STATE ROAD AND TOLLWAY AUTHORITY
(A Component Unit of the State of Georgia)

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

STATE ROAD AND TOLLWAY AUTHORITY

FINANCIAL REPORT
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MAULDIN
& JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

To the Members of the
State Road and Tollway Authority
Atlanta, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **State Road and Tollway Authority** (the Authority), a component unit of the State of Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority'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 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the State Road and Tollway Authority as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 4 – 15 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 Supplementary Information - Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of cash and cash equivalents schedule; the schedule of assets, liabilities and fund balances of capital projects; and, the schedule of revenues, expenditures and other financing sources and uses of capital projects are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of cash and cash equivalents; the schedule of assets, liabilities and fund balances of capital projects; and, the schedule of revenues, expenditures and other financing sources and uses of capital projects are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated September 4, 2014, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
September 4, 2014

STATE ROAD AND TOLLWAY AUTHORITY

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a Discussion and Analysis of the financial performance of the State Road and Tollway Authority (SRTA, or 'the Authority'). It is designed to assist the reader by emphasizing significant financial issues and activities and to identify any significant changes in SRTA's financial position for the year ended June 30, 2014. The Authority is a public corporation and body corporate responsible for financing transportation projects in the state of Georgia. As of June 30, 2014, the Authority maintains and operates one tolling facility as well as a state-wide electronic toll collection customer service center. Additionally, SRTA manages a bond financing program and administers a transportation infrastructure bank program. The Management's Discussion and Analysis ("MD&A") is designed to be read in conjunction with SRTA's financial statements.

Financial Highlights

Georgia 400 Corridor: The Authority operated the GA 400 Extension, a 6.2 mile barrier-tolled roadway that was completed in 1993. The GA 400 Extension originated with funding through the 1987 Federal Highway Act, which provided $98 million for a "High Technology Demonstration Project" to bring electronic toll collection using automated vehicle identification to the Atlanta metropolitan area. On July 10, 1991, the State of Georgia's Department of Transportation (GDOT) granted to the State Road and Tollway Authority an "Estate for Years" lease in return for a portion of the proceeds of the sale of the Series 1991 Guaranteed Revenue Bonds in the amount of $67,508,129. This "Estate" entitles SRTA the right to possess and operate the Georgia 400 Project and shall terminate six months after final payment of the respective outstanding bonds. It was continued in force by the Series 1998 Guaranteed Refunding Revenue Bonds, which defeased the Series 1991 Bonds. During the year ended June 30, 2011, SRTA issued $40 million in Series 2010 Toll Revenue Bonds. Upon issuing these bonds, SRTA entered into a Memorandum of Understanding "MOU" with the Georgia Department of Transportation (GDOT) to use the bond proceeds to fund improvements to the Georgia 400 Extension project corridor. In turn, SRTA committed $27,343,000 to fund transportation improvement projects within the Georgia 400 Corridor. That commitment was increased by $2.1 million during fiscal year 2013.

The GA 400/I-85 Connector Ramps Project constructed connector ramps between GA 400 and I-85 in the City of Atlanta. The project is approximately 0.34 miles in length. The ramps opened to traffic on June 24, 2014.

Fulfilling Governor Nathan Deal's promise to commuters, the State of Georgia paid off the outstanding GA 400 bond debt on December 1, 2013 and terminated GA 400 toll collections four years earlier than previously planned on November 22, 2013.

A GA 400 'Toll Plaza Demolition Project' was formulated to involve demolition and removal of the toll plaza canopies and toll booths, sealing up redundant access points to the underground tunnel, reconstruction of the unfinished roadway beneath the toll plaza, and construction of three lanes in each direction. The final roadway section will match the existing three-lane configurations that currently exist before and after the toll plaza. The GA 400 Toll Operations building will be preserved. Ownership of the Toll Operations building was transferred to the Georgia Department of Transportation (GDOT) on June 1, 2014.

Construction on the GA 400 'Toll Plaza Demolition Project' began in August 2013 with modification to toll-related signage. After SRTA ceased collection of tolls in November 2013, all traffic was shifted to the electronic toll lanes. From January to May of 2014, the canopy over the cash lanes was dismantled and the toll booths were removed. The redundant access points in the underground tunnel were sealed and the unfinished roadway beneath the toll canopy was completed. In May 2014, traffic was shifted to temporary travel lanes and the remaining canopy was dismantled. Construction is anticipated to be complete in the fiscal year ending June 30, 2015.

During the year ended June 30, 2014, traffic through November 22, 2013 on the GA 400 extension totaled 6.6 million transactions resulting in toll revenue of $7,938,050 and violation processing fees of $331,306. Toll revenue decreased by 60% over the year ended June 30, 2013 due to the closure of the toll road. Violation processing fees revenue also decreased 41% over the prior fiscal year ended June 30, 2013 due to the toll road closure.

I-85 Corridor Express Lanes: During the year ended June 30, 2012, SRTA opened the I-85 Express Lanes toll facility. The I-85 Express Lanes project converted approximately 16 miles of the previously existing High Occupancy Vehicle (HOV) Lanes to High Occupancy Toll (HOT) Lanes on I-85 from Old Peachtree Road to Chamblee Tucker Road. The I-85 Express Lanes Project was constructed in connection with the $110 million Congestion Reduction Demonstration Program grant awarded to the Atlanta region by the United States Department of Transportation. All users of the lanes must be registered with the Peach Pass Customer Service Center, acquire a transponder, and pay their tolls electronically. Registered users with three or more occupants and certain emergency, military and transit vehicles can use the lane without paying a toll. Vehicles that use the lane without a Peach Pass or that cross the solid double white lines are issued violations. The I-85 Express Lanes Project is dynamically priced with the goal of providing more reliable trip times for the traveling public.

As of June 30, 2014, $24,911,856 has been invested in capital assets on this project by SRTA. This investment was primarily funded with contributions provided by GDOT from State of Georgia general obligation bond proceeds. The project opened to traffic on September 30, 2011 and accordingly, SRTA began depreciating the asset during the fiscal year ended June 30, 2012. During fiscal year 2013, $8,610,898 for the back office system was transferred from I-85 to the Customer Service Fund leaving the tolling system of $16,300,958 in the I-85 Fund. As of June 30, 2014, the net book value of the tolling system was $7,866,269. During the year ended June 30, 2014 SRTA collected $7,684,520 in toll revenue from 6.0 million electronically tolled trips. Toll revenue increased 45% and electronically tolled trips increased 17.7% over the year ended June 30, 2013. Violations processing fees revenue on I-85 was $463,379, which is an increase of 19% over the prior fiscal year ended June 30, 2013.

Customer Service Center (CSC) Fund: In order to facilitate the appropriate allocation of common costs relating to electronic toll collection for both the GA 400 toll and the I-85 Express Lanes, SRTA established an internal service fund for the CSC during the year ended June 30, 2012. The CSC Fund records revenues to cover direct expenses by charging a base fee of $0.15 per transaction for toll processing administration and a variable fee of 3.75% of revenue for the credit card fees. A corresponding expense is charged to the two respective enterprise funds, GA 400 and I-85. Violation administration fees are revenue to the CSC Fund, also with a corresponding expense to the two respective enterprise funds, GA 400 and I-85. All actual expenses of the CSC operations are reflected and recorded in the CSC Fund. Toll and fee revenues directly related to the two respective enterprise funds are recorded and reflected in the appropriate enterprise fund.

Georgia Transportation Infrastructure Bank: In April 2008, House Bill 1019 was signed into law providing for the establishment of a State of Georgia Transportation Infrastructure Bank to be administered by the State Road and Tollway Authority. The Georgia Transportation Infrastructure Bank (GTIB) is a revolving infrastructure investment fund which operates similar to a bank. The GTIB can administer loans and grants to eligible state, regional, and local government entities to partially fund eligible transportation projects. From the inception of the program through June 30, 2014, $55,027,306 in grants and loans have been awarded, of which $8,491,803 of funds have been disbursed. See Note 14 in the Notes to the Financial Statements for additional information.

Bond Management Program (Debt Service Fund): Pursuant to section 32-10-90 and 32-10-90.1 of the Authority Act, SRTA has the ability to issue and manage Guaranteed Revenue and Grant Anticipation Revenue Vehicle (GARVEE) bonds for the purpose of funding transportation projects for the State of Georgia. The Authority has issued bonds for transportation projects which have been constructed and owned by GDOT. After the bonds are issued, SRTA coordinates with GDOT and the bond trustee to ensure: (1) the timely spend-down of bond proceeds; (2) motor fuel and federal revenues are collected and remitted to the trustee to meet debt service payments; and (3) other bond management responsibilities are met. At June 30, 2014, SRTA has $913,330,000 outstanding in GARVEE Bonds and $348,635,000 outstanding in Guaranteed Revenue Bonds. SRTA issued Toll Revenue Bonds for the I-75S project on June 26, 2014 in the amount of $26,070,240. These bonds will have accreted interest of $27,495,171 over the life of the bonds that will be added to the principal amount. See Note 9 in the Notes to the Financial Statements for further information on SRTA's outstanding debt.

Planning, Financing and Development of Current Projects:

During the year ended June 30, 2014, SRTA, in coordination with GDOT, continued working on several major projects identified in the Georgia Department of Transportation Managed Lanes System plan. The focus of these projects is to utilize congestion based toll pricing to provide reliable travel times in an effort to create a more livable environment in and around metropolitan Atlanta. The I-85 Express Lanes Extension Project, I-75 Northwest Corridor Express Lanes Project, and I-75 South Metro Express Lanes Project are currently in various stages of planning, financing, and development as detailed below.

I-85 Express Lanes Extension Project:

The I-85 Express Lanes Extension Project ("I-85 Extension Project") involves the addition of one managed lane in each direction along I-85 in north metro Atlanta from just north of Old Peachtree Road in Gwinnett County to Hamilton Mill Road. South of I-985, the I-85 Extension Project proposes to widen I-85 outside of the existing eight-lane mainline. While north of I-985, the I-85 Extension Project proposes to widen the inside shoulder along the four-lane I-85 section. The I-85 Extension Project is approximately 10 miles in length and located entirely within Gwinnett County. The purpose of the proposed managed lanes is to create travel time savings through the use of variable priced tolling to manage volume in the lanes and maintain a minimum average speed along the corridor.

I-75 Northwest Corridor Express Lanes Project:

The I-75 Northwest Corridor Project (“NWC Project”) will involve the addition of reversible managed lanes for approximately 17 center line miles along I-75 and 13 center line miles along I-575 in Cobb and Cherokee Counties. Construction of the NWC Project is underway and is currently expected to be open to tolling in April 2018. This project will begin on I-75 at Akers Mill Road at the end of the existing HOV system north of the Atlanta city limits with a one-lane access ramp to the managed lanes system. One-lane ramps from both I-285 East and I-285 West will also be constructed to provide access. The one-lane ramps from I-75 and I-285 will join north of the I-75 and I-285 interchange to form a two-lane reversible managed lane system on the outside of the existing general purpose lanes and is proposed to be constructed using a mix of at-grade and elevated roadway sections. These two lanes run alongside I-75 to the I-575 split. In addition, one reversible managed lane will be added along I-75 from the I-75/I-575 conjunction northerly to Hickory Grove Road and along I-575 to Sixes Road. These lanes will be at-grade and located in the existing median along the inside of the existing general purpose lanes. The managed lanes will be barrier-separated and reversible, with traffic to be northbound in the mornings and southbound in afternoons and evenings.

The NWC Project is a joint effort among public and private entities, each with specific responsibilities as memorialized in various agreements. As the toll operator for the state, SRTA will be responsible for the design and implementation of the toll system and toll-related Intelligent Transportation Systems (ITS) for the project. SRTA also contracted with GDOT, whereby GDOT will serve as SRTA’s agent with responsibility for the oversight of the design and construction of the Project, excluding the toll system. The Project was procured using Public Private Partnership Law with a Design-Build-Finance Delivery. The selected Developer, Northwest Express Roadbuilders (NWER) is a joint venture between Archer Western Contractors, LLC and Hubbard Construction Company, two of the largest transportation contractors in the southeastern United States. In addition, the designer, Parsons Transportation Group, Inc. is one of the top five nationally recognized transportation design/engineering firms in the United States. The Design-Build-Finance Agreement (DBFA) for the design, construction, and partial financing of the Project was executed by the Developer on October 21, 2013 and SRTA on November 14, 2013.

The NWC Project will be completed using multiple funding sources including a TIFIA Loan from the United States Department of Transportation, STIP funds, GDOT Motor Fuel Taxes, and Developer financing. The portion of the project costs that are financed by the Developer are expected to be repaid fully at final acceptance of the Project with proceeds of First Lien Toll Revenue Bonds (expected to be issued in fiscal year 2019) and from STIP Funds. See Note 14 in the Notes to the Financial Statements for additional information.

I-75 South Metro Express Lanes Project:

The I-75 South Metro Express Lanes Project (“I-75 South Project”) is a 12.24 mile reversible, barrier-separated managed lane system along Interstate Highway 75 from the State Route 155 (Zack Hinton Parkway, South) interchange in Henry County north to the State Route 138 interchange in Henry and Clayton counties. The I-75

South Project consists of two lanes which will be added in the center median of I-75 from SR 138 in southern Clayton County to just north of State Route 20 and one lane, also in the center median, will extend from that point to SR 155 in Henry County. The managed lanes will be barrier-separated and reversible, with traffic to be northbound in the mornings and southbound in afternoons and evenings. In addition to access from the general purpose lanes at SR 155 and SR 138, the managed lanes will be accessible from the general purpose lanes at Interstate Highway 675, near SR 20, and via a direct connector ramp at Jonesboro Road. Motorists will be able to utilize the managed lanes by choosing to participate in the Authority's Peach Pass program, which uses remote transponders to assess variable-rate tolls based on traffic volumes and other factors. The Authority anticipates the managed lanes will be open to traffic by January 2017.

GDOT is responsible for the design and construction of the roadway portion of the I-75 South Project, and has entered into the Design-Build Contract with C.W. Matthews Contracting Company, Inc. The tolling infrastructure for the Project will be paid for by SRTA from the proceeds of the sale of the Toll Revenue Bonds, Series 2014, which were issued on June 26, 2014.

Overview of the Financial Statements

This Management Discussion and Analysis is intended to serve as an introduction to SRTA’s basic financial statements. The Authority’s basic financial statements have three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional supplementary information to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide a broad overview of SRTA’s finances, in a manner similar to private-sector business reports.

The *Statement of Net Position* presents information on all SRTA assets and liabilities, with the difference between the two reported as *Net Position*. Over time, increases or decreases in net position should serve as a useful indicator of whether the financial position of SRTA is improving or deteriorating.

The *Statement of Activities* presents information showing how SRTA’s net position has changed during the most recent fiscal 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.

The government-wide financial statements only include the operations of SRTA. The Authority is considered a blended component unit of the State of Georgia for financial reporting purposes because of the significance of its legal, operational, and financial relationships with the State. These reporting entity relationships are defined in Section 2100 of the Governmental Accounting Standards Board’s *Codification of Governmental Accounting and Financial Reporting Standards*.

Fund Financial Statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of SRTA's funds are classified into the categories of G*overnmental Funds* or *Proprietary Funds.*

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources that are available to be expended in SRTA's normal operations, as well as balances of resources available at the end of the fiscal year. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities.*

The Authority maintains four individual governmental funds. The Transportation Fund is used to account for capital projects during the construction phase. The Georgia Transportation Infrastructure Bank (GTIB) Fund is used to account for SRTA's transportation infrastructure loan and grant program. The Debt Service Fund is used to account for all the governmental state transportation financing activities of SRTA. The General Fund is used to account for all governmental activities of SRTA not otherwise accounted for by Debt Service, Government Transportation Infrastructure Bank, and proprietary funds.

Proprietary Funds. The Authority maintained three proprietary funds, two of which are enterprise funds and one is an internal service fund during the fiscal year ending June 30, 2014. These funds are used to report the same functions as those presented as *business-type activities* in the government-wide financial statements. The Authority uses enterprise funds to account for its tolling operations of the Georgia 400 Extension, the I-85 Express Lanes project, and the internal service fund to account for the Customer Service Center operations.

Government-wide Financial Analysis

As noted earlier, net position serves as a useful indicator of a government entity's financial health, or financial position. The Authority's net position is the difference between its assets (i.e., what SRTA owns) and its liabilities (i.e., what SRTA owes) at the end of a fiscal year and represents one way to measure SRTA's financial health or its financial position. As of the fiscal year ended June 30, 2014, SRTA's liabilities exceeded its assets by $1,215,759,303 at the governmental activities level. The negative net position is primarily attributable to SRTA's Governmental Fund bond management program under which SRTA issues debt on behalf of the State of Georgia for the purpose of financing state transportation projects. When completed, these projects are reported as assets on the State of Georgia's financial statements, while the debt associated with these projects is reported as a liability on SRTA's financial statements.

For statewide financial reporting, as a blended component unit of the State of Georgia, SRTA's financials are consolidated into the State of Georgia's Comprehensive Annual Financial Report. SRTA's negative net position stated in the governmental activities (which include the state transportation projects' bond debt) is reported with the related transportation assets in the State of Georgia's financial statements, therefore the State's transportation projects' net position is properly balanced. If the bonds related to these transportation assets were removed from SRTA's financial statements, the adjusted net position for governmental activities would be a positive $112,756,821, which is an increase of $42,731,568 from the prior year of $70,025,253. The increase is related to the I-75S bonds that were sold in June 2014 and the transfer of GA 400 corridor and bond projects from the proprietary fund to the governmental fund due to the Estate for Years lease termination on May 31, 2014.

Funds to meet debt service obligations on the bonds are paid to SRTA from state motor fuel taxes or grant revenue from the federal government. Specifically, SRTA issues bonds for transportation projects in the State of Georgia that are constructed and owned by the Georgia Department of Transportation (GDOT). An individual account is established for each bond issue and the proceeds from the bonds are maintained in individual bond accounts. GDOT remits invoices to SRTA for payment from the bond accounts. GDOT collects motor fuel and federal revenues for State of Georgia transportation projects and is required to remit payments to SRTA for the bond sinking fund debt service requirements. As the bond proceeds are expended, the total asset amounts are reduced at SRTA and increased in GDOT. GAAP does not allow SRTA to reflect a long-term accounts receivable from GDOT. As a result, the bond proceeds are reduced faster than the receipt of funds from the GDOT for payment of the bond debt obligations, which causes a negative net position balance for SRTA. Additionally, because the projects are owned by GDOT when completed, they are shown as assets on the State of Georgia's financial statements and not on SRTA's. Simply stated, SRTA's financial statements contain the transportation project debt liabilities, and the State of Georgia's financial statements contain the transportation project asset values.

Statement of Net Position. The following table provides a comparison of SRTA's net position at June 30, 2014 and June 30, 2013. The schedule provides comparative information for both the governmental and business-type activities. For presentation purposes, the amounts shown have been rounded to the nearest dollar.

Comparative Schedule of Net Position

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Assets:						
Other Assets	$ 157,925,087	$ 71,699,340	$ 5,115,983	$ 81,042,057	$ 163,041,070	$ 152,741,397
Capital Assets	12,253,345	9,126,904	11,667,357	27,924,604	23,920,702	37,051,508
	$ 170,178,432	$ 80,826,244	$ 16,783,340	$ 108,966,661	$ 186,961,772	$ 189,792,905
Deferred Outflows of Resources:						
Deferred Charges	-		-		-	$ -
Deferred Amounts from refunding of debt	$ 5,834,220	$ 9,160,357	-	-	$ 5,834,220	$ 9,160,357
	$ 5,834,220	$ 9,160,357	$ -	$ -	$ 5,834,220	$ 9,160,357
Liabilities:						
Current Liabilities	$ 24,406,366	$ 10,631,941	$ 6,152,437	$ 11,342,162	$ 30,558,803	$ 21,974,103
Long-Term Liabilities:						
Current Portion	180,285,743	175,594,773	91,896	6,318,109	180,377,639	181,912,882
Noncurrent Portion	1,187,079,846	1,337,659,814	91,896	19,537,290	1,187,171,742	1,357,197,104
	$ 1,391,771,955	$ 1,523,886,528	$ 6,336,229	$ 37,197,561	$ 1,398,108,184	$ 1,561,084,089
Deferred Inflows of Resources:						
Deferred Amounts from refunding of debt	$ -	$	$ -	$	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -
Net Position:						
Capital Assets	$ 12,253,345	$ 9,126,904	$ 11,667,357	$ 28,550,723	$ 23,920,702	$ 37,677,627
and Grant Programs	117,988,516	37,711,345	-	23,214,118	117,988,516	60,925,463
Unrestricted	(1,346,001,164)	(1,480,738,176)	(1,220,246)	20,004,259	(1,347,221,410)	(1,460,733,917
	$ (1,215,759,303)	$ (1,433,899,927)	$ 10,447,111	$ 71,769,100	$ (1,205,312,192)	$ (1,362,130,827

SRTA's net position increased from $(1,362,130,827) to $(1,205,312,192) during the current fiscal year ended June 30, 2014. The change in net position was $156,818,635. The principal factor contributing to the increase for the year was the payment of governmental activity debt service that resulted in reducing outstanding bond debt.

Statement of Activities. The following table provides a summary comparison of the Authority's Revenues, Expenses and Changes in Net Position for the years ended June 30, 2014 and June 30, 2013. The schedule provides comparative information for both the governmental and business-type activities. For presentation purposes, the amounts shown have been rounded to the nearest dollar.

Comparative Schedule of SRTA's Revenues, Expenses and Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Revenues:						
Operating						
Program Revenues						
Charges for Services	$ -	$ -	$ 16,417,255	$ 26,216,556	$ 16,417,255	$ 26,216,556
Grants and Contributions	89,810,912	2,994,438	537,081	2,496,169	90,347,993	5,490,607
General Revenues						
Rents and Royalties	-	-	96,814	85,906	96,814	85,906
Investment Earnings	177,591	173,191	27,053	65,725	204,644	238,916
Miscellaneous	20,013	88,312	(697,288)	53,748	(677,275)	142,060
Total Revenues	$ 90,008,516	$ 3,255,941	$ 16,380,915	$ 28,918,104	$ 106,389,431	$ 32,174,045
Expenses:						
General Government	$ 4,652,357	$ 6,496,941	$ -	$ -	$ 4,652,357	$ 6,496,941
GTIB Infrastructure Grants Dispersed	2,491,849	1,783,816	-	-	2,491,849	1,783,816
Roadway Improvement Grants per the MOU with GDOT	69,021,247	-	-	-	69,021,247	-
Interest on Long-Term Debt	53,306,756	59,045,246	-	-	53,306,756	59,045,246
Transportation	-	-	-	-	-	-
Toll Roads	-	-	49,499,453	33,341,082	49,499,453	33,341,082
Total Expenses	$ 129,472,209	$ 67,326,003	$ 49,499,453	$ 33,341,082	$ 178,971,662	$ 100,667,085
Increase/Decrease in Net Position Before Other Items	$ (39,463,693)	$ (64,070,062)	$ (33,118,538)	$ (4,422,978)	$ (72,582,231)	$ (68,493,040)
Other Items:						
Interfund Transfers	28,203,451	(11,655,009)	(28,203,451)	11,655,009	-	-
Transfers from GDOT	44,156,370	54,549,875			44,156,370	54,549,875
Payments from State of Georgia	185,244,496	185,711,051	-	-	185,244,496	185,711,051
Total Other Items	$ 257,604,317	$ 228,605,917	$ (28,203,451)	$ 11,655,009	$ 229,400,866	$ 240,260,926
Change in Net Position	$ 218,140,624	$ 164,535,855	$ (61,321,989)	$ 7,232,031	$ 156,818,635	$ 171,767,886
Net Position - Beginning	(1,433,899,927)	(1,598,435,782)	71,769,100	64,537,069	(1,362,130,827)	(1,533,898,713)
Net Position - Ending	$ (1,215,759,303)	$ (1,433,899,927)	$ 10,447,111	$ 71,769,100	$ (1,205,312,192)	$ (1,362,130,827

Revenues. Total charges for services for business-type activities decreased 37.4%, from $26,216,556 in the year ended June 30, 2013 to $16,417,255 in the year ended June 30, 2014, primarily due to the closure of the GA 400 Expansion on November 22, 2013. Other revenue for business-type activities increased 12.7%, from $85,906 in the year ended June 30, 2013 to $96,814 in the year ended June 30, 2014, primarily due to a rental increase. The cell tower leases transferred to GDOT on June 1, 2014. Nonoperating revenue for business-type activities decreased 78.0%, from $2,561,894 in the year ended June 30, 2013 to $564,134 in the year ended June 30, 2014, due to the reduction in the amount of capital grants and contributions received for the I-85 Express Lanes project. Other revenues for governmental-type activity decreased by 77.3%, from $88,312 in the year ended June 30, 2013 to $20,013 in the year ended June 30, 2014, due to a decrease in rental income for property SRTA owns on 17th Street in midtown Atlanta. Nonoperating revenue for governmental-type activities increased from $3,167,629 in the year ended June 30, 2013 to $89,988,503 in the year ended June 30, 2014 primarily due to grants and contributions received for the I-75 South, I-75 NWC (Northwest Corridor), I-85 Extension projects and GTIB.

Expenses. General government expenses for SRTA increased by 92.3%, from $67,326,003 in the year ended June 30, 2013 to $129,472,207in the year ended June 30, 2014, primarily due to the I-75 South, I-75 NWC (Northwest Corridor) and I-85 Extension projects and an increase in grant distributions related to the Georgia Transportation Infrastructure Bank (GTIB) which were somewhat offset by a reduction in interest expense on bonds payable. Total expenses for the GA 400 and I-85 Express Lanes projects increased approximately $16.1 million, from $33,341,082 in the year ended June 30, 2013 to $49,499,453 in the year ended June 30, 2014, primarily due to $29.7 million in grants to GDOT for GA 400 corridor and ramp projects.

<u>Financial Analysis of SRTA's Funds</u>

Governmental Funds: The governmental funds, which are comprised of the General Fund, Transportation Fund, Debt Service, and GTIB, are the governmental operating funds of SRTA. (See Balance Sheet, p. 17)

At June 30, 2014, the governmental funds, in aggregate, had combined fund balances of $141,451,729. A breakdown of the aggregate governmental fund balances reflects: unassigned fund balance of (1) $9,673,822 for General Fund primarily consisting of cash and interfund receivables and (2) $(5,067,885) for Transportation Fund, primarily consisting of advances from other funds (3) assigned fund balanced of$4,064,513 for General Fund operations reserve and $74,982 for GTIB operating cash; restricted fund balances of (4) $475,317 reserved for renewal and replacement, (5) $68,508,827 for Transportation Fund capital projects (6) $81,898, mostly of motor fuel tax payments received from GDOT that will be used to pay debt service on the bonds; (7) $48,922,474 for the GTIB loan and grant programs; and (8) a nonspendable fund balance of $14,717,781 of advances to other funds.

The positive fund balance on the Governmental Fund Balance Sheet (p.17) does not include the long-term debt and bond liabilities. The Statement of Net Position for Governmental Activities which shows negative net position of $(1,215,759,303) includes long term debt of $(1,367,365,589). See the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position contained in the Financial Statements section (p.17) and Note 9 (p. 54) for more detail.

Proprietary Funds: The Proprietary Funds statements (p. 21 – 22) provide the same type of information found in the government - wide statements, but in more detail.

Georgia 400 Extension: The Georgia 400 Extension is a proprietary fund of SRTA. The Authority maintained a business-type proprietary fund for toll operations of the GA 400 Extension during the fiscal year ending June

30, 2014. Total net position of the GA 400 Proprietary Fund was $0. Net Investment in capital assets was $0 and the unrestricted net position of the Georgia 400 Project at June 30, 2014 was $0. GA 400 Extension ended May 31, 2014 when the Estate for Years was transferred to GDOT.

I-85 Express Lanes Project: The I-85 Express Lanes Project is also a proprietary fund of SRTA. The Authority maintained a business-type proprietary fund for this project during the year ending June 30, 2014. The unrestricted net position of the I-85 Express Lanes Project at June 30, 2014 was ($4,153,178). I-85 Express Lanes continues to exceed expectations in the second full year of operations.

Customer Service Center (CSC) Fund: The CSC Fund is an internal service fund of SRTA used to report activities related to managing violations and toll paying customer accounts relating to the proprietary funds described above. The Authority maintained a business-type internal service fund for customer service operations during the year ending June 30, 2014. During fiscal year 2014, SRTA transferred $19,909 of asset value for the website, net of accumulated depreciation, from GA 400 to Customer Service. The unrestricted net position of the CSC at June 30, 2014 is $2,932,932.

Capital Assets and Debt Administration

Capital Assets: The net assets invested in capital assets for the year were $23,920,702, representing a decrease of $13,756,925 from the prior fiscal year (p. 9). This decrease is primarily related to the closure of GA 400 Extension. Additional information on SRTA's capital assets can be found in Note 6 on page 46 in the Notes to the Financial Statements.

Long-Term Debt: At June 30, 2014, SRTA had total long-term debt, net of deferred outflows, of $1,361,715,161, which was comprised of $1,328,516,122 in Guaranteed Revenue and GARVEE Bonds, $26,070,240 in Toll Revenue Bonds and $6,647,707 in a Design Build Finance Long Term Note payable in governmental activities, and $481,092 in total compensated absences for governmental and proprietary activities. Additional information on SRTA's long-term debt can be found on pages 50 – 58 in the Notes to the financial statements.

Notes to the Financial Statements

The Notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other Supplementary Information

In addition to the financial statements and accompanying notes, this report also presents certain supplementary information concerning SRTA's fund financial statements.

Budget

The Authority approves a budget for management purposes. The budget is neither subject to review nor approval by the Legislature of the State of Georgia and, therefore, is a non-appropriated budget.

Further Information

This financial report is designed to provide a general overview of the State Road and Tollway Authority's finances for all those individuals having an interest in SRTA's finances. Questions concerning any of the information provided in this report should be addressed to: State Road and Tollway Authority, 47 Trinity Avenue, 4th Floor, Atlanta, Georgia 30334.

STATE ROAD AND TOLLWAY AUTHORITY

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STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Cash Equivalents	$ 5,133,510	$ 6,234,293	$ 11,367,803
Restricted Assets:			
Cash and Cash Equivalents	142,456,633	7,361,459	149,818,092
Accounts Receivable, Net	416,574	337,888	754,462
Internal Balances	9,128,135	(9,128,135)	-
Inventories	-	308,513	308,513
Prepaid Items	790,235	1,965	792,200
Capital Assets, Non-Depreciable	11,909,206	-	11,909,206
Capital Assets, Depreciable (Net of Accumulated Depreciation)	344,139	11,667,357	12,011,496
Total Assets	$ 170,178,432	$ 16,783,340	$ 186,961,772
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Losses from Refunding of Debt	$ 5,834,220	$ -	$ 5,834,220
Total Deferred Outflows of Resources	$ 5,834,220	$ -	$ 5,834,220
Total Assets and Deferred Outflows of Resources	$ 176,012,652	$ 16,783,340	$ 192,795,992
LIABILITIES			
Accounts Payable and Other Current Liabilities	$ 15,683,123	$ 1,097,604	$ 16,780,727
Current Liabilities Payable from Restricted Assets:			
Accrued Interest Payable	8,723,243	-	8,723,243
Unearned Revenues	-	5,054,833	5,054,833
Long-Term Liabilities			
Due Within One Year	180,137,092	-	180,137,092
Due in More Than One Year	1,186,931,197	-	1,186,931,197
Compensated Absences due within one year	148,651	91,896	240,547
Compensated Absences due in more than one year	148,649	91,896	240,545
Total Liabilities	$ 1,391,771,955	$ 6,336,229	$ 1,398,108,184

NET POSITION

Net Investment in Capital Assets	$ 12,253,345	$ 11,667,357	$ 23,920,702
Amounts Restricted for			
Loan and Grant Programs	48,922,474	-	48,922,474
Debt Service (guaranteed revenue bond covenant accounts	81,898		81,898
Debt Service	2,607,024	-	2,607,024
Capital Projects	66,377,120	-	66,377,120
Unrestricted Amounts (Deficit)	(1,346,001,164)	(1,220,246)	(1,347,221,410)
Total Net Position	$ (1,215,759,303)	$ 10,447,111	$ (1,205,312,192)

The notes to the basic financial statements are an integral part of this statement.

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STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$ 4,652,357	$ -	$ -	$ -	$ (4,652,357)	$ -	$ (4,652,357)
Infrastructure Grants Disbursed	2,491,849	-	13,733,736	-	11,241,887	-	11,241,887
Roadway Improvement Grants per the MOU with GDOT	69,021,247		76,077,176	-	7,055,929	-	7,055,929
Debt Service							
Interest on Short-Term and Long-Term Debt	53,306,756	-	-	-	(53,306,756)	-	(53,306,756)
Total governmental activities	$ 129,472,209	$ -	$ 89,810,912	$ -	$ (39,661,297)	$ -	$ (39,661,297)
Business-type Activities							
I-85 Express Lanes	$ 10,433,265	$ 8,147,899	$ -	$ 537,081	$ -	$ (1,748,285)	$ (1,748,285)
Georgia 400 Extension	39,066,188	8,269,356	-	-	-	(30,796,832)	(30,796,832)
Total Business Type Activities	$ 49,499,453	$ 16,417,255	$ -	$ 537,081	$ -	$ (32,545,117)	$ (32,545,117)
Total	$ 178,971,662	$ 16,417,255	$ 89,810,912	$ 537,081	$ (39,661,297)	$ (32,545,117)	$ (72,206,414)
General Revenues							
Rents and Royalties					$ -	$ 96,814	$ 96,814
Unrestricted investment earnings					177,591	27,053	204,644
Payments from the State of Georgia					185,244,496	-	185,244,496
Transfers from the Department of Transportation					44,156,370	-	44,156,370
Miscellaneous Income					20,013	(697,288)	(677,275)
					$ 229,598,470	$ (573,421)	$ 229,025,049
Transfers							
Interfund Transfers					$ 28,203,451	$ (28,203,451)	$ -
					$ 28,203,451	$ (28,203,451)	$ 272,504,144
Total General Revenues and Transfers					$ 257,801,921	$ (28,776,872)	$ 501,529,193
Change in Net Position					$ 218,140,624	$ (61,321,989)	$ 156,818,635
Net Position - Beginning of Year					(1,433,899,927)	71,769,100	(1,362,130,827)
Net Position - Ending of Year					$ (1,215,759,303)	$ 10,447,111	$ (1,205,312,192)

The notes to the basic financial statements are an integral part of this statement.

STATE ROAD AND TOLLWAY AUTHORITY

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Transportation Funds	Debt Service Fund	GTIB Fund	Totals
ASSETS					
Cash and Cash Equivalents	$ 4,273,469	$ 805,572	$ -	$ 54,469	$ 5,133,510
Cash and Cash Equivalents - Restricted	10,702,473	82,749,788	81,898	48,922,474	142,456,633
Accounts Receivable, Net	14,996	381,065	-	-	396,061
Loans Receivable, Net			-	20,513	20,513
Due From Other Funds	453,632	-	-	-	453,632
Other Non Current Assets:					
Advances to Other Funds	14,717,781	-	-	-	14,717,781
Total Assets	$ 30,162,351	$ 83,936,425	$ 81,898	$ 48,997,456	$ 163,178,130
LIABILITIES					
Accounts Payable	$ 732,451	$ 171,250	$ -	$ -	$ 903,701
Payroll Withholdings Payable	53,682	-	-	-	53,682
Contracts Payable	444,785	14,240,961	-	-	14,685,746
Retainages Payable	-	39,994	-	-	39,994
Other Non Current Liabilities:					
Advances from Other Funds	-	6,043,278	-	-	6,043,278
Total Liabilities	$ 1,230,918	$ 20,495,483	$ -	$ -	$ 21,726,401
FUND BALANCES					
Nonspendable	$ 14,717,781	$ -	$ -	$ -	$ 14,717,781
Restricted	475,317	68,508,827	81,898	48,922,474	117,988,516
Assigned	4,064,513	-	-	74,982	4,139,495
Unassigned	9,673,822	(5,067,885)	-	-	4,605,937
Total Fund Balances	$ 28,931,433	$ 63,440,942	$ 81,898	$ 48,997,456	$ 141,451,729
Total Liabilities and Fund Balances	$ 30,162,351	$ 83,936,425	$ 81,898	$ 48,997,456	$ 163,178,130

The notes to the basic financial statements are an integral part of this statement.

STATE ROAD AND TOLLWAY AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2014

Total Governmental Fund Balances		$ 141,451,729
Amounts reported for governmental activities in the government-wide Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	$ 11,909,206	
Depreciable Fixed Assets, net of Accumulated Depreciation	344,139	
Total Capital Assets		12,253,345
Prepaid bond insurance costs that are not available to pay current period expenditures are deferred in the funds.		790,235
Certain long term liabilities are not due and payable in the current period and are therefore not reported in the funds. All liabilities, both current and long-term, are reported in the Statement of Net Position net of issuance premiums, discounts, and refunding deferral amounts.		
Guaranteed Revenue/Refunding Bonds Payable	(348,635,000)	
Grant Anticipation Revenue Bonds Payable	(733,685,000)	
Reimbursement Revenue Bonds Payable	(179,645,000)	
Premiums on Issuances of Debt	(72,385,342)	
Deferred Amounts on Refunding	5,834,220	
Toll Revenue Bonds Payable	(26,070,240)	
Design Build Finance Note Payable	(6,647,707)	
Accrued Interest	(8,723,243)	
Compensated Absences Payable	(297,300)	
Total		(1,370,254,612)
Net Position of Governmental Activities		$ (1,215,759,303)

The notes to the basic financial statements are an integral part of this statement.

STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Transportation Fund	Debt Service Fund	GTIB Fund	Totals
REVENUES					
Intergovernmental Income	$ -	$ 76,077,176	$ 229,400,866	$ 13,733,736	$ 319,211,778
Investment Earnings	93,893	17,207	3,066	63,425	177,591
Other Income	2,413	-	-	17,600	20,013
Total Revenues	$ 96,306	$ 76,094,383	$ 229,403,932	$ 13,814,761	$ 319,409,382
EXPENDITURES					
General Government	$ 4,211,129	$ 3,006,190	$ 51,623	$ 14,362	$ 7,283,304
Infrastructure Grants Disbursed	-	-	-	2,491,849	2,491,849
Roadway Improvement Grants per the MOU with GDOT	-	69,021,247	-	-	69,021,247
Debt Service					
Principal	-	-	160,310,000	-	160,310,000
Interest	-	-	69,090,866	-	69,090,866
Cost of Issuance	-	367,245	-	-	367,245
Total Expenditures	$ 4,211,129	$ 72,394,682	$ 229,452,489	$ 2,506,211	$ 308,564,511
Excess of Revenues Over (Under) Expenditures	$ (4,114,823)	$ 3,699,701	$ (48,557)	$ 11,308,550	$ 10,844,871
OTHER FINANCING SOURCES (USES)					
Proceeds of Design Build Finance Loan	$ -	$ 6,647,707	$ -	$ -	$ 6,647,707
Issuance of Toll Revenue Bonds	-	26,070,240	-	-	26,070,240
Transfers In	10,143,522	29,790,407	50,449	-	39,984,378
Transfers Out	(9,013,814)	(2,767,113)	-	-	(11,780,927)
Total Other Financing Sources (Uses)	$ 1,129,708	$ 59,741,241	$ 50,449	$ -	$ 60,921,398
Net Change in Fund Balances	$ (2,985,115)	$ 63,440,942	$ 1,892	$ 11,308,550	$ 71,766,269
Fund Balances - Beginning of Year	31,916,548	-	80,006	37,688,906	69,685,460
Fund Balances - Ending of Year	$ 28,931,433	$ 63,440,942	$ 81,898	$ 48,997,456	$ 141,451,729

The notes to the basic financial statements are an integral part of this statement.

STATE ROAD AND TOLLWAY AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Total Net Change in Fund Balances - Governmental Funds			$	71,766,269
Amounts reported for governmental activities in the Statement of Activities are different because:				
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:				
Capital Outlay	$	4,294,524		
Depreciation Expense		(1,168,083)		
Excess of Capital Outlay over Depreciation Expense				3,126,441
Bond proceeds provide current financial resources to Governmental Funds; however, issuing debt increases Long-Term Liabilities in the Statement of Net Position. In the current period, proceeds were received from:				
Issuance of Toll Revenue Bonds				(26,070,240)
Some of the Capital Assets acquired this year were financed with P3 Design Build Finance Loan Payable. In Governmental Funds, a P3 arrangement is considered a source of financing, but in the Statement of Net Position, the Loan obligation is reported as a Long-Term Liability.				
Design Build Finance Loan				(6,647,707)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:				
Grant Anticipation Revenue Bonds Principal Retirement	$	107,630,000		
Reimbursement Revenue Bonds Principal Retirement		26,900,000		
Guaranteed Revenue Bonds Principal Retirement		14,740,000		
Guaranteed Revenue Refunding Bonds Principal Retirement		11,040,000		
Total Long-Term Debt Repayments				160,310,000
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:				
Amortization of Deferral of Gain on Refunding of Bonds	$	(3,326,139)		
Amortization of Premium of Grant Anticipation Revenue Bonds Payable		9,503,177		
Amortization of Premium of Reimbursement Revenue Bonds Payable		1,308,029		
Amortization Write-off of Premium Guaranteed Revenue Bonds Payable from Refunding		7,340,652		
Amortization of Premium Guaranteed Revenue Bonds Payable		273,337		
Amortization of Bond Insurance Costs		(244,829)		
Net (Increase) Decrease in Accrued Interest on Issuance of Bonds		929,884		
(Increase) Decrease in Compensated Absences		(128,250)		
Total Additional Expenditures				15,655,861
Change in Net Position of Governmental Activities			$	218,140,624

The notes to the basic financial statements are an integral part of this statement.

STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Georgia 400 Extension Fund	I-85 Express Lane Fund	Totals	Customer Service Center Fund
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ -	$ 3,590,134	$ 3,590,134	$ 2,644,159
Accounts Receivable, Net	-	280,847	280,847	57,041
Inventories	-	-	-	308,513
Prepaid Items	-	1,965	1,965	-
Due From Other Funds/Interfund	-	222,925	222,925	-
Restricted Current Assets				
Cash and Cash Equivalents	-	1,507,024	1,507,024	5,854,435
Total Current Assets	$ -	$ 5,602,895	$ 5,602,895	$ 8,864,148
NONCURRENT ASSETS				
Capital Assets				
Non-Depreciable				
Depreciable				
Machinery and Equipment	-	16,300,958	16,300,958	524,236
Computer Software	-	-	-	8,644,823
Accumulated Depreciation	-	(8,434,689)	(8,434,689)	(5,367,971)
Total Capital Assets	$ -	$ 7,866,269	$ 7,866,269	$ 3,801,088
Total Noncurrent Assets	$ -	$ 7,866,269	$ 7,866,269	$ 3,801,088
Total Assets	$ -	$ 13,469,164	$ 13,469,164	$ 12,665,236

	Georgia 400 Extension Fund	I-85 Express Lane Fund	Totals	Customer Service Center Fund
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	$ -	$ 924,893	$ 924,893	$ 158,514
Contracts Payable	-	14,197	14,197	-
Due To Other Funds	-	-	-	676,557
Compensated Absences	-	71,240	71,240	20,656
Current Liabilities Payable from Restricted Assets				-
Unearned Revenues	-	-	-	5,054,833
Total Current Liabilities	$ -	$ 1,010,330	$ 1,010,330	$ 5,910,560
NONCURRENT LIABILITIES				
Advances From Other Funds	$ -	$ 8,674,503	$ 8,674,503	$ -
Compensated Absences	-	71,240	71,240	20,656
Total Noncurrent Liabilities	$ -	$ 8,745,743	$ 8,745,743	$ 20,656
Total Liabilities	$ -	$ 9,756,073	$ 9,756,073	$ 5,931,216
NET POSITION				
NET POSITION				
Net Investment in Capital Assets	$ -	$ 7,866,269	$ 7,866,269	$ 3,801,088
Unrestricted (Deficit)	-	(4,153,178)	(4,153,178)	2,932,932
Total Net Position	$ -	$ 3,713,091	$ 3,713,091	$ 6,734,020
Total Liabilities and Net Position	$ -	$ 13,469,164		$ 12,665,236
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			6,734,020	
Net Position of Business-Type Activities			$ 10,447,111	

The notes to the basic financial statements are an integral part of this statement.

STATE ROAD AND TOLLWAY AUTHORITY

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STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Georgia 400 Extension Fund	I-85 Express Lane Fund	Totals	Customer Service Center Fund	Totals
OPERATING REVENUES					
Charges for Sales and Services					
Base Transaction Fees	$ -	$ -	$ -	$ 1,895,263	1,895,263
Variable Fees	-	-	-	401,893	401,893
Violation Processing Fees	-	-	-	794,654	794,654
Violation Administration Fees	331,306	463,379	794,685	-	794,685
Toll Fees					
Cash Tolls	4,607,781	-	4,607,781	-	4,607,781
Electronic Tolls	3,330,269	7,684,520	11,014,789	-	11,014,789
Other Services	35,613	-	35,613	37,869	73,482
Total Charges for Sales and Services	8,304,969	8,147,899	16,452,868	3,129,679	19,582,547
Rents and Royalties: Rental Income	96,814	-	96,814	-	96,814
Total Operating Revenues	$ 8,401,783	$ 8,147,899	$ 16,549,682	$ 3,129,679	$ 19,679,361
OPERATING EXPENSES					
Personnel Services	$ 1,443,310	$ 1,424,991	$ 2,868,301	$ 681,248	$ 3,549,549
Publications, Supplies and Materials	22,881	28,087	50,968	47,705	98,673
Repairs and Maintenance	347,884	17,382	365,266	615	365,881
Utilities, Rents, Insurance	235,407	47,864	283,271	2,551	285,822
Other Operating	258,863	262,439	521,302	1,136,015	1,657,317
Contracts	1,950,610	3,556,192	5,506,802	127,128	5,633,930
Software/Telecom	224,816	72,778	297,594	-	297,594
Base Transaction Fees	997,124	898,139	1,895,263	-	1,895,263
Variable Fees	123,439	278,454	401,893	-	401,893
Violation Processing Fees	331,306	463,348	794,654	-	794,654
Depreciation	55,319	3,138,531	3,193,850	1,827,026	5,020,876
Amortization	2,635,681	-	2,635,681	-	2,635,681
Total Operating Expenses	$ 8,626,640	$ 10,188,205	$ 18,814,845	$ 3,822,288	$ 22,637,133
Operating Income (Loss)	$ (224,857)	$ (2,040,306)	$ (2,265,163)	$ (692,609)	$ (2,957,772)
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Revenue	$ 13,166	$ 6,397	$ 19,563	$ 7,490	$ 27,053
Bond Interest Expense	(269,291)	-	(269,291)	-	(269,291)
Miscellaneous Expense	(770,770)	-	(770,770)	-	(770,770)
Total Nonoperating Revenues (Expenses)	$ (1,026,895)	$ 6,397	$ (1,020,498)	$ 7,490	$ (1,013,008)
Income (Loss) Before Capital Contributions and Transfers	$ (1,251,752)	$ (2,033,909)	$ (3,285,661)	$ (685,119)	$ (3,970,780)
CAPITAL CONTRIBUTIONS					
Georgia Department of Transportation (GDOT)	$ -	$ 537,081	$ 537,081	$ -	537,081
Roadway Improvement Grants per the MOU with GDOT	(29,684,839)	-	(29,684,839)	-	(29,684,839)
TRANSFERS					
Transfers In	$ 8,963,365	$ -	$ 8,963,365	$ 19,909	8,983,274
Transfers Out	(37,186,725)	-	(37,186,725)	-	(37,186,725)
Total Transfers	$ (28,223,360)	$ -	$ (28,223,360)	$ 19,909	$ (28,203,451)
Changes in Net Position	$ (59,159,951)	$ (1,496,828)	$ (60,656,779)	$ (665,210)	$ (61,321,989)
Total Net Position - Beginning of Year	$ 59,159,951	$ 5,209,919		$ 7,399,230	71,769,100
Total Net Position - End of Year	$ -	$ 3,713,091		$ 6,734,020	$ 10,447,111
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			(665,210)		
Change in Net Position of Business-Type Activities			$ (61,321,989)		

The notes to the basic financial statements are an integral part of this statement.

STATE ROAD AND TOLLWAY AUTHORITY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Georgia 400 Extension Fund	I-85 Express Lane Fund	Totals	Customer Service Center Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 8,401,844	$ 9,322,839	$ 17,724,683	$ 3,125,405
Payments to Suppliers	(8,008,206)	(5,481,362)	(13,489,568)	(4,393,801)
Payments to Employees	(1,562,305)	(1,367,570)	(2,929,875)	(680,514)
Internal Activity - Payments to Other Funds	(1,451,869)	-	(1,451,869)	3,091,810
Net Cash Provided by (Used In) Operating Activities	$ (2,620,536)	$ 2,473,907	$ (146,629)	$ 1,142,900
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Subsidies and Transfers (to) from Other Funds	$ (28,147,690)	$ 784,710	$ (27,362,980)	$ (742,659)
Net Cash Provided by (Used in) Noncapital Financing Activities	$ (28,147,690)	$ 784,710	$ (27,362,980)	$ (742,659)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Disposal (Acquisition) of Capital Assets	$ 10,485,507	$ -	$ 10,485,507	$ (19,909)
Intergovernmental Grant	(29,684,839)	537,081	(29,147,758)	-
Principal Paid on Revenue Bonds	(25,345,000)	-	(25,345,000)	-
Interest Paid on Revenue Bonds	(323,145)	-	(323,145)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	$ (44,867,477)	$ 52,966	$ (44,814,511)	$ (19,909)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income Received	$ 13,166	$ 6,397	$ 19,563	$ 7,490
Net Cash Provided by Investing Activities	$ 13,166	$ 6,397	$ 19,563	$ 7,490
Net Increase (Decrease) in Cash and Cash Equivalents	$ (75,622,537)	$ 3,317,980	$ (72,304,557)	$ 387,822
Cash and Cash Equivalents Balances Beginning of Year	75,622,537	1,779,178	77,401,715	8,110,772
End of Year	$ -	$ 5,097,158	$ 5,097,158	$ 8,498,594
RECONCILIATION OF ENDING CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Current Assets				
Cash and Cash Equivalents	$ -	$ 3,590,134	$ 3,590,134	$ 2,644,159
Cash and Cash Equivalents - Restricted	-	1,507,024	1,507,024	-
Customer Deposits - Restricted	-	-	-	5,854,435
Total	$ -	$ 5,097,158	$ 5,097,158	$ 8,498,594

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	Georgia 400 Extension Fund	I-85 Express Lane Fund	Totals	Customer Service Center Fund
Operating Loss	$ (224,857)	$ (2,040,306)	$ (2,265,163)	$ (692,609)
Adjustments to Reconcile Operating Loss				
By Operating Activities				
Depreciation Expense	55,319	3,138,531	3,193,850	1,827,026
Amortization	2,635,681	-	2,635,681	-
Change in Net Assets and Liabilities				
Receivables, Net	61	1,174,940	1,175,001	(45,266)
Prepaid Items	21,939	-	21,939	-
Inventories	-	-	-	124,173
Accounts and Other Payables	(4,908,227)	143,321	(4,764,906)	153,616
Accrued Liabilities (other than customer deposits)	(81,457)	-	(81,457)	(265,766)
Unearned Revenue	-	-	-	40,992
Compensated Absences	(118,995)	57,421	(61,574)	734
Net Cash Provided by (Used In) Operating Activities	$ (2,620,536)	$ 2,473,907	$ (146,629)	$ 1,142,900

The notes to the basic financial statements are an integral part of this statement.

STATE ROAD AND TOLLWAY AUTHORITY

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The State Road and Tollway Authority (SRTA) is an instrumentality of the State of Georgia and a public corporation created to construct, operate and manage a system of roads, bridges and tunnels and facilities related thereto. SRTA consists of five (5) members: the Governor, Commissioner of the Georgia Department of Transportation (GDOT), Director of the Office of Planning and Budget, Appointee of Lieutenant Governor and Appointee of Speaker of the House. SRTA is considered a blended component unit of the State of Georgia for financial reporting purposes because of the significance of its legal, operational and financial relationships with the State of Georgia. These reporting entity relationships are defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

B. Basis of Presentation

SRTA's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities and fund financial statements. This combination is designed to accomplish two goals: (1) to provide information using the economic resources measurement focus and the accrual basis of accounting functions reported in governmental funds, and (2) to provide net cost information by function for governmental activities.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities reports information on all the non-fiduciary activities of SRTA. *Governmental activities,* which normally are financed through taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from *business-type activities,* which are financed in whole or in part by fees charged to external parties for goods or services.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The only exception to this rule is in those instances where the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue. SRTA does allocate indirect expenses to functions in the statement of activities through the governmental internal service fund.

Fund Financial Statements

SRTA reports activity for three governmental programs, two proprietary funds and one internal service fund. Separate financial statements are provided for the governmental funds and the proprietary funds.

SRTA reports the following three major governmental funds:

The **General Fund** is used to account for all financial transactions not required to be accounted for in another fund. This includes strategic business development and the planning and research for future toll road projects as well as general governmental activities.

The **Transportation Fund** is used to account for capital projects that are currently in the planning stages or under construction. A project in the planning stage may or may not progress to the construction phase. The individual grants are discussed in greater detail in Note 14. Supplementary schedules are included on pages 75 and 76.

The **Debt Service Fund** is used to account for non-proprietary bond related activity. SRTA is authorized to issue revenue bonds for self-liquidating land-based public transportation systems (roads, bridges, etc.) and projects. SRTA has issued Guaranteed Revenue Bonds and GARVEE Bonds. Funding of the debt service is realized through the remittance of funds from federal and state sources. The individual debt issuances are discussed in greater detail in Note 9 (Long-Term Debt).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The **State of Georgia Transportation Infrastructure Bank Fund (GTIB)** is a special revenue fund used to account for the operations of the grant and loan programs. The individual grants are discussed in greater detail in Note 14 (Georgia Transportation Infrastructure Bank).

Proprietary Financial Statements

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. SRTA reports the following two major proprietary funds:

The **Georgia 400 Extension Fund (GA 400 Fund)** is an enterprise fund used to report activities for which tolls and fees are charged to the users of the GA 400 Extension. This fund is also used when improvements to the facility are financed with debt that is secured by a pledge of the net revenues generated from the facility.

The **I-85 Express Lanes Fund (I-85 Fund)** is an enterprise fund used to report activities related to the tolls charged to users of the approximately 16-mile stretch of High Occupancy Toll (HOT) lanes along I-85.

Toll and fee revenues directly related to the two respective enterprise funds are recorded and reflected in the appropriate enterprise fund.

Additionally, SRTA reports the following internal service fund:

The **Customer Service Center Fund (CSC Fund)** is an internal service fund used to report activities related to managing customer accounts and noncustomer violations. In order to facilitate the appropriate allocation of common costs relating to electronic toll collection, SRTA established the CSC Fund. Cash and customer prepaid toll deposits reside in the CSC Fund. The CSC Fund records revenues to cover direct expenses by charging a base fee of $0.15 per transaction and a variable fee of 3.75% of revenue for the credit card fees, with a corresponding expense to the two respective enterprise funds. Violation administration fees are revenue to the CSC Fund and recorded as an expense to the two respective enterprise funds. All actual expenses of the CSC operations are reflected and recorded in the CSC Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measureable and available.) Revenues are considered to be “measureable” when the amount of the transaction can be determined and “available” when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Major revenue sources susceptible to accrual include interest and other investment income. Expenditures are generally recorded when the related fund liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of SRTA’s enterprise funds are charges to customers for tolls, fees, rents and royalties. Operating expenses include the cost of toll collection, violation processing, maintenance and, administrative expenses and depreciation on capital assets. SRTA also recognizes the amortization of the asset “Estate for Years” as an operating expense. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The statement of cash flows provides information about how SRTA finances and meets the cash flow needs of its proprietary activities.

When both restricted and unrestricted resources are available for use, generally it is SRTA’s policy to use restricted resources first, and then unrestricted resources as they are needed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

E. Assets, Liabilities, Net Position and Fund Equity

Cash and Cash Equivalents

Cash and cash equivalents include currency on hand, demand deposits with banks and other financial institutions, and the state investment pool that has the general characteristics of demand deposit accounts in that SRTA may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty. Cash and cash equivalents also include short-term, highly liquid investments with maturities of three months or less from the date of acquisition. The aforementioned definitions were applied in the preparation of the Statement of Cash Flows.

The state investment pool (Georgia Fund 1) is an external investment pool that is not registered with the Securities and Exchange Commission (SEC), but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The State of Georgia's Office of the State Treasurer (OST) manages the Georgia Fund 1 in accordance with policies and procedures established by state law and the State Depository Board, the oversight Board for OST. This investment is valued at the pool's share price, $1.00 per share.

SRTA does not have any risk exposure related to investments in derivatives or similar investments in Georgia Fund 1, as the investment policy of OST does not provide for investments in derivatives or similar investments through the Georgia Fund 1.

Investments

Investments are defined as those financial instruments with terms in excess of three months from the date of purchase. Investments are stated at amortized cost. Accounting principles generally accepted in the United States of America require that investments be reported at fair value; however, the variance in amortized cost and fair value is deemed immaterial to the financial statements for the majority of SRTA's investments. Any variances in amortized cost and fair value deemed material to the financial statements were reported at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Net Position and Fund Equity (Continued)

Investments (Continued)

SRTA may invest regular funds in such securities and in such manner as it determines to be in its best interest as follows:

1) Obligations issued by the United States government.
2) Obligations of any corporation of the United States government fully guaranteed by the United States government.
3) Obligations of the Federal Land Bank, the Federal Home Loan Bank, Federal Intermediate Credit Bank or the Central Bank for Cooperatives.
4) Repurchase Agreements.

In addition, certain revenue bonds issued by SRTA include covenants which restrict SRTA to investments in the state investment pool or to the following forms of investments:

Toll Revenue Bonds, Series 2014 A&B (I-75 South Metro Express Lanes Project):

1) The Local Government Investment Pool;
2) Government Obligations;
3) Certificates of Deposit;
4) Repurchase Agreements;
5) Investment Agreements or Guaranteed Investment Contracts; and
6) Money Market Funds

Accounts Receivable

All accounts receivable are reported net of an allowance for uncollectibles, where applicable.

Inventory

Inventory, which is comprised of transponders used in electronic toll collection, is valued at cost, using the first-in, first-out method. SRTA utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenses when used rather than when purchased.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Net Position and Fund Equity (Continued)

Prepaid Items

Payments to vendors for services that will benefit periods beyond June 30, 2014 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is restricted, as this amount is not available for general appropriation.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the government-wide statement of net position, except for any net residual amounts between governmental and business-type activities, which are reclassified and presented as internal balances.

Restricted Assets

Specific portions of SRTA’s cash and cash equivalents and investments are classified as restricted assets on the Statement of Net Position. Certain revenue bond proceeds, as well as certain resources set aside for their repayment, are reflected as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants. In addition, restricted assets include customer deposits paid to SRTA, undisbursed loan and grant program funds, and undisbursed committed contracts.

SRTA has established an account, the “SRTA Holding Account,” which may be funded at the Authority’s discretion to include a reasonable operating reserve in an amount equal to approximately 90 days of the budgeted annual operational costs of the Authority.

SRTA has established an account, the “SRTA Renewal and Replacement Account,” which may be funded at the Authority’s discretion to include a reasonable reserve for funding Tolling Renewal and Replacement Expenses of the Authority that are not funded in other agreements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Net Position and Fund Equity (Continued)

Estate for Years

GA400 Corridor

On July 10, 1991, the State of Georgia's Department of Transportation (GDOT) granted to the State Road and Tollway Authority an "Estate for Years" lease in return for a portion of the proceeds of the sale of the Series 1991 Guaranteed Revenue Bonds in the amount of $67,508,129. This "Estate" entitles SRTA the right to possess and operate the Georgia 400 Project and shall terminate six months after final payment of any related outstanding bonds. It was continued in force by the Series 1998 Guaranteed Refunding Revenue Bonds, which defeased the Series 1991 Bonds.

During the fiscal year ending June 30, 2011, SRTA defeased the Series 1998 Guaranteed Refunding Revenue Bonds and issued the Series 2010 Toll Revenue Bonds on December 1, 2010. At that time, the Estate for Years was extended for an additional seven years. Six months after payment in full of the Series 2010 Toll Revenue Bonds by SRTA, all rights, title and interest acquired by this agreement shall revert to the State of Georgia's Department of Transportation. Amortization of the remaining "Estate" continued until the termination of the Estate for Years. The Series 2010 Toll Revenue Bonds were paid off in full on December 1, 2013.

The asset "Estate for Years" was amortized over the life of the Series 2010 Toll Revenue Bonds. Prior to fiscal year 2013, the amortization expense each year was based on the percentage of the toll revenue bonds redeemed during the year to total bonds issued, multiplied by the value of the Estate for Years. However, due to the call option being exercised, the amortization method for fiscal year 2013 was recalculated to a monthly straight-line basis over the remaining life of toll operations. The Estate for Years net of accumulated amortization at June 30, 2013 was $2,635,681. The amortization expense recognized for the fiscal year 2014 was $2,635,681, which reduced the net book value of the "Estate for Years" to $0 as of June 1, 2014.

The Estate for Years terminated on May 31, 2014 and all rights to title and interest reverted back to GDOT on June 1, 2014.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Net Position and Fund Equity (Continued)

Capital Assets

Capital assets, which include property, machinery and equipment, and computer software, are reported in the government-wide financial statements and proprietary fund financial statements at historical cost. Donated capital assets are recorded at fair market value on the date donated and disposals are deleted at recorded cost. Buildings and improvements other than buildings are capitalized when the cost of individual items or projects exceeds $100,000. Machinery and equipment is capitalized when the cost of individual items exceeds $5,000. SRTA has elected to capitalize computer software under development, if any. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are expensed. Interest expense incurred during the construction of capital assets utilized by the enterprise funds is capitalized, less the amount of interest earned during the same qualifying period.

Applicable capital assets of SRTA are depreciated using the straight-line method over the following estimated useful lives:

Type of Capital Assets	Years
Buildings	7 - 20
Improvements other than Buildings	7 - 18
Infrastructure	10 - 50
Machinery and Equipment	3 - 9
Furniture and Fixtures	5 - 7
Land Improvements	7
Computer Software	5 - 7

Compensated Absences

Employees earn annual (vacation) leave ranging from 10 to 14 hours each month depending upon the employees' length of continuous state service. SRTA's policy permits employees to accumulate earned but unused annual leave hours up to a maximum of 360 hours. Any hours earned that accumulate above 360 hours are forfeited. Upon separation, employees are paid for any unused annual leave up to the 360 hour maximum amount. Employees are paid for unused accumulated annual leave upon retirement or termination of employment. Certain employees who retire with 120 days or more of forfeited annual and sick leave are entitled to additional service credit in the ERS or TRS.

Sick leave benefits are not eligible for pay upon separation. Certain non-exempt employees working over 40 hours per week accrue compensatory time at the rate of 1.5 times the hours.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Net Position and Fund Equity (Continued)

Compensated Absences (Continued)

All compensated absence liabilities (compensatory time) include salary related payments, where applicable. At the end of the year, all compensatory time not taken is recorded as a liability at the current salary rates and applicable social security and Medicare costs.

The total compensated absences liability is reported on the government-wide financial statements. Proprietary funds contain the total compensated absences liability in each individual fund at the fund reporting level. Governmental funds report the compensated liability at the fund reporting level only "when due."

Unearned Revenue

Unearned revenue is recorded in the CSC Fund when customers make a payment on their prepaid toll account. Revenue is recognized in the appropriate proprietary fund when the customers use a facility and a toll is applied to their account.

Accrued Liabilities and Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. Bonds are recognized as a liability in the governmental fund financial statements "when due".

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Net Position and Fund Equity (Continued)

Debt Premiums, Discounts, Prepaid Bond Insurance and Debt Refunding Gains and Losses

Bond premiums, discounts, prepaid bond insurance and the differences between reacquisition price and net carrying amount of refunded revenue bonds (“deferred amount of refunding”), are deferred and amortized over the life of the bonds using the straight-line method or effective-interest method. The straight-line method is only used to amortize the deferred loss on refunding for the Series 2001 and 2003 bonds. Bonds payable are reported net of the applicable bond premium, discount and deferred amount on refunding. Bond insurance costs are reported as prepaid expenses and amortized over the term of the related debt. Debt premiums and discounts are netted against the debt payable.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the Statement of Net Position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (old debt).

In the governmental fund financial statements, bond premiums as well as bond issuance costs are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred. Issuance costs, with the exception of prepaid bond insurance, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Net Position and Fund Equity (Continued)

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Net Position. In the government-wide financial statements and the proprietary fund financial statements, the sum of fund assets and deferred outflows of resources less the sum of liabilities and deferred inflows of resources is reported as net position. Net position is reported in three categories:

> **Net Investment in Capital Assets** consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that has not been spent) for the acquisition, construction or improvement of those assets.
>
> **Restricted Amounts** result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.
>
> **Unrestricted Amounts** consist of net position that does not meet the definition of the two preceding categories. Unrestricted net position is often designated, indicating it is not available for general operations. Such designations have internally imposed constraints on resources, but can be removed or modified.

The unrestricted deficit balance in the governmental activities column of the government-wide financial statements is the result of a timing difference in the flow of SRTA's assets (bond proceeds) and liabilities (bond debt). The assets purchased with these bond proceeds are reported on the GDOT financial statements while SRTA reports the debt (bonds payable) on its financial statements.

As mentioned in Note 1 B., the Debt Service Fund (governmental fund) is used to account for debt issued to finance the State of Georgia transportation infrastructure construction projects. Bond proceeds are disbursed to GDOT over a three (3) to five (5) year construction period, whereas the bonded debt obligations generally have maturity periods with a maximum of twenty (20) years.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Net Position and Fund Equity (Continued)

Fund Equity (Continued)

Fund Balance. Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report net position classifications that comprise a hierarchy based primarily on the extent to which SRTA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as "non-spendable" when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as "restricted" when there are limitations imposed on their use either through the enabling legislation adopted by SRTA or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

Committed - Fund balances are reported as "committed" when they can be used only for specific purposes pursuant to constraints imposed by formal action of the governing board of SRTA through the adoption of a resolution. Only the governing board of SRTA may modify or rescind the commitment.

Assigned - Fund balances are reported as "assigned" when amounts are constrained by SRTA's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the governing board of SRTA has authorized SRTA's Executive Director to declare funds as assigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Net Position and Fund Equity (Continued)

Fund Equity (Continued)

Unassigned - Fund balances are reported as “unassigned” when the balances do not meet any of the above criteria. SRTA reports unassigned fund balance only in the general fund. Negative unassigned fund balance may be reported in all funds.

Committed, assigned and unassigned fund balances are collectively considered to be unrestricted funds.

Net Position Flow Assumptions – It is SRTA’s policy to use restricted resources first before using unrestricted resources.

Fund Balance Flow Assumptions - When both restricted and unrestricted amounts are available for use for specific expenditures, it is SRTA’s policy to use restricted amounts first and then unrestricted amounts as they are needed. It is SRTA’s policy to use unrestricted fund balances in the following order:

a. Committed
b. Assigned
c. Unassigned

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Net Position and Fund Equity (Continued)

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For STRA, these revenues are charges for use of toll road facilities. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. All other revenues and expenses are classified as non-operating including investment earnings, interest expense and the gain or loss on the disposition of capital assets.

Contributions of Capital

Contributions of capital reported in proprietary fund financial statements and government-wide financial statements arise from outside contributions of capital assets, and grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. On the government-wide statement of activities, the exchange transactions between internal service funds and the user funds are eliminated. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are reported on a net basis. Transfers between funds reported in the business type activities column are reported on a net basis.

NOTE 2. CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

SRTA early implemented the following GASB Statements in the fiscal year 2013:

No. 65 Items Previously Reported as Assets and Liabilities

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* reclassified certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, this Statement recognized certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources.

In fiscal year 2014, SRTA implemented the following GASB Statements:

No. 66 Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62

No. 67 Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25

No. 70 Accounting and Financial Reporting for Nonexchange Financial Guarantees

The objective of Statement No. 66 is to amend Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues and Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre November 30, 1989 FASB and AICPA Pronouncements.

The objective of Statement No. 67 is to improve the usefulness of pension information included in the general purpose external financial reports of state governmental pension plans for making decisions and assessing accountability.

The objective of Statement No. 70 is to improve the recognition, measurement, and disclosure guidance for state governments that have extended or received financial guarantees that are nonexchange transactions.

NOTE 3. BUDGET

SRTA approves a budget for management purposes. The budget is not subject to review or approval by the Legislature of the State of Georgia and, therefore, is a non-appropriated budget. Budgets are adopted on the cash basis of accounting.

The level of control (the level at which expenditures may not exceed the budget) for each adopted annual operating budget is at the individual program level. Budgetary control is exercised at the department level. All annual operating budgets lapse at fiscal year-end. Capital budgets lapse at the end of the project and may span multiple years.

The Director of Budget and Procurement is authorized to transfer budgeted amounts between departments within the same program. Any revisions, which alter total expenditures of any program, must be approved by the Board. During the year, the Board approved an amendment to the original budget for additional funding received for the GTIB program and for capital expenses on the I-75 Northwest Corridor Express Lanes Project.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable budget, is employed as an extension of formal budgetary integration. Operating encumbrances lapse at fiscal year-end, but capital encumbrances do not.

NOTE 4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance With Bond Covenants

SRTA is subject to certain covenants with regard to the issuance of the aggregation of its revenue bonds issued and outstanding as of June 30, 2014.

Funds of the State of Georgia cannot be placed in a depository paying interest longer than 10 days without the depository providing a surety bond to the state. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated (OCGA) Section 50-17-59:

(1) Bonds, bills, certificates of indebtedness, notes, or other direct obligations of the United States of the State of Georgia.

(2) Bonds, bills, certificates or indebtedness, notes, or other obligations of the counties of municipalities of the State of Georgia.

(3) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.

(4) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.

(5) Bonds, bills, certificates of indebtedness, notes, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest, or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association.

(6) Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

OCGA Section 45-8-11 provides that SRTA may waive the requirements for security in the case of operating funds placed in demand deposit checking accounts.

SRTA's bond funds are properly collateralized in accordance with the terms of the applicable indentures.

NOTE 4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance With Bond Covenants (Continued)

The toll revenues generated from the usage of the I-75 South Metro Express Lanes Project secure the State Road and Tollway Authority Toll Revenue Bonds Series 2014A and 2014B. Beginning in the first full Fiscal Year commencing at least 18 months after the Open to Tolling Date, the Indenture requires the Authority to establish, charge and collect Tolls for the privilege of traveling on the I-75 South Metro Express Lanes Project at rates sufficient to produce “Net Revenues” (Pledged Revenues after the deduction for Tolling Operating and Maintenance Expenses as set forth in the flow of funds) in each Fiscal Year that are at least:

- 150 percent of the Annual Debt Service with respect to all Outstanding Bonds for such Fiscal Year; and
- 100 percent of (A) the Annual Debt Service with respect to all Outstanding Bonds for such Fiscal Year, plus (B) the amounts, if any, required to be deposited during such Fiscal Year in the Debt Service Reserve Fund.

NOTE 5. DEPOSITS AND INVESTMENTS

Concentration of Credit Risk. Concentration of credit risk is the inability to recover the value of deposit, investment, or collateral securities in the possession of an outside party caused by a lack of diversification. SRTA’s Investment Policy does not limit the amount of funds that can be invested with any one financial institution or issuer. However, SRTA mitigates concentration of credit risk by depositing cash and purchasing investments among several financial institutions. The following schedule lists the allocation of cash and investments by financial institution as of June 30, 2014:

Institution / Issuer	Bank Balances	% of Portfolio	Reconciled Balances	% of Portfolio
Bank of America, N.A.	$ 17,607,839	10.91%	$ 16,680,186	10.35%
The Bank of New York Mellon Trust Company N.A.	26,123,416	16.19%	25,968,171	16.11%
US Bank	164	0.00%	164	0.00%
Funds on Deposit with the Office of Treasury and Fiscal Services				
Georgia Fund 1	117,627,526	72.90%	118,536,924	73.54%
Subtotal Cash and Cash Equivalents	$ 161,358,945	100.00%	161,185,445	100.00%
Petty Cash			450	
Total Cash and Cash Equivalents			$ 161,185,895	

NOTE 5. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk - Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S government, or bonds of public authorities, counties, or municipalities. As of June 30, 2014, SRTA's bank balances are properly collateralized.

Type of Custodial Credit Risk		Bank Balances
Uninsured and collateralized with securities held by the pledging financial institutions	$	135,235,365
Uninsured and collateralized with securities held by the pledging institution's trust departments or agents, but not in the State's name		26,123,580
Total deposits exposed to custodial credit risk	$	161,358,945

Interest Rate Risk. Interest rate risk is the possibility that an interest rate change could adversely affect an investment's fair value. In accordance with applicable pronouncements, an acceptable method for reporting interest rate risk is specific identification. As of June 30, 2014, SRTA deposits excess cash with the Office of State Treasurer (OST) in accordance with state practice.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows:

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2013	Additions / Transfers	Deletions / Transfers	Balance June 30, 2014
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 8,982,936	$ -	$ -	$ 8,982,936
Construction in Progress	-	2,926,270	-	2,926,270
	$ 8,982,936	$ 2,926,270	$ -	$ 11,909,206
Capital Assets Being Depreciated:				
Land Improvements	12,704	-	-	12,704
Equipment	23,644	1,082,168	-	1,105,812
Computer Software	-	286,086	-	286,086
Furniture and fixtures	380,793	-	-	380,793
Total Capital Assets Being Depreciated	417,141	1,368,254	-	1,785,395
Less Accumulated Depreciation For:				
Land Improvements	(12,704)	-	-	(12,704)
Equipment	(11,996)	(933,434)	-	(945,430)
Computer Software	-	(158,490)	-	(158,490)
Furniture and fixtures	(248,473)	(76,159)	-	(324,632)
Total Accumulated Depreciation	(273,173)	(1,168,083)	-	(1,441,256)
Total Capital Assets Being Depreciated, Net	143,968	200,171	-	344,139
Total Governmental Activities Capital Assets	$ 9,126,904	$ 3,126,441	$ -	$ 12,253,345
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	$ 10,834,610	$ -	$ (10,834,610)	$ -
Capital Assets Being Depreciated:				
Buildings	4,938,197	-	(4,938,197)	-
Improvements Other than Buildings	2,218,379	-	(2,218,379)	-
Machinery and Equipment	20,624,252	-	(3,799,058)	16,825,194
Infrastructure	132,891	-	(132,891)	-
Computer Software	9,038,283	-	(393,460)	8,644,823
Total Capital Assets Being Depreciated	36,952,002	-	(11,481,985)	25,470,017
Less Accumulated Depreciation For:				
Buildings	(4,938,197)	-	4,938,197	-
Improvements Other than Buildings	(2,197,386)	(750)	2,198,136	-
Machinery and Equipment	(8,977,439)	(3,262,514)	3,622,695	(8,617,258)
Infrastructure	(102,831)	(7,910)	110,741	-
Computer Software	(3,646,155)	(1,749,702)	210,455	(5,185,402)
Total Accumulated Depreciation	(19,862,008)	(5,020,876)	11,080,224	(13,802,660)
Total Capital Assets Being Depreciated, Net	17,089,994	(5,020,876)	(401,761)	11,667,357
Total Business-type Activities Capital Assets	$ 27,924,604	$ (5,020,876)	$ (11,236,371)	$ 11,667,357

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables and Payables

Interfund receivable and payable balances as of June 30, 2014 are as follows:

	Interfund Receivables			Internal Balance, Net Receivable	Internal Balance, Net Payable
Interfund Payables	General Fund	I-85 Express Lanes Fund	Total	Governmental Activities	Business-Type Activities
Short-Term					
Due From Customer Service Center Fund	$ 453,632	$ 222,925	$ 676,557	$ 453,632	$ 453,632
	$ 453,632	$ 222,925	$ 676,557	$ 453,632	$ 453,632
Long-Term					
Advances to Transportation Fund	$ 6,043,278	$ -	$ 6,043,278	$ -	$ -
Advances to I-85 Express Lanes Fund	8,674,503	-	8,674,503	8,674,503	8,674,503
	$ 14,717,781	$ -	$ 14,717,781	$ 8,674,503	$ 8,674,503
	$ 15,171,413	$ 222,925	$ 15,394,338	$ 9,128,135	$ 9,128,135

Interfund receivable and payable balances occur primarily because all disbursements are initially made from the General Fund’s main operating account. The other funds subsequently reimburse the General Fund. These interfund balances result from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. The General Fund has recognized an interfund receivable (advances to other funds) from the I-85 Fund and the Transportation Fund that is considered to be long-term in its nature and not available as a current financial resource as of June 30, 2014.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund Transfers

Transfers are used to transfer assets, liabilities, revenues or expenditures between funds. During the year ended June 30, 2014, GA400 Extension Fund transferred some of the fixed assets to the General Fund and the CSC Fund. GA400 Extension Fund transferred the remaining liabilities and compensated absences to the General Fund. Interfund transfers for the year ended June 30, 2014 are summarized as follows:

	Transfers Out			
Transfers In	General Fund	Transportation Fund	Georgia 400 Extension Fund	Total
General Fund	$ -	$ 2,767,113	$ 7,376,409	$ 10,143,522
Transportation Fund	-	-	29,790,407	29,790,407
Debt Service Fund	50,449	-	-	50,449
GA 400 Extension Fund	8,963,365	-	-	8,963,365
CSC Fund	-	-	19,909	19,909
Total	$ 9,013,814	$ 2,767,113	$ 37,186,725	$ 48,967,652

NOTE 8. OPERATING LEASES

Lessee Agreements

SRTA has entered into certain agreements to lease real property and equipment which are classified as operating leases. Amounts are included only for multi-year leases and for cancelable leases for which an option to renew for the subsequent fiscal year has been exercised. Future minimum commitments for operating leases as of June 30, 2014, are as follows:

Fiscal Year Ended June 30, 2014	Amount
2015	$ 4,845
2016	3,745
Total Minimum Commitments	$ 8,590

Expenditures for rental of real property and equipment under operating leases for the year ended June 30, 2014 totaled $374,369.

Lessor Agreements

SRTA leases certain parcels of land for use by others from varying terms. The primary use of this land is for cellular towers. The leases are accounted for as operating leases and revenues are recorded when earned. Revenue derived from these leases during fiscal year 2014 amounted to $96,814.

SRTA had no lessor agreements as of June 30, 2014. Cell phone tower leases were transferred to GDOT with the facility on June 1, 2014.

NOTE 9. LONG-TERM DEBT

Long-term debt activity and obligations as of and for the year ended June 30, 2014 are as follows:

	June 30, 2013	Increases	Decreases	June 30, 2014	Amount Due Within One Year
Governmental Activities:					
Guaranteed revenue refunding bonds, series 2011A	$ 176,230,000	$ -	$ (11,040,000)	$ 165,190,000	$ 15,340,000
Premium on guaranteed refunding revenue bonds	20,795,137	-	(4,126,805)	16,668,332	3,868,280
Guaranteed revenue refunding bonds, series 2011B	153,085,000	-	-	153,085,000	-
Premium on guaranteed refunding revenue bonds	20,124,884	-	(3,213,847)	16,911,037	3,213,847
Guaranteed revenue bonds, series 2001	975,000	-	(320,000)	655,000	290,000
Premium on guaranteed revenue bonds	34,783	-	(15,910)	18,873	8,071
Guaranteed revenue bonds, series 2003	44,125,000	-	(14,420,000)	29,705,000	5,895,000
Premium on guaranteed revenue bonds	2,563,140	-	(257,427)	2,305,713	257,427
Revenue Bonds Sub-Total	$ 417,932,944	$ -	$ (33,393,989)	$ 384,538,955	$ 28,872,625
Grant anticipation revenue bonds, series 2006	$ 177,715,000	$ -	$ (32,185,000)	$ 145,530,000	$ 33,765,000
Premium on grant anticipation revenue bonds	4,149,799	-	(1,337,099)	2,812,700	1,098,318
Reimbursement revenue bonds, series 2006	43,390,000	-	(7,990,000)	35,400,000	8,310,000
Premium on reimbursement revenue bonds	251,141	-	(79,172)	171,969	106,277
Grant anticipation revenue bonds, series 2008A	315,270,000	-	(38,720,000)	276,550,000	40,660,000
Premium on grant anticipation revenue bonds	13,552,728	-	(3,230,864)	10,321,864	2,834,064
Reimbursement revenue bonds, series 2008A	77,135,000	-	(9,710,000)	67,425,000	10,195,000
Premium on reimbursement revenue bonds	1,648,263	-	(386,417)	1,261,846	931,369
Grant anticipation revenue bonds, series 2009A	348,330,000	-	(36,725,000)	311,605,000	38,560,000
Premium on reimbursement revenue bonds, series 2009A	23,693,726	-	(4,935,214)	18,758,512	4,403,455
Reimbursement revenue bonds, series 2009A	86,020,000	-	(9,200,000)	76,820,000	9,660,000
Premium on reimbursement revenue bonds	3,996,936	-	(842,440)	3,154,496	740,984
Garvee Bonds Sub-Total	$ 1,095,152,593	$ -	$ (145,341,206)	$ 949,811,387	$ 151,264,467
Georgia toll revenue bonds, series 2014A	-	8,873,486	-	8,873,486	-
Georgia toll revenue bonds, series 2014B	-	17,196,754	-	17,196,754	-
Design Build Finance Loan	-	6,647,707	-	6,647,707	-
Toll Revenue Bonds Sub-Total	$ -	$ 32,717,947	$ -	$ 32,717,947	$ -
Compensated absences	$ 169,050	$ 133,408	$ (5,158)	$ 297,300	$ 148,651
Governmental activities long-term liabilities	$ 1,513,254,587	$ 32,851,355	$ (178,740,353)	$ 1,367,365,589	$ 180,285,743
Business-Type Activities:					
Georgia toll revenue bonds, series 2010	$ 25,345,000	$ -	$ (25,345,000)	$ -	$ -
Compensated absences	244,633	65,748	(126,589)	183,792	91,896
Business-type activities long-term liabilities	$ 25,589,633	$ 65,748	$ (25,471,589)	$ 183,792	$ 91,896

NOTE 9. LONG-TERM DEBT (CONTINUED)

Revenue Bonds
Governmental Activities

State of Georgia Guaranteed Revenue Refunding Bonds, Series 2011 A. On March 31, 2011, SRTA issued $191,335,000 of State of Georgia Guaranteed Revenue Refunding Bonds, Series 2011 A. Including bond premiums in the amount of $29,259,461, the bond proceeds amounted to $220,594,461. The bonds were issued for the purposes of (1) refunding $209,285,000 of the $226,690,000 in outstanding principal of the State of Georgia Guaranteed Revenue Bonds, Series 2001 and (2) to pay a portion of the costs of issuance of the bonds. Interest on these bonds is payable semiannually on March 1 and September 1 of each year with interest rates ranging from 4% to 5%. These bonds mature on March 1, 2021. As of June 30, 2014, the outstanding principal balance is $165,190,000. These bonds are secured by the amount of net proceeds of motor fuel tax provided for in a joint resolution of the Georgia State Transportation Board and Authority. Further, the State of Georgia has guaranteed the full payment of the bonds and the interest thereon in accordance with the Constitution of the State of Georgia and has reserved $29,650,600 in the State of Georgia Guaranteed Revenue Debt Common Reserve Fund that is on deposit at the OST. This reservation covers the aggregate highest annual debt service of the Series 2011 A Bonds and the Series 2001 Bonds which are discussed below.

State of Georgia Guaranteed Revenue Refunding Bonds, Series 2011 B. On March 31, 2011, SRTA issued $153,085,000 of State of Georgia Guaranteed Revenue Refunding Bonds, series 2011 B. Including bond premiums in the amount of $26,561,505, the bond proceeds amounted to $179,646,505. The bonds were issued for the purposes of (1) refunding $162,370,000 of the $233,165,000 in outstanding principal of the State of Georgia Guaranteed Revenue Bonds, Series 2003 and (2) to pay a portion of the costs of issuance of the bonds. Interest on these bonds is payable semiannually on April 1 and October 1 of each year with an interest rate of 5%. These bonds mature on October 1, 2022. As of June 30, 2014 the outstanding principal balance is $153,085,000. These bonds are secured by the amount of net proceeds of motor fuel tax provided for in a joint resolution of the Georgia State Transportation Board and SRTA. Further, the State of Georgia has guaranteed the full payment of the bonds and the interest thereon in accordance with the Constitution of the State of Georgia and has reserved $24,451,363 in the State of Georgia Guaranteed Revenue Debt Common Reserve Fund that is on deposit at the OST. This reservation covers the aggregate highest annual debt service of the Series 2011 B Bonds the Series 2003 Bonds which are discussed below.

NOTE 9. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Governmental Activities (Continued)

State of Georgia Guaranteed Revenue Bonds, Series 2001. On December 1, 2001, SRTA issued $350,000,000 of State of Georgia Guaranteed Revenue Bonds, Series 2001, for the purposes of (1) financing a portion of the Governor's Road Improvement Program, which consists of additions, extensions and improvements to the portion of the state's highway system known as the Development Highway System, and to finance certain other road and bridge projects both on and off the state's highway system and (2) to pay the costs of issuance of the bonds. Interest on these bonds is payable semiannually on March 1 and September 1 of each year with interest rates ranging from 2.50% to 5.37%. The unrefunded portion of these bonds matures on March 1, 2017. On March 31, 2011, $209,285,000 of these bonds was advance refunded via the issuance of the State of Georgia Guaranteed Revenue Refunding Bonds, Series 2011 A. As of June 30, 2014, the outstanding principal balance is $655,000. These bonds are secured by the amount of net proceeds of motor fuel tax provided for in a joint resolution of the Georgia State Transportation Board and State Road and Tollway Authority. Further, the State of Georgia has guaranteed the full payment of the bonds and the interest thereon in accordance with the Constitution of the State of Georgia and has reserved $29,650,600 in the State of Georgia Guaranteed Revenue Debt Common Reserve Fund that is on deposit at the OST. This reservation covers the aggregate highest annual debt service of the Series 2001 Bonds and the Series 2011 A Bonds.

State of Georgia Guaranteed Revenue Bonds, Series 2003. On October 1, 2003, SRTA issued $309,140,000 of State of Georgia Guaranteed Revenue Bonds, Series 2003, for the purposes of (1) paying costs of certain road and bridge projects of the State of Georgia, (2) initially funding approximately five months of interest on the bonds, and (3) paying the costs of issuing the bonds. Interest on these bonds is payable semiannually on April 1 and October 1 of each year with interest rates ranging from 2.25% and 5.25%. These bonds mature on October 1, 2023. On March 31, 2011, $162,370,000 of these bonds was advance refunded via the issuance of the State of Georgia Guaranteed Revenue Refunding Bonds, Series 2011 B. As of June 30, 2014 the outstanding principal balance is $29,705,000. These bonds are secured by the amount of net proceeds of motor fuel tax provided for in a joint resolution of the Georgia State Transportation Board and the State Road and Tollway Authority. Further, the State of Georgia has guaranteed the full payment of the bonds and the interest thereon in accordance with the Constitution of the State of Georgia and has reserved $24,451,363 in the State of Georgia Guaranteed Revenue Debt Common Reserve Fund that is on deposit at the OST. This reservation covers the aggregate highest annual debt service of the Series 2003 Bonds and the Series 2011 B Bonds.

NOTE 9. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Governmental Activities (Continued)

Federal Highway Grant Anticipation Revenue Bonds Series 2006 and Federal Reimbursement Revenue Bonds Series 2006. On August 8, 2006, SRTA issued Federal Highway Grant Anticipation Revenue Bonds Series 2006 and Federal Highway Reimbursement Revenue Bonds Series 2006 in the amounts of $360,000,000 and $90,000,000, respectively. These bond proceeds were used for the purpose of providing funds for an approved land public transportation project in the State of Georgia. Interest on these bonds is payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2006 with interest rates ranging from 3.70% to 5.00%. Principal on these bonds is payable on June 1, of each year, commencing on June 1, 2007 and maturing on June 1, 2018. As of June 30, 2014 the outstanding principal balances for the Series 2006 Grant Anticipation Revenue bonds and the Series 2006 Reimbursement Revenue Bonds are $145,530,000 and $35,400,000 respectively. These bonds are payable solely from grant and reimbursement revenues received from the Federal Highway Administration. These bonds do not constitute a pledge of the faith and credit of SRTA or the State of Georgia.

Federal Highway Grant Anticipation Revenue Bonds Series 2008 A and Federal Reimbursement Revenue Bonds Series 2008 A. On April 15 2008, SRTA issued Federal Highway Grant Anticipation Revenue Bonds Series 2008 A and Federal Highway Reimbursement Revenue Bonds 2008 A in the amounts of $480,000,000 and $120,000,000, respectively. These bond proceeds were used for the purpose of providing funds for an approved land public transportation project in the State of Georgia. Interest on these bonds is payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2008, with interest rates ranging from 3.50% to 5.00%. Principal on these bonds is payable on June 1, of each year, commencing on June 1, 2009 and maturing on June 1, 2020. As of June 30, 2014 the outstanding principal balances for the Series 2008 A Grant Anticipation Revenue Bonds and the Series 2008 A Reimbursement Revenue Bonds are $276,550,000 and $67,425,000 respectively. These bonds are payable solely from grant and reimbursement revenues received from the Federal Highway Administration. These bonds do not constitute a pledge of the faith and credit of SRTA or the State of Georgia.

NOTE 9. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Governmental Activities (Continued)

Federal Highway Grant Anticipation Revenue Bonds Series 2009 A and Federal Reimbursement Revenue Bonds Series 2009 A. On February 24, 2009, SRTA issued Federal Highway Grant Anticipation Revenue Bonds Series 2009 A and Federal Highway Reimbursement Revenue Bonds Series 2009 A in the amounts of $480,000,000 and $120,000,000, respectively. These bond proceeds were used for the purpose of providing funds for an approved land public transportation project in the State of Georgia. Interest on these bonds is payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2009 with interest rates ranging from 2.50% to 5.00%. Principal on these bonds is payable on June 1, of each year, commencing on June 1, 2010 and maturing on June 1, 2021. As of June 30, 2014 the outstanding principal balances for the Series 2009A Grant Anticipation Revenue Bonds and the Series 2009 A Reimbursement Revenue Bonds are $311,605,000 and $76,820,000 respectively. These bonds are payable solely from grant and reimbursement revenues received from the Federal Highway Administration. These bonds do not constitute a pledge of the faith and credit of SRTA or the State of Georgia.

State Road and Tollway Authority Toll Revenue Bonds Series 2014A (Capital Appreciation Bonds). On June 26, 2014, SRTA issued $8,873,486 of State Road and Tollway Authority Toll Revenue Bonds (I-75 South Metro Express Lanes Project), Series 2014A (Capital Appreciation Bonds) for the purpose of: (1) paying the costs of certain tolling infrastructure relating to the I-75 South Metro Express Lanes Project; (2) financing a debt service reserve; and, (3) paying the costs of issuance of the bonds. The Series 2014A Bonds were issued as private placement capital appreciation bonds. Interest on the Series 2014A Bonds compounds from the date of delivery. Interest on the Series 2014A Bonds will not be paid on a current basis, but will be added to the principal amount of such Series 2014A Bonds on each "Accretion Date," which is each June 1 and December 1, commencing December 1, 2014. The principal amount of the Series 2014A Bonds plus all accumulated and compounded interest thereon at any particular time is the "Accreted Value" of such Series 2014A Bonds at such time. Interest will be treated as if accruing in equal daily amounts between Accretion Dates on the basis of a 360-day year consisting of twelve 30-day months, until payable at maturity or upon redemption prior to maturity. Interest on these bonds ranges from 6.25% to 6.75% and the final maturity is on June 1, 2034. As of June 30, 2014, the outstanding principal balance is $8,873,486.

NOTE 9. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Governmental Activities (Continued)

State Road and Tollway Authority Toll Revenue Bonds Series 2014B (Convertible Capital Appreciation Bonds). On June 26, 2014, SRTA issued $17,196,754 of State Road and Tollway Authority Toll Revenue Bonds (I-75 South Metro Express Lanes Project), Series 2014B (Convertible Capital Appreciation Bonds) for the purpose of: (1) paying the costs of certain tolling infrastructure relating to the I-75 South Metro Express Lanes Project; (2) financing a debt service reserve; and, (3) paying the costs of issuance of the bonds. The Series 2014B Bonds were issued as convertible capital appreciation bonds. Interest on the Series 2014B Bonds will compound from the date of delivery to the Conversion Date of June 1, 2024. Prior to the Conversion Date, interest on the Series 2014B Bonds will not be paid on a current basis, but will be added to the principal amount of such Series 2014B Bonds on each Accretion Date. The principal amount of the Series 2014B Bonds plus all accumulated and compounded interest thereon at any particular time prior to the Conversion Date is the “Accreted Value” of such Series 2014B Bonds at such time. On and after the Conversion Date, such amount is referred to as the “Conversion Value” of such Series 2014B Bonds. Interest will be treated as if accruing in equal daily amounts between Accretion Dates on the basis of a 360-day year consisting of twelve 30-day months, until payable at maturity or upon redemption prior to maturity. Interest on these bonds is 7.00% and the final maturity is on June 1, 2049. As of June 30, 2014, the outstanding principal balance is $17,196,754.

Design Build Finance Loan. The developer is solely responsible for satisfying a Developer Finance Obligation (“Obligation”) at its own risk and cost without risk and recourse to the Authority or GDOT. The Developer will pursue and maintain this Obligation in accordance with a Project Plan of Finance. The Obligation requires the Developer to self-finance a portion of the costs of the project in an amount not less than $59,853,386 (10% of the original DBF Contract Sum of $598,533,817), which is to be funded per a payment schedule in the DBFA.

NOTE 9. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Governmental Activities (Continued)

Design Build Finance Loan (Continued)

As work is performed on the project, the Developer remits payment requests to GDOT with a copy submitted to the Authority. GDOT contractually agreed to be the Authority's project manager and must review and approve all Developer invoices prior to payment by the Authority. Thereafter, the Authority remits payment to the Developer for the portion of the requisition in excess of the amount of Developer Financing being contributed to the project during the payment period.

The portion of financing contributed by the Developer during development and construction is expected to be repaid fully at final acceptance of the Project with proceeds of first lien toll revenue bonds (expected to be issued in fiscal year 2019) and STIP funds.

Business –Type Activities

State of Georgia Toll Revenue Bonds Series 2010. On December 1, 2010, SRTA issued $40,000,000 of State of Georgia Toll Revenue Bonds (Georgia 400 Project), Series 2010, for the purposes of: (1) financing a portion of the costs of acquiring, constructing and maintaining the Georgia 400 Project; and, (2) to pay the costs of issuance of the bonds. Interest on these bonds was payable semiannually on June 1 and December 1 of each year with an interest rate of 2.55%. The toll revenues generated from the usage of the Georgia 400 Project secured these bonds. These bonds were originally set to mature on June 1, 2017; however, they were paid off on December 1, 2013.

NOTE 9. LONG-TERM DEBT (CONTINUED)

Summary of Long-Term Debt for Governmental and Business–Type Activities

Revenue bonds outstanding as of June 30, 2014 are as follows:

Governmental activities:				
Guaranteed Revenue Refunding Bonds, Series 2011A	Refunding of Guaranteed Revenue Bonds, Series 2001	4.00-5.00%	$	165,190,000
Guaranteed Revenue Refunding Bonds, Series 2011 B	Refunding of Guaranteed Revenue Bonds, Series 2003	5.00%		153,085,000
Guaranteed Revenue Bonds, Series 2001	Governor's road improvement program	2.50-5.37%		655,000
Guaranteed Revenue Bonds, Series 2003	Improvement of roads and bridges	2.25-5.25%		29,705,000
Federal Highway Grant Anticipation Revenue Bonds, Series 2006	Improvement of roads and bridges	4.00-5.00%		145,530,000
Federal Highway Reimbursement Revenue Bonds, Series 2006	Improvement of roads and bridges	3.90-5.00%		35,400,000
Federal Highway Grant Anticipation Revenue Bonds, Series 2008A	Improvement of roads and bridges	5.00%		276,550,000
Federal Highway Reimbursement Revenue Bonds, Series 2008A	Improvement of roads and bridges	3.50-5.00%		67,425,000
Federal Highway Grant Anticipation Revenue Bonds, Series 2009A	Improvement of roads and bridges	3.00-5.00%		311,605,000
Federal Highway Reimbursement Revenue Bonds, Series 2009A	Improvement of roads and bridges	3.00-5.00%		76,820,000
Transportation Revenue Bonds, Series 2014A (CABs)	I-75S Project	6.25-6.75%	$	8,873,486
Transportation Revenue Bonds, Series 2014B (CCABs)	I-75S Project	7.00%		17,196,754
			$	1,288,035,240
Business-type activities:				
Transportation Revenue Bonds, Series 2010	GA400 Extension			-
			$	-

NOTE 9. LONG-TERM DEBT (CONTINUED)

Summary of Long-Term Debt for Governmental and Business–Type Activities (Continued)

Revenue bond debt service requirements to maturity are as follows as of June 30, 2014:

	Principal	Interest	Total
Government Activities - Revenue			
2015	$ 21,525,000	$ 17,283,430	$ 38,808,430
2016	38,045,000	15,956,135	54,001,135
2017	39,965,000	14,033,755	53,998,755
2018	41,980,000	12,014,125	53,994,125
2019	44,105,000	9,892,500	53,997,500
2020-2024	163,015,000	18,198,875	181,213,875
	$ 348,635,000	$ 87,378,820	$ 436,013,820
Government Activities - GARVEE			
2015	$ 141,150,000	$ 44,095,196	$ 185,245,196
2016	147,640,000	-	147,640,000
2017	154,560,000	30,684,441	185,244,441
2018	162,085,000	23,161,410	185,246,410
2019	119,135,000	15,196,960	134,331,960
2020-2023	188,760,000	12,357,170	201,117,170
	$ 913,330,000	$ 125,495,178	$ 1,038,825,178

Government activities - TRB, Series 2014A&B (I-75 South Metro Express Lanes Project)

Total Principal in the schedule below includes accreted interest of $27,495,171 that will be recorded on the financial statements to increase bonds payable as the interest accretes.

	Principal	Interest	Total
2015	$ -	$ -	$ -
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020-2024	8,266,258	-	8,266,258
2025-2029	4,531,486	11,919,250	16,450,736
2030-2034	6,712,668	11,919,250	18,631,918
2035-2039	7,725,000	10,910,550	18,635,550
2040-2044	10,830,000	7,801,500	18,631,500
2045-2049	15,500,000	3,442,950	18,942,950
	$ 53,565,411	$ 45,993,500	$ 99,558,911
Design-Build Finance Loan - I-75 Northwest Corridor Express Lanes Project			
2015	$ -	$ -	$ -
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	6,647,707	-	6,647,707
	$ 6,647,707	$ -	$ 6,647,707

NOTE 9. LONG-TERM DEBT (CONTINUED)

Summary of Long-Term Debt for Governmental and Business–Type Activities (Continued)

Summary of Compensated Absences Long-Term Debt

A summary of the compensated absences liability for each of the past three years is provided below:

	Beginning of Year Liability	Increase	Decrease	End of Year Liability
Governmental:				
2012	$ 104,186	$ 81,424	$ (27,388)	$ 158,222
2013	$ 158,222	$ 68,591	$ (57,763)	$ 169,050
2014	$ 169,050	$ 133,408	$ (5,158)	$ 297,300
Business-type Activities:				
2012	$ 174,920	$ 128,393	$ (53,823)	$ 249,490
2013	$ 249,490	$ 30,293	$ (35,150)	$ 244,633
2014	$ 244,633	$ 65,748	$ (126,589)	$ 183,792

NOTE 10. RELATED PARTIES

The Georgia Department of Transportation and the State Road and Tollway Authority are considered to be related parties due to certain common management personnel. The Commissioner of the Department of Transportation serves as one of five (5) members of the State Road and Tollway Authority.

NOTE 11. RISK MANAGEMENT

SRTA is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. The State of Georgia utilizes self-insurance programs established by individual agreement, statute or administrative action to provide property insurance covering fire and extended coverage and automobile insurance and to pay losses that might occur from such causes; liability insurance for employees against personal liability for damages arising out of performance of their duties; survivors' benefits for eligible members of the Employee's Retirement System; consolidating processing of unemployment compensation claims against state agencies and the payment of sums due to the Department of Labor; and worker's compensation statutes of the State of Georgia. These self-insurance funds are accounted for as internal service funds of the State of Georgia where assets are set aside for claim settlements. The majority of the risk management programs are funded by assessments charged to participating organizations. A limited amount of commercial insurance is purchased by the self- insurance funds applicable to property, employee and automobile liability, fidelity and certain other risks to limit the exposure to catastrophic losses. Otherwise, the risk management programs service all claims against the state for injuries and property damage.

Financial information relative to self-insurance funds is presented in the financial reports of the Department of Administrative Services and the Employees' Retirement System for the year ended June 30, 2014.

For its employee health insurance coverage, SRTA is a participant in the State of Georgia's Health Benefit Plan (the Plan), a public entity risk pool operated by the state for the benefit of employees of the State of Georgia, county governments and local education agencies located within the state. The Plan is primarily a self-insured, self-funded plan that pays benefits out of the money contributed from members (through monthly premiums) and from monthly contributions from the employers that offer the Plan (e.g., state agencies and public school systems). The Georgia Department of Community Health (DCH) and its State Health Benefit Plan Division serve as the state's Plan Administrator of health insurance coverage for state employees, teachers, school system employees and retirees who continued coverage (including annuitants and former employees on extended coverage), and covered dependents. As the Plan Administrator, the DCH has delegated full responsibility for claims administration to the following Claims Administrators for the 2014 plan options:

- Blue Cross Blue Shield of Georgia (BCBSGa) for medical benefits,
- Express Scripts, Inc. (ESI) for pharmacy benefits; and
- Healthways, Inc. for well-being benefits and programs administration.

Effective January 1, 2014, Cigna and UnitedHealthcare no longer administer the SHBP plan options.

NOTE 12. RETIREMENT SYSTEMS

Employees' Retirement System of Georgia

Plan Description

SRTA participates in various retirement plans administered by the State of Georgia under the Employee's Retirement System of Georgia (ERS System). This system issues a separate, publicly available financial report that includes applicable financial statements and required supplementary information. The report may be obtained from the respective system office. The significant retirement plans that SRTA participates in are described below. More detailed information can be found in the plan agreements and related legislation. Each plan, including benefit and contribution provisions, was established and can be amended by state law.

The ERS System is comprised of individual retirement systems and plans covering substantially all employees of the State of Georgia except for teachers and other employees covered by the Teachers Retirement System (TRS) of Georgia. One of the ERS System plans, the Employee's Retirement System of Georgia (ERS), is a cost-sharing multiple-employer defined benefit pension plan that was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees and has the powers and privileges of a corporation. ERS acts pursuant to statutory direction and guidelines, which may be amended prospectively for new hires, but for existing members and beneficiaries, may be amended in some aspects only subject to potential application of certain constitutional restraints against impairment of contract.

Benefits

On November 20, 1997, the Board created the Supplemental Retirement Benefit Plan (SRBP-ERS) of ERS. SRBP-ERS was established as a qualified governmental excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of ERS. The purpose of the SRBP-ERS is to provide retirement benefits to employees covered by ERS whose benefits are otherwise limited by IRC Section 415. Beginning January 1, 1998, all members and retired former members in ERS are eligible to participate in the SRBP-ERS whenever their benefits under ERS exceed the limitation on benefits imposed by IRC Section 415.

NOTE 12. RETIREMENT SYSTEMS (CONTINUED)

Employees' Retirement System of Georgia (Continued)

Benefits (Continued)

The benefit structure of ERS is established by the Board of Trustees under statutory guidelines. Unless the employee elects otherwise, an employee who currently maintains membership with ERS based upon state employment that started prior to July 1, 1982, is an "old plan" member subject to the plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982, but prior to January 1, 2009, are "new plan" members subject to the modified plan provisions. Effective January 1, 2009, newly hired state employees, as well as rehired state employees who did not maintain eligibility for the "old" or "new" plan, are members of the Georgia State Employees' Pension and Savings Plan (GSEPS). Members of the GSEPS plan may also participate in the GSEPS 401(k) defined contribution component described below. ERS members hired prior to January 1, 2009 also have the option to change their membership to the GSEPS plan.

Under the old plan, new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon a formula adopted by the Board of Trustees for such purpose. The formula considers the monthly average of the member's highest 24 consecutive calendar months of salary, the number of years of creditable service, and the member's age at retirement. Post-retirement cost-of-living adjustments may be made to members' benefits provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions Required and Contributions Made

Member contribution rates are set by law. Member contributions under the old plan are 4% of annual compensation up to $4,200 plus 6% of annual compensation in excess of $4,200. Under the old plan, SRTA pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these Authority contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan GSEPS are 1.25% of annual compensation. SRTA is required to contribute at a specified percentage of active member payroll established by the Board of Trustees determined

NOTE 12. RETIREMENT SYSTEMS (CONTINUED)

Employees' Retirement System of Georgia (Continued)

Contributions Required and Contributions Made (Continued)

annually in accordance with actuarial valuation and minimum funding standards as provided by law. These Authority contributions are not at any time refundable to the member or his/her beneficiary. Employer contributions required for fiscal year 2013 were based on the June 30, 2010 actuarial valuation as follows:

Plan Segment	Contribution Rate
Old Plan*	14.90%
New Plan	14.90%
GSEPS	11.54%

*10.15% exclusive of contributions paid by the employer on behalf of old plan members

Members become vested after 10 years of service. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her contributions, the member forfeits all rights to retirement benefits.

SRTA made 100% of the required contributions for each year and had no net pension obligation at the end of the fiscal years ended June 30, 2014, 2013, and 2012.

Fiscal Year	Required Contribution	Percentage Contributed
2014	$ 598,341	100%
2013	$ 460,858	100%
2012	$ 327,959	100%

Teachers Retirement System of Georgia (TRS)

Plan Description

The TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of two appointees by the Board, two ex-officio State employees, five appointees by the Governor, and one appointee of the Board of Regents is ultimately responsible for the administration of TRS. The Teachers Retirement System of Georgia issues a separate stand-alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

NOTE 12. RETIREMENT SYSTEMS (CONTINUED)

Teachers Retirement System of Georgia (TRS) (Continued)

Plan Description (Continued)

On October 25, 1996, the Board created the Supplemental Retirement Benefits Plan of the Georgia Teachers Retirement System (SRBP-TRS). SRBP-TRS was established as a qualified governmental excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRBP-TRS whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

TRS provides service retirement, disability retirement, and survivor's benefits. The benefit structure of TRS is defined and may be amended by State statute. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service.

Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60 or by 7% for each year or fraction thereof by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, may be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Options are available for distribution of the member's monthly pension, at a reduced rate, to a designated beneficiary on the member's death. Death, disability and spousal benefits are also available.

Funding Policy

TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest. Member contributions are limited by State law to not less than 5%, nor more than 6%, of a member's earned compensation.

NOTE 12. RETIREMENT SYSTEMS (CONTINUED)

Teachers Retirement System of Georgia (TRS) (Continued)

Funding Policy (Continued)

Member contributions as adopted by the Board of Trustees for the year ended June 30, 2014, were 6.00% of annual salary. Employer contributions required for fiscal year 2014 were 12.28% of annual salary as required by the June 30, 2013, actuarial valuation. The employer contribution rate will increase to 13.15% effective July 1, 2014.

SRTA's employer contributions for the current and prior two fiscal years are as follows:

Fiscal Year	Required Contribution	Percentage Contributed
2014	$13,536	100%
2013	$9,981	100%
2012	$3,801	100%

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS

SRTA participates in two State of Georgia postemployment benefit plans: 1) the Georgia State Employees Post-employment Health Benefit Fund (administered by the Department of Community Health); and 2) the State Employee's Assurance Department – OPEB (administered by the ERS System). Separate financial reports that include the applicable financial statements and required supplementary information for these plans are publicly available and may be obtained from the offices that administer that plan.

Retiree health benefits were previously funded through the Georgia Retiree Health Benefit Fund (GRHBF). In 2009, the General Assembly revisited the GRHBF and enacted legislation that, effective August 31, 2009, separated the GRHBF into two new funds: the Georgia School Personnel Post-employment Health Benefit Fund and the Georgia State Employees Post-employment Health Benefit Fund. The purpose of this change was to assure employers responsible for planning and funding future retiree health costs that their contributions will be dedicated to their respective retiree populations. Funds in the GRHBF were transferred to the Georgia State Employees Post-employment Health Benefit Fund or the Georgia School Personnel Post-employment Health Benefit Fund as described in the plan financial statements. The statue that created the GRHBF was repealed effective September 1, 2010.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Georgia State Employees Post-employment Health Benefit Fund

Plan Description

The Georgia State Employees Post-employment Health Benefit Fund (State OPEB Fund) is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers eligible former employees of state organizations (including technical colleges) and other entities authorized by law to contract with the Department of Community Health for inclusion in the plan. The State OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the health insurance plan for state employees. The Official Code of Georgia Annotated (OCGA) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board).

Funding Policy

The contribution requirements of the plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. On average, plan members with five years or more of service pay approximately 25% of the cost of the health insurance coverage.

Participating employers are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rates are established to fund all benefits due under the health insurance plans for both active and retired employees based on projected “pay-as-you-go” financing requirements. Contributions are not based on the actuarially calculated annual required contribution (ARC) which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

SRTA’s employer contributions for the current and prior two fiscal years are as follows:

Fiscal Year	Required Contribution	Percentage Contributed
2014	$ 1,162,423	100%
2013	$ 1,086,307	100%
2012	$ 999,154	100%

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Georgia State Employees Post-employment Health Benefit Fund (Continued)

Funding Policy (Continued)

The combined required contribution rates established by the Board for coverage in the active and retiree plans for the year ended June 30, 2014 were as follows:

July 2013 - June 2014	30.781% of covered payroll for July 2013 - June 2014

No additional contribution was required by the Board for fiscal year 2014 nor contributed to the State OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the state plan for other post-employment benefits and are subject to appropriation.

State Employees' Assurance Department – OPEB

Plan Description

State Employees' Assurance Department – OPEB ("SEAD-OPEB") and SEAD Active are cost-sharing multiple-employer defined benefit other post-employment plans that were created in fiscal year 2007 by the Georgia General Assembly to provide term life insurance to eligible members of the ERS, Georgia Judicial Retirement System (JRS), and Legislative Retirement System (LRS). SEAD-OPED provides benefits for retired and vested inactive members, and SEAD-Active provides benefits for active members. Effective July 1, 2009, no newly hired members of any State Public retirement system are eligible for term life insurance under SEAD. Pursuant to Title 47 of the OCGA, benefit provisions of the plans were established and can be amended by State statute.

Funding Policy

Contributions by plan members are established by the ERS Board of Trustees, up to the maximum allowed by statute (not to exceed 0.5% of earned compensation). The ERS Board of Trustees establishes employer contribution rates, such rates which, when added to members' contributions, shall not exceed 1% of earned compensation. For the year ended June 30, 2013, contributions from employers was .27% of payroll based on the actuarial valuation as of June 30, 2010. The ERS Board of Trustees voted and approved that the SEAD-OPEB contribution would be paid from existing assets of the Survivors Benefit Fund (SBF) instead of requiring actual payments from the employers. Consequently, $0 was contributed by the SBF to the State Employees' Assurance Department – OPEB on behalf of SRTA as of and for the year ended June 30, 2014.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet at June 30, 2014, SRTA has contractual commitments on uncompleted contracts detailed below:

Commitments		Amounts
GA 400 - Ramps, Demo, Corridor	$	23,560,790
I-85 Express Lanes Project		1,307,800
Administration		840,981
I-75 South Metro Express Lanes Project		7,351,871
I-75 Northwest Corridor Express Lanes Project		548,642,569
I-85 Express Lanes Extension Project		275,248
Total Commitments	$	581,979,259

GA 400/I-85 Connector Ramps Project

The GA 400/I-85 Connector Ramps Project constructed connector ramps between GA 400 and I-85 in the City of Atlanta. The project is approximately 0.34 miles in length. The ramps opened to traffic on June 24, 2014.

GA 400 Toll Plaza Demolition Project

A GA 400 'Toll Plaza Demolition Project' was formulated to involve demolition and removal of the toll plaza canopies and toll booths, sealing up redundant access points to the underground tunnel, reconstruction of the unfinished roadway beneath the toll plaza, and construction of three lanes in each direction. The final roadway section will match the existing three-lane configurations that currently exist before and after the toll plaza. The GA 400 Toll Operations building will be preserved.

Construction on the GA 400 'Toll Plaza Demolition Project' began in August 2013 with modification to toll-related signage. In November 2013, SRTA ceased collection of tolls and all traffic was shifted under the electronic toll lanes. From January to May of 2014, the canopy over the cash lanes was dismantled and the toll booths were removed. The redundant access points in the underground tunnel were sealed and the unfinished roadway beneath the toll canopy was completed. In May 2014, traffic was shifted to temporary travel lanes and the remaining canopy was dismantled. Ownership of the Toll Operations building was transferred to the Georgia Department of Transportation (GDOT) on June 1, 2014. Construction is anticipated to be complete in the fiscal year ending June 30, 2015.

NOTE 14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contractual Commitments (Continued)

GA400 Corridor Projects

In April 2011, as permitted by Article IX, Section III, Paragraph I (a) of the Constitution of 1983, GDOT and SRTA entered into an agreement whereby GDOT would build, and SRTA would fund, a portion of certain transportation projects along the GA 400 corridor. The original SRTA commitment was $27,343,000. SRTA committed an additional $2,100,000 in the 2013 budget. Expenditures through June 30, 2014 are $11,614,338. The remaining balance carried forward to fiscal year 2015 is $17,828,662.

I-85 Express Lanes Project

The Authority has been operating the I-85 Express Lanes Project as a part of the State's managed lane system plan since its opening in October 2011. The I-85 Express Lanes Project was a USDOT Congestion Reduction Demonstration Program Grant that provided for a HOV conversion to a HOT3+. It consists of 15.5 tolling miles, one lane in each direction with no barrier separation. The I-85 Express Lanes Project is dynamically priced with the goal of providing more reliable trip times for the traveling public.

I-85 Express Lanes Extension Project

The I-85 Express Lanes Extension Project ("I-85 Extension Project") involves the addition of one managed lane in each direction along I-85 in north metro Atlanta from just north of Old Peachtree Road in Gwinnett County to Hamilton Mill Road. South of I-985, the I-85 Extension Project proposes to widen I-85 outside of the existing eight-lane mainline. While north of I-985, the I-85 Extension Project proposes to widen the inside shoulder along the four-lane I-85 section. The I-85 Extension Project is approximately 10 miles in length and located entirely within Gwinnett County. The purpose of the proposed managed lanes is to create travel time savings through the use of variable priced tolling to manage volume in the lanes and maintain a minimum average speed along the corridor.

I-75 Northwest Corridor Express Lanes Project

The I-75 Northwest Corridor Project ("NWC Project") will involve the addition of reversible managed lanes for approximately 17 center line miles along I-75 and 13 center line miles along I-575 in Cobb and Cherokee Counties. Construction of the NWC Project is underway and is currently expected to be open to tolling in April 2018. This project will begin on I-75 at Akers Mill Road at the end of the existing HOV system north of the Atlanta city limits with a one-lane access ramp to the managed lanes system. One-lane ramps from both I-285 East and I-285 West will also be constructed to provide access. The one-lane ramps from I-75 and I-285 will

NOTE 14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contractual Commitments (Continued)

I-75 Northwest Corridor Express Lanes Project (Continued)

join north of the I-75 and I-285 interchange to form a two-lane reversible managed lane system on the outside of the existing general purpose lanes and is proposed to be constructed using a mix of at-grade and elevated roadway sections. These two lanes run alongside I-75 to the I-575 split. In addition, one reversible managed lane will be added along I-75 from the I-75/I-575 conjunction northerly to Hickory Grove Road and along I-575 to Sixes Road. These lanes will be at-grade and located in the existing median along the inside of the existing general purpose lanes. The managed lanes will be barrier-separated and reversible, with traffic to be northbound in the mornings and southbound in afternoons and evenings.

The NWC Project is a joint effort among public and private entities, each with specific responsibilities as memorialized in various agreements. As the toll operator for the state, SRTA will be responsible for the design and implementation of the toll system and toll-related ITS for the project. SRTA also contracted with GDOT, whereby GDOT will serve as SRTA's agent with responsibility for the oversight of the design and construction of the Project, excluding the toll system. The Project was procured using Public Private Partnership Law with a Design-Build-Finance Delivery. The selected Developer, Northwest Express Roadbuilders (NWER) is a joint venture between Archer Western Contractors, LLC and Hubbard Construction Company, two of the largest transportation contractors in the southeastern United States. In addition, the designer, Parsons Transportation Group, Inc. is one of the top five nationally recognized transportation design/engineering firms in the United States. The Design-Build-Finance Agreement (DBFA) for the design, construction, and partial financing of the Project was executed by the Developer on October 21, 2014 and SRTA on November 14, 2013.

The NWC Project will be completed using multiple funding sources including a TIFIA Loan from the United States Department of Transportation, STIP funds, GDOT Motor Fuel Taxes, and Developer financing. The portion of the project costs that are financed by the Developer are expected to be repaid fully at final acceptance of the Project with proceeds of First Lien Toll Revenue Bonds (expected to be issued in fiscal year 2019) and from STIP Funds.

On November 14, 2013 SRTA entered into a TIFIA Loan Agreement with the United States Department of Transportation for an amount not to exceed $275,000,000. SRTA expects to start drawing TIFIA funds in fiscal year 2016. The interest rate will be 3.79% per annum and the loan will compound on the outstanding TIFIA loan balance, as well as on any past due interest, on the basis of a 365-day year.

TIFIA is secured by a second lien on revenues from the NWC Project behind the First Lien Bonds to be issued at construction completion. The TIFIA loan is protected by an additional

NOTE 14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contractual Commitments (Continued)

I-75 Northwest Corridor Express Lanes Project (Continued)

bonds test on the first lien bonds requiring 2 times historical coverage on first lien debt service, a prospective coverage of 1.75 times on total debt service coverage and 1.0 times total debt service and tolling expenses based a traffic consultant report, and a cap of $25 million for completion bonds. A toll rate covenant requiring 1.50 times coverage on first lien debt service, 1.25 times on first and TIFIA lien service, and 1.0 times coverage for all debt service plus tolling expenses.

I-75 South Metro Express Lanes Project

The I-75 South Metro Express Lanes Project ("I-75 South Project") is a 12.24 mile reversible, barrier-separated managed lane system along Interstate Highway 75 from the State Route 155 (Zack Hinton Parkway, South) interchange in Henry County north to the State Route 138 interchange in Henry and Clayton counties. The I-75 South Project consists of two lanes which will be added in the center median of I-75 from SR 138 in southern Clayton County to just north of State Route 20 and one lane, also in the center median, will extend from that point to SR 155 in Henry County. The managed lanes will be barrier-separated and reversible, with traffic to be northbound in the mornings and southbound in afternoons and evenings. In addition to access from the general purpose lanes at SR 155 and SR 138, the managed lanes will be accessible from the general purpose lanes at Interstate Highway 675, near SR 20, and via a direct connector ramp at Jonesboro Road. Motorists will be able to utilize the managed lanes by choosing to participate in the Authority's Peach Pass program, which uses remote transponders to assess variable-rate tolls based on traffic volumes and other factors. The Authority anticipates the managed lanes will be open to traffic by January 2017.

GDOT is responsible for the design and construction of the roadway portion of the I-75 South Project, and has entered into the Design-Build Contract with C.W. Matthews Contracting Company, Inc. The tolling infrastructure for the Project will be paid for by SRTA from the proceeds of the sale of the Toll Revenue Bonds, Series 2014, which were issued on June 26, 2014.

NOTE 14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

Litigation, claims and assessments filed against SRTA, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the *State of Georgia Comprehensive Annual Financial Report* for the year ended June 30, 2014.

Georgia Transportation Infrastructure Bank (GTIB)

Pursuant to the Georgia Transportation Infrastructure Bank Act, O.C.G.A 32-10-120 et seq, the State Road and Tollway Authority has been authorized to create and operate the Georgia Transportation Infrastructure Bank (GTIB) program. Modeled after programs used in 32 other states, the GTIB was developed as a revolving infrastructure fund to provide grants and low-interest loans for local government transportation projects.

The GTIB was originally capitalized with a total of approximately $43,100,000 of funds from state motor fuel sources that were appropriated in the State of Georgia budgets in fiscal years ending June 30, 2009 and 2010, respectively. The GTIB received an additional $13,733,736 of funds from state motor fuel sources that were appropriated in the State of Georgia budget in fiscal year ending June 30, 2014 and the amended budget for fiscal year ending June 30, 2014, respectively.

The GTIB may provide loans and grants to government entities for transportation projects that demonstrate strong transportation merit, engineering merit, economic merit, project feasibility, innovative concepts and financial commitment. Eligible projects for the GTIB include highways, bridges, air transport and airport facilities, rails, or transit and bicycle facility projects which provide public benefits by enhancing mobility and safety, promoting economic development, or increasing the quality of life and general welfare of the public. Project eligibility may be further limited to comply with any special considerations associated with the GTIB's funding sources.

Eligible costs are those related to preliminary engineering, traffic and revenue studies, environmental studies, right of way acquisition, legal and financial services associated with the development of the qualified project, construction, construction management, facilities, and other costs necessary for the qualified project.

NOTE 14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Georgia Transportation Infrastructure Bank (GTIB) (Continued)

In accordance with applicable pronouncements, SRTA has restricted $48,922,474 of the GTIB fund balance. The following table is a summary of the cumulative activity from inception of the program in fiscal year 2009 through the fiscal year ended June 30, 2014:

	Cumulative (From Program Inception) June 30, 2013	Activity for the Year Ended June 30, 2014	Cumulative (From Program Inception) June 30, 2014
Contributions from Motor Fuel Funds	$ 43,100,000	$ 13,733,736	$ 56,833,736
Contributions from SRTA	225,000	-	225,000
Net Earnings	306,293	49,248	355,541
Disbursements	(5,999,954)	(2,491,849)	(8,491,803)
Restricted Fund Balance as of June 30	$ 37,631,339	$ 11,291,135	$ 48,922,474

During the fiscal year ended June 30, 2014, a total of $21,856,344 of grant funds was awarded to sixteen (16) applicants, including Community Improvement Districts (CIDs), cities, and counties. Additionally, a total of $11,330,000 of loan funds was awarded to five (5) cities for six (6) projects. All grants and loans awarded were approved by the governing board of SRTA.

SUPPLEMENTARY INFORMATION

STATE ROAD AND TOLLWAY AUTHORITY

SCHEDULE OF CASH AND CASH EQUIVALENTS
JUNE 30, 2014

	Governmental		Proprietary	
	Unrestricted	**Restricted**	**Unrestricted**	**Restricted**
Bank of America N.A.				
SRTA Toll Road User Account	$ -	$ -	$ -	$ 1,481,654
CSC Holding Account	-	-	989,804	-
SRTA Non Toll Deposit Account	827	-	-	-
Toll Patron Refund Account	-	-	-	(5,977)
SRTA Violations Processing Account	-	-	14,722	-
Pay n Go Reload Account	-	-	-	18,059
Pay n Go Kit Account	-	-	-	27,695
SRTA MAIN Operating	847,515	6,236,156	-	-
General Authority Holding Account	3,425,128	-	-	-
I85 Holding Account	-	-	3,590,134	-
GTIB Operating	54,469	-	-	-
The Bank of New York Mellon Trust Company N.A.				
Money Market Accounts				
Dreyfus Government Cash Management Institutional Shares				
Dreyfus Government Cash Management #289 Institutional Money Market Fund				
Grant Anticipation and Reimbursement Revenue Bond Covenant Accounts				
GARBs 2006 Revenue Account	-	424	-	-
GARBs 2006 Debt Service Account	-	246	-	-
RIBs 2006 Revenue Account	-	14,827	-	-
RIBs 2006 Debt Service Account	-	37	-	-
GARBs 2008A Debt Service Account	-	148	-	-
RIBs 2008A Revenue Account	-	18,985	-	-
RIBs 2008A Debt Service Account	-	50	-	-
GARBs 2009A Revenue Account	-	18,459	-	-
I-75S Toll Revenue Bonds				
Debt Service Revenue Account	-	2,607,024	-	-
Project Account	-	23,095,380	-	-
Cost of Issuance Account	-	212,591	-	-
US Bank				
Money Market Accounts				
Guaranteed Revenue Bond Covenant Accounts				
2003 GRB Sinking Fund Account	-	164	-	-

	Governmental		Proprietary	
	Unrestricted	Restricted	Unrestricted	Restricted
Office of the State Treasurer, Georgia Fund 1				
2001 Sinking Fund	$ -	$ 28,558	$ -	$ -
SRTA Toll Patron Investment Account	-	-	-	4,186,189
SRTA Capital Account	-	44,102,647	-	1,507,024
GTIB State & Local Roadway Non-Grant Account	-	15,221,840	-	-
GTIB State & Local Roadway Grant Account	-	33,700,634	-	-
Escheatment	-	-	-	146,815
I75-S Holding Account	308,513	-	-	-
I75-NWC Holding Account	416,972	-	-	-
I85-Ext Holding Account	80,087	-	-	-
Reserves Account	-	4,064,513	-	-
I75-NWC NWER Account	-	10,831,349	-	-
CSC Investment Account	-	-	1,639,183	-
I75-S Capital Account	-	551,998	-	-
I75-NWC Capital Account	-	806,674	-	-
I85-Ext Capital Account	-	943,928	-	-
Other				
Cash on Hand	-	-	450	-
Total Cash and Cash Equivalents	$ 5,133,510	$ 142,456,633	$ 6,234,293	$ 7,361,459

Summary Reconciliation of Cash and Cash Equivalents to Financial Statements:

	Governmental		Proprietary	
	Unrestricted	Restricted	Unrestricted	Restricted
General	$ 5,079,041			
GTIB Unrestricted	54,469			
Total Governmental Unrestricted	$ 5,133,510			
Debt Service Restricted		$ 81,898		
GTIB Restricted		48,922,474		
General Restricted		93,452,261		
Total Governmental Restricted		$ 142,456,633		
Proprietary Unrestricted			$ 6,234,293	
Proprietary Restricted				$ 7,361,459

STATE ROAD AND TOLLWAY AUTHORITY

SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES OF CAPITAL PROJECTS JUNE 30, 2014

	I-75 Northwest Corridor Express Lanes Project	I-75 South Metro Express Lanes Project	Other Projects	Total Capital Projects
ASSETS				
Cash and Cash Equivalents	$ 416,972	$ 308,513	$ 80,087	$ 805,572
Cash and Cash Equivalents - Restricted	12,138,024	26,966,993	43,644,771	82,749,788
Accounts Receivable, Net	209,485	171,580	-	381,065
Total Assets	$ 12,764,481	$ 27,447,086	$ 43,724,858	$ 83,936,425
LIABILITIES				
Accounts Payable	$ -	$ 171,250	$ -	$ 171,250
Contracts Payable	2,681,090	233,418	11,326,453	14,240,961
Retainages Payable	-	-	39,994	39,994
Other Non Current Liabilities:				
Advances from Other Funds	2,707,746	2,607,024	728,508	6,043,278
Total Liabilities	$ 5,388,836	$ 3,011,692	$ 12,094,955	$ 20,495,483
FUND BALANCES				
Restricted	$ 9,456,934	$ 26,562,325	$ 32,489,568	$ 68,508,827
Unassigned	(2,081,289)	(2,126,931)	(859,665)	(5,067,885)
Total Fund Balances	$ 7,375,645	$ 24,435,394	$ 31,629,903	$ 63,440,942
Total Liabilities and Fund Balances	$ 12,764,481	$ 27,447,086	$ 43,724,858	$ 83,936,425

STATE ROAD AND TOLLWAY AUTHORITY

SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES AND USES OF CAPITAL PROJECTS JUNE 30, 2014

	I-75 Northwest Corridor Express Lanes Project	I-75 South Metro Express Lanes Project	Other Projects	Total Capital Projects
REVENUES				
Intergovernmental Income	$ 73,199,434	$ 1,767,926	$ 1,109,816	$ 76,077,176
Investment Earnings	14,143	1,752	1,312	17,207
Total Revenues	$ 73,213,577	$ 1,769,678	$ 1,111,128	$ 76,094,383
EXPENDITURES				
Current				
General Government	1,679,789	1,179,039	$ 147,362	$ 3,006,190
Roadway Improvement Grants per the MOU with GDOT	69,021,247	-	-	69,021,247
Cost of Issuance	-	367,245	-	367,245
Total Expenditures	$ 70,701,036	$ 1,546,284	$ 147,362	$ 72,394,682
Excess of Revenues Over Expenditures	$ 2,512,541	$ 223,394	$ 963,766	$ 3,699,701
OTHER FINANCING SOURCES (USES)				
Proceeds of Design Build Finance Loan	$ 6,647,707	$ -	$ -	$ 6,647,707
Issuance of Toll Revenue Bonds	-	26,070,240	-	26,070,240
Transfers In	(335,654)	(536,816)	30,662,877	29,790,407
Transfers Out	(1,448,949)	(1,321,424)	3,260	(2,767,113)
Total Other Financing Sources (Uses)	$ 4,863,104	$ 24,212,000	$ 30,666,137	$ 59,741,241
Net Change in Fund Balances	$ 7,375,645	$ 24,435,394	$ 31,629,903	$ 63,440,942
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - Ending of Year	$ 7,375,645	$ 24,435,394	$ 31,629,903	$ 63,440,942

STATE ROAD AND TOLLWAY AUTHORITY

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COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the
State Road and Tollway Authority
Atlanta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the State Road and Tollway Authority (the "Authority") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State Road and Tollway Authority's basic financial statements and have issued our report thereon dated September 4, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State Road and Tollway Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State Road and Tollway Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the State Road and Tollway Authority's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
September 4, 2014

STATE ROAD AND TOLLWAY AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	____ yes _X_ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes _X_ none reported
Noncompliance material to financial statements noted?	____ yes _X_ no

Federal Awards

There was no audit of major federal award programs as of June 30, 2014 due to the total amount of federal expenditures being less than $500,000 during the fiscal year 2014.

SECTION II – FINANCIAL STATEMENT FINDINGS AND RESPONSES

No findings reported relative to the audit of the Authority for the fiscal year ended June 30, 2014.

SECTION III –PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

STATE ROAD AND TOLLWAY AUTHORITY

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