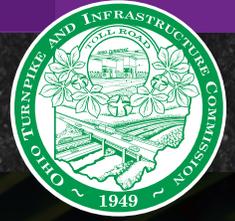


# Ohio Turnpike and Infrastructure Commission

(A Component Unit of the State of Ohio)

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017



# A NEW ERA DAWNS ON THE OHIO TURNPIKE

Issued by: CFO/Comptroller's Office

# Ohio Turnpike and Infrastructure Commission

## MEMBERS & OFFICERS

AS OF DECEMBER 31, 2018



**JERRY N. HRUBY**  
Chairman



**TIMOTHY J. PARADISO**  
Vice Chairman



**SANDRA K. BARBER**  
Secretary - Treasurer  
(Resigned December 31, 2018)



**GUY COVIELLO**  
Member



**VICKIE EATON JOHNSON**  
Member



**MICHAEL A. PETERSON**  
Member



**FRANK LAROSE**  
Senate Member



**THOMAS F. PATTON**  
House Member



**TIMOTHY S. KEEN**  
Director, Office of Budget  
and Management



**JERRY WRAY**  
Director of  
Transportation



**RANDY COLE**  
Assistant Secretary-  
Treasurer/Executive Director  
(Resigned January 13, 2019)

### NEW APPOINTMENTS IN 2019



**FERZAN M. AHMED, P.E.**  
Assistant Secretary-  
Treasurer/Executive Director  
(Effective February 25, 2019)



**ROB MCCOLLEY**  
Senate Member  
(Effective February 26, 2019)



**DAVE GREENSPAN**  
House Member  
(Effective March 13, 2019)



**KIMBERLY MURNIEKS**  
Director of Office of  
Budget and Management,  
Member Ex-Officio  
(Effective January 14, 2019)



**JACK MARCHBANKS, PH.D.**  
Director of Transportation  
Member Ex-Officio  
(Effective January 14, 2019)

#### INDEPENDENT AUDITORS:

Plante Moran  
Columbus, OH

#### CONSULTING ENGINEERS:

AECOM Technical Services, Inc.  
Akron, OH

#### TRUSTEE:

The Huntington National Bank  
Cleveland, OH

#### PREPARED BY:

CFO/Comptroller's Office and the Office  
of Marketing and Communications



## 2018 Comprehensive Annual Financial Report

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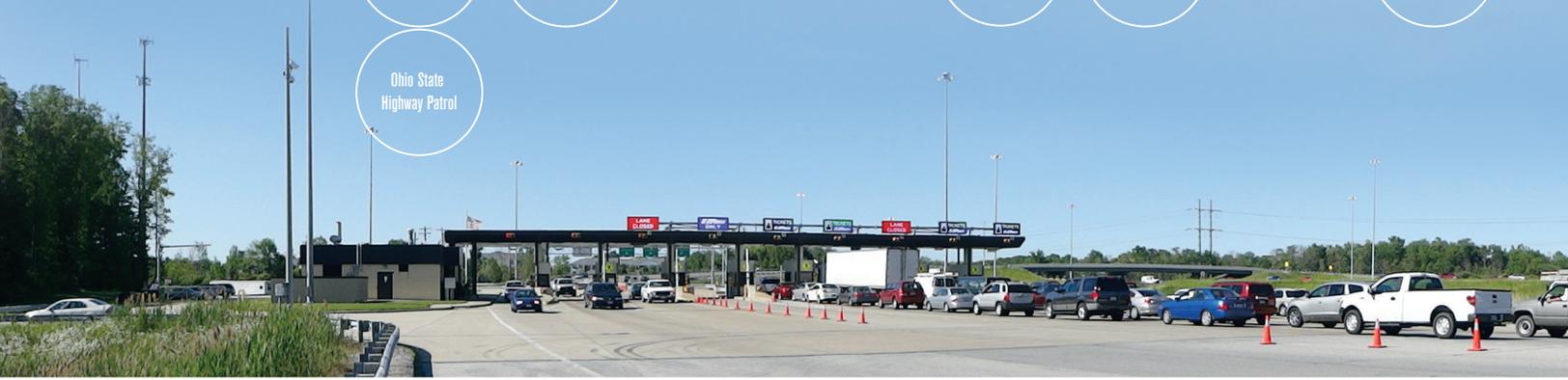
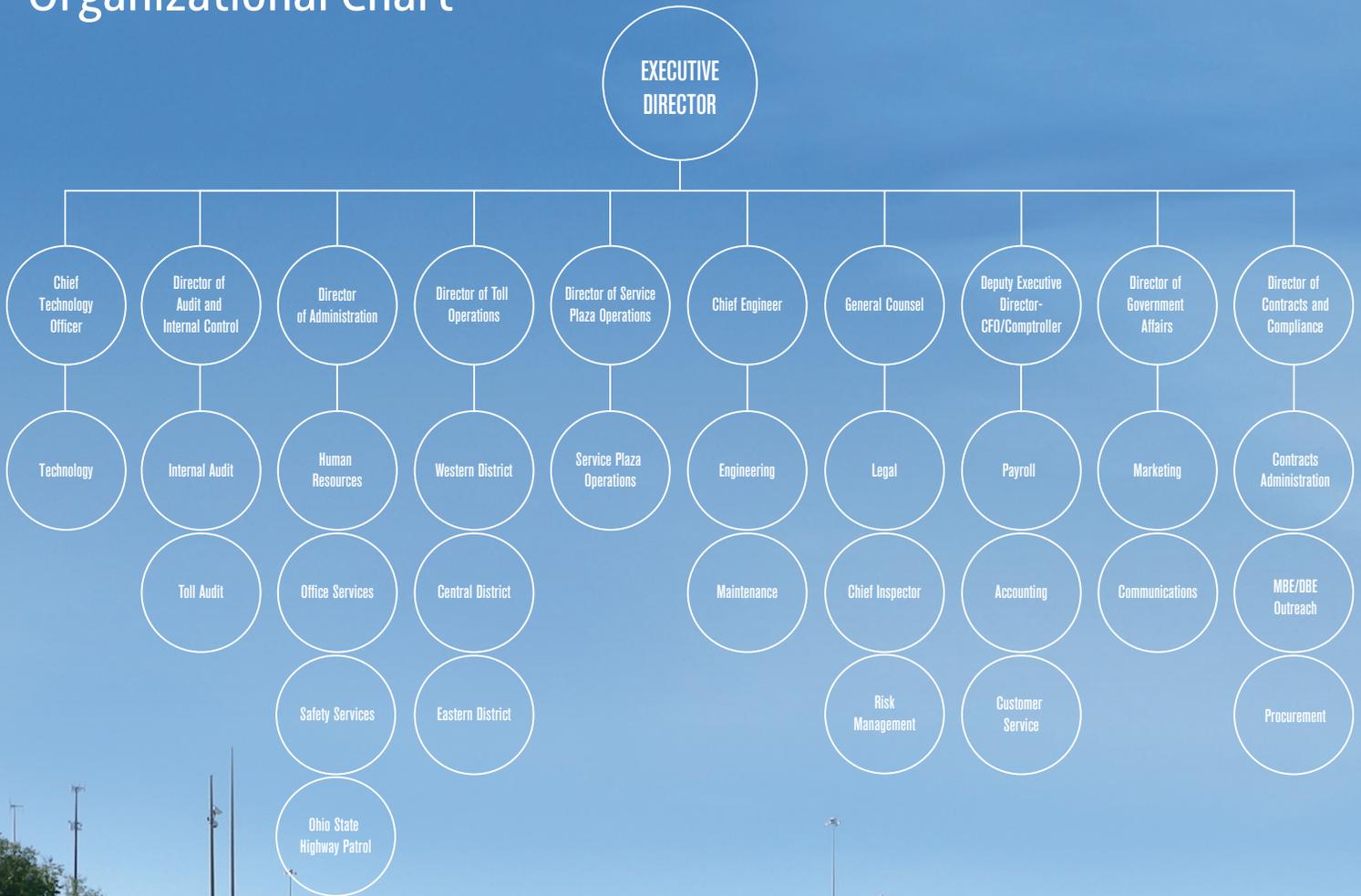


Ohio Turnpike and Infrastructure Commission

2018 Comprehensive Annual Financial Report

# INTRODUCTORY SECTION

# Organizational Chart



# Members and Staff

Ohio Turnpike and Infrastructure Commission Members (as of December 31, 2018)

		APPOINTED	TERM EXPIRATION
<b>JERRY N. HRUBY*</b>	Chairman	06/29/11	06/30/21
<b>TIMOTHY J. PARADISO*</b>	Vice Chairman	09/06/13	06/30/23
<b>SANDRA K. BARBER</b>	Secretary – Treasurer	06/04/12	12/31/18 ****
<b>GUY COVIELLO</b>	Member	03/22/18	06/30/20
<b>VICKIE EATON JOHNSON</b>	Member	06/15/18	06/30/22
<b>MICHAEL A. PETERSON</b>	Member	08/02/16	06/30/20
<b>JERRY WRAY**</b>	Director of Transportation	01/10/11	-
<b>TIMOTHY S. KEEN**</b>	Director, Office of Budget and Management	01/10/11	-
<b>FRANK LAROSE***</b>	Senate Member	04/27/16	-
<b>THOMAS F. PATTON***</b>	House Member	02/01/17	-

Names in bold indicate voting Member status \* Reappointed Member \*\* Member Ex-Officio \*\*\* Legislative Member \*\*\*\* Resigned

## Ohio Turnpike and Infrastructure Commission Senior Staff

<b>RANDY COLE</b>	Executive Director
<b>MARTIN SEEKELY</b>	Deputy Executive Director – CFO/Comptroller
<b>MATTHEW COLE</b>	Director of Administration
<b>ADAM GREENSLADE</b>	Director of Government Affairs
<b>ANDREW HERBERGER</b>	Director of Service Plaza Operations
<b>SHARON ISAAC</b>	Director of Toll Operations
<b>BRIAN KELLEY</b>	Chief Technology Officer
<b>DAVID MILLER</b>	Director of Audit and Internal Control
<b>MARK MUSSON</b>	Director of Contracts and Compliance
<b>JENNIFER L. STUEBER</b>	General Counsel
<b>ANTHONY YACOBUCCI</b>	Chief Engineer



## Chairman's Letter:

# JERRY N. HRUBY

### MOODY'S UPGRADE LAYS GROUNDWORK FOR NEXT ISSUANCE OF JOBS AND TRANSPORTATION BOND FUNDING

The year 2018 got off to an excellent start in terms of the Commission's financial reputation as Moody's Investors Service upgraded its ratings of Senior Lien Revenue Bonds to Aa2 from Aa3 and Junior Lien Revenue Bonds to Aa3 from A1.

Three days later on Jan. 22, 2018, the Commission approved the funding of three additional Infrastructure Projects for Governor John R. Kasich's Ohio Jobs and Transportation Plan totaling \$450 million. The Commission is proud of its role as a leader in providing much-needed funding to northern Ohio's transportation projects.

Funding for three major projects included \$200 million for the Opportunity Corridor project in Cuyahoga County; \$160 million for the expansion of I-75 and the Maumee River Bridge in Lucas County and \$90 million for the expansion and maintenance of I-75 and the SR 25 interchange in Wood County.

In December 2017, the Commission made a determination that Ohio Department of Transportation's Infrastructure Projects have the necessary transportation-related nexus to the Ohio Turnpike. On Feb. 15, 2018, the Commission issued \$425,965,000 in Junior Lien Bonds, generating proceeds in a sufficient amount to fund the requested \$450 million in Infrastructure Projects. ODOT reported to the Commission that those Infrastructure Projects will be substantially completed by 2022.

### OHIO TURNPIKE MEMORIAL SIGN PROGRAM FEATURES DEDICATION CEREMONIES AND SAFETY MESSAGE

In a program that holds a special place in the hearts and memories of family members who survive those who have been killed while performing their duties for the Ohio Turnpike, the Commission began its Ohio Turnpike Memorial Sign Program in May. Several ceremonies were held at Commission Maintenance Buildings across the Turnpike and they were well attended. The Commission has now honored 15 men killed while performing their duties for the Ohio Turnpike.

This program also calls renewed attention to the state of Ohio's Move Over law as the Memorial Signs are attached to the Commission's Move Over for Stopped Vehicle with Flashing Lights signs. The men honored were Turnpike Maintenance Employees, Ohio State Highway Patrol Troopers, Construction Contractors and Towing Service Operators.

### THE COMMISSION EXTENDS ITS GRATITUDE TO EXECUTIVE DIRECTOR RANDY COLE

Randy Cole served with integrity and distinction as Executive Director from Dec. 22, 2014 until his resignation on Jan. 13, 2019 to pursue other opportunities. Mr. Cole earned the admiration of both the Commission employees and the Teamsters Local No. 436 by recognizing their efforts



including during the Turnpike's 60th anniversary in 2015 and through the Memorial Sign Dedication Program.

His efforts to improve efficiency, upgrade technology and reduce waste in the daily operations of the Ohio Turnpike were highly effective and greatly appreciated. Among his notable achievements were development of the plan to modernize the Toll Collection System and Customer Service Center and financial stewardship of the completion of Governor John Kasich's Jobs and Transportation Plan by issuing Turnpike Revenue bonds that generated \$530 million in proceeds while securing ratings upgrades from Moody's.

Mr. Cole also ensured that the Commission is prepared for future technology changes by serving leadership roles on DriveOhio, the IBTTA, the Smart Belt Coalition and the Hyperloop Feasibility Study. We are grateful to him and the nearly 1,000 employees who helped him position the Ohio Turnpike, as our Mission Statement says, "to be the industry leader in providing safe and efficient transportation services to our customers, communities and partners."





## Executive Director's Year in Review:

# FERZAN M. AHMED, P.E.

### THE COMMISSION'S CAPITAL IMPROVEMENT PROGRAM CONTINUES TO BE WELL-FUNDED

The Commission approved a \$134 million capital budget for 2018. As part of that budget, we continue to implement the plan, which began in 2011, to replace the 60-year-old concrete base pavement of the original two lanes of the roadway constructed in 1955.

Our Pavement Replacement Program is part of the Commission's Long-term Capital Improvement Program with an investment of \$1.5 billion over 30 years. Approximately two sections of five to seven-mile-long pavement are completed each year and approximately 22 percent of the program is now finished.

In 2018, a five-mile long section was completed in the eastbound lanes in Lorain and Cuyahoga Counties from milepost 149.24 to 154.10 (between North Ridgeville and Olmsted Township). A 6.6-mile long section of pavement also was replaced or resurfaced in 2018 in Cuyahoga and Summit Counties between Broadview Heights and Boston Township including replacement of interchange ramps at Toll Plaza 173.

Other roadway improvements completed included pavement resurfacing in Erie, Lorain and Portage Counties, bridge rehabilitation in Lorain, Cuyahoga, Portage and Mahoning Counties and 15 bridge paintings in western Ohio.

### TOLL PLAZA 180 UPGRADES ALLEVIATE CONGESTION AT BUSY INTERCHANGE, MEET CUSTOMER EXPECTATIONS

To alleviate congestion in a region of growing communities in Summit County, the Commission has approved a plan to build two new toll lanes, booths and canopies to accommodate an increase in traffic and to improve ease of travel at Toll Plaza 180 (Route 8/Akron). This project began on Nov. 5 and is scheduled to be completed by the end of the 2019 construction season.

### ELECTRIC VEHICLE CHARGING STATIONS ADD CUSTOMER VALUE AT FOUR SERVICE PLAZAS

On Oct. 22, 2018, the Commission announced an Electric Vehicle Charging Infrastructure Partnership with Electrify America. Four Service Plaza locations for the pilot include: Wyandot and Blue Heron Service Plazas in Genoa; Indian Meadow and Tiffin River Service Plazas in

West Unity. These sites were chosen to meet the needs of Turnpike customers where electric vehicle demand is projected to be the most significant in the near-term.

### SERVICE PLAZA SUNOCO STATIONS RECORD ALL-TIME HIGH SALES

Sunoco Service Stations at the Commission's 14 Service Plazas sold a record volume of both gasoline and diesel fuels for passenger and commercial vehicles in 2018. In fact, fuel volume was 14 percent better than 2017 with a record 69.2 million gallons of fuels sold. Additionally, combined Sunoco non-fuel retail sales at C-stores and fuel kiosks reached new record highs, exceeding 2017 sales by more than 12 percent.

Contributing factors to the record sales included successful planning and implementation of Sunoco's capital commitments negotiated by Service Plaza Operations as part of the 2017 Service Station Agreement extension, as well as increased promotion of the Ohio Turnpike's Fair Fuel Pricing Guarantee, new LED signage on the roadway and the installation of dispensed Diesel Exhaust Fluid (DEF).

### OTIC SIGNS LETTER OF INTENT TO PARTICIPATE IN HYPERLOOP FEASIBILITY STUDY

In March, the Commission agreed to participate in a feasibility study that is exploring plans to build a Hyperloop Transportation System from Cleveland to Chicago. The Northeast Ohio Area-wide Coordinating Agency (NOACA) and Hyperloop Transportation Technologies (HTT) announced in February 2018 a partnership in a feasibility study of a Cleveland-Chicago route. The study was expected to take 6-9 months. Possible impacts on the Ohio Turnpike include whether the anticipated route will include the turnpike right-of-way, and as a result, provide a revenue opportunity that offsets any anticipated loss of revenue from either reduced commercial or passenger traffic from Cleveland to Chicago. Three possible routes, including along the turnpike right-of-way, are currently being studied.

### PUBLIC WI-FI AND INFORMATION CENTER KIOSKS ADD CUSTOMER VALUE AND CONVENIENCE

Customers and concession operators at the Service Plazas have come to expect Wi-Fi internet access at public facilities. As a result, on Sept. 17, 2018, the Commission authorized an agreement to leverage its assets on its communications towers to supply Wi-Fi access to all Service Plazas throughout the guest service areas. Meanwhile, Travel Boards, Inc. began



installing new Info Centers with interactive capabilities to provide travelers with maps as well as hotel and attraction information in a touch-screen format. Additionally, the weather app displays on Turnpike Television have been updated to provide both local and expanded weather information to travelers.

### TURNPIKE FLEET MODERNIZATION AND SAFETY NOTIFICATION PROOF-OF-CONCEPT

During 2018, the Commission began installation of its Turnpike Fleet Modernization and Safety Notification Project. Radio units on the roadside receive and broadcast basic safety messages over nearly 60 miles in Lorain, Cuyahoga, Summit and Portage Counties. Data has begun to be collected and the software was tested to confirm the transmission of advisories for road weather, traffic incidents, curve speed warnings and the presence of work zones to customers who have connected vehicle technology. The Commission also began testing to operationalize its fleet as snowplow trucks will transmit data such as location, speed, liquid and salt spread rates, and whether the plow is operating.

In 2018, 15 roadside units were installed at Toll Plazas, Service Plazas, Maintenance Buildings and the Administration Building. They connect to our existing 241-mile fiber optic network. Meanwhile, on-board equipment was installed in 38 Commission vehicles. The Commission expects significant safety and efficiency benefits from this technology during this proof-of-concept and beyond.

### COMPUTER-AIDED DISPATCH (CAD) SOLUTION ENHANCES RECORD AND INCIDENT MANAGEMENT

Through a shared services solution hosted by MARCS, the Commission went live in the fall of 2018 with the Motorola PremierOne CAD record and incident management system. With this implementation, the Ohio Turnpike Communication Center will function more efficiently due to automation of reporting, enhanced activity tracking and assignment of personnel.

### "W82TXT" VIDEO CONTEST AND RED THUMB BAND CAMPAIGN WORK TO COMBAT DISTRACTED DRIVING

Students in grades 9-12 participated in the Commission's first-ever "W82TXT" video contest. By producing and submitting their videos, high

school students help spread awareness about the dangers of distracted driving and competed for prizes. As part of the campaign, 60,000 Red Thumb Bands emblazoned with the campaign message were distributed to all northern Ohio High Schools and handed out at the Marketing Department's Customer Appreciation Events.





## Ohio Turnpike and Infrastructure Commission

**Martin S. Seekely**  
Deputy Executive Director -  
CFO/Comptroller

**Jerry N. Hruby**  
Chairman

April 30, 2019

**Timothy J. Paradiso**  
Vice Chairman

### **Ohio Turnpike and Infrastructure Commission and Executive Director:**

**Guy C. Coviello**  
Member

The *Comprehensive Annual Financial Report* ("CAFR") of the Ohio Turnpike and Infrastructure Commission ("Commission") for the years ended December 31, 2018 and 2017, 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. 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 2018 and 2017 operations.

**Vickie Eaton Johnson**  
Member

**Michael A. Peterson**  
Member

**Jack Marchbanks, Ph.D.**  
Director of Transportation  
Member Ex-Officio

The accompanying financial statements include only the accounts and transactions of the Commission. The Commission is considered a component unit of the State of Ohio. The Commission has no component units.

**Kimberly Murnieks**  
Director of OBM  
Member Ex-Officio

**Rob McColley**  
Ohio Senate Member

### **Accounting Policies and Internal Controls**

**Dave Greenspan**  
Ohio House Member

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.

**Ferzan M. Ahmed, P.E.**  
Executive Director

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.

## Ohio Turnpike and Infrastructure Commission

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### Long-Term Financial Planning

The Commission prepares annual operating and capital budgets which are approved by the Commission before the start of the next calendar year. The operating budget contains the projected revenues, operating expenses, debt service payments and the net amount expected to be transferred to the capital funds for the next calendar year. The capital budget details the construction projects and equipment purchases planned for the year that are necessary to maintain the Turnpike in good condition.

Each year the Commission also prepares a long-term projection of future operating and capital budgets that projects revenues, expenses, debt service payments and capital expenditures for at least the next five years. The long-term projection is used to plan for the sequencing of large capital projects and to forecast the need for toll increases or debt issuances.

### 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 and Infrastructure Commission for its *Comprehensive Annual Financial Report for the year ended December 31, 2017*. 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. Since then, the Commission has received this award for every year with the exceptions of 1989 and 1990, when no applications were submitted. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet 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 Office of Marketing and Communications, and the various department heads and employees who assisted with and contributed to its preparation.

Respectfully submitted,



Martin S. Seekely  
Deputy Executive Director -  
CFO/Comptroller

MSS/cmz



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Ohio Turnpike and Infrastructure  
Commission, Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO

# History and General Information

## DRIVEN TO SUCCEED

### ORGANIZATION AND BACKGROUND

The Ohio Turnpike and Infrastructure Commission (“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 (“ODOT”). The Commission is also authorized and empowered to issue Turnpike Revenue Bonds of the State of Ohio, payable solely from Turnpike 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.

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.

On May 18, 1992, a Tripartite Agreement that had been entered into in 1964 among the Commission, ODOT 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 redemption 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 ODOT 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 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 went into effect on 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 unrelated projects.

Amendments to House Bill 699 (effective March 28, 2007) renamed the Turnpike Legislative Review Committee; requires the Commission to notify the Governor and legislative leaders prior to any toll change; and allows the appropriate chairs of Finance and Transportation Committees to request the Commission to appear and review past budget results and to present its proposed budget. Additional amendments require the Commission to seek approval of the Office of Budget and Management (“OBM”) prior to any debt issuance, or any changes to the Master Trust Agreement. The amendments also require the Commission to submit its annual budget to OBM for review only at least 30 days before adoption. Finally, the legislation added the Director of Development and the Director of OBM as ex-officio, non-voting members of the Commission.



Amended Substitute House Bill 51 went into effect on July 1, 2013. Among other things, the bill renamed the Commission throughout the Turnpike Act and everywhere else in the Ohio Revised Code as the "Ohio Turnpike and Infrastructure Commission"; modified governance of the Commission to include two new members for a total of seven voting members; eliminated the Director of Development as a member; changed the terms of future members to five years; allowed the Commission to issue bonds for the purpose of funding infrastructure projects as defined under the statute; established rule-making authority for the Commission concerning how application is to be made for infrastructure funding by the Director of Transportation based on approved Transportation Review Advisory Council projects; and established how toll and other revenues will be pledged to pay maintenance and operating expenses and debt service on both infrastructure projects and Turnpike projects.

of traffic moving to and from the Pennsylvania Turnpike over state and other highways. 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, 8.5 million automobiles and 1.5 million trucks used the Turnpike. In 2018, the total annual traffic consisted of 42.3 million automobiles and 12.0 million trucks. Annual revenues from tolls, restaurant and service station concessionaire rentals and other sources rose from \$15,351,000 in 1956 to \$353,217,000 in 2018.



## THE COMMISSION

The Commission consists of ten members when at full strength, six of whom are appointed by the Governor with the advice and consent of the Senate, no more than three of whom are members of the same political party. Appointed members' terms were for eight years until June 30, 2013; effective July 1, 2013 newly appointed members' terms are for five years. The seventh member is the Director of ODOT, who is a member ex-officio. The three remaining members, a state senator, a state representative and the Director of OBM have non-voting status. The two legislative members 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 Turnpike Legislative Review Committee.

## 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

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 and Infrastructure 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 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 142, Interstate Route 80 between the Lorain County West Interchange 142 and the Niles-Youngstown Interchange 218, and Interstate Route 76 between the Niles-Youngstown Interchange 218 and the Ohio-Pennsylvania line.

## ACCESS

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

the Ohio Turnpike than cash-paying customers. The Commission ended its previous charge account programs so that customers could take advantage of the same electronic tolling technology with *E-ZPass*.

## NEW TOLL COLLECTION SYSTEM

The current Toll Collection System (TCS), installed in 2009, is approaching the end of its useful life. Original parts are no longer manufactured and replacement inventories for installed components are becoming scarce. While the TCS continues to perform as designed, equipment failures will lead to lost revenue and will negatively affect the Commission's toll collection operation.

In December of 2017, the Commission adopted a resolution approving a plan to modernize the Ohio Turnpike by replacing the TCS and customer service center software with new state of the art technology and



## TOLLS

Prior to October 1, 2009, toll charges for all vehicles were determined by gross-weight and distance traveled on the Turnpike. All vehicles were 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 fell within Class 1 and all other vehicles fell within Classes 2-9, based on their gross weight. (Classes 10 and 11 applied to triple-trailer combinations and long combination vehicles.)

On October 1, 2009, the Ohio Turnpike and Infrastructure Commission implemented a new toll collection system, including electronic tolling collection technology (*E-ZPass*<sup>®</sup>). At that same time, the toll rate schedule and vehicle classification system were also revised. Vehicles traveling the Ohio Turnpike are now classified based on seven vehicle classifications, which was a reduction from the eleven classifications used previously. Vehicles are now classified based on the number of axles and height of the vehicle over the first two axles. The vehicle classification along with distance traveled still determines the appropriate toll; however, toll rates were adjusted to coincide with the compression of the vehicle classifications, along with the addition of *E-ZPass*. Toll rates for customers using an *E-ZPass* compatible transponder pay a lower toll for travel on

contracting for unpaid toll processing services to enforce the collection of unpaid tolls. The plan is to complete the toll system modernization in late 2021 with full operation in 2022.

The TCS modernization consists of the following elements: 1) implement highway speed *E-ZPass* lanes at the Eastgate and Westgate mainline toll plazas and convert them to barrier plazas where flat tolls are assessed for each vehicle class regardless of distance travelled; 2) convert Eastgate toll collection to one-way only in the westbound direction (into Ohio and opposite to the Pennsylvania Turnpike's Gateway Plaza which is tolled one-way eastbound into Pennsylvania); 3) construct two new mainline toll plazas with highway speed *E-ZPass* lanes at mile post 49 and mile post 211 to become the new ends of a closed ticket system where all movements within mile post 49 and mile post 211 are tolled by vehicle class and distance travelled between entry and exit tolling points; 4) remove nine selected Toll Plazas but maintain interchange access to the Ohio Turnpike (toll plazas 13, 25, 34, 39, 215, 216, 218, 232, 234); 5) remove all entry toll lane gates as well as exit gates in low speed *E-ZPass* Only lanes within the ticket system; 6) install new license plate image capture cameras in all gateless *E-ZPass* exit lanes; and 7) retain toll lane gates in non-*E-ZPass* exit lanes.

## 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, each flanked by paved shoulders 8 feet wide on the inside and 10 feet, 3 inches wide on the outside of the mainline roadway. The shoulders are hard surfaced with asphaltic concrete. 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 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 third lane section between Interchange 59 and Interchange 218 consists 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 in the two-lane sections, twin bridges carry the roadways whenever the Turnpike crosses over other highways, railroads or rivers.

## SERVICE PLAZAS

The Commission currently operates 14 service plazas on the Turnpike to meet the needs of the traveling public. The Commission has contracted with several private companies to operate restaurants and service stations at each of the seven pairs of service plazas, which are approximately 30 miles apart. The farthest distance between pairs of service plazas is 56.1 miles. Restaurants and service stations are located at all service plazas, which are open 24 hours each day throughout the year. The service stations at the service plazas have gasoline, diesel fuel and assorted automotive accessories for sale. The restaurants at the service stations offer travelers a variety of food and beverage choices. 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. Additionally, Turnpike maps, motel-hotel lists, traffic updates and other touring aids are available at the service plazas for travelers.

## TURNPIKE MAINTENANCE

Providing Turnpike customers with a well-maintained highway is a task performed by the Commission's Maintenance Department. Personnel are assigned to the eight maintenance buildings, spaced at approximately 30-mile intervals along the Turnpike. Maintenance workers are responsible for keeping the Turnpike facilities operational and the roadway and pavement in a comfortable-riding, clean and safe condition by performing routine roadway maintenance, patching, joint repair, guardrail repair, lighting maintenance, fabricating and installing roadway signage, mowing, landscaping, applying herbicides and snow and ice removal. Mechanics are employed to maintain the Commission's service vehicles and equipment for such tasks. The Maintenance Department is also responsible for administering compliance with environmental and other state regulations relative to water systems, wastewater treatment plants, sanitary sewer pumping stations and underground storage tanks.

## OHIO STATE HIGHWAY PATROL (OSHP)

A special unit of the OSHP polices the Turnpike. The OSHP 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.

As part of its continued commitment to safety, the Commission has funded the implementation of Multi-Agency Radio Communications System ("MARCS") for OSHP on the Turnpike. This system enables OSHP troopers and law enforcement personnel serving communities adjacent to the Turnpike to effectively communicate with each other, thus providing an additional level of safety and support for both Turnpike motorists and for communities near the Turnpike corridor.

## RADIO COMMUNICATIONS SYSTEMS

In the interest of improved efficiency and effectiveness, the Commission has also migrated to the Ohio MARCS 800 MHz two-way radio communication system for Turnpike operations. MARCS is of particular value to Turnpike customers as it provides greater interoperability between Turnpike personnel and emergency services providers such as OSHP, EMS, EMS life flight, fire departments and contracted disabled vehicle services when responding to vehicle accidents or incidents along the Turnpike corridor.

## DISABLED VEHICLE SERVICE

Disabled vehicle services are available 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 also available for the removal of vehicles requiring garage work off the Turnpike.



## Ohio Turnpike and Infrastructure Commission

# 2018 Comprehensive Annual Financial Report FINANCIAL SECTION

### FINANCIAL ADMINISTRATION

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Martin Seekely

Deputy Executive Director-CFO/Comptroller

David Miller

Director of Audit and Internal Control

Lisa Mejac

Assistant Comptroller

Dawn Shockey

Payroll Manager

Amanda Brown

Customer Service Center Supervisor

Carol Zanin

Administrative Assistant



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## Independent Auditor's Report

To the Commission Members  
Ohio Turnpike and Infrastructure Commission

### Report on the Financial Statements

We have audited the accompanying basic financial statements of the Ohio Turnpike and Infrastructure Commission (the "Commission"), a component unit of the State of Ohio, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

#### **Opinion**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Ohio Turnpike and Infrastructure Commission as of December 31, 2018 and 2017 and the changes in its financial position and its cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

#### **Emphasis of Matter**

As discussed in Note 1 to the basic financial statements, the Commission adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as of January 1, 2018. Our opinion is not modified with respect to this matter.

To the Commission Members  
Ohio Turnpike and Infrastructure Commission

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2019 on our consideration of the Ohio Turnpike and Infrastructure Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ohio Turnpike and Infrastructure Commission's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

April 30, 2019

## Management's Discussion and Analysis

This section of the annual financial report presents the Commission's unaudited discussion and analysis of its financial position and the results of operations for the year ended December 31, 2018 and 2017. Please read it in conjunction with the Chairman's Letter, Executive Director's Year in Review, Letter of Transmittal, and History and General Information at the front of this report, and the Commission's financial statements and notes, which follow this section.

### Financial Highlights

#### 2018

- » The total number of vehicles that traveled the Ohio Turnpike in 2018 decreased 1.6 percent and vehicle miles traveled decreased 0.1 percent from the levels reached in 2017. Commercial vehicle miles traveled increased while passenger car vehicle miles traveled decreased in 2018. This caused the percentage of commercial vehicle miles traveled to total vehicle miles traveled to increase from 33.6 percent in 2017 to 35.1 percent in 2018. The increase in commercial vehicle miles traveled, combined with a 2.7 percent toll rate increase implemented on January 1, 2018, resulted in an increase in toll revenue of approximately \$10.2 million or 3.5 percent.
- » Operating expenses increased by \$300,000 or 0.1 percent from 2017. Excluding non-cash GASB 68 pension expense and GASB 75 other post-employment benefit expense, operating expenses increased by \$5.1 million or 2.6 percent from 2017.
- » The Commission incurred \$48.1 million in Infrastructure Project reimbursement expenses in 2018 for previously approved Infrastructure Project costs that were expended by the Ohio Department of Transportation ("ODOT").
- » In 2018, the Commission made capital improvements totaling approximately \$112.9 million.

#### 2017

- » The total number of vehicles that traveled the Ohio Turnpike in 2017 increased 0.6 percent and vehicle miles traveled increased less than 0.1 percent from the levels reached in 2016. The slight increase in vehicle miles traveled, along with a 2.7 percent toll rate increase implemented on January 1, 2017, resulted in an increase in toll revenue of approximately \$7.4 million or 2.6 percent.
- » Operating expenses increased by \$15.1 million or 7.8 percent from 2016. Excluding non-cash GASB 68 pension expense, operating expenses increased by \$5.2 million or 2.8 percent from 2016.
- » The Commission incurred \$106.4 million in Infrastructure Project reimbursement expenses in 2017 for previously approved Infrastructure Project costs that were expended by the Ohio Department of Transportation ("ODOT").
- » In 2017, the Commission made capital improvements totaling approximately \$97.7 million.

### Condensed Statement of Net Position Information (Dollars in Thousands)

	12/31/18	12/31/17	12/31/16
<b>Assets and Deferred Outflows of Resources</b>			
Cash and Investments	\$ 977,094	\$ 439,493	\$ 536,837
Other Noncapital Assets	28,121	25,260	25,724
Capital Assets, Net	1,511,324	1,479,446	1,461,604
<b>Total Assets</b>	<b>2,516,539</b>	<b>1,944,199</b>	<b>2,024,165</b>
Deferred Outflows of Resources	33,560	53,540	42,584
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 2,550,099</b>	<b>\$ 1,997,739</b>	<b>\$ 2,066,749</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Liabilities</b>			
Current Liabilities	\$ 157,042	\$ 111,569	\$ 122,762
Long-Term Liabilities	2,199,200	1,673,089	1,663,121
<b>Total Liabilities</b>	<b>2,356,242</b>	<b>1,784,658</b>	<b>1,785,883</b>
Deferred Inflows of Resources	19,720	896	1,885
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,375,962</b>	<b>1,785,554</b>	<b>1,787,768</b>
<b>Net Position</b>			
Net Investment in Capital Assets	965,814	981,297	930,174
Restricted	218,803	172,358	170,287
Unrestricted	(1,010,480)	(941,470)	(821,480)
<b>Total Net Position</b>	<b>174,137</b>	<b>212,185</b>	<b>278,981</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 2,550,099</b>	<b>\$ 1,997,739</b>	<b>\$ 2,066,749</b>

## Assets

The condensed statements of net position information on the previous page show that cash and investments increased by \$537.6 million in 2018. This increase was primarily due to the receipt of \$566.6 million in bond proceeds from the issuance of Junior and Senior Lien bonds offset by \$48.1 million in payments to ODOT for reimbursement of funds spent on Infrastructure Projects. See Note 10 of the financial statements for more detailed information on Infrastructure Project payments. The \$2.9 million increase in other noncapital assets was due to a \$2.0 million increase in receivables, a \$0.6 million increase in inventories, and a \$0.3 million increase in net pension asset. The increase in accounts receivable was primarily due to an increase in investment income receivable due to an increase in cash and investments. Inventories of ice melting materials increased due to mild winter weather in December 2018.

Cash and investments decreased by \$97.3 million in 2017. This decrease was primarily the result of \$106.4 million in payments to ODOT for reimbursement of funds spent on Infrastructure Projects. See Note 10 of the financial statements for more detailed information on Infrastructure Project payments. The \$0.4 million decrease in other noncapital assets was due to a \$1.2 million increase in receivables, a \$1.3 million decrease in inventories, and a \$0.3 million decrease in prepaid expenses. The increase in accounts receivable was primarily due to an increase in tolls receivable due to an increase in *E-ZPass*<sup>®</sup> use. Inventories of ice melting materials decreased due to a decrease in the cost of salt from high prices in 2015 and the beginning of 2016 which were due to the unusually severe winter weather in 2014.

Capital assets increased by \$31.9 million in 2018 as the result of capital improvements of approximately \$112.9 million, property disposals of \$0.4 million and depreciation expense of \$80.6 million. The 2018 capital improvements were primarily for the resurfacing of 151.0 lane miles of roadway, the full depth replacement of 22.9 lane miles and the rehabilitation of 4 bridges. Capital assets increased by \$17.8 million in 2017 as the result of capital improvements of approximately \$97.7 million, property disposals of \$3.7 million and depreciation expense of \$76.1 million. The 2017 capital improvements were primarily for the resurfacing of 102.9 lane miles of roadway, the full depth replacement of 31.8 lane miles and the rehabilitation of 16 bridges. See Note 4 of the financial statements for more detailed information on the Commission's capital assets.

Deferred outflows of resources decreased by \$20.0 million in 2018 as a result of a \$2.0 million decrease in unamortized refunding gains / losses, a \$3.0 million increase in deferred OPEB outflows of resources and a \$21.0 million decrease in deferred pension outflows of resources. Deferred outflows of resources increased by \$10.0 million in 2017 as a result of a \$1.1 million increase in unamortized refunding gains / losses and a \$9.9 million increase in deferred pension outflows of resources. The increase in the unamortized refunding gains / losses is due to the 2017 advance refunding of certain 2009 Series A and 2010 Series A Turnpike revenue bonds.

## Liabilities

Current liabilities increased by \$45.5 million in 2018 primarily as a result of a \$39.7 million increase in bond interest and principal payable, a \$2.1 million increase in contamination remediation costs payable, a \$1.3 million increase in unearned revenue, a \$1.1 million increase in contractor retainage payable, a \$0.7 million increase in accounts payable, and a \$0.5 million increase in amounts payable to other toll agencies. The increase in bond interest and principal payable includes \$20.7 million in 2009A Senior Lien bonds that will be redeemed on February 15, 2019. Current liabilities decreased by \$11.2 million in 2017 primarily as a result of a \$13.8 million decrease in infrastructure funds payable to ODOT and a \$1.4 million decrease in contractor retainage payable. These decreases were partially offset by a \$1.4 million increase in unearned revenue, a \$0.9 million increase in accounts payable, a \$0.6 million increase in bond interest and principal payable, and a \$0.4 million increase in amounts payable to other toll agencies.

An increase in long-term liabilities of \$526.1 million in 2018 was primarily the result of an increase in bond principal of \$456.5 million, an increase in unamortized bond premiums of \$61.0 million, and the recording of the net OPEB liability of \$41.1 million offset by a \$32.0 million decrease in net pension liability and a \$0.5 million decrease in other non-current liabilities. The increase in bond principal was due to the issuance of \$499.8 million principal amount of 2018 Series A Turnpike revenue bonds and an increase in principal on capital appreciation bonds of \$22.4 million offset by principal payments on the existing bonds. See Note 6, Long-term Obligations, for more information on the bonds. An increase in long-term liabilities of \$10.0 million in 2017 was primarily the result of a \$23.7 million increase in net pension liability, an increase in principal on capital appreciation bonds of \$21.1 million, and an increase of \$11.9 million in unamortized bond premiums offset by principal payments on outstanding bonds of \$32.5 million and a decrease in bond principal of \$12.0 million due to the advance refunding of certain 2009 Series A and 2010 Series A Turnpike revenue bonds. See Note 6, Long-term Obligations, for more information on the advance refunding.

As described in Note 7 of the financial statements, the Commission has commitments for capital projects and major repairs and replacements of \$93.8 million as of December 31, 2018. 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 and Infrastructure Commission's credit rating is among the highest of all the toll roads in the world. The agency ratings as of December 31, 2018 are as follows:

<u>Agency</u>	<u>Senior Lien Bond Rating</u>	<u>Junior Lien Bond Rating</u>
Standard & Poor's	AA-	A+
Fitch Ratings	AA	A+
Moody's Investors Service	Aa2	Aa3

## Net Position

Net investment in capital assets decreased by \$15.5 million during 2018 as a result of an increase in debt related to capital assets of \$82.2 million less \$34.8 million of bond principal payments combined with the \$31.9 million increase in capital assets. The net position restricted for debt service of \$210.0 million is restricted for debt service in accordance with provisions of the Commission's Master Trust Agreement. The \$37.7 million increase in net position restricted for debt service during 2018 is the result of an additional \$31.2 million deposited into the debt service reserve fund accounts in conjunction with the 2018 bond issuance and additional amounts required to be deposited into the debt service accounts for future debt service payments. The \$8.7 million in net position restricted for capital projects represents the remaining amount of senior lien bond proceeds which are required to be spent on Turnpike capital projects. Unrestricted net position decreased \$69.0 million from 2017, of which \$37.7 million of the decrease was the result of a cumulative effect restatement of beginning net position due to the implementation of GASB Statement No. 75. Please refer to Note 1, Summary of Significant Accounting Policies, for additional information regarding the GASB Statement No. 75 implementation and the impact on the financial statements. The remaining decrease in unrestricted net position is due to a \$0.4 million decrease in net position as a result of 2018 expenses that exceeded revenues, combined with the transfer of unrestricted net position to net investment in capital assets and restricted net position. It is anticipated that expenses will continue to exceed revenues for the next few years as the Commission funds the remaining state infrastructure projects. See Note 9 for a description of State Infrastructure Payments.

Net investment in capital assets increased by \$51.1 million during 2017 as a result of \$32.5 million of bond principal payments combined with the \$17.8 million increase in capital assets. The restricted net position of \$172.4 million is restricted for debt service in accordance with provisions of the Commission's Master Trust Agreement. The \$2.1 million increase in restricted net position during 2017 is the result of an additional \$2.1 million restricted for debt service. The \$120.0 million decrease in unrestricted net position is due to a \$66.8 million decrease in net position as a result of 2017 expenses that exceeded revenues combined with the transfer of unrestricted net position to net investment in capital assets and restricted net position. Expenses exceeded revenues in 2017, primarily due to the \$106.4 million in expense incurred for Ohio Department of Transportation projects. See Note 9 for a description of State Infrastructure Payments. It is anticipated that expenses will continue to exceed revenues for the next few years as the Commission funds the remaining state infrastructure projects.

### Changes in Net Position Information (Dollars in Thousands)

	Years Ended		
	12/31/18	12/31/17	12/31/16
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Tolls	\$ 306,040	\$ 295,799	\$ 288,439
Special Toll Permits	3,529	3,423	3,427
Concessions	17,314	17,104	16,325
Other	6,166	5,581	4,976
<b>Nonoperating Revenues:</b>			
State Fuel Tax Allocation	3,459	3,023	2,834
Investment Earnings	16,709	4,657	4,617
<b>Total Revenues</b>	<b>353,217</b>	<b>329,587</b>	<b>320,618</b>
<b>Expenses:</b>			
<b>Operating Expenses:</b>			
Administration and Insurance	12,462	12,596	11,484
Maintenance of Roadway and Structures	42,791	43,872	39,596
Services and Toll Operations	58,451	61,433	55,383
Traffic Control, Safety, Patrol, and Communications	13,634	13,718	14,487
Depreciation	80,650	76,095	71,663
<b>Nonoperating Expenses:</b>			
Payments to the Ohio Department of Transportation	48,074	106,408	279,368
Interest Expense	97,675	78,848	79,108
Loss (Gain) on Disposals / Write-Offs of Capital Assets	(123)	3,413	(127)
<b>Total Expenses</b>	<b>353,614</b>	<b>396,383</b>	<b>550,962</b>
<b>Change in Net Position</b>	<b>(397)</b>	<b>(66,796)</b>	<b>(230,344)</b>
<b>Net Position - Beginning of Year</b>	<b>212,185</b>	<b>278,981</b>	<b>509,325</b>
Cumulative effect of change in accounting principle	(37,651)	-	-
<b>Net position at beginning of year, as restated</b>	<b>174,534</b>	<b>278,981</b>	<b>509,325</b>
<b>Net Position - End of Year</b>	<b>\$ 174,137</b>	<b>\$ 212,185</b>	<b>\$ 278,981</b>

Toll revenues are the major source of funding for the Ohio Turnpike and Infrastructure Commission. Passenger car traffic volume decreased by 2.9 percent and commercial traffic volume increased by 3.2 percent during 2018. Passenger car traffic volume increased by 0.3 percent and commercial traffic volume increased by 1.7 percent during 2017.

<b>Traffic Volume (vehicles in thousands):</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Passenger Cars	42,322	43,598	43,472
Commercial Vehicles	11,987	11,615	11,425
<b>Total</b>	<b>54,309</b>	<b>55,213</b>	<b>54,897</b>

The number of miles traveled by passenger cars decreased by 2.3 percent while the miles traveled by commercial vehicles increased by 4.3 percent during 2018. Toll rates were increased for all classes of vehicles by 2.7 percent on January 1, 2018. The toll rate increase was offset by the decrease in passenger car vehicle miles traveled and the effect of increased *E-ZPass* use, which resulted in a decrease in toll revenue from passenger cars of approximately \$1.2 million or 0.9 percent. Revenues from commercial vehicles increased \$11.4 million or 6.8 percent in 2018 as a result of the toll rate increase and the increase in commercial vehicle miles traveled.

The number of miles traveled by passenger cars decreased by 0.6 percent while the miles traveled by commercial vehicles increased by 1.3 percent during 2017. Toll rates were increased for all classes of vehicles by 2.7 percent on January 1, 2017. The toll rate increase was partially offset by the decrease in passenger car vehicle miles traveled and the effect of increased *E-ZPass* use, which resulted in an increase in toll revenue from passenger cars of approximately \$1.5 million or 1.2 percent. Revenues from commercial vehicles increased \$5.9 million or 3.6 percent in 2017 as a result of the toll rate increase and the increase in commercial vehicle miles traveled.

<b>Toll Revenues (dollars in thousands):</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Passenger Cars	\$ 126,365	\$ 127,537	\$ 126,063
Commercial Vehicles	179,675	168,262	162,376
<b>Total</b>	<b>\$ 306,040</b>	<b>\$ 295,799</b>	<b>\$ 288,439</b>

Total expenses decreased by \$42.8 million or 10.8 percent in 2018 compared to the prior year. Fringe benefit expenses, which are allocated to each area based on wages, decreased \$6.7 million from 2017 due primarily to a \$8.3 million decrease in pension expenses and a \$1.3 million decrease in employee health benefit costs offset by a \$3.4 million increase in OPEB expense. See Note 8, Pension and Other Postemployment Benefits (OPEB) Plans, for more information on pension and OPEB costs. The 1.1 percent decrease in Administration and Insurance expense was primarily due to the decrease in fringe benefit costs. The 2.5 percent decrease in Maintenance of Roadway and Structures expense is the result of lower fringe benefit costs and lower salt costs due to a decrease in the price of salt partially offset by higher contamination remediation costs. The 4.9 percent decrease in Services and Toll Operations expense is due primarily to the decrease in fringe benefit costs, lower wages due to a reduction in personnel and lower utility costs partially offset by higher credit card fees. The Commission made \$48.1 million in payments to ODOT in 2018 to pay for Infrastructure Projects, a decrease of \$58.3 million from 2017. See Note 9, Payments for State Infrastructure Projects, for more information on these payments. Interest expense increased \$18.8 million in 2018 primarily due to the issuance of the 2018 Series A bonds. See Note 6, Long-Term Obligations for more information on the outstanding debt.

Total expenses decreased by \$154.6 million or 28.1 percent in 2017 compared to the prior year. Fringe benefit expenses, which are allocated to each area based on wages, increased \$10.9 million from 2016 due primarily to a \$9.9 million increase in pension expenses and a \$0.7 million increase in employee health benefit costs. See Note 8, Pension and Other Postemployment Benefits (OPEB) Plans, for more information on pension costs. The 9.7 percent increase in Administration and Insurance expense was primarily due to the increase in fringe benefit costs. The 10.8 percent increase in Maintenance of Roadway and Structures expense is the result of higher fringe benefit costs partially offset by lower contamination remediation costs and lower salt costs due to a decrease in the price of salt from the high levels in 2015. The 10.9 percent increase in Services and Toll Operations expense is due primarily to the increase in fringe benefit costs, higher wage rates and higher credit card fees. The Commission made \$106.4 million in payments to ODOT in 2017 to pay for Infrastructure Projects, a decrease of \$173.0 million from 2016. See Note 9, Payments for State Infrastructure Projects, for more information on these payments. Interest expense decreased \$0.3 million in 2017 primarily due lower interest expense due to a reduction in outstanding debt from 2016 partially offset by a decrease in capitalized interest on construction projects.

## Statements of Net Position (In Thousands)

	12/31/18	12/31/17
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets:</b>		
<b>Unrestricted Current Assets:</b>		
Cash and Cash Equivalents	\$ 44,247	\$ 103,631
Investments, at Fair Value	213,801	89,308
Accounts Receivable	18,994	18,547
Inventories	5,082	4,428
Other	1,622	1,628
<b>Total Unrestricted Current Assets</b>	<u>283,746</u>	<u>217,542</u>
<b>Restricted Current Assets:</b>		
Cash and Cash Equivalents	16,621	12,276
Investments, at Fair Value	94,833	57,023
Other	1,955	453
<b>Total Restricted Current Assets</b>	<u>113,409</u>	<u>69,752</u>
<b>Total Current Assets</b>	<u>397,155</u>	<u>287,294</u>
<b>Noncurrent Assets:</b>		
Restricted Investments, at Fair Value	607,592	177,255
Net Pension Asset	468	204
Capital Assets, Net	1,511,324	1,479,446
<b>Total Noncurrent Assets</b>	<u>2,119,384</u>	<u>1,656,905</u>
<b>Total Assets</b>	<u>2,516,539</u>	<u>1,944,199</u>
<b>Deferred Outflows of Resources</b>	<u>33,560</u>	<u>53,540</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 2,550,099</u>	<u>\$ 1,997,739</u>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>		
<b>Current Liabilities:</b>		
<b>Current Liabilities Payable from Unrestricted Assets:</b>		
Accounts Payable	\$ 15,553	\$ 14,772
Accrued Wages and Benefits	3,783	3,858
Compensated Absences	4,805	4,896
Claims and Judgments	1,390	1,569
Contamination Remediation Costs Payable	2,914	783
Other Liabilities	14,061	12,783
Toll Agency Payable	5,019	4,557
<b>Total Current Liabilities Payable from Unrestricted Assets</b>	<u>47,525</u>	<u>43,218</u>
<b>Current Liabilities Payable from Restricted Assets:</b>		
Contract Retainage Payable	4,122	3,021
Infrastructure Funds Payable to Ohio Department of Transportation	8,721	8,354
Interest Payable	30,974	22,201
Bonds Payable	65,700	34,775
<b>Total Current Liabilities Payable from Restricted Assets</b>	<u>109,517</u>	<u>68,351</u>
<b>Total Current Liabilities</b>	<u>157,042</u>	<u>111,569</u>
<b>Noncurrent Liabilities:</b>		
Net Pension Liability	59,687	91,648
Net OPEB Liability	41,058	-
Compensated Absences	5,786	5,668
Claims and Judgments	468	672
Contamination Remediation Costs Payable	81	442
Bonds Payable	2,092,120	1,574,659
<b>Total Noncurrent Liabilities</b>	<u>2,199,200</u>	<u>1,673,089</u>
<b>Total Liabilities</b>	<u>2,356,242</u>	<u>1,784,658</u>
<b>Deferred Inflows of Resources</b>	<u>19,720</u>	<u>896</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>2,375,962</u>	<u>1,785,554</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	965,814	981,297
Restricted For Debt Service	210,083	172,358
Restricted For Capital Projects	8,720	-
Unrestricted	(1,010,480)	(941,470)
<b>Total Net Position</b>	<u>174,137</u>	<u>212,185</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<u>\$ 2,550,099</u>	<u>\$ 1,997,739</u>

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

## Statements of Revenues, Expenses and Changes in Net Position (In Thousands)

	For the Years Ended	
	12/31/18	12/31/17
<b>OPERATING REVENUES:</b>		
<b>Pledged as Security for Revenue Bonds:</b>		
Tolls	\$ 306,040	\$ 295,799
Special Toll Permits	3,529	3,423
Concessions	16,637	16,418
Leases and Licenses	1,282	1,169
Other Revenues	4,879	4,406
<b>Unpledged Revenues:</b>		
Concessions	677	686
Other Revenues	5	6
<b>Total Operating Revenues</b>	<b>333,049</b>	<b>321,907</b>
<b>OPERATING EXPENSES:</b>		
Administration and Insurance	12,462	12,596
Maintenance of Roadway and Structures	42,791	43,872
Services and Toll Operations	58,451	61,433
Traffic Control, Safety, Patrol, and Communications	13,634	13,718
Depreciation	80,650	76,095
<b>Total Operating Expenses</b>	<b>207,988</b>	<b>207,714</b>
<b>Operating Income</b>	<b>125,061</b>	<b>114,193</b>
<b>NONOPERATING REVENUES / (EXPENSES):</b>		
State Fuel Tax Allocation	3,459	3,023
Investment Earnings Pledged as Security for Revenue Bonds	7,924	3,100
Investment Earnings - Unpledged	8,785	1,557
Gain / (Loss) on Disposals of Capital Assets	123	(3,413)
Ohio Department of Transportation Infrastructure Project Expense	(48,074)	(106,408)
Interest Expense	(97,675)	(78,848)
<b>Total Nonoperating Revenues / (Expenses)</b>	<b>(125,458)</b>	<b>(180,989)</b>
<b>Decrease in Net Position</b>	<b>(397)</b>	<b>(66,796)</b>
<b>Net Position -- Beginning of Year</b>	<b>212,185</b>	<b>278,981</b>
Cumulative effect of change in accounting principle	(37,651)	–
<b>Net Position -- Beginning of Year, as Restated</b>	<b>174,534</b>	<b>278,981</b>
<b>Net Position -- End of Year</b>	<b>\$ 174,137</b>	<b>\$ 212,185</b>

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

## Statements of Cash Flows (In Thousands)

	For the Years Ended	
	12/31/18	12/31/17
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$ 326,197	\$ 315,221
Cash Received from Other Operating Revenues	7,971	7,156
Cash Payments for Employee Salaries, Wages and Fringe Benefits	(75,472)	(75,871)
Cash Payments for Goods and Services	(42,208)	(39,521)
<b>Net Cash Provided by Operating Activities</b>	<b>216,488</b>	<b>206,985</b>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Payments to the Ohio Department of Transportation	(47,707)	(120,249)
Proceeds from Sale of Bonds - Par Amount	425,965	-
Proceeds from Sale of Bonds - Premium / (Discount)	56,980	-
Bond Issuance Costs	(1,716)	-
State Fuel Tax Allocation	3,459	3,023
<b>Net Cash Provided by / (Used in) Noncapital Financing Activities</b>	<b>436,981</b>	<b>(117,226)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from Sale of Assets	504	331
Proceeds from Sale of Bonds - Par Amount	73,880	114,670
Proceeds from Sale of Bonds - Premium / (Discount)	9,777	22,748
Acquisition and Construction of Capital Assets	(109,001)	(96,517)
Bond Issuance Costs	(319)	(626)
Bond Advanced Refunding - Amount Below / (Above) Par Paid	-	(10,648)
Bond Advanced Refunding - Par Amount Paid	-	(126,660)
Principal Paid on Bonds	(34,775)	(32,520)
Interest Paid on Bonds	(71,127)	(62,664)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(131,061)</b>	<b>(191,886)</b>
<b>Cash Flows from Investing Activities:</b>		
Interest Received on Investments	13,791	4,927
Proceeds from Sale and Maturity of Investments	345,225	287,370
Purchase of Investments	(936,463)	(147,482)
<b>Net Cash Provided by / (Used in) Investing Activities</b>	<b>(577,447)</b>	<b>144,815</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(55,039)</b>	<b>42,688</b>
<b>Cash and Cash Equivalents -- Beginning of Year</b>	<b>115,907</b>	<b>73,219</b>
<b>Cash and Cash Equivalents -- End of Year</b>	<b>\$ 60,868</b>	<b>\$ 115,907</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income	\$ 125,061	\$ 114,193
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	80,650	76,095
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:		
Accounts Receivable	(447)	(1,277)
Inventories	(654)	1,343
Other Assets	20	298
Net Pension Asset	(264)	(26)
Deferred Pension and OPEB Outflows of Resources	17,992	(9,819)
Accounts Payable	781	924
Accrued Wages and Benefits	(75)	296
Net Pension Liability	(31,961)	23,692
Net OPEB Liability	3,407	-
Compensated Absences	27	140
Claims and Judgments	(383)	443
Contamination Remediation Costs Payable	1,770	(170)
Other Liabilities	1,740	1,842
Deferred Pension and OPEB Inflows of Resources	18,824	(989)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 216,488</b>	<b>\$ 206,985</b>
<b>NONCASH INVESTING AND CAPITAL ACTIVITIES:</b>		
Decrease in Fair Value of Investments	\$(317)	\$(490)
Disposals / Write-Offs of Capital Assets	(381)	(3,744)
Increase in Capital Assets due to Capitalized Interest Costs	(2,807)	(2,521)
(Increase) / Decrease in Capital Assets due to Change in Contracts Payable	(1,101)	1,356
Gain from Capital Asset Trade-in	-	(3)
Amortization of Bond Premiums and Refunding Losses Classified as Interest Expense	3,818	1,387
Accretion in Capital Appreciation Bonds	22,364	21,085

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

## Notes to Financial Statements

For the Years ended December 31, 2018 and 2017

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

In accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statements, the accompanying financial statements include only the accounts and transactions of the Ohio Turnpike and Infrastructure Commission ("Commission", "Ohio Turnpike" or "Turnpike"). Under the criteria specified in these GASB Statements, the Commission is considered a component unit of the State of Ohio because the Governor appoints the voting members of the Commission and the State is financially accountable for the Commission since the State has the potential to receive a financial benefit from the Commission. The Commission has no component units.

#### 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 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.

#### Adoption of New Accounting Pronouncements

The GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which requires governments providing other postemployment benefit (OPEB) plans to recognize their unfunded OPEB obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). In accordance with the statements, the Commission has reported a change in accounting principle adjustment to unrestricted net position of \$37,651,000, which is the net of the net OPEB liability and related deferred outflows of resources as of January 1, 2018. December 31, 2017 amounts have not been restated to reflect the impact of GASB No. 75 because the information is not available to calculate the impact on OPEB expense for the fiscal year ended December 31, 2017.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. The implementation of this Statement had no major impact on the Commission's financial statements or disclosures.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. The implementation of this Statement had no impact on the Commission's financial statements or disclosures.

#### New Accounting Pronouncements

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2018. The Commission has not determined the impact, if any, that this Statement will have on its financial statements or disclosures.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2018. The Commission has not determined the impact, if any, that this Statement will have on its financial statements or disclosures.

In June 2017, GASB issued Statement No. 87, *Leases*. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019. The Commission has not determined the impact, if any, that this Statement will have on its financial statements or disclosures.

In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2018. The Commission has not determined the impact, if any, that this Statement will have on its financial statements or disclosures.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019. The Commission has not determined the impact, if any, that this Statement will have on its financial statements or disclosures.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2018. The Commission has not determined the impact, if any, that this Statement will have on its financial statements or disclosures.

#### Net Position Classifications

GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, require the classification of net position into the following three components:

- » Net Investment in Capital Assets – 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 position, 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 – consisting of net position that does not meet the definition of "net investment in capital assets" or "restricted".

### Cash Equivalents

Cash equivalents are defined as highly liquid investments, including overnight repurchase agreements, demand deposits, negotiated order of withdrawal accounts, money market funds and certificates of deposit maturing within 90 days of purchase. Commission investments in overnight repurchase agreements, demand deposits and money market mutual funds, which have remaining maturities of one year or less, are carried at amortized cost, which approximates fair value.

### Investments

In the accompanying Statements of Net Position, investments are comprised of certificates of deposit maturing beyond 90 days of purchase, U.S. instrumentality securities and shares in the State Treasury Asset Reserve of Ohio ("STAR Ohio") investment pool. Commission investments in STAR Ohio are carried at amortized cost, which approximates fair value. All other Commission investments are recorded at fair value based on quoted market prices 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.

STAR Ohio is an investment pool created pursuant to Ohio statutes and is managed by the Treasurer of the State of Ohio. 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 the provisions of GASB Statement No. 79, *Certain Investment Pools and Pool Participants*. The fair value of the Commission's position in the pool is the same as the value of the pool shares. For the years ended December 31, 2018 and 2017, there were no limitations on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

### Accounts Receivable

Accounts receivable consist of various tolls, charges and amounts due from individuals, commercial companies and other agencies and concession revenues receivable from operators of food and fuel concessions at the Commission's service plazas. Toll accounts receivable from E-ZPass post-paid customers are guaranteed by a surety bond. Reserves for uncollectible accounts receivable are established 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, net of accumulated depreciation. 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
Bridge painting and guardrail	20
Roadway resurfacing	8-12
Building improvements	10
Machinery, equipment and vehicles	5-10

Depreciation expense is included in the Statements of Revenues, Expenses and Changes in Net Position.

### 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 \$2,807,000 and \$2,521,000 was capitalized for the years ended December 31, 2018 and 2017, respectively.

### Deferred Outflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission's deferred outflows of resources are related to the net pension liability, net OPEB liability and unamortized refunding gains/losses on debt. See Notes 5 and 8 for more information.

### Bond Issuance Costs, Discounts / Premiums, and Advance Debt Refundings

Bond issuance costs are expensed as incurred. Unamortized bond discounts and premiums are netted against long-term debt. Bond discounts and premiums are amortized to interest expense over the lives of the applicable bonds. Unamortized advance debt refunding losses are classified as deferred outflows of resources and are amortized to interest expense over the shorter of the life of the new debt or the defeased debt.

### Compensated Absences

Vacation leave accumulates for 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 for 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.

### Pensions

Net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System (OPERS) Pension Plan, and additions to/deductions from OPERS' fiduciary net position, have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full-accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments

(including refunds of employee contributions) are recognized as an expense when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Other Postemployment Benefit Costs**

For purposes of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS pension plan and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Deferred Inflows of Resources**

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Commission reports deferred inflows of resources for certain pension-related and OPEB-related amounts, such as the difference between projected and actual earnings of the plan's investments. More detailed information can be found in Notes 5 and 8.

### **Operating / Nonoperating Activities**

Operating revenues and expenses, as reported on the Statements of Revenues, Expenses and Changes in Net Position, are those that result from exchange transactions such as payments received for providing services and payments made for goods and services received.

Tolls, the principal source of Commission operating revenues, are recognized as vehicles use the Turnpike. For toll calculation purposes, through September 30, 2009 vehicles were assigned to one of eleven weight-based classifications. Tolls were assessed based on the vehicle classification and the distance traveled. Effective October 1, 2009, the Commission implemented a new toll collection system that includes electronic toll collection in the form of *E-ZPass*, which is interoperable among a network of 38 northeastern U.S. toll agencies. Concurrent with the implementation of the new toll collection system and *E-ZPass*, the Commission converted its weight-based vehicle classification system to a methodology that classifies vehicles based upon the number of axles and the height over the first two axles. Axle-based toll rates were implemented along with *E-ZPass* on October 1, 2009. As an incentive to utilize electronic tolling, toll rates are lower for customers who use *E-ZPass* than for those who pay at the toll booths.

In addition to tolls, the other major source of operating revenue is concessions from the operation of the Commission's service plazas. 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). As provided by Ohio law, the Commission also receives nonoperating revenue of five cents in Ohio fuel taxes for each gallon of fuel sold at the Commission's service plazas. 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, maintenance buildings, service plazas and other facilities, as well as administrative expenses and depreciation on capital assets. The Commission's practice is to first apply restricted resources when expenditures are made for purposes for which both unrestricted and restricted resources are available.

Nonoperating revenue includes revenue from activities that have the characteristics of nonexchange transactions, such as the allocation of Ohio fuel tax revenues, investment earnings, payments to the Ohio Department of Transportation ("ODOT"), interest expense and gains/losses on disposals/write-offs of capital assets. The implication is that such activities are derived from more passive efforts related to the acquisition of the revenue, rather than the earning of it.

### **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**

The Commission had \$398,000 and \$330,000 in undeposited cash on hand at December 31, 2018 and December 31, 2017, respectively. The carrying amount of the Commission's deposits as of December 31, 2018 was \$2,950,000 as compared to bank balances of \$4,126,000. The carrying amount of the Commission's deposits as of December 31, 2017 was \$1,586,000 as compared to bank balances of \$3,220,000. All of the bank balances were covered by federal depository insurance or collateralized in the Ohio Pooled Collateral System.

### **Investments**

The Commission categorizes its fair value measurements at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of December 31, 2018 the Commission's investments had the following recurring fair value measurements (in thousands):

Investment Type	2018	Level 1	Level 2
Federal National Mortgage Association	\$ 106,014	\$ -	\$ 106,014
Farmer Mac	99,726	-	99,726
Federal Home Loan Bank	98,993	-	98,993
Federal Home Loan Mortgage Corporation	81,174	-	81,174
Federal Farm Credit Bureau	78,185	-	78,185
United State Treasury Notes	75,885	-	75,885
United State Treasury Bills	10,828	-	10,828
<b>Total Investments</b>	<b>\$ 550,805</b>	<b>\$ -</b>	<b>\$ 550,805</b>

As of December 31, 2017 the Commission's investments had the following recurring fair value measurements (in thousands):

Investment Type	2017	Level 1	Level 2
Federal National Mortgage Association	\$ 109,623	\$ -	\$ 109,623
Federal Farm Credit Bureau	78,741	-	78,741
Federal Home Loan Mortgage Corporation	39,701	-	39,701
Federal Home Loan Bank	9,752	-	9,752
United State Treasury Notes	7,393	-	7,393
<b>Total Investments</b>	<b>\$ 245,210</b>	<b>\$ -</b>	<b>\$ 245,210</b>

Investments in STAR Ohio of \$365,421,000 in 2018 and \$78,376,000 in 2017 are valued at amortized cost, which approximates fair value.

The U.S. Instrumentalities of \$550,805,000 in 2018 and \$245,210,000 in 2017 are valued using a matrix pricing model technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

None of the securities with maturities between one and five years are callable within one year from December 31, 2018. Federal Farm Credit Bureau securities totaling \$46,488,000, Federal National Mortgage Association securities totaling \$99,640,000, Federal Home Loan Mortgage Corporation securities totaling \$1,129,000, and Federal Home Loan Bank securities totaling \$17,941,000 with maturities between one and five years, are callable within one year from December 31, 2017.

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting exposure to fair value losses arising from rising interest rates, the Commission's Investment Policy provides that selection of investment maturities be consistent with projected cash requirements and the objective of avoiding the forced sale of securities prior to maturity. In addition, the Commission's Investment Policy and Ohio law prescribe that all Commission investments mature within five years of purchase, unless the investment is matched to a specific obligation or debt of the Commission.

As of December 31, 2018, the Commission's investment balances (in thousands) and maturities, excluding call provisions, were as follows:

Investment Type	Fair Value	Maturities (in Years)	
		Less than 1	1-5
STAR Ohio*	\$ 365,421	\$ 365,421	\$ -
Federal National Mortgage Association	106,014	81,334	24,680
Farmer Mac	99,726	49,831	49,895
Federal Home Loan Bank	98,993	50,004	48,989
Federal Home Loan Mortgage Corporation	81,174	31,420	49,754
Federal Farm Credit Bureau	78,185	78,185	-
United States Treasury Notes	75,885	75,885	-
Demand Deposit Accounts*	56,289	56,289	-
United States Treasury Bills	10,828	10,828	-
Money Market Mutual Funds*	1,314	1,314	-
<b>Total Investments</b>	<b>\$ 973,829</b>	<b>\$ 800,511</b>	<b>\$ 173,318</b>

\* Valued at amortized cost

As of December 31, 2017, the Commission's investment balances (in thousands) and maturities, excluding call provisions, were as follows:

Investment Type	Fair Value	Maturities (in Years)	
		Less than 1	1-5
Demand Deposit Accounts*	\$ 112,746	\$ 112,746	\$ -
Federal National Mortgage Association	109,623	9,983	99,640
Federal Farm Credit Bureau	78,741	32,253	46,488
STAR Ohio*	78,376	78,376	-
Federal Home Loan Bank	39,701	21,760	17,941
Federal Home Loan Mortgage Corporation	9,752	8,623	1,129
United States Treasury Notes	7,393	7,393	-
Money Market Mutual Funds*	1,245	1,245	-
<b>Total Investments</b>	<b>\$ 437,577</b>	<b>\$ 272,379</b>	<b>\$ 165,198</b>

\* Valued at amortized cost

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission's Investment Policy authorizes investments in obligations of the U.S. Treasury, U.S. agencies and instrumentalities, certificates of deposit, STAR Ohio, money market mutual funds, repurchase agreements and General Obligations of the State of Ohio rated AA or higher by a rating service. As of the Statements of Net Position dates, STAR Ohio, as well as the money market mutual funds in which the Commission had investments, were rated AAAM by Standard & Poor's.

### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty to a transaction, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission's Investment Policy requires that all deposits be secured by collateral held in safekeeping for the benefit of the Commission by a Federal Reserve Bank. The Commission's Investment Policy also requires that, excluding Debt Service Fund investments, all U.S. Treasury Obligations, U.S. Agency Obligations, U.S. Instrumentality Obligations, and General Obligations of the State of Ohio purchased by the Commission be held in third-party safekeeping for the benefit of the Commission at a bank or savings and loan association that is eligible to be a depository of public moneys under Section 135.04 of the Ohio Revised Code and that is also authorized under Ohio law to act as trustee for the safekeeping of securities.

On December 31, 2018, all Commission deposits and investments in demand deposit accounts were secured in the Ohio Pooled Collateral System. On December 31, 2017, all Commission deposits and investments in demand deposit accounts were fully secured by collateral held in joint custody accounts in the name of the Ohio Turnpike and Infrastructure Commission and the pledging financial institution at the Federal Reserve Bank of Boston, Massachusetts. Excluding Debt Service Fund investments, all U.S. Instrumentality Obligations held by the Commission were held in safekeeping for the benefit of the Commission by the Trust Department at Key Bank, Cleveland, Ohio as of December 31, 2018 and the Trust Department at Fifth Third Bank, Cincinnati, Ohio as of December 31, 2017. As of December 31, 2018 and December 31, 2017, Debt Service Fund investments in U.S. instrumentality securities with fair values totaling \$238,460,000 and \$186,392,000, respectively, were 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 as amended and supplemented, see Note 6. Assets held by the Trustee as a custodial agent are considered legally separate from the other assets of The Huntington National Bank.

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The Commission's Investment Policy provides that 100 percent of its average monthly portfolio may be invested in U.S. Treasury Obligations, fixed-rate non-callable U.S. Agency or Instrumentality Obligations, or collateralized overnight repurchase agreements. The Investment Policy further provides that a maximum of 50 percent of its average monthly portfolio may be invested in callable U.S. Agency or Instrumentality Obligations, STAR Ohio or certificates of deposit. The Investment Policy also provides that a maximum of 25 percent of its average monthly portfolio may be invested in variable-rate U.S. Agency or Instrumentality Obligations, uncollateralized repurchase agreements, general obligations of the State of Ohio and money market mutual funds. As of December 31, 2018, more than five percent of the Commission's portfolio was invested in demand deposit accounts and STAR Ohio as well as each of the following U.S. instrumentalities: Federal National Mortgage Association, Farmer Mac, Federal Farm Credit Bureau, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, United States Treasury Notes. As of December 31, 2017, more than five percent of the Commission's portfolio was invested in demand deposit accounts and STAR Ohio as well as each of the following U.S. instrumentalities: Federal National Mortgage Association, Federal Farm Credit Bureau, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, United States Treasury Notes.

## (3) ACCOUNTS RECEIVABLE

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

	2018	2017
Tolls	\$ 16,051	\$ 15,433
Concessions	1,603	1,536
Fuel Tax Receivable	571	527
Other	911	1,599
Less: Allowance for Doubtful Accounts	(142)	(548)
<b>Total Accounts Receivable</b>	<b>\$ 18,994</b>	<b>\$ 18,547</b>

#### (4) CAPITAL ASSETS

Capital asset activity (in thousands) for the years ended December 31, 2018 and 2017 was as follows:

	Balance 12/31/17	Increases	Decreases	Balance 12/31/18
Capital Assets Not Being Depreciated:				
Land	\$ 38,211	\$ -	\$ -	\$ 38,211
Construction In Progress	23,464	109,542	(102,549)	30,457
Total Capital Assets Not Being Depreciated	61,675	109,542	(102,549)	68,668
Other Capital Assets:				
Roadway and Structures	1,884,643	96,995	(37,338)	1,944,300
Buildings and Improvements	516,982	3,007	(298)	519,691
Machinery and Equipment	91,901	5,917	(4,453)	93,365
Total Other Capital Assets at Historical Cost	2,493,526	105,919	(42,089)	2,557,356
Less Accumulated Depreciation for:				
Roadway and Structures	(799,071)	(57,723)	37,220	(819,574)
Buildings and Improvements	(206,392)	(15,985)	128	(222,249)
Machinery and Equipment	(70,292)	(6,942)	4,357	(72,877)
Total Accumulated Depreciation	(1,075,755)	(80,650)	41,705	(1,114,700)
Other Capital Assets, Net	1,417,771	25,269	(384)	1,442,656
<b>Total Capital Assets, Net</b>	<b>\$ 1,479,446</b>	<b>\$ 134,811</b>	<b>\$ (102,933)</b>	<b>\$ 1,511,324</b>

	Balance 12/31/16	Increases	Decreases	Balance 12/31/17
Capital Assets Not Being Depreciated:				
Land	\$ 38,211	\$ -	\$ -	\$ 38,211
Construction In Progress	18,161	92,328	(87,025)	23,464
Total Capital Assets Not Being Depreciated	56,372	92,328	(87,025)	61,675
Other Capital Assets:				
Roadway and Structures	1,898,768	81,299	(95,424)	1,884,643
Buildings and Improvements	512,137	5,096	(251)	516,982
Machinery and Equipment	88,921	5,986	(3,006)	91,901
Total Other Capital Assets at Historical Cost	2,499,826	92,381	(98,681)	2,493,526
Less Accumulated Depreciation for:				
Roadway and Structures	(838,529)	(52,249)	91,707	(799,071)
Buildings and Improvements	(190,893)	(15,750)	251	(206,392)
Machinery and Equipment	(65,172)	(8,096)	2,976	(70,292)
Total Accumulated Depreciation	(1,094,594)	(76,095)	94,934	(1,075,755)
Other Capital Assets, Net	1,405,232	16,286	(3,747)	1,417,771
<b>Total Capital Assets, Net</b>	<b>\$ 1,461,604</b>	<b>\$ 108,614</b>	<b>\$ (90,772)</b>	<b>\$ 1,479,446</b>

## (5) DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The composition of deferred outflows of resources (in thousands) as of December 31, is summarized as follows:

	<u>2018</u>	<u>2017</u>
Unamortized Refunding Gains/Losses	\$ 15,198	\$ 17,186
Deferred Pension Outflows of Resources	15,341	36,354
Deferred OPEB Outflows of Resources	3,021	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 33,560</b>	<b>\$ 53,540</b>

The composition of deferred inflows of resources (in thousands) as of December 31, is summarized as follows:

	<u>2018</u>	<u>2017</u>
Deferred Pension Inflows of Resources	\$ 16,661	\$ 896
Deferred OPEB Inflows of Resources	3,059	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 19,720</b>	<b>\$ 896</b>

## (6) LONG-TERM OBLIGATIONS

In accordance with Ohio law and the Commission's Amended and Restated Master Trust Agreement ("Senior Lien Trust Agreement"), dated April 8, 2013, as amended by the Nineteenth through Twenty-second Supplemental Trust Agreements, and the Junior Lien Master Trust Agreement ("Junior Lien Trust Agreement"), dated August 1, 2013, as amended by the First and Second supplemental Junior Lien Trust Agreements (collectively, the "Trust Agreements") the Commission has issued revenue bonds payable solely from the Commission's System Pledged Revenues, as defined by the Trust Agreements. The bond proceeds have been used to either help fund the purchase or construction of capital assets, to refund other Turnpike revenue bonds or to fund infrastructure projects constructed by ODOT. Gross Pledged Revenues include tolls, special toll permits, certain realized investment earnings, appropriations from ODOT (if any), and revenue derived from leases, licenses, royalties, advertising, miscellaneous sales, fees, charges and certain concession revenues. 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 nor the State of Ohio is pledged for the payment of the bonds.

Under the terms of the Trust Agreements, 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) composite annual debt service on its outstanding bonds.

The Commission also covenants that its System Pledged Revenues (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) will equal at least 120 percent of the composite annual net debt service on its outstanding bonds. The Commission also covenants that its System Pledged Revenues during the fiscal year immediately preceding the issuance of additional senior lien bonds, or during any 12 consecutive calendar months selected by the Commission out of the 15 consecutive calendar months immediately preceding such issuance, will equal at least 150 percent of the maximum annual debt service on its senior lien bonds then outstanding and the senior lien bonds proposed to be issued. The Commission also covenants that, based on reasonable assumptions, its System Pledged Revenues are projected to be at least 150 percent of composite annual debt service for the then current year and each successive year during which the junior lien bonds then outstanding, the senior lien bonds then outstanding, the junior lien bonds proposed to be issued and any senior lien bonds then proposed to be issued will be outstanding.

The Commission also covenants that prior to reducing any toll rates on other than a temporary basis, it will engage the services of an independent consultant to estimate the Commission's Gross Pledged Revenues for each year during which Commission bonds are scheduled to be outstanding and, based on these estimated revenues, the Commission covenants that its System Pledged Revenues will equal at least 150 percent of its net composite annual debt service for each year during which Commission bonds are scheduled to be outstanding. The Commission has reviewed its bond covenants and determined that it is in compliance for 2018 and 2017.

In addition, the Commission has, by resolution, declared its intention as a matter of policy to use its best efforts to maintain a ratio of System Pledged Revenues to net senior lien debt service of at least 200 percent. Other than in connection with the issuance of additional bonds or the implementation of a toll reduction on other than a temporary basis, 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.

The Senior Lien Trust Agreement requires the Commission to establish and maintain a Debt Service Reserve Account ("DSRA") equal to the maximum annual debt service on its outstanding senior lien bonds. The senior lien DSRA may be funded either with cash or one or more Reserve Account Credit Facilities obtained from an issuer that has been assigned one of the two highest ratings by at least two rating agencies. Due to the downgrade in the credit rating of the issuers of the Commission's Reserve Account Credit Facilities, the Commission has fully funded its DSRA with cash. Those funds were invested and are included in Investments, at Fair Value in restricted current assets.

The Junior Lien Trust Agreement requires the Commission to establish and maintain a DSRA equal to the average annual debt service on its outstanding junior lien bonds. The junior lien DSRA may be funded either with cash or one or more Reserve Account Credit Facilities obtained from an issuer that has been assigned one of the two highest ratings by at least two rating agencies. In connection with the issuance of its junior lien bonds, the Commission has deposited \$110,294,000 of junior lien bond proceeds into its junior lien DSRA, which is restricted for debt service. Those funds were invested and are included in Investments, at Fair Value in restricted current assets.

On February 15, 2018, the Commission issued \$73,880,000 par amount of State of Ohio Turnpike Revenue Bonds, 2018 Series A, pursuant to

to the Commission's Master Trust Agreement, as amended and supplemented, and the Twenty-Second Supplemental Trust Agreement dated February 15, 2018, for the purpose of funding Turnpike capital projects. On February 15, 2018, the Commission also issued \$425,965,000 par amount of State of Ohio Turnpike Junior Lien Revenue Bonds, 2018 Series A, pursuant to the Commission's Junior Lien Master Trust Agreement, as amended and supplemented, and the Second Supplemental Junior Lien Trust Agreement dated February 15, 2018, for the purpose of funding Infrastructure Projects.

On September 28, 2017, the Commission took advantage of favorable interest rates, and issued \$114,670,000 State of Ohio Turnpike Revenue Refunding Bonds, 2017 Series A, pursuant to the Commission's Master Trust Agreement, as amended and supplemented, and the Twenty-First Supplemental Trust Agreement dated September 1, 2017. The bonds were issued for the purpose of advance refunding \$17,020,000 of the outstanding 2009 Series A Bonds and \$109,640,000 of the outstanding 2010 Series A Bonds.

Proceeds of \$137,418,420 along with \$520,830 of debt service funds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As of September 28, 2017, the refunded 2009 Series A Bonds and the refunded 2010 Series A Bonds are considered defeased and the liability for these bonds has been removed from the Commission's financial statements.

The Commission decreased its total future debt service payments by \$18,791,016 as a result of the refunding. The Commission also incurred an economic gain (the difference between the present values of the old and new debt service payments) of \$16,202,071.

Changes in long-term obligations (in thousands) for 2018 and 2017 are as follows:

	Balance 12/31/17	Increases	Decreases	Balance 12/31/18	Amounts Due Within One Year
Revenue Bonds Payable:					
Principal Payable	\$ 1,558,812	\$ 522,209	\$ (34,775)	\$ 2,046,246	\$ 65,700
Unamortized Premiums - Net	50,622	66,757	(5,805)	111,574	–
Total Revenue Bonds Payable	1,609,434	588,966	(40,580)	2,157,820	65,700
Net Pension Liability	91,648	–	(31,961)	59,687	–
Net OPEB Liability	–	41,058	–	41,058	–
Compensated Absences	10,564	5,739	(5,712)	10,591	4,805
Claims and Judgments	2,241	11,641	(12,024)	1,858	1,390
Contamination Remediation	1,225	1,902	(132)	2,995	2,914
<b>Totals</b>	<b>\$ 1,715,112</b>	<b>\$ 649,306</b>	<b>\$ (90,409)</b>	<b>\$ 2,274,009</b>	<b>\$ 74,809</b>
	Balance 12/31/16	Increases	Decreases	Balance 12/31/17	Amounts Due Within One Year
Revenue Bonds Payable:					
Principal Payable	\$ 1,582,237	\$ 135,755	\$ (159,180)	\$ 1,558,812	\$ 34,775
Unamortized Premiums - Net	38,772	22,748	(10,898)	50,622	–
Total Revenue Bonds Payable	1,621,009	158,503	(170,078)	1,609,434	34,775
Net Pension Liability	67,956	23,692	–	91,648	–
Compensated Absences	10,424	5,886	(5,746)	10,564	4,896
Claims and Judgments	1,798	13,571	(13,128)	2,241	1,569
Contamination Remediation	1,395	134	(304)	1,225	783
<b>Totals</b>	<b>\$ 1,702,582</b>	<b>\$ 201,786</b>	<b>\$ (189,256)</b>	<b>\$ 1,715,112</b>	<b>\$ 42,023</b>

Revenue bonds, payable (in thousands) as of December 31, 2018, are summarized as follows:

	Original Amount	Average Yield	Bonds Payable
<b>Senior Lien Debt</b>			
1998 Series A:			
Serial Bonds maturing through 2021	\$ 168,180		\$ 71,640
Term Bonds due 2024 and 2026	130,395		130,395
Total 1998 Series A	298,575	4.86%	202,035
2009 Series A:			
Serial Bonds maturing through 2024	137,205	4.79%	34,135
2010 Series A:			
Serial Bonds maturing 2021	93,920		2,295
Term Bonds due 2031	37,370		19,355
	131,290	4.07%	21,650
2013 Series A:			
Term Bonds due 2048	73,495	4.95%	73,495
2017 Series A:			
Serial Bonds maturing through 2031	114,670	1.85%	114,145
2018 Series A:			
Serial Bonds maturing through 2046	73,880	3.92%	73,880
Total Senior Lien Principal Issued/Outstanding	829,115	3.51%	519,340
	Original Amount	Average Yield	Bonds Payable
<b>Junior Lien Debt</b>			
2013 Series A:			
Serial Bonds maturing 2019 through 2033	256,195		256,195
Term Bonds due 2039	113,075		113,075
Term Bonds due 2048	340,000		340,000
Capital Appreciation Bonds maturing 2036 through 2043	140,543		195,125
Convertible Capital Appreciation Bonds maturing 2034 through 2036	145,000		196,546
	994,813	5.47%	1,100,941
2018 Series A:			
Serial Bonds maturing through 2046	425,965	3.56%	425,965
Total Junior Lien Principal Issued/Outstanding	1,420,778	5.02%	1,526,906
Total Principal Issued/Outstanding	\$ 2,249,893	4.84%	\$ 2,046,246

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

Year	Principal	Interest	Total
2019	\$ 65,700	\$ 80,911	\$ 146,611
2020	29,750	78,431	108,181
2021	36,675	76,669	113,344
2022	41,545	74,745	116,290
2023	47,655	79,650	127,305
2024 - 2028	272,065	392,758	664,823
2029 - 2033	423,380	308,769	732,149
2034 - 2038	358,167	411,564	769,731
2039 - 2043	297,209	467,355	764,564
2044 - 2048	474,100	58,177	532,277
<b>Totals</b>	<b>\$ 2,046,246</b>	<b>\$ 2,029,029</b>	<b>\$ 4,075,275</b>

### **Pollution Remediation Obligation**

The Commission has recorded a liability for pollution (including contamination) remediation obligations, which are obligations to address current or potential detrimental effects of existing pollution by participating in remediation activities such as site assessments and cleanups. The liability includes estimated contamination remediation costs to collect and dispose of slag leachate as required by the Ohio Environmental Protection Agency estimated at \$1,942,000 and \$305,000 as of December 31, 2018 and 2017, respectively and estimated contamination remediation costs to remediate soil and underground water contamination from underground petroleum storage tanks as required by the Ohio Bureau of Underground Storage Tank Regulations of \$1,053,000 and \$920,000 as of December 31, 2018 and 2017, respectively. The liability was estimated using the expected cash flow technique. The pollution remediation obligation is an estimate and is subject to changes resulting from price increases or decreases, technology, or changes in applicable laws or regulations.

## **(7) COMMITMENTS AND CONTINGENCIES**

### **Commitments**

The Commission has commitments as of December 31, 2018 and 2017 of approximately \$93,845,000 and \$17,514,000, respectively for capital projects as well as 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 \$8,364,000 and \$5,753,000 as of December 31, 2018 and 2017, respectively.

### **Litigation**

The nature of the Commission's operations sometimes subjects the Commission to litigation, typically from daily operations of vehicles, equipment and from customer incidents. 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, 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 429 full-time, nonsupervisory, field employees in the Commission's Toll Operations and Maintenance Departments, approximately 193 part-time, nonsupervisory, field employees in the Toll Operations Department and approximately nine full-time radio operators are represented by the Teamsters Local Union No. 436, affiliated with the International Brotherhood of Teamsters.

In May 2017, the Commission ratified a three-year collective bargaining agreement with the full-time employees that is effective for the period January 1, 2017 through December 31, 2019. The agreement includes annual wage increases of 2 percent effective January 1, 2017, January 14, 2018 and January 13, 2019 for full-time employees. The Commission also has reached an agreement with the part-time employees for the same time period of January 1, 2017 through December 31, 2019 which also includes annual wage increases of 2 percent effective January 1, 2017, January 14, 2018 and January 13, 2019. The Commission also has reached an agreement with the radio operator employees for the same time period of January 1, 2017 through December 31, 2019 which includes annual wage increases of 3 percent effective January 1, 2017, December 17, 2017 and January 13, 2019.

## **(8) PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS (OPEB) PLANS**

### **Plan Description**

The Commission participates in the Ohio Public Employees Retirement System (OPERS), statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the Ohio Revised Code (ORC) that covers substantially all employees of the Commission. The system provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The system also provides post-employment health care benefits (including Medicare B premiums) to retirees and beneficiaries who elect to receive those benefits.

OPERS administers three separate pension plans as follows:

- 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 percent per year). Under the MD Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
- C) The Combined Plan ("CO") – a cost-sharing, multiple-employer defined benefit pension plan. Under the CO Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, 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 ("ORC"). The OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, making a written request to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

### Pension Benefits

Plan benefits are established under Chapter 145 of the ORC, as amended by Substitute Senate Bill 343 in 2012. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Members eligible to retire under the law in effect prior to Senate Bill 343 or who will be eligible to retire no later than five years after January 7, 2013, comprise Transition Group A. Members with 20 years of service credit prior to January 7, 2013, or who will be eligible to retire no later than 10 years after January 7, 2013, are included in Transition Group B. Those members who are not in Group A or B or were hired after January 7, 2013, are in Transition Group C. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by Senate Bill 343.

Group A	Group B	Group C
<b>Age and Service Requirements:</b>		
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b>		
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

A plan member who becomes disabled before age 60 or at any age, depending on when the member entered the plan, and has completed 60 contributing months is eligible for a disability benefit.

A death benefit of \$500 to \$2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan obtained within the last 2.5 years, except for law enforcement and public safety personnel who are eligible immediately upon employment.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance after the employee's retirement date. Retirement benefits for the defined benefit portion of the plan increase three percent annually of the original base amount regardless of changes in the Consumer Price Index, for those who retired prior to January 7, 2013. For those retiring after January 7, 2013, beginning in calendar year 2019, the increase will be based on the average increase in the Consumer Price Index.

### OPEB Benefits

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health plan, which includes medical, prescription drug program, and Medicare Part B premium reimbursement, for qualifying members of both the traditional pension and the combined plans. Members of the member directed plan do not qualify for ancillary benefits, including postemployment healthcare coverage.

To qualify for postemployment health care coverage, age-and-service retirees under the Traditional and Combined plans must have 20 years of qualifying Ohio service credit with a minimum age of 60, or 30 or more years of qualifying service at any age. Healthcare coverage for disability recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an OPEB as described in GASB Statement No. 75.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

### Contributions

State retirement law requires contributions by covered employees and their employers, and Chapter 3307 of the ORC limits the maximum rate of contributions. The retirement boards of the systems individually set contributions rates within the allowable limits. The adequacy of employer contribution rates is determined annually by actuarial valuation using the entry age normal cost method. Under these provisions, each employer's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Member contributions are 10 percent of gross wages for all plans, set at the maximums authorized by the ORC. The plans' 2018 and 2017 employer contribution rates on covered payroll are as follows:

	Pension	Post-retirement Health Care	Total
2018	14.00%	–%	14.00%
2017	13.00%	1.00%	14.00%

The Commission's contributions to the OPERS for the traditional and combined plans for the years ended December 31, 2018 and 2017 were \$7,300,000 and \$6,716,000, respectively, equal to 100 percent of the required contributions for each year. Contributions to the member-directed plan for 2018 were \$268,000 made by the Commission and \$191,000 made by plan members. The Commission's contributions to OPERS for the OPEB plan for the years ended December 31, 2018, 2017 and 2016 were \$0, \$537,000, and \$1,072,000, respectively, equal to 100 percent of the required contributions for each year. At December 31, 2018, there was \$992,000 in amounts due to OPERS for employee and employer contributions included in Accrued Wages and Benefits on the Statement of Net Position.

### Net Pension Liability and Pension Expense

The net pension asset/liability was measured as of December 31, 2017. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of December 31, 2017. The Commission's proportion of the net asset/liability is based on the Commission's share of contributions to the plan as compared to the total contributions of employers and all non-employer contributing entities.

At December 31, 2018 the Commission reported the following information related to the proportionate share of the net pension liability and pension expense:

	<u>Traditional Plan</u>	<u>Combined Plan</u>
Proportionate Share of the Net Pension Liability	0.380459%	0.334825%
Proportion of the Net Liability (Asset)	\$ 59,687,000	\$ (468,000)
Pension Expense	\$ 11,811,000	\$ 76,000

At December 31, 2017 the Commission reported the following information related to the proportionate share of the net pension liability and pension expense:

	<u>Traditional Plan</u>	<u>Combined Plan</u>
Proportionate Share of the Net Pension Liability	0.403586%	0.364018%
Proportion of the Net Liability (Asset)	\$ 91,648,000	\$ (204,000)
Pension Expense	\$ 19,693,000	\$ 147,000

### Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the Commission reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Outflows of Resources</b>	<u>Traditional Plan</u>	<u>Combined Plan</u>	<u>Total</u>
Difference between Expected and Actual Experience	\$ 61,000	\$ 24,000	\$ 85,000
Change in Assumptions	7,133,000	41,000	7,174,000
Change in Employer's Proportionate Share	498,000	16,000	514,000
Contributions subsequent to the Measurement Date	7,106,000	462,000	7,568,000
<b>Total</b>	<b>\$ 14,798,000</b>	<b>\$ 543,000</b>	<b>\$ 15,341,000</b>

<b>Deferred Inflows of Resources</b>	<u>Traditional Plan</u>	<u>Combined Plan</u>	<u>Total</u>
Difference between Expected and Actual Experience	\$ 1,176,000	\$ 136,000	\$ 1,312,000
Net Difference between Projected and Actual Earnings on Pension Plan Investments	12,814,000	75,000	12,889,000
Change in Employer's Proportionate Share	2,459,000	1,000	2,460,000
	<b>\$ 16,449,000</b>	<b>\$ 212,000</b>	<b>\$ 16,661,000</b>

At December 31, 2017, the Commission reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Outflows of Resources</b>	<u>Traditional Plan</u>	<u>Combined Plan</u>	<u>Total</u>
Difference between Expected and Actual Experience	\$ 125,000	\$ -	\$ 125,000
Change in Assumptions	14,538,000	49,000	14,587,000
Net Difference between Projected and Actual Earnings on Pension Plan Investments	13,650,000	49,000	13,699,000
Change in Employer's Proportionate Share	956,000	3,000	959,000
Contributions subsequent to the Measurement Date	6,805,000	179,000	6,984,000
<b>Total</b>	<b>\$ 36,074,000</b>	<b>\$ 280,000</b>	<b>\$ 36,354,000</b>

<b>Deferred Inflows of Resources</b>	<u>Traditional Plan</u>	<u>Combined Plan</u>	<u>Total</u>
Difference between Expected and Actual Experience	\$ 531,000	\$ 104,000	\$ 635,000
Change in Employer's Proportionate Share	261,000	-	261,000
	<b>\$ 792,000</b>	<b>\$ 104,000</b>	<b>\$ 896,000</b>

Deferred Outflows of Resources of \$7,568,000 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>December 31:</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
2019	\$ 4,528,000	\$ (18,000)
2020	(2,378,000)	(20,000)
2021	(5,643,000)	(37,000)
2022	(5,265,000)	(35,000)
2023	-	(9,000)
Thereafter	-	(11,000)
	<u>\$ (8,758,000)</u>	<u>\$ (130,000)</u>

### Net OPEB Liability, Deferrals, and OPEB Expense

The net OPEB liability was measured as of December 31, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. The Commission's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

At December 31, 2018 the Commission reported the following information related to the proportionate share of the net OPEB liability:

Proportionate Share of the Net OPEB Liability	0.378091%
Net OPEB Liability	\$ 41,058,000

For the year ended December 31, 2018, the Commission recognized OPEB expense of \$3,444,000. At December 31, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 32,000	\$ -
Change in Assumptions	2,989,000	-
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	3,059,000
<b>Total</b>	<u>\$ 3,021,000</u>	<u>\$ 3,059,000</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended</u> <u>December 31:</u>	<u>Traditional Plan</u>
2019	\$ 680,000
2020	680,000
2021	(633,000)
2022	(765,000)
2023	-
Thereafter	-
	<u>\$ (38,000)</u>

### Actuarial Assumptions

The total pension liability and OPEB liability is based on the results of an actuarial valuation determined using the following actuarial assumptions for 2017, applied to all periods included in the measurement on December 31, 2018:

	<u>Traditional Plan</u>	<u>Combined Plan</u>
Wage Inflation	3.25%	3.25%
Salary Increases (includes Wage Inflation)	3.25% – 10.75%	3.25% – 8.25%
Investment Rate of Return-Pension	7.50%	7.50%
Investment Rate of Return-OPEB	6.50%	6.50%
COLA	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple
Health Care Cost Trend Rates	7.50% initial, 3.25% ultimate in 2028	7.50% initial, 3.25% ultimate in 2028
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Valuation Date – Pension	December 31, 2017	December 31, 2017
Valuation Date – OPEB	December 31, 2016	December 31, 2016

The following are the actuarial assumptions for 2016, applied to all periods included in the measurement on December 31, 2017:

	<u>Traditional Plan</u>	<u>Combined Plan</u>
Wage Inflation	3.25%	3.25%
Salary Increases (includes Wage Inflation)	3.25% – 10.75%	3.25% – 8.25%
Investment Rate of Return	7.50%	7.50%
COLA	3.00%	3.00%
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Valuation Date	December 31, 2016	December 31, 2016

For both tables, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For disabled retirees, mortality rates are based on the PR-2014 Disabled mortality table. The Healthy Annuitant Mortality tables were adjusted for mortality improvements back to the observation period base year of 2006, and then established the base year as 2010 for females, and 2015 for males.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted in 2016, for the five-year period 2011 through 2015.

### Discount Rate

The discount rates used to measure the total pension liabilities at December 31, 2018 and 2017 were 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan's fiduciary net position were projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total OPEB liability at December 31, 2018 was 3.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments for current active and inactive employees for OPERS. Therefore, a blended rate was used, which consisted of the long-term expected rate of return on OPEB plan investments for the funded benefit payments and a 20-year municipal bond rate applied to the unfunded benefit payment period to determine the total OPEB liability.

### Projected Cash Flows

The long term expected rate of return on pension plan and OPEB plan investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for the year ended December 31, 2018 in the following table:

	<u>Defined Benefit Portfolio</u>		<u>Health Care Portfolio</u>	
	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	23.00%	2.20%	34.00%	1.88%
Domestic Equity	20.70%	6.37%	21.00%	6.37%
Real Estate	10.00%	5.26%	0.00%	0.00%
Private Equity	10.00%	8.97%	0.00%	0.00%
International Equities	18.30%	7.88%	22.00%	7.88%
REIT's	0.00%	0.00%	6.00%	5.91%
Other Investments	18.00%	5.26%	17.00%	5.39%
<b>Total</b>	<b>100.00%</b>	<b>5.66%</b>	<b>100.00%</b>	<b>4.98%</b>

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for the year ended December 31, 2017 in the following table:

	Defined Benefit Portfolio	
	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	23.00%	2.75%
Domestic Equity	20.70%	6.34%
Real Estate	10.00%	4.75%
Private Equity	10.00%	8.97%
International Equities	18.30%	7.95%
Other Investments	18.00%	4.92%
<b>Total</b>	<b>100.00%</b>	<b>5.66%</b>

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Commission, calculated using the discount rate listed below, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
<b>2018</b>			
Net Pension Liability Traditional	\$ 105,988,000	\$ 59,687,000	\$ 21,085,000
Net Pension Liability (Asset) Combined	\$ (255,000)	\$ (468,000)	\$ (617,000)
	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
<b>2017</b>			
Net Pension Liability Traditional	\$ 140,012,000	\$ 91,648,000	\$ 51,344,000
Net Pension Liability (Asset) Combined	\$ 15,000	\$ (204,000)	\$ (371,000)

### Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the Commission for the year ended December 31, 2018, calculated using the discount rate listed below, as well as what the Commission's net OPEB liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
Net OPEB Liability	\$ 54,547,000	\$ 41,058,000	\$ 30,145,000

### Sensitivity of the net OPEB liability to changes in the health care cost trend rate

The following presents the net OPEB liability of the Commission, calculated using the healthcare cost trend rate listed below, as well as what the Commission's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	\$ 39,284,000	\$ 41,058,000	\$ 42,891,000

### Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued OPERS financial report. You may obtain a copy of their report by visiting the OPERS Web site at <https://www.opers.org/financial/report.shtml>.

## (9) PAYMENTS FOR STATE INFRASTRUCTURE PROJECTS

On April 1, 2013, Ohio Governor John Kasich signed Am. Sub. H.B. 51 (H.B. 51) into law, creating a "public-public" partnership between the Commission and the Ohio Department of Transportation ("ODOT"). Effective July 1, 2013, H.B. 51 authorized the Commission to issue Turnpike Revenue Bonds as a means of funding certain transportation infrastructure projects ("Infrastructure Projects") as defined under Chapter 5537 of the Ohio Revised Code. H.B. 51 was enacted by the Ohio General Assembly to implement the Ohio Jobs and Transportation Plan proposed by Governor Kasich to address a significant funding shortfall announced by ODOT in January 2012 that would have required postponement of significant Ohio transportation projects. The plan contemplates the issuance of a total of \$1.5 billion of Turnpike revenue bonds for transportation

projects between 2013 and 2018. Under H.B. 51, the Director of ODOT can apply to the Commission for funding for Infrastructure Projects provided those projects: 1) have been approved by the Transportation Review Advisory Council ("TRAC") that oversees a project selection process for major new transportation projects and; 2) have a "nexus" to the Turnpike System.

On July 15, 2013, the Commission's Board approved the issuance of the 2013 Junior Lien Bonds in order to fund \$930 million in Infrastructure Projects. In August 2013, the Director of ODOT submitted funding requests for Infrastructure Projects to the Commission for consideration and, on September 16, 2013, the Commission's Board approved the funding of a list of Infrastructure Projects totaling \$930 million. Through December 31, 2018, ODOT has expended \$920,692,000 on Infrastructure Projects and the Commission has reimbursed ODOT \$916,485,000 for ODOT's expenditures on these projects. It is anticipated that the entire \$930 million in 2013 Junior Lien Bond Proceeds will be paid to ODOT by the end of 2019. The status of the funding (in thousands) of each infrastructure project as of December 31, 2018 is as follows:

County	Project	Approved Amount	Amount Expended by ODOT	Infrastructure Funds Paid to ODOT
Cuyahoga	I-90 Innerbelt Bridge	\$ 275,020	\$ 273,487	\$ 273,471
Cuyahoga	Opportunity Corridor	14,000	13,527	13,527
Erie	US 250 Widening	14,000	14,000	14,000
Hancock/Wood	I-75 Widening	283,280	280,104	279,980
Lorain	SR 57	16,500	16,500	16,500
Lucas	I-75 and I-475 Interchange	122,200	121,342	117,321
Lucas	I-475 and Rt 20 Interchange	27,500	25,478	25,432
Lucas	I-75 Widening	63,000	63,000	63,000
Mahoning/Trumbull	I-80 Widening	65,500	65,500	65,500
Summit	I-271 Widening	49,000	47,754	47,754
		<b>\$ 930,000</b>	<b>\$ 920,692</b>	<b>\$ 916,485</b>

In late 2017, ODOT submitted funding requests for two additional projects on I-75 in Lucas and Wood Counties, which, on December 18, 2017, the Commission determined have the proper nexus for funding with Infrastructure funds. On February 15, 2018, the Commission issued 2018 Junior Lien Bonds that generated proceeds of \$450 million in order to fund these two projects along with the Opportunity Corridor project in Cuyahoga County. The status of the funding (in thousands) of each of these infrastructure projects as of December 31, 2018 is as follows:

County	Project	Approved Amount	Amount Expended by ODOT	Infrastructure Funds Paid to ODOT
Wood/Lucas	I-75 Reconstruction	\$ 90,000	\$ -	\$ -
Lucas	I-75 Reconstruction	160,000	8,524	6,370
Cuyahoga	Opportunity Corridor	200,000	9,684	7,324
		<b>\$ 450,000</b>	<b>\$ 18,208</b>	<b>\$ 13,694</b>

## (10) 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 \$250,000 per covered person per contract year. Employee health benefits are not subject to any lifetime maximum benefit payments.

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, net of any subrogation recoveries from third parties, including specific incremental claim adjustment expenses.

"Claims and Judgments" as of December 31 of each year in the accompanying Statements of Net Position are comprised of the estimated liability for workers' compensation claims, the estimated liability for employee health claims, and the estimated liability for miscellaneous claims and judgments. The Commission is unaware of any unaccrued vehicle damage or unasserted workers' compensation claims as of December 31, 2018.

Claims and Judgments (in thousands) for the years ended December 31, are as follows:

	<u>2018</u>	<u>2017</u>
Workers' compensation claims	\$ 816	\$ 1,106
Employee health claims	1,002	1,078
Miscellaneous claims and judgments	40	57
<b>Total</b>	<b>\$ 1,858</b>	<b>\$ 2,241</b>

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

	<b>Estimated Claims Payable - Beginning of Year</b>	<b>Current Claims</b>	<b>Claims Payments</b>	<b>Estimated Claims Payable - End of Year</b>
2018	\$ 2,241	\$ 11,773	\$ 12,156	\$ 1,858
2017	\$ 1,798	\$ 13,571	\$ 13,128	\$ 2,241
2016	\$ 1,447	\$ 12,695	\$ 12,344	\$ 1,798

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. 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.

## Required Supplementary Information

### Schedule of Net Pension Liability Last Four Fiscal Years\*

Ohio Public Employees Retirement System As of the Current Measurement Date (Dollars in Thousands)

	2017	2016	2015	2014
<b>Employer's Proportion of the Collective Net Pension Asset / Liability</b>				
Traditional Plan	0.380459%	0.403586%	0.392329%	0.398393%
Combined Plan	0.334825%	0.364018%	0.365870%	0.373154%
<b>Employer's Proportionate Share of the Collective Net Pension Asset / (Liability)</b>				
Traditional Plan	\$ (59,687)	\$ (91,648)	\$ (67,956)	\$ (48,051)
Combined Plan	\$ 468	\$ 204	\$ 178	\$ 143
<b>Employer's Covered Payroll</b>				
Traditional Plan	\$ 50,288	\$ 52,172	\$ 48,829	\$ 48,843
Combined Plan	\$ 1,371	\$ 1,417	\$ 1,332	\$ 1,242
<b>Employer's Proportionate Share of the Collective Net Pension Liability / (Asset) as a percentage of the Employer's Covered Payroll</b>				
Traditional Plan	118.69%	175.67%	139.17%	98.38%
Combined Plan	(34.14)%	(14.40)%	(13.36)%	(11.51)%
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>				
Traditional Plan	84.66%	77.25%	81.08%	86.45%
Combined Plan	137.28%	116.55%	116.90%	114.83%

\* The amounts presented for the current calendar year were determined as of the previous calendar year-end. Information prior to 2014 is not available.

### Schedule of Net OPEB Liability As of the Current Measurement Date\*

Ohio Public Employees Retirement System (Dollars in Thousands)

	2017
Employer's Proportion of the Collective Net OPEB Liability	0.378091%
Employer's Proportionate Share of the Collective Net OPEB Liability	\$41,058
Employer's Covered Payroll	\$51,987
Employer's Proportionate Share of the Collective Net OPEB Liability as a percentage of the Employer's Covered Payroll	78.98%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%

\* The amounts presented for the current calendar year were determined as of the previous calendar year-end. Information prior to 2017 is not available.

### Schedule of Employer Pension Contributions Last Four Fiscal Years\*

Ohio Public Employees Retirement System (Dollars in Thousands)

	2018	2017	2016	2015
Statutory Required Employer Contribution	\$ 7,278	\$ 6,716	\$ 6,431	\$ 6,019
Actual Employer Contributions Received	7,278	6,716	6,431	6,019
Difference	\$ -	\$ -	\$ -	\$ -
Employer's Covered Payroll	\$ 51,987	\$ 51,659	\$ 53,589	\$ 50,161
Actual Employer Contributions Received as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%

\* Information prior to 2015 is not available.

### Schedule of Employer OPEB Contributions For the Current Fiscal Year\*

Ohio Public Employees Retirement System (Dollars in Thousands)

	2018
Statutory Required Employer Contribution	\$ -
Actual Employer Contributions Received	-
Difference	\$ -
Employer's Covered Payroll	\$ 51,987
Actual Employer Contributions Received as a Percentage of Covered Payroll	0.00%

\* Information prior to 2018 is not available.

#### Notes to required supplementary information:

##### Changes of benefit terms.

There were no changes in benefit terms affecting the OPERS plans for the plan years ended December 31, 2017 or December 31, 2016.

##### Changes of assumptions.

During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The wage inflation dropped from 3.75 percent to 3.25 percent. The projected salary increase range changed from 4.25-10.05 percent to 3.25-10.75 percent. The mortality tables used changed from RP-2000 to RP-2014.



## Ohio Turnpike and Infrastructure Commission

# 2018 Comprehensive Annual Financial Report STATISTICAL SECTION

The objective of the statistical section is to provide financial statement users with additional historical perspective, context, and detail to further their understanding and assessment of the Commission's economic condition. This additional information includes:

- › Financial trend detail intended to show changes in the Commission's financial position over time;
- › Revenue capacity detail intended to show factors affecting the Commission's ability to generate its own-source revenues;
- › Debt capacity detail intended to show the Commission's debt burden and its ability to issue additional debt;
- › Demographic and economic detail intended to 1) show the socioeconomic environment within which the Commission operates, and 2) provide information that facilitates comparisons of financial statement information over time and among governmental entities; and
- › Operating detail intended to provide contextual information about the Commission's operations, resources and economic condition.

**Statements of Net Position** Last Ten Fiscal Years (In Thousands)

	12/31/18	12/31/17	12/31/16
<b>Assets and Deferred Outflows of Resources</b>			
<b>Current Assets:</b>			
<b>Unrestricted Current Assets:</b>			
Cash and Investments, at Fair Value	\$ 258,048	\$ 192,939	\$ 168,882
Other	25,698	24,603	24,995
<b>Total Unrestricted Current Assets</b>	<b>283,746</b>	<b>217,542</b>	<b>193,877</b>
<b>Restricted Current Assets:</b>			
Cash and Investments, at Fair Value	111,454	69,299	83,820
Other	1,955	453	551
<b>Total Restricted Current Assets</b>	<b>113,409</b>	<b>69,752</b>	<b>84,371</b>
<b>Total Current Assets</b>	<b>397,155</b>	<b>287,294</b>	<b>278,248</b>
<b>Noncurrent Assets:</b>			
Restricted Cash and Investments, at Fair Value	607,592	177,255	284,135
Other	468	204	178
Capital Assets, Net	1,511,324	1,479,446	1,461,604
<b>Total Noncurrent Assets</b>	<b>2,119,384</b>	<b>1,656,905</b>	<b>1,745,917</b>
<b>Total Assets</b>	<b>2,516,539</b>	<b>1,944,199</b>	<b>2,024,165</b>
<b>Deferred Outflows of Resources</b>	<b>33,560</b>	<b>53,540</b>	<b>42,584</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 2,550,099</b>	<b>\$ 1,997,739</b>	<b>\$ 2,066,749</b>
<b>Liabilities and Net Position</b>			
<b>Current Liabilities:</b>			
<b>Current Liabilities Payable from Unrestricted Assets:</b>			
Accounts, Wages and Benefits Payable	\$ 19,336	\$ 18,630	\$ 17,410
Other	28,189	24,588	22,439
<b>Total Current Liabilities Payable from Unrestricted Assets</b>	<b>47,525</b>	<b>43,218</b>	<b>39,849</b>
<b>Current Liabilities Payable from Restricted Assets:</b>			
Wages and Benefits Payable and Retained Amounts	4,122	3,021	4,377
Infrastructure Funds Payable to Ohio Department of Transportation	8,721	8,354	22,195
Interest Payable	30,974	22,201	23,821
Bonds Payable	65,700	34,775	32,520
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>109,517</b>	<b>68,351</b>	<b>82,913</b>
<b>Total Current Liabilities</b>	<b>157,042</b>	<b>111,569</b>	<b>122,762</b>
<b>Noncurrent Liabilities:</b>			
Bonds Payable	2,092,120	1,574,659	1,588,489
Other	107,080	98,430	74,632
<b>Total Noncurrent Liabilities</b>	<b>2,199,200</b>	<b>1,673,089</b>	<b>1,663,121</b>
<b>Total Liabilities</b>	<b>2,356,242</b>	<b>1,784,658</b>	<b>1,785,883</b>
<b>Deferred Inflows of Resources</b>	<b>19,720</b>	<b>896</b>	<b>1,885</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,375,962</b>	<b>1,785,554</b>	<b>1,787,768</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	965,814	981,297	930,174
Restricted for Debt Service	210,083	172,358	170,287
Restricted for Capital Projects	8,720	-	-
Unrestricted	(1,010,480)	(941,470)	(821,480)
<b>Total Net Position</b>	<b>174,137</b>	<b>212,185</b>	<b>278,981</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 2,550,099</b>	<b>\$ 1,997,739</b>	<b>\$ 2,066,749</b>

	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11	12/31/10	12/31/09
	\$ 173,290	\$ 174,408	\$ 167,225	\$ 157,364	\$ 138,678	\$ 150,594	\$ 111,656
	24,986	23,002	20,292	22,000	21,721	19,925	19,018
	<b>198,276</b>	<b>197,410</b>	<b>187,517</b>	<b>179,364</b>	<b>160,399</b>	<b>170,519</b>	<b>130,674</b>
	85,380	75,205	57,594	38,493	43,212	40,123	38,790
	2,366	1,349	1,310	32	101	344	134
	<b>87,746</b>	<b>76,554</b>	<b>58,904</b>	<b>38,525</b>	<b>43,313</b>	<b>40,467</b>	<b>38,924</b>
	<b>286,022</b>	<b>273,964</b>	<b>246,421</b>	<b>217,889</b>	<b>203,712</b>	<b>210,986</b>	<b>169,598</b>
	564,336	870,981	1,072,531	6,269	–	–	–
	143	–	–	–	–	–	–
	1,407,745	1,371,393	1,343,471	1,306,929	1,276,325	1,234,535	1,233,289
	<b>1,972,224</b>	<b>2,242,374</b>	<b>2,416,002</b>	<b>1,313,198</b>	<b>1,276,325</b>	<b>1,234,535</b>	<b>1,233,289</b>
	<b>2,258,246</b>	<b>2,516,338</b>	<b>2,662,423</b>	<b>1,531,087</b>	<b>1,480,037</b>	<b>1,445,521</b>	<b>1,402,887</b>
	26,467	19,582	21,349	23,222	25,628	28,033	25,997
	<b>\$ 2,284,713</b>	<b>\$ 2,535,920</b>	<b>\$ 2,683,772</b>	<b>\$ 1,554,309</b>	<b>\$ 1,505,665</b>	<b>\$ 1,473,554</b>	<b>\$ 1,428,884</b>
	\$ 13,299	\$ 14,187	\$ 13,205	\$ 14,639	\$ 14,281	\$ 14,495	\$ 7,080
	18,551	16,657	15,126	15,006	15,364	14,104	11,669
	<b>31,850</b>	<b>30,844</b>	<b>28,331</b>	<b>29,645</b>	<b>29,645</b>	<b>28,599</b>	<b>18,749</b>
	3,305	1,603	4,526	1,921	3,339	2,554	3,016
	25,934	18,239	–	–	–	–	–
	24,389	24,971	25,460	11,049	11,468	10,162	12,252
	30,995	29,445	28,145	26,455	22,760	21,745	17,290
	<b>84,623</b>	<b>74,258</b>	<b>58,131</b>	<b>39,425</b>	<b>37,567</b>	<b>34,461</b>	<b>32,558</b>
	<b>116,473</b>	<b>105,102</b>	<b>86,462</b>	<b>69,070</b>	<b>67,212</b>	<b>63,060</b>	<b>51,307</b>
	1,603,914	1,618,950	1,633,508	570,672	599,982	625,596	645,577
	54,113	6,776	6,467	6,816	7,479	12,043	14,232
	<b>1,658,027</b>	<b>1,625,726</b>	<b>1,639,975</b>	<b>577,488</b>	<b>607,461</b>	<b>637,639</b>	<b>659,809</b>
	<b>1,774,500</b>	<b>1,730,828</b>	<b>1,726,437</b>	<b>646,558</b>	<b>674,673</b>	<b>700,699</b>	<b>711,116</b>
	888	–	–	–	–	–	–
	<b>1,775,388</b>	<b>1,730,828</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
	844,818	778,519	721,951	733,024	679,211	615,227	596,419
	169,117	167,668	166,196	31,823	28,524	27,666	23,655
	–	–	8,724	–	–	–	–
	(504,610)	(141,095)	60,464	142,904	123,257	129,962	97,694
	<b>509,325</b>	<b>805,092</b>	<b>957,335</b>	<b>907,751</b>	<b>830,992</b>	<b>772,855</b>	<b>717,768</b>
	<b>\$ 2,284,713</b>	<b>\$ 2,535,920</b>	<b>\$ 2,683,772</b>	<b>\$ 1,554,309</b>	<b>\$ 1,505,665</b>	<b>\$ 1,473,554</b>	<b>\$ 1,428,884</b>

## Revenues, Expenses and Changes in Net Position Last Ten Fiscal Years (In Thousands)

	2018	2017	2016
<b>Operating Revenues:</b>			
Tolls	\$ 306,040 <sup>(1)</sup>	\$ 295,799 <sup>(1)</sup>	\$ 288,439 <sup>(1)</sup>
Concessions	17,314	17,104	16,325
Special Toll Permits	3,529	3,423	3,427
Leases and Licenses	1,282	1,169	1,154
Other Revenues	4,884	4,412	3,822
<b>Total Operating Revenues</b>	<b>333,049</b>	<b>321,907</b>	<b>313,167</b>
<b>Operating Expenses:</b>			
Administration and Insurance	12,462	12,596	11,484
Maintenance of Roadway and Structures	42,791	43,872	39,596
Services and Toll Operations	58,451	61,433	55,383
Traffic Control, Safety, Patrol and Communications	13,634	13,718	14,487
Depreciation	80,650	76,095	71,663
<b>Total Operating Expenses</b>	<b>207,988</b>	<b>207,714</b>	<b>192,613</b>
<b>Operating Income</b>	<b>125,061</b>	<b>114,193</b>	<b>120,554</b>
<b>Nonoperating Revenues / (Expenses):</b>			
State Fuel Tax Allocation	3,459	3,023	2,834
Investment Income	16,709	4,657	4,617
(Loss) / Gain on Disposals / Write-Offs of Capital Assets	123	(3,413)	127
Ohio Department of Transportation Infrastructure Project Expense	(48,074)	(106,408)	(279,368)
Interest Expense	(97,675)	(78,848)	(79,108)
<b>Total Nonoperating Revenues / (Expenses)</b>	<b>(125,458)</b>	<b>(180,989)</b>	<b>(350,898)</b>
<b>(Decrease) / Increase in Net Position</b>	<b>(397)</b>	<b>(66,796)</b>	<b>(230,344)</b>
<b>Net Position -- Beginning of Year</b>	<b>212,185</b>	<b>278,981</b>	<b>509,325</b>
Cumulative effect of change in accounting principle	(37,651)	–	–
<b>Net Position -- Beginning of year, as Restated</b>	<b>174,534</b>	<b>278,981</b>	<b>509,325</b>
<b>Net Position -- End of Year</b>	<b>\$ 174,137</b>	<b>\$ 212,185</b>	<b>\$ 278,981</b>

Notes: (1) Toll rate increase of 2.7% annually effective January 1, 2014, 2015, 2016, 2017 and 2018.

(2) Toll rate increase of approximately 10% effective January 1, 2012.

	2015	2014	2013	2012	2011	2010	2009
	\$ 280,187 <sup>(1)</sup>	\$ 264,621 <sup>(1)</sup>	\$ 254,638	\$ 252,544 <sup>(2)</sup>	\$ 231,011	\$ 232,189	\$ 187,278
	16,120	15,078	14,088	12,984	14,017	13,670	13,616
	3,413	3,460	3,518	3,393	3,413	3,301	2,964
	1,031	1,085	1,091	1,077	1,062	941	995
	3,217	3,029	2,292	1,875	1,936	1,627	1,063
	<b>303,968</b>	<b>287,273</b>	<b>275,627</b>	<b>271,873</b>	<b>251,439</b>	<b>251,728</b>	<b>205,916</b>
	10,178	9,762	9,293	9,936	8,745	8,737	8,634
	35,562	36,702	35,015	35,565	36,131	37,576	35,699
	51,513	50,646	50,369	51,266	50,549	54,583	53,817
	13,885	13,657	14,040	14,559	14,904	14,998	15,529
	69,364	65,826	62,707	59,933	57,488	55,187	53,539
	<b>180,502</b>	<b>176,593</b>	<b>171,424</b>	<b>171,259</b>	<b>167,817</b>	<b>171,081</b>	<b>167,218</b>
	<b>123,466</b>	<b>110,680</b>	<b>104,203</b>	<b>100,614</b>	<b>83,622</b>	<b>80,647</b>	<b>38,698</b>
	2,751	2,487	2,292	2,074	2,051	2,240	2,199
	5,456	6,269	2,521	701	957	1,266	1,233
	312	261	(2)	(40)	(378)	(455)	(1,753)
	(306,265)	(190,810)	(7,975)	–	–	–	–
	(80,579)	(81,130)	(51,455)	(26,590)	(28,115)	(28,611)	(30,358)
	<b>(378,325)</b>	<b>(262,923)</b>	<b>(54,619)</b>	<b>(23,855)</b>	<b>(25,485)</b>	<b>(25,560)</b>	<b>(28,679)</b>
	<b>(254,859)</b>	<b>(152,243)</b>	<b>49,584</b>	<b>76,759</b>	<b>58,137</b>	<b>55,087</b>	<b>10,019</b>
	<b>805,092</b>	<b>957,335</b>	<b>907,751</b>	<b>830,992</b>	<b>772,855</b>	<b>717,768</b>	<b>707,749</b>
	(40,908)	–	–	–	–	–	–
	<b>764,184</b>	<b>957,335</b>	<b>907,751</b>	<b>830,992</b>	<b>772,855</b>	<b>717,768</b>	<b>707,749</b>
	<b>\$ 509,325</b>	<b>\$ 805,092</b>	<b>\$ 957,335</b>	<b>\$ 907,751</b>	<b>\$ 830,992</b>	<b>\$ 772,855</b>	<b>\$ 717,768</b>

## Vehicles by Class Last Ten Fiscal Years (In Thousands)

Class		2018	2017	2016
<b>Vehicle Classification by Axles and Height: <sup>(1)</sup></b>				
1	Low 2-axle vehicles and all motorcycles	42,322	43,598	43,472
2	Low 3-axle vehicles and high 2-axle vehicles	1,458	1,417	1,379
3	Low 4-axle vehicles and high 3-axle vehicles	796	769	734
4	Low 5-axle vehicles and high 4-axle vehicles	534	512	499
5	Low 6-axle vehicles and high 5-axle vehicles	8,722	8,442	8,358
6	High 6-axle vehicles	294	291	273
7	All vehicles with 7 or more axles	183	184	182
<b>Vehicle Classification by Weight:</b>				
1	--- - 7,000	-	-	-
2	7,001 - 16,000	-	-	-
3	16,001 - 23,000	-	-	-
4	23,001 - 33,000	-	-	-
5	33,001 - 42,000	-	-	-
6	42,001 - 53,000	-	-	-
7	53,001 - 65,000	-	-	-
8	65,001 - 80,000	-	-	-
9	80,001 - 90,000	-	-	-
10	90,001 - 115,000	-	-	-
11	115,001 - 127,400	-	-	-
Subtotal		54,309	55,213	54,897
Add Non-Revenue <sup>(2)</sup>		419	416	443
<b>Total Vehicles</b>		<b>54,728</b>	<b>55,629</b>	<b>55,340</b>

Percentage of Vehicles Using E-ZPass <sup>®</sup> :	2018	2017	2016
Passenger cars (Class 1)	55.5%	52.8%	50.2%
Commercial vehicles (Class 2-7)	85.9%	84.7%	83.6%
<b>Total</b>	<b>62.2%</b>	<b>59.5%</b>	<b>57.1%</b>

Source: Ohio Turnpike and Infrastructure Commission, CFO/Comptroller's Office.

- Notes:
- (1) On October 1, 2009, the Ohio Turnpike Commission implemented a new toll collection system inclusive of electronic tolling via E-ZPass<sup>®</sup>. Concurrent with this change, the vehicle classification methodology was revised to assess tolls based upon the number of axles and vehicle height as opposed to vehicle weight. Cash customers pay higher toll rates than E-ZPass customers. For purposes of the new classification methodology, vehicles less than seven feet six inches as measured over the first two axles are considered "low," vehicles seven feet six inches in height or greater are considered "high."
  - (2) Non-revenue vehicles represent traffic of officials, employees, agencies 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.

2015	2014	2013	2012	2011	2010	2009
42,110	40,345	39,742	39,418	39,026	38,900	9,197
1,328	1,251	1,198	1,178	1,166	1,290	322
713	663	633	620	598	594	128
473	451	422	404	387	376	83
8,335	8,120	7,885	7,766	7,633	7,279	1,681
257	258	245	237	251	237	50
178	180	187	181	185	180	42
-	-	-	-	-	-	29,281
-	-	-	-	-	-	1,332
-	-	-	-	-	-	334
-	-	-	-	-	-	1,003
-	-	-	-	-	-	968
-	-	-	-	-	-	943
-	-	-	-	-	-	996
-	-	-	-	-	-	1,746
-	-	-	-	-	-	67
-	-	-	-	-	-	24
-	-	-	-	-	-	5
53,394	51,268	50,312	49,804	49,246	48,856	48,202
386	367	404	351	338	262	187
<b>53,780</b>	<b>51,635</b>	<b>50,716</b>	<b>50,155</b>	<b>49,584</b>	<b>49,118</b>	<b>48,389</b>

2015	2014	2013	2012	2011	2010	Oct-Dec 2009
47.6%	45.5%	42.2%	38.4%	34.1%	28.8%	23.0%
82.1%	80.0%	78.4%	75.9%	73.0%	69.9%	67.6%
54.9%	52.9%	49.8%	46.2%	42.2%	37.2%	32.0%

### Toll Revenue by Class Last Ten Fiscal Years (In Thousands)

Class		2018	2017	2016
<b>Vehicle Classification by Axles and Height: <sup>(1)</sup></b>				
1	Low 2-axle vehicles and all motorcycles	\$ 126,365	\$ 127,537	\$ 126,063
2	Low 3-axle vehicles and high 2-axle vehicles	8,848	8,367	8,029
3	Low 4-axle vehicles and high 3-axle vehicles	7,190	6,724	6,312
4	Low 5-axle vehicles and high 4-axle vehicles	5,612	5,126	4,865
5	Low 6-axle vehicles and high 5-axle vehicles	143,277	133,982	129,926
6	High 6-axle vehicles	6,146	5,859	5,333
7	All vehicles with 7 or more axles	8,602	8,204	7,911

#### Vehicle Classification by Weight:

1	--- - 7,000	-	-	-
2	7,001 - 16,000	-	-	-
3	16,001 - 23,000	-	-	-
4	23,001 - 33,000	-	-	-
5	33,001 - 42,000	-	-	-
6	42,001 - 53,000	-	-	-
7	53,001 - 65,000	-	-	-
8	65,001 - 80,000	-	-	-
9	80,001 - 90,000	-	-	-
10	90,001 - 115,000	-	-	-
11	115,001 - 127,400	-	-	-
Subtotal		306,040	295,799	288,439
Add Volume Discount		-	-	-
<b>Total Toll Revenue</b>		<b>\$ 306,040</b>	<b>\$ 295,799</b>	<b>\$ 288,439</b>

Percentage of Toll Revenue from E-ZPass <sup>®</sup> :	2018	2017	2016
Passenger cars (Class 1)	45.8%	43.2%	40.8%
Commercial vehicles (Class 2-7)	84.4%	83.0%	81.7%
<b>Total</b>	<b>68.5%</b>	<b>65.9%</b>	<b>63.8%</b>

Source: Ohio Turnpike and Infrastructure Commission, CFO/Comptroller's Office.

Notes: (1) On October 1, 2009, the Ohio Turnpike Commission implemented a new toll collection system inclusive of electronic tolling via E-ZPass<sup>®</sup>. Concurrent with this change, the vehicle classification methodology was revised to assess tolls based upon the number of axles and vehicle height as opposed to vehicle weight. The Volume Discount Program was also eliminated at this time. Cash customers pay higher toll rates than E-ZPass customers. For purposes of the new classification methodology, vehicles less than seven feet six inches as measured over the first two axles are considered "low," vehicles seven feet six inches in height or greater are considered "high."

	2015	2014	2013	2012	2011	2010	2009
	\$ 122,183	\$ 114,871	\$ 112,820	\$ 112,428	\$ 103,201	\$ 106,972	\$ 25,928
	7,682	7,065	6,723	6,739	6,147	6,939	1,687
	6,025	5,432	5,128	5,027	4,506	4,582	971
	4,561	4,213	3,895	3,790	3,303	3,309	703
	127,382	121,024	114,194	112,749	103,063	100,079	23,436
	4,795	4,661	4,479	4,477	4,198	3,870	833
	7,559	7,355	7,399	7,334	6,593	6,438	1,487
	–	–	–	–	–	–	60,882
	–	–	–	–	–	–	5,384
	–	–	–	–	–	–	1,624
	–	–	–	–	–	–	6,120
	–	–	–	–	–	–	8,047
	–	–	–	–	–	–	11,214
	–	–	–	–	–	–	12,762
	–	–	–	–	–	–	27,069
	–	–	–	–	–	–	1,172
	–	–	–	–	–	–	1,269
	–	–	–	–	–	–	300
	280,187	264,621	254,638	252,544	231,011	232,189	190,888
	–	–	–	–	–	–	(3,610)
	<b>\$ 280,187</b>	<b>\$ 264,621</b>	<b>\$ 254,638</b>	<b>\$ 252,544</b>	<b>\$ 231,011</b>	<b>\$ 232,189</b>	<b>\$ 187,278</b>

	2015	2014	2013	2012	2011	2010	Oct-Dec 2009
	38.7%	36.9%	34.0%	30.6%	27.2%	23.0%	19.4%
	79.8%	77.3%	75.4%	72.7%	69.8%	67.0%	65.7%
	61.9%	59.8%	57.1%	53.9%	50.7%	46.7%	44.1%

### Vehicle Miles Traveled Last Ten Fiscal Years (In Thousands)

Class		2018	2017	2016
<b>Vehicle Classification by Axles and Height: <sup>(1)</sup></b>				
1	Low 2-axle vehicles and all motorcycles	1,969,692	2,017,044	2,029,904
2	Low 3-axle vehicles and high 2-axle vehicles	81,805	78,806	77,199
3	Low 4-axle vehicles and high 3-axle vehicles	55,285	52,818	50,505
4	Low 5-axle vehicles and high 4-axle vehicles	36,566	34,087	32,942
5	Low 6-axle vehicles and high 5-axle vehicles	840,275	805,356	799,120
6	High 6-axle vehicles	25,667	25,122	23,534
7	All vehicles with 7 or more axles	25,193	24,686	24,442

#### Vehicle Classification by Weight:

1	--- - 7,000	-	-	-
2	7,001 - 16,000	-	-	-
3	16,001 - 23,000	-	-	-
4	23,001 - 33,000	-	-	-
5	33,001 - 42,000	-	-	-
6	42,001 - 53,000	-	-	-
7	53,001 - 65,000	-	-	-
8	65,001 - 80,000	-	-	-
9	80,001 - 90,000	-	-	-
10	90,001 - 115,000	-	-	-
11	115,001 - 127,400	-	-	-
<b>Total Vehicle Miles Traveled</b>		<b>3,034,483</b>	<b>3,037,919</b>	<b>3,037,646</b>

Percentage of Vehicle Miles Traveled Using E-ZPass <sup>®</sup> :	2018	2017	2016
Passenger cars (Class 1)	55.5%	53.0%	50.4%
Commercial vehicles (Class 2-7)	85.9%	84.6%	83.4%
<b>Total</b>	<b>66.2%</b>	<b>63.6%</b>	<b>61.4%</b>

Source: Ohio Turnpike and Infrastructure Commission, CFO/Comptroller's Office.

Notes: (1) On October 1, 2009, the Ohio Turnpike Commission implemented a new toll collection system inclusive of electronic tolling via E-ZPass<sup>®</sup>. Concurrent with this change, the vehicle classification methodology was revised to assess tolls based upon the number of axles and vehicle height as opposed to vehicle weight. Cash customers pay higher toll rates than E-ZPass customers. For purposes of the new classification methodology, vehicles less than seven feet six inches as measured over the first two axles are considered "low," vehicles seven feet six inches in height or greater are considered "high."

2015	2014	2013	2012	2011	2010	2009
1,998,170	1,906,619	1,891,723	1,859,124	1,851,683	1,885,422	443,998
75,235	70,619	68,152	67,423	67,624	75,534	18,125
49,407	45,371	43,552	42,365	41,323	41,554	8,775
31,642	29,928	28,129	27,208	26,155	26,049	5,560
801,225	777,125	750,133	736,063	729,354	706,170	164,830
21,627	21,551	21,253	21,192	21,959	20,269	4,356
23,981	23,946	24,754	24,541	24,363	23,846	5,468
-	-	-	-	-	-	1,419,056
-	-	-	-	-	-	87,170
-	-	-	-	-	-	20,803
-	-	-	-	-	-	61,896
-	-	-	-	-	-	81,209
-	-	-	-	-	-	96,136
-	-	-	-	-	-	109,367
-	-	-	-	-	-	195,291
-	-	-	-	-	-	8,440
-	-	-	-	-	-	3,401
-	-	-	-	-	-	741
<b>3,001,287</b>	<b>2,875,159</b>	<b>2,827,696</b>	<b>2,777,916</b>	<b>2,762,461</b>	<b>2,778,844</b>	<b>2,734,622</b>

2015	2014	2013	2012	2011	2010	2009
48.1%	46.2%	42.8%	39.1%	35.0%	30.2%	25.7%
81.8%	79.6%	77.7%	75.2%	72.3%	69.5%	68.1%
59.4%	57.4%	54.4%	51.0%	47.3%	42.8%	39.2%

## Toll Rates Per Mile Last Ten Fiscal Years

Class		2018	2017	2016
<b>Vehicle Classification by Axles and Height (Non E-ZPass®): <sup>(1)</sup></b>				
1	Low 2-axle vehicles and all motorcycles	\$ 0.08	\$ 0.08	\$ 0.07
2	Low 3-axle vehicles and high 2-axle vehicles	0.13	0.13	0.13
3	Low 4-axle vehicles and high 3-axle vehicles	0.16	0.15	0.15
4	Low 5-axle vehicles and high 4-axle vehicles	0.18	0.18	0.18
5	Low 6-axle vehicles and high 5-axle vehicles	0.21	0.20	0.20
6	High 6-axle vehicles	0.29	0.28	0.27
7	All vehicles with 7 or more axles	0.39	0.39	0.37
<b>Vehicle Classification by Axles and Height (E-ZPass®): <sup>(1)</sup></b>				
1	Low 2-axle vehicles and all motorcycles	\$ 0.05	\$ 0.05	\$ 0.05
2	Low 3-axle vehicles and high 2-axle vehicles	0.09	0.09	0.09
3	Low 4-axle vehicles and high 3-axle vehicles	0.11	0.11	0.11
4	Low 5-axle vehicles and high 4-axle vehicles	0.14	0.14	0.13
5	Low 6-axle vehicles and high 5-axle vehicles	0.17	0.16	0.16
6	High 6-axle vehicles	0.24	0.23	0.22
7	All vehicles with 7 or more axles	0.34	0.33	0.32
<b>Vehicle Classification by Weight:</b>				
1	-- - 7,000	\$ -	\$ -	\$ -
2	7,001 - 16,000	-	-	-
3	16,001 - 23,000	-	-	-
4	23,001 - 33,000	-	-	-
5	33,001 - 42,000	-	-	-
6	42,001 - 53,000	-	-	-
7	53,001 - 65,000	-	-	-
8	65,001 - 80,000	-	-	-
9	80,001 - 90,000	-	-	-
10	90,001 - 115,000	-	-	-
11	115,001 - 127,400	-	-	-

Source: Ohio Turnpike and Infrastructure Commission, CFO/Comptroller's Office.

Notes: (1) On October 1, 2009, the Ohio Turnpike Commission implemented a new toll collection system inclusive of electronic tolling via E-ZPass®. Concurrent with this change, the vehicle classification methodology was revised to assess tolls based upon the number of axles and vehicle height as opposed to vehicle weight. Cash customers pay higher toll rates than E-ZPass customers. For purposes of the new classification methodology, vehicles less than seven feet six inches as measured over the first two axles are considered "low," vehicles seven feet six inches in height or greater are considered "high."



## Comparative Traffic Statistics *Last Ten Fiscal Years*

	2018	2017	2016
<b>Number of Vehicles (In Thousands):</b>			
Passenger Cars	42,322	43,598	43,472
Commercial Vehicles	11,987	11,615	11,425
<b>Total</b>	<b>54,309</b>	<b>55,213</b>	<b>54,897</b>
<b>Percentage of Vehicles:</b>			
Passenger Cars	77.9%	79.0%	79.2%
Commercial Vehicles	22.1%	21.0%	20.8%
<b>Number of Miles (In Thousands):</b>			
Passenger Cars	1,969,692	2,017,044	2,029,904
Commercial Vehicles	1,064,791	1,020,875	1,007,742
<b>Total</b>	<b>3,034,483</b>	<b>3,037,919</b>	<b>3,037,646</b>
<b>Percentage of Miles:</b>			
Passenger Cars	64.9%	66.4%	66.8%
Commercial Vehicles	35.1%	33.6%	33.2%
<b>Toll Revenue (In Thousands):</b>			
Passenger Cars	\$ 126,365	\$ 127,537	\$ 126,063
Commercial Vehicles	179,675	168,262	162,376
<b>Total</b>	<b>\$ 306,040</b>	<b>\$ 295,799</b>	<b>\$ 288,439</b>
<b>Percentage of Toll Revenue:</b>			
Passenger Cars	41.3%	43.1%	43.7%
Commercial Vehicles	58.7%	56.9%	56.3%
<b>Average Miles per Trip:</b>			
Passenger Cars	46.5	46.3	46.7
Commercial Vehicles	88.8	87.9	88.2
<b>Average Toll Revenue per Trip:</b>			
Passenger Cars	\$ 2.99	\$ 2.93	\$ 2.90
Commercial Vehicles	14.99	14.49	14.21
<b>Average Toll Revenue per Mile:</b>			
Passenger Cars	\$ 0.06	\$ 0.06	\$ 0.06
Commercial Vehicles	0.17	0.16	0.16

2015	2014	2013	2012	2011	2010	2009
42,110	40,344	39,742	39,418	39,026	38,900	38,478
11,284	10,923	10,570	10,386	10,220	9,956	9,724
<b>53,394</b>	<b>51,267</b>	<b>50,312</b>	<b>49,804</b>	<b>49,246</b>	<b>48,856</b>	<b>48,202</b>
78.9%	78.7%	79.0%	79.1%	79.2%	79.6%	79.8%
21.1%	21.3%	21.0%	20.9%	20.8%	20.4%	20.2%
1,998,170	1,906,619	1,891,723	1,859,124	1,851,683	1,885,422	1,863,054
1,003,117	968,540	935,973	918,792	910,778	893,422	871,568
<b>3,001,287</b>	<b>2,875,159</b>	<b>2,827,696</b>	<b>2,777,916</b>	<b>2,762,461</b>	<b>2,778,844</b>	<b>2,734,622</b>
66.6%	66.3%	66.9%	66.9%	67.0%	67.8%	68.1%
33.4%	33.7%	33.1%	33.1%	33.0%	32.2%	31.9%
\$ 122,183	\$ 114,871	\$ 112,820	\$ 112,428	\$ 103,201	\$ 106,972	\$ 86,810
158,004	149,750	141,818	140,116	127,810	125,217	100,468
<b>\$ 280,187</b>	<b>\$ 264,621</b>	<b>\$ 254,638</b>	<b>\$ 252,544</b>	<b>\$ 231,011</b>	<b>\$ 232,189</b>	<b>\$ 187,278</b>
43.6%	43.4%	44.3%	44.5%	44.7%	46.1%	46.4%
56.4%	56.6%	55.7%	55.5%	55.3%	53.9%	53.6%
47.5	47.3	47.6	47.2	47.4	48.5	48.4
88.9	88.7	88.5	88.5	89.1	89.7	89.6
\$ 2.90	\$ 2.85	\$ 2.84	\$ 2.85	\$ 2.64	\$ 2.75	\$ 2.26
14.00	13.71	13.42	13.49	12.51	12.58	10.33
\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.05
0.16	0.15	0.15	0.15	0.14	0.14	0.12

**Activity by Interchange** <sup>(1)</sup> Last Ten Fiscal Years (In Thousands)

Milepost / Name	2018	2017	2016
2 Westgate	7,801	7,707	7,772
13 Bryan-Montpelier	695	713	717
25 Archbold-Fayette	404	415	400
34 Wauseon	738	761	752
39 Delta-Lyons	648	631	651
52 Toledo Airport-Swanton	1,385	1,375	1,403
59 Maumee-Toledo	3,416	3,517	3,892
64 Perrysburg-Toledo	6,134	5,945	5,703
71 Stony Ridge-Toledo	6,588	6,498	6,706
81 Elmore-Woodville-Gibsonburg	624	626	606
91 Fremont-Port Clinton	1,724	1,694	1,745
110 Sandusky-Bellevue	1,666	1,637	1,618
118 Sandusky-Norwalk	1,428	1,495	1,675
135 Vermilion	870	748	936
140 Amherst-Oberlin	1,657	1,623	1,712
142 Lorain County West	3,072	3,000	3,165
145 Lorain-Elyria	6,315	6,402	5,758
151 North Ridgeville-Cleveland	5,986	5,981	5,746
152 North Olmsted-Cleveland	2,876	3,065	2,977
161 Strongsville-Cleveland	7,580	7,645	7,434
173 Cleveland	6,530	7,548	7,515
180 Akron	7,269	7,495	7,184
187 Streetsboro	6,958	7,146	7,245
193 Ravenna	1,926	2,167	2,020
209 Warren	1,993	2,079	2,012
215 Lordstown West	539	580	584
216 Lordstown East	392	420	322
218 Niles-Youngstown	8,414	8,654	8,682
232 Youngstown	2,120	2,031	2,047
234 Youngstown-Poland	1,441	1,460	1,499
239 Eastgate	9,427	9,368	9,317

Source: Ohio Turnpike and Infrastructure Commission, CFO/Comptroller's Office.

Notes: (1) "Activity by Interchange" represents the number of vehicles entering and exiting at each toll interchange.

2015	2014	2013	2012	2011	2010	2009
7,769	7,473	7,397	7,289	7,218	7,274	6,983
697	616	604	649	648	648	658
375	356	353	379	397	422	428
732	684	691	696	696	709	690
590	525	546	535	518	519	520
1,342	1,235	1,262	1,360	1,311	1,302	1,307
3,643	3,386	3,379	3,577	3,454	3,444	3,539
5,574	5,185	5,101	4,842	4,593	4,542	4,440
6,582	6,376	6,374	6,400	6,304	6,277	6,116
578	531	525	502	537	562	603
1,773	1,744	1,772	1,733	1,642	1,628	1,640
1,638	1,581	1,562	1,435	1,453	1,449	1,423
1,601	1,575	1,564	1,541	1,547	1,639	1,785
888	705	653	679	679	688	753
1,585	1,344	1,254	1,253	1,231	1,234	1,280
2,969	2,769	2,674	2,788	2,849	2,938	2,941
5,727	6,187	6,125	5,926	5,816	5,777	5,448
5,778	5,743	5,657	5,427	5,274	5,139	4,984
2,956	2,747	2,656	2,603	2,606	2,617	2,620
7,107	6,877	6,733	6,586	6,753	6,838	6,948
7,347	7,002	6,732	6,656	6,696	6,663	6,893
6,802	6,198	5,685	5,412	5,253	4,924	4,950
7,053	6,760	6,681	6,712	6,581	6,524	6,470
1,793	1,644	1,627	1,665	1,567	1,546	1,595
2,017	1,863	1,851	1,867	1,889	1,857	1,828
613	581	539	524	510	489	447
284	450	426	419	445	389	245
8,460	8,201	8,035	8,030	8,102	8,084	7,875
1,960	1,946	1,951	2,038	1,986	1,774	1,692
1,415	1,379	1,422	1,443	1,415	1,360	1,255
9,140	8,873	8,794	8,642	8,522	8,458	8,048

**Debt Ratios and Revenue Bond Coverage** Last Ten Fiscal Years (Dollars in Thousands Except Per Capita Amounts)

	2018	2017	2016
<b>Debt Ratios:</b>			
Revenue Bonds Payable	\$ 2,157,820	\$ 1,609,434	\$ 1,621,009
Revenue Bonds Payable as a % of Personal Income	0.38%	0.30%	0.31%
Revenue Bonds Payable Per Capita	\$185	\$138	\$140
<b>Revenue Bond Coverage:</b>			
Pledged Revenues	\$ 336,537 <sup>(1)</sup>	\$ 322,727 <sup>(1)</sup>	\$ 313,305 <sup>(1)</sup>
<b>Expenses Paid from Pledged Revenues: <sup>(4)</sup></b>			
Administration and Insurance	11,638	11,240	11,177
Maintenance of Roadway and Structures	39,770	37,936	38,319
Services and Toll Operations	54,503	56,200	54,072
Traffic Control, Safety, Patrol and Communications	13,429	13,386	14,399
<b>Total Expenses Paid from Pledged Revenues</b>	<b>119,340</b>	<b>118,762</b>	<b>117,967</b>
Deposit to Reserve Account	151	354	374
<b>Net Revenues Available for Debt Service</b>	<b>\$ 217,046</b>	<b>\$ 203,611</b>	<b>\$ 194,964</b>
<b>Sr Lien Debt Service Requirements:</b>			
Principal	\$ 36,693	\$ 34,277	\$ 32,266
Interest	26,120	25,093	27,628
Less Interest Earned	(1,264)	(933)	(877)
<b>Total Sr Lien Debt Service Requirements</b>	<b>\$ 61,549</b>	<b>\$ 58,437</b>	<b>\$ 59,017</b>
<b>Sr Lien Debt Coverage (see Note 6 to the financial statements)</b>	<b>353%</b>	<b>348%</b>	<b>330%</b>
<b>Jr Lien Debt Service Requirements:</b>			
Principal	\$ 6,725	\$ -	\$ -
Interest	52,790	36,146	36,146
Less Interest Earned	(1,972)	(991)	(931)
Less Interest on Infrastructure Funds	(4,931)	(1,427)	(2,725)
<b>Total Jr Lien Debt Service Requirements</b>	<b>\$ 52,612</b>	<b>\$ 33,728</b>	<b>\$ 32,490</b>
<b>Composite Debt Service Requirements</b>	<b>\$ 114,161</b>	<b>\$ 92,165</b>	<b>\$ 91,507</b>
<b>Composite Debt Coverage (see Note 6 to the financial statements)</b>	<b>190%</b>	<b>221%</b>	<b>213%</b>

Source: Ohio Turnpike and Infrastructure Commission, CFO/Comptroller's Office.

- Notes:
- (1) Gross Revenues per the Amended and Restated Master Trust Agreement dated April 8, 2013, as amended in 2013 - consisting of tolls, special toll permits, certain realized investment earnings, appropriations from the Ohio Department of Transportation, leases, licenses, royalties, advertising, miscellaneous sales, fees, charges and certain concession revenues.
  - (2) Gross Revenues per the Master Trust Agreement dated February 15, 1994, as amended in 2005 - consisting of tolls, special toll permits, certain realized investment earnings, appropriations from the Ohio Department of Transportation, 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.
  - (3) Savings realized from the advance refunding of debt in 2009 and the refunding of debt in 2010 reduced the amount required to be deposited in the debt service account, thereby increasing the Commission's debt coverage ratio.
  - (4) Operating expenses exclude non-cash GASB 68 pension expense and GASB 75 OPEB expense.

2015	2014	2013	2012	2011	2010	2009
\$ 1,634,909	\$ 1,648,395	\$ 1,661,653	\$ 597,127	\$ 622,742	\$ 647,341	\$ 662,867
0.33%	0.35%	0.37%	0.13%	0.14%	0.15%	0.16%
\$141	\$142	\$144	\$52	\$54	\$56	\$57
\$ 303,834 <sup>(1)</sup>	\$ 287,065 <sup>(1)</sup>	\$ 275,272 <sup>(1)</sup>	\$ 259,239 <sup>(2)</sup>	\$ 237,474 <sup>(2)</sup>	\$ 238,188 <sup>(2)</sup>	\$ 205,717 <sup>(2)</sup>
10,269	9,762	9,293	9,936	8,745	8,737	8,634
35,810	36,702	35,015	35,565	36,132	37,577	35,699
51,911	50,646	50,369	51,266	50,549	54,583	53,817
13,912	13,657	14,040	14,559	14,871	14,989	15,529
111,902	110,767	108,717	111,326	110,297	115,886	113,679
376	(238)	(539)	176	(1)	33	284
\$ 191,556	\$ 176,536	\$ 167,094	\$ 147,737	\$ 127,178	\$ 122,269	\$ 91,754
\$ 30,737	\$ 29,228	\$ 27,863	\$ 25,839	\$ 22,591	\$ 21,003	\$ 17,962
29,149	30,660	29,530	29,649	30,750	30,198	31,377
(685)	(513)	(425)	(73)	(144)	(156)	(233)
\$ 59,201	\$ 59,375	\$ 56,968	\$ 55,415 <sup>(3)</sup>	\$ 53,197 <sup>(3)</sup>	\$ 51,045	\$ 49,106
324%	297%	293%	267%	239%	240%	187%
\$ -	\$ -					
36,146	36,146					
(725)	(830)					
(3,729)	(3,936)					
\$ 31,692	\$ 31,380					
\$ 90,893	\$ 90,755					
211%	195%					

**Principal Toll Revenue Payers** *Current Year and Nine Years Ago*

Customers	2018		
	Tolls Paid	Rank	% of Total Tolls Paid
J.W. Hunt OTC., Inc.	\$ 107,753	1	0.04%
PBC	102,046	2	0.03%
Sunpro, Inc.	92,269	3	0.03%
TDC Transport	80,740	4	0.03%
Yevtukh Brothers, Inc.	79,368	5	0.03%
Talon Logistics, Inc.	79,276	6	0.03%
R-K-Campf Transport	76,477	7	0.02%
HOC Transport	64,021	8	0.02%
Thomas Flatbed, Inc.	60,515	9	0.02%
VDS Farms, LLC.	59,921	10	0.02%
<b>Totals<sup>(1)</sup></b>	<b>\$ 802,386</b>		<b>0.26%</b>

Customers	2009		
	Tolls Paid	Rank	% of Total Tolls Paid
J.W. Hunt OTC., Inc.	\$ -	-	-
PBC	-	-	-
Sunpro, Inc.	-	-	-
TDC Transport	-	-	-
Yevtukh Brothers, Inc.	-	-	-
Talon Logistics, Inc.	-	-	-
R-K-Campf Transport	-	-	-
HOC Transport	-	-	-
Thomas Flatbed, Inc.	-	-	-
VDS Farms, LLC.	-	-	-
United Parcel Service, Inc.	1,397,584	1	0.75%
Con-way Freight, Inc.	1,037,542	2	0.55%
Yellow Transportation, Inc.	879,004	3	0.47%
FedEx Ground Package Systems	822,421	4	0.44%
USF Holland, Inc.	589,630	5	0.31%
Werner Enterprises, Inc.	568,328	6	0.30%
FedEx Freight East, Inc.	554,140	7	0.30%
Roadway Express, Inc.	488,697	8	0.26%
J.B. Hunt Transport, Inc.	469,833	9	0.25%
R & L Transfer	462,552	10	0.25%
<b>Totals<sup>(1)</sup></b>	<b>\$ 7,269,731</b>		<b>3.88%</b>

Source: Ohio Turnpike and Infrastructure Commission, CFO/Comptroller's Office.

Notes: (1) Effective October 1, 2009, the Ohio Turnpike Commission implemented E-ZPass® and joined the E-ZPass InterAgency Group (IAG). Large commercial customers who previously had accounts with the Ohio Turnpike Commission now utilize their E-ZPass account that they had previously established with another IAG agency. The Commission is now paid for their travel through other IAG agencies.

### Principal Ohio Employers Current Year and Nine Years Ago

Employer	2018		
	Employees	Rank	% of Total Ohio Employees
State of Ohio	131,507	1	1.88%
United States Government	78,329	2	1.12%
Wal-Mart Stores	50,200	3	0.72%
Cleveland Clinic Health Systems	49,800	4	0.71%
Kroger Company	45,150	5	0.65%
Ohio State University	33,300	6	0.48%
Mercy Health	32,200	7	0.46%
Wright-Patterson Air Force Base	27,600	8	0.39%
University Hospitals Health Sys.	26,000	9	0.37%
Ohio Health	21,100	10	0.30%
<b>Totals</b>	<b>495,186</b>		<b>7.08%</b>

Employer	2009		
	Employees	Rank	% of Total Ohio Employees
State of Ohio	132,017	1	1.93%
United States Government	77,378	2	1.13%
Wal-Mart Stores	55,000	3	0.81%
Cleveland Clinic Health Systems	37,800	4	0.55%
Kroger Company	36,500	5	0.53%
Ohio State University	–	–	–
Mercy Health	28,200	6	0.41%
Wright-Patterson Air Force Base	–	–	–
University Hospitals Health Sys.	21,800	7	0.32%
Ohio Health	–	–	–
JP Morgan Chase (Bank One)	17,500	8	0.26%
Giant Eagle, Inc.	17,000	9	0.25%
Sears Holdings Corp.	16,400	10	0.24%
<b>Totals</b>	<b>439,595</b>		<b>6.44%</b>

Source: U.S. Department of Commerce, Bureau of Economic Analysis.  
Ohio Department of Development, Office of Strategic Research.  
Ohio Department of Job and Family Services, Office of Workforce Development.

## Employment, Demographic and Economic Statistics Last Ten Fiscal Years

	2018	2017	2016
<b>Ohio Turnpike and Infrastructure Commission Employees:</b>			
<b>Full-Time:</b>			
Toll Collectors	185	203	207
Maintenance Workers	240	240	250
Toll and Service Plaza Supervisors	93	103	109
Professional and Clerical Staff	99	100	103
Maintenance Supervisors	43	45	45
Executive and Managerial Staff	21	20	20
Administrative Supervisors	14	14	14
<b>Total Full-Time</b>	<b>695</b>	<b>725</b>	<b>748</b>
<b>Part-Time:</b>			
Toll Collectors	193	191	195
Other	30	30	28
<b>Total Part-Time</b>	<b>223</b>	<b>221</b>	<b>223</b>
<b>Total Ohio Turnpike and Infrastructure Commission Employees</b>	<b>918</b>	<b>946</b>	<b>971</b>
<b>State of Ohio Statistics:</b>			
Population (In Thousands)	11,689	11,659	11,614
Personal Income (In Millions)	\$ 563,926	\$ 531,810	\$ 517,918
Per Capita Personal Income	\$ 48,242	\$ 45,615	\$ 44,593
Unemployment Rate	4.6%	4.7%	4.9%

Source: Employee counts provided by the Ohio Turnpike and Infrastructure Commission Payroll, Toll Operations and Maintenance Departments. Population data provided by the U.S. Census Bureau. Personal income and per capita personal income data provided by the U.S. Department of Commerce, Bureau of Economic Analysis. Unemployment rates provided by the Ohio Department of Job & Family Services.

	2015	2014	2013	2012	2011	2010	2009
	205	202	213	208	216	236	286
	243	229	242	249	264	274	275
	108	107	108	111	110	118	129
	102	96	98	97	100	100	101
	44	45	44	44	45	45	44
	20	20	19	18	17	18	18
	14	15	14	15	22	22	23
	<b>736</b>	<b>714</b>	<b>738</b>	<b>742</b>	<b>774</b>	<b>813</b>	<b>876</b>
	192	191	203	209	211	232	265
	27	24	24	22	23	25	24
	<b>219</b>	<b>215</b>	<b>227</b>	<b>231</b>	<b>234</b>	<b>257</b>	<b>289</b>
	<b>955</b>	<b>929</b>	<b>965</b>	<b>973</b>	<b>1,008</b>	<b>1,070</b>	<b>1,165</b>
	11,615	11,594	11,571	11,544	11,545	11,537	11,543
	\$ 504,993	\$ 493,578	\$ 472,846	\$ 453,556	\$ 436,297	\$ 419,872	\$ 408,395
	\$ 43,478	\$ 42,571	\$ 40,865	\$ 39,289	\$ 37,791	\$ 36,393	\$ 35,380
	4.8%	5.1%	7.2%	6.7%	8.1%	9.8%	10.8%

## Traffic Accident Statistics *Last Ten Fiscal Years*

	2018	2017	2016
<b>All Accidents:</b>			
Number	2,393	2,238	2,367
Rate	78.9	73.7	77.9
<b>Property Damage (Over \$150) Accidents:</b>			
Number	1,932	1,824	1,918
Rate	63.7	60.0	63.1
<b>Non-Fatal Personal Injury Accidents:</b>			
Number	452	409	438
Rate	14.9	13.5	14.4
Number Injured	636	592	704
Injury Rate	21.0	19.5	23.2
<b>Fatal Accidents:</b>			
Number	9	5	11
Rate	.3	.2	.4
Fatalities	10	6	12
Fatality Rate	.3	.2	.4

Source: Ohio State Highway Patrol.

Notes: All rates are per 100,000,000 vehicle miles traveled.

2015	2014	2013	2012	2011	2010	2009
2,459	2,642	2,380	2,598	2,583	2,268	2,125
81.9	88.0	84.2	92.7	92.7	80.9	81.8
2,043	2,166	1,944	2,140	2,090	1,885	1,695
68.1	72.2	68.7	76.4	75.0	67.3	65.2
405	467	429	451	488	377	422
13.5	15.6	15.2	16.1	17.5	13.5	16.2
595	687	594	734	682	537	612
19.8	22.9	21.0	26.2	24.5	19.2	23.5
11	9	7	7	4	6	8
.4	.3	.2	.2	.1	.2	.3
11	9	8	7	6	7	9
.4	.3	.3	.2	.2	.2	.3

## Capital Asset Statistics *Last Ten Fiscal Years*

	2018	2017	2016
<b>Land and Roadway:</b>			
Land Area (Acres)	10,057	10,057	10,057
Length of Roadway (Miles)	241	241	241
Number of Lane Miles	1,395	1,395	1,395
<b>Interchanges:</b>			
Toll	29	29	29
Barrier	2	2	2
Total Interchanges	31	31	31
<b>Service Plazas</b>	14	14	14
<b>Other Buildings:</b>			
Maintenance	8	8	8
Administration	1	1	1
Telecommunications	1	1	1
Highway Patrol	1	1	1
<b>Structures Over or Under the Turnpike:</b>			
Roadways and Interchange Ramps	331	331	331
Railroads	43	43	43
Rivers and Streams	66	66	66

2015	2014	2013	2012	2011	2010	2009
10,057	10,057	10,057	10,057	10,055	10,044	10,038
241	241	241	241	241	241	241
1,395	1,395	1,386	1,382	1,374	1,370	1,370
29	29	29	29	29	29	29
2	2	2	2	2	2	2
31	31	31	31	31	31	31
14	14	14	14	16	16	14
8	8	8	8	8	8	8
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
331	336	336	337	337	337	337
43	45	45	45	45	45	45
66	66	66	66	66	66	66



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