Ohio Turnpike and Infrastructure Commission

(A Component Unit of the State of Ohio)

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

OHIO TURNPIKE PREPARES FOR THE FUTURE: EMBRACING TECHNOLOGY FOR SAFETY, GROWTH AND EFFICIENCY

Dave Yost · Auditor of State

Commission Members
Ohio Turnpike and Infrastructure Commission
682 Prospect Street
Berea, Ohio 44017

We have reviewed the *Independent Auditor's Report* of the Ohio Turnpike and Infrastructure Commission, Cuyahoga County, prepared by Plante & Moran, PLLC, for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ohio Turnpike and Infrastructure Commission is responsible for compliance with these laws and regulations.

Dave Yost

Dave Yost
Auditor of State

May 23, 2017

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Ohio Turnpike and Infrastructure Commission

MEMBERS & OFFICERS

JERRY N. HRUBY
Chairman

TIMOTHY J. PARADISO
Vice Chairman

SANDRA K. BARBER
Secretary - Treasurer

GEORGE F. DIXON III
Member

MICHAEL A. PETERSON
Member

JERRY WRAY
Director of Transportation

FRANK LAROSE
Senate Member

MICHAEL D. DOVILLA
House Member

TIMOTHY S. KEEN
Director, Office of Budget and Management

RANDY COLE
Assistant Secretary-Treasurer/Executive Director

INDEPENDENT AUDITORS:
Plante Moran
Columbus, OH

TRUSTEE:
The Huntington National Bank
Cleveland, OH

CONSULTING ENGINEERS:
AECOM Technical Services, Inc.
Akron, OH

PREPARED BY:
CFO/Comptroller's Office and the Office of Marketing and Communications

Ohio Turnpike and Infrastructure Commission
(A Component Unit of the State of Ohio)

2016 Comprehensive Annual Financial Report

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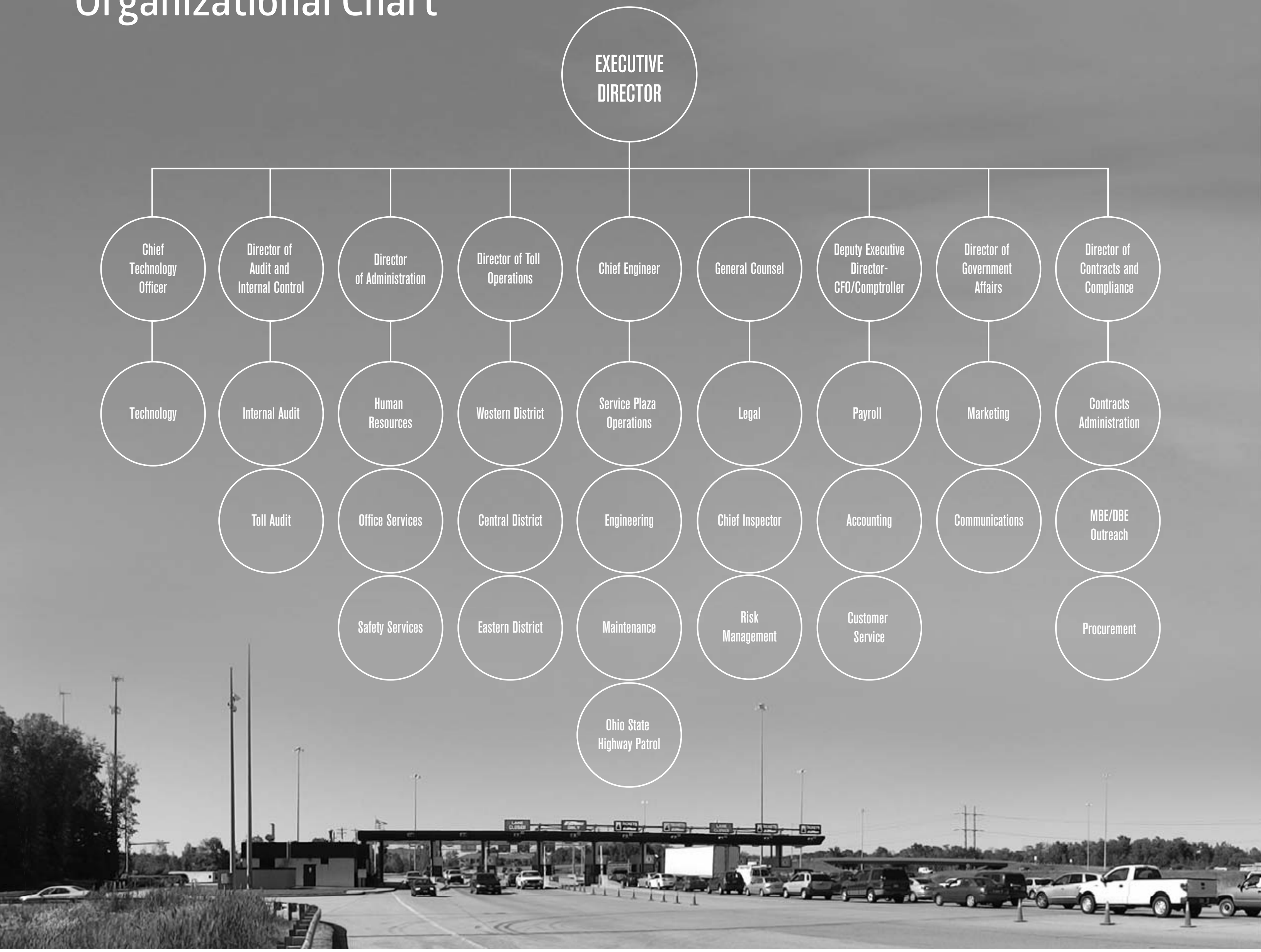

Members and Staff

Ohio Turnpike and Infrastructure Commission Members (as of December 31, 2016)

		APPOINTED	TERM EXPIRATION
JERRY N. HRUBY*	Chairman	06/29/11	06/30/21
TIMOTHY J. PARADISO	Vice Chairman	06/09/13	06/30/18
SANDRA K. BARBER	Secretary – Treasurer	06/04/12	06/30/19
GEORGE F. DIXON III*	Member	10/05/01	06/29/17
MICHAEL A. PETERSON	Member	08/02/16	06/30/20
JERRY WRAY**	Director of Transportation	01/10/11	–
TIMOTHY S. KEEN**	Director, Office of Budget and Management	01/10/11	–
FRANK LAROSE***	Senate Member	04/27/16	–
MICHAEL D. DOVILLA***	House Member	06/14/11	12/31/16

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

Ohio Turnpike and Infrastructure Commission Senior Staff

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

Chairman's Letter:
JERRY N. HRUBY

With its continued focus on value, maintenance and safety, the Ohio Turnpike again breaks the record for number of vehicles using the roadway.

Nearly 10 million vehicles flowed through the gates of the Ohio Turnpike during its first full year of operation in 1955. More than six decades later, that number has quintupled.

The total of 54.9 million vehicles in 2016 surpassed the previous record from 2015, which was 53.4 million.

An improving economy, relatively low gas prices and mild weather all contributed to record traffic volume in 2016. So too did our continued focus on customer value, motorist safety and maintenance.

Portions of our 241-mile roadway and many of our 549 bridges require regular maintenance every construction season. That's why the Commission chose to invest significantly in its own facilities in 2016 with its largest capital improvement program in 15 years.

Included in the $143.5 million capital budget were resources for numerous infrastructure improvements, such as base pavement replacement, bridge rehabilitation and repairs and resurfacing.

Approximately $76 million was dedicated to our pavement replacement program, which started in 2011. Four five-mile-long sections were replaced in the westbound lanes in Lorain and Trumbull Counties and eastbound lanes were replaced in five-mile long sections in Erie and Portage Counties.

The Commission's investment in its own facilities comes simultaneously with our continued support of Governor John R. Kasich's Ohio Jobs and Transportation Plan. One example of the Governor's plan at work was the opening of the eastbound George V. Voinovich Bridge in Cleveland in September.

It was a great honor to attend the dedication ceremony and to speak on behalf of the Commission. As I said on that momentous occasion, the new bridge is "Exhibit A" in the Governor's plan to use Ohio Turnpike revenue bond financing to help fund transportation projects along the Turnpike corridor. In this shining example, the Commission reimbursed the Ohio Department of Transportation ("ODOT") $273 million to pay for this project.

As of year-end, the Commission had reimbursed ODOT $762.2 million (of the approved $930 million) for 10 projects that have a transportation-related nexus the to the Turnpike system.

Our financial reputation was reinforced when a peer review of U.S. toll roads conducted by Fitch Ratings concluded that the Ohio Turnpike is again the highest-rated toll road in the United States. The report ranked the Ohio Turnpike and Harris County Toll Road Authority highest out of 17 toll agencies in their peer group.

Of the factors that Fitch used, the Ohio Turnpike ranked strongest due to a resilient traffic base, low toll rates and conservative debt structure. The Ohio Turnpike was issued a rating of AA for its Senior Lien Revenue Bonds and an A+ rating for its Junior Lien Revenue Bonds.

Our success in 2016 is largely credited to the dedicated employees who worked to unlock the value of the Turnpike for our customers and communities. From our toll collectors to our maintenance workers, from our Ohio State Highway Patrol troopers to our incident response teams, our employees provide great value for the tolls paid by our loyal customers.

Executive Director's Year in Review: RANDY COLE

"In 2016, we embarked on an era of unprecedented innovation and technology upgrades in Turnpike operations to help Ohio lead the way in the transportation industry."

TECHNOLOGY MEETS THE INTERSECTION OF SAFETY, EFFICIENCY AND CUSTOMER VALUE

Under the leadership of Governor John R. Kasich, the Ohio Turnpike and Infrastructure Commission joined a coordinated effort across the state to test and develop innovations that will change the way people and products are transported in Ohio and around the world.

Ohio's Smart Mobility Initiative – a partnership of researchers at the Ohio Turnpike, Ohio Department of Transportation ("ODOT"), Ohio Department of Public Safety, The Ohio State University and the Transportation Research Center are collaborating on development of smart mobility technologies, including testing of self-driving technology and investing in connected vehicle infrastructure.

The crown jewel of the state's transportation assets for smart mobility may well be the Ohio Turnpike, with its six lanes and 241 miles of well-maintained roadway already equipped with a fiber-optic network.

Investments authorized in 2016 pave the way for installation of equipment that will enable short-range, vehicle-to-infrastructure and vehicle-to-vehicle communications. As this advanced research expands to other states, the Turnpike is poised to become the centerpiece of a contiguous, interstate highway test corridor. Self-driving vehicle technology companies have already begun testing on the Ohio Turnpike under real-life traffic conditions.

As part of a safety upgrade, the Multi-Agency Radio Communications System ("MARCS") was deployed across the Turnpike and we're now fully operational with our new dispatch consoles. The adoption of MARCS allows us greater interoperability with ODOT, the Highway Patrol and local police and fire in our 70 communities across the Turnpike.

Another safety upgrade included the purchase of LED speed display signs. The signs will be tested for their ability to improve safety for our toll collectors and customers. The signs will be placed prior to our Toll Booths to alert motorists of their current speed and remind them of the need to slow down to the posted speed, 10 mph.

TECHNOLOGY INVESTMENTS WILL REAP EFFICIENCY GAINS

In 2016, the Commission purchased the Kronos Workforce Management System. When it becomes operational, the Kronos system will systematically provide electronic timekeeping of all hours worked; vacation, sick and other leave requests will be made by each employee electronically; and supervisors will electronically review and approve leave requests.

The current process of scheduling, timekeeping, overtime, leave approvals and benefits coordination at the Turnpike is a paper-intensive process requiring about 100,000 work hours per year. That's the equivalent of over 50 full-time employees, resulting in millions of dollars of salary and transportation expenses to push paper. Kronos will free up time for toll supervisors and maintenance clerks to focus on our customers and the roadway.

In tandem with introducing *E-ZPass®* in 2009, the Ohio Turnpike was one of the first toll roads to offer customers the ability to pay by using a credit card. That first year, less than half a million credit card transactions were processed. In 2016, however, more than 2 million customers chose to pay by credit card. In response to the demand, we worked with Teamsters Local 436, the union that represents our toll collectors, and an outside vendor, to implement updates to our credit card software processing system.

As a result of the updated system, Toll Collectors spend about 50 percent less time assisting customers with their credit transactions. This is significant because, in a typical day, about 5,000 cars and 750 trucks will pay by using a credit card. Over the course of a year, the time spent by our customers at the toll booths is reduced by 12,000 hours.

While we are always finding ways to improve the current Toll Collection System, it is expected to reach its planned end of life by 2019. In preparation for that eventuality, we began working with Jacobs Engineering Group of Cincinnati, to consider improvements and alternatives. Most of the data gathering was completed by year-end, including customer surveys and extensive facility and infrastructure review that includes a comprehensive look at best practices in the industry and across the world. The in-depth analysis and development of a long-term strategic plan is expected to be completed with a final recommendation to the Commission in the first half of 2017.

MAJOR CAPITAL IMPROVEMENT PROJECTS COMPLETED

Ohio Turnpike customers expect a premium travel experience and our team is dedicated to providing a safe and smooth roadway. To meet that expectation, the Commission approved a $144 million capital improvement program—its largest in 15 years.

In addition to a $76 million pavement replacement program, three resurfacing projects were completed totaling approximately $19 million. These projects were completed in Fulton, Lucas and Wood Counties.

Nine bridges were repaired and rehabilitated in Williams, Fulton, Lorain and Portage Counties. Another 11 bridges were repaired and rehabilitated in Portage, Trumbull and Mahoning Counties. Combined, $16.6 million was dedicated to bridge projects.

E-ZPASS PROGRAM EXPANSION INCREASES CUSTOMER VALUE

E-ZPass usage adds up to big savings for our customers. In fact, *E-ZPass* has saved our customers more than $300 million compared to customers who paid cash since we began the program.

The number of overall users and vehicle miles travelled with *E-ZPass* has increased steadily since the program began on the Ohio Turnpike in 2009. There are now 377,000 active Ohio *E-ZPass* accounts, in part because of our strategy to expand our partnerships with Ohio retailers.

E-ZPass is available at 280 retail locations in 23 Ohio counties. It's in Giant Eagle and GetGo, Discount Drug Mart, Barney's Convenience Marts, Mickey Mart Stores, and select AAA and Ohio BMV offices.

NEW OFFICE PROVIDES MORE OPPORTUNITY FOR MINORITY AND DISADVANTAGED BUSINESS ENTERPRISES

In 2016, we established an Office of Equity and Inclusion to provide more opportunities for contracting. These efforts include packaging projects as smaller-sized contracts, eliminating unnecessary barriers to doing business with us, establishing contract-specific participation goals, evaluating prime contractors' good faith efforts for inclusion and effective monitoring to ensure that contractors fulfill their commitments.

The Office also implemented a new certification and compliance system. The system includes a one-stop shop located on the Commission's web page for certification and contract management. As a result, the Commission has greater ability to evaluate and report on the results of its efforts to include Small, Minority and Disadvantaged-Business Enterprises in its contracting opportunities.

We also increased outreach to promote our contracting opportunities within our communities. We participated in 14 outreach events in 2016, including the COSE 2016 Cleveland Business to Business Matchmaker and ODOT "Opportunities in Transportation" Summit in Columbus.

PARTNERSHIPS PAVE THE WAY TO IMPROVE SAFETY, SCENERY AND VALUE

In December, we announced a partnership with Waze, the real-time navigation app powered by its users. The program promotes more efficient traffic monitoring by sharing incident reports from Waze and includes everything from construction and incident data to weather data and road reports. This information shows up on the Waze mobile app, helping travelers to use the Ohio Turnpike across its 241 miles more safely and efficiently.

In 2016, there were 325 crashes in Ohio Turnpike work zones with 59 injuries and three fatalities. Given the importance of paying attention while driving in work zones, the Ohio State Highway Patrol and the Ohio Turnpike teamed up in an effort to make distracted driving an endangered habit.

The new enforcement strategy placed a uniformed Trooper in the passenger seat of an Ohio Turnpike Maintenance vehicle to catch distracted and aggressive drivers in the act of texting behind the wheel or other dangerous and unlawful behavior.

To serve as a model to encourage others to grow Ohio native plants that help wildlife and the environment, Native Pollinator Plant Gardens were dedicated and installed at the Vermilion Valley and Middle Ridge Service Plazas in Amherst.

The project is a partnership between the Ohio Turnpike, Keep Ohio Beautiful, Keep Lorain County Beautiful and the Davey Tree Expert Co. Students from Lorain County Joint Vocational School were on hand to plant the gardens. The 17 species of native plants will attract birds, butterflies and other wildlife.

Since 2011, Sunoco service station (fuel and retail) sales at our 14 Service Plazas have generated approximately $2 million in commission revenue annually. In 2016, the Commission and Sunoco renegotiated the lease for the next term adding an estimated 18 percent increase in value to the agreement over the next five years (2017 – 2021). Additionally, Sunoco has committed to make $6.4 million in capital improvements to the Commission's facilities, including installation of LED price signs for fuel and diesel, which will make pricing more visible to customers during their Turnpike travels.

MARKETING AND COMMUNICATIONS TELLS OUR STORY

National and international media covered the story about self-driving leader Otto's testing of their commercial vehicle technology on the Ohio Turnpike. The story was featured in news outlets from the Seattle Post-Intelligencer to the United Kingdom Daily Mail.

And with the Cleveland Indians taking on the Chicago Cubs, a #TurnpikeSeries was born on our Twitter account, via @OhioTurnpike, which became a verified account in 2016 with more than 6,000 followers. It's arguable that #TurnpikeSeries will go down as the most dramatic in history and it was exciting for our Twitter followers to be part of it.

Ohio Turnpike and Infrastructure Commission

Martin S. Seekely
Deputy Executive Director-
CFO / Comptroller

April 12, 2017

Ohio Turnpike and Infrastructure Commission and Executive Director:

The *Comprehensive Annual Financial Report* ("CAFR") of the Ohio Turnpike and Infrastructure Commission ("Commission") for the years ended December 31, 2016 and 2015, 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 2016 and 2015 operations.

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.

Accounting Policies and Internal Controls

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

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.

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www.ohioturnpike.org
Serving the nation – The James W. Shocknessy Ohio Turnpike

Ohio Turnpike and Infrastructure Commission

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, 2015*. 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

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ohio Turnpike and Infrastructure Commission

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2015

Jeffrey R. Emer

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.

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 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 2016, the total annual traffic consisted of 43.5 million automobiles and 11.4 million trucks. Annual revenues from tolls, restaurant and service station concessionaire rentals and other sources rose from $15,351,000 in 1956 to $320,618,000 in 2016.

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 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.

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 implemented a new toll collection system, including electronic tolling collection technology (*E-ZPass®*). 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 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*.

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 has seven pairs of service plaza facilities to serve customers. The Commission has contracted with several private companies to operate the restaurants and service stations at the Turnpike's service plazas. Restaurants and service stations 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. Turnpike maps, motel-hotel lists and other touring aids are also available. 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.

The Commission has replaced 14 of its original 16 service plazas with new, more modern structures. The service plazas located at Milepost ("MP") 49.0 in Lucas County have been demolished and there currently are no plans for their reconstruction. The original service plazas had been in operation since 1955 when the Turnpike was first opened to traffic from the Pennsylvania to the Indiana state borders.

Reconstruction of the first set of service plazas at MP 100 started in July of 1998 and opened to motorists in June of 1999. Work continued on the remaining service plazas along the Ohio Turnpike and facilities reopened to travelers at MP 170 in October of 1999, MP 197 in April of 2001, at MP 139.5 in May of 2002, at MP 76.9 in May of 2005, at MP 20.8 in June of 2011, and at MP 237.2 in May 2013.

TURNPIKE MAINTENANCE

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

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 disable 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

2016 Comprehensive Annual Financial Report

FINANCIAL SECTION

FINANCIAL ADMINISTRATION

Martin Seekely
Deputy Executive Director-CFO/Comptroller

David Miller
Director of Audit and Internal Control

Lisa Mejac
Assistant Comptroller

Linda Birth
Payroll Manager

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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 year ended December 31, 2016, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2016, and the changes in its financial position and its cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Commission Members
Ohio Turnpike and Infrastructure Commission

Other Matters

Report on Prior Year Financial Statements

The basic financial statements of the Ohio Turnpike and Infrastructure Commission as of and for the year ended December 31, 2015 were audited by a predecessor auditor, which expressed an unmodified opinion on the basic financial statements. The predecessor auditor's report was dated June 8, 2016.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of net pension liability, and the schedule of employer contributions as outlined in the table of contents 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 an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and statistical section are presented for the purpose 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 12, 2017 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, and 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 12, 2017

Management's Discussion and Analysis

This section of the annual financial report presents the Commission's discussion and analysis of its financial position and the results of operations for the year ended December 31, 2016 and 2015. 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

2016

- The total number of vehicles that traveled the Ohio Turnpike in 2016 increased 2.8 percent and vehicle miles traveled increased 1.2 percent from the levels reached in 2015. The increase in vehicle miles traveled along with a 2.7 percent toll rate increase implemented on January 1, 2016 resulted in an increase in toll revenue of approximately $8.3 million or 2.9 percent.
- Operating expenses increased by $12.1 million or 6.7 percent from 2015.
- The Commission incurred $279.4 million in Infrastructure Project reimbursement expenses in 2016 for previously approved Infrastructure Project costs that were expended by "ODOT".
- In 2016, the Commission made capital improvements totaling approximately $126.0 million.

2015

- The total number of vehicles that traveled the Ohio Turnpike in 2015 increased 4.1 percent and vehicle miles traveled increased 4.4 percent from the levels reached in 2014. The increase in vehicle miles traveled along with a 2.7 percent toll rate increase implemented on January 1, 2015 resulted in an increase in toll revenue of approximately $15.6 million or 5.9 percent.
- Operating expenses increased by $3.9 million or 2.2 percent from 2014.
- The Commission incurred $306.3 million in Infrastructure Project reimbursement expenses in 2015 for previously approved Infrastructure Project costs that were expended by the Ohio Department of Transportation ("ODOT").
- In 2015, the Commission made capital improvements totaling approximately $105.8 million.

Condensed Statement of Net Position Information (Dollars in Thousands)

	12/31/16	12/31/15	12/31/14
Assets and Deferred Outflows of Resources			
Cash and Investments	$ 536,837	$ 823,005	$ 1,120,594
Other Noncapital Assets	25,724	27,496	24,351
Capital Assets, Net	1,461,604	1,407,745	1,371,393
Total Assets	2,024,165	2,258,246	2,516,338
Deferred Outflows of Resources	42,584	26,467	19,582
Total Assets and Deferred Outflows of Resources	$ 2,066,749	$ 2,284,713	$ 2,535,920
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities	$ 122,762	$ 116,473	$ 105,102
Long-Term Liabilities	1,663,121	1,658,027	1,625,726
Total Liabilities	1,785,883	1,774,500	1,730,828
Deferred Inflows of Resources	1,885	888	–
Total Liabilities and Deferred Inflows of Resources	1,787,768	1,775,388	1,730,828
Net Position			
Net Investment in Capital Assets	930,174	844,818	778,519
Restricted	212,852	229,401	244,206
Unrestricted	(864,045)	(564,894)	(217,633)
Total Net Position	278,981	509,325	805,092
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 2,066,749	$ 2,284,713	$ 2,535,920

Assets

The condensed statements of net position information on the previous page show that cash and investments decreased by $286.2 million in 2016. This decrease was primarily the result of $283.1 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 $1.8 million decrease in other noncapital assets was due to a $0.7 million decrease in receivables and a $1.1 million decrease in inventories. The decrease in accounts receivable was primarily due to the payment of a related party receivable from ODOT. See Note 12 of the financial statements for more detailed information on this receivable. Inventories of ice melting materials decreased due to a decrease in the cost of salt from high prices in 2015 which were due to the unusually severe winter weather in 2014.

Cash and investments decreased by $297.6 million in 2015. This decrease was primarily the result of $298.6 million in payments to ODOT for reimbursement of funds spent on Infrastructure Projects. The $3.1 million increase in other noncapital assets was due to a $2.2 million increase in receivables and a $0.9 million increase in inventories. The increase in accounts receivable was primarily due to increased *E-ZPass* toll revenue receivable from other toll agencies due to increased *E-ZPass* toll volume. Inventories of ice melting materials increased due to an increase in the cost of salt due to the unusually severe winter weather in 2014.

Capital assets increased by $53.9 million in 2016 as the result of capital improvements of approximately $126.0 million and depreciation expense of $71.7 million. The 2016 capital improvements were primarily for the resurfacing of 98.4 lane miles of roadway, the full depth replacement of 41.1 lane miles and the rehabilitation of 31 bridges. Capital assets increased by $36.4 million in 2015 as the result of capital improvements of approximately $105.8 million and depreciation expense of $69.4 million. The 2015 capital improvements were primarily for the resurfacing of 62.9 lane miles of roadway, the full depth replacement of 42.1 lane miles and the rehabilitation of 29 bridges. See Note 4 of the financial statements for more detailed information on the Commission's capital assets.

Liabilities

Current liabilities increased by $6.3 million in 2016 primarily as a result of a $4.2 million increase in contracts payable, a $2.4 million increase in unearned revenue, a $0.9 million increase in bond interest and principal payable, and a $0.8 million increase in amounts payable to other toll agencies. These increases were partially offset by a $3.7 million decrease in infrastructure funds payable to ODOT. Current liabilities increased by $11.4 million in 2015 primarily as a result of a $7.7 million increase in infrastructure funds payable to ODOT, a $1.3 million increase in unearned revenue and a $1.0 million increase in bond interest and principal payable.

An increase in long-term liabilities of $5.1 million in 2016 was primarily the result of a $19.9 million increase in net pension liability and an increase in principal on capital appreciation bonds of $19.9 million offset by principal payments on outstanding bonds of $31.0 million and a reduction of $2.8 million in unamortized bond premiums. Excluding GASB 68, a decline in long-term liabilities of $15.8 million in 2015 was primarily the result of principal payments on outstanding bonds of $29.4 million offset by interest added to principal on capital appreciation bonds of $18.7 million and a reduction of $2.8 million in unamortized bond premiums. See Note 6 of the financial statements for more detailed information on long-term debt activity.

On January 1, 2015, the Commission implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The net pension liability recognized by the Commission at December 31, 2015 was $48.1 million.

As described in Note 7 of the financial statements, the Commission has commitments for capital projects and major repairs and replacements of $38.8 million as of December 31, 2016. 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 current agency ratings are as follows:

Agency	Senior Lien Bond Rating	Junior Lien Bond Rating
Standard & Poor's	AA-	A+
Fitch Ratings	AA	A+
Moody's Investors Service	Aa3	A1

Net Position

Net investment in capital assets increased by $85.4 million during 2016 as a result of $31.0 million of bond principal payments combined with the $53.9 million increase in capital assets. Of the $212.9 million balance of restricted net position, $170.3 million is restricted for debt service and $40.9 million is restricted for capital improvements, in accordance with provisions of the Commission's Master Trust Agreement. The remaining $1.7 million of restricted net position represents accumulated Ohio fuel tax allocations, which are also restricted for future capital improvements in accordance with Ohio law. The $16.5 million decrease in restricted net position during 2016 is due to a $15.5 million decrease in amounts restricted for capital projects, an additional $1.2 million restricted for debt service and a $2.2 million decrease in the amount of restricted Ohio fuel tax allocations. The $299.2 million decrease in unrestricted net position is primarily due to a $230.3 million decrease in net position as a result of 2016 expenses that exceeded revenues. Expenses exceeded revenues in 2016, primarily due to the $279.4 million in expense incurred for Ohio Department of Transportation projects. See Note 10 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.

Net investment in capital assets increased by $66.3 million during 2015 as a result of $29.4 million of bond principal payments combined with the $36.4 million increase in capital assets. Of the $229.4 million balance of restricted net position, $169.1 million is restricted for debt service and $56.4 million is restricted for capital improvements, in accordance with provisions of the Commission's Master Trust Agreement. The remaining $3.9 million of restricted net position represents accumulated Ohio fuel tax allocations, which are also restricted for future capital improvements in accordance with Ohio law. The $14.8 million decrease in restricted net position during 2015 is due to a $18.9 million decrease in amounts restricted for capital projects, an additional $1.4 million restricted for debt service and a $2.7 million increase in the amount of restricted Ohio fuel tax allocations. Unrestricted net position decreased $347.3 million from 2014, of which $40.9 million of the decrease was the result of a cumulative effect restatement of beginning net position due to the implementation of GASB Statements No. 68 and 71. Please refer to Note 1, Summary of Significant Accounting Policies, for additional information regarding the GASB 68 and 71 implementations and the impact on the financial statements. The remaining $306.4 million decrease in unrestricted net position is due to a $254.9 million decrease in net position as a result of 2015 expenses that exceeded revenues, the increase in the amount of net investment in capital assets and the decrease in funds restricted for debt service and capital projects.

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

	Years Ended		
	12/31/16	12/31/15	12/31/14
Revenues:			
Operating Revenues:			
Tolls	$ 288,439	$ 280,187	$ 264,621
Special Toll Permits	3,427	3,413	3,460
Concessions	16,325	16,120	15,078
Other	4,976	4,248	4,114
Nonoperating Revenues:			
State Fuel Tax Allocation	2,834	2,751	2,487
Investment Earnings	4,617	5,456	6,269
Total Revenues	320,618	312,175	296,029
Expenses:			
Operating Expenses:			
Administration and Insurance	11,484	10,178	9,762
Maintenance of Roadway and Structures	39,596	35,562	36,702
Services and Toll Operations	55,383	51,513	50,646
Traffic Control, Safety, Patrol, and Communications	14,487	13,885	13,657
Depreciation	71,663	69,364	65,826
Nonoperating Expenses:			
Payments to the Ohio Department of Transportation	279,368	306,265	190,810
Interest Expense	79,108	80,579	81,130
Gain on Disposals / Write-Offs of Capital Assets	(127)	(312)	(261)
Total Expenses	550,962	567,034	448,272
Change in Net Position	(230,344)	(254,859)	(152,243)
Net Position - Beginning of Year	509,325	805,092	957,335
Cumulative effect of change in accounting principle	–	(40,908)	–
Net position at beginning of year, as restated (1)	509,325	764,184	957,335
Net Position - End of Year	$ 278,981	$ 509,325	$ 805,092

(1) Beginning net position for fiscal year 2015 was restated as discussed in Note 1.

Toll revenues are the major source of funding for the Ohio Turnpike and Infrastructure Commission. Passenger car traffic volume increased by 3.2 percent and commercial traffic volume increased by 1.2 percent during 2016. Passenger car traffic volume increased by 4.4 percent and commercial traffic volume increased by 3.3 percent during 2015.

Traffic Volume (vehicles in thousands):	2016	2015	2014
Passenger Cars	43,472	42,110	40,345
Commercial Vehicles	11,425	11,284	10,923
Total	54,897	53,394	51,268

The number of miles traveled by passenger cars increased by 1.6 percent while the miles traveled by commercial vehicles increased by 0.5 percent during 2016. Toll rates were increased for all classes of vehicles by 2.7 percent on January 1, 2016. The toll rate increase and the increase in passenger car vehicle miles traveled was partially offset by the effect of increased *E-ZPass* use, which resulted in an increase in toll revenue from passenger cars of approximately $3.9 million or 3.2 percent. Revenues from commercial vehicles increased $4.4 million or 2.8 percent in 2016 as a result of the toll rate increase and the increase in commercial vehicle miles traveled.

The number of miles traveled by passenger cars increased by 4.8 percent while the miles traveled by commercial vehicles increased by 3.6 percent during 2015. Toll rates were increased for all classes of vehicles by 2.7 percent on January 1, 2015. The toll rate increase and the increase in passenger car vehicle miles traveled was partially offset by the effect of increased *E-ZPass* use, which resulted in an increase in toll revenue from passenger cars of approximately $7.3 million or 6.4 percent. Revenues from commercial vehicles increased $8.3 million or 5.5 percent in 2015 as a result of the toll rate increase and the increase in commercial vehicle miles traveled.

Toll Revenues (dollars in thousands):	2016	2015	2014
Passenger Cars	$ 126,063	$ 122,183	$ 114,871
Commercial Vehicles	162,376	158,004	149,750
Total	$ 288,439	$ 280,187	$ 264,621

Total expenses decreased by $16.1 million or 2.8 percent in 2016 compared to the prior year. Fringe benefit expenses, which are allocated to each area based on wages, increased $6.6 million from 2015 due primarily to a $4.1 million increase in pension expenses and a $2.0 million increase in employee health benefit costs. See Note 8, Pension Plan, for more information on pension costs. The 12.8 percent increase in Administration and Insurance expense was primarily due to the increase in fringe benefit costs. The 11.3 percent increase in Maintenance of Roadway and Structures expense is the result of higher fringe benefit costs, higher contamination remediation costs and higher salt costs due to an increase in the price of salt. The 7.5 percent increase in Services and Toll Operations expense is due primarily to the increase in fringe benefit costs and higher credit card fees. The Commission made $279.4 million in payments to ODOT in 2016 to pay for Infrastructure Projects. See Note 10, Payments for State Infrastructure Projects, for more information on these payments. Interest expense decreased $1.5 million in 2016 primarily due to an increase in capitalized interest on construction projects.

Total expenses increased by $118.8 million or 26.5 percent in 2015 compared to the prior year. Fringe benefit expenses, which are allocated to each area based on wages, decreased $1.0 million from 2014 due to lower pension expenses due to the implementation of GASB 68 and lower workers' compensation costs. See Notes 1 and 8 for more information on the effects of implementing GASB 68. The 4.3 percent increase in Administration and Insurance expense was primarily due to an increase in outside legal and professional fees. The 3.1 percent decrease in Maintenance of Roadway and Structures expense is the result of lower wages in 2015 compared to the harsher winter weather in 2014 partially offset by higher salt costs due to an increase in the price of salt. The 1.7 percent increase in Services and Toll Operations expense is due primarily to higher credit card fees. The Commission made $306.3 million in payments to ODOT in 2015 to pay for Infrastructure Projects. See Note 10, Payments for State Infrastructure Projects, for more information on these payments. Interest expense decreased $0.5 million in 2015 due to the payments made on outstanding debt.

Statements of Net Position *(In Thousands)*

	12/31/16	12/31/15
Assets and Deferred Outflows of Resources		
Current Assets:		
Unrestricted Current Assets:		
Cash and Cash Equivalents	$ 38,324	$ 69,121
Investments, at Fair Value	79,893	39,684
Accounts Receivable	16,786	16,159
Inventories	5,771	6,903
Other	1,881	1,924
Total Unrestricted Current Assets	142,655	133,791
Restricted Current Assets:		
Cash and Cash Equivalents	21,446	15,583
Investments, at Fair Value	70,477	73,461
State Fuel Tax Allocation Receivable	484	444
Other	624	1,922
Total Restricted Current Assets	93,031	91,410
Total Current Assets	235,686	225,201
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	13,449	118,172
Restricted Investments, at Fair Value	313,248	506,985
Net Pension Asset	178	143
Capital Assets, Net	1,461,604	1,407,745
Total Noncurrent Assets	1,788,479	2,033,045
Total Assets	2,024,165	2,258,246
Deferred Outflows of Resources	42,584	26,467
Total Assets and Deferred Outflows of Resources	$ 2,066,749	$ 2,284,713
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities:		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	$ 5,025	$ 4,629
Accrued Wages and Benefits	3,552	2,999
Compensated Absences	4,723	4,972
Claims and Judgments	1,323	976
Contamination Remediation Costs Payable	895	237
Other Liabilities	11,361	8,997
Toll Agency Payable	4,137	3,369
Total Current Liabilities Payable from Unrestricted Assets	31,016	26,179
Current Liabilities Payable from Restricted Assets:		
Accrued Wages and Benefits	10	24
Contracts Payable and Retained Amounts	13,200	8,952
Infrastructure Funds Payable to Ohio Department of Transportation	22,195	25,934
Interest Payable	23,821	24,389
Bonds Payable	32,520	30,995
Total Current Liabilities Payable from Restricted Assets	91,746	90,294
Total Current Liabilities	122,762	116,473
Noncurrent Liabilities:		
Net Pension Liability	67,956	48,051
Compensated Absences	5,701	5,113
Claims and Judgments	475	471
Contamination Remediation Costs Payable	500	478
Bonds Payable	1,588,489	1,603,914
Total Noncurrent Liabilities	1,663,121	1,658,027
Total Liabilities	1,785,883	1,774,500
Deferred Inflows of Resources	1,885	888
Total Liabilities and Deferred Inflows of Resources	1,787,768	1,775,388
Net Position:		
Net Investment in Capital Assets	930,174	844,818
Restricted For Debt Service	170,287	169,117
Restricted For Capital Projects	42,565	60,284
Unrestricted	(864,045)	(564,894)
Total Net Position	278,981	509,325
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 2,066,749	$ 2,284,713

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 12/31/16	For the Years Ended 12/31/15
Operating Revenues:		
Pledged as Security for Revenue Bonds:		
Tolls	$ 288,439	$ 280,187
Special Toll Permits	3,427	3,413
Concessions	15,631	15,432
Leases and Licenses	1,154	1,031
Other Revenues	3,812	3,214
Unpledged Revenues:		
Concessions	694	688
Other Revenues	10	3
Total Operating Revenues	313,167	303,968
Operating Expenses:		
Administration and Insurance	11,484	10,178
Maintenance of Roadway and Structures	39,596	35,562
Services and Toll Operations	55,383	51,513
Traffic Control, Safety, Patrol, and Communications	14,487	13,885
Depreciation	71,663	69,364
Total Operating Expenses	192,613	180,502
Operating Income	120,554	123,466
Nonoperating Revenues / (Expenses):		
State Fuel Tax Allocation	2,834	2,751
Investment Earnings Pledged as Security for Revenue Bonds	2,056	2,033
Investment Earnings - Unpledged	2,561	3,423
Gain on Disposals of Capital Assets	127	312
Ohio Department of Transportation Infrastructure Project Expense	(279,368)	(306,265)
Interest Expense	(79,108)	(80,579)
Total Nonoperating Revenues / (Expenses)	(350,898)	(378,325)
Decrease in Net Position	(230,344)	(254,859)
Net Position -- Beginning of Year	509,325	805,092
Cumulative effect of change in accounting principle	-	(40,908)
Net Position -- Beginning of Year, as Restated	509,325	764,184
Net Position -- End of Year	$ 278,981	$ 509,325

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

Statements of Cash Flows *(In Thousands)*

	For the Years Ended	
	12/31/16	12/31/15
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 307,484	$ 298,108
Cash Received from Other Operating Revenues	8,189	6,293
Cash Payments for Employee Salaries, Wages and Fringe Benefits	(74,502)	(72,278)
Cash Payments for Goods and Services	(39,160)	(41,762)
Net Cash Provided by Operating Activities	202,011	190,361
Cash Flows from Noncapital Financing Activities:		
Payments to the Ohio Department of Transportation	(283,107)	(298,570)
State Fuel Tax Allocation	2,794	2,709
Net Cash Used in Noncapital Financing Activities	(280,313)	(295,861)
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Sale of Assets	555	366
Acquisition and Construction of Capital Assets	(118,238)	(102,828)
Principal Paid on Bonds	(30,995)	(29,445)
Interest Paid on Bonds	(64,279)	(65,812)
Net Cash Used in Capital and Related Financing Activities	(212,957)	(197,719)
Cash Flows from Investing Activities:		
Interest Received on Investments	5,544	5,955
Proceeds from Sale and Maturity of Investments	800,714	663,711
Purchase of Investments	(644,656)	(343,846)
Net Cash Provided by Investing Activities	161,602	325,820
Net Increase / (Decrease) in Cash and Cash Equivalents	(129,657)	22,601
Cash and Cash Equivalents - Beginning of Year	202,876	180,275
Cash and Cash Equivalents - End of Year	$ 73,219	$ 202,876
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	$ 120,554	$ 123,466
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	71,663	69,364
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:		
Accounts Receivable	227	(2,323)
Inventories	1,132	(879)
Other Assets	15	69
Net Pension Asset	(35)	(105)
Deferred Pension Outflows of Resources	(17,884)	(2,633)
Accounts Payable	396	709
Accrued Salaries, Wages and Benefits	539	(460)
Net Pension Liability	19,905	1,085
Compensated Absences	339	(4)
Claims and Judgments	351	(752)
Contamination Remediation	680	(61)
Other Liabilities	3,132	1,997
Deferred Pension Inflows of Resources	997	888
Net Cash Provided by Operating Activities	$ 202,011	$ 190,361
Noncash Investing and Capital Activities:		
Decrease in Fair Value of Investments	$ (756)	$ (385)
Disposals / Write-Offs of Capital Assets	(428)	(53)
Increase in Capital Assets due to Capitalized Interest Costs	(3,466)	(2,376)
Decrease in Capital Assets due to Change in Contracts Payable	(4,247)	(565)
Gain from Capital Asset Trade-in	(5)	(4)
Amortization of Bond Premiums and Refunding Losses Classified as Interest Expense	1,017	1,017
Accretion in Capital Appreciation Bonds	19,879	18,742

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

Notes to Financial Statements

For the Years ended December 31, 2016 and 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

In accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units (an amendment of GASB Statement No. 14)*, 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.

Implementation of GASB Statements No. 68 and No. 71

During 2015, the Commission implemented GASB Statements No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement No. 68 requires employers participating in cost-sharing multiple-employer pension plans to recognize a proportionate share of the net pension liabilities of the plans. The Commission participates in the Public Employees Retirement System of Ohio ("OPERS"). A proportionate share of the net pension liabilities of the retirement system has been allocated to the Commission, based on retirement plan contributions for Commission employees. The cumulative effect of adopting GASB Statements No. 68 and No. 71 was a $40,908,000 reduction in the Commission's net position as of January 1, 2015. Balances reported for the year ended December 31, 2014 have not been restated due to limitations on the information available from the retirement system. Additional information regarding net pension liabilities, related deferrals and pension expense is provided in Note 8.

New Accounting Pronouncements

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. The implementation of this Statement had no impact on the Commission's financial statements or disclosures.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. The Commission has not determined the impact that this Statement will have on its financial statements or disclosures.

During 2016, the Commission implemented GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. GASB Statement No. 79 enhances comparability of financial statements by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement and with consistent application of an amortized cost-based measurement for financial reporting purposes.

During 2016, the Commission implemented GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. The implementation of this Statement had no impact on the Commission's financial statements or disclosures.

During 2016, the Commission implemented GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The implementation of this Statement had no impact on the Commission's financial statements or disclosures.

In March 2016, GASB issued Statement No. 82, *Pension Issues*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. The Commission has not determined the impact, if any, that this Statement will have on its financial statements or disclosures.

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.

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, negotiated order of withdrawal accounts, money market funds and certificates of deposit maturing within 90 days of purchase. Commission investments in overnight repurchase agreements 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, 2016 and 2015, 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 $3,466,000 and $2,376,000 was capitalized for the years ended December 31, 2016 and 2015, 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 is related to the net pension liability and unamortized refunding gains/losses on debt. See Note 5 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 lives of the refunded bonds.

Compensated Absences

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

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

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 expense 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's deferred inflows of resources is related to the net pension liability. More detailed information can be found in Note 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, 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.

Reclassifications

Certain amounts from the prior year have been reclassified. On the statements of net position, $112,500,000 has been reclassified from restricted current investments to restricted noncurrent investments to conform to the current year presentation. Total assets have not been affected by this change.

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 $329,000 and $331,000 in undeposited cash on hand at December 31, 2016 and December 31, 2015, respectively. The carrying amount of the Commission's deposits as of December 31, 2016 was $12,731,000 as compared to bank balances of $14,372,000. The carrying amount of the Commission's deposits as of December 31, 2015 was $11,428,000 as compared to bank balances of $13,071,000. All of the bank balances were covered by federal depository insurance or collateralized with securities held in joint custody accounts in the name of the pledging financial institution at the Federal Reserve Bank of Boston, Massachusetts.

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, 2016 the Commission's investments had the following recurring fair value measurements (in thousands):

Investment Type	2016	Level 1	Level 2
Federal National Mortgage Association	$ 109,641	$ –	$ 109,641
Federal Farm Credit Bureau	70,784	–	70,784
Federal Home Loan Mortgage Corporation	64,316	–	64,316
Federal Home Loan Bank	49,401	–	49,401
United State Treasury Notes	16,005	–	16,005
Total Investments	$ 310,147	$ –	$ 310,147

As of December 31, 2015 the Commission's investments had the following recurring fair value measurements (in thousands):

Investment Type	2015	Level 1	Level 2
Federal National Mortgage Association	$ 342,060	$ –	$ 342,060
Federal Home Loan Mortgage Corporation	198,587	–	198,587
Federal Home Loan Bank	69,296	–	69,296
Total Investments	$ 609,943	$ –	$ 609,943

The State Treasury Asset Reserve of Ohio of $153,470,000 in 2016 and $10,187,000 in 2015 are valued at amortized cost, which approximates fair value.

The U.S. Instrumentalities of $310,147,000 in 2016 and $609,943,000 in 2015 are valued using a matrix pricing model technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Federal Farm Credit Bureau securities totaling $70,784,000, Federal National Mortgage Association securities totaling $97,108,000, and Federal Home Loan Mortgage Corporation securities totaling $11,133,000 with maturities between one and five years, are callable within one year from December 31, 2016. Federal National Mortgage Association securities totaling $64,163,000 and Federal Home Loan Mortgage Corporation securities totaling $98,355,000 with maturities between one and five years, are callable within one year from December 31, 2015.

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, 2016, the Commission's investment balances (in thousands) and maturities, excluding call provisions, were as follows:

		Maturities (in Years)	
Investment Type	Fair Value	Less than 1	1-5
State Treasury Asset Reserve of Ohio*	$ 153,470	$ 153,470	$ –
Federal National Mortgage Association	109,641	2,693	106,947
Federal Farm Credit Bureau	70,784	–	70,784
Federal Home Loan Mortgage Corporation	64,316	53,184	11,133
Collateralized Overnight Repurchase Agreements*	59,197	59,197	–
Federal Home Loan Bank	49,401	31,435	17,966
United States Treasury Notes	16,005	16,005	–
Money Market Mutual Funds*	953	953	–
Negotiable Order of Withdrawal Accounts*	10	10	–
Total Investments	$ 523,777	$ 316,947	$ 206,830

** Valued at amortized cost*

As of December 31, 2015, the Commission's investment balances (in thousands) and maturities, excluding call provisions, were as follows:

		Maturities (in Years)	
Investment Type	Fair Value	Less than 1	1-5
Federal National Mortgage Association	$ 342,060	$ 268,189	$ 73,871
Federal Home Loan Mortgage Corporation	198,587	55,206	143,381
Collateralized Overnight Repurchase Agreements*	104,035	104,035	–
Negotiable Order of Withdrawal Accounts*	86,471	86,471	–
Federal Home Loan Bank	69,296	59,316	9,980
State Treasury Asset Reserve of Ohio*	10,187	10,187	–
Money Market Mutual Funds*	611	611	–
Total Investments	$ 811,247	$ 584,015	$ 227,232

** 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, the Commission's investments in U.S. instrumentalities (Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and Federal Farm Credit Bureau) were all rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. 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.

As of the Statements of Net Position dates, all Commission deposits and investments in overnight repurchase agreements and negotiable order of withdrawal 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 Fifth Third Bank, Cincinnati, Ohio as of December 31, 2016 and December 31, 2015. As of December 31, 2016 and December 31, 2015, Debt Service Fund investments in U.S. instrumentality securities with fair values totaling $186,279,000 and $186,044,000, 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, 2016, more than five percent of the Commission's portfolio was invested in collateralized overnight repurchase agreements 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. As of December 31, 2015, more than five percent of the Commission's portfolio was invested in collateralized overnight repurchase agreements and collateralized negotiable order of withdrawal accounts, as well as each of the following U.S. instrumentalities: Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation.

(3) ACCOUNTS RECEIVABLE

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

	2016	2015
Tolls	$ 14,547	$ 13,529
Concessions	1,318	1,628
Other	1,013	1,153
Less: Allowance for Doubtful Accounts	(92)	(151)
Total Accounts Receivable	$ 16,786	$ 16,159

(4) CAPITAL ASSETS

Capital asset activity (in thousands) for the years ended December 31, 2016 and 2015 was as follows:

	Balance 12/31/15	Increases	Decreases	Balance 12/31/16
Capital Assets Not Being Depreciated:				
Land	$ 38,211	$ –	$ –	$ 38,211
Construction In Progress	24,578	120,196	(126,613)	18,161
Total Capital Assets Not Being Depreciated	62,789	120,196	(126,613)	56,372
Other Capital Assets:				
Roadway and Structures	1,788,975	117,582	(7,789)	1,898,768
Buildings and Improvements	503,493	9,031	(387)	512,137
Machinery and Equipment	88,478	5,760	(5,317)	88,921
Total Other Capital Assets at Historical Cost	2,380,946	132,373	(13,493)	2,499,826
Less Accumulated Depreciation for:				
Roadway and Structures	(797,029)	(49,000)	7,500	(838,529)
Buildings and Improvements	(176,244)	(15,008)	359	(190,893)
Machinery and Equipment	(62,717)	(7,655)	5,200	(65,172)
Total Accumulated Depreciation	(1,035,990)	(71,663)	13,059	(1,094,594)
Other Capital Assets, Net	1,344,956	60,710	(434)	1,405,232
Total Capital Assets, Net	$ 1,407,745	$ 180,906	$ (127,047)	$ 1,461,604

	Balance 12/31/14	Increases	Decreases	Balance 12/31/15
Capital Assets Not Being Depreciated:				
Land	$ 38,211	$ –	$ –	$ 38,211
Construction In Progress	6,476	101,982	(83,880)	24,578
Total Capital Assets Not Being Depreciated	44,687	101,982	(83,880)	62,789
Other Capital Assets:				
Roadway and Structures	1,726,826	81,284	(19,135)	1,788,975
Buildings and Improvements	500,997	2,596	(100)	503,493
Machinery and Equipment	88,663	3,791	(3,976)	88,478
Total Other Capital Assets at Historical Cost	2,316,486	87,671	(23,211)	2,380,946
Less Accumulated Depreciation for:				
Roadway and Structures	(769,503)	(46,661)	19,135	(797,029)
Buildings and Improvements	(161,633)	(14,711)	100	(176,244)
Machinery and Equipment	(58,644)	(7,993)	3,920	(62,717)
Total Accumulated Depreciation	(989,780)	(69,365)	23,155	(1,035,990)
Other Capital Assets, Net	1,326,706	18,306	(56)	1,344,956
Total Capital Assets, Net	$ 1,371,393	$ 120,288	$ (83,936)	$ 1,407,745

(5) DEFERRED OUTFLOWS OF RESOURCES

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

	2016	2015
Unamortized Refunding Gains/Losses	$ 16,049	$ 17,816
Deferred Pension Outflows of Resources	26,535	8,651
Total Deferred Outflows of Resources	$ 42,584	$ 26,467

(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 Supplemental Trust Agreement, and the Junior Lien Master Trust Agreement ("Junior Lien Trust Agreement"), dated August 1, 2013, as amended by the first supplemental Junior Lien Trust Agreement (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 2016 and 2015.

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 each rating agency that rates the Commission's bonds. 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 each rating agency which rates the Commission's bonds. In connection with the issuance of its junior lien bonds, the Commission deposited $79,070,000 of junior lien bond proceeds into its junior lien DSRA, which deposit is restricted for debt service. Those funds were invested and are included in Investments, at Fair Value in restricted current assets.

Changes in long-term obligations (in thousands) for 2016 and 2015 are as follows:

	Balance 12/31/15	Increases	Decreases	Balance 12/31/16	Amounts Due Within One Year
Revenue Bonds Payable:					
Principal Payable	$ 1,593,353	$ 19,879	$ (30,995)	$ 1,582,237	$ 32,520
Unamortized Premiums - Net	41,556	–	(2,784)	38,772	–
Total Revenue Bonds Payable	1,634,909	19,879	(33,779)	1,621,009	32,520
Net Pension Liability	48,051	19,905	–	67,956	–
Compensated Absences	10,085	5,844	(5,505)	10,424	4,723
Claims and Judgments	1,447	12,695	(12,344)	1,798	1,323
Contamination Remediation	715	840	(160)	1,395	895
Totals	$ 1,695,207	$ 59,163	$ (51,788)	$ 1,702,582	$ 39,461

	Balance 12/31/14	Increases	Decreases	Balance 12/31/15	Amounts Due Within One Year
Revenue Bonds Payable:					
Principal Payable	$ 1,604,056	$ 18,742	$ (29,445)	$ 1,593,353	$ 30,995
Unamortized Premiums - Net	44,339	–	(2,783)	41,556	–
Total Revenue Bonds Payable	1,648,395	18,742	(32,228)	1,634,909	30,995
Net Pension Liability	–	48,051	–	48,051	–
Compensated Absences	10,089	5,779	(5,783)	10,085	4,972
Claims and Judgments	2,199	10,110	(10,862)	1,447	976
Contamination Remediation	776	–	(61)	715	237
Totals	$ 1,661,459	$ 82,682	$ (48,934)	$ 1,695,207	$ 37,180

Revenue bonds, payable (in thousands) as of December 31, 2016, are summarized as follows:

	Original Amount	Average Yield	Bonds Payable
Senior Lien Debt			
1998 Series A:			
Serial Bonds maturing 2017 through 2021	$ 168,180		$ 113,380
Term Bonds due 2024 and 2026	130,395		130,395
Total 1998 Series A	298,575	4.89%	243,775
2009 Series A:			
Serial Bonds maturing through 2024	137,205	4.13%	76,185
2010 Series A:			
Serial Bonds maturing 2021 through 2027	93,920		93,920
Term Bonds due 2031	37,370		37,370
	131,290	4.55%	131,290
2013 Series A:			
Term Bonds due 2048	73,495	4.93%	73,495
Total Senior Lien Principal Issued/Outstanding	640,565		524,745

	Original Amount	Average Yield	Bonds Payable
Junior Lien Debt			
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		172,703
Convertible Capital Appreciation Bonds maturing 2034 through 2036	145,000		175,519
Total Junior Lien Principal Issued/Outstanding	994,813	5.43%	1,057,492
Total Principal Issued/Outstanding	$ 1,635,378	5.31%	$ 1,582,237
Add:			
Unamortized bond premiums - net			38,772
Total Revenue Bonds Payable			$ 1,621,009

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

Year	Principal	Interest	Total
2017	$ 32,520	62,664	$ 95,184
2018	34,250	60,897	95,147
2019	44,120	58,830	102,950
2020	42,965	56,538	99,503
2021	39,630	54,362	93,992
2022 - 2026	267,270	283,652	550,922
2027 - 2031	181,690	245,670	427,360
2032 - 2036	257,581	292,223	549,804
2037 - 2041	221,989	429,885	651,874
2042 - 2046	279,982	265,820	545,802
2047 - 2048	180,240	9,120	189,360
Totals	$ 1,582,237	$ 1,819,661	$ 3,401,898

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 $305,000 as of December 31, 2016 and 2015 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 $1,090,000 and $410,000 as of December 31, 2016 and 2015, 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, 2016 and 2015 of approximately $38,820,000 and $47,893,000, 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 $4,649,000 and $6,666,000 as of December 31, 2016 and 2015, 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.

On March 31, 2015, the Commission was served with a lawsuit filed in the Court of Common Pleas of Cuyahoga County ("State Court") in Cleveland, Ohio, challenging the series of 2.7 percent annual toll increases (the "Increased Tolls") authorized on the Ohio Turnpike, the first of which took effect on January 1, 2014. These Increased Tolls were approved by the Commission on July 15, 2013, in connection with the issuance on August 15, 2013 of the Commission's $1,068,307,816 Turnpike Revenue Bonds, 2013 Series A (the "Bonds"). The Increased Tolls are described in the Official Statement for those Bonds dated July 31, 2013. Those Bonds are comprised of $73,495,000 2013 Series A Senior Lien Bonds to pay costs of improvements on the Ohio Turnpike and $994,812,816 2013 Series A Junior Lien Bonds to pay costs of certain highway infrastructure projects determined to have a "nexus" to the Ohio Turnpike under procedures and criteria established by Ohio law and by the Commission.

The lawsuit originally alleged that the Increased Tolls violated the Commerce and Equal Protection Clauses of the United States Constitution and the right to travel under the United States and Ohio Constitutions, and are an unlawful tax or user fee under Ohio law. However, the Honorable Dan Aaron Polster, United States District Judge, entered a Memorandum of Opinion and Order on August 25, 2015, which dismissed all federal claims, and did not rule on the one claim in which Plaintiff asserts that the Increased Tolls constitute an unlawful tax or user fee under Ohio law. This remaining claim was remanded back to State Court and on September 3, 2015 was re-stated by the Plaintiff as two claims, both challenging the Increased Tolls as unlawful under Ohio law. The Plaintiff continues to request class certification for the benefit of all Ohio Turnpike users who have paid the Increased Tolls, an order enjoining the Commission from continuing to collect the Increased Tolls and the repayment of all Increased Tolls collected since January 1, 2014. The Commission has requested that all claims now pending in State Court be dismissed because the Increased Tolls are authorized by Ohio law. On November 23, 2016, the Court granted permission to the Ohio Attorney General on behalf of the State of Ohio to intervene as a party in the lawsuit. The Attorney General has also requested the dismissal of all Plaintiff's claims.

The Commission cannot currently determine what effect, if any, the litigation might have on the operations or financial condition of the Commission.

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 457 full-time, nonsupervisory, field employees in the Commission's Toll Operations and Maintenance Departments, approximately 195 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 February 2014, the Commission ratified a three-year collective bargaining agreement with the full-time employees that is effective for the period January 1, 2014 through December 31, 2016. The agreement includes a bonus payment of $1,100 in 2014 and annual wage increases of 2 percent effective January 4, 2015 and January 3, 2016 for full-time employees. The Commission also has reached an agreement with the part-time employees for the same time period of January 1, 2014 through December 31, 2016 which includes a bonus payment of $800 in 2014 and annual wage increases of 2.5 percent and 2.0 percent effective January 4, 2015 and January 3, 2016, respectively. As of December 31, 2016, the Commission was in negotiations with the Union on a new three-year collective bargaining agreement.

(8) PENSION PLAN

Plan Description

The Commission contributes to the Ohio Public Employees Retirement System ("OPERS"). 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.

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"). 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 OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Benefits Provided

Plan benefits are established under Chapter 145 of the ORC, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depend on years of service (15 to 30 years) and from attaining the age of 48 to 62, depending on when the employee became a member. Members retiring before age 65 with less than 30 years' service credit receive a percentage reduction in benefit. Member retirement benefits are calculated on a formula that considers years of service (15 to 30 years), age (48 to 62 years), and final average salary, using a factor ranging from 1.0 percent to 2.5 percent.

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. The maximum annual adjustment, if applicable, is 3 percent of the employee's initial annual retirement allowance.

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' 2016 and 2015 employer contribution rates on covered payroll are as follows:

	Pension	Post-retirement Health Care	Death Benefits	Total
2016	12.00%	2.00%	- %	14.00%
2015	12.00%	2.00%	- %	14.00%

The Commission's contributions to OPERS for the traditional and combined plans for the years ended December 31, 2016 and 2015 were $6,431,000 and $6,019,000, respectively, equal to 100 percent of the required contributions for each year. Contributions to the member-directed plan for 2016 were $256,000 made by the Commission and $183,000 made by plan members. At December 31, 2016, there was $1,030,000 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

At December 31, 2016, the Commission reports a liability of $67,956,000 for its proportionate share of the net pension liability for the Traditional Plan and an asset for its proportionate share of the net pension asset of $178,000 for the Combined Plan. The net pension asset/liability was measured as of December 31, 2015. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of December 31, 2015. The Commission's proportion of the net pension asset/liability is determined by a measure of the

Commission's proportionate relationship of employer contributions made to OPERS to the total contributions made to OPERS by all employers and non-employer contributing entities to the plan. The Commission's proportion of the net asset/liability is based on the Commission's long-term share of contributions to the plan as compared to the total projected long-term contributions of employers and all non-employer contributing entities. At December 31, 2015, the Commission's proportion was 0.392329 percent for the Traditional Plan and 0.365870 percent for the Combined Plan.

For the years ended December 31, 2016 and December 31, 2015, the Commission recognized pension expense of $9,436,000 and $5,315,000, respectively.

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

At December 31, 2016, the Commission reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between Expected and Actual Experience	$ 8,000	$ 1,402,000
Net Difference between Projected and Actual Earnings on Pension Plan Investments	20,083,000	-
Change in Employer's Proportionate Share	2,000	483,000
Contributions subsequent to the measurement date	6,442,000	-
Total	$ 26,535,000	$ 1,885,000

At December 31, 2015, the Commission reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between Expected and Actual Experience	$ 2,572,000	$ 888,000
Contributions subsequent to the measurement date	6,079,000	-
Total	$ 8,651,000	$ 888,000

Deferred Outflows of Resources of $6,442,000 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, 2017. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:		
2017	$	4,161,000
2018	$	4,485,000
2019	$	5,068,000
2020	$	4,529,000
2021	$	(9,000)
Thereafter	$	(26,000)
	$	18,208,000

Actuarial Assumptions

The Total Pension Liability is based on the results of an actuarial valuation determined using the following actuarial assumptions, applied to all periods included in the measurement for fiscal years ended December 31, 2016 and December 31, 2015:

	Traditional Plan	Combined Plan
Wage Inflation	3.75%	3.75%
Salary Increases (includes Wage Inflation)	4.25% – 10.05%	4.25% – 8.05%
Investment Rate of Return	8.00%	8.00%
COLA	3.00%	3.00%
Actuarial Cost Method	Individual Entry Age	
Valuation Dates	December 31,2015 and December 31,2014	

Mortality rates were based on the RP-2000 Combined Mortality Table for males or females, as appropriate, with adjustments for mortality improvements based on Projection Scale AA.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period of five years ended December 31, 2010.

Discount Rate

The discount rate used to measure the total pension liability was 8.0 percent for the fiscal years ended December 31, 2016 and December 31, 2015. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Projected Cash Flows

The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for 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, 2016 in the following table:

	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	23.00%	2.31%
Domestic Equity	20.70%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	18.30%	7.40%
Other Investments	18.00%	4.59%
Total	100.00%	5.27%

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, 2015 in the following table:

	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	23.00%	2.31%
Domestic Equity	19.90%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	19.10%	7.40%
Other Investments	18.00%	4.59%
Total	100.00%	5.28%

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

The following table represents the net pension liability (asset) as of December 31, calculated using the current period discount rate assumption of 8 percent. Also shown is what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (7 percent) or one percentage point higher (9 percent) than the current assumption:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
2016			
Net Pension Liability Traditional	$ 108,271,000	$ 67,956,000	$ 33,952,000
Net Pension Liability (Asset) Combined	$ (4,000)	$ (178,000)	$ (318,000)

Pension 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 OPERS Web site at https://www.opers.org/financial/report.shtml.

(9) OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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.

In order to qualify for postretirement healthcare coverage, age and service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Healthcare coverage for disability recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an other postemployment benefit ("OPEB") as described in GASB Statement No. 45.

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.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614)222-5601 or (800)222-7377.

Funding Policy

The Ohio Revised Code provides statutory authority, requiring public employers to fund postretirement healthcare through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement healthcare benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016 and 2015, state and local employers contributed at a rate of 14 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employers. Active members do not make contributions to the OPEB plan.

OPERS' postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, OPERS board of trustees determines the portion of the employer contribution rate that will be set aside for funding of the postemployment healthcare benefits. The portion of employer contributions allocated to healthcare for members in the traditional plan was 2 percent during 2016. The portion of employer contributions allocated to healthcare for members in the combined plan was 2 percent during 2016. OPERS board of trustees is also authorized to establish rules for the payment of a portion of the healthcare benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Commission's contributions to OPERS for other postemployment benefits for the years ended December 31, 2016, 2015 and 2014 were $1,072,000, $1,003,000, and $1,002,000, respectively, equal to 100 percent of the required contributions for each year.

(10) 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, 2016, ODOT has expended $784,419,000 on Infrastructure Projects and the Commission has reimbursed ODOT $762,223,000 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 2017. The status of the funding (in thousands) of each infrastructure project as of December 31, 2016 is as follows:

County	Project	Approved Amount	Amount Expended by ODOT	Infrastructure Funds Paid to ODOT
Cuyahoga	I-90 Innerbelt Bridge	$ 275,020	$ 269,073	$ 268,613
Cuyahoga	Opportunity Corridor	14,000	8,336	8,043
Erie	US 250 Widening	14,000	12,525	12,486
Hancock/Wood	I-75 Widening	283,280	264,460	260,739
Lorain	SR 57	16,500	16,000	16,000
Lucas	I-75 and I-475 Interchange	122,200	64,377	57,703
Lucas	I-475 and Rt 20 Interchange	27,500	18,366	14,670
Lucas	I-75 Widening	63,000	48,674	43,965
Mahoning/Trumbull	I-80 Widening	65,500	36,046	33,442
Summit	I-271 Widening	49,000	46,562	46,562
		$ 930,000	$ 784,419	$ 762,223

In February 2016, the Director of ODOT submitted to the Commission for consideration funding requests for additional Infrastructure Projects and, on April 18, 2016, the Commission's Board approved the funding of four additional Infrastructure Projects upon the successful completion of an issuance of Turnpike Revenue Bonds generating proceeds of at least $200 million. ODOT began construction on these projects in 2016 and the Commission will enter into funding agreements to reimburse ODOT from the proceeds of the bond issuance once it is completed. The approved funding amount for each project (in thousands) is as follows:

County	Project	Amount
Cuyahoga	I-77 Widening	$ 24,000
Cuyahoga	I-271 Widening	90,000
Summit	I-76/I-77 Interchanges	80,000
Mahoning	I-680/SR-164 Interchange	6,000
		$ 200,000

(11) 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, 2016.

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

	2016	2015
Workers' compensation claims	$ 863	$ 680
Employee health claims	871	758
Miscellaneous claims and judgments	64	9
Total	$ 1,798	$ 1,447

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:

	Estimated Claims Payable - Beginning of Year	Current Claims	Claims Payments	Estimated Claims Payable - End of Year
2016	$ 1,447	$ 12,695	$ 12,344	$ 1,798
2015	$ 2,199	$ 10,110	$ 10,862	$ 1,447
2014	$ 1,855	$ 10,813	$ 10,469	$ 2,199

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.

(12) RELATED PARTY TRANSACTIONS

Other restricted current assets for the year ended December 31, 2015 included an $854,000 receivable from ODOT for reimbursement of amounts paid by the Commission for painting one of ODOT's bridges over the Ohio Turnpike.

Schedule of Net Pension Liability *Last two Fiscal Years**

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

		2015		2014
Employer's Proportion of the Collective Net Pension Asset / Liability				
Traditional Plan		0.392329%		0.398393%
Combined Plan		0.365870%		0.373154%
Employer's Proportionate Share of the Collective Net Pension Asset / (Liability)				
Traditional Plan	$	(67,956)	$	(48,051)
Combined Plan	$	178	$	143
Employer's Covered Payroll				
Traditional Plan	$	48,829	$	48,843
Combined Plan	$	1,332	$	1,242
Employers Proportionate Share of the Collective Net Pension Liability as a percentage of the Employer's Covered Payroll				
Traditional Plan		139.17%		98.38%
Combined Plan		(13.36%)		(11.51%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability				
Traditional Plan		81.08%		86.45%
Combined Plan		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 Employer Contributions *Last two Fiscal Years**

Ohio Public Employees Retirement System

(Dollars in Thousands)

	2016	2015
Statutory Required Employer Contribution	$ 6,431	$ 6,019
Actual Employer Contributions Received	6,431	6,019
Difference	$ -	$ -
Employer's Covered Payroll	$ 53,589	$ 50,161
Actual Employer Contributions Received as a Percentage of Covered Payroll	12.00%	12.00%

* *Information prior to 2015 is not available.*

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Ohio Turnpike and Infrastructure Commission

2016 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)*

	12/31/16	12/31/15	12/31/14
Assets and Deferred Outflows of Resources			
Current Assets:			
Unrestricted Current Assets:			
Cash and Investments, at Fair Value	$ 118,217	$ 108,805	$ 92,659
Other	24,438	24,986	22,600
Total Unrestricted Current Assets	142,655	133,791	115,259
Restricted Current Assets:			
Cash and Investments, at Fair Value	91,923	89,044	80,675
Other	1,108	2,366	1,751
Total Restricted Current Assets	93,031	91,410	82,426
Total Current Assets	235,686	225,201	197,685
Noncurrent Assets:			
Restricted Cash and Investments, at Fair Value	326,697	625,157	947,260
Other	178	143	–
Capital Assets, Net	1,461,604	1,407,745	1,371,393
Total Noncurrent Assets	1,788,479	2,033,045	2,318,653
Total Assets	2,024,165	2,258,246	2,516,338
Deferred Outflows of Resources	42,584	26,467	19,582
Total Assets and Deferred Outflows of Resources	$ 2,066,749	$ 2,284,713	$ 2,535,920
Liabilities and Net Position			
Current Liabilities:			
Current Liabilities Payable from Unrestricted Assets:			
Accounts, Wages and Benefits Payable	$ 8,577	$ 7,628	$ 7,376
Other	22,439	18,551	16,657
Total Current Liabilities Payable from Unrestricted Assets	31,016	26,179	24,033
Current Liabilities Payable from Restricted Assets:			
Contracts, Wages and Benefits Payable and Retained Amounts	13,210	8,976	8,414
Infrastructure Funds Payable to Ohio Department of Transportation	22,195	25,934	18,239
Interest Payable	23,821	24,389	24,971
Bonds Payable	32,520	30,995	29,445
Total Current Liabilities Payable from Restricted Assets	91,746	90,294	81,069
Total Current Liabilities	122,762	116,473	105,102
Noncurrent Liabilities:			
Bonds Payable	1,588,489	1,603,914	1,618,950
Other	74,632	54,113	6,776
Total Noncurrent Liabilities	1,663,121	1,658,027	1,625,726
Total Liabilities	1,785,883	1,774,500	1,730,828
Deferred Inflows of Resources	1,885	888	–
Total Liabilities and Deferred Inflows of Resources	1,787,768	1,775,388	1,730,828
Net Position:			
Net Investment in Capital Assets	930,174	844,818	778,519
Restricted for Debt Service	170,287	169,117	167,668
Restricted for Capital Projects	42,565	60,284	76,538
Unrestricted	(864,045)	(564,894)	(217,633)
Total Net Position	278,981	509,325	805,092
Total Liabilities and Net Position	$ 2,066,749	$ 2,284,713	$ 2,535,920

12/31/13	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08	12/31/07
$ 85,048	$ 134,092	$ 116,836	$ 110,888	$ 102,960	$ 102,440	$ 100,721
19,898	21,655	21,386	19,567	18,668	13,757	11,002
104,946	155,747	138,222	130,455	121,628	116,197	111,723
63,920	52,173	50,425	46,428	39,143	38,085	38,593
1,704	377	436	702	484	599	765
65,624	52,550	50,861	47,130	39,627	38,684	39,358
170,570	208,297	189,083	177,585	161,255	154,881	151,081
1,148,382	15,861	14,629	33,401	8,343	23,216	21,308
–	–	–	–	–	–	–
1,343,471	1,306,929	1,276,325	1,234,535	1,233,289	1,237,111	1,255,465
2,491,853	1,322,790	1,290,954	1,267,936	1,241,632	1,260,327	1,276,773
2,662,423	1,531,087	1,480,037	1,445,521	1,402,887	1,415,208	1,427,854
21,349	23,222	25,628	28,033	25,997	19,387	21,001
$ 2,683,772	$ 1,554,309	$ 1,505,665	$ 1,473,554	$ 1,428,884	$ 1,434,595	$ 1,448,855
$ 6,974	$ 6,881	$ 6,752	$ 7,747	$ 6,376	$ 6,861	$ 6,424
15,126	15,006	15,364	14,104	11,669	9,646	10,437
22,100	21,887	22,116	21,851	18,045	16,507	16,861
10,757	9,679	10,868	9,302	3,720	4,465	5,427
–	–	–	–	–	–	–
25,460	11,049	11,468	10,162	12,252	12,962	13,331
28,145	26,455	22,760	21,745	17,290	21,320	20,320
64,362	47,183	45,096	41,209	33,262	38,747	39,078
86,462	69,070	67,212	63,060	51,307	55,254	55,939
1,633,508	570,672	599,982	625,596	645,577	656,248	678,983
6,467	6,816	7,479	12,043	14,232	15,344	14,125
1,639,975	577,488	607,461	637,639	659,809	671,592	693,108
1,726,437	646,558	674,673	700,699	711,116	726,846	749,047
–	–	–	–	–	–	–
–	–	–	–	–	–	–
721,951	733,024	679,211	615,227	596,419	578,930	577,163
166,196	31,823	28,524	27,666	23,655	21,257	20,600
86,036	15,710	14,539	33,332	8,183	23,018	21,264
(16,848)	127,194	108,718	96,630	89,511	84,544	80,781
957,335	907,751	830,992	772,855	717,768	707,749	699,808
$ 2,683,772	$ 1,554,309	$ 1,505,665	$ 1,473,554	$ 1,428,884	$ 1,434,595	$ 1,448,855

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

	2016	2015	2014
Operating Revenues:			
Tolls	$ 288,439 [(1)]	$ 280,187 [(1)]	$ 264,621 [(1)]
Concessions	16,325	16,120	15,078
Special Toll Permits	3,427	3,413	3,460
Leases and Licenses	1,154	1,031	1,085
Other Revenues	3,822	3,217	3,029
Total Operating Revenues	313,167	303,968	287,273
Operating Expenses:			
Administration and Insurance	11,484	10,178	9,762
Maintenance of Roadway and Structures	39,596	35,562	36,702
Services and Toll Operations	55,383	51,513	50,646
Traffic Control, Safety, Patrol and Communications	14,487	13,885	13,657
Depreciation	71,663	69,364	65,826
Total Operating Expenses	192,613	180,502	176,593
Operating Income	120,554	123,466	110,680
Nonoperating Revenues / (Expenses):			
Ohio Department of Transportation Purchase of Capacity	–	–	–
State Fuel Tax Allocation	2,834	2,751	2,487
Investment Income	4,617	5,456	6,269
Gain / (Loss) on Disposals / Write-Offs of Capital Assets	127	312	261
Ohio Department of Transportation Infrastructure Project Expense	(279,368)	(306,265)	(190,810)
Interest Expense	(79,108)	(80,579)	(81,130)
Total Nonoperating Revenues / (Expenses)	(350,898)	(378,325)	(262,923)
(Decrease) / Increase in Net Position	(230,344)	(254,859)	(152,243)
Net Position - Beginning of Year	509,325	805,092	957,335
Cumulative effect of change in accounting principle	–	(40,908)	–
Net Position - Beginning of Year, as Restated	509,325	764,184	957,335
Net Position - End of Year	$ 278,981	$ 509,325	$ 805,092

Notes:
(1) Toll rate increase of 2.7% annually effective January 1, 2014, 2015 and 2016.
(2) Toll rate increase of approximately 10% effective January 1, 2012.
(3) Toll rate increase effective October 1, 2009 with the implementation of E-ZPass® electronic tolling.
(4) Toll rate increase effective January 1, 2007 of $.005 per mile for Classes 1 through 3 and an increase over the temporary toll rates of $.01 per mile for Classes 4 through 9.

2013	2012	2011	2010	2009	2008	2007
$ 254,638	$ 252,544 (2)	$ 231,011	$ 232,189	$ 187,278 (3)	$ 187,530	$ 198,154 (4)
14,088	12,984	14,017	13,670	13,616	13,564	14,078
3,518	3,393	3,413	3,301	2,964	3,046	2,317
1,091	1,077	1,062	941	995	928	903
2,292	1,875	1,936	1,627	1,063	638	474
275,627	271,873	251,439	251,728	205,916	205,706	215,926
9,293	9,936	8,745	8,737	8,634	8,464	8,115
35,015	35,565	36,131	37,576	35,699	37,281	37,703
50,369	51,266	50,549	54,583	53,817	52,394	50,739
14,040	14,559	14,904	14,998	15,529	15,794	14,614
62,707	59,933	57,488	55,187	53,539	52,652	52,458
171,424	171,259	167,817	171,081	167,218	166,585	163,629
104,203	100,614	83,622	80,647	38,698	39,121	52,297
–	–	–	–	–	–	–
2,292	2,074	2,051	2,240	2,199	2,146	2,358
2,521	701	957	1,266	1,233	4,406	7,758
(2)	(40)	(378)	(455)	(1,753)	(3,292)	(418)
(7,975)	–	–	–	–	–	–
(51,455)	(26,590)	(28,115)	(28,611)	(30,358)	(34,440)	(34,406)
(54,619)	(23,855)	(25,485)	(25,560)	(28,679)	(31,180)	(24,708)
49,584	76,759	58,137	55,087	10,019	7,941	27,589
907,751	830,992	772,855	717,768	707,749	699,808	672,219
–	–	–	–	–	–	–
907,751	830,992	772,855	717,768	707,749	699,808	672,219
$ 957,335	$ 907,751	$ 830,992	$ 772,855	$ 717,768	$ 707,749	$ 699,808

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

Class		2016	2015	2014
Vehicle Classification by Axles and Height: (1)				
1	Low 2-axle vehicles and all motorcycles	43,472	42,110	40,345
2	Low 3-axle vehicles and high 2-axle vehicles	1,379	1,328	1,251
3	Low 4-axle vehicles and high 3-axle vehicles	734	713	663
4	Low 5-axle vehicles and high 4-axle vehicles	499	473	451
5	Low 6-axle vehicles and high 5-axle vehicles	8,358	8,335	8,120
6	High 6-axle vehicles	273	257	258
7	All vehicles with 7 or more axles	182	178	180
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		54,897	53,394	51,268
Add Non-Revenue (2)		443	386	367
Total Vehicles		55,340	53,780	51,635

Percentage of Vehicles Using *E-ZPass®*:	2016	2015	2014
Passenger cars (Class 1)	50.2%	47.6%	45.5%
Commercial vehicles (Class 2-7)	83.6%	82.1%	80.0%
Total	57.1%	54.9%	52.9%

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."*

(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.

2013	2012	2011	2010	2009	2008	2007
39,742	39,418	39,026	38,900	9,197	–	–
1,198	1,178	1,166	1,290	322	–	–
633	620	598	594	128	–	–
422	404	387	376	83	–	–
7,885	7,766	7,633	7,279	1,681	–	–
245	237	251	237	50	–	–
187	181	185	180	42	–	–
–	–	–	–	29,281	39,036	40,134
–	–	–	–	1,332	1,463	1,452
–	–	–	–	334	564	629
–	–	–	–	1,003	1,755	1,907
–	–	–	–	968	1,321	1,298
–	–	–	–	943	1,451	1,495
–	–	–	–	996	1,578	1,598
–	–	–	–	1,746	2,651	2,781
–	–	–	–	67	149	185
–	–	–	–	24	36	39
–	–	–	–	5	8	9
50,312	49,804	49,246	48,856	48,202	50,012	51,527
404	351	338	262	187	192	247
50,716	50,155	49,584	49,118	48,389	50,204	51,774

2013	2012	2011	2010	Oct-Dec 2009		
42.2%	38.4%	34.1%	28.8%	23.0%	–	–
78.4%	75.9%	73.0%	69.9%	67.6%	–	–
49.8%	46.2%	42.2%	37.2%	32.0%	–	–

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

Class		2016	2015	2014
Vehicle Classification by Axles and Height: (1)				
1	Low 2-axle vehicles and all motorcycles	$ 126,063	$ 122,183	$ 114,871
2	Low 3-axle vehicles and high 2-axle vehicles	8,029	7,682	7,065
3	Low 4-axle vehicles and high 3-axle vehicles	6,312	6,025	5,432
4	Low 5-axle vehicles and high 4-axle vehicles	4,865	4,561	4,213
5	Low 6-axle vehicles and high 5-axle vehicles	129,926	127,382	121,024
6	High 6-axle vehicles	5,333	4,795	4,661
7	All vehicles with 7 or more axles	7,911	7,559	7,355
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		288,439	280,187	264,621
Add Volume Discount		–	–	–
Total Toll Revenue		$ 288,439	$ 280,187	$ 264,621

Percentage of Toll Revenue from *E-ZPass®*:	2016	2015	2014
Passenger cars (Class 1)	40.8%	38.7%	36.9%
Commercial vehicles (Class 2-7)	81.7%	79.8%	77.3%
Total	63.8%	61.9%	59.8%

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. 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."*

2013	2012	2011	2010	2009	2008	2007
$ 112,820	$ 112,428	$ 103,201	$ 106,972	$ 25,928	$ –	$ –
6,723	6,739	6,147	6,939	1,687	–	–
5,128	5,027	4,506	4,582	971	–	–
3,895	3,790	3,303	3,309	703	–	–
114,194	112,749	103,063	100,079	23,436	–	–
4,479	4,477	4,198	3,870	833	–	–
7,399	7,334	6,593	6,438	1,487	–	–
–	–	–	–	60,882	78,680	82,173
–	–	–	–	5,384	5,989	6,301
–	–	–	–	1,624	2,743	3,136
–	–	–	–	6,120	10,994	12,322
–	–	–	–	8,047	11,382	11,477
–	–	–	–	11,214	17,588	18,354
–	–	–	–	12,762	20,066	20,575
–	–	–	–	27,069	40,820	44,199
–	–	–	–	1,172	2,414	2,916
–	–	–	–	1,269	1,995	2,159
–	–	–	–	300	546	586
254,638	252,544	231,011	232,189	190,888	193,217	204,198
–	–	–	–	(3,610)	(5,687)	(6,044)
$ 254,638	$ 252,544	$ 231,011	$ 232,189	$ 187,278	$ 187,530	$ 198,154

2013	2012	2011	2010	Oct-Dec 2009		
34.0%	30.6%	27.2%	23.0%	19.4%	–	–
75.4%	72.7%	69.8%	67.0%	65.7%	–	–
57.1%	53.9%	50.7%	46.7%	44.1%	–	–

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

Class		2016	2015	2014
Vehicle Classification by Axles and Height: (1)				
1	Low 2-axle vehicles and all motorcycles	2,029,904	1,998,170	1,906,619
2	Low 3-axle vehicles and high 2-axle vehicles	77,199	75,235	70,619
3	Low 4-axle vehicles and high 3-axle vehicles	50,505	49,407	45,371
4	Low 5-axle vehicles and high 4-axle vehicles	32,942	31,642	29,928
5	Low 6-axle vehicles and high 5-axle vehicles	799,120	801,225	777,125
6	High 6-axle vehicles	23,534	21,627	21,551
7	All vehicles with 7 or more axles	24,442	23,981	23,946
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	–	–	–
Total Vehicle Miles Traveled		3,037,646	3,001,287	2,875,159

Percentage of Vehicle Miles Traveled Using *E-ZPass*®:	2016	2015	2014
Passenger cars (Class 1)	50.4%	48.1%	46.2%
Commercial vehicles (Class 2-7)	83.4%	81.8%	79.6%
Total	61.4%	59.4%	57.4%

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."

2013	2012	2011	2010	2009	2008	2007
1,891,723	1,859,124	1,851,683	1,885,422	443,998	–	–
68,152	67,423	67,624	75,534	18,125	–	–
43,552	42,365	41,323	41,554	8,775	–	–
28,129	27,208	26,155	26,049	5,560	–	–
750,133	736,063	729,354	706,170	164,830	–	–
21,253	21,192	21,959	20,269	4,356	–	–
24,754	24,541	24,363	23,846	5,468	–	–
–	–	–	–	1,419,056	1,831,515	1,915,119
–	–	–	–	87,170	96,884	101,864
–	–	–	–	20,803	35,148	40,178
–	–	–	–	61,896	111,146	124,575
–	–	–	–	81,209	114,840	115,797
–	–	–	–	96,136	150,787	157,367
–	–	–	–	109,367	171,966	176,349
–	–	–	–	195,291	294,548	318,922
–	–	–	–	8,440	17,407	21,052
–	–	–	–	3,401	5,341	5,778
–	–	–	–	741	1,346	1,441
2,827,696	2,777,916	2,762,461	2,778,844	2,734,622	2,830,928	2,978,442

2013	2012	2011	2010	Oct-Dec 2009		
42.8%	39.1%	35.0%	30.2%	25.7%	–	–
77.7%	75.2%	72.3%	69.5%	68.1%	–	–
54.4%	51.0%	47.3%	42.8%	39.2%	–	–

Toll Rates Per Mile *Last Ten Fiscal Years*

Class		2016	2015	2014
Vehicle Classification by Axles and Height (Non *E-ZPass*®): (1)				
1	Low 2-axle vehicles and all motorcycles	$ 0.07	$ 0.07	$ 0.07
2	Low 3-axle vehicles and high 2-axle vehicles	0.13	0.12	0.12
3	Low 4-axle vehicles and high 3-axle vehicles	0.15	0.14	0.14
4	Low 5-axle vehicles and high 4-axle vehicles	0.18	0.17	0.17
5	Low 6-axle vehicles and high 5-axle vehicles	0.20	0.19	0.19
6	High 6-axle vehicles	0.27	0.27	0.26
7	All vehicles with 7 or more axles	0.37	0.36	0.36
Vehicle Classification by Axles and Height (*E-ZPass*®): (1)				
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	0.10
4	Low 5-axle vehicles and high 4-axle vehicles	0.13	0.13	0.13
5	Low 6-axle vehicles and high 5-axle vehicles	0.16	0.15	0.15
6	High 6-axle vehicles	0.22	0.21	0.21
7	All vehicles with 7 or more axles	0.32	0.31	0.31
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	–	–	–

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."*

2013	2012	2011	2010	2009	2008	2007
$ 0.07	$ 0.07	$ 0.06	$ 0.06	$ 0.06	$ –	$ –
0.12	0.12	0.10	0.10	0.10	–	–
0.14	0.14	0.12	0.12	0.12	–	–
0.16	0.16	0.15	0.15	0.14	–	–
0.18	0.18	0.17	0.17	0.17	–	–
0.25	0.25	0.23	0.23	0.23	–	–
0.34	0.35	0.31	0.31	0.30	–	–
$ 0.05	$ 0.05	$ 0.04	$ 0.04	$ 0.05	$ –	$ –
0.08	0.08	0.07	0.07	0.07	–	–
0.10	0.10	0.09	0.09	0.09	–	–
0.12	0.12	0.11	0.11	0.11	–	–
0.15	0.15	0.13	0.13	0.13	–	–
0.21	0.21	0.19	0.19	0.19	–	–
0.30	0.30	0.27	0.27	0.27	–	–
$ –	$ –	$ –	$ –	$ 0.04	$ 0.04	$ 0.04
–	–	–	–	0.06	0.06	0.06
–	–	–	–	0.08	0.08	0.08
–	–	–	–	0.10	0.10	0.10
–	–	–	–	0.10	0.10	0.10
–	–	–	–	0.12	0.12	0.12
–	–	–	–	0.12	0.12	0.12
–	–	–	–	0.14	0.14	0.14
–	–	–	–	0.14	0.14	0.14
–	–	–	–	0.37	0.37	0.37
–	–	–	–	0.40	0.41	0.41

Comparative Traffic Statistics *Last Ten Fiscal Years*

	2016	2015	2014
Number of Vehicles *(In Thousands):*			
Passenger Cars	43,472	42,110	40,345
Commercial Vehicles	11,425	11,284	10,923
Total	54,897	53,394	51,268
Percentage of Vehicles:			
Passenger Cars	79.2%	78.9%	78.7%
Commercial Vehicles	20.8%	21.1%	21.3%
Number of Miles *(In Thousands):*			
Passenger Cars	2,029,904	1,998,170	1,906,619
Commercial Vehicles	1,007,742	1,003,117	968,540
Total	3,037,646	3,001,287	2,875,159
Percentage of Miles:			
Passenger Cars	66.8%	66.6%	66.3%
Commercial Vehicles	33.2%	33.4%	33.7%
Toll Revenue *(In Thousands):*			
Passenger Cars	$ 126,063	$ 122,183	$ 114,871
Commercial Vehicles	162,376	158,004	149,750
Total	$ 288,439	$ 280,187	$ 264,621
Percentage of Toll Revenue:			
Passenger Cars	43.7%	43.6%	43.4%
Commercial Vehicles	56.3%	56.4%	56.6%
Average Miles per Trip:			
Passenger Cars	46.7	47.5	47.3
Commercial Vehicles	88.2	88.9	88.7
Average Toll Revenue per Trip:			
Passenger Cars	$ 2.90	$ 2.90	$ 2.85
Commercial Vehicles	14.21	14.00	13.71
Average Toll Revenue per Mile:			
Passenger Cars	$ 0.06	$ 0.06	$ 0.06
Commercial Vehicles	0.16	0.16	0.15

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

2013	2012	2011	2010	2009	2008	2007
39,742	39,418	39,026	38,900	38,478	39,036	40,134
10,570	10,386	10,220	9,956	9,724	10,976	11,393
50,312	49,804	49,246	48,856	48,202	50,012	51,527
79.0%	79.1%	79.2%	79.6%	79.8%	78.1%	77.9%
21.0%	20.9%	20.8%	20.4%	20.2%	21.9%	22.1%
1,891,723	1,859,124	1,851,683	1,885,422	1,863,054	1,831,515	1,915,119
935,973	918,792	910,778	893,422	871,568	999,413	1,063,323
2,827,696	2,777,916	2,762,461	2,778,844	2,734,622	2,830,928	2,978,442
66.9%	66.9%	67.0%	67.8%	68.1%	64.7%	64.3%
33.1%	33.1%	33.0%	32.2%	31.9%	35.3%	35.7%
$ 112,820	$ 112,428	$ 103,201	$ 106,972	$ 86,810	$ 78,680	$ 82,173
141,818	140,116	127,810	125,217	100,468	108,850	115,981
$ 254,638	$ 252,544	$ 231,011	$ 232,189	$ 187,278	$ 187,530	$ 198,154
44.3%	44.5%	44.7%	46.1%	46.4%	42.0%	41.5%
55.7%	55.5%	55.3%	53.9%	53.6%	58.0%	58.5%
47.6	47.2	47.4	48.5	48.4	46.9	47.7
88.5	88.5	89.1	89.7	89.6	91.1	93.3
$ 2.84	$ 2.85	$ 2.64	$ 2.75	$ 2.26	$ 2.02	$ 2.05
13.42	13.49	12.51	12.58	10.33	9.92	10.18
$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.05	$ 0.04	$ 0.04
0.15	0.15	0.14	0.14	0.12	0.11	0.11

Activity by Interchange (1) *Last Ten Fiscal Years (In Thousands)*

Milepost / Name		2016	2015	2014
2	Westgate	7,772	7,769	7,473
13	Bryan-Montpelier	717	697	616
25	Archbold-Fayette	400	375	356
34	Wauseon	752	732	684
39	Delta-Lyons	651	590	525
52	Toledo Airport-Swanton	1,403	1,342	1,235
59	Maumee-Toledo	3,892	3,643	3,386
64	Perrysburg-Toledo	5,703	5,574	5,185
71	Stony Ridge-Toledo	6,706	6,582	6,376
81	Elmore-Woodville-Gibsonburg	606	578	531
91	Fremont-Port Clinton	1,745	1,773	1,744
110	Sandusky-Bellevue	1,618	1,638	1,581
118	Sandusky-Norwalk	1,675	1,601	1,575
135	Vermilion	936	888	705
140	Amherst-Oberlin	1,712	1,585	1,344
142	Lorain County West	3,165	2,969	2,769
145	Lorain-Elyria	5,758	5,727	6,187
151	North Ridgeville-Cleveland	5,746	5,778	5,743
152	North Olmsted-Cleveland	2,977	2,956	2,747
161	Strongsville-Cleveland	7,434	7,107	6,877
173	Cleveland	7,515	7,347	7,002
180	Akron	7,184	6,802	6,198
187	Streetsboro	7,245	7,053	6,760
193	Ravenna	2,020	1,793	1,644
209	Warren	2,012	2,017	1,863
215	Lordstown West	584	613	581
216	Lordstown East	322	284	450
218	Niles-Youngstown	8,682	8,460	8,201
232	Youngstown	2,047	1,960	1,946
234	Youngstown-Poland	1,499	1,415	1,379
239	Eastgate	9,317	9,140	8,873

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.*

2013	2012	2011	2010	2009	2008	2007
7,397	7,289	7,218	7,274	6,983	7,370	7,900
604	649	648	648	658	712	751
353	379	397	422	428	429	453
691	696	696	709	690	722	768
546	535	518	519	520	563	590
1,262	1,360	1,311	1,302	1,307	1,390	1,475
3,379	3,577	3,454	3,444	3,539	3,661	3,928
5,101	4,842	4,593	4,542	4,440	4,533	5,058
6,374	6,400	6,304	6,277	6,116	6,414	6,527
525	502	537	562	603	636	699
1,772	1,733	1,642	1,628	1,640	1,662	1,733
1,562	1,435	1,453	1,449	1,423	1,478	1,570
1,564	1,541	1,547	1,639	1,785	1,840	1,933
653	679	679	688	753	755	802
1,254	1,253	1,231	1,234	1,280	1,271	1,207
2,674	2,788	2,849	2,938	2,941	3,017	3,146
6,125	5,926	5,816	5,777	5,448	5,660	5,750
5,657	5,427	5,274	5,139	4,984	5,138	5,324
2,656	2,603	2,606	2,617	2,620	2,575	2,555
6,733	6,586	6,753	6,838	6,948	7,236	7,423
6,732	6,656	6,696	6,663	6,893	7,287	7,549
5,685	5,412	5,253	4,924	4,950	5,269	5,370
6,681	6,712	6,581	6,524	6,470	6,623	6,672
1,627	1,665	1,567	1,546	1,595	1,633	1,650
1,851	1,867	1,889	1,857	1,828	2,045	2,093
539	524	510	489	447	492	473
426	419	445	389	245	402	327
8,035	8,030	8,102	8,084	7,875	8,225	8,373
1,951	2,038	1,986	1,774	1,692	1,696	1,577
1,422	1,443	1,415	1,360	1,255	1,261	1,242
8,794	8,642	8,522	8,458	8,048	8,028	8,135

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

	2016	2015	2014
Debt Ratios:			
Revenue Bonds Payable	$ 1,621,009	$ 1,634,909	$ 1,648,395
Revenue Bonds Payable as a % of Personal Income	0.32%	0.32%	0.33%
Revenue Bonds Payable Per Capita	$ 140	$ 141	$ 142
Revenue Bond Coverage:			
Pledged Revenues	$ 313,305 (1)	$ 303,834 (1)	$ 287,065 (1)
Expenses Paid from Pledged Revenues:			
Administration and Insurance	11,484	10,178	9,762
Maintenance of Roadway and Structures	39,596	35,562	36,702
Services and Toll Operations	55,383	51,513	50,646
Traffic Control, Safety, Patrol and Communications	14,487	13,885	13,657
Total Expenses Paid from Pledged Revenues	120,950	111,138	110,767
Deposit to Reserve Account	374	376	(238)
Net Revenues Available for Debt Service	$ 191,981	$ 192,320	$ 176,536
Sr Lien Debt Service Requirements:			
Principal	$ 32,266	$ 30,737	$ 29,228
Interest	27,628	29,149	30,660
Less Interest Earned	(877)	(685)	(513)
Total Sr Lien Debt Service Requirements	$ 59,017	$ 59,201	$ 59,375
Sr Lien Debt Coverage (see Note 6 to the financial statements)	325%	325%	297%
Jr Lien Debt Service Requirements:			
Interest	$ 36,146	$ 36,146	$ 36,146
Less Interest Earned	(931)	(725)	(830)
Less Interest on Infrastructure Funds	(2,725)	(3,729)	(3,936)
Total Jr Lien Debt Service Requirements	$ 32,490	$ 31,692	$ 31,380
Composite Debt Service Requirements	$ 91,507	$ 90,893	$ 90,755
Composite Debt Coverage (see Note 6 to the financial statements)	210%	212%	195%

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.

2013	2012	2011	2010	2009	2008	2007
$ 1,661,653	$ 597,127	$ 622,742	$ 647,341	$ 662,867	$ 677,568	$ 699,303
0.37%	0.13%	0.14%	0.15%	0.16%	0.17%	0.18%
$ 144	$ 52	$ 54	$ 56	$ 57	$ 59	$ 61
$ 275,272 (1)	$ 259,239 (2)	$ 237,474 (2)	$ 238,188 (2)	$ 205,717 (2)	$ 208,265 (2)	$ 220,323 (2)
9,293	9,936	8,745	8,737	8,634	8,465	8,115
35,015	35,565	36,132	37,577	35,699	37,215	37,703
50,369	51,266	50,549	54,583	53,817	52,394	50,739
14,040	14,559	14,871	14,989	15,529	15,794	14,614
108,717	111,326	110,297	115,886	113,679	113,868	111,171
(539)	176	(1)	33	284	66	326
$ 167,094	$ 147,737	$ 127,178	$ 122,269	$ 91,754	$ 94,331	$ 108,826
$ 27,863	$ 25,839	$ 22,591	$ 21,003	$ 17,962	$ 21,153	$ 19,621
29,530	29,649	30,750	30,198	31,377	34,730	35,678
(425)	(73)	(144)	(156)	(233)	(499)	(887)
$ 56,968	$ 55,415 (3)	$ 53,197 (3)	$ 51,045	$ 49,106	$ 55,384	$ 54,412
293%	267%	239%	240%	187%	170%	200%

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

Customers	2016 Tolls Paid	2016 Rank	2016 % of Total Tolls Paid
Prop Logistics, LLC	$ 409,418	1	0.14%
J.W. Hunt OTC., Inc.	133,949	2	0.05%
PBC	88,083	3	0.03%
R-K-Campf Transport	79,477	4	0.03%
Talon Logistics, Inc.	74,533	5	0.03%
Yevtukh Brothers, Inc.	70,276	6	0.02%
Arrowhead Services	70,118	7	0.02%
Red Cap Transportation, Inc.	69,446	8	0.02%
Camaco Freight	67,398	9	0.02%
HOC Transport	66,537	10	0.02%
Totals (1)	$ 1,129,235		0.39%

Customers	2007 Tolls Paid	2007 Rank	2007 % of Total Tolls Paid
Prop Logistics, LLC	$ –	–	–
J.W. Hunt OTC., Inc.	–	–	–
PBC	–	–	–
R-K-Campf Transport	–	–	–
Talon Logistics, Inc.	–	–	–
Yevtukh Brothers, Inc.	–	–	–
Arrowhead Services	–	–	–
Red Cap Transportation, Inc.	–	–	–
Camaco Freight	–	–	–
HOC Transport	–	–	–
United Parcel Service, Inc.	2,042,745	1	1.03%
Yellow Transportation, Inc.	1,723,793	2	0.87%
Con-way Freight, Inc.	1,352,359	3	0.68%
J.B. Hunt Transport, Inc.	1,207,754	4	0.61%
USF Holland, Inc.	1,186,878	5	0.60%
FedEx Ground Package Systems	1,078,590	6	0.54%
Werner Enterprises, Inc.	989,189	7	0.50%
Falcon Transport Company	872,058	8	0.44%
Roadway Express, Inc.	822,109	9	0.41%
FedEx Freight East, Inc.	730,822	10	0.37%
Totals (1)	$ 12,006,297		6.06%

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	2016 Employees	Rank	Employees
State of Ohio	127,568	1	1.85%
United States Government	76,431	2	1.11%
Cleveland Clinic Health Systems	48,200	3	0.70%
Wal-Mart Stores	46,600	4	0.68%
Kroger Company	41,900	5	0.61%
Mercy Health	31,300	6	0.45%
University Hospitals Health Sys.	26,000	7	0.38%
JP Morgan Chase (Bank One)	21,000	8	0.30%
Giant Eagle, Inc.	20,000	9	0.29%
Ohio Health	19,950	10	0.29%
Totals	458,949		6.66%

Employer	2007 Employees	Rank	Employees
State of Ohio	132,509	1	1.92%
United States Government	76,530	2	1.11%
Cleveland Clinic Health Systems	34,800	4	0.50%
Wal-Mart Stores	50,000	3	0.73%
Kroger Company	34,130	5	0.50%
Mercy Health	23,000	7	0.33%
University Hospitals Health Sys.	25,000	6	0.36%
JP Morgan Chase (Bank One)	17,000	10	0.25%
Giant Eagle, Inc.	–	–	–
Ohio Health	–	–	–
General Motors Corporation	19,300	8	0.28%
General Electric Company	17,000	9	0.25%
Totals	429,269		6.23%

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*

	2016	2015	2014
Ohio Turnpike and Infrastructure Commission Employees:			
Full-Time:			
Toll Collectors	207	205	202
Maintenance Workers	250	243	229
Toll and Service Plaza Supervisors	109	108	107
Professional and Clerical Staff	103	102	96
Maintenance Supervisors	45	44	45
Executive and Managerial Staff	20	20	20
Administrative Supervisors	14	14	15
Total Full-Time	748	736	714
Part-Time:			
Toll Collectors	195	192	191
Other	28	27	24
Total Part-Time	223	219	215
Total Ohio Turnpike and Infrastructure Commission Employees	971	955	929
State of Ohio Statistics:			
Population (In Thousands)	11,614	11,615	11,594
Personal Income (In Millions)	$ 521,209	$ 504,993	$ 493,578
Per Capita Personal Income	$ 44,876	$ 43,478	$ 42,571
Unemployment Rate	4.9%	4.8%	5.1%

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.*

2013	2012	2011	2010	2009	2008	2007
213	208	216	236	286	306	307
242	249	264	274	275	277	278
108	111	110	118	129	133	132
98	97	100	100	101	100	100
44	44	45	45	44	45	46
19	18	17	18	18	18	18
14	15	22	22	23	20	21
738	742	774	813	876	899	902
203	209	211	232	265	308	318
24	22	23	25	24	24	26
227	231	234	257	289	332	344
965	973	1,008	1,070	1,165	1,231	1,246
11,571	11,544	11,545	11,537	11,543	11,528	11,521
$ 472,846	$ 453,556	$ 436,297	$ 419,872	$ 408,395	$ 407,874	$ 395,615
$ 40,865	$ 39,289	$ 37,791	$ 36,393	$ 35,380	$ 35,381	$ 34,339
7.2%	6.7%	8.1%	9.8%	10.8%	7.8%	5.8%

Traffic Accident Statistics *Last Ten Fiscal Years*

	2016	2015	2014
All Accidents:			
Number	2,367	2,459	2,642
Rate	77.9	81.9	88.0
Property Damage (Over $150) Accidents:			
Number	1,918	2,043	2,166
Rate	63.1	68.1	72.2
Non-Fatal Personal Injury Accidents:			
Number	438	405	467
Rate	14.4	13.5	15.6
Number Injured	704	595	687
Injury Rate	23.2	19.8	22.9
Fatal Accidents:			
Number	11	11	9
Rate	.4	.4	.3
Fatalities	12	11	9
Fatality Rate	.4	.4	.3

Source: *Ohio State Highway Patrol.*

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

2013	2012	2011	2010	2009	2008	2007
2,380	2,598	2,583	2,268	2,125	2,689	2,532
84.2	92.7	92.7	80.9	81.8	95.0	85.0
1,944	2,140	2,090	1,885	1,695	2,168	2,025
68.7	76.4	75.0	67.3	65.2	76.6	68.0
429	451	488	377	422	516	496
15.2	16.1	17.5	13.5	16.2	18.2	16.7
594	734	682	537	612	738	711
21.0	26.2	24.5	19.2	23.5	26.1	23.9
7	7	4	6	8	5	11
.2	.2	.1	.2	.3	.2	.4
8	7	6	7	9	7	15
.3	.2	.2	.2	.3	.2	.5

Capital Asset Statistics *Last Ten Fiscal Years*

	2016	2015	2014
Land and Roadway:			
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
Interchanges:			
Toll	29	29	29
Barrier	2	2	2
Total Interchanges	31	31	31
Service Plazas	14	14	14
Other Buildings:			
Maintenance	8	8	8
Administration	1	1	1
Telecommunications	1	1	1
Highway Patrol	1	1	1
Structures Over or Under the Turnpike:			
Roadways and Interchange Ramps	350	350	350
Railroads	49	49	49
Rivers and Streams	56	56	56

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

2013	2012	2011	2010	2009	2008	2007
10,057	10,057	10,055	10,044	10,038	10,015	10,012
241	241	241	241	241	241	241
1,386	1,382	1,374	1,370	1,370	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	16	16	14	14	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
350	350	350	350	350	350	350
49	49	49	49	49	49	49
56	56	56	56	56	56	56

Notes

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Commission Members
Ohio Turnpike and Infrastructure Commission

We have audited, in accordance with the 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, the financial statements of the Ohio Turnpike and Infrastructure Commission (the "Commission"), a component unit of the State of Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated April 12, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ohio Turnpike and Infrastructure Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To Management and the Commission Members
Ohio Turnpike and Infrastructure Commission

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ohio Turnpike and Infrastructure Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

April 12, 2017

Dave Yost • Auditor of State

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 6, 2017

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