate the eight service plazas along the Mainline through January 2040. Pursuant to the Agreement, the System retains ownership of the assets and the Operator is required to return the assets in their original or enhanced condition. The concession fees per the Agreement are based on a fixed monthly rental payment, or a percentage of revenue generated, whichever is greater. At inception, the Operator was required to pay an initial deposit totaling \$0.2 million. As of June 30, 2016 and 2015, the deposit is refundable and is recorded in current liabilities. The System’s obligations in the Agreement consist of monetary and nonmonetary assets and maintenance expense for limited areas. The Agreement meets all the criteria of GASB Statement No. 60.

Capital Assets — During 2016, the Operator completed reconstruction of the Okahumpka Service Plaza. The System recorded a deferred inflow of resources of \$9.9 million, which is equal to the difference

between the fair value of the asset and the System’s obligations. No additions were recorded in 2015 as no service plaza reconstruction was completed during the year. As of June 30, 2016, the Port St. Lucie/Ft. Pierce service plaza remains under construction. See Note 5 – *Capital Assets* for disclosure on the recording of the capital assets. The deferred inflow of resources is amortized and recognized as contributed capital in a systematic and rational manner over the remaining term of the Agreement; the System has chosen a straight-line basis. For the years ended June 30, 2016 and 2015, the System recognized \$2.7 million and \$2.5 million, respectively.

Service Concession Arrangement Receivable — In fiscal year 2013, the System recorded a \$88.1 million receivable and a corresponding deferred inflow of resources, which was equal to the present value of the fixed component of the rental payment for the remaining 26.5 years of the Agreement. As of June 30, 2016 and 2015, the current portion of \$5.1 million and \$5.3 million, respectively, is included in accounts receivable and the long-term portion of \$66.4 million and \$71.5 million, respectively, is included in service concession arrangement receivable. Rent earned under the Agreement for the fiscal years ended 2016 and 2015 was approximately \$6.2 million and \$6.1 million, respectively.

	2016	2015
Capital assets	\$ 70,297	\$ 62,812
Total SCA receivables	<u>71,467</u>	<u>76,751</u>
	141,764	139,563
Less amortization of deferred inflows of resources to capital contributions:	<u>(2,724)</u>	<u>(2,455)</u>
Total deferred inflows of resources	<u>\$ 139,040</u>	<u>\$ 137,108</u>

12. EMPLOYEE BENEFITS

A. Pensions

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

The State of Florida implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, which were effective for financial statements beginning July 1, 2014. The DFS has determined that the System is not a payor fund for the purpose of liquidating the pension liability. An actuarial valuation has been performed for the FRS. Personnel assigned to the System were included in the actuarial analysis and are part of the total pension liability, the net pension liability, and the plan net position disclosed in the footnotes and other required supplementary information of the Comprehensive Annual Financial Report of the State of Florida, which may be obtained from the DFS. FRS also issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the State of Florida, Department of Management Services, Division of Retirement, Research, Education and Policy Section, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by calling (850) 488-5706.

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

Retiree Health Insurance Subsidy Program — In 1987, the Florida Legislature established through Section 112.363, Florida Statutes, the Retiree Health Insurance Subsidy (“HIS”) to assist retirees of all State-administered retirement systems in paying health insurance costs. The HIS is a cost-sharing multiple-employer defined benefit pension plan. Eligible retirees or beneficiaries received a monthly retiree health insurance subsidy payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments to individual retirees or beneficiaries were at least \$30, but not more than \$150 per month during each of the fiscal years. To be eligible to receive the HIS, a retiree under any State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The State of Florida implemented the provisions of GASB Statement No. 68 – Pension which were effective for financial statements beginning July 1, 2014. The DFS has determined that the System is not a payor fund for the purpose of liquidating HIS pension liability. An actuarial valuation has been performed for the HIS. Personnel assigned to the System were included in the actuarial analysis and are part of the total HIS pension liability, the HIS net pension liability, and the HIS plan net position disclosed in the footnotes and other required supplementary information of the Comprehensive Annual Financial Report of the State of Florida, which may be obtained from the DFS.

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

B. Other Postemployment Benefits

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

The DFS has determined that the System is not a payor fund for the purpose of liquidating actuarial accrued liability. An actuarial valuation has been performed for the plan. Personnel assigned to the System were included in the actuarial analysis and are part of the actuarial accrued liability, annual required contribution, and net other postemployment benefit obligation disclosed in the footnotes and other required supplementary information of the Comprehensive Annual Financial Report of the State of Florida.

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

C. Deferred Compensation Plan

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

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

The System does not contribute to the plan. Participation under the plan is solely at the discretion of the employee.

The State has no liability for losses under the plan, but does have the duty of due care that would be required to an ordinary and prudent investor. Pursuant to Section 112.215, Florida Statutes, the Deferred Compensation Trust Fund resides in the State Treasury.

D. Compensated Absences

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

The cost of vacation and vested sick leave benefits is charged to the System through an overhead rate assessed by the Department in the period the benefits are paid. The liability for accrued leave is recorded by the Department which is responsible for paying accrued leave when it is taken.

13. CONTRIBUTIONS FOR CAPITAL PROJECTS

Contributions for capital projects represent amounts received from other entities for construction of certain highway system projects, land acquisition, and various studies.

Contributions for capital projects recognized for the years ended June 30, 2016 and 2015 were as follows (in thousands):

	2016	2015
Service Concession Arrangement	\$ 2,723	\$ 2,455
Equipment	920	-
First Coast Expressway	656	-
Suncoast Parkway 2	218	1,551
Other projects	390	440
Turnpike/I-595 Interchange	37	25
SR 417 and Turnpike Interchange	<u>-</u>	<u>2,978</u>
Total	<u>\$ 4,944</u>	<u>\$ 7,449</u>

14. TRANSACTIONS WITH FLORIDA DEPARTMENT OF TRANSPORTATION

As described in Note 1, System operations are the responsibility of the Department. Transactions between the System and other funds of the Department consist of reimbursements made by the System to the Department. Reimbursements include amounts arising from the use of Department personnel, equipment and materials, and charges incurred from independent suppliers and contractors who are paid directly by the Department on behalf of the System.

The following summarizes reimbursements made to the Department as of and for the years ended June 30, 2016 and 2015, (in thousands):

	2016	2015
Payments/reimbursements to the Department	\$ 195,906	\$ 187,946

15. OPERATING LEASES

The System leases certain equipment and office space under noncancelable operating leases. As of June 30, 2016, future minimum lease payments under noncancelable operating leases with initial or remaining terms in excess of one year are as follows (in thousands):

2017	\$	103
2018		103
2019		93
2020		54
2021		26
Thereafter		<u>15</u>
Total		<u>\$ 394</u>

Rent expense for noncancelable operating leases was approximately \$0.1 million for the years ended June 30, 2016 and 2015.

16. COMMITMENTS AND CONTINGENCIES

Commitments and Contingencies — Commitments on outstanding System contracts total approximately \$1.0 billion at June 30, 2016.

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

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

There were no losses incurred in fiscal year 2016 or 2015 that exceeded coverages.

17. POLLUTION REMEDIATION

Groundwater and soil contamination related to fuel tank leakage existed at the System's eight service plazas. The sites were accepted into the Florida Department of Environmental Protection's (FDEP) Petroleum Restoration Program. The program provides for reimbursement of System-contracted remediation or State-contracted cleanup of qualifying sites. As of June 30, 2016 and 2015, seven and six, respectively, of the eight service plaza sites have completed remediation efforts. The remaining liability included in construction contracts and retainage payable is listed below (in thousands):

	2016	2015
Okahumpka	\$ -	\$ 50
Fort Pierce	<u>178</u>	<u>789</u>
Total pollution remediation liabilities	<u>\$ 178</u>	<u>\$ 839</u>

These estimates were developed based on existing site studies performed under the FDEP program. Management believes that these estimates are reasonable based on the information available as of June 30, 2016. The System's remediation efforts are nearing the end and estimates are subject to change based on new information obtained as the project progresses. Additionally, the System could potentially receive some funding from FDEP for future pollution remediation; however, estimates are not available. The System has no other pollution remediation obligations for the fiscal years presented.

* * * * *

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

FLORIDA'S TURNPIKE SYSTEM DEPARTMENT OF TRANSPORTATION STATE OF FLORIDA

TREND DATA ON THE SYSTEM'S INFRASTRUCTURE CONDITION

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Pursuant to GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*, Florida's Turnpike System (the "System") has adopted an alternative method of recording depreciation expense on its infrastructure assets (highway system and improvements). Under this alternative method, referred to as the modified approach, the System expends certain maintenance and preservation costs and, consequently, does not report depreciation expense related to infrastructure. System assets accounted for under the modified approach include 483 centerline miles of roadway and 740 bridges.

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

DEPARTMENT CONDITION AND MAINTENANCE PROGRAMS

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

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

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

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

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

Pollution Remediation Program — The System’s eight service plazas have groundwater and soil contamination related to fuel tank leakages. These sites were accepted into the Florida Department of Environmental Protection’s Early Detection Incentive Program in the late 1980’s, which provided funding for all pollution remediation efforts through fiscal year 2009. In fiscal year 2009, the System entered into an agreement with a new lessee for the operations of the service plazas. Under the new lease agreement, the System legally obligated itself to commence pollution remediation related to the fuel tank leakages as discussed in Note 17 to the financial statements. These expenses do not impact the infrastructure condition ratings.

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

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

Condition Ratings for the System’s Infrastructure	2016	2015	2014
Percentage of pavement meeting Department standards	98%	99%	99%
Percentage of bridges meeting Department standards	99%	99%	99%
Overall routine maintenance rating	88	88	89

Comparison of Needed-to-Actual Maintenance/Preservation (in thousands)*:

Fiscal Year	Needed	Actual Resurfacing	Actual Bridge Repair and Replacement	Actual Pollution Remediation	Actual Routine Maintenance	Total Actual	Difference
2016	\$ 77,085	\$ 63,320	\$ 1,258	\$ -	\$ 42,875	\$ 107,453	\$ 30,368
2015	81,810	57,043	1,108	547	39,103	97,801	15,991
2014	86,922	61,946	738	-	36,241	98,925	12,003
2013	102,670	81,609	302	-	35,897	117,808	15,138
2012	95,738	44,063	1	-	40,278	84,342	(11,396)

*Note: The amounts listed above are totals for the resurfacing, bridge repair and replacement, pollution remediation, and routine maintenance programs of the System. Needed amounts are estimated on a cash basis, while actual amounts are stated on the accrual basis of accounting.

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

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

Contents

Page

Financial Trends

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

2-7

Revenue Capacity

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

8-38

Debt Capacity

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

39-41

Demographic and Economic Information

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

42-43

Operating Information

These schedules contain data on infrastructure, personnel and other operating information to help the reader understand how the Turnpike System operates and provide a framework useful in assessing the condition of the Turnpike System.

44-50

FLORIDA'S TURNPIKE SYSTEM BALANCE SHEETS

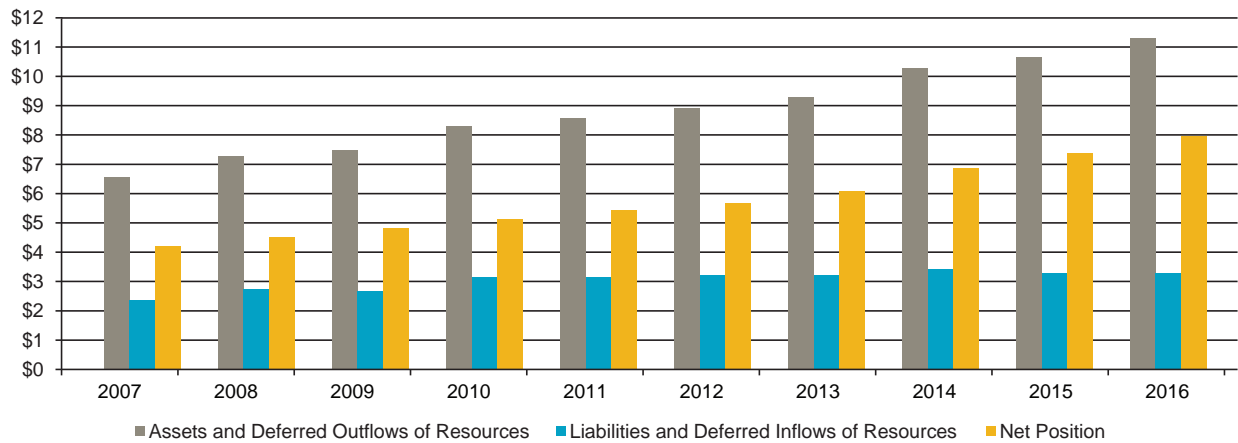
Fiscal Years 2012 through 2016
(In Thousands)

	2016	2015	2014	2013	2012
Assets					
Current and Other Assets	\$1,059,152	\$898,499	\$894,251	\$731,090	\$728,127
Restricted Assets	250,149	223,579	262,678	283,120	368,995
Capital Assets, net of Accumulated Depreciation	9,856,585	9,385,220	9,015,311	8,170,543	7,804,661
Noncurrent Assets	66,440	105,915	76,927	82,308	-
Total Assets	11,232,326	10,613,213	10,249,167	9,267,061	8,901,783
Deferred Outflows of Resources	36,919	36,119	40,542	40,102	-
Total Assets and Deferred Outflows of Resources	\$11,269,245	\$10,649,332	\$10,289,709	\$9,307,163	\$8,901,783
Liabilities					
Current Liabilities	\$301,644	\$240,138	\$305,466	\$186,788	\$273,802
Long-Term Debt Outstanding and Other Liabilities	2,836,465	2,898,111	2,974,869	2,901,355	2,936,005
Total Liabilities	3,138,109	3,138,249	3,280,335	3,088,143	3,209,807
Deferred Inflows of Resources	139,040	137,108	145,120	140,259	-
Net Position					
Net Invested in Capital Assets	6,908,906	6,506,936	6,111,063	5,339,106	5,051,519
Restricted	147,591	110,351	120,925	149,546	166,228
Unrestricted	935,599	756,688	632,266	590,109	474,229
Total Net Position	7,992,096	7,373,975	6,864,254	6,078,761	5,691,976
Total Liabilities, Deferred Inflows of Resources and Net Position	\$11,269,245	\$10,649,332	\$10,289,709	\$9,307,163	\$8,901,783

Over the past years, the System has almost doubled its net position. This continues to be an indicator of the System's financial strength (see graph below). During fiscal year 2014, the System implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which reclassified bond refunding losses from long-term debt to deferred outflows of resources. Beginning in fiscal year 2013, the System implemented GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, requiring the System to record deferred inflows of resources and corresponding capital assets as well as service concession arrangement receivables - noncurrent.

FLORIDA'S TURNPIKE SYSTEM BALANCE SHEETS

(In Billions)



Source:
Audited Financial Statements

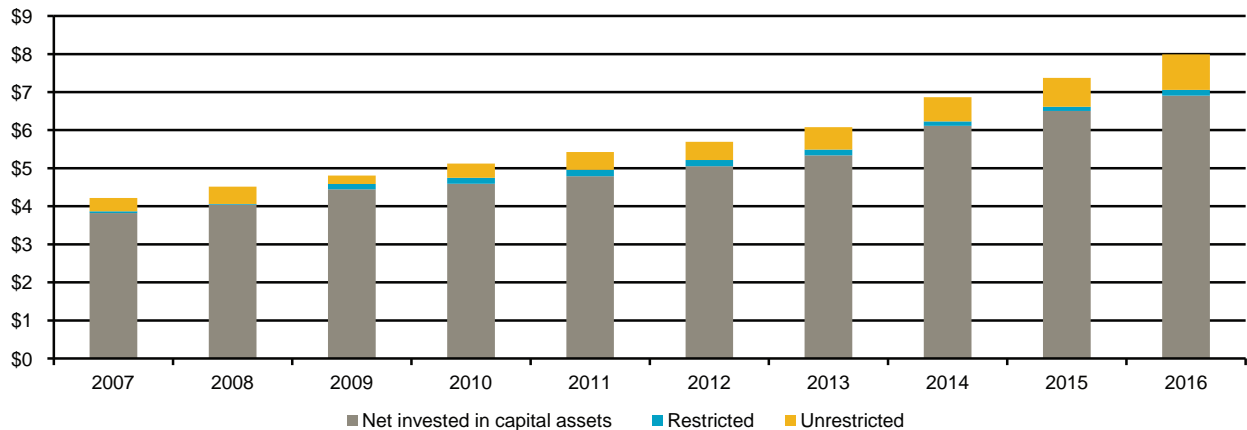
FLORIDA'S TURNPIKE SYSTEM BALANCE SHEETS

Fiscal Years 2007 through 2011
(In Thousands)

	2011	2010	2009	2008	2007
Assets					
Current and Other Assets	\$652,076	\$461,345	\$367,664	\$570,379	\$519,773
Restricted Assets	256,949	479,995	167,366	202,066	119,231
Capital Assets, net of Accumulated Depreciation	7,665,112	7,345,564	6,962,730	6,495,488	5,943,035
Noncurrent Assets	-	-	-	-	-
Total Assets	8,574,137	8,286,904	7,497,760	7,267,933	6,582,039
Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$8,574,137</u>	<u>\$8,286,904</u>	<u>\$7,497,760</u>	<u>\$7,267,933</u>	<u>\$6,582,039</u>
Liabilities					
Current Liabilities	\$258,716	\$161,670	\$169,535	\$160,322	\$167,924
Long-Term Debt Outstanding and Other Liabilities	2,892,313	3,003,128	2,522,050	2,592,008	2,198,661
Total Liabilities	3,151,029	3,164,798	2,691,585	2,752,330	2,366,585
Deferred Inflows of Resources	-	-	-	-	-
Net Position					
Net Investment in Capital Assets	4,791,948	4,592,159	4,446,638	4,041,985	3,820,318
Restricted	164,939	158,071	136,453	19,504	45,929
Unrestricted	466,221	371,876	223,084	454,114	349,207
Total Net Position	5,423,108	5,122,106	4,806,175	4,515,603	4,215,454
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$8,574,137</u>	<u>\$8,286,904</u>	<u>\$7,497,760</u>	<u>\$7,267,933</u>	<u>\$6,582,039</u>

As indicated in the graph below, net position has continued to increase reflecting the System's financial strength.

FLORIDA'S TURNPIKE SYSTEM NET POSITION (In Billions)



Source:
Audited Financial Statements

FLORIDA'S TURNPIKE SYSTEM STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

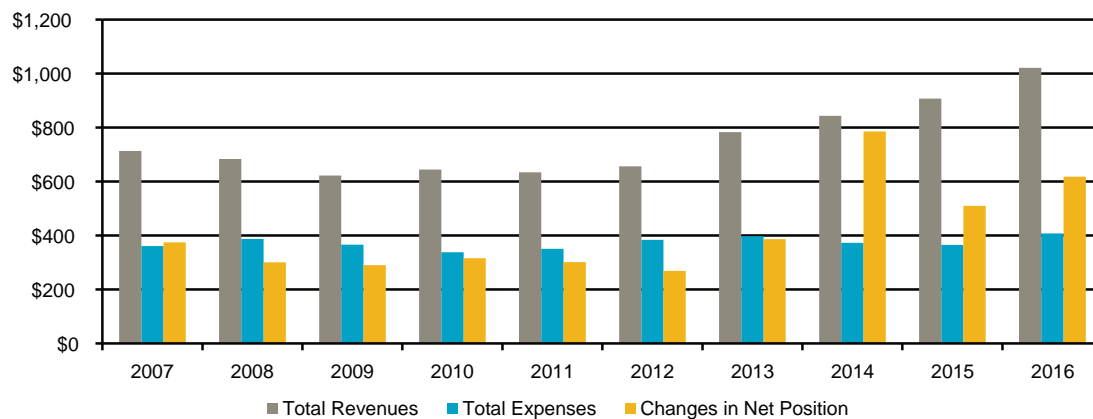
Fiscal Years 2012 through 2016
(In Thousands)

	2016	2015	2014	2013	2012
Revenues					
Operating Revenues from Toll Facilities	\$955,930	\$865,950	\$796,301	\$755,542	\$608,812
Operating Revenues from Toll Administrative Charges	16,993	15,334	8,495	6,237	6,301
Operating Revenues from Concessions and Other Sources	14,226	13,305	12,073	12,443	11,389
Nonoperating Investment Earnings	28,382	7,560	21,547	3,327	24,121
Interest Subsidy	5,550	5,509	5,515	5,685	5,943
Total Revenues	1,021,081	907,658	843,931	783,234	656,566
Expenses					
Operations and Maintenance Expense	188,249	175,769	164,191	162,422	177,329
Business Development and Marketing Expense	4,209	1,391	1,647	1,203	2,676
Pollution Remediation	-	547	-	-	-
Renewals and Replacements Expense	64,578	59,249	62,684	81,912	44,064
Depreciation Expense	49,365	34,951	35,419	35,165	31,038
Nonoperating Interest Expense	87,211	80,854	91,539	109,188	125,821
Other Nonoperating Expense, Net	14,292	12,706	17,104	7,783	3,416
Total Expenses	407,904	365,467	372,584	397,673	384,344
Income Before Contributions and Transfer	613,177	542,191	471,347	385,561	272,222
Contributions for Capital Projects	4,944	7,449	314,146	1,224	2,274
Contributions to Other Governments	-	-	-	-	(5,628)
Transfer - Facility Acquisition	-	(39,919)	-	-	-
Increase in Net Position	618,121	509,721	785,493	386,785	268,868
Net Position, Beginning of Year	7,373,975	6,864,254	6,078,761	5,691,976	5,423,108
Net Position, End Of Year	\$7,992,096	\$7,373,975	\$6,864,254	\$6,078,761	\$5,691,976

The increases in fiscal years 2013 through 2016 total revenues are primarily due to the annual toll rate indexing and systemwide traffic growth. In accordance with Section 338.231(3)(b), F.S., the System began collecting an administrative charge in association with video billings in fiscal year 2011. The fiscal year 2015 transfer for facility acquisition represents the difference between the amount paid and the net book value of the assets transferred from FDOT for the Beachline East Expressway. The fiscal year 2014 increase in contributions for capital projects is due to the completion of the I-4 Connector. Net position has continued to increase over the reporting period reflecting the System's financial strength.

FLORIDA'S TURNPIKE SYSTEM REVENUES, EXPENSES AND CHANGES IN NET POSITION

(In Millions)



Source:
Audited Financial Statements

FLORIDA'S TURNPIKE SYSTEM STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

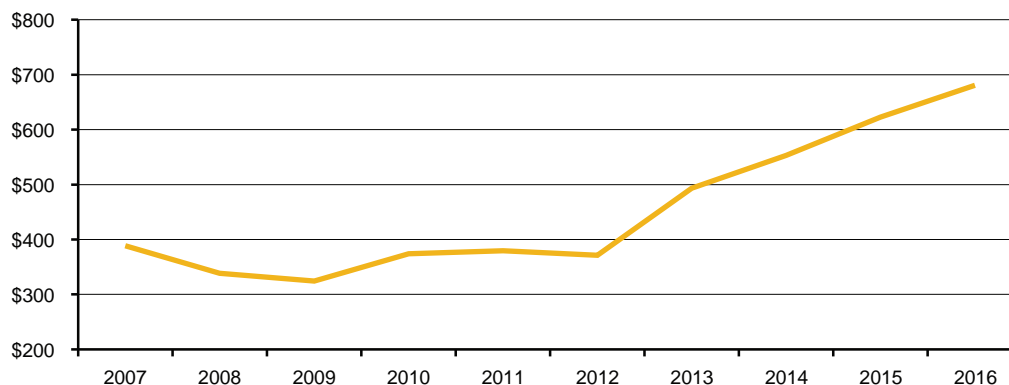
Fiscal Years 2007 through 2011
(In Thousands)

	2011	2010	2009	2008	2007
Revenues					
Operating Revenues from Toll Facilities	\$600,079	\$596,173	\$590,528	\$635,571	\$663,943
Operating Revenues from Toll Administrative Charges	2,487	-	-	-	-
Operating Revenues from Concessions and Other Sources	11,867	15,423	14,369	15,172	17,672
Nonoperating Investment Earnings	13,750	27,309	17,285	33,204	32,124
Interest Subsidy	5,943	5,811	-	-	-
Total Revenues	634,126	644,716	622,182	683,947	713,739
Expenses					
Operations and Maintenance Expense	179,245	170,262	186,608	184,218	175,386
Business Development and Marketing Expense	3,302	2,160	3,995	5,669	8,569
Pollution Remediation	(1,030)	-	9,502	-	-
Renewals and Replacements Expense	34,502	50,005	62,848	102,726	93,913
Depreciation Expense	19,110	15,268	17,613	19,628	15,147
Nonoperating Interest Expense	110,437	98,294	82,823	73,255	65,105
Other Nonoperating Expense, Net	5,314	1,642	2,715	1,808	2,757
Total Expenses	350,880	337,631	366,104	387,304	360,877
Income Before Contributions and Transfer	283,246	307,085	256,078	296,643	352,862
Contributions for Capital Projects	23,681	14,177	35,153	13,922	29,703
Contributions to Other Governments	(5,925)	(5,331)	(659)	(10,416)	(8,378)
Transfer - Facility Acquisition	-	-	-	-	-
Increase in Net Position	301,002	315,931	290,572	300,149	374,187
Net Position, Beginning of Year	5,122,106	4,806,175	4,515,603	4,215,454	3,841,267
Net Position, End Of Year	\$5,423,108	\$5,122,106	\$4,806,175	\$4,515,603	\$4,215,454

The decrease in fiscal year 2011 total revenue represents an increase in toll revenues offset by decreases in nonoperating investment earnings due to the decline in interest rates and a decrease in concessions and other revenue sources related to service plaza renovations (see pages 10 and 11 for ten-year toll and toll administrative charge revenue trends). The decrease in fiscal years 2008 and 2009 total revenue represents a decline in Florida's economic conditions. Net position has continued to increase over the reporting period reflecting the System's financial strength.

FLORIDA'S TURNPIKE SYSTEM OPERATING INCOME*

(In Millions)



*Operating Income consists of Income Before Contributions and Transfer, and excludes Nonoperating Investment Earnings, Interest Subsidy, Nonoperating Interest Expense and Other Nonoperating Expense, Net.

Source:
Audited Financial Statements

FLORIDA'S TURNPIKE SYSTEM CAPITAL ASSETS

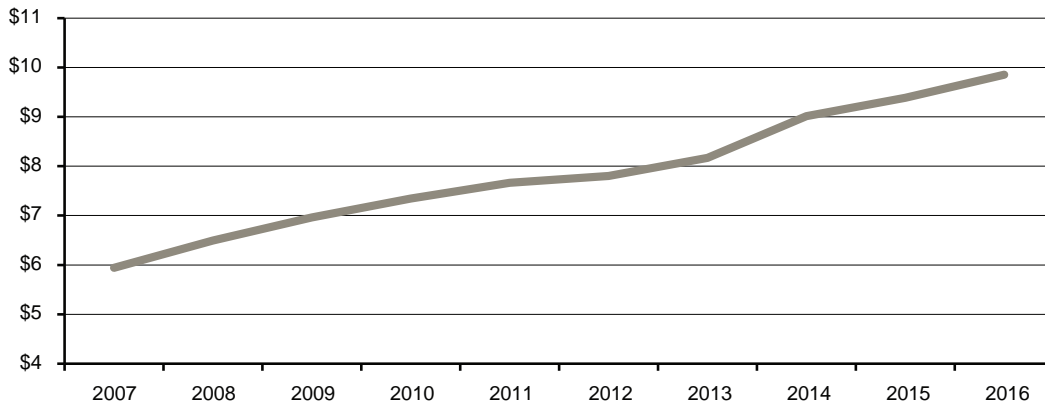
Fiscal Years 2007 through 2016
Net of Depreciation (In Thousands)

Financial Trends

Fiscal Year	Nondepreciable Capital Assets				Depreciable Capital Assets			Total Net Capital Assets
	Construction In Progress	Land	Buildings	Infrastructure	Buildings and Improvements, Net	Furniture and Equipment, Net	Intangible Assets, Net	
2016	\$917,982	\$924,181	\$68,753	\$7,629,841	\$121,249	\$184,788	\$9,791	\$9,856,585
2015	949,387	903,572	60,367	7,224,909	128,207	105,129	13,649	9,385,220
2014	950,605	892,855	60,367	6,878,491	132,129	87,965	12,899	9,015,311
2013	598,831	866,624	48,981	6,432,812	132,521	71,331	19,443	8,170,543
2012	399,188	863,355	-	6,311,641	142,814	59,384	28,279	7,804,661
2011	624,870	863,893	-	5,958,776	149,254	53,727	14,592	7,665,112
2010	647,823	866,680	-	5,641,690	145,206	44,010	155	7,345,564
2009	839,935	865,191	-	5,073,715	137,177	46,712	-	6,962,730
2008	688,698	851,532	-	4,775,882	138,412	40,964	-	6,495,488
2007	714,937	826,472	-	4,248,171	128,782	24,673	-	5,943,035

As of the end of fiscal year 2016, the System invested approximately \$9.9 billion in purchased and donated capital assets (net of accumulated depreciation). As indicated in the graph below, net capital assets have grown substantially over the reporting period due to the System's significant capital improvement program. Major investments were made to provide additional capacity and access to Turnpike System facilities, to convert facilities to All-Electronic Tolling and to upgrade toll equipment systemwide. Beginning in fiscal year 2013, the System implemented GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, requiring the System to record nondepreciable buildings for new or renovated buildings at the service plazas along the Mainline.

FLORIDA'S TURNPIKE SYSTEM NET CAPITAL ASSETS (In Billions)



Source:
Audited Financial Statements

THIS PAGE INTENTIONALLY LEFT BLANK

FLORIDA'S TURNPIKE SYSTEM TOLL AND RATE PER MILE

Two-Axle Vehicles
Fiscal Year 2016

Revenue Capacity

Project	Length of Project (Miles)	SunPass® Toll	SunPass Rate Per Mile	TOLL-BY-PLATE® Toll	TOLL-BY-PLATE Rate Per Mile	Cash Toll	Cash Rate Per Mile
SR 821 (HEFT)	47	\$3.97	\$0.084	\$5.02	\$0.107	N/A	N/A
Southern Coin System ^(A)	43	2.91	0.068	N/A	N/A	\$3.57	\$0.083
Ticket System	155	10.10	0.065	N/A	N/A	12.90	0.083
Northern Coin System	67	4.22	0.063	N/A	N/A	4.50	0.067
Beachline West Expressway ^(B)	8	0.79	0.099	N/A	N/A	1.00	0.125
Beachline East Expressway ^(C)	15	0.26	0.017	N/A	N/A	0.50	0.033
Sawgrass Expressway	23	2.12	0.092	2.64	0.115	N/A	N/A
Seminole Expressway	18	2.10	0.117	N/A	N/A	2.25	0.125
Veterans Expressway	15	1.85	0.123	2.38	0.159	N/A	N/A
Southern Connector Extension	6	0.79	0.132	N/A	N/A	1.00	0.167
Polk Parkway	25	3.18	0.127	N/A	N/A	3.75	0.150
Suncoast Parkway	42	3.18	0.076	N/A	N/A	3.75	0.089
Western Beltway, Part C	11	1.06	0.096	N/A	N/A	1.25	0.114
I-4 Connector ^(D)	1	0.52 - 1.04	0.52 - 1.04	0.77- 1.29	0.77 - 1.29	N/A	N/A

^(A) TOLL-BY-PLATE toll rates only apply on the southern section of the facility where All-Electronic Tolling (AET) has been implemented.

^(B) Toll rates include the System's portion only. The consolidated rates inclusive of Central Florida Expressway Authority's portion are \$1.88 SunPass and \$2.25 cash.

^(C) The length of project includes the southern spur. The seven mile northern spur (SR 407) increases the length of the project to 22 miles. Toll rate reflects the System's portion of tolls collected by Central Florida Expressway Authority at Dallas Mainline Toll Plaza (\$0.26 SunPass and \$0.50 cash).

^(D) The I-4 Connector is an elevated bridge-type AET facility with a higher per mile toll rate.

SunPass Toll Versus Cash Toll

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

Three-Plus Axle Vehicle (Truck) Toll

Only the toll for two-axle vehicles is provided in the above table. Two toll rate formulas are utilized on the System to calculate truck tolls: the "n minus one" formula, and the "per-axle" formula. The n minus one formula is used for all System facilities except for the Ticket System which utilizes the per-axle formula.

- N minus One = Number of vehicle axles, minus one, multiplied by the two-axle toll rate.
- Per-axle = Number of vehicle axles, multiplied by the two-axle toll rate divided by two.

Toll Rate Setting

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

Toll Rate Indexing

Section 338.165(3), Florida Statutes, authorizes the Department to index toll rates. The law requires that the Department index toll rates on existing toll facilities to the annual Consumer Price Index or similar inflation indicator no more frequently than once a year, and no less frequently than once every five years. SunPass and TOLL-BY-PLATE rates are adjusted annually on or before July 1 each year based on the actual change in the year-over-year Consumer Price Index, while cash rates are indexed every five years. As such, SunPass and TOLL-BY-PLATE rates were adjusted by 1.6% for fiscal year 2016.

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

Source:

AECOM, Traffic & Revenue Consultant

FLORIDA'S TURNPIKE SYSTEM PRINCIPAL CUSTOMERS

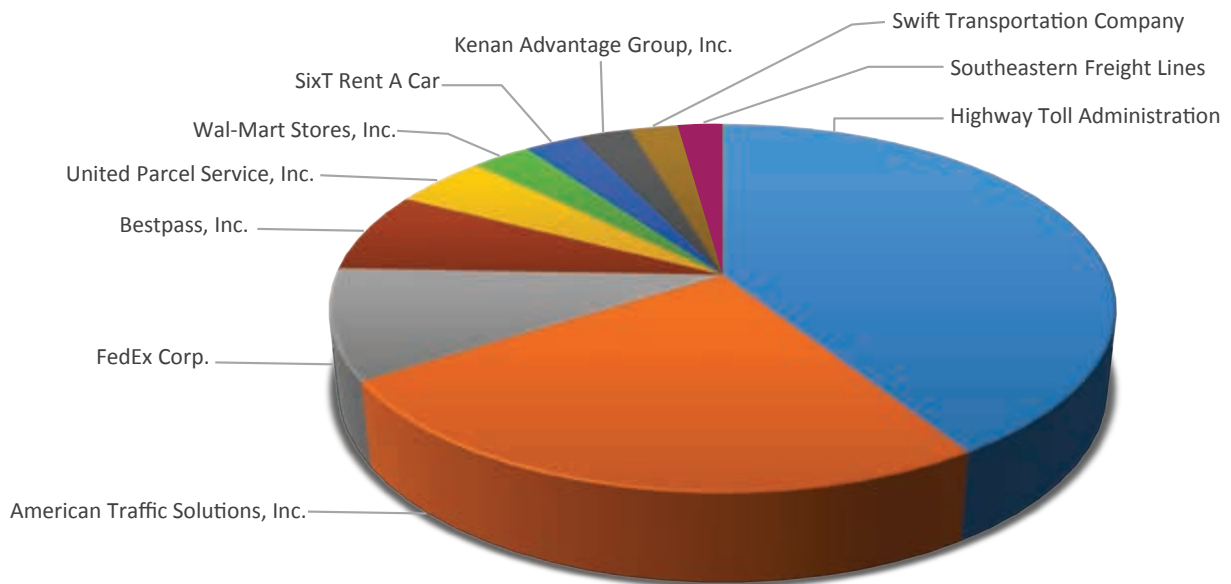
Fiscal Years 2016 and 2007

Customer	FY 2016			FY 2007					
	Toll Revenue	Rank	% of Total Toll Revenue ^(A)	Toll Revenue	Rank	% of Total Toll Revenue ^(A)			
Highway Toll Administration ^(B)	\$15,706,586	1	1.64%	\$2,467,676	1	0.37%			
American Traffic Solutions, Inc. ^(B)	9,574,064	2	1.00%						
FedEx Corp.	3,709,279	3	0.39%						
Bestpass, Inc.	2,694,213	4	0.28%						
United Parcel Service, Inc.	1,758,428	5	0.18%				1,640,071	2	0.25%
Wal-Mart Stores, Inc.	1,111,603	6	0.12%				955,652	5	0.14%
SixT Rent A Car ^(B)	1,049,336	7	0.11%				985,991	4	0.15%
Kenan Advantage Group, Inc.	989,936	8	0.10%						
Swift Transportation Company	894,799	9	0.09%				832,204	6	0.13%
Southeastern Freight Lines	847,889	10	0.09%						
Werner Enterprises Inc.				1,158,703	3	0.17%			
School Board of Miami Dade County				534,065	7	0.08%			
Community Asphalt				533,127	8	0.08%			
Sysco Food Service				487,919	9	0.07%			
Ryder				470,429	10	0.07%			
Total	\$38,336,133		4.00%	\$10,065,837		1.51%			

For fiscal years 2016 and 2007, the top ten System customers comprised 4.00 percent and 1.51 percent, respectively, of total System toll revenues. This is attributed to the geographic diversity of the System and the large varied customer base. Additionally, only five of the top ten customers in fiscal year 2007 were rated in the top ten in fiscal year 2016.

^(A) Total toll revenue used in calculations obtained from pages 10 and 11 of the CAFR statistical section.

^(B) The System entered into agreements to oversee a program that uses license plate information to collect tolls electronically from rental vehicles. Familiar brands that fall under the umbrella of these agreements are: Advantage, Alamo, Avis, Budget, Dollar, Enterprise, Global, Hertz, National, Penske, Ryder, Sunshine and Thrifty.



FLORIDA'S TURNPIKE SYSTEM REVENUE

Fiscal Years 2012 through 2016
(In Thousands)

	2016 ^(A)	2015 ^(A)	2014 ^(A)	2013 ^(A)	2012
Mainline	\$681,386	\$624,033	\$581,632	\$550,715	\$439,961
Expansion Projects: ^(B)					
Sawgrass Expressway	80,510	72,614	69,768	66,579	51,360
Seminole Expressway	51,713	45,243	40,919	38,473	31,457
Veterans Expressway	45,721	41,111	39,925	41,616	32,757
Southern Connector Extension	10,917	8,746	7,517	6,794	4,343
Polk Parkway	31,359	27,713	24,590	23,649	22,615
Suncoast Parkway	25,709	23,682	22,011	21,349	20,769
Western Beltway, Part C	11,032	8,853	7,289	6,367	5,550
I-4 Connector ^(C)	12,071	8,774	2,650	-	-
Beachline East Expressway ^(D)	5,512	5,181	-	-	-
Total Toll Revenue	955,930	865,950	796,301	755,542	608,812
Toll Administrative Charges ^(E)	16,993	15,334	8,495	6,237	6,301
Total Revenue	\$972,923	\$881,284	\$804,796	\$761,779	\$615,113
Total Transactions	833,847	767,885	690,584	663,267	664,279

^(A) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

^(B) Toll facilities other than the Mainline are considered Expansion Projects and are combined in the graph below.

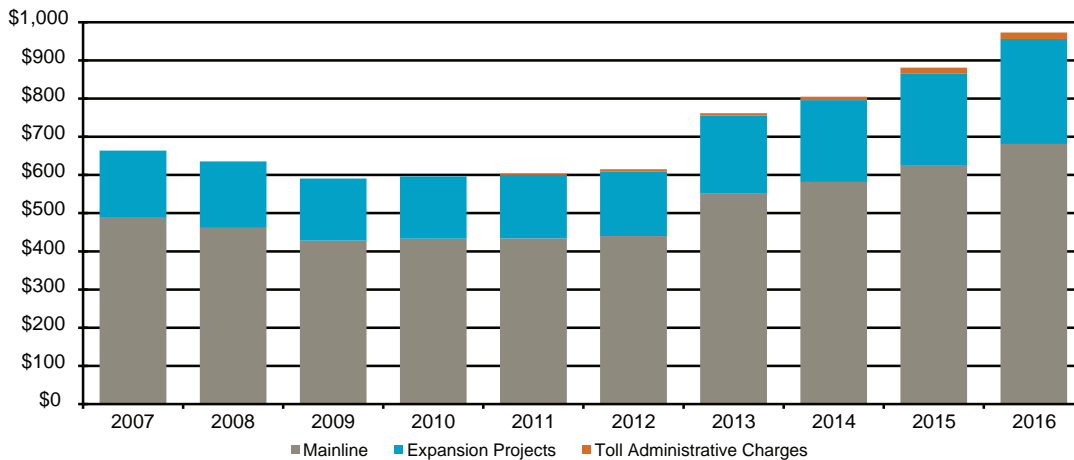
^(C) I-4 Connector opened to traffic in January 2014.

^(D) Beachline East Expressway was acquired in July 2014.

^(E) In accordance with Section 338.231(3)(b), F.S., the System began collecting an administrative charge in association with video billings in fiscal year 2011. The increase beginning in fiscal year 2015 is attributed to more documents issued due to All-Electronic Tolling conversion.

FLORIDA'S TURNPIKE SYSTEM TOTAL REVENUE

(In Millions)



Source:
AECOM, Traffic & Revenue Consultant

FLORIDA'S TURNPIKE SYSTEM REVENUE

Fiscal Years 2007 through 2011
(In Thousands)

	2011	2010	2009 ^(A)	2008 ^(A)	2007
Mainline	\$434,230	\$432,970	\$428,124	\$461,567	\$487,686
Expansion Projects:					
Sawgrass Expressway	50,314	49,702	48,121	50,902	52,538
Seminole Expressway	30,763	30,882	32,488	36,138	36,539
Veterans Expressway	32,466	31,692	30,980	33,089	34,354
Southern Connector Extension	4,201	4,148	4,443	5,130	5,148
Polk Parkway	21,775	21,391	21,496	22,450	22,572
Suncoast Parkway	21,233	20,621	20,157	21,424	21,743
Western Beltway, Part C	5,097	4,767	4,719	4,871	3,363
I-4 Connector ^(B)	-	-	-	-	-
Beachline East Expressway ^(C)	-	-	-	-	-
Total Toll Revenue	600,079	596,173	590,528	635,571	663,943
Toll Administrative Charges ^(D)	2,487	-	-	-	-
Total Revenue	\$602,566	\$596,173	\$590,528	\$635,571	\$663,943
Total Transactions	652,857	639,426	630,861	667,320	690,485

^(A) The decrease in fiscal years 2008 and 2009 Total Revenue and Total Transactions was due to a decline in Florida's economic conditions.

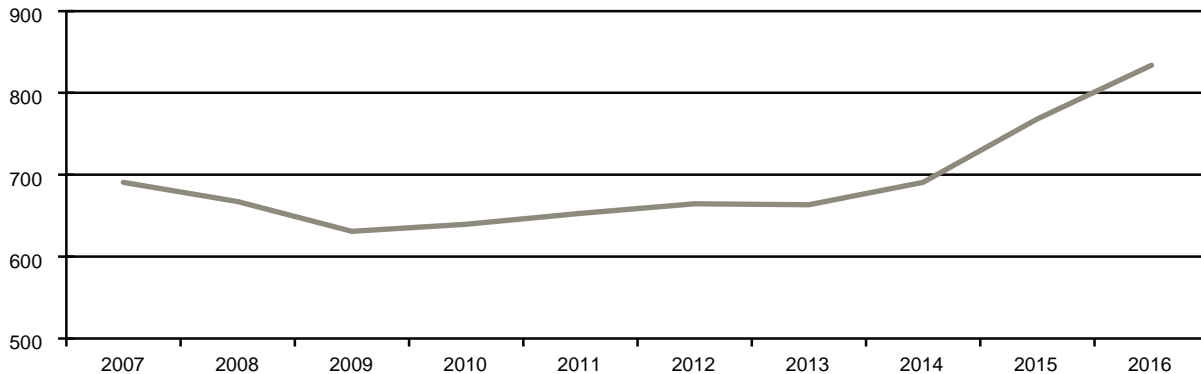
^(B) I-4 Connector opened to traffic in January 2014.

^(C) Beachline East Expressway was acquired in July 2014.

^(D) In accordance with Section 338.231(3)(b), F.S., the System began collecting an administrative charge in association with video billings in fiscal year 2011.

FLORIDA'S TURNPIKE SYSTEM TOTAL TRANSACTIONS

(In Millions)



Source:
AECOM, Traffic & Revenue Consultant

FLORIDA'S TURNPIKE SYSTEM ELECTRONIC TOLL COLLECTION (ETC)

Last Ten Fiscal Years
(In Thousands)

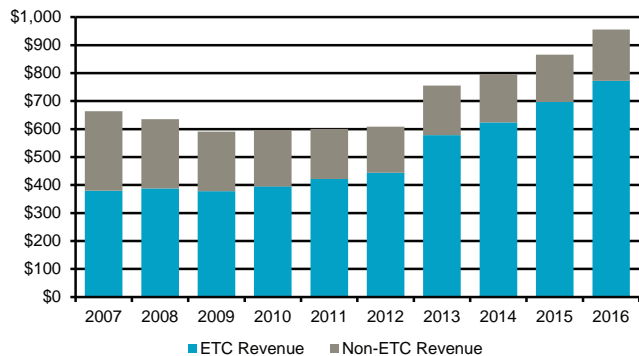
Fiscal Year	Toll Revenue	ETC Revenue ^(A)	Percentage ETC Revenue	Transactions	ETC Transactions ^(A)	Percentage ETC Transactions
2016 ^(B)	\$955,930	\$772,090	80.77%	833,847	679,317	81.47%
2015 ^(B)	865,950	696,438	80.42	767,885	625,017	81.39
2014 ^(B)	796,301	624,064	78.37	690,584	562,167	81.40
2013 ^(B)	755,542	578,278	76.54	663,267	536,576	80.90
2012	608,812	443,876	72.91	664,279	525,616	79.13
2011	600,079	421,598	70.26	652,857	493,627	75.61
2010	596,173	395,202	66.29	639,426	454,012	71.00
2009 ^(C)	590,528	377,938	64.00	630,861	430,720	68.27
2008 ^(C)	635,571	387,382	60.95	667,320	437,017	65.49
2007	663,943	379,483	57.16	690,485	427,399	61.90

^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners.

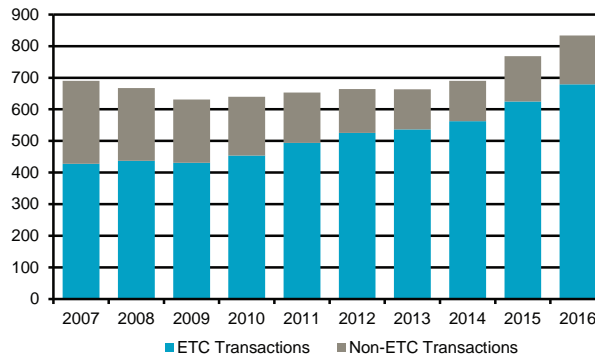
^(B) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenue reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

^(C) The decrease in fiscal years 2008 and 2009 Toll Revenue and Transactions was due to a decline in Florida's economic conditions.

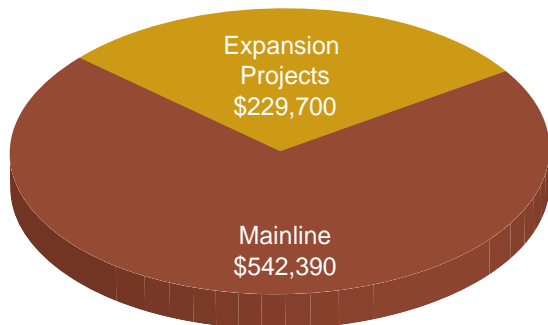
FLORIDA'S TURNPIKE SYSTEM TOLL REVENUE (In Millions)



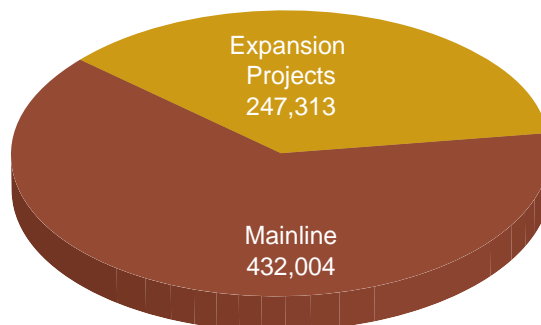
FLORIDA'S TURNPIKE SYSTEM TRANSACTIONS (In Millions)



ETC REVENUE FISCAL YEAR 2016 (In Thousands)



ETC TRANSACTIONS FISCAL YEAR 2016 (In Thousands)



Source:
AECOM, Traffic & Revenue Consultant

FLORIDA'S TURNPIKE SYSTEM MAINLINE

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Mainline Toll Revenue						Transactions
	SR 821 (HEFT)	Golden Glades to Wildwood			Beachline West	Total Revenue	
		Southern Coin	Ticket	Northern Coin			
2016 ^(A)	\$176,238	\$166,994	\$172,239	\$138,928	\$26,987	\$681,386	529,318
2015 ^(A)	162,017	150,189	162,411	124,586	24,830	624,033	493,114
2014 ^(A)	153,421	139,645	150,885	114,822	22,859	581,632	459,759
2013 ^(A)	148,397	133,334	139,427	107,593	21,964	550,715	442,857
2012	108,203	100,861	130,482	84,707	15,708	439,961	440,023
2011	103,802	99,318	132,936	83,187	14,987	434,230	431,586
2010	103,164	98,660	134,525	82,474	14,147	432,970	422,237
2009 ^(B)	99,158	97,376	135,302	82,243	14,045	428,124	415,943
2008 ^(B)	106,509	104,982	145,269	88,765	16,042	461,567	441,380
2007	116,087	111,449	152,270	91,563	16,317	487,686	463,642

^(A) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

^(B) The decrease in fiscal years 2008 and 2009 Total Revenue and Transactions was due to a decline in Florida's economic conditions.

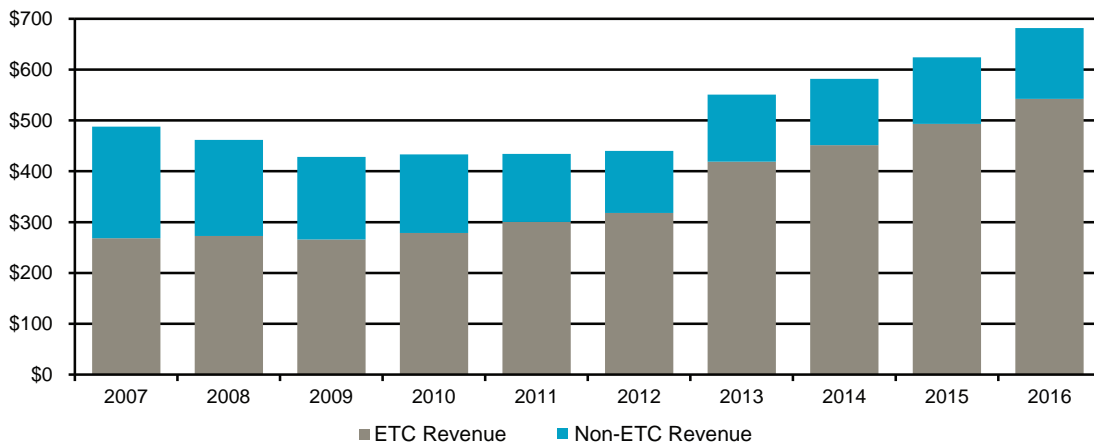
Revenue Capacity

Fiscal Year	Mainline Electronic Toll Collection						Transactions ^(C)
	SR 821 (HEFT)	Golden Glades to Wildwood			Beachline West	Total Revenue ^(C)	
		Southern Coin	Ticket	Northern Coin			
2016	\$158,806	\$142,511	\$124,773	\$96,871	\$19,429	\$542,390	432,004
2015	149,349	127,638	115,280	83,526	17,311	493,104	401,321
2014	141,220	114,939	104,983	74,718	15,454	451,314	375,810
2013	135,872	105,882	95,567	67,222	14,182	418,725	360,777
2012	94,678	76,341	88,314	49,574	9,013	317,920	355,060
2011	86,262	71,672	86,940	46,937	8,472	300,283	329,098
2010	75,003	66,544	84,483	45,049	7,707	278,786	297,731
2009	69,579	63,348	82,633	43,297	7,114	265,971	282,005
2008	70,706	64,616	84,761	45,024	7,479	272,586	287,441
2007	70,154	64,843	82,873	43,277	7,401	268,548	282,417

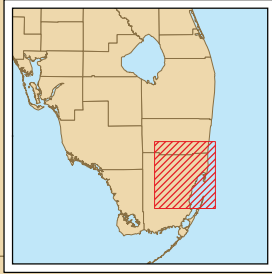
^(C) Electronic Toll Collection (ETC) Total Revenue and Transactions include SunPass and all interoperable partners.

MAINLINE TOLL REVENUE

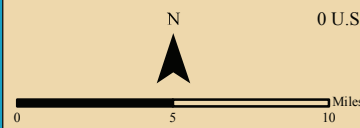
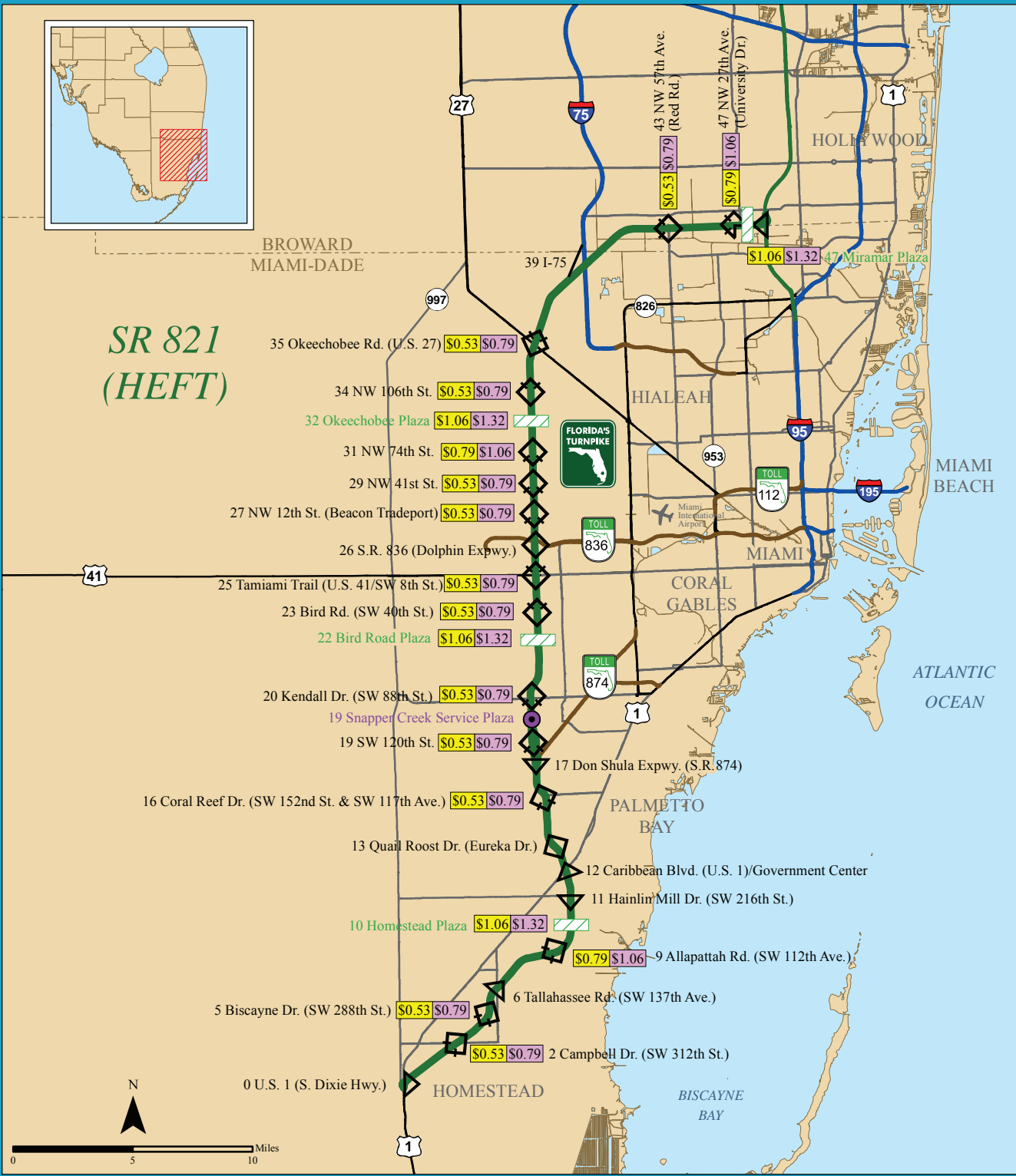
(In Millions)



Source:
AECOM, Traffic & Revenue Consultant



SR 821 (HEFT)



SR 821 (HEFT)



- \$0.00 SunPass® Toll Rate
- \$0.00 TOLL-BY-PLATE® Toll Rate
- Toll Plaza (All-Electronic)
- Service Plaza

- ◇ Interchange With Toll Collection
- △ Interchange With No Toll Collection
- ◇ Existing Turnpike System Facility, SR 821 (HEFT)
- Existing Turnpike System Facility

- Interstate Highway
- Other Toll Road
- Arterial
- Other Road
- County Boundary



Sources: NAVTEQ 2016
Florida's Turnpike Enterprise, 2016

**FLORIDA'S TURNPIKE SYSTEM
SR 821 (HEFT)**
Last Ten Fiscal Years
(In Thousands)

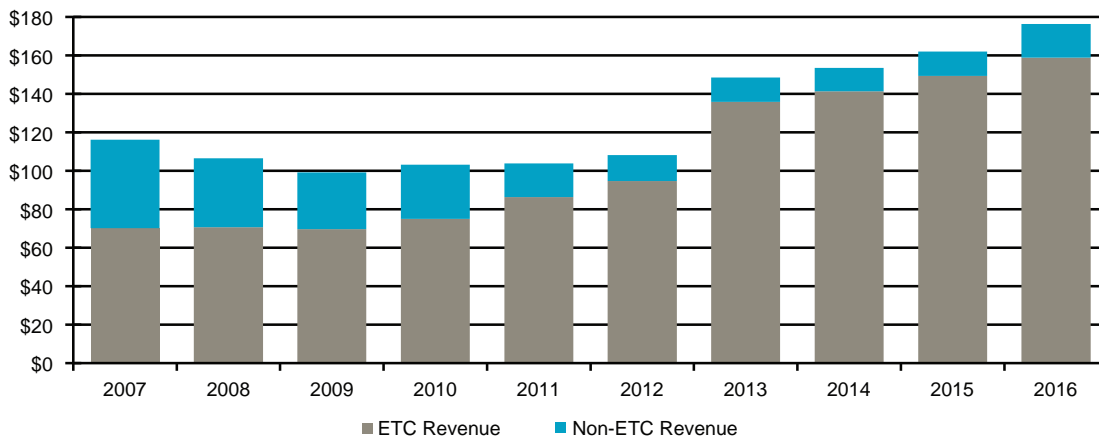
Fiscal Year	Toll Revenue	Transactions	Electronic Toll Collection	
			Revenue ^(A)	Transactions ^(A)
2016 ^(B)	\$176,238	201,600	\$158,806	171,370
2015 ^(B)	162,017	191,673	149,349	164,675
2014 ^(B)	153,421	181,095	141,220	159,164
2013 ^(B)	148,397	176,698	135,872	157,036
2012	108,203	174,126	94,678	156,466
2011	103,802	169,218	86,262	140,382
2010	103,164	165,152	75,003	122,256
2009 ^(C)	99,158	160,659	69,579	114,450
2008 ^(C)	106,509	169,884	70,706	115,927
2007	116,087	184,707	70,154	115,607

^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners.

^(B) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

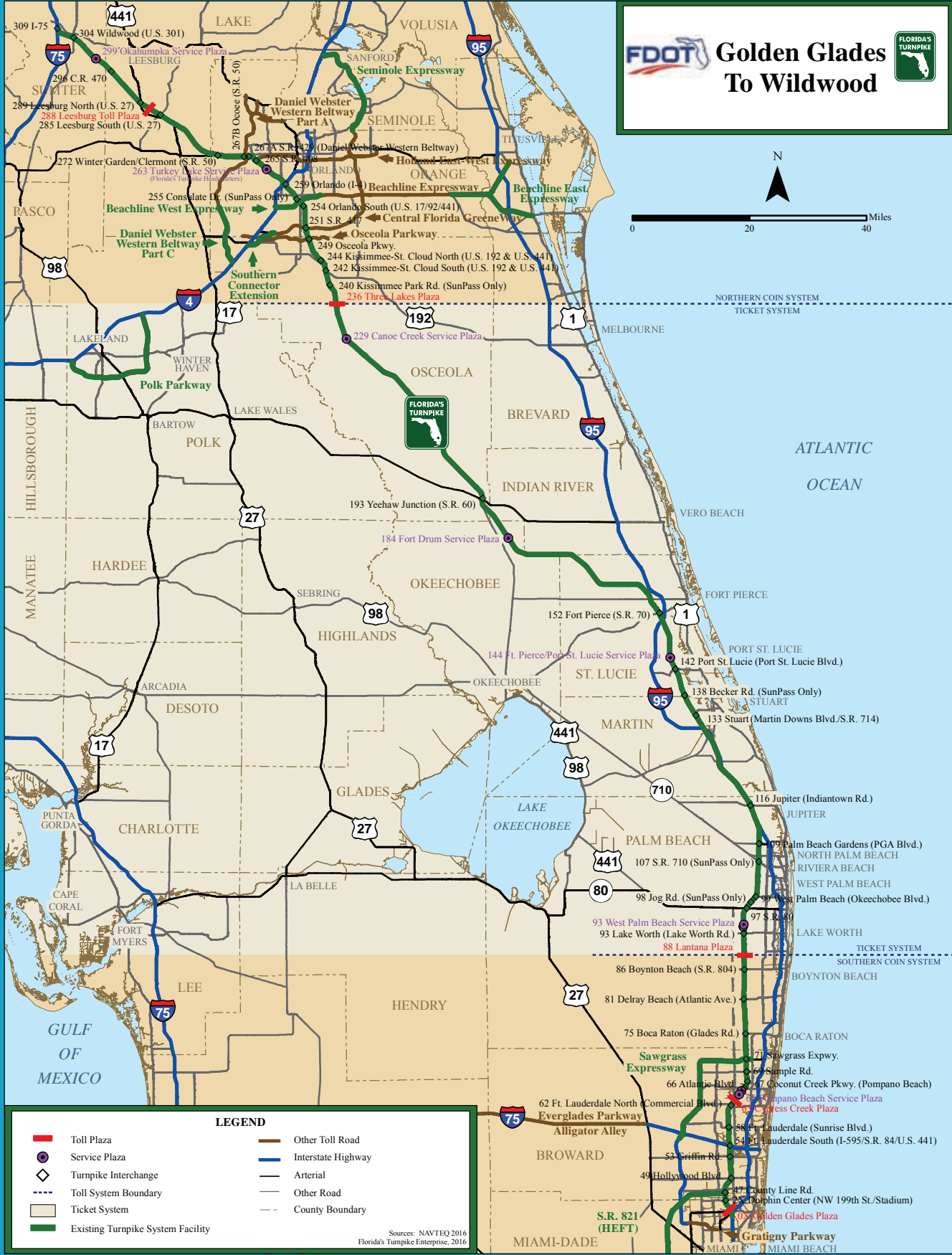
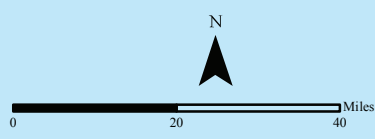
^(C) The decrease in fiscal years 2008 and 2009 Toll Revenue and Transactions was due to a decline in Florida's economic conditions.

**SR 821 (HEFT)
TOLL REVENUE**
(In Millions)



Source:
AECOM, Traffic & Revenue Consultant

FDOT Golden Glades To Wildwood

LEGEND

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

Sources: NAVTEQ 2016
Florida's Turnpike Enterprise, 2016

FLORIDA'S TURNPIKE SYSTEM GOLDEN GLADES TO WILDWOOD

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Toll Revenue				Transactions
	Southern Coin	Ticket	Northern Coin	Total Revenue	
2016 ^(A)	\$166,994	\$172,239	\$138,928	\$478,161	296,677
2015 ^(A)	150,189	162,411	124,586	437,186	272,691
2014 ^(A)	139,645	150,885	114,822	405,352	252,031
2013 ^(A)	133,334	139,427	107,593	380,354	240,643
2012	100,861	130,482	84,707	316,050	240,256
2011	99,318	132,936	83,187	315,441	237,370
2010	98,660	134,525	82,474	315,659	233,581
2009 ^(B)	97,376	135,302	82,243	314,921	231,974
2008 ^(B)	104,982	145,269	88,765	339,016	246,023
2007	111,449	152,270	91,563	355,282	253,395

^(A) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

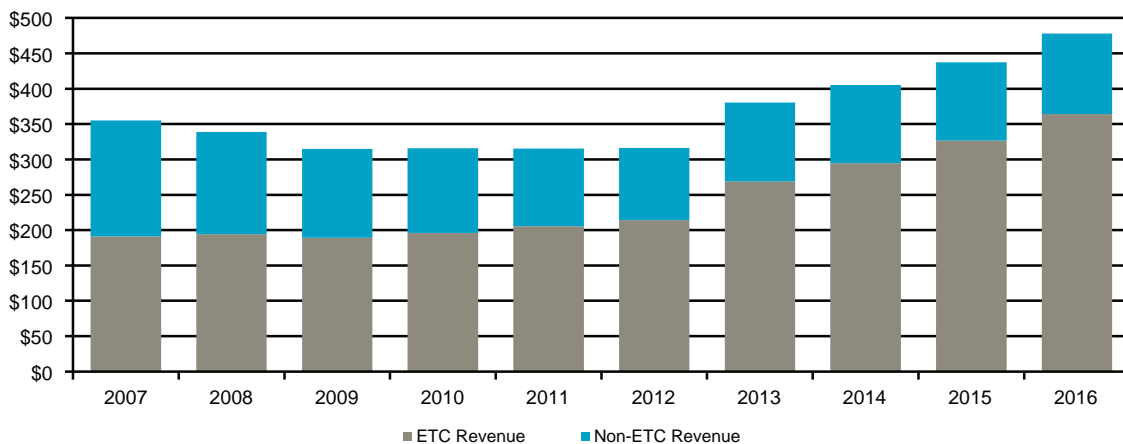
^(B) The decrease in fiscal years 2008 and 2009 Total Revenue and Transactions was due to a decline in Florida's economic conditions.

Fiscal Year	Electronic Toll Collection				Transactions ^(C)
	Southern Coin	Ticket	Northern Coin	Total Revenue ^(C)	
2016	\$142,511	\$124,773	\$96,871	\$364,155	237,491
2015	127,638	115,280	83,526	326,444	215,896
2014	114,939	104,983	74,718	294,640	197,811
2013	105,882	95,567	67,222	268,671	186,174
2012	76,341	88,314	49,574	214,229	181,822
2011	71,672	86,940	46,937	205,549	172,794
2010	66,544	84,483	45,049	196,076	161,188
2009	63,348	82,633	43,297	189,278	154,514
2008	64,616	84,761	45,024	194,401	157,997
2007	64,843	82,873	43,277	190,993	153,467

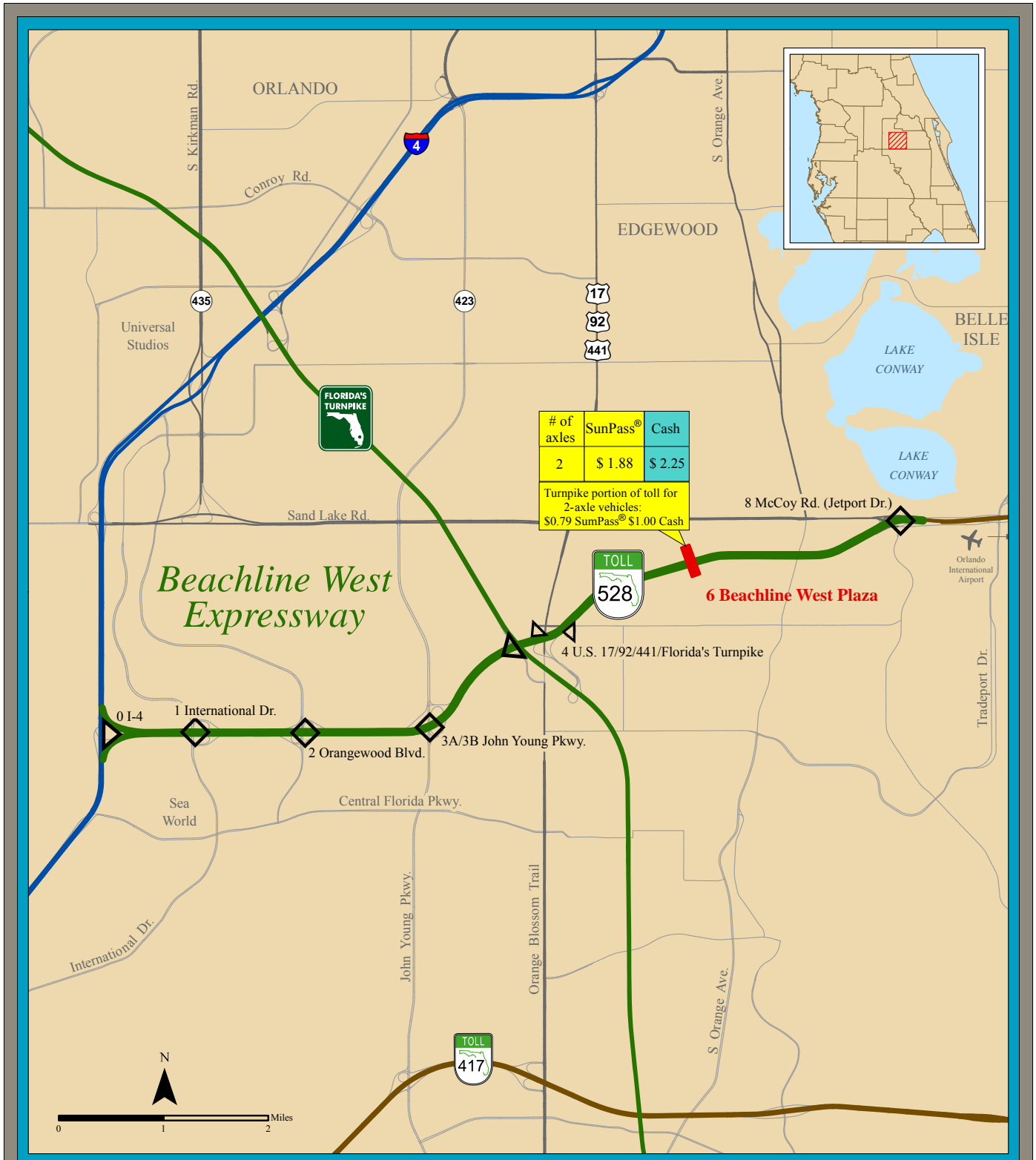
^(C) Electronic Toll Collection (ETC) Total Revenue and Transactions include SunPass and all interoperable partners.

GOLDEN GLADES TO WILDWOOD TOLL REVENUE

(In Millions)



Source:
AECOM, Traffic & Revenue Consultant



Beachline West Expressway (SR 528)



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

Sources: NAVTEQ 2016
 Florida's Turnpike Enterprise, 2016

FLORIDA'S TURNPIKE SYSTEM BEACHLINE WEST EXPRESSWAY

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Toll Revenue	Transactions	Electronic Toll Collection	
			Revenue ^(A)	Transactions ^(A)
2016 ^(B)	\$26,987	31,041	\$19,429	23,143
2015 ^(B)	24,830	28,750	17,311	20,750
2014 ^(B)	22,859	26,633	15,454	18,835
2013 ^(B)	21,964	25,516	14,182	17,567
2012	15,708	25,641	9,013	16,772
2011	14,987	24,998	8,472	15,922
2010	14,147	23,504	7,707	14,287
2009 ^(C)	14,045	23,310	7,114	13,041
2008 ^(C)	16,042	25,473	7,479	13,517
2007	16,317	25,540	7,401	13,343

^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners.

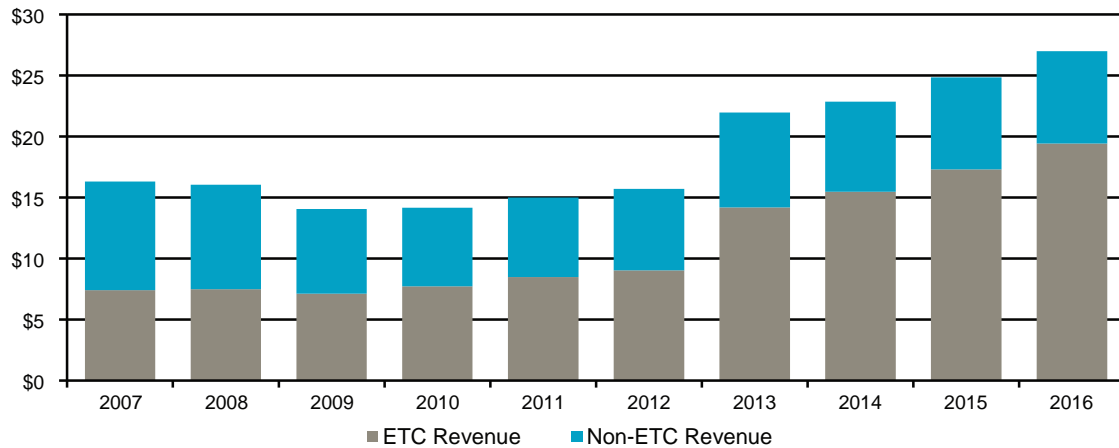
^(B) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

^(C) The decrease in fiscal years 2008 and 2009 Toll Revenue and Transactions was due to a decline in Florida's economic conditions.

Revenue Capacity

BEACHLINE WEST EXPRESSWAY TOLL REVENUE

(In Millions)



Source:
AECOM, Traffic & Revenue Consultant



Sawgrass Expressway

Sawgrass Expressway (SR 869)



- \$0.00 SunPass® Toll Rate
- \$0.00 TOLL-BY-PLATE® Toll Rate
- / Toll Plaza (All-Electronic)

- Interchange With Toll Collection
- Interchange With No Toll Collection
- Existing Turnpike System Facility, Sawgrass Expressway
- Existing Turnpike System Facility

- Interstate Highway
- Arterial
- Other Road
- County Boundary



Sources: NAVTEQ 2016
Florida's Turnpike Enterprise, 2016

FLORIDA'S TURNPIKE SYSTEM SAWGRASS EXPRESSWAY

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Toll Revenue	Transactions	Electronic Toll Collection	
			Revenue ^(A)	Transactions ^(A)
2016 ^(B)	\$80,510	85,633	\$73,570	75,179
2015 ^(B)	72,614	79,746	67,748	70,368
2014 ^(B)	69,768	75,121	61,665	65,371
2013 ^(B)	66,579	72,195	57,308	62,300
2012	51,360	72,179	42,843	61,052
2011	50,314	70,584	40,813	58,408
2010	49,702	69,662	39,188	55,684
2009 ^(C)	48,121	67,810	36,780	52,074
2008 ^(C)	50,902	69,503	36,648	50,365
2007	52,538	71,164	35,972	50,342

^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners.

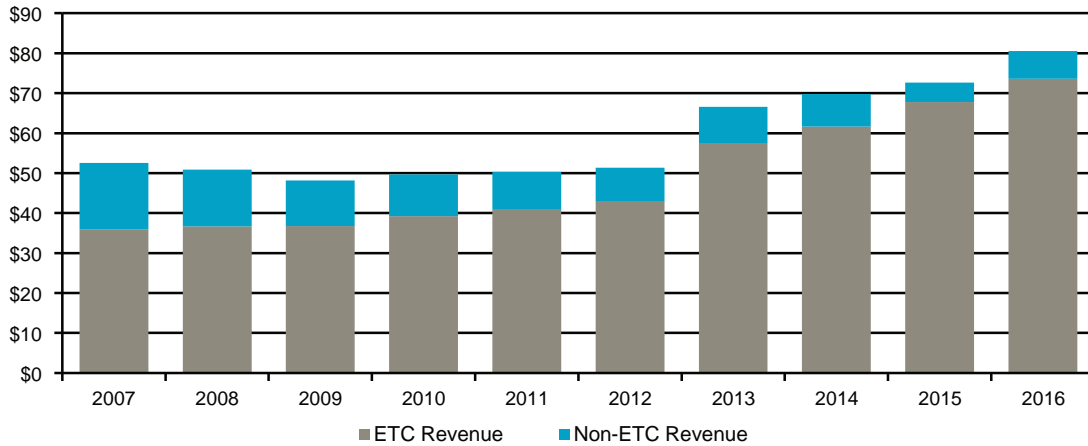
^(B) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

^(C) The decrease in fiscal years 2008 and 2009 Toll Revenue and Transactions was due to a decline in Florida's economic conditions.

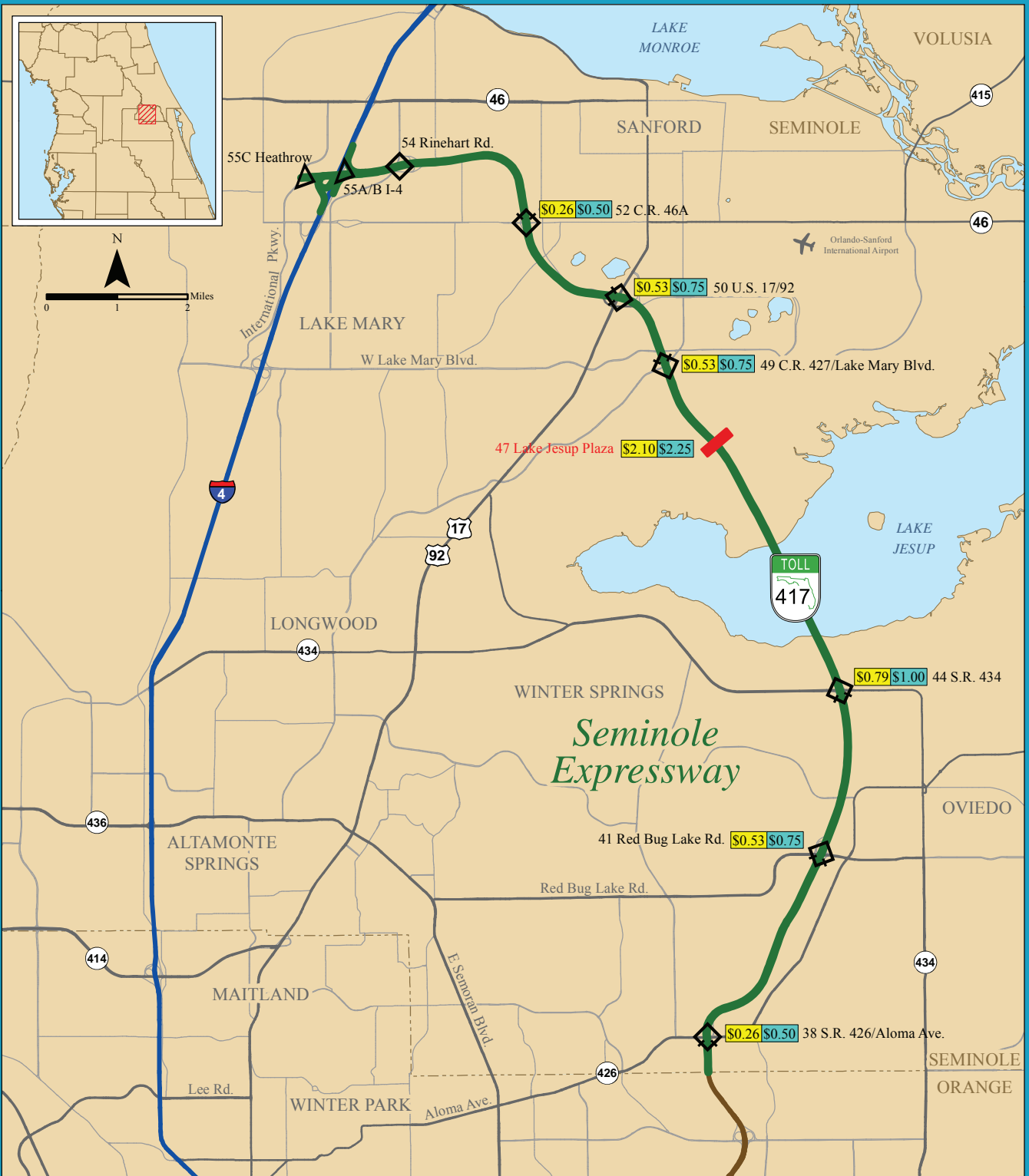
Revenue Capacity

SAWGRASS EXPRESSWAY TOLL REVENUE

(In Millions)



Source:
AECOM, Traffic & Revenue Consultant



Seminole Expressway (SR 417)



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

Sources: NAVTEQ 2016
Florida's Turnpike Enterprise, 2016

FLORIDA'S TURNPIKE SYSTEM SEMINOLE EXPRESSWAY

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Toll Revenue	Transactions	Electronic Toll Collection	
			Revenue ^(A)	Transactions ^(A)
2016 ^(B)	\$51,713	39,592	\$42,363	32,433
2015 ^(B)	45,243	35,373	36,554	28,811
2014 ^(B)	40,919	32,436	32,489	26,267
2013 ^(B)	38,473	30,819	29,739	24,646
2012	31,457	31,265	22,752	23,642
2011 ^(C)	30,763	31,117	22,087	23,153
2010 ^(C)	30,882	31,168	21,869	22,538
2009 ^(C)	32,488	32,765	22,417	23,080
2008 ^(C)	36,138	35,719	24,509	24,794
2007	36,539	35,908	24,003	24,287

^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners.

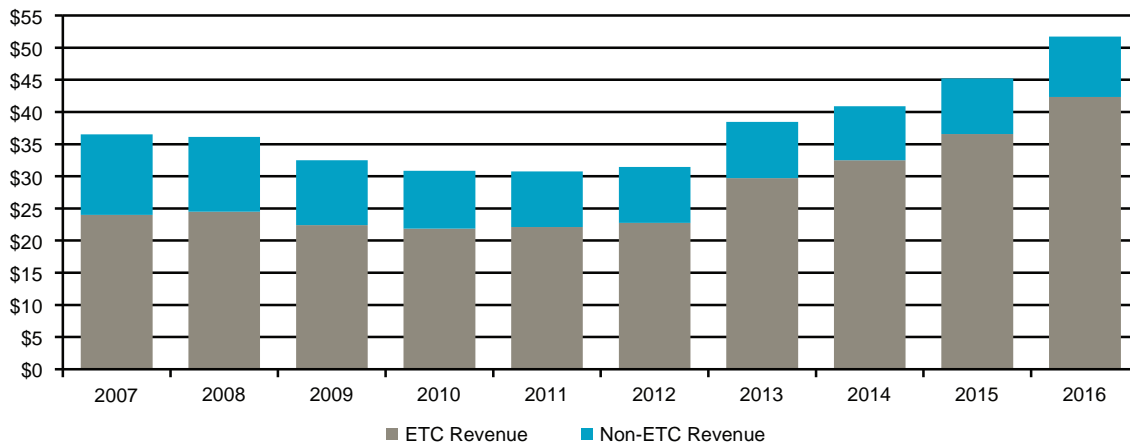
^(B) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

^(C) The decrease in fiscal years 2008 through 2011 Toll Revenue and Transactions was due to a prolonged economic recovery in the region.

Revenue Capacity

SEMINOLE EXPRESSWAY TOLL REVENUE

(In Millions)



Source:
AECOM, Traffic & Revenue Consultant



Veterans Expressway (SR 589)



- \$0.00 SunPass® Toll Rate
- \$0.00 TOLL-BY-PLATE® Toll Rate
- Toll Plaza (All-Electronic)
- ◇ ▲ Interchange With Toll Collection

- ◇ ▲ Interchange With No Toll Collection
- Existing Turnpike System Facility, Veterans Expressway
- Existing Turnpike System Facility
- Other Toll Road

- Interstate Highway
- Arterial
- Other Road
- County Boundary



Sources: NAVTEQ 2016
Florida's Turnpike Enterprise, 2016

FLORIDA'S TURNPIKE SYSTEM VETERANS EXPRESSWAY

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Toll Revenue	Transactions	Electronic Toll Collection	
			Revenue ^(A)	Transactions ^(A)
2016 ^(B)	\$45,721	55,304	\$39,337	46,047
2015 ^(B)	41,111	51,412	36,121	43,386
2014 ^{(B)(C)}	39,925	48,345	31,495	38,281
2013 ^{(B)(C)}	41,616	49,542	31,599	38,872
2012	32,757	51,288	23,152	38,108
2011	32,466	50,933	22,496	37,106
2010	31,692	49,555	21,353	35,043
2009 ^(C)	30,980	47,876	20,126	32,757
2008 ^(C)	33,089	50,586	20,381	33,138
2007	34,354	51,896	20,083	32,594

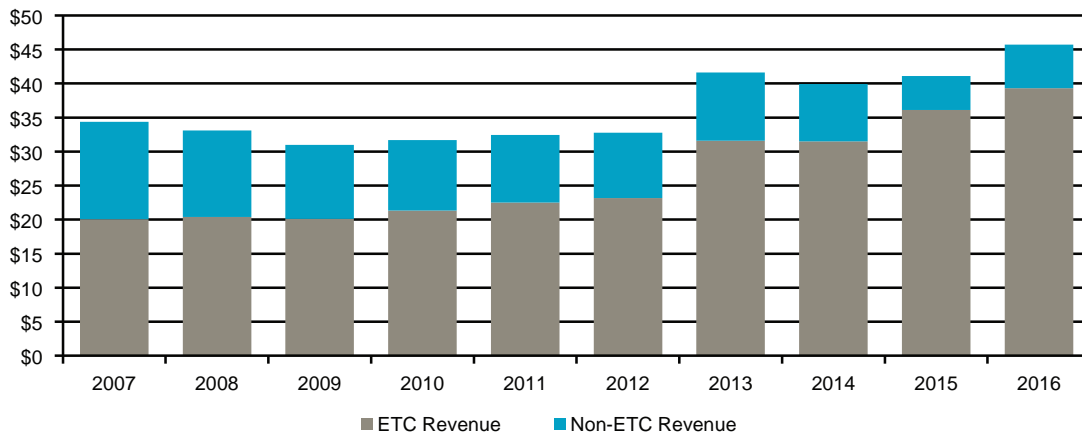
^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners.

^(B) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods. However, the fiscal year 2014 toll revenue increase was offset by a revenue decline due to construction activity on this facility.

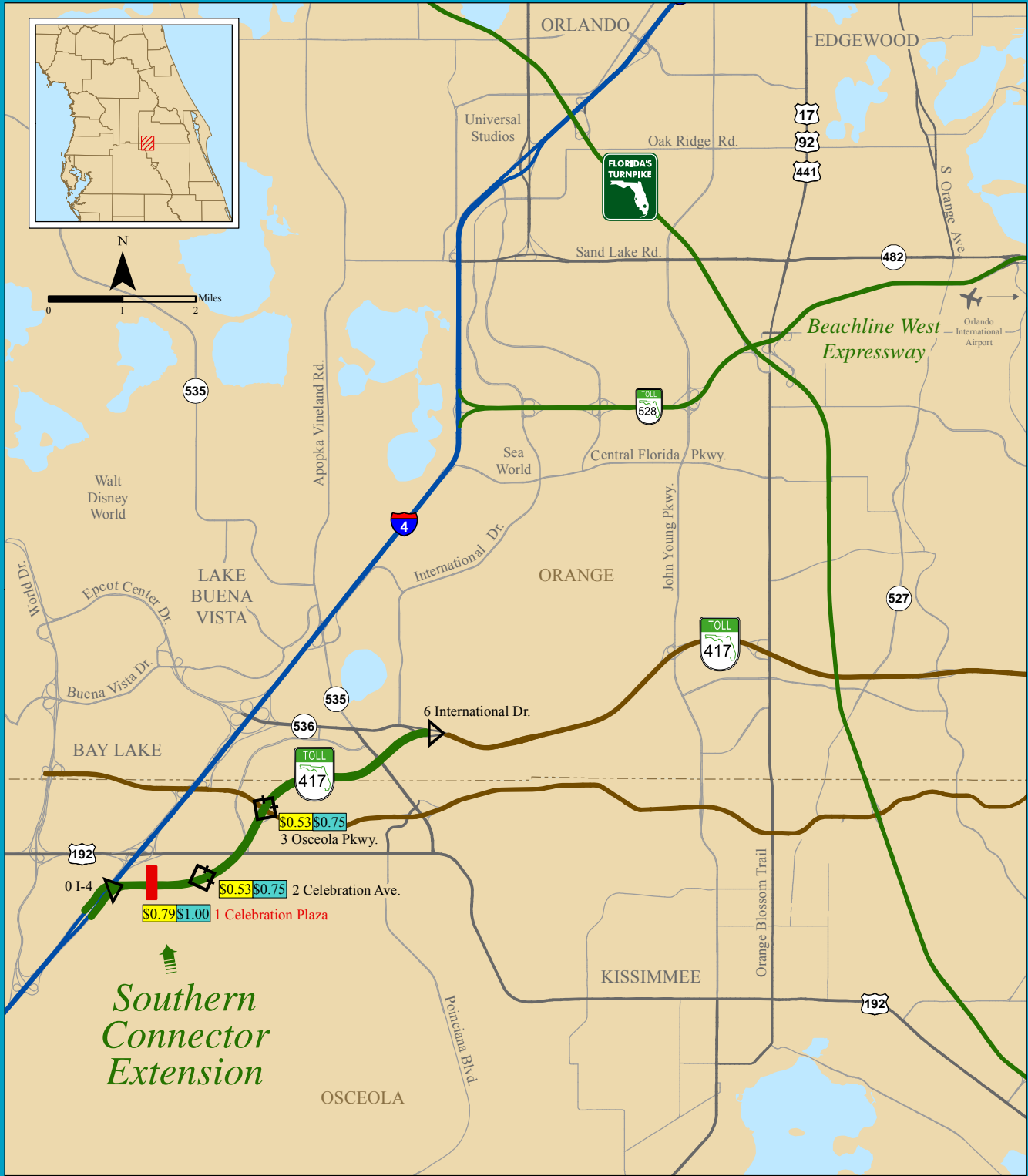
^(C) The decrease in fiscal years 2013 and 2014 Transactions was due to construction related to AET conversion. The decrease in fiscal years 2008 and 2009 Toll Revenue and Transactions was due to a decline in Florida's economic conditions.

Revenue Capacity

VETERANS EXPRESSWAY TOLL REVENUE (In Millions)



Source:
AECOM, Traffic & Revenue Consultant



Southern Connector Extension (SR 417)



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

Sources: NAVTEQ 2016
Florida's Turnpike Enterprise, 2016

FLORIDA'S TURNPIKE SYSTEM SOUTHERN CONNECTOR EXTENSION

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Toll Revenue	Transactions	Electronic Toll Collection	
			Revenue ^(A)	Transactions ^(A)
2016 ^(B)	\$10,917	13,603	\$8,499	10,670
2015 ^(B)	8,746	11,059	6,696	8,567
2014 ^(B)	7,517	9,599	5,641	7,348
2013 ^(B)	6,794	8,773	4,928	6,584
2012	4,343	8,499	2,804	6,091
2011	4,201	8,319	2,661	5,799
2010 ^(C)	4,148	8,138	2,551	5,483
2009 ^(C)	4,443	8,743	2,581	5,568
2008 ^(C)	5,130	9,760	2,830	6,005
2007	5,148	9,599	2,667	5,655

^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners.

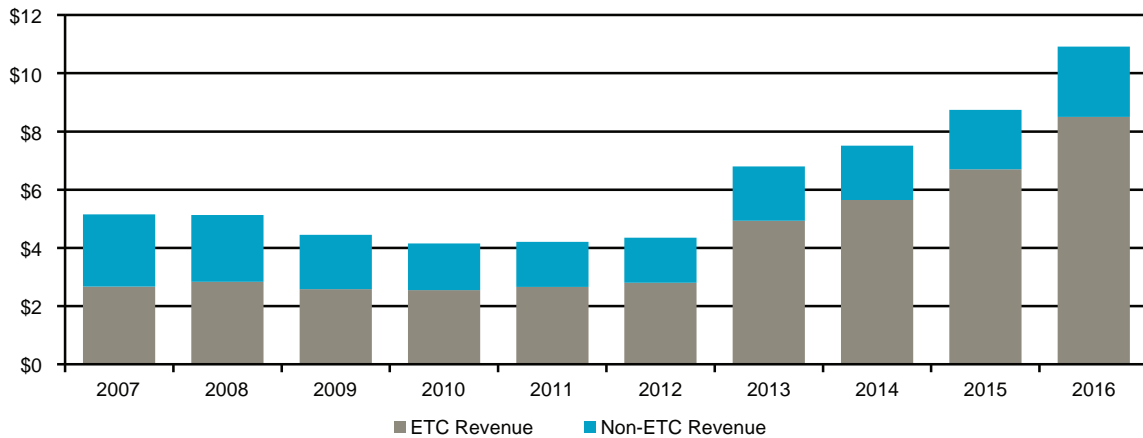
^(B) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

^(C) The decrease in fiscal years 2008 through 2010 Toll Revenue was due to a prolonged economic recovery in the region.

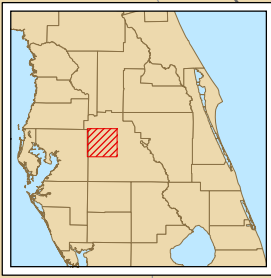
Revenue Capacity

SOUTHERN CONNECTOR EXTENSION TOLL REVENUE

(In Millions)



Source:
AECOM, Traffic & Revenue Consultant



Polk Parkway (SR 570)



- \$0.00 SunPas® Toll Rate
- \$0.00 Cash Toll Rate
- Toll Plaza

- Interchange With Toll Collection
- Interchange With No Toll Collection
- Existing Turnpike System Facility, Polk Parkway
- Interstate Highway

- Arterial
- Other Road
- County Boundary



Sources: NAVTEQ 2016
Florida's Turnpike Enterprise, 2016

**FLORIDA'S TURNPIKE SYSTEM
POLK PARKWAY**
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Toll Revenue	Transactions	Electronic Toll Collection	
			Revenue ^(A)	Transactions ^(A)
2016 ^(B)	\$31,359	33,316	\$23,540	25,318
2015 ^(B)	27,713	30,103	20,290	22,520
2014 ^(B)	24,590	27,495	17,202	19,849
2013 ^(B)	23,649	26,350	15,766	18,466
2012	22,615	27,395	14,951	17,453
2011	21,775	26,608	14,060	16,335
2010 ^(C)	21,391	26,209	13,366	15,435
2009 ^(C)	21,496	26,344	12,762	14,613
2008 ^(C)	22,450	27,330	12,629	14,214
2007	22,572	27,239	11,801	13,011

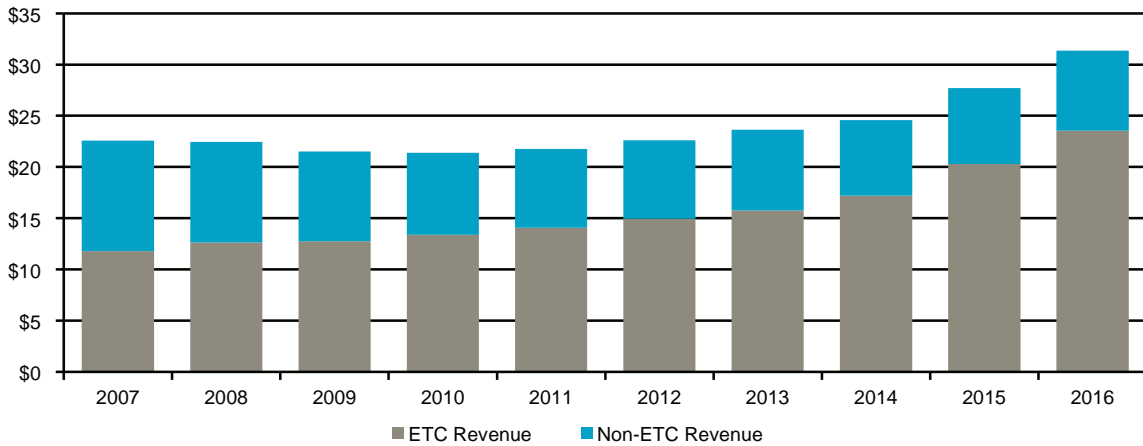
^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners.

^(B) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

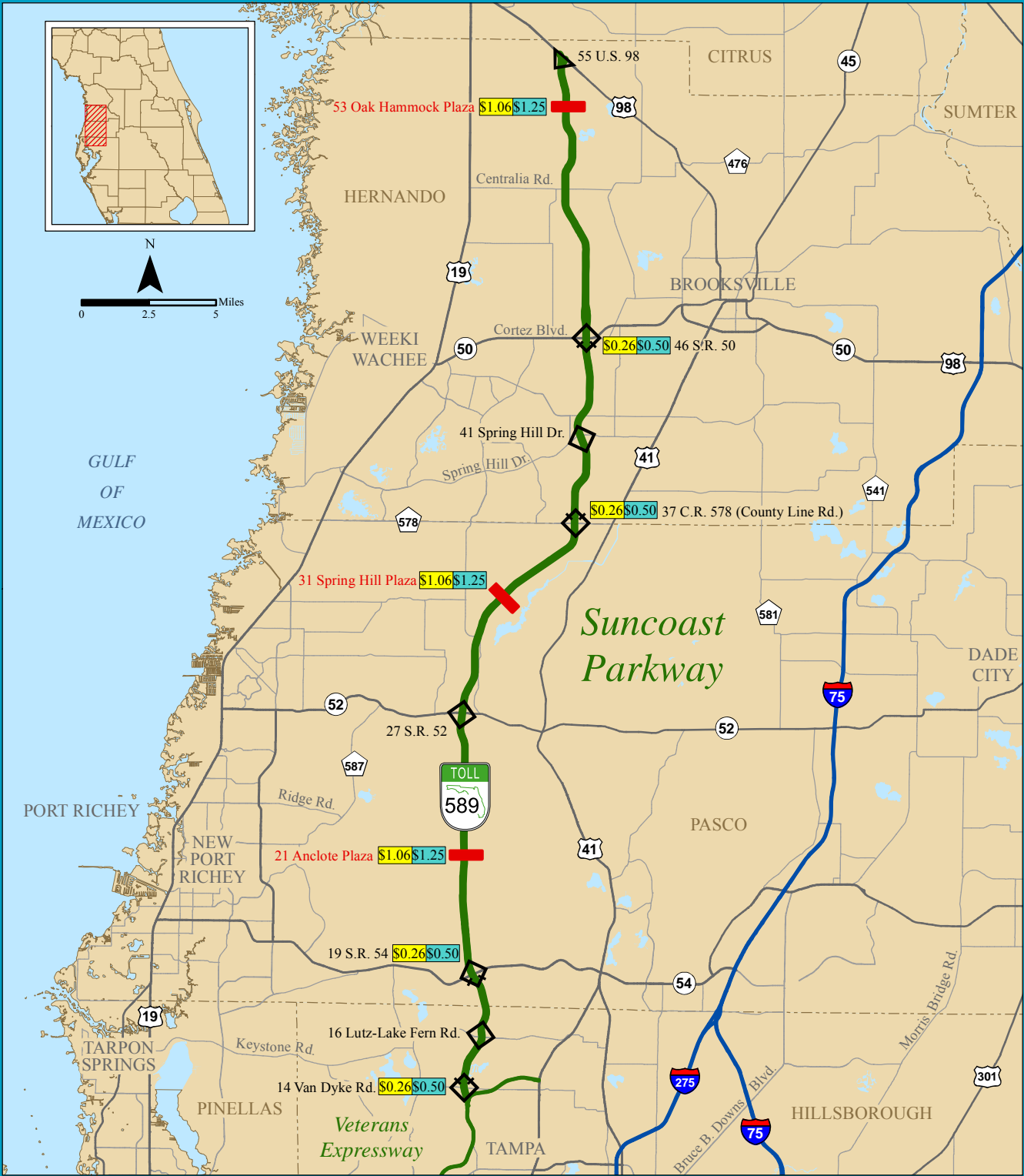
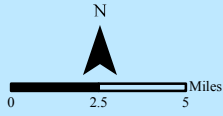
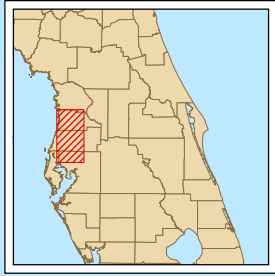
^(C) The decrease in fiscal years 2008 through 2010 Toll Revenue was due to a prolonged economic recovery in the region.

Revenue Capacity

**POLK PARKWAY
TOLL REVENUE**
(In Millions)



Source:
AECOM, Traffic & Revenue Consultant



Suncoast Parkway (SR 589)



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

Sources: NAVTEQ 2016
Florida's Turnpike Enterprise, 2016

FLORIDA'S TURNPIKE SYSTEM SUNCOAST PARKWAY

Last Ten Fiscal Years
(In Thousands)

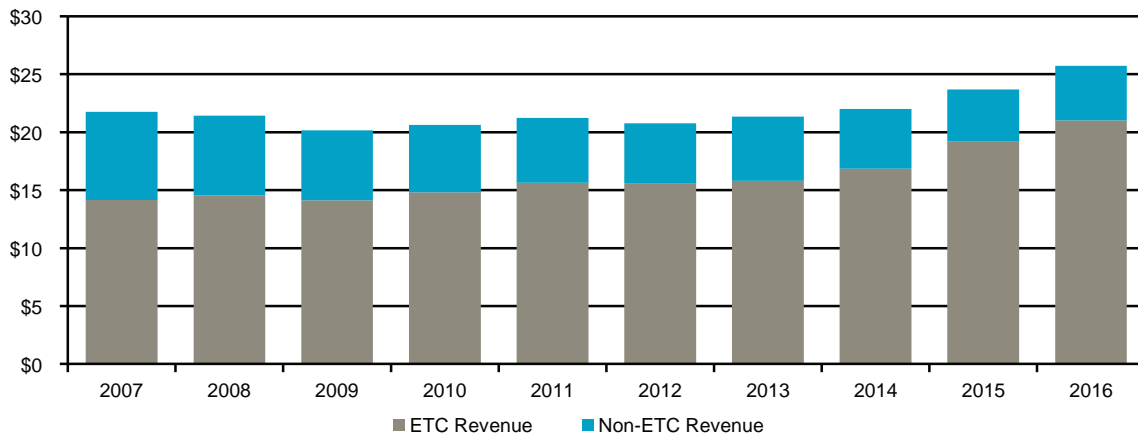
Fiscal Year	Toll Revenue	Transactions	Electronic Toll Collection	
			Revenue ^(A)	Transactions ^(A)
2016 ^(B)	\$25,709	31,349	\$20,998	25,206
2015 ^(B)	23,682	29,217	19,207	23,710
2014 ^(B)	22,011	26,805	16,861	21,201
2013 ^(B)	21,349	26,394	15,790	20,527
2012 ^(C)	20,769	27,593	15,545	20,358
2011	21,233	28,151	15,642	20,297
2010	20,621	27,345	14,808	19,026
2009 ^(C)	20,157	26,442	14,115	17,745
2008 ^(C)	21,424	28,114	14,525	18,222
2007	21,743	27,909	14,150	17,264

^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners.

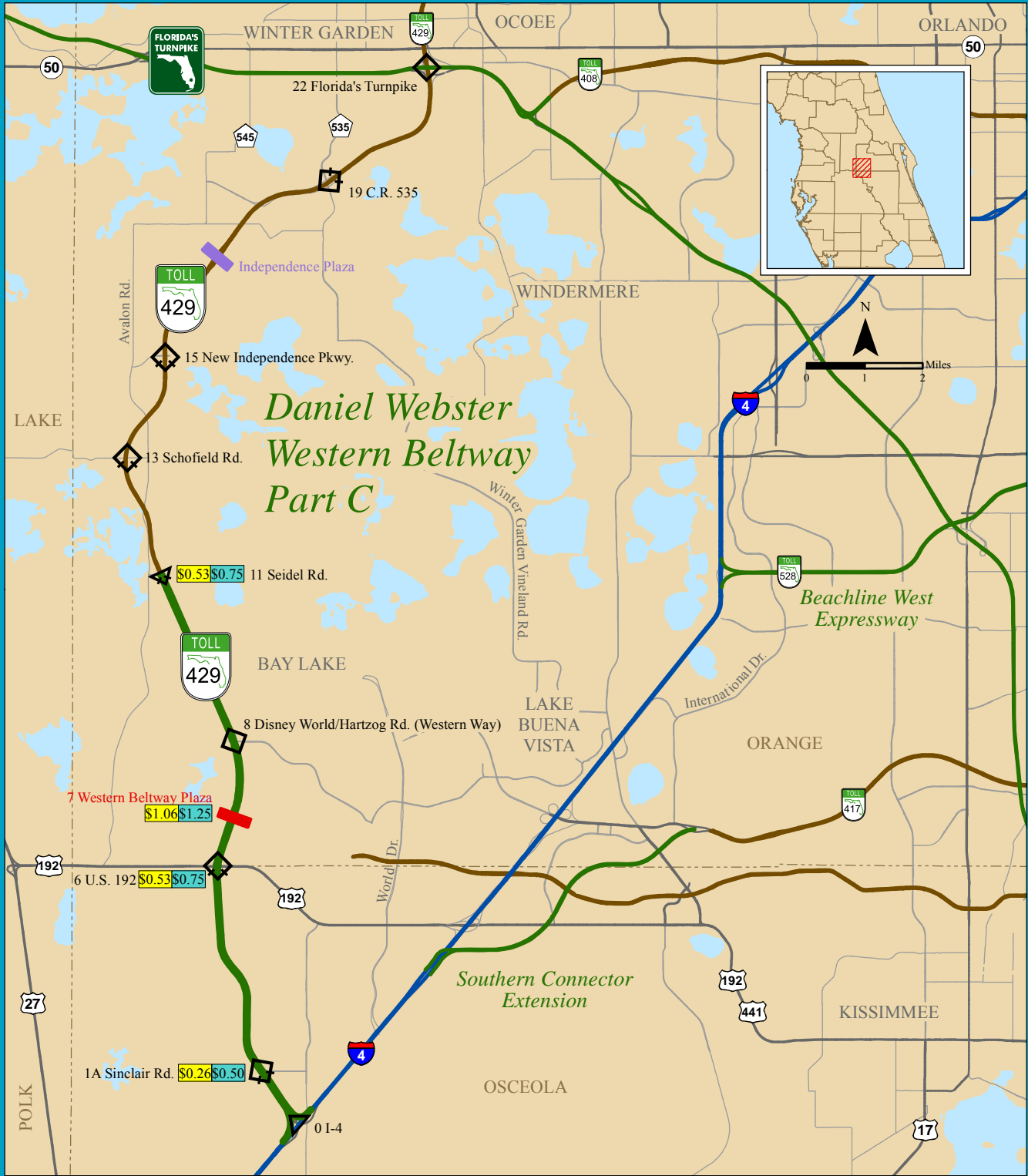
^(B) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

^(C) The decrease in fiscal years 2008, 2009, and 2012 Toll Revenue was due to variations in the region's economic conditions.

SUNCOAST PARKWAY TOLL REVENUE (In Millions)



Source:
AECOM, Traffic & Revenue Consultant



Daniel Webster Western Beltway, Part C (SR 429)



SunPass® Toll Rate

Cash Toll Rate

Toll Plaza - Turnpike System

Toll Plaza - CFX

Interchange With Toll Collection

Interchange With No Toll Collection

Existing Turnpike System Facility, Western Beltway, Part C

Existing Turnpike System Facility

Other Toll Road

Interstate Highway

Arterial

Other Road

County Boundary



Sources: NAVTEQ 2016
Florida's Turnpike Enterprise, 2016

FLORIDA'S TURNPIKE SYSTEM WESTERN BELTWAY, PART C

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Toll Revenue	Transactions	Electronic Toll Collection	
			Revenue ^(A)	Transactions ^(A)
2016 ^(B)	\$11,032	10,727	\$8,259	7,874
2015 ^(B)	8,853	8,688	6,463	6,205
2014 ^(B)	7,289	7,209	5,209	5,097
2013 ^(B)	6,367	6,337	4,423	4,404
2012	5,550	6,037	3,909	3,852
2011	5,097	5,559	3,556	3,431
2010	4,767	5,112	3,281	3,072
2009 ^(C)	4,719	4,938	3,186	2,878
2008	4,871	4,928	3,274	2,838
2007 ^(D)	3,363	3,128	2,259	1,829

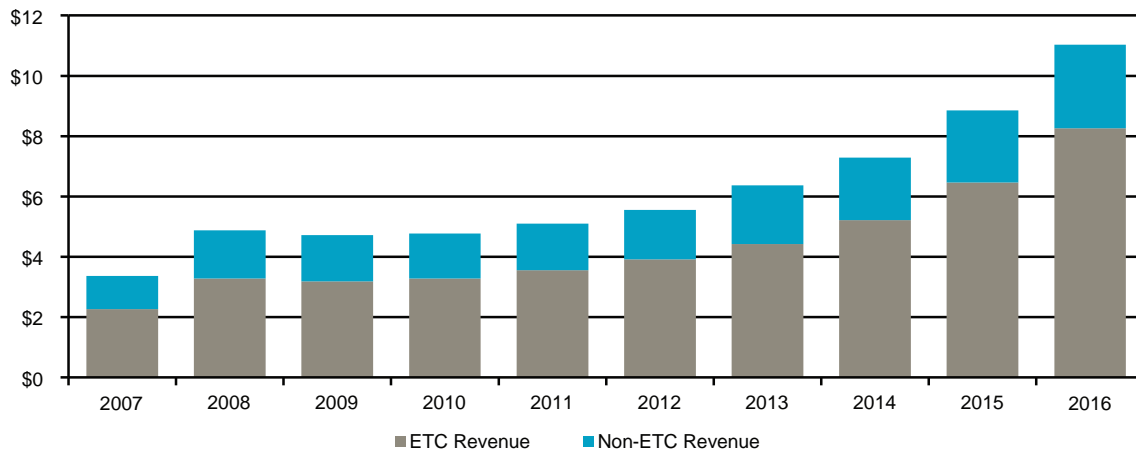
^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners.

^(B) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2014 through 2016 toll revenues reflect the annual SunPass and TBP indexed rates, while fiscal year 2013 toll revenue includes indexed rates for all payment methods.

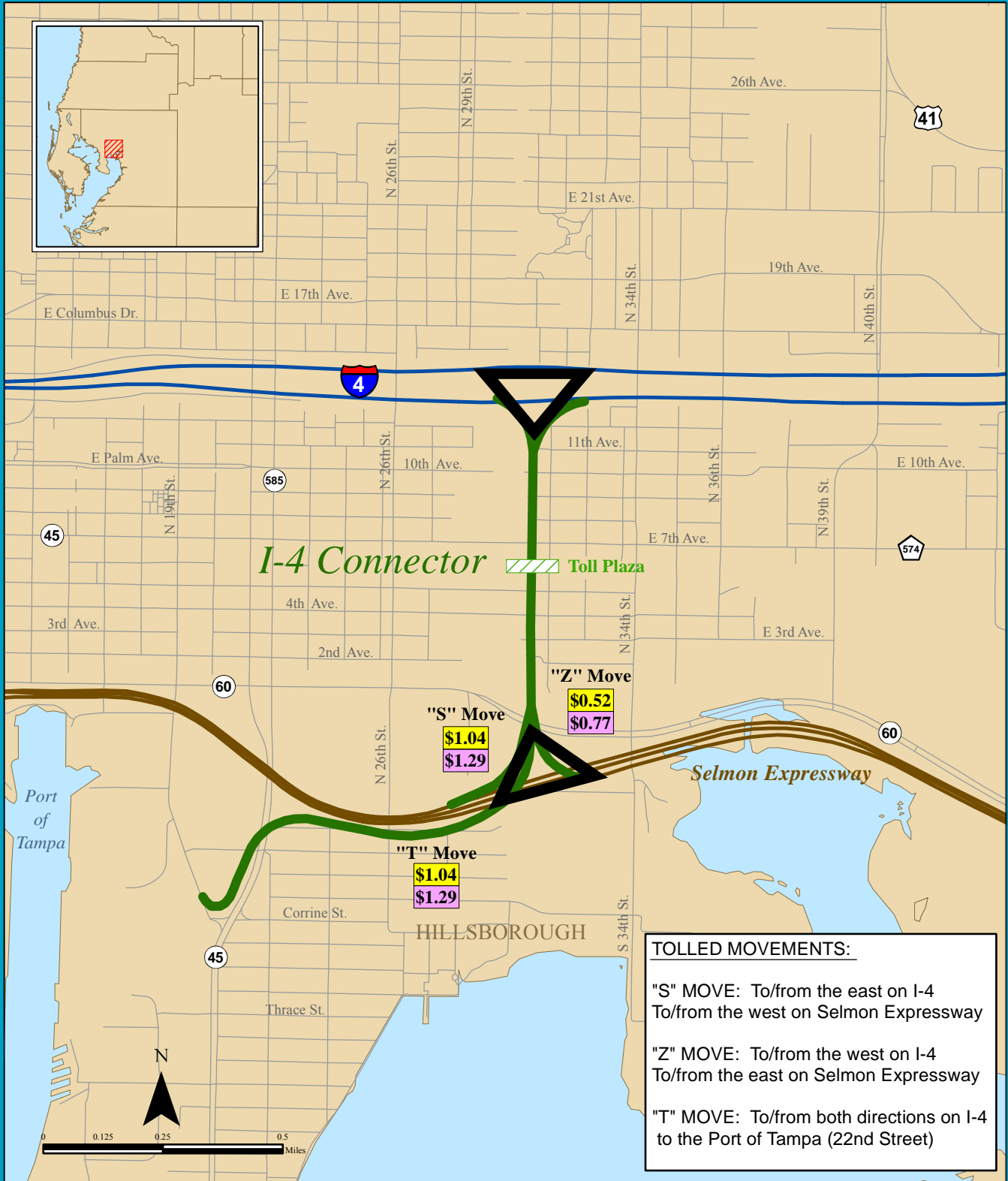
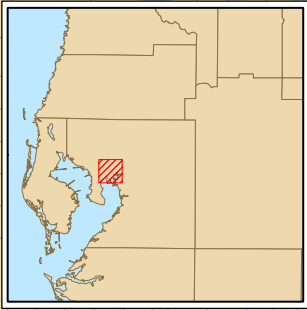
^(C) The decrease in fiscal year 2009 Toll Revenue was due to a decline in Florida's economic conditions.

^(D) The final 6-mile segment of the 11-mile Western Beltway, Part C opened to traffic in December 2006 (fiscal year 2007).

WESTERN BELTWAY, PART C TOLL REVENUE (In Millions)



Source:
AECOM, Traffic & Revenue Consultant



I-4 Connector



\$0.00 SunPass® Toll Rate

\$0.00 TOLL-BY-PLATE® Toll Rate

Toll Plaza (All-Electronic)

I-4 Connector

Interchange With No Toll Collection

Interstate Highway

Other Toll Road

Arterial

Other Road

Sources: NAVTEQ 2016
 Florida's Turnpike Enterprise, 2016

FLORIDA'S TURNPIKE SYSTEM I-4 CONNECTOR

Fiscal Years 2014 through 2016
(In Thousands)

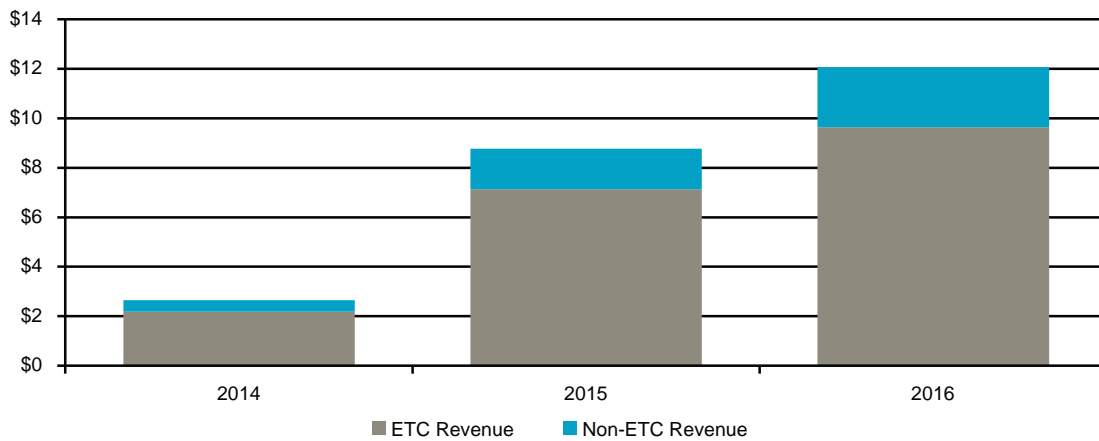
Fiscal Year	Toll Revenue	Transactions	Electronic Toll Collection	
			Revenue ^(A)	Transactions ^(A)
2016 ^(B)	\$12,071	16,283	\$9,636	12,354
2015 ^{(B)(C)}	8,774	12,094	7,134	9,213
2014 ^(C)	2,650	3,815	2,188	2,943

^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners.

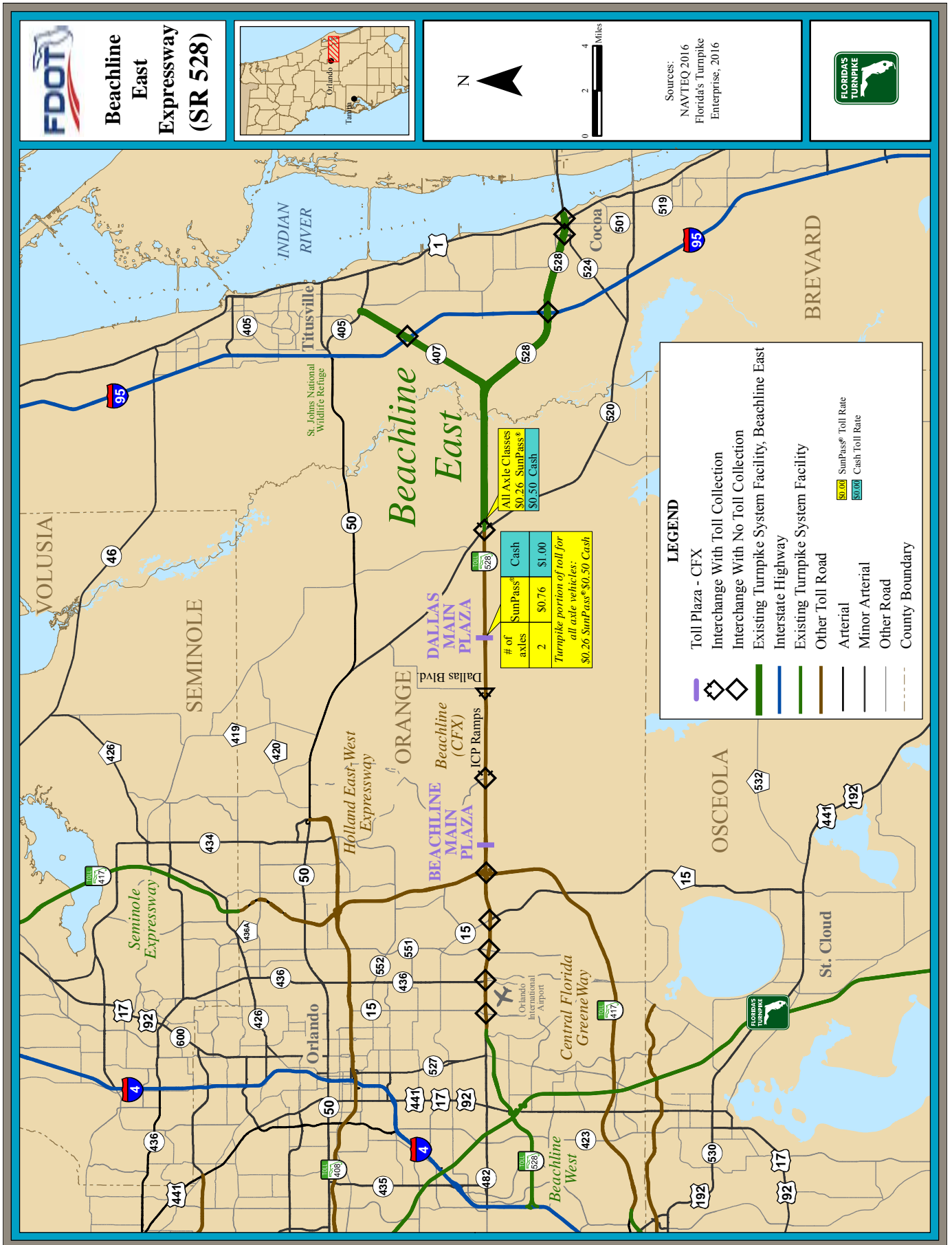
^(B) Toll rates are statutorily required to be adjusted periodically based on an established index. Accordingly, SunPass and TOLL-BY-PLATE (TBP) rates are indexed annually (July 1st) based on the year-over-year change in the Consumer Price Index, while cash rates are adjusted every five years. Fiscal years 2015 and 2016 toll revenues reflect the annual SunPass and TBP indexed rates.

^(C) This facility opened to traffic on January 6, 2014. Fiscal year 2015 represents the first full year of operation.

I-4 CONNECTOR TOLL REVENUE (In Millions)



Source:
AECOM, Traffic & Revenue Consultant



FLORIDA'S TURNPIKE SYSTEM BEACHLINE EAST EXPRESSWAY

Fiscal Years 2015 Through 2016

(In Thousands)

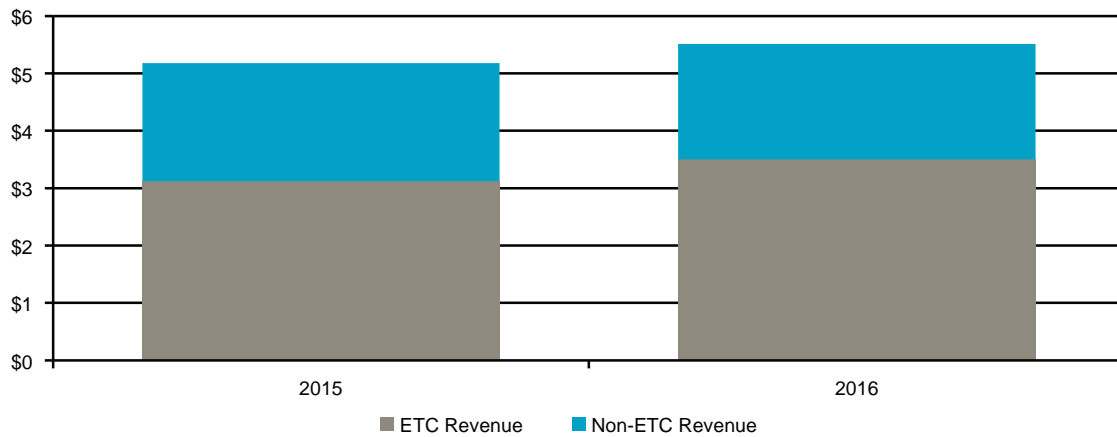
Fiscal Year	Toll Revenue	Transactions	Electronic Toll Collection	
			Revenue ^(A)	Transactions ^(A)
2016	\$5,512	18,722	\$3,498	12,232
2015 ^(B)	5,181	17,079	3,121	10,916

^(A) Electronic Toll Collection (ETC) Revenue and Transactions include SunPass and all interoperable partners. Transactions and revenue include the System's portion of tolls collected by Central Florida Expressway Authority at Dallas Mainline Plaza.

^(B) This facility was acquired from the Department on July 1, 2014 (fiscal year 2015).

BEACHLINE EAST EXPRESSWAY TOLL REVENUE

(In Millions)



Source:
AECOM, Traffic & Revenue Consultant

**FLORIDA'S TURNPIKE SYSTEM
CONCESSION REVENUE**
Last Ten Fiscal Years
(In Thousands)

Revenue Capacity

Service Plaza Revenue										Advertising Revenue	Total Concession Revenue ^(F)
Fiscal Year	Fort Drum	Port St. Lucie/ Ft. Pierce ^(A)	West Palm Beach ^(B)	Canoe Creek ^(B)	Turkey Lake ^(B)	Pompano Beach ^(C)	Okahumpka ^(D)	Snapper Creek ^(E)	Total		
2016	\$1,408	\$1,180	\$976	\$917	\$605	\$605	\$378	\$118	\$6,187	\$1,039	\$7,226
2015	1,457	1,227	959	920	593	580	227	127	6,090	960	7,050
2014	1,523	1,332	967	818	548	592	444	136	6,360	779	7,139
2013	1,574	1,869	587	763	351	679	650	112	6,585	930	7,515
2012	1,424	1,624	974	741	387	176	597	77	6,000	1,169	7,169
2011	1,571	1,707	1,174	1,120	571	309	715	83	7,250	1,132	8,382
2010	1,854	2,041	1,318	1,441	761	607	827	98	8,947	1,810	10,757
2009	1,584	1,752	1,288	1,280	801	836	886	163	8,590	1,520	10,110
2008	1,660	1,851	1,333	1,296	860	904	919	144	8,967	1,396	10,363
2007	1,707	1,900	1,326	1,369	978	1,075	968	191	9,514	1,196	10,710

^(A) In fiscal years 2016 and 2015, sales at the Port St. Lucie/Ft. Pierce Service Plaza decreased due to ongoing renovation of the facility.

^(B) In fiscal year 2014, sales at the West Palm Beach, Canoe Creek and Turkey Lake Service Plazas increased due to new retail concepts and renovated facilities.

^(C) In fiscal year 2013, sales at the Pompano Beach Service Plaza increased due to new retail concepts and renovated facilities.

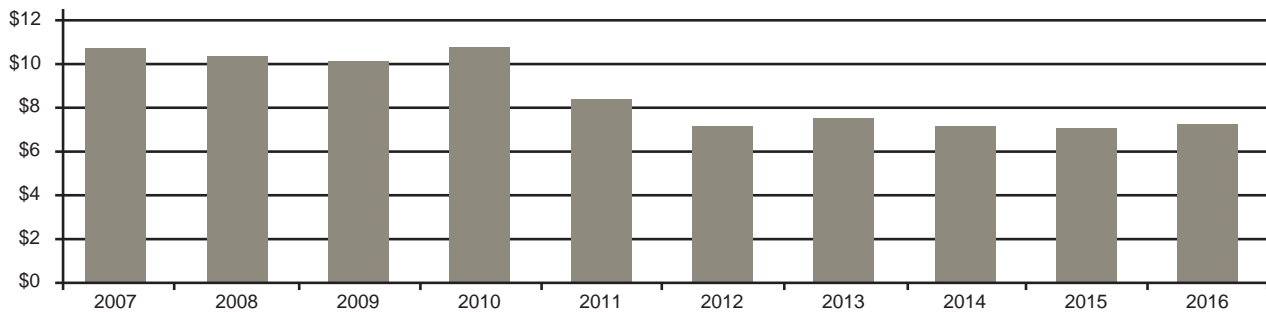
^(D) In fiscal year 2015, sales at the Okahumpka Service Plaza decreased due to ongoing renovation of the facilities.

^(E) In fiscal year 2013, sales at the Snapper Creek Service Plaza increased due to the addition of a new food concept.

^(F) In fiscal years 2011 and 2012, Total Concession Revenue decreased by \$2.4 million and \$1.2 million, respectively. This decline was attributed to a lower contractual payment from the concessionaire as a result of the service plaza improvements along the Mainline, and revenue decrease from highway signage and advertising. The decrease in total concession revenue of \$0.1 million and \$0.4 million in fiscal years 2015 and 2014, respectively, is primarily attributed to decline in construction delay fees collected.

In April 2009, a 30-year Concession Contract was awarded to a new concessionaire to operate fuel, food and beverage and other retail operations at all service plazas.

CONCESSION REVENUE
(In Millions)



Sources:
Audited Financial Statements
AECOM, Traffic & Revenue Consultant

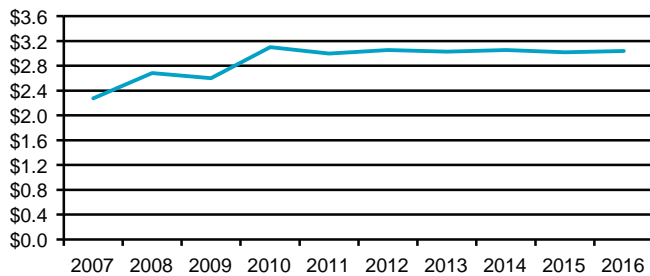
**FLORIDA'S TURNPIKE SYSTEM
RATIOS OF OUTSTANDING DEBT BY TYPE**
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Outstanding Debt				Total Debt Florida's Turnpike	Debt Per Centerline Mile ^(E)	Debt Per Lane Mile ^(E)	Debt Per \$ Operating Revenue ^(F)
	Revenue Bonds ^(A)	SIB Loans ^(B)	STTF Loans ^(C)	STTF O&M Loans ^(D)				
2016	\$2,926,056	\$35,835	\$6,000	\$68,827	\$3,036,718	\$6,287	\$1,320	\$3.08
2015	2,894,419	39,052	7,500	79,327	3,020,298	6,253	1,313	3.38
2014	2,914,955	42,270	9,000	87,851	3,054,076	6,625	1,371	3.74
2013	2,878,854	45,488	9,000	94,410	3,027,752	6,582	1,366	3.91
2012	2,895,077	48,705	9,000	98,959	3,051,741	6,634	1,377	4.87
2011	2,835,228	51,923	9,000	101,480	2,997,631	6,517	1,375	4.88
2010	2,943,688	53,672	9,000	93,096	3,099,456	6,738	1,463	5.07
2009	2,453,194	53,899	9,000	83,100	2,599,193	5,650	1,239	4.30
2008	2,540,849	54,075	8,704	77,806	2,681,434	5,829	1,283	4.12
2007	2,151,170	54,203	5,791	64,309	2,275,473	4,947	1,133	3.34

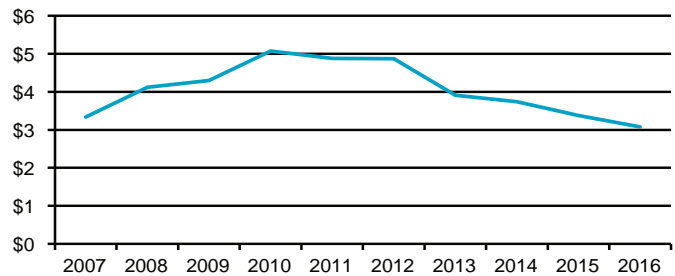
Note: All debt of Florida's Turnpike System is related to business type activities (i.e. not governmental activities). No debt of the System is considered overlapping debt, and the System does not have any general obligation debt or debt financed with general government resources. The debt provided above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

- (A) Outstanding debt includes short-term and long-term debt for Turnpike Revenue Bonds (net of premiums and discounts). Fiscal years 2012 and prior are net of premiums, discounts and refunding losses.
- (B) State Infrastructure Bank (SIB) loans were used for the Seminole Expressway II project, an interest subsidy for the Series 2003C Turnpike Revenue Bond issue, and construction of southern ramps to connect the Turnpike Mainline at SR 50 with SR 429.
- (C) State Transportation Trust Fund (STTF) loans from the Department were used for advances related to the acquisition of the Tampa-Hillsborough County and Seminole County Expressways, design costs associated with the Western Beltway, Part C expansion project and also costs associated with the Hollywood Boulevard and the Lake Worth Road interchange modifications. The first repayment of \$1.5 million began in fiscal year 2015 and these loans are expected to be fully repaid by fiscal year 2020.
- (D) State Transportation Trust Fund loans were received in the form of Operations and Maintenance subsidies on the SR 80 interchange on the Mainline, the Seminole Expressway II project and the Suncoast Parkway. In 2007, a loan was used for advance land acquisition related to future projects. Repayments on these loans were \$10.5 million for fiscal year 2016 and these loans will be repaid in fiscal year 2017.
- (E) Centerline and Lane Miles of the Turnpike System used in debt ratio calculation obtained from the Turnpike Components table, pages 46 and 47 of the CAFR Statistical Section.
- (F) Gross revenue of the Turnpike System used in debt ratio calculation obtained from the Debt Service Coverage, page 40 of the CAFR Statistical Section.

**FLORIDA'S TURNPIKE SYSTEM
OUTSTANDING DEBT**
(In Billions)



**FLORIDA'S TURNPIKE SYSTEM
OUTSTANDING DEBT PER DOLLAR OF
OPERATING REVENUE**
(In Dollars)



As indicated in the above graphs, outstanding debt increased during the initial years primarily due to the funding of expansion projects and system improvements. Total debt remained fairly stable thereafter as the level of debt repayment approximated the level of issuance to fund system improvements.

The outstanding debt per dollar of operating revenue increased from fiscal years 2007 through 2010 due to an overall increase in debt as well as a decline in economic conditions and revenues in fiscal years 2008 and 2009. The ratio began to decline thereafter due to a stabilization of debt levels coupled with a slight increase in toll revenues for fiscal years 2010, 2011 and 2012. The significant decrease in the ratio in fiscal years 2013 through 2016 is due to the large increase in toll revenues resulting from statutorily required toll rate indexing and systemwide traffic growth.

Source:
Audited Fiscal Statements

FLORIDA'S TURNPIKE SYSTEM DEBT SERVICE COVERAGE

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Gross Revenue (no interest)	Operations & Maintenance Expense ^(A)	Net Revenue Available for Debt Service	Debt Principal	Debt Interest	Total Debt Service	Coverage Ratio
2016 ^{(B)(C)}	\$987,149	\$192,458	\$794,691	\$129,620	\$131,835	\$261,455	3.04
2015 ^{(B)(C)}	894,589	177,160	717,429	120,990	132,100	253,090	2.83
2014 ^{(B)(C)}	816,869	165,838	651,031	111,425	128,112	239,537	2.72
2013 ^{(B)(C)}	774,222	163,625	610,597	111,680	131,938	243,618	2.51
2012 ^(B)	626,502	180,005	446,497	105,060	140,503	245,563	1.82
2011 ^(B)	614,433	182,547	431,886	99,000	138,118	237,118	1.82
2010 ^(B)	611,596	172,422	439,174	91,405	127,005	218,410	2.01
2009	604,897	190,603	414,294	81,660	121,485	203,145	2.04
2008	650,743	189,887	460,856	72,665	118,657	191,322	2.41
2007	681,615	183,955	497,660	65,610	100,743	166,353	2.99

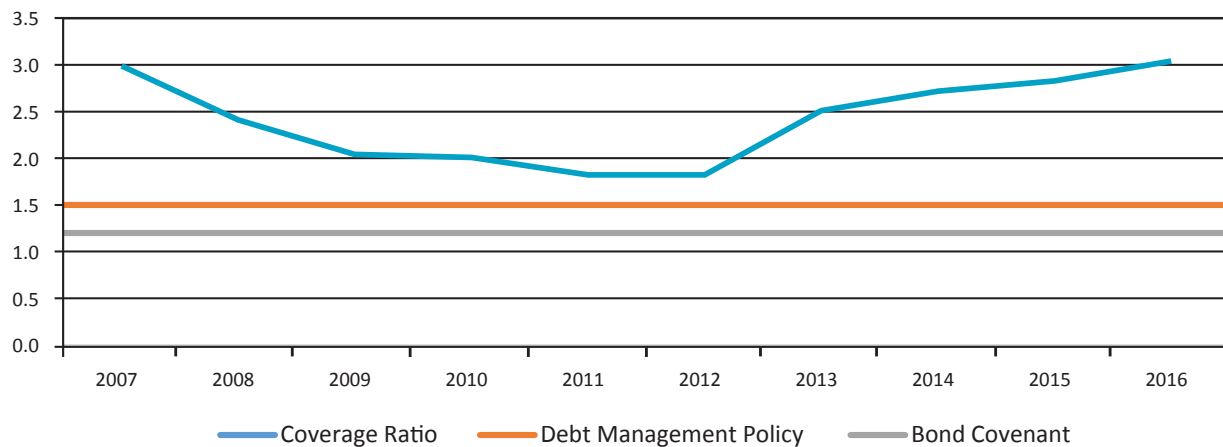
^(A) Operations and Maintenance expense includes business development and marketing expense.

^(B) Beginning in fiscal year 2010 interest payments are reduced by the federal subsidy on Build America Bonds, the subsidy ranges between \$5.5 million and \$5.9 million per year.

^(C) Beginning in fiscal year 2013, the System's debt service coverage increased due to higher toll revenue resulting from systemwide toll rate indexing and traffic growth.

As indicated in the graph below, System's debt coverage ratio exceeds the Bond Covenant coverage requirement of 1.2 and Debt Management Policy coverage of 1.5.

DEBT SERVICE COVERAGE (In Millions)



Source:
Audited Financial Statements

FLORIDA'S TURNPIKE SYSTEM LEGALLY BONDED DEBT INFORMATION

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Legally Bonded Debt Limit ^{(A)(B)}	Outstanding Bonded Debt	Outstanding Bonded Debt as a Percentage of Legally Bonded Debt Limit
2016	\$10,000,000	\$2,772,735	27.7%
2015	10,000,000	2,777,155	27.8
2014	10,000,000	2,789,550	27.9
2013	10,000,000	2,772,295	27.7
2012	10,000,000	2,856,935	28.6
2011	10,000,000	2,811,830	28.1
2010	10,000,000	2,910,830	29.1
2009	10,000,000	2,443,520	24.4
2008	10,000,000	2,525,180	25.3

Fiscal Year	Legally Bonded Debt Limit ^{(A)(C)}	Cumulative Bonded Debt Issued ^(D)	Cumulative Bonded Debt Issued as a Percentage of Legally Bonded Debt Limit
2007	\$4,500,000	\$2,391,410	53.1%

^(A) The Department is authorized to borrow money as provided by the State Bond Act for the purpose of paying the cost of any legislatively approved Turnpike project. The principal and interest on such bonds are payable solely from Turnpike System revenues pledged for their payment. The State Board of Administration, Division of Bond Finance, issues revenue bonds on behalf of the Department in order to help fund Turnpike expansion projects, new interchanges, widenings and other capital projects.

^(B) Effective July 1, 2007, the Turnpike's legislative bond cap was increased to \$10.0 billion of outstanding debt under Section 338.2275, Florida Statutes.

^(C) Prior to July 1, 2007, the legislative bond cap was based on cumulative bonds issued (not outstanding debt) and excluded refunding bonds.

^(D) Cumulative bonded debt includes all Turnpike bonds issued to fund projects since the cap was established in the 1995 codification of the Florida Statutes, excluding any refunding bonds. Cumulative bonded debt amounts represent total debt issued (not outstanding bonded debt).

Source:
Audited Financial Statements

FLORIDA'S TURNPIKE SYSTEM DEMOGRAPHIC AND ECONOMIC STATISTICS

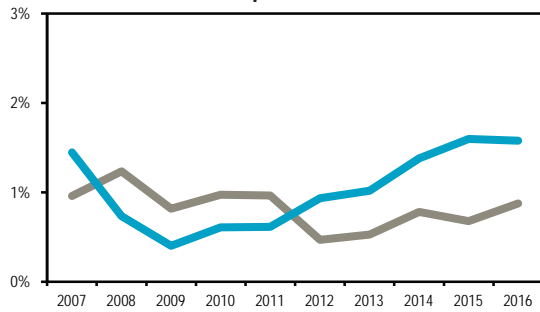
State of Florida

Year	Population (000) (A)	Total Personal Income (000) (A)	Per-Capita Income (A)	Consumer Price Index (B)	Labor Force (000) (A)	Unemployment Rate (B)
2016	20,208	\$938,670,750	\$41,994	239.3	9,837	4.7%
2015	19,894	890,253,180	41,105	237.0	9,684	5.3
2014	19,581	851,271,080	39,961	236.7	9,576	6.2
2013	19,314	802,456,420	35,545	233.0	9,459	7.1
2012	19,119	771,633,830	34,900	229.6	9,283	8.5
2011	18,942	774,400,000	36,244	224.9	9,334	10.0
2010	18,826	716,044,000	34,352	218.1	9,268	10.8
2009	18,712	702,197,000	34,279	214.5	9,219	10.7
2008	18,637	716,584,000	31,349	215.3	9,232	6.2
2007	18,501	699,314,000	38,316	207.3	9,148	4.0

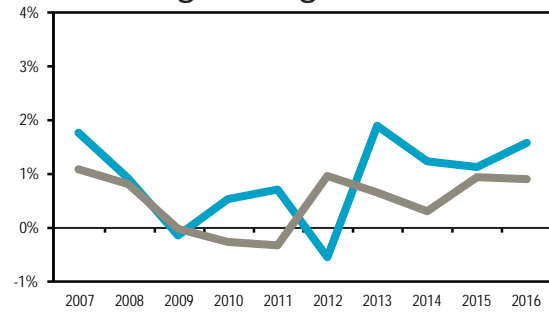
United States

Year	Population (000) (A)	Total Personal Income (000) (A)	Per-Capita Income (A)	Consumer Price Index (B)	Labor Force (000) (A)	Unemployment Rate (B)
2016	324,475	\$15,982,025,000	\$44,526	239.3	159,275	4.9%
2015	321,650	15,372,200,000	43,801	237.0	157,850	5.3
2014	319,480	14,637,800,000	42,093	236.7	156,380	6.1
2013	317,000	13,808,475,000	37,269	233.0	155,900	7.5
2012	315,330	13,411,730,000	36,788	229.6	154,880	8.2
2011	313,850	13,002,325,000	36,451	224.9	153,400	9.1
2010	310,850	12,402,025,000	35,967	218.1	153,900	9.4
2009	307,850	12,070,350,000	35,892	214.5	154,300	9.5
2008	305,350	12,100,650,000	32,590	215.3	154,325	5.6
2007	301,621	11,631,571,000	38,564	207.3	153,080	4.6

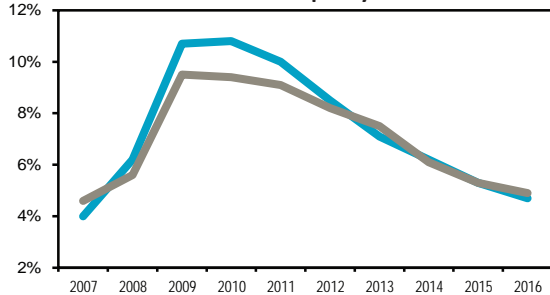
Rate of Population Growth



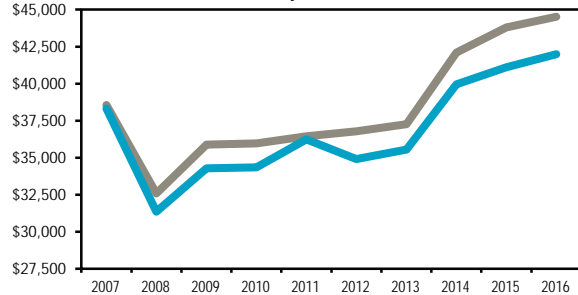
Percentage Change In Labor Force



Percent Unemployment Rate



Per-Capita Income



■ Florida ■ U.S.

Sources:

(A) Estimates based on the National Economic Estimating Conference (held July 11, 2016), Florida Demographic Conference (held July 6, 2016) and Florida Economic Estimating Conference (held July 15, 2016).

(B) U.S. Department of Labor, Bureau of Labor Statistics (as of October 11, 2016).

**FLORIDA'S TURNPIKE SYSTEM
NON-AGRICULTURAL EMPLOYMENT - STATE OF FLORIDA**

Calendar Years 2015 and 2006

Industry	CY 2015			CY 2006		
	Average Annual Employment	Rank	Percent of Total Employment	Average Annual Employment	Rank	Percent of Total Employment
Retail Trade	1,079,600	1	13.4%	1,004,700	1	12.5%
Health Care and Social Assistance	1,046,900	2	13.0	845,100	2	10.6
Accommodation and Food Services	914,300	3	11.3	731,200	5	9.1
Local Government	738,300	4	9.1	759,500	4	9.5
Administrative and Support Services	598,400	5	7.4	819,100	3	10.2
Professional and Technical Services	507,000	6	6.3	449,000	7	5.6
Construction	429,300	7	5.3	636,600	6	8.0
Finance and Insurance	357,500	8	4.4	367,800	8	4.6
Wholesale Trade	334,600	9	4.1	347,200	9	4.3
Other Services	331,300	10	4.1	337,000	10	4.2
Transportation and Warehousing	243,300	11	3.0	220,200	12	2.8
Manufacturing - Durable Goods	232,800	12	2.9	275,800	11	3.4
Arts, Entertainment and Recreation	216,000	13	2.7	173,900	15	2.2
State Government	208,600	14	2.6	210,700	13	2.6
Real Estate, Rental and Leasing	177,300	15	2.2	178,200	14	2.2
Educational Services	152,500	16	1.9	125,400	19	1.6
Information	135,900	17	1.7	167,200	16	2.1
Federal Government	134,000	18	1.6	127,500	17	1.6
Manufacturing - Non-Durable Goods	109,900	19	1.4	126,900	18	1.6
Management of Companies and Enterprises	96,800	20	1.2	73,200	20	0.9
Utilities	22,400	21	0.3	24,300	21	0.3
Natural Resources and Mining	5,800	22	0.1	6,500	22	0.1
Total Non-Agricultural Employment	8,072,500		100.0%	8,007,000		100.0%

Note: The most current employment statistics are for calendar year 2015 (i.e. first half of fiscal year 2016).

Since the Turnpike services the entire State of Florida, it is deemed that employment by industry within the State is a more relevant socioeconomic indicator than principal employers for the environment in which the Turnpike operates. As indicated in the above table, average employment for calendar year 2015 exceeded calendar year 2006 by 65,500, or approximately 0.8 percent. Comparing calendar year 2015 to calendar year 2006, the major employment growth in the last decade has been in the areas of Health Care and Social Assistance, Accommodation and Food Services, Retail Trade, Professional and Technical Services and Educational Services. These increases are offset by declines in Administrative and Support Services, Construction, Manufacturing, Information and Local Government.

Source:

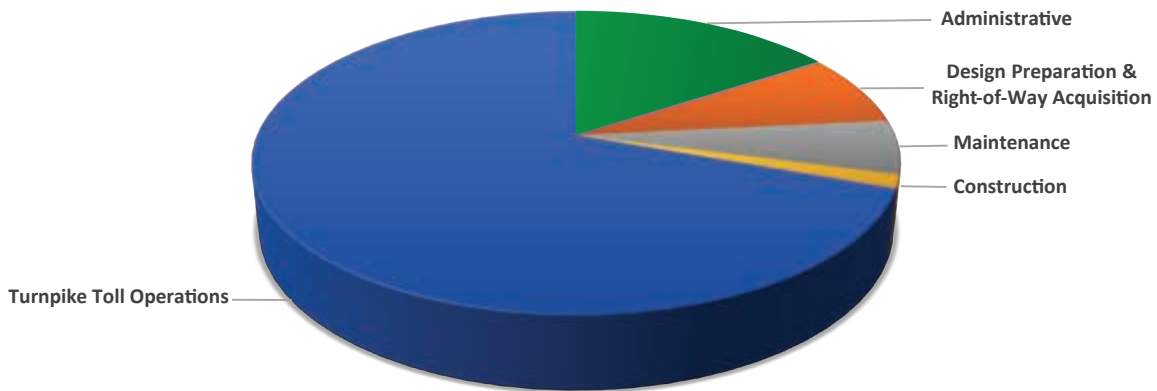
Florida Department of Economic Opportunity, Labor Market Statistics, Current Employment Statistics Program

FLORIDA'S TURNPIKE SYSTEM NUMBER OF EMPLOYEES

Fiscal Years 2012 through 2016

	2016	2015	2014	2013	2012
Florida's Turnpike Authorized Positions					
Administrative	66	63	56	56	58
Design Preparation & Right-of-Way Acquisition	32	30	24	24	21
Maintenance	24	22	27	25	27
Construction	6	8	7	9	9
Turnpike Toll Operations	291	297	306	306	330
Total Florida's Turnpike Authorized Positions	419	420	420	420	445

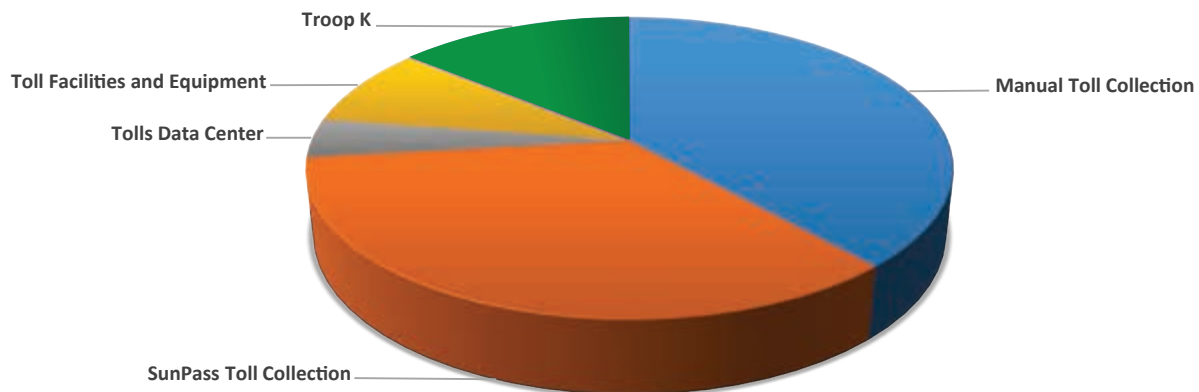
2016 FLORIDA'S TURNPIKE AUTHORIZED POSITIONS



	2016	2015	2014	2013	2012
Operations Contract Staff					
Manual Toll Collection ^(A)	608	619	790	902	991
SunPass Toll Collection	551	485	450	410	445
Tolls Data Center	65	61	61	59	58
Toll Facilities and Equipment	137	122	85	89	90
Florida Highway Patrol's Troop K	222	222	222	198	222
Total Operations Contract Staff	1,583	1,509	1,608	1,658	1,806

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

2016 OPERATIONS CONTRACT STAFF



Sources:

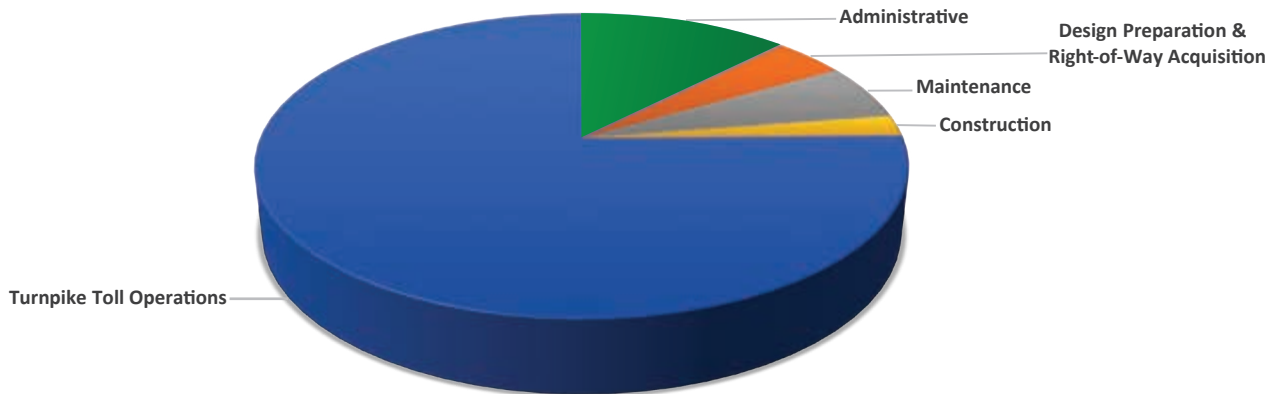
ATKINS and HNTB Corporation, General Consultants
AECOM, Traffic & Revenue Consultant

FLORIDA'S TURNPIKE SYSTEM NUMBER OF EMPLOYEES

Fiscal Years 2007 through 2011

	2011	2010	2009	2008	2007
Florida's Turnpike Authorized Positions					
Administrative	64	66	66	62	61
Design Preparation & Right-of-Way Acquisition	18	18	18	21	21
Maintenance	24	27	27	28	29
Construction	9	9	9	11	11
Turnpike Toll Operations	318	348	357	371	371
Total Florida's Turnpike Authorized Positions	433	468	477	493	493

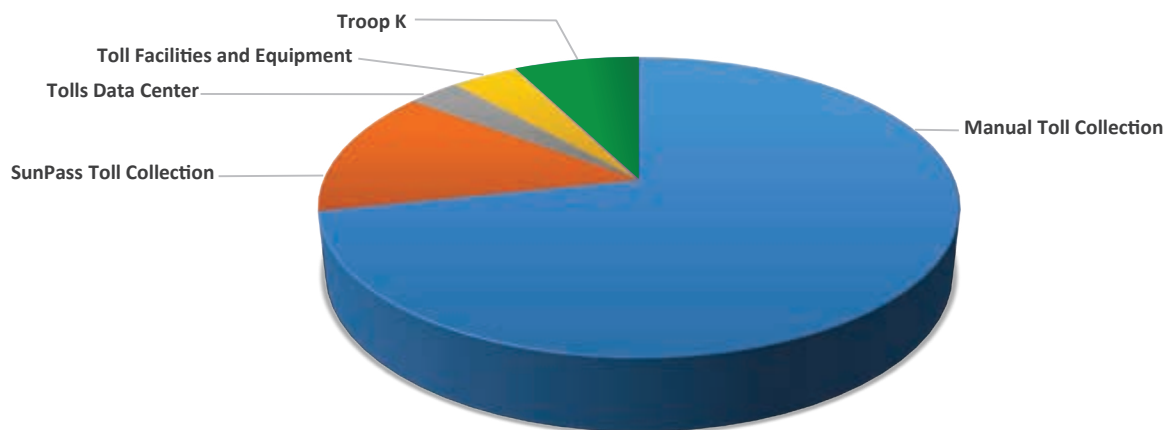
2007 FLORIDA'S TURNPIKE AUTHORIZED POSITIONS



	2011	2010	2009	2008	2007
Operations Contract Staff					
Manual Toll Collection ^(A)	1,024	1,329	1,397	1,724	1,747
SunPass Toll Collection	499	417	406	384	331
Tolls Data Center	55	53	58	93	77
Toll Facilities and Equipment	96	101	104	109	99
Florida Highway Patrol's Troop K	221	221	183	183	183
Total Operations Contract Staff	1,895	2,121	2,148	2,493	2,437

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

2007 OPERATIONS CONTRACT STAFF



Sources:

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

FLORIDA'S TURNPIKE SYSTEM TURNPIKE COMPONENTS AND TOLL FACILITIES

Fiscal Years 2012 through 2016

	2016		2015		2014		2013		2012	
	Centerline Miles	Lane Miles	Centerline Miles	Lane Miles	Centerline Miles	Lane Miles	Centerline Miles	Lane Miles	Centerline Miles	Lane Miles
Existing Turnpike Components:										
Mainline										
SR 821 (HEFT)	47	262	47	262	47	262	47	262	47	262
Southern Coin System	43	306	43	306	43	306	43	306	43	306
Ticket System	155	613	155	613	155	613	155	613	155	613
Northern Coin System	67	393	67	393	67	393	67	393	67	393
Beachline West Expressway	8	41	8	41	8	41	8	41	8	41
Mainline Total	320	1,615	320	1,615	320	1,615	320	1,615	320	1,615
Completed Expansion Projects										
Sawgrass Expressway	23	134	23	134	23	134	23	134	23	134
Seminole Expressway	18	73	18	73	18	73	18	73	18	73
Veterans Expressway	15	66	15	66	15	66	15	66	15	66
Southern Connector Extension	6	24	6	24	6	24	6	24	6	24
Polk Parkway	25	92	25	92	25	92	25	92	25	92
Suncoast Parkway	42	168	42	168	42	168	42	168	42	168
Western Beltway, Part C	11	44	11	44	11	44	11	44	11	44
I-4 Connector	1	12	1	12	1	12	--	--	--	--
Beachline East Expressway	22	72	22	72	--	--	--	--	--	--
Completed Expansion Projects Total	163	685	163	685	141	613	140	601	140	601
Subtotal Existing Turnpike Components	483	2,300	483	2,300	461	2,228	460	2,216	460	2,216
Turnpike Components Under Development:										
I-4 Connector (opened in FY 2014)	--	--	--	--	--	--	1	12	--	--
First Coast Expressway - Phase One	15	60	15	60	15	60	15	60	--	--
Subtotal Turnpike Components Under Development:	15	60	15	60	15	60	16	72	--	--
Turnpike System Total	498	2,360	498	2,360	476	2,288	476	2,288	460	2,216

In recent years, Florida's Turnpike System added the Beachline East Expressway and the I-4 Connector. These projects added 23 centerline miles and 84 lane-miles to the system. Additionally, significant investments have been made in system preservation, safety, capacity and modernization projects, as well as new access to the Turnpike System. Such projects include resurfacing, widening, new interchanges, median guardrail and canal protection systems, additional SunPass lanes at toll plazas, All-Electronic Tolling conversion, Traffic Management Centers, fiber optic cable, closed circuit television cameras, dynamic message signs, highway advisory radios and other investments in technology.

Toll Facilities:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Interchanges	138	138	132	132	132
Barriers	25	25	25	24	24
Toll Operation Buildings	183 ^(A)	189 ^(A)	204 ^(B)	184	185
Service Plazas	8	8	8	8	8
Service Station Buildings	8	8	8	8	8
Maintenance Buildings	107	108	110 ^(B)	128	129
Construction Buildings	1	1	1	1	2
Law Enforcement Buildings	5	5	5	5	5
Administration Buildings	11	11	11	10	9
Radio Communications Buildings	19	19	19	19	19
Bridges ^(C)	740	743	716	700	701

^(A) Due to All-Electronic Tolling (AET) conversions, toll operations buildings were removed.

^(B) Due to AET conversions, maintenance buildings were repurposed to toll operation buildings.

^(C) The increases in the number of bridges reported in fiscal years 2015 and 2014 are primarily due to the acquisition of the Beachline East Expressway and the addition of the I-4 Connector, respectively. The reduction in the number of bridges reported in fiscal year 2013 is due to the removal of a bridge at I-595 on the Southern Coin System.

Sources:

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

FLORIDA'S TURNPIKE SYSTEM TURNPIKE COMPONENTS AND TOLL FACILITIES

Fiscal Years 2007 through 2011

	2011		2010		2009		2008		2007	
	Centerline Miles	Lane Miles	Centerline Miles	Lane Miles	Centerline Miles	Lane Miles	Centerline Miles	Lane Miles	Centerline Miles	Lane Miles
Existing Turnpike Components:										
Mainline										
SR 821 (HEFT)	47	262	47	262	47	262	47	262	47	245
Southern Coin System	43	300	43	294	43	278	43	278	43	278
Ticket System	155	613	155	613	155	613	155	613	155	613
Northern Coin System	67	365	67	309	67	309	67	309	67	270
Beachline West Expressway	8	41	8	41	8	41	8	33	8	33
Mainline Total	320	1,581	320	1,519	320	1,503	320	1,495	320	1,439
Completed Expansion Projects										
Sawgrass Expressway	23	134	23	134	23	134	23	134	23	109
Seminole Expressway	18	73	18	73	18	73	18	73	18	73
Veterans Expressway	15	66	15	66	15	66	15	66	15	66
Southern Connector Extension	6	24	6	24	6	24	6	24	6	24
Polk Parkway	25	90	25	90	25	86	25	86	25	86
Suncoast Parkway	42	168	42	168	42	168	42	168	42	168
Western Beltway, Part C	11	44	11	44	11	44	11	44	11	44
I-4 Connector	--	--	--	--	--	--	--	--	--	--
Beachline East Expressway	--	--	--	--	--	--	--	--	--	--
Completed Expansion Projects Total	140	599	140	599	140	595	140	595	140	570
Subtotal Existing Turnpike Components	460	2,180	460	2,118	460	2,098	460	2,090	460	2,009
Turnpike Components Under Development:										
I-4 Connector (opened in FY 2014)	--	--	--	--	--	--	--	--	--	--
First Coast Expressway - Phase One	--	--	--	--	--	--	--	--	--	--
Subtotal Turnpike Components Under Development:	--	--	--	--	--	--	--	--	--	--
Turnpike System Total	460	2,180	460	2,118	460	2,098	460	2,090	460	2,009

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

Toll Facilities:	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Interchanges	131	131	129	129	129
Barriers	24	24	24	24	24
Toll Operation Buildings	173	178	179	179	165
Service Plazas	8	8	8	8	8
Service Station Buildings	8	8	8	8	8
Maintenance Buildings	120	120	110	109	107
Construction Buildings	2	3	3	3	3
Law Enforcement Buildings	5	5	6	6	4
Administration Buildings	8	8	7	7	7
Radio Communications Buildings	19	19	19	19	19
Bridges	700	696 ^(A)	701	701	701

^(A) The net reduction of five bridges reported in fiscal year 2010 is attributed to the removal of six bridges along the Northern Coin System due to widening and two bridges at Peters Road on the Southern Coin System replaced by a single bridge with ownership and maintenance transferred to Broward County. The removal of eight bridges was offset by the addition of one bridge on the HEFT at SR 821, one bridge on the Northern Coin System at SR 50 over the Turnpike, and one bridge on the Beachline West at Seaboard Coast Line Rail Road.

Sources:

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

FLORIDA'S TURNPIKE SYSTEM OPERATING INDICATORS^(A)

Fiscal Years 2012 through 2016

	2016	2015	2014	2013	2012
TOLL REVENUE (in thousands)					
Passenger Vehicles (2 axle)	\$814,164	\$741,727	\$685,203	\$655,018	\$529,045
Truck Vehicles (3+ axle)	141,766	124,223	111,098	100,524	79,767
Total	\$955,930	\$865,950	\$796,301	\$755,542	\$608,812
NUMBER OF TRANSACTIONS (in thousands)					
Passenger Vehicles (2 axle)	796,501	735,160	661,681	637,063	639,933
Truck Vehicles (3+ axle)	37,346	32,725	28,903	26,204	24,346
Total	833,847	767,885	690,584	663,267	664,279
NUMBER OF MILES (in thousands)					
Passenger Vehicles (2 axle)	9,332,888	8,659,945	7,815,903	7,472,307	7,466,954
Truck Vehicles (3+ axle)	515,622	458,923	415,873	364,407	341,217
Total	9,848,510	9,118,868	8,231,776	7,836,714	7,808,171
NUMBER OF TRIPS^(B) (in thousands)					
Passenger Vehicles (2 axle)	628,133	579,373	516,760	496,804	499,127
Truck Vehicles (3+ axle)	29,686	26,006	22,833	20,435	18,989
Total	657,819	605,379	539,593	517,239	518,116
AVERAGE TOLL COLLECTED PER TRIP					
Passenger Vehicles (2 axle)	\$1.30	\$1.28	\$1.33	\$1.32	\$1.06
Truck Vehicles (3+ axle)	\$4.78	\$4.78	\$4.87	\$4.92	\$4.20
AVERAGE TOLL COLLECTED PER TRANSACTION					
Passenger Vehicles (2 axle)	\$1.02	\$1.01	\$1.04	\$1.03	\$0.83
Truck Vehicles (3+ axle)	\$3.80	\$3.80	\$3.84	\$3.84	\$3.28
AVERAGE LENGTH OF TRIP (in miles)					
Passenger Vehicles (2 axle)	14.86	14.95	15.12	15.04	14.96
Truck Vehicles (3+ axle)	17.37	17.65	18.21	17.83	17.97
AVERAGE TOLL PER MILE					
Passenger Vehicles (2 axle)	\$0.09	\$0.09	\$0.09	\$0.09	\$0.07
Truck Vehicles (3+ axle)	\$0.27	\$0.27	\$0.27	\$0.28	\$0.23
CONCESSION SALES (in thousands)					
Restaurant Sales	\$73,950	\$69,323	\$65,387	\$50,195	\$45,782
Revenues from Concessions	\$7,226	\$7,050	\$7,139	\$7,515	\$7,169
Gallons of Gasoline Sold	45,374	41,728	37,909	33,830	32,760
Gallons of E85 Fuel Sold	671	739	839	986	979
Gallons of Diesel Fuel Sold	8,239	6,756	5,911	5,162	4,546
SUNPASS TRANSPONDERS SOLD^(C) (in thousands)					
	1,789	1,565	1,243	1,091	1,080
ROADWAY MAINTENANCE CONDITION RATING^(D)					
	88	88	89	88	91

^(A) Starting in fiscal year 2015, a new methodology was used to more accurately report operating indicators related to trucks. As such, all prior years were retroactively restated based on this new methodology for comparability.

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

^(C) All-Electronic Tolling conversion on the Sawgrass Expressway and the Veterans Expressway, as well as the opening of the I-4 Connector and traffic growth contributed to sales increase in fiscal years 2014 and 2015. Acceptance of SunPass at more Florida toll facilities boosted sales in fiscal year 2016.

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

Source:

AECOM, Traffic & Revenue Consultant

FLORIDA'S TURNPIKE SYSTEM OPERATING INDICATORS^(A)

Fiscal Years 2007 through 2011

	2011	2010	2009	2008	2007
TOLL REVENUE (in thousands)					
Passenger Vehicles (2 axle)	\$523,920	\$522,888	\$514,519	\$546,712	\$567,280
Truck Vehicles (3+ axle)	76,159	73,285	76,009	88,859	96,663
Total	\$600,079	\$596,173	\$590,528	\$635,571	\$663,943
NUMBER OF TRANSACTIONS (in thousands)					
Passenger Vehicles (2 axle)	629,776	617,316	607,876	640,061	660,181
Truck Vehicles (3+ axle)	23,081	22,110	22,985	27,259	30,304
Total	652,857	639,426	630,861	667,320	690,485
NUMBER OF MILES (in thousands)					
Passenger Vehicles (2 axle)	7,399,510	7,312,396	7,181,851	7,551,411	7,964,566
Truck Vehicles (3+ axle)	327,631	317,399	325,834	379,077	427,138
Total	7,727,141	7,629,795	7,507,685	7,930,488	8,391,704
NUMBER OF TRIPS^(B) (in thousands)					
Passenger Vehicles (2 axle)	491,306	481,630	474,606	499,943	514,919
Truck Vehicles (3+ axle)	18,006	17,250	17,946	21,292	23,636
Total	509,312	498,880	492,552	521,235	538,555
AVERAGE TOLL COLLECTED PER TRIP					
Passenger Vehicles (2 axle)	\$1.07	\$1.09	\$1.08	\$1.09	\$1.10
Truck Vehicles (3+ axle)	\$4.23	\$4.25	\$4.24	\$4.17	\$4.09
AVERAGE TOLL COLLECTED PER TRANSACTION					
Passenger Vehicles (2 axle)	\$0.83	\$0.85	\$0.85	\$0.85	\$0.86
Truck Vehicles (3+ axle)	\$3.30	\$3.31	\$3.31	\$3.26	\$3.19
AVERAGE LENGTH OF TRIP (in miles)					
Passenger Vehicles (2 axle)	15.06	15.18	15.13	15.10	15.47
Truck Vehicles (3+ axle)	18.20	18.40	18.16	17.80	18.07
AVERAGE TOLL PER MILE					
Passenger Vehicles (2 axle)	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07
Truck Vehicles (3+ axle)	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23
CONCESSION SALES (in thousands)					
Restaurant Sales	\$50,674	\$50,339	\$46,735	\$49,816	\$50,791
Revenues from Concessions	\$8,382	\$10,757	\$10,110	\$10,363	\$10,710
Gallons of Gasoline Sold	34,466	35,160	34,464	32,974	39,697
Gallons of E85 Fuel Sold ^(C)	705	499	N/A	N/A	N/A
Gallons of Diesel Fuel Sold	5,448	5,652	5,602	4,840	6,592
SUNPASS TRANSPONDERS SOLD^(D) (in thousands)	1,137	756	732	493	631
ROADWAY MAINTENANCE CONDITION RATING^(E)	91	91	92	91	90

^(A) Starting in fiscal year 2015, a new methodology was used to more accurately report operating indicators related to trucks. As such, all prior years were retroactively restated based on this new methodology for comparability.

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

^(C) Sale of E85 fuel started in fiscal year 2010.

^(D) The launch of SunPass Mini Sticker Tag in July 2008 significantly increased the number of transponders sold in fiscal years 2009 and 2010. The All Electronic Tolling conversion of SR 821 (HEFT) boosted the sale of transponders in fiscal year 2011.

^(E) The Department, through the State Maintenance Office, rates the Turnpike System's routine maintenance program from 1 to 100 in five categories (drainage, roadside, roadway, traffic services, vegetation and aesthetics). An overall rating is also provided for the System with an overall standard established at 80. Florida's Turnpike System has significantly exceeded this standard for the reporting period.

Sources:

AECOM, Traffic & Revenue Consultant

COMPARATIVE PASSENGER CAR TOLLS ELECTRONIC TOLL COLLECTION RATES

Toll Facility	Full-Length Distance (miles)	Passenger Car Toll	Per-Mile Rate (Cents)
Florida's Turnpike/I-4 Connector ^(A)	1	\$0.52-\$1.04	52.0-104.0
Delaware Turnpike (I-95)	11	4.00	36.4
Miami Gratigny Parkway	5	1.00	20.0
Tampa Lee Roy Selmon Crosstown Expressway	15	2.83	18.9
Miami Airport Expressway ^(B)	4	0.70	17.5
Central Florida Expressway Authority (CFX) East-West Expressway	22	3.82	17.4
Miami Dolphin Expressway ^(B)	14	2.40	17.1
Sam Houston Tollway ^(C)	70	12.00	17.1
Miami Snapper Creek Expressway	3	0.50	16.7
Dallas North Tollway	32	5.15	16.1
Hardy Toll Road (Texas)	23	3.50	15.2
Miami Don Shula Expressway	7	1.00	14.3
CFX Central Florida GreeneWay	33	4.38	13.3
Florida's Turnpike/Southern Connector Extension	6	0.79	13.2
Florida's Turnpike/Polk Parkway	25	3.18	12.7
Florida's Turnpike/Veterans Expressway	15	1.85	12.3
CFX Apopka Expressway	9	1.09	12.1
CFX Western Beltway	23	2.74	11.9
New Jersey Turnpike ^(D)	118	13.85	11.7
Florida's Turnpike/Seminole Expressway	18	2.10	11.7
CFX Beachline Main and Airport Sections	23	2.46	10.7
Florida's Turnpike/Beachline West Expressway ^(E)	8	0.79	9.9
Florida's Turnpike/Western Beltway, Part C	11	1.06	9.6
Florida's Turnpike/Sawgrass Expressway	23	2.12	9.2
Pennsylvania Turnpike (Mainline Only) ^(F)	359	32.62	9.1
New Hampshire Turnpike (Blue Star) ^(G)	16	1.40	8.8
Atlantic City Expressway	44	3.75	8.5
Florida's Turnpike/SR 821 (HEFT)	47	3.97	8.4
Florida's Turnpike/Suncoast Parkway	42	3.18	7.6
Florida's Turnpike ^(H)	320	22.26	7.0
Florida's Turnpike (Ticket Portion Only) ^(I)	155	10.10	6.5
Florida's Turnpike/Mainline ^(J)	110	7.13	6.5
Maryland JFK Memorial Highway ^(K)	50	3.00	6.0
Maine Turnpike	109	6.45	5.9
Ohio Turnpike and Infrastructure Commission	241	12.25	5.1
Garden State Parkway ^(F)	173	8.25	4.8
New York Thruway (Mainline Section 1)	390	17.43	4.5
Kansas Turnpike ^(L)	236	10.60	4.5
West Virginia Turnpike ^(M)	88	3.90	4.4
Massachusetts Turnpike - (Interchanges 1 through 14)	120	4.70	3.9
Alligator Alley	78	2.90	3.7
Indiana Toll Road	157	4.65	3.0
Florida's Turnpike/Beachline East Expressway ^(N)	15	0.26	1.7

Notes:

- ^(A) I-4 Connector is an elevated bridge-type AET facility with a higher per mile toll rate.
- ^(B) Effective November 15, 2014, tolls are collected in both directions.
- ^(C) Includes the Houston Ship Channel Bridge toll of \$1.50.
- ^(D) Peak period and weekend toll rates. Length reflects travel from exit 1 to exit 18.
- ^(E) Toll rate includes the System's portion only. The consolidated rate inclusive of CFX's portion is \$1.88
- ^(F) One-Way toll collection at select mainline plazas. Toll shown reflects roundtrip toll divided by 2.
- ^(G) Toll discount available only to New Hampshire E-ZPass[®] holders. Others pay \$2.00 toll.
- ^(H) Florida City to Wildwood/I-75 (includes Beachline West Expressway).
- ^(I) Ticket System section - just north of Boynton Beach Interchange (MP 86) to just south of Kissimmee Park Road (MP 240).
- ^(J) Southern Coin System – Golden Glades to Boynton Beach; Northern Coin System – Kissimmee to Wildwood/I-75.
- ^(K) Toll shown for Maryland E-ZPass[®] holders and reflects roundtrip toll divided by 2.
- ^(L) Includes 15% K-TAG discount.
- ^(M) Toll discount available only to West Virginia E-ZPass[®] holders. Others pay \$6.00 toll.
- ^(N) The full-length includes the southern spur. The seven mile northern spur (SR 407) increases the full-length to 22 miles. Toll rate reflects Turnpike's portion of tolls collected by CFX at Dallas Mainline Plaza (\$0.26).

THIS PAGE INTENTIONALLY LEFT BLANK



Florida Department of Transportation
Turnpike Enterprise

Milepost 263, Florida's Turnpike
Building 5315, Turkey Lake Service Plaza
Ocoee, Florida 34761
(407) 532-3999
www.floridasturnpike.com