



SPECIAL PROJECTS SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

2017 Comprehensive Annual Financial Report
Fiscal Year Ended August 31, 2017



NORTH TEXAS TOLLWAY AUTHORITY

SPECIAL PROJECTS SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended August 31, 2017

**Gerald Carrigan
Executive Director**

**Horatio Porter
Chief Financial Officer**

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

Comprehensive Annual Financial Report
For the Year Ended August 31, 2017

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November 17, 2017

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 for the SPS for the fiscal year ended August 31, 2017 in compliance with Section 712 of the Trust Agreement.

This report provides the Board Members, NTTA staff, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the SPS. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, rests with the Authority.

To the best of our knowledge and belief the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the SPS as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the SPS's financial affairs have been included.

Crowe Horwath LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Special Projects System's financial statements for the year ended August 31, 2017. The 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 the two should be read in conjunction with each other. Please refer to the MD&A on pages 9-17 of this report for a detailed discussion of the SPS financial performance.

Profile of the Government

The Authority's mission is to provide a safe and reliable toll road system, increase value and mobility options for our customers, operate the Authority in a businesslike manner, protect our bondholders, and partner to meet our region's growing need for transportation infrastructure.

In April 2011, the Authority in partnership with the United States Department of Transportation ("USDOT") and the Texas Department of Transportation ("TxDOT") completed the financing for the President George Bush Turnpike – Western Extension ("PGBT-WE"). The 11.5-mile PGBT-WE was the very first project of the Special Projects System ("SPS"). The Authority constructed Phase 4 and TxDOT constructed phases 1, 2, and 3. PGBT-WE opened to traffic in October 2012 and now provides a link that extends the existing PBGT from south of SH 183 south to I-20.

In October 2011, the NTTA Board of Directors added Chisholm Trail Parkway ("CTP") to the Special Projects System. The CTP (formerly Southwest Parkway) is a 27.6-mile toll road that extends from downtown Fort Worth south to Cleburne. The project is a collaboration between the NTTA, TxDOT, the North Central Texas Council of Governments (NCTCOG), Tarrant and Johnson counties, the cities of Fort Worth, Burleson and Cleburne, Fort Worth and Western Railroad (FWWR) and Union Pacific Railroad (UPRR).

Construction of the CTP began on November 28, 2011 and the road opened to traffic in May 2014. NTTA operates the projects with its resources, but they are not part of the NTTA System. These two projects are stand-alone projects governed by separate Trust Agreements.

Economic Development

The Dallas-Fort Worth area is one of the top regions in the nation for business, thanks to a low cost of living, a business-friendly environment, a strong base of well-educated and skilled employees and robust access to both U.S. and world markets through its transportation network. Key metrics tracked by the Federal Reserve Bank of Dallas, which measures economic indicators throughout Texas, northern Louisiana and southern New Mexico, show that Dallas-Fort Worth economic growth continues to be solid (although slowing in Fort Worth). Employment in the DFW metroplex continues to outperform the state as a whole, and unemployment remains below state and national rates. The DFW housing market is seeing higher prices and reduced affordability, partly as a result of continued solid demand and tight inventories. The Dallas Fed business-cycle indexes point toward continued growth for the metroplex.

Dallas-Fort Worth cities are consistently among the top places to work, the best places to live and the best places for investment. The U.S. Bureau of Labor and Statistics shows that Dallas-Fort Worth-Arlington was 1 of the nation's 12 largest metropolitan statistical areas in September 2016. All 12 areas had over-the-year job growth during the period, with the rates of job growth in 9 areas exceeding the national increase of 1.7 percent. Dallas had the fastest rate of job growth, 3.6 percent, followed by Atlanta-Sandy Springs-Roswell (2.9 percent) and San Francisco-Oakland-Hayward (2.6 percent). Houston-The Woodlands-Sugar Land and Chicago-Naperville-Elgin had the slowest rates of job growth

The Fortune 500 list shows 20 (5 in Forbes 2000) firms headquartered in our region. Dallas-Fort Worth corporate powerhouse companies are distributed throughout the region, an indication of its strength and the quality of the workforce and ease of navigation between cities and corporate centers. It's common to work in one part of the Dallas-Fort Worth area and live in another. More than 90 percent of people who commute to work here, do so by car, truck or van, which is easy, thanks to our well-developed network of interstate freeways, state highways and toll roads connecting job centers to fast-growing communities.

Relevant Financial Policies

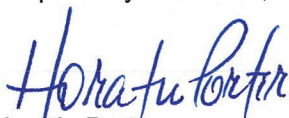
The SPS does not have any employees. The Authority employees perform the work of the SPS. Additionally, the Authority provides all accounting, debt financing and administrative services.

Section 705 of the Trust Agreement mandates the SPS 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 the Finance Department and other NTTA staff members for their contributions in the production of this report. Additionally, we are thankful for our Board of Directors' support and direction.

Respectfully submitted,



Horatio Porter
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

Special Projects System

An Enterprise Fund of the North Texas

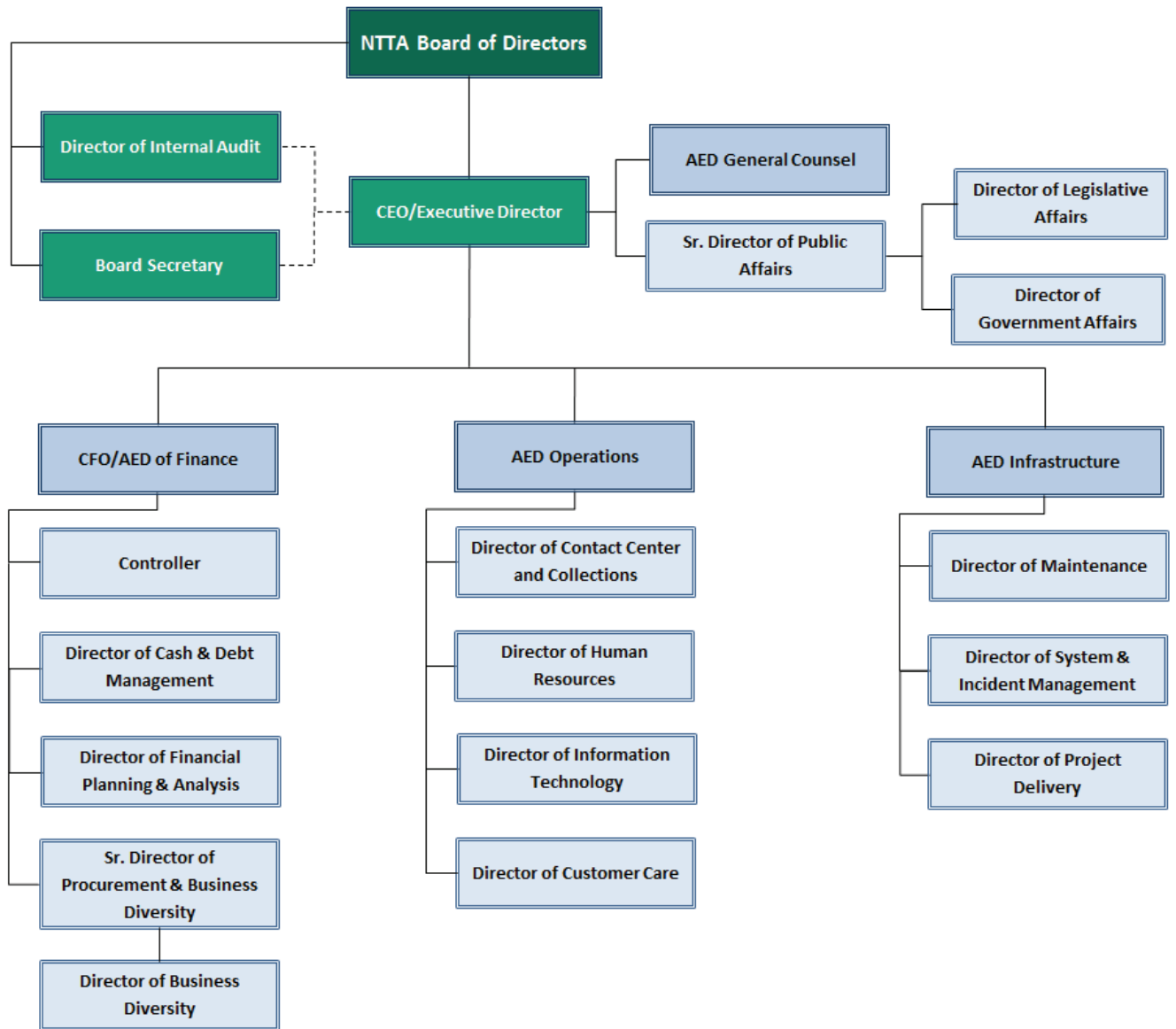
Tollway Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2016

Executive Director/CEO

Organizational Chart



North Texas Tollway Authority
List of Officials
August 31, 2017

Kenneth Barr Chairman	Bill Moore Vice Chairman	William D. Elliott Director
		
Tarrant County Appointee	Collin County Appointee	Gubernatorial Appointee
Carl O. Sherman Director	Mojoy Haddad Director	John Mahalik Director
		
Dallas County Appointee	Tarrant County Appointee	Denton County Appointee
Michael R. Nowels Director	George "Tex" Quesada Director	Jane Willard Director
		
Denton County Appointee	Dallas County Appointee	Collin County Appointee



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Texas Tollway Authority

Report on the Financial Statements

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, 2017, and the related notes to the financial statements which collectively comprise the SPS's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Special Projects System, an enterprise fund of the Authority, as of August 31, 2017, and the changes in financial position and its cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the Special Projects System and do not purport to, and do not, present fairly the financial position of the North Texas Tollway Authority, as of August 31, 2017, the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 9 - 17 and Modified Approach – Infrastructure Assets on pages 36 - 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the SPS's basic financial statements. The introductory section, continuing financial disclosure 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.

The introductory section, continuing financial disclosure schedules 1 through 7, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



Crowe Horwath LLP

Dallas, Texas
November 17, 2017

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Toll way Authority)

Management's Discussion and Analysis
August 31, 2017

As management of the North Texas Tollway Authority (Authority), we offer readers the financial statements of the Special Projects System (SPS), an enterprise fund of the Authority, including a narrative overview and analysis of the financial activities for the year ended, August 31, 2017. This overview and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in the financial position of the SPS. 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 (SPS). The SPS currently consists of the President George Bush Turnpike – Western Extension (PGBT-WE) and the Chisholm Trail Parkway (CTP). These roads are the first toll roads in Tarrant and Johnson Counties.

PGBT-WE, also known as State Highway 161, is an 11.5 mile link between Interstate 20 (I-20) and State Highway 183. PGBT-WE was constructed in conjunction with the Texas Department of Transportation (TxDOT). Phases 1-3 of PGBT-WE opened to traffic in 2009 and 2010 under the direction of TxDOT. Phase 4 of PGBT-WE opened to traffic in October 2012.

Originally defined as two distinct transportation projects, the Southwest Parkway and Chisholm Trail were combined to form the Southwest Parkway/Chisholm Trail project in October 2008. On May 12, 2011, Gov. Rick Perry signed HB 367 changing the name of the Southwest Parkway/Chisholm Trail corridor to Chisholm Trail Parkway (CTP). The bill took effect on Sept. 1, 2011. CTP is a 27.6-mile toll road that extends from downtown Fort Worth south to Cleburne. More than 40 years in the making, the project is a collaboration between the North Texas Tollway Authority (NTTA), Texas Department of Transportation (TxDOT), the North Central Texas Council of Governments (NCTCOG), Tarrant and Johnson counties, the cities of Fort Worth, Burleson and Cleburne, Fort Worth and Western Railroad (FWWR) and Union Pacific Railroad (UPRR). CTP opened to traffic in May 2014.

The SPS is not part of the North Texas Tollway Authority System (NTTA System), but 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.

In August 2013, The Authority drew down \$399.9 million from the Secured Loan Agreement (TIFIA Loan Agreement), dated April 1, 2011 between the Authority and the USDOT 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 already been constructed. As part of the TELA, the SPS operates on the State of Texas fiscal year which runs from September 1st through August 31st.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Toll way Authority)

Management's Discussion and Analysis
August 31, 2017

Using This Annual Report

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the SPS basic financial statements. The SPS's basic financial statements are comprised of three components: 1) proprietary financial statements, 2) notes to the financial statements and 3) required supplementary information which includes this management discussion and analysis. In addition to the basic financial statements, this report also contains other supplementary information as listed in the Table of Contents.

Proprietary financial statements - The proprietary financial statements are designed to provide readers with a broad overview of the SPS's finances, in a manner similar to a private-sector business.

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

The Statement of Revenues, Expenses and Changes in Net Position presents information showing the SPS's revenues, expenses, and how the net position changed during the year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected tolls).

The Statement of Cash Flows 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.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

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 proprietary financial statements. The notes to the financial statements can be found on pages 24-35 of this report.

Other Information: In addition to the proprietary financial statements and accompanying notes, the basic financial statements contain required supplementary information including this discussion and analysis. Other required supplementary information is presented to disclose trend data on the SPS's infrastructure condition. Additionally, certain financial schedules are presented for continuing disclosure.

Fiscal Year 2017 Highlights

- The Special Projects System total net position decreased by \$10,508,138 in fiscal year 2017 as compared to a decrease of \$10,231,036 in fiscal year 2016.
- Toll revenues of \$97,757,748, net of bad debt expense, increased \$8,608,465 or 9.66% over fiscal year 2016 revenues of \$89,149,283. The increase was mainly due to an increase in traffic (utilization) on the PGBT-WE and CTP toll roads, and a partial year benefit of the 5.5% toll rate increase that took effect on July 1, 2017.
- Total traffic transactions (excluding non-revenue transactions) for fiscal year 2017 were 94,339,326, an increase of 6,783,754 or 7.75% over fiscal year 2016 transactions of 87,555,572.
- Administration and Operations actual expenses for fiscal year 2017 were \$24,636,486, versus \$21,580,689 in fiscal year 2016, an increase of \$3,055,797 or 14.2%. However, expenses were \$2,889,463 or 10.5% below the budget amount of \$27,525,949.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Toll way Authority)

Management's Discussion and Analysis
August 31, 2017

Summary of Operations

Table A-1
Net Position

	2017	2016
Current unrestricted assets	\$ 49,180,677	\$ 31,046,838
Current restricted assets	135,837,608	165,923,610
Noncurrent assets		
Restricted investments	135,359,299	113,859,415
Capital assets:		
Nondepreciable	2,106,206,888	2,103,854,633
Total assets	2,426,584,472	2,414,684,496
Current unrestricted liabilities	3,816,949	2,096,631
Current liabilities payable from restricted assets	41,958,828	44,026,000
Long-term debt	1,877,091,988	1,854,337,020
Total liabilities	1,922,867,765	1,900,459,651
Net position:		
Net investment in capital assets	437,206,710	423,609,490
Restricted for debt service	201,169,486	202,593,305
Unrestricted	(134,659,489)	(111,977,950)
Total net position	\$ 503,716,707	\$ 514,224,845

The net position of the SPS at the end of the 2017 fiscal year was \$503,716,707. The vast majority of the SPS's net position is the net investment in capital assets \$437,206,710 (86.8%) and most capital assets of the Authority cannot be sold to generate liquid capital. The net position restricted for specific purposes totals \$201,169,486 (39.9%). The remaining (\$134,659,489) (-26.7%) is the unrestricted net position and may be used to meet ongoing obligations in accordance with the Authority's fiscal policies. Unrestricted net position decreased by \$22,681,539 in fiscal year 2017.

The SPS's net position also indicates an unrestricted current ratio of 12.88 for fiscal year 2017 and 14.81 for fiscal year 2016. Working capital was \$45,363,728 in fiscal year 2017 and \$28,950,207 in fiscal year 2016. Investments, which represent the largest component of current assets, were \$173,389,427 for fiscal year 2017 and \$185,618,514 for fiscal year 2016. The remaining \$11,628,858 is comprised of accrued interest receivable of \$826,257, interproject/agency receivables of \$2,907,860, prepaid expenses of \$9,687 and \$7,885,054 of accounts receivable (net of allowance for doubtful accounts of \$22,906,927). (See Note 9)

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Toll way Authority)

Management's Discussion and Analysis
August 31, 2017

Table A-2
Change in Net Position

	2017	2016
Revenues		
Tolls (net of uncollectible of \$11,782,176 in 2017 and \$10,519,176 in 2016)	\$ 97,757,748	\$ 89,149,283
Other revenues (see page 14)	9,657,878	8,086,329
Operating revenues	107,415,626	97,235,612
Operating expenses	27,146,233	24,610,804
Operating income	80,269,393	72,624,808
Nonoperating revenue (expenses):		
Interest income	1,860,544	3,171,563
Interest expense, accretion and bond discount/premium amortization	(92,805,898)	(91,001,358)
Miscellaneous (settlement, etc)	167,823	4,973,951
Net nonoperating revenue (expenses):	(90,777,531)	(82,855,844)
Change in net position	(10,508,138)	(10,231,036)
Net position- beginning	514,224,845	524,455,881
Net position - ending	\$ 503,716,707	\$ 514,224,845

Total operating revenues were \$107,415,626 for fiscal year 2017 and \$97,235,612 for fiscal year 2016. Toll revenues were \$97,757,748 for fiscal year 2017 and \$89,149,283 for fiscal year 2016. (See Fiscal Year 2017 Highlights for an explanation of the increase).

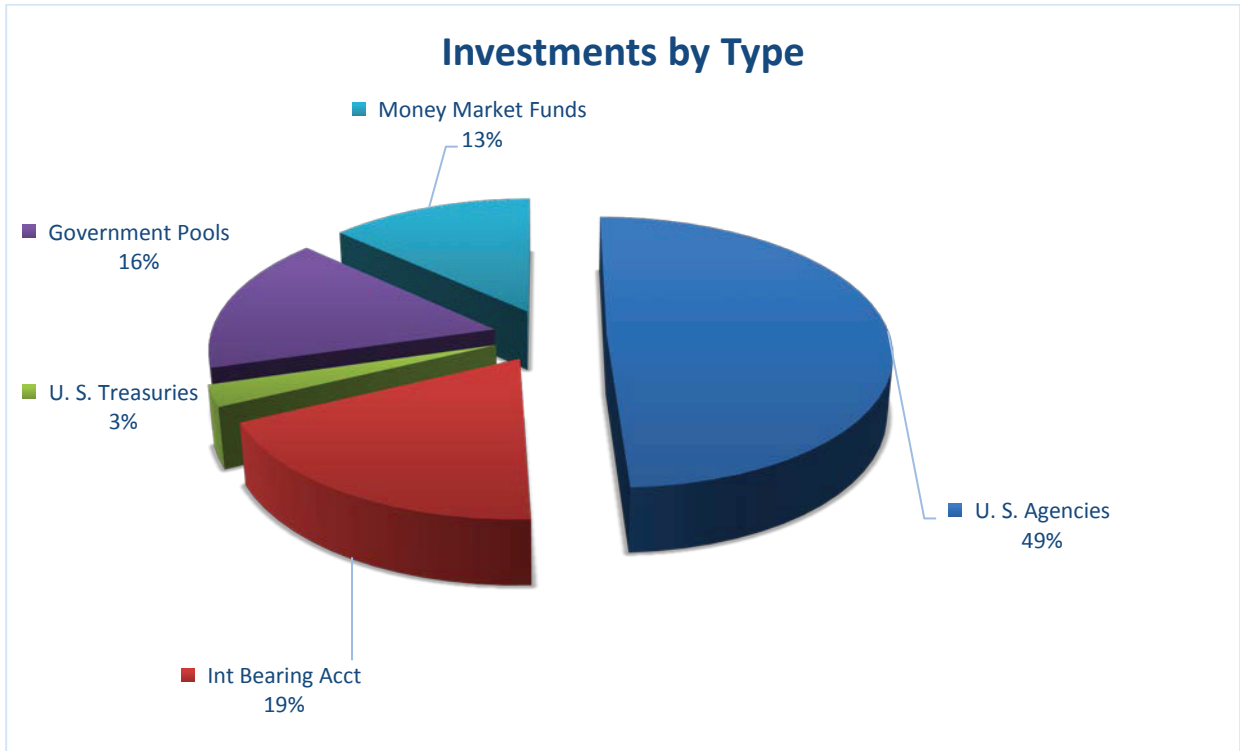
Total operating expenses, including major maintenance, for fiscal year 2017 were \$27,146,233, an increase of \$2,535,429 from fiscal year 2016. Interest expense, net of capitalized interest, for fiscal year 2017 was \$92,805,898 compared to \$91,001,358 in fiscal year 2016.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Toll way Authority)

Management's Discussion and Analysis
August 31, 2017

Investments: The SPS's investments at August 31, 2017 and 2016 were approximately \$308.7 million and \$299.5 million, respectively. Chart A-1 below shows the types of authorized investments in the August 31, 2017 portfolio.

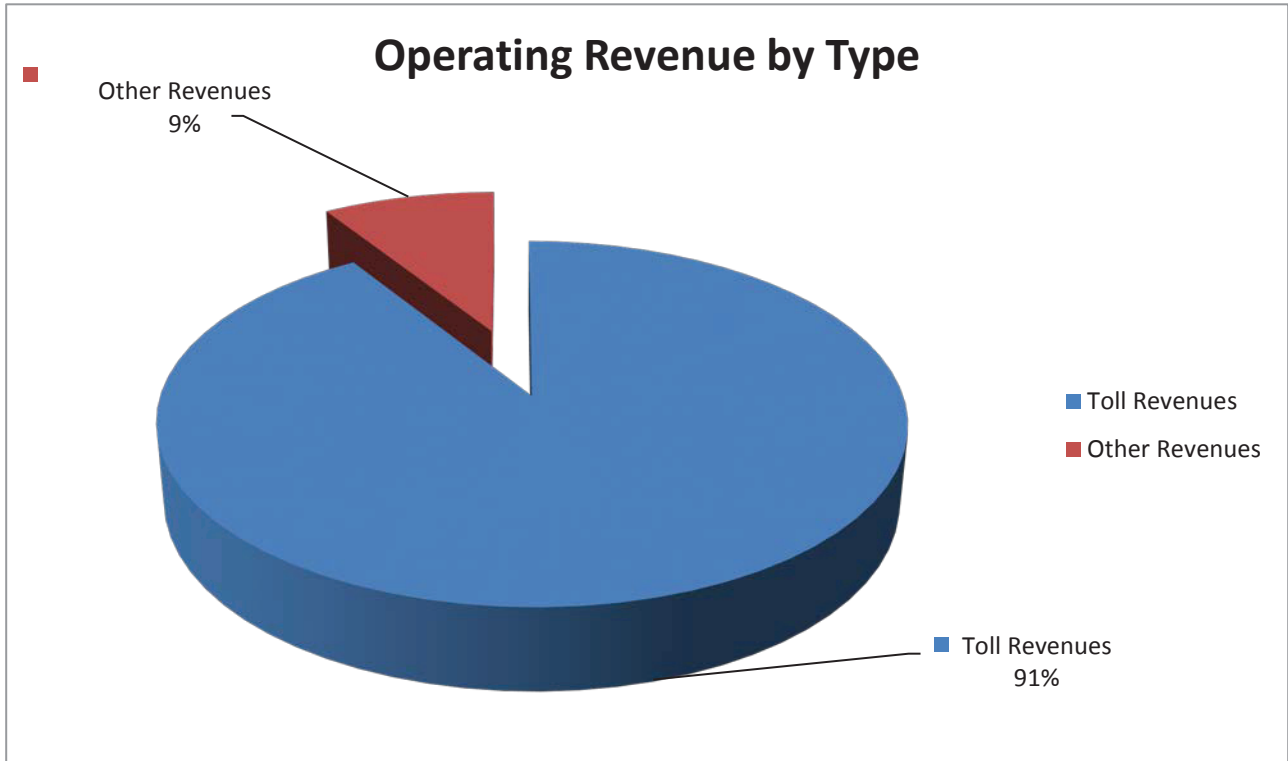
Chart A-1



SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Toll way Authority)
Management's Discussion and Analysis
August 31, 2017

Chart A-2 below shows NTTA's revenue in fiscal year 2017 by revenue source type.

Chart A-2



Operating revenues for fiscal year 2017 were \$107,415,626, a 10.5% increase over fiscal year 2016 operating revenues of \$97,235,612. Toll revenues of \$97,757,748 (net of uncollectible of \$11,782,176) accounts for 91.0% of total operating revenues. (See Fiscal Year 2017 Highlights for breakdown of toll revenues).

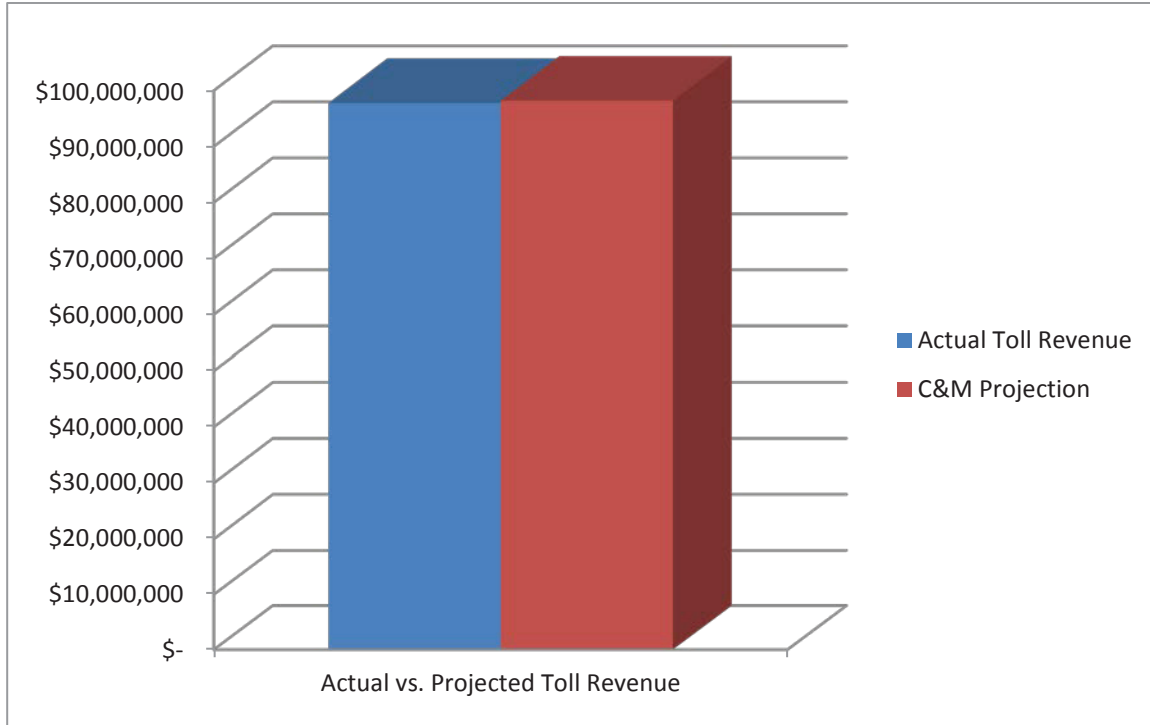
Other revenues, mostly administrative and statement fees for collection of tolls from violators and interoperability fees, were \$9,657,878, representing 9% of the total.

SPECIAL PROJECTS SYSTEM
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Management's Discussion and Analysis
 August 31, 2017

Chart A-3 below shows the SPS's actual toll revenue for fiscal year 2017 compared to the toll revenue projection by the Authority's traffic and toll revenue engineer, C&M Associates, Inc. Toll revenue was less than C&M's projection's by 0.4%.

Chart A-3



Average daily revenue transactions for fiscal year 2017 were 258,464 compared to 239,223 for fiscal year 2016. Average daily nonrevenue transactions (e.g. emergency vehicles, etc) for fiscal year 2017 were 1,627 compared to 1,540 for fiscal year 2016.

Engineering Projection

The annual toll revenue projected by C&M Associates, Inc. is displayed in comparison to the actual revenue in Table A-3 below:

Table A-3
 Actual vs Projected (Toll Revenue)

Year	Actual	Projected	Variance
2017	\$ 97,757,748	\$ 98,172,700	(414,952)
2016	89,149,283	76,764,200	12,385,083
2015	69,698,415	46,897,500	22,800,915
2014	38,179,423	34,529,300	3,650,123
2013	24,429,140	24,566,814	(137,674)
2012	6,466,245	8,281,900	(1,815,655)
2011	10,488,973	6,861,500	3,627,473

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Management's Discussion and Analysis
August 31, 2017

Capital Assets – The SPS's investment in capital assets includes engineering, right-of-way and roadway. Capital assets at August 31, 2017 were \$2,106,206,888. For additional information on capital assets see Note (1) (f) and Note (4).

The SPS utilizes the GASB No. 34, Modified Approach of reporting infrastructure assets. The Authority's 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 Statement No. 34 (GASB 34) purposes of a condition level of 6 or greater. These condition levels were adopted by the Board of Directors for the Authority by Resolution No. 02-31 on June 19, 2002 and further clarified by Resolution No. 07-169 on December 19, 2008. An asset condition inspection for PGBT WE and CTP was completed in April 2017 (See Table A-4 below).

Table A-4
Condition Index

Fiscal Year	Current	Goal
2017	9.1	8.0
2016	9.2	8.0
2015	9.2	8.0
2014	9.1	8.0
2013	9.1	8.0
2012	N/A	N/A
2011	N/A	N/A

Long-Term Debt – At the end of fiscal year 2017, the SPS's total bonded debt outstanding was \$1,411,900,665 (See Table A-5 below). 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, 2017, on page 32-33. Additionally, please review Note (11) (Subsequent Event) on page 35.

Table A-5
Revenue Bonds Outstanding
As of Fiscal Year 2017

Series	Amount Outstanding	
	2017	2016
Series 2011A	\$ 454,980,000	\$ 470,010,000
Series 2011B	88,235,405	81,924,137
Series 2011C	198,672,948	185,783,839
Series 2011D	566,870,000	566,870,000
Series 2011E	73,665,000	73,665,000
Revenue bonds outstanding	<u>1,382,423,353</u>	<u>1,378,252,976</u>
Bond (discount) premium	<u>29,477,312</u>	<u>32,982,403</u>
Total	<u>\$ 1,411,900,665</u>	<u>\$ 1,411,235,379</u>

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Toll way Authority)

Management's Discussion and Analysis
August 31, 2017

TIFIA Loan – At the end of fiscal year 2017, the SPS's TIFIA outstanding principal is \$478,026,323 (See Table A-6 below). This loan is secured solely by toll revenues of the SPS. For detailed information of the outstanding debt service requirements of the loan as of August 31, 2017, see page 34 (Note 5). Additionally, please review Note (11) (Subsequent Event) on page 35.

Table A-6

TIFIA Loan - Principal Outstanding

Fiscal years	As of Fiscal Year 2017
2017	\$ -
2018	-
2019	-
2020	-
2021	-
2022 - 2026	3,346,830
2027 - 2031	4,183,535
2032 - 2036	4,183,535
2037 - 2041	4,183,535
2042 - 2046	241,631,198
2047	142,439,377
Interest accretion	78,058,313
Total	\$ 478,026,323

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
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Net Position
August 31, 2017

Assets

Current assets:	
Investments (note 3)	\$ 38,251,391
Accrued interest receivable	126,685
Intergovernmental receivables	2,907,860
Accounts receivable (net of allowance for uncollectibles) (note 9)	7,885,054
Prepaid expenses	9,687
Total current unrestricted assets	49,180,677
Current restricted assets:	
Restricted assets:	
Restricted for construction:	
Investments (notes 3 and 10)	40,919,457
Accrued interest receivable	59,256
Restricted for debt service:	
Investments (note 3)	94,218,579
Accrued interest receivable	640,316
Total current restricted assets	135,837,608
Total current assets	185,018,285
Noncurrent assets:	
Investments restricted for debt service (note 3 and 10)	135,359,299
Capital assets (note 4)	2,106,206,888
Total noncurrent assets	2,241,566,187
Total assets	2,426,584,472

Liabilities

Current liabilities:	
Accounts and Interagency payable	\$ 3,816,949
Total current unrestricted liabilities	3,816,949
Payable from restricted assets:	
Construction-related payables:	
Retainage payable (note 10)	15,864
Debt service-related payables:	
Accrued interest payable (note 10)	29,107,964
Special Projects System revenue bonds payable, current portion (note 5 and 10)	12,835,000
Total current liabilities payable from restricted assets	41,958,828
Total current liabilities	45,775,777
Noncurrent liabilities:	
US Department of Transportation TIFIA loan payable (note 5)	478,026,323
Special Projects System revenue bonds payable, net of unamortized net bond premium costs of \$29,477,312 (note 5)	1,399,065,665
Total noncurrent liabilities	1,877,091,988
Total liabilities	1,922,867,765

Net Position

Net investment in capital assets	437,206,710
Restricted:	
Restricted for debt service	201,169,486
Unrestricted	(134,659,489)
Total net position	\$ 503,716,707

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Revenues, Expenses and Changes in Net Position
Year ended August 31, 2017

Operating revenues:		
Tolls (net of uncollectible of \$11,782,176)	\$	97,757,748
Interest income		30,896
Other (administrative fees, late fees, etc)		9,626,982
Total operating revenues		<u>107,415,626</u>
Operating expenses:		
General		
Administration		4,609,432
Operations		20,027,054
Preservation		
Major maintenance and construction related		2,509,747
Total operating expenses		<u>27,146,233</u>
Operating income		<u>80,269,393</u>
Nonoperating revenues (expenses):		
Interest earned on investments		3,220,295
Net decrease in fair value of investments		(1,359,751)
Interest expense on revenue bonds		(56,215,929)
Interest expense on TIFIA loan		(1,000,000)
Interest accretion on 2011B, 2011C bonds and TIFIA loan		(39,095,060)
Bond discount/premium amortization		3,505,091
Miscellaneous (reimbursements, settlements, etc)		167,823
Net nonoperating revenues (expenses)		<u>(90,777,531)</u>
	Loss	<u>(10,508,138)</u>
	Change in net position	(10,508,138)
Beginning net position		<u>514,224,845</u>
Ending net position	\$	<u>503,716,707</u>

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Cash Flows
Year ended August 31, 2017

Cash flows from operating activities:	
Receipts from customers and users	\$ 107,153,737
Receipts from other sources	167,823
Payments to contractors and suppliers	(18,643,410)
Payments to employees	(7,199,966)
Net cash provided by operating activities	<u>81,478,184</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(2,456,704)
Principal payment on 1st Tier 2011-A bonds	(15,030,000)
Interest paid on revenue bonds and other debt	(56,566,680)
Net cash used by capital and related financing activities	<u>(74,053,384)</u>
Cash flows from investing activities:	
Purchase of investments	(345,545,030)
Proceeds from sales and maturities of investments	334,914,480
Interest received	3,205,750
Net cash provided by investing activities	<u>(7,424,800)</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>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 80,269,393
Adjustments to reconcile operating income to net cash provided by operating activities:	
Miscellaneous nonoperating income	167,823
Changes in assets and liabilities:	
Increase in accounts receivable	(261,888)
Increase in accounts and retainage payable	1,513,821
Decrease in accrued liabilities	(210,475)
Increase in prepaid expense	(490)
Total adjustments	<u>1,208,791</u>
Net cash provided by operating activities	<u>\$ 81,478,184</u>
Noncash financing, capital, and investing activities:	
Decrease in fair value of investments	\$ (1,359,751)
Interest accretion on bonds (2011-B&C)	(19,200,378)
Interest accretion on TIFIA loan	(19,894,682)

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SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

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SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

(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, Johnson 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 Chisholm Trail Parkway (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 Position. The assets of the SPS are stated at cost with the exception of certain investments, which are stated at fair value.

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 principal revenues of the SPS are toll revenues received from patrons. Operating expenses for the SPS include the costs of operating and maintaining the SPS and administrative expenses allocated from the System. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. 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 Authority. These practices follow the Generally Accepted Accounting Principles (GAAP) in the United States for an enterprise fund on an accrual basis.

Exceptions are:

- Depreciation and amortization of certain non-infrastructure capital assets and related acquisition and revenue bond issuance costs are not included as an operating expense or otherwise provided
- 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.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

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 Special Projects System are included in the Statement of Net Position in accordance with the Trust Agreement as described above.

(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 and Property Fund** – The Construction and Property Fund was created to account for that portion of the proceeds from the sale of the Special Projects 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 Funds any monies received from any other source for paying the cost of the SPS.
- **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.
- **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 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 SPS or to prevent loss of revenues, engineering expenses relating to the functions of the SPS's, equipment, maintenance expenses, and operating expenses not occurring at annual or shorter periods.
- **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.
- **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.
- **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.
- **Debt Service Fund** – The Debt Service Fund was created to account for the payment of First, Second and Third Tier obligations.

(e) Investments

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

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

(f) Capital Assets

All capital assets are stated at historical cost, except for donated assets, which are valued at the estimated acquisition 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, or improve the capacity 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 expenses. 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 Special Projects System.

(h) Bond Discounts and Premiums

Bond discounts and premiums are amortized using the bonds outstanding method, over the life of the bonds which approximates the effective interest method. Revenue bonds payable are reported net of unamortized bond discount or premium.

(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. There is no cumulative arbitrage rebate liability for the Special Projects System for the year ended August 31, 2017.

(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 three gantries or accrue \$2.50 in toll transactions to generate an invoice. Invoices are billed on a monthly basis.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

(I) ***New Accounting Pronouncements***

In the current year, SPS implemented the following statements:

GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14* The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. GASB 80 had no impact on the SPS financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements* The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. GASB 81 had no impact on the SPS financial statements.

GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. GASB 82 had no impact on the SPS financial statements since the Authority does not have a pension under SPS.

The GASB has issued the following statements which will be effective in future years as described below. The impact on the SPS's financial statements of implementation has not yet been determined for the following:

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for periods beginning after June 15, 2018.

GASB Statement No. 84, *Fiduciary Activities* is effective for periods beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 85, *Omnibus 2017* is effective for periods beginning after June 15, 2017. This Statement will enhance consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, is effective for periods beginning after June 15, 2017. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources--resources other than the proceeds of refunding debt--are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

SPECIAL PROJECTS SYSTEM
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NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

GASB Statement No. 87, *Leases* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement is effective for periods beginning after December 15, 2019.

(2) Legal Compliance – Budgets

The Board 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 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. The SPS was in compliance in 2017.

	<i>Fiscal Year 2017</i>
GAAP basis operating income	\$ 80,269,393
Add:	
Capital improvement fund expenses	1,343,938
Major maintenance fund expenses	1,165,809
Net revenues available for debt service	82,779,140
Bond interest expense, net of capitalized interest and prefunded debt service	49,006,961
Scheduled principal amount due	12,835,000
Calculated debt service requirement	\$ 61,841,961
Coverage ratio (for 1st tier debt)	1.34

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

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 March 2017. 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.
- Money market funds, including money market funds affiliated with the Trustee, that invest solely in obligations 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 Position.

(a) Deposits

The SPS did not have any cash deposits as of August 31, 2017.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

(b) Investments

As of August 31, 2017 the maturity values were as follows:

Description	2017			WAM(*)
	Maturity Value (in Yrs)			
	Fair Value	Less Than 1 Year	1 Year or More	
Government Sponsored Entities (GSE):				
Federal Home Loan Bank	\$ 53,184,670	\$ 5,992,260	\$ 47,192,410	
Federal National Mortgage Assn.	45,065,691	2,689,776	42,375,915	
Federal Farm Credit Banks	33,874,524	15,949,972	17,924,552	
Federal Home Loan Mortgage Corp	19,958,000	-	19,958,000	
Total GSE	152,082,885	24,632,008	127,450,877	397
U.S. Treasury Note	7,908,421	-	7,908,421	-
Money Market Funds	40,959,142	40,959,142	-	-
Interest Bearing Account	57,518,090	57,518,090	-	-
Government Pool	50,280,188	50,280,188	-	6 (**)
Total Investments	\$ 308,748,726	\$ 173,389,428	\$ 135,359,298	

* WAM = Weighted Average Maturity (in days)

** WAM of Government Pools reflects the actual Weighted Average Maturity as reported by the Government Pools.

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

Construction Funds	\$ 40,919,457
Rate Stabilization Fund	136,232,645
Debt Service Fund	41,968,540
Capital Expenditure and Capital Expenditure Reserve Fund	18,333,051
Major Maintenance and Major Maintenance Reserve Fund	20,980,402
Revenue Fund	1,659,574
Operating Fund	4,934,113
General Fund	43,720,944
Total	\$ 308,748,726

(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. The weighted average yield-to-maturity of the portfolio for August 31, 2017 was 1.151% in comparison to 0.900% for August 31, 2016.

The weighted average maturity in days was 403 days as of August 31, 2017 compared to 424 days as of August 31, 2016. Approximately 56% of the investments are maturing within one year and 44% are maturing one year or greater.

SPECIAL PROJECTS SYSTEM
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NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

(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, 2017, the Special Projects System invested 13% in AAA rated money market funds, 19% in Interest Bearing Accounts, 16% in AAAM rated State and Local Government Pool, 3% in U.S. Treasuries and 49% in Government Sponsored Entities (GSE). GSE are Aaa rated by Moody’s.

The Special Projects System participates in three local government investment pools, two (TexPool and TexasDAILY) carry investments at amortized costs; while TexStar carries investments at fair value. 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. PFM Asset Management LLC is the Investment Advisor and Administrator of TexasDAILY.

The local government investment pools in which the SPS invests are structured, similarly to money market mutual funds, to provide liquidity needs. TexPool, TexasDAILY 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, TexStar and TexasDAILY 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, 2017, investments in BB&T Bank and Wells Fargo Bank Government Money Market Fund exceeded 5% of the total portfolio. More than 5% of the Authority’s Special Projects System funds are invested in Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC).

SPS categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. SPS has the following recurring fair value measurements as of August 31, 2017 using a matrix pricing model:

	August 31, 2017	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
Debt securities				
Federal Home Loan Bank	\$ 53,184,670	\$ -	\$ 53,184,670	\$ -
Federal National Mortgage Assn.	45,065,691	-	45,065,691	-
Federal Farm Credit Banks	33,874,524	-	33,874,524	-
Federal Home Loan Mortgage Corp.	19,958,000	-	19,958,000	-
US Treasury Note	7,908,421	-	7,908,421	-
Total debt securities	159,991,306	-	159,991,306	-
Total investments measured at fair value level:	\$ 159,991,306	\$ -	\$ 159,991,306	\$ -

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

(4) Capital Assets

Capital assets are summarized as follows:

	<u>September 1, 2016</u>	<u>Addition</u>	<u>Transfer</u>	<u>August 31, 2017</u>
Infrastructure network:				
<i>Non-depreciable</i>				
Engineering	\$ 41,750,575	\$ 741,395	\$ -	\$ 42,491,970
Right-of-Way	48,596,299	-	-	48,596,299
Roadway/Highway/Bridges	2,012,517,114	1,610,860	-	2,014,127,974
Administration	990,645	-	-	990,645
Total non-depreciable infrastructure	<u>\$ 2,103,854,633</u>	<u>\$ 2,352,255</u>	<u>\$ -</u>	<u>\$ 2,106,206,888</u>

* Interest cost of \$57,215,929 was expensed in the current fiscal year and none was capitalized.

(5) Revenue Bonds 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, 2017.

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.

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.

SPECIAL PROJECTS SYSTEM
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NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

These bonds were issued in two Subseries. The first Subseries was 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 was 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. The maturity dates of the 2011C bonds are September 1, 2043 through September 1, 2045.

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 tollway 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).

The approximate Yield to Maturity is 2.59% to 4.58%. 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 tollway 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).

The approximate Yield to Maturity is 3.27% to 3.87%. 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.

The following schedule summarizes the revenue bonds outstanding as of August 31, 2017:

Description of Issue	Beginning Balance	Additions	Accretion/ Amortization	Matured or Retired	Ending Balance	Due Within One Year
Series 2011A	\$ 470,010,000	-	-	\$ (15,030,000)	\$ 454,980,000	\$ 12,835,000
Series 2011B	81,924,137	-	\$ 6,311,268	-	88,235,405	-
Series 2011C	185,783,839	-	12,889,109	-	198,672,948	-
Series 2011D	566,870,000	-	-	-	566,870,000	-
Series 2011E	73,665,000	-	-	-	73,665,000	-
	1,378,252,976	-	19,200,377	(15,030,000)	1,382,423,353	12,835,000
Bond (discount) premium	32,982,403	-	(3,505,091)	-	29,477,312	-
Totals	\$1,411,235,379	-	\$ 15,695,286	\$ (15,030,000)	\$1,411,900,665	\$ 12,835,000

Premium and Discounts

Premiums and discounts related to the issuance of 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 bond (discount) premium costs for the year ended on August 31, 2017 was \$29,477,312.

SPECIAL PROJECTS SYSTEM
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NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

The total revenue bond debt service requirements subsequent to August 31, 2017 are as follows:

Year	Principal amount	Interest amount	Capitalized Interest	Total
Due September 1				
2017	\$ 12,835,000	\$ 56,215,928	\$ (7,208,968)	\$ 61,841,960
2018	60,000	55,624,178	(2,723,075)	52,961,103
2019	1,965,000	55,621,778	-	57,586,778
2020	25,535,000	55,555,812	-	81,090,812
2021	29,820,000	54,517,714	-	84,337,714
2022- 2026	207,860,000	330,678,940	-	538,538,940
2027 - 2031	407,285,000	273,159,126	-	680,444,126
2032 - 2036	113,510,048	199,273,750	-	312,783,798
2037 - 2041	339,265,602	156,332,678	-	495,598,280
2042 - 2045	142,322,799	52,029,450	-	194,352,249
Interest accretion to date	101,964,904	-	-	101,964,904
	\$1,382,423,353	\$1,289,009,354	\$ (9,932,043)	\$2,661,500,664

Loan Payable

TIFIA Loan

On April 15, 2011, NTTA closed on its TIFIA loan through the Transportation Investment Generating Economic Recovery (TIGER) program of the American Recovery and Reinvestment Act of 2009. The TIFIA loan was funded on August 16, 2013 to retire the BANs and at that time the grant was recognized. The TIFIA loan interest rate is set at 4.51%.

The following schedule summarizes the TIFIA loan outstanding as of August 31, 2017:

Description of Issue	Beginning Balance	Additions	Accretion/ Amortization	Matured or Retired	Ending Balance	Due Within One Year
TIFIA Loan	\$ 458,131,641	-	19,894,682	\$ -	\$ 478,026,323	\$ -
Totals	\$ 458,131,641	-	\$ 19,894,682	\$ -	\$ 478,026,323	\$ -

The total TIFIA loan debt service requirements subsequent to August 31, 2017 are as follows:

TIFIA Loan Payable			
Year	Principal amount	Interest amount	Total
Due September 1			
2017	\$ -	\$ 1,000,000	\$ 1,000,000
2018	-	21,558,987	21,558,987
2019	-	21,558,987	21,558,987
2020	-	21,558,987	21,558,987
2021	-	21,558,987	21,558,987
2022 - 2026	3,346,830	107,478,896	110,825,726
2027 - 2031	4,183,535	106,385,127	110,568,662
2032 - 2036	4,183,535	105,257,658	109,441,193
2037 - 2041	4,183,535	104,130,128	108,313,663
2042 - 2046	241,631,198	95,344,825	336,976,023
2047	142,439,377	5,502,753	147,942,130
Interest accretion to date	78,058,313	-	78,058,313
Total principal and interest	\$ 478,026,323	\$ 611,335,335	\$ 1,089,361,658

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS
August 31, 2017

(6) Employees' Retirement Plan

The Authority's employees' retirement plans do not 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 do not 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.

(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 do not 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 accounts receivable balance of \$7,885,054 as of August 31, 2017. The unrestricted balance consists of \$6,419,267 for billed video tolls (net of allowance for doubtful accounts of \$21,283,724) and \$1,465,787 for unbilled video tolls (net of allowance for doubtful accounts of \$1,623,203).

Based upon the payment history for each 30 day bucket of billed aged toll receivables, an allowance is calculated for the expected percentage that will remain unpaid based upon these historical trends. The allowance for uncollectible receivables currently ranges from a minimum of 20% on invoices that are current (age of 0-30 days) to a maximum of 100% for invoices that have aged out of collections with an overall average of 76.83% reserved for all invoices.

The SPS books as an accounts receivable the value of un-invoiced Zip Cash transactions that are categorized as "Matched with DMV/meeting business rules" with an allowance for uncollectible receivables of 20%, and "Matched with DMV/not meeting business rules" with an allowance of 85%. Unmatched video toll transactions totaling \$4,480,872 are unrecorded.

(10) Commitments and Contingencies

The SPS currently has \$308,748,726 in investments with approximately \$270,497,335 restricted for construction and debt service. The SPS has \$41,958,828 in current liabilities payable from restricted assets that are comprised primarily of debt service related payables and construction-related payables including retainage at August 31, 2017. Additionally the SPS has contract and purchase order commitments at August 31, 2017 aggregating \$3.1 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

On November 1, 2017, the Authority issued \$2,509,315,000 of North Texas Tollway Authority System Revenue and Refunding Bonds, Series 2017. \$1,743,320,000 First Tier Bonds, Series 2017A and \$765,995,000 Second Tier Bonds, Series 2017B for the purpose of (i) refunding all of the Special Project System bonds and the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan, (ii) refunding all or a portion of the North Texas Tollway Authority System Revenue Bonds, Series 2005C, 2008A, 2008B and 2010, (iii) funding the 1st and 2nd Tier Debt Service Reserve Account, (iv) paying cost of issuance, including municipal bond insurance premiums for certain 2017B maturities and a surety policy for the 2nd Tier Debt Service Reserve Fund. The 2017A&B bonds both mature on January 1, 2048. The refunding of the SPS bonds results in the elimination of the requirement that a separate audit of the financial statements of the SPS as of August 31st be performed. Additionally as a result of the refunding, the activity of the SPS will be reported within the North Texas Tollway System (the "System"), an enterprise fund of the North Texas Tollway Authority after November 1, 2017, and all assets will be transferred to the System.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

Required Supplementary Information
August 31, 2017

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 consulting engineers. This inspection provides an overall rating, indicating the average condition of all of the SPS infrastructure assets (roadways and bridges). The assessment of condition is made by visual and mechanical tests designed to reveal any condition that would reduce user benefits below the maximum level of service. The Authority's 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 Statement No. 34 (GASB 34) purposes of a condition level of 6 or greater. These condition levels were adopted by the Board of Directors for the Authority 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, which at the time consisted of the President George Bush Turnpike (PGBT) Western Extension, was performed after substantial completion of construction in March 2013.

The SPS infrastructure assets currently include the PGBT Western Extension, the Chisholm Trail Parkway, and associated Ramps, Toll Gantries, and IT lane equipment. The SPS roadways are a major transportation network consisting of 39.1 miles (approximately 152.8 main lane miles and 52.6 frontage road miles) of roadways. All assets combined totaled \$2,106,206,888 in current replacement value for fiscal year 2017.

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"; conversely, a Condition Index with a value of 0.0 is considered "unusable." While the Maintenance Management Consultant (MMC) performs an asset condition assessment for the SPS every year, the results are required by GASB once every three years. The last reporting was 2017.

Fiscal Year	Condition Index	
	Current	Goal
2017	9.1	8.0
2016	9.2	8.0
2015	9.2	8.0
2014	9.1	8.0
2013	9.1	8.0
2012	N/A	N/A
2011	N/A	N/A

Condition Assessment and Inventory

A comprehensive condition assessment performed on all SPS assets in 2017 had a rating of 9.1. As mentioned above, an asset condition assessment satisfying requirements of GASB 34 is required every 3 years. The last reporting occurred in 2016, thus the next comprehensive condition assessment will be reported in 2019.

Bridges

In 2017, a condition assessment for the SPS bridges was reported based on current inspection reports obtained by TxDOT at that time. The inspections are performed in accordance with State and Federal guidelines for bridge inspection. As a component of the biennial bridge inspection process, a Sufficiency Rating is determined for each structure. The Sufficiency Rating Formula is a method of evaluating highway bridge data by calculating 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%).

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

Required Supplementary Information
August 31, 2017

Roadways

The MMC has maintained a computerized pavement management system (CPMS) to improve the effectiveness of the funds used to maintain the NTTA's pavement network and to help the Authority meet its bond covenants. The overriding goal of these efforts is to maintain the entire pavement network at an appropriately high condition level and to do so as cost-effectively as possible.

The MMC uses detailed pavement performance models, developed over the past twelve years of active management, to predict the NTTA's future pavement conditions (surface distress, ride quality, skid resistance, etc.), trigger pavement repair activities, and optimize the NTTA's overall pavement investment strategy. The MMC generates these models from a combination of measured condition data (both current and historical), empirical models, and engineering judgement.

The MMC measures pavement surface conditions using the Condition Rating System (CRS) methodology. The CRS is a rating process developed specifically for pavements used on expressways. The CRS procedures produce an overall assessment of pavement conditions, including estimates of the type, severity, and relative frequency of certain distresses. In addition, the CRS procedure includes performance modeling capabilities that take into account pavement type, thickness, age, and traffic. As a result, the CRS is ideal for major expressways and highways as it allows users to assess current pavement conditions efficiently and project future conditions based on site conditions. The CRS has been used successfully by highway agencies (including tollway authorities) for many years, and it has been used by the Authority since 2002.

Another component of the CPMS is the International Roughness Index (IRI). The MMC uses a digital survey vehicle to assess pavement conditions of the NTTA network. The vehicle utilizes laser technology to measure the vertical profile of the pavement surface and calculate pavement roughness. The pavement roughness is expressed in terms of IRI, the standard method used to evaluate and report pavement ride quality. The IRI is reported numerically and is a component, along with the visual distress survey, of the CRS.

The Authority's pavement management system is a network-level planning tool that helps the NTTA predict future overall pavement conditions, identify near-term and long-range pavement repair needs, and establish required budgets.

The budget-to-actual expenditures for preservation and other infrastructure maintenance costs were as follows for the years 2011-2017.

<u>Fiscal Year</u>	<u>Budget</u>	<u>Actual</u>
2017	\$ 4,978,508	\$ 1,343,938
2016	2,819,155	1,846,450
2015	1,316,616	717,098
2014	4,371,813	1,323,436
2013	673,301	221,883
2012	425,285	92,877
2011	400,916	5,533



SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
INTRODUCTION TO THE 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

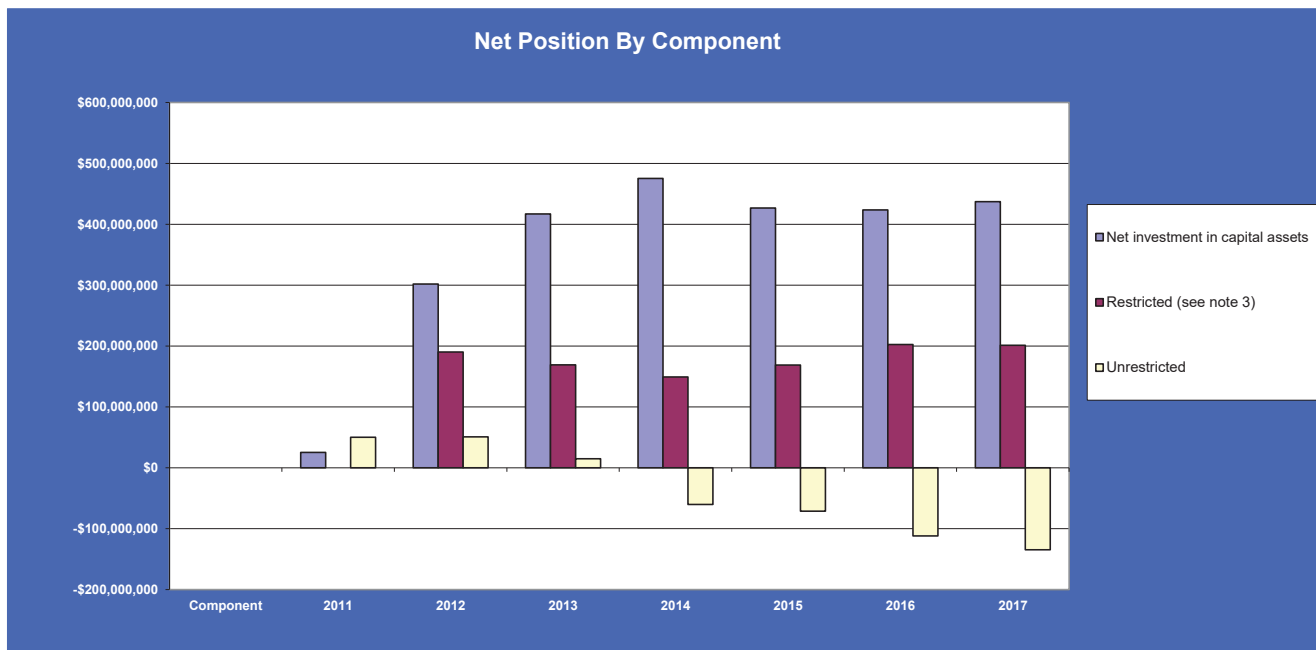
These tables contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

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

SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Net Position by Component
 Last Seven Fiscal Years
 (Unaudited)

Business-Type Activities

Component	2011	2012	2013	2014	2015	2016	2017
Net investment in capital assets	\$ 25,174,837	\$ 301,766,714	\$ 416,896,557	\$ 475,209,142	\$ 426,681,659	\$ 423,609,490	\$ 437,206,710
Restricted (see note 3)	-	190,162,390	169,161,310	149,175,009	168,840,627	202,593,305	201,169,486
Unrestricted	50,088,514	50,746,309	14,781,375	(60,194,057)	(71,066,405)	(111,977,950)	(134,659,489)
Total net position	\$ 75,263,351	\$ 542,675,413	\$ 600,839,242	\$ 564,190,094	\$ 524,455,881	\$ 514,224,845	\$ 503,716,707

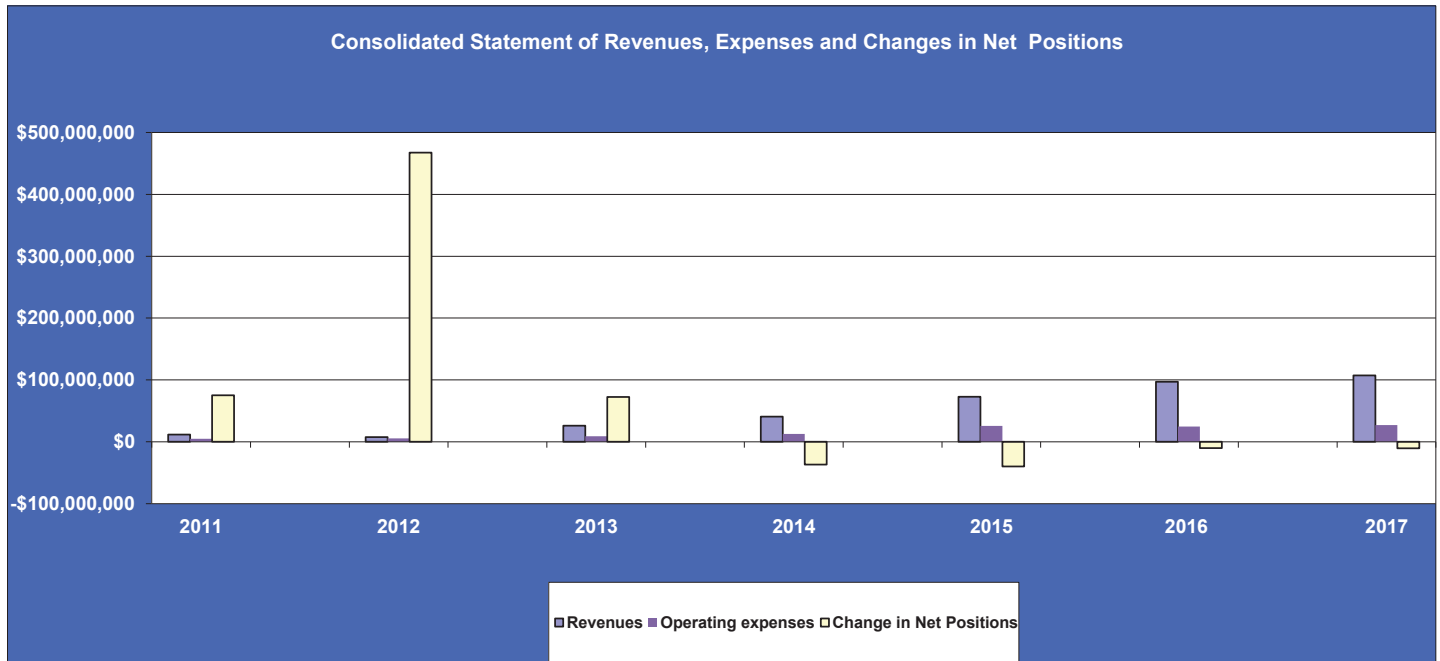


* Due to SPS being created in 2011, 10 years of data will not be available until 2020.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Revenues, Expenses, and Changes in Net Position
Last Seven Fiscal Years
(Unaudited)

Business-Type Activities								
Revenues:	2011	2012	2013	2014	2015	2016	2017	
Tolls (net of uncollectible)	\$ 10,488,973	\$ 6,466,245	\$ 24,429,140	\$ 38,179,423	\$ 69,698,415	\$ 89,149,283	\$ 97,757,748	
Other (1)	1,174,558	1,240,403	1,675,771	2,459,735	3,232,667	8,086,329	9,657,878	
Total operating revenues	<u>11,663,531</u>	<u>7,706,648</u>	<u>26,104,911</u>	<u>40,639,158</u>	<u>72,931,082</u>	<u>97,235,612</u>	<u>107,415,626</u>	
Operating expenses:								
Administration	1,320,416	2,015,360	3,409,128	4,062,155	5,478,193	4,631,242	4,609,432	
Operations	3,456,434	3,518,101	5,519,096	7,248,120	16,182,644	16,949,447	20,027,054	
Major maintenance and construction	5,533	92,877	221,883	1,323,436	3,900,813	3,030,115	2,509,747	
Total operating expenses	<u>4,782,383</u>	<u>5,626,338</u>	<u>9,150,107</u>	<u>12,633,711</u>	<u>25,561,650</u>	<u>24,610,804</u>	<u>27,146,233</u>	
Operating income	<u>6,881,148</u>	<u>2,080,310</u>	<u>16,954,804</u>	<u>28,005,447</u>	<u>47,369,432</u>	<u>72,624,808</u>	<u>80,269,393</u>	
Nonoperating revenues (expenses):								
Interest earned on investments	-	2,128,034	3,136,867	2,183,488	2,117,193	2,579,324	3,220,295	
Gain (loss) on sale of investment	-	262,689	(878,157)	-	-	-	-	
Net increase (decrease) in fair value of investments	514,876	2,128,517	(1,053,255)	52,517	(8,998)	592,239	(1,359,751)	
TIGER TIFIA loan subsidy	-	-	9,076,429	-	-	-	-	
Interest expense on revenue bonds	151,120	-	(31,302,548)	(36,960,309)	(57,359,229)	(56,917,429)	(56,215,929)	
Interest expense on TIFA loan	-	-	-	-	-	-	(1,000,000)	
Interest accretion on 2011B, 2011C bonds and TIFIA loan	(4,433,416)	(1,330,925)	(12,953,434)	(33,869,903)	(35,823,237)	(37,895,059)	(39,095,060)	
Bond premium/discount amortization	310,664	3,552,032	4,178,669	4,178,669	4,016,122	3,811,130	3,505,091	
Bond insurance cost amortization	(650,821)	(2,274,014)	-	-	-	-	-	
TIGER TIFIA administrative cost	-	-	(9,076,429)	-	-	-	-	
Miscellaneous nonoperating revenues (expenses)	(1,363,369)	1,194,020	(3,079,001)	(2,818,706)	(45,496)	4,973,951	167,823	
Payments from other governments	2,174,394	70,903,322	97,620,279	2,579,649	-	-	-	
Contributed capital	71,678,755	388,768,077	-	-	-	-	-	
Net nonoperating revenues (expenses)	<u>68,382,203</u>	<u>465,331,752</u>	<u>55,669,420</u>	<u>(64,654,595)</u>	<u>(87,103,645)</u>	<u>(82,855,844.00)</u>	<u>(90,777,531)</u>	
Change in net position	<u>\$ 75,263,351</u>	<u>\$ 467,412,062</u>	<u>\$ 72,624,224</u>	<u>\$ (36,649,148)</u>	<u>\$ (39,734,213)</u>	<u>\$ (10,231,036.00)</u>	<u>(10,508,138)</u>	

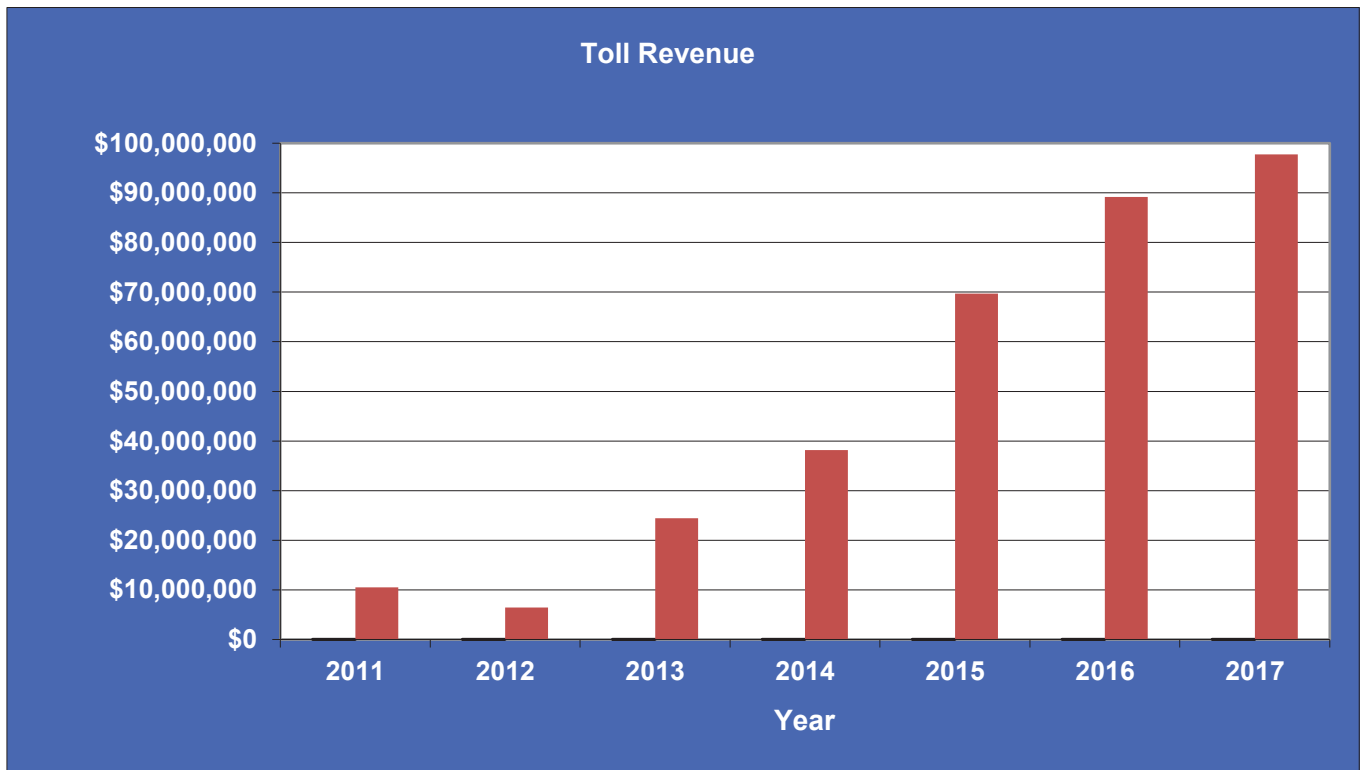
(1) Administrative fees, statement fees and operating interest.



SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Traffic and Toll Revenue
 Last Seven Fiscal Years
 (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
2013	34,238,837	24,429,140	0.71
2014	48,612,448	38,179,423	0.79
2015	72,605,426	69,698,415	0.96
2016	87,555,572	89,149,283	1.02
2017	94,339,326 (*)	97,757,748 (**)	1.04

(*) total transactions were 94,933,096 of which 593,770 were nonrevenue
 (**) net of uncollectible of \$11,782,176



* Due to SPS being created in 2011, 10 years of data will not be available until 2020.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Toll Rates (by Toll Plaza and Class of Vehicle)
For the years 2011-2017
(Unaudited)

		Years						
Two-axle passenger cars and trucks		2011	2012	2013	2014	2015	2016	2017
PGBT WE:								
Lower Tarrant Mainlane Gentry (MLG11)	ZipCash	1.25	1.25	1.41	1.41	1.49	1.49	1.56
	TollTag	0.83	0.83	0.94	0.94	0.99	0.99	1.04
Arkansas Mainland Gantry (MLG12)	ZipCash	-	-	1.49	1.49	1.56	1.56	1.65
	Toll Tag	-	-	0.99	0.99	1.04	1.04	1.10
CTP:								
Main Lane Gantry 1 (MLG1)	ZipCash	-	-	-	1.92	2.03	2.03	2.15
	Toll Tag	-	-	-	1.28	1.35	1.35	1.43
Main Lane Gantry 2 (MLG2)	ZipCash	-	-	-	3.12	3.30	3.30	3.48
	Toll Tag	-	-	-	2.08	2.20	2.20	2.32
Main Lane Gantry 3 (MLG3))	ZipCash	-	-	-	2.33	2.46	2.46	2.60
	Toll Tag	-	-	-	1.55	1.64	1.64	1.73
Years								
Three-axle vehicle and vehicle combination		2011	2012	2013	2014	2015	2016	2017
PGBT WE:								
Lower Tarrant Road - North (NLTRD)	ZipCash	2.50	2.50	2.82	2.82	2.98	2.98	3.12
	TollTag	1.66	1.66	1.88	1.88	1.98	1.98	2.08
Arkansas Mainland Gantry (MLG12)	ZipCash	-	-	2.98	2.98	3.12	3.12	3.30
	Toll Tag	-	-	1.98	1.98	2.08	2.08	2.20
CTP:								
Main Lane Gantry 1 (MLG1)	ZipCash	-	-	-	3.84	4.06	4.06	4.30
	Toll Tag	-	-	-	2.56	2.70	2.70	2.86
Main Lane Gantry 2 (MLG2)	ZipCash	-	-	-	6.24	6.60	6.60	6.96
	Toll Tag	-	-	-	4.16	4.40	4.40	4.64
Main Lane Gantry 3 (MLG3))	ZipCash	-	-	-	4.66	4.92	4.92	5.20
	Toll Tag	-	-	-	3.10	3.28	3.28	3.46
Years								
Four-axle vehicle and vehicle combination		2011	2012	2013	2014	2015	2016	2017
PGBT WE:								
Lower Tarrant Mainlane Gentry (MLG11)	ZipCash	3.75	3.75	4.23	4.23	4.47	4.47	4.68
	TollTag	2.49	2.49	2.82	2.82	2.97	2.97	3.12
Arkansas Mainland Gantry (MLG12)	ZipCash	-	-	4.47	4.47	4.68	4.68	4.95
	Toll Tag	-	-	2.97	2.97	3.12	3.12	3.30
CTP:								
Main Lane Gantry 1 (MLG1)	ZipCash	-	-	-	5.76	6.09	6.09	6.45
	Toll Tag	-	-	-	3.84	4.05	4.05	4.29
Main Lane Gantry 2 (MLG2)	ZipCash	-	-	-	9.36	9.90	9.90	10.44
	Toll Tag	-	-	-	6.24	6.60	6.60	6.96
Main Lane Gantry 3 (MLG3))	ZipCash	-	-	-	6.99	7.38	7.38	7.80
	Toll Tag	-	-	-	4.65	4.92	4.92	5.19
Years								
Five-axle vehicle and vehicle combination		2011	2012	2013	2014	2015	2016	2017
PGBT WE:								
Lower Tarrant Mainlane Gentry (MLG11)	ZipCash	5.00	5.00	5.64	5.64	5.96	5.96	6.24
	TollTag	3.32	3.32	3.76	3.76	3.96	3.96	4.16
Arkansas Mainland Gantry (MLG12)	ZipCash	-	-	5.96	5.96	6.24	6.24	6.60
	Toll Tag	-	-	3.96	3.96	4.16	4.16	4.40
CTP:								
Main Lane Gantry 1 (MLG1)	ZipCash	-	-	-	7.68	8.12	8.12	8.60
	Toll Tag	-	-	-	5.12	5.40	5.40	5.72
Main Lane Gantry 2 (MLG2)	ZipCash	-	-	-	12.48	13.20	13.20	13.92
	Toll Tag	-	-	-	8.32	8.80	8.80	9.28
Main Lane Gantry 3 (MLG3))	ZipCash	-	-	-	9.32	9.84	9.84	10.40
	Toll Tag	-	-	-	6.20	6.56	6.56	6.92
Years								
Six or more-axle vehicle and vehicle combination		2011	2012	2013	2014	2015	2016	2017
PGBT WE:								
Lower Tarrant Mainlane Gentry (MLG11)	ZipCash	6.25	6.25	7.05	7.05	7.45	7.45	7.80
	TollTag	4.25	4.15	4.70	4.70	4.95	4.95	5.20
Arkansas Mainland Gantry (MLG12)	ZipCash	-	-	7.45	7.45	7.80	7.80	8.25
	Toll Tag	-	-	4.95	4.95	5.20	5.20	5.50
CTP:								
Main Lane Gantry 1 (MLG1)	ZipCash	-	-	-	9.60	10.15	10.15	10.75
	Toll Tag	-	-	-	6.40	6.75	6.75	7.15
Main Lane Gantry 2 (MLG2)	ZipCash	-	-	-	15.60	16.50	16.50	17.40
	Toll Tag	-	-	-	10.40	11.00	11.00	11.60
Main Lane Gantry 3 (MLG3))	ZipCash	-	-	-	11.65	12.30	12.30	13.00
	Toll Tag	-	-	-	7.75	8.20	8.20	8.65
Note-All Customers will have a TollTag or be billed according to business rules currently in place. CTP opened in May 2014								

SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Ratio of Outstanding Debt by Type
 Business-Type Activities
 Last Seven Fiscal Years
 (Unaudited)

Year	Revenue Bonds	TIFIA Loan Payable	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	\$ 194
2012	1,798,945,295	-	1,798,945,295	12,602,102	142.75	315
2013	1,390,905,999	400,758,741	1,791,664,740	34,238,837	52.33	307
2014	1,402,319,241	419,036,734	1,821,355,975	48,612,448	37.47	305
2015	1,408,179,734	438,148,357	1,846,328,091	72,605,426	25.43	303
2016	1,411,235,379	458,131,641	1,869,367,020	87,555,572	21.35	307
2017	1,411,900,665	478,026,323	1,889,926,988	94,339,326	20.03	301

Note----Details of the SPECIAL PROJECTS SYSTEM outstanding debt can be found in the Notes to the Basic Financial Statements.

- (1) See table of Traffic and Toll Revenue on page 42.
- (2) See table of Demographic Data on page 48.

SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
Ratio of Revenue-Backed Debt Outstanding
Business-Type Activities
Last Seven Fiscal Years
 (Unaudited)

Year	Revenue Bonds	Less: amounts Available in Bond Redemption Account		TIFIA Loan Payable	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	\$ 194
2012	1,798,945,295	-		-	1,798,945,295	6,466,245	278	315
2013	1,390,905,999	-		400,758,741	1,791,664,740	24,429,140	73	307
2014	1,402,319,241	-		419,036,734	1,821,355,975	38,179,423	48	305
2015	1,408,179,734	-		438,148,357	1,846,328,091	69,698,415	26	303
2016	1,411,235,379	-		458,131,641	1,869,367,020	89,149,283	21	307
2017	1,411,900,665	-		478,026,323	1,889,926,988	97,757,748 (*)	19	301

(*) net of uncollectible of \$11,782,176

Note----Details of the SPECIAL PROJECTS SYSTEM outstanding debt can be found in the Notes to the Basic Financial Statements.

- (1) See table of Traffic and Toll Revenue on page 42.
- (2) See table of Demographic Data on page 48.

SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Pro Forma Debt Service Requirements
 For the years 2018-2047
 (Unaudited)

Fiscal Year End (Aug 31)	First Tier Debt Service ¹						Second Tier Debt Service ¹				First & Second Tier Debt Service ¹
	Series 2011 A-C Bonds	Series 2011 D Bonds		Series 2011 E Bonds		TIFIA Loan ²					
	Total	Principal	Interest	Principal	Interest	Total First Tier	Principal	Interest	Accrued Interest	Total	
2018	24,294,488	-	28,709,550	-	2,680,141	55,684,179	-	21,558,987	-	21,558,987	77,243,166
2019	24,232,088	100,000	28,709,550	1,865,000	2,680,141	57,586,779	-	21,558,987	-	21,558,987	79,145,766
2020	33,882,088	790,000	28,704,550	15,095,000	2,619,175	81,090,813	-	21,558,987	-	21,558,987	102,649,800
2021	37,939,588	780,000	28,665,050	14,850,000	2,103,076	84,337,714	-	21,558,987	-	21,558,987	105,896,701
2022	35,572,188	1,620,000	28,626,050	30,860,000	1,573,080	98,251,317	-	21,558,987	-	21,558,987	119,810,305
2023	41,432,188	16,675,000	28,545,050	10,995,000	425,397	98,072,634	836,707	21,547,620	163,293	22,547,620	120,620,254
2024	41,465,688	42,825,000	27,711,300	-	-	112,001,988	836,707	21,502,551	163,293	22,502,551	134,504,538
2025	42,017,188	44,190,000	25,570,050	-	-	111,777,238	836,707	21,457,420	163,293	22,457,420	134,234,657
2026	41,610,688	53,575,000	23,250,075	-	-	118,435,763	836,707	21,412,320	163,293	22,412,320	140,848,082
2027	41,232,688	48,655,000	20,437,388	-	-	110,325,075	836,707	21,367,220	163,293	22,367,220	132,692,295
2028	46,597,688	73,540,000	17,883,000	-	-	138,020,688	836,707	21,322,151	163,293	22,322,151	160,342,838
2029	45,582,613	79,950,000	14,206,000	-	-	139,738,613	836,707	21,277,020	163,293	22,277,020	164,015,632
2030	47,888,750	84,300,000	10,208,500	-	-	142,397,250	836,707	21,231,920	163,293	22,231,920	172,149,320
2031	56,374,000	87,595,000	5,993,500	-	-	149,962,500	836,707	21,186,820	163,293	22,186,820	177,149,320
2032	79,506,717	32,275,000	1,613,750	-	-	113,395,467	836,707	21,141,751	163,293	22,141,751	135,537,217
2033	82,002,153	-	-	-	-	82,002,153	836,707	21,096,620	163,293	22,096,620	104,098,772
2034	75,136,906	-	-	-	-	75,136,906	836,707	21,051,520	163,293	22,051,520	97,188,425
2035	87,133,743	-	-	-	-	87,133,743	836,707	21,006,420	163,293	22,006,420	109,440,163
2036	108,915,657	-	-	-	-	108,915,657	836,707	20,961,351	163,293	21,961,351	130,877,008
2037	108,358,575	-	-	-	-	108,358,575	836,707	20,916,220	163,293	21,916,220	130,274,795
2038	108,358,575	-	-	-	-	108,358,575	836,707	20,871,120	163,293	21,871,120	130,229,695
2039	114,241,925	-	-	-	-	114,241,925	836,707	20,826,020	163,293	21,826,020	136,067,945
2040	114,461,050	-	-	-	-	114,461,050	836,707	20,780,951	163,293	21,780,951	135,242,001
2041	103,887,550	-	-	-	-	103,887,550	836,707	20,735,820	163,293	21,735,820	125,623,370
2042	118,633,467	-	-	-	-	118,633,467	836,707	20,690,720	163,293	21,690,720	140,324,186
2043	138,968,600	-	-	-	-	138,968,600	836,707	20,645,620	163,293	21,645,620	160,614,220
2044	153,264,538	-	-	-	-	153,264,538	836,707	20,600,551	163,293	21,600,551	174,865,088
2045	43,612,713	-	-	-	-	43,612,713	83,055,821	19,438,338	16,209,290	118,703,449	162,316,161
2046	-	-	-	-	-	-	156,065,256	13,969,597	30,457,913	200,492,766	200,492,766
2047	-	-	-	-	-	-	142,439,377	5,502,753	27,798,667	175,740,796	175,740,796
Total	\$ 1,995,904,090	\$ 566,870,000	\$ 318,833,363	\$ 73,665,000	\$ 12,081,010	\$ 2,967,353,466	\$ 399,968,010	\$ 610,335,339	\$ 78,058,313	\$ 1,088,361,662	\$ 4,065,715,128

¹Debt service due on September 1 is shown as paid in the previous fiscal year ending August 31 as cash flow from the previous fiscal year is used to make September 1 debt service payments.

²The Notes were redeemed with the proceeds of the TIFIA Loan and funds on hand.

SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Schedule of Estimated Toll Revenues, Expenses, Other Income and Estimated Debt Service Coverage Ratios
 For the years 2018-2047
 (Unaudited)

Fiscal Year End (Aug 31)	Annual Cash Flow										Annual Debt Service Coverage Ratios		
	Toll Revenue	Other Revenue	Total Revenue	First Tier Debt Service (Net) ^{3,4}	Second Tier Debt Service (Gross) ^{4,4}	Operations & Maintenance	Major Maintenance	Major Maintenance Reserve Fund Release	Major Maintenance, Capital Expenditures, and Net Cash Fund Deposits and Draws	General Fund Deposit	Gross First Tier Debt Service Coverage Ratio ⁵	Gross Total Debt Service Coverage Ratio ⁶	Net Total Debt Service Coverage Ratio
2018	120,505,600	9,778,573	130,284,173	(50,272,429)	(21,558,987)	(32,564,130)	(2,319,865)	2,319,865	(24,116,010)	1,772,617	2.59x	1.81x	1.36x
2019	134,865,700	10,390,778	145,256,478	(57,586,779)	(21,558,987)	(34,203,636)	(14,630,183)	14,630,183	(29,899,452)	2,007,624	2.52x	1.84x	1.40x
2020	153,468,300	10,644,735	164,113,035	(81,090,812)	(21,558,987)	(35,924,376)	(3,317,688)	3,317,688	(21,099,632)	4,439,227	2.02x	1.60x	1.25x
2021	163,212,300	10,603,499	173,815,799	(84,337,714)	(21,558,987)	(37,912,071)	(7,599,698)	7,599,698	(23,531,692)	6,475,335	2.06x	1.64x	1.28x
2022	175,939,400	10,753,719	186,693,119	(98,251,317)	(21,558,987)	(38,877,498)	(10,147,532)	10,147,532	(17,873,187)	10,032,130	1.90x	1.56x	1.23x
2023	182,952,700	10,587,146	193,539,846	(98,072,634)	(22,547,620)	(40,024,019)	(3,685,341)	3,685,341	(19,065,197)	13,830,378	1.97x	1.60x	1.27x
2024	196,941,300	10,731,442	207,672,742	(112,001,988)	(22,502,551)	(40,942,342)	(14,643,242)	14,643,242	(14,326,208)	17,899,653	1.85x	1.54x	1.24x
2025	204,169,400	10,613,367	214,782,767	(111,777,238)	(22,457,420)	(42,067,420)	(3,322,759)	3,322,759	(17,211,006)	21,269,682	1.92x	1.60x	1.29x
2026	220,245,900	10,576,320	230,822,220	(118,435,763)	(22,412,320)	(43,475,615)	(6,447,942)	6,447,942	(19,983,228)	26,515,295	1.95x	1.64x	1.33x
2027	228,870,300	10,901,262	239,771,562	(110,325,075)	(22,367,220)	(44,791,611)	(13,832,925)	13,832,925	(25,106,689)	37,180,968	2.17x	1.81x	1.47x
2028	246,661,200	10,936,997	257,598,197	(138,020,688)	(22,322,151)	(46,376,142)	(8,333,585)	8,333,585	(23,696,751)	27,182,465	1.87x	1.61x	1.32x
2029	255,637,200	11,216,399	266,853,599	(139,739,613)	(22,277,020)	(47,794,221)	(43,037,602)	43,037,602	(23,622,618)	33,423,127	1.91x	1.65x	1.35x
2030	271,676,100	11,083,577	282,759,677	(142,397,250)	(22,231,920)	(49,142,594)	(5,172,589)	5,172,589	(33,649,071)	35,338,943	1.99x	1.72x	1.42x
2031	282,279,600	11,215,992	293,495,592	(149,962,500)	(22,186,820)	(50,939,719)	(4,660,334)	4,660,334	(39,714,168)	30,692,385	1.96x	1.70x	1.41x
2032	304,093,900	11,732,246	315,826,146	(113,395,467)	(22,141,751)	(54,728,397)	(58,212,490)	58,212,490	(40,993,350)	84,567,181	2.79x	2.33x	1.93x
2033	313,017,400	11,773,686	324,791,086	(82,002,153)	(22,096,620)	(56,354,913)	(9,252,524)	9,252,524	(47,226,454)	117,110,947	3.96x	3.12x	2.58x
2034	335,170,600	12,139,036	347,309,636	(75,136,906)	(22,051,520)	(58,337,178)	(25,337,541)	25,337,541	(43,146,976)	148,637,057	4.62x	3.57x	2.97x
2035	345,096,600	12,227,898	357,324,498	(87,433,743)	(22,006,420)	(60,125,436)	(91,394,949)	91,394,949	(25,193,993)	162,564,906	4.09x	3.27x	2.72x
2036	367,875,600	12,327,508	380,203,108	(108,915,657)	(21,961,351)	(62,205,069)	(52,522,856)	52,522,856	(22,639,931)	164,482,100	3.49x	2.91x	2.43x
2037	378,844,100	12,836,935	391,681,035	(108,358,575)	(21,916,220)	(64,182,344)	(8,144,176)	8,144,176	(27,872,171)	169,351,779	3.51x	3.01x	2.51x
2038	404,752,100	13,004,718	417,756,818	(108,358,575)	(21,871,120)	(66,521,036)	(3,881,204)	3,881,204	(38,707,516)	182,298,572	3.86x	3.21x	2.70x
2039	417,336,300	13,475,461	430,811,761	(114,241,925)	(21,826,020)	(68,690,926)	(64,929,051)	64,929,051	(36,430,568)	189,622,323	3.77x	3.17x	2.66x
2040	446,103,800	13,679,123	459,782,923	(113,641,050)	(21,780,951)	(71,244,621)	(15,365,103)	15,365,103	(56,888,275)	197,408,027	4.05x	3.40x	2.87x
2041	455,685,600	13,763,075	469,448,675	(103,887,550)	(21,735,820)	(73,277,604)	(13,087,069)	13,087,069	(72,966,425)	197,581,278	4.52x	3.74x	3.15x
2042	482,361,000	14,273,203	496,634,203	(118,633,467)	(21,690,720)	(75,744,067)	(18,128,249)	18,128,249	(67,234,967)	213,330,982	4.19x	3.54x	3.00x
2043	493,645,600	14,409,281	508,054,881	(138,968,600)	(21,645,620)	(78,006,964)	(151,211,700)	151,211,700	(48,273,543)	221,160,354	3.66x	3.16x	2.68x
2044	524,656,700	14,871,423	539,528,123	(153,254,538)	(21,600,551)	(80,719,173)	(22,176,087)	22,176,087	(45,269,800)	236,675,062	3.52x	3.09x	2.62x
2045	535,352,600	14,987,784	550,340,384	(43,612,713)	(118,703,449)	(83,040,734)	(67,030,482)	67,030,482	(36,442,077)	268,541,413	12.62x	3.39x	2.88x
2046	576,976,100	15,138,288	592,114,388	-	(200,492,766)	(85,371,453)	(83,786,705)	83,786,705	(29,939,626)	265,810,544	NA	2.90x	2.48x
2047	579,046,500	15,679,839	594,726,339	-	(175,740,796)	(88,376,830)	(10,141,751)	10,141,751	(40,979,511)	289,629,202	NA	3.38x	2.88x
Total	\$ 9,787,439,700	\$ 366,355,308	\$ 10,153,795,008	\$ (2,961,941,714)	\$ (1,088,361,662)	\$ (1,712,562,139)	(835,753,182)	835,753,182	\$ (1,012,098,039)	\$ 3,378,831,454			

¹Includes video toll administrative fees and fines.

²Net of capitalized interest and pre-payment of interest.

³Debt service due on September 1 is shown as paid in the previous fiscal year ending August 31 as cash flow from the previous fiscal year is used to make September 1 debt service payments.

⁴Represents scheduled TIFIA Loan debt service and assumes no prepayments.

⁵Net cash flow from major maintenance and capital expenditures and Major Maintenance Reserve Fund, Capital Expenditure Reserve Fund, and Rate Stabilization Fund draws and deposits, excluding deposits funded by debt proceeds and General Fund draws.

⁶Equal to (x) Total Revenue, divided by (y) First Tier Net Debt Service.

⁷Equal to (x) Total Revenue, divided by (y) the sum of First Tier and Second Tier Net Debt Service.

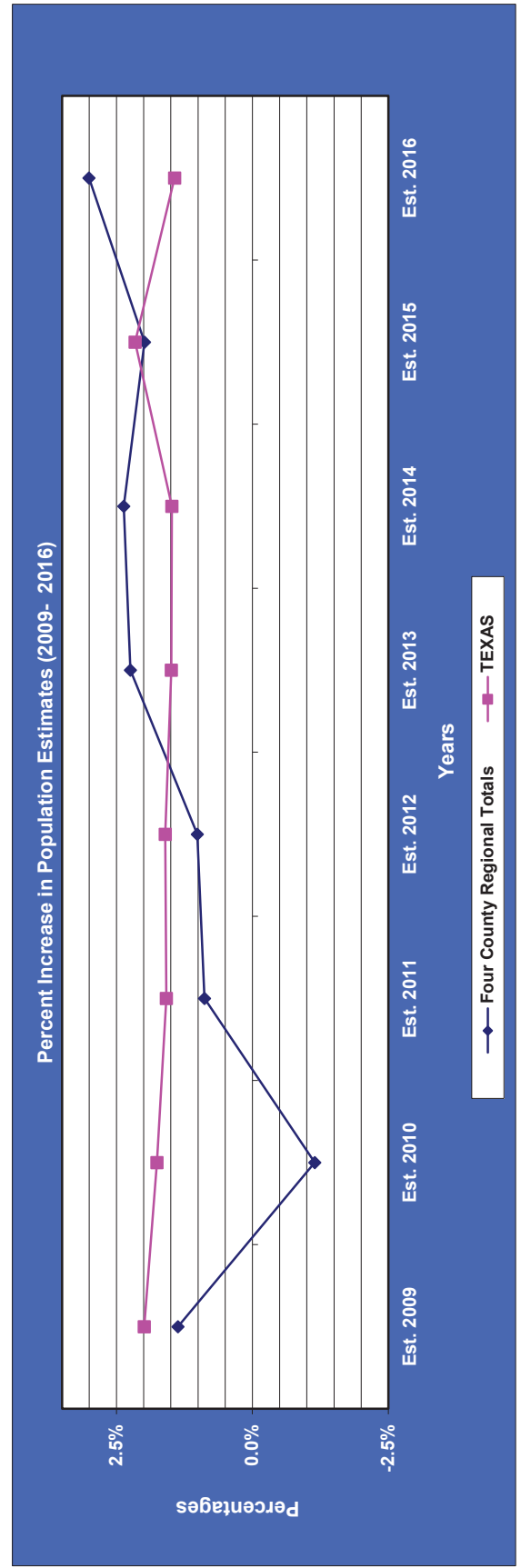
⁸Equal to (x) Total Revenue less Operations & Maintenance expenses, divided by (y) the sum of First Tier and Second Tier Net Debt Service.

SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Demographic Data-Combined Four Region and State of Texas Population Estimated Data
 For Years 2009-2016
 (Unaudited)

Year	COLLIN	DALLAS	DENTON	TARRANT	County Regional Totals	Estimated Texas Totals	Percentage Change (From Prior Years)	
							Four County	Texas
Estimated 2009	764,500	2,471,000	628,300	1,807,750	5,671,550	24,857,000	1.37%	1.99%
Estimated 2010	791,631	2,368,139	637,750	1,809,034	5,606,554	25,294,000	-1.15%	1.76%
Estimated 2011	801,740	2,373,870	662,614	1,817,840	5,656,064	25,695,000	0.88%	1.59%
Estimated 2012	813,133	2,385,990	683,010	1,831,230	5,713,363	26,107,000	1.01%	1.60%
Estimated 2013	834,642	2,453,843	694,050	1,858,921	5,841,456	26,497,000	2.24%	1.49%
Estimated 2014	854,778	2,480,331	713,200	1,931,335	5,979,644	26,889,000	2.37%	1.48%
Estimated 2015	885,241	2,519,000	734,940	1,959,449	6,098,360	27,469,114	1.99%	2.16%
Estimated 2016	939,585	2,553,385	806,180	1,982,498	6,281,648	27,862,596	3.01%	1.43%

Change in Total from Year 2009 vs Year 2016	175,085	82,385	177,880	174,748	610,098	3,005,596
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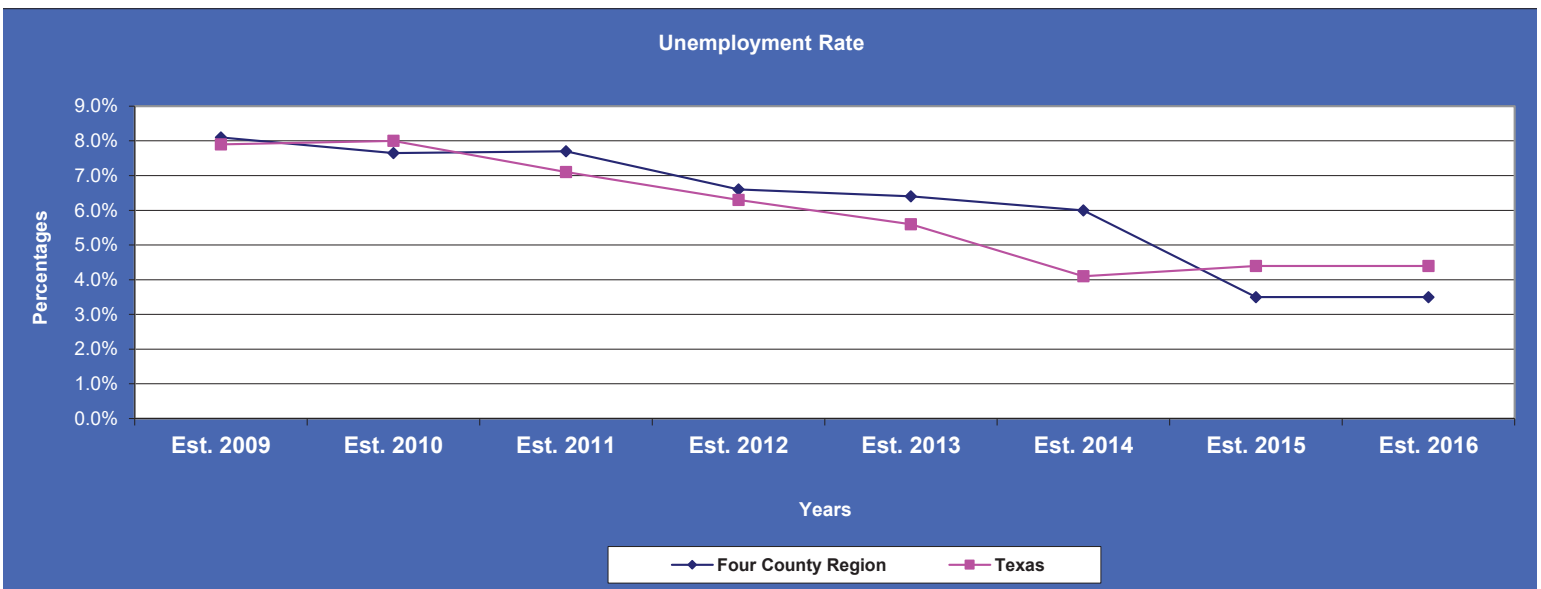
Source: U.S. Census Bureau of Labor Statistics and 4 Counties (Collin, Dallas, Denton and Tarrant) Governmental Agencies



SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Demographic Data-Combined Four County Region and State of Texas Employment Status Estimates
 For Years 2009-2016
 (unaudited)

Year	COLLIN	DALLAS	DENTON	TARRANT	Combined Four	Texas	Unemployment Rate	
					County Regional	Estimated Totals	Four County	Texas
Estimated 2009	285,900	1,415,000	172,600	743,500	2,617,000	10,204,500	8.1%	7.9%
Estimated 2010	390,106	1,063,304	330,122	833,527	2,617,059	10,204,500	7.7%	8.0%
Estimated 2011	397,033	1,082,185	335,984	845,263	2,660,465	10,204,500	7.7%	7.1%
Estimated 2012	413,783	1,102,322	356,467	883,503	2,756,075	11,742,600	6.6%	6.3%
Estimated 2013	330,300	1,509,000	195,500	812,600	2,847,400	11,091,900	6.4%	5.6%
Estimated 2014	346,400	1,558,500	205,800	825,600	2,936,300	11,433,600	6.0%	4.1%
Estimated 2015	366,900	1,616,800	221,400	844,900	3,050,000	11,681,000	3.5%	4.4%
Estimated 2016	381,500	1,662,300	228,800	860,400	3,133,000	11,830,700	3.5%	4.4%
Change in Total from Year 2009 vs Year 2016	95,600	247,300	56,200	116,900	516,000	1,626,200		

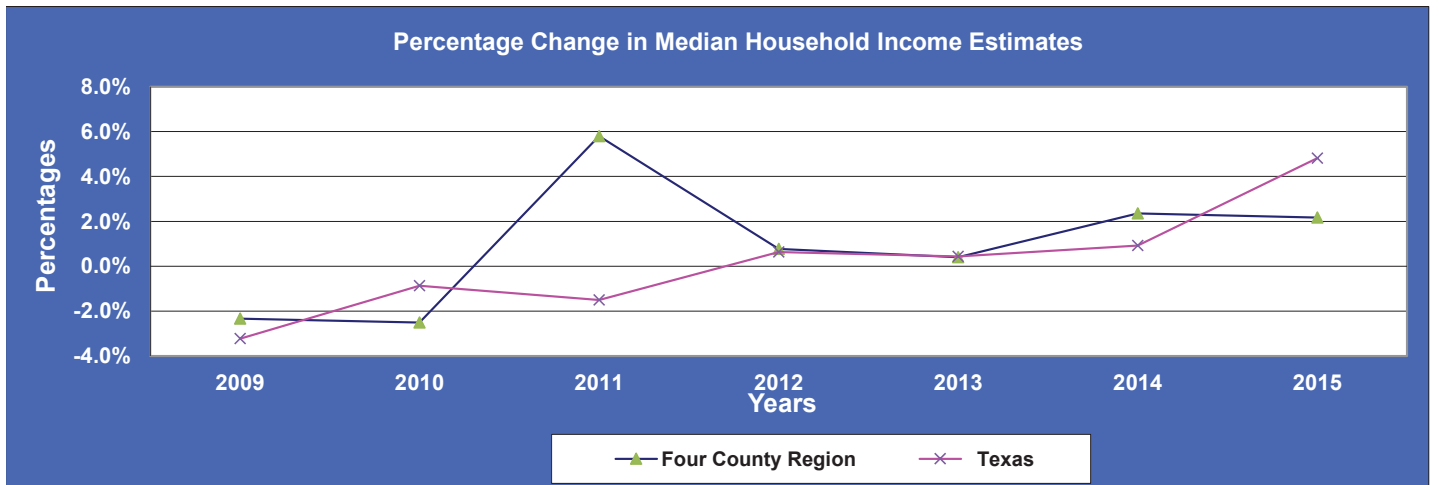
Source: U.S. Census Bureau of Labor Statistics and 4 Counties (Collin, Dallas, Denton and Tarrant) Governmental Agencies



SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Demographic Data - Combined Four County Region and State of Texas Median Household Income Estimates
 For Years 2009-2015
 (Unaudited)

Year	COLLIN	DALLAS	DENTON	TARRANT	Four County Regional Totals		Percentage Change from Prior Years	
					Estimated Avg Median Income	Estimated Avg Median Income	Four County	Texas
2009	80,545	47,059	70,002	54,647	63,063	53,311	-2.33%	-3.23%
2010	77,862	46,909	68,671	52,482	61,481	52,849	-2.51%	-0.87%
2011	82,758	48,942	72,305	56,178	65,046	52,053	5.80%	-1.51%
2012	83,238	49,159	72,939	56,859	65,549	52,380	0.77%	0.63%
2013	82,762	49,481	74,155	56,853	65,813	52,611	0.40%	0.44%
2014	86,634	50,118	74,569	58,127	67,362	53,096	2.35%	0.92%
2015	86,823	51,824	75,898	60,735	68,820	55,653	2.16%	4.82%
Averaged Yearly Totals	\$82,946	\$49,070	\$72,648	\$56,554	\$65,305	\$53,136		

Source: U.S. Census Bureau



SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 North Texas Four County Region's Top Ten Employers
 (Unaudited)

2016			
COLLIN COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
HP ENTERPRISE SERVICES Llc	10,000	2.06%	PROF/TECH
JP MORGAN CHASE & CO.	6,000	1.24%	FINANCIAL SERVICES
BANK OF AMERICA HOME LOANS	4,646	0.96%	FINANCIAL SERVICES
LIBERTY MUTUAL INSURANCE	4,000	0.82%	INSURANCE
TOYOTA	4,000	0.82%	MANUFACTURING
JC PENNY CORPORATE	3,800	0.78%	RETAIL
CAPITAL ONE	3,683	0.76%	FINANCIAL SERVICES
UNIVERSITY OF TEXAS AT DALLAS	3,500	0.72%	EDUCATION
BLUE CROSS BLUE SHEILD OF TEXAS	3,100	0.64%	INSURANCE
MEDICAL CENTER OF PLANO	3,000	0.62%	HEALTH CARE PROVIDER
Total	45,729	9.42%	
DALLAS COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
WAL-MART	25,534	1.00%	RETAIL
AMERICAN AIRLINES GROUP	25,000	0.98%	AIRLINE TRANSPORTATION
TEXAS HEALTH RESOURCES	19,131	0.90%	NON-PROFIT HEALTH CARE
BAYLOR SCOTT & WHITE HEALTH	16,860	0.66%	HEALTH CARE PROVIDER
BANK OF AMERICA	14,465	0.57%	FINANCIAL SERVICES
LOCKHEED MARTIN AERONAUTICS CO.	13,700	0.57%	MANUFACTURING
TEXAS INSTRUMENTS	13,000	0.54%	SEMICONDUCTORS
JP MORGAN CHASE	12,600	0.51%	FINANCIAL SERVICES
HCA NORTH TEXAS DIVISION	11,612	0.49%	HEALTH CARE PROVIDER
SOUTHWEST AIRLINES	9,500	0.37%	AIRLINE TRANSPORTATION
Total	161,402	6.59%	
DENTON COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
UNIVERSITY OF NORTH TEXAS	8,738	12.27%	EDUCATION
DENTON ISD	4,417	6.20%	EDUCATION
PETERBILT MOTORS	2,314	3.25%	MANUFACTURING
DENTON STATE SUPPORTED LIVING CENTER	1,700	2.39%	STATE AGENCY
TEXAS WOMAN'S UNIVERSITY	1,672	2.35%	EDUCATION
DENTON COUNTY	1,581	2.22%	COUNTY GOVERNMENT
CITY OF DENTON	1,383	1.94%	MUNICIPAL GOVERNMENT
TEXAS HEALTH PRESBYTERIAN OF DENTON	1,076	1.51%	HEALTH CARE PROVIDER
DENTON REGIONAL MEDICAL CENTER	950	1.33%	HEALTH CARE PROVIDER
SALLY BEAUTY COMPANY, INC.	950	1.33%	COSMETICS
Total	24,781	34.79%	
TARRANT COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
AMRCORP./AMERICAN AIRLINES	25,000	2.47%	AIRLINE
LOCKHEED MARTIN AERONAUTICS CO	13,690	1.35%	MANUFACTURING
FORT WORTH INDEPENDENT SCHOOL DISTRICT	12,000	1.18%	EDUCATION
TEXAS HEALTH RESOURCES	12,000	1.18%	HEALTH CARE PROVIDER
NAS- FORT WORTH JOINT RESERVE BASE	10,000	0.99%	MILITARY
ARLINGTON ISD	8,500	0.84%	EDUCATION
UNIVERSITY OF TEXAS AT ARLINGTON	7,311	0.72%	EDUCATION
JPS HEALTH NETWORK	6,500	0.64%	HEALTH CARE PROVIDER
CITY OF FORTH WORTH	6,161	0.61%	MUNICIPALITY
COOK'S CHILDREN HEALTH CARE SYSTEM	6,042	0.60%	HEALTH CARE PROVIDER
Total	107,204	10.58%	

Source: Four County Governmental Agencies (Collin, Dallas, Denton, Tarrant) and U.S. Bureau of Labor Statistics

SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Contribution to Infrastructure Assets
 Last Seven Fiscal Years
 (Unaudited)

Year	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
2011	\$ -	\$ 762,669,445	\$ -	\$ -	\$ 762,669,445
2012	762,669,445	648,459,010	-	-	1,411,128,455
2013	1,411,128,455	1,349,790,185	-	(959,860,641)	1,801,057,999
2014	1,801,057,999	874,277,698	-	(630,500,143)	2,044,835,554
2015	2,044,835,554	47,003,049	-	-	2,091,838,603
2016	2,091,838,603	12,016,030	-	-	2,103,854,633
2017	2,103,854,633	2,352,255	-	-	2,106,206,888

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, 2017.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Net Position by Trust Account
August 31, 2017
(Unaudited)

Assets	Special Projects System Totals	Interfund eliminations/ reclassifications	Construction & Property Fund	Revenue Fund
Current Assets:				
Investments, (note 3)	\$ 38,251,391	-	-	1,659,574
Accrued interest receivable on investments	126,685	-	-	4,743
Intergovernmental receivables	2,907,860	-	-	2,907,860
Accounts receivable (note 9)	30,791,981	-	-	30,791,981
Allowance for uncollectible receivables	(22,906,927)	-	-	(22,906,927)
Prepaid expenses	9,687	-	-	-
Total current unrestricted assets	<u>49,180,677</u>	<u>-</u>	<u>-</u>	<u>12,457,231</u>
Current restricted assets:				
Restricted for construction:				
Investments, (note 3 and 10)	40,919,457	-	40,919,457	-
Accrued interest receivable on investments	59,256	-	59,256	-
Restricted for debt service:				
Investments, (note 3)	94,218,579	-	-	-
Accrued interest receivable on investments	640,316	-	-	-
Total current restricted assets	<u>135,837,608</u>	<u>-</u>	<u>40,978,713</u>	<u>-</u>
Total current assets	<u>185,018,285</u>	<u>-</u>	<u>40,978,713</u>	<u>12,457,231</u>
Noncurrent assets:				
Investments, restricted for debt service (note 3 and 10)	135,359,299	-	-	-
Capitalized assets (note 4)				
Nondepreciable	2,106,206,888	-	2,105,910,615	-
Total noncurrent assets	<u>2,241,566,187</u>	<u>-</u>	<u>2,105,910,615</u>	<u>-</u>
Total assets	\$ 2,426,584,472	-	2,146,889,328	12,457,231
Liabilities				
Current liabilities:				
Accounts and Interagency payable	3,816,949	-	448,195	81,046
Total current unrestricted liabilities	<u>3,816,949</u>	<u>-</u>	<u>448,195</u>	<u>81,046</u>
Payable from restricted assets:				
Construction related payables:				
Retained from contractors (note 10)	15,864	-	-	-
Debt service related payables:				
Accrued interest payable (note 10)	29,107,964	-	1,000,000	-
Special Projects System revenue bonds payable, current portion (note 5 and 10)	12,835,000	-	12,835,000	-
Total current liabilities payable from restricted assets	<u>41,958,828</u>	<u>-</u>	<u>13,835,000</u>	<u>-</u>
Noncurrent liabilities:				
US Department of Transportation TIFIA loan payable (note 5)	478,026,323	-	478,026,323	-
Special Projects System revenue bonds payable (note 5)	1,399,065,665	-	1,399,065,665	-
Total noncurrent liabilities	<u>1,877,091,988</u>	<u>-</u>	<u>1,877,091,988</u>	<u>-</u>
Total liabilities	\$ 1,922,867,765	-	1,891,375,183	81,046
Net Position				
Net investment in capital assets	437,206,710	204,084,778	75,490,928	-
Restricted:				
Restricted for debt service	201,169,486	165,978,968	-	12,376,185
Unrestricted:				
Unrestricted	(134,659,489)	(314,682,706)	180,023,217	-
Reserved for operations and maintenance	-	(55,381,040)	-	-
Total net position	\$ 503,716,707	-	255,514,145	12,376,185

See accompanying independent auditors' report.

Schedule 1

Operating Fund	General Fund	Major Maint. Fund	Capital Expenditure Fund	Rate Stabilization Fund	Major Maint Reserve Fund	Capital Exp Reserve Fund	Debt Service Fund
4,934,113	31,657,704	-	-	-	-	-	-
3,388	118,554	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,687	-	-	-	-	-	-	-
<u>4,947,188</u>	<u>31,776,258</u>	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	193,322	103,492	21,888,318	20,787,080	9,277,827	41,968,540
-	-	246	44	564,619	46,660	26,722	2,025
-	-	193,568	103,536	22,452,937	20,833,740	9,304,549	41,970,565
<u>4,947,188</u>	<u>31,776,258</u>	<u>193,568</u>	<u>103,536</u>	<u>22,452,937</u>	<u>20,833,740</u>	<u>9,304,549</u>	<u>41,970,565</u>
-	12,063,240	-	-	114,344,327	-	8,951,732	-
-	-	-	296,273	-	-	-	-
-	12,063,240	-	296,273	114,344,327	-	8,951,732	-
<u>4,947,188</u>	<u>43,839,498</u>	<u>193,568</u>	<u>399,809</u>	<u>136,797,264</u>	<u>20,833,740</u>	<u>18,256,281</u>	<u>41,970,565</u>
2,871,180	-	297,134	119,394	-	-	-	-
<u>2,871,180</u>	-	<u>297,134</u>	<u>119,394</u>	-	-	-	-
-	-	15,864	-	-	-	-	-
-	-	-	-	-	-	-	28,107,964
-	-	15,864	-	-	-	-	28,107,964
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,871,180</u>	-	<u>312,998</u>	<u>119,394</u>	-	-	-	<u>28,107,964</u>
-	-	-	-	136,797,264	20,833,740	-	-
-	-	-	-	-	-	8,951,732	13,862,601
-	-	-	-	-	-	-	-
2,076,008	43,839,498	(119,430)	280,415	-	-	9,304,549	-
<u>2,076,008</u>	<u>43,839,498</u>	<u>(119,430)</u>	<u>280,415</u>	<u>136,797,264</u>	<u>20,833,740</u>	<u>18,256,281</u>	<u>13,862,601</u>



SPECIAL PROJECTS SYSTEM

Schedule 2

(An Enterprise Fund of the North Texas Tollway Authority)

Budget and Actual Revenues and Expenses on Trust Agreement Basis

Year ended August 31, 2017

(Unaudited)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Toll revenues	\$ 98,172,700	97,757,748 (*)	(414,952)
Interest revenue	3,000	30,896	27,896
Other revenues	<u>4,302,590</u>	<u>9,626,982</u>	<u>5,324,392</u>
Operating revenues	<u>102,478,290</u>	<u>107,415,626</u>	<u>4,937,336</u>
Operating expenses:			
Administration:			
Administration	83,859	83,112	(747)
Board	26,668	27,281	613
Cash & debt management	214,227	124,820	(89,407)
Finance	298,588	298,733	145
Financial planning and analysis	399,460	381,858	(17,602)
Human resources	289,929	223,410	(66,519)
Internal audit	195,025	185,437	(9,588)
Legal services	446,196	442,781	(3,415)
Procurement and business diversity	205,965	201,761	(4,204)
Public affairs	1,640,746	1,546,131	(94,615)
Shared services	<u>1,257,604</u>	<u>1,094,108</u>	<u>(163,496)</u>
Total administration	<u>5,058,267</u>	<u>4,609,432</u>	<u>(448,836)</u>
Operations:			
Collections and toll enforcement	1,219,164	1,169,124	(50,040)
Customer service center	5,477,330	5,486,330	9,000
Information technology	3,086,768	2,814,672	(272,096)
Maintenance	7,708,838	5,666,869	(2,041,969)
Operations	128,765	136,325	7,560
Project delivery	147,251	129,153	(18,098)
System & incident management	4,699,566	4,624,581	(74,985)
Total operations	<u>22,467,682</u>	<u>20,027,054</u>	<u>(2,440,628)</u>
Total operating expenses:	<u>27,525,949</u>	<u>24,636,486</u>	<u>(2,889,464)</u>
Net revenues available for debt service	\$ <u>74,952,341</u>	<u>82,779,140</u>	<u>7,826,800</u>

(*) net of uncollectible of \$11,782,176

See accompanying independent auditors' report.

SPECIAL PROJECTS SYSTEM
(An Enterprise of the North Texas Tollway Authority)
Statement of Changes in Net Position by Trust Account
Year ended August 31, 2017
(Unaudited)

	<u>Total</u>	<u>Construction & Property Fund</u>	<u>Revenue Fund</u>
Net positions, beginning of year	\$ 514,224,845	284,075,043	11,894,814
Revenues:			
Toll revenues (net of uncollectible of \$11,782,176)	97,757,748	-	97,757,748
Interest revenue	30,896	-	30,896
Other revenue	9,626,982	-	9,626,982
Total operating revenues	<u>107,415,626</u>	<u>-</u>	<u>107,415,626</u>
Operating expenses:			
Administration	(4,609,432)	-	-
Operations	(20,027,054)	-	-
	<u>(24,636,486)</u>	<u>-</u>	<u>-</u>
Preservation of system assets:			
Major maintenance fund expenses	(1,288,762)	-	-
Capital expenditure fund expense	(55,176)	-	-
Construction Fund expenses	(1,165,809)	(1,165,809)	-
Total operating expenses	<u>(27,146,233)</u>	<u>(1,165,809)</u>	<u>-</u>
Operating income	<u>80,269,393</u>	<u>(1,165,809)</u>	<u>107,415,626</u>
Nonoperating revenues (expenses):			
Interest earned on investments	3,220,295	430,542	-
Net decrease in fair value of investments	(1,359,751)	(63,289)	-
Interest expense on revenue bonds	(56,215,929)	(7,208,968)	-
Interest expense on TIFIA loan	(1,000,000)	(1,000,000)	-
Interest accretion on 2011B, 2011C and TIFIA loan	(39,095,060)	-	-
Bond discount/premium amortization	3,505,091	3,505,091	-
Miscellaneous (settlement, etc)	167,823	167,823	-
Net nonoperating revenues (expenses):	<u>(90,777,531)</u>	<u>(4,168,801)</u>	<u>-</u>
Gain (loss) before transfers and reimbursements	<u>(10,508,138)</u>	<u>(5,334,610)</u>	<u>107,415,626</u>
Interfund and Interproject transactions			
Interfund transfers	-	(23,226,288)	269,943
Distribution from revenue fund	-	-	(107,204,198)
Net changes during the year	<u>(10,508,138)</u>	<u>(28,560,898)</u>	<u>481,371</u>
Net positions, end of year	\$ 503,716,707	255,514,145	12,376,185

See accompanying independent auditors' report.

Operating Fund	General Fund	Major Maintenance Fund	Capital Expenditure Fund	Rate Stabilization Fund	Major Maint. Reserve Fund	Capital Exp Reserve Fund	Debt Service Fund
3,885,662	26,725,802	(292,174)	-	135,995,212	18,655,983	18,239,917	15,044,586
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(4,609,432)	-	-	-	-	-	-	-
(20,027,054)	-	-	-	-	-	-	-
(24,636,486)	-	-	-	-	-	-	-
-	-	(1,288,762)	-	-	-	-	-
-	-	-	(55,176)	-	-	-	-
-	-	-	-	-	-	-	-
(24,636,486)	-	(1,288,762)	(55,176)	-	-	-	-
(24,636,486)	-	(1,288,762)	(55,176)	-	-	-	-
26,425	326,140	2,113	443	1,958,525	171,928	178,395	125,784
-	(47,078)	-	-	(1,156,473)	(21,521)	(71,390)	-
-	-	-	-	-	-	-	(49,006,961)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(39,095,060)
-	-	-	-	-	-	-	-
1,200	-	(1,200)	-	-	-	-	-
27,625	279,062	913	443	802,052	150,407	107,005	(87,976,237)
(24,608,861)	279,062	(1,287,849)	(54,733)	802,052	150,407	107,005	(87,976,237)
(1,108,715)	-	-	-	-	-	-	24,065,060
23,907,922	16,834,634	1,460,593	335,148	-	2,027,350	(90,641)	62,729,192
(1,809,654)	17,113,696	172,744	280,415	802,052	2,177,757	16,364	(1,181,985)
2,076,008	43,839,498	(119,430)	280,415	136,797,264	20,833,740	18,256,281	13,862,601

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Toll Revenue and Traffic Analysis
August 31, 2017
(Unaudited)

Schedule 4

Toll Revenue:		
AVI		\$ 79,553,851
ZipCash		18,203,897 (*)
Total		\$ <u><u>97,757,748</u></u>
Vehicle Transactions (unaudited):		
Two-axle vehicles transactions		89,562,728
Multi-axle vehicle transactions		4,776,598
Nonrevenue vehicle transactions		593,770
		<u><u>94,933,096</u></u>
Toll Revenue - average per day:		
AVI		217,955
ZipCash		49,874
Average		\$ <u><u>267,829</u></u>
Vehicle transactions – average per day (unaudited):		
Two-axle vehicle transactions		245,377
Multi-axle vehicle transactions		13,087
Nonrevenue vehicle transactions		1,627
Average		<u><u>260,091</u></u>

(*) net of uncollectible of \$ 11,782,176

See accompanying independent auditors' report.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Toll Rates
August 31, 2017
(Unaudited)

Schedule 5

	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	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
President George Bush Western Extension (PGBT-WE)										
Confians Road (CONRD)	0.27	0.52	0.54	1.04	0.81	1.56	1.08	2.08	1.35	2.60
Shady Grove Road (SHGRD)	0.47	0.72	0.94	1.44	1.41	2.16	1.88	2.88	2.35	3.60
Lower Tarrant Road - North (NLTRD)	0.48	0.73	0.96	1.46	1.44	2.19	1.92	2.92	2.40	3.65
Lower Tarrant Main Lane Gantry (MLG11)	1.04	1.56	2.08	3.12	3.12	4.68	4.16	6.24	5.20	7.80
Lower Tarrant Road - South (SLTRD)	0.27	0.52	0.54	1.04	0.81	1.56	1.08	2.08	1.35	2.60
Dalworth Street (DALST)	0.27	0.52	0.54	1.04	0.81	1.56	1.08	2.08	1.35	2.60
Marshall Drive (MARDR)	0.52	0.78	1.04	1.56	1.56	2.34	2.08	3.12	2.60	3.90
Pioneer Parkway (PIOPY)	0.66	0.99	1.32	1.98	1.98	2.97	2.64	3.96	3.30	4.95
Arkansas Mainlane Gantry (MLG12)	1.10	1.65	2.20	3.30	3.30	4.95	4.40	6.60	5.50	8.25
Arkansas Lane (ARKLN)	0.38	0.63	0.76	1.26	1.14	1.89	1.52	2.52	1.90	3.15
Mayfield Road (MAYRD)	0.27	0.52	0.54	1.04	0.81	1.56	1.08	2.08	1.35	2.60

	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	
	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash
Chisholm Trail Parkway (CTP)										
Montgomery Main Lane Gantry 1 (MLG1)	1.43	2.15	2.86	4.30	4.29	6.45	5.72	8.60	7.15	10.75
Edwards Ranch Road (EDWRD)	0.60	0.90	1.20	1.80	1.80	2.70	2.40	3.60	3.00	4.50
Arborlawn Drive (ARBDR)	0.35	0.60	0.70	1.20	1.05	1.80	1.40	2.40	1.75	3.00
Oakmont Blve (OAKBD)	0.51	0.77	1.02	1.54	1.53	2.31	2.04	3.08	2.55	3.85
Altamesa Blvd (ALTBD)	0.79	1.19	1.58	2.38	2.37	3.57	3.16	4.76	3.95	5.95
Sycamore School Rd (SYCRD)	0.82	1.23	1.64	2.46	2.46	3.69	3.28	4.92	4.10	6.15
McPherson Blvd (MCPBD)	1.11	1.67	2.22	3.34	3.33	5.01	4.44	6.68	5.55	8.35
Stewart Main Lane Gantry 2 (MLG2)	2.32	3.48	4.64	6.96	6.96	10.44	9.28	13.92	11.60	17.40
Farm to Market 1187 (FM1187)	0.64	0.96	1.28	1.92	1.92	2.88	2.56	3.84	3.20	4.80
County Road 920 (CR920)	0.38	0.63	0.76	1.26	1.14	1.89	1.52	2.52	1.90	3.15
County Road 913 (CR913)	0.38	0.63	0.76	1.26	1.14	1.89	1.52	2.52	1.90	3.15
Farm to Market 917 (FM917)	0.70	1.05	1.40	2.10	2.10	3.15	2.80	4.20	3.50	5.25
County Road 904 (CR904)	1.05	1.58	2.10	3.16	3.15	4.74	4.20	6.32	5.25	7.90
Main Lane Gantry 3 (MLG3)	1.73	2.60	3.46	5.20	5.19	7.80	6.92	10.40	8.65	13.00
Sparks Rd (SPARD)	0.31	0.56	0.62	1.12	0.93	1.68	1.24	2.24	1.55	2.80

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 the business rules currently in place.

The Authority had a toll rate increase effective July 1, 2017 which resulted in an average rate per mile of 18.0 cents.

PGBT-WE: The 11.5-miles western extension of the Bush Turnpike in Grand Prairie expands the PGBT to nearly 52 miles. The toll road opened to traffic in October 2012 and now provides a link that extends the existing PGBT from south of SH 183 south to I-20.

Chisholm Trail Parkway (CTP): The 27.6-miles toll road extends from downtown Fort Worth south to Cleburne. The toll road opened to traffic in May 2014.

See accompanying independent auditors' report.

SPECIAL PROJECTS SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
 Schedule of Historical Traffic, Toll Revenues and Net Revenues
 August 31, 2017
(Unaudited)

Schedule 6

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 seven calendar years 2011 through 2017:

Year	Annual revenue vehicle transactions (unaudited)	Annual toll revenue
2011	11,409,801	\$ 10,488,973
2012	12,602,102	6,466,245
2013	34,238,837	24,429,140
2014	48,612,448	38,179,423
2015	72,605,426	69,698,415
2016	87,555,572	89,149,283
2017	94,339,326	97,757,748 (*)

(*) net of uncollectible of \$ 11,782,176

Historical Net Revenues

Special Projects System for seven calendar years 2011 through 2017:

Year	Toll revenue	Current expenses	Investment and other earnings	Net revenues	Coverage
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
2013	24,429,140	8,928,224	1,675,771	17,176,687	N/A
2014	38,179,423	11,310,275	2,459,735	29,328,883	1.25
2015	69,698,415	21,660,837	3,232,667	51,270,245	2.20
2016	89,149,283	21,580,659	8,086,329	75,654,953	1.37
2017	97,757,748	24,636,486	9,657,878	82,779,140	1.34

See accompanying independent auditors' report.

SPECIAL PROJECTS SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Schedule of Capitalized Costs by Project
 August 31, 2017
 (Unaudited)

Schedule 7

	President George Bush		Cumulative Total Through August 31, 2017
	Western Extension	Chisholm Trial Parkway	
Right of Way	\$ 69,934	48,526,365	48,596,299
Engineering	12,029,458	30,462,512	42,491,970
Administration	868,289	122,357	990,646
Roadway/Highway/Bridges	1,038,470,397	975,657,576	2,014,127,973
Total capitalized costs	\$ 1,051,438,078	1,054,768,810	2,106,206,888

See accompanying independent auditors' report.

