



the
ohioturnpike
c o m m i s s i o n

Comprehensive Annual Financial Report for the Year Ended December 31, 2001

2001

Proudly Serving Patrons Nationwide





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Ohio Turnpike Commission
Berea, Ohio

We have reviewed the Independent Auditor's Report of the Ohio Turnpike Commission, Cuyahoga County, prepared by Deloitte & Touche LLP for the audit period January 1, 2001 through December 31, 2001. 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 Commission is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

June 11, 2002

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the **ohio**turnpike

c o m m i s s i o n

Comprehensive Annual Financial Report for the Year Ended December 31, 2001

Members & Officers



Ruth Ann Leever
Chairman
Resigned effective
12/11/01



Earl W. Williams
Vice Chairman
Term ended 06/30/01



Tim Greenwood
Secretary-Treasurer
Elected Chairman 12/10/01



Stephen J. Strnisha
Member
Elected Secretary-Treasurer
12/10/01



George F. Dixon III
Member
Appointed by Gov. Taft
10/09/01 - 06/30/09



Gordon Proctor
Member Ex-Officio



William W. Wilkins
Member
Appointed by Gov. Taft
12/07/01 - 06/30/05



Jeffrey Armbruster
Senate Member



Stephen Buehrer
House Member



Gino Zomparelli
*Assistant
Secretary-Treasurer
Executive Director*

Independent Auditors – Deloitte & Touche, LLP
Trustee – The Huntington National Bank, Cleveland, Ohio
Consulting Engineers – HNTB Ohio, Inc., Cleveland, Ohio

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

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When I was young, I remember my father doing appraisal work for the appropriation cases for Turnpike land. He always told me about tramping through the woods and fields. He walked the whole length of Trumbull County where the Turnpike would be built. I didn't think much of it then because that was his job. Now, working here years later, I realize the importance of his work.

— Donna Schrader,
Assistant Toll Plaza Supervisor 215/216

Introductory

SECTION

My earliest memory of the Turnpike was in the early 1950's before it opened. I was visiting my aunt who lives just West of the Mahoning Valley Service Plaza and the area between her house and the Turnpike roadway was not finished yet. We were leaving to go back to Cleveland and my father got the idea that since it was Sunday we would take a shortcut. We got on the Turnpike and went west as far as we could. I'm not sure if we even made it to Cleveland or not, but I remember when we got off the road my dad said that it would cost us to travel that way next time.

— Tom Wallace,
Assistant Division Superintendent - Eastern Division



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February 25, 2002

To:
The Honorable Bob Taft, Governor, and
The General Assembly of Ohio

The Ohio Turnpike Commission pursuant to law presents herewith its fifty-third annual report covering the period from January 1, 2001 through December 31, 2001.

Respectfully yours,

Handwritten signature of Ruth Ann Leever in blue ink.

Ruth Ann Leever
Chairman

Handwritten signature of Earl W. Williams in blue ink.

Earl W. Williams
Vice Chairman

Handwritten signature of Tim Greenwood in blue ink.

Tim Greenwood
Secretary-Treasurer

Handwritten signature of Stephen J. Strnisha in blue ink.

Stephen J. Strnisha
Member

Handwritten signature of George F. Dixon III in blue ink.

George F. Dixon III
Member

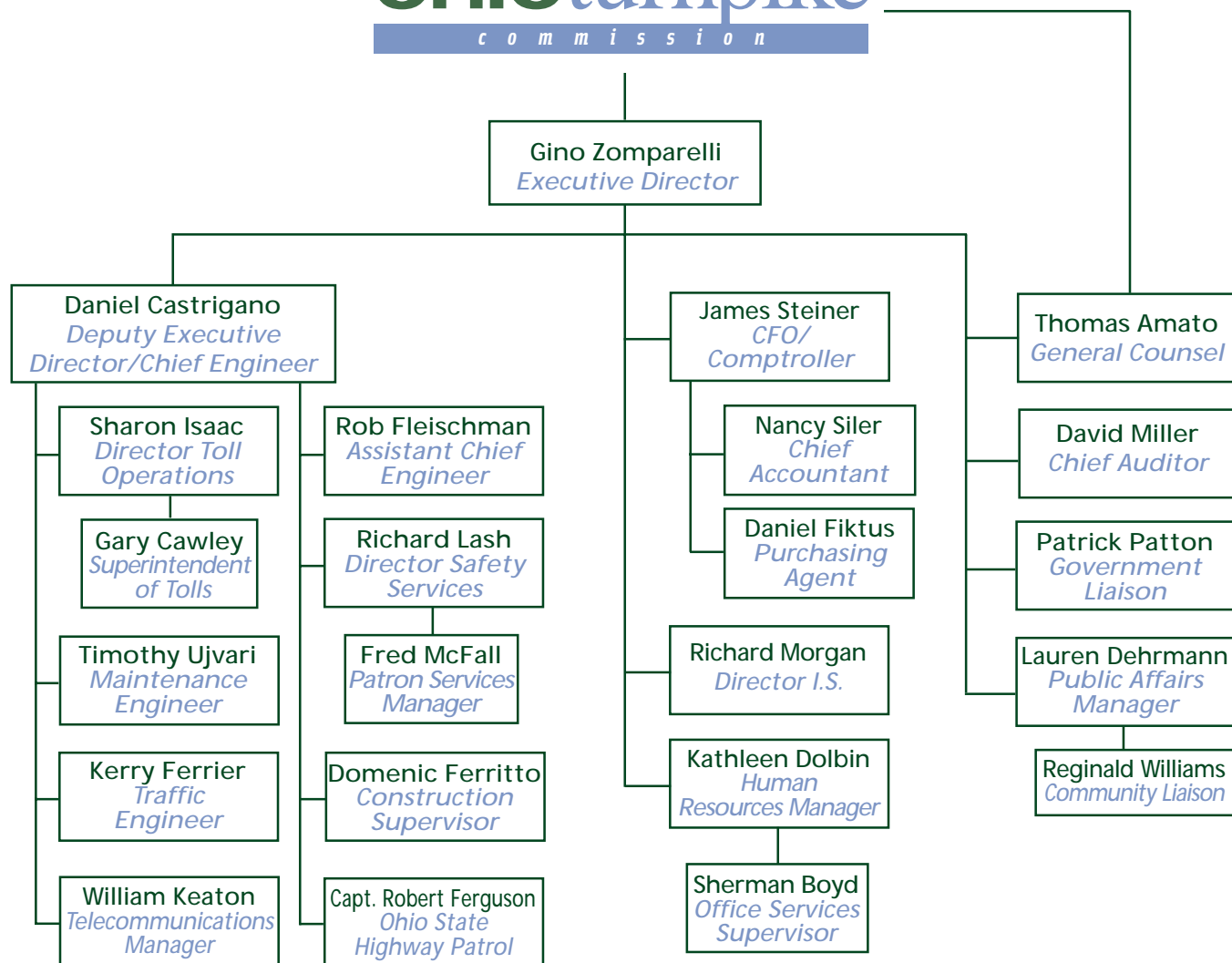
Handwritten signature of Gordon Proctor in blue ink.

Gordon Proctor
Member Ex-Officio

Handwritten signature of William W. Wilkins in blue ink.

William W. Wilkins
Member

Organizational Chart



Chairman's Letter

February 2002

The Ohio Turnpike has been serving motorists since 1955, providing them with the safest, most efficient and convenient road to travel in Ohio. The Ohio Turnpike Commission's success did not happen by chance. The Commission and the State of Ohio are fortunate to have the guided leadership and the dedication of more than 1,200 Turnpike employees across the state. In recognition, we were pleased to feature some of these loyal employees in last year's Annual Report, and we will do so again this year.

However, we cannot rest on our laurels. The demands on the Ohio Turnpike Commission and its staff are unrelenting. The purposes for intrastate and interstate travel are diverse, but one fact is consistent — a means for the safe and efficient travel of people and goods is needed. It does not get any better than the Ohio Turnpike. Traffic volumes continue to increase from year to year, proving that the Turnpike is a popular and desirable road to travel.

The Turnpike is similar to a well-designed and engineered timepiece. It takes many parts working in precision 24 hours a day, 365 days a year to run an organization of this magnitude. Moreover, greater care and consideration is given to running it well. Looking in from the outside, the operations seem effortless. Those working behind the scenes recognize that it is more than just a job — it is an opportunity for public service and to show off the great state of Ohio. These devoted men and women take pride in their work, and they know that the image of the State of Ohio is enhanced for Ohio travelers.

For Ohio Turnpike employees, this is not only their livelihood, but also a workplace that allows for achievement and enrichment. Just ask Jo Harley, who started working for the Commission in 1976 and over the years has been promoted to Toll Plaza Supervisor, or Doug Geisel, Division I Clerical Supervisor, who has worked for the Commission for 25 years. Ask Scott Brady in the Engineering Department who started working for the Commission just out of high school in 1974 and has been with this fine organization ever since. And, there are many others just like Jo, Doug and Scott who have devoted their career to the Ohio Turnpike because they enjoy where they work and they have pride in this organization.

In addition to featuring some of these dedicated employees, this Annual Report will highlight some of their fond Turnpike memories. Millions of individuals, families and businesses are the beneficiaries of the Ohio Turnpike. For example, many travel the Turnpike to visit family members, reach vacation destinations or to transact business. Although there are some people who may not typically travel on the Ohio Turnpike, this transportation facility regularly impacts most everyone's life.

In closing, I am happy and proud to have served the Ohio Turnpike Commission. Since I moved my residence from Ohio to Florida, I announced that December 11, 2001 would be my last day as Chairman and a Commission Member. I wish the Commission's new Chairman, Tim Greenwood, much success and fulfillment. I expect the Commission will do a wonderful job in continuing to serve its citizens and the State of Ohio for many years to come.

Sincerely,



Ruth Ann Leever, Chairman, Resigned on 12/11/01

"New" Chairman's Letter

On behalf of the Ohio Turnpike Commission and its employees, I would like to personally thank Ruth Ann Leever for the professionalism, interest and dedication she exhibited throughout her years with the Commission. She was involved in the evolution of the Ohio Turnpike as a Commission Member beginning December of 1992, then as Vice Chairman in 1993 and as Chairman beginning in February of 1998. Under her leadership and participation, the Ohio Turnpike added new interchanges, reconstructed service plazas, renovated old toll plaza interchanges and added more than 120 miles of third-lane in each direction along the Ohio Turnpike. We wish the best for her and her family in Florida. I look forward to the opportunity to serve the Commission as its new Chairman.

Sincerely,



Tim Greenwood, Chairman

Executive Director's Year in Review

by Gino Zomparelli

The perception of the Ohio Turnpike goes beyond a mere road to serve motorists who are traveling from a point of origin to their destination. The Commission's obligation to construct a superhighway is the most basic of its duties and responsibilities. The Ohio Turnpike Commission is relied upon to maintain a superb facility offering services that are not found on other motorways. It is essential for us to meet and/or exceed patrons' expectations.

The Ohio Turnpike sets the standard for highways. Perhaps one feature that sets the Turnpike apart from other highway facilities is the fact that this organization and its employees provide around-the-clock service to travelers. Regardless of holidays, inclement weather or time of day, the Turnpike is open and serving motorists. Operations do not cease when snow and ice conditions make other roads impassable or unsafe; rather the Commission goes into overdrive in an effort to battle weather conditions so that Ohio travelers are not inconvenienced. The Commission has prepared the Ohio Turnpike and its personnel to anticipate and handle traffic fluctuations including peak travel periods during the summer months, holidays, weekends and various times during the weekdays. It provides for the welfare of each and every patron at all times. The successes and accomplishments are in direct correlation to the dedication and commitment of our employees. Turnpike employees play a major role in the maintenance and operation of Commission facilities and are necessary for around-the-clock service.

In 2001, the Ohio Turnpike continued to reach milestones, adding to its list of accomplishments. Perhaps the most noteworthy financial achievement was the receipt of an upgraded credit rating from Moody's Investors Service on March 15. The new rating is Aa3, the highest ever given to a public toll road by Moody's. The Commission was also able to retain its AA rating from Fitch Ratings and Standard & Poor's. Overall, the Commission is the highest credit-rated public toll authority in the world.

In the nonfinancial category, there were three significant construction projects momentous enough to attract media attention. These included the opening of the new Portage and Brady's Leap Service Plazas,

the grand opening of the (eastbound) new Cuyahoga River Bridge and the new ramps connecting the Turnpike to I-77. Later in the year, the Commission held a series of safety days for patrons visiting various service plazas. The year concluded with long-time Commission Chairman Ruth Ann Leever's decision to move out of state and thus resign from the Commission. Mrs. Leever exemplified the spirit of the Commission through her dedication and commitment to the Turnpike and its employees at every level.

Highest rated public toll road in the world

Moody's Investors Service upgraded the Ohio Turnpike Commission from "A1" to "Aa3" on March 15, which followed a previous rating upgrade in May 2000 by Fitch Ratings, which upgraded the Commission's rating from "AA-" to "AA." Currently, the Ohio Turnpike is the only toll road to be given the "AA" rating from Fitch. While the Ohio Turnpike shares Moody's rating with several other toll roads, *the Ohio Turnpike is the only public toll road with the highest rating from all three services, making it the highest rated public toll road in the world.*

The Ohio Turnpike's current agency ratings are as follows: Standard & Poor's — Rating: AA, Fitch Ratings — Rating: AA, and Moody's Investors Service — Rating: Aa3. According to a press release issued by Moody's, "The Aa3 rating, which carries a stable outlook, reflects the Turnpike's position as an established, critical component of the nation's highway system between the large Chicago, Philadelphia, and New York City markets. Other credit strengths include a history of sound financial operations and expected traffic growth."

A general misconception exists among non-Ohioians relating to Ohio Turnpike traffic and the overall economic condition of the State of Ohio. This misconception is predicated on the following falsehoods: 1.) the Ohio Turnpike is overreliant on commercial/truck traffic; 2.) the Turnpike's market share is mature; and, 3.) Northern Ohio is limited because it is located in the "rust belt." The demographic and economic data along the Ohio Turnpike corridor expressly refutes these untruths.

As Executive Director of the Turnpike Commission, I am pleased that Moody's recognized the Turnpike as an economic development engine for the northern part of the state. Moody's realized that the Ohio Turnpike is "something beyond a road in a rural section of Ohio." This is a true indication that the Commission remains financially sound and we are confident that this tendency will continue in the future.

Turnpike sets traffic records again in 2001

Passenger car and total traffic volumes set new all-time records for the year. New records were also established for passenger car toll revenues for the year. Passenger car traffic for 2001 totaled 37,035,820 vehicles, which was an increase of 2.1 percent over 2000. Commercial traffic for 2001 totaled 8,864,022 vehicles, which was a decrease of 4.5 percent over 2000. The decrease in commercial and increase in passenger car traffic correlates to the general economic downturn as well as the tragic events that befell our country on September 11, 2001. Total traffic, however, increased for the year by .7 percent and reached 45,899,842 vehicles. Passenger vehicles, which accounted for 80.7 percent of Turnpike traffic, traveled almost two billion miles on the Turnpike in 2001 and combined traffic traveled more than 2.7 billion miles. Although commercial traffic was slightly lower than expected this year, the lower than expected revenue was offset by lower than budgeted operating, maintenance and administrative expenses due to keen leadership and management of the Commission. Additionally, a relatively mild winter season resulted in lower than expected snow and ice removal costs. Also, personnel cost savings were realized from the voluntary early retirement incentive plan and the installation of new ticket-issuing equipment at the renovated toll plazas.

Cuyahoga River Bridge opening and demolition

During a ribbon-cutting ceremony on October 12, the Ohio Turnpike Commission officially opened the new, three-lane, eastbound Cuyahoga River Bridge at milepost 176.9 in Summit County. The

twin structures are the highest and longest bridges on the Turnpike, towering 175 feet and spanning 2,664 feet over the Cuyahoga Valley National Park — the only national park in Ohio.

Following the grand opening of the new, eastbound bridge, the Commission began preparations for the second phase of the project, demolition of the old original eastbound bridge. The first stage of demolition occurred on November 12 using explosive charges to drop two truss spans with a total length of approximately 400 feet. The concrete deck and portions of the steel superstructure were removed prior to demolition. Construction of the new, westbound bridge began after the initial demolition took place.

While the bridges have served the Turnpike well for the past 46 years, it became necessary to update and expand these structures as part of the Turnpike's third-lane widening project. Construction of the new, eastbound bridge began in October 1999 and the final phase of the project, which is the demolition of the former, westbound Cuyahoga River Bridge, is scheduled to be complete in the spring of 2004. The significance of these bridges, both old and new, will never be forgotten. They were the first and most expensive project to be bid out for construction by the Ohio Turnpike back in 1952, and now the new bridges are the largest construction project in Turnpike history at a construction award of \$51.5 million.

Executive Director Gino Zomparelli addresses the special guests who were invited to attend the grand opening ceremony for the Cuyahoga River Bridge. Ruth Ann Leever (l).

Connecting the "DOTs" to the Turnpike

Also in November, the Commission announced the long-awaited opening of the new ramps to connect the Turnpike to Interstate 77 in Cuyahoga/Summit County. A grand opening and ribbon-cutting ceremony was held on December 3, which officially marked the connection of the two interstates. The Turnpike and I-77 form natural crossroads for east-west and north-south destinations in the heart of Ohio. Since I-75 and I-71 were already joined with the Turnpike, the link with I-77 resolved the final "DOT" to be connected to the Ohio Turnpike.

As the years passed since the Commission suggested the connection back in 1963, traffic increased substantially along I-77 and S.R. 21 (Brecksville Road/Cleveland-Massillon Road on the Richfield and Brecksville border), and traffic patterns necessitated direct access to the Ohio Turnpike. The expansive construction project, which began in February 2000, enhances Ohio's already impressive transportation network.

The Commission awarded the contract for approximately \$32.9 million and was pleased to work closely with the Ohio Department of Transportation (ODOT), which contributed approximately \$4.3 million to the project. The new connection promotes intrastate travel in Ohio and removes the awkward traffic pattern that previously existed between the two interstates.

Commission receives Award of Excellence

The Ohio Turnpike Commission was presented with the Award of Excellence from the Cleveland Engineering Society at its 49th Annual Design and Construction Conference at the I-X Center on March 13. The Commission joined a distinguished list of past winners such as the Cleveland Brown's Stadium, the Cleveland Clinic Foundation's Lerner Research Institute, RTA Waterfront Line and the Rock and Roll Hall of Fame and Museum.

Requirements for consideration to receive this award included — a development consisting of comprehensive architectural professional services, including social and/or economic planning, architectural design, landscape layout, administration, civil engineering (engineering defined as structural, mechanical, electrical, illumination, acoustical and other engineering work). The Commission received this award for its improvements and renovation projects, which includes the reconstruction of the 16 service plazas along the toll road, in addition to toll plaza renovations and the 160-mile third-lane expansion between Toledo and Youngstown.

New service plazas open in Portage County

As the Capital Improvement Program continues along the Ohio Turnpike, two newly reconstructed service plazas opened to travelers in April. The Brady's Leap (eastbound) and Portage (westbound) Service Plazas located at milepost 197.0 in Portage County welcomed patrons for the first time in a year.

In order to meet the needs of patrons traveling during the busy Easter holiday weekend, the Commission opened the new facility with limited services. Patrons were able to enjoy many of its amenities, including restroom facilities, vending, fuel, telephones, an ATM machine, and a trucker's lounge. The Commission and McDonald's Corporation arranged for temporary food service until the permanent vendor space was available. The opening of these service plazas marked the third set to be completed.

Ribbon-cutting ceremony for the reconstructed interchange which now provides a direct connection with I-77: Daniel Castrigano, OTC Deputy Executive Director/Chief Engineer; Gene Esser, Summit County Engineer; G. Alan Plain, former OTC Executive Director; Allan Johnson, former OTC Executive Director; Richfield Mayor Don Larsen; Gino Zomparelli, OTC Executive Director; Mo Darwish, ODOT - District 4; John Henkels, Anthony Allega Cement Contractor, Inc.; Tim Clapper, Burgess & Niple, Ltd.; S/Lt. Derr, OSHP

Safety Days featured on the Turnpike

The Ohio Turnpike Commission held its first Car Care and Safety Day event on July 27 at the Great Lakes Service Plaza (milepost 170 westbound) in Broadview Heights. A variety of educational and fun activities were available for families or individuals who stopped at the event, which was free for Turnpike patrons.

Certified inspectors look over a patron's vehicle during the Car Care and Safety Day event.

The event featured various safety vehicles and an opportunity for travelers to speak directly with representatives from Metro LifeFlight, Broadview Fire and Rescue, and the Ohio State Highway Patrol. While at the event, patrons were able to stop by the Verizon Wireless booth to make a free cellular phone call, register to win a free gas card from Sunoco, or collect information about booster and car seat safety from Rainbow Babies and Children's Hospital. The complimentary vehicle inspection area was an extremely popular component of the Car Care and Safety Day. Many motorists took advantage of the opportunity to have their vehicle inspected by a certified technician, who checked such things as tire pressure, fluids, belts, and hoses. The Car Care and Safety Day event encouraged travelers to visit the service plaza in the future through greater public outreach programs and utilization of the service plazas.

Then, in preparation for the busy Thanksgiving holiday, the Ohio Turnpike Commission coordinated a series of safety days at various service plazas along the toll road. The Safely Drive the Pike Days were held on November 14 at the Commodore Perry and Erie Islands Service Plazas in Sandusky County; November 15 at Brady's Leap and Portage Service

Plazas in Portage County; and November 16 at Towpath and Great Lakes Service Plazas in Cuyahoga County.

The Thanksgiving holiday is one of the busiest travel seasons in the country, which is certainly evident on the Ohio Turnpike where typical traffic averages more than 675,000 vehicles from the Wednesday before Thanksgiving to the following Sunday. (In 2001, more than 735,000 vehicles traveled on the Turnpike during this holiday). In an effort to heighten drivers' awareness of safety issues, the Commission teamed up with several local partners to conduct these informational and educational events at the service plazas. The Safely Drive the Pike Days provided patrons with an opportunity to obtain free safety information from a variety of participants, including local fire and EMS personnel, the National Highway Fatality Marker System, Mothers Against Drunk Driving (MADD), the Ohio State Highway Patrol (OSHP), the Federal Highway Administration, and more.

Chairman Ruth Ann Leever resigns

Commission members and employees alike were saddened to say goodbye to Commission Chairman Ruth Ann Leever, as she headed her last Commission meeting on December 10, 2001. Mrs. Leever began her term as a Commission member on December 23, 1992, when she was appointed by Gov. George Voinovich. She was elected to Vice Chairman of the Commission on February 8, 1993, where she served for five years until she was elected Chairman on February 9, 1998. Among her many wonderful characteristics, Mrs. Leever is especially well liked for her fiery spirit and passion for the toll road. She

Friends and Commission Members joined Ruth Ann on her last day as Chairman of the Commission. Pictured here are: Allan Johnson, former Executive Director (1970-1996); Mrs. Leever; Clarence Rogers, former Chairman; G. Alan Plain, former Executive Director (1996-1999); and current Executive Director, Gino Zomparelli.

is genuinely admired and respected by all who know her. She was without a doubt a tremendous asset to the Commission.

The duties of Chairman were passed to Mr. Tim Greenwood when he was elected on December 10, 2001. Mr. Greenwood has been an active member of the Commission since he was appointed by Gov. Bob Taft on September 1, 1999. Mr. Greenwood served as Secretary-Treasurer since October 10, 1999. The Commission is pleased to welcome Mr. Greenwood as Chairman and we look forward to working with him and continuing our success.

Customer Advisory Group: Gino Zomparelli - OTC; Howard O'Malley - B&T Express, Inc.; Daniel Castrigano - OTC; Joy Clickenger - Cuyahoga Valley Career Center; Mike Boyle - TolTest; Lee Alexakos - Cedar Point; Gary Cawley - OTC; Ruth Ann Leever - OTC; Wesley Fahrback - Ohio Department of Development; Steve Tripp - Daimler Chrysler; Tim Ujvari - OTC; Diane Pring - OTC; Bert Hackenberg - Yellow Freight; Lauren Hakos Dehrmann - OTC; Rob Fleischman - OTC and Leslie Hudak - OTC.

Customer Advisory Group tours the Turnpike

The Customer Advisory Group, which consists of 15 community leaders with interests in transportation, met twice in 2001. The first meeting was on February 27 at Commission headquarters in Berea. The group discussed several important topics with key staff members, including obtaining more positive publicity for the Turnpike, installation of new road signs designating the new law requiring patrons to move over or slow down for safety vehicles, and updates on traffic control situations and traffic back-ups. The second meeting was held on July 11, when the group boarded a tour bus for a trip to several main construction projects along the Ohio Turnpike, including the Cuyahoga River Bridge, the Brady's Leap Service Plaza and the Ravenna Interchange (13A).

Oversight Committee

The Commission proceeded to keep the Oversight Committee apprised of Turnpike activities in 2001 through the direction of its Chairman, Sen. Jeffery Armbruster. The Committee fulfilled its legislative obligation and met four times during the year. The first meeting was held on July 27 at the Commission's Administration Building in Berea. Following that, the Committee met at the Ohio Statehouse in Columbus on October 9. Two meetings were held in November; the first at the Toledo Express Airport on November 2 and the second on November 19 at the Holiday Inn in Richfield.

Capital Improvement Program updates

The Commission proceeded to make progress toward completion of the Capital Improvement Program with another successful construction season. A new set of service plazas, Portage and Brady's Leap, was opened in April to accommodate travelers on the eastern portion of the Turnpike. The third-lane expansion project advanced to complete an additional 18 miles, bringing the completed third-lane miles to 126 miles, or 80 percent of the project. Another overhead bridge project was finished and six more toll plazas were renovated. Although the construction season officially ended before Thanksgiving, the work continued on several jobs due to the mild winter weather in November and December.

Service Plazas

Complete: 6; Under Construction: 2;
2002 Project: 0; Remaining: 8

Mainline Roadway Miles

Complete: 126; Under Construction: 7;
2002 Project: 5; Remaining: 21

Overhead Bridges

Complete: 38; Under Construction: 2;
2002 Project: 1; Remaining: 0

Major Mainline Bridges

Complete: 5; Under Construction: 1;
2002 Project: 0; Remaining: 0

Toll Plazas

Complete: 13; Under Construction: 0;
2002 Project: 3; Remaining: 4

Organization and Background

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

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

On May 18, 1992, a Tripartite Agreement that had been entered into in 1964 among the Commission, the Ohio Department of Transportation and the Federal Highway Administration was modified as a result of the provisions of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). The modified agreement canceled the requirement that the Ohio Turnpike become free to the public upon liquidation of the bonds outstanding (which were

redeemed on June 1, 1992) and permitted tolls to continue without repayment of certain federal financial assistance previously received by the Ohio Department of Transportation for Interstate Highway approaches to the Turnpike.

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

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

James W. Shocknessy (with shovel), first Chairman of the Ohio Turnpike Commission breaks ground on the site of the first project for the Ohio Turnpike.

The Commission

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

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 a 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, and the Turnpike radio communications system.

For the most part, the Turnpike has experienced a relatively steady increase in traffic volume and revenues. In 1956, the first calendar year of full operation, 8,511,931 automobiles and 1,469,023 trucks used the Turnpike. In 2001, the total annual traffic consisted of 37,035,820 automobiles and 8,864,022 trucks. Annual revenues from tolls, restaurant and service station concessionaire rentals and other sources rose from \$15,350,966 in 1956 to \$201,274,785 in 2001.

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.

Some of the first vehicles to use the Turnpike after it opened in 1955.

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

The beginning of the National System of Interstate and Defense Highways early in 1956 resulted in the Commission scrapping plans to build several other toll 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 between the Indiana Toll Road and the Niles-Youngstown Interchange (No. 15/Milemarker 218), Interstate Route 90 between the Ohio-Indiana line and the Lorain County West Interchange (No. 8A/Milemarker 142), and Interstate Route 76 between the Niles-Youngstown Interchange (No. 15/Milemarker 218) and the Ohio-Pennsylvania line.

Access

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

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

Tolls

Toll charges for all vehicles are determined by gross-weight classification and by distance traveled on the Turnpike. All vehicles are weighed (except passenger cars entering certain automatic lanes) while in motion upon entering the Turnpike on scales located at the entrance lanes of the toll plazas. Passenger cars weighing less than 7,000 pounds fall within Class 1 of the 11 weight classes embodied in the schedule of tolls and pay a toll of \$8.95 for a trip over the entire length of the Ohio Turnpike. The minimum charge for Class 1 vehicles between two adjacent interchanges is 50 cents. Class 8 vehicles (gross weight up to 78,000 pounds) pay a maximum fare of \$42.45 and Class 9 vehicles (gross weight up to 90,000 pounds) pay a maximum fare of \$72.45. Classes 10 and 11 apply to triple-trailer combinations and long combination vehicles, respectively.

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

Physical Characteristics

The Ohio Turnpike mainline consists basically of two eastbound and two westbound travel lanes (three lanes in certain areas) of reinforced portland cement concrete, all of which has been resurfaced with asphaltic concrete, with each flanked by paved shoulders 8 feet wide on the inside and 10 feet

3 inches wide on the outside of the 24 foot mainline roadways. The shoulders are hard surfaced with 3 inches of bituminous (penetration) macadam, plus the thickness of the resurfacing asphalt. The mainline roadways are separated by a center strip with a standard width between roadway lanes of 56 feet, consisting of 40 feet of grass median and the inside shoulders. The construction of the new third lane eliminated the 56-foot center strip, replacing it with two 12-foot traffic lanes, two 14-foot-3-inch wide paved shoulders and a 50 inch high concrete barrier. The new third lane section between Exit 4 and Exit 15 will consist primarily of full depth asphalt.

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

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

Services to Customers

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

Sue Dirlam, Service Plaza Manager, speaks with Jesse Partee, a patron traveling from Tarboro, North Carolina who stopped at the Erie Islands Service Plaza.

Service Plazas

Restaurants and service stations at all service plazas are open 24 hours each day throughout the year. Currently, the Commission has eight pairs of service plazas, which on average are approximately 30 miles apart. The farthest distance between pairs of service plazas is 39.5 miles. The service stations at the service plazas have gasoline, diesel fuel and assorted automotive accessories for sale. Turnpike maps, motel-hotel lists and other touring aids are available at the service plazas for travelers. Prices for food, fuel and other items sold at the service plazas are competitive with those charged at similar, off-Turnpike establishments in the same general vicinities. Each service plaza is also equipped with changeable message boards providing weather and road conditions that can be updated by computer from the administration building.

The Commission plans to reconstruct all 16 service plazas. The old service plazas were built and in operation in 1955 when the Turnpike was first opened to traffic from the Pennsylvania to Indiana state borders.

Construction of the first pair of reconstructed service plazas at milepost 100 started in July 1998, and construction of the second pair at milepost 170 began the following month. The Commission will continue the construction program and will complete work on the remaining service plazas over the next several years. The Commission will award contracts for both the construction and operation of the new service plazas through a competitive bidding process.

Turnpike Maintenance

Providing Turnpike patrons 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 road, keep the Turnpike in a comfortable-riding and safe condition. Automated weather monitoring stations along the road, including embedded sensors in certain mainline bridges, provide early notice of the need for snow and ice removal.

Start of construction on the Ohio Turnpike.

Ohio State Highway Patrol

A special Turnpike unit, District 10 of the Ohio State Highway Patrol, polices the Turnpike. The District 10 headquarters is located in the Commission's administration building at Berea. Two additional posts are incorporated into maintenance buildings and there is one free-standing patrol post. District 10 operates patrol cars and airplanes to enforce the Commission's traffic regulations, as well as to perform service to ill, stranded or otherwise distressed travelers. Under a contract between the Commission and the Ohio State Highway Patrol, the Commission reimburses the patrol for all costs of operating on the Turnpike.

Radio Communications Systems

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

Disabled Vehicle Service

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



CFO/Comptroller's Report

The Ohio Turnpike Commission

James T. Steiner
CFO / Comptroller

February 25, 2002

Ohio Turnpike Commission and Executive Director:

Ruth Ann Leever
Chairman

Earl W. Williams
Vice Chairman

Tim Greenwood
Secretary-Treasurer

Stephen J. Strnisha
Commission Member

Gordon D. Proctor
Director of Transportation
Member Ex-Officio

Senator Jeffrey J. Armbruster
Ohio Senate Member

Rep. Stephen Buehrer
Ohio House Member

Gino Zomparelli
Assistant Secretary-Treasurer
Executive Director

The *Comprehensive Annual Financial Report* ("CAFR") of the Ohio Turnpike Commission (the "Commission") for the year ended December 31, 2001, 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 and results of operations of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

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

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

Condensed Statements of Income and Retained Earnings

	In Thousands		Increase/(Decrease)	
	Years Ended		\$	%
	12/31/01	12/31/00		
Revenues:				
Tolls	\$ 174,326	\$ 176,772	\$ (2,446)	(1.4%)
Concessions	11,547	10,538	1,009	9.6%
Special Toll Permits	2,614	2,692	(78)	(2.9%)
State Fuel Tax Allocation	2,328	2,360	(32)	(1.4%)
Investment Income	9,498	16,783	(7,285)	(43.4%)
Other Revenues	962	592	370	62.5%
Total Revenues	201,275	209,737	(8,462)	(4.0%)
Expenses:				
Administration and Insurance	19,562	23,801	(4,239)	(17.8%)
Maintenance of Roadway and Structures	19,193	21,312	(2,119)	(9.9%)
Services and Toll Operations	29,654	28,012	1,642	5.9%
Traffic Control, Safety, Patrol and Communications	11,402	10,309	1,093	10.6%
Major Repairs and Replacements	5,219	3,384	1,835	54.2%
Depreciation	43,225	39,062	4,163	10.7%
Interest Expense	32,404	33,126	(722)	(2.2%)
Loss on Disposals of Fixed Assets	4,092	4,006	86	2.1%
Total Expenses	164,751	163,012	1,739	1.1%
Net Income	36,524	46,725	(10,201)	(21.8%)
Retained Earnings - Beginning of Year	531,470	484,745	46,725	9.6%
Retained Earnings - End of Year	\$ 567,994	\$ 531,470	\$ 36,524	6.9%

Toll revenue is the most significant source of funds in the Commission's annual operating budget. Both passenger car and total traffic volumes during 2001 set new all-time highs, exceeding the prior records established in 2000. Due to the economic slowdown, commercial traffic fell short of the level from 2000. Since commercial traffic generates more than 55 percent of toll revenues, overall toll revenues for 2001 were down from the amounts earned the previous year.

	<u>2001</u>	<u>2000</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Number of Vehicles in Thousands:				
Passenger Cars	37,036	36,289	747	2.1%
Commercial Vehicles	8,864	9,286	(422)	(4.5%)
Total	<u>45,900</u>	<u>45,575</u>	<u>325</u>	<u>0.7%</u>

Concession revenues showed continued growth as a result of the increased passenger car traffic and the newly reconstructed service plazas, which offer a wide variety of food choices, vending, retail goods and business services.

The decline in investment income parallels the drop in short-term interest rates that occurred during 2001. Expenditures related to the Commission's ongoing capital improvement program, discussed below, reduced the funds available for investment, thereby contributing to the drop in investment income.

In comparison to the previous year, a significant portion of the decrease in administration and insurance expenses resulted from the expiration of a voluntary early retirement incentive program in 2000. Approximately \$3.2 million was expensed in 2000 in connection with the retirement program. In addition, maintenance expenses were lower because a mild winter season reduced 2001 snow and ice removal costs.

During 2001, repairs were made to several overhead railroad bridges which the Commission is obligated to maintain, but does not own, resulting in increased major repairs and replacement expenses. The increase in depreciation expenses is related to the growth in capital assets, which is discussed below. An increase in capitalized interest associated with the Commission's Capital Improvement Program reduced 2001 interest expense.

Condensed Balance Sheets

	In Thousands		Increase/(Decrease)	
	<u>12/31/01</u>	<u>12/31/00</u>	<u>\$</u>	<u>%</u>
Assets:				
Cash and Investments	\$ 207,598	\$ 203,270	\$ 4,328	2.1%
Other Noncapital Assets	22,188	20,907	1,281	6.1%
Capital Assets	1,175,766	1,061,474	114,292	10.8%
Total Assets	<u>\$ 1,405,552</u>	<u>\$ 1,285,651</u>	<u>\$ 119,901</u>	<u>9.3%</u>
Liabilities and Retained Earnings:				
Liabilities:				
Current Liabilities	\$ 61,334	\$ 64,606	\$ (3,272)	(5.1%)
Long-Term Liabilities	776,224	689,575	86,649	12.6%
Total Liabilities	837,558	754,181	83,377	11.1%
Retained Earnings	567,994	531,470	36,524	6.9%
Total Liabilities and Retained Earnings	<u>\$ 1,405,552</u>	<u>\$ 1,285,651</u>	<u>\$ 119,901</u>	<u>9.3%</u>

Assets

As discussed in Note 3 of the financial statements, all of the Commission's cash deposits are either covered by federal depository insurance or by collateral held in joint custody accounts in the name of the Ohio Turnpike Commission and the pledging financial institution at the Federal Reserve Bank of Cleveland, Ohio. Investments consist of collateralized overnight repurchase agreements, U.S. government securities, U.S. agency securities and investments with the State Treasurer's Asset Reserve (STAR Ohio). Other than debt service funds held by a Trustee pursuant to the Commission's Master Trust Agreement, collateralized repurchase agreements and investments with STAR Ohio, the Commission's investments are all held at a custodian bank in the name of the Commission.

The condensed balance sheets show that capital assets increased by \$114 million from December 31, 2000 to December 31, 2001. This growth reflects the continuing progress on a major Capital Improvement Program that began in 1995. The overall project includes the addition of a third-lane to the Turnpike, both eastbound and westbound, from Toledo to Youngstown, Ohio; reconstruction of the 16 service plazas; construction of new interchanges; renovation of older toll plazas; and other related projects.

Long-term Debt

Approximately one-half of the Commission's Capital Improvement Program costs is being funded on a pay-as-we-go basis from accumulated and current-year revenues, and the other half is being funded from borrowings. The Commission is empowered to issue revenue bonds payable solely from Commission revenues. As detailed in Note 5 of the financial statements, the Commission issued revenue bonds in 1994, 1996, 1998 and 2001.

The bonds issued in 1994 and 1996 were for par amounts of \$125,000,000 and \$370,000,000, respectively. In 1998, the Commission issued refunding bonds (Series A) in the amount of \$298,575,000. The proceeds from this issue were used to refund a portion of the 1994 and 1996 bonds in order to realize economic savings. In 1998, the Commission also issued "new-money" bonds (Series B) with a par amount of \$250,000,000.

On July 25, 2001, the Commission issued \$100,000,000 in State of Ohio Turnpike Revenue Bonds, 2001 Series A. The net proceeds were used to reimburse the Commission for funds advanced to pay a portion of the Commission's Capital Improvement Program. It is anticipated that the remainder of the current Capital Improvement Program will be financed from revenues. However, in the discretion of the Commission, additional bonds may be issued in the future to finance a portion of the costs of revisions or additions to the Capital Improvement Program.

On August 15, 2001, the Commission issued \$93,550,000 in State of Ohio Turnpike Revenue Refunding Bonds, 2001 Series B, with an average interest rate of 4.4 percent, in order to advance refund a portion of the 1994 Series A bonds and 1996 Series A bonds totaling \$95,370,000, with an average interest rate of 5.5 percent. This advance refunding reduced the Commission's aggregate debt service payments by \$4 million over the next 12 years and produced an economic gain (the difference between the present values of the old and new debt service payments) of \$3 million.

All of the Commission's outstanding bonds have fixed interest rates that have a combined average yield of 4.87 percent as of December 31, 2001.

In 2000, as permitted by the Commission's Master Trust Agreement, the Commission deposited a surety bond with the Trustee in lieu of funds otherwise required to be on deposit in the Commission's debt service reserve accounts. This allowed the Commission to draw approximately \$51 million from these reserve accounts to pay for construction costs.

The Ohio Turnpike Commission's credit rating is among the highest of all the toll roads in the world. In May 2000, Fitch Ratings upgraded the Commission's rating from "AA-" to "AA." This followed a previous rating upgrade in 1998. Fitch Ratings' press release noted: "The rating upgrade reflects the strong economic fundamentals of the Ohio Turnpike." In addition, in March 2001, Moody's upgraded the Ohio Turnpike Commission's rating from "A1" to "Aa3", indicating that the rating reflects the Turnpike's position as an established, critical component of the nation's highway system between the Chicago, Philadelphia and New York City markets and further noting the Commission's history of sound financial operations. The current agency ratings are as follows:

<u>Agency</u>	<u>Rating</u>
Standard & Poor's	AA
Fitch Ratings	AA
Moody's Investors Service	Aa3

Risk Management

As described in Note 9 of the financial statements, 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 \$100,000 per covered person per contract year. Employee health benefits are subject to a lifetime maximum benefit of \$1 million per covered person.

The Commission purchases commercial insurance for employee health claims in excess of \$100,000 per covered person per contract year, up to the lifetime limit of \$1 million per covered person. The Commission also 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.

Accounting Policies and Internal Controls

The Commission's reporting entity and its accounting policies are described in detail in Notes 1 and 2 of the financial statements. The Commission is required to have annual audits of its financial statements by an independent certified public accountant of nationally recognized standing.

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

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

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ohio Turnpike Commission for its *Comprehensive Annual Financial Report for the year ended December 31, 2000*. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. The Commission was the first Turnpike to be awarded this honor in 1985 and has received the award for every year in which it was eligible.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,



James T. Steiner
CFO/Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ohio Turnpike Commission

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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



Timothy A. Howe
President

Jeffrey L. Esser
Executive Director

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As a child I found the Turnpike magical because it took me to my Grandmother's house in Pennsylvania. It was the road to the most fun place ever, as far as I was concerned. We would always stop to eat at the Howard Johnson's. This was the only time we ate in a restaurant, so it was extremely special and we felt like royalty. To me, the Turnpike meant excitement and adventure.

— Janet Kirkpatrick,
Accounting

Financial

SECTION

The Oldsmobile pictured on the Ohio Turnpike's Web page is very much like the one my parents owned when we would take the Turnpike to Pennsylvania on our yearly vacation. I remember stopping at the Howard Johnson's restaurants for a leisurely lunch and being served at a table draped with a white tablecloth by a waitress wearing a crisp uniform and a starched apron. The cashier's area always had a display of huge, multi-colored, coiled candy pops. I begged for one of them for what seems like years. When my parents finally bought me one, it didn't taste nearly as yummy as I had imagined it would.

— Sue Morgan, Receptionist



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INDEPENDENT AUDITORS' REPORT

Ohio Turnpike Commission
Berea, Ohio

We have audited the accompanying balance sheets of the Ohio Turnpike Commission (the "Commission") as of December 31, 2001 and 2000, and the related statements of income and retained earnings and of cash flows for the years then ended. These financial statements are the responsibility of the management of the Commission. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The statistical data on pages 34 - 47 is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Commission. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2002, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

February 8, 2002

Deloitte
Touche
Tohmatsu

Balance Sheets

	In Thousands	
	12/31/01	12/31/00
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 11,162	\$ 18,624
Restricted Cash and Cash Equivalents	10,114	20,752
Investments, at Fair Value	43,709	30,212
Restricted Investments, at Fair Value	33,207	25,555
Interest Receivable	540	657
Restricted Interest Receivable	2,150	1,491
Accounts Receivable	5,082	5,325
Restricted Accounts Receivable	2,028	2,342
Restricted State Fuel Tax Allocation Receivable	386	349
Inventories	4,355	3,727
Other	471	507
Total Current Assets	113,204	109,541
Noncurrent Assets:		
Restricted Investments, at Fair Value	109,406	108,127
Unamortized Bond Issuance Costs	7,176	6,509
Capital Assets:		
Property, Roadway and Equipment	1,569,481	1,390,777
Construction in Progress	78,626	123,659
Less - Accumulated Depreciation	(472,341)	(452,962)
Total Noncurrent Assets	1,292,348	1,176,110
Total Assets	\$ 1,405,552	\$ 1,285,651
Liabilities and Retained Earnings		
Current Liabilities:		
Accounts Payable	\$ 1,613	\$ 2,395
Contracts Payable and Retained Amounts	21,542	26,850
Accrued Salaries, Wages and Benefits	2,346	2,584
Compensated Absences	3,125	3,471
Claims and Judgments	2,038	1,891
Interest Payable	15,776	14,007
Bonds Payable	14,630	13,045
Other Liabilities	264	363
Total Current Liabilities	61,334	64,606
Noncurrent Liabilities:		
Compensated Absences	11,079	10,414
Claims and Judgments	847	1,364
Bonds Payable	764,298	677,797
Total Noncurrent Liabilities	776,224	689,575
Total Liabilities	837,558	754,181
Total Retained Earnings	567,994	531,470
Total Liabilities and Retained Earnings	\$ 1,405,552	\$ 1,285,651

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

Statements of Income and

Retained Earnings

	In Thousands	
	Years Ended	
	12/31/01	12/31/00
Operating Revenues:		
Tolls	\$ 174,326	\$ 176,772
Concessions	11,547	10,538
Special Toll Permits	2,614	2,692
Leases and Licenses	555	369
Other Revenues	407	223
Total Operating Revenues	189,449	190,594
Operating Expenses:		
Administration and Insurance	19,562	23,801
Maintenance of Roadway and Structures	19,193	21,312
Services and Toll Operations	29,654	28,012
Traffic Control, Safety, Patrol and Communications	11,402	10,309
Major Repairs and Replacements	5,219	3,384
Depreciation	43,225	39,062
Total Operating Expenses	128,255	125,880
Operating Income	61,194	64,714
Non-Operating Revenues / (Expenses):		
State Fuel Tax Allocation	2,328	2,360
Investment Income	9,498	16,783
Loss on Disposals of Fixed Assets	(4,092)	(4,006)
Interest Expense	(32,404)	(33,126)
Total Non-Operating Revenues / (Expenses)	(24,670)	(17,989)
Net Income	36,524	46,725
Retained Earnings - Beginning of Year	531,470	484,745
Retained Earnings - End of Year	\$ 567,994	\$ 531,470

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

Statements of Cash Flows

	In Thousands	
	Years Ended	
	12/31/01	12/31/00
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 188,559	\$ 189,988
Cash Received from Other Operating Revenues	941	672
Cash Payments for Employee Salaries, Wages and Fringe Benefits	(57,848)	(59,634)
Cash Payments for Goods and Services	(28,439)	(27,810)
Net Cash Provided by Operating Activities	103,213	103,216
Cash Flows from Noncapital Financing Activities:		
State Fuel Tax Allocation	2,291	2,402
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Sales of Bonds	201,874	—
Acquisition and Construction of Capital Assets	(160,671)	(180,329)
Bond Issuance Costs	(1,975)	(630)
Advanced Refunding of Bonds	(99,820)	—
Principal Paid on Bonds	(13,045)	(12,510)
Interest Paid on Bonds	(36,496)	(36,703)
Net Cash Used in Capital and Related Financing Activities	(110,133)	(230,172)
Cash Flows from Investing Activities:		
Interest Received on Investments	10,449	16,040
Proceeds from Sale and Maturity of Investments	409,936	408,391
Purchase of Investments	(433,856)	(295,715)
Net Cash Provided by / (Used in) Investing Activities	(13,471)	128,716
Net Increase / (Decrease) in Cash and Cash Equivalents	(18,100)	4,162
Cash and Cash Equivalents - Beginning of Year	39,376	35,214
Cash and Cash Equivalents - End of Year	\$ 21,276	\$ 39,376
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 61,194	\$ 64,714
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	43,225	39,062
Change in Assets and Liabilities:		
Accounts Receivable	557	(2,153)
Inventory	(628)	870
Other Assets	36	(164)
Accounts Payable	(782)	929
Accrued Salaries, Wages and Benefits	(239)	(19)
Compensated Absences	319	(652)
Claims and Judgments	(370)	431
Other Liabilities	(99)	198
Net Cash Provided by Operating Activities	\$ 103,213	\$ 103,216
Noncash Investing Activities:		
Increase / (Decrease) in Fair Value of Investments	\$ 441	\$ 861

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

December 31, 2001

(1) Reporting Entity

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

(2) Summary of Significant Accounting Policies

Basis of Accounting – The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Under this basis of accounting, revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single proprietary (enterprise) fund. The measurement focus is on the determination of revenues, expenses, financial position, and cash flows as the identification of these items is necessary for appropriate capital maintenance, public policy, management control, accountability, and the calculation of amounts due.

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

Restricted Assets – The use of assets classified as “restricted” is limited to capital improvements or debt service, in accordance with applicable laws or provisions of the Commission’s Master Trust Agreement dated February 15, 1994.

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

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

Accounts Receivable – Accounts receivable consist primarily of tolls receivable from commercial trucking companies. Each such account is guaranteed by a surety bond.

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 are stated at cost. The costs of normal maintenance and repairs are charged to operations as incurred.

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

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

Depreciation expenses are included in the statements of income and retained earnings.

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 on the related bond proceeds. Interest of \$6,248,711 and \$3,934,369 was capitalized for the years ended December 31, 2001 and 2000, respectively.

Bond Issuance Expenses, Discounts/Premiums, and Advance Debt Refundings – Bond issuance expenses are recorded as assets. Unamortized bond discounts and premiums are netted against long-term debt. Bond issuance expenses, as well as bond discounts, and premiums, are amortized to interest expense over the lives of the applicable bonds. Unamortized advance debt refunding gains and losses are netted against long-term debt and are amortized to interest expense over the lives of the refunded bonds.

In 2000, as permitted by the Commission’s Master Trust Agreement, the Commission deposited a surety bond with the Trustee in lieu of funds otherwise required to be on deposit in the Commission’s debt service reserve accounts. This allowed the Commission to draw approximately \$51 million from these reserve accounts to pay for construction costs. The cost of the surety bond was recorded as a bond issuance cost and is being amortized to interest expense over the life of the surety bond.

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 records a liability for unused sick leave to the extent that it is probable that benefits will be paid in cash.

Recognition of Revenue – Toll revenues are recognized as vehicles use the Turnpike. Concession revenue arises from contracts entered into for the operation of the restaurants and service stations on the Turnpike. The operators pay fees based in part on percentages of gross sales (as defined in the respective contracts). The Commission’s revenues are recognized when the sales are made by the operators. All other revenues are recognized when earned.

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.

New Accounting Pronouncements – During 2001, the Commission implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*. These Statements establish accounting standards for nonexchange transactions, such as the state fuel tax allocation, provided to the Commission by another governmental unit. The implementation of these Statements had no impact on the Commission's financial statements.

The GASB has issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement No. 38, *Certain Financial Statement Note Disclosures*. These Statements revise accounting and reporting standards for general purpose external financial reporting by governmental units. These Statements are effective for the Commission's year ending December 31, 2002. The Commission has not completed an analysis of the impact of these Statements on its reported financial condition and results of operations.

(3) Deposits and Investments

Deposits

At year-end, the Commission had \$228,540 in undeposited cash on hand. The carrying amount of the Commission's deposits at December 31, 2001 was \$82,085,805, as compared to bank balances of \$84,983,989. Of the bank balances, \$2,168,519 was covered by federal depository insurance and the remainder by collateral held in joint custody accounts in the name of the Ohio Turnpike Commission and the pledging financial institution at the Federal Reserve Bank of Cleveland, Ohio.

Investments

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

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

The repurchase agreements listed in Category 3 are overnight repurchase agreements that are fully covered by collateral held in joint custody accounts in the name of the Ohio Turnpike Commission and the pledging financial institution at the Federal Reserve Bank of Cleveland, Ohio. The other investments listed in Category 3 are held by The Huntington National Bank ("Trustee") as required by the Commission's Master Trust Agreement (see Note 5 below). Assets held by the Trustee as a custodial agent are considered legally separate from the other assets of The Huntington National Bank and are therefore protected against claims from its general creditors.

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

In Thousands

	December 31, 2001			Total
	Category 1	Category 2	Category 3	Fair Value
Collateralized Overnight Repurchase Agreements	\$ —	\$ —	\$ 10,420	\$ 10,420
U.S. Government Securities	5,515	—	—	5,515
U.S. Instrumentality Securities	92,522	—	3,339	95,861
Subtotals	<u>\$ 98,037</u>	<u>\$ —</u>	<u>\$ 13,759</u>	\$ 111,796
State Treasurer's Asset Reserve				13,488
Total Investments				<u>\$ 125,284</u>

(4) Capital Assets

Capital asset activity for the year ended December 31, 2001 was as follows (in thousands):

	Balance 12/31/00	Increases	Decreases	Balance 12/31/01
Capital Assets Not Being Depreciated:				
Land	\$ 31,423	\$ 395	\$ —	\$ 31,818
Construction In Progress	123,659	162,637	(207,670)	78,626
Total Capital Assets Not Being Depreciated	<u>155,082</u>	<u>163,032</u>	<u>(207,670)</u>	<u>110,444</u>
Other Capital Assets:				
Roadway and Structures	1,106,953	147,247	(16,046)	1,238,154
Buildings and Improvements	207,869	60,028	(10,692)	257,205
Machinery and Equipment	44,532	1,584	(3,812)	42,304
Total Other Capital Assets at Historical Cost	<u>1,359,354</u>	<u>208,859</u>	<u>(30,550)</u>	<u>1,537,663</u>
Less Accumulated Depreciation For:				
Roadway and Structures	(384,922)	(32,531)	12,695	(404,758)
Buildings and Improvements	(49,816)	(5,998)	9,980	(45,834)
Machinery and Equipment	(18,224)	(4,696)	1,171	(21,749)
Total Depreciation	<u>(452,962)</u>	<u>(43,225)</u>	<u>23,846</u>	<u>(472,341)</u>
Other Capital Assets, Net	906,392	165,634	(6,704)	1,065,322
Total Capital Assets, Net	<u>\$ 1,061,474</u>	<u>\$ 328,666</u>	<u>\$ (214,374)</u>	<u>\$ 1,175,766</u>

(5) Long-Term Debt of Turnpike Revenue Bonds

In accordance with Ohio law and the Commission's Master Trust Agreement ("Agreement") dated February 15, 1994, the Commission has issued revenue bonds payable solely from Commission "pledged revenues," as defined by the Agreement. Gross pledged revenues consist of tolls, special toll permits and certain investment revenues. The Commission's outstanding bonds do not constitute general obligations of the Commission or the State of Ohio. Neither the general credit, faith nor resources of the Commission or the State of Ohio are pledged to the payment of the bonds.

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

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

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

On September 30, 1998, the Commission issued \$298,575,000 in State of Ohio Turnpike Revenue Refunding Bonds, 1998 Series A, pursuant to the Commission's Master Trust Agreement and a Fifth Supplemental Trust Agreement dated September 1, 1998. A portion of the 1994 Series A bonds and 1996 Series A bonds totaling \$303,110,000 were refunded from the proceeds of the 1998 Series A bonds to realize economic savings. Investments placed in an irrevocable escrow fund will earn interest and will mature at such times as to provide sufficient funds to pay the interest, principal and premium on the refunded bonds until and upon redemption. Bonds with a principal amount of \$69,180,000 will be called for redemption on February 15, 2004 and bonds with a principal amount of \$233,930,000 will be called for redemption on February 15, 2006. Neither the escrow funds nor the defeased bonds are included in the accompanying financial statements as of December 31, 2001 and 2000.

On July 25, 2001, the Commission issued \$100,000,000 in State of Ohio Turnpike Revenue Bonds, 2001 Series A, pursuant to the Commission's Master Trust Agreement and the Eleventh Supplemental Trust Agreement dated July 1, 2001. The net proceeds (after payment of underwriting fees, insurance and other issuance costs) were used to reimburse the Commission for funds advanced to pay a portion of the Commission's Capital Improvement Program that began in 1995, which includes the addition of a third-lane to the Turnpike, both eastbound and westbound, from Toledo to Youngstown, Ohio; reconstruction of the 16 service plazas; construction of new interchanges; renovation of older toll plazas; and other related projects.

On August 15, 2001, the Commission issued \$93,550,000 in State of Ohio Turnpike Revenue Refunding Bonds, 2001 Series B, with an average all-inclusive interest rate of 4.4 percent, pursuant to the Commission's Master Trust Agreement and the Twelfth Supplemental Trust Agreement dated August 15, 2001, in order to advance refund a portion of the 1994 Series A bonds and 1996 Series A bonds totaling \$95,370,000, with an average interest rate of 5.5 percent. The net proceeds of \$99.8 million (after payment of \$0.9 million in underwriting fees, insurance and other issuance costs) were used to purchase securities guaranteed by the United States government. Those securities were deposited in an irrevocable escrow fund and will earn interest and will mature at such times as to provide sufficient funds to pay the interest, principal and premium on the refunded bonds until and upon redemption. Bonds with a principal amount of \$23,445,000 will be called for redemption on February 15, 2004 and bonds with a principal amount of \$71,925,000 will be called for redemption on February 15, 2006. Neither the escrow funds nor the defeased bonds are included in the accompanying financial statements as of December 31, 2001.

Although the advance refunding resulted in the recognition of an accounting loss of \$7.4 million, which will be amortized to interest expense over the life of the new debt, the Commission in effect reduced its aggregate debt service payments by \$4 million over the next twelve (12) years and obtained an economic gain (the difference between the present values of the old and new debt service payments) of \$3 million.

Long-term debt from revenue bonds outstanding at December 31, 2001 and 2000, is as follows:

	Average Yield	In Thousands	
		2001	2000
1994 Series A:			
Serial Bonds maturing through 2007	5.05%	\$ 17,310	\$ 43,200
1996 Series A:			
Serial Bonds maturing through 2006	5.13%	36,790	115,055
1998 Series A:			
Serial Bonds maturing 2014 through 2021		168,180	168,180
Term Bonds due 2024 and 2026		130,395	130,395
	4.88%	298,575	298,575
1998 Series B:			
Serial Bonds maturing through 2018		113,585	117,845
Term Bonds due 2024 and 2028		124,660	124,660
	4.86%	238,245	242,505
2001 Series A:			
Serial Bonds maturing through 2021		49,685	—
Term Bonds due 2026 and 2031		50,315	—
	5.13%	100,000	—
2001 Series B:			
Serial Bonds maturing through 2013	4.33%	93,550	—
Total Principal Outstanding	4.87%	784,470	699,335
Add / (Subtract):			
Unamortized refunding losses		(30,679)	(24,520)
Unamortized bond premiums - net		25,137	16,027
Current portion of debt		(14,630)	(13,045)
Total Long-Term Debt		\$ 764,298	\$ 677,797

Minimum principal and interest payments on long-term debt are as follows (in thousands):

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 14,630	\$ 40,594	\$ 55,224
2003	15,960	39,617	55,577
2004	16,700	38,825	55,525
2005	17,575	37,929	55,504
2006	18,505	36,978	55,483
2007 - 2011	107,055	169,642	276,697
2012 - 2016	139,365	137,461	276,826
2017 - 2021	180,935	95,491	276,426
2022 - 2026	215,635	42,609	258,244
2027 - 2031	58,110	5,302	63,412
Total	<u>\$ 784,470</u>	<u>\$ 644,448</u>	<u>\$ 1,428,918</u>

(6) Commitments and Contingencies

Commitments

The Commission has commitments at December 31, 2001 of approximately \$136,058,000 for capital projects and major repairs and replacements. It is anticipated that these commitments will be financed from accumulated and future revenues. However, in 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 unreceived goods and services amounting to approximately \$4,341,000 at December 31, 2001.

Litigation

The nature of the Commission's operations sometimes subjects the Commission to litigation resulting from traffic accidents and the like. The management and the General Counsel for the Commission are of the opinion that any unfavorable outcome of such claims in excess of insurance coverage will not result in a material adverse effect on the Commission's financial position as of December 31, 2001.

Environmental Matters

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

Collective Bargaining

Approximately 600 full-time, nonsupervisory, field employees in the Commission's Toll Collection and Maintenance Departments and approximately 290 part-time, nonsupervisory, field employees in the Commission's Toll Collection Department are represented by the United Electrical, Radio and Machine Workers of America and its affiliate, UE Local 791.

The three-year collective bargaining agreement with the full-time employees identified above expired on January 1, 2002 and the three-year agreement with the part-time employees identified above will expire on March 1, 2002. Negotiations with the representative for both groups of employees are ongoing, but it is not possible to predict the outcome of these negotiations.

(7) Defined Benefit Pension Plan

Plan Description

The Commission contributes to the Public Employees Retirement System of Ohio (“PERS” or the “Retirement System”), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

Funding

The Ohio Revised Code provides statutory authority for employee and employer contributions. During calendar years 2001, 2000 and 1999, the employees’ contribution rate was 8.5 percent of their salary. The employer contribution rates for calendar years 2001, 2000 and 1999 were 13.31 percent, 10.65 percent and 13.31 percent, respectively, of covered payroll. The Retirement Board instituted a temporary employer contribution rate roll-back of 20 percent for calendar year 2000, and regular rates were reinstated beginning in 2001. The Commission’s contributions (including contributions for other postemployment benefits described in Note 8) to PERS for the years ended December 31, 2001, 2000 and 1999 were \$5,808,000, \$4,558,000 and \$5,600,000, respectively, equal to 100 percent of the required contributions for each year.

Voluntary Early Retirement Incentive Plan

On March 8, 1999, the Commission adopted a Voluntary Early Retirement Incentive Plan (“Early Retirement Plan”) for all eligible employees. Pursuant to this Early Retirement Plan, the Commission agreed to purchase a maximum of three years of PERS service credit for eligible employees who retired during the period from June 1, 1999 through February 1, 2001. Employees wishing to participate were required to apply in writing no later than November 30, 2000. The cost to purchase service credit for an employee was recorded as an expense in the year in which the employee submitted a properly completed and signed agreement to participate in the Early Retirement Plan.

During 1999, 52 full-time and 8 part-time employees agreed to participate in the Early Retirement Plan. The cost to purchase PERS service credit for these employees totaled approximately \$3,566,000, which was recorded as an expense in 1999. During 2000, 57 full-time and 7 part-time employees agreed to participate in the Early Retirement Plan. The cost to purchase PERS service credit for these employees totaled approximately \$3,173,000, which was recorded as an expense in 2000.

(8) Other Postemployment Benefits

The Commission provides health care benefits as a postemployment benefit (as defined by GASB Statement No. 12) through its contributions to PERS.

In addition to the pension benefits described in Note 7, PERS provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (“OPEB”) as described in GASB Statement No. 12. A portion of each employer’s contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For the Commission, the total employer contribution rate for 2001 was 13.31 percent of covered payroll; 4.3 percent was the portion that was used to fund health care for the year.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

The assumptions and calculations noted below were based on the Retirement System's latest actuarial review performed as of December 31, 2000. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2000 was 7.75 percent. An annual increase of 4.75 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases over and above the 4.75 percent base increase were assumed to range from 0.54 percent to 5.1 percent. Health care costs were assumed to increase 4.75 percent annually.

OPEB provided through PERS are advance-funded on an actuarially determined basis. The total number of active contributing participants to PERS was 411,076 at December 31, 2000. The Commission's contributions for other postemployment benefits to PERS for the years ended December 31, 2001, 2000 and 1999 were \$1,876,000, \$1,840,000 and \$2,209,000, respectively, equal to 100 percent of the required contributions for each year.

The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2000 was \$11.7 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14.4 billion and \$2.7 billion, respectively.

(9) Risk Management

The Commission is self-insured for workers' compensation and vehicle damage claims. The Commission is also self-insured for employee health claims, up to a maximum of \$100,000 per covered person per contract year. Employee health benefits are subject to a lifetime maximum benefit of \$1 million per covered person.

In accordance with GASB Statement No. 10, claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The estimated liability at December 31, 2001 for workers' compensation claims of \$1,854,000 and the estimated liability for employee health claims of \$1,031,000, including estimated claims incurred but not reported, are included in "Claims and Judgments" in the accompanying financial statements. The Commission is unaware of any unaccrued vehicle damage or unasserted workers' compensation claims at December 31, 2001.

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

	<u>Estimated Claims Payable- Beginning of Year</u>	<u>Current Claims</u>	<u>Claims Payments</u>	<u>Estimated Claims Payable- End of Year</u>
2000	\$ 2,824	6,554	6,123	\$ 3,255
2001	\$ 3,255	6,132	6,502	\$ 2,885

The Commission purchases commercial insurance policies in varying amounts for general liability, vehicle liability, bridges, use and occupancy, damage to capital assets other than vehicles, and public officials and employee liability coverage. In addition, the Commission purchases commercial insurance for employee health claims in excess of \$100,000 per covered person per contract year, up to the lifetime limit of \$1 million per covered person. 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.

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When I was a little girl, our house was located only a few blocks from the Turnpike administration building in Berea. My first memories of the Turnpike were the traffic noise lulling me to sleep at night. It was never bothersome; in fact, it was rather comforting and reassuring. Whenever we went to visit our relatives in Illinois, my father took the Turnpike. We also used it to visit friends in Michigan. My favorite memories are when we took the toll road West to Gate 7 to go to Cedar Point. I always associated the Turnpike with good times.

— Carolyn Wolfe,
Telecommunications Secretary

Statistical

SECTION

My first recollections of the Ohio Turnpike go back to before it opened. I was five years old and my Dad had been hired as a toll collector at the Bryan-Montpelier interchange. Although it wasn't finished yet, I remember the family driving over to see the "new road."

Late in life I can recall how handsome and important my Dad looked in his collector's uniform. I also recall all the little 1's, 2's, 3's and R's marked on our kitchen calendar alerting us as to when we might need to be extra quiet because Dad needed his sleep after working the midnight shift. My Dad retired from the Ohio Turnpike after 25½ years. He passed away in 1989, but I still have his badge, retirement pen and certificate. I am proud to say that now I am a part-time collector on the Turnpike, and it didn't take me long to be able to relate to all the "people stories" my dad would come home with. There have been many times when I would relate one of my 'pike stories to my Mom and say to her, "Dad sure would get a kick out of that." I think my Dad would be happy to know that I'm following in his footsteps.

— Joyce DeGroff,
Part-time Collector, Archbold 25/2A



Revenues and Expenses

Last Ten Fiscal Years In Thousands

	2001	2000	1999
Revenues			
Tolls	\$ 174,326	176,772	176,430 (1)
Concessions	11,547	10,538	7,949
Special Toll Permits	2,614	2,692	2,731
Leases and Licenses	555	369	424
Other Revenues	407	223	254
Total Operating Revenues	189,449	190,594	187,788
State Fuel Tax Allocation	2,328	2,360	2,381
Investment Income	9,498	16,783	15,936
Total Revenues	\$ 201,275	209,737	206,105
Expenses			
Administration and Insurance	\$ 19,562	23,801	23,332
Maintenance of Roadway and Structures	19,193	21,312	20,688
Services and Toll Operations	29,654	28,012	24,809
Traffic Control, Safety, Patrol and Communications	11,402	10,309	10,786
Major Repairs and Replacements	5,219	3,384	2,271
Total Operating Expenses Before Depreciation	85,030	86,818	81,886
Depreciation	43,225	39,062	34,576
Total Operating Expenses	128,255	125,880	116,462
Loss on Disposals of Fixed Assets	4,092	4,006	4,502
Interest Expense	32,404	33,126	32,783
Capital Outlay, Major Repairs and Replacements			
Debt Service			
Total Expenses (Expenditures for Years 1992-1995)	\$ 164,751	163,012	153,747

Notes:

(1) 9% toll rate increase effective January 1, 1999.

(2) 10% toll rate increase effective January 1, 1998

(3) 20% toll rate increase effective January 1, 1997

(4) 15% toll rate increase effective January 1, 1996.

(5) 10% toll rate increase effective July 1, 1995.

(6) 1996 and 1997 have been restated from modified accrual to accrual basis accounting in connection with the adoption of the proprietary reporting model.

1998	1997	1996	1995	1994	1993	1992
156,175 (2)	138,577 (3)	118,785 (4)	102,004 (5)	94,442	88,369	83,645
7,406	7,666	7,901	7,933	7,089	5,996	6,024
2,748	2,735	2,769	2,680	2,337	2,088	1,766
1,198	809	949	537	521	513	506
282	265	231	132	186	121	162
<u>167,809</u>	<u>150,052</u>	<u>130,635</u>	<u>113,286</u>	<u>104,575</u>	<u>97,087</u>	<u>92,103</u>
2,274	2,329	2,368	2,262	2,080	2,135	2,243
16,307	19,401	16,323	7,616	5,410	513	1,334
<u>186,390</u>	<u>171,782</u>	<u>149,326</u>	<u>123,164</u>	<u>112,065</u>	<u>99,735</u>	<u>95,680</u>

17,004	18,074 (6)	19,573 (6)	19,477	17,896	16,728	16,098
17,641	18,633	19,064	18,599	17,995	16,370	15,072
22,473	21,459	20,471	20,109	19,796	18,361	17,342
10,120	9,962	10,070	9,481	8,396	8,305	8,045
1,210	3,573 (6)	1,086 (6)	—	—	—	—
<u>68,448</u>	<u>71,701</u>	<u>70,264</u>	<u>67,666</u>	<u>64,083</u>	<u>59,764</u>	<u>56,557</u>
31,216	23,586	20,352	—	—	—	—
<u>99,664</u>	<u>95,287</u>	<u>90,616</u>	<u>67,666</u>	<u>64,083</u>	<u>59,764</u>	<u>56,557</u>
1,003	1,604 (6)	— (6)	—	—	—	—
27,630	16,187 (6)	15,935 (6)	56,601	51,938	38,624	41,665
—	—	—	8,474	5,408	—	4,980
<u>128,297</u>	<u>113,078</u>	<u>106,551</u>	<u>132,741</u>	<u>121,429</u>	<u>98,388</u>	<u>103,202</u>

Revenue Bond Coverage

Last Ten Fiscal Years In Thousands

	2001	2000	1999
Pledged Revenues	<u>\$ 184,573</u> (1)	<u>190,944</u> (1)	<u>190,846</u> (1)
Expenses Paid from Pledged Revenues:			
Administration and Insurance	19,562	23,801	23,332
Maintenance of Roadway and Structures	18,073	19,943	20,688
Services and Toll Operations	26,704	25,917	24,809
Traffic Control, Safety, Patrol and Communications	11,402	10,306	10,786
Major Repairs and Replacements	<u>5,219</u>	<u>3,384</u>	<u>2,271</u>
Total Expenses Paid from Pledged Revenues	<u>80,960</u>	<u>83,351</u>	<u>81,886</u>
Deposit to Reserve Account	(76)	535	555
Net Revenues Available for Debt Service	<u>\$ 103,689</u>	<u>107,058</u>	<u>108,405</u>
Debt Service Requirements:			
Principal	14,247	12,956	13,125
Interest	37,641	36,526	36,508
Interest Earned	(690)	(2,901)	(3,794)
Total Debt Service Requirements	<u>\$ 51,198</u>	<u>46,581</u>	<u>45,839</u>
Calculated Coverage (see Note 5 to the financial statements)	2.03	2.30	2.36

Notes:

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

(2) 1996 and 1997 have been restated from modified accrual to accrual basis accounting in connection with the adoption of the proprietary reporting model.

1998	1997	1996	1995	1994	1993	1992
<u>169,204</u>	(1) <u>156,768</u>	(1) <u>135,567</u>	(1) <u>106,807</u>	(1) <u>98,491</u>	(1) <u>99,736</u>	<u>95,680</u>
17,004	18,074 (2)	19,573 (2)	19,477	17,896	16,728	16,098
17,641	18,633	19,064	18,599	17,995	16,370	15,072
22,473	21,459	20,471	20,109	19,796	18,361	17,342
10,120	9,962	10,070	9,481	8,396	8,305	8,045
<u>1,210</u>	<u>3,573</u> (2)	<u>1,086</u> (2)	—	—	—	—
<u>68,448</u>	<u>71,701</u>	<u>70,264</u>	<u>67,666</u>	<u>64,083</u>	<u>59,764</u>	<u>56,557</u>
121	92	297	187	—	—	—
<u>100,635</u>	<u>84,975</u>	<u>65,006</u>	<u>38,954</u>	<u>34,408</u>	<u>39,972</u>	<u>39,123</u>
10,039	7,682	4,721	1,968	1,508	—	4,810
28,324	26,650	19,202	6,666	5,594	—	170
(2,954)	(2,818)	(1,740)	(707)	(538)	—	(61)
<u>35,409</u>	<u>31,514</u>	<u>22,183</u>	<u>7,927</u>	<u>6,564</u>	—	<u>4,919</u>
2.84	2.70 (2)	2.93 (2)	4.91	5.24	N/A	7.95

Comparative Traffic Statistics

Last Ten Fiscal Years

	2001	2000	1999
Number of Vehicles in Thousands:			
Passenger Cars	37,036	36,289	35,903
Commercial Vehicles	8,864	9,286	9,154
Total	45,900	45,575	45,057
Percentage of Vehicles:			
Passenger Cars	80.7%	79.6%	79.7%
Commercial Vehicles	19.3%	20.4%	20.3%
Number of Miles in Thousands:			
Passenger Cars	1,913,889	1,851,766	1,820,823
Commercial Vehicles	803,853	850,533	836,591
Total	2,717,742	2,702,299	2,657,414
Percentage of Miles:			
Passenger Cars	70.4%	68.5%	68.5%
Commercial Vehicles	29.6%	31.5%	31.5%
Toll Revenue in Thousands:			
Passenger Cars	\$ 74,710	\$ 72,356	\$ 71,017
Commercial Vehicles	99,616	104,416	105,413
Total	\$ 174,326	\$ 176,772	\$ 176,430
Percentage of Toll Revenue:			
Passenger Cars	42.9%	40.9%	40.3%
Commercial Vehicles	57.1%	59.1%	59.7%
Average Miles per Trip:			
Passenger Cars	51.7	51.0	50.7
Commercial Vehicles	90.7	91.6	91.4
Average Toll Revenue per Trip:			
Passenger Cars	\$ 2.02	\$ 1.99	\$ 1.98
Commercial Vehicles	\$ 11.24	\$ 11.24	\$ 11.52
Average Toll Revenue per Mile:			
Passenger Cars	\$ 0.04	\$ 0.04	\$ 0.04
Commercial Vehicles	\$ 0.12	\$ 0.12	\$ 0.13

	1998	1997	1996	1995	1994	1993	1992
	35,064	32,795	32,878	33,718	32,395	30,492	29,146
	8,525	8,234	8,466	8,589	8,370	7,655	7,283
	43,589	41,029	41,344	42,307	40,765	38,147	36,429
	80.4%	79.9%	79.5%	79.7%	79.5%	79.9%	80.0%
	19.6%	20.1%	20.5%	20.3%	20.5%	20.1%	20.0%
	1,797,105	1,703,800	1,701,542	1,715,389	1,639,651	1,602,258	1,566,898
	772,424	751,772	781,674	797,785	777,270	704,210	667,927
	2,569,529	2,455,572	2,483,216	2,513,174	2,416,921	2,306,468	2,234,825
	69.9%	69.4%	68.5%	68.3%	67.8%	69.5%	70.1%
	30.1%	30.6%	31.5%	31.7%	32.2%	30.5%	29.9%
\$	64,480	\$ 56,281	\$ 46,731	\$ 39,486	\$ 35,711	\$ 34,764	\$ 33,912
	91,695	82,296	72,054	62,518	58,731	53,605	49,733
\$	156,175	138,577	118,785	102,004	94,442	88,369	83,645
	41.3%	40.6%	39.3%	38.7%	37.8%	39.3%	40.5%
	58.7%	59.4%	60.7%	61.3%	62.2%	60.7%	59.5%
	51.3	52.0	51.8	50.9	50.6	52.5	53.8
	90.6	91.3	92.3	92.9	92.9	92.0	91.7
\$	1.84	\$ 1.72	\$ 1.42	\$ 1.17	\$ 1.10	\$ 1.14	\$ 1.16
\$	10.76	\$ 9.99	\$ 8.51	\$ 7.28	\$ 7.02	\$ 7.00	\$ 6.83
\$	0.04	\$ 0.03	\$ 0.03	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
\$	0.12	\$ 0.11	\$ 0.09	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.07

Vehicles and Toll Revenue

Last Ten Fiscal Years In Thousands

Class	Gross Weight Classification (Pounds)	2001	2000	1999
Vehicles				
1	— - 7,000	37,036	36,289	35,903
2	7,001 - 16,000	1,322	1,326	1,270
3	16,001 - 23,000	419	456	448
4	23,001 - 33,000	1,496	1,579	1,511
5	33,001 - 42,000	1,099	1,215	1,146
6	42,001 - 53,000	1,157	1,221	1,169
7	53,001 - 65,000	1,254	1,359	1,234
8	65,001 - 78,000	1,892	1,943	2,144
9	78,001 - 90,000	160	130	163
10	90,001 - 115,000	58	48	60
11	115,001 - 127,400	7	9	9
Subtotal		45,900	45,575	45,057
Add Non-Revenue*		402	580	537
Total Vehicles		46,302	46,155	45,594

Toll Revenue

1	— - 7,000	\$ 74,710	\$ 72,356	\$ 71,017
2	7,001 - 16,000	5,506	5,601	5,372
3	16,001 - 23,000	2,205	2,482	2,426
4	23,001 - 33,000	9,381	10,086	9,360
5	33,001 - 42,000	10,596	12,035	11,172
6	42,001 - 53,000	14,324	15,322	14,703
7	53,001 - 65,000	19,195	20,845	18,552
8	65,001 - 78,000	35,142	35,841	39,883
9	78,001 - 90,000	5,085	4,257	5,275
10	90,001 - 115,000	3,290	2,974	3,724
11	115,001 - 127,400	490	663	730
Subtotal		179,924	182,462	182,214
Deduct Volume Discounts		(5,598)	(5,690)	(5,784)
Total Toll Revenue		\$ 174,326	\$ 176,772	\$ 176,430

**Non-revenue vehicles represent traffic of members, officers, employees, agents and representatives of the Commission and, 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.*

1998	1997	1996	1995	1994	1993	1992
35,064	32,795	32,878	33,718	32,395	30,492	29,146
1,182	1,093	1,080	1,102	1,039	970	916
408	384	378	377	363	316	293
1,359	1,314	1,362	1,398	1,321	1,213	1,215
1,014	963	961	953	914	800	739
1,042	991	1,018	1,016	981	877	830
1,071	1,059	1,109	1,128	1,089	982	960
2,172	2,138	2,253	2,295	2,354	2,173	2,087
189	202	210	218	211	248	243
79	81	86	93	88	69	—
9	9	9	9	10	7	—
43,589	41,029	41,344	42,307	40,765	38,147	36,429
605	617	536	238	238	238	216
44,194	41,646	41,880	42,545	41,003	38,385	36,645

\$ 64,480	\$ 56,281	\$ 46,731	\$ 39,486	\$ 35,711	\$ 34,764	\$ 33,912
4,598	3,855	3,159	2,669	2,370	2,239	2,119
1,974	1,664	1,360	1,124	1,026	889	811
7,557	6,667	5,917	5,094	4,528	4,123	4,168
8,768	7,589	6,350	5,350	4,902	4,195	3,898
11,707	10,108	8,691	7,232	6,551	5,742	5,471
14,642	13,185	11,641	9,830	9,040	7,993	7,894
36,701	33,191	29,572	25,157	24,514	22,376	21,510
5,633	5,614	4,692	4,029	3,758	4,642	4,779
4,361	4,059	3,497	3,154	2,926	2,303	—
622	620	509	396	408	293	—
161,043	142,833	122,119	103,521	95,734	89,559	84,562
(4,868)	(4,256)	(3,334)	(1,517)	(1,292)	(1,190)	(917)
\$ 156,175	\$ 138,577	\$ 118,785	\$ 102,004	\$ 94,442	\$ 88,369	\$ 83,645

Activity by Interchange

Last Ten Fiscal Years In Thousands

Number		Name		2001	2000	1999
Old	New					
1	2	Westgate		7,118	7,101	6,951
2	13	Bryan-Montpelier		730	713	719
2A	25	Archbold-Fayette	(7)	387	375	342
3	34	Wauseon		752	754	729
3B	39	Delta-Lyons	(5)	456	463	420
3A	52	Toledo Airport-Swanton		1,562	1,493	1,421
4	59	Maumee-Toledo		4,644	4,550	4,557
4A	64	Perrysburg-Toledo		4,185	4,117	4,062
5	71	Stony Ridge-Toledo		6,121	6,297	5,815
5A	81	Elmore-Woodville-Gibsonburg	(6)	621	642	590
6	91	Fremont-Port Clinton		1,728	1,843	1,826
6A	110	Sandusky-Bellevue	(3)	1,370	1,392	1,246
7	118	Sandusky-Norwalk		1,815	1,872	1,883
7A	135	Vermilion	(4)	933	902	880
8A	142	Lorain County West		2,691	2,645	2,577
8	145	Lorain-Elyria		6,195	6,030	6,061
9A	151	North Ridgeville-Cleveland		5,551	5,509	5,377
9	152	North Olmsted-Cleveland		1,888	1,821	1,814
10	161	Strongsville-Cleveland		5,971	6,007	6,106
11	173	Cleveland		5,013	4,964	5,006
12	180	Akron		3,986	3,869	3,911
13	187	Streetsboro		5,825	5,707	5,609
13A	193	Ravenna	(2)	1,346	1,312	1,260
14	209	Warren		1,837	1,876	1,964
14A	215	Lordstown West	(1)	488	497	528
14B	216	Lordstown East	(1)	328	356	387
15	218	Niles-Youngstown		7,729	7,684	7,523
16	232	Youngstown		1,442	1,512	1,524
16A	234	Youngstown-Poland		1,188	1,097	1,204
17	238	Eastgate		7,900	7,750	7,822

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

(1) Opened July 14, 1993

(4) Opened December 13, 1995

(6) Opened February 6, 1997

(2) Opened December 1, 1994

(5) Opened December 20, 1996

(7) Opened November 13, 1998

(3) Opened December 15, 1994

1998	1997	1996	1995	1994	1993	1992
6,731	6,485	6,520	6,579	6,258	6,041	5,768
735	742	724	756	733	730	791
37	—	—	—	—	—	—
848	876	1,007	1,018	997	922	833
381	332	9	—	—	—	—
1,370	1,343	1,433	1,414	1,353	1,165	959
4,510	4,404	4,544	4,527	4,507	4,144	3,858
3,809	3,644	3,561	3,530	3,551	2,715	2,410
5,546	5,160	5,709	6,117	5,610	5,700	5,148
520	379	—	—	—	—	—
1,769	1,765	2,059	2,063	2,165	2,083	1,945
1,107	957	972	848	26	—	—
1,887	1,675	1,958	2,189	2,479	2,391	2,316
793	805	895	28	—	—	—
2,445	2,392	2,509	2,453	2,356	2,221	2,193
6,022	5,432	5,216	6,333	6,346	6,021	5,922
5,169	4,790	4,590	5,099	5,276	5,073	4,806
1,701	1,446	1,612	1,669	1,526	1,393	1,372
6,153	5,750	5,757	5,783	5,683	5,021	4,887
5,036	4,746	4,868	5,018	4,879	4,378	4,144
3,920	3,681	3,826	3,840	3,703	3,189	3,105
5,372	5,061	5,003	5,096	5,068	4,939	4,884
1,146	984	943	855	54	—	—
1,984	1,808	1,684	1,994	2,050	2,043	2,165
511	521	604	584	546	176	—
297	304	334	354	352	120	—
7,118	6,771	6,546	6,711	6,564	6,471	6,345
1,473	1,411	1,506	1,560	1,457	1,369	1,318
1,167	1,103	1,073	1,071	1,080	1,082	998
7,620	7,288	7,225	7,135	6,911	6,909	6,692

Traffic Accident Statistics

Last Ten Fiscal Years

	2001	2000	1999
All Accidents:			
Number	2,092	2,443	2,303
Rate	77.0	90.4	86.7
Property Damage Accidents: (Greater than \$150)			
Number	1,698	1,936	1,787
Rate	62.5	71.6	67.2
Personal Injury Accidents:			
Number	381	496	508
Rate	14.0	18.4	19.1
Number Injured	602	840	801
Injury Rate	22.2	31.1	30.1
Fatal Accidents:			
Number	13	11	8
Rate	.5	.4	.3
Fatalities	14	12	8
Fatality Rate	.5	.4	.3

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

1998	1997	1996	1995	1994	1993	1992
1,889 73.5	2,035 82.9	2,248 90.5	2,019 80.3	1,978 81.8	1,846 80.0	1,755 78.5
1,472 57.3	1,596 65.0	1,763 71.0	1,587 63.1	1,577 65.2	1,454 63.0	1,379 61.7
410 16.0	434 17.7	473 19.0	421 16.8	389 16.1	381 16.5	360 16.1
682 26.5	716 29.2	780 31.4	700 27.9	682 28.2	615 26.7	626 28.0
7 .3	5 .2	12 .5	11 .4	12 .5	11 .5	16 .7
8 .3	10 .4	13 .5	12 .5	19 .8	12 .5	21 .9

Miscellaneous Data and Statistics

December 31, 2001

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

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

Length of the James W. Shocknessy Ohio Turnpike	241.26 miles
Number of lane miles	1,285.74 miles
Total land area of right of way	9,894.8578 acres

Facilities:

Interchanges		
Toll	28	
Non-toll	1	
Barrier	<u>2</u>	
Total	31	
Service Plazas		16
Maintenance Buildings		8
Administration Building		1

Number of structures over or under the Turnpike:

Other highways or interchange ramps	399
Railroads	69
Rivers and streams	<u>80</u>
Total	548

Number of employees:

Full-time	912
Part-time	313

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

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**Deloitte
& Touche**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Ohio Turnpike Commission
Berea, Ohio

We have audited the financial statements of the Ohio Turnpike Commission (the "Commission"), as of and for the year ended December 31, 2001, and have issued our report thereon dated February 8, 2002. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the Commission in a separate letter dated February 8, 2002.

This report is intended solely for the information and use of the Commission and the Auditor of State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

February 8, 2002

**Deloitte
Touche
Tohmatsu**



STATE OF OHIO
OFFICE OF THE AUDITOR

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OHIO TURNPIKE 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 18, 2002**