



## **SPECIAL PROJECTS SYSTEM**



### **2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Special Projects System  
An Enterprise Fund of the  
North Texas Tollway Authority  
***Fiscal Year Ended August 31, 2012***



**SPECIAL PROJECTS SYSTEM  
An Enterprise Fund of the  
NORTH TEXAS TOLLWAY AUTHORITY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended August 31, 2012**

**Gerald Carrigan  
Executive Director**

**Janice D. Davis  
Chief Financial Officer**

**SPECIAL PROJECTS SYSTEM  
OF THE  
NORTH TEXAS TOLLWAY AUTHORITY**

**Comprehensive Annual Financial Report  
For the Year Ended August 31, 2012**

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# INTRODUCTORY SECTION



January 11, 2013

Chairman Kenneth Barr,  
And the Board of Directors  
North Texas Tollway Authority

The Trust Agreement dated April 1, 2011, between the North Texas Tollway Authority (the Authority or NTTA) and Wells Fargo Bank, National Association (the Trustee), requires the Authority to provide audited annual financial statements of the Special Projects System (the SPS), an enterprise fund of the Authority. In accordance with this requirement, the Finance Department of the Authority is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ended August 31, 2012 in compliance with Section 712 of the Trust Agreement. The CAFR is intended to provide detailed information on the System's financial condition at August 31, 2012.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Crowe Horwath LLP, Certified Public Accountants, has issued an unqualified opinion on the Special Projects System's financial statements for the year ended August 31, 2012. This independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The Turnpike Act of 1953 was passed by the legislature and signed into law by Governor Allan Shivers on June 9, 1953 creating the Texas Turnpike Authority for the purpose of building and managing an expressway between Dallas and Fort Worth. After the initial design was completed in December 1954, \$58,000,000 of bonds were sold to construct the expressway called the Dallas-Fort Worth Turnpike. The turnpike was dedicated on September 5, 1957 and by November 8, 1957 had already served one million patrons.

In 1962, the Dallas Central Business District Association petitioned the Turnpike Authority to investigate the feasibility of a turnpike linking the central business district with north central Dallas. In June 1965 bonds were sold and the Dallas North Tollway was in business. The first segment of the tollway from downtown to Mockingbird Lane opened to traffic on February 11, 1968 and the final segment, to US 380 was opened to traffic on September 28, 2007.

Senate Bill 194 mandated cessation of tolls on the Dallas-Fort Worth Turnpike no later than December 31, 1977 and created a Trust Fund known as the Feasibility Study Trust Fund.

In 1997, the Texas Legislature created regional tollway authorities and the current North Texas Tollway Authority was born.

Senate Bill 792, passed in 2007 had a dramatic effect on the Authority by giving it the right of first refusal on any proposed toll road project in the North Texas area.

The operations of the SPS are accounted for as an enterprise fund in accordance with United States generally accepted accounting principles (GAAP). Management takes responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. Management confirms that the financial statements are presented fairly and in all material respects, represent the

financial position of the NTTA as of August 31, 2012. Please refer to the Management's Discussion and Analysis (MD&A) on pages 7-14 of this report for a detailed discussion of the System's financial performance.

### **Economic Development**

The Dallas-Fort Worth area ranks among the top 3 U.S. metropolitan areas for business expansions, relocations and employment growth. The area remains a bright spot in the state for businesses, with exports from the region exceeding \$25 million, more than 40,000 newcomers arriving last year and strong employment numbers. *Forbes Magazine* cited the region for a lower than average cost of living, ranking it among the top five U.S. metropolitan areas where a paycheck stretches the furthest. The Brookings Institute ranked the region 18<sup>th</sup> in the country for economic recovery. The Fortune 500 list shows 18 firms headquartered in our region.

### **Relevant Financial Policies**

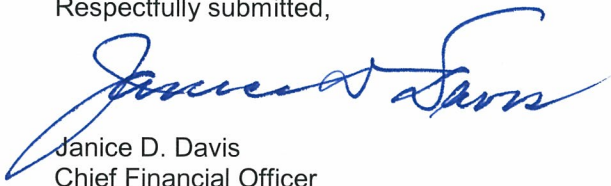
The SPS does not have any employees. The Authority employees perform the work of the SPS. Additionally, the Authority provides all accounting, debt financing and administrative services.

Section 705 of the Trust Agreement mandates the Authority will maintain cash flows for each Fiscal Year commencing with the Fiscal Year ending August 31, 2014 in an amount not less than 1.00 times the Debt Service Requirements on all Outstanding First and Second Tier Obligations.

### **Acknowledgments**

We wish to thank all members of the Finance Department and all NTTA staff for their contributions to the production of the report. We are thankful for our Board of Director's support, direction, and for guiding the NTTA into a position to greatly benefit the region.

Respectfully submitted,



Janice D. Davis  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Special Projects System, An  
Enterprise Fund of the North Texas  
Tollway Authority

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
August 31, 2011

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



*Christopher P. Moirrell*

President

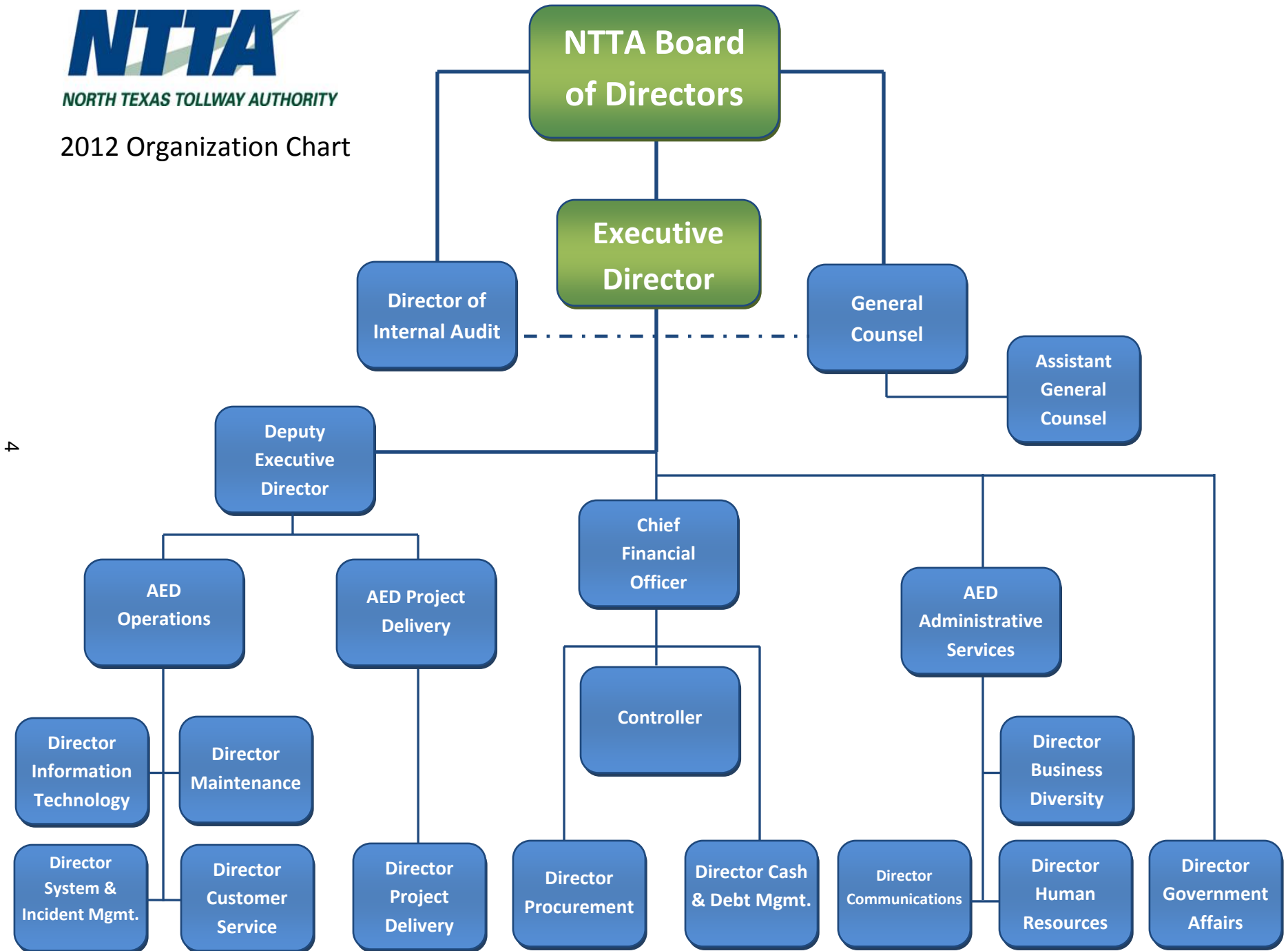
*Jeffrey R. Emer*

Executive Director



NORTH TEXAS TOLLWAY AUTHORITY

### 2012 Organization Chart





North Texas Tollway Authority  
List of Officials  
August 31, 2012

Board of Directors

**Kenneth Barr**  
**Bill Moore**  
**Matrice Ellis-Kirk**  
**David R. Denison**  
**Michael R. Nowels**  
**George "Tex" Quesada**  
**William "Bill" Elliott**  
**Victor Vandergriff**  
**Jane Willard**

**Chair**  
**Vice-Chair**  
**Director**  
**Director**  
**Director**  
**Director**  
**Director**  
**Director**

Officials

Gerald Carrigan  
John D. Carreker III  
Magdalena Kovats  
Thomas Bamonte

Janice D. Davis  
E. Ray Zies  
Dana Gibson-Boone  
Felix Alvarez  
Elizabeth Mow

Clayton Howe

Kim Tolbert

Nina Arias  
Kiven Williams  
Anthony Coleman  
Kim Jackson  
Marty Lege

Dave Pounds  
Carrie Rogers  
Eric Hemphill  
Vacant

Executive Director  
Deputy Executive Director  
Director, Internal Audit  
Assistant Executive Director  
General Counsel  
Chief Financial Officer  
Controller  
Director, Cash and Debt Management  
Director, Procurement Services  
Assistant Executive Director  
Project Delivery  
Assistant Executive Director  
Operations  
Assistant Executive Director  
Administration  
Director, Human Resources  
Director, Customer Service  
Director, Business Diversity  
Director, Communications  
Director, Systems and Incident  
Management  
Director, Information Technology  
Director, Government Affairs  
Director, Maintenance  
Director, Project Delivery



**FINANCIAL  
SECTION**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
North Texas Tollway Authority

We have audited the accompanying financial statements of the Special Projects System (the SPS), an enterprise fund of the North Texas Tollway Authority (the Authority), as of and for the year ended August 31, 2012, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

As discussed in note 1(a), the financial statements present only the SPS, an enterprise fund of the Authority and do not purport to, and do not, present fairly the financial position of the Authority as of August 31, 2012, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the Special Projects System, an enterprise fund of the Authority, as of August 31, 2012, and the changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Modified Approach – Infrastructure Assets on pages 9 and 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriated operational, economic or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The items listed in the introductory section, and the supplementary schedules 1 through 7, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has not been subjected to the audit procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

*Crowe Horwath LLP*

Crowe Horwath LLP

Irving, Texas  
January 11, 2013

**SPECIAL PROJECTS SYSTEM  
AN ENTERPRISE FUND OF THE  
NORTH TEXAS TOLLWAY AUTHORITY**

Management's Discussion and Analysis  
August 31, 2012

As Management of the North Texas Tollway Authority (Authority), we offer readers of the Special Projects System (SPS), an enterprise fund of the Authority, financial statements this narrative overview and analysis of the financial activities of the SPS for the year ended August 31, 2012. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read it in conjunction with the financial statements, which immediately follow this section.

In April 2011, the Authority created a separate system of toll roads known as the Special Projects System. The SPS currently consists of the President George Bush Turnpike – Western Extension (PGBT-WE). PGBT-WE, also known as State Highway 161, is an 11.5 mile link between I-20 and State Highway 183. PGBT-WE is being constructed in conjunction with the Texas Department of Transportation (TxDOT). Sections of PGBT-WE, constructed by TxDOT, opened to traffic in August 2009. The SPS will also include the Chisholm Trail Parkway (CTP), when it opens to traffic in mid-2014; the planned CTP is approximately 27 miles in length and runs from Fort Worth's Central Business District to Cleburne, in Johnson County.

The SPS is not part of the North Texas Tollway Authority System (NTTA System), a separate enterprise fund of the Authority. Separate financial statements are issued for the NTTA System. Bonds issued by the SPS are secured and paid from revenues of the SPS and not from revenues of the NTTA System.

In April 2011, the Authority entered into agreements with TxDOT and the United States Department of Transportation (USDOT) related to the SPS, these transactions are recorded in the accompanying financial statements of the SPS.

The Authority has entered into the Secured Loan Agreement (TIFIA Loan Agreement), dated April 1, 2011 between the Authority and the USDOT to obtain a loan in the approximate amount of \$418.4 million under the Transportation Infrastructure Finance and Innovation Act (TIFIA) to refund the Taxable Bond Anticipation Notes, Series 2011, issued by the Authority in conjunction with the construction of PGBT-WE.

The Authority entered into the Toll Equity Loan Agreement (TELA) with TxDOT in conjunction with the issuance of the Series 2011A-C Bonds. Pursuant to the TELA, TxDOT has agreed to make a toll equity loan available to the Authority in an aggregate amount of \$6.02 billion any time revenues of the SPS are not sufficient to pay expenses and debt service related to PGBT-WE.

The Authority made an upfront payment of \$469,074,676 in exchange for TxDOT turning over the Sections of PGBT-WE that had been constructed.

As part of the TELA, the SPS operates on the State of Texas fiscal year which runs from September 1<sup>st</sup> through August 31<sup>st</sup>.

## **Using This Annual Report**

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the SPS financial statements, notes to the financial statements, and required supplementary information. The financial statements of the SPS report information using accounting methods consistent with reporting for an enterprise activity similar to those used by private sector companies.

**Statement of Net Assets:** This statement presents information on all of the SPS's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets are useful indicators of whether the SPS's financial position is improving or deteriorating.

**SPECIAL PROJECTS SYSTEM  
AN ENTERPRISE FUND OF THE  
NORTH TEXAS TOLLWAY AUTHORITY**

Management's Discussion and Analysis  
August 31, 2012

**Statement of Revenues, Expenses and Changes in Net Assets:** This statement presents information showing the SPS's revenues, expenses, and how the net assets changed during the year.

**Statement of Cash Flows:** This statement presents information about the SPS's cash receipts and cash payments, or, in other words, the sources and uses of the SPS's cash and the change in cash balance during the fiscal year.

**Notes to the Financial Statements:** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Other:** Certain required supplementary information is presented to disclose trend data on the SPS's infrastructure condition. Additionally, certain financial schedules are presented for continuing disclosure.

## **Financial Results and Analysis**

### **2012 Highlights**

- Net Assets for FY 2012 was \$542,675,413, an increase of \$467,412,062 from FY 2011. This increase is mainly due to an equity contribution of \$388,768,077 from the NTTA system for ongoing construction of PGBT-WE and the issuance of debt and beginning of construction of the CTP.
- The NTTA System issued Series 2011D Bonds as Tax Exempt Current Interest Bonds in the amount of \$566,870,000. The Bonds were issued for the purpose of providing funds to finance a portion of the costs of the construction and development of a 27.6 mile toll way between IH30 near the Central Business District in the City of Fort Worth and US 67 in Cleburne designated as the CTP.
- The NTTA System issued Series 2011E Bonds as Taxable Current Interest Bonds in the amount of \$73,665,000. The Bonds were issued for the purpose of providing funds to finance a portion of the costs of the construction and development of a 27.6 mile toll way between IH30 near the Central Business District in the City of Fort Worth and US 67 in Cleburne designated as the CTP.
- Toll revenues for 2012 were \$6,466,245 (net of bad debt expense of \$1,550,250), which were lower than 2011 revenues of \$10,488,973. For 2011, Management assumed that 100% of invoices issued were collected and paid, since this was the first year of operation for the SPS. For 2012, separate detailed reports were available so that Management could accurately identify any adjustments to SPS invoices issued that, such as unassignments (incorrect addresses returns) and excusals (ZipCash invoices issued that were later determined to belong to a TollTag customer) which result in a reduction of revenue. In addition, there was no Allowance for Doubtful Accounts calculated for the SPS for 2011.
- Total transactions for FY 2012 were 12,642,870, an increase of 1,233,069 from FY 2011, of which 12,602,102 were revenue transactions (Ex: tolltag customers, etc) and 40,768 were nonrevenue transactions (Ex: emergency vehicles).
- The Administration and Operations operating expenses for FY 2012 were \$5,533,461. Departmental operating expenses for 2012 were under budget by 19.8% and increased from FY 2011 by \$756,611.

**SPECIAL PROJECTS SYSTEM  
AN ENTERPRISE FUND OF THE  
NORTH TEXAS TOLLWAY AUTHORITY**  
Management's Discussion and Analysis  
August 31, 2012

**Summary of Operations**

**Table A-1**

Net Assets (in millions of dollars)

	2012	2011
Current Assets	\$ 59.8	\$ 5.2
Current Restricted Assets	686.6	338.7
Noncurrent Assets		
Restricted Investments	281.1	104.2
Other Assets	14.5	9.7
Capital Assets	1,411.1	762.7
Total Assets	2,453.1	1,220.5
Current Liabilities	6.3	24.9
Liabilities Payable from Restricted Assets	105.2	23.5
Long-Term debt	1,798.9	1,096.8
Total Liabilities	1,910.4	1,145.2
Net Assets:		
Invested in Capital Assets, net of related debt	283.8	20.7
Restricted for Construction	57.5	-
Restricted for Debt Service	132.7	-
Unrestricted	68.7	54.6
Net Assets:	\$ 542.7	\$ 75.3

The SPS's net assets indicates an unrestricted current ratio of 9.62 for FY 2012 and 0.21 for FY 2011. Working capital was \$54.3 million in FY 2012 and \$(19.7) million in FY 2011. Total unrestricted current assets were \$59.8 million in FY 2012 and \$5.2 million in FY 2011. Total unrestricted and restricted current assets were \$746.4 million at the end of FY 2012 and \$343.9 million in FY 2011. Investments, which represents the largest component of current assets, were \$706.4 million for FY 2012 and \$341.0 million for FY 2011. The remaining \$40.0 million is comprised of accrued interest receivable of \$1.6 million, interproject/agency receivables of \$37.8 million and \$.6 million of accounts receivable (net of allowance for doubtful accounts of \$1.5 million) (See Note 9).

Total unrestricted current liabilities were \$6.3 million for FY 2012 and \$24.9 million for FY 2011.



**SPECIAL PROJECTS SYSTEM  
AN ENTERPRISE FUND OF THE  
NORTH TEXAS TOLLWAY AUTHORITY**  
Management's Discussion and Analysis  
August 31, 2012

**Table A-2**

Changes in Net Assets  
(in millions of dollars)

REVENUES	2012	2011
Tolls (net of bad debt expense of \$1.5)	\$ 6.5	\$ 10.5
Other Revenues	1.2	1.2
Operating Revenues	<u>7.7</u>	<u>11.7</u>
Operating Expenses	5.6	4.8
Operating Income	<u>2.1</u>	<u>6.9</u>
Net Nonoperating Revenue (Expenses):		
Interest Income	2.1	-
Interest Expense	(1.3)	(4.3)
Other	4.8	(1.2)
Net Nonoperating Revenue (Expenses):	<u>5.6</u>	<u>(5.5)</u>
Capital Contributions		
Capital Contributions	388.8	71.7
Payments (to)/from Other Governments	70.9	2.2
Change in Net Assets	<u>467.4</u>	<u>75.3</u>
Net Assets - Beginning of Year	75.3	-
Net Assets - Ending	<u>\$ 542.7</u>	<u>\$ 75.3</u>

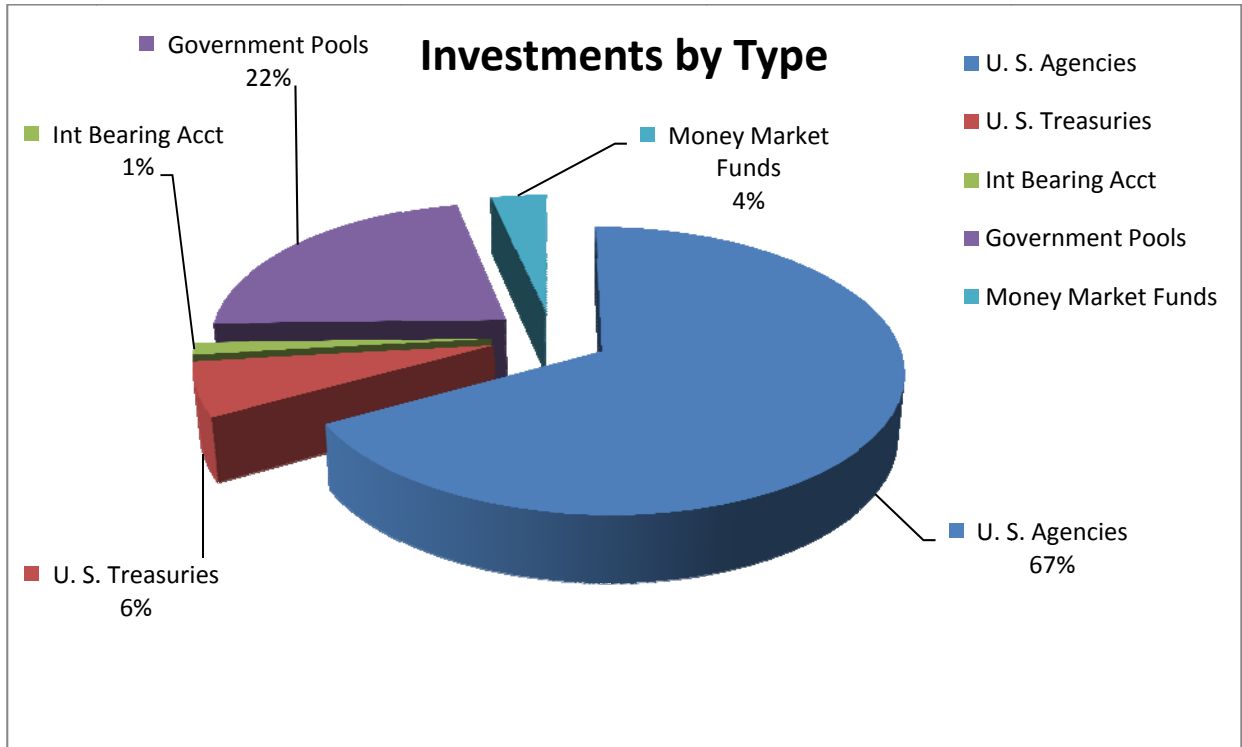
Total operating revenues were \$7.7 million for FY 2012 and \$11.7 million for FY 2011. Toll revenues were \$6.5 million for FY 2012 and \$10.5 million for FY 2011 (See 2012 Highlights for an explanation of the decrease).

Total operating expenses, including major maintenance, for FY 2012 were \$5.6 million, an increase of \$.8 million from FY 2011. Interest expense, net of capitalized interest, for FY 2012 was \$1.3 million, compared to \$4.3 million for FY 2011.

**SPECIAL PROJECTS SYSTEM  
AN ENTERPRISE FUND OF THE  
NORTH TEXAS TOLLWAY AUTHORITY**  
Management's Discussion and Analysis  
August 31, 2012

**Investments:** The SPS's investments at August 31, 2012 and 2011 were approximately \$987.4 million and \$445.2 million. Table A-3 chart below shows the types of authorized investments in the August 31, 2012 portfolio.

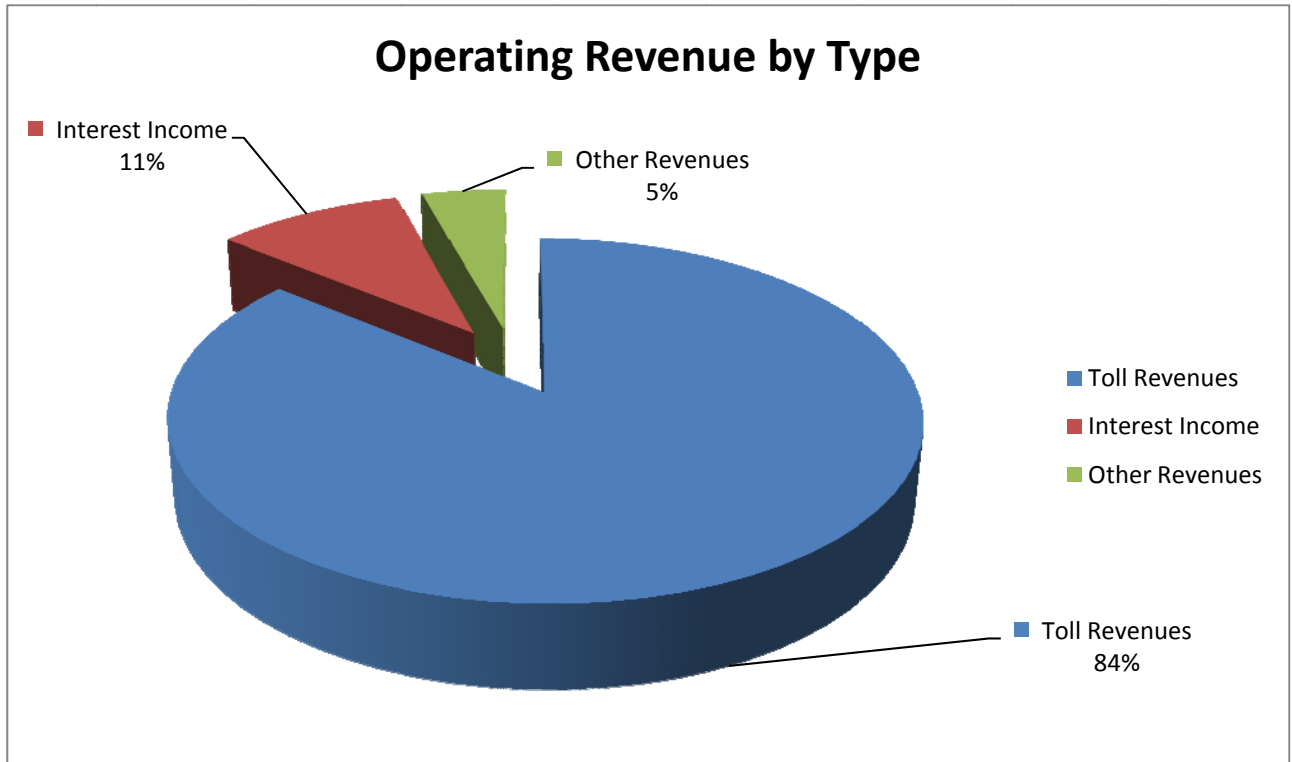
**Table A-3**



**SPECIAL PROJECTS SYSTEM  
AN ENTERPRISE FUND OF THE  
NORTH TEXAS TOLLWAY AUTHORITY**  
Management's Discussion and Analysis  
August 31, 2012

Table A-4 below shows NTTA's revenue in FY 2012 by revenue source type.

**Table A-4**



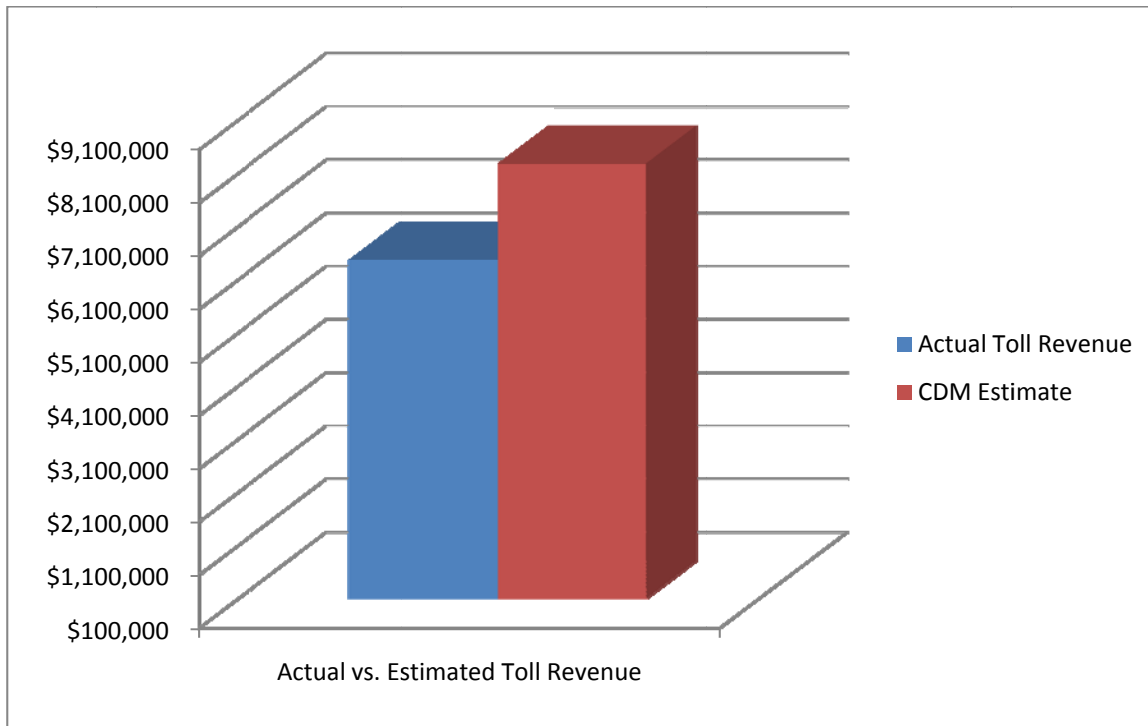
Operating revenues for FY 2012 were \$7.7 million, a 34.0% decrease under FY 2011 operating revenues of \$11.7 million. Toll revenues of \$6.5 million (net of bad debt expense of \$1.5 million) account for 84.0% of total revenue. Interest income (excluding Construction Fund interest) was \$0.9 million or 11.0%. Other revenue, mostly administrative and statement fees for collection of tolls from violators and interoperability fees, was \$0.4 million, representing 5.0% of the total.

**SPECIAL PROJECTS SYSTEM  
AN ENTERPRISE FUND OF THE  
NORTH TEXAS TOLLWAY AUTHORITY**

Management's Discussion and Analysis  
August 31, 2012

Table A-5 below shows the SPS's actual toll revenue for FY 2012 compared to the estimated toll revenue of the Authority's traffic and toll revenue engineer, CDM Smith (CDM) formerly known as Wilbur Smith Associates (WSA). Toll revenue was less than CDM's 2012 estimates by 21.9% due to the recognition of bad debt expense in 2012 and major construction particularly at major interchanges.

**Table A-5**



Average daily transactions for FY 2012 were 34,543, compared to 31,260 for FY 2011.

**Engineering Estimates**

The annual estimates by the Authority's traffic and revenue engineer, CDM, are displayed in comparison to the actual revenue for the 2012 year in Table A-6 below:

**Table A-6**  
Actual vs. Estimated Revenue

<b>Year</b>	<b>Actual</b>	<b>Estimate</b>	<b>Variance</b>
2012	\$ 6,466,245	\$ 8,281,900	\$ (1,815,655)
2011	10,488,973	6,861,500	3,627,473

**SPECIAL PROJECTS SYSTEM  
AN ENTERPRISE FUND OF THE  
NORTH TEXAS TOLLWAY AUTHORITY**

Management's Discussion and Analysis  
August 31, 2012

**Capital Assets** – The SPS's investment in capital assets includes construction in progress, land, buildings, right-of-way, roadway, bridges, equipment, and computer systems. Capital assets at August 31, 2012 were \$1.4 billion. For additional information on capital assets see Note (1) (f) and Note (4).

The SPS will use the GASB No. 34, Modified Approach of reporting infrastructure assets. An asset condition assessment for the PGBT WE will be conducted after substantial completion of construction starting in 2013 and will occur every three years thereafter.

**Long-Term Debt** – At the end of FY 2012, the SPS's total bonded debt outstanding was \$1.8 billion (See Table A-7). This debt represents bonds secured solely by toll revenues of the SPS. For detailed information see Note (5) and schedule of revenue bonds outstanding as of August 31, 2012, on page 30.

**Table A-7**  
Revenue Bonds Outstanding  
As of FY 2012

Series	Amount Outstanding	
	2012	2011
Series 2011A	\$ 487,890,000	\$ 487,890,000
Series 2011B	60,881,875	56,527,152
Series 2011C	142,066,427	132,849,714
Series 2011A BANS*	348,295,000	348,295,000
Series 2011B BANS*	70,110,000	70,110,000
Series 2011D	566,870,000	-
Series 2011E	73,665,000	-
Revenue Bonds Outstanding	<u>1,749,778,302</u>	<u>1,095,671,866</u>
Bond (discount) premium	<u>49,166,993</u>	<u>1,169,590</u>
Total	<u>\$ 1,798,945,295</u>	<u>\$ 1,096,841,456</u>

\*Bond Anticipation Notes

**Subsequent Events**

The first phase of PGBT Western Extension opened to traffic Monday, October 15, 2012. The first phase is a 6.5-mile extension which includes two main lanes in each direction from Egyptian Way south to Interstate 20, along with a four-level interchange connecting I-20 to the Western Extension main lanes. Also, five of the eight direct-connector ramps at the I-30 interchange were opened.

**Contacting the NTTA's Financial Management**

This financial report is designed to provide overview information to our bondholders, patrons, and other interested parties. Should you have questions about this report, please contact the North Texas Tollway Authority's Chief Financial Officer, 5900 W. Plano Parkway, Suite 100, Plano, Texas 75093.



**SPECIAL PROJECTS SYSTEM**

**Statement of Net Assets**

**August 31, 2012**

**Assets**

**Current assets:**

Investments (note 3)	20,981,313
Accrued interest receivable	463,908
Interproject/agency receivables	37,841,139
Accounts receivable (Net of allowance for uncollectibles) (note 9)	592,734
<b>Total current unrestricted assets</b>	<b>59,879,094</b>

**Current restricted assets:**

**Restricted assets:**

**Restricted for construction:**

Investments (notes 3 and 10)	650,831,311
Accrued interest receivable	1,182,311

**Restricted for debt service:**

Investments (note 3)	34,555,402
Accrued interest receivable	9

**Total current restricted assets** 686,569,033

**Total current assets** 746,448,127

**Noncurrent assets:**

Investments restricted for construction (note 3 and 10)	151,390,325
Investments restricted for debt service (note 3 and 10)	129,660,578
Deferred financing costs	14,460,395
Capital assets (note 4)	1,411,128,455

**Total noncurrent assets** 1,706,639,753

**Total assets** \$ 2,453,087,880

See accompanying notes to basic financial statements.

**SPECIAL PROJECTS SYSTEM**  
**Statement of Net Assets**  
**August 31, 2012**

<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts and retainage payable	\$	6,211,606
Accrued liabilities		56,500
<b>Total current unrestricted liabilities</b>		<u>6,268,106</u>
<b>Payable from restricted assets:</b>		
<b>Construction-related payables:</b>		
Accounts payable (note 10)		53,009,990
Retainage payable (note 10)		18,313,453
<b>Debt service-related payables:</b>		
Accrued interest payable		33,875,623
<b>Total current liabilities payable from restricted assets</b>		<u>105,199,066</u>
<b>Total current liabilities</b>		<u>111,467,172</u>
<b>Noncurrent liabilities:</b>		
Special Projects System revenue bonds payable, net of unamortized net bond (premium) costs of (\$49,166,993) (note 5)		<u>1,798,945,295</u>
<b>Total noncurrent liabilities</b>		<u>1,798,945,295</u>
<b>Total liabilities</b>		<u>1,910,412,467</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt		283,761,862
<b>Restricted:</b>		
Restricted for construction		57,449,193
Restricted for debt service		132,713,197
<b>Unrestricted</b>		68,751,161
<b>Total net assets</b>	<b>\$</b>	<u><u>542,675,413</u></u>

See accompanying notes to basic financial statements.



**SPECIAL PROJECTS SYSTEM**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Year ended August 31, 2012**

<b>Operating revenues:</b>	
Tolls (net of bad debt expense of \$1,550,250)	\$ 6,466,245
Interest income	856,793
Other	383,610
<b>Total operating revenues</b>	<u>7,706,648</u>
<b>Operating expenses:</b>	
<b>General</b>	
Administration	2,015,360
Operations	3,518,101
<b>Preservation</b>	
Major maintenance	92,877
<b>Total operating expenses</b>	<u>5,626,338</u>
<b>Operating income</b>	<u>2,080,310</u>
<b>Nonoperating revenues (expenses):</b>	
Interest earned on investments	2,128,034
Gain on sale of investment	262,689
Net increase in fair value of investments	2,128,517
Interest expense on short term notes	(1,330,925)
Bond discount/premium amortization	3,552,032
Bond issuance cost amortization	(2,274,014)
Other	1,194,020
<b>Net nonoperating revenues (expenses)</b>	<u>5,660,353</u>
<b>Income before capital contributions</b>	7,740,663
<b>Capital contributions</b>	388,768,077
<b>Payments (to)/from other governments</b>	<u>70,903,322</u>
<b>Change in net assets</b>	467,412,062
<b>Beginning net assets</b>	<u>75,263,351</u>
<b>Ending net assets</b>	<u>\$ 542,675,413</u>

See accompanying notes to basic financial statements.

**SPECIAL PROJECTS SYSTEM**  
**Statement of Cash Flows**  
**Year ended August 31, 2012**

<b>Cash flows from operating activities:</b>	
Receipts from customers and users	\$ 9,127,860
Payments to contractors and suppliers	(660,568)
Payments to employees	(2,182,655)
Net cash provided by operating activities	<u>6,284,637</u>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition and construction of capital assets (including capitalized interest costs)	(574,580,664)
Issuance of revenue bonds	692,084,435
Capital contributions	421,830,260
Other	1,194,020
Interest paid on revenue bonds and other debt	(8,360,030)
Net cash provided by capital and related financing activities	<u>532,168,021</u>
<b>Cash flows from investing activities:</b>	
Purchase of investments	(2,407,131,115)
Proceeds from sales and maturities of investments	1,867,031,804
Interest received	1,646,653
Net cash provided used in investing activities	<u>(538,452,658)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents, beginning of the year	—
Cash and cash equivalents, end of the year	<u>\$ —</u>
<b>Classified as:</b>	
Current assets	\$ —
Total	<u>\$ —</u>
<b>Noncash financing, capital, and investing activities:</b>	
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,080,310
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	1,557,989
Increase in accounts and retainage payable	2,783,115
Increase in accrued liabilities	(136,777)
Total adjustments	<u>4,204,327</u>
Net cash provided by operating activities	<u>\$ 6,284,637</u>
<b>Noncash financing activities:</b>	
Increase in fair value of investments	\$ 262,689

See accompanying notes to basic financial statements.



**NORTH TEXAS TOLLWAY AUTHORITY  
SPECIAL PROJECTS SYSTEM  
NOTES TO BASIC FINANCIAL STATEMENTS  
August 31, 2012**

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**NORTH TEXAS TOLLWAY AUTHORITY**  
**SPECIAL PROJECTS SYSTEM**  
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**(1) Nature of the Organization and Summary of Significant Accounting Policies**

**(a) Reporting Entity**

In June 1997, the Texas Legislature approved a bill to create the North Texas Tollway Authority (the Authority), a regional tollway authority under Chapter 366, Transportation Code. Effective September 1, 1997, the Authority became the successor agency to the Texas Turnpike Authority and succeeded to all assets, rights, liabilities, and other property of the Texas Turnpike Authority located in Collin, Dallas, Denton, and Tarrant Counties. The Authority also assumed and became liable for all duties and obligations related to the Texas Turnpike Authority at that time.

The Authority is a political subdivision of the State of Texas, authorized and empowered by the Regional Tollway Authority Act (the Act) to construct, maintain, repair, and operate turnpike projects at such locations within Collin, Dallas, Denton, and Tarrant Counties, as may be determined by the Authority. The Authority is further authorized to issue turnpike revenue bonds, payable solely from tolls and other revenue of the Authority, for the purpose of paying all or any part of the cost of a turnpike project. Under the provisions of the Act, these revenue bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of Texas or of any other political subdivision thereof.

In April 2011, the Authority entered into a trust agreement authorizing the Authority to own, design, construct, operate, maintain and finance a turnpike project known as the Special Projects System (SPS). The SPS consists of the President George Bush Turnpike-Western Extension (the PGBT-WE) and the Southwest Parkway/Chisholm Trail Project (CTP). The SPS is an enterprise fund of the Authority and does not purport to be the entire activities of the Authority.

**(b) Basis of Accounting**

The operations of the SPS are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and all assets and liabilities associated with the operation of the SPS are included in the Statement of Net Assets. The assets of the SPS are stated at cost with the exception of certain investments, which are stated at fair value.

The SPS applies all applicable GASB pronouncements to the System, as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless those statements conflict with or contradict GASB pronouncements.

The principal revenues of the SPS are toll revenues received from patrons. Operating expenses for the System include the costs of operating and maintaining the System and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The SPS does not have any employees. The Authority employees perform the work of the SPS. Additionally, the Authority provides all accounting, debt financing and administrative services.

The Trust Agreement also requires that certain funds and accounts be established and maintained. The SPS consolidates these funds and accounts for the purpose of enterprise fund presentation in its external financial statements.

**(c) Budget**

Operating budgets are established in accordance with the practices set forth in the provisions of the Trust Agreement for the Special Projects System Revenue Bonds, as interpreted by the SPS. These practices are similar to accounting principles generally accepted in the United States (GAAP) for an enterprise fund on an accrual basis except that depreciation and amortization of certain non-

**NORTH TEXAS TOLLWAY AUTHORITY**  
**SPECIAL PROJECTS SYSTEM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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infrastructure capital assets and related acquisition and revenue bond issuance costs are not included as an operating expense or otherwise provided, and interest accrued for certain periods after official completion on certain of the SPS's bond issues is capitalized as allowed by the Trust Agreement and bond resolution, rather than being reflected as an expense. Otherwise, revenues are recognized when they are earned, expenses are recognized in the period in which they are incurred, and all assets and liabilities associated with the operation of the SPS are included in the statement of net assets in accordance with the Trust Agreement as described above.

Each year the SPS completes a review of its financial condition for the purpose of estimating whether the net revenues of the System for the year will meet its debt covenants. See additional information regarding legal compliance for budgets in Note (2).

**(d) Restricted Assets**

Certain proceeds of the Revenue Bonds are restricted by applicable bond covenants for construction or restricted as reserves to ensure repayment of the bonds. Also, certain other assets are accumulated and restricted on a monthly basis in accordance with the Trust Agreement for the purpose of paying interest and principal payments that are due on a semiannual and annual basis, respectively, and for the purpose of maintaining the reserve funds at the required levels. Payments from these restricted accounts are strictly governed by the Trust Agreement and can only be made in compliance with the Trust Agreement. Limited types of expenses may be funded from these accounts. Expenses that do not meet these requirements are funded from unrestricted accounts. The SPS's practice is to use restricted funds first, then unrestricted, when both are available for use to fund an activity. The funds and accounts that have been established in accordance with the Trust Agreement are as follows:

- **Construction Fund** – The Construction Fund was created to account for that portion of the proceeds from the sale of the System Revenue Bonds, which were required to be deposited with the trustee in order to pay all costs of construction. There also may be deposited in the Construction Fund any monies received from any other source for paying the cost of the System.
- **Revenue Fund** – The Revenue Fund was created to account for all revenues (all tolls, other revenues, and income) arising or derived by the SPS from the operation and ownership of the SPS. All revenues of this fund are distributed to other funds in accordance with the Trust Agreement.
- **Operating Fund** – The Operating Fund was created to account for and pay current operating expenses of the SPS.
- **Major Maintenance Fund** – The Major Maintenance Fund was created to account for those expenses of maintaining the SPS that do not recur on an annual or shorter basis. As defined in the Trust Agreement, such items include repairs, painting, renewals, and replacements necessary for safe or efficient operation of the System or to prevent loss of revenues, engineering expenses relating to the functions of the Systems, equipment, maintenance expenses, and operating expenses not occurring at annual or shorter periods.
- **Capital Expenditures Fund** – The Capital Expenditures Fund was created to account for the cost of repairs, enlargements, extensions, resurfacing, additions, renewals, improvements, reconstruction and replacements, capital expenditures, engineering, and other expenses relating to the powers or functions of the SPS in connection with the SPS, or for any other purpose now or hereafter authorized by law.
- **First Tier Debt Service Fund** – The First Tier Debt Service Fund was created to account for the payment of First Tier obligations.
- **Second Tier Debt Service Fund** – The Second Tier Debt Service Fund was created to account for the payment of Second Tier obligations.

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- **Third Tier Debt Service Fund** – The Third Tier Debt Service Fund was created to account for the payment of Third Tier obligations.
- **Rate Stabilization Fund** – The Rate Stabilization Fund was created to account for the Rate Stabilization Fund Requirement as established in the Toll Equity Loan Agreement.
- **General Fund** – The General Fund was created to account for any remaining revenue from the Revenue Fund after all required transfers have been made.
- **Major Maintenance Reserve Fund** – The Major Maintenance Reserve Fund was created to account for future major maintenance expenses in an amount equal to the major maintenance reserve requirement as defined in the Trust Agreement.
- **Capital Expenditures Reserve Fund** – The Capital Expenditures Reserve Fund was created to account for future capital expenditures in an amount equal to the capital expenditures reserve requirement as defined in the Trust Agreement.

**(e) Investments**

The SPS considers other money market funds along with State & Local Government Investment Pools to be investments. The carrying amount of the investments is fair value. The net change in fair value of investments is recorded on the Statement of Revenues, Expenses, and Changes in Net Assets and includes the unrealized and realized gains and losses on investments.

**(f) Capital Assets**

All capital assets are stated at historical cost, except for donated assets, which are valued at the estimated fair value of the item at the date of its donation. This includes costs for infrastructure assets (right-of-way, highways, bridges, and highways and bridges substructures), toll equipment, buildings, land, toll facilities; other related costs, including property and equipment with a value greater than \$5,000 and software with a value greater than \$1,000,000. Highways and bridges substructure includes road sub-base, grading, land clearing, embankments, and other related costs. Also included in capital assets are the costs of certain real estate for right-of-way requirements and administrative and legal expenses incurred during the construction period.

The costs to acquire additional capital assets, which replace existing assets or improve the efficiency of the SPS, are capitalized. Under the Authority's policy of accounting for infrastructure assets pursuant to the "preservation method of accounting" or "modified approach," property costs represent an historical accumulation of costs expended to acquire rights-of-way and to construct, improve, and place in operation the various projects and related facilities. These infrastructure assets are considered to be "indefinite lived assets" that is, the assets themselves will last indefinitely and are, therefore, not depreciated. Costs related to renewing and maintaining these assets are not capitalized, but instead are considered to be period costs and are included in preservation expense classified as part of major maintenance and capital expenditures. Additional charges to preservation expense occur whenever the condition of the infrastructure assets is determined to be at a level that is below the standards adopted by the Board of Directors of the Authority.

**(g) Retainage Payable**

Retainage payable represents amounts billed to the SPS by contractors for which payment is not due pursuant to the retained percentage provision in construction contracts until substantial completion of performance by contractor and acceptance by the SPS.

**(h) Bond Discounts, Premiums, and Bond Issuance Costs**

Costs incurred in connection with the offering and sale of bonds for construction purposes are deferred and amortized using the bonds outstanding method, over the life of the bonds. Revenue bonds payable are reported net of unamortized bond discount or premium.

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**(i) Arbitrage Rebate Payable**

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements, and arbitrage rebate liability on issuers of tax-exempt debt. This represents interest earnings on bond proceeds in excess of amounts allowed under the Act. This Act requires the remittance to the Internal Revenue Service (IRS) of 90% of the cumulative arbitrage rebate within 60 days of the end of each five-year reporting period following the issuance of governmental bonds. The SPS's cumulative arbitrage rebate liabilities for the year ended August 31, 2012 is \$0.

**(j) Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**(k) Revenue Recognition**

Substantially all revenues from toll road usage are accrued and recognized as earned. Revenue is recognized for zip cash transactions once an invoice has been sent to a customer. Under the Authority's business rule a customer has to drive through five gantries to generate an invoice.

**(l) New Accounting Pronouncements**

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* ("GASB 62") incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance included in various pronouncements issued on or before November 30, 1989. The purpose of this statement is to codify all sources of GAAP for state and local governments so that they derive from a single source. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of this statement on the SPS's financial statements has not yet been determined.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources Deferred Inflows of Resources, and Net Position* standardizes the presentation of deferred outflows and deferred inflows of resources and their effects on a government's net position. This statement is effective for financial statements beginning after December 15, 2011. This statement has been adopted and will be reflected in the financial statements for the year ending August 31, 2013.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. This statement is effective for financial statements for periods beginning after December 15, 2012. The impact of this statement on the SPS's financial statements has not yet been determined.

GASB Statement No. 66, *Technical Corrections—2012*—an amendment of GASB Statements No. 10 and No. 62. The purpose of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement is effective for financial statements for periods beginning after December 15, 2012. This statement will have no impact on the SPS financial statements.



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GASB Statement No. 67, Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This statement is effective for financial statements for periods beginning after June 15, 2013.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This statement is effective for financial statements for periods beginning after June 15, 2014. Currently, this statement will have no impact on the SPS.

**(2) Legal Compliance – Budgets**

The SPS is required by the Trust Agreement to adopt an Annual Operating Budget for the SPS prior to the beginning of each fiscal year of all projected revenues, Operating expenses, Major Maintenance expenses and Project Capacity Improvements Capital expenditures and any projected advances under the Toll Equity Loan Agreement. The budget is prepared at the Department level and is based upon the Trust Agreement. Copies of the Annual Operating Budget must be filed with TxDOT and the bond trustee.

The SPS may not expend any amount or incur any obligations for maintenance, repairs, and operations in excess of the total amount of the budgeted expenses in the Project Budget unless the funding source is other than revenues received from the SPS. The Authority may expend additional monies from the Major Maintenance Fund in excess of the annual deposits. Budget amendments must be approved by the Board of Directors of the Authority in a manner similar to the adoption of the annual budget.

Pursuant to the Trust Agreement, the SPS has agreed that it will at all times keep in effect a plan for toll collecting facilities and a schedule of rates of tolls, which will raise and produce net revenues during each fiscal year, commencing with the fiscal year ending August 31, 2014, sufficient to satisfy 1.00 times the scheduled debt service requirements on all outstanding First and Second Tier Obligations secured by net revenues for the fiscal year.

**(3) Investments**

The Authority's investment policy is in accordance with the laws of the State of Texas. The Authority may purchase investments as authorized by the Trust Agreement and as further authorized by the revised investment policy and strategy approved by the Board of Directors in December 2011. These investments include:

- Government Obligations- shall mean (i) direct, non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) non-callable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (iii) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date purchased are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.
- Certificates of deposit, including certificates of deposit of the Trustee, where the certificates are collaterally secured by Government Obligations and held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but this collateral is not required to the extent the certificates of deposit are insured by an agency of the United States of America.
- Repurchase agreements when collateralized by Government Obligations and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest.

**NORTH TEXAS TOLLWAY AUTHORITY  
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- Money market funds, including money market funds affiliated with the Trustee, that invest solely in obligation of the United States of America, its agencies and instrumentalities, and having a rating by S&P of AAAm-G or AAA-m if rated by Moody's, having a rating of Aaa.
- Collateralized Investment agreement or other contractual agreements with corporations, financial institutions, or national associations within the United States of America provided that the senior long-term debt of such corporations, institutions or associations is rated AAA by a Rating Agency.
- Investments may be made in Permitted Investments through an eligible investment pool as permitted by Texas Government Code, Chapter 2256, as amended.

The Authority does not invest in financial instruments other than those authorized by the Special Projects System Trust Agreement and the investment policy.

The Authority reports all securities and debt instruments with readily determinable market values to be carried at fair value, with changes in fair value reflected in the Statements of Revenues, Expenses, and Changes in Net Assets.

**(a) Deposits**

The SPS did not have any cash deposits as of August 31, 2012.

**(b) Investments**

As of August 31, 2012 the maturity values are as follows:

Description	2012			WAM*
	Maturity Value (in Yrs)			
	Fair Value	Less Than 1 Yr	1 Yr or More	
Government Sponsored Entities (GSE):				
Federal Home Loan Bank	\$ 232,879,181	\$ 196,641,717	\$ 36,237,464	
Federal National Mortgage Assn.	194,072,605	93,603,671	100,468,934	
Federal Farm Credit Banks	88,015,500	45,009,080	43,006,420	
Federal Home Loan Mortgage Corp	146,460,637	45,123,550	101,337,087	
Total GSE	661,427,923	380,378,018	281,049,905	331
Money Market Funds	33,875,623	33,875,623	-	-
Interest Bearing Account	13,761,305	13,761,305	-	-
U.S. Treasuries	61,175,571	61,175,571	-	-
Government Pool	217,178,508	217,178,508	-	-
<b>Total Investments</b>	<b>\$ 987,418,930</b>	<b>\$ 706,369,025</b>	<b>\$ 281,049,905</b>	<b>331</b>

\* WAM = Weighted Average Maturity (in days)

**(c) Interest Rate Risk**

The Authority does not have a formal policy on Interest Rate Risk. Investment portfolios are designed with the objective of attaining the best possible rate of return commensurate with the Authority's investment risk constraints and the cash flow characteristics of the portfolio. Return on investments, although important, is subordinate to the safety and liquidity objectives. In reflection with the Authority's investment report, the portfolio reflects the overall summary of the Authority's investment position. The weighted average yield-to-maturity of the portfolio for August 31, 2012 was 0.3490%. The weighted average maturity in days was 331 days for 2012. Market value fluctuation of the overall portfolio is minimized by keeping the weighted average maturity low. Approximately 72% of the investment are maturing within one year and 28% are maturing one year or greater.

**NORTH TEXAS TOLLWAY AUTHORITY  
SPECIAL PROJECTS SYSTEM  
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**(d) Credit Risk**

Per the Investment Policy, on the date of the purchase of any Government Obligation purchased by the Authority, the obligation must have a rating as to investment quality by a nationally recognized investment firm of not less than "AAA" or its equivalent.

As of August 31, 2012, the Special Projects System invested 4% in AAA rated money market funds, 1% in Interest Bearing Accounts, 22% in State and Local Government Pools, 67% in Government Agencies and 6% in United States Treasuries backed by the full faith and credit of the U.S. Government. U.S. Treasuries and Agencies are Aaa rated by Moody's.

The Special Projects System participates in two local government investment pools operating as SEC 2a-7 like pools: TexPool and TexStar. The State Comptroller oversees TexPool, with Federated Investors managing the daily operations of the pool under a contract with the State Comptroller. JPMorgan Investment Management, Inc. and First Southwest Asset Management, Inc serve as co-administrators for TexStar under an agreement with the TexStar board of directors. The local government investment pools in which the Special Projects System invests are structured similar to money market mutual funds, to provide its liquidity needs. TexPool and TexStar were established in conformity with the interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. These funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. These funds seek to maintain a constant net asset value of \$1.00, although this cannot be fully guaranteed. TexPool, and TexStar are rated AAAM and must maintain a dollar weighted average maturity not to exceed a 60-day limit.

**(e) Concentration of Credit Risk**

It is the policy of the Authority to diversify its investment portfolios. Assets held in the particular funds shall be diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of August 31, 2012 TexPool exceeded 5% of the total portfolio. More than 5% of the Authority's Special Projects System investments are in Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Bureau (FFCB) and Federal Home Loan Mortgage Corporation (FHLMC).

Investments either restricted in accordance with bond provisions or accounted for per the Trust Agreements budget requirements are as follows:

Construction	\$ 802,221,636
Rate Stabilization	130,340,357
Debt Service	33,875,623
Capital Expenditure Reserve Fund	3,318,401
Major Maintenance and Major Maintenance Reserve Fund	14,096,580
Revenue	986,601
Operating Fund	2,579,732
Total	<u>\$ 987,418,930</u>

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SPECIAL PROJECTS SYSTEM  
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**(4) Capital Assets**

Capital assets are summarized as follows:

	September 1, 2011	Additions	Deletions	August 31, 2012
<b>Infrastructure network:</b>				
<i><b>Non-depreciable</b></i>				
Engineering	\$ 6,257,511	16,442,904	-	\$ 22,700,415
Right of Way	53,543	22,715,699	-	22,769,242
Construction in Progress	743,183,474	530,880,810	-	1,274,064,284
Administration	868,289	10,782	-	879,071
Financing Costs*	12,306,628	78,408,815	-	90,715,443
<b>Total non-depreciable infrastructure</b>	<b>\$ 762,669,445</b>	<b>648,459,010</b>	<b>-</b>	<b>\$ 1,411,128,455</b>

\* Includes capitalized interest net of interest earnings.

Total bond interest cost incurred amounted to \$79,739,740 during the year ended August 31, 2012, of which \$78,408,815 was capitalized.

**(5) Revenue Bonds, Notes and Loans Payable**

***Revenue Bonds***

The SPS has issued various Revenue Bond Series to construct the SPS and to fund reserves and expenses associated with the bond issues.

The following are descriptions of Revenue Bond Series currently outstanding as of August 31, 2012.

**Series 2011A:** Series 2011A Bonds were issued as Current Interest Bonds in the amount of \$487,890,000. The Bonds were issued for the purpose of providing funds to pay an upfront payment to the Texas Department of Transportation for the Authority's right to own and operate an 11.5-mile tolled portion of State Highway 161 in Western Dallas County, designated the President George Bush Turnpike Western Extension (PGBT WE), and to finance a portion of the costs of the construction and development of PGBT WE.

Interest is payable September 1 and March 1, commencing September 1, 2011. Principal is payable September 1, commencing September 1, 2014. The Series 2011A Bonds included serial bonds and three term bonds. The serial bonds were issued in the amount of \$110,010,000 with maturities from 2014-2031 with interest rates ranging from 4.00%-5.25%. The first term bond was issued in the amount of \$47,335,000 and has a maturity of September 1, 2036 and an interest rate of 5.50%. The second term bond was issued in the amount of \$280,545,000 and has a maturity of September 1, 2041 and an interest rate of 5.50%. The final term bond was issued in the amount of \$50,000,000 and has a maturity of September 1, 2041 and an interest rate of 6.00%

**Series 2011B:** Series 2011B Bonds were issued as Capital Appreciation Bonds in the amount of \$55,103,673 and the sum of the principal and accreted/compounded interest is payable only at maturity. The Bonds were issued for the purpose of providing funds to pay an upfront payment to the Texas Department of Transportation for the Authority's right to own and operate an 11.5-mile tolled portion of State Highway 161 in Western Dallas County, designated the President George Bush Turnpike Western Extension (PGBT WE), and to finance a portion of the costs of the construction and development of PGBT WE.

The approximate Yield to Maturity is 7.55% to 7.60%. The maturity dates of the 2011B bonds are September 1, 2037 through September 1, 2043.

**NORTH TEXAS TOLLWAY AUTHORITY**  
**SPECIAL PROJECTS SYSTEM**  
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August 31, 2012

**Series 2011C:** Series 2011C Bonds were issued as Convertible Capital Appreciation Bonds in the amount of \$129,839,776. Interest will accrete from April 28, 2011 and will compound semiannually on September 1 and March 1, commencing September 1, 2011. The Bonds were issued for the purpose of providing funds to pay an upfront payment to the Texas Department of Transportation for the Authority's right to own and operate an 11.5-mile tolled portion of State Highway 161 in Western Dallas County, designated the President George Bush Turnpike Western Extension (PGBT WE), and to finance a portion of the costs of the construction and development of PGBT WE.

These bonds were issued in two Subseries. The first Subseries were issued in an amount of \$36,767,691 with an approximate Yield to Maturity of 7.00% and a conversion date of September 1, 2023. After conversion interest will accrue at a rate of 7.00% on the total amount of principal and the accreted/compounded interest thereon payable semiannually on September 1 and March 1, commencing March 1, 2024. The second Subseries were issued in an amount of \$93,072,085 with an approximate Yield to Maturity of 6.75% and a conversion date of September 1, 2021. After conversion interest will accrue at a rate of 6.75% on the total amount of principal and the accreted/compounded interest thereon payable semiannually on September 1 and March 1, commencing March 1, 2022.

**Series 2011A Bond Anticipation Notes (BANS):** Series 2011A Notes were issued as Taxable BANS in the amount of 348,295,000. Interest is payable September 1 and March 1, commencing September 1, 2011. The BANS were issued to finance a portion of the costs of the construction and development of PGBT WE.

The Series 2011A Notes were issued as a term note maturing on September 1, 2013 with an interest rate of 2.441%

**Series 2011B Bond Anticipation Notes (BANS):** Series 2011B Notes were issued as Taxable BANS in the amount of \$70,110,000. Interest is payable September 1 and March 1, commencing September 1, 2011. The BANS were issued to finance a portion of the costs of the construction and development of PGBT WE.

The Series 2011B Notes were issued as a term note maturing on September 1, 2013 with an interest rate of 2.306%.

**Series 2011D:** Series 2011D Bonds were issued as Tax Exempt Current Interest Bonds in the amount of \$566,870,000. The Bonds were issued for the purpose of providing funds to finance a portion of the costs of the construction and development of a 27.6 mile toll way between IH30 near the Central Business District in the City of Fort Worth and US 67 in Cleburne designated as the Chisholm Trail Parkway (CTP).

Interest is payable September 1 and March 1, commencing March 1, 2012. The Series 2011D Bonds were issued as Serial Bonds with maturities on September 1 of each year beginning in 2019 and continuing through 2032.

**Series 2011E:** Series 2011E Bonds were issued as Taxable Current Interest Bonds in the amount of \$73,665,000. The Bonds were issued for the purpose of providing funds to finance a portion of the costs of the construction and development of a 27.6 mile toll way between IH30 near the Central Business District in the City of Fort Worth and US 67 in Cleburne designated as the Chisholm Trail Parkway (CTP).

Interest is payable September 1 and March 1, commencing March 1, 2012. The Series 2011E Bonds were issued as Serial Bonds with maturities on September 1 of each year beginning in 2019 and continuing through 2023.

**NORTH TEXAS TOLLWAY AUTHORITY  
SPECIAL PROJECTS SYSTEM  
NOTES TO BASIC FINANCIAL STATEMENTS  
August 31, 2012**

The following schedule summarizes the revenue bonds outstanding as of August 31, 2012:

<b>Revenue Bonds Outstanding As of August 31, 2012</b>					
<u>Description of Issue</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Accretion/ Amortization</u>	<u>Matured or Retired</u>	<u>Ending Balance</u>
Series 2011A	487,890,000	-	-	-	487,890,000
Series 2011B	56,527,152	-	4,354,723	-	60,881,875
Series 2011C	132,849,714	-	9,216,713	-	142,066,427
Series 2011A BANS	348,295,000	-	-	-	348,295,000
Series 2011B BANS	70,110,000	-	-	-	70,110,000
Series 2011D	-	566,870,000	-	-	566,870,000
Series 2011E	-	73,665,000	-	-	73,665,000
	<u>1,095,671,866</u>	<u>640,535,000</u>	<u>13,571,436</u>	<u>-</u>	<u>1,749,778,302</u>
Bond (discount) premium	1,169,590	51,549,435	(3,552,032)	-	49,166,993
<b>Totals</b>	<b><u>\$ 1,096,841,456</u></b>	<b><u>\$ 692,084,435</u></b>	<b><u>\$ 10,019,404</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,798,945,295</u></b>

***Deferred Amount on Refunding/Premium/Discounts***

Expenses related to the issuance of the bonds are being amortized using an approximation of the effective interest method which factors in the maturities of the various serial bonds, over the term of the bonds. The (discount) premium costs for the year ended on August 31, 2012 was \$49,166,993.

The revenue bond debt service requirements below are prepared as of August 31, 2012:

<u>Year</u>	<u>Total Revenue Bonds</u>				<u>Total</u>
	<u>Principal amount</u>	<u>Interest amount</u>	<u>BAN Take-out by TIFIA Loan *</u>	<u>Capitalized Interest</u>	
Due September 1					
2012	-	61,734,889	-	(61,734,889)	-
2013	418,405,000	67,751,246	(418,405,000)	(67,751,246)	-
2014	6,835,000	57,632,629	-	(33,576,603)	30,891,026
2015	11,045,000	57,359,229	-	(28,773,884)	39,630,345
2016	15,030,000	56,917,429	-	(10,200,503)	61,746,926
2017 - 2021	70,215,000	277,535,413	-	(12,620,718)	335,129,694
2022 - 2026	207,860,000	330,678,939	-	-	538,538,939
2027 - 2031	407,285,000	273,159,125	-	-	680,444,125
2032 - 2036	113,510,048	199,273,750	-	-	312,783,798
2037 - 2041	339,265,603	156,332,675	-	-	495,598,278
2042	142,322,799	52,029,450	-	-	194,352,249
Interest Accretion	18,004,852	-	-	-	18,004,852
	<u>\$ 1,749,778,302</u>	<u>\$ 1,590,404,773</u>	<u>\$ (418,405,000)</u>	<u>\$ (214,657,843)</u>	<u>\$ 2,707,120,232</u>

\*Please see Loans Payable section of the Notes for detailed information on the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan.

**NORTH TEXAS TOLLWAY AUTHORITY  
SPECIAL PROJECTS SYSTEM  
NOTES TO BASIC FINANCIAL STATEMENTS  
August 31, 2012**

**Notes and Loans Payable**

**TIFIA Loan**

On April 15, 2011, NTTA closed on its \$418,405,000 TIFIA loan through the Transportation Investment Generating Economic Recovery (TIGER) program of the American Recovery and Reinvestment Act of 2009. The TIFIA loan currently has had no draws to date. The first draw will be September 1, 2013 to retire the BANs and at that time the grant will be recognized. The TIFIA Loan interest rate is set at 4.51%.

Debt service requirements on the TIFIA loan payable subsequent to August 31, 2012 are as follows:

Fiscal years	TIFIA			
	Loan payable			
	TIFIA Draw	Principal	Interest	Total
2012	\$ -	\$ -	\$ -	\$ -
2013	418,405,000	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017 - 2021	-	-	91,041,044	91,041,044
2022 - 2026	-	3,353,149	112,882,116	116,235,266
2027 - 2031	-	4,191,436	111,950,061	116,141,498
2032 - 2036	-	4,191,436	110,822,593	115,014,029
2037 - 2041	-	4,191,436	109,695,061	113,886,498
2042 - 2046	-	242,087,542	146,801,931	388,889,473
2047	-	160,390,000	37,394,616	197,784,616
Total principal and interest	\$ 418,405,000	\$ 418,405,000	\$ 720,587,424	\$ 1,138,992,424

**(6) Employees' Retirement Plan**

The Authority's employees' retirement plans apply to the SPS. For detailed information of these retirement plans, the separate financial statements of the NTTA System may be obtained from the North Texas Tollway Authority, Finance Department.

**(7) Risk Management**

The Authority's risk management programs apply to the SPS. For additional information, the separate financial statements of the NTTA System may be obtained from the North Texas Tollway Authority, Finance Department.

The Texas Municipal League (TML) Intergovernmental Risk Pool insures the Authority for workers' compensation. The Authority purchases insurance policies for all major areas of operation including buildings and contents, bridges, general liability, commercial umbrella, crime, directors and officers liability, and boiler and machinery coverage. There have not been any settlements exceeding insurance coverage in the years 2006-2011. There has not been any significant reduction of coverage.

The Authority self-insures health benefits utilizing a third-party benefit administrator. The Authority pays claims based on actual claims reported. Funds are available to pay claims and administrative costs associated with the program. Reserves for these liabilities are included in current liabilities in the Statement of Net Assets, of the North Texas Tollway Authority's System's financial statements.

**NORTH TEXAS TOLLWAY AUTHORITY  
SPECIAL PROJECTS SYSTEM  
NOTES TO BASIC FINANCIAL STATEMENTS  
August 31, 2012**

**(8) Post Employment Benefits**

The SPS does not have any employees. The Authority provides all accounting, debt financing and administrative services. Additionally, the Authority's employees' post employment benefit plans apply to the SPS. For detailed information of these plans, the separate financial statements of the Authority may be obtained from the North Texas Tollway Authority, Finance Department.

**(9) Disaggregation of Receivable Balances**

The SPS has an unrestricted gross accounts receivable balance of \$2,142,984 as of August 31, 2012. The unrestricted balance is for billed video tolls with an allowance for doubtful accounts of \$1,550,250. The SPS allowance for doubtful accounts for invoices less than 70 days old is 25% and 85% for invoices older than 70 days.

**(10) Commitments and Contingencies**

The SPS currently has \$987,418,930 in investments with approximately \$802,221,636 restricted for construction. The SPS has \$105,199,066 in current liabilities that are comprised primarily of construction-related payables at August 31, 2012. Additionally the SPS has contract and purchase order commitments at August 31, 2012 aggregating \$630.7 million, comprised primarily of construction contracts payable from restricted funds and the issuance of debt.

The Authority entered into the Toll Equity Loan Agreement (TELA) with TxDOT in conjunction with the issuance of the Series 2011A-C Bonds. Pursuant to the TELA, TxDOT has agreed to make a toll equity loan available to the Authority in an aggregate amount of \$6.02 billion any time revenues of the SPS are not sufficient to pay expenses and debt service related to PGBT-WE.

**(11) Subsequent Events**

**President George Bush Western Extension (PGBT-WE)**

PGBT Western Extension opened to traffic Saturday, October 13, 2012. The first phase was a 6.5-mile extension which includes two main lanes in each direction from Egyptian Way south to Interstate 20, along with a four-level interchange connecting I-20 to the Western Extension main lanes. Also, six of the eight direct-connector ramps at the I-30 interchange were opened.



**NORTH TEXAS TOLLWAY AUTHORITY**  
**SPECIAL PROJECTS SYSTEM**  
 Required Supplementary Information  
 August 31, 2012

**Modified Approach - Infrastructure**

The SPS has elected to use the Modified Approach to account for maintenance of the SPS's infrastructure assets. As required by the Trust Agreement, an annual inspection of the SPS roadways is to be conducted by the Authority's General Engineering Consultant, HNTB Corporation. This inspection provides an overall rating, indicating the average condition of all of the SPS infrastructure assets (roadways, bridges, and facilities). The assessment of conditions is made by visual and mechanical tests designed to reveal any condition that would reduce user benefits below the maximum level of service. The SPS goal is to maintain the SPS infrastructure assets at a rating of 8 or better (1 to 10 scale), and has established a minimum level for GASB No. 34 purposes of a condition level of 6 or greater. These condition levels were adopted by the Board of Directors for the North Texas Tollway Authority (NTTA) by Resolution No. 02-31 on June 19, 2002 and further clarified by Resolution No. 07-169 on December 19, 2008. In accordance with GASB 34 the Capital Assessment and Inspection Report is due every three years. The first Capital Assessment and Inspection Report for the SPS will be performed after substantial completion of construction which is anticipated to be in fiscal year 2013.

The infrastructure assets include the President George Bush Turnpike (PGBT) Western Extension, Ramps, Plazas, and IT lane equipment. The roadways are a major transportation network consisting of 11.5 centerline miles (approximately 27 main lane miles and 53 frontage roles miles) of roadways in the SPS. All assets combined totaled approximately \$1,423,423,601 billion in current replacement value for fiscal year 2012.

**Condition Index**

A Condition Index is a measure of the "intrinsic value" of the asset as opposed to the book value. A Condition Index with a value of 10.0 is considered "like new"; on the contrary, a Condition Index with a value of 0.0 is considered "unusable." In accordance with GASB Statement 34, the Maintenance Management Consultant (MMC) will perform an asset condition assessment for the PGBT WE after substantial completion of construction which is anticipated to be in fiscal year 2013 and occurring every three years thereafter.

<b>Condition Index Table</b>		
<b>Condition Index</b>		
<u>Fiscal Year</u>	<u>Current</u>	<u>Goal</u>
2011	N/A	N/A
2012	N/A	N/A

**Condition Assessment and Inventory**

A comprehensive condition assessment on all the SPS assets will be conducted in 2013.

**Bridges**

A condition assessment will be performed on the SPS bridges in 2013 using the *Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges*, published by the Federal Highway Administration (FHWA). To do this, a Sufficiency Rating is determined by totaling four separate factors using the sufficiency rating formula. The Sufficiency Rating Formula is a method of evaluating highway bridge data by calculating the four factors to obtain a numeric value, which is indicative of bridge sufficiency. The four factors are structural adequacy and safety (55% of the total rating), serviceability and functional obsolescence (30% of the total rating), essentiality for public use (15% of the total rating), and special reductions (total can be reduced by up to 13%).

**NORTH TEXAS TOLLWAY AUTHORITY**  
**SPECIAL PROJECTS SYSTEM**  
 Required Supplementary Information  
 August 31, 2012

**Roadways**

A condition assessment will be performed on the SPS roadways in 2013 using the *Highway Maintenance Condition Assessment Program* (HMCAP) developed by Roy Jorgensen Associates, Inc., the pavement Condition Rating Authority (CRS) developed by Applied Research Associates, Inc., and the Pavement Condition Index (PCI) procedure as outlined in ASTM D5340. To do this, a Maintenance Rating Program (MRP) Index is determined by visual inspection of the Authority's roadways, appurtenances, and edge conditions. Additionally, a baseline PCI and a baseline ride ability survey were conducted on the roadway surface and incorporated into the MRP Index. Although the PCI and ride ability survey were conducted on the entire Authority, it would have been impractical to perform a MRP evaluation over the same length; therefore, 10% of the Authority's total roadways were randomly selected for MRP evaluation. These values were then weighted and totaled to determine an overall MRP Index. Of this total MRP Index, travel lanes and shoulders account for 70% (of which the PCI accounts for 80%), roadside components accounted for 15%, and other items account for 15%.

The Roadway Index (RI) is a measure of the overall health of the SPS roadway that takes into account the current condition of the roadway, how well it is being maintained, and its projected future performance. It is calculated using the results of the annual MRP and pavement condition surveys. In 2006 the RI was revised to use CRS pavement condition ratings in place of the PCI ratings and incorporates remaining pavement service life (RSL). RI is equal to the values of 50% of CRS, 30% RSL, 10% MRP of travel lane element, 5% MRP of roadside element, and 5% MRP of other element.

Currently, the 11.5 centerline miles (approximately 27 main lane miles and 53 footage road miles) of the SPS do not have a Roadway Index. In accordance with GASB Statement 34, the MMC will perform an asset condition assessment for the SPS after substantial completion of construction anticipated to be in fiscal year 2013 and occurring every three years thereafter.

The budget-to-actual expenditures for preservation and other infrastructure maintenance costs were as follows for the year 2012.

<u>Fiscal year</u>	<u>Budget</u>	<u>Actual</u>
2012	\$ 425,285	\$ 92,877
2011	400,916	5,533



**STATISTICAL  
SECTION**

**NORTH TEXAS TOLLWAY AUTHORITY  
STATISTICAL SECTION  
(Unaudited)**

**INTRODUCTION**

Governmental Accounting Standards Board (GASB) Statement 44 "Economic Condition Reporting": The Statistical Section requires that certain detailed statistical information be presented in this section, typically in ten year trends, to assist users in utilizing the basic financial statements, notes to the financial statements and required supplementary information in order to assess the economic condition of the System.

**FINANCIAL TRENDS**

These tables contain information to help the reader understand how the Authority's financial performance and well being have changed over time.

**REVENUE CAPACITY**

These tables contain information to help the reader assess the Authority's most significant revenue sources.

**DEBT CAPACITY**

These tables present information to help the reader assess the affordability of the Authority's current current level of outstanding debt and the Authority's ability to issue additional debt in the future.

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

These tables offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

**OPERATING INFORMATION**

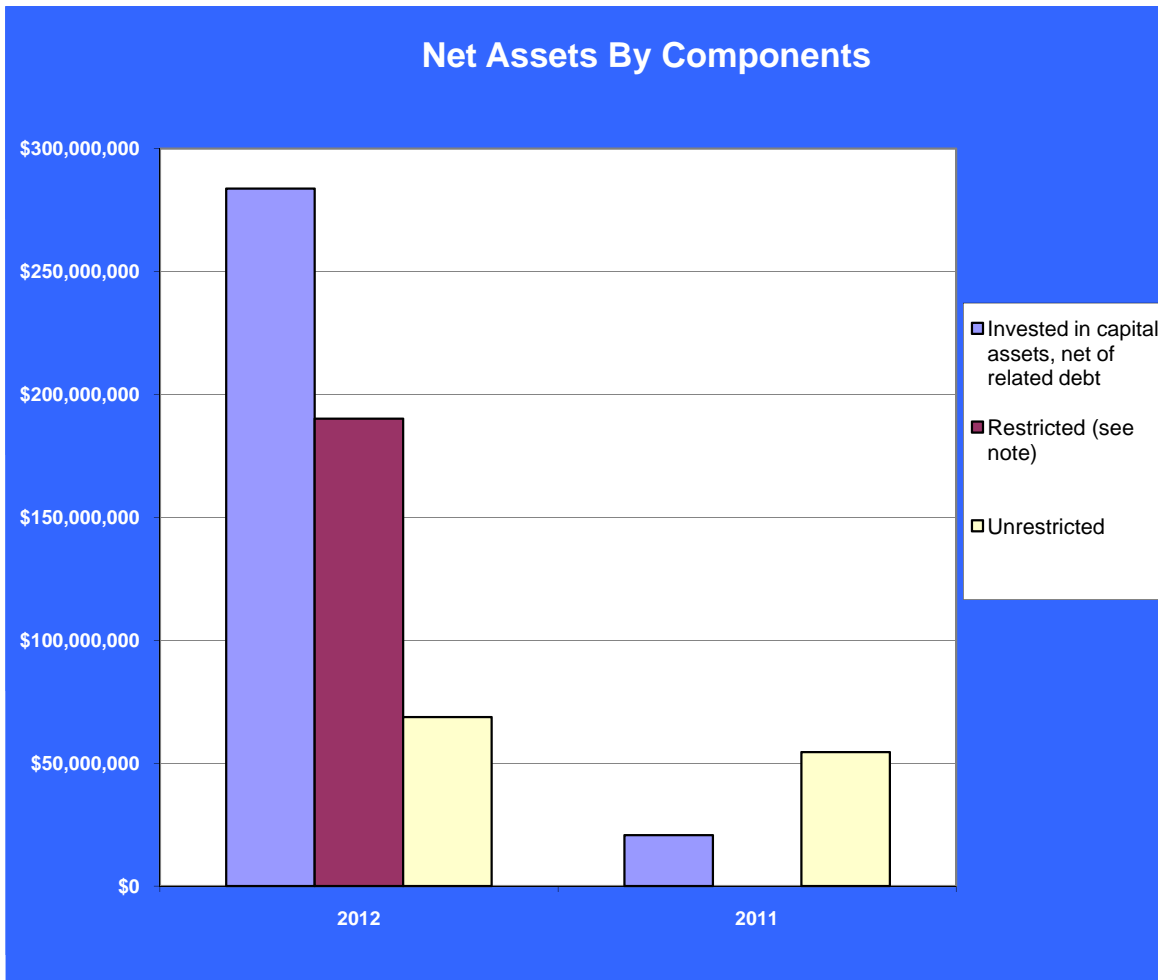
These tables contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Sources: Unless other noted, the information in the following tables is derived from the annual financial reports for the relevant years.

NORTH TEXAS TOLLWAY AUTHORITY  
 Net Assets by Components  
 For the year 2012  
 (Unaudited)

**Business-Type Activities**

Components	2012	2011
Invested in capital assets, net of related debt	283,761,862	20,741,421
Restricted (see note)	190,162,390	-
Unrestricted	68,751,161	54,521,930
<b>Total net assets</b>	<b>\$ 542,675,413</b>	<b>\$ 75,263,351</b>

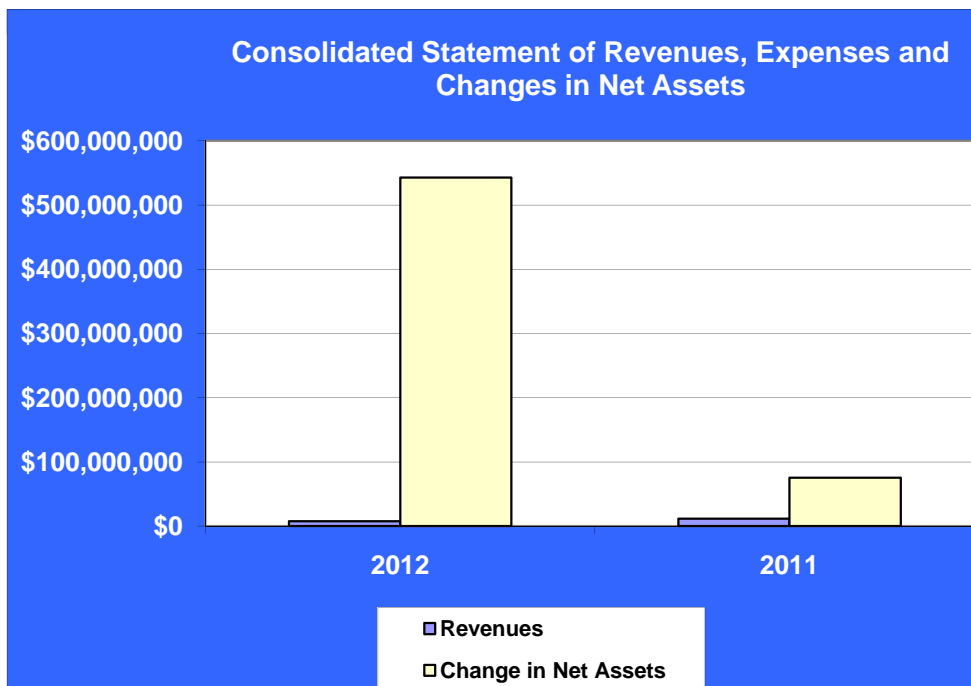


NORTH TEXAS TOLLWAY AUTHORITY  
Statement of Revenues, Expenses, and Changes in Net Assets  
For the Year 2012  
(Unaudited)

**Business-Type Activities**

	2012	2011
<b>Revenues:</b>		
Tolls (net of bad debt expense of \$1,550,250)	\$ 6,466,245	10,488,973
Other (1)	1,240,403	1,174,558
Total operating revenues	7,706,648	11,663,531
<b>Operating expenses:</b>		
Administration	2,015,360	1,320,416
Operations	3,518,101	3,456,434
Major maintenance	92,877	5,533
Total operating expenses	5,626,338	4,782,383
<b>Operating income</b>	2,080,310	6,881,148
<b>Nonoperating revenues (expenses):</b>		
Interest earned on investments	2,128,034	-
Gain (Loss) on sale of investment	262,689	-
Net increase (decrease) in fair value of investments	2,128,517	514,876
Interest expense on short term notes	(1,330,925)	(4,282,296)
Bond premium amortization	3,552,032	310,664
Bond insurance cost amortization	(2,274,014)	(650,821)
Other	1,194,020	(1,363,369)
Payments (to)/from other governments	70,903,322	2,174,394
Contributed Capital	388,768,077	71,678,755
Change in net assets	467,412,062	75,263,351
<b>Beginning net assets</b>	75,263,351	-
<b>Ending net assets</b>	\$ 542,675,413	75,263,351

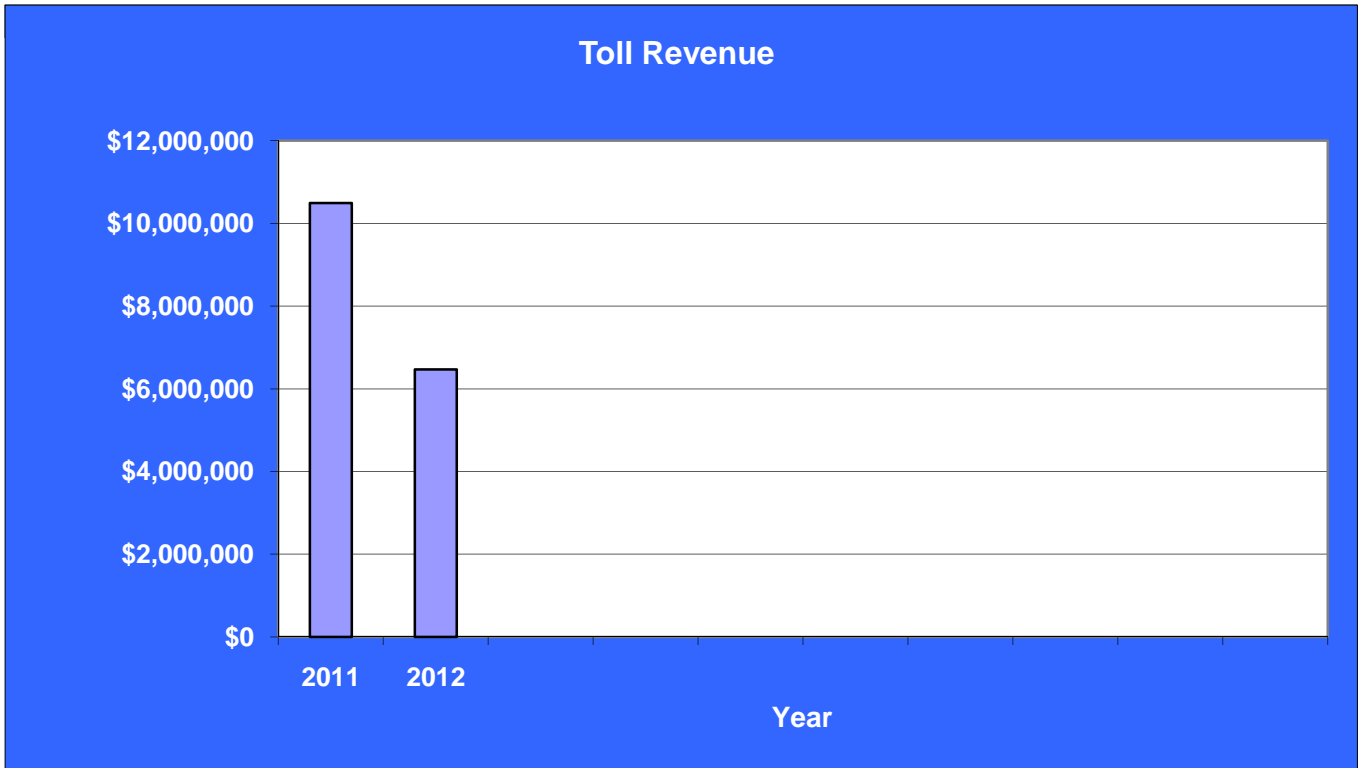
(1) Administrative fees, parking transaction fees, statement fees and miscellaneous charges.



NORTH TEXAS TOLLWAY AUTHORITY  
 Traffic and Toll Revenue  
 For the year 2012  
 (Unaudited)

Year	Annual Revenue Vehicle Transactions		Annual Toll Revenue		Average Toll Rate per Transaction
2011	11,409,801		\$ 10,488,973	\$	0.92
2012	12,602,102 (*)		6,466,245 (**)		0.51

(\*) total transactions were 12,642,870 of which 40,768 were nonrevenue  
 (\*\*) net of bad debt expense of \$1,550,250





NORTH TEXAS TOLLWAY AUTHORITY  
Special Projects System  
Schedule of Toll Rates  
For the years 2010-2012  
(Unaudited)

		Years		
Two-axle passenger cars and trucks				
Roadway		2010	2011	2012
PGBT WE:				
Mainlane Plaza	ZipCash	1.17	1.25	1.25
	TollTag	0.78	0.83	0.83

Note----The Authority converted to All Electronic Toll Collection (All ETC) in December 2010. All customers will either have a TollTag or will be billed according to business rules currently in place. Cash is no longer accepted.

		Years		
Three-axle vehicle and vehicle combination				
Roadway		2010	2011	2012
PGBT WE:				
Mainlane Plaza	ZipCash	2.34	2.50	2.50
	TollTag	1.56	1.66	1.66

Note----The Authority converted to All Electronic Toll Collection (All ETC) in December 2010. All customers will either have a TollTag or will be billed according to business rules currently in place. Cash is no longer accepted.

		Years		
Four-axle vehicle and vehicle combination				
Roadway		2010	2011	2012
PGBT WE:				
Mainlane Plaza	ZipCash	3.51	3.75	3.75
	TollTag	2.34	2.49	2.49

Note----The Authority converted to All Electronic Toll Collection (All ETC) in December 2010. All customers will either have a TollTag or will be billed according to business rules currently in place. Cash is no longer accepted.

		Years		
Five-axle vehicle and vehicle combination				
Roadway		2010	2011	2012
PGBT WE:				
Mainlane Plaza	ZipCash	4.68	5.00	5.00
	TollTag	3.12	3.32	3.32

Note----The Authority converted to All Electronic Toll Collection (All ETC) in December 2010. All customers will either have a TollTag or will be billed according to business rules currently in place. Cash is no longer accepted.

		Years		
Six or more-axle vehicle and vehicle combination				
Roadway		2010	2011	2012
PGBT WE:				
Mainlane Plaza	ZipCash	5.85	6.25	6.25
	TollTag	3.90	4.15	4.15

Note----The Authority converted to All Electronic Toll Collection (All ETC) in December 2010. All customers will either have a TollTag or will be billed according to business rules currently in place. Cash is no longer accepted.

NORTH TEXAS TOLLWAY AUTHORITY  
Ratio of Outstanding Debt by Type  
Business-Type Activities  
For the year 2012  
(Unaudited)

Year	Revenue Bonds	Total Debt Amount	Total Revenue Vehicle Toll Transactions(1)	Debt Per Transactions	Debt Per Capita(2)
2011	1,096,841,456	\$1,096,841,456	11,409,801	96.13	191
2012	1,798,945,295	\$1,798,945,295	12,602,102	142.75	313

Note----Details on the System's outstanding debt can be found in the notes to the financial statements.

(1) See table of Traffic and Toll Revenue on page 42.

(2) See table of Demographic Data on page 46.

NORTH TEXAS TOLLWAY AUTHORITY  
Ratio of Revenue-backed Debt Outstanding  
Business-Type Activities  
For the year 2012  
(Unaudited)

Year	Revenue Bonds	Total Debt Amount	Annual Toll Revenues(1)	Debt Per Annual Toll Revenue	Debt Per Capita(2)
2011	1,096,841,456	\$1,096,841,456	10,488,973	105	\$ 191
2012	1,798,945,295	\$1,798,945,295	6,466,245 (*)	172	\$ 313

(\*) net of bad debt expense of \$1,550,250

Note----Details on the SPS's outstanding debt can be found in the notes to the financial statements

(1) See table of Traffic and Toll Revenue on page 42.

(2) See table of Demographic Data on page 46.

NORTH TEXAS TOLLWAY AUTHORITY  
 Demographic Data-Combined Four Region and State of Texas Population Estimated Data  
 For Year 2011

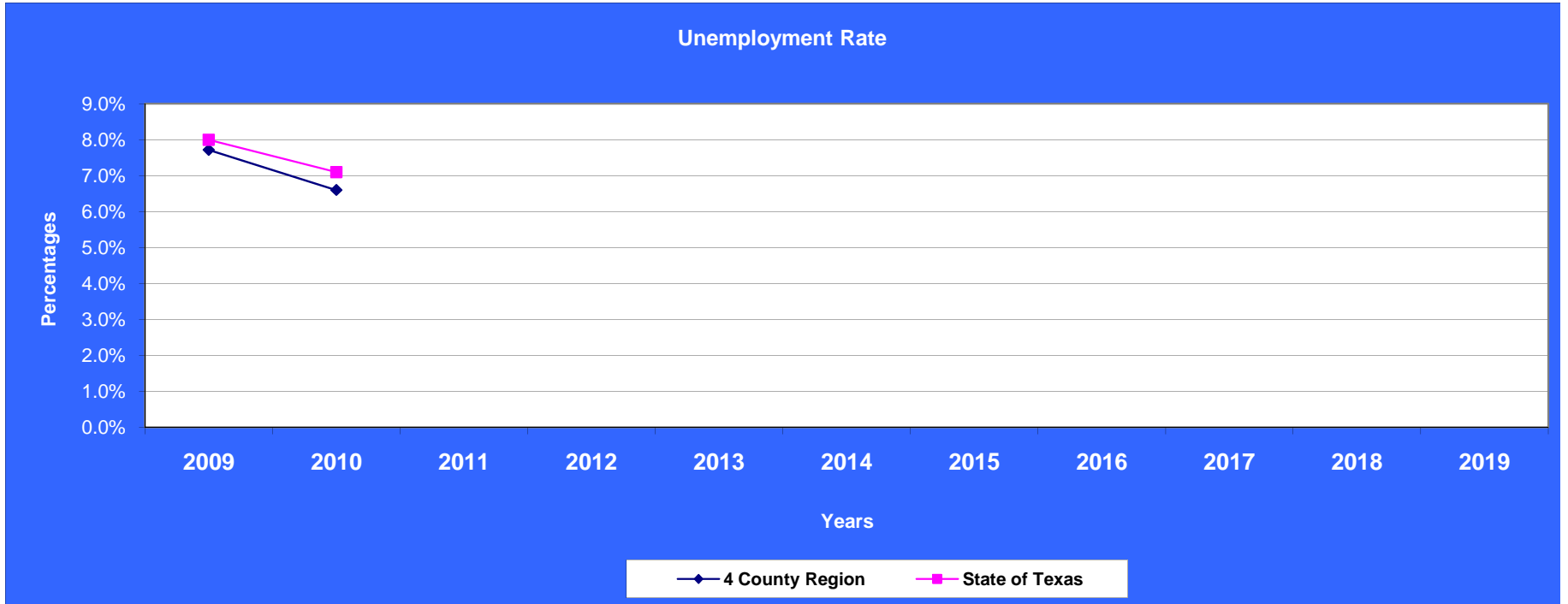
Year	COLLIN	DALLAS	DENTON	TARRANT	Est. Four County Regional Totals	Estimated Texas Totals
Estimated 2010	786,250	2,492,850	637,750	1,829,400	5,746,250	25,145,561
Estimated 2011	812,226	2,416,014	686,406	1,849,813	5,764,459	25,674,681

All information obtained from U.S. Census Bureau

NORTH TEXAS TOLLWAY AUTHORITY  
Demographic Data-Combined Four County Region and State of Texas Employment Status Estimates

Year	COLLIN	DALLAS	DENTON	TARRANT	Combined Four	Texas	Unemployment Rate	
					County Regional	Estimated Totals	4 County	Texas
Estimated 2009	285,900	1,415,000	172,600	743,500	2,617,000	10,204,500	7.7%	8.0%
Estimated 2010	288,674	1,231,305	155,931	671,984	2,347,894	8,785,238	6.6%	7.1%

All information obtained from U.S. Census Bureau



NORTH TEXAS TOLLWAY AUTHORITY  
 Demographic Data - Combined Four County Region and State of Texas Median Household Income Estimates  
 For Year 2010

Year	COLLIN	DALLAS	DENTON	TARRANT	Four County Regional Totals	Texas
					Estimated Avg Median Income	Estimated Avg Median Income
2009	80,545	47,059	70,002	54,647	63,063	48,259
2010	80,504	47,974	70,622	55,306	63,601	49,648
<b>Averaged Yearly Totals</b>	<b>\$80,525</b>	<b>\$47,517</b>	<b>\$70,312</b>	<b>\$54,977</b>	<b>\$63,332</b>	<b>\$48,954</b>

All information obtained from U.S. Census Bureau

**NORTH TEXAS TOLLWAY AUTHORITY**  
**North Texas Four County Region's Top Ten Employers**

<b>2011</b>			
<b>COLLIN COUNTY TOP TEN EMPLOYERS</b>			
<b>EMPLOYER</b>	<b>NUMBER OF EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL EMPLOYMENT</b>	<b>INDUSTRY</b>
PLANO ISD	6,892	1.80%	EDUCATION
BANK OF AMERICA	5,400	1.41%	FINANCE
J.C. PENNY CO. INC	5,000	1.31%	RETAIL
FRISCO ISD	4,821	1.26%	EDUCATION
HP ENTERPRISE SERVICES	4,800	1.26%	PROF/TECH
RAYTHEON	3,700	0.97%	MANUFACTURING
CAPITAL ONE	3,500	0.92%	FINANCE
DELL PEROT SYSTMS	3,000	0.78%	PROF/TECH
UNIVERSITY OF TEXAS AT DALLAS	2,830	0.74%	EDUCATION
MCKINNEY ISD	2,631	0.69%	EDUCATION
Total	42,574	11.13%	
<b>DALLAS COUNTY TOP TEN EMPLOYERS</b>			
<b>EMPLOYER</b>	<b>NUMBER OF EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL EMPLOYMENT</b>	<b>INDUSTRY</b>
WAL-MART STORES,INC	34,698	3.05%	MANUFACTURING
TEXAS HEALTH RESOURCES	21,500	1.89%	HEALTH CARE
AMR CORPORATION (AMEICAN Airlines)	20,684	1.82%	TRANSPORTATION
DALLAS PUBLIC SCHOOLS	20,554	1.81%	EDUCATION
BANK OF AMERICA	20,000	1.76%	FINANCE
BAYLOR HEALTH CARE SYSTEM	19,677	1.73%	HEALTH CARE
AT&T INC	17,482	1.54%	PROF/TECH
LOCKHEED MARTIN AERONAUTICS	14,902	1.31%	MANUFACTURING
CITY OF DALLAS	13,427	1.18%	GOVERNMENT
JPMORGAN CHASE	13,000	1.14%	HEALTH CARE
Total	195,924	17.21%	
<b>DENTON COUNTY TOP TEN EMPLOYERS</b>			
<b>EMPLOYER</b>	<b>NUMBER OF EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL EMPLOYMENT</b>	<b>INDUSTRY</b>
UNIVERSITY OF NORTH TEXAS	7,762	2.38%	EDUCATION
LEWISVILLE INDEPENDENT SCHOOL DISTRICT	6,508	1.99%	EDUCATION
WAL-MART	3,900	1.19%	MANUFACTURING
DENTON INDEPENDENT SCHOOL DISTRICT	3,266	1.00%	EDUCATION
CENTEX HOME EQUITY	2,600	0.80%	FINANCE
FRITO-LAY	2,500	0.77%	MANUFACTURING
AMERICAN AIRLINES ALLIANCE	2,154	0.66%	TRANSPORTATION
PETERBILT MOTORS	2,100	0.64%	MANUFACTURING
NORTHWEST ISD	1,636	0.50%	EDUCATION
DENTON STATE SCHOOL	1,500	0.46%	HEALTH CARE/SOCIAL ASST.
Total	33,926	6.25%	
<b>TARRANT COUNTY TOP TEN EMPLOYERS</b>			
<b>EMPLOYER</b>	<b>NUMBER OF EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL EMPLOYMENT</b>	<b>INDUSTRY</b>
LOCKHEED MARTIN AERONAUTICS	13,500	1.62%	MANUFACTURING
AMERICAN AIRLINES	11,709	1.40%	TRANSPORTATION
NAS FORT WORTH JOINT RESERVE BASE	11,350	1.36%	MILITARY
AMERICAN AIRLINES/ HQ	6,500	0.78%	TRANSPORTATION
UNIVERSITY OF TEXAS AT ARLINGTON	5,300	0.63%	EDUCATION
JOHN PETER SMITH HOSPITAL	4,302	0.52%	HEALTH CARE
HARRIS METHODIST FORT WORTH	3,968	0.48%	HEALTH CARE
BELL HELICOPTER TEXTRON PLANT	2,500	0.30%	MANUFACTURING
ALCON INC	3,300	0.40%	PROF/TECH
FIDELITY INVESTMENTS	3,200	0.38%	FINANCE
Total	65,629	7.86%	

**Source: Dallas Major Employers-DFW and Bureau of Labor Statistics**

NORTH TEXAS TOLLWAY AUTHORITY  
Contribution to Infrastructure Assets  
For the year 2012  
(Unaudited)

Year	Beginning Balance	Additions	Deletions	Ending Balance
2011	-	762,669,445	-	762,669,445
2012	762,669,445	648,459,010	-	1,411,128,455



NORTH TEXAS TOLLWAY AUTHORITY  
Special Projects System  
Toll Revenue Analysis  
For the year 2012  
(Unaudited)

Toll Revenue						
Year	Two - Axle Vehicles		Multi-Axle Vehicles		Adjustments	Total
2011	\$	12,992,381	\$	1,885,720	\$ (4,389,129)	\$ 10,488,973
Year	AVI		VPS		Total	
2012	\$	5,943,614	\$	2,072,881	(1,550,250)	\$ 6,466,245
Toll Revenue - Average Per Day						
Year	Two-Axle Vehicles		Multi-Axle Vehicles		Adjustments	Average
2011	\$	35,596	\$	5,166	\$ (12,025)	\$ 28,737
2012		21,593		-	-	21,593

- (1) On January 25, 2008, the NTTA and TxDOT entered into a Memorandum of Understanding (MOU) regarding the terms and conditions and market valuation for State Highway 161 pursuant to which TxDOT and the NTTA memorialized their agreement on the terms and conditions for the development, construction and operation of the SH 161 project.
- (2) On April 20, 2008, the NTTA Board of Directors approved an agreement regarding a negotiated value (Negotiated Value Agreement) for State Highway 161 with TxDOT, pursuant to which TxDOT and the NTTA (i) waived the requirements under Section 228.0111 (f-1) of the Texas Transportation Code (Code) to develop a market valuation for the SH 161 project, (ii) agreed to develop the SH 161 project in accordance with the MOU, except as modified by the Negotiated Value Agreement, and (iii) established an agreed negotiated value for the SH 161 project, including an upfront payment to TxDOT in the amount of \$ 458 million.
- (3) On October 15, 2008, the NTTA Board adopted a resolution (i) accepting a final term sheet (Term Sheet), for TxDOT's Toll Equity Loan for the SH 161 project, NTTA Project Delivery, and disposition of Southwest Parkway and Chisholm Trail, (ii) exercising it's first option under Section 228.0111 (g) of the Code to deliver the SH 161 project pursuant to the Negotiated Value Agreement, as modified by the Term Sheet, and (iii) authorizing the Executive Director to negotiate the SH 161 Project Agreement with TxDOT.



# Continuing Financial Disclosure

## **CONTINUING FINANCIAL DISCLOSURE SCHEDULES**

### **(Unaudited)**

The Continuing Financial Disclosure Schedules present various financial data in support of the Management's Discussion and Analysis and Financial Statements in the Financial Section of the Comprehensive Annual Financial Report for the fiscal year ended August 31, 2012.

**NORTH TEXAS TOLLWAY AUTHORITY  
SPECIAL PROJECTS SYSTEM  
STATEMENT OF NET ASSETS  
August 31, 2012  
(Unaudited)**

<u>ASSETS</u>	NTTA Special Projects System Totals	Interfund eliminations/ reclassifications	Construction & Property Fund	Revenue Fund
<b>Current Assets:</b>				
Investments, at amortized cost (note 3)	20,981,313	-	-	986,601
Accrued interest receivable on investments	463,908	-	-	119
Interfund receivables	-	(69,879)	4,170	27,851
Interproject/agency receivables	37,841,139	-	29,985,403	4,285,768
Accounts receivable (note 9)	2,142,984	-	-	2,142,984
Allowance for uncollectible receivables	(1,550,250)	-	-	(1,550,250)
<b>Total current unrestricted assets</b>	<u>59,879,094</u>	<u>(69,879)</u>	<u>29,989,573</u>	<u>5,893,073</u>
<b>Current restricted assets:</b>				
<b>Restricted for construction:</b>				
Investments, at amortized cost (note 3)	650,831,311	-	650,831,311	-
Accrued interest receivable on investments	1,182,311	-	1,182,311	-
<b>Restricted for debt service:</b>				
Investments, at amortized cost (note 3)	34,555,402	-	-	-
Accrued interest receivable on investments	9	-	-	-
<b>Total current restricted assets</b>	<u>686,569,033</u>	<u>-</u>	<u>652,013,622</u>	<u>-</u>
<b>Total current assets</b>	<u>746,448,127</u>	<u>(69,879)</u>	<u>682,003,195</u>	<u>5,893,073</u>
<b>Noncurrent Assets:</b>				
Investments, at amortized cost restricted for construction (note 3 and 10)	151,390,325	-	151,390,325	-
Investments, at amortized cost restricted for debt service (note 3 and 10)	129,660,578	-	-	-
Deferred financing cost	14,460,395	-	14,460,395	-
Capitalized cost (note 4)	1,411,128,455	-	1,411,128,455	-
<b>Total noncurrent assets</b>	<u>1,706,639,753</u>	<u>-</u>	<u>1,576,979,175</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,453,087,880</u>	<u>(69,879)</u>	<u>2,258,982,370</u>	<u>5,893,073</u>
<u>LIABILITIES</u>				
<b>Current liabilities:</b>				
Interfund payables	-	(69,879)	-	5,003
Interagency Payable	6,211,606	-	2,035,131	267
Recurring accrued liabilities	56,500	-	-	-
<b>Total current unrestricted liabilities</b>	<u>6,268,106</u>	<u>(69,879)</u>	<u>2,035,131</u>	<u>5,270</u>
<b>Payable from Restricted Assets:</b>				
<b>Construction related payables:</b>				
Accounts payable	53,009,990	-	53,009,990	-
Retained from contractors	18,313,453	-	18,313,453	-
<b>Debt service related payables:</b>				
Accrued interest payable on bonded debt	33,875,623	-	-	-
<b>Total current liabilities payable from restricted assets</b>	<u>105,199,066</u>	<u>-</u>	<u>71,323,443</u>	<u>-</u>
<b>Noncurrent liabilities:</b>				
Special Projects System revenue bonds payable (note 5)	1,798,945,295	-	1,798,945,295	-
<b>Total noncurrent liabilities</b>	<u>1,798,945,295</u>	<u>-</u>	<u>1,798,945,295</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 1,910,412,467</u>	<u>(69,879)</u>	<u>1,872,303,869</u>	<u>5,270</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	283,761,862	(247,481,422)	386,678,501	-
<b>Restricted:</b>				
Restricted for construction	57,449,193	57,449,193	-	-
Restricted for debt service	132,713,197	126,825,385	-	5,887,803
Held in trust for pension benefits and other purposes	-	(3,296,192)	-	-
<b>Unrestricted:</b>				
Unrestricted	68,751,161	68,751,161	-	-
Reserved for operations, maintenance, and retiree health benefits	-	(2,248,125)	-	-
<b>TOTAL NET ASSETS</b>	<u>\$ 542,675,413</u>	<u>-</u>	<u>386,678,501</u>	<u>5,887,803</u>

See accompanying independent auditors' report.

Schedule 1

Operating Fund	Major Maint. Fund	Rate Stabilization Fund	Major Maint Reserve Fund	Capital Exp Reserve Fund	Debt Service Fund
2,579,731	335,275	-	13,761,305	3,318,401	-
285	13	462,219	902	370	-
32,855	-	-	-	5,003	-
3,569,699	-	-	-	269	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,182,570</u>	<u>335,288</u>	<u>462,219</u>	<u>13,762,207</u>	<u>3,324,043</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	679,779	-	-	33,875,623
-	-	-	-	-	9
-	-	<u>679,779</u>	<u>-</u>	<u>-</u>	<u>33,875,632</u>
<u>6,182,570</u>	<u>335,288</u>	<u>1,141,998</u>	<u>13,762,207</u>	<u>3,324,043</u>	<u>33,875,632</u>
-	-	-	-	-	-
-	-	129,660,578	-	-	-
-	-	-	-	-	-
-	-	<u>129,660,578</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,182,570</u>	<u>335,288</u>	<u>130,802,576</u>	<u>13,762,207</u>	<u>3,324,043</u>	<u>33,875,632</u>
32,855	4,170	-	-	27,851	-
4,176,208	-	-	-	-	-
56,500	-	-	-	-	-
<u>4,265,563</u>	<u>4,170</u>	<u>-</u>	<u>-</u>	<u>27,851</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	33,875,623
-	-	-	-	-	<u>33,875,623</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,265,563</u>	<u>4,170</u>	<u>-</u>	<u>-</u>	<u>27,851</u>	<u>33,875,623</u>
-	-	130,802,576	13,762,207	-	-
-	-	-	-	-	-
-	-	-	-	-	9
-	-	-	-	3,296,192	-
-	-	-	-	-	-
<u>1,917,007</u>	<u>331,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,917,007</u>	<u>331,118</u>	<u>130,802,576</u>	<u>13,762,207</u>	<u>3,296,192</u>	<u>9</u>



**NORTH TEXAS TOLLWAY AUTHORITY  
SPECIAL PROJECTS SYSTEM**

**Schedule 2**

**Budget and Actual Revenues and Expenses on Trust Agreement Basis  
Year Ending  
August 31, 2012  
(Unaudited)**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>			
<b>Toll Revenues</b>	\$ 8,281,900	6,466,245 (*)	(1,815,655)
<b>Interest revenue</b>	900,000	856,793	(43,207)
<b>Other revenues</b>	893,882	383,610	(510,272)
<b>Gross revenues</b>	10,075,782	7,706,648	(2,369,134)
<b>Operating expenses:</b>			
<b>Administration:</b>			
<b>Administration</b>	109,483	96,909	(12,574)
<b>Business diversity</b>	48,511	46,785	(1,726)
<b>Communications</b>	229,782	209,745	(20,037)
<b>Finance</b>	1,103,167	970,566	(132,601)
<b>Government affairs</b>	43,788	44,565	777
<b>Human resources</b>	139,589	120,454	(19,135)
<b>Internal audit</b>	141,757	198,300	56,543
<b>Legal services</b>	329,633	328,036	(1,597)
<b>Total administration</b>	2,145,710	2,015,360	(130,350)
<b>Operations:</b>			
<b>Customer service center</b>	1,140,500	1,041,117	(99,383)
<b>Information technology</b>	467,921	448,892	(19,029)
<b>Maintenance</b>	2,365,487	1,377,523	(987,964)
<b>Operations</b>	93,881	127,034	33,153
<b>System &amp; incident management</b>	616,174	523,535	(92,639)
<b>Total operations</b>	4,683,963	3,518,101	(1,165,862)
<b>Total departmental operating expenses:</b>	6,829,673	5,533,461	(1,296,212)
 <b>Net revenues available for debt service</b>	 \$ 3,246,109	 2,173,187	 (1,072,922)

(\*) net of bad debt expense of \$1,550,250

**See accompanying independent auditors' report.**



**NORTH TEXAS TOLLWAY AUTHORITY**  
**SPECIAL PROJECTS SYSTEM**  
**STATEMENT OF CHANGES IN NET ASSETS**  
Year to Date August 31, 2012  
(Unaudited)

	<u>Totals</u>	<u>Construction &amp; Property Fund</u>	<u>Revenue Fund</u>
<b>BEGINNING NET ASSETS September 1, 2011</b>	\$ 75,263,351	8,287,074	6,315,511
<b>Revenues:</b>			
Toll revenues (net of bad debt expense of \$1,550,250)	6,466,245	-	6,466,245
Interest revenue	856,793		1,832
Other revenue	383,610	3,642	379,968
<b>Total operating revenues</b>	<u>7,706,648</u>	<u>3,642</u>	<u>6,848,045</u>
<b>Operating expenses:</b>			
Administration	(2,015,360)	-	-
Operations	(3,518,101)	-	-
	<u>(5,533,461)</u>	<u>-</u>	<u>-</u>
<b>Preservation of system assets:</b>			
Major Maintenance Fund expenses	(92,877)	-	-
<b>Total operating expenses</b>	<u>(5,626,338)</u>	<u>-</u>	<u>-</u>
<b>Operating income</b>	<u>2,080,310</u>	<u>3,642</u>	<u>6,848,045</u>
<b>Nonoperating revenues (expenses):</b>			
Interest earned on investments	2,128,034	2,128,034	-
Gain (loss) on sale of investments	262,689	82,510	-
Net increase (decrease) in fair value of investments	2,128,517	1,149,346	-
Interest expense on short term notes	(1,330,925)	(1,330,925)	-
Bond discount/premium amortization	3,552,032	3,552,032	-
Bond issuance cost amortization	(2,274,014)	(2,274,014)	-
Other	1,194,020	1,194,020	-
<b>Net nonoperating revenues (expenses):</b>	<u>5,660,353</u>	<u>4,501,003</u>	<u>-</u>
<b>Income before capital contributions</b>	<u>7,740,663</u>	<u>4,504,645</u>	<u>6,848,045</u>
<b>Interfund and Interproject Transactions</b>			
Payment (to)/from Other Agencies	70,903,322	(14,881,295)	-
Distribution from Revenue Fund	-	-	(7,275,753)
<b>Contributed Capital</b>	<u>388,768,077</u>	<u>388,768,077</u>	<u>-</u>
<b>Change in net assets</b>	<u>467,412,062</u>	<u>378,391,427</u>	<u>(427,708)</u>
<b>ENDING NET ASSETS</b>	<u>\$ 542,675,413</u>	<u>386,678,501</u>	<u>5,887,803</u>

See accompanying independent auditors' report.

Operating Fund	Major Maintenance Fund	Rate Stabilization Fund	Major Maint. Reserve Fund	Capital Exp Reserve Fund	Debt Service Fund
630,073	(5,533)	65,852,908	4,002,988	2,603,861	(12,423,531)
-	-	-	-	-	-
2,922	29	835,463	13,565	2,973	9
-	-	-	-	-	-
2,922	29	835,463	13,565	2,973	9
(2,015,360)	-	-	-	-	-
(3,518,101)	-	-	-	-	-
(5,533,461)	-	-	-	-	-
-	(92,877)	-	-	-	-
(5,533,461)	(92,877)	-	-	-	-
(5,530,539)	(92,848)	835,463	13,565	2,973	9
-	-	-	-	-	-
-	-	180,179	-	-	-
-	-	979,171	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,159,350	-	-	-
(5,530,539)	(92,848)	1,994,813	13,565	2,973	9
660,577	-	62,954,855	9,745,654	-	12,423,531
6,156,896	429,499	-	-	689,358	-
-	-	-	-	-	-
1,286,934	336,651	64,949,668	9,759,219	692,331	12,423,540
1,917,007	331,118	130,802,576	13,762,207	3,296,192	9

**NORTH TEXAS TOLLWAY AUTHORITY**  
**Special Projects System**  
**Schedule of Toll Revenue and Traffic Analysis**  
**Year Ended August 31, 2012**

(Unaudited)

Toll revenue (net of bad debt expense of \$1,550,250):	6,466,245
Total	\$ 6,466,245

Toll revenue – average per day:	\$ 21,903
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Vehicle transactions – average per day (unaudited):

Two-axle vehicle transactions	32,882
Multi-axle vehicle transactions	1,550
Nonrevenue vehicle transactions	111
Average	34,543

Vehicle Transactions by Class of Vehicle

	Vehicle transactions
Class of vehicle	
Two-axle vehicles	12,031,121
Three-axle vehicles and combinations	144,988
Four-axle vehicles and combinations	194,775
Five-axle vehicles and combinations	218,768
Six or more axle vehicles and special permits	12,450
Total multi-axle vehicle transactions	570,981
	12,602,102
Nonrevenue vehicles	40,768
2012 Vehicle Transactions	12,642,870

See accompanying independent auditors' report.

**NORTH TEXAS TOLLWAY AUTHORITY  
SPECIAL PROJECTS SYSTEM  
Schedule of Toll Rates  
As of August 31, 2012  
(Unaudited)**

	Two-axle passenger cars and trucks		Three-axle vehicles and vehicle combinations		Four-axle vehicles and vehicle combinations		Five-axle vehicles and vehicle combinations		Six or more axle vehicles and special permits	
	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag
<b>PGBT WE</b>										
<b>Conflans Road (CONRD)</b>	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
<b>Shady Grove Road (SHGRD)</b>	0.62	0.40	1.24	0.80	1.86	1.20	2.48	1.60	3.10	2.00
<b>Lower Tarrant Road - North (NLTRD)</b>	0.63	0.41	1.26	0.82	1.89	1.23	2.52	1.64	3.15	2.05
<b>Lower Tarrant Main Lane Gantry (MLG11)</b>	1.25	0.83	2.50	1.66	3.75	2.49	5.00	3.32	6.25	4.15
<b>Lower Tarrant Road - South (SLTRD)</b>	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15

**Footnote:** The Authority has converted all the facilities in the system to All Electronic Toll Collection (All ETC). All customers will either have a TollTag or they will be billed according to business rules currently in place. Cash will not be accepted at the lane.

**See accompanying independent auditors' report.**

**NORTH TEXAS TOLLWAY AUTHORITY**  
**Special Projects Systems**  
Schedule of Historical Traffic, Toll Revenues and Net Revenues  
Year Ended August 31, 2012  
**(Unaudited)**

**Historical Traffic and Toll Revenue**

The table below sets forth the annual revenue vehicle transactions and gross toll revenue with respect to the Special Projects System for the one calendar year 2010 through 2012:

<u>Year</u>	<u>Annual revenue vehicle transactions (unaudited)</u>	<u>Annual toll revenue</u>
2011	11,409,801	\$ 10,488,973
2012	12,602,102	6,466,245 (*)

- (1) On January 25, 2008, the NTTA and TxDOT entered into a Memorandum of Understanding (MOU) regarding the terms and conditions and market valuation for State Highway 161 pursuant to which TxDOT and the NTTA memorialized their agreement on the terms and conditions for the development, construction and operation of the SH 161 project.
- (2) On April 20, 2008, the NTTA Board of Directors approved an agreement regarding a negotiated value (Negotiated Value Agreement) for State Highway 161 with TxDOT, pursuant to which TxDOT and the NTTA (i) waived the requirements under Section 228.0111 (f-1) of the Texas Transportation Code (Code) to develop a market valuation for the SH 161 project, (ii) agreed to develop the SH 161 project in accordance with the MOU, except as modified by the Negotiated Value Agreement, and (iii) established an agreed negotiated value for the SH 161 project, including an upfront payment to TxDOT in the amount of \$458 million.
- (3) On October 15, 2008, the NTTA Board adopted a resolution (i) accepting a final term sheet (Term Sheet) for TxDOT's Toll Equity Loan for the SH 161 project, NTTA Project Delivery, and disposition of Southwest Parkway and Chisholm Trail, (ii) exercising its first option under Section 228.0111 (g) of the Code to deliver the SH 161 project pursuant to the Negotiated Value Agreement, as modified by the Term Sheet, and (iii) authorizing the Executive Director to negotiate the SH 161 Project Agreement with TxDOT.

**Historical Net Revenues**

Special Projects System for the two calendar years 2011 through 2012:

<u>Year</u>	<u>Toll revenue</u>	<u>Current expenses</u>	<u>Investment and other earnings</u>	<u>Net revenues</u>	<u>Coverage</u>
2011	\$ 10,488,973	\$ 4,776,850	\$ 1,174,558	\$ 6,886,681	N/A
2012	6,466,245	5,533,461	1,240,403	2,173,187	N/A

(\*) net of bad debt expense of \$1,550,250

**See accompanying independent auditors' report.**

**NORTH TEXAS TOLLWAY AUTHORITY**  
**SPECIAL PROJECTS SYSTEM**  
**Schedule of Capitalized Costs by Project**  
**August 31, 2012**  
**(Unaudited)**

Schedule 7

	<b>President George Bush</b>	<b>Chisholm Trial</b>	<b>Cumulative Total</b>
	<b>Western Extension</b>	<b>Parkway</b>	<b>Through</b>
			<b>August 31, 2012</b>
<b>Right of Way</b>	\$ 69,402	22,699,841	22,769,243
<b>Engineering</b>	9,315,476	13,384,939	22,700,415
<b>Administration</b>	868,289	10,783	879,072
<b>Construction in Progress</b>	905,932,644	368,131,638	1,304,364,282
<b>Subtotal \$</b>	<u>916,185,811</u>	<u>404,227,201</u>	<u>1,320,413,012</u>
<b>Financing costs</b>	66,306,817	24,408,626	90,715,443
<b>Total capitalized costs \$</b>	<u><u>982,492,628</u></u>	<u><u>428,635,827</u></u>	<u><u>1,411,128,455</u></u>

See accompanying independent auditors' report.



