2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

ISSUED BY: CFO/COMPTROLLER'S OFFICE

DRIVING FORWARD:

OHIO TURNPIKE EMBRACES THE FUTURE OF OPEN ROAD TOLLING

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION
(A COMPONENT UNIT OF THE STATE OF OHIO)

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

We have reviewed the *Independent Auditor's Report* of the Ohio Turnpike and Infrastructure Commission, Cuyahoga County, prepared by Plante & Moran, PLLC, for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

May 10, 2024

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Ohio Turnpike and Infrastructure Commission

MEMBERS AND OFFICERS

AS OF DECEMBER 31, 2023

JERRY N. HRUBY
Chairman

SANDRA K. BARBER
Vice Chair

GUY C. COVIELLO
Secretary-Treasurer

JUNE E. TAYLOR
Member

COLLEEN SHAY MURRAY
Member

BILL REINEKE
Ohio Senate Member

HARAZ N. GHANBARI
Ohio House Member

KIMBERLY MURNIEKS
Director of Office of Budget and Management,
Member Ex-Officio

JACK MARCHBANKS, PH.D.
Director of Transportation,
Member Ex-Officio

FERZAN M. AHMED, P.E.
Assistant Secretary-Treasurer/Executive Director

CONSULTING ENGINEERS: AECOM Technical Services, Inc.

TRUSTEE: The Huntington National Bank, Cleveland OH

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

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Ohio Turnpike and Infrastructure Commission

(A Component Unit of the State of Ohio)

2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

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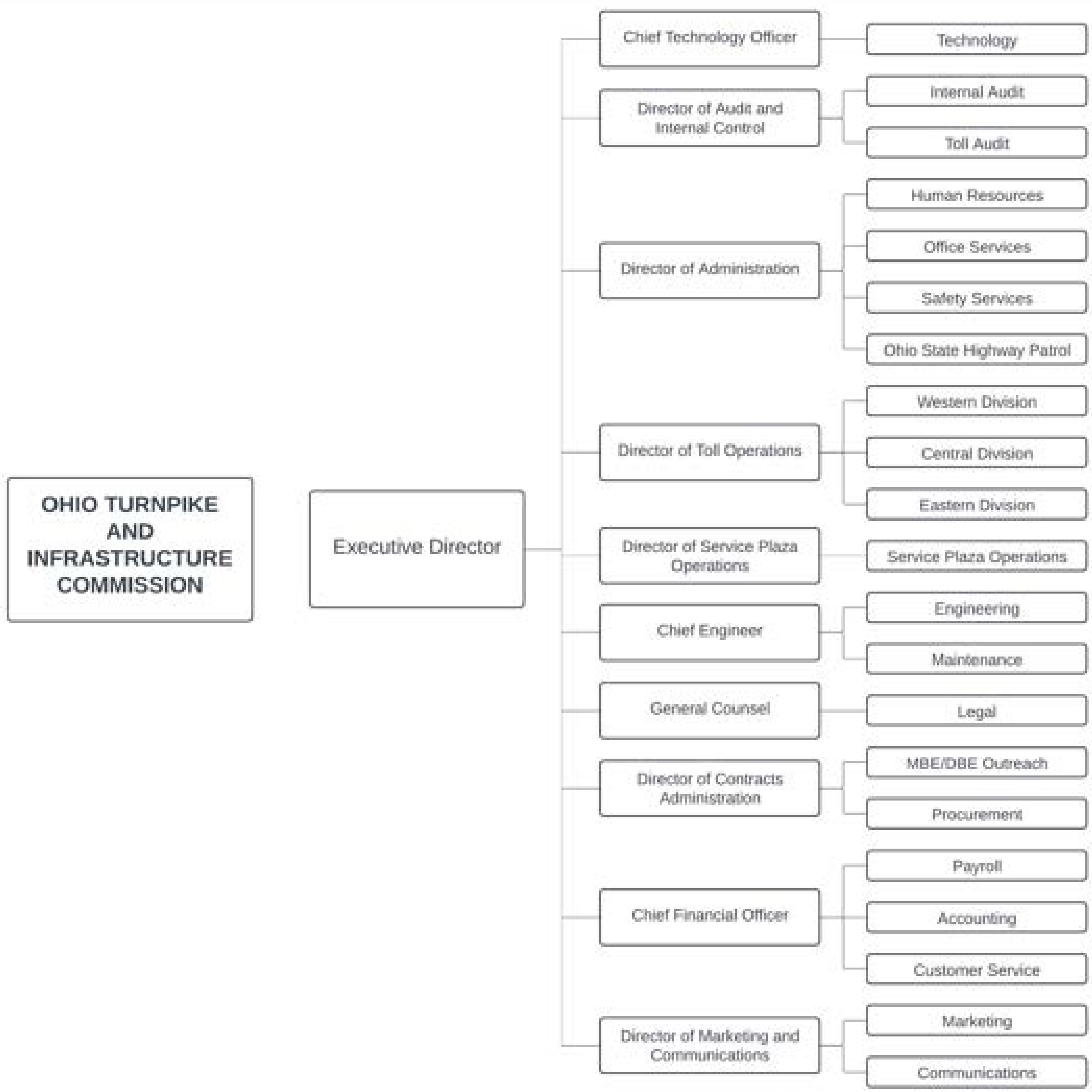
Ohio Turnpike and Infrastructure Commission

2023 Annual Comprehensive Financial Report

INTRODUCTORY SECTION

ORGANIZATIONAL CHART



MEMBERS AND STAFF

Ohio Turnpike and Infrastructure Commission Members (as of December 31, 2023)

		APPOINTED	TERM EXPIRATION
JERRY N. HRUBY*	Chairman	08/27/21	06/30/26
SANDRA K. BARBER*	Vice Chair	07/01/19	06/30/24
GUY C. COVIELLO*	Secretary – Treasurer	08/17/23	06/30/28
COLLEEN SHAY MURRAY	Member	08/17/23	06/30/25
JUNE E. TAYLOR	Member	08/17/23	06/30/27
JACK MARCHBANKS**	Director of Transportation	01/14/19	—
KIMBERLY MURNIEKS**	Director, Office of Budget and Management	01/14/19	—
BILL REINEKE***	Senate Member	01/19/21	12/31/24
HARAZ N. GHANBARI***	House Member	06/04/21	12/31/24

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

Ohio Turnpike and Infrastructure Commission Senior Staff

Ferzan M. Ahmed, P.E.	Executive Director
Charles Cyrill	Director of Marketing and Communications
Laurie D. Davis	Director of Toll Operations
Andrew Herberger	Director of Service Plaza Operations
Aimee W. Lane, Esq.	Director of Contracts Administration
Christopher A. Matta, P.E.	Chief Engineer
Lisa R. Mejac, CPA	Chief Financial Officer
David J. Miller, CPA	Director of Audit and Internal Control
Chriss Pogorelc	Chief Information Officer
Jennifer Monty Rieker, Esq.	General Counsel
Lisa J. Zamiska	Director of Administration

Chairman's Letter

JERRY N. HRUBY

During our 68th year of operation in 2023, the Ohio Turnpike and Infrastructure Commission approved a budget of about $226 million for numerous capital improvement projects spanning the 241-mile toll road across 13 counties in northern Ohio.

The major roadway construction projects on the Ohio Turnpike – designated as Interstate 80, I-90, and I-76 – included pavement replacement and resurfacing, bridge renovations, and continuing construction projects to modernize the toll collection system.

It's an exciting time transitioning to the new toll collection system, and we look forward to the future of open road tolling. We have been entrusted with a great deal of money to complete the new system, which is the largest construction project in Ohio Turnpike history since its completion in October 1955.

OHIO TURNPIKE — AN ECONOMIC ENGINE

The Ohio Turnpike's direct business operations generated nearly $743 million in economic activity in 2023.

This figure included $418.8 million in revenue, mostly from tolls, which is distributed throughout local economies. This figure included $121.2 million in debt service payments as well as an investment of about $226 million in our capital improvement program, which created about 3,000 direct, indirect, and induced jobs.

Our 14 service plazas also have a positive impact on local economies throughout northern Ohio. Service plaza operations generated $324.1 million in revenue. This figure included $231.2 million in gasoline and diesel fuel sales and $92.9 million in restaurant, gift shop, and vending sales. In addition, the service plaza vendors employed nearly 1,200 workers.

In 2023, more than 63 million gallons of gasoline and diesel fuel was sold at the service plazas, which generated nearly $26.4 million in state fuel taxes and nearly $13.1 million in federal fuel taxes. The Commission received about $3.2 million in revenue or $0.05 per gallon of the state fuel tax.

Our service plazas also generate a significant amount of county sales tax revenue. The service plazas are located in Mahoning, Portage, Cuyahoga, Lorain, Sandusky and Williams counties.

In addition, nearly 80 million tons of cargo worth $575 billion is transported each year across the highest freight carrying segments of I-80, which includes the Ohio Turnpike, according to the U.S. Department of Transportation's Bureau of Transportation Statistics. These numbers are projected to increase up to 85 million tons, worth $630 billion in the coming decades.

REVENUES, INCLUDING TOLLS, SET RECORD

In 2023, total revenues, which include tolls, concessions, investments, and fuel taxes were nearly $418.8 million, up 7.3% compared to 2022.

Toll revenues collected in 2023 set a record of nearly $360.8 million, an increase of 2.7% from 2022. In addition, concession revenue from the service plazas was nearly $15.8 million, up 1.7% from 2022, and income from investments was $26.3 million.

Toll revenue accounted for nearly 86% of the Commission's funding in 2023.

VEHICLE MILES TRAVELED SET RECORD

The Ohio Turnpike's passenger car and commercial truck customers traveled a record of more than 3.1 billion miles in 2023, up 2.2% from 2022.

Separately, passenger car customers traveled more than 1.9 billion miles, up 5.2%; and commercial truck customers traveled nearly 1.2 billion miles, down 2.2% from 2022.

Passenger cars accounted for 61.8% of miles traveled on the Ohio Turnpike in 2023; and commercial vehicles accounted for 38.2% of miles traveled.

VEHICLE TRIPS CONTINUE TO REBOUND FROM PANDEMIC

In 2023, the combined number of vehicle trips on the Ohio Turnpike was more than 50.7 million, up 2.3% compared to the previous year.

Passenger car customers completed nearly 38.2 million trips, up 3.9%; and commercial truck customers completed more than 12.5 million trips, down 2.1%.

The decline in vehicle miles traveled and the decline in the number of trips completed by commercial trucks on the Ohio Turnpike in 2023 mirrored the national trend, which included a decline in freight hauling as well as other adverse economic factors.

FITCH RATINGS UPGRADES JUNIOR LIEN REVENUE BONDS

After a review of our financial results in December 2023, Fitch Ratings upgraded the A+ rating on the Commission's $1.6 billion in Junior Lien Turnpike Bonds to AA-. These bonds fund the Ohio Department of Transportation's infrastructure projects established by House Bill 51 (Ohio Jobs and Transportation Plan) in 2013. In its rating rationale, Fitch cited the Commission's solid debt service coverage ratio. The upgraded rating also reflected the Commission's new debt policy, which was approved in November 2023.

"Fitch views the addition of a formal debt policy positively as it shows prudent oversight to the capital structure with clear guidelines for variable rate debt, swap risks, and management of the debt structure," the agency wrote in its commentary. "The Ohio Turnpike serves as an essential interstate transportation corridor between the Northeastern and Midwestern United States, underpinned by a mature, stable traffic base with limited competition."

Fitch also affirmed the Commission's $458 million in Senior Lien Turnpike Bonds at AA. These bonds provide the funds to pay for and reimburse the cost of capital improvement projects on the Ohio Turnpike. Fitch Rating's outlook on all our bonds was announced as stable.

BENEFITS OF *E-ZPASS*

E-ZPass use on the Ohio Turnpike continued to increase in 2023. Combined *E-ZPass* use by our passenger car and commercial truck customers was 74.1%, up 0.7% from 2022. Separately, 64.5% of our passenger car customers used *E-ZPass*, up 2.1% in 2023; and 89.6% of our commercial truck customers used *E-ZPass*, up 0.4% in 2023.

E-ZPass customers with passenger vehicles (Class 1) can save an average of about 33% on Ohio Turnpike tolls compared to customers who pay by cash or credit card. *E-ZPass* toll rates are calculated and deducted electronically from prepaid account balances.

There are more than 635,000 active Ohio Turnpike *E-ZPass* accounts, which includes both passenger vehicle and commercial truck customers.

Today, *E-ZPass* transponders are available for purchase at 448 retail locations in 54 Ohio counties, including all 14 service locations across the toll road.

All *E-ZPass* customers traveling on the Ohio Turnpike have saved more than $827 million in tolls since 2009.

ACKNOWLEDGEMENTS

I commend our staff for the strong financial results in 2023. I would like to thank our Executive Director who provides the leadership and the wisdom to advise the Commission and staff.

I would also like to recognize my fellow members of the Commission who give of themselves to help oversee the operations and expenditures of the Ohio Turnpike, and the Governor for his leadership and unwavering support.

Our finance department does a marvelous job in keeping the Commission on track and being a steward of the funds that we are entrusted with as well as our department heads who handle the day-to-day operations. Without question, our more than 800 employees are the backbone of the Ohio Turnpike.

We also have a great relationship and work closely with the Ohio State Highway Patrol. As a result of this collaboration and their outstanding work, we have one of the safest toll roads in the country.

On behalf of the Commission, our leadership team and staff, we express our appreciation to our customers for choosing to travel on the Ohio Turnpike and utilizing its services.

Our goal is to continually strive to provide our customers with the best services possible when traveling on the toll road.

Executive Director's Year-in-Review

FERZAN M. AHMED, P.E.

NEW TOLL COLLECTION SYSTEM ACHIEVES MILESTONE IN 2023

The Ohio Turnpike and Infrastructure Commission achieved a major milestone in late 2023 when all physical construction to build the new toll collection system (TCS) was completed.

That included the construction and renovation of four mainline toll plazas – Westgate (milepost 4), Swanton (milepost 49), Newton Falls (milepost 211), and Eastgate (milepost 239) – and the conversion of lanes at 20 interchanges from Toll Plaza 52 (Toledo Airport-Swanton) to Toll Plaza 209 (Warren) to the new system.

To support the interoperability of regional and national electronic tolling, all 127 toll booth lanes in the new ticketed section of the system were fitted with new multi-protocol RFID (radio frequency identification) readers capable of reading various transponders.

As part of the new TCS, nine toll plazas will become non-tolled. They include toll plazas 13 (Bryan-Montpelier) in Williams County, 25 (Archbold-Fayette), 34 (Wauseon), and 39 (Delta-Lyons) in Fulton County, and 215 (Lordstown-West) and 216 (Lordstown-East) in Trumbull County, and 218 (Niles-Youngstown), 232 (Youngstown) and 234 (Youngstown-Poland) in Mahoning County.

The reason these nine toll plazas will become non-tolled is because of the low traffic volume in between these toll plazas and the cost to operate the toll plazas outweighs the toll revenue collected.

Overall, as part of the new TCS, the number of toll plazas along the 241-mile toll road will be reduced from 31 to 24.

Back in 2017 during the planning phase, all projects to modernize the TCS were estimated between $229.7 million and $263.7 million (adjusted for inflation). As of 2023, the capital cost to modernize the TCS is about $246.1 million, which is well into the estimated range established in 2017.

The modernization of the TCS is the largest construction project in Ohio Turnpike history since its completion in October 1955.

MAINTAINING THE OHIO TURNPIKE'S INFRASTRUCTURE

The Commission's capital improvement budget was about $226 million in 2023. Projects included pavement replacement, significant work on bridges, and the continuation of the TCS modernization plan.

Roadway projects included pavement replacement from the Indiana/Ohio border to the existing Westgate Toll Plaza, the start of a mainline resurfacing project from milepost 14.8 to 27.5 in Williams County, and the resurfacing of the interchange ramps at Toll Plaza 118 in Erie County.

Significant work on bridges was a major focus in 2023 and will continue over the next several years. Work was completed on a total of nine bridges in 2023.

The mainline bridges over state Route 109 and the DT&I Railroad in Fulton County and the state Route 510 bridge in Erie County were widened and redecked. The mainline bridge over an abandoned railroad at milepost 99.1 in Sandusky County was removed and replaced with an embankment and roadway. The ramp bridge at the state Route 57 interchange and Race Road in Lorain County, and the Stearns Road bridge in Cuyahoga County were redecked. The bridge carrying state Route 21 traffic over the Ohio Turnpike was replaced. In addition, two bridges were repaired following collisions from over-height vehicles.

TCS related projects included the completion of construction and renovation, as well as the system integration of four mainline toll plazas and 20 toll plaza interchanges, customer service center software upgrades, pavement projects, and the installation of weigh-in motion systems across the toll road.

A YEAR OF CONCESSION DEVELOPMENT AT THE SERVICE PLAZAS

Several new concession projects, which began in 2023, will bring popular destination brands to the service plazas.

At Mahoning Valley and Glacier Hills service plazas (milepost 237.2 in New Springfield), Covelli Enterprises completed a refresh of the Dairy Queen Grill & Chill restaurants featuring the latest in branding with new colors and design, new improved service areas, and programable menu boards.

At Glacier Hills, Covelli Enterprises also completed its first Caribou Coffee, which is open daily from 6 a.m. to 7 p.m. serving a variety of regular and specialty coffees all made from 100% Rainforest Alliance certified coffee beans.

At Erie Island and Commodore Perry service plazas (milepost 100 in Clyde), new Applegreen, USA retail stores and updated Burger King restaurants were completed. In Phase II of a three-phase redevelopment plan with Applegreen, Dunkin' and Baskin-Robbins opened in May 2023. Finally, in Phase III, the Sbarro locations received comprehensive updates, and the new Panda Express concepts were completed. These two concepts will open in March 2024.

At Blue Heron and Wyandot service plazas (milepost 76.9 in Genoa), as part of a two-phase redevelopment with operating partner AVI Food Systems, two new Starbucks locations were added as lobby cafés and opened in late 2023. A Marco's Pizza concept was added by AVI and is a new addition to the food court. Hardee's is also undergoing a comprehensive update of branding and equipment.

At Great Lakes and Towpath service plazas (milepost 170.1 in Broadview Hts.), the addition of two new Popeye's Chicken restaurants began in late 2023 with Applegreen. We anticipate Popeye's to open by March 2024. Some of the improvements Popeye's will bring to the plazas includes self-order, fast lane kiosks.

These new improvements bring the latest in-demand options and enhance the customer experience with exceptional destinations for the traveling public and local communities. We invite you to stop in at any of our 14 service plaza locations and discover what is new for yourself.

COMMISSION ADDS EV CHARGING UNITS AT SERVICE PLAZAS

The Commission's electric vehicle (EV) charging infrastructure – which was established through a public-private partnership – was expanded in 2023 to include a total of 64 Tesla Supercharger units and 16 Electrify America charging units at eight service plazas.

As sales of EVs and plug-in hybrids continue to increase, the Commission is considering options for expansion. Our goal is to have EV charging stations at all 14 service plazas.

The Ohio Turnpike's service plazas – which are open 24-hours a day – provide travelers with several amenities, including restaurants, convenience stores, lounge areas, well-maintained restrooms and more.

DEVELOPING LEADERS THROUGH A PARTNERSHIP WITH CORPORATE COLLEGE

Thirty-four Ohio Turnpike employees have completed Corporate College's Frontline Supervisor program since the leadership training initiative began in September 2021. Corporate College is a division of Cuyahoga Community College. The program, which expands the leadership and management skills of frontline employees, is an innovative way to support our employees' growth and development toward achieving supervisory success in the workplace. The program also aligns with the Commission's strategic objectives and is assisting with our ongoing efforts for succession planning.

The cohort, which includes supervisors from the Greater Cleveland Regional Transit Authority, will expand in 2024 to include supervisors from the Ohio Department of Transportation. The ability to share ideas and best practices through collaboration with leaders from across the transportation industry is invaluable.

The six-month program includes 70 hours of training through in-person and virtual sessions and a curriculum covering topics such as change and conflict management, coaching and talent development, professionalism, team building, time management and more.

CONNECTING WITH CUSTOMERS ON THE TOLL ROAD

The Commission held six customer appreciation events at various service plazas across the toll road in 2023. The events, held around major holiday weekends and peak traveling days, provide a fun and engaging experience to meet with travelers, residents, local and state officials, and our media partners.

To promote motorist and roadway safety, we partner with the Ohio State Highway Patrol (OSHP) and other county safety groups. The OSHP displays patrol cars and other vehicles inside the service plazas for visitors to get an up-close look.

In addition, faculty from Bowling Green State University – Firelands College's criminal justice program participate in the events to raise awareness about human trafficking and prevention.

To add to the excitement, travelers and their families can spin an electronic prize wheel to win Ohio Turnpike merchandise, including $25 gift cards from 7-Eleven.

Outside the service plazas, the Cleveland Police Historical Society and Museum, in partnership with the OSHP Retirees' Association, displays several vintage cruisers.

Our participating service plaza partners provide items for lunch as well as other complimentary samples.

OHIO TURNPIKE WINS FOUR PUBLIC RELATIONS AWARDS

In 2023, the Commission was the recipient of four public relations awards for its campaigns and tactics to raise awareness of work zone safety, promote open road tolling with *E-ZPass*, and more.

The four Cleveland Rocks awards, which were presented by the Greater Cleveland Chapter of the Public Relations Society of America (PRSA), included:

GOLD AWARD – Integrated Communications (Public Affairs and Government) (Campaign) – Improving Work Zone Safety on the Ohio Turnpike by Changing Dangerous Driving Behaviors

GOLD AWARD – Op Ed (Tactic) – Improving Work Zone Safety on the Ohio Turnpike is a Shared Responsibility

GOLD AWARD – Press Release (Tactic) – Ohio Turnpike Partners with RecoveryOhio and Project DAWN to Prevent Fatal Opioid Overdoses by Providing Lifesaving Naloxone at Service Plazas

SILVER AWARD – Media Relations (Local/ Regional) (Campaign) – Paving the Way for Nonstop Open Road Tolling with *E-ZPass* on the Ohio Turnpike

The 21st anniversary of the Cleveland Rocks PRSA Awards honored outstanding campaigns and tactics implemented from Jan. 1, 2022, to June 30, 2023, that incorporated sound research, planning, execution and evaluation.

COMMISSION HOSTS PEER ROUNDTABLE WITH TOLL AGENCIES

In May 2023, the Commission hosted a Peer Roundtable with our neighboring toll agencies, which included senior staff from the Pennsylvania Turnpike, Indiana Toll Road, and Illinois Tollway. Among the topics discussed during the two-day meeting, Ohio Turnpike staff led the breakout sessions on risk management, work zone safety, and a tabletop exercise: emergency response to a HAZMAT incident. Other breakout session topics included back-office systems, recruiting, winter operations, data and analytics, cybersecurity threats, sustainability, revenue recovery and reciprocity/toll audit, customer service, media/communications, and more.

OHIO TURNPIKE EMPLOYEES RAISE $25,575 FOR COMBINED CHARITABLE CAMPAIGN

Each year, the Commission, along with other state agencies, participate in Ohio's Combined Charitable Campaign. In 2023, Ohio Turnpike employees contributed $21,460 from individual pledges. An additional $4,115 was raised from the sale of Ohio Turnpike apparel. The generosity of our employees will go a long way to help our less fortunate neighbors and citizens in communities across the state.

Ohio Turnpike and Infrastructure Commission

Lisa R. Mejac
Chief Financial Officer

April 26, 2024

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

The *Annual Comprehensive Financial Report* ("ACFR") of the Ohio Turnpike and Infrastructure Commission ("Commission") for the years ended December 31, 2023 and 2022, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the financial presentation, including all disclosures, rests with the CFO/Comptroller's Office of the Commission. To the best of my knowledge and belief, the accompanying data are accurate in all material respects and are reported in a manner designed to present fairly the financial position, results of operations and cash flows of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included. Readers of these financial statements are encouraged to review Management's Discussion and Analysis for an overview of the Commission's financial position and the results of 2023 and 2022 operations.

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

Accounting Policies and Internal Controls

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

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

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

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Ohio Turnpike and Infrastructure Commission

Long-Term Financial Planning

The Commission prepares annual operating and capital budgets which are approved by the Commission before the start of the next calendar year. The operating budget contains the projected revenues, operating expenses, debt service payments and the net amount expected to be transferred to the capital funds for the next calendar year.

The capital budget details the construction projects and equipment purchases planned for the year that are necessary to maintain the Turnpike in good condition.

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

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ohio Turnpike and Infrastructure Commission for its *Annual Comprehensive Financial Report for the year ended December 31, 2022*. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. The Commission was the first Turnpike to be awarded this honor in 1985. Since then, the Commission has received this award for every year with the exceptions of 1989 and 1990, when no applications were submitted. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,

Lisa R. Mejac

Lisa R. Mejac
Chief Financial Officer

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Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

HISTORY AND GENERAL INFORMATION

DRIVEN TO SUCCEED

ORGANIZATION AND BACKGROUND

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

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

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

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

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

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

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

THE COMMISSION

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

HISTORY

The first completed section of the Ohio Turnpike, 22 miles from the Pennsylvania Turnpike at the Ohio-Pennsylvania border to an interchange at Mahoning County Road 18, nine miles west of the city of Youngstown, was opened for traffic on December 1, 1954. This Eastgate section had been rushed to completion to relieve congestion of traffic moving to and from the Pennsylvania Turnpike over state and other highways. The remaining 219 miles of the

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

For the most part, the Turnpike has experienced a relatively steady increase in traffic volume and revenues. In 1956, the first calendar year of full operation, 8.5 million automobiles and 1.5 million trucks used the Turnpike. In 2023, the total annual traffic consisted of 38.2 million automobiles and 12.5 million trucks. Annual revenues from tolls, restaurant and service station concessionaire rentals and other sources rose from $15,351,000 in 1956 to $427,869,000 in 2023.

The Ohio Turnpike links the East and Midwest by virtue of its strategic position along the system that directly connects toll roads between Boston, New York City and Chicago, consisting of the Massachusetts Turnpike, New York Thruway, New Jersey Turnpike, Pennsylvania Turnpike, Ohio Turnpike, Indiana Toll Road and Chicago Skyway. Although commonly known and referred to as the Ohio Turnpike, the toll road's official name is The James W. Shocknessy Ohio Turnpike in honor of the man who was a member and Chairman of the Ohio Turnpike and Infrastructure Commission from its inception in 1949 until his death in 1976.

The beginning of the National System of Interstate and Defense Highways early in 1956 resulted in the Commission scrapping plans to build several other toll roads in Ohio (but some of this planning was used in launching Ohio's interstate system). Thus, the Ohio Turnpike, which carries the designation of Project No. 1, is the one and only Turnpike project completed, operated and maintained by the Commission.

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

ACCESS

The Turnpike is linked directly with Interstate Route 75, Interstate Route 280, Interstate Route 480, Interstate Route 71, Interstate Route 77 and Interstate Route 680. There are 31 interchanges on the Ohio Turnpike, 26 of which are accesses to and from U.S., Ohio and Interstate routes and two of which are terminals connecting, respectively, with the Pennsylvania Turnpike in the east and the Indiana Toll Road in the west. The remaining three interchanges connect with county or local roads.

TOLLS

Prior to October 1, 2009, toll charges for all vehicles were determined by gross-weight and distance traveled on the Turnpike. All vehicles were weighed while in motion upon entering the Turnpike on scales located at the entrance lanes of each toll plaza. Passenger cars weighing less than 7,000 pounds fell within Class 1 and all other vehicles fell within Classes 2-9, based on their gross weight. (Classes 10 and 11 applied to triple-trailer combinations and long combination vehicles.)

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

NEW TOLL COLLECTION SYSTEM

In December of 2017, the Commission adopted a resolution approving a plan to modernize the Ohio Turnpike by replacing the TCS and customer service center software with new state of the art technology and contracting for unpaid toll processing services to enforce the collection of unpaid tolls. The toll system modernization will be completed in 2024.

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

PHYSICAL CHARACTERISTICS

The Ohio Turnpike mainline consists basically of two or three eastbound and westbound travel lanes of reinforced portland cement concrete, all of which has been resurfaced with asphaltic concrete, each flanked by paved shoulders 8 feet wide on the inside and 10 feet, 3 inches wide on the outside of the mainline roadway. The shoulders are hard surfaced with asphaltic concrete. The mainline roadways are separated by a center strip with a standard width between roadway lanes of 56 feet, consisting of 40 feet of grass median and the inside shoulders. The construction of the third lane eliminated the 56 foot center strip, replacing it with two 12 foot traffic lanes, two 14 foot 3 inch wide paved shoulders and a 50 inch high concrete barrier. The third lane section between Interchange 59 and Interchange 218 consists primarily of full depth asphalt. Ascending grades are kept to a maximum of 2.00 percent and descending grades to a maximum of 3.14 percent. Horizontal and vertical curves are of sufficient radius to provide the best sight distance, as well as ease of travel.

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

SERVICE PLAZAS

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

TURNPIKE MAINTENANCE

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

OHIO STATE HIGHWAY PATROL (OSHP)

The OSHP operates patrol cars and airplanes to enforce the Commission's traffic regulations, as well as to perform service to ill, stranded or otherwise distressed travelers. Under a contract between the Commission and the OSHP, the Commission utilizes toll revenue to reimburse the patrol for all costs of operating on the Turnpike.

RADIO COMMUNICATIONS SYSTEMS

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

DISABLED VEHICLE SERVICE

Disabled vehicle services are available to assist temporarily stranded drivers in getting vehicles started again by calling "511" as displayed on signs along the Ohio Turnpike. On-the-spot service includes changing tires, supplying emergency gasoline, replacing broken fan belts and other minor repairs. Towing service is also available for the removal of vehicles requiring garage work off the Turnpike.

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Ohio Turnpike and Infrastructure Commission

2023 Annual Comprehensive Financial Report

FINANCIAL SECTION

Financial Administration

Lisa Mejac
Chief Financial Officer

David Miller
Director of Audit and Internal Control

Joe Gardner
Comptroller

Jacquelyn Dohoda-Herberger
Accounting Manager

Dawn Shockey
Payroll Manager

Amanda Ginley
Customer Service Center Manager

Carol Zanin
Administrative Assistant

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Independent Auditor's Report

To the Commission Members
Ohio Turnpike and Infrastructure Commission

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of the Ohio Turnpike and Infrastructure Commission (the "Commission"), a component unit of the State of Ohio, as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ohio Turnpike and Infrastructure Commission as of December 31, 2023 and 2022 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Commission Members
Ohio Turnpike and Infrastructure Commission

In performing audits in accordance with GAAS and *Government Auding Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2024 on our consideration of the Ohio Turnpike and Infrastructure Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ohio Turnpike and Infrastructure Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ohio Turnpike and Infrastructure Commission's internal control over financial reporting and compliance.

Plante & Moran, PLLC

April 26, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report presents the Ohio Turnpike and Infrastructure Commission's ("Commission", "Ohio Turnpike" or "Turnpike") unaudited discussion and analysis of its financial position and the results of operations for the years ended December 31, 2023 and 2022. Please read it in conjunction with the Chairman's Letter, Executive Director's Year in Review, Letter of Transmittal, and History and General Information at the front of this report, and the Commission's financial statements and notes, which follow this section.

Financial Highlights

<u>2023</u>

◊ The total number of vehicles that traveled the Ohio Turnpike in 2023 increased 2.3 percent and vehicle miles traveled increased 2.2 percent from the levels in 2022. Passenger vehicle miles traveled increased and commercial vehicle miles traveled decreased in 2023. Passenger car vehicle miles traveled increased 5.2 percent and commercial vehicle miles traveled decreased 2.2 percent from 2022. The percentage of commercial vehicle miles traveled to total vehicle miles traveled decreased to 38.2 percent in 2023 from 39.9 percent in 2022. The increase in vehicle miles traveled, combined with a 2.7 percent toll rate increase implemented on January 1, 2023, resulted in an increase in toll revenue of approximately $9.3 million or 2.7 percent.

◊ Operating expenses increased by $30.3 million or 16.1 percent from 2022. Excluding non-cash GASB 68 pension expense and GASB 75 other post-employment benefit expense, operating expenses increased by $5.7 million or 2.7 percent from 2022.

◊ The Commission incurred $5.3 million in Infrastructure Project reimbursement expenses in 2023 for previously approved Infrastructure Project costs that were expended by the Ohio Department of Transportation ("ODOT").

◊ In 2023, the Commission made capital improvements totaling approximately $126.6 million.

<u>2022</u>

◊ The total number of vehicles that traveled the Ohio Turnpike in 2022 increased 0.4 percent and vehicle miles traveled increased 0.7 percent from the levels in 2021. Commercial vehicle miles traveled and passenger car vehicle miles traveled both increased in 2022. Passenger car vehicle miles traveled increased 0.1 percent and commercial vehicle miles traveled increased 1.5 percent from 2021. The percentage of commercial vehicle miles traveled to total vehicle miles traveled increased to 39.9 percent in 2022 from 39.5 percent in 2021. The increase in vehicle miles traveled, combined with a 2.7 percent toll rate increase implemented on January 1, 2022, resulted in an increase in toll revenue of approximately $9.9 million or 2.9 percent.

◊ Operating expenses increased by $27.5 million or 17.2 percent from 2021. Excluding non-cash GASB 68 pension expense and GASB 75 other post-employment benefit expense, operating expenses increased by $4.9 million or 2.4 percent from 2021.

◊ The Commission incurred $42.2 million in Infrastructure Project reimbursement expenses in 2022 for previously approved Infrastructure Project costs that were expended by the Ohio Department of Transportation ("ODOT").

◊ In 2022, the Commission made capital improvements totaling approximately $179.9 million.

◊ In 2022, the Commission adopted GASB Statement No. 87, *Leases* that had impacts to the Statements of Net Position, Statements of Revenues, Expenses and Change in Net Position, and the Statements of Cash Flows. Balances shown in fiscal year 2021 in the Management's Discussion and Analysis have been restated. Additional details with the impacts of GASB Statement No. 87 may be found in Note 11, Leases, of the financial statements.

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

	12/31/23	12/31/22	12/31/21
Assets and Deferred Outflows of Resources			
Cash and Investments	$ 629,654	$ 590,188	$ 675,294
Other Noncapital Assets	128,680	94,575	91,333
Capital Assets, Net	1,808,555	1,772,634	1,685,159
Total Assets	**2,566,889**	**2,457,397**	**2,451,786**
Deferred Outflows of Resources	82,809	53,344	51,123
Total Assets and Deferred Outflows of Resources	**$ 2,649,698**	**$ 2,510,741**	**$ 2,502,909**
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities	$ 159,982	$ 148,503	$ 145,490
Long-Term Liabilities	2,280,677	2,259,686	2,308,478
Total Liabilities	**2,440,659**	**2,408,189**	**2,453,968**
Deferred Inflows of Resources	88,576	95,643	95,539
Total Liabilities and Deferred Inflows of Resources	**2,529,235**	**2,503,832**	**2,549,507**
Net Position			
Net Investment in Capital Assets	1,300,796	1,219,318	1,175,622
Restricted	213,962	228,569	216,577
Unrestricted	(1,394,295)	(1,440,978)	(1,438,797)
Total Net Position	120,463	6,909	(46,598)
Total Liabilities, Deferred Inflows of Resources, and Net Position	**$ 2,649,698**	**$ 2,510,741**	**$ 2,502,909**

Assets

The condensed statements of net position information above show that cash and investments increased by $39.5 million in 2023. This increase was primarily due to higher toll and investment revenues, and a $15.7 million net increase in the Commission's various capital project funds. The $34.1 million increase in other noncapital assets was due to a $41.1 increase in lease receivable, a $2.3 million increase in accounts receivable, a $0.8 million increase in inventories, a $0.5 million increase in prepaid expenses and deposits, a $0.2 million increase in net subscription right to use asset, offset by a $10.3 million decrease in net other postemployment benefit (OPEB) asset, and a $0.5 million decrease in net pension asset.

Cash and investments decreased by $85.1 million in 2022. This decrease was primarily due to $51.1 million in payments to ODOT for reimbursement of funds spent on Infrastructure Projects and a $35.7 million net decrease in the Commission's various capital project funds. See Note 9 of the financial statements for more detailed information on Infrastructure Project payments. The $3.2 million increase in other noncapital assets was due to a $1.1 million increase in accounts receivable, a $4.2 million increase in net other postemployment benefit (OPEB) asset, a $0.3 million increase in net pension asset, offset by a $1.7 decrease in lease receivable, and a $0.7 million decrease in inventories.

Capital assets increased by $35.9 million in 2023 as the result of capital improvements of approximately $126.6 million, property disposals of $1.0 million and depreciation expense of $89.7 million. The 2023 capital improvements included the full depth replacement of ten (10) lane miles of pavement, the resurfacing of one (1) interchange, continuing the modernization of the toll collection system, one (1) bridge replacement, bridge deck replacements on six (6) bridges, the removal of one (1) bridge, and progress on a new sanitary sewer force main and pump station.

Capital assets increased by $87.5 million in 2022 as the result of capital improvements of approximately $179.9 million, property disposals of $7.3 million and depreciation expense of $85.1 million. The 2022 capital improvements were primarily for the full depth replacement of just under twenty-eight (28) lane miles of original pavement, the resurfacing of almost seventy (70) lane miles of roadway, continuing the modernization of the toll collection system including the construction of two (2) new toll plazas, two (2) bridge replacements, bridge deck replacements on three (3) bridges, widening of four (4) bridges, and the removal of one (1) bridge.

Deferred outflows of resources increased by $29.5 million in 2023 as a result of a $26.4 million increase in deferred pension outflows of resources, a $5.9 million increase in deferred OPEB outflows of resources, and a $2.8 million decrease in unamortized refunding gains / losses. Deferred outflows of resources increased by $2.2 million in 2022 as a result of a $0.1 million increase in unamortized refunding gains / losses, a $5.1 million increase in deferred OPEB outflows of resources, and a $3.0 million decrease in deferred pension outflows of resources.

Liabilities

Current liabilities increased by $11.5 million in 2023 primarily as a result of a $11.5 million increase in bond interest and principal payable, a $1.6 million increase in other liabilities, and a $0.6 million increase in amounts payable to other toll agencies. These increases were partially offset by a $1.3 million decrease in contractor retainage payable, a $0.4 million decrease in accrued wages and benefits, $0.3 million decrease in accounts payable, and a $0.2 million decrease in infrastructure funds payable to ODOT. Current liabilities increased by $3.0 million in 2022 primarily as a result of a $5.8 million increase in accounts payable, a $2.0 million increase in other liabilities, a $2.4 million increase in contractor retainage payable, a $1.5 million increase in accrued wages and benefits, and a $0.5 million increase in bond interest and principal payable. These increases were partially offset by a $8.9 million decrease in infrastructure funds payable to ODOT and a $0.3 million decrease in amounts payable to other toll agencies.

An increase in long-term liabilities of $21.0 million in 2023 was primarily the result of a $64.6 million increase in net pension liability, a $2.0 million increase in net OPEB liability, a $0.3 million increase in other non-current liabilities, a $0.2 million increase in claims and judgment liabilities, and a $0.2 increase in software subscription liability. These increases were offset by a $36.1 million decrease in bond principal, and a $10.2 million decrease in unamortized bond premiums. See Note 6, Long-Term Obligations, for more information on the bonds. A decrease in long-term liabilities of $48.8 million in 2022 was primarily the result of a decrease in bond principal of $71.1 million, a $21.6 million decrease in net pension liability, a decrease in compensated absence liability of $1.0 million, and a decrease of $0.2 million in claims and judgment liabilities. These decreases were partially offset by an increase in unamortized bond premiums of $45.1 million. Bond principal decreased and unamortized bond premiums increased as a result of the 2022 bond refunding of certain of the Commission’s 2013 bonds. See Note 6 Long-Term Obligations, for further information on the bonds refunding.

Deferred inflows of resources decreased by $7.1 million in 2023 as a result of a combined $45.7 million decrease in deferred OPEB and pension inflows of resources offset by a $38.6 million increase in deferred lease inflows of resources. Deferred inflows of resources increased by $0.1 million in 2022 as a result of a $3.0 million decrease in deferred lease inflows of resources offset by a combined $3.1 million increase in deferred OPEB and pension inflows of resources. See Note 9 Pension Plan and Other Postemployment Benefits (OPEB) Plans and Note 11 Leases, for additional information.

As described in Note 7 of the financial statements, the Commission has commitments for capital projects and major repairs and replacements of $158.1 million as of December 31, 2023. It is anticipated that these commitments will be financed from the Commission’s cash balances. However, at the discretion of the Commission, additional bonds may be issued in the future to finance a portion of these costs.

The Ohio Turnpike and Infrastructure Commission’s credit rating is among the highest of all the toll roads in the world. The agency ratings as of December 31, 2023 are as follows:

Agency	Senior Lien Bond Rating	Junior Lien Bond Rating
Standard & Poor’s	AA-	A+
Fitch Ratings	AA	AA-
Moody’s Investors Service	Aa2	Aa3

Net Position

Net investment in capital assets increased by $81.5 million during 2023 as a result of an increase $35.9 million in capital assets, an increase of $43.6 million of senior lien bond principal payments, a $2.9 million in net change to unamortized bond premiums and refunding losses. The net position restricted includes $213.2 million that is restricted for debt service in accordance with provisions of the Commission’s Master Trust Agreement combined with $0.8 million that is restricted for net Pension and OPEB assets. The $3.8 million decrease in net position restricted for debt service during 2023 is the result of a decrease in amounts required to be deposited into the debt service accounts for future debt service payments. The $10.8 million decrease in net position restricted other relates primarily to a $10.2 decrease in the net OPEB asset. Unrestricted net position increased $46.7 million from 2022. The increase in unrestricted net position is due to a $113.5 million increase in net position as a result of 2023 revenues that exceeded expenses, combined with the transfer of unrestricted net position to net investment in capital assets and restricted net position.

Net investment in capital assets increased by $43.7 million during 2022 as a result of an increase of $87.5 million in capital assets, an increase of $41.5 million of senior lien bond principal payments, and a $2.9 million net change to unamortized bond premiums and refunding losses offset by a decrease of $88.2 million of unspent senior lien bond proceeds which are required to be spent on Turnpike capital projects. The net position restricted includes $217.0 million that is restricted for debt service in accordance with provisions of the Commission's Master Trust Agreement combined with $11.6 million that is restricted for net Pension and OPEB assets. The $0.4 million increase in net position restricted for debt service during 2022 is the result of an increase in amounts required to be deposited into the debt service accounts for future debt service payments. Unrestricted net position increased $2.2 million from 2021. The increase in unrestricted net position is due to a $53.5 million increase in net position as a result of 2022 revenues that exceeded expenses, combined with the transfer of unrestricted net position to net investment in capital assets and restricted net position.

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

	Years Ended		
	12/31/23	**12/31/22**	**12/31/21**
Revenues:			
Operating Revenues:			
Tolls	$ 360,852	$ 351,472	$ 341,534
Special Toll Permits	3,046	3,273	3,266
Concessions	14,871	14,660	13,884
Other	9,695	9,177	7,896
Nonoperating Revenues:			
State Fuel Tax Allocation	3,150	3,315	3,378
Investment Earnings / (Losses)	32,966	628	(42)
Interest Revenue - Leases	3,289	2,230	2,319
Coronavirus Related Grant Revenue	-	-	1,200
Total Revenues	**427,869**	**384,755**	**373,435**
Expenses:			
Operating Expenses:			
Administration and Insurance	17,297	13,419	8,695
Maintenance of Roadway and Structures	40,122	31,987	22,608
Services and Toll Operations	54,501	42,096	31,022
Traffic Control, Safety, Patrol, and Communications	16,127	14,846	12,709
Depreciation	89,722	85,147	84,957
Nonoperating Expenses:			
Payments to the Ohio Department of Transportation	5,278	42,207	135,607
Interest Expense	91,056	94,846	99,064
Loss (Gain) on Disposals / Write-Offs of Capital Assets	212	6,700	(144)
Total Expenses	**314,315**	**331,248**	**394,518**
Change in Net Position	**113,554**	**53,507**	**(21,083)**
Net Position - Beginning of Year	**6,909**	**(46,598)**	**(25,515)**
Net Position - End of Year	**$ 120,463**	**$ 6,909**	**$ (46,598)**

Toll revenues are the major source of funding for the Ohio Turnpike and Infrastructure Commission. Passenger car traffic volume increased by 3.9 percent, and commercial traffic volume decreased by 2.1 percent during 2023. Passenger car traffic volume increased by 0.6 percent and commercial traffic volume increased by 0.1 percent during 2022.

	2023	2022	2021
Traffic Volume (vehicles in thousands):			
Passenger Cars	$ 38,165	$ 36,737	$ 36,533
Commercial Vehicles	12,558	12,831	12,815
Total	**$ 50,723**	**$ 49,568**	**$ 49,348**

The number of miles traveled by passenger cars increased by 5.2 percent and the miles traveled by commercial vehicles decreased by 2.2 percent in 2023. Toll rates were increased for all classes of vehicles by 2.7 percent on January 1, 2023. The toll rate increase combined with the increase in passenger car vehicle miles traveled resulted in an increase in toll revenue from passenger cars of approximately $8.9 million or 7.1 percent. Revenues from commercial vehicles increased $0.4 million or 0.2 percent in 2023 as a result of the toll rate increase partially offset by the decrease in commercial vehicle traffic.

In 2022, the number of miles traveled by passenger cars increased by 0.1 percent and the miles traveled by commercial vehicles increased by 1.5 percent in 2022. Toll rates were increased for all classes of vehicles by 2.7 percent on January 1, 2022. The toll rate increase combined with the increase in passenger car vehicle miles traveled resulted in an increase in toll revenue from passenger cars of approximately $1.6 million or 1.3 percent. Revenues from commercial vehicles increased $8.4 million or 3.9 percent in 2022 as a result of the toll rate increase and the increase in commercial vehicle traffic.

	2023	2022	2021
Toll Revenues (dollars in thousands):			
Passenger Cars	$ 134,484	$ 125,540	$ 123,988
Commercial Vehicles	226,368	225,932	217,546
Total	**$ 360,852**	**$ 351,472**	**$ 341,534**

Total expenses decreased by $16.9 million or 5.1 percent in 2023 compared to the prior year. Fringe benefit expenses, which are allocated to each area based on wages, increased $25.2 million from 2022 due primarily to a $18.4 million increase in pension expense and a $6.1 increase in OPEB expense. The 28.9 percent increase in Administration and Insurance expense was primarily due to the increase in wage and fringe costs. The 25.4 percent increase in Maintenance of Roadway and Structures expense was primarily due to the increase in wage and fringe benefit costs. The 29.5 percent increase in Services and Toll Operations expense is due primarily to the increase in wage and fringe benefit costs and higher credit card fees. The 8.6 percent increase in Traffic Control, Safety and Patrol was also due to the increase in wage and fringe benefit costs. The Commission made $5.3 million in payments to ODOT in 2023 to pay for Infrastructure Projects, a decrease of $36.9 million from 2022. See Note 9, Payments for State Infrastructure Projects, for more information on these payments. Interest expense decreased $3.8 million in 2023 primarily due to an increase in the amortization of the junior lien bond premiums for the 2022 bonds partially offset by the decrease in bond issuance costs from 2022. See Note 6, Long-Term Obligations for more information on the outstanding debt.

Total expenses decreased by $63.3 million or 16.0 percent in 2022 compared to the prior year. Fringe benefit expenses, which are allocated to each area based on wages, increased $22.1 million from 2021 due primarily to a $28.1 million increase in OPEB expense partially offset by a $5.6 million decrease in pension expense and a decrease in workers' compensation costs of $1.1 million. The 54.3 percent increase in Administration and Insurance expense was primarily due to the increase in wage and fringe costs. The 41.5 percent increase in Maintenance of Roadway and Structures expense was primarily due to the increase in wage and fringe benefit costs. The 35.7 percent increase in Services and Toll Operations expense is due primarily to the increase in wage and fringe benefit costs and higher credit card fees partially offset by lower toll collector wages. The 16.8 percent increase in Traffic Control, Safety and Patrol was also due to the increase in wage and fringe benefit costs. The Commission made $42.2 million in payments to ODOT in 2022 to pay for Infrastructure Projects, a decrease of $93.4 million from 2021. See Note 9, Payments for State Infrastructure Projects, for more information on these payments. Interest expense decreased $4.2 million in 2022 primarily due to the bond refunding transaction in November of 2022. See Note 6, Long-Term Obligations for more information on the outstanding debt.

Statements of Net Position *(In Thousands)*

	For the Years Ended 12/31/23	12/31/22
Assets and Deferred Outflows of Resources		
Current Assets:		
Unrestricted Current Assets:		
Cash and Cash Equivalents	$ 80,676	$ 93,082
Investments, at Fair Value	274,978	222,024
Accounts Receivable	28,126	27,000
Lease Receivable	2,060	1,742
Inventories	5,586	4,823
Other	2,667	1,844
Total Unrestricted Current Assets	394,093	350,515
Restricted Current Assets:		
Cash and Cash Equivalents	21,326	20,993
Investments, at Fair Value	79,513	62,007
Other	1,420	555
Total Restricted Current Assets	102,259	83,555
Total Current Assets	496,352	434,070
Noncurrent Assets:		
Restricted Investments, at Fair Value	173,161	192,082
Lease Receivable	87,831	47,038
Net Pension Asset	765	1,309
Net OPEB Asset	–	10,264
Net Subscription Right to Use Asset	225	–
Capital Assets, Net	1,808,555	1,772,634
Total Noncurrent Assets	2,070,537	2,023,327
Total Assets	2,566,889	2,457,397
Deferred Outflows of Resources	82,809	53,344
Total Assets and Deferred Outflows of Resources	$ 2,649,698	$ 2,510,741
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities:		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	$ 26,327	$ 26,572
Accrued Wages and Benefits	4,509	4,407
Compensated Absences	3,852	4,072
Claims and Judgments	2,455	2,493
Contamination Remediation Costs Payable	–	37
Software Subscription Liability	31	–
Other Liabilities	22,206	20,633
Toll Agency Payable	8,901	8,371
Total Current Liabilities Payable from Unrestricted Assets	68,281	66,585
Current Liabilities Payable from Restricted Assets:		
Contract Retainage Payable	7,691	8,954
Infrastructure Funds Payable to Ohio Department of Transportation	86	316
Interest Payable	31,146	22,853
Bonds Payable	53,010	49,795
Total Current Liabilities Payable from Restricted Assets	91,933	81,918
Total Current Liabilities	160,214	148,503
Noncurrent Liabilities:		
Net Pension Liability	93,220	28,652
Net OPEB Liability	1,976	–
Software Subscription Liability	204	–
Compensated Absences	5,972	5,657
Claims and Judgments	1,361	1,390
Contamination Remediation Costs Payable	100	100
Asset Retirement Obligations	602	552
Bonds Payable	2,177,010	2,223,335
Total Noncurrent Liabilities	2,280,445	2,259,686
Total Liabilities	2,440,659	2,408,189
Deferred Inflows of Resources	88,576	95,643
Total Liabilities and Deferred Inflows of Resources	2,529,235	2,503,832
Net Position:		
Net Investment in Capital Assets	1,300,796	1,219,318
Restricted For Debt Service	213,197	216,996
Restricted - Other	765	11,573
Unrestricted	(1,394,295)	(1,440,978)
Total Net Position	120,463	6,909
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 2,649,698	$ 2,510,741

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

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

	For the Years Ended	
	12/31/23	12/31/22
OPERATING REVENUES:		
Pledged as Security for Revenue Bonds:		
Tolls	$ 360,852	$ 351,472
Special Toll Permits	3,046	3,273
Concessions	14,192	14,067
Leases and Licenses	1,582	1,333
Other Revenues	8,113	7,519
Unpledged Revenues:		
Concessions	679	593
Other Revenues	–	325
Total Operating Revenues	388,464	378,582
OPERATING EXPENSES:		
Administration and Insurance	17,297	13,419
Maintenance of Roadway and Structures	40,122	31,987
Services and Toll Operations	54,501	42,096
Traffic Control, Safety, Patrol, and Communications	16,127	14,846
Depreciation	89,722	85,147
Total Operating Expenses	217,769	187,495
Operating Income	170,695	191,087
NONOPERATING REVENUES / (EXPENSES):		
State Fuel Tax Allocation	3,150	3,315
Investment Earnings Pledged as Security for Revenue Bonds	30,169	1,503
Investment Earnings (Losses) - Unpledged	2,797	(875)
Interest Revenue - Leases	3,289	2,230
(Loss) on Disposals of Capital Assets	(212)	(6,700)
Ohio Department of Transportation Infrastructure Project Expense	(5,278)	(42,207)
Interest Expense	(91,056)	(94,846)
Total Nonoperating Revenues / (Expenses)	(57,141)	(137,580)
Increase in Net Position	113,554	53,507
Net Position -- Beginning of Year	**6,909**	**(46,598)**
Net Position -- End of Year	$ 120,463	$ 6,909

Statements of Cash Flows *(In Thousands)*

	For the Years Ended	
	12/31/23	**12/31/22**
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 376,801	$ 367,704
Cash Received from Other Operating Revenues	11,921	10,760
Cash Payments for Employee Salaries, Wages and Fringe Benefits	(77,435)	(74,996)
Cash Payments for Goods and Services	(54,335)	(46,219)
Net Cash Provided by Operating Activities	256,952	257,249
Cash Flows from Noncapital Financing Activities:		
Payments to the Ohio Department of Transportation	(5,508)	(51,118)
Proceeds from Sale of Bonds - Par Amount	–	310,220
Proceeds from Sale of Bonds - Premium / (Discount)	–	58,764
Bond Refunding - Par Amount Paid	–	(356,326)
Bond Issuance Costs	–	(1,720)
State Fuel Tax Allocation	3,150	3,315
Net Cash Used in Noncapital Financing Activities	(2,358)	(36,865)
Cash Flows from Capital and Related Financing Activities:		
Interest Income - Leases	3,289	2,230
Proceeds from Sale of Assets	728	580
Acquisition and Construction of Capital Assets	(127,847)	(177,494)
Principal Paid on Bonds	(49,795)	(47,233)
Interest Paid on Bonds	(73,252)	(84,274)
Net Cash Used in Capital and Related Financing Activities	(246,877)	(306,191)
Cash Flows from Investing Activities:		
Interest Received on Investments	22,765	7,489
Proceeds from Sale and Maturity of Investments	334,218	361,427
Purchase of Investments	(376,773)	(241,555)
Net Cash (Used in) / Provided by Investing Activities	(19,790)	127,361
Net (Decrease) Increase in Cash and Cash Equivalents	(12,073)	41,554
Cash and Cash Equivalents -- Beginning of Year	114,075	72,521
Cash and Cash Equivalents -- End of Year	$ 102,002	$ 114,075
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	$ 170,695	$ 191,087
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	89,722	85,147
Change in Assets, Deferred Outflow s of Resources, Liabilities and Deferred Inflow s of Resources:		
Accounts Receivable	(42,236)	464
Inventories	(763)	668
Other Assets	(466)	58
Net Pension Asset	544	(281)
Net OPEB Asset	10,264	(4,229)
Net Subscription Right to Use Asset	(225)	–
Deferred Pension, OPEB and Other Outflow s of Resources	(32,292)	(2,080)
Accounts Payable	(245)	5,754
Accrued Wages and Benefits	102	594
Net Pension Liability	64,568	(21,634)
Net OPEB Liability	1,976	–
Sotfw are Subscription Liability	235	–
Compensated Absences	95	(968)
Claims and Judgments	(67)	764
Contamination Remediation Costs Payable	(37)	(3)
Other Liabilities	2,153	1,803
Deferred Pension and OPEB Inflow s of Resources	(45,745)	3,055
Leases Deferred Inflow s of Resources	38,674	(2,950)
Net Cash Provided by Operating Activities	$ 256,952	$ 257,249
Noncash Investing and Capital Activities:		
Increase (Decrease) in Fair Value of Investments	$ 6,648	$ (6,908)
Disposals / Write-Offs of Capital Assets	(941)	(7,276)
(Increase) / Decrease in Capital Assets due to Change in Contracts Payable	1,263	(2,405)
Amortization of Bond Premiums and Refunding Losses Classified as Interest Expense	7,377	4,688
Accretion in Capital Appreciation Bonds	16,888	28,368

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

NOTES TO FINANCIAL STATEMENTS

For the Years ended December 31, 2023 and 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Basis of Accounting

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

Adoption of New Accounting Pronouncements

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The Commission adopted this Statement in 2023. The implementation of this Statement had no impact on the Commission's financial statements or disclosures.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result, the Commission now includes liabilities for the present value of payments expected to be paid during the subscription term and an intangible right-to-use subscription asset. Subscription-Based Information Technology Arrangement activity is further described in Note 12.

New Accounting Pronouncements

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2023. The Commission has not determined the impact, if any, that this Statement will have on its financial statements or disclosures.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2023. The Commission has not determined the impact, if any, that this Statement will have on its financial statements or disclosures.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2024. The Commission has not determined the impact, if any, that this Statement will have on its financial statements or disclosures.

Net Position Classifications

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

- Net Investment in Capital Assets – consisting of capital assets, net of accumulated depreciation and reduced by the outstanding balance of borrowings that are attributable to the acquisition, construction, or improvement of those assets, and subscription assets.
- Restricted – consisting of net position, the use of which is limited by external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, constitutional provisions or enabling legislation, and net pension asset/net OPEB asset.
- Unrestricted – consisting of net position that does not meet the definition of "net investment in capital assets" or "restricted".

Cash Equivalents

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

Investments

In the accompanying Statements of Net Position, investments are comprised of U.S. instrumentality securities and shares in the State Treasury Asset Reserve of Ohio ("STAR Ohio") investment pool. Commission investments in STAR Ohio are carried at amortized cost, which approximates fair value. All other Commission investments are recorded at fair value based on quoted market prices with all related investment income, including the change in the fair value of investments and realized gains and losses, reflected in the Commission's net income.

STAR Ohio is an investment pool created pursuant to Ohio statutes and is managed by the Treasurer of the State of Ohio. The Commission does not own identifiable securities of the pool; rather, it participates as a shareholder of the pool. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with the provisions of GASB Statement No. 79, *Certain Investment Pools and Pool Participants*. The fair value of the Commission's position in the pool is the same as the value of the pool shares. For the years ended December 31, 2023 and 2022, there were no limitations on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Accounts Receivable

Accounts receivable consist of various tolls, charges and amounts due from individuals, commercial companies and other agencies and concession revenues receivable from operators of food and fuel concessions at the Commission's service plazas. Reserves for uncollectible accounts receivable are established based on specific identification and historical experience.

Inventories

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

Property and Depreciation

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

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

Description	Years
Buildings, roadway and structures	40
Bridge painting and guardrail	20
Roadway resurfacing	8-12
Building improvements	10
Machinery, equipment and vehicles	3-10

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

Deferred Outflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission's deferred outflows of resources are related to the GASB Statement No. 68 net pension liability, GASB Statement No. 75 net OPEB liability, unamortized refunding gains/losses on debt and asset retirement costs. See Notes 5 and 8 for more information.

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

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

Compensated Absences

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

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

Pensions

Net pension liability and asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System (OPERS) Pension Plan, and additions to/deductions from OPERS' fiduciary net position, have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full-accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as an expense when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

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

Deferred Inflows of Resources

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Commission reports deferred inflows of resources for certain GASB Statement No. 68 pension-related and GASB Statement No. 75 OPEB-related amounts, such as the difference between projected and actual earnings of the plan's investments. More detailed information can be found in Notes 5 and 8. In addition, the Commission reports deferred inflows of resources for GASB No. 87, *Leases*. More detailed information can be found in Note 11.

Operating / Nonoperating Activities

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

Tolls, the principal source of Commission operating revenues, are recognized as vehicles use the Turnpike. Tolls are assessed based on the vehicle classification and the distance traveled. On October 1, 2009, the Commission implemented its current toll collection system that includes electronic toll collection in the form of *E-ZPass®*, which is interoperable among a network of 52 U.S. toll agencies. The current toll collection system uses a methodology that classifies vehicles based upon the number of axles and the height over the first two axles. As an incentive to utilize electronic tolling, toll rates are lower for customers who use *E-ZPass* than for those who pay at the toll booths.

In addition to tolls, the other major source of operating revenue is concessions from the operation of the Commission's service plazas. Concession revenues arise from contracts entered into for the operation of the restaurants and service stations on the Turnpike. The operators pay fees based in part on percentages of gross sales (as defined in the respective contracts). As provided by Ohio law, the Commission also receives nonoperating revenue of five cents in Ohio fuel taxes for each gallon of fuel sold at the Commission's service plazas. The Commission's revenues are recognized when the operators make the sales. All other revenues are recognized when earned.

Operating expenses include the costs of operating and maintaining the Commission's roadway, bridges, toll plazas, maintenance buildings, service plazas and other facilities, as well as administrative expenses and depreciation on capital assets. The Commission's practice is to first apply restricted resources when expenditures are made for purposes for which both unrestricted and restricted resources are available.

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

Reclassification

Certain amounts from the prior year have been reclassified to be consistent with current year presentation. On the Statements of Net Position, the Net Position restriction classification relating to the $1,309,000 net pension asset and the $10,264,000 net OPEB asset was reclassified from Unrestricted to Restricted - Other.

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.

Leases

In 2022, the Commission adopted GASB Statement No. 87, *Leases*. The following categories of Leases were considered: Service Plaza Concessionaire Contracts, Fiber Optic Cable Leases, Tower Leases, Electric Vehicle Charging Station Leases, and Ground Leases. In addition, a materiality threshold was set to exclude Lease categories in the aggregate which have less than $100,000 total annual revenue. The following categories were excluded from GASB 87 due to the materiality threshold: Electric Vehicle Charging Stations and Ground Leases.

The Commission is a lessor for concessionaires and other third parties. When the contract guarantees the Commission's minimum rental payment each year, the Commission recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the Commission initially measures the lease receivable at the present value of payment expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the Commission determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- ♦ The Commission uses its incremental borrowing rate at lease inception as the discount rate for leases.
- ♦ The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements

In 2023, the Commission adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The Commission obtains the right to use vendors' information technology software through various duration contracts. The Commission recognizes a subscription liability and an intangible right-to-use subscription asset (the "Net Subscription Right To Use Asset") in the financial statements. The Commission recognizes subscription assets and liabilities with an initial value of $100,000 or more.

At the commencement of a subscription, the Commission initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the Commission determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term.

- ♦ The Commission uses its incremental borrowing rate at subscription inception as the discount rate for subscriptions.
- ♦ The subscription term includes the noncancelable period of the subscription.

The Commission monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

(2) DEPOSITS AND INVESTMENTS

Deposits

The Commission had $362,000 and $361,000 in undeposited cash on hand at December 31, 2023 and December 31, 2022, respectively. The carrying amount of the Commission's deposits as of December 31, 2023 was $3,871,000 as compared to bank balances of $7,291,000. The carrying amount of the Commission's deposits as of December 31, 2022 was $5,253,000 as compared to bank balances of $7,752,000. All of the bank balances were covered by federal depository insurance or collateralized in the Ohio Pooled Collateral System.

Investments

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

As of December 31, 2023, the Commission's investments had the following recurring fair value measurements (in thousands):

Investment Type	2023	Level 1	Level 2
Federal Home Loan Bank	$ 123,600	–	$ 123,600
Farmer Mac	58,136	–	58,136
United States Treasury Notes	34,073	–	34,073
United States Treasury Bills	27,394	–	27,394
Federal National Mortgage Association	27,374	–	27,374
Federal Farm Credit Bureau	20,476	–	20,476
Federal Home Loan Mortgage Corporation	2,893	–	2,893
Total Investments	**$ 293,946**	$ –	**$ 293,946**

As of December 31, 2022, the Commission's investments had the following recurring fair value measurements (in thousands):

Investment Type	2022	Level 1	Level 2
Federal Home Loan Bank	$ 114,996	–	$ 114,996
Federal Farm Credit Bureau	85,544	–	85,544
United State Treasury Notes	36,542	–	36,542
Federal National Mortgage Association	30,845	–	30,845
Farmer Mac	8,959	–	8,959
Federal Home Loan Mortgage Corporation	2,790	–	2,790
Total Investments	**$ 279,676**	$ –	**$ 279,676**

Investments in STAR Ohio of $233,706,000 in 2023 and $196,436,000 in 2022 are valued at amortized cost, which approximates fair value.

The U.S. Instrumentalities of $293,946,000 in 2023 and $279,676,000 in 2022 are valued using a matrix pricing model technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Federal Home Loan Bank securities totaling $24,123,000 with maturities between one and five years are callable within one year from December 31, 2023. Federal Home Loan Bank securities totaling $23,228,000 with maturities between one and five years are callable within one year from December 31, 2022.

Interest Rate Risk

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

As of December 31, 2023, the Commission's investment balances (in thousands) and maturities, excluding call provisions, were as follows:

Investment Type	Fair Value	Maturities (in Years) Less than 1	1-5
STAR Ohio*	$ 233,706	$ 233,706	$ –
Federal Home Loan Bank	123,600	44,802	78,798
Demand Deposit Accounts*	95,078	95,078	–
Farmer Mac	58,136	9,345	48,791
Treasury Note	34,073	34,073	–
Treasury Bill	27,394	27,394	–
Federal National Mortgage Association	27,374	27,374	–
Federal Farm Credit Bureau	20,476	20,476	–
Federal Home Loan Mortgage Corporation	2,893	–	2,893
Money Market Mutual Funds*	2,691	2,691	–
Total Investments	**$ 625,421**	**$ 494,939**	**$ 130,482**

* Valued at amortized cost

As of December 31, 2022, the Commission's investment balances (in thousands) and maturities, excluding call provisions, were as follows:

Investment Type	Fair Value	Maturities (in Years) Less than 1	1-5
STAR Ohio*	$ 196,436	$ 196,436	$ –
Federal Home Loan Bank	114,996	91,767	23,228
Demand Deposit Accounts*	107,937	107,937	–
Federal Farm Credit Bureau	85,544	66,011	19,533
Treasury Note	36,542	16,457	20,085
Federal National Mortgage Association	30,845	15,376	15,469
Farmer Mac	8,959	–	8,959
Federal Home Loan Mortgage Corporation	2,790	–	2,790
Money Market Mutual Funds*	524	524	–
Total Investments	**$ 584,573**	**$ 494,508**	**$ 90,064**

* Valued at amortized cost

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission's Investment Policy authorizes investments in obligations of the U.S. Treasury, U.S. agencies and instrumentalities, certificates of deposit, STAR Ohio, money market mutual funds, repurchase agreements and General Obligations of the State of Ohio rated AA or higher by a rating service. As of the Statements of Net Position dates, the Commission's investments in U.S. instrumentalities (Federal Home Loan Bank, Federal Farm Credit Bureau, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association) were all rated AA+ by Standard & Poor's and Aaa by Moody's Investor Service. STAR Ohio, as well as the money market mutual funds in which the Commission had investments, were rated AAAm by Standard & Poor's.

Custodial Credit Risk

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

On December 31, 2023 and December 31, 2022, all Commission deposits and investments in demand deposit accounts were secured in the Ohio Pooled Collateral System. Excluding Debt Service Fund investments, all U.S. Instrumentality Obligations held by the Commission were held in safekeeping for the benefit of the Commission by the Trust Department at Key Bank, Cleveland, Ohio. As of December 31, 2023 and December 31, 2022 Debt Service Fund investments in U.S. instrumentality securities with fair values totaling $246,099,000 and $236,480,000, respectively, were held by The Huntington National Bank ("Trustee") for the payment of interest and principal on the Commission's outstanding bonds as required by the Commission's Master Trust Agreement as amended and supplemented, see Note 6. Assets held by the Trustee as a custodial agent are considered legally separate from the other assets of The Huntington National Bank.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The Commission's Investment Policy provides that 100 percent of its average monthly portfolio may be invested in U.S. Treasury Obligations, fixed-rate non-callable U.S. Agency or Instrumentality Obligations, or collateralized overnight repurchase agreements. The Investment Policy further provides that a maximum of 50 percent of its average monthly portfolio may be invested in callable U.S. Agency or Instrumentality Obligations, STAR Ohio or certificates of deposit. The Investment Policy also provides that a maximum of 25 percent of its average monthly portfolio may be invested in variable-rate U.S. Agency or Instrumentality Obligations, uncollateralized repurchase agreements, general obligations of the State of Ohio and money market mutual funds. As of December 31, 2023, more than five percent of the Commission's portfolio was invested in demand deposit accounts and STAR Ohio as well as each of the following U.S. instrumentalities: Federal Home Loan Bank, Farmer Mac, and Treasury Notes. As of December 31, 2022, more than five percent of the Commission's portfolio was invested in demand deposit accounts and STAR Ohio as well as each of the following U.S. instrumentalities: Federal Home Loan Bank, Federal Farm Credit Bureau, and Treasury Notes.

(3) ACCOUNTS RECEIVABLE

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

	2023	**2022**
Tolls	$ 22,175	$ 22,252
Concessions	1,376	1,767
Fuel Tax Receivable	512	501
Other	4,430	2,658
Less: Allowance for Doubtful Accounts	(367)	(178)
Total Accounts Receivable	**$ 28,126**	**$ 27,000**

4) CAPITAL ASSETS

Capital asset activity (in thousands) for the years ended December 31, 2023 and 2022 was as follows:

	Balance 12/31/22	Increases	Decreases	Balance 12/31/23
Capital Assets Not Being Depreciated:				
Land	$ 39,056	$ –	$ –	$ 39,056
Construction In Progress	132,824	118,909	(130,546)	121,187
Total Capital Assets Not Being Depreciated	171,880	118,909	(130,546)	160,243
Other Capital Assets:				
Roadway and Structures	2,295,192	94,750	(2,337)	2,387,605
Buildings and Improvements	568,050	35,758	(76)	603,732
Machinery and Equipment	100,654	7,713	(5,707)	102,660
Total Other Capital Assets at Historical Cost	2,963,896	138,221	(8,120)	3,093,997
Less Accumulated Depreciation for:				
Roadway and Structures	(1,002,608)	(68,480)	1,524	(1,069,564)
Buildings and Improvements	(283,172)	(17,019)	19	(300,172)
Machinery and Equipment	(77,362)	(4,223)	5,636	(75,949)
Total Accumulated Depreciation	(1,363,142)	(89,722)	7,179	(1,445,685)
Other Capital Assets, Net	1,600,754	48,499	(941)	1,648,312
Total Capital Assets, Net	**$ 1,772,634**	**$ 167,408**	**$ (131,487)**	**$ 1,808,555**

	Balance 12/31/21	Increases	Decreases	Balance 12/31/22
Capital Assets Not Being Depreciated:				
Land	$ 38,756	$ 300	$ –	$ 39,056
Construction In Progress	125,916	178,125	(171,217)	132,824
Total Capital Assets Not Being Depreciated	164,672	178,425	(171,217)	171,880
Other Capital Assets:				
Roadway and Structures	2,175,967	138,387	(19,162)	2,295,192
Buildings and Improvements	543,136	25,077	(163)	568,050
Machinery and Equipment	98,196	9,227	(6,769)	100,654
Total Other Capital Assets at Historical Cost	2,817,299	172,691	(26,094)	2,963,896
Less Accumulated Depreciation for:				
Roadway and Structures	(950,129)	(64,779)	12,300	(1,002,608)
Buildings and Improvements	(267,346)	(15,947)	121	(283,172)
Machinery and Equipment	(79,337)	(4,421)	6,396	(77,362)
Total Accumulated Depreciation	(1,296,812)	(85,147)	18,817	(1,363,142)
Other Capital Assets, Net	1,520,487	87,544	(7,277)	1,600,754
Total Capital Assets, Net	**$ 1,685,159**	**$ 265,969**	**$ (178,494)**	**$ 1,772,634**

(5) DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

	2023	2022
Unamortized Refunding Gains/Losses	$ 37,888	$ 40,714
Deferred Pension Outflows of Resources	38,758	12,352
Deferred OPEB Outflows of Resources	5,856	–
Deferred Asset Retirement Costs	307	278
Total Deferred Outflows of Resources	**$ 82,809**	**$ 53,344**

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

	2023	2022
Deferred Pension Inflows of Resources	$ 1,930	$ 37,149
Deferred OPEB Inflows of Resources	725	11,250
Deferred Lease Inflows of Resources	85,921	47,244
Total Deferred Inflows of Resources	**$ 88,576**	**$ 95,643**

(6) LONG-TERM OBLIGATIONS

In accordance with Ohio law and the Commission's Amended and Restated Master Trust Agreement ("Senior Lien Trust Agreement"), dated April 8, 2013, as amended by the Nineteenth through Twenty-Fourth Supplemental Trust Agreements, and the Junior Lien Master Trust Agreement ("Junior Lien Trust Agreement"), dated August 1, 2013, as amended by the First through Fourth supplemental Junior Lien Trust Agreements (collectively, the "Trust Agreements") the Commission has issued revenue bonds payable solely from the Commission's System Pledged Revenues, as defined by the Trust Agreements. The bond proceeds have been used to either help fund the purchase or construction of capital assets, to refund other Turnpike revenue bonds or to fund infrastructure projects constructed by ODOT. Gross Pledged Revenues include tolls, special toll permits, certain realized investment earnings, appropriations from ODOT (if any), and revenue derived from leases, licenses, royalties, advertising, miscellaneous sales, fees, charges and certain concession revenues. The Commission's outstanding bonds do not constitute general obligations of the Commission or the State of Ohio. Neither the general credit of the Commission nor the State of Ohio is pledged for the payment of the bonds.

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

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

The Commission also covenants that prior to reducing any toll rates on other than a temporary basis, it will engage the services of an independent consultant to estimate the Commission's Gross Pledged Revenues for each year during which Commission bonds are scheduled to be outstanding and, based on these estimated revenues, the Commission covenants that its System Pledged Revenues will equal at least 150 percent of its net composite annual debt service for each year during which Commission bonds are scheduled to be outstanding. The Commission has reviewed its bond covenants and determined that it is in compliance for 2023 and 2022.

In addition, the Commission has, by resolution, declared its intention as a matter of policy to use its best efforts to maintain a ratio of System Pledged Revenues to net senior lien debt service of at least 200 percent. Other than in connection with the issuance of additional bonds or the implementation of a toll reduction on other than a temporary basis, the Commission has no obligation to meet such coverage levels or to maintain a policy of doing so, and the Commission may rescind that policy at any time.

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

The Junior Lien Trust Agreement requires the Commission to establish and maintain a DSRA equal to the average annual debt service on its outstanding junior lien bonds. The junior lien DSRA may be funded either with cash or one or more Reserve Account Credit Facilities obtained from an issuer that has been assigned one of the two highest ratings by at least two rating agencies. In connection with the issuance of its junior lien bonds, the Commission has deposited $113,072,000 of junior lien bond proceeds into its junior lien DSRA, which is restricted for debt service. Those funds were invested and are included in Investments, at Fair Value in restricted current assets.

On February 8, 2022, the Commission took advantage of favorable interest rates, and sold $310,220,000 par amount of State of Ohio Turnpike Junior Lien Revenue Refunding Bonds, 2022 Series A (Forward Delivery), pursuant to the Commission's Master Trust Agreement, as amended and supplemented, and the Fourth Supplemental Trust Agreement dated November 1, 2022. The issue date of the bonds was November 17, 2022. The bonds were issued for the purpose of refunding $359,908,000 State of Ohio Turnpike Junior Lien Revenue Bonds, 2013 Series A-1 and Series A-3 Bonds. The Commission decreased its total future debt service payments by $88,788,000 as a result of the refundings which is a net present value savings of $71,853,000.

None of the Commission's long-term obligations are direct borrowings or direct placements.

Changes in long-term obligations (in thousands) for 2023 and 2022 are as follows:

	Balance 12/31/22	Increases	Decreases	Balance 12/31/23	Amounts Due Within One Year
Revenue Bonds Payable:					
Principal Payable	$ 2,102,553	$ 16,888	$ (49,795)	$ 2,069,646	$ 53,010
Unamortized Premiums - Net	170,577	–	(10,203)	160,374	–
Total Revenue Bonds Payable	2,273,130	16,888	(59,998)	2,230,020	53,010
Net Pension Liability	28,652	64,568	–	93,220	–
Net OPEB Liability	–	1,976	–	1,976	–
Software Subscription Liability	–	235	–	235	31
Compensated Absences	9,729	1,504	(1,409)	9,824	3,852
Claims and Judgments	3,883	13,122	(13,189)	3,816	2,455
Contamination Remediation	137	5	(42)	100	–
Asset Retirement Obligation	552	50	–	602	–
Totals	**$ 2,316,083**	**$ 98,348**	**$ (74,638)**	**$ 2,339,793**	**$ 59,348**

	Balance 12/31/21	Increases	Decreases	Balance 12/31/22	Amounts Due Within One Year
Revenue Bonds Payable:					
Principal Payable	$ 2,167,524	$ 339,331	$ (404,302)	$ 2,102,553	$ 49,795
Unamortized Premiums - Net	125,505	58,764	(13,692)	170,577	–
Total Revenue Bonds Payable	2,293,029	398,095	(417,994)	2,273,130	49,795
Net Pension Liability	50,286	21,634	(43,268)	28,652	–
Compensated Absences	10,697	3,834	(4,802)	9,729	4,072
Claims and Judgments	3,119	10,752	(9,988)	3,883	2,493
Contamination Remediation	140	34	(37)	137	37
Asset Retirement Obligation	552	–	–	552	–
Totals	**$ 2,357,823**	**$ 434,349**	**$ (476,089)**	**$ 2,316,083**	**$ 56,397**

Revenue bonds, payable (in thousands) as of December 31, 2023, are summarized as follows:

	Original Amount	Average Yield	Bonds Payable
Senior Lien Debt			
1998 Series A:			
Serial Bonds maturing through 2021	$ 168,180		$ –
Term Bond due 2024	84,115		29,550
Term Bond due 2026	46,280		46,280
	298,575	4.80%	75,830
2010 Series A:			
Serial Bonds maturing 2027	93,920		–
Term Bonds due 2031	37,370		19,355
	131,290	4.08%	19,355
2017 Series A:			
Serial Bonds maturing through 2031	114,670	2.85%	72,560
2018 Series A:			
Serial Bonds maturing 2037 and 2038	17,970		17,970
Term Bond due 2043	55,910		55,910
	73,880	4.27%	73,880
2020 Series A:			
Serial Bonds maturing through 2036	11,880		11,880
Term Bonds due 2048	69,585		69,585
	81,465	3.15%	81,465
2021 Series A:			
Term Bonds due 2046	60,170		60,170
Term Bonds due 2051	74,840		74,840
	135,010	3.54%	135,010
Total Senior Lien Principal Issued/Outstanding	$ 834,890	3.58%	$ 458,100

	Original Amount	Average Yield	Bonds Payable
Junior Lien Debt			
2013 Series A:			
Serial Bonds maturing through 2033	$ 256,195		$ –
Term Bonds due 2039	113,075		–
Term Bonds due 2048	340,000		–
Capital Appreciation Bonds maturing 2036 through 2043	136,382		256,556
Capital Appreciation Bonds maturing 2037 through 2043	4,161		–
Convertible Capital Appreciation Bonds maturing 2034 through 2036	145,000		248,190
	994,813	6.04%	504,746
2018 Series A:			
Serial Bonds maturing through 2038	346,050		346,050
Term Bond due 2040	19,310		19,310
4% Term Bond due 2046	45,000		45,000
5% Term Bond due 2046	15,605		15,605
	425,965	3.88%	425,965
2020 Series A:			
Serial Bonds maturing through 2031	24,945		18,710
Term Bonds due 2040	12,155		12,155
Term Bonds due 2048	339,750		339,750
	376,850	3.20%	370,615
2022 Series A:			
Serial Bonds maturing through 2039	310,220	2.83%	310,220
Total Junior Lien Principal Issued/Outstanding	2,107,848	4.37%	1,611,546
Total Principal Issued/Outstanding	$ 2,942,738	4.21%	$ 2,069,646
Add:			
Unamortized bond premiums - net			160,374
Total Revenue Bonds Payable			**$ 2,230,020**

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

Year	Principal	Interest	Total
2024	$ 53,010	$ 81,692	$ 134,702
2025	50,740	79,036	129,776
2026	54,195	76,365	130,560
2027	50,480	73,730	124,210
2028	59,085	71,032	130,117
2029 - 2033	414,265	302,066	716,331
2034 - 2038	448,321	189,018	637,339
2039 - 2043	362,095	123,307	485,402
2044 - 2048	502,615	57,876	560,491
2049 - 2051	74,840	5,781	80,621
Totals	**$ 2,069,646**	**$ 1,059,903**	**$ 3,129,549**

Pollution Remediation Obligation

The Commission has recorded a liability for pollution (including contamination) remediation obligations, which are obligations to address current or potential detrimental effects of existing pollution by participating in remediation activities such as site assessments and cleanups. The liability includes estimated contamination remediation costs to collect and dispose of slag leachate as required by the Ohio Environmental Protection Agency estimated at $100,000 and $136,500 as of December 31, 2023 and 2022, respectively. The liability was estimated using the expected cash flow technique. The pollution remediation obligation is an estimate and is subject to changes resulting from price increases or decreases, technology, or changes in applicable laws or regulations.

(7) COMMITMENTS AND CONTINGENCIES

Commitments

The Commission has commitments as of December 31, 2023 and 2022 of approximately $158,112,000 and $127,305,000, respectively for capital projects as well as major repairs and replacements. It is anticipated these commitments will be financed from the Commission's cash balances. However, at the discretion of the Commission, additional bonds may be issued in the future to finance a portion of these costs.

In addition, the Commission has issued purchase orders for goods and services not received amounting to approximately $16,583,000 and $16,154,000 as of December 31, 2023 and 2022, respectively.

Litigation

The nature of the Commission's operations sometimes subjects the Commission to litigation, typically from daily operations of vehicles, equipment and from customer incidents. The management and the General Counsel for the Commission are of the opinion that any unfavorable outcome of such claims in excess of insurance coverage will not result in a material adverse effect on the Commission's financial position or results of operations.

Environmental Matters

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

Collective Bargaining

Approximately 344 full-time, nonsupervisory, field employees in the Commission's Toll Operations and Maintenance Departments, approximately 151 part-time, nonsupervisory, field employees in the Toll Operations Department and approximately 11 full-time radio operators are represented by the Teamsters Local Union No. 436, affiliated with the International Brotherhood of Teamsters.

In 2021, the Commission ratified a three-year collective bargaining agreement with the full-time employees that is effective for the period January 1, 2021 through December 31, 2023. The agreement includes annual wage increases of 0 percent effective

January 1, 2021, and 4 percent effective both January 9, 2022 and January 8, 2023 for full-time employees. The Commission also reached an agreement with the part-time employees for the same time period of January 1, 2021 through December 31, 2023 which includes annual wage increases of 0 percent effective January 10, 2021, 2 percent effective January 9, 2022 and 2.5 percent effective January 8, 2023. The Commission also reached an agreement with the radio operator employees for the same time period of January 1, 2021 through December 31, 2023 which includes annual wage increases of 0 percent effective January 1, 2021, and 4 percent effective both January 9, 2022 and January 8, 2023. As of December 31, 2023, the Commission was in negotiations with the Union on a new three-year collective bargaining agreement.

(8) PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

Plan Description

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

OPERS administers three separate pension plans as follows:

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

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

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

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

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code ("ORC"). The OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, making a written request to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Pension Benefits

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

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

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

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

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance after the employee's retirement date. Retirement benefits for the defined benefit portion of the plan increase three percent annually of the original base amount regardless of changes in the Consumer Price Index, for those who retired prior to January 7, 2013. For those retiring after January 7, 2013, beginning in calendar year 2019, the increase will be based on the Consumer Price Index-W, the government's inflation index for urban wage earners and clerical workers, with a maximum adjustment of three percent.

OPEB Benefits

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

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

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

Contributions

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

Member contributions are 10 percent of gross wages for all plans, set at the maximums authorized by the ORC. The plans' 2023 and 2022 employer contribution rates on covered payroll are as follows:

	Pension	Post-retirement Health Care	Total
2023	14.00%	– %	14.00%
2022	14.00%	– %	14.00%

The Commission's contributions to the OPERS for the traditional and combined plans for the years ended December 31, 2023 and 2022 were $7,338,000 and $7,056,000, respectively, equal to 100 percent of the required contributions for each year. Contributions to the member-directed plan for 2023 were $251,000 made by the Commission and $179,000 made by plan members. Contributions to the member-directed plan for 2022 were $247,000 made by the Commission and $177,000 made by plan members. The Commission's contributions to OPERS for the OPEB plan for the years ended December 31, 2023 and 2022 were $0, equal to 100 percent of the required contributions for each year. At December 31, 2023, there was $667,000 in amounts due to OPERS for employee and employer contributions included in Accrued Wages and Benefits on the Statement of Net Position.

Net Pension Asset/Liability and Pension Expense

The net pension asset/liability was measured as of December 31, 2022. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of December 31, 2022. The Commission's proportion of the net asset/liability is based on the Commission's share of contributions to the plan as compared to the total contributions of employers and all non-employer contributing entities. Total pension expense (recovery) for the years ended December 31, 2023 and 2022 were $11,020,000 and $(8,078,000), respectively.

At December 31, 2023, the Commission reported the following information related to the proportionate share of the net pension liability and pension expense:

	Traditional Plan	Combined Plan
Proportionate Share of the Net Pension Liability	0.315572%	0.316080%
Change in Proportionate Share from Prior Year	(0.013750%)	(0.002637%)
Proportion of the Net Liability (Asset)	$93,220,000	($765,000)
Pension Expense	$10,917,000	$103,000

At December 31, 2022, the Commission reported the following information related to the proportionate share of the net pension liability and pension expense:

	Traditional Plan	Combined Plan
Proportionate Share of the Net Pension Liability	0.329322%	0.318717%
Change in Proportionate Share from Prior Year	(0.010271%)	(0.017411%)
Proportion of the Net Liability (Asset)	$28,652,000	($1,309,000)
Pension Recovery	($8,031,000)	($47,000)

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

At December 31, 2023, the Commission reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	**Traditional Plan**	**Combined Plan**	**Total**
Difference between Expected and Actual Experience	$ 3,096,000	$ 105,000	$ 3,201,000
Change in Assumptions	985,000	51,000	1,036,000
Net Difference between Projected and Actual Earnings on Pension Plan Investments	26,852,000	-	26,852,000
Change in Employer's Proportionate Share	-	65,000	65,000
Contributions subsequent to the Measurement Date	7,100,000	504,000	7,604,000
Total	**$ 38,033,000**	**$ 725,000**	**$ 38,758,000**

Deferred Inflows of Resources	**Traditional Plan**	**Combined Plan**	**Total**
Difference between Expected and Actual Experience	$ -	$ 107,000	$ 107,000
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Change in Employer's Proportionate Share	1,816,000	7,000	1,823,000
	$ 1,816,000	**$ 114,000**	**$ 1,930,000**

At December 31, 2022, the Commission reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	Traditional Plan	Combined Plan	Total
Difference between Expected and Actual Experience	$ 1,460,000	$ 61,000	$ 1,521,000
Change in Assumptions	3,583,000	65,000	3,648,000
Change in Employer's Proportionate Share	-	57,000	57,000
Contributions subsequent to the Measurement Date	6,653,000	473,000	7,126,000
Total	**$ 11,696,000**	**$ 656,000**	**$ 12,352,000**

Deferred Inflows of Resources	Traditional Plan	Combined Plan	Total
Difference between Expected and Actual Experience	$ 628,000	$ 141,000	$ 769,000
Net Difference between Projected and Actual Earnings on Pension Plan Investments	34,081,000	281,000	34,362,000
Change in Employer's Proportionate Share	2,010,000	8,000	2,018,000
	$ 36,719,000	**$ 430,000**	**$ 37,149,000**

Deferred Outflows of Resources of $7,605,000 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Traditional Plan	Combined Plan
2024	$ 2,260,000	$ 30,000
2025	5,738,000	69,000
2026	7,821,000	89,000
2027	13,016,000	137,000
2028	-	14,000
Thereafter	-	49,000
	$ 28,835,000	$ 388,000

Net OPEB Asset/Liability, Deferrals, and OPEB Expense

The net OPEB liability was measured as of December 31, 2022. The total OPEB asset/liability used to calculate the net OPEB asset/liability was determined by an actuarial valuation as of December 31, 2021. The Commission's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

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

	2023	2022
Proportionate Share of the Net OPEB Asset/Liability	0.313454%	0.327688%
Change in Proportionate Share from Prior Year	(0.014234%)	(0.011041%)
Net OPEB Asset	$0	$10,264,000
Net OPEB Liability	$1,976,000	$0

For the year ended December 31, 2023, the Commission credited OPEB expense for $(4,140,000). At December 31, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ –	$ 493,000
Change in Assumptions	1,931,000	159,000
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	3,925,000	–
Changes in Employer's Proportionate Share	–	73,000
Total	**$ 5,856,000**	**$ 725,000**

For the year ended December 31, 2022, the Commission credited OPEB expense for $(10,235,000). At December 31, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ –	$ 1,557,000
Change in Assumptions	–	4,155,000
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	–	4,893,000
Changes in Employer's Proportionate Share	–	645,000
Total	**$ –**	**$ 11,250,000**

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

Year Ended December 31:	Amount
2024	$ 648,000
2025	1,366,000
2026	1,221,000
2027	1,896,000
2028	–
Thereafter	–
	$ 5,131,000

Actuarial Assumptions

The total pension liability and OPEB liability is based on the results of an actuarial valuation determined using the following actuarial assumptions for 2022, applied to all periods included in the measurement on December 31, 2023:

	Traditional Plan	Combined Plan
Wage Inflation	2.75%	2.75%
Salary Increases (includes Wage Inflation)	2.75% - 10.75%	3.25% - 8.25%
Investment Rate of Return - Pension	6.90%	6.90%
Investment Rate of Return - OPEB	6.00%	6.00%
Blended Discount Rate - OPEB	5.22%	5.22%
COLA	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2022, then 2.05% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2022, then 2.05% Simple
Health Care Cost Trend Rates	5.50% initial, 3.50% ultimate in 2036	5.50% initial, 3.50% ultimate in 2036
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Valuation Date - Pension	December 31, 2022	December 31, 2022
Valuation Date - OPEB	December 31, 2021	December 31, 2021

The following are the actuarial assumptions for 2021, applied to all periods included in the measurement on December 31, 2022:

	Traditional Plan	Combined Plan
Wage Inflation	2.75%	2.75%
Salary Increases (includes Wage Inflation)	2.75% - 10.75%	3.25% - 8.25%
Investment Rate of Return - Pension	6.90%	6.90%
Investment Rate of Return - OPEB	6.00%	6.00%
COLA	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2022, then 2.05% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2022, then 2.05% Simple
Health Care Cost Trend Rates	5.50% initial, 3.50% ultimate in 2034	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Valuation Date - Pension	December 31, 2021	December 31, 2021
Valuation Date - OPEB	December 31, 2020	December 31, 2020

The mortality rates used in the December 31, 2022 valuation were based on the Pub-2020 General Employee Mortality tables. For disabled retirees, mortality rates are based on the PubNS-2010 Disabled Retiree Mortality table. The tables were adjusted for mortality improvements back to the observation period base year of 2010. The mortality rates used in the December 31, 2021 valuation were based on the RP-2014 Healthy Annuitant mortality table. For disabled retirees, mortality rates are based on the RP-2014 Disabled mortality table. The Healthy Annuitant Mortality tables were adjusted for mortality improvements back to the observation period base year of 2006, and then established the base year as 2010 for females, and 2015 for males.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted in 2021, for the five-year period 2016 through 2020. The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted in 2021, for the five-year period 2016 through 2020.

Discount Rate

The discount rates used to measure the total pension liability for OPERS was 6.90 percent for both the plan years ended December 31, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rates used to measure the total OPEB liability/(assets) were 5.22 percent and 6.00 percent for the plan years ended December 31, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. At December 31, 2022, the plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments for current active and inactive employees. Therefore, a blended rate was used, which consisted of the long-term expected rate of return on OPEB plan investments for the funded benefit payments and Fidelity Index’s 20-Year Municipal GO AA Index of 4.05 percent. At December 31, 2021, the plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Projected Cash Flows

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for the year ended December 31, 2023 in the following table:

	Defined Benefit Portfolio		Health Care Portfolio	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	22.00%	2.62%	34.00%	2.56%
Domestic Equity	22.00%	4.60%	26.00%	4.60%
Real Estate	13.00%	3.27%	0.00%	0.00%
Private Equity	15.00%	7.53%	0.00%	0.00%
International Equities	21.00%	5.51%	25.00%	5.51%
Risk Parity	2.00%	4.37%	2.00%	4.37%
REIT's	0.00%	0.00%	7.00%	4.70%
Other Investments	5.00%	3.27%	6.00%	1.84%
Total	**100.00%**		**100.00%**	

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for the year ended December 31, 2022 in the following table:

	Defined Benefit Portfolio		Health Care Portfolio	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	24.00%	1.03%	34.00%	0.91%
Domestic Equity	21.00%	3.78%	25.00%	3.78%
Real Estate	11.00%	3.66%	0.00%	0.00%
Private Equity	12.00%	7.43%	0.00%	0.00%
International Equities	23.00%	4.88%	25.00%	4.88%
Risk Parity	5.00%	2.92%	2.00%	2.92%
REIT's	0.00%	0.00%	7.00%	3.71%
Other Investments	4.00%	2.85%	7.00%	1.93%
Total	**100.00%**		**100.00%**	

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

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

2023	**1 Percentage-Point Decrease (5.9%)**	**Current Discount Rate (6.9%)**	**1 Percentage-Point Increase (7.9%)**
Net Pension Liability Traditional	$139,641,000	$93,220,000	$54,606,000
Net Pension (Asset) Combined	($402,000)	($765,000)	($1,053,000)

2022	**1 Percentage-Point Decrease (5.9%)**	**Current Discount Rate (6.9%)**	**1 Percentage-Point Increase (7.9%)**
Net Pension Liability Traditional	$75,543,000	$28,652,000	($10,367,000)
Net Pension (Asset) Combined	($984,000)	($1,309,000)	($1,563,000)

Sensitivity of the Net OPEB Asset and Liability to Changes in the Discount Rate

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

2023	1 Percentage-Point Decrease (4.22%)	Current Discount Rate (5.22%)	1 Percentage-Point Increase (6.22%)
Net OPEB Liability (Asset)	$6,727,000	$1,976,000	($1,943,000)

2022	1 Percentage-Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage-Point Increase (7.00%)
Net OPEB Asset	$6,036,000	$10,264,000	$13,773,000

Sensitivity of the Net OPEB Asset/Liability to Changes in the Health Care Cost Trend Rate

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

2023	1 Percentage-Point Decrease	Current Trend Rate	1 Percentage-Point Increase
Net OPEB Asset	$1,853,000	$1,976,000	$2,116,000

2022	1 Percentage-Point Decrease	Current Trend Rate	1 Percentage-Point Increase
Net OPEB Asset	$10,375,000	$10,264,000	$10,132,000

Pension Plan and OPEB Plan Fiduciary Net Position

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

Assumption Changes

During the measurement period ended December 31, 2022, certain assumption changes were made by the plans. The OPERS OPEB discount rate decreased from 6.00 percent to 5.22 percent, which impacted the annual actuarial valuation for OPEB prepared as of December 31, 2022.

Benefit Changes

There were no significant benefit term changes for the pension or OPEB plan(s) since the prior two measurement dates for OPERS.

(9) PAYMENTS FOR STATE INFRASTRUCTURE PROJECTS

On April 1, 2013, Ohio Governor John Kasich signed Am. Sub. H.B. 51 (H.B. 51) into law, creating a “public-public” partnership between the Commission and the Ohio Department of Transportation (“ODOT”). Effective July 1, 2013, H.B. 51 authorized the Commission to issue Turnpike Revenue Bonds as a means of funding certain transportation infrastructure projects (“Infrastructure Projects”) as defined under Chapter 5537 of the Ohio Revised Code. H.B. 51 was enacted by the Ohio General Assembly to implement the Ohio Jobs and Transportation Plan proposed by Governor Kasich to address a significant funding shortfall announced by ODOT in January 2012 that would have required postponement of significant Ohio transportation projects. The plan contemplates the issuance of a total of $1.5 billion of Turnpike revenue bonds for transportation projects between 2013 and 2018. Under H.B. 51, the Director of ODOT can apply to the Commission for funding for Infrastructure Projects provided those projects: 1) have been approved by the Transportation Review Advisory Council (“TRAC”) that oversees a project selection process for major new transportation projects and; 2) have a “nexus” to the Turnpike System.

On July 15, 2013, the Commission’s Board approved the issuance of the 2013 Junior Lien Bonds in order to fund $930 million in Infrastructure Projects. In August 2013, the Director of ODOT submitted funding requests for Infrastructure Projects to the Commission for consideration and, on September 16, 2013, the Commission’s Board approved the funding of a list of ten Infrastructure Projects totaling $930 million. The Commission began reimbursing ODOT for these projects in 2014 and made the final reimbursement to ODOT for these projects in 2020.

In late 2017, ODOT submitted funding requests for two additional projects on I-75 in Lucas and Wood Counties, which, on December 18, 2017, the Commission determined have the proper nexus for funding with Infrastructure funds. On February 15, 2018, the Commission issued 2018 Junior Lien Bonds that generated proceeds of $450 million in order to fund these two projects along with the Opportunity Corridor project in Cuyahoga County. The status of the funding (in thousands) of each of these infrastructure projects as of December 31, 2023 is as follows:

County	Project	Approved Amount	Expended by ODOT	Funds Paid to ODOT
Wood/Lucas	I-75 Reconstruction	$ 143,000	$ 143,000	$ 143,000
Lucas	I-75 Reconstruction	160,000	153,919	153,833
Cuyahoga	Opportunity Corridor	147,000	146,834	146,834
		$ 450,000	**$ 443,753**	**$ 443,667**

10) RISK MANAGEMENT

The Commission is self-insured for workers' compensation and vehicle damage claims. The Commission is also self-insured for employee health claims, up to a maximum of $250,000 per covered person per contract year. Employee health benefits are not subject to any lifetime maximum benefit payments.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Claim liabilities are based upon the estimated ultimate cost of settling the claims, net of any subrogation recoveries from third parties, including specific incremental claim adjustment expenses. The Commission is a defendant in various lawsuits. While it is not possible to project the final outcome of these lawsuits and claims, the Commission has estimated the liability for such litigation and claims and recorded in miscellaneous claims and judgements.

Claims and Judgments as of December 31 of each year in the accompanying Statements of Net Position are comprised of the estimated liability for workers' compensation claims, the estimated liability for employee health claims, and the estimated liability for miscellaneous claims and judgments. The Commission is unaware of any unaccrued vehicle damage or unasserted workers' compensation claims as of December 31, 2023.

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

	2023	2022
Workers' compensation claims	$ 1,594	$ 1,549
Employee health claims	1,214	1,216
Miscellaneous claims and judgments	1,008	1,118
Total	**$ 3,816**	**$ 3,883**

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

	Claims Payable - Beginning of Year	Current Claims	Claims Payments	Claims Payable - End of Year
2023	$ 3,883	$ 13,122	$ 13,189	$ 3,816
2022	$ 3,119	$ 10,752	$ 9,988	$ 3,883
2021	$ 1,784	$ 14,175	$ 12,840	$ 3,119

The Commission purchases commercial insurance policies in varying amounts for general liability, vehicle liability, bridges, use and occupancy, damage to capital assets other than vehicles, and public officials and employee liability coverage. Paid claims have not exceeded the limits of the Commission's commercial insurance policies for each of the last three fiscal years. The Commission also pays unemployment claims to the State of Ohio as incurred.

11) LEASES

The primary objective of GASB Statement No. 87, *Leases* (GASB 87) is to enhance the relevance and consistency of information about the Commission's leasing activities. GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Commission, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

The Commission leases certain assets to various third parties. The assets include land and service plaza space for concessions. Payments for the leases are received monthly, quarterly and annually based on the contract. A majority of the leases are a fixed monthly fee and often contain annual or periodic escalation clauses. For sales-based leases, there are often minimum annual guarantees contained in the lease that provide a certain amount of revenue regardless of the operation's success. The term of the lease will include possible extension periods that are deemed to be reasonably certain given all available information, regarding the likelihood of renewal. The term of the lease will exclude possible termination periods that are not deemed to be reasonably certain, given all available information. For the year ended December 31, 2023, all leases with associated receivables are based on fixed payments and do not have variable payment components included in the receivable.

Lease Revenue is presented within Concessions and Leases and Licenses Revenues on the Statement of Revenues, Expenses, and Changes in Net Position. The Commission recognized the following inflows related to its lessor agreements (in thousands) for the years ending December 31, were as follows:

	2023	2022
Lease Revenue	$ 3,982	$ 3,113
Interest Revenue - Leases	3,289	2,230
	$ 7,271	**$ 5,343**

Future principal and interest payment requirements related to the Commission's lease receivable (in thousands) at December 31, 2023 are as follows:

Year Ending December 31	Principal	Interest	Total
2024	$ 2,060	$ 3,855	$ 5,915
2025	2,185	3,761	5,946
2026	2,390	3,660	6,050
2027	2,219	3,558	5,777
2028	2,434	3,455	5,889
2029 - 2033	15,867	15,374	31,241
2034 - 2038	17,293	11,364	28,657
2039 - 2043	13,757	8,223	21,980
2044 - 2048	10,348	5,445	15,793
2049 - 2053	9,915	3,511	13,426
2054 - 2058	11,423	1,132	12,555
Totals	**$ 89,891**	**$ 63,338**	**$ 153,229**

12) SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

For the year ended December 31, 2023, the Commission's financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). The primary objective of GASB 96 is to enhance the relevance and consistency of information about the Commission's subscription-based information technology arrangements.

The Commission obtains the right to use vendors' information technology software for various purposes including business services and information security. For SBITA arrangements greater than 12 months, the Commission recognizes a liability and an intangible right-to-use asset. The Commission has a variety of variable payment clauses within its SBITAs, including variable payments based on usage of the underlying asset or the number of software licenses. Such amounts are recognized as expense in the period in which the obligation for those payments is incurred.

Software Subscription Liability is included in Note 6, Long-Term Obligations.

Subscription asset activity of the Commission (in thousands) for the year ending December 31, was as follows:

	Beginning Balance January 1, 2023	Additions	Deductions	Ending Balance December 31, 2023
Subscription-Based IT Assets	$ -	$ 262	$ -	$ 262
Less: Accumulated Amortization	$ -	$ -	$ (37)	$ (37)
Total Subscription-Based IT Assets, Net	**$ -**	**$ 262**	**$ (37)**	**$ 225**

Future principal and interest payment requirements related to the Commission's subscription liability (in thousands) at December 31, 2023 are as follows:

Year Ending December 31	Principal	Interest	Total
2024	$ 31	$ 9	$ 40
2025	34	7	41
2026	37	6	43
2027	41	4	45
2028	44	2	46
2029-2030	48	-	48
Totals	**$ 235**	**$ 28**	**$ 263**

Required Supplementary Information

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Collective Net Pension Asset / Liability									
Traditional Plan	0.315572%	0.329322%	0.339593%	0.355541%	0.374194%	0.380459%	0.403586%	0.392329%	0.398393%
Combined Plan	0.316080%	0.318717%	0.336129%	0.331232%	0.338199%	0.334825%	0.364018%	0.365870%	0.373154%
Employer's Proportionate Share of the Collective Net Pension Asset / (Liability)									
Traditional Plan	$ (93,220)	$ (28,652)	$ (50,286)	$ (70,275)	$ (102,484)	$ (59,687)	$ (91,648)	$ (67,956)	$ (48,051)
Combined Plan	$ 765	$ 1,309	$ 1,028	$ 702	$ 386	$ 468	$ 204	$ 178	$ 143
Employer's Covered Payroll									
Traditional Plan	$ 50,948	$ 47,514	$ 47,836	$ 50,023	$ 50,541	$ 50,288	$ 52,172	$ 48,829	$ 48,843
Combined Plan	$ 1,467	$ 1,446	$ 1,481	$ 1,475	$ 1,446	$ 1,371	$ 1,417	$ 1,332	$ 1,242
Employer's Proportionate Share of the Collective Net Pension Asset / (Liability) as a percentage of the Employer's Covered Payroll									
Traditional Plan	(182.97%)	(60.30%)	(105.12%)	(140.49%)	(202.77%)	(118.69%)	(175.67%)	(139.17%)	(98.38%)
Combined Plan	52.15%	90.53%	69.41%	47.59%	26.69%	34.14%	14.40%	13.36%	11.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability									
Traditional Plan	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%
Combined Plan	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%

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

Schedule of Net OPEB Asset / (Liability) *Last Six Fiscal Years* *

Ohio Public Employees Retirement System (Dollars in Thousands)

	2022	2021	2020	2019	2018	2017
Employer's Proportion of the Collective Net OPEB Asset / (Liability)	0.313454%	0.327688%	0.338729%	0.352764%	0.371987%	0.378091%
Employer's Proportionate Share of the Collective Net OPEB Asset / (Liability)	$ (1,976)	$ 10,264	$ 6,035	$ (48,726)	$ (48,498)	$ (41,058)
Employer's Covered Payroll	$ 52,416	$ 48,960	$ 49,317	$ 51,498	$ 51,987	$ 51,659
Employer's Proportionate Share of the Collective Net OPEB Asset / (Liability) as a percentage of the Employer's Covered Payroll	(3.77%)	20.96%	12.24%	(94.62%)	(93.29%)	(79.48%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Asset / (Liability)	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%

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

Schedule of Employer Pension Contributions *Last Nine Fiscal Years* *

Ohio Public Employees Retirement System *(Dollars in Thousands)*

Traditional Plan	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Statutory Required Employer Contribution	$ 7,133	$ 6,851	$ 6,652	$ 6,697	$ 7,003	$ 7,076	$ 6,538	$ 6,261	$ 5,859
Actual Employer Contributions Received	7,133	6,851	6,652	6,697	7,003	7,076	6,538	6,261	5,859
Difference	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's Covered Payroll	$ 50,948	$ 48,937	$ 47,514	$ 47,836	$ 50,023	$ 50,541	$ 50,288	$ 52,172	$ 48,829
Actual Employer Contributions Received as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

Combined Plan	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Statutory Required Employer Contribution	$ 205	$ 205	$ 202	$ 207	$ 207	$ 202	$ 178	$ 170	$ 160
Actual Employer Contributions Received	205	205	202	207	207	202	178	170	160
Difference	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's Covered Payroll	$ 1,467	$ 1,465	$ 1,445	$ 1,481	$ 1,475	$ 1,446	$ 1,371	$ 1,417	$ 1,332
Actual Employer Contributions Received as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

* *Information prior to 2015 is not available.*

Schedule of Employer OPEB Contributions *Last Six Fiscal Years**

Ohio Public Employees Retirement System *(Dollars in Thousands)*

	2023	**2022**	**2021**	**2020**	**2019**	**2018**
Statutory Required Employer Contribution	$ -	$ -	$ -	$ -	$ -	$ -
Actual Employer Contributions Received	-	-	-	-	-	-
Difference	$ -	$ -	$ -	$ -	$ -	$ -
Employer's Covered Payroll	$ 52,416	$ 50,402	$ 48,960	$ 49,317	$ 51,498	$ 51,987
Actual Employer Contributions Received as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* *Information prior to 2018 is not available.*

Notes to required supplementary information:

Pension

Changes of benefit terms
There were no changes in benefit terms affecting the plan.

Changes of assumptions
During the plan year ended December 31, 2022, there were no changes to key assumptions.

During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The discount rate was reduced from 7.50 percent to 6.90 percent. The wage inflation dropped from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. The experience study changed from the 5 year period ended December 31, 2015 to the 5 year period ended December 31, 2020. The mortality tables used changed from RP-2014 to PUB-2010.

During the plan year ended December 31, 2020, the cost-of-living ranges changed from 1.40-3.00 percent to 0.5-3.00 percent.

During the plan year ended December 31, 2019, the wage inflation rate increased from 2.50 percent to 3.25 percent. The cost-of-living ranges changed from 2.15-3.00 percent to 1.40-3.00 percent.

During the plan year ended December 31, 2018, the discount rate was reduced from 7.5 percent to 7.2 percent.

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

OPEB

Changes of benefit terms
There were no significant changes in benefit terms affecting the plan.

Changes of assumptions
During the plan year ended December 31, 2022, the health care cost trend rate changed to 5.50% initial, 3.5% ultimate in 2036 from 5.50% initial, 3.5% ultimate in 2034 in 2022. In addition, the discount rate was reduced from 6.00 percent to 5.22 percent.

During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The experience study changed from the 5-year period ended December 31, 2015 to the 5-year period ended December 31, 2020. The municipal bond rate decreased from 2.00 percent to 1.84 percent. Wage inflation decreased from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. Health care cost trend rate decreased from 8.50 percent initial, 3.50 percent ultimate in 2035 to 5.50 percent initial, 3.50 percent ultimate in 2034.

During the plan year ended December 31, 2020, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.5 percent initial and 3.50 percent ultimate to 8.5 percent initial and 3.50 percent ultimate. The discount rate was increased from 3.16 percent to 6.00 percent.

During the plan year ended December 31, 2019, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.0 percent initial and 3.25 percent ultimate to 10.5 percent initial and 3.5 percent ultimate. The discount rate was reduced from 3.96 percent to 3.16 percent.

Ohio Turnpike and Infrastructure Commission

2023 Annual Comprehensive Financial Report

STATISTICAL SECTION

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

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

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

	12/31/23	12/31/22	12/31/21
Assets and Deferred Outflows of Resources			
Current Assets:			
Unrestricted Current Assets:			
Cash and Investments, at Fair Value	$ 355,654	$ 315,106	$ 261,979
Other	38,439	35,409	34,501
Total Unrestricted Current Assets	**394,093**	**350,515**	**296,480**
Restricted Current Assets:			
Cash and Investments, at Fair Value	100,839	83,000	102,001
Other	1,420	555	989
Total Restricted Current Assets	**102,259**	**83,555**	**102,990**
Total Current Assets	**496,352**	**434,070**	**399,470**
Noncurrent Assets:			
Restricted Cash and Investments, at Fair Value	173,161	192,082	311,314
Other	88,821	58,611	55,843
Capital Assets, Net	1,808,555	1,772,634	1,685,159
Total Noncurrent Assets	**2,070,537**	**2,023,327**	**2,052,316**
Total Assets	**2,566,889**	**2,457,397**	**2,451,786**
Deferred Outflows of Resources	**82,809**	**53,344**	**51,123**
Total Assets and Deferred Outflows of Resources	**$ 2,649,698**	**$ 2,510,741**	**$ 2,502,909**
Liabilities and Net Position			
Current Liabilities:			
Current Liabilities Payable from Unrestricted Assets:			
Accounts, Wages and Benefits Payable	$ 30,836	$ 30,979	$ 24,631
Other	37,213	35,606	32,897
Total Current Liabilities Payable from Unrestricted Assets	**68,049**	**66,585**	**57,528**
Current Liabilities Payable from Restricted Assets:			
Wages and Benefits Payable and Retained Amounts	7,691	8,954	6,548
Infrastructure Funds Payable to Ohio Department of Transportation	86	316	9,227
Interest Payable	31,146	22,853	28,538
Bonds Payable	53,010	49,795	43,650
Total Current Liabilities Payable from Restricted Assets	**91,933**	**81,918**	**87,963**
Total Current Liabilities	**159,982**	**148,503**	**145,491**
Noncurrent Liabilities:			
Bonds Payable	2,177,010	2,223,335	2,249,379
Other	103,667	36,351	59,098
Total Noncurrent Liabilities	**2,280,677**	**2,259,686**	**2,308,477**
Total Liabilities	**2,440,659**	**2,408,189**	**2,453,968**
Deferred Inflows of Resources	**88,576**	**95,643**	**95,539**
Total Liabilities and Deferred Inflows of Resources	**2,529,235**	**2,503,832**	**2,549,507**
Net Position:			
Net Investment in Capital Assets	1,300,796	1,219,318	1,175,622
Restricted for Debt Service	213,197	216,996	216,577
Restricted - Other	765	11,573	–
Unrestricted	(1,394,295)	(1,440,978)	(1,438,797)
Total Net Position	**120,463**	**6,909**	**(46,598)**
Total Liabilities and Net Position	**$ 2,649,698**	**$ 2,510,741**	**$ 2,502,909**

12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
$ 206,481	$ 230,972	$ 258,048	$ 192,939	$ 168,882	$ 173,290	$ 174,408
27,359	26,071	25,698	24,603	24,995	24,986	23,002
233,840	**257,043**	**283,746**	**217,542**	**193,877**	**198,276**	**197,410**
79,696	82,101	111,454	69,299	83,820	85,380	75,205
501	1,892	1,955	453	551	2,366	1,349
80,197	**83,993**	**113,409**	**69,752**	**84,371**	**87,746**	**76,554**
314,037	**341,036**	**397,155**	**287,294**	**278,248**	**286,022**	**273,964**
360,806	515,041	607,592	177,255	284,135	564,336	870,981
702	386	468	204	178	143	-
1,609,227	1,580,165	1,511,324	1,479,446	1,461,604	1,407,745	1,371,393
1,970,735	**2,095,592**	**2,119,384**	**1,656,905**	**1,745,917**	**1,972,224**	**2,242,374**
2,284,772	**2,436,628**	**2,516,539**	**1,944,199**	**2,024,165**	**2,258,246**	**2,516,338**
62,327	**45,475**	**33,560**	**53,540**	**42,584**	**26,467**	**19,582**
$ 2,347,099	**$ 2,482,103**	**$ 2,550,099**	**$ 1,997,739**	**$ 2,066,749**	**$ 2,284,713**	**$ 2,535,920**
$ 17,249	$ 24,446	$ 19,336	$ 18,630	$ 17,410	$ 13,299	$ 14,187
28,030	27,563	28,189	24,588	22,439	18,551	16,657
45,279	**52,009**	**47,525**	**43,218**	**39,849**	**31,850**	**30,844**
5,323	5,294	4,122	3,021	4,377	3,305	1,603
10,482	12,961	8,721	8,354	22,195	25,934	18,239
26,711	29,710	30,974	22,201	23,821	24,389	24,971
36,370	32,045	65,700	34,775	32,520	30,995	29,445
78,886	**80,010**	**109,517**	**68,351**	**82,913**	**84,623**	**74,258**
124,165	**132,019**	**157,042**	**111,569**	**122,762**	**116,473**	**105,102**
2,095,340	2,075,200	2,092,120	1,574,659	1,588,489	1,603,914	1,618,950
126,529	158,169	107,080	98,430	74,632	54,113	6,776
2,221,869	**2,233,369**	**2,199,200**	**1,673,089**	**1,663,121**	**1,658,027**	**1,625,726**
2,346,034	**2,365,388**	**2,356,242**	**1,784,658**	**1,785,883**	**1,774,500**	**1,730,828**
26,579	**3,979**	**19,720**	**896**	**1,885**	**888**	**-**
2,372,613	**2,369,367**	**2,375,962**	**1,785,554**	**1,787,768**	**1,775,388**	**1,730,828**
1,151,209	1,093,955	974,534	981,297	930,174	844,818	778,519
204,888	198,554	210,083	172,358	170,287	169,117	167,668
–	–	–	–	–	–	–
(1,381,611)	(1,179,773)	(1,010,480)	(941,470)	(821,480)	(504,610)	(141,095)
(25,514)	**112,736**	**174,137**	**212,185**	**278,981**	**509,325**	**805,092**
$ 2,347,099	**$ 2,482,103**	**$ 2,550,099**	**$ 1,997,739**	**$ 2,066,749**	**$ 2,284,713**	**$ 2,535,920**

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

	2023	2022	2021
Operating Revenues:			
Tolls	$ 360,852 (1)	$ 351,472 (1)	$ 341,534 (1)
Concessions	14,871	14,660	13,884
Special Toll Permits	3,046	3,273	3,266
Leases and Licenses	1,582	1,333	1,365
Other Revenues	8,113	7,844	8,850
Total Operating Revenues	**388,464**	**378,582**	**368,899**
Operating Expenses:			
Administration and Insurance	17,297	13,419	8,695
Maintenance of Roadway and Structures	40,122	31,987	22,608
Services and Toll Operations	54,501	42,096	31,022
Traffic Control, Safety, Patrol and Communications	16,127	14,846	12,709
Depreciation	89,722	85,147	84,957
Total Operating Expenses	**217,769**	**187,495**	**159,991**
Operating Income	**170,695**	**191,087**	**208,908**
Nonoperating Revenues / (Expenses):			
State Fuel Tax Allocation	3,150	3,315	3,378
Investment Income / (Losses)	32,966	628	(42)
Interest Revenue - Leases	3,289	2,230	
(Loss) / Gain on Disposals / Write-Offs of Capital Assets	(212)	(6,700)	144
Coronavirus Relief Fund Revenue	–	-	1,200
Ohio Department of Transportation Infrastructure Project Expense	(5,278)	(42,207)	(135,607)
Interest Expense	(91,056)	(94,846)	(99,064)
Total Nonoperating Revenues / (Expenses)	**(57,141)**	**(137,580)**	**(229,991)**
Change in Net Position	**113,554**	**53,507**	**(21,083)**
Net Position -- Beginning of Year	**6,909**	**(46,598)**	**(25,515)**
Cumulative effect of change in accounting principle	–	–	–
Net Position -- Beginning of year, as Restated	**6,909**	**(46,598)**	**(25,515)**
Net Position -- End of Year	**$ 120,463**	**$ 6,909**	**$ (46,598)**

Notes: (1) Toll rate increase of 2.7% annually effective January 1, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023.

2020	2019	2018	2017	2016	2015	2014
$ 281,072 (1)	$ 307,608 (1)	$ 306,040 (1)	$ 295,799 (1)	$ 288,439 (1)	$ 280,187 (1)	$ 264,621 (1)
11,755	17,140	17,314	17,104	16,325	16,120	15,078
3,447	3,529	3,529	3,423	3,427	3,413	3,460
1,341	1,226	1,282	1,169	1,154	1,031	1,085
5,926	5,436	4,884	4,412	3,822	3,217	3,029
303,541	**334,939**	**333,049**	**321,907**	**313,167**	**303,968**	**287,273**
13,694	14,764	12,462	12,596	11,484	10,178	9,762
43,106	46,830	42,791	43,872	39,596	35,562	36,702
52,627	61,953	58,451	61,433	55,383	51,513	50,646
14,168	14,863	13,634	13,718	14,487	13,885	13,657
82,612	83,422	80,650	76,095	71,663	69,364	65,826
206,207	**221,832**	**207,988**	**207,714**	**192,613**	**180,502**	**176,593**
97,334	**113,107**	**125,061**	**114,193**	**120,554**	**123,466**	**110,680**
2,690	3,451	3,459	3,023	2,834	2,751	2,487
7,430	22,027	16,709	4,657	4,617	5,456	6,269
–	–	–	–	–	–	–
(355)	(1,038)	123	(3,413)	127	312	261
3,239	–	–	–	–	–	–
(152,192)	(99,570)	(48,074)	(106,408)	(279,368)	(306,265)	(190,810)
(96,397)	(99,162)	(97,675)	(78,848)	(79,108)	(80,579)	(81,130)
(235,585)	**(174,292)**	**(125,458)**	**(180,989)**	**(350,898)**	**(378,325)**	**(262,923)**
(138,251)	**(61,185)**	**(397)**	**(66,796)**	**(230,344)**	**(254,859)**	**(152,243)**
112,736	**174,137**	**212,185**	**278,981**	**509,325**	**805,092**	**957,335**
	(216)	(37,651)	–	–	(40,908)	–
112,736	**173,921**	**174,534**	**278,981**	**509,325**	**764,184**	**957,335**
$ (25,515)	**$ 112,736**	**$ 174,137**	**$ 212,185**	**$ 278,981**	**$ 509,325**	**$ 805,092**

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

Class		2023	2022	2021
Vehicle Classification by Axles and Height:				
1	Low 2-axle vehicles and all motorcycles	38,165	36,737	36,533
2	Low 3-axle vehicles and high 2-axle vehicles	1,482	1,482	1,577
3	Low 4-axle vehicles and high 3-axle vehicles	947	894	899
4	Low 5-axle vehicles and high 4-axle vehicles	644	582	581
5	Low 6-axle vehicles and high 5-axle vehicles	9,042	9,401	9,234
6	High 6-axle vehicles	297	310	347
7	All vehicles with 7 or more axles	146	162	177
Subtotal		50,723	49,568	49,348
Add Non-Revenue (1)		379	469	458
Total Vehicles		**51,102**	**50,037**	**49,806**

Percentage of Vehicles Using *E-ZPass*®:	2023	2022	2021
Passenger cars (Class 1)	65.1%	63.6%	60.9%
Commercial vehicles (Class 2-7)	89.3%	89.2%	88.1%
Total	71.1%	70.2%	68.0%

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

Notes : (1) Non-revenue vehicles represent traffic of officials, employees, agencies and representatives of the Commission while in the discharge of their official duties, police officers of the United States, of the State of Ohio and of its political subdivisions, and vehicles of contractors used in the maintenance of the Turnpike and its buildings.

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

Class		2023	2022	2021
Vehicle Classification by Axles and Height:				
1	Low 2-axle vehicles and all motorcycles	1,936,874	1,841,860	1,839,445
2	Low 3-axle vehicles and high 2-axle vehicles	92,118	93,010	97,661
3	Low 4-axle vehicles and high 3-axle vehicles	69,974	66,844	66,744
4	Low 5-axle vehicles and high 4-axle vehicles	52,330	45,353	43,703
5	Low 6-axle vehicles and high 5-axle vehicles	932,074	964,560	939,103
6	High 6-axle vehicles	27,154	28,711	31,316
7	All vehicles with 7 or more axles	21,146	23,456	24,855
Total Vehicle Miles Traveled		**3,131,670**	**3,063,794**	**3,042,827**

Percentage of Vehicle Miles Traveled using *E-ZPass*®:	2023	2022	2021
Passenger cars (Class 1)	64.5%	63.2%	60.9%
Commercial vehicles (Class 2-7)	89.6%	89.3%	88.0%
Total	74.1%	73.6%	71.6%

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

2020	2019	2018	2017	2016	2015	2014
29,937	40,684	42,322	43,598	43,472	42,110	40,345
1,337	1,427	1,458	1,417	1,379	1,328	1,251
735	781	796	769	734	713	663
482	522	534	512	499	473	451
8,409	8,545	8,722	8,442	8,358	8,335	8,120
338	312	294	291	273	257	258
183	179	183	184	182	178	180
41,421	52,450	54,309	55,213	54,897	53,394	51,268
375	484	419	416	443	386	367
41,796	**52,934**	**54,728**	**55,629**	**55,340**	**53,780**	**51,635**

2020	2019	2018	2017	2016	2015	2014
60.3%	57.9%	55.5%	52.8%	50.2%	47.6%	45.5%
88.6%	87.8%	85.9%	84.7%	83.6%	82.1%	80.0%
68.1%	64.6%	62.2%	59.5%	57.1%	54.9%	52.9%

2020	2019	2018	2017	2016	2015	2014
1,411,161	1,925,672	1,969,692	2,017,044	2,029,904	1,998,170	1,906,619
76,788	80,110	81,805	78,806	77,199	75,235	70,619
50,781	54,373	55,285	52,818	50,505	49,407	45,371
33,587	36,144	36,566	34,087	32,942	31,642	29,928
839,212	833,422	840,275	805,356	799,120	801,225	777,125
30,843	27,231	25,667	25,122	23,534	21,627	21,551
25,076	24,920	25,193	24,686	24,442	23,981	23,946
2,467,448	**2,981,872**	**3,034,483**	**3,037,919**	**3,037,646**	**3,001,287**	**2,875,159**

2020	2019	2018	2017	2016	2015	2014
59.9%	57.7%	55.5%	53.0%	50.4%	48.1%	46.2%
88.5%	87.9%	85.9%	84.6%	83.4%	81.8%	79.6%
72.2%	68.4%	66.2%	63.6%	61.4%	59.4%	57.4%

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

Class		**2023**	**2022**	**2021**
Vehicle Classification by Axles and Height:				
1	Low 2-axle vehicles and all motorcycles	$ 134,484	$ 125,540	$ 123,988
2	Low 3-axle vehicles and high 2-axle vehicles	11,312	11,103	11,421
3	Low 4-axle vehicles and high 3-axle vehicles	10,090	9,451	9,284
4	Low 5-axle vehicles and high 4-axle vehicles	8,953	7,583	7,157
5	Low 6-axle vehicles and high 5-axle vehicles	180,305	181,240	172,379
6	High 6-axle vehicles	7,421	7,654	8,114
7	All vehicles with 7 or more axles	8,287	8,901	9,191
Total Toll Revenue		**$ 360,852**	**$ 351,472**	**$ 341,534**

Percentage of Toll Revenue from *E-ZPass*®:	**2023**	**2022**	**2021**
Passenger cars (Class 1)	53.7%	53.1%	50.9%
Commercial vehicles (Class 2-7)	88.3%	88.2%	87.0%
Total	75.4%	75.7%	73.9%

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

Toll Rates Per Mile *Last Ten Fiscal Years*

Class		**2023**	**2022**	**2021**
Vehicle Classification by Axles and Height (Non *E-ZPass*®):				
1	Low 2-axle vehicles and all motorcycles	$ 0.09	$ 0.09	$ 0.08
2	Low 3-axle vehicles and high 2-axle vehicles	0.15	0.15	0.14
3	Low 4-axle vehicles and high 3-axle vehicles	0.18	0.17	0.17
4	Low 5-axle vehicles and high 4-axle vehicles	0.21	0.21	0.20
5	Low 6-axle vehicles and high 5-axle vehicles	0.24	0.23	0.23
6	High 6-axle vehicles	0.33	0.32	0.31
7	All vehicles with 7 or more axles	0.45	0.44	0.43
Vehicle Classification by Axles and Height (*E-ZPass*®):				
1	Low 2-axle vehicles and all motorcycles	$ 0.06	$ 0.06	$ 0.06
2	Low 3-axle vehicles and high 2-axle vehicles	0.11	0.11	0.10
3	Low 4-axle vehicles and high 3-axle vehicles	0.13	0.13	0.12
4	Low 5-axle vehicles and high 4-axle vehicles	0.16	0.16	0.15
5	Low 6-axle vehicles and high 5-axle vehicles	0.19	0.18	0.18
6	High 6-axle vehicles	0.27	0.26	0.26
7	All vehicles with 7 or more axles	0.39	0.38	0.37

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

2020	2019	2018	2017	2016	2015	2014
$ 93,272	$ 125,422	$ 126,365	$ 127,537	$ 126,063	$ 122,183	$ 114,871
8,719	8,825	8,848	8,367	8,029	7,682	7,065
6,887	7,178	7,190	6,724	6,312	6,025	5,432
5,356	5,654	5,612	5,126	4,865	4,561	4,213
150,049	145,088	143,277	133,982	129,926	127,382	121,024
7,759	6,706	6,146	5,859	5,333	4,795	4,661
9,030	8,735	8,602	8,204	7,911	7,559	7,355
$ 281,072	**$ 307,608**	**$ 306,040**	**$ 295,799**	**$ 288,439**	**$ 280,187**	**$ 264,621**

2020	2019	2018	2017	2016	2015	2014
50.2%	47.8%	45.8%	43.2%	40.8%	38.7%	36.9%
87.5%	86.7%	84.4%	83.0%	81.7%	79.8%	77.3%
75.1%	70.9%	68.5%	65.9%	63.8%	61.9%	59.8%

2020	2019	2018	2017	2016	2015	2014
$ 0.08	$ 0.08	$ 0.08	$ 0.08	$ 0.07	$ 0.07	$ 0.07
0.14	0.14	0.13	0.13	0.13	0.12	0.12
0.16	0.16	0.16	0.15	0.15	0.14	0.14
0.19	0.19	0.18	0.18	0.18	0.17	0.17
0.22	0.21	0.21	0.20	0.20	0.19	0.19
0.31	0.30	0.29	0.28	0.27	0.27	0.26
0.41	0.41	0.39	0.39	0.37	0.36	0.36
$ 0.06	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05
0.10	0.10	0.09	0.09	0.09	0.09	0.09
0.12	0.12	0.11	0.11	0.11	0.11	0.10
0.15	0.15	0.14	0.14	0.13	0.13	0.13
0.18	0.17	0.17	0.16	0.16	0.15	0.15
0.25	0.24	0.24	0.23	0.22	0.21	0.21
0.36	0.35	0.34	0.33	0.32	0.31	0.31

Comparative Traffic Statistics *Last Ten Fiscal Years*

	2023	2022	2021
Number of Vehicles *(In Thousands):*			
Passenger Cars	38,165	36,737	36,533
Commercial Vehicles	12,558	12,831	12,815
Total	**50,723**	**49,568**	**49,348**
Percentage of Vehicles:			
Passenger Cars	75.2%	74.1%	74.0%
Commercial Vehicles	24.8%	25.9%	26.0%
Number of Miles *(In Thousands):*			
Passenger Cars	1,936,874	1,841,860	1,839,445
Commercial Vehicles	1,194,796	1,221,934	1,203,382
Total	**3,131,670**	**3,063,794**	**3,042,827**
Percentage of Miles:			
Passenger Cars	61.8%	60.1%	60.5%
Commercial Vehicles	38.2%	39.9%	39.5%
Toll Revenue *(In Thousands):*			
Passenger Cars	$ 134,484	$ 125,540	$ 123,988
Commercial Vehicles	226,368	225,932	217,546
Total	**$ 360,852**	**$ 351,472**	**$ 341,534**
Percentage of Toll Revenue:			
Passenger Cars	37.3%	35.7%	36.3%
Commercial Vehicles	62.7%	64.3%	63.7%
Average Miles per Trip:			
Passenger Cars	50.8	50.1	50.4
Commercial Vehicles	95.1	95.2	93.9
Average Toll Revenue per Trip:			
Passenger Cars	$ 3.52	$ 3.42	$ 3.39
Commercial Vehicles	18.03	17.61	16.98
Average Toll Revenue per Mile:			
Passenger Cars	$ 0.07	$ 0.07	$ 0.07
Commercial Vehicles	0.19	0.18	0.18

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

2020	2019	2018	2017	2016	2015	2014
29,937	40,684	42,322	43,598	43,472	42,110	40,344
11,484	11,766	11,987	11,615	11,425	11,284	10,923
41,421	**52,450**	**54,309**	**55,213**	**54,897**	**53,394**	**51,267**
72.3%	77.6%	77.9%	79.0%	79.2%	78.9%	78.7%
27.7%	22.4%	22.1%	21.0%	20.8%	21.1%	21.3%
1,411,161	1,925,672	1,969,692	2,017,044	2,029,904	1,998,170	1,906,619
1,056,287	1,056,200	1,064,791	1,020,875	1,007,742	1,003,117	968,540
2,467,448	**2,981,872**	**3,034,483**	**3,037,919**	**3,037,646**	**3,001,287**	**2,875,159**
57.2%	64.6%	64.9%	66.4%	66.8%	66.6%	66.3%
42.8%	35.4%	35.1%	33.6%	33.2%	33.4%	33.7%
$ 93,271	$ 125,422	$ 126,365	$ 127,537	$ 126,063	$ 122,183	$ 114,871
187,801	182,186	179,675	168,262	162,376	158,004	149,750
$ 281,072	**$ 307,608**	**$ 306,040**	**$ 295,799**	**$ 288,439**	**$ 280,187**	**$ 264,621**
33.2%	40.8%	41.3%	43.1%	43.7%	43.6%	43.4%
66.8%	59.2%	58.7%	56.9%	56.3%	56.4%	56.6%
47.1	47.3	46.5	46.3	46.7	47.5	47.3
92.0	89.8	88.8	87.9	88.2	88.9	88.7
$ 3.12	$ 3.08	$ 2.99	$ 2.93	$ 2.90	$ 2.90	$ 2.85
16.35	15.48	14.99	14.49	14.21	14.00	13.71
$ 0.07	$ 0.07	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.06
0.18	0.17	0.17	0.16	0.16	0.16	0.15

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

Milepost / Name		2023	2022	2021
2	Westgate	8,321	8,196	7,999
13	Bryan-Montpelier	611	588	699
25	Archbold-Fayette	351	340	365
34	Wauseon	611	623	629
39	Delta-Lyons	680	672	747
52	Toledo Airport-Swanton	1,244	1,182	1,201
59	Maumee-Toledo	3,102	3,016	3,174
64	Perrysburg-Toledo	5,596	5,307	5,299
71	Stony Ridge-Toledo	6,617	6,548	6,544
81	Elmore-Woodville-Gibsonburg	483	511	545
91	Fremont-Port Clinton	1,468	1,430	1,501
110	Sandusky-Bellevue	1,480	1,463	1,548
118	Sandusky-Norwalk	1,391	1,368	1,351
135	Vermilion	828	921	922
140	Amherst-Oberlin	1,628	1,582	1,521
142	Lorain County West	2,654	2,636	2,795
145	Lorain-Elyria	5,962	5,879	5,843
151	North Ridgeville-Cleveland	6,041	6,085	5,829
152	North Olmsted-Cleveland	2,866	2,668	2,665
161	Strongsville-Cleveland	6,566	6,290	6,112
173	Cleveland	5,634	5,580	5,790
180	Akron	5,743	5,520	5,069
187	Streetsboro	6,217	6,069	6,032
193	Ravenna	1,691	1,701	1,681
209	Warren	1,839	1,780	1,835
215	Lordstown West	575	574	558
216	Lordstown East	485	459	415
218	Niles-Youngstown	8,194	8,040	8,068
232	Youngstown	1,933	1,844	1,811
234	Youngstown-Poland	1,333	1,258	1,286
239	Eastgate	9,302	9,006	8,863

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

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

2020	2019	2018	2017	2016	2015	2014
6,760	7,570	7,801	7,707	7,772	7,769	7,473
534	635	695	713	717	697	616
299	408	404	415	400	375	356
551	669	738	761	752	732	684
596	651	648	631	651	590	525
1,071	1,346	1,385	1,375	1,403	1,342	1,235
2,675	3,400	3,416	3,517	3,892	3,643	3,386
4,365	5,929	6,134	5,945	5,703	5,574	5,185
5,303	6,067	6,588	6,498	6,706	6,582	6,376
487	639	624	626	606	578	531
1,254	1,608	1,724	1,694	1,745	1,773	1,744
1,133	1,638	1,666	1,637	1,618	1,638	1,581
999	1,411	1,428	1,495	1,675	1,601	1,575
744	883	870	748	936	888	705
1,291	1,652	1,657	1,623	1,712	1,585	1,344
2,340	3,128	3,072	3,000	3,165	2,969	2,769
5,065	6,158	6,315	6,402	5,758	5,727	6,187
4,746	6,037	5,986	5,981	5,746	5,778	5,743
2,282	2,399	2,876	3,065	2,977	2,956	2,747
5,177	7,188	7,580	7,645	7,434	7,107	6,877
4,902	6,649	6,530	7,548	7,515	7,347	7,002
4,237	6,445	7,269	7,495	7,184	6,802	6,198
5,307	6,794	6,958	7,146	7,245	7,053	6,760
1,482	1,899	1,926	2,167	2,020	1,793	1,644
1,572	1,924	1,993	2,079	2,012	2,017	1,863
427	475	539	580	584	613	581
268	289	392	420	322	284	450
6,837	8,227	8,414	8,654	8,682	8,460	8,201
1,633	2,042	2,120	2,031	2,047	1,960	1,946
1,161	1,399	1,441	1,460	1,499	1,415	1,379
7,345	9,343	9,427	9,368	9,317	9,140	8,873

Debt Ratios and Revenue Bond Coverage *Last Ten Fiscal Years*

(Dollars in Thousands Except Per Capita Amounts)

	2023	2022	2021
Debt Ratios:			
Revenue Bonds Payable	**$ 2,230,020**	**$ 2,273,130**	**$ 2,293,029**
Revenue Bonds Payable as a % of Personal Income	**0.31%**	**0.33%**	**0.34%**
Revenue Bonds Payable Per Capita	**$ 189**	**$ 193**	**$ 195**
Revenue Bond Coverage:			
Pledged Revenues	**$ 405,985** (1)	**$ 384,735** (1)	**$ 368,553** (1)
Expenses Paid from Pledged Revenues: (2)			
Administration and Insurance	17,391	16,742	14,486
Maintenance of Roadway and Structures	40,386	42,471	42,227
Services and Toll Operations	54,782	52,865	52,114
Traffic Control, Safety, Patrol and Communications	16,143	15,456	13,959
Total Expenses Paid from Pledged Revenues	**128,702**	**127,534**	**122,786**
Deposit to Reserve Account	**508**	**337**	**(45)**
Net Revenues Available for Debt Service	**$ 276,775**	**$ 256,864**	**$ 245,812**
Sr Lien Debt Service Requirements:			
Principal	$ 43,620	$ 41,545	$ 40,351
Interest	22,780	24,896	25,014
Less Interest Earned	(2,167)	(1,083)	(402)
Total Sr Lien Debt Service Requirements	**$ 64,233**	**$ 65,358**	**$ 64,963**
Sr Lien Debt Coverage (see Note 6 to the financial statements)	**431%**	**393%**	**378%**
Jr Lien Debt Service Requirements:			
Principal	$ 6,175	$ 2,105	$ 2,086
Interest	50,472	50,232	50,256
Less Interest Earned	(7,095)	(916)	(458)
Less Interest on Infrastructure Funds	(492)	(148)	(652)
Total Jr Lien Debt Service Requirements	**$ 49,060**	**$ 51,273**	**$ 51,232**
Composite Debt Service Requirements	**$ 113,293**	**$ 116,631**	**$ 116,195**
Composite Debt Coverage (see Note 6 to the financial statements)	**244%**	**220%**	**212%**

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

Notes: (1) Gross Revenues per the Amended and Restated Master Trust Agreement dated April 8, 2013, as amended in 2013 - consisting of tolls, special toll permits, certain realized investment earnings, appropriations from the Ohio Department of Transportation, leases, licenses, royalties, advertising, miscellaneous sales, fees, charges and certain concession revenues.

(2) Operating expenses exclude non-cash GASB 68 pension expense and GASB 75 OPEB expense.

Debt Ratios and Revenue Bond Coverage *Last Ten Fiscal Years*

(Dollars in Thousands Except Per Capita Amounts)

	2023	2022	2021
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(2) Operating expenses exclude non-cash GASB 68 pension expense and GASB 75 OPEB expense.

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

	2023		
Customers	**Tolls Paid**	**Rank**	**% of Total Tolls Paid**
PI & I Motor Express	$ 226,093	1	0.06%
Van Buren Costo	194,058	2	0.05%
R-K-Campf Transport	182,088	3	0.05%
Predator Trucking Co.	157,860	4	0.04%
Innovative Toll	126,962	5	0.04%
Enviroserve Inc.	109,779	6	0.03%
PBC	108,660	7	0.03%
Yevtukh Brothers, Inc.	102,665	8	0.03%
Elyria Concrete	92,639	9	0.03%
Secor Logistics, LLC	83,911	10	0.02%
Totals	**$ 1,384,713**		**0.38%**

	2014		
Customers	**Tolls Paid**	**Rank**	**% of Total Tolls Paid**
PI & I Motor Express	$ –	–	–
Van Buren Costo	–	–	–
R-K-Campf Transport	61,352	9	0.02%
Predator Trucking Co.	–	–	–
Innovative Toll	–	–	–
Enviroserve Inc.	–	–	–
PBC	–	–	–
Yevtukh Brothers, Inc.	100,347	2	0.04%
Elyria Concrete	–	–	–
Secor Logistics, LLC	–	–	–
Comtrack Logistics, Inc.	105,925	1	0.04%
Berner Trucking, Inc.	97,159	3	0.04%
Talon Logistics, Inc.	94,878	4	0.04%
HOC Transport	93,291	5	0.04%
J.W. Hunt OTC, Inc.	93,226	6	0.04%
Red Cap Transportation, Inc.	91,807	7	0.03%
Proline Express, Inc.	72,939	8	0.03%
Thomas Flatbed, Inc.	60,882	10	0.02%
Totals	**$ 871,806**		**0.33%**

Principal Ohio Employers *Current Year and Nine Years Ago*

	2023*		
Employer	**Employees**	**Rank**	**% of Total Ohio Employees**
State of Ohio	173,900	1	2.38%
United States Government	84,100	2	1.15%
		3	
		4	
		5	
		6	
		7	
		8	
		9	
		10	
Totals	**258,000**		**3.53%**

	2014		
Employer	**Employees**	**Rank**	**% of Total Ohio Employees**
State of Ohio	127,027	1	1.88%
United States Government	76,488	2	1.13%
Cleveland Clinic Health Systems	41,400	4	0.61%
Wal-Mart Stores	46,975	3	0.69%
Amazon.com, Inc.	–	–	–
Kroger Company	40,250	5	0.59%
Ohio State University	–	–	–
Wright-Patterson Air Force Base	–	–	–
University Hospitals Health Sys.	25,000	7	0.37%
Mercy Health	31,200	6	0.46%
JP Morgan Chase (Bank One)	21,000	8	0.31%
Giant Eagle, Inc.	20,000	9	0.30%
Ohio Health	19,650	10	0.29%
	448,990		**6.62%**

*2023 data not available as of report date.

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

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

	2023	2022	2021
Ohio Turnpike and Infrastructure Commission Employees:			
Full-Time:			
Toll Collectors	118	128	135
Maintenance Workers	222	217	216
Toll and Service Plaza Supervisors	84	82	87
Professional and Clerical Staff	123	112	108
Maintenance Supervisors	42	43	42
Executive and Managerial Staff	19	19	21
Administrative Supervisors	19	17	13
Total Full-Time	**627**	**618**	**622**
Part-Time:			
Toll Collectors	151	150	140
Other	34	35	27
Total Part-Time	**185**	**185**	**167**
Total Ohio Turnpike and Infrastructure Commission Employees	**812**	**803**	**789**
State of Ohio Statistics:			
Population (In Thousands)	11,786	11,760	11,765
Personal Income (In Millions)	$ 711,895	$ 679,233	$ 670,873
Per Capita Personal Income	$ 60,402	$ 57,759	$ 57,022
Unemployment Rate	3.7%	4.2%	4.5%

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

2020	2019	2018	2017	2016	2015	2014
149	174	185	203	207	205	202
224	242	240	240	250	243	229
86	90	93	103	109	108	107
107	104	99	100	103	102	96
38	42	43	45	45	44	45
21	22	21	20	20	20	20
13	14	14	14	14	14	15
638	**688**	**695**	**725**	**748**	**736**	**714**
147	183	193	191	195	192	191
29	32	30	30	28	27	24
176	**215**	**223**	**221**	**223**	**219**	**215**
814	**903**	**918**	**946**	**971**	**955**	**929**
11,798	11,789	11,763	11,738	11,702	11,674	11,648
$ 623,836	$ 582,400	$ 562,523	$ 541,289	$ 521,623	$ 511,340	$ 492,476
$ 52,875	$ 49,404	$ 47,822	$ 46,116	$ 44,576	$ 43,801	$ 42,278
5.5%	4.2%	4.6%	4.7%	4.9%	4.8%	5.1%

Traffic Accident Statistics *Last Ten Fiscal Years*

	2023	2022	2021
All Accidents:			
Number	2,106	2,459	2,390
Rate	66.2	82.1	77.9
Property Damage (Over $150) Accidents:			
Number	1,690	1,986	1,916
Rate	53.1	66.3	62.5
Non-Fatal Personal Injury Accidents:			
Number	407	462	465
Rate	12.8	15.4	15.2
Number Injured	595	749	632
Injury Rate	19.0	24.4	20.8
Fatal Accidents:			
Number	9	11	9
Rate	.3	.4	.3
Fatalities	11	15	11
Fatality Rate	.3	.5	.4

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

2020	2019	2018	2017	2016	2015	2014
1,912	2,235	2,393	2,238	2,367	2,459	2,642
77.5	75.0	78.9	73.7	77.9	81.9	88.0
1,585	1,835	1,932	1,824	1,918	2,043	2,166
64.2	61.5	63.7	60.0	63.1	68.1	72.2
317	390	452	409	438	405	467
12.8	13.1	14.9	13.5	14.4	13.5	15.6
444	558	636	592	704	595	687
18.0	18.7	21.0	19.5	23.2	19.8	22.9
10	10	9	5	11	11	9
.4	.3	.3	.2	.4	.4	.3
12	14	10	6	12	11	9
.5	.5	.3	.2	.4	.4	.3

Capital Asset Statistics *Last Ten Fiscal Years*

	2023	2022	2021
Land and Roadway:			
Land Area (Acres)	10,188	10,188	10,186
Length of Roadway (Miles)	241	241	241
Number of Lane Miles	1,395	1,395	1,395
Interchanges:			
Toll	29	29	29
Barrier	2	2	2
Total Interchanges	31	31	31
Service Plazas	14	14	14
Other Buildings:			
Maintenance	8	8	8
Administration	1	1	1
Telecommunications	1	1	1
Highway Patrol	1	1	1
Structures over or under the Turnpike:			
Roadways and Interchange Ramps	327	329	328
Railroads	34	36	39
Rivers and Streams	62	63	62

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

2020	2019	2018	2017	2016	2015	2014
10,170	10,060	10,057	10,057	10,057	10,057	10,057
241	241	241	241	241	241	241
1,395	1,395	1,395	1,395	1,395	1,395	1,395
29	29	29	29	29	29	29
2	2	2	2	2	2	2
31	31	31	31	31	31	31
14	14	14	14	14	14	14
8	8	8	8	8	8	8
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
328	329	331	331	331	331	336
39	42	43	43	43	43	45
62	62	66	66	66	66	66

NOTES:

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

Independent Auditor's Report

To Management and the Commission Members
Ohio Turnpike and Infrastructure Commission

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Ohio Turnpike and Infrastructure Commission (the "Commission"), a component unit of the State of Ohio, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated April 26, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

To Management and the Commission Members
Ohio Turnpike and Infrastructure Commission

Purpose of this Report

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

Plante & Moran, PLLC

April 26, 2024

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OHIO AUDITOR OF STATE
KEITH FABER

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 5/23/2024

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