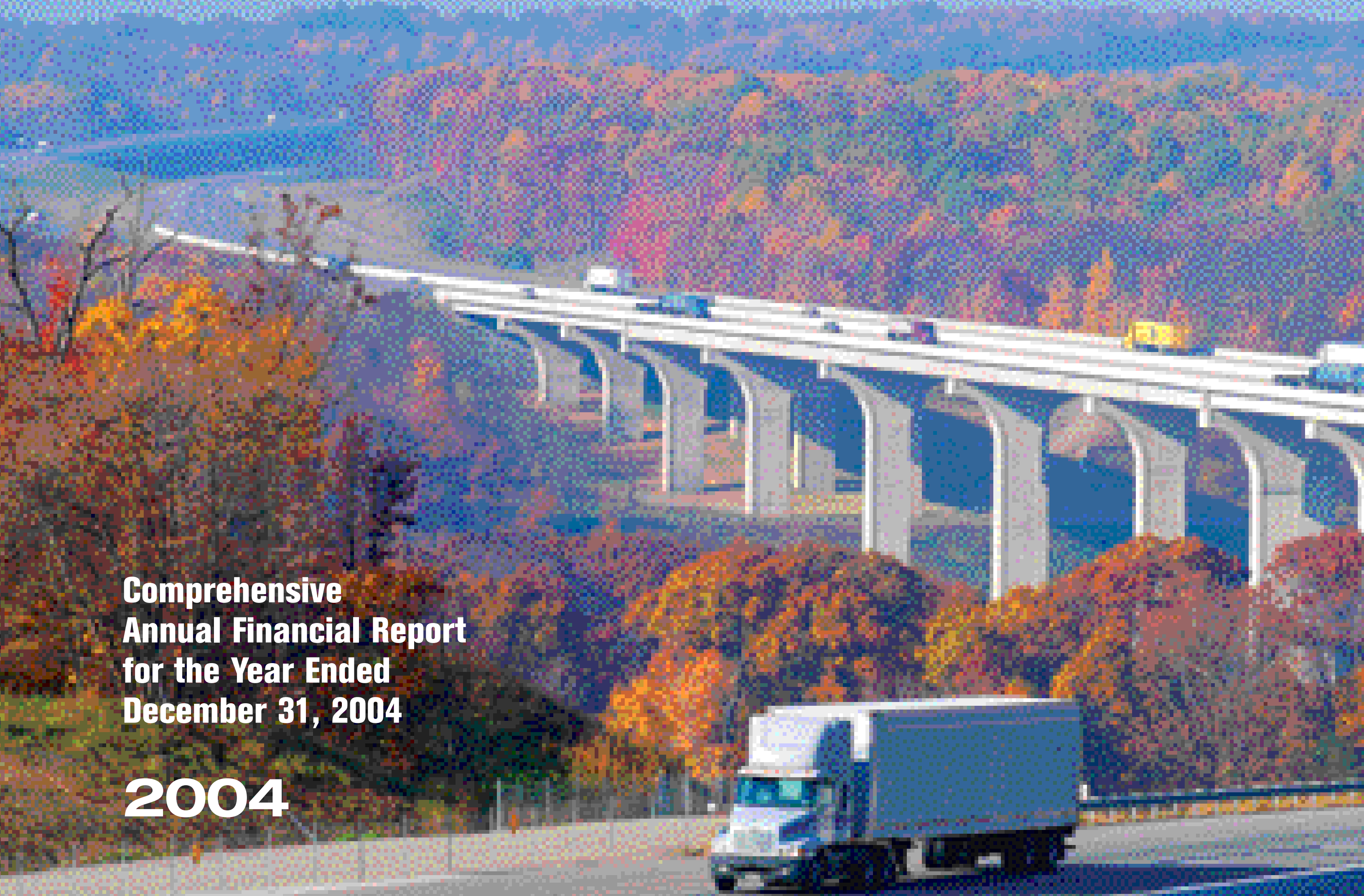
THE

OHIO

TURNPIKE COMMISSION

The Ohio Turnpike – The Road of Choice



Comprehensive Annual Financial Report for the Year Ended December 31, 2004

2004

Members & Officers

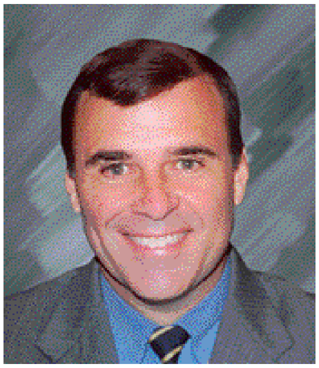
Thomas W. Noe
Chairman

Joseph A. Balog
Vice Chairman

George F. Dixon III
Secretary/Treasurer

David O. Regula
Member

Gordon Proctor
Member Ex-Officio



Kirk Schuring
Senate Member

Stephen Buehrer
House Member

Gary C. Suhadolnik
Executive Director
Assistant
Secretary/Treasurer

Independent Auditors:
Ciuni and Panichi, Inc.

Trustee:
The Huntington National Bank, Cleveland, OH

Consulting Engineers:
HNTB Ohio, Inc., Cleveland, OH

Prepared by:
CFO/Comptroller's Office and the Office of Public Affairs

Photography by:
AJF Photography – front cover, pages 2, 8, 9, 11, 13, 14, 16, (top & center images), 20, inside back cover (top left image)

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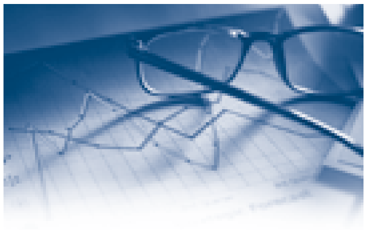

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THE OHIO TURNPIKE COMMISSION

682 Prospect Street
Berea, Ohio 44017
telephone: 440.234.2081 • fax: 440.234.4618
www.ohioturnpike.org

March 16, 2005

To:

The Honorable Bob Taft, Governor, and

The General Assembly of Ohio

The Ohio Turnpike Commission, pursuant to law, presents herewith its fifty-sixth annual report covering the period from January 1, 2004 through December 31, 2004.

Respectfully yours,

Thomas W. Noe
Chairman

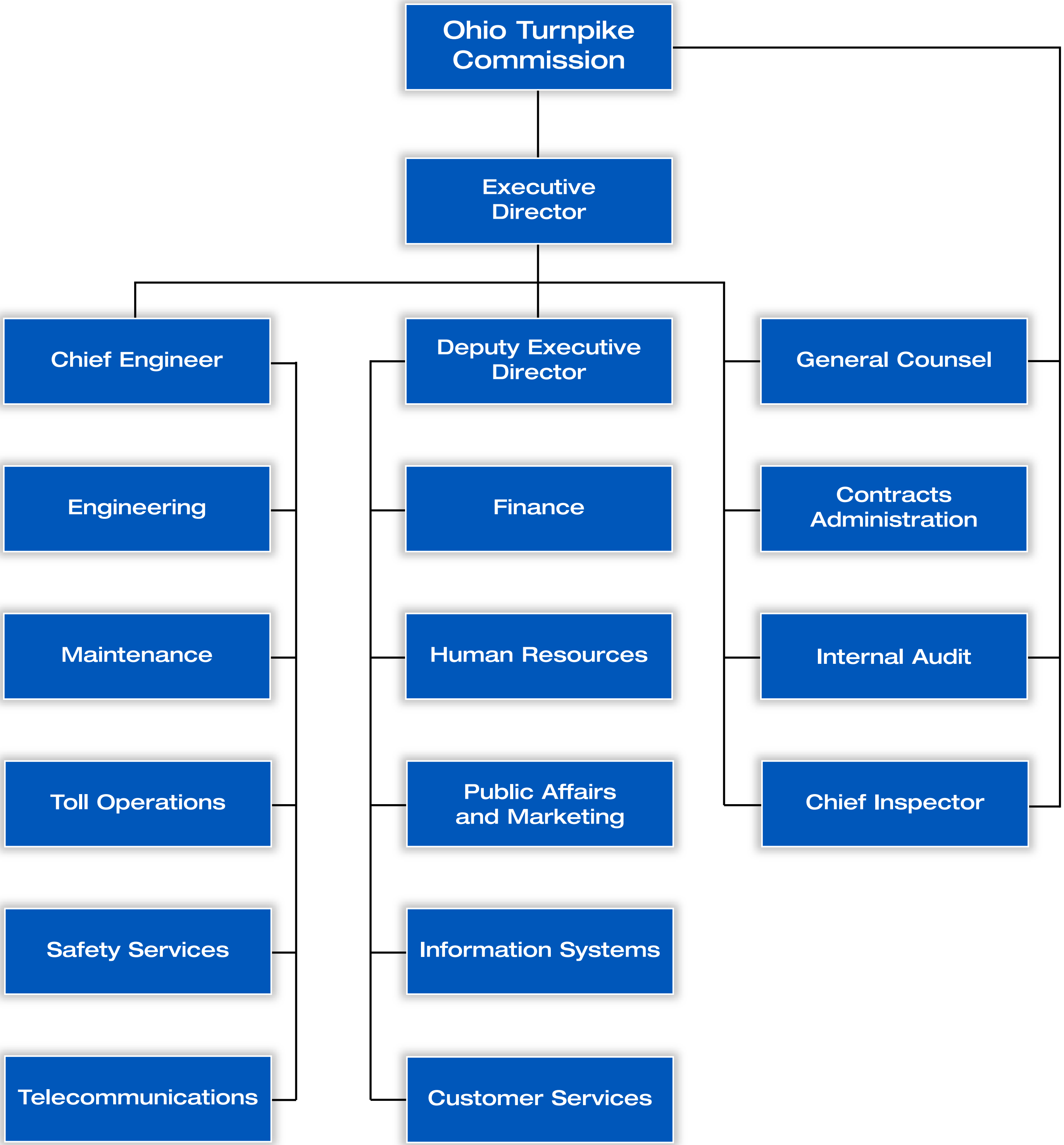
Joseph A. Balog
Vice Chairman

George F. Dixon III
Secretary - Treasurer

David O. Regula
Member

Gordon Proctor
Member Ex-Officio

Organizational Chart



Members and Staff

Ohio Turnpike Commission Members

		APPOINTED	TERM EXPIRATION
Thomas W. Noe	Member	7/1/03	6/30/11
	Vice Chairman	7/21/03	
	Chairman	3/15/04	
Joseph A. Balog	Member	7/1/03	6/30/07
	Vice Chairman	3/15/04	
George F. Dixon III	Member	10/5/01	6/30/09
	Secretary-Treasurer	7/21/03	
David O. Regula	Member	3/5/04	6/30/05
Gordon Proctor	Member Ex-Officio	1/11/99	—-
Kirk Schuring	Senate Member	2/03	—-
Stephen Buehrer	House Member	3/99	—-

Ohio Turnpike Commission Administrative Staff

Gary Suhadolnik	Executive Director
Jerry Pursley	Deputy Executive Director
Daniel Castrigano	Chief Engineer
Noelle Tsevdos	General Counsel
James Steiner	CFO/Comptroller
David Miller	Director of Audit and Internal Control
Sharon Isaac	Director of Toll Operations
Lauren Dehrmann	Public Affairs and Marketing Manager
Richard Morgan	Director of Information Systems
Tim Ujvari	Maintenance Engineer
William Keaton	Telecommunications Manager
Anne Fornshell	Director of Human Resources
Dick Lash	Director of Safety Services
Richard Rob	Chief Inspector
Kathleen Weiss	Director of Contracts Administration and Government Affairs
Andrew Herberger	Customer Services Manager

THE OHIO TURNPIKE COMMISSION

Chairman's Letter

January 2005

As I look back over the past year and review our accomplishments, the words *"change"* and *"trucks"* come to mind. For all of us who are proud to be associated with the Ohio Turnpike Commission, 2004 was a year of significant *change*.

First and foremost, the Northern Ohio region and areas adjacent to the Ohio Turnpike began to experience the effects from the *change* in the national economy and the Commission is finally seeing revenue and commercial traffic numbers return to levels that were last experienced in 1999 and 2000.

Our Capital Improvement Program continues to *change* the face of the Ohio Turnpike as reconstruction started on the Blue Heron and Wyandot Service Plazas, just east of Toledo. Plus, customers were excited about the much-anticipated opening of the Ohio Turnpike's 31st Interchange in Lorain County, which is called the Amherst-Oberlin Interchange (#140).

Many *changes* have been implemented to encourage more *truck* traffic to use the Ohio Turnpike. There was an increase in the Class 8 weight limitations, a reduction in diesel fuel pricing, and most notably, an increase in the *truck* speed limit to 65 mph. These *changes* were all designed to encourage *truckers* to change their travel patterns and to use the nation's best highway - the Ohio Turnpike.

Finally, with some *changes* in Commission membership, it is an honor for me to serve as the Chairman of the Ohio Turnpike Commission. It is exciting to preside over the Commission, especially with so many *changes* underway to enhance our operations and customer service. More *changes* await us in 2005 and we look forward to meeting the challenge.

As the Ohio Turnpike approaches its 50th Anniversary in 2005, the Commission staff and all of our employees remain steadfast and committed to making those positive *changes* that will make the Ohio Turnpike the road of choice for those traveling across Northern Ohio.

Sincerely,

Thomas W. Noe
Chairman

Executive Director's Year In Review

Change for the Better

For all of us at the Ohio Turnpike Commission, 2004 was a year filled with constant change, and every change was designed to encourage more truck traffic to use the Turnpike, to make Ohio highways safer, to make the Turnpike a more valuable economic resource for Northern Ohio and to better serve our customers overall. Keeping those goals in mind, the Commission will continue to look for opportunities to make changes to our toll structure, toll rates, driving rules, service plaza facilities, interchanges, roadway, web site, communication with our customers and communication with our employees.

Trucks to the Turnpike

Changing the weight limitations

Making changes to bring truckers back to the Ohio Turnpike was the major theme and activity of 2004. It is no secret that some truckers are avoiding the toll road and traveling on routes that run parallel to the Turnpike. Obviously, some truckers are opposed to paying any toll and that leaves the Ohio Turnpike at a competitive disadvantage with parallel, non-toll roads. Some operators who are driving large, heavy trucks will dodge the Turnpike to avoid paying the much higher Class 9 toll rate, which allows trucks weighing up to 90,000 pounds to legally travel on the Ohio Turnpike. This situation was clearly illustrated in the fall of 2003 when the Ohio State Highway Patrol (OSHP), at the request of the Commission, conducted a three-week study of trucks exiting at the non-toll State Route 49 Interchange, located just east of the Indiana border. The OSHP weighed 33 trucks and of those, 30 were overweight. While some trucks were excessively overweight, including one weighing over 180,000 pounds, most were overweight in the 80,000 to 90,000 pound category. Additionally, through an improved working relationship with the Ohio Trucking Association (OTA), the Commission was made aware of an inconsistency in our Class 8 weight limitation and took action to increase the weight limitation for Class 8 vehicles from 78,000 to 80,000 pounds. This small adjustment may seem insignificant, yet we know from conversations with those in the trucking industry that this adjustment (effective on February 1, 2004) has encouraged some truckers to take, or remain on the Ohio Turnpike.

Changing the truck speed limit

While it is nearly impossible to track the change in truck traffic resulting from the small change in the weight limitation for Class 8/Class 9 vehicles, it was easy to see an increase in truck traffic resulting from the increase in the truck speed limit from 55 mph to 65 mph that occurred on September 8, 2004. Across the country, most interstate highways, toll roads and other highways allow truckers to travel at speed limits of 65 mph or greater. With the exception of the Ohio Turnpike, Ohio is still one of only five states with a 55 mph truck speed limit. Most independent observers believe that the exceptionally engineered, well designed and well maintained Ohio Turnpike can easily handle truck and automobile speeds of 65 mph or greater. The Ohio Turnpike had been interested in raising the speed limit for some time, but resisted out of concern about the public policy precedent this change would set. Unfortunately, a fatal truck/car accident on parallel State Route 2 in the Sandusky area prompted Governor Bob Taft to direct the Ohio Turnpike Commission, the Ohio Department of Transportation (ODOT) and the OSHP to work together to develop a plan to bring more truck traffic to the Ohio Turnpike. After several months of study, the various agencies agreed upon a three-point plan. One point included raising the truck speed limit on just the Ohio Turnpike from 55 mph to 65 mph. The other two points of the plan are outlined later in this report.

Initial traffic data indicates that the speed limit increase resulted in a nine percent increase in truck traffic for the four-month time period the change was in effect. This increase was above and beyond the expected increase in truck traffic resulting from normal growth and improvements in the economy.

Changing toll rates and toll structure

The second point of the Governor's proposed program was a temporary, 18-month trial toll reduction to see if an economic incentive would increase use of the Ohio

Truckers enjoy the expansive parking area at the Ohio Turnpike service plazas.

Turnpike by the trucking industry. Some toll roads charge a fee based upon the number of axles, while the Ohio Turnpike is one of only two toll roads in the country where toll rates vary by weight and distance traveled, with customers driving heavier vehicles paying higher per mile tolls. Since customers traveling in the heaviest vehicles pay the largest toll rates, those rates were reduced the most. Customers traveling in smaller commercial vehicles had their rates reduced by smaller amounts. Overall, the rate reductions are just two percent for Class 4 vehicles, up to a 27 percent reduction for the larger, Class 8 vehicles. Much has been said over the years about the Ohio Turnpike toll increases in the mid 1990s; however, this temporary toll reduction rolls back nearly 60 percent of that increase in the Class 7 and Class 8 category, which is not only the larger commercial vehicles but also the largest category for truck traffic by volume.

The Ohio Turnpike is the only road in Ohio where vehicles weighing between 80,001 and 90,000 pounds can legally travel without a special permit. Previously, toll rates for this Class 9 category were priced substantially higher because this is the only legal route available for these exceptionally heavy vehicles. Unfortunately, many of these truckers have illegally traveled other roads to avoid the high toll. Practically speaking, it is very difficult to enforce this weight limitation on parallel routes. The temporary toll rate reduced this toll by over 57 percent, and the new temporary toll is just $1.00 higher than the toll established when the Ohio Turnpike opened in 1955. This is an attempt to provide truckers and owner/operators traveling in these heavy vehicles the greatest economic incentive to utilize the Ohio Turnpike.

The Commission would eventually like to implement electronic tolling, also known as E-ZPass; however, our low commuter base makes this financially impossible at this time. Additionally, charging tolls based upon weight, as well as the large number of weight categories, adds to the complexity of electronic tolling. The trial toll reduction temporarily combines Classes 4 and 5, Classes 6 and 7, and Classes 8 and 9 to effectively reduce the number of commercial truck classifications which will help facilitate a possible move to electronic tolling sometime in the future.

Finally, to improve the efficiency of manual toll collection and to facilitate a possible move to some use of automatic toll collecting machines, all commercial truck rates were also rounded to quarters.

Working with trucking organizations

The Commission has continued the efforts that began in 2003 when the Commission joined the Ohio Trucking Association (OTA) as an associate member. Members of the OTA range from sole proprietor owner-operators to some of the largest trucking companies in America. A large portion of the OTA membership is comprised of smaller, specialized trucking companies. The Commission has a commercial account program that provides a discount to any trucking company whose Turnpike volume exceeds $1,000 per month in toll charges. A 15 percent discount is applied to the monthly volume in excess of $1,000. Unfortunately, this program is of little or no value to smaller trucking companies who would likely never exceed the $1,000 per month in toll charges required to participate in this program. As a result, the Commission allowed the OTA to join as a member and will be providing the discount based upon the combined monthly usage by the total membership in excess of the $1,000 threshold. This will provide some discount to smaller volume users and hopefully encourage some of those members to increase their travel on the Ohio Turnpike as well.

Value added services for truckers

Certainly the year 2004 saw a significant increase in the price of fossil fuels. Understanding that trucks are a substantial component of our revenue and customer base, the Commission was determined to work with our fuel supplier (Sunoco) to see if some pricing mechanism could be initiated to take the edge off of sharply rising diesel fuel prices. The Commission agreed to reduce the rent to Sunoco in exchange for a reduced price for diesel

Commercial vehicles traveling across the Ohio Turnpike.

fuel sold on the Ohio Turnpike. Since the program began in October, diesel fuel prices have ranged between three and eight cents below the market rate and diesel fuel sales have increased over 35 percent. Hopefully, this economic incentive is encouraging more truckers to use and stay on the Ohio Turnpike.

Additionally, technology is also entering the transportation and freight industry. Today, many truckers search the Internet to find the next load of cargo to be transported to its destination. Since truckers are constantly on the go, finding that place to log in can sometimes be difficult. Some truck stops now have Wi-Fi technology available and this encourages some truckers to leave the toll road to find that location where they can log in without leaving the cab of the truck. The Commission is pleased to announce that after a competitive bidding process, we have entered into a contract with SBC to supply Wi-Fi services at our 10 new service plazas. We expect the service to be operational by the end of March, 2005. It is our hope that this additional service will also encourage more truckers to make the Ohio Turnpike their road of choice.

Capital Improvement Program

Service plaza reconstruction

The Commission's Capital Improvement Program continues to move forward. Reconstruction of the new, modern service plazas, Blue Heron and Wyandot (milepost 76.9) located in the Toledo area began in March, 2004. These are the fifth pair to undergo reconstruction along the 241-mile Ohio Turnpike. It is expected that the new facilities will be open for business just prior to Memorial Day 2005. After a competitive selection process, the Commission awarded a food service contract to Hardee's. Awarding the contract early enables the vendor to work with the construction contractor to facilitate the installation of fixtures and features integral to the various Hardee's food concepts that will be available at these facilities.

New interchange at State Route 58

After a series of unavoidable obstacles that delayed the start of construction of the new interchange at State Route 58, the Commission opened its 31st Interchange (Amherst-Oberlin #140) to traffic on November 30, 2004. Upon my appointment as Executive Director, I made this project one of my top priorities, promising a Fall 2004 opening. I am pleased to announce that this was accomplished as promised, on time and on budget.

Ongoing construction for the State Route 58 Interchange (#140).

Reconstruction of remaining interchanges

Although not yet completed, the Commission began renovation of the Stony Ridge - Toledo Interchange at milepost 71. With the anticipated improvements to Interstate 280 in the Toledo area, it is expected that traffic volume at this particular interchange will increase substantially. Besides the increased capacity that will be added to the interchange, all of the tollbooths will have improved heating, cooling and ventilation to provide a better work environment for our employees. Completion of the renovation of this interchange is expected by the Fall of 2005, leaving just two of the remaining original interchanges (#142 and #151) to be upgraded. Those renovations are scheduled to begin in 2005.

Third-lane construction

The third-lane construction program is currently 88 percent completed (141 of the 160 miles). Twelve miles of third-lane construction is still planned west of milepost 71 to milepost 59. Reconstruction of Interchange 71 and the related traffic issues make it impractical to upgrade this section of the roadway at this time. A remaining seven-mile section of the third lane is yet to be completed in Summit County (milepost 178-185) just east of the Cuyahoga River Bridge. On October 18, 2004 the Commission awarded a contract for reconstruction of the Norfolk & Southern Railroad Bridge over the Ohio Turnpike at milepost 182. Bridge construction will begin in early 2005, thus making it possible to add the third lane in that area.

The third-lane work has been performed with minimal disruption to Turnpike travelers by maintaining two lanes in each direction during peak travel periods. Additionally, individual third-lane projects are started and completed in one construction season, which eliminates shifting traffic and restricting lanes during the winter months.

Keeping a Good Thing Going

Another tough winter

The winter of 2003-2004 proved to be nearly as challenging as the previous winter. Weather records indicate that the 2003-2004 winter accumulated the fourth highest snowfall since record keeping began in the late 1800's. Once again, our skilled maintenance crews were up to the task and maintained the road with our usual "bare pavement" policy. Although one month does not set a pattern, the ice and snowfall in December of 2004 could be the beginning of another record setting year.

Paving, painting and repairing

Fortunately for me, my predecessors continually maintained all aspects of the road. Knowing that our customers directly pay to drive on the Ohio Turnpike and that our customers have a choice, it is our policy to maintain the road to the highest of standards. For that reason, in 2004 we resurfaced 76.8 lane miles of the highway, replaced four bridge decks and painted 12 bridges.

Labor Negotiations

Preparing for the worst

As 2004 drew to a close, so did the three-year labor agreement with the International Brotherhood of Teamsters Local 436, which represents the Commission's maintenance workers and full and part-time toll collectors. This is the first time the Commission has attempted to negotiate a successor agreement with this Union. Anticipating very difficult labor negotiations, the Commission prepared a contingency plan in the event of a work stoppage. Part of the plan included the implementation of a flat toll rate structure, as well as a plan to utilize temporary staffing at the tollbooths and temporary employees to perform our maintenance operations. We remained in constant communication with our customers, vendors and various public officials, and continually explained that our goal was to negotiate a labor agreement that was fair to our employees, fair to the Commission and fair to the customers whose tolls pay our wages. We also clearly communicated that the Turnpike would remain open for business no matter what action was taken by our employees.

All is well that ends well

Although the final chapter of our labor negotiation effort was not achieved until February, 2005, I am pleased to report that we have reached a fair contract that is satisfactory to both parties. Highway operations are normal and efforts are underway to improve any employee relations issues that may have resulted from some of the very tense labor negotiations.

Beginning our 50th Year and Looking Toward the Future

Automated toll equipment

The three biggest cost components of operating a toll road are general maintenance (such as snow plowing); repairs and replacement of road and structures along the road (such as resurfacing and bridge deck replacement); and collecting tolls manually at 31 locations from Indiana to Pennsylvania. Much of the general maintenance is an uncontrollable result of winter weather. Repairs and replacements are generally a product of both age and traffic volume. A very substantial part of the cost of operating a toll road is the cost of collecting tolls. Unfortunately, as stated in this report, the Ohio Turnpike finds it cannot economically justify the capital expense of installing an electronic toll collecting system due to our very low volume commuter customer base. Any effort to stabilize operating costs must look closely at toll collection operations. For this reason, the Ohio Turnpike Commission has begun to explore the use of automated toll collection equipment. Two machines have been purchased with delivery anticipated in early 2005. We do not anticipate these machines will ever completely take the place of our current toll collectors. It is the hope of the Commission that these machines will allow us to better serve our customers by providing an extra lane during some peak periods and during unexpected traffic surges. Additionally, these machines may be able to completely service low volume interchanges, especially during late night hours. The Commission intends to conduct a pilot project and further use of the concept will be dependent upon the customer acceptance of this technology.

The Highway Channel at the Vermilion Valley Service Plaza displays important traveler information such as weather and construction along the Ohio Turnpike.

"Bookends" project

The Commission continues to work to complete its Capital Improvement Program that includes reconstructing the original 50-year old Turnpike service plazas. Keeping in mind our focused effort to encourage more truckers to use the Ohio Turnpike, the Commission is seriously exploring the idea of reconstructing the service plazas at both the east and west ends of the highway in a manner that provides additional amenities and services for over-the-road truckers. Currently, our service plazas do not provide a garage where a trucker can receive either routine or emergency maintenance on his/her vehicle. Any maintenance now requires a trucker to exit the toll road, have the work performed and then re-enter the Turnpike. Additionally, we know that truck drivers on long trips favor facilities that offer sit-down type restaurants and other supplies and services that would be helpful for a driver carrying cargo for a longer distance. It is the Commission's intent to develop a trucker-friendly concept and then to work with a private sector operator

Long Combination Vehicles (LCVs) have special permits to travel only on the Ohio Turnpike.

(most likely a truck stop type operator) to build such a facility on Turnpike property. Hopefully, this will enable the project to proceed more quickly and cost effectively for the Commission. We hope the new concept will be more attractive to truck drivers and hopefully, will bring a few more trucks to the Ohio Turnpike.

IBTTA Annual Meeting in Cleveland

The number of toll roads, toll bridges, and toll tunnels are increasing around the world. Toll roads can be an attractive concept where government capital and government resources are limited. Toll roads are generally well maintained and much more customer focused. Additionally, only users pay for such a facility, so other taxpayers who do not need or use the facility do NOT pay for the bridge, tunnel or highway. Fortunately, Ohio's leadership realized the value of toll roads many years ago, establishing the Ohio Turnpike Commission in 1949, leading up to the complete opening of the Ohio Turnpike on October 1, 1955. Since that time, the Ohio Turnpike has been a well-respected leader in the toll road industry. In recognition of that strong leadership, the Ohio Turnpike Commission will host the International Bridge, Tunnel and Turnpike Association's (IBTTA) 73rd Annual Meeting, which will also commemorate the 50th Anniversary of the opening of the Ohio Turnpike.

The first 50 years have been a tremendous success story, and we expect even greater accomplishments in the next 50 years.

History and General Information

Organization and Background

The Ohio Turnpike Commission (the “Commission”) is a body corporate and politic in the State of Ohio created by the Ohio Turnpike Act (Chapter 5537, Ohio Revised Code) adopted by the 98th Ohio General Assembly, effective September 1, 1949. The Commission is authorized and empowered to construct, maintain, repair, and operate the Turnpike system at such locations as shall be approved by the Governor of the State of Ohio and in accordance with such alignment and design standards as are approved by the Director of the Ohio Department of Transportation. The Commission is also authorized and empowered to issue Turnpike Revenue Bonds of the State of Ohio, payable solely from revenues. Under provisions of the Act, Turnpike Revenue Bonds shall not be deemed to constitute a debt or a pledge of faith and credit of the State or any political subdivision thereof and Turnpike monies are not available to the State of Ohio or any political subdivision of the State.

In December of 1990, Substitute Senate Bill 7 was passed by the 118th Ohio General Assembly. This legislation became effective April 12, 1991, as revised Chapter 5537 of the Ohio Revised Code. Among its provisions, the legislation clarified and modernized the original 1949 Ohio Turnpike Act, provided additional authority to the Commission, and expanded the Commission by adding two non-voting members, one a member of the Ohio Senate and one a member of the Ohio House of Representatives. The legislation also created a Turnpike Oversight Committee (subsequently eliminated, then recreated through legislation) and, most significantly, permitted the existing Ohio Turnpike to remain a toll road after all outstanding bonds were paid.

A patrolman utilizes a two-way radio to provide help to a stalled motorist.

Maintenance employees put a decal on a Turnpike patrol car.

On May 18, 1992, a Tripartite Agreement that had been entered into in 1964 among the Commission, the Ohio Department of Transportation and the Federal Highway Administration was modified as a result of the provisions of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. The modified agreement canceled the requirement that the Ohio Turnpike become free to the public upon liquidation of the bonds outstanding (which were redeemed on June 1, 1992) and permitted tolls to continue without repayment of certain federal financial assistance previously received by the Ohio Department of Transportation for Interstate Highway approaches to the Turnpike.

Effective July 1, 1993, amendments to Chapter 5537 of the Ohio Revised Code were made by the Ohio General Assembly through provisions contained in Amended Substitute House Bill 154. Prior to these amendments, the Turnpike had been a project-by-project operation with each project being separate and independent. Under the provisions of the 1993 amendments, the Turnpike was converted to a system of projects with revenue from one project capable of being used to support other projects within the system.

Amended Substitute House Bill 335 became effective October 17, 1996. Among other things, the bill recreated the Turnpike Oversight Committee; required the Commission to hold public hearings before it votes to change tolls on a toll project or take any action that will increase its sphere of responsibility beyond the Ohio Turnpike; and prohibited the Commission from expending any toll revenues generated by a Turnpike project to pay any part of the cost of another unrelated project.

The Commission

The Commission consists of seven members, when at full strength, four of whom are appointed by the Governor with the advice and consent of the Senate, no more than two of whom are members of the same political party. Appointed members' terms are for eight years with the terms staggered so one starts or expires every two years. The fifth member is the Director of the Ohio Department of Transportation, who is a member ex-officio. The two remaining members, a state senator and a state representative, have non-voting status. They are named, respectively, by the President of the Senate and the Speaker of the House of Representatives. The Turnpike's operations are further monitored by a six member Legislative Oversight Committee.

The Cuyahoga River Bridges span 2,682 feet above the Cuyahoga Valley National Park in Summit County.

History

The first completed section of the Ohio Turnpike, 22 miles from the Pennsylvania Turnpike at the Ohio-Pennsylvania border to an interchange at Mahoning County Road 18, nine miles west of the city of Youngstown, was opened for traffic on December 1, 1954. This Eastgate section had been rushed to completion to relieve congestion of traffic moving to and from the Pennsylvania Turnpike over state and other highways.

This portion of the Turnpike roadway shows a new third-lane section and a two-lane section which has yet to undergo construction.

The remaining 219 miles of the Turnpike were opened on October 1, 1955. As traffic flowed through the 17 interchanges and terminals, all service and operating functions were activated – restaurants and service stations, disabled vehicle service, maintenance buildings, the Ohio State Highway Patrol (OSHP), and the Turnpike radio communications system.

For the most part, the Turnpike has experienced a relatively steady increase in traffic volume and revenues. In 1956, the first calendar year of full operation, 8,511,931 automobiles and 1,469,023 trucks used the Turnpike. In 2004, the total annual traffic consisted of 40,364,000 automobiles and 9,796,000 trucks. Annual revenues from tolls, restaurant and service station concessionaire rentals and other sources rose from $15,351,000 in 1956 to $211,771,000 in 2004.

The Ohio Turnpike links the East and Midwest by virtue of its strategic position along the system that directly connects toll roads between Boston, New York City and Chicago, consisting of the Massachusetts Turnpike, New York Thruway, New Jersey Turnpike, Pennsylvania Turnpike, Ohio Turnpike, Indiana Toll Road and Chicago Skyway.

Although commonly known and referred to as the Ohio Turnpike, the toll road's official name is The James W. Shocknessy Ohio Turnpike in honor of the man who was a member and Chairman of the Ohio Turnpike Commission from its inception in 1949 until his death in 1976.

The beginning of the National System of Interstate and Defense Highways early in 1956 resulted in the Commission scrapping plans to build several other toll

Construction crews begin paving the new exit ramp leading to State Route 58.

roads in Ohio (but some of this planning was used in launching Ohio's interstate system). Thus, the Ohio Turnpike, which carries the designation of Project No. 1, is the one and only Turnpike project completed, operated and maintained by the Commission.

Even though the Commission receives no federal funding, all of the 241.26 mile Turnpike has been incorporated by the Federal Highway Administration into the Interstate Highway System. The Turnpike is designated Interstate Route 80/90 between the Ohio-Indiana line and the Lorain County West Interchange (Milemarker 142). Interstate Route 80 between the Lorain County West Interchange (Milemarker 142) and the Niles-Youngstown Interchange (Milemarker 218), and Interstate Route 76 between the Niles-Youngstown Interchange (Milemarker 218) and the Ohio-Pennsylvania line.

General Information

Access

The Turnpike is linked directly with Interstate Route 75, Interstate Route 280, Interstate Route 71, Interstate Route 480, Interstate Route 77 and Interstate Route 680.

There are 31 interchanges on the Ohio Turnpike, 26 of which are accesses to and from U.S., Ohio and Interstate routes and two of which are terminals connecting, respectively, with the Pennsylvania Turnpike in the east and the Indiana Toll Road in the west. The remaining three interchanges connect with county or local roads.

Tolls

Toll charges for all vehicles are determined by gross-weight classification and by distance traveled on the Turnpike. All vehicles are weighed while in motion upon entering the Turnpike on scales located at the entrance lanes of each toll plaza. Passenger cars weighing less than 7,000 pounds fall within Class 1 and all other vehicles fall within Classes 2-9, based on their gross weight. (Classes 10 and 11 apply to triple-trailer combinations and long combination vehicles, respectively.)

A company whose tolls exceed $1,200 per year may apply for a toll charge account. Charge customers whose toll charges in any calendar month exceed $1,000 are given a 15 percent volume discount on those tolls in excess of $1,000.

At the renovated toll plazas, travelers receive their toll ticket from a dual automatic ticket-issuing machine.

Physical characteristics

The Ohio Turnpike mainline consists basically of two or three eastbound and westbound travel lanes of reinforced portland cement concrete, all of which has been resurfaced with asphaltic concrete, with each flanked by paved shoulders eight feet wide on the inside and ten feet three inches wide on the outside of the mainline roadway. The shoulders are hard surfaced with three inches of bituminous (penetration) macadam, plus the thickness of the resurfacing asphalt. The mainline roadways are separated by a center strip with a standard width between roadway lanes of 56 feet, consisting of 40 feet of grass median and the inside shoulders. The construction of the new third lane eliminated the 56 foot center strip, replacing it with two 12 foot traffic lanes, two 14 foot 3 inch wide paved shoulders and a 50 inch high concrete barrier. The new third lane section between Interchange 59 and Interchange 218 will consist primarily of full depth asphalt.

Ascending grades are kept to a maximum of 2.00 percent and descending grades to a maximum of 3.14 percent. Horizontal and vertical curves are of sufficient radius to provide the best sight distance, as well as ease of travel.

All of the roads and railroads intersected by the Turnpike cross under or over the Turnpike's roadways by means of bridges. There are no crossings at grade. To preserve the minimum separation between roadways, twin bridges carry the roadways whenever the Turnpike crosses over other highways, railroads or rivers.

Services to customers

The Ohio Turnpike Commission offers a number of services for the convenience and safety of Turnpike customers. The Commission has contracted with several private companies to operate restaurants and service stations at the Turnpike's 16 service plazas (eight pairs), to provide disabled vehicle service to stranded motorists and to furnish ambulance and fire fighting assistance in the event of an accident or other emergency situation.

The Ohio Turnpike offers eight new, state-of-the-art service plazas.

Service plazas

Restaurants and service stations at all service plazas are open 24 hours each day throughout the year. Currently the Commission has eight pairs of service plazas, which on average are approximately 30 miles apart. The farthest distance between pairs of service plazas is 39.5 miles. The service stations at the service plazas have gasoline, diesel fuel and assorted automotive accessories for sale. Turnpike maps, motel-hotel lists and other touring aids are available at the service plazas for travelers. Prices for food, fuel and other items sold at the service plazas are competitive with those charged at similar, off-Turnpike establishments in the same general vicinities.

New fuel islands at the reconstructed plazas offer service to multiple customers.

The Commission has replaced eight of its 16 service plazas with new more modern structures. The original service plazas were built and in operation in 1955 when the Turnpike was first opened to traffic from the Pennsylvania to the Indiana state borders.

Construction of the first pair of reconstructed service plazas at milepost 100 started in July 1998 and opened in June of 1999. Construction of the second pair at milepost 170 began the following month and opened in October of 1999. The reconstructed service plazas located at milepost 197 opened in April of 2001, followed by the plazas located at milepost 139.5 in May of 2002. The Commission began reconstruction of its next set of service plazas (Wyandot/Blue Heron – milepost 76.9) in 2004 with an anticipated opening in May 2005, prior to the busy Memorial Day holiday.

Customers can enjoy various vendors and concessionaires at all Turnpike service plazas.

Construction crews begin grading the area so paving can begin at Interchange #140 (State Route 58).

Turnpike maintenance

Providing Turnpike customers with a well-maintained highway is a task performed by the Commission's maintenance crews. Personnel assigned to the eight maintenance buildings, spaced at approximately 30-mile intervals along the Turnpike, are responsible for keeping the Turnpike facilities operational and the roadway and pavement in comfortable-riding, clean and safe condition. Weather monitoring stations along the road utilize embedded sensors in certain mainline bridges to provide advance notice of the need to initiate snow and ice operations.

Turnpike maintenance employees are responsible for snow and ice removal operations along the mainline, ramps and at the service plazas.

Ohio State Highway Patrol

A special Turnpike unit, District 10 of the OSHP, polices the Turnpike. Headquarters for District 10 is in the Commission's telecommunications building at Berea. Two additional posts are incorporated into maintenance buildings and there is one free-standing patrol post. District 10 operates patrol cars and airplanes to enforce the Commission's traffic regulations, as well as to perform service to ill, stranded or otherwise distressed travelers. Under a contract between the Commission and the OSHP, the Commission utilizes toll revenue to reimburse the patrol for all costs of operating on the Turnpike.

The new Cuyahoga River Bridges were opened in 2003 and provide a third lane for travelers.

Radio communications systems

Two of the most modern, two-way radio communications systems to be found on any toll road are in operation on the Ohio Turnpike. Separate systems are maintained for the Commission and the OSHP. Of particular value to Turnpike customers is the use of the systems for emergency services including ambulance, EMS life flights, OSHP and wrecker service.

Disabled vehicle service

Roadway vehicle-repair trucks on the Turnpike are equipped to assist temporarily stranded drivers in getting vehicles started again. On-the-spot service includes changing tires, supplying emergency gasoline, replacing broken fan belts and other minor repairs. Towing service is available for the removal of vehicles requiring garage work off the Turnpike.

CFO/Comptroller's Report

The Ohio Turnpike Commission

James T. Steiner
CFO/Comptroller

February 25, 2005

Ohio Turnpike Commission and Executive Director:

The *Comprehensive Annual Financial Report* ("CAFR") of the Ohio Turnpike Commission (the "Commission") for the year ended December 31, 2004, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the financial presentation, including all disclosures, rests with the CFO/Comptroller's Office of the Commission. To the best of my knowledge and belief, the accompanying data are accurate in all material respects and are reported in a manner designed to present fairly the financial position, results of operations and cash flows of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes lists of the Commission Members and professional consultants, the Commission's organizational chart, and letters of transmittal. The financial section includes the report of the independent auditors, management's discussion and analysis, and the basic financial statements. The notes provided in the financial section of this report are an integral and essential part of adequate disclosure and fair presentation of this CAFR. The statistical section includes selected financial and statistical information, presented on a ten-year basis.

Readers of these financial statements are encouraged to review management's discussion and analysis for an overview of the Commission's financial position and the results of 2004 operations.

The accompanying financial statements include only the accounts and transactions of the Commission. The Commission has no component units nor is it considered a component unit of the State of Ohio. The Commission is considered, however, a related organization to the State of Ohio.

Accounting policies and internal controls

The Commission's reporting entity and its accounting policies are briefly described in Note 1 of the financial statements. The Commission is required to have annual audits of its financial statements by an independent certified public accountant approved by the Auditor of the State of Ohio.

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Serving the nation — The James W. Shocknessy Ohio Turnpike

CFO/Comptroller's Report *(continued)*

The management of the Commission is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Commission are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition to the independent audit, the Commission maintains its own Internal Audit Department. This department is responsible for strengthening and reviewing the Commission's internal controls. The Internal Audit Department performs its own in-depth operational and financial audits and provides assistance to the independent auditors as well.

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ohio Turnpike Commission for its *Comprehensive Annual Financial Report for the year ended December 31, 2003*. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. The Commission was the first Turnpike to be awarded this honor in 1985 and has received the award for every year in which it was eligible.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

Preparation of this report could not have been accomplished without the dedicated services of the staff of the CFO/Comptroller's Office, the Director of Audit and Internal Control, the Public Affairs Manager, and the various department heads and employees who assisted with and contributed to its preparation.

Respectfully submitted,

James T. Steiner

James T. Steiner
CFO/Comptroller

Certificate of Achievement

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ohio Turnpike Commission

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

2004

Financial Section

FINANCIAL ADMINISTRATION

James T. Steiner . . . CFO/Comptroller

David Miller . . . . Director of Audit and Internal Control

Nancy Siler . . . . Assistant Comptroller

Linda Birth . . . . Payroll Manager

Donna Cook . . . . . . Accounting Clerk Supervisor

Kevin Golick . . . . . . Purchasing Manager

Independent Auditors' Report

Ciuni & Panichi
CPAs and Business Advisors

Independent Auditors' Report

Ohio Turnpike Commission
Berea, Ohio

We have audited the accompanying balance sheet of the Ohio Turnpike Commission (the "Commission"), as of and for the year ended December 31, 2004, and the related statement of revenues, expenses and changes in net assets and of cash flows for the year then ended. These financial statements are the responsibility of management of the Commission. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission, as of December 31, 2004, and the changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2005 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and statistical section are presented for additional analysis and are not a required part of the basic financial statements. We did not subject the introductory section and statistical section to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Ciuni & Panichi, Inc.

Cleveland, Ohio
February 22, 2005

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Management's Discussion and Analysis

This section of the annual financial report presents the Commission's discussion and analysis of its financial position and the results of operations for the year ended December 31, 2004. Please read it in conjunction with the Chairman's Letter, Executive Director's Year in Review, History and General Information and CFO/Comptroller's Report at the front of this report, and the Commission's financial statements and notes, which follow this section.

Financial highlights

- Both passenger car and commercial traffic volumes set new all-time records in 2004.
- Total 2004 revenues exceeded expenses by $24 million, providing additional resources for the Commission's ongoing Capital Improvement Program.
- The Commission made capital improvements in 2004 totaling $61 million, including the completion of a new interchange at milepost 140 in Lorain County; replacement of the deck on one bridge in Fulton County, one bridge in Lucas County, and two ramp bridges in Mahoning County; resurfacing of selected portions of the roadway in Lucas, Cuyahoga, Trumbull and Mahoning Counties; renovation of the east wing of the administration building in Cuyahoga County; commencement of the reconstruction and reconfiguration of the interchange at milepost 71 in Wood County; and commencement of the reconstruction of the Blue Heron and Wyandot Service Plazas in Sandusky County.

On October 11, 2004, Ohio Governor Bob Taft announced a plan to attract additional truck traffic to the Ohio Turnpike and thereby reduce traffic and improve safety on some of the parallel state routes.

The plan has three components:

- Increase the speed limit for trucks on the Ohio Turnpike from 55 mph to 65 mph;
- Lower toll rates for commercial vehicles; and
- Increase truck weight and speed enforcement on the parallel state routes.

At its meeting on August 23, 2004, the Commission implemented the first component of the plan by adopting Resolution 42-2004, which authorized a uniform speed limit of 65 mph for all vehicles effective September 8, 2004.

On December 20, the Commission addressed the second component of the Governor's plan by adopting Resolution 62-2004, which authorized a reduction in toll rates for vehicles in weight classes 4 through 9 (23,000 lbs. to 90,000 lbs.) for an 18-month trial period beginning January 1, 2005. In December, the Governor signed HB406, which appropriated a one-time payment of $23.4 million from the Ohio Department of Transportation ("ODOT") to the Turnpike to help offset lost revenue expected to result from those temporary toll rate reductions. The Commission anticipates that increased traffic will also help offset a portion of the temporary toll rate reductions.

Condensed Balance Sheet Information (Dollars in Thousands)

	12/31/04	12/31/03	Increase / (Decrease) $	Increase / (Decrease) %
Assets				
Cash and Investments	$ 151,791	$ 129,577	$ 22,214	17.1%
Other Noncapital Assets	18,968	17,912	1,056	5.9%
Capital Assets, Net	1,256,672	1,247,552	9,120	0.7%
Total Assets	$ 1,427,431	$ 1,395,041	$ 32,390	2.3%
Liabilities and Net Assets				
Liabilities				
Current Liabilities	$ 68,165	$ 49,966	$ 18,199	36.4%
Long-Term Liabilities	735,762	745,404	(9,642)	(1.3%)
Total Liabilities	803,927	795,370	8,557	1.1%
Net Assets				
Invested in Capital Assets, Net of Debt	529,682	504,705	24,977	4.9%
Restricted	36,439	48,069	(11,630)	(24.2%)
Unrestricted	57,383	46,897	10,486	22.4%
Total Net Assets	623,504	599,671	23,833	4.0%
Total Liabilities and Net Assets	$ 1,427,431	$ 1,395,041	$ 32,390	2.3%

Assets

The condensed balance sheet information above shows that cash and investments increased by $22 million in 2004. This increase resulted from receipt of the $23.4 million subsidy from ODOT in late December.

Capital assets increased by $9 million in 2004. The increase resulted from capital expenditures during the year of approximately $61 million, reduced by depreciation expense of $50 million and losses from disposals/write-offs of $2 million. See Note 4 of the financial statements for more detailed information on the Commission's capital assets.

The $61 million of expenditures noted above are part of an ongoing major Capital Improvement Program that began in 1995. The overall project includes the addition of a third lane to the Turnpike, both eastbound and westbound, from Toledo to Youngstown, Ohio; reconstruction of the 16 service plazas; construction of new interchanges; renovation of older toll plazas; and other related projects. Major 2004 projects included completion of a new interchange at State Route 58 (milepost 140) in Lorain County; replacement of the deck on one bridge in Fulton County, one bridge in Lucas County, and two ramp bridges in Mahoning County; resurfacing of selected portions of the roadway in Lucas, Cuyahoga, Trumbull and Mahoning Counties; renovation of the east wing of the administration building in Berea in Cuyahoga County; commencement of the reconstruction and reconfiguration of the interchange at milepost 71 in Wood County; and commencement of the reconstruction of the Blue Heron and Wyandot Service Plazas in Sandusky County.

Liabilities

The subsidy received from ODOT was recorded as deferred revenue, which will be recognized pro-rata over the 18-month period beginning January 1, 2005. Of the total amount of $23.4 million, $15.6 million is included as a current liability in the condensed balance sheet information. This, along with a $1 million increase in the current portion of revenue bonds payable, are the primary reasons for the $18 million increase in current liabilities during 2004.

To help fund the Commission's Capital Improvement Program, revenue bonds were issued in 1994, 1996, 1998 and 2001. Prior to January 1, 2004, the revenue bonds were secured by a pledge of toll revenues, special toll permits and certain realized investment revenues. At its meeting on June 21, 2004 the Commission adopted Resolution No. 30-2004, authorizing execution of the Thirteenth Supplemental Trust Agreement to pledge additional revenues, retroactive to January 1, 2004, derived from leases, licenses, royalties, advertising, miscellaneous sales, fees, charges and certain concession revenues, together with all investment earnings thereon, but only to the extent and in the amount necessary to achieve a Net Debt Service Coverage Ratio of up to but not more than 200 percent. At its meeting on January 10, 2005 the Commission adopted Resolution No. 6-2005, authorizing execution of the Fourteenth Supplemental Trust Agreement to also pledge the ODOT subsidy to further secure payment of the Commission's outstanding bonds.

Principal payments on the Commission's outstanding bonds totaled $16.7 million in 2004. Of the ODOT subsidy received in December 2004, $7.8 million is classified as a long-term liability in the condensed balance sheet information. The net result of these transactions was a decrease of $9 million in long-term liabilities in 2004.

As described in Note 6 of the financial statements, the Commission has commitments at December 31, 2004 of approximately $33 million for capital projects and major repairs and replacements. It is anticipated that these commitments will be financed from the Commission's cash balances. However, at the discretion of the Commission, additional bonds may be issued in the future to finance a portion of these costs.

The Ohio Turnpike Commission's credit rating is among the highest of all the toll roads in the world. The current agency ratings are as follows:

Agency	Rating
Standard & Poor's	AA
Fitch Ratings	AA
Moody's Investors Service	Aa3

Net assets

Net assets invested in capital assets net of related debt increased by $25 million during 2004 as a result of the $9 million increase in capital assets and $16 million of bond principal payments discussed above. Restricted net assets decreased by $12 million because revenues accumulated from previous years were utilized in 2004 to help fund capital improvements. Of the $36 million balance of restricted net assets, $17 million is restricted for debt service and $11 million is restricted for capital improvements, in accordance with provisions of the Commission's Master Trust Agreement. The remaining $8 million of restricted net assets represents accumulated Ohio fuel tax allocations, which are also restricted for future capital improvements in accordance with Ohio law. The $10 million increase in unrestricted net assets and the $24 million total increase in net assets is the result of 2004 revenues that exceeded expenses, as discussed on the next page.

Condensed Statement of Revenues, Expenses and Changes in Net Assets (Dollars in Thousands)

	Years Ended		Increase / (Decrease)	
	12/31/04	**12/31/03**	**$**	**%**
Revenues:				
Operating Revenues:				
Tolls	$ 189,701	$ 179,988	$ 9,713	5.4%
Special Toll Permits	2,750	2,752	(2)	(0.1%)
Concessions	13,793	13,704	89	0.6%
Other	1,184	1,033	151	14.6%
Nonoperating Revenues:				
State Fuel Tax Allocation	2,698	2,780	(82)	(2.9%)
Investment Earnings	1,645	1,876	(231)	(12.3%)
Total Revenues	211,771	202,133	9,638	4.8%
Expenses:				
Operating Expenses:				
Administration and Insurance	7,982	7,166	816	11.4%
Maintenance of Roadway and Structures	30,957	29,127	1,830	6.3%
Services and Toll Operations	46,449	43,769	2,680	6.1%
Traffic Control, Safety, Patrol & Communications	12,902	13,136	(234)	(1.8%)
Major Repairs and Replacements	(277)	3,775	(4,052)	(107.3%)
Depreciation Expense	50,428	52,541	(2,113)	(4.0%)
Nonoperating Expenses:				
Interest Expense	37,892	40,306	(2,414)	(6.0%)
Loss on Disposals / Write-Offs of Capital Assets	1,605	1,859	(254)	(13.7%)
Total Expenses	187,938	191,679	(3,741)	(2.0%)
Change in Net Assets	23,833	10,454	13,379	128.0%
Total Net Assets - Beginning of Year	599,671	589,217	10,454	1.8%
Total Net Assets - End of Year	$ 623,504	$ 599,671	$ 23,833	4.0%

Toll revenues are the major source of funding for the Ohio Turnpike Commission. Both passenger car and commercial traffic volumes set new all-time records in 2004. The somewhat improved national economy, coupled with the increase in the speed limit for trucks, had a particularly positive impact on commercial traffic.

			Increase	
	2004	2003	#	%
Traffic Volume (vehicles in thousands):				
Passenger Cars	40,364	39,196	1,168	3.0%
Commercial Vehicles	9,796	9,086	710	7.8%
Total	50,160	48,282	1,878	3.9%

As a result of the record-setting traffic volumes, toll revenues from both passenger cars and commercial vehicles reached new highs.

			Increase	
	2004	2003	$	%
Toll Revenues (dollars in thousands):				
Passenger Cars	$ 78,985	$ 78,837	$ 148	0.2%
Commercial Vehicles	110,716	101,151	9,565	9.5%
Total	$ 189,701	$ 179,988	$ 9,713	5.4%

Operating expenses declined about $1 million in 2004 compared to the prior year. Lower major repairs, replacements and depreciation expenses offset inflationary increases in salaries, wages, benefits and other operating costs. The negative major repairs and replacements expenses were the result of a $589,000 reimbursement received from ODOT for the cost of resurfacing a portion of a non-Turnpike roadway in 2003. The decrease in interest expense is the result of principal payments on the Commission's outstanding bonds.

Balance Sheet as of December 31, 2004 (in Thousands)

Assets	
Current Assets:	
Unrestricted Current Assets:	
Cash and Cash Equivalents	$ 14,984
Investments, at Fair Value	80,070
Accounts Receivable	5,929
Inventories	4,960
Other	1,013
Total Unrestricted Current Assets	**106,956**
Restricted Current Assets:	
Cash and Cash Equivalents	9,788
Investments, at Fair Value	27,505
State Fuel Tax Allocation Receivable	448
Other	710
Total Restricted Current Assets	**38,451**
Total Current Assets	**145,407**
Noncurrent Assets:	
Restricted Investments, at Fair Value	19,444
Unamortized Bond Issuance Costs	5,908
Capital Assets, Net	1,256,672
Total Noncurrent Assets	**1,282,024**
Total Assets	**$ 1,427,431**
Liabilities and Net Assets	
Current Liabilities:	
Current Liabilities Payable from Unrestricted Assets:	
Deferred Ohio Department of Transportation Subsidy	$ 15,600
Accounts Payable	3,857
Accrued Salaries, Wages and Benefits	2,187
Compensated Absences	4,657
Claims and Judgments	2,698
Other Liabilities	701
Total Current Liabilities Payable from Unrestricted Assets	**29,700**
Current Liabilities Payable from Restricted Assets:	
Accrued Salaries, Wages and Benefits	4
Contracts Payable and Retained Amounts	6,490
Interest Payable	14,396
Bonds Payable	17,575
Total Current Liabilities Payable from Restricted Assets	**38,465**
Total Current Liabilities	**68,165**
Noncurrent Liabilities:	
Deferred Ohio Department of Transportation Subsidy	7,800
Compensated Absences	11,975
Claims and Judgments	664
Bonds Payable	715,323
Total Noncurrent Liabilities	**735,762**
Total Liabilities	**803,927**
Net Assets:	
Invested in Capital Assets, Net of Related Debt	529,682
Restricted for Debt Service	17,561
Restricted for Capital Projects	18,878
Unrestricted	57,383
Total Net Assets	**623,504**
Total Liabilities and Net Assets	**$ 1,427,431**

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

Statement of Revenues, Expenses, and Changes in Net Assets For the Year Ended December 31, 2004 (in Thousands)

Operating Revenues Pledged as Security for Revenue Bonds:	
Tolls	$ 189,701
Special Toll Permits	2,750
Concessions	13,793
Leases and Licenses	797
Other Revenues	386
Total Operating Revenues	207,427
Operating Expenses:	
Administration and Insurance	7,982
Maintenance of Roadway and Structures	30,957
Services and Toll Operations	46,449
Traffic Control, Safety, Patrol and Communications	12,902
Major Repairs and Replacements	(277)
Depreciation	50,428
Total Operating Expenses	148,441
Operating Income	58,986
Nonoperating Revenues / (Expenses):	
State Fuel Tax Allocation	2,698
Investment Earnings Pledged as Security for Revenue Bonds	1,388
Investment Earnings - Unpledged	258
Loss on Disposals / Write-Offs of Capital Assets	(1,605)
Interest Expense	(37,892)
Total Nonoperating Revenues / (Expenses)	(35,153)
Increase in Net Assets	23,833
Net Assets - Beginning of year	599,671
Net Assets - End of year	$ 623,504

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

Statement of Cash Flows
For the Year Ended December 31, 2004 (in Thousands)

Cash Flows from Operating Activities:	
Cash Received from Customers	$ 205,390
Cash Received from Other Operating Revenues	1,391
Cash Payments for Employee Salaries, Wages and Fringe Benefits	(69,686)
Cash Payments for Goods and Services	(26,789)
Net Cash Provided by Operating Activities	110,306
Cash Flows from Noncapital Financing Activities:	
Ohio Department of Transportation Subsidy	23,400
State Fuel Tax Allocation	2,683
Net Cash Provided by Noncapital Financing Activities	26,083
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Sale of Assets	78
Acquisition and Construction of Capital Assets	(60,237)
Principal Paid on Bonds	(16,700)
Interest Paid on Bonds	(38,825)
Net Cash Used in Capital and Related Financing Activities	(115,684)
Cash Flows from Investing Activities:	
Interest Received on Investments	2,512
Proceeds from Sale and Maturity of Investments	142,792
Purchase of Investments	(175,974)
Net Cash Used in Investing Activities	(30,670)
Net Decrease in Cash and Cash Equivalents	(9,965)
Cash and Cash Equivalents - Beginning of Year	34,737
Cash and Cash Equivalents - End of Year	$ 24,772
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 58,986
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	50,428
Change in Assets and Liabilities:	
Accounts Receivable	(755)
Inventories	(531)
Other Assets	(40)
Accounts Payable	1,373
Accrued Salaries, Wages and Benefits	(383)
Compensated Absences	523
Claims and Judgments	541
Other Liabilities	164
Net Cash Provided by Operating Activities	$ 110,306
Noncash Investing and Capital Activities:	
Decrease in Fair Value of Investments	$ (284)
Disposals / Write-Offs of Capital Assets	(1,683)

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

Notes to Financial Statements

December 31, 2004

(1) Summary of Significant Accounting Policies

Reporting Entity

In accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, the accompanying financial statements include only the accounts and transactions of the Ohio Turnpike Commission ("Commission" or "Turnpike"). Under the criteria specified in Statement No. 14, the Commission has no component units nor is it considered a component unit of the State of Ohio. The Commission is considered, however, a related organization to the State of Ohio because the Governor appoints the voting members of the Commission. These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Commission is not financially accountable for any other organizations nor is the State of Ohio financially accountable for the Commission. This is evidenced by the fact that the Commission is a legally and fiscally separate and distinct organization. The Commission has the power of eminent domain, the power to enter into contracts, sue and be sued in its own name. The annual budget is submitted to the Ohio General Assembly for informational purposes only and does not require its approval. The Commission is solely responsible for its finances and the credit of the State of Ohio is not pledged as security for the repayment of the financial obligations of the Turnpike. The Commission is empowered to issue revenue bonds payable solely from Commission revenues.

Basis of accounting

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB. The statements were prepared using the economic resources measurement focus and the accrual basis of accounting. All transactions are accounted for in a single proprietary (enterprise) fund.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Commission has elected not to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989.

New accounting pronouncements

During 2004, the Commission implemented GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units (an amendment of GASB Statement No. 14)*. This Statement amends Statement No. 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as a component unit based on the nature and significance of their relationship with the primary government. Generally, this Statement requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. The implementation of this Statement had no impact on the Commission's financial statements.

In March 2003, the GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures (an amendment of GASB Statement No. 3)*. This Statement addresses disclosures related to common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified in this Statement also should be disclosed. The provisions of this Statement are effective for financial statements of periods beginning after June 15, 2004. The Commission has not determined the impact, if any, that this Statement will have on its financial statements.

In November 2003, the GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement establishes accounting and financial reporting standards for impairment of capital assets. Under provisions of this Statement, a capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This Statement also clarifies and establishes accounting requirements for insurance recoveries. The provisions of this Statement are effective for fiscal periods beginning after December 15, 2004. The Commission has not determined the impact, if any, that this Statement will have on its financial statements.

In April 2004, the GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement establishes uniform financial reporting standards for Other Postemployment Benefits ("OPEB") plans and supersedes guidance included in Statement No. 26, *Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans*. The standards in this Statement apply for OPEB trust funds included in the financial reports of plan sponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirement systems, or other third parties that administer them. This Statement is effective for periods beginning after December 15, 2006. The Commission has not determined the impact, if any, that this Statement will have on its financial statements.

In May 2004, the GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section*. This Statement amends portions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, that guide the preparation of the statistical section. The provisions of this Statement are effective for statistical sections prepared for periods beginning after June 15, 2005. The Commission has not determined the impact, if any, that this Statement will have on its financial statements.

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expenses and related liabilities, note disclosures, and if applicable, required supplementary information in the financial reports of state and local governmental employers. This Statement is effective for periods beginning after December 15, 2006. The Commission has not determined the impact, if any, that this Statement will have on its financial statements.

In December 2004, the GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation*. This Statement requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. This Statement also specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. In addition, this Statement requires governments to disclose the portion of total net assets that is restricted by enabling legislation. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2005. The Commission has not determined the impact, if any, that this Statement will have on its financial statements.

Net asset classifications

GASB Statement No. 34 requires the classification of net assets into the following three components:

- Invested in capital assets, net of related debt – consisting of capital assets, net of accumulated depreciation and reduced by the outstanding balance of borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – consisting of net assets, the use of which is limited by external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, constitutional provisions or enabling legislation.
- Unrestricted net assets – consisting of net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted".

Cash equivalents

Cash equivalents are defined as highly liquid investments, including overnight repurchase agreements, money market funds and certificates of deposit maturing within 90 days of purchase.

Investments

Investments are recorded at fair value with all related investment income, including the change in the fair value of investments and realized gains and losses, reflected in the Commission's net income. In the accompanying balance sheet, investments are comprised of U.S. agency and instrumentality securities, certificates of deposit maturing beyond 90 days of purchase and shares in the State Treasurer's Asset Reserve (STAR Ohio).

Accounts receivable

Accounts receivable consist primarily of tolls receivable from commercial trucking companies. Each such account is guaranteed by a surety bond. Reserves are established for accounts receivable determined to be uncollectible based on specific identification and historical experience.

Inventories

Inventories consist of materials and supplies that are valued at cost (first-in, first-out). The cost of inventory items is recognized as an expense when used.

Property and depreciation

Property, roadway, and equipment with an original cost of $1,000 or more are capitalized and reported at cost. The costs of normal maintenance and repairs are charged to operations as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Description	Years
Buildings, roadway and structures	40
Roadway resurfacing	8-12
Building improvements	10
Machinery and equipment	5-10

Depreciation expense is included in the Statement of Revenues, Expenses and Changes in Net Assets.

Capitalization of interest

Capitalized interest is included in the cost of constructed assets and is depreciated on the straight-line basis over the estimated useful lives of such assets. The amount of interest capitalized is based on the cost of assets under construction and the interest cost of eligible borrowings, less investment earnings, if any, on the related bond proceeds. Interest of $1,450,000 was capitalized for the year ended December 31, 2004.

Bond issuance costs, discounts/premiums, and advance debt refundings

Bond issuance costs are recorded as assets. Unamortized bond discounts and premiums are netted against long-term debt. Bond issuance costs, as well as bond discounts and premiums, are amortized to interest expense over the lives of the applicable bonds. Unamortized advance debt refunding gains and losses are netted against long-term debt and are amortized to interest expense over the lives of the refunded bonds.

Compensated absences

Vacation leave accumulates to all full-time employees of the Commission, ranging from 10 to 25 days per year, and any unused amounts are paid upon retirement or termination. The Commission records a liability for all vacation leave earned.

Sick leave accumulates to all full-time employees of the Commission, at the rate of 15 days per year with additional amounts for overtime worked. A portion of unused sick leave may be payable at the request of an employee or upon termination or retirement. The Commission uses the vesting method to calculate its liability for unused sick leave, to the extent that it is probable that benefits will be paid in cash.

Operating / nonoperating activities

Operating revenues and expenses, as reported on the Statement of Revenues, Expenses and Changes in Net Assets, are those that result from exchange transactions such as payments received for providing services and payments made for goods and services received. Tolls are the principal source of operating revenues, along with concession revenues from the operation of the Commission's service plazas. Toll revenues are recognized as vehicles use the Turnpike. Concession revenues arise from contracts entered into for the operation of the restaurants and service stations on the Turnpike. The operators pay fees based in part on percentages of gross sales (as defined in the respective contracts). The Commission's revenues are recognized when the operators make the sales. All other revenues are recognized when earned.

Operating expenses include the costs of operating and maintaining the Commission's roadway, bridges, toll plazas, service plazas and other facilities, as well as administrative expenses and depreciation on capital assets. All revenues and expenses not meeting the definition of operating activities identified above are reported as nonoperating activities, including the allocation of Ohio fuel tax revenues, investment earnings, interest expense and gains/losses on disposals/write-offs of capital assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(2) Deposits and Investments

Deposits

At year-end, the Commission had $271,000 in undeposited cash on hand. The carrying amount of the Commission's deposits at December 31, 2004 was $38,022,000, as compared to bank balances of $39,025,000. Of the bank balances, $1,290,000 was covered by federal depository insurance and the remainder was collateralized with securities held by the Commission's agent in the Commission's name. Such collateral was held in joint custody accounts in the name of the Ohio Turnpike Commission and the pledging financial institution at the Federal Reserve Bank of Boston, Massachusetts.

Investments

The Commission's investment policy authorizes investments in obligations of the U.S. Treasury, U.S. agencies and instrumentalities, bankers' acceptances, certificates of deposit, time deposits, State Treasurer's Asset Reserve, money market mutual funds, repurchase agreements, general obligations of the State of Ohio rated AA or higher by a rating service and obligations of any state or political subdivision rated AAA by a rating service.

The investments are categorized as follows to give an indication of the level of credit risk assumed by the Commission. Category 1 includes investments that are insured or registered or for which the securities are held by the Commission or its agent in the Commission's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Commission's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the Commission's name.

The repurchase agreements listed in Category 1 are overnight repurchase agreements that are fully covered by collateral held in joint custody accounts in the name of the Ohio Turnpike Commission and the pledging financial institution at the Federal Reserve Bank of Boston, Massachusetts. The investments listed in Category 3 are held by The Huntington National Bank ("Trustee") for the payment of interest and principal on the Commission's outstanding bonds as required by the Commission's Master Trust Agreement (see Note 5 below). Assets held by the Trustee as a custodial agent are considered legally separate from the other assets of The Huntington National Bank.

The State Treasurer's Asset Reserve (STAR Ohio) is an investment pool created pursuant to Ohio statutes and is managed by the Treasurer of the State of Ohio. The amounts invested with STAR Ohio are not classifiable as to risk category because the Commission does not own identifiable securities of the pool; rather, it participates as a shareholder of the pool. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Act of 1940. Investments in STAR Ohio are valued using STAR Ohio's share price, which is the price at which the investments could be redeemed.

At year-end, the Commission's investment balances (in thousands) were as follows:

	Category 1	Category 2	Category 3	Total Fair Value
Collateralized Overnight Repurchase Agreements	$ 16,610	$ —	$ —	$ 16,610
U.S. Agency and Instrumentality Securities	51,753	—	26,706	78,459
Subtotals	$ 68,363	$ —	$ 26,706	$ 95,069
Investments not subject to categorization:				
Money Market Mutual Funds				279
State Treasurer's Asset Reserve				18,150
Total Investments				$ 113,498

(3) Accounts Receivable

The composition of accounts receivable at December 31, 2004 (in thousands) is summarized as follows:

	Unrestricted	Restricted
Tolls	$ 4,341	$ —
Concessions	1,714	—
Other	488	—
Less: Allowance for Doubtful Accounts	(614)	—
Total Accounts Receivable	$ 5,929	$ —

(4) Capital Assets

Capital asset activity for the year ended December 31, 2004 was as follows (in thousands):

	Balance 1/1/04	Increases	Decreases	Balance 12/31/04
Capital Assets Not Being Depreciated:				
Land	$ 34,824	$ 1,173	$ —	$ 35,997
Construction In Progress	20,034	60,433	(34,792)	45,675
Total Capital Assets Not Being Depreciated	54,858	61,606	(34,792)	81,672
Other Capital Assets:				
Roadway and Structures	1,358,101	16,516	(12,784)	1,361,833
Buildings and Improvements	330,001	17,103	(451)	346,653
Machinery and Equipment	41,540	798	(355)	41,983
Total Other Capital Assets at Historical Cost	1,729,642	34,417	(13,590)	1,750,469
Less Accumulated Depreciation for:				
Roadway and Structures	(450,257)	(38,193)	11,136	(477,314)
Buildings and Improvements	(60,301)	(8,608)	442	(68,467)
Machinery and Equipment	(26,390)	(3,627)	329	(29,688)
Total Depreciation	(536,948)	(50,428)	11,907	(575,469)
Other Capital Assets, Net	1,192,694	(16,011)	(1,683)	1,175,000
Total Capital Assets, Net	$ 1,247,552	$ 45,595	$ (36,475)	$ 1,256,672

(5) Long-Term Obligations

In accordance with Ohio law and the Commission's Master Trust Agreement ("Agreement") dated February 15, 1994, the Commission has issued revenue bonds payable solely from Commission "pledged revenues", as defined by the Agreement. Prior to 2004, gross pledged revenues consisted of tolls, special toll permits and certain realized investment revenues. At its meeting on June 21, 2004 the Commission adopted Resolution No. 30-2004, authorizing execution of the Thirteenth Supplemental Trust Agreement, pledging additional revenues, retroactive to January 1, 2004, derived from leases, licenses, royalties, advertising, miscellaneous sales, fees, charges and certain concession revenues, together with all realized investment earnings thereon, but only to the extent and in the amount necessary to achieve a Net Debt Service Coverage Ratio of up to, but not more than, 200 percent. The Commission's outstanding bonds do not constitute general obligations of the Commission or the State of Ohio. Neither the general credit of the Commission or the State of Ohio is pledged for the payment of the bonds.

Under the terms of the Agreement, the Commission covenants to charge and collect sufficient tolls in order that annual gross pledged revenues equal at least the sum of the following: 1) annual operating, maintenance and administrative costs paid from pledged revenues; 2) required deposits to maintain an expense reserve account equal to one-twelfth of budgeted annual operating, maintenance and administrative costs paid from pledged revenues; 3) budgeted annual amounts for renewal and replacement costs; and 4) annual debt service on the outstanding bonds.

The Commission also covenants that its "Net Debt Service Coverage Ratio" (annual gross pledged revenues less annual operating, maintenance and administrative costs paid from pledged revenues and the required annual deposit to the expense reserve account, divided by the annual net debt service on its outstanding bonds) will equal at least 120 percent. The Commission also covenants that its "Net Debt Service Coverage Ratio" will equal at least 150 percent during the Fiscal Year immediately preceding the issuance of additional bonds, or during any 12 consecutive calendar months selected by the Commission out of the 15 consecutive calendar months immediately preceding such issuance. The Commission complied with all of its bond covenants during 2004.

In addition, the Commission has, by resolution, declared its intention as a matter of policy to maintain its "Net Debt Service Coverage Ratio" at a target of at least 150 percent. Other than in connection with the issuance of additional bonds, the Commission has no obligation to meet such coverage levels or to maintain a policy of doing so, and the Commission may rescind that policy at any time.

In order to fund a comprehensive Capital Improvement Program, the Commission issued 1994 Series A Revenue Bonds in the amount of $125,000,000; 1996 Series A Revenue Bonds in the amount of $370,000,000; 1998 Series B Revenue Bonds in the amount of $250,000,000 and 2001 Series A Revenue Bonds in the amount of $100,000,000. All proceeds from these issuances have been spent and all applicable federal arbitrage rebate amounts have been paid.

On September 30, 1998, the Commission issued $298,575,000 in State of Ohio Turnpike Revenue Refunding Bonds, 1998 Series A, pursuant to the Commission's Master Trust Agreement dated February 15, 1994 and a Fifth Supplemental Trust Agreement dated September 1, 1998. The proceeds from the 1998 Series A bonds were used to advance refund a portion of the 1994 Series A bonds and 1996 Series A bonds totaling $303,110,000 in order to realize economic savings. Investments placed in an irrevocable escrow fund will earn interest and will mature at such times as to provide sufficient funds to pay the interest, principal and premium on the refunded bonds until and upon redemption. Bonds with a principal amount of $69,180,000 were called for redemption on February 15, 2004 and bonds with a principal amount of $233,930,000 will be called for redemption on February 15, 2006. Neither the escrow funds nor the defeased bonds are included in the accompanying Balance Sheet as of December 31, 2004.

On August 15, 2001, the Commission issued $93,550,000 in State of Ohio Turnpike Revenue Refunding Bonds, 2001 Series B, pursuant to the Commission's Master Trust Agreement dated February 15, 1994 and the Twelfth Supplemental Trust Agreement dated August 15, 2001. The proceeds from the 2001 Series B bonds were used to advance refund a portion of the 1994 Series A bonds and 1996 Series A bonds totaling $95,370,000, in order to realize economic savings. Investments placed in an irrevocable escrow fund will earn interest and will mature at such times as to provide sufficient funds to pay the interest, principal and premium on the refunded bonds until and upon redemption. Bonds with a principal amount of $23,445,000 were called for redemption on February 15, 2004 and bonds with a principal amount of $71,925,000 will be called for redemption on February 15, 2006. Neither the escrow funds nor the defeased bonds are included in the accompanying Balance Sheet as of December 31, 2004.

The Commission intends to redeem all outstanding State of Ohio Turnpike Revenue Bonds, 1994 Series A, that have not been advance refunded, on February 15, 2005. In addition to the principal amount of $2,940,000 due on that date, the Commission plans to use its cash balances to redeem the remaining principal amount of $6,335,000 in order to realize economic savings. The Commission expects to pay a call premium of $63,350.

Changes in long-term obligations for the year ended December 31, 2004 are as follows (in thousands):

	Balance 1/1/04	Increases	Decreases	Balance 12/31/04	Amounts Due Within One Year
Revenue Bonds Payable	$ 749,178	$ —	$ (16,280)	$ 732,898	$ 17,575
Compensated Absences	16,109	6,082	(5,559)	16,632	4,657
Claims and Judgments	2,822	8,787	(8,247)	3,362	2,698
Deferred ODOT subsidy	—	23,400	—	23,400	15,600
Totals	$ 768,109	$ 38,269	$ (30,086)	$ 776,292	$ 40,530

Revenue bonds outstanding at December 31, 2004 are summarized as follows (dollars in thousands):

	Average Yield	
1994 Series A:		
Serial Bonds maturing through 2007	5.15%	$ 9,275
1996 Series A:		
Serial Bonds maturing through 2006	5.23%	15,915
1998 Series A:		
Serial Bonds maturing 2014 through 2021		168,180
Term Bonds due 2024 and 2026		130,395
Total 1998 Series A	4.88%	298,575
1998 Series B:		
Serial Bonds maturing through 2018		99,680
Term Bonds due 2024 and 2028		124,660
Total 1998 Series B	4.84%	224,340
2001 Series A:		
Serial Bonds maturing through 2021		45,210
Term Bonds due 2026 and 2031		50,315
Total 2001 Series A	5.19%	95,525
2001 Series B:		
Serial Bonds maturing through 2013	4.35%	93,550
Total Principal Outstanding	4.88%	737,180
Add / (Subtract):		
Unamortized refunding losses		(25,840)
Unamortized bond premiums - net		21,558
Total Revenue Bonds Payable		$ 732,898

Minimum principal and interest payments on revenue bonds payable are as follows (in thousands):

Year	Principal	Interest	Total
2005	$ 17,575	$ 37,929	$ 55,504
2006	18,505	36,978	55,483
2007	19,370	36,019	55,389
2008	20,320	35,058	55,378
2009	21,320	34,022	55,342
2010 - 2014	125,085	151,480	276,565
2015 - 2019	163,315	113,536	276,851
2020 - 2024	210,745	64,879	275,624
2025 - 2029	128,735	14,863	143,598
2030 - 2031	12,210	649	12,859
Totals	$ 737,180	$ 525,413	$ 1,262,593

(6) Commitments and Contingencies

Commitments

The Commission has commitments at December 31, 2004 of approximately $33,188,000 for capital projects and major repairs and replacements. It is anticipated that these commitments will be financed from the Commission's cash balances. However, at the discretion of the Commission, additional bonds may be issued in the future to finance a portion of these costs.

In addition, the Commission has issued purchase orders for goods and services not received amounting to approximately $3,901,000 at December 31, 2004.

Litigation

The nature of the Commission's operations sometimes subjects the Commission to litigation resulting from traffic accidents and the like. The management and the General Counsel for the Commission are of the opinion that any unfavorable outcome of such claims in excess of insurance coverage will not result in a material adverse effect on the Commission's financial position or results of operations.

Environmental matters

Due to the nature of operations at the Commission's service plazas and maintenance buildings, which include vehicle fueling facilities, the Commission may encounter underground fuel leaks or spills. The Commission, however, participates in the Petroleum Underground Storage Tank Release Compensation Board ("PUSTR") which limits the Commission's financial liability to $55,000 per incident, up to a maximum reimbursement of $1,000,000 per incident or $2,000,000 per calendar year. The Commission is unaware of any incidents that will exceed these limits.

Collective bargaining

Approximately 603 full-time, nonsupervisory, field employees in the Commission's Toll Collection and Maintenance Departments and approximately 406 part-time, nonsupervisory, field employees in the Toll Collection Department are represented by the Teamsters Local Union No. 436, affiliated with the International Brotherhood of Teamsters. The recently executed three-year collective bargaining agreement is effective for the period January 1, 2005 through December 31, 2007. The agreement includes annual wage increases for full-time employees of 3.5%, 3.0% and 3.0% effective January 1, 2005, 2006 and 2007, respectively. The agreement provides annual wage increases for part-time employees of 3.5% plus an additional $.05 per hour effective February 1, 2005, January 1, 2006 and January 1, 2007.

(7) Defined Benefit Pension Plan

The Commission contributes to the Ohio Public Employees Retirement System ("OPERS" or the "Retirement System"). The OPERS administers three separate pension plans as described below:

A) The Traditional Pension Plan ("TP") – a cost-sharing multiple-employer defined benefit pension plan.

B) The Member-Directed Plan ("MD") – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.

C) The Combined Plan ("CO") – a cost-sharing multiple-employer defined benefit pension plan. Under the CO Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan benefit. Member contributions, the investment of which are self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

The OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. The OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2004, member and employer contribution rates were consistent across all three plans. During calendar years 2004, 2003 and 2002, the member contribution rate was 8.5 percent of covered payroll and the employer contribution rate was 13.31 percent of covered payroll. The Commission's contributions to the OPERS for all plans (TP, MD and CO) (including contributions for other post-employment benefits described in Note 8) for the years ended December 31, 2004, 2003 and 2002 were $7,187,000, $6,640,000 and $6,123,000, respectively, equal to 100 percent of the required contributions for each year.

(8) Other Post-Employment Benefits

The Commission provides health care benefits as a postemployment benefit (as defined by GASB Statement No. 12) through its contributions to the OPERS. In addition to the pension benefit described in Note 7, the OPERS provides postretirement health care benefits to qualifying members of both the TP and CO Plans. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care coverage. In order to qualify for postretirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the OPERS is considered an Other Postemployment Benefit ("OPEB") as described in GASB Statement No. 12.

A portion of each employer's contribution to the OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for requiring public employers to fund postemployment health care through their contributions to the OPERS. For the Commission, 4.00 percent of covered payroll was the portion of the 13.31 percent total contribution rate for 2004 that was used to fund health care for the year.

The assumptions and calculations noted below were based on the Retirement System's latest actuarial review performed as of December 31, 2003. An entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets. The assumed rate of return on investments for 2003 was 8.00 percent. The base portion of the individual pay increase assumption is an annual increase of 4.00 percent, compounded annually. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00 percent base increase, were assumed to range from 0.50 percent to 6.30 percent. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from one percent to six percent for the next eight years. In subsequent years (nine and beyond) health care costs were assumed to increase at 4.00 percent (the projected wage inflation rate).

OPEB provided through the OPERS are advance-funded on an actuarially-determined basis. The total number of active contributing participants in the TP and CO Plans was 369,885 at December 31, 2004. The Commission's contributions to the OPERS for other post-employment benefits for the years ended December 31, 2004, 2003 and 2002 were $2,160,000, $2,495,000 and $2,300,000, respectively, equal to 100 percent of the required contributions for each year. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2003 was $10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $26.9 billion and $16.4 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan ("HCPP") with an effective date of January 1, 2007. The HCPP restructures the OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The HCPP incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used for future health care expenses.

(9) Risk Management

The Commission is self-insured for workers' compensation and vehicle damage claims. The Commission is also self-insured for employee health claims, up to a maximum of $150,000 per covered person per contract year. Employee health benefits are subject to a lifetime maximum benefit of $1.25 million per covered person for employees and their family members.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Claim liabilities are based upon the estimated ultimate cost of settling the claims, including specific incremental claim adjustment expenses.

"Claims and Judgments" at December 31, 2004 in the accompanying Balance Sheet are comprised of the estimated liability for workers' compensation claims totaling $1,336,000, the estimated liability for employee health claims totaling $1,227,000, and the estimated liability for miscellaneous claims and judgments totaling $799,000. The Commission is unaware of any unaccrued vehicle damage or unasserted workers' compensation claims at December 31, 2004.

Changes in the liability for estimated workers' compensation claims, employee health claims and miscellaneous claims and judgments, for the years ended December 31, were as follows (in thousands):

	Estimated Claims Payable-Beginning of Year	Current Claims	Claims Payments	Estimated Claims Payable-End of Year
2004	$ 2,822	$ 8,787	$ 8,247	$ 3,362
2003	2,681	8,122	7,981	2,822

The Commission purchases commercial insurance policies in varying amounts for general liability, vehicle liability, bridges, use and occupancy, damage to capital assets other than vehicles, and public officials and employee liability coverage. In addition, the Commission purchases commercial insurance for employee health claims in excess of $150,000 per covered person per contract year, up to a lifetime limit of $1.25 million per covered person for employees and their family members. Paid claims have not exceeded the limits of the Commission's commercial insurance policies for each of the last three fiscal years. The Commission also pays unemployment claims to the State of Ohio as incurred.

2004

Statistical Section

Balance Sheets Last Ten Fiscal Years (in Thousands)

	12/31/04	12/31/03	12/31/02
Assets			
Current Assets:			
Unrestricted Current Assets:			
Cash and Investments, at Fair Value	$ 95,054	60,843	61,392
Other	11,902	10,549	10,245
Total Unrestricted Current Assets	106,956	71,392	71,637
Restricted Current Assets:			
Cash and Investments, at Fair Value	37,293	37,758	47,627
Other	1,158	1,032	2,011
Total Restricted Current Assets	38,451	38,790	49,638
Total Current Assets	145,407	110,182	121,275
Noncurrent Assets:			
Restricted Cash and Investments, at Fair Value	19,444	30,976	44,758
Unamortized Bond Issuance Costs	5,908	6,331	6,753
Capital Assets, Net	1,256,672	1,247,552	1,239,116
Total Noncurrent Assets	1,282,024	1,284,859	1,290,627
Total Assets	$ 1,427,431	1,395,041	1,411,902
Liabilities and Net Assets			
Current Liabilities:			
Current Liabilities Payable from Unrestricted Assets:			
Accounts, Salaries, Wages and Benefits Payable	$ 6,044	5,029	5,901
Other	23,656	6,540	5,591
Total Current Liabilities Payable from Unrestricted Assets	29,700	11,569	11,492
Current Liabilities Payable from Restricted Assets:			
Contracts, Salaries, Wages and Benefits Payable and Retained Amounts	6,494	6,975	18,100
Interest Payable	14,396	14,722	14,991
Bonds Payable	17,575	16,700	15,960
Total Current Liabilities Payable from Restricted Assets	38,465	38,397	49,051
Total Current Liabilities	68,165	49,966	60,543
Noncurrent Liabilities:			
Bonds Payable	715,323	732,478	748,758
Other	20,439	12,926	13,384
Total Noncurrent Liabilities	735,762	745,404	762,142
Total Liabilities	803,927	795,370	822,685
Net Assets:			
Invested in Capital Assets, Net of Related Debt	529,682	504,705	481,151
Restricted for Debt Service	17,561	17,093	16,547
Restricted for Capital Projects	18,878	30,976	44,758
Unrestricted	57,383	46,897	46,761
Total Net Assets	623,504	599,671	589,217
Total Liabilities and Net Assets	$ 1,427,431	1,395,041	1,411,902

* 1996 and 1997 Balance Sheets have been restated from modified accrual to accrual basis accounting in connection with the adoption of the proprietary reporting model.

** For calendar year 1995, assets listed under the caption "Capital Assets, Net" as well as the associated fund balance "Invested in Capital Assets, Net of Related Debt" have not been reduced by accumulated depreciation, the amount of which is not readily determinable.

12/31/01	12/31/00	12/31/99	12/31/98	12/31/97 *	12/31/96 *	12/31/95
54,871	48,836	77,271	61,542	44,756	32,900	21,041
10,448	10,216	10,743	10,240	9,069	7,610	6,841
65,319	59,052	88,014	71,782	53,825	40,510	27,882
43,321	46,307	46,100	52,579	33,416	30,900	12,244
4,564	4,182	3,486	2,674	4,527	4,580	1,538
47,885	50,489	49,586	55,253	37,943	35,480	13,782
113,204	109,541	137,600	127,035	91,768	75,990	41,664
109,406	108,127	186,435	286,218	189,243	323,471	102,452
7,176	6,509	6,199	6,473	4,438	4,593	973
1,175,766	1,061,474	916,005	790,738	614,908	442,585	579,023 **
1,292,348	1,176,110	1,108,639	1,083,429	808,589	770,649	682,448 **
1,405,552	1,285,651	1,246,239	1,210,464	900,357	846,639	724,112 **
3,948	4,975	4,050	3,209	3,532	3,382	3,437
5,427	5,725	3,332	3,368	4,358	3,412	3,577
9,375	10,700	7,382	6,577	7,890	6,794	7,014
21,553	26,854	22,637	29,161	20,150	21,651	9,143
15,776	14,007	14,438	14,643	10,053	10,284	2,639
14,630	13,045	12,510	11,450	7,740	3,545	2,000
51,959	53,906	49,585	55,254	37,943	35,480	13,782
61,334	64,606	56,967	61,831	45,833	42,274	20,796
764,298	677,797	690,333	702,333	467,145	476,591	121,190
11,926	11,778	14,194	13,913	13,085	12,184	12,752
776,224	689,575	704,527	716,246	480,230	488,775	133,942
837,558	754,181	761,494	778,077	526,063	531,049	154,738
404,015	377,140	219,361	83,427	131,580	(32,958)	456,806 **
15,143	13,964	64,720	60,215	44,218	41,773	11,101
109,406	107,784	173,216	237,320	155,128	288,089	94,102
39,430	32,582	27,448	51,425	43,368	18,686	7,365
567,994	531,470	484,745	432,387	374,294	315,590	569,374 **
1,405,552	1,285,651	1,246,239	1,210,464	900,357	846,639	724,112 **

Revenues and Expenses Last Ten Fiscal Years (in Thousands)

	2004	2003	2002
Revenues			
Tolls	$ 189,701	179,988	179,200
Concessions	13,793	13,704	12,340
Special Toll Permits	2,750	2,752	2,540
Leases and Licenses	797	634	640
Other Revenues	386	399	268
Total Operating Revenues	207,427	197,477	194,988
State Fuel Tax Allocation	2,698	2,780	2,669
Investment Income	1,646	1,876	4,755
Total Revenues	211,771	202,133	202,412
Expenses			
Administration and Insurance	7,982	7,166	6,432
Maintenance of Roadway and Structures	30,957	29,127	27,677
Services and Toll Operations	46,449	43,769	42,068
Traffic Control, Safety, Patrol and Communications	12,902	13,136	12,474
Major Repairs and Replacements	(277)	3,775	5,580
Total Operating Expenses Before Depreciation	98,013	96,973	94,231
Depreciation	50,428	52,541	47,888
Total Operating Expenses	148,441	149,514	142,119
Loss on Disposals of Fixed Assets	1,605	1,859	1,957
Interest Expense	37,892	40,306	37,113
Capital Outlay, Major Repairs and Replacements	—	—	—
Debt Service	—	—	—
Total Expenses (Expenditures for 1995)	187,938	191,679	181,189
Increase / (Decrease) in Net Assets	23,833	10,454	21,223
Net Assets - Beginning of Year	599,671	589,217	567,994
Net Assets - End of Year	$ 623,504	599,671	589,217

Notes:

(1) 9% toll rate increase effective January 1, 1999.
(2) 10% toll rate increase effective January 1, 1998.
(3) 20% toll rate increase effective January 1, 1997.
(4) 15% toll rate increase effective January 1, 1996.
(5) 10% toll rate increase effective July 1, 1995.
(6) 1996 and 1997 expenses have been restated from modified accrual to accrual basis accounting in connection with the adoption of the proprietary reporting model.
(7) Decrease in net assets in 1995 includes capital outlay rather than depreciation, which is not readily determinable.
(8) Due to the adoption of the proprietary reporting model, the beginning net asset value for 1995 is not readily determinable.

2001	2000	1999	1998	1997	1996	1995
174,326	176,772	176,430 (1)	156,175 (2)	138,577 (3)	118,785 (4)	102,004 (5)
11,547	10,538	7,949	7,406	7,666	7,901	7,933
2,614	2,692	2,731	2,748	2,735	2,769	2,680
555	369	424	1,198	809	949	537
407	223	254	282	265	231	132
189,449	190,594	187,788	167,809	150,052	130,635	113,286
2,328	2,360	2,381	2,274	2,329	2,368	2,262
9,498	16,783	15,936	16,307	19,401	16,323	7,616
201,275	209,737	206,105	186,390	171,782	149,326	123,164
6,099	8,555	7,640	7,044	6,978 (6)	6,077 (6)	6,526
24,441	27,559	27,140	21,746	23,415	24,927	24,213
37,305	36,420	33,405	27,882	27,258	27,473	26,842
11,966	10,900	11,430	10,566	10,477	10,701	10,085
5,219	3,384	2,271	1,210	3,573 (6)	1,086 (6)	—
85,030	86,818	81,886	68,448	71,701	70,264	67,666
43,225	39,062	34,576	31,216	23,586 (6)	20,352 (6)	—
128,255	125,880	116,462	99,664	95,287	90,616	67,666
4,092	4,006	4,502	1,003	1,604 (6)	—	—
32,404	33,126	32,783	27,630	16,187 (6)	15,935 (6)	—
—	—	—	—	—	—	56,601
—	—	—	—	—	—	8,474
164,751	163,012	153,747	128,297	113,078	106,551	132,741
36,524	46,725	52,358	58,093	58,704	42,775	(9,577) (7)
531,470	484,745	432,387	374,294	315,590	272,815	— (8)
567,994	531,470	484,745	432,387	374,294	315,590	272,815

Revenue Bond Coverage Last Ten Fiscal Years (in Thousands)

	2004		2003		2002	
Pledged Revenues	**$ 208,780**	**(1)**	**184,363**	**(2)**	**186,159**	**(2)**
Expenses Paid from Pledged Revenues:						
Administration and Insurance	7,982		7,166		6,432	
Maintenance of Roadway and Structures	30,957		27,137		26,236	
Services and Toll Operations	46,449		38,787		37,401	
Traffic Control, Safety, Patrol and Communications	12,902		13,136		12,474	
Total Expenses Paid from Pledged Revenues	**98,290**		**86,226**		**82,543**	
Deposit to Reserve Account	**1,021**		**324**		**27**	
Net Revenues Available for Debt Service	**$ 109,469**		**97,813**		**103,589**	
Debt Service Requirements:						
Principal	$ 17,429		16,577		15,857	
Interest	38,535		39,378		40,286	
Interest Earned	(242)		(215)		(353)	
Total Debt Service Requirements	**$ 55,722**		**55,740**		**55,790**	
Calculated Coverage (see Note 5 to the financial statements)	**196%**		**175%**		**186%**	

Notes:

(1) Gross Revenues per the Master Trust Agreement dated February 15, 1994, as amended in 2004 - consisting of tolls, special toll permits, certain realized investment earnings, and to the extent needed to achieve a debt coverage ratio of up to, but not more than 200%, leases, licenses, royalties, advertising, miscellaneous sales, fees, charges and certain concession revenues.

(2) Gross Revenues per the Master Trust Agreement dated February 15, 1994 - consisting of tolls, special toll permits, and certain realized investment revenues.

(3) 1996 and 1997 have been restated from modified accrual to accrual basis accounting in connection with the adoption of the proprietary reporting model.

	2001	2000	1999	1998	1997	1996	1995
	184,573 (2)	**190,944** (2)	**190,846** (2)	**169,204** (2)	**156,768** (2)	**135,567** (2)	**106,807**
	6,099	8,555	7,640	7,044	6,978 (3)	6,077 (3)	6,526
	23,321	26,190	27,140	21,746	23,415	24,927	24,213
	34,355	34,325	33,405	27,882	27,258	27,473	26,842
	11,966	10,897	11,430	10,566	10,477	10,701	10,085
	75,741	**79,967**	**79,615**	**67,238**	**68,128**	**69,178**	**67,666**
	(76)	**535**	**555**	**121**	**92**	**297**	**187**
	108,908	**110,442**	**110,676**	**101,845**	**88,548**	**66,092**	**38,954**
	14,247	12,956	13,125	10,039	7,682	4,721	1,968
	37,641	36,526	36,508	28,324	26,650	19,202	6,666
	(690)	(2,901)	(3,794)	(2,954)	(2,818)	(1,740)	(707)
	51,198	**46,581**	**45,839**	**35,409**	**31,514**	**22,183**	**7,927**
	213%	**237%**	**241%**	**288%**	**281%** (2)	**298%** (2)	**491%**

Comparative Traffic Statistics Last Ten Fiscal Years

	2004	2003	2002
Number of Vehicles in Thousands:			
Passenger Cars	40,364	39,196	38,614
Commercial Vehicles	9,796	9,086	9,093
Total	**50,160**	**48,282**	**47,707**
Percentage of Vehicles:			
Passenger Cars	80.5%	81.2%	80.9%
Commercial Vehicles	19.5%	18.8%	19.1%
Number of Miles in Thousands:			
Passenger Cars	2,021,519	2,019,385	1,994,626
Commercial Vehicles	889,986	814,385	814,978
Total	**2,911,505**	**2,833,770**	**2,809,604**
Percentage of Miles:			
Passenger Cars	69.4%	71.3%	71.0%
Commercial Vehicles	30.6%	28.7%	29.0%
Toll Revenue in Thousands:			
Passenger Cars	$ 78,985	$ 78,837	$ 77,904
Commercial Vehicles	110,716	101,151	101,296
Total	**$ 189,701**	**$ 179,988**	**$ 179,200**
Percentage of Toll Revenue:			
Passenger Cars	41.6%	43.8%	43.5%
Commercial Vehicles	58.4%	56.2%	56.5%
Average Miles per Trip:			
Passenger Cars	50.1	51.5	51.7
Commercial Vehicles	90.9	89.6	89.6
Average Toll Revenue per Trip:			
Passenger Cars	$ 1.96	$ 2.01	$ 2.02
Commercial Vehicles	$ 11.30	$ 11.13	$ 11.14
Average Toll Revenue per Mile:			
Passenger Cars	$ 0.04	$ 0.04	$ 0.04
Commercial Vehicles	$ 0.12	$ 0.12	$ 0.12

2001	2000	1999	1998	1997	1996	1995
37,036	36,289	35,903	35,064	32,795	32,878	33,718
8,864	9,286	9,154	8,525	8,234	8,466	8,589
45,900	**45,575**	**45,057**	**43,589**	**41,029**	**41,344**	**42,307**
80.7%	79.6%	79.7%	80.4%	79.9%	79.5%	79.7%
19.3%	20.4%	20.3%	19.6%	20.1%	20.5%	20.3%
1,913,889	1,851,766	1,820,823	1,797,105	1,703,800	1,701,542	1,715,389
803,853	850,533	836,591	772,424	751,772	781,674	797,785
2,717,742	**2,702,299**	**2,657,414**	**2,569,529**	**2,455,572**	**2,483,216**	**2,513,174**
70.4%	68.5%	68.5%	69.9%	69.4%	68.5%	68.3%
29.6%	31.5%	31.5%	30.1%	30.6%	31.5%	31.7%
$ 74,710	$ 72,356	$ 71,017	$ 64,480	$ 56,281	$ 46,731	$ 39,486
99,616	104,416	105,413	91,695	82,296	72,054	62,518
$ 174,326	**$ 176,772**	**$ 176,430**	**$ 156,175**	**$ 138,577**	**$ 118,785**	**$ 102,004**
42.9%	40.9%	40.3%	41.3%	40.6%	39.3%	38.7%
57.1%	59.1%	59.7%	58.7%	59.4%	60.7%	61.3%
51.7	51.0	50.7	51.3	52.0	51.8	50.9
90.7	91.6	91.4	90.6	91.3	92.3	92.9
$ 2.02	$ 1.99	$ 1.98	$ 1.84	$ 1.72	$ 1.42	$ 1.17
$ 11.24	$ 11.24	$ 11.52	$ 10.76	$ 9.99	$ 8.51	$ 7.28
$ 0.04	$ 0.04	$ 0.04	$ 0.04	$ 0.03	$ 0.03	$ 0.02
$ 0.12	$ 0.12	$ 0.13	$ 0.12	$ 0.11	$ 0.09	$ 0.08

Vehicles and Toll Revenue Last Ten Fiscal Years (in Thousands)

Class	Gross Weight Classification (Pounds)	2004	2003	2002
Vehicles				
1	--- - 7,000	40,364	39,196	38,614
2	7,001 - 16,000	1,451	1,445	1,404
3	16,001 - 23,000	568	473	435
4	23,001 - 33,000	1,535	1,438	1,486
5	33,001 - 42,000	1,138	1,092	1,112
6	42,001 - 53,000	1,318	1,210	1,193
7	53,001 - 65,000	1,316	1,223	1,251
8	65,001 - 80,000 (1)	2,256	1,949	1,957
9	80,001 - 90,000 (2)	155	193	183
10	90,001 - 115,000	50	55	64
11	115,001 - 127,400	9	8	8
Subtotal		50,160	48,282	47,707
Add Non-Revenue	(3)	212	272	345
Total Vehicles		**50,372**	**48,554**	**48,052**
Toll Revenue				
1	--- - 7,000	$ 78,985	$ 78,837	$ 77,904
2	7,001 - 16,000	6,118	6,104	5,884
3	16,001 - 23,000	2,905	2,422	2,247
4	23,001 - 33,000	9,386	8,752	9,082
5	33,001 - 42,000	10,627	10,045	10,434
6	42,001 - 53,000	16,159	14,649	14,542
7	53,001 - 65,000	20,255	18,514	19,069
8	65,001 - 80,000 (1)	42,834	36,427	36,023
9	80,001 - 90,000 (2)	4,828	6,052	5,572
10	90,001 - 115,000	2,927	3,212	3,584
11	115,001 - 127,400	579	538	561
Subtotal		195,604	185,552	184,902
Deduct Volume Discounts		(5,903)	(5,564)	(5,702)
Total Toll Revenue		**$ 189,701**	**$ 179,988**	**$ 179,200**

(1) Weight limits were 65,001 - 78,000 pounds prior to February 1, 2004.
(2) Weight limits were 78,001 - 90,000 pounds prior to February 1, 2004.
(3) Non-revenue vehicles represent traffic of officials, employees, agents and representatives of the Commission, while in the discharge of their official duties, police officers of the United States, of the State of Ohio and of its political subdivisions, and vehicles of contractors used in the maintenance of the Turnpike and its buildings.

2001	2000	1999	1998	1997	1996	1995
37,036	36,289	35,903	35,064	32,795	32,878	33,718
1,322	1,326	1,270	1,182	1,093	1,080	1,102
419	456	448	408	384	378	377
1,496	1,579	1,511	1,359	1,314	1,362	1,398
1,099	1,215	1,146	1,014	963	961	953
1,157	1,221	1,169	1,042	991	1,018	1,016
1,254	1,359	1,234	1,071	1,059	1,109	1,128
1,892	1,943	2,144	2,172	2,138	2,253	2,295
160	130	163	189	202	210	218
58	48	60	79	81	86	93
7	9	9	9	9	9	9
45,900	45,575	45,057	43,589	41,029	41,344	42,307
402	580	537	605	617	536	238
46,302	**46,155**	**45,594**	**44,194**	**41,646**	**41,880**	**42,545**

$ 74,710	$ 72,356	$ 71,017	$ 64,480	$ 56,281	$ 46,731	$ 39,486
5,506	5,601	5,372	4,598	3,855	3,159	2,669
2,205	2,482	2,426	1,974	1,664	1,360	1,124
9,381	10,086	9,360	7,557	6,667	5,917	5,094
10,596	12,035	11,172	8,768	7,589	6,350	5,350
14,324	15,322	14,703	11,707	10,108	8,691	7,232
19,195	20,845	18,552	14,642	13,185	11,641	9,830
35,142	35,841	39,883	36,701	33,191	29,572	25,157
5,085	4,257	5,275	5,633	5,614	4,692	4,029
3,290	2,974	3,724	4,361	4,059	3,497	3,154
490	663	730	622	620	509	396
179,924	182,462	182,214	161,043	142,833	122,119	103,521
(5,598)	(5,690)	(5,784)	(4,868)	(4,256)	(3,334)	(1,517)
$ 174,326	**$ 176,772**	**$ 176,430**	**$ 156,175**	**$ 138,577**	**$ 118,785**	**$ 102,004**

Activity by Interchange Last Ten Fiscal Years (in Thousands)

Milepost	Name		2004	2003	2002
2	Westgate		7,740	7,511	7,430
13	Bryan-Montpelier		742	729	725
25	Archbold-Fayette	(4)	440	426	416
34	Wauseon		802	794	781
39	Delta-Lyons	(2)	548	530	503
52	Toledo Airport-Swanton		1,659	1,634	1,652
59	Maumee-Toledo		4,677	4,717	4,879
64	Perrysburg-Toledo		5,280	4,989	4,723
71	Stony Ridge-Toledo		6,132	6,060	6,214
81	Elmore-Woodville-Gibsonburg	(3)	756	693	682
91	Fremont-Port Clinton		1,883	1,788	1,803
110	Sandusky-Bellevue		1,549	1,447	1,408
118	Sandusky-Norwalk		1,974	1,885	1,828
135	Vermilion	(1)	998	956	955
140	Amherst-Oberlin	(5)	76	—	—
142	Lorain County West		2,838	2,741	2,790
145	Lorain-Elyria		6,302	6,135	6,287
151	North Ridgeville-Cleveland		5,572	5,482	5,608
152	North Olmsted-Cleveland		2,250	2,003	1,891
161	Strongsville-Cleveland		6,805	6,344	6,066
173	Cleveland		6,724	6,197	5,700
180	Akron		4,707	4,465	4,318
187	Streetsboro		6,355	6,108	5,947
193	Ravenna		1,538	1,468	1,413
209	Warren		1,982	1,868	1,857
215	Lordstown West		616	552	529
216	Lordstown East		433	363	355
218	Niles-Youngstown		8,273	7,991	7,958
232	Youngstown		1,678	1,473	1,468
234	Youngstown-Poland		985	1,180	1,181
239	Eastgate		8,005	8,036	8,047

Note: Totals of the number of vehicles entering and exiting at the toll interchanges are shown in the table above.

(1) Opened December 13, 1995
(2) Opened December 20, 1996
(3) Opened February 6, 1997
(4) Opened November 13, 1998
(5) Opened November 30, 2004

2001	2000	1999	1998	1997	1996	1995
7,118	7,101	6,951	6,731	6,485	6,520	6,579
730	713	719	735	742	724	756
387	375	342	37	—	—	—
752	754	729	848	876	1,007	1,018
456	463	420	381	332	9	—
1,562	1,493	1,421	1,370	1,343	1,433	1,414
4,644	4,550	4,557	4,510	4,404	4,544	4,527
4,185	4,117	4,062	3,809	3,644	3,561	3,530
6,121	6,297	5,815	5,546	5,160	5,709	6,117
621	642	590	520	379	—	—
1,728	1,843	1,826	1,769	1,765	2,059	2,063
1,370	1,392	1,246	1,107	957	972	848
1,815	1,872	1,883	1,887	1,675	1,958	2,189
933	902	880	793	805	895	28
—	—	—	—	—	—	—
2,691	2,645	2,577	2,445	2,392	2,509	2,453
6,195	6,030	6,061	6,022	5,432	5,216	6,333
5,551	5,509	5,377	5,169	4,790	4,590	5,099
1,888	1,821	1,814	1,701	1,446	1,612	1,669
5,971	6,007	6,106	6,153	5,750	5,757	5,783
5,013	4,964	5,006	5,036	4,746	4,868	5,018
3,986	3,869	3,911	3,920	3,681	3,826	3,840
5,825	5,707	5,609	5,372	5,061	5,003	5,096
1,346	1,312	1,260	1,146	984	943	855
1,837	1,876	1,964	1,984	1,808	1,684	1,994
488	497	528	511	521	604	584
328	356	387	297	304	334	354
7,729	7,684	7,523	7,118	6,771	6,546	6,711
1,442	1,512	1,524	1,473	1,411	1,506	1,560
1,188	1,097	1,204	1,167	1,103	1,073	1,071
7,900	7,750	7,822	7,620	7,288	7,225	7,135

Traffic Accident Statistics Last Ten Fiscal Years

	2004	2003	2002
All Accidents:			
Number	2,609	2,433	2,373
Rate	89.6	85.9	84.5
Property Damage Accidents:			
(Greater than $150)			
Number	2,134	1,965	1,947
Rate	73.3	69.3	69.3
Personal Injury Accidents:			
Number	463	459	416
Rate	15.9	16.2	14.8
Number Injured	724	699	628
Injury Rate	24.9	24.7	22.4
Fatal Accidents:			
Number	12	9	10
Rate	.4	.3	.4
Fatalities	17	10	10
Fatality Rate	.6	.4	.4

Note: All rates are per 100,000,000 vehicle miles.
Source: Ohio State Highway Patrol accident statistics.

2001	2000	1999	1998	1997	1996	1995
2,092	2,443	2,303	1,889	2,035	2,248	2,019
77.0	90.4	86.7	73.5	82.9	90.5	80.3
1,698	1,936	1,787	1,472	1,596	1,763	1,587
62.5	71.6	67.2	57.3	65.0	71	63.1
381	496	508	410	434	473	421
14.0	18.4	19.1	16.0	17.7	19	16.8
602	840	801	682	716	780	700
22.2	31.1	30.1	26.5	29.2	31.4	27.9
13	11	8	7	5	12	11
.5	.4	.3	.3	.2	.5	.4
14	12	8	8	10	13	12
.5	.4	.3	.3	.4	.5	.5

Miscellaneous Data and Statistics

DECEMBER 31, 2004

Effective Date of Ohio Turnpike Act			September 1, 1949
Ohio Turnpike Commission organized			September 8, 1949
Eastern-most 22-mile section of Turnpike opened to traffic			December 1, 1954
Remaining 219 miles of Turnpike opened to traffic			October 1, 1955

Revenue bonds sold to construct Turnpike	$ 326,000,000		July 29, 1952
1984 Refunding Revenue Bonds sold	$ 4,810,000		September 19, 1984
Last of 1952 Revenue Bonds retired			December 1, 1984
1984 Refunding Revenue Bonds retired			June 1, 1992
1994 Revenue Bonds sold	$ 125,000,000		March 10, 1994
1996 Revenue Bonds sold	$ 370,000,000		June 20, 1996
1998A Refunding Revenue Bonds sold	$ 298,575,000		September 30, 1998
1998B Revenue Bonds sold	$ 250,000,000		October 6, 1998
2001A Revenue Bonds sold	$ 100,000,000		July 25, 2001
2001B Revenue Refunding Bonds sold	$ 93,550,000		August 15, 2001

Length of the James W. Shocknessy Ohio Turnpike			241.26 miles
Number of lane miles			1355.5 miles
Total land area of right of way			9,978.0102 acres

Facilities:			
Interchanges			
Toll	29		
Barrier	2		
Total	31		
Service Plazas		16	
Maintenance Buildings		8	
Telecommunications Building		1	
Administration Building		1	

Number of structures over or under the Turnpike:			
Other highways or interchange ramps	399		
Railroads	69		
Rivers and streams	80		
Total	548		

Number of employees:			
Full-time		908	
Part-time		430	

Note: The Commission has no taxing authority, overlapping debt or debt limitations.

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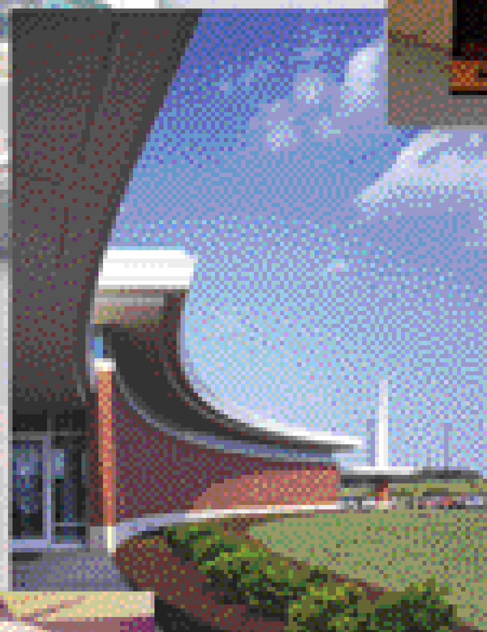
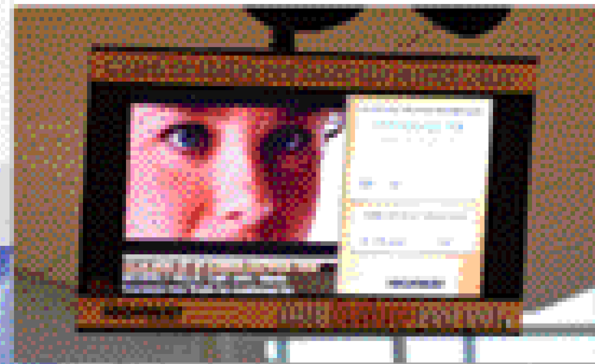
STOP






STARBUCKS COFFEE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S
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Cleveland
Akron
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Montpelier
Wauseon
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