FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY
FINANCIAL REPORT
For the Year Ended September 30, 2013

Prepared by:

Fort Bend County Auditor's Office

Robert Ed Sturdivant, CPA

County Auditor

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY
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COUNTY AUDITOR

Fort Bend County, Texas

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County Auditor

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February 7, 2014

To the Board of Directors of the Fort Bend Grand Parkway Toll Road Authority, Members of the Commissioners Court, and Citizens of Fort Bend County, Texas:

The Fort Bend County Auditor’s Office is pleased to present the basic financial statements of the Fort Bend Grand Parkway Toll Road Authority (“Authority”), a component unit of Fort Bend County (“County”), for the fiscal year ended September 30, 2013. This report is submitted in accordance with Section 114.025 of the Texas Local Government Code and was prepared by the staff of the County Auditor’s Office.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Sandersen Knox and Company, L.L.P., has issued an unqualified (or “clean”) opinion on the Authority’s financial statements for the year ended September 30, 2013. 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. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Authority

In 2007, during the 80th Texas Legislature, Senate Bill 792 was signed into law giving counties the option to take over development of the Grand Parkway from the Texas Department of Transportation (“TxDOT”). In September of 2009, Fort Bend County Commissioners Court (“Court”) signed their order to assume the responsibility of financing, designing, constructing, operating and tolling Segment D of the Grand Parkway. The Authority was created by the Court as a local government corporation pursuant to the Texas Transportation Code.

The Authority, located in Sugar Land, Texas, is underway with this new key mobility project for the County; Segment D of the Grand Parkway. Segment D of the Grand Parkway will be the third such effort by the County to provide alternative transportation options for Fort Bend County residents and the greater Houston area in the form of a toll road.

In May of 2011, the Authority executed the "Right of Use" agreement with TxDOT allowing the Authority to use state highway right-of-way and giving the green light to begin construction of nine (9) new tolled overpasses and eight (8) miles of main-lane development for and construction of Segment D of the Grand Parkway. Construction of the first two overpasses began in August of 2011 and construction of the additional overpasses and main-lanes began in 2012. Construction will be completed by April 2014.

Local Economy

Fort Bend County experienced a continued upturn in the local economy for fiscal year 2013. This is evident by a modest increase in new home sales, labor force, and employment rate. The demand for services regarding the governmental functions performed by the County continues to increase at a greater rate. The Commissioners Court and the Authority continue to use a conservative approach to the allocation of resources to serve the County's needs to ensure that Fort Bend County is prepared as the local economy improves. This ongoing conservative approach will allow the County and the Authority to meet the service demands of the residents in Fort Bend County.

Long-Term Financial Planning and Relevant Financial Policies

Budget

The Authority adopts a one-year budget through its fully coordinated financial planning process. The budget implements strategies, both financial and operational, identified through the strategic and long-range planning process to meet existing challenges and to effectively plan for future needs. The budget is a financial plan for a fiscal year of operations that matches all planned revenues and expenses with the services provided the citizens of the County based on the established budget policy. Decisions are not based solely on current conditions but on the long-term welfare of the community. The budget is developed and resources allocated based on the vision, mission, and goals of the Authority and County.

Long-Term Comprehensive Plan

The Authority's long-term plan is to manage, maintain, and expand Segment D of the Grand Parkway by adding tolled overpasses to the existing road to enhance the County's master thoroughfare system.

Capital Improvement Program

The Authority maintains a multi-year Capital Projects Plan that includes toll road mobility projects.

These capital initiatives involve the construction of tolled overpasses at West River Park, New Territory Blvd., US90A/FM1464, West Airport, Harlem Road, Mason Road, West Belfort/Morton Road, Peek Road (design only), Bellaire Blvd., and FM1093/Westpark Tollway. These overpasses are scheduled to open by April 2014.

Debt Policy

The purpose of the County's Debt Policy (which includes the Authority) is to establish guidelines for the utilization of debt instruments issued by the County and Authority whether payable from County taxes or payable from certain revenues of the County or Authority.

The County and Authority will ensure all uses of debt instruments are in compliance with all statutory requirements, and in accordance with the guidelines, outstanding ordinances, insurance covenants, and existing agreements. Further, the County and Authority will ensure that the utilization of any debt instrument provides the most prudent and cost-effective funding possible, taking all material matters into account.

Major Initiatives

Mobility remains one of the top priorities of the Authority as the County continues to grow and develop. With the major roadways already heavily congested, mobility has been, and continues to be, a primary concern. Continued residential and commercial expansion has increased the use of County roads. Right-of-way acquisitions for future roads have required more focus on future planning to prevent project delays. Completed toll road projects have proven to be effective in reducing congestion and enhancing safety within the County.

Acknowledgements

The preparation of this report could not be achieved without the efficient and dedicated services of the staff of the County Auditor's Office and Sandersen Knox & Company, L.L.P., our independent auditor.

Respectfully submitted,

Robert E. Sturdivant, CPA
County Auditor
Fort Bend County, Texas

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY MISSION STATEMENT

The Fort Bend Grand Parkway Toll Road Authority (FBGPTRA) was created by the Fort Bend County Commissioners Court as a local government corporation pursuant to the Texas Transportation Code, to aid, assist, and act on behalf of the County in the performance of its essential government purposes, including toll road projects.

THE STATE OF TEXAS

FORT BEND COUNTY

Sandersen Knox & Co, L.L.P.
Certified Public Accountants
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Fort Bend Grand Parkway Toll Road Authority
Fort Bend County, Texas

We have audited the accompanying financial statements of the Fort Bend Grand Parkway Toll Road Authority (the "Authority") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statement 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 opinions 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2013, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1A, the financial statements present only the Authority and do not purport to, and do not, present fairly the financial position of Fort Bend County, Texas, as of September 30, 2013, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity 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 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements as a whole. The introductory section is presented for purposes of additional analysis and is not a required part of the financial statements. The introductory section has 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 it.

Sanford Kahn & Co.

Sugar Land, Texas
February 7, 2014

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Fort Bend Grand Parkway Toll Road Authority ("Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, liabilities exceeded assets by $9,812,368 at the close of the most recent fiscal year.

The Authority's capital assets consist primarily of construction in progress which was acquired using related debt. The Authority uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending.

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY
CONDENSED STATEMENT OF NET POSITION
September 30, 2013 and 2012

	2013	2012
Current and other assets	$ 70,257,320	$ 146,456,933
Capital assets, net	102,305,000	42,520,661
Total Assets	172,562,320	188,977,594
Long-term liabilities	173,287,275	173,840,255
Other liabilities	9,087,413	17,713,242
Total Liabilities	182,374,688	191,553,497
Net Position:		
Net investment in capital assets	(23,522,392)	(23,464,150)
Restricted	13,710,024	20,888,247
Total Net Position	$ (9,812,368)	$ (2,575,903)

As of September 30, 2013, the Authority had restricted net position of $13,710,024, which represents funds held by a trustee for debt service payments. There is a deficit net investment in capital assets of $23,522,392 due to construction in progress being less than the related debt.

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY
STATEMENT OF CHANGES IN NET POSITION
For the years ended September 30, 2013 and 2012

	2013	2012
Revenues		
Non-operating revenues:		
Earnings on investments	$ 225,267	$ 149,456
Amortization of bond premium	552,980	46,082
Total Revenues	778,247	195,538
Expenses		
Operating expenses:		
Fees and supplies	776,754	650,940
Utilities	10,134	6,269
Non-operating expenses:		
Interest on long-term debt	7,180,200	774,527
Interest paid to primary government		325,760
Interest paid to Fort Bend County Toll Road Authority		28,020
Amortization of debt issuance costs	47,624	3,969
Total Expenses	8,014,712	1,789,485
Net (Loss) before Contributions	(7,236,465)	(1,593,947)
Capital contributions		53,322
Change in Net Position	(7,236,465)	(1,540,625)
Net Position, Beginning	(2,575,903)	(1,035,278)
Net Position, Ending	$ (9,812,368)	$ (2,575,903)

At the end of the current fiscal year, the Authority reported a deficit balance in net position of $9,812,368.

The Authority has no completed components as of September 30, 2013; therefore no operating revenues were recognized. Net position decreased by $7,236,465. This decrease is $5,695,840 more than the prior year's decrease of $1,540,625. The key elements of the change in decrease in net position were due to the following:

- Increase in earnings on investments of $75,811 due to increased cash balance from bond issue.
- Increase in bond premium amortization of $506,898 from the issuance of the series 2012 revenue bonds.
- Increase in fees and supplies of $125,814 due to management of the construction in progress.
- Decrease in non-operating interest of $353,780 paid on loans from primary government and Fort Bend County Toll Road Authority due to decreased loan balances.
- Increase in interest on long-term debt of $6,405,673 due to issuance of the series 2012 revenue bonds.

Capital Assets and Debt Administration

Capital Assets - At the end of fiscal year 2013, the Authority had $102,300,700 invested in land and toll road construction in progress, as reflected in the following schedule.

	2013	2012
Non-Depreciable Capital Assets		
Land	$ 4,300	$
Construction in progress	102,300,700	42,520,661
Totals	$ 102,305,000	$ 42,520,661

Additions to toll road construction in progress were the result of construction activities on the overpasses along State Highway 99 from State Highway 59 to the Westpark Toll Road.

Long-Term Debt –At the end of the current fiscal year, the Authority had total bonds outstanding of $155,085,000.

LONG-TERM DEBT

	2013	2012
General Obligation Bonds	$ 155,085,000	$ 155,085,000
Premium on bonds	18,202,275	18,755,255
Total	$ 173,287,275	$ 173,840,255

The County and the Authority received uninsured ratings of Aa1 and AA+ from Moody's and Fitch, respectively on the 2012 Toll Road bond issue.

Economic Factors

The population of the County is estimated at 643,408 in 2013 and is expected to grow to 749,253 by 2018.

The number of households has increased to 206,436 in 2013 and is expected to grow to 241,305 by 2018. Mean household income for 2013 is $108,994 and is estimated to rise to $129,644 by 2018. Income per capita is currently at $35,172 and is expected to grow to $41,926 by 2018.

Mobility improvements continue to be a demand from the residents of Fort Bend County. The Authority is proceeding with the Segment D Grand Parkway toll road project that will enhance and compliment the County's road system.

Requests for Information

This financial report is designed to provide a general overview of Authority's finances for all of those with an interest in the Authority's finances. Questions concerning this report or requests for additional financial information should be directed to Ed Sturdivant, County Auditor, 301 Jackson, Suite 533, Richmond, TX 77469, telephone (281) 341-3760.

BASIC FINANCIAL STATEMENTS

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY

STATEMENT OF NET POSITION

September 30, 2013

Assets	
Cash and cash equivalents	$ 68,689,694
Deferred bond issuance costs	1,567,626
Capital assets, not subject to depreciation	102,305,000
Total Assets	172,562,320
Liabilities and Net Assets	
Liabilities	
Due to primary government	4,932,326
Retainage payable	3,556,737
Accrued interest payable	598,350
Long-term liabilities due in more than one year	173,287,275
Total Liabilities	182,374,688
Net Position	
Net investment in capital assets	(23,522,392)
Restricted for:	
Debt service	13,710,024
Total Net Position	$ (9,812,368)

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

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSTION

For the Year Ended September 30, 2013

Operating Expenses	
Fees and supplies	$ 776,754
Utilities	10,134
Total Operating Expenses	786,888
Operating (Loss)	(786,888)
Non-Operating Revenues	
Earnings on investments	225,267
Amortization of bond premiums	552,980
Total Non-Operating Revenues	778,247
Non-Operating Expenses	
Interest on long-term debt	7,180,200
Amortization of debt issuance costs	47,624
Total Non-Operating Expenses	7,227,824
Change in Net Position	(7,236,465)
Total Net Position, Beginning of Year	(2,575,903)
Total Net Position, End of Year	$ (9,812,368)

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

FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2013

Cash Flows from Operating Activities	
Payments to suppliers	$ (786,888)
Net Cash (Used) by Operating Activities	(786,888)
Cash Flows from Investing Activities	
Interest earned on investments	225,267
Net Cash Provided by Investing Activities	225,267
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(57,666,429)
Loan from primary government	(10,564,234)
Interest paid on long-term debt	(7,359,705)
Net Cash (Used) by Capital and Related Financing Activities	(75,590,368)
Net (Decrease) in Cash and Cash Equivalents	(76,151,989)
Cash and Cash Equivalents, Beginning of Year	144,841,683
Cash and Cash Equivalents, End of Year	$ 68,689,694
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (Loss)	$ (786,888)
Net Cash (Used) by Operating Activities	$ (786,888)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Fort Bend Grand Parkway Toll Road Authority ("Authority") is organized under the Texas Transportation Corporation Act and the Texas Non-Profit Corporation Act. The Authority was created to assist in the planning, designing, financing and building of Grand Parkway/State Highway 99. In particular, the Authority is to assist in the building and operation of Segment D of the Grand Parkway Toll Road. This Toll Road system includes tolled overpasses at West River Park, New Territory Blvd., US90A/FM1464, West Airport, Harlem Road, Mason Road, West Belfort/Morton Road, Peek Road (design only), Bellaire Blvd., and FM1093/Westpark Tollway.

Based on criteria prescribed by generally accepted accounting principles, the Authority is considered a discretely presented component unit of Fort Bend County, Texas ("County"). The primary criteria for the inclusion of the Authority in the County's reporting entity is that of financial accountability. The Commissioners Court, the elected governing body of the County, appoints the Authority's governing body. The County has financial accountability because it appoints a voting majority of the Board and the County can impose its will. As such, the County is financially accountable for the Authority and the Authority is considered a discretely presented component unit of the County.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accompanying basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included in the statement of net position.

C. Cash and Cash Equivalents

The Authority's cash and cash equivalents consist of demand deposits and investment pools.

D. Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

E. Capital Assets

Capital assets consist of construction in progress that is used in the Authority's operations. All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and the resulting gain or loss is included in the results of operations.

The Authority applies a half-year convention for depreciation on all assets. Therefore, one-half year of depreciation is charged to operations the first and last year that an asset is in service. Depreciation is computed using the straight-line method over an estimated useful life of 20 to 40 years.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

G. Restricted/Unrestricted Net Position

It is the Authority's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

H. Date of Management's Review

In preparing the financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through February 7, 2014, the date that the financial statements were available to be issued.

NOTE 2 - DEPOSITS (CASH) AND INVESTMENTS

A. Authorization for Deposits and Investments

The Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code, regulates deposits and investment transactions of the Authority.

In accordance with applicable statutes, the County has a depository contract with an area bank (depository) providing for interest to be earned on deposited funds and for banking charges the Authority incurs for banking services received. The Authority may place funds with the depository in interest and non-interest bearing accounts. State law provides that collateral pledged as security for bank deposits must have a market value of not less than the amount of the deposits and must consist of: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas; and/or (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent. County policy requires the collateralization level to be at least 110% of market value of principal and accrued interest.

Commissioners Court has adopted a written investment policy regarding the investment of the Authority's funds as defined by the Public Funds Investment Act (Chapter 2256, Texas Government Code). The investments of the Authority are in compliance with this policy.

B. Concentration of Credit Risk

It is the County's policy to diversify its portfolio to eliminate the risk of loss resulting from a concentration of assets in a specific maturity (save and except zero duration funds), a specific issuer or a specific class of investments. The County manages adherence to this policy for the Authority. To achieve this diversification, the County will limit investments in specific types of securities to the following percentages of the total portfolio:

Investment Type	Maximum Investment %
Repurchase Agreements	up to 35%
Certificates of Deposit	up to 50%
U.S. Treasury Bills/Notes	up to 100%
Other U.S. Government Securities	up to 80%
Authorized Local Government Investment Pools	up to 80%
No Load Money Market Mutual Funds	up to 50%
Bankers Acceptances	up to 15%

At September 30, 2013, 79.2% of the Authority's cash and cash equivalents were contained in demand deposit accounts.

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The County monitors interest rate risk for the Authority by utilizing weighted average maturity analysis. In accordance with its investment policy, the County reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 3 years. At year-end, the Authority's cash and investment balances and the weighted average maturity of these investments were as follows:

	Fair Value	Weighted Average Maturity	Percentage of Total Portfolio
Demand Deposits	$ 54,381,320	1	79.2%
Investment Pools:			
Wells Fargo Government Money Market Fund	14,308,374	47	20.8%
Total Cash and Cash Equivalents	$ 68,689,694		
Portfolio weighted average maturity (days)		11	

Wells Fargo Government Money Market Fund seeks current income, while preserving capital and liquidity. It invests in high-quality, short-term money market instruments that consist of U.S. Government obligations and repurchase agreements collateralized by U.S. Government obligations.

The Authority's investment in Wells Fargo Government Money Market Fund was rated "AAAm" and "Aaa-mf" by Standard and Poor's and Moody's Investments, respectively.

NOTE 3 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2013 is as follows:

	Balance 10/1/12	Increases	Decreases	Balance 9/30/13
Business-type Activities:				
Capital assets not being depreciated:				
Land	$	$ 4,300	$	$ 4,300
Construction in progress	42,520,661	59,780,039		102,300,700
Total capital assets not depreciated	42,520,661	59,784,339		102,305,000
Total capital assets	$ 42,520,661	$ 59,784,339	$	$ 102,305,000

Additions to toll road construction in progress were the result of construction activities on the overpasses along State Highway 99 from State Highway 59 to the Westpark Toll Road. There are also contract commitments of $3,393,297 as of the end of fiscal year 2013.

NOTE 4 – LONG-TERM DEBT

The Authority issued of subordinate lien revenue bonds for the purpose of financing the construction of the Toll Road System. These subordinate lien bonds will be paid through the Authority's Debt Service Fund from toll fees collected by the Authority after the Toll Road System is completed and placed in service. The following is a summary of the outstanding subordinate lien bonds as of September 30, 2013:

Original Issue	Description	Interest Rate %	Matures	Debt Outstanding
General Obligation Bonds				
$ 155,085,000	Limited Contract Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2012	3.00 - 5.00	2046	$ 155,085,000
	Total General Obligation Bonds			$ 155,085,000

A summary of the long-term liability transactions of the Authority for the year end September 30, 2013, is as follows:

	Balance 10/1/12	Additions	Retirements	Balance 9/30/13	Amounts Due Within One Year
General Obligation Bonds	$ 155,085,000		$	$ 155,085,000	$
Premium on bonds	18,755,255		(552,980)	18,202,275	
Totals	$ 173,840,255	$	$ (552,980)	$ 173,287,275	$

Annual debt service requirements to maturity are summarized as follows:

	Principal	Interest	Totals
2014		7,180,200	7,180,200
2015		7,180,200	7,180,200
2016		7,180,200	7,180,200
2017		7,180,200	7,180,200
2018		7,180,200	7,180,200
2019-2023	7,265,000	35,473,375	42,738,375
2024-2028	20,665,000	31,599,875	52,264,875
2029-2033	25,490,000	26,511,900	52,001,900
2034-2038	32,030,000	19,675,500	51,705,500
2039-2043	40,730,000	10,663,850	51,393,850
2044-2046	28,905,000	1,764,100	30,669,100
Totals	$ 155,085,000	$ 161,589,600	$ 316,674,600

In the bond resolution, the Authority has the following agreement for the benefit of the holders and beneficial owners of the bonds. The Authority is required to observe the agreement for so long as it remains obligated to advance funds to pay the bonds. Under the agreement, the Authority will be obligated to provide certain updated financial information and operational data annually, and timely notice of specified material events, and certain information to the Municipal Securities Rulemaking Board (MSRB). The MSRB has established the Electronic Municipal Market Access (EMMA) system.

NOTE 5 - CONTINGENCIES AND COMMITMENTS

Litigation and Other Contingencies

The Authority is contingently liable with respect to lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would not materially affect the financial position of the Authority as of September 30, 2013.

NOTE 6 – DEFICIT NET POSITION

During the year ended September 30, 2012, the County issued bonds on behalf of the Authority to fund the construction of the overpasses along the Grand Parkway Toll Road. There are no operating revenues from toll collections because the Toll Road will not be open until April 2014. Therefore, sufficient assets have not been generated to offset the liabilities of the Authority as of September 30, 2013, thereby resulting in negative net position of $9,812,368.

NOTE 7 – IMPLEMENTATION OF NEW STANDARDS

In the current fiscal year, the Authority implemented the following new standard:

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (“GASB 63”), amended the net asset reporting requirements in GASB Statement No. 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as “net position” rather than “net assets.”