

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2012



NORTH TEXAS TOLLWAY AUTHORITY

NORTH TEXAS TOLLWAY SYSTEM

(An Enterprise Fund of the North Texas Tollway Authority)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2012

**Gerald Carrigan
Executive Director**

**Janice D. Davis
Chief Financial Officer**

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2012

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INTRODUCTORY SECTION



May 24, 2013

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

The Finance Department of the North Texas Tollway Authority (the Authority or NTTA) is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2012 in compliance with Section 711 of the Amended and Restated Trust Agreement. The CAFR is intended to provide detailed information on the financial condition of the North Texas Tollway System (the System), an enterprise fund of the Authority, at December 31, 2012, including the North Texas Tollway System, the Feasibility Study Fund and DFW Turnpike Transition Trust Fund. The System consists of the Dallas North Tollway (DNT), the President George Bush Turnpike (PGBT) including the Eastern Extension, Sam Rayburn Tollway, Previously State Highway 121, (SRT), the Mountain Creek Lake Bridge (MCLB), the Addison Airport Toll Tunnel (AATT) and the Lewisville Lake Toll Bridge (LLTB).

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

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

Profile of the North Texas Tollway Authority

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

In 1962, the Dallas Central Business District Association petitioned the Turnpike Authority to investigate the feasibility of a turnpike linking the central business district with north central Dallas, In June 1965 bonds were sold and the Dallas North Tollway was in business. The first segment of the tollway from downtown to Mockingbird Lane opened to traffic on February 11, 1968 and the next segment, to Royal Lane was opened to traffic on June 30, 1968.

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

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

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

The Board is required by Section 505 of the Amended and Restated Trust Agreement to adopt a preliminary budget of Current Expenses and payments into the Reserve Maintenance Fund on or before the 60th day prior to the end of each Fiscal Year. Copies of the preliminary budget must be filed with the Trustee and mailed to the consulting engineers. A final budget must be adopted by the first day of the next fiscal year.

The Authority is committed to being a careful steward of all resources placed in its care – financial, physical and environmental. Because the Authority is a public organization chartered by the state of Texas, every toll collected is reinvested in the region. Toll revenues, in 2012, net of bad debt expense were \$485.5 million, representing an increase of 20.6% over 2011 revenues of \$402.5 million. This increased revenue will allow the Authority to preserve current assets, fund capital improvement projects and invest in safety and technology to provide to our patrons world-class service.

The operations of the System are accounted for as an enterprise fund in accordance with United States generally accepted accounting principles (GAAP). Management takes responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. In keeping with that responsibility, these statements are presented on a consolidated basis and include the NTTA System, the Feasibility Study Fund, a revolving fund of the System, and the DFW Turnpike Transition Trust Fund. In prior years, separate, non-GAAP financial statements were prepared and audited for the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund. Management confirms that the financial statements are presented fairly and in all material respects, represent the financial position of the NTTA as of December 31, 2012. Please refer to the Management's Discussion and Analysis (MD&A) on pages 9-18 of this report for a detailed discussion of the NTTA's financial performance.

Economic Development

Texas topped the list of desirable states for doing business, as ranked by national location consultants surveyed by editors of *Area Development Magazine*. A CNBC poll provided the same conclusion. The Dallas-Fort Worth area remains a bright spot in the state for businesses, with exports from the region exceeding \$25 million, more than 40,000 newcomers arriving last year and strong employment numbers. *Forbes Magazine* cited the region for a lower than average cost of living, ranking it among the top five U.S. metropolitan areas where a paycheck stretches the furthest. The Brookings Institute ranked the region 18th in the country for economic recovery. The Fortune 500 list shows 18 firms headquartered in our region. Overall, The Dallas-Fort Worth area ranks among the top 3 U.S. metropolitan areas for business expansions, relocations and employment growth, according to the Dallas Regional Chamber.

Relevant Financial Policies

Section 501 of the Amended and Restated Trust Agreement mandates the Authority will keep in effect a Toll Rate Schedule which will raise and produce Net Revenues (Gross Revenues less Operating and Maintenance Expenses) sufficient to satisfy the greater of (1), (2) or (3) below:

- (1) 1.35 times the scheduled debt service requirements on all outstanding First Tier Bonds for the fiscal year; or
- (2) 1.20 times the scheduled debt service requirements on all outstanding First Tier Bonds and all outstanding Second Tier Bonds for the fiscal year; or
- (3) 1.00 times the scheduled debt service requirements on all outstanding First Tier Bonds, all outstanding Second Tier Bonds, all outstanding Third Tier Bonds and all other outstanding obligations of the Authority secured by net revenues for the fiscal year.

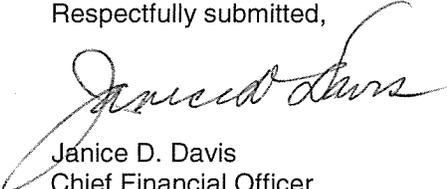
Coverage for all debt for 2012 was 1.47 times, well above the required levels.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Texas Tollway Authority for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2011.

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

Respectfully submitted,



Janice D. Davis
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

North Texas Tollway
Authority

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

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



Christopher P. Moivell

President

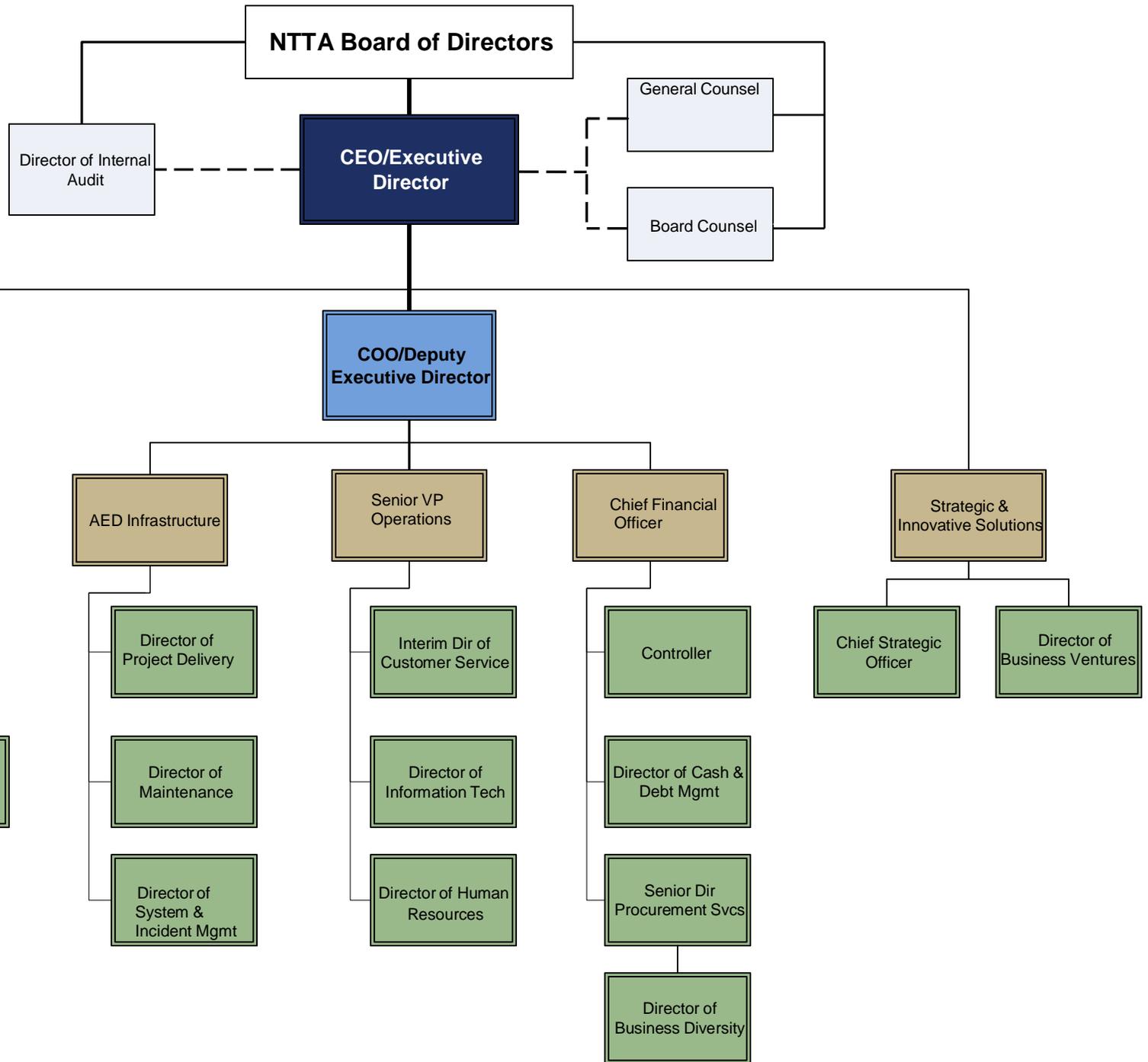
Jeffrey R. Emer

Executive Director



NORTH TEXAS TOLLWAY AUTHORITY

2012 Organization Chart



**North Texas Tollway Authority
List of Officials
December 31, 2012**

Board of Directors

Kenneth Barr	Chair
William Moore	Vice-Chair
Matrice Ellis-Kirk	Director
David R. Denison	Director
Michael R. Nowels	Director
George Quesada	Director
William D. Elliott	Director
Mojoy Haddad	Director
Jane Willard	Director

Officials

Gerald Carrigan	Executive Director
Vacant	Deputy Executive Director
Magdalena Kovats	Director, Internal Audit
Thomas Bamonte	Assistant Executive Director General Counsel
Janice D. Davis	Chief Financial Officer
E. Ray Zies	Controller
Dana Gibson Boone	Director, Cash and Debt Management
Felix Alvarez	Director, Procurement Services
Elizabeth Mow	Assistant Executive Director Project Delivery
Kim Tolbert	Assistant Executive Director Administration
Nina Arias	Director, Human Resources
Kiven Williams	Director, Customer Service
Anthony Coleman	Director, Business Diversity
Kim Jackson	Director, Communications
Marty Lege	Director, Systems and Incident Management
Dave Pounds	Director, Information Technology
Carrie Rogers	Director, Government Affairs
Eric Hemphill	Director, Maintenance
Vacant	Director, Project Delivery

**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
North Texas Tollway Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the North Texas Tollway System (the System), an enterprise fund of the North Texas Tollway Authority (the Authority), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of December 31, 2012, and the changes in its financial position, and, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 9, Modified Approach – Infrastructure on page 58, and schedules of funding progress on page 60, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The items listed in the introductory section, and the supplementary schedules 1 through 10, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule 1 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 1 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The items listed in the introductory section, schedules 2 through 10, and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Crowe Horwath LLP
Crowe Horwath LLP

Irving, Texas
May 24, 2013

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Management's Discussion and Analysis
December 31, 2012

As Management of the North Texas Tollway Authority (Authority), we offer readers the statements for the North Texas Tollway System (System), which consists of the Dallas North Tollway (DNT), the President George Bush Turnpike (PGBT) including the Eastern Extension, Sam Rayburn Tollway (SRT), the Mountain Creek Lake Bridge (MCLB), the Addison Airport Toll Tunnel (AATT), and the Lewisville Lake Toll Bridge (LLTB), which make up an enterprise fund of the Authority, as well as, the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund. The Authority also includes the Special Projects System (SPS), another enterprise fund of the System which is reported separately and is not included in these financial statements.

We offer readers of these financial statements a narrative overview and analysis of the financial activities of the System for the year ended December 31, 2012. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read it in conjunction with the financial statements, which immediately follow this section.

Using This Annual Report

Overview of the Financial Statements

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

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

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

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

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

Other: Certain required supplementary information is presented to disclose trend data on the System's infrastructure condition. Additionally, certain financial schedules are presented by Trust Accounts and in accordance with the Authority's Trust Agreement.

Financial Results and Analysis

2012 Highlights

- The System's total net position decreased by \$126.3 million over FY 2011, mainly due to an increase in debt service.

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Management's Discussion and Analysis
December 31, 2012

- Total traffic transactions for FY 2012 were 587,236,062, an increase of 71,872,468 or 13.9% over FY 2011 transactions.
- Approximately 2,576,459 toll tags were active at the end of FY 2012, an increase of 325,571 or 14.5% over FY 2011 active toll tags.
- The System received a toll equity grant in the amount of \$160.3 million from the Texas Department of Transportation (TxDOT) for Right of Way acquisition and other costs related to the PGBT Eastern Extension (PGBT EE) in 2007. An additional \$5.1 million of the grant has been recognized as grant revenue for FY 2012 with the remaining \$38.8 million shown as deferred revenue.
- In return for the grant, the Authority agreed to share 20% of the tolls received on the PGBT Eastern Extension with TxDOT over the life of PGBT Eastern Extension. The extension opened in late December 2011. TxDOT received \$76,011 on 500,294 transactions in 2011 and \$4,224,431 on 21,126,453 transactions in 2012.
- Toll revenues, net of bad debt expense of \$45.2 million, increased \$83.0 million or 20.6% over FY 2011 in part, as a result of an increase in traffic.
- The Administration and Operations expenses of \$106.2 million were under budget by 10.4% in FY 2012.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Management's Discussion and Analysis
December 31, 2012

Summary of Operations

Table A-1

Net Position (in millions of dollars)

	<u>2012</u>	<u>2011</u>
Current assets	\$ 337.3	\$ 286.4
Current restricted assets	429.9	582.4
Noncurrent assets		
Restricted investments	317.1	326.9
Other assets	131.6	177.1
Capital assets	<u>6,297.8</u>	<u>6,328.3</u>
Total assets	<u>7,513.7</u>	<u>7,701.1</u>
Deferred outflow of resources	<u>42.3</u>	<u>-</u>
Current liabilities	79.1	93.3
Liabilities payable from restricted assets	281.7	327.5
Long-term debt	<u>7,652.7</u>	<u>7,653.8</u>
Total liabilities	<u>8,013.5</u>	<u>8,074.6</u>
Deferred inflow of resources	<u>42.3</u>	<u>-</u>
Net position:		
Investment in capital assets	(1,254.1)	(1,178.5)
Restricted for debt service	792.6	916.9
Restricted for retiree health benefits	0.4	0.4
Unrestricted	<u>(38.7)</u>	<u>(112.3)</u>
Total net position	<u>\$ (499.8)</u>	<u>\$ (373.5)</u>

The System's net position indicate an unrestricted current ratio of 4.27 and 3.06 for FY 2012 and FY 2011, respectively. Working capital was \$258.2 million and \$193.1 million in FY 2012 and FY 2011, respectively. Total unrestricted current assets were \$337.3 million in FY 2012, compared to \$286.4 million in FY 2011. Total unrestricted and restricted current assets were \$767.2 million at the end of FY 2012. Cash and investments of \$714.4 million represent the largest component of current assets. The remaining \$52.8 million is comprised of accrued interest receivable of \$.8 million, accounts receivable of \$34.4 million, interproject/interagency receivables of \$16.7, inventory and prepaid expenses of \$.9 million.

Total unrestricted current liabilities were \$79.1 million at the end of FY 2012, including \$1.9 million for accounts payable and retainage payable, \$38.7 million of deferred revenue and \$26.0 million for accrued liabilities, mainly accrued salaries and vacation liability, \$11.9 million of interfund payables and \$.6 million for Tolltag deposits.

NORTH TEXAS TOLLWAY SYSTEM
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Management's Discussion and Analysis
December 31, 2012

Table A-2
Change in Net Position
(in millions of dollars)

	2012	2011
Revenues		
Tolls	\$ 485.5	\$ 402.5
Other revenues	20.6	28.4
Operating revenues	506.1	430.9
Operating expenses before depreciation	153.4	152.4
Income from operations before depreciation	352.7	278.5
Unallocated depreciation (Sam Rayburn Tollway)	(63.9)	(63.9)
Depreciation	(6.0)	(5.7)
Operating income	282.8	208.9
Nonoperating revenue (expenses):		
Interest income	5.3	14.1
Interest expense	(458.8)	(402.9)
Other	7.0	1.2
Net nonoperating revenue (expenses):	(446.5)	(387.6)
Capital contributions		
Capital grant contributions	8.5	25.7
Payments to other governments	-	(508.9)
BAB's subsidy	28.9	28.9
Change in net position	(126.3)	(633.0)
Net position- beginning of year	(373.5)	259.5
Net position - ending	\$ (499.8)	\$ (373.5)

Total operating revenues were \$506.1 million for FY 2012 and \$430.9 million for FY 2011 (see Table A-2). Toll revenues in FY 2012 were \$485.5 million (net of bad debt expense of \$45.2 million), a 20.6% increase over FY 2011 toll revenues of \$402.5 million (net of bad debt expense of \$12.5 million). Traffic on the System continues to grow, with average daily transactions of 1,604,470 and 1,411,982 in FY 2012 and FY 2011, respectively.

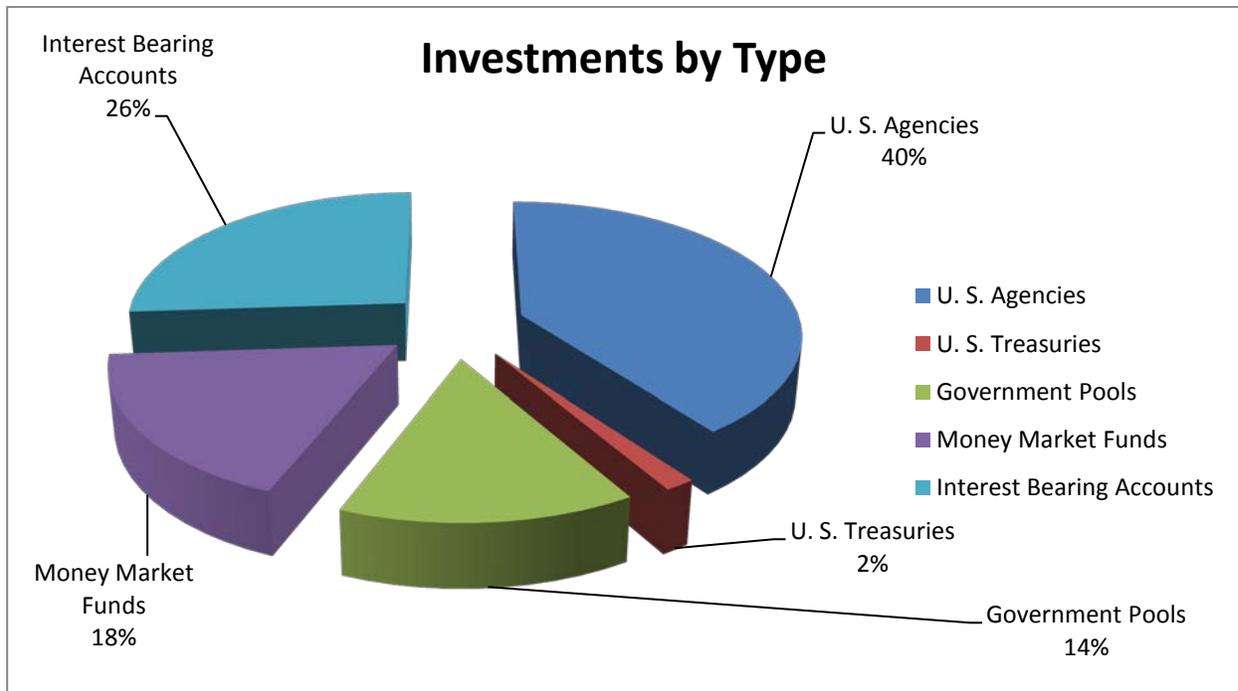
NORTH TEXAS TOLLWAY SYSTEM
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 Management's Discussion and Analysis
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Total operating expenses, including the Reserve Maintenance Fund and the Capital Improvement Fund, before depreciation for FY 2012 were \$153.4 million, representing an .6% increase from FY 2011 operating expenses of \$152.4 million (See Table A-2). Interest expense, inclusive of capitalized interest, for 2012 was \$458.8 million, a 13.9% increase from FY 2011 interest expense of \$402.9 million. Debt service coverage for all debt for FY 2012 and FY 2011 were 1.47 and 1.77 times, respectively. The Trust Agreement and the Authority's Debt Policy both require bond principal and interest coverage of 1.35 for first tier debt.

The System's overall financial position decreased in FY 2012, as indicated by the \$126.3 million decrease in net positions.

Investments: The System's investments at December 31, 2012 and 2011 were approximately \$1.01 billion and \$1.13 billion, respectively. Table A-3 chart below shows the types of authorized investments in the December 31, 2012 portfolio.

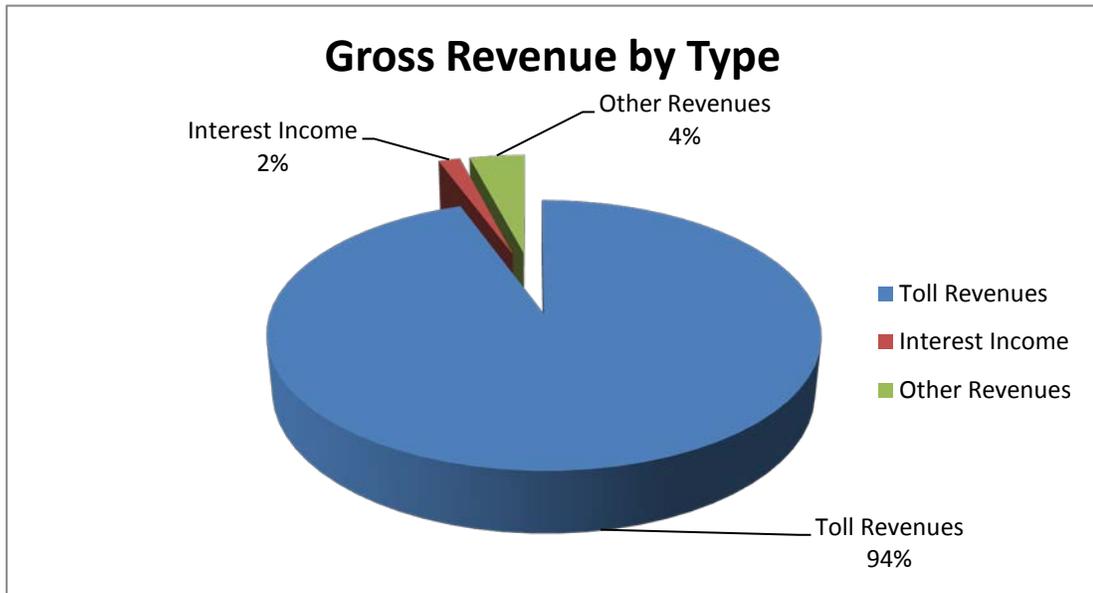
Table A-3



NORTH TEXAS TOLLWAY SYSTEM
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Management's Discussion and Analysis
December 31, 2012

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

Table A-4

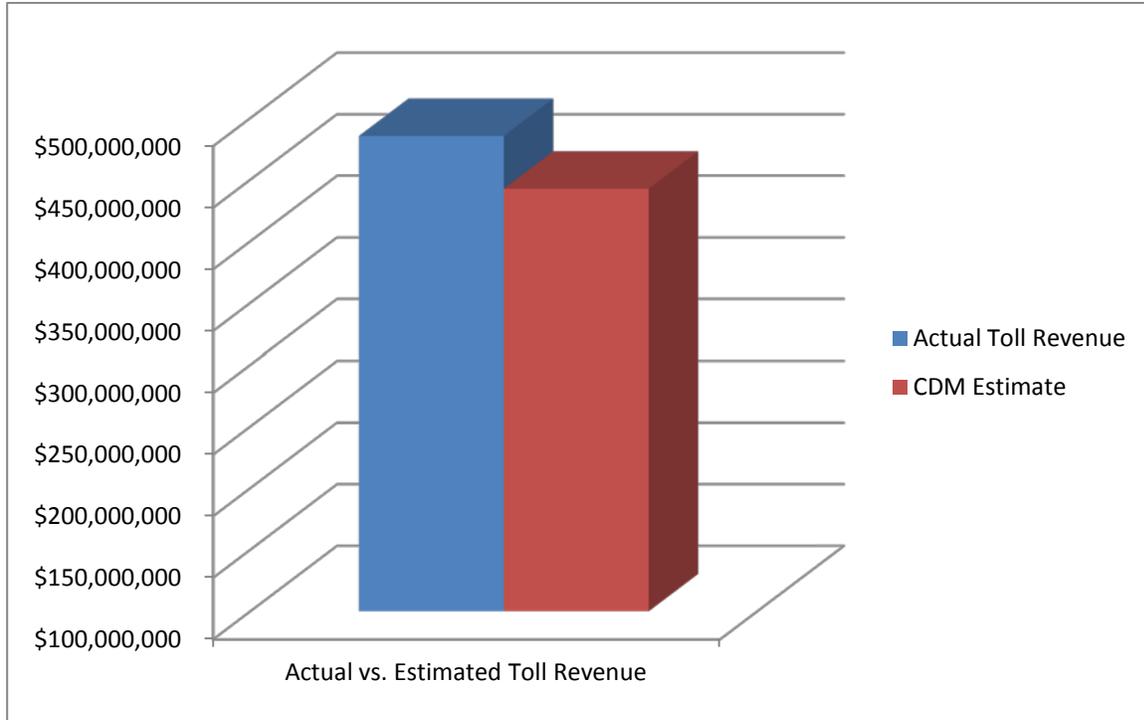


Gross revenues, excluding grant revenue of \$8.5 million for FY 2012 were \$514.2 million, an 18.8% increase over FY 2011 gross revenues of \$432.7 million. Toll revenues of \$485.4 million (net of bad debt expenses of \$45.2 million) account for 94% of total revenue. Interest income (excluding Construction Fund interest) was \$8.1 million or 2%. Other revenue, mostly administrative and statement fees for collection of tolls from violators and interoperability fees, was \$20.7 million, representing 4% of the total.

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Table A-5 below shows the System's actual toll revenue for FY 2012 compared to the estimated toll revenue of the Authority's traffic and toll revenue engineer, CDM Smith Inc. (CDM). Toll revenue was over CDM's estimates by 9.7%.

Table A-5



Traffic on the System continues to grow with approximately 1,604,470 average daily transactions in 2012, up 13.2% from the 1,411,982 daily averages in 2011.

The increases in the toll revenue were largely attributed to:

- The increased growth of population in the North Texas counties (Dallas, Tarrant, Denton & Collin).
- Opening of the President George Bush Turnpike Eastern Extension (PGBT-EE).

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Management's Discussion and Analysis
December 31, 2012

Engineering Estimates

The annual estimates by the System's traffic and revenue engineer, CDM Smith Inc. (CDM), are displayed in comparison to the actual revenue for the years of 2003 through 2012 in Table A-6 below:

Table A-6
Actual vs. Estimated Revenue

Year	Actual	Estimate	Variance
2012	\$ 485,463,608(*)	\$ 442,688,000	\$ 39,263,359
2011	402,569,354	410,749,700	(8,180,166)
2010	366,597,323	377,132,800	(10,535,477)
2009	290,404,547	265,051,729	25,352,818
2008	240,776,791	262,346,900	(21,570,109)
2007	202,675,564	204,491,800	(1,816,236)
2006	191,434,120	197,052,500	(5,618,380)
2005	172,537,345	167,457,300	5,080,045
2004	160,695,030	151,482,500	9,212,530
2003	149,323,784	144,975,000	4,348,784

* net of bad debt expenses (\$45,230,480)

The FY 2012 toll revenue of \$485.5 million increased by 20.6% over FY 2011 actual toll revenue of \$402.5 million. The System total revenues produced 1.47 debt coverage for 2012. Please see Table A-8 on page 18 on the Historical Debt Coverage.

Capital Assets – The Authority's investment in capital assets includes land, buildings, right-of-way, roadway, bridges, equipment, and computer systems. Capital assets at December 31, 2012 were \$6.2 billion, decreasing from FY 2011 by approximately \$34.3 million. For additional information on capital assets see Note (1) (f) and Note (4).

The Authority utilizes GASB No. 34, Modified Approach of reporting infrastructure assets. Each year a comprehensive assessment is conducted on all the Authority's infrastructure assets which affect the following fiscal year's maintenance budget. For fiscal year 2012, the Authority estimated it would need to spend \$23.5 million for infrastructure maintenance and preservation, but actually expended \$10.2 million. Fluctuations from year to year between the amount spent to preserve and maintain the Authority's infrastructure assets and the estimated amount result from the timing of work activities. For additional information and results of the 2012 assessment, please see the Required Supplementary Information on pages 59 and 60 of this report. The Authority's Condition Index for 2012 is 8.9 versus the 8.0 goal.

The Sam Rayburn Tollway (SRT) will revert to Texas Department of Transportation after the expiration of the 50 year period commencing when the Authority began collecting tolls on the project on its own behalf (September 2008).

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The Authority will depreciate the cost of the acquisition and the construction costs of the SRT over the term of the project agreement pursuant to which the Authority acquired the project utilizing the straight-line basis. The effect of depreciating the cost of the acquisition and the construction costs of the SRT will reduce the Authority's net revenues as reported on the general accepted accounting principles (GAAP) basis. Since the depreciation will be a non-cash item, it will not impact the Authority's calculation of net revenues available per the Trust Agreement.

Long-Term Debt – At the end of FY 2012, the Authority's total bonded debt outstanding was \$7.55 billion compared to approximately \$7.55 billion in 2011 (See Table A-7). This debt represents bonds secured solely by toll revenue. For detailed information see Note (5) and schedule of revenue bonds outstanding as of December 31, 2012, on page 43.

Table A-7
Revenue Bonds Outstanding
As of FY 2012 and FY 2011

Series	Amount Outstanding	
	2012	2011
Series 1998	-	26,855,000
Series 2003A	-	225,000,000
Series 2005C	178,310,000	178,310,000
Series 2008A	1,734,130,000	1,747,210,000
Series 2008B	226,930,000	226,930,000
Series 2008D	528,102,853	498,066,589
Series 2008E	215,000,000	215,000,000
Series 2008F	1,000,000,000	1,000,000,000
Series 2008H	-	209,040,000
Series 2008I	260,697,156	245,005,325
Series 2008K	205,000,000	205,000,000
Series 2008L	-	100,000,000
Series 2009A	389,105,000	404,005,000
Series 2009B	825,000,000	825,000,000
Series 2009C	170,730,000	170,730,000
Series 2009D	178,400,000	178,400,000
Series 2010A *	90,000,000	90,000,000
Series 2010B *	310,000,000	310,000,000
Series 2010 Rev Refund	332,225,000	332,225,000
Series 2011A	100,000,000	100,000,000
Series 2011B	268,625,000	268,625,000
Series 2012A	25,930,000	-
Series 2012B	383,625,000	-
Series 2012C	101,775,000	-
Series 2012D	32,815,000	-
Revenue Bonds Outstanding	<u>7,556,400,009</u>	<u>7,555,401,914</u>

* Issued out of the Capital Improvement Fund. This debt is supported solely out of excess revenues flowing into the Capital Improvement Fund.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Management's Discussion and Analysis
December 31, 2012

Table A-8 sets forth debt service coverage for all Revenue Bonds outstanding for the years 2003 through 2012.

Table A-8
Historical Debt Coverage

Year	Coverage
2012	1.47x
2011	1.77x
2010	1.83x
2009	1.56x
2008	1.60x
2007	1.96x
2006	1.98x
2005	1.80x
2004	2.00x
2003	2.09x

Additionally, part of the construction of the PGBT was funded with the proceeds from a loan in the amount of \$135 million, made by the Texas Department of Transportation in 1995 pursuant to the Intermodal Surface Transportation Efficiency Act of 1991. Interest has been accruing since 2000 and annual payments began in FY2004. The FY 2012 payment was \$8.250 million with a due date of January 1, 2012. The amortization schedule for this loan can be found in Note (5) page 50.

On September 1, 2009, the Series 2005C bonds were converted to fixed rate bonds. The outstanding swaps remain legally tied to the Series 2005C Bonds, which have been remarketed to fixed rate. However, the Authority recognized the need for the swaps to be economically tied to variable rate bonds so that the swaps could function properly and generate a reasonable synthetic fixed rate. To that end, the Authority negotiated a letter of credit with JPMorgan and issued \$178,400,000 Series 2009D variable rate bonds on November 5, 2009.

Short-Term Debt - The Authority maintains an approximately \$200 million commercial paper program. No commercial paper was issued in 2012. As of December 31, 2012 there was \$38.3 million of outstanding notes under the commercial paper program.

Contacting the NTTA's Financial Management

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



NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

Statement of Net Position

December 31, 2012

Assets

Current assets:

Cash and cash equivalents (note 3)	\$	18,429,722
Investments (note 3)		271,596,581
Accrued interest receivable		86,029
Interproject/agency receivables (note 4)		16,565,132
Accounts receivable (net of allowance for uncollectibles) (note 9)		27,879,980
Unbilled Accounts receivable (net of allowance for uncollectibles) (note 9)		1,802,016
Prepaid expenses		937,460
Total current unrestricted assets		337,296,920

Current restricted assets:

Restricted assets:

Restricted for construction:

Cash and cash equivalents (notes 3 and 5)		(111,693)
Investments (notes 3 and 10)		121,913,273
Accrued interest receivable		155,566

Restricted for debt service:

Investments (notes 3 and 5)		302,136,617
Accrued interest receivable		570,840
Accounts receivable		4,789,925

Restricted for pension benefits and other purposes:

Investments (notes 3 and 5)		406,050
Accrued interest receivable		52

Total current restricted assets 429,860,630

Total current assets 767,157,550

Noncurrent assets:

Investments restricted for operations (note 3)		25,215,661
Investments restricted for debt service (note 3)		291,916,605
Deferred financing costs		75,306,573
Deferred feasibility study costs		56,272,212
Capital assets (net of accumulated depreciation) (note 4)		6,297,827,016
Total noncurrent assets		6,746,538,067

Total assets

7,513,695,617

Deferred outflow of resources

Fair value of SWAP		42,349,015
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See accompanying notes to basic financial statements.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

Statement of Net Position

December 31, 2012

Liabilities	
Current liabilities:	
Accounts and retainage payable	\$ 1,953,119
Accrued liabilities	26,011,157
Interproject/agency payables	11,867,348
Deferred revenue	38,707,643
Tolltag deposits	575,154
Total current unrestricted liabilities	79,114,421
Payable from restricted assets:	
Construction-related payables:	
Retainage payable (note 10)	2,703,277
Deferred grant revenue	38,802,422
Debt service-related payables:	
Accrued interest payable	185,300,676
Accrued arbitrage rebate payable	23,252
Commercial paper payable (note 5)	38,300,000
Revenue bonds payable (note 5)	16,605,000
Pension benefits and other related payables	
Accounts payable (note 10)	1,191
Total current liabilities payable from restricted assets	281,735,818
Total current liabilities	360,850,239
Noncurrent liabilities:	
Other post-employment benefits (note 8)	15,346,086
Texas Department of Transportation ISTEPA loan payable (note 5)	138,262,812
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred debit on refundings of \$26,871,915 and bond discount (premium) costs of \$13,915,068 (note 5)	7,499,008,027
Total noncurrent liabilities	7,652,616,925
Total liabilities	8,013,467,164
 Deferred inflow of resources	
Fair value of SWAP	42,349,015
 Net Position	
Net investment in capital assets	(1,254,068,836)
Restricted for:	
Debt service	792,586,995
Pension benefits and other purposes	404,441
Unrestricted	(38,694,147)
Total net position	\$ (499,771,547)

See accompanying notes to basic financial statements.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Revenues, Expenses, and Changes in Net Position
Year ended December 31, 2012

Operating revenues:		
Tolls	\$	485,463,608
Other		20,729,192
Total operating revenues		<u>506,192,800</u>
Operating expenses:		
General		
Administration		22,982,801
Operations		83,253,523
Preservation		
Reserve maintenance		11,446,757
Capital improvement		35,691,517
Total operating expenses before depreciation		<u>153,374,598</u>
Operating income before depreciation		352,818,202
Unallocated infrastructure depreciation		(63,943,350)
Depreciation		<u>(6,038,360)</u>
Operating income		<u>282,836,492</u>
Nonoperating revenues (expenses):		
Interest earned on investments		10,128,307
Net decrease in the fair value of investments		(4,977,991)
Interest expense on revenue bonds		(399,018,646)
Interest expense on short term notes		(127,347)
Interest expense on loan		(5,905,507)
Bond premium/discount amortization		(44,835,481)
Bond issuance cost amortization		(4,147,186)
Deferred amount on refunding amortization		(4,701,591)
Other		6,981,143
Net nonoperating revenues (expenses)		<u>(446,604,299)</u>
Income (loss) before capital contributions		(163,767,807)
Capital Grant Contributions		8,523,679
Build America Bonds Subsidy (BAB's)		28,978,075
Change in net position		<u>(126,266,053)</u>
Beginning net position		(373,505,494)
Ending net position	\$	<u><u>(499,771,547)</u></u>

See accompanying notes to basic financial statements.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statement of Cash Flows
Year ended December 31, 2012

Cash flows from operating activities:	
Receipts from customers and users	\$ 506,567,673
Payments to contractors and suppliers	(174,964,919)
Payments to employees	(48,668,328)
Net cash provided by (used in) operating activities	<u>282,934,426</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(569,227,565)
Issuance of revenue bonds	544,145,000
Defeased of commercial paper	(18,000,000)
Grand Proceeds	6,845,908
Deferred financing costs	7,700,909
Deferred revenue-grant	(5,093,069)
Other	6,981,143
Interest paid on revenue bonds and other debt	(409,198,686)
Net cash provided by (used in) capital and related financing activities	<u>(435,846,360)</u>
Cash flows from investing activities:	
Purchase of investments	(3,760,661,264)
Proceeds from sales and maturities of investments	3,872,423,276
BABS Subsidy	28,978,075
Interest received	10,459,765
Net cash provided by (used in) investing activities	<u>151,199,852</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,712,080)</u>
Cash and cash equivalents, beginning of the year	20,030,109
Cash and cash equivalents, end of the year	<u>\$ 18,318,029</u>
Classified as:	
Current assets	\$ 18,429,722
Restricted assets	(111,693)
Total	<u>\$ 18,318,029</u>
Noncash financing, capital, and investing activities:	
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 282,836,492
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	6,038,360
Unallocated depreciation	63,943,350
Bad debt expense	45,230,480
Changes in assets and liabilities:	
Increase in accounts receivable	(51,285,117)
Decrease in prepaid expenses and other assets	454,141
Increase in deferred revenue	5,998,911
Decrease in accounts and retainage payable	(70,258,649)
Increase in accrued liabilities	(23,542)
Total adjustments	<u>97,934</u>
Net cash provided by operating activities	<u>\$ 282,934,426</u>
Noncash financing activities:	
Decrease in fair value of investments	(4,977,991)
Capital Grant Contributions	8,523,679
Build America Bonds Subsidy (BAB's)	28,978,075

See accompanying notes to basic financial statements.



NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
NOTES TO BASIC FINANCIAL STATEMENTS
 December 31, 2012

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NORTH TEXAS TOLLWAY SYSTEM
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NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

(1) Nature of the Organization and Summary of Significant Accounting Policies

(a) Reporting Entity

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

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

The North Texas Tollway Authority System (the System) is an enterprise fund and does not purport to be the entire activities of the Authority. The System is a turnpike project of the Authority and consists of the Dallas North Tollway (the DNT), the Addison Airport Toll Tunnel (the AATT), the President George Bush Turnpike (the PGBT), the Mountain Creek Lake Bridge (the MCLB), Sam Rayburn Tollway (SRT), and the Lewisville Lake Toll Bridge (the LLTB).

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

In addition, Chapter 366 authorized the Feasibility Study Fund to be used only to pay the expenses of studying the cost and feasibility and any other expenses relating to:

- 1) The preparation and issuance of bonds for the acquisition and construction of a proposed turnpike project for the Authority;
- 2) The financing of the improvement, extension or expansion of an existing turnpike or Authority;
- 3) Private participation, as authorized by law, in the financing of a proposed turnpike project or Authority, the refinancing of an existing turnpike project or Authority or the improvement, extension or expansion of a turnpike project or Authority.

In addition, Senate Bill 194, which was subsequently replaced by Chapter 366, authorized the establishment of the Dallas-Fort Worth Turnpike Transition Trust Fund, a Fiduciary Fund, to account for the payment of transition costs and other obligations payable from funds of the Dallas-Fort Worth Turnpike at December 31, 1977, such as post-employment benefits.

While the Fiduciary Funds are normally presented separately in the financial statements, the DFW Turnpike Transition Trust Fund is shown as a part of the basic financial statements, since the Trust Fund is immaterial to the financial statements.

(b) Basis of Accounting

The operations of the System, including the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund, are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2012

Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and all assets and liabilities associated with the operation of the System are included in the Statement of Net Position. The assets of the System are stated at cost with the exception of certain investments and interest rate swap derivatives, which are stated at fair value.

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

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

In accordance with House Bill 749, an act of the 72nd Legislature of Texas, the Authority may transfer an amount from a surplus fund (currently Capital Improvement Fund) established for a turnpike project to the North Texas Tollway Feasibility Study Fund (Feasibility Study Fund). However, the Authority may not transfer an amount that results in a balance in the surplus fund that is less than the minimum balance required in the trust agreement for that project, if any. Revenues are recognized when they are earned, expenses are recorded in the period in which they are incurred.

The costs of studies funded by the Feasibility Study Fund are deferred until such time as the feasibility of the project is determined. If the project is pursued, the Feasibility Study Fund is reimbursed for related study costs from the proceeds of the project's bond issue. However, the study costs associated with projects determined to be unfeasible are removed from the statement of assets and liabilities and written off to expense when approved by the Executive Director.

(c) Budget

Operating budgets are established in accordance with the practices set forth in the provisions of the Trust Agreement for the Dallas North Tollway Authority Revenue Bonds, as interpreted by the Authority. These practices are similar to accounting principles generally accepted in the United States (GAAP) for an enterprise fund on an accrual basis except that depreciation and amortization of certain non-infrastructure capital assets and related acquisition and revenue bond issuance costs are not included as an operating expense or otherwise provided, and interest accrued for certain periods after official completion on certain of the System's bond issues is capitalized as allowed by the Trust Agreement and bond resolution, rather than being reflected as an expense. Otherwise, revenues are recognized when they are earned, expenses are recognized in the period in which they are incurred, and all assets and liabilities associated with the operation of the System are included in the statement of net assets in accordance with the Trust Agreement as described above.

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

(d) Restricted Assets

Certain proceeds of the Revenue Bonds are restricted by applicable bond covenants for construction or restricted as reserves to ensure repayment of the bonds. Also, certain other assets are accumulated and restricted on a monthly basis in accordance with the Trust Agreement for the purpose of paying interest and principal payments that are due on a semiannual and annual basis, respectively, and for the purpose of maintaining the reserve funds at the required levels. Payments from these restricted accounts are strictly governed by the Trust Agreement and can only be made in compliance with the Trust Agreement.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2012

Limited types of expenses may be funded from these accounts. Expenses that do not meet these requirements are funded from unrestricted accounts. The funds and accounts that have been established in accordance with the Trust Agreement are as follows:

- **Construction and Property Fund** – The Construction and Property Fund was created to account for that portion of the proceeds from the sale of the Authority Revenue Bonds, which were required to be deposited with the trustee in order to pay all costs of construction. There also may be deposited in the Construction and Property Fund any monies received from any other source for paying the cost of the Authority.
- **Revenue Fund** – The Revenue Fund was created to account for all revenues (all tolls, other revenues, and income) arising or derived by the Authority from the operation and ownership of the Authority. All revenues of this fund are distributed to other funds in accordance with the Trust Agreement.
- **Operation and Maintenance Fund** – The Operation and Maintenance Fund was created to account for and pay current operating expenses of the Authority.
- **Reserve Maintenance Fund** – The Reserve Maintenance Fund was created to account for those expenses of maintaining the Authority that do not recur on an annual or shorter basis. As defined in the Trust Agreement, such items include repairs, painting, renewals, and replacements necessary for safe or efficient operation of the Authority or to prevent loss of revenues, engineering expenses relating to the functions of the Authority, equipment, maintenance expenses, and operating expenses not occurring at annual or shorter periods.
- **Capital Improvement Fund** – The Capital Improvement Fund (CIF) was created to account for the cost of repairs, enlargements, extensions, resurfacing, additions, renewals, improvements, reconstruction and replacements, capital expenditures, engineering, and other expenses relating to the powers or functions of the Authority in connection with the Authority, or for any other purpose now or hereafter authorized by law. This CIF fund will also be combined with a revolving fund, called the Feasibility Study Fund to use only to pay the expenses of studying the cost and feasibility and any other expenses relating to; (1) the preparation and issuance of bonds for the acquisition and construction of a proposed turnpike project for the Authority; (2) the financing of the improvement, extension or expansion of an existing turnpike or Authority; (3) private participation, as authorized by law, in the financing of a proposed turnpike project or Authority, the refinancing of an existing turnpike project or Authority or the improvement, extension or expansion of a turnpike project or Authority.
- **Bond Interest Account** – The Bond Interest Account was created to account for the payment of the semiannual interest requirements of the revenue bonds.
- **Reserve Account** – The Reserve Account was created for the purpose of paying interest and principal of the bonds whenever and to the extent that the monies held for the credit of the Bond Interest Account and the Redemption Account shall be insufficient for such purpose. The required reserve is an amount equal to the average annual debt service requirements of all bonds outstanding. At December 31, 2012, according to staff calculations the Authority was in compliance with this requirement.
- **Redemption Account** – The Redemption Account was created to account for the payment of the annual principal requirements of the revenue bonds.
- **DFW Turnpike Transition Trust Fund** – The Trust Fund is used to fund post-employment healthcare benefits for retire employees of the Dallas-Fort Worth Turnpike. Currently, there is only one (1) employee that meet these requirements.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

(e) Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits. Cash equivalents are amounts included in any overnight sweep from the demand deposit accounts. These deposits are fully collateralized or covered by federal deposit insurance. The Authority considers other money market funds along with State & Local Government Investment Pools to be investments. The carrying amount of the investments is fair value. The net change in fair value of investments is recorded on the Statement of Revenues, Expenses, and Changes in Net Assets and includes the unrealized and realized gains and losses on investments.

(f) Capital Assets

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

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

Depreciation is computed using a straight-line method over the following estimated useful lives:

Machinery and Equipment	3-10 years
Buildings	20-50 years
Roadways	50-60 years
Infrastructure	25-50 years
Intangibles	5-15 years

(g) Compensated Absences

Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

(h) Retainage Payable

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

(i) Deferred Amount on Refunding of Revenue Bonds

Deferred amount on refunding of revenue bonds incurred on advance refunding of such bonds relates to the difference between the reacquisition price and the net carrying amount of the refunded bonds. The

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

amount deferred is included as a reduction to revenue bonds payable and is amortized in a systematic and rational manner over the life of the refunded bonds or the life of the refunding bonds, whichever is shorter.

(j) Bond Discounts, Premiums, and Bond Issuance Costs

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

(k) Arbitrage Rebate Payable

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements, and arbitrage rebate liability on issuers of tax-exempt debt. This represents interest earnings on bond proceeds in excess of amounts allowed under the Act. This Act requires the remittance to the Internal Revenue Service (IRS) of 90% of the cumulative arbitrage rebate within 60 days of the end of each five-year reporting period following the issuance of governmental bonds. The System's cumulative arbitrage rebate liabilities for the year ended December 31, 2012 are \$23,252.

(l) Estimates

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

(m) New Accounting Pronouncements

GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities." –The objective of Statement No. 65 is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources or inflows of resources. This statement will become effective in fiscal year 2013.

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

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No.27."- This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date. This statement is effective for financial statements for periods beginning after June 15, 2014.

Management has not yet determined the effect of these statements on the financial statements.

(2) Legal Compliance – Budgets

The Authority is required to prepare a preliminary budget of current expenses, deposits to the Reserve Maintenance Fund, and the purposes for which the monies held in the Reserve Maintenance Fund will be expended for the ensuing year. Copies of the preliminary budget must be filed with the bond trustee, and mailed to the consulting engineers, traffic engineers, principal underwriters, and all bondholders who have filed their names and addresses with the secretary and treasurer of the Authority 60 days prior to year-end. The Authority is required by the Trust Agreement to adopt a final budget for the Authority on or before December 31 prior to the beginning of the year. The budget is prepared at the Department level and is based upon the Trust Agreement.

The Authority may not expend any amount or incur any obligations for maintenance, repairs, and operations in excess of the total amount of the budgeted expenses in the Annual Budget unless the funding source is other than revenues received from the Authority. The Authority may expend additional monies from the Reserve Maintenance Fund in excess of the annual deposits. Budget amendments must be approved by the Board

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2012

Members of the Authority in a manner similar to the adoption of the annual budget. There were no occurrences of budget noncompliance in 2012.

Pursuant to the Trust Agreement, the Authority has agreed that it will at all times keep in effect a plan for toll collecting facilities and a schedule of rates of tolls, which will raise and produce net revenues during each fiscal year sufficient to satisfy the greatest of (1), (2), or (3) below:

- 1) 1.35 times the scheduled debt service requirements on all outstanding First Tier Bonds for the fiscal year; or
- 2) 1.20 times the scheduled debt service requirements on all outstanding First Tier Bonds and Second Tier Bonds for the fiscal year; or
- 3) 1.00 times the scheduled debt service requirements on all outstanding First Tier Bonds, Second Tier Bonds, Third Tier Bonds and all other obligations secured by net revenues for the fiscal year.

The Authority was in compliance in 2012.

	2012 (unaudited)
GAAP basis operating income	\$ 282,836,492
Non-construction fund interest income	<u>8,103,314</u>
Gross Income	290,939,806
Add:	
Depreciation	6,038,360
Unallocated infrastructure depreciation	63,943,350
Capital improvement fund expenses	35,691,517
Reserve maintenance fund expenses	<u>11,446,757</u>
Net revenues available for debt service	408,059,790
Bond interest expense, net of capitalized interest	260,199,174
Scheduled principal amount due	<u>16,605,000</u>
Calculated debt service requirement	<u>\$ 276,804,174</u>
Coverage ratio (for all debt)	<u>1.47</u>

(3) Deposits and Investments

The Authority's investment policy is in accordance with the laws of the State of Texas. The Authority may purchase investments as authorized by the Trust Agreement and as further authorized by the revised investment policy and strategy approved by the Board of Directors in December 2012. These investments include obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities; obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; certificates of deposit issued by a state or national bank; fully collateralized repurchase agreements; commercial paper with a stated maturity of 270 days or fewer from the date of its issuance; no load money market mutual funds that have a dollar-weighted average stated maturity of 90 days or fewer and includes in its investment

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objectives the maintenance of a stable net asset value of \$1 for each share; and State & Local Government Investment Pools.

The Authority does not invest in financial instruments other than those authorized by the investment policy.

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

(a) Deposits

The Authority's deposits were fully insured or collateralized at December 31, 2012. The carrying amount of the Authority's deposits was \$18,318,029 and the respective bank balances totaled \$20,626,392. As of December 31, 2012 the total bank balances were covered under the Temporary Liquidity Guarantee Program created by the Federal Depository Insurance Corporation (FDIC). The program provides full coverage of non-interest bearing deposit transaction accounts regardless of dollar amount.

(b) Investments

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

Description	2012			WAM(*)
	Maturity Value (in Yrs)			
	Fair Value	Less Than 1 Yr	1 Yr or More	
Government Sponsored Entities (GSE):				
Federal Home Loan Bank	\$ 75,276,746	\$ 36,433,637	\$ 38,843,109	
Federal National Mortgage Association	81,217,775	15,139,000	66,078,775	
Federal Agricultural Mortgage Corporation	39,433,560	30,004,800	9,428,760	
Federal Farm Credit Bank	105,603,271	20,026,401	85,576,870	
Federal Home Loan Mortgage Corporation	99,146,590	-	99,146,590	
Total GSE	400,677,942	101,603,838	299,074,104	413
Cash	9,702,705	9,702,705	-	-
Money Market Funds	180,208,356	180,208,356	-	-
U.S. Treasuries	15,364,500	-	15,364,500	-
Government Pool	145,755,583	145,755,583	-	-
Interest Bearing Account	261,475,702	261,475,702	-	-
Total Investments	\$ 1,013,184,788	\$ 698,746,184	\$ 314,438,604	413

*WAM = Weighted Average Maturity (in days)

(c) Interest Rate Risk

The Authority does not have a formal policy on Interest Rate Risk. Investment portfolios are designed with the objective of attaining the best possible rate of return commensurate with the Authority's investment risk constraints and the cash flow characteristics of the portfolio. Return on investments, although important, is subordinate to the safety and liquidity objectives. In reflection with the Authority's investment report, the portfolio reflects the overall summary of the Authority's investment position. The weighted average yield-to-maturity of the portfolio for December 31, 2012 was .569%, in comparison to 1.149% in 2011. The weighted average maturity in days was 413 days for 2012, compared to 394 days in 2011. Market value fluctuation of the overall portfolio is minimized by keeping the weighted average maturity low. Approximately 69% of the investment are maturing within one year and 31% are maturing one year or greater.

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(d) Credit Risk

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

As of December 31, 2012, the Authority holdings allocation was: 1% in Cash, 1% in US Treasuries, 14% in State and Local Government Pools, 26% in Interest Bearing Accounts, 18% in AAA rated money market funds and 40% in Agencies backed by the full faith and credit of the U.S. Government. Agencies are AAA rated by Moody's.

The Authority participates in the TexPool local government investment pool which operates as a SEC 2a-7 like pool. The State Comptroller oversees TexPool, with Federated Investors managing the daily operations of the pool under a contract with the State Comptroller. This local government investment pool is structured similarly to money market mutual funds, to provide liquidity needs. TexPool was established in conformity with the interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code.

TexPool allows shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. TexPool seeks to maintain a constant net asset value of \$1.00, although this cannot be fully guaranteed. TexPool is rated AAAM and must maintain a dollar weighted average maturity not to exceed a 60 day limit.

(e) Concentration of Credit Risk

It is the policy of the Authority to diversify its investment portfolios. Assets held in the particular funds shall be diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of December 31, 2012, TexPool, Regions Bank and Bank of America, exceeded 5% of the total portfolio. More than 5% of the Authority's investments are in Federal Home Loan Banking, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation.

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

Construction and Property Account	\$	97,756,107
Revenue Account		63,197,624
Operations and Maintenance Account		3,057
Reserve Maintenance Account		57,982,932
Consolidated Capital Improvement Account		187,205,528
Bond Interest Account		187,967,462
Bond Reserve Account		402,059,362
Bond Redemption Account		16,606,666
DFW Turnpike Transition Trust Fund		406,050
Total investments	\$	<u><u>1,013,184,788</u></u>

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(4) Capital Assets

Capital assets are summarized as follows:

	January 1, 2012	Additions	Deletions/ Adjustments	December 31, 2012
Infrastructure network:				
<i>Non-depreciable</i>				
Right-of-way	\$ 252,008,746	\$ 13,015	\$ -	\$ 252,021,761
CIP	2,517,606,918	27,628,280	-	2,545,235,198
Infrastructure - Other *	525,306,612	1,950,484	-	527,257,096
Total non-depreciable infrastructure	3,294,922,276	29,591,779	-	3,324,514,055
<i>Depreciable</i>				
Roadway	3,197,211,448	-	-	3,197,211,448
Less accumulated depreciation	(213,188,444)	-	(63,943,350)	(277,131,794)
Total depreciable infrastructure	2,984,023,004	-	(63,943,350)	2,920,079,654
Total Infrastructure network	6,278,945,280	29,591,779	(63,943,350)	6,244,593,709
Property and Equipment				
Land	7,293,755	-	-	7,293,755
Buildings	17,434,998	-	-	17,434,998
Machinery and Equipment	40,705,767	5,826,992	(895,314)	45,637,445
Less accumulated depreciation				
Buildings	(4,067,408)	(581,161)	-	(4,648,569)
Equipment	(24,816,525)	(4,997,305)	895,314	(28,918,516)
	(28,883,933)	(5,578,466)	895,314	(33,567,085)
Total property and equipment	36,550,587	248,526	-	36,799,113
Total Capital Assets	6,315,495,867	29,840,305	(63,943,350)	6,281,392,822
Intangibles				
Intangibles	13,367,343	4,094,478	-	17,461,821
Less Amortization	(567,734)	(459,893)	-	(1,027,627)
Total Intangible Assets	12,799,609	3,634,585	-	16,434,194
Total Capital & Intangible Assets	\$6,328,295,476	\$ 33,474,890	\$(63,943,350)	\$ 6,297,827,016

* Includes capitalized interest net of interest earnings. Total bond interest costs incurred amounted to \$399,145,993 during the year ended December 31, 2012.

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(5) Revenue Bonds, Commercial Paper, and Loans Payable

Revenue Bonds

The Authority has issued and refunded various Revenue Bond Series to construct the Authority and to fund reserves and expenses associated with the bond issues. The Authority follows the provisions of GASB No. 23, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities (Statement No. 23). Under the provisions of Statement No. 23, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized over the life of the new debt or the life of the old debt (had it not been refunded), whichever is shorter, as an adjustment to the bond interest expense.

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

Series 2005C:

The \$341,670,000 North Texas Tollway Authority Dallas North Tollway Authority Variable Rate Revenue Bonds, Series 2005C, insured by FGIC, were issued December 15, 2005 for the purpose of refunding \$332,425,000 Series 1995 Bonds. Interest initially accrues from the date of delivery at a Weekly Rate, but may be subsequently converted to bear interest at a Daily Rate, Flexible Rate, Monthly Rate, Quarterly Rate, Semi-Annual Rate, Multi-Annual Rate, or Fixed Rate. While bearing interest at a Weekly Rate, interest is payable on the first business day of each calendar month, and is calculated on the basis of actual days elapsed in a 365-day or 366-day year, as applicable. Upon a change to any of the other interest modes, the bonds will be subject to mandatory tender for purchase and remarketing with a maximum rate of twelve (12%) per annum. The bonds consisted of \$341,670,000 term bonds due January 1, 2025. The bonds are subject to mandatory sinking fund redemption prior to maturity on January 1 of the years 2008-2025. In 2008, FGIC was downgraded below investment grade and remarketing of the bonds was not completely successful.

The Series 2005C Bonds were remarketed on September 1, 2009 to a fixed rate series of bonds. \$161,110,000 of Series 2005C Bonds were refunded by Series 2009A Bonds. The remaining amount of Series 2005C Bonds is \$178,310,000 which consists of \$109,515,000 serial bonds maturing on January 1, 2019 through January 1, 2023 that bear interest rates ranging from 5% to 6.25% and \$68,795,000 term bonds due January 1, 2025 with an interest rate of 6%.

The refunding resulted in a decrease of \$85,851,214 in the aggregate debt service between the refunding debt and the refunded debt. The difference between the reacquisition price and the net carrying amount of the Series 1995 Bonds (\$14,207,535) was deferred and is being amortized over the stated term of the Series 2005C Refunding Bonds. This amount was adjusted due to the remarketing. The Authority obtained a present value loss of \$13,637,745 in conjunction with the remarketing. The new difference between the reacquisition price and the net carrying amount on the 2005C bonds that were remarketed is (\$8,025,086). This amount was deferred and is being amortized over the stated term of the Series 2005C Bonds. Amortization of the deferred amount on the refunding was \$581,259 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$6,087,556).

Series 2008A:

The \$1,770,285,000 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008A were issued on April 3, 2008 for the purpose of refunding \$58,760,000 of Series 2003C Tender Bonds, \$71,000,000 of Series 2005B Bonds and \$1,203,405,000 of the Bond Anticipation Notes that were issued in November 2007. Interest is payable January 1 and July 1, and principal is payable on January 1 of each year. The issue included \$483,665,000 of serial bonds, which began maturing January 1, 2009 and bear interest rates ranging from 4.0% to 6.0%; \$373,810,000 of 5.125% term bonds due January 1, 2028, which are insured by MBIA Insurance Corporation; \$207,910,000 of 5.625% term bonds due January 1, 2033; \$404,900,000 of 5.75% term bonds due January 1, 2040; and \$300,000,000 5.75% term bonds due January 1, 2048.

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (40 years).

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The difference between the reacquisition price and the net carrying amount of the Series 2003C Bonds and the Series 2005B (\$6,964,108) was deferred and is being amortized over the stated term of the Series 2003C Bonds. Amortization of the deferred amount on the refunding was \$753,206 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$1,981,938).

Series 2008B:

The Authority issued \$237,395,000 in principal amount of North Texas Tollway Authority Revenue Refunding Bonds, Series 2008B on April 3, 2008 for the purpose of refunding \$215,185,000 of Series 2005A Bonds. The issue includes \$53,175,000 in serial bonds, which began maturing January 1, 2009 and bear interest rates ranging from 4.0% to 6.0%; \$62,290,000 of 5.625% term bonds due January 1, 2033 and \$121,930,000 of 5.75% term bonds due January 1, 2040. Interest is payable on January 1 and July 1.

The refunding resulted in an increase of \$105,552,916 in the aggregate debt service between the refunding debt and the refunded debt. This was not an economic refunding but rather a restructuring refunding. The difference between the reacquisition price and the net carrying amount of the Series 2005A Bonds (\$10,487,892) was deferred and is being amortized over the stated term of the Series 2005A Bonds. Amortization of the deferred amount on the refunding was \$410,945 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$8,395,771). Outstanding principal on the Series 2005A Bonds in escrow is \$208,900,000 on December 31, 2012.

Series 2008D:

The \$399,999,394 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008D were issued on April 3, 2008 for the purpose of refunding \$353,730,000 of the Bond Anticipation Notes that were issued in November 2007. These bonds were issued as Capital Appreciation Bonds, and the sum of the principal and accreted/compounded interest is payable only at maturity. The approximate Yield to Maturity is 5.90% to 5.97%. The maturity dates of the 2008D bonds are January 1, 2028 through January 1, 2038. These bonds are insured by the Assured Guaranty Corp.

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (30 years).

Series 2008E:

The \$600,000,000 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008E Put Bonds with an Initial Multiannual period, were issued on April 3, 2008 for the purpose of refunding \$12,970,000 of Series 1997 Bonds and \$465,755,000 of the Bond Anticipation Notes that were issued in November 2007. Interest accrues on the Series 2008E Bonds at the Initial Interest Rate, ranging from 5.0% to 5.75% and is payable January 1 and July 1. The Series 2008E Bonds were issued in subseries. These bonds are subject to mandatory tender on the following Mandatory Tender Dates: Subseries 2008E-1 on January 1, 2010, Subseries E-2 on January 1, 2012, and Subseries E-3 on January 1, 2016. On the Mandatory Tender Dates, the Series will be subject to mandatory tender for purchase. The Authority has agreed that the Bonds will be remarketed at the first date on or after the Mandatory Tender Date at which they can be sold in any interest rate mode and at a rate not exceeding 12.00% per annum. In the event they cannot be remarketed and purchased on the Mandatory Tender Date, the mandatory tender will be deemed to have been rescinded and the Series 2008E Bonds will bear interest at the rate of 12.00% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing. The Series 2009C and Series 2009D Bonds refunded the Subseries 2008E-1 prior to the Mandatory Tender Date.

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (30 years). The difference between the reacquisition price and the net carrying amount of the Series 1997 Bonds (\$1,214,490) was deferred and is being amortized over the stated term of the Series 1997 Bonds.

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Amortization of the deferred amount on the refunding was \$81,993 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$86,381).

Series 2008F:

The Authority issued \$1,000,000,000 North Texas Tollway Authority Second Tier Revenue Refunding Bonds, Series 2008F on July 30, 2008 for the purpose of refunding \$739,150,000 of the Bond Anticipation Notes that were issued in November 2007. Interest is payable January 1 and July 1, and principal is payable on January 1. The issue consists of term bonds bearing interest from 5.75% to 6.125% with maturities on January 1, 2031, January 1, 2033 and January 1, 2038.

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (30 years).

Series 2008I:

The Authority issued \$199,998,366 of North Texas Tollway Authority Convertible Capital Appreciation Bonds Series 2008I on September 24, 2008 for the purpose of refunding \$175,975,000 of the Bond Anticipation Notes that were issued in November 2007. The Approximate Yield to Maturity Date is 6.2% and 6.5%. Interest will accrete from the date of delivery and will compound semiannually on January 1 and July 1, commencing January 1, 2009. The Conversion Date is January 1, 2015; after this date, interest will accrue at a rate of 6.2% and 6.5% on the total amount of principal and the accreted/compounded interest thereon payable semiannually on January 1 and July 1, commencing July 1, 2015. Principal and accreted/compounded interest accreted prior to January 1, 2015 will come due on January 1, 2042 and January 1, 2043, or upon optional redemption. These bonds are insured by the Assured Guaranty Corp.

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (35 years).

Series 2008K:

The \$205,000,000 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008K were issued on November 4, 2008 for the purpose of refunding \$56,135,000 of Bond Anticipation Notes that were issued in November 2007, and \$95,300,000 of Commercial Paper Notes. Interest is payable January 1 and July 1 commencing January 1, 2009. The total consists two subseries of Series 2008K Bonds: \$125,000,000 of 5.75% term bonds, Subseries 2008K-1, due January 1, 2038 and \$80,000,000 of 6.00% term bonds, Subseries 2008K-2, due January 1, 2038. The Subseries 2008K-1 bonds are insured by Assured Guaranty Corp.

The aggregate difference in debt service between the refunding bonds and the refunded Bond Anticipation Notes and Commercial Paper Notes is immeasurable due to the fact that the Bond Anticipation Notes were issued as temporary financing (1 year) and the refunding bonds were issued as long term financing (30 years).

Series 2009A:

The \$418,165,000 North Texas Tollway Authority System Revenue Bonds, Series 2009A were issued on August 12, 2009 for the purpose of refunding \$48,655,000 of Series 1997 bonds; refunding \$59,105,000 of Series 1997A Bonds; refunding \$21,210,000 of Series 1998 Bonds; refunding \$161,110,000 of Series 2005C Bonds; and refunding \$90,950,000 of Commercial Paper notes. Additionally, a deposit of \$18,500,000 was made for Capital Improvement Projects from the Series 2009A proceeds. Interest is payable on January 1 and July 1, commencing January 1, 2010.

The total consists of \$44,740,000 Serial Bonds with maturities of January 1, 2011 through January 1, 2013 with interest rates ranging from 3% to 5%, and \$373,425,000 Term Bonds with maturities on January 1, 2024, January 1, 2028 and January 1, 2039 and interest rates ranging from 6% to 6.25%.

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Net proceeds of \$292,507,177 were deposited into an irrevocable trust with an escrow agent to provide for future debt service payment on the refunded Series 1997 bonds, Series 1997A bonds, Series 1998 Bonds and Commercial Paper Notes. As a result, the Series 1997 bonds, a portion of the Series 1997A bonds, a portion of the Series 1998 Bonds, a portion of the Series 2005C bonds and the Commercial Paper notes then outstanding are considered to be defeased and the liability has been removed from the Statement of Net Position. The Authority obtained a present value loss of \$16,920,933.

The refunding resulted in an increase of \$132,339,031 in the aggregate debt service between the refunding debt and the refunded debt. This was not an economic refunding but rather a restructuring refunding. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2009A of (\$12,613,456) was deferred and is being amortized over the stated term of the Series 1997 Bonds. Amortization of the deferred amount on the refunding was \$2,049,225 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$2,158,869).

Series 2009B:

The \$825,000,000 North Texas Tollway Authority System Revenue Bonds, Series 2009B were issued on August 12, 2009 as Taxable Build America Bonds, ("BABs") for the purpose of funding construction for the Sam Rayburn Tollway project, the Lewisville Lake Toll Bridge project and the President George Bush Turnpike Eastern Extension project. Interest is payable on January 1 and July 1, commencing January 1, 2010. These bonds are entitled to a direct payment subsidy from the United States Treasury in an amount equal to 35% of the interest due on each payment date. The Authority must request this subsidy prior to each interest payment date. The Series 2009B Bonds were issued as one term bond with a maturity of January 1, 2049 and an interest rate of 6.718%.

Series 2009C:

On November 5, 2009, the Authority issued \$170,730,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2009C, for the purpose of refunding a portion of Series 2008E-1 and Series 2008G Bonds. Interest is payable on January 1 and July 1, commencing July 1, 2010. The bonds were issued as one Term Bond due January 1, 2044 at an interest rate of 5.25%.

Net proceeds of \$166,408,750 were deposited into an irrevocable trust with an escrow agent to provide for future debt service payment on the refunded Series 2008E-1 bonds and the Series 2008G bonds. As a result, a portion of the Series 2008E-1 bonds and the Series 2008G bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value gain of \$11,969,757.

The refunding resulted in an increase of \$37,268,508 in aggregate debt service between the refunding debt and the refunded debt. This was not an economic refunding but rather a restructuring refunding. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2009C of \$3,984,364 was deferred and is being amortized over the stated term of the Series 2008E-1 and Series 2008G Bonds. Amortization of the deferred amount on the refunding was (\$163,281) for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was \$3,467,308.

Series 2009D:

On November 5, 2009, the Authority issued \$178,400,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2009D, for the purpose of refunding a portion of Series 2008E-1 Bonds. The bonds were issued in variable rate mode, with interest payable on the first Business Day of each month, commencing December 1, 2009, and interest rates are reset weekly. The remarketing agent is J.P. Morgan Securities Inc. The stated maturity for this bond is January 1, 2049.

Net proceeds of \$176,710,000 were deposited into an irrevocable trust with an escrow agent to provide for future debt service payment on the refunded Series 2008E-1 bonds. As a result, a portion of the Series 2008E-1 bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value gain of \$11,463,491.

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The refunding resulted in an increase of \$94,234,282 in aggregate debt service between the refunding debt and the refunded debt. This was not an economic refunding but rather a restructuring refunding. The difference between the reacquisition price and the net carrying amount of the 2008E-1 Bonds refunded by 2009D of (\$11,881,769) was deferred and is being amortized over the stated term of the Series 2008E-1 Bonds. Amortization of the deferred amount on the refunding was \$795,789 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$9,044,514).

On August 1, 2012 the 2009D Bonds changed interest rate modes from the weekly reset with interest due monthly into a Callable Commercial Paper Mode. The Commercial Paper is marketed with a minimum 25 day call at which they are remarketed into a new period. The interest rate is fixed for the period at the time of remarketing. Interest is payable at each call date.

Series 2010A:

On May 13, 2010, the Authority issued \$90,000,000 of North Texas Tollway Authority System Revenue Bonds, Series 2010A, for the purpose of being a contribution to the Special Project System for construction of the PGBT WE (SH 161) project and other projects deemed necessary by the Authority. The bonds were issued as Subordinate Lien Obligations and are to be repaid from net revenues available after the payment of First Tier Bonds, Second Tier Bonds and Third Tier Bonds, the deposit of funds in all reserve funds, to the extent necessary, the deposit of funds into the Reserve Maintenance Fund of the Authority, and the payment of the ISTEALoan. Interest is payable on February 1 and August 1, commencing Feb 1, 2010. The bonds were issued as one Term Bond due February 1, 2023 at an interest rate of 6.25%

Series 2010B:

On May 13, 2010, the Authority issued \$310,000,000 of North Texas Tollway Authority System Revenue Bonds as Taxable Build America Bonds, ("BABs"), Series 2010B, for the purpose of being a contribution to the Special Project System for construction of the PGBT WE (SH161) project and other projects deemed necessary by the Authority. The bonds were issued as Subordinated Lien Obligations and are to be repaid from net revenues available after the payment of First Tier Bonds, Second Tier Bonds and Third Tier Bonds, the deposit of funds in all reserve funds, to the extent necessary, the deposit of funds into the Reserve Maintenance Fund of the Authority, and the payment of the ISTEALoan. Interest is payable on February 1 and August 1, commencing Feb 1, 2010

These bonds were issued as Taxable Build America Bonds, ("BABs") and were issued in two Subseries, 2010B-1 and 2010B-2. These bonds are entitled to a direct payment subsidy from the United States Treasury in an amount equal to 35% of the interest due on each payment date. The Authority must request this subsidy prior to each interest payment date. The 2010B-1 Subseries consist of one Term Bond due February 1, 2030 at an interest rate of 8.41%. The 2010B-2 Subseries consist of one Term Bond due February 1, 2030 at an interest rate of 8.91%.

Series 2010:

On December 8, 2010, the Authority issued \$332,225,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2010 for the purpose of refunding the \$200,000,000 of 2008H-1 and \$120,000,000 of 2008L-1 bonds which had a mandatory tender of January 1, 2011. Interest is payable January 1 and July 1, commencing July 1, 2011. These bonds were issued as three Term Bonds due January 1, 2034, January 1, 2038 and January 1, 2043. All three term bonds have an interest rate of 6.00%

The refunding resulted in a decrease of \$562,190,215 in the aggregate debt service between the refunding debt and the refunded debt. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2010 Revenue Refunding Bonds of (\$861,951) was deferred and is being amortized over the stated term of the Series 2008L-1 Bonds. Amortization of the deferred amount on the refunding was \$35,023 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$789,667).

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Series 2011A:

On July 7, 2011, the Authority issued \$100,000,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2011A for the purpose of refunding the \$100,000,000 of 2008J. The 2008J bonds were a direct placement with Bank of America and had a Bank Mandatory Tender date of November 1, 2011.

The 2011A bonds were issued in variable rate mode, with interest payable on the first Business Day of each month, commencing August 1, 2011, and interest rates are reset weekly. The remarketing agent is Morgan Stanley Bank, N.A. The stated maturity for this bond is January 1, 2050.

The aggregate difference in debt service between the refunding bonds and the refunded bonds is immeasurable due to the fact that both series were issued in a variable rate mode. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2011A Revenue Refunding Bonds of (\$452,540) was deferred and is being amortized over the stated term of the Series 2008J Bonds. Amortization of the deferred amount on the refunding was \$29,291 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$409,030).

Series 2011B:

On November 29, 2011, the Authority issued \$268,625,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2011B for the purpose of refunding \$43,345,000 of Series 1997A Bonds; refunding \$51,290,000 of Series 1998 Bonds; and refunding \$175,000,000 of Series 2008E-2 Bonds. The 1997A and 1998 Bonds were refunded for economic savings. The 2008E-2 Bonds had a mandatory tender date of January 1, 2012. Interest is payable January 1 and July 1, commencing January 1, 2012. These bonds were issued as serial bonds maturing January 1, 2019 through January 1, 2026 and one Term Bonds due January 1, 2038. The bonds have an interest rate of 5.00%

The refunding resulted in a decrease of \$45,413,311 in the aggregate debt service between the refunding debt and the refunded debt. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2011B Revenue Refunding Bonds of \$400,780 was deferred and is being amortized over the stated term of the Series 1997A Bonds. Amortization of the deferred amount on the refunding was (\$50,911) for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was \$345,344.

The 1997A Bonds previously refunded the 1989 and 1994 Bonds and the difference between the reacquisition price and the net carrying amount of the Bonds refunded by the 1997A Bonds was deferred and was being amortized over the term of the 1997A Bonds. The remaining deferred amount from the 1989 and 1994 Bonds refunding will be combined with the amounts deferred from the 2011B Revenue Refunding and amortized over the original life of the 1997A Bonds, which had the shortest remaining term. Amortization of the deferred amount on the prior refunding was \$167,983 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$971,509). The total deferred amount ending balance is (\$626,165).

Series 2012A:

On June 6, 2012, the Authority issued \$25,930,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2012A, for the purpose of refunding \$26,855,000 of the Series 1998 Bonds for economic savings. Interest is payable January 1 and July 1 of each year, commencing January 1, 2013. These bonds were issued as serial bonds maturing January 1, 2027 through January 1, 2029. The bonds have interest rates between 3.75% and 5.00%

The refunding resulted in a decrease of \$2,859,265 in the aggregate debt service between the refunding debt and the refunded debt. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2012A Revenue Refunding Bonds of (\$501,766) was deferred and is being amortized over the stated term of the Series 1998 Bonds. Amortization of the deferred amount on the refunding was \$17,794 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$483,972).

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Series 2012B:

On October 4, 2012, the Authority issued \$383,625,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2012B, for the purpose of refunding \$189,210,000 of Series 2003A Bonds and refunding \$209,040,000 of Series 2008H-2 Bonds. The 2003A Bonds were refunded for economic savings. The 2008H-2 Bonds had a mandatory tender date of January 1, 2013. Interest is payable January 1 and July 1 of each year, commencing January 1, 2013. These bonds were issued as serial bonds maturing January 1, 2021 through January 1, 2034 and three Term Bonds due January 1, 2036, January 1, 2042 and January 1, 2052. The bonds have an interest rate between 5.00% and 5.25%

The refunding of this portion of the Series 2003A resulted in a decrease of \$19,163,860 in the aggregate debt service between the refunding debt and the refunded debt. The difference between the reacquisition price and the net carrying amount of the 2003A Bonds refunded by 2012B Revenue Refunding Bonds of \$150,689 was deferred and is being amortized over the stated term of the Series 2003A Bonds. Amortization of the deferred amount on the refunding was (\$2,019) for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was \$148,670.

The refunding of the Series 2008H-2 resulted in a decrease of \$71,672,879 in the aggregate debt service between the refunding debt and the refunded debt. The difference between the reacquisition price and the net carrying amount of the 2008H-2 Bonds refunded by 2012B Revenue Refunding Bonds of \$1,272,414 was deferred and is being amortized over the stated term of the Series 2008H-2 Bonds. Amortization of the deferred amount on the refunding was (\$17,047) for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was \$1,255,367.

Outstanding principal on this portion of the Series 2003A and the Series 2008H-2 Bonds in Escrow is \$189,210,000 and \$209,040,000 respectively at December 31, 2012 and was fully redeemed on January 1, 2013.

Series 2012C:

On November 1, 2012, the Authority issued \$101,775,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2012C, for the purpose of refunding \$100,000,000 of Series 2008L-2 Bonds which had a mandatory tender date of January 1, 2013. The 2012C Bonds have an initial interest rate of 1.95% payable January 1 and July 1 of each year, commencing January 1, 2013. These bonds are subject to a mandatory tender on January 1, 2019. On the Mandatory Tender Date, the bonds will be subject to mandatory tender for purchase. The Authority has agreed that the Bonds will be remarketed at the first date on or after the Mandatory Tender date at which they can be sold in any interest rate mode and at a rate not exceeding 10.00% per annum. In the event that they cannot be remarketed and purchased on the Mandatory Tender Date, the mandatory tender will be deemed to have been rescinded and the Series 2012C Bonds will bear interest at the rate of 10% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing.

The refunding of the Series 2008L-2 resulted in a decrease of \$21,349,156 in the aggregate debt service between the refunding debt and the refunded debt. The difference between the reacquisition price and the net carrying amount of the Bonds refunded by 2012C Revenue Refunding Bonds of (\$1,569,618) was deferred and is being amortized over the stated term of the Series 2008L-2 Bonds. Amortization of the deferred amount on the refunding was \$11,517 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$1,558,101).

Outstanding principal on the portion of the Series 2008L-2 Bonds in Escrow is \$100,000,000 at December 31, 2012 and was fully redeemed on January 1, 2013.

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Series 2012D:

On November 1, 2012, the Authority issued \$32,815,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2012D, for the purpose of refunding \$35,790,000 of Series 2003A Bonds. These bonds were issued as a Term Bond due January 1, 2038. The bonds have an interest rate of 5.00% payable January 1 and July 1 of each year, commencing January 1, 2013

The refunding of this portion of the Series 2003A resulted in a decrease of \$6,646,042 in the aggregate debt service between the refunding debt and the refunded debt. The difference between the reacquisition price and the net carrying amount of the 2003A Bonds refunded by 2012D Revenue Refunding Bonds of (\$122,121) was deferred and is being amortized over the stated term of the Series 2003A Bonds. Amortization of the deferred amount on the refunding was \$825 for the year ended December 31, 2012. The deferred amount ending balance for the year ended December 31, 2012 was (\$121,296).

Outstanding principal on this portion of the Series 2003A Bonds in Escrow is \$35,790,000 at December 31, 2012 and was fully redeemed on January 1, 2013.

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

<u>Description of Issue</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Matured or Retired</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Series '98	\$ 26,855,000	\$ -	\$ (26,855,000)	\$ -	\$ -
Series '03A	225,000,000	-	(225,000,000)	-	-
Series '05C	178,310,000	-	-	178,310,000	-
Series '08A	1,747,210,000	-	(13,080,000)	1,734,130,000	925,000
Series '08B	226,930,000	-	-	226,930,000	-
Series '08D	498,066,589	30,036,264	-	528,102,853	-
Series '08E	215,000,000	-	-	215,000,000	-
Series '08F	1,000,000,000	-	-	1,000,000,000	-
Series '08H	209,040,000	-	(209,040,000)	-	-
Series '08I	245,005,325	15,691,831	-	260,697,156	-
Series '08J	-	-	-	-	-
Series '08K	205,000,000	-	-	205,000,000	-
Series '08L	100,000,000	-	(100,000,000)	-	-
Series '09A	404,005,000	-	(14,900,000)	389,105,000	15,680,000
Series '09B	825,000,000	-	-	825,000,000	-
Series '09C	170,730,000	-	-	170,730,000	-
Series '09D	178,400,000	-	-	178,400,000	-
Series '10A	90,000,000	-	-	90,000,000	-
Series '10B	310,000,000	-	-	310,000,000	-
Series '10	332,225,000	-	-	332,225,000	-
Series '11A	100,000,000	-	-	100,000,000	-
Series '11B	268,625,000	-	-	268,625,000	-
Series '12A	-	25,930,000	-	25,930,000	-
Series '12B	-	383,625,000	-	383,625,000	-
Series '12C	-	101,775,000	-	101,775,000	-
Series '12D	-	32,815,000	-	32,815,000	-
	<u>7,555,401,914</u>	<u>589,873,095</u>	<u>(588,875,000)</u>	<u>7,556,400,009</u>	<u>16,605,000</u>
Less:					
Unamortized deferred amount on refunding of revenue bonds	30,803,105	770,401	(4,701,591)	26,871,915	-
Bond discount/premium	36,512,143	(29,586,397)	6,989,322	13,915,068	-
Totals	<u>\$ 7,488,086,666</u>	<u>\$ 618,689,091</u>	<u>\$ (591,162,731)</u>	<u>\$ 7,515,613,026</u>	<u>\$ 16,605,000</u>

Deferred Amount on Refunding/Premium/Discounts

Expenses related to the issuance of the bonds and other loans are being amortized using the bonds outstanding method that factors in the maturities of the various serial bonds, over the term of the bonds and loan. The deferred amount of refunding for the year ended on December 31, 2012 was \$26,871,916. The discount (premium) costs for the year ended on December 31, 2012 was \$13,915,067.

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

Year	Total Revenue Bonds		Capitalized Interest	BAB Subsidy	Total
	Principal amount	Interest amount			
Due January 1					
2013	\$ 16,605,000	\$ 388,844,537	\$ (35,040,632)	\$ (28,978,075)	\$ 341,430,830
2014	-	394,564,624	-	(28,978,075)	365,586,549
2015	965,000	403,850,863	-	(28,978,075)	375,837,788
2016	1,370,000	413,375,026	-	(28,978,075)	385,766,951
2017	22,150,000	413,005,489	-	(28,978,075)	406,177,414
2018 - 2022	463,735,000	2,028,939,386	-	(144,890,375)	2,347,784,011
2023 - 2027	1,079,665,000	1,796,716,181	-	(134,432,721)	2,741,948,460
2028 - 2032	1,191,064,913	1,470,161,397	-	(103,839,635)	2,557,386,675
2033 - 2037	1,597,657,473	1,124,845,806	-	(96,991,125)	2,625,512,154
2038- 2042	1,552,048,654	675,808,627	-	(89,666,296)	2,138,190,985
2043 - 2047	974,311,720	261,703,271	-	(48,313,102)	1,187,701,889
2048 - 2052	468,025,000	24,395,456	-	(4,617,189)	487,803,267
Interest Accretion	188,802,249	(188,802,249)	-	-	-
	<u>\$ 7,556,400,009</u>	<u>\$ 9,207,408,414</u>	<u>\$ (35,040,632)</u>	<u>\$ (767,640,818)</u>	<u>\$ 15,961,126,973</u>

The Interest and Sinking and Reserve Accounts required by the Trust Agreement have been established with the Trustee. The balances as of December 31, 2012 were:

	Cash and Investment Balance	Trust Requirement
Bond Interest account*	\$ 187,967,462	\$ 171,514,119
Debt service reserve account**	402,059,362	392,849,234
Redemption account***	16,606,666	16,605,000
Total	<u>\$ 606,633,490</u>	<u>\$ 580,968,353</u>

Bond interest account – Interest payment due at next due date

Debt service reserve account – Average annual debt service payment

Redemption account – Principal payment due at next due date

* Difference of \$16,453,343 – NTTA prefunded \$16,400,000 of 2013 Debt Service from the Capital Improvement Fund during 2011 and \$53,343 interest earned during the year.

** Debt Service Reserve account per the trust agreement is not valued at market price, but amortized value. The amortized value at 12/31/12 was \$399,814,842.

*** Redemption account had \$1,666 excess from interest earned during the year.

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SWAP Transactions

History. Pursuant to the ISDA Master Agreements dated and effective as of August 20, 2004 (the "2004 ISDA Master Agreements") and the schedules, annexes there to, the North Texas Tollway Authority (the "Authority") entered into multiple interest rate swap transactions in the cumulative notional amount of \$202,720,000 with Citibank N.A., New York, Bear Stearns Financial Products Inc. and Lehman Brothers Special Financing Inc. (the "Swap Providers") The 2004 Swap Transactions were executed in connection with the then proposed refunding of a portion of the Dallas North Tollway System Revenue Bonds, Series 1995 (the "Series 1995 Bonds") and the issuance of the Variable Rate Revenue Bonds, Series 2005C (the "Series 2005C Bonds"), (the "2004 Swap Transactions").

Pursuant to the 2004 ISDA Master Agreements and concurrent with the issuance of the Series 2005C Bonds in December 2005, the Authority and the Swap Providers also entered into multiple interest rate swap transactions in the collective nominal amount of \$138,950,000, effective as of December 15, 2005, relating to the portion of the Series 2005C Bonds issued to refund the remaining Series 1995 Bonds (the "2005 Swap Transactions" and together with the 2004 Swap Transactions, the "Swap Transactions").

In September 2008 Lehman Brothers declared bankruptcy and their portion of the Swap Transactions were terminated. On October 1, 2008, a swap termination payment of \$4,511,011 was made by the Authority.

After the collapse of Bear Stearns on May 15, 2009, JPMorgan Chase Bank N.A. acquired some of the assets of Bear Stearns and some derivative transactions, including transactions with the Authority, were transferred from Bear Stearns Financial Products to JPMorgan Chase Bank N.A.

On August 14, 2009, \$5,375,000 for the 2004 Swap Transaction and \$706,700 for the 2005 Swap Transaction was paid to the Swap Providers to terminate a portion of each respective swap. Currently, the notional amount for the 2004 Swap Transaction and the 2005 Swap Transaction is \$84,060,000 and \$94,230,000 respectively. The Swap Providers are currently Citibank N.A. and JPMorgan Chase Bank N.A.

On September 1, 2009, the Series 2005C bonds were converted to fixed rate bonds. The outstanding Swap Transactions remain *legally* tied to the Series 2005C Bonds, which have been remarketed to fixed rate. However, the Authority recognized the need for the Swap Transactions to be *economically* tied to variable rate bonds so that the Swap Transactions could function properly and generate a reasonable synthetic fixed rate. To that end, the Authority negotiated a letter of credit with JPMorgan, and issued \$178,400,000 Series 2009D variable rate bonds on November 5, 2009.

Objective of the interest rate swap

The intention of the Swap Transactions was to produce an overall fixed rate cost of funds related to refunding of the Series 1995 Bonds. The Swap Transactions were structured to: lock in low rates; minimize the negative arbitrage in escrow; achieve higher present value savings than traditional fixed rate bond alternatives; and increase future debt capacity. Total present value savings from these transactions was originally estimated at \$41.8 million.

Terms – 2004 Swap Transactions

Under the 2004 Swap Transactions, the Authority is obligated to make payments to the Swap Providers calculated at a fixed rate of 3.673% per annum and the Swap Providers are obligated to make floating rate payments to the Authority calculated at a rate equal to 67% of the one-month London Interbank Offered Rate ("LIBOR") for U.S. deposits. The 2004 Swap Transactions have a stated final maturity date of January 1, 2023.

Terms – 2005 Swap Transactions

Under the 2005 Swap Transactions, the Authority is obligated to make payments to the Swap Providers calculated at a fixed rate of 3.533% per annum and the Swap Providers are obligated to make floating rate

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payments to the Authority calculated at a rate equal to 67% of the one-month LIBOR for U.S. deposits. The Series 2005C Bonds and the 2005 Swap Transactions have a stated final maturity date of January 1, 2025.

As of December 31, 2012, rates were as follows: (see example in table below)

Interest rate swap:	Terms	2004 Swap Rates December 31, 2012	2005 Swap Rates December 31, 2012
Fixed payment to counterparties	Fixed	3.673%	3.533%
Minus Variable payment from counterparties	67% of 1-Month LIBOR	0.140%	0.140%
Net interest rate swap payments		3.533%	3.393%
Plus 2009D Variable-rate bond coupon payments	Avg. Coupon + 100 bps*	1.200%	1.200%
Synthetic interest rate on bonds including LOC & Remarketing		4.733%	4.593%
*90bps LOC fee & 10bps remarketing fee			

Period Ended December 31, 2012

<u>Derivative Instrument</u>	<u>Hedge Type</u>	<u>Effectiveness Test Method</u>	<u>Result</u>	<u>Classification</u>	<u>Amount</u>
Combined 2004 Swaps	Cash flow hedges	Regression Analysis	Effective	Deferred Outflow	\$ (19,028,650)
Combined 2005 Swaps	Cash flow hedges	Regression Analysis	Effective	Deferred Outflow	\$ (23,320,365)

Fair value. As of December 31, 2012, the 2004 Swap Transactions had a negative fair value of \$19,028,649.51 and the 2005 Swap Transactions had a negative fair value of \$23,320,365.36. The negative fair value signifies the amount that the Authority would owe to the Swap Providers upon the termination of all the Swap Transactions as of that date. The fair values were calculated using **FAIRVALUE ADVISOR**, First Southwest's online swap valuation system. The system is SSAE 16 compliant. First Southwest is an independent third party provider of swap valuations.

Credit risk. As of December 31, 2012 the Authority was not exposed to counterparty credit risk because the Swap Transactions had a negative fair value. However, should interest rates change and the fair value of the Swap Transactions become positive, the Authority would be exposed to credit risk in the amount of the fair value of the Swap Transactions.

If the Swap Providers' credit rating is reduced below A2 by Moody's or A by S&P, in the case of Citibank N.A., New York, or Aa3 by Moody's or AA- by S&P in the case of JPMorgan Chase Bank N.A., the provider is required to post collateral to the Authority's credit.

As of December 31, 2012, the Swap Providers' respective ratings by Moody's Investors Service ("Moody's") and by Standard and Poor's Corporation ("S&P") are as follows: Citibank N.A., New York A3/A and JPMorgan Chase Bank N.A. Aa3/A+. Each party's portion of the 2004 Forward Swap and 2005 Current Swap agreement is 2/3 & 1/3 and 1/3 & 2/3 respectively.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the Authority's hedging instruments or their cash flows. The Authority is exposed to interest rate risk on its derivatives.

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The underlying Bonds (Series 2009D) are issued as a callable CP product and have variable rate coupon payments which are reset with each remarketing. The Swap Payments paid to the Authority by the Swap Providers are also variable, tied to 67% of one month Libor. A decrease in Libor rates would increase the net swap payments for the Authority but it might be offset by a likely decrease in the variable coupon rate and a lower corresponding coupon payment. Any increase in the variable coupon rate would increase the corresponding coupon payment, but it might be offset by a likely increase in Libor rates and a lower corresponding net swap payment.

Rollover Risk. Rollover risk is the risk that a hedging instrument associated with hedgeable item does not extend to the maturity of that hedgeable item. The Authority is not exposed to rollover risks because the hedging derivative instruments associated with the hedgeable debt items extend beyond the maturity of the hedgeable debt items.

Basis risk. The Authority is exposed to basis risk under the swap agreements as the variable rate received from the counterparties will not perfectly match the rate paid on the bonds and the expected cost savings may not be realized.

Collateral risk. On September 30, 2008 MBIA and FGIC completed a reinsurance transaction related to the insurance on the Swap Transactions. The Swap Transaction is now insured by MBIA. The Authority may be required to post collateral, if MBIA is rated below "A-" by S&P or "A3" by Moody's. If MBIA's rating *and* the Authority is downgraded to below A3 by Moody's or A- by S&P, the Authority will be obligated to post collateral in an amount equal to the swap termination amount owed by the Authority to JPMorgan Chase Bank N.A. MBIA's rating is below the referenced levels, but the Authority has maintained its ratings above the referenced levels and no collateral is required to be posted. The Authority is currently rated A2 by Moody's and A- by S&P.

Market Access Risk. The Authority is not directly exposed to market access risk on the swaps. It is, however, indirectly exposed to market access risk through the underlying bond issue (Series 2009D) to which the swaps are economically tied. The 2009D bonds are variable rate obligations that are backed by a letter of credit. Letters of credit typically have a two or three year term, and at the end of the initial term the Authority might need to refinance the debt or secure a new letter of credit. The risk is that the Authority may not be able to access the markets to obtain a new letter of credit.

Foreign Currency Risk. The Authority is not exposed to Foreign Currency Risk as both the fixed and variable payment portion are in the same currency. (US Dollars)

Counterparty Risk. Counterparty risk exists if the counterparty cannot make future payments or cannot make a termination payment due to NTTA. Risk is reduced by ISDA (International Swaps and Derivatives Association) contract terms addressing collateral limits and credit ratings. Additionally, selection of more than one highly-rated counterparty diversifies risk.

Termination risk. Termination risk exists if: (i) the Authority opts to terminate the Swap Transactions prior to maturity and the Swap Providers do not have sufficient funds to pay the Authority, (ii) the Authority is downgraded to below A3 by Moody's or A- by S&P and the Authority is unable to post sufficient collateral; or (iii) the Authority's credit rating is reduced below investment grade by Moody's or S&P. If upon termination, the swap has a negative fair value, then the Authority would be liable to the Swap Providers for a payment equal to the Swap's fair value.

The Swap Transactions are subject to optional termination by the Authority at any time over the term of the Swap Transactions at the then prevailing market value. The Swap Providers do not have the elective right to optionally terminate the Swap Transactions. Each of the swap agreements may be terminated by the respective counterparty if the Authority does not maintain a credit rating of least Baa3 by Moody's or BBB- by S&P. The Authority's current ratings are A2 by Moody's and A- by S&P.

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Swap payments and associated debt. Using rates as of December 31, 2012, debt service requirements of the variable-rate and net swap payments, assuming current interest rates remain the same for the term, were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

2009D Bonds Associated

with Swaps

Fiscal Year	Principal amount	Interest amount*	Total
2013	\$ -	\$ 8,738,620	\$ 8,738,620
2014	-	8,738,620	8,738,620
2015	-	8,738,620	8,738,620
2016	-	8,762,561	8,762,561
2017	-	8,738,620	8,738,620
2018	-	8,738,620	8,738,620
2019	-	8,600,690	8,600,690
2020	-	8,478,595	8,478,595
2021	-	8,144,094	8,144,094
2022	-	7,811,665	7,811,665
2023	-	7,489,801	7,489,801
2024	-	7,164,224	7,164,224
2025	-	6,779,200	6,779,200
2026	-	6,779,200	6,779,200
2027	-	6,779,200	6,779,200
2028	-	6,797,773	6,797,773
2029	-	6,779,200	6,779,200
2030	-	6,779,200	6,779,200
2031	-	6,779,200	6,779,200
2032	-	6,797,773	6,797,773
2033	-	6,779,200	6,779,200
2034	-	6,779,200	6,779,200
2035	-	6,779,200	6,779,200
2036	-	6,797,773	6,797,773
2037	-	6,779,200	6,779,200
2038	-	6,779,200	6,779,200
2039	-	6,779,200	6,779,200
2040	-	6,797,773	6,797,773
2041	-	6,779,200	6,779,200
2042	-	6,779,200	6,779,200
2043	-	6,779,200	6,779,200
2044	32,000,000	6,797,773	38,797,773
2045	33,800,000	5,563,200	39,363,200
2046	35,600,000	4,278,800	39,878,800
2047	37,500,000	2,926,000	40,426,000
2048	39,500,000	1,505,112	41,005,112
TOTAL	\$ 178,400,000	\$ 250,094,706	\$ 428,494,706

* Includes interest rates for both swap payments, plus the assumed variable rate amount.

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Commercial Paper

On April 18, 2001, the Authority's Board of Directors authorized the \$200,000,000 Dallas North Tollway Authority Tax-Exempt Commercial Paper program. The commercial paper issued must mature not more than 270 days from date of issue. The Authority may retire commercial paper at any time.

Commercial paper notes are supported by a letter of credit with Bank of America in excess of \$200,000,000 and constitute a Third Tier obligation under the Amended and Restated Trust Agreement. Any advances for payments of commercial paper under the letter of credit are secured by a Third Tier lien on Authority revenues. No such advances have occurred. The credit agreement was renewed on October 16, 2009 and was scheduled to expire on January 2, 2011. On December 16, 2010 the Authority retired the Third Tier Commercial Paper Program and supporting letter of credit. In conjunction with the retirement of the old program the Authority established a new Commercial Paper Program supported by a new letter of credit with Bank of America in excess of \$200,000,000 constituting a Second Tier obligation under the Amended and Restated Trust Agreement. Any advances for payments of commercial paper under the new letter of credit are secured by a Second Tier lien on Authority revenues. No such advances have occurred. The credit agreement expires on December 16, 2013.

Commercial Paper may be issued to provide interim financing for new projects and other capital improvements and to finance equipment purchases for projects of the Authority. In January and March 2011, prior to the establishment of the Special Projects System, the Authority issued \$20,000,000 of commercial paper to: finance the design, engineering and other preliminary construction costs for the Southwest Parkway/Chisholm Trail project, Phase 4 of the Dallas North Tollway, the conversion of PGBT to all-electronic toll collection and other capital improvements and feasibility study costs of the NTTA System. As of December 31, 2012, \$38,300,000 was outstanding with an average interest rate of 0.27%.

Short-term debt activities for the year ended December 31, 2012 were as follows:

	Balance at December 31, 2011	Additions	Reductions	Balance at December 31, 2012
Commercial Paper Notes	\$ 56,300,000	\$ -	\$ 18,000,000	\$ 38,300,000

Loans Payable

Additionally, the Authority funded, in part, costs of the construction of the PGBT with proceeds from a loan, which totaled \$135,000,000, made by TxDOT in 1995 pursuant to the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). Interest at the rate of 4.2% began to accrue on October 1, 2000, compounding annually on January 1, with the first payment made in October 2004, and annual payments on January 1 thereafter until final payment in 2029, which resulted in a new loan amount at October 1, 2004 of \$154,338,133. Repayment of the loan to TxDOT is to be made from amounts on deposit in the Capital Improvement Fund with payments subordinate to bonds or other obligations of the Authority issued or entered into and secured by the tolls and revenues of the Authority. The ISTEA loan payment of \$8,250,000 was made on December 31, 2012 for the fiscal year of 2012. The loan payable was \$138,262,812 as of December 31, 2012.

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Debt service requirements on the TxDOT ISTEAs loan payable subsequent to December 31, 2012 are as follows:

Fiscal years	TxDOT ISTEAs Loan payable	
	Principal	Interest
2013(*)	\$ -	\$ -
2014	2,192,962	5,807,038
2015	2,285,066	5,714,934
2016	2,381,039	5,618,961
2017	2,481,043	5,518,957
2018 - 2022	37,632,735	24,762,058
2023 - 2027	62,473,084	14,138,898
2028 - 2029	28,816,883	1,827,910
Total principal and interest	\$ 138,262,812	\$ 63,388,756

*Note 1/1/2013 payment was made December 2012.

(6) Employees' Retirement Plan

As discussed in Note 1, effective September 1, 1997, the Authority, a regional tollway authority under Chapter 366, Transportation Code, became the successor agency to the Texas Turnpike Authority. In connection with this transition, the Authority changed from being a participant in the plans administered by the Employees Retirement System of Texas (ERS), which are considered single employer defined benefit pension plans, to being a participant in the Texas County and District Retirement System (TCDRS), which is a nonprofit public trust fund that provides pension, disability, and death benefits to eligible employees of the counties and districts that participate in TCDRS. Information related to the TCDRS, the Authority's 401(k) plan, and its refrain from participation in Social Security is included herein. A separate audited GAAP-basis pension plan report for ERS is available at www.ers.state.tx.us/Publications/FinancialReports.

Texas County and District Retirement System

TCDRS, an agent multiple-employer public employee retirement system, was established by legislative act in 1967 as a nontraditional, joint contributory, defined benefit plan. Individuals are required to become a TCDRS member at the time of their employment regardless of their age, unless the individual is ineligible for one of the reasons specified by the TCDRS (e.g., part time, temporary employee).

The governing body of the political subdivision determines the percentage of salary that both the individual and employer contribute toward retirement. The employee and employer contribution rate established was 6% and 9.10% of wages up to a maximum of \$245,000, respectively, at December 31, 2012.

Once an individual reaches vested status, he or she may end employment with a TCDRS subdivision and retain his or her right to future benefits as long as the individual does not die or withdraw personal contributions. Once a vested employee has satisfied both the service and age requirements for retirement, he or she is considered retirement eligible. Employees are eligible to receive lifetime monthly pension payments following the termination of their employment if the individual has 10 or more years of service credit at age 60 or older or the individual has 30 or more years of service credit at any age.

An individual is also eligible to receive lifetime monthly pension payments after his or her termination of employment if his or her political subdivision has authorized, and the individual has satisfied 10 years of service credit at age 60 or older or the individual's combined age and total service is 75 years or more.

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If an individual is eligible for service or disability retirement pension payments, the amount of the lifetime monthly pension to be received after retirement is determined by dividing the total dollars of accumulated retirement credit earned at retirement by the appropriate annuity purchase rate used to convert dollars of retirement credit to a lifetime monthly pension payment.

If an individual has at least ten years of service credit and becomes disabled for any reason, the individual may be approved for disability retirement benefits if the TCDRS Medical Board finds that the individual is mentally or physically incapacitated for any gainful occupation and the incapacity is considered permanent.

Total pension expense allocated to the System by the Authority for the year ended December 31, 2012, was \$3,193,930 based on a covered payroll of \$35,782,988. The Authority made the actuarially required contribution. Employee contributions to the plan for the year ended December 31, 2012 were \$2,112,085.

A separate audited GAAP-basis pension plan report for TCDRS is available at www.tcdrs.org/docs.

Actuarial valuation information (unaudited)

	December 31, 2009	December 31, 2010	December 31, 2011
Actuarial valuation date	Entry age	Entry age	Entry age
Actuarial cost method	Level % of	Level % of	Level % of
Amortization method	payroll, closed	payroll, closed	payroll, closed
Amortization period	20.0	20.0	30.0
	SAF: 10-yr	SAF: 10-yr	SAF: 10-yr
Asset valuation method	smooth value	smooth value	smooth value
	ESF: Fund	ESF: Fund	ESF: Fund
	value	value	value
Actuarial assumptions:			
Investment return**	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

**Includes inflation at the stated rates.

Source reference: Texas County and District Retirement System (GASB Compliance Data) For Employer's Accounting Year ending in 2011

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the plan was 101.15% funded. The actuarial accrued liability for benefits was \$51,969,647, and the actuarial value of assets was \$52,564,706, resulting in an unfunded actuarial accrued liability (UAAL) of \$(595,059). The covered payroll was \$31,976,241, and the ratio of the UAAL to the covered payroll was (1.86)%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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**Trend Information for the retirement
plan for the employees of the Authority**

<u>Accounting year ended</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net Pension obligation</u>
December 31, 2010	\$ 2,130,462	100%	\$ -
December 31, 2011	\$ 1,923,878	100%	\$ -
December 31, 2012	\$ 2,112,085	100%	\$ -

401(k) Plan

As a state agency of the State of Texas, the Texas Turnpike Authority was a participating employer in the State of Texas TexaSaver 401(k) Profit Sharing Plan sponsored by the Employees Retirement System of Texas. The Texas Turnpike Authority, as a state agency, was permitted to participate in the Employees Retirement System of Texas under Section 812.003 of the Texas Government Code.

Because the Act established the Authority as a political subdivision of the State of Texas instead of a state agency, it is no longer eligible to participate in the TexaSaver 401(k) Plan maintained by the Employees Retirement Authority of Texas. As a successor of the Texas Turnpike Authority, however, the Authority is eligible under current IRS rules and regulations to adopt the North Texas Tollway Authority 401(k) Plan as a successor qualified cash or deferred arrangement to the TexaSaver 401(k) Plan.

Prior to 1986, the IRC of 1986 permitted state or local governments and tax-exempt organizations to maintain qualified cash or deferred arrangement. The Tax Reform Act (TRA) of 1986 amended IRC to provide that a cash or deferred arrangement shall not be treated as a "qualified cash or deferred arrangement" if it is part of a retirement plan maintained by a governmental unit. However, TRA 1986 provides specific exception for cash or deferred arrangements adopted by a governmental unit prior to 1986 "Grandfather Employer". The Authority, a government entity is eligible to adopt the 401(k) plan because it is a successor entity to the Texas Turnpike Authority, a Grandfathered Employer, and is adopting a cash or deferred arrangement substantially similar to the Texas Turnpike Authority's cash or deferred arrangement.

Effective September 1, 1997, each Authority employee became eligible to participate in the North Texas Tollway Authority 401(k) plan, a defined contribution plan. The plan requires that each employee be required to make a mandatory employee contribution, deposited by the Authority towards the cost of the 401(k) plan, in an amount equal to 4% of total wages. All mandatory employee contributions to the 401(k) plan for payroll periods following September 1, 1997 shall be made on a pretax basis, provided they are subject to the Hospital Insurance portion of the Federal Insurance Contributions Act and the Federal Unemployment Tax Act and the withholding of those Acts. Employee contributions and plan earnings are vested at all times and a terminating employee shall be paid all mandatory contributions and plan earnings pursuant to the plan's terms. The Authority is authorized to make discretionary employer matching contributions in such amounts as may be determined by the board, and Authority employees are vested in employer contributions at 100% after five years services. Former Texas Turnpike Authority employees employed by the Authority on or before October 31, 1997 shall receive past service credit for service with the Texas Turnpike Authority for purposes of determining the vested percentage and the Authority's Board of Directors is allowed to further amend or terminate the plan at any time.

Total 401(k) contributions allocated to the System by the Authority for the year ended December 31, 2012 were \$1,168,135 based on a covered payroll of \$33,434,163.

Social Security

Effective September 1, 1997, the Authority elected to refrain from participation in Social Security and instead participated in both the TCDRS and the Authority 401(k) plan. The Authority requires mandatory employee participation in both of these plans.

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(7) Risk Management

The Texas Municipal League (TML) Intergovernmental Risk Pool insures the Authority for workers' compensation. The Authority purchases insurance policies for all major areas of operation including buildings and contents, bridges, general liability, commercial umbrella, crime, directors and officers liability, and boiler and machinery coverage. There have not been any settlements exceeding insurance coverage in the years 2006-2012. There has not been any significant reduction of coverage.

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

		Balance at Beginning of Fiscal Year	Current-year claims and changes in estimates	Claim payments	Balance at End of Fiscal Year
2011	\$	524,540	\$ 8,291,582	\$ 8,190,223	\$ 625,899
2012	\$	625,899	\$ 6,548,312	\$ 6,486,504	\$ 687,710

(8) Other Post Employment Benefits

Plan Descriptions – The Authority provides post employment defined benefit health care to all eligible retired employees through contributions to either the Employee Retirement System of Texas (ERS) Group Benefit Program (GBP) or the Authority's Health Benefits plan. The Authority also has an OPEB trust, the Dallas-Fort Worth Transition Trust established in 1997 as part of the legislative action which created the Authority.

Employees Retirement System of Texas Group Benefit Program

The Authority contributes to the Employees Retirement System of Texas Group Benefits Program, a cost sharing multiple employer defined benefit OPEB plan. GBP provides health benefits to eligible retired employees of participating entities. Chapter 1551, Texas Insurance Code assigns authority to establish and amend benefit provisions to the ERS Board Trustees. The ERS issues a publically available GASB Statement 43 report. The report can be obtained from the ERS website.

Funding Policy – Chapter 1551, Texas Insurance Code provided that the contribution requirements under the GBP be established and amended by the ERS Board Trustees. Plan members receiving benefits and the Authority contribute \$413.3 per month for retiree only coverage \$649.6 for retiree and spouse, \$571.5 for retiree and children, and \$807.9 for family.

Contribution rates are determined annually by the trustees based on recommendations of the ERS staff and consulting actuary. The contribution rates are determined based on the benefit and administrative costs expected to be incurred and (i) the funds appropriated and (ii) the funding policy established by the Texas Legislature in connection with the benefits provided through GBP. The trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

The Authority has 54 plan members receiving benefits from GBP. An additional 41 active employees have the option of retiring under the ERS GBP or the Authority's plan. The OPEB liability for these 41 employees is calculated under the Authority's plan. The Authority's contributions to the GBP for the fiscal years ended December 31, 2012, 2011 and 2010 was \$332,669, \$312,673 and \$293,509 respectively; which was 100% of the required contribution for those periods.

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Authority Plan Administered through PEBC

The Authority's Benefits plan is affiliated with the Public Employees Benefits Cooperative (PEBC), an agent multiple-employer postemployment healthcare plan administrator.

The plan does not issue a publicly available report. There are currently 3 individuals receiving benefits and 6 employees fully eligible to receive benefits under the Authority's Benefits plan. No separate financial statements are issued for the Authority's plan.

Funding Policy – The contribution requirements under the Authority's Benefits plan for the plan members and the Authority are established and may be amended by the Board of Directors. Authority members receiving benefits contribute the following amounts annually depending on plan, age and coverage:

	Under Age 65		Age 65 and Older	
Plan				
EPO	\$ 4,656	\$ 5,568	\$ -	\$ -
PPO	4,200	5,076	-	-
PSS	-	-	2,193	2,193
PMA	-	-	819	819

The required contribution is based on the projected pay-as-you-go financing requirements. For fiscal year 2012 expenses of \$29,616 were recognized for the post employment health care premiums paid. This represents 67.4% of the total premiums.

Annual OPEB Cost and Net OPEB Obligation – The Authority's annual other postemployment benefit (OPEB) cost is calculated on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC 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 over a period not to exceed thirty years. The following table shows the elements of the Authority's OPEB cost for the year, the amount actually contributed on behalf of the Plan, and changes in the Authority's net OPEB obligation for the year ended December 31, 2012:

	2010	2011	2012
Annual Required Contribution	\$ 2,073,600	\$ 2,073,600	\$ 3,183,888
Interest on Net OPEB Obligation	211,923	325,577	267,066
Adjustment to Annual Required Contribution	640,753	711,672	511,663
Annual OPEB Cost (expense)	2,926,276	3,110,849	3,962,617
Payments Made	19,541	24,529	29,616
Increase in Net OPEB Obligation	2,906,735	3,086,320	3,933,001
Net OPEB Obligation - Beginning of Year	5,420,030	8,326,765	11,413,085
Net OPEB Obligation - End of Year	<u>\$ 8,326,765</u>	<u>\$ 11,413,085</u>	<u>\$ 15,346,086</u>

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The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the years ended December 31, 2010-2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
12/31/2010	\$ 2,926,276	0.67%	\$ 8,326,765
12/31/2011	\$ 3,110,849	0.79%	\$ 11,413,085
12/31/2012	\$ 3,962,617	0.75%	\$ 15,346,086

Funded Status and Funding Progress – The funded status of the plan as of January 1, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$21,352,403
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$21,352,403
Funded ratio (actuarial value Of plan assets/AAL)	0%
Covered payroll (active plan members)	\$31,976,241
UAAL as a percentage of covered payroll	67%

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about and the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspectives of the calculations.

In the January 1, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a discount rate of 2.34% and an annual healthcare cost trend rate of 9.0% for 2012, 8.5% for 2013 reduced by decrements of .5% percent to an ultimate rate in 2019 of 5.5%. The actuarial assumptions include an investment rate of return at 2.34% and projected salary increases at 2.0%. Both rates include a 3% inflation assumption. The Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. At January 1, 2012 the remaining amortization period was 26 years.

Dallas- Fort Worth Turnpike Transition Trust Fund

As part of the 1997 legislation creating the North Texas Tollway Authority under Chapter 366, Texas Transportation Code, the Dallas-Fort Worth Turnpike Transition Trust Fund was established to account for the payment of transition costs and other liabilities payable from funds of the Dallas-Fort Worth Turnpike at December 1977, such as post employment benefits. There are only one remaining retired employees receiving benefits from ERS GBP. Payments during fiscal year were \$6,232; which was 100% of the required contribution for the period. The trust currently has \$404,911 in net assets. Due the limited number of participants no valuation was done.

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(9) Disaggregation of Receivable Balances

The System has unrestricted accounts receivable balances of \$27,809,058, unbilled accounts receivable of \$1,802,016 and a restricted accounts receivable balance of \$4,789,925. The restricted balance of \$4,789,925 is due from Series 2010B bond rebates; the unrestricted balance consists of \$27,738,136 for billed video tolls (net of the allowance for doubtful accounts of \$81,068,112), \$70,922 for fees related to maintenance of equipment and \$1,802,015 for unbilled video tolls (net of the allowance for doubtful accounts of \$10,211,424). Additionally, the System has unrecorded video toll transactions of \$13,305,131 (**)(matched no current address) and \$51,351,474 of unmatched video toll transactions as of December 31, 2012.

The System's allowance for doubtful accounts for invoices less than 70 days old is 25% and 85% for invoices older than 70 days. The unbilled video tolls-matched with current address that have not met the System's business rule, which is that a customer has to drive through five different checkpoints/gantries before an invoice is processed, has an allowance rate of 85%.

Recorded Video Toll Transactions	2012
Billed video tolls	\$108,877,170
Net of allowance for uncollectibles	<u>(81,068,112)</u>
	<u>\$ 27,809,058</u>
Unbilled video tolls (Matched current address) (*)	\$ 12,013,440
Net of allowance for uncollectibles	<u>(10,211,424)</u>
	<u>\$ 1,802,016</u>
Unrecorded Video Toll Transactions	
Matched no current address video toll transactions (**)	\$ 13,305,131
Unmatched video toll transactions (***)	\$ 51,351,474

(*) Matched current address video toll transactions-ready to bill once the Authority's business rules are met.

(**) Matched no current address video toll transactions – Vehicle located in Texas Department of Motor Vehicle (DMV) database with no current address on file. (Example: Vehicle has been sold but the transfer of the title has not been updated in the DMV database)

(***) Unmatched video toll transactions– Unable to locate in DMV database, possibly due to temporary tags or out-of-state license plates.

(10) Commitments and Contingencies

The System currently has \$1,031,502,816 in cash and investments with approximately \$594,053,222 restricted for debt service and \$121,802,050 restricted for construction. The System has \$1,948,098 in current liabilities that are comprised primarily of construction-related payables at December 31, 2012. Additionally the System has contract and purchase order commitments at December 31, 2012 aggregating \$6.7 million. This amount mainly consists of \$6.5 million of construction contracts payable from restricted funds and the issuance of debt.

The Authority is currently evaluating several Authority maintenance, rehabilitation, and capital improvement projects with an estimated cost of approximately \$518.6 million, which may be funded from the System's Reserve Maintenance Fund, the Construction Fund, or the Capital Improvement Fund over the next five years.

The Authority manages existing leases of the Gleneagles buildings. The building complex encompasses 163,380 square feet of which 61,662 is occupied by the Authority, 52,887 is leased, and 48,831 is vacant.

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The leased space is divided into two leases; one for 22,369 sq. ft. beginning July 1, 2005 and expired March 31, 2010, one for 30,518 sq. ft. beginning July 1, 2005 and expiring December 31, 2010.

The term of both leases was extended to June 30, 2013. The following represents minimum future rentals on non-cancelable operating lease agreements:

2013		<u>296,259</u>	
	Gleneagles Offices Complex	\$ <u>296,259</u>	

The Authority has entered into a building lease agreement for the rental of one of the Frisco Center Properties in the City of Frisco. The term of the lease was extended through December 15, 2013. The building complex encompasses 146,800 square feet of which 36,960 are occupied by the Authority. The lease agreement indicated that the Authority will pay \$19,250 per month for the first 18 months and \$20,020 the remaining 18 months of the lease. Lease expenses for the year ended on December 31, 2012 totaled \$306,866, under this lease. The following represents the required remaining payments under the terms of the building lease agreement:

2013		<u>330,754</u>	
	Frisco Center Properties (lease)	\$ <u>330,754</u>	

The Authority has an operating lease agreement for the rental of copy machines from January 1, 2011 through December 31, 2013. The following represents the required payments under the terms of the lease agreement:

2013		<u>88,188</u>	
	Copy Machine (lease)	\$ <u>88,188</u>	

(11) Subsequent Events

- At the end of 2012 the System had \$38,300,000 in outstanding commercial paper which consisted of three series: \$15,000,000, \$5,000,000 and \$18,300,000 with the respective maturity dates January 8th, 2013, January 9th, 2013 and February 12, 2013. All series were redeemed at the specified maturity dates.



**REQUIRED
SUPPLEMENTARY
INFORMATION**

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Required Supplementary Information
December 31, 2012

Modified Approach - Infrastructure

The Authority has elected to use the Modified Approach to account for maintenance of the Authority's infrastructure assets. As required by the Trust Agreement, an annual inspection of the Authority's roadways has occurred, conducted by the Authority's General Engineering Consultant, HNTB Corporation. This inspection provides an overall rating, indicating the average condition of all of the Authority's infrastructure assets (roadways, bridges, and facilities). The assessment of conditions is made by visual and mechanical tests designed to reveal any condition that would reduce user benefits below the maximum level of service. The Authority's goal is to maintain the Authority's infrastructure assets at a rating of 8 or better (1 to 10 scale), and has established a minimum level for GASB No. 34 purposes of a condition level of 6 or greater. These condition levels were adopted by the Board of Directors for the North Texas Tollway Authority (NTTA) by Resolution No. 02-31 on June 19, 2002 and further clarified by Resolution No. 07-169 on December 19, 2008. In accordance with GASB 34 the Capital Assessment and Inspection Report is due every three years. The last Capital Assessment and Inspection Report for the North Texas Tollway Authority was completed in 2010.

The infrastructure assets include the President George Bush Turnpike (PGBT) including the Eastern Extension, the Dallas North Tollway (DNT), the Addison Airport Toll Tunnel (AATT), the Mountain Creek Lake Bridge (MCLB), Sam Rayburn Tollway (SRT), Lewisville Lake Toll Bridge (LLTB), Main Lane Plazas, Ramp Plazas, maintenance shops, administration buildings, and IT lane equipment. The roadways are a major transportation network consisting of 100.52 centerline miles of high-speed roadways, 104 interchanges, 15 main lane toll plazas, 108 ramp toll plazas, 400 bridges, one tunnel, and other structures and appurtenances. All assets combined totaled approximately \$1.76 billion in current replacement value for FYE 2012.

Condition Index

A Condition Index is a measure of the "intrinsic value" of the asset as opposed to the book value. A Condition Index with a value of 10.0 is considered "like new"; on the contrary, a Condition Index with a value of 0.0 is considered "unusable." Evaluations were performed on all of the infrastructure assets under Authority jurisdiction. The evaluation resulted in an average Condition Index of 8.9 for all of the assets combined. The following table shows the Condition Index for the years 2006 through 2012.

Condition Index Table		
Condition Index		
Fiscal Year	Current	Goal
2012	8.9	8.0
2011	8.9	8.0
2010	8.9	8.0
2009	9.0	8.0
2008	9.0	8.0
2007	8.9	8.0
2006	8.9	8.0

Condition Assessment and Inventory

A comprehensive condition assessment on all the Authority's infrastructure assets was conducted from March to June 2012. The Authority's Maintenance Management Consultant performed condition assessments of the Authority's roadways including pavement, bridges, and facilities. Assessment procedures and representative work samples were reviewed by NTTA's General Engineering Consultants, HNTB Corporation.

Bridges

A condition assessment was performed on the Authority's bridges using the *Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges*, published by the Federal Highway Administration (FHWA). To do this, a Sufficiency Rating was determined by totaling four separate factors using the sufficiency rating formula. The Sufficiency Rating Formula is a method of evaluating highway bridge data by calculating the four factors to obtain a numeric value, which is indicative of bridge sufficiency.

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The four factors are structural adequacy and safety (55% of the total rating), serviceability and functional obsolescence (30% of the total rating), essentiality for public use (15% of the total rating), and special reductions (total can be reduced by up to 13%).

Roadways

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

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

Currently, the 100.52 centerline miles (approximately 744 main lane miles) of main lane roadways have a Roadway Index of 8.9.

The budget-to-actual expenditures for preservation and other infrastructure maintenance costs were as follows for the years 2003 through 2012.

<u>Fiscal year</u>		<u>Budget</u>		<u>Actual</u>
2012	\$	23,464,926	\$	10,240,825
2011		59,503,102		37,557,688
2010		36,316,377		28,475,554
2009		40,239,320		30,745,545
2008		69,532,303		51,747,814
2007		51,283,652		31,818,863
2006		34,574,405		29,186,456
2005		20,552,627		13,704,971
2004		25,518,270		15,319,100
2003		15,005,598		12,422,078

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

Required Supplementary Information
December 31, 2012

Funding Progress

Schedule of Funding Progress
Texas County and District Retirement System
Employee Retirement Plan

Last three calendar years
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/11	\$ 52,564,706	\$ 51,969,647	\$ (595,059)	101.15%	\$ 31,976,241	-1.86%
12/31/10	46,901,374	49,418,747	2,517,373	94.91%	36,065,565	6.98%
12/31/09	40,717,240	43,020,466	2,303,226	94.65%	36,609,412	6.29%

Schedule of Funding Progress
Other Post Employment Benefits

Last two calendar years
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2012	—	\$ 21,352,403	\$ 21,352,403	0%	\$ 31,976,241	67.00%
1/1/2010	—	14,605,332	14,605,332	0%	34,392,153	43.00%

An actuarial valuation was performed as of 1/1/2012.

**OTHER
SUPPLEMENTARY
INFORMATION**

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Net Position by Trust Accounts
December 31, 2012

Assets	Total	Interfund eliminations/ reclassifications	Construction and property account	Revenue account
Current assets:				
Cash and cash equivalents (note 3)	\$ 18,429,722	-	-	3,031,803
Investments (note 3)	271,596,581	-	-	63,197,624
Accrued interest receivable	86,029	-	-	42,194
Interfund receivable	-	(780,673,364)	(12,820,788)	18,156,377
Interproject/agency receivables (Note 4)	16,565,132	-	4,015,242	2,274,554
Accounts receivable (net of allowance for uncollectibles) (note 9)	27,879,980	-	-	27,809,058
Unbilled Accounts receivable (net of allowance for uncollectibles) (note 9)	1,802,016	-	-	1,802,016
Prepaid expenses	937,460	-	-	-
Total current unrestricted assets	<u>337,296,920</u>	<u>(780,673,364)</u>	<u>(8,805,546)</u>	<u>116,313,626</u>
Current restricted assets:				
Restricted assets:				
Restricted for construction:				
Cash and cash equivalents (notes 3 and 10)	(111,223)	-	(138,511)	-
Investments (notes 3 and 10)	121,913,273	(926,496)	97,756,107	-
Accrued interest receivable	155,566	-	155,566	-
Restricted for debt service:				
Investments (notes 3 and 5)	302,136,617	(316,205,770)	-	-
Accrued interest receivable	570,840	-	-	-
Accounts receivable	4,789,925	-	-	-
Restricted for pension benefits and other purposes:				
Cash and cash equivalents (notes 3 and 5)	(470)	-	-	-
Investments (notes 3 and 5)	406,050	-	-	-
Accrued interest receivable	52	-	-	-
Total current restricted assets	<u>429,860,630</u>	<u>(317,132,266)</u>	<u>97,773,162</u>	<u>-</u>
Total current assets	<u>767,157,550</u>	<u>(1,097,805,630)</u>	<u>88,967,616</u>	<u>116,313,626</u>
Noncurrent assets:				
Investments restricted for operations (note 3)	25,215,661	25,215,661	-	-
Investments restricted for debt service (note 3)	291,916,605	291,916,605	-	-
Deferred financing costs	75,306,573	-	68,707,147	-
Deferred feasibility study costs	56,272,212	-	-	-
Deferred amount on refunding	-	(26,871,915)	26,871,915	-
Capital assets (net of accumulated depreciation) (note 4)	6,297,827,016	(13,915,067)	6,314,362,797	-
Total noncurrent assets	<u>6,746,538,067</u>	<u>276,345,284</u>	<u>6,409,941,859</u>	<u>-</u>
Total assets	<u>7,513,695,617</u>	<u>(821,460,346)</u>	<u>6,498,909,475</u>	<u>116,313,626</u>
Deferred outflow of resources				
Fair value of SWAP	42,349,015	-	42,349,015	-
Liabilities				
Current liabilities:				
Accounts and retainage payable	1,953,119	-	-	-
Accrued liabilities	26,011,157	-	11,759,208	(6,002,438)
Interfund payable	476	(780,673,364)	193,039,389	233,591,551
Interproject/agency payables	11,866,872	-	532,670	10,302,309
Deferred revenue	38,707,643	-	-	38,707,643
Tolltag deposits	575,154	-	-	575,154
Total current unrestricted liabilities	<u>79,114,421</u>	<u>(780,673,364)</u>	<u>205,331,267</u>	<u>277,174,219</u>
Payable from restricted assets:				
Construction-related payables:				
Retainage payable (note 10)	2,703,277	-	2,703,277	-
Deferred grant revenue	38,802,422	-	38,802,422	-
Debt service-related payables:				
Accrued interest payable	185,300,676	-	-	-
Accrued arbitrage rebate payable	23,252	-	23,252	-
Commercial paper payable (note 5)	38,300,000	-	-	-
Revenue bonds payable (note 5)	16,605,000	-	16,605,000	-
Pension benefits and other related payables				
Accounts payable (note 10)	1,191	-	-	-
Total current liabilities payable from restricted assets	<u>281,735,818</u>	<u>-</u>	<u>58,133,951</u>	<u>-</u>
Total current liabilities	<u>360,850,239</u>	<u>(780,673,364)</u>	<u>263,465,218</u>	<u>277,174,219</u>
Noncurrent liabilities:				
Other Post Employment Benefits	15,346,086	-	-	-
Texas Department of Transportation ISTEPA loan payable (note 5)	138,262,812	-	138,262,812	-
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred amount on refundings of \$26,871,915 and bond discount (premium) costs of \$13,915,068 (note 5)	7,499,008,027	(40,786,982)	7,139,795,009	-
Total noncurrent liabilities	<u>7,652,616,925</u>	<u>(40,786,982)</u>	<u>7,278,057,821</u>	<u>-</u>
Total liabilities	<u>8,013,467,164</u>	<u>(821,460,346)</u>	<u>7,541,523,039</u>	<u>277,174,219</u>
Deferred inflow of resources				
Fair value of SWAP	42,349,015	-	42,349,015	-
Net Position				
Net investment in capital assets	(1,254,068,836)	45,288,851	(1,042,613,564)	-
Restricted for:				
Debt service	792,586,995	170,518,818	-	(160,860,593)
Pension benefits and other purposes	404,441	-	-	-
Unrestricted	(38,694,147)	(215,807,669)	-	-
Total net position	<u>\$ (499,771,547)</u>	<u>-</u>	<u>(1,042,613,564)</u>	<u>(160,860,593)</u>

See accompanying independent auditors' report.

Operation and maintenance account	Reserve maintenance account	Consolidated Capital improvement Fund	DFW Turnpike Transition Trust Fund	Debt service accounts		
				Bond interest account	Reserve account	Redemption account
15,811,629	(115,730)	(297,980)	-	-	-	-
3,057	57,982,932	150,412,968	-	-	-	-
-	-	43,835	-	-	-	-
50,265,394	334,081	373,394,771	-	340,286,412	11,057,117	-
7,008,038	-	3,267,298	-	-	-	-
10	-	70,912	-	-	-	-
-	-	-	-	-	-	-
937,460	-	-	-	-	-	-
<u>74,025,588</u>	<u>58,201,283</u>	<u>526,891,804</u>	<u>-</u>	<u>340,286,412</u>	<u>11,057,117</u>	<u>-</u>
-	-	27,288	-	-	-	-
-	-	25,083,662	-	-	-	-
-	-	-	-	-	-	-
-	-	11,708,897	-	187,967,462	402,059,362	16,606,666
-	-	-	-	1,867	568,968	5
-	-	-	-	4,789,925	-	-
-	-	-	(470)	-	-	-
-	-	-	406,050	-	-	-
-	-	-	52	-	-	-
-	-	36,819,847	405,632	192,759,254	402,628,330	16,606,671
<u>74,025,588</u>	<u>58,201,283</u>	<u>563,711,651</u>	<u>405,632</u>	<u>533,045,666</u>	<u>413,685,447</u>	<u>16,606,671</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,599,426	-	-	-	-
-	-	56,272,212	-	-	-	-
-	-	-	-	-	-	-
(62)	4,950	(2,625,602)	-	-	-	-
(62)	4,950	60,246,036	-	-	-	-
<u>74,025,526</u>	<u>58,206,233</u>	<u>623,957,687</u>	<u>405,632</u>	<u>533,045,666</u>	<u>413,685,447</u>	<u>16,606,671</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
252,278	166,257	1,534,584	-	-	-	-
10,303,344	1,168,233	8,782,810	-	-	-	-
26,888,425	3,034,644	289,477,466	-	-	-	34,642,365
873,189	-	158,704	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>38,317,236</u>	<u>4,369,134</u>	<u>299,953,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,642,365</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	13,748,333	-	171,552,343	-	-
-	-	-	-	-	-	-
-	-	38,300,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,191	-	-	-
-	-	52,048,333	1,191	171,552,343	-	-
<u>38,317,236</u>	<u>4,369,134</u>	<u>352,001,897</u>	<u>1,191</u>	<u>171,552,343</u>	<u>-</u>	<u>34,642,365</u>
15,346,086	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	400,000,000	-	-	-	-
15,346,086	-	400,000,000	-	-	-	-
<u>53,663,322</u>	<u>4,369,134</u>	<u>752,001,897</u>	<u>1,191</u>	<u>171,552,343</u>	<u>-</u>	<u>34,642,365</u>
-	-	-	-	-	-	-
-	-	(256,744,123)	-	-	-	-
-	-	7,750,000	-	361,493,323	413,685,447	-
-	-	-	404,441	-	-	-
20,362,204	53,837,099	120,949,913	-	-	-	(18,035,694)
<u>20,362,204</u>	<u>53,837,099</u>	<u>(128,044,210)</u>	<u>404,441</u>	<u>361,493,323</u>	<u>413,685,447</u>	<u>(18,035,694)</u>

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Consolidating Schedule for Capital Improvement Fund
December 31, 2012
(Unaudited)

	Consolidated Capital Improvement Fund	Capital Improvement Fund	Feasibility Study Fund
Assets			
Current assets:			
Cash and cash equivalents (note 3)	\$ (297,980)	(157,097)	(140,883)
Investments (note 3)	150,412,968	150,412,968	-
Accrued interest receivable	43,835	43,835	-
Interfund receivable	373,394,771	355,191,386	18,203,385
Interproject/agency receivables (Note 4)	3,267,298	3,241,659	25,639
Accounts receivable (note 9)	70,912	70,912	-
Total current unrestricted assets	<u>526,891,804</u>	<u>508,803,663</u>	<u>18,088,141</u>
Current restricted assets:			
Restricted assets:			
Restricted for construction:			
Cash and cash equivalents (notes 3 and 10)	27,288	33,443,770	(33,416,482)
Investments (notes 3 and 10)	25,083,662	25,083,662	-
Restricted for debt service:			
Investments (notes 3 and 5)	11,708,897	11,708,897	-
Total current restricted assets	<u>36,819,847</u>	<u>70,236,329</u>	<u>(33,416,482)</u>
Total current assets	<u>563,711,651</u>	<u>579,039,992</u>	<u>(15,328,341)</u>
Noncurrent assets:			
Deferred financing costs	6,599,426	6,599,426	-
Deferred feasibility study costs	56,272,212	-	56,272,212
Capital assets net of amortization and depreciation (note 4)	(2,625,602)	(2,625,602)	-
Total noncurrent assets	<u>60,246,036</u>	<u>3,973,824</u>	<u>56,272,212</u>
Total assets	<u>623,957,687</u>	<u>583,013,816</u>	<u>40,943,871</u>
Liabilities			
Current liabilities:			
Accounts and retainage payable	1,534,584	555,642	978,942
Accrued liabilities	8,782,810	7,350,900	1,431,910
Interfund payable	289,477,466	(5,801,506)	295,278,972
Interagency payable	158,704	160,534	(1,830)
Total current unrestricted liabilities	<u>299,953,564</u>	<u>2,265,570</u>	<u>297,687,994</u>
Payable from restricted assets:			
Debt service-related payables:			
Accrued interest payable	13,748,333	13,748,333	-
Commercial paper payable (note 5)	38,300,000	38,300,000	-
Total current liabilities payable from restricted assets	<u>52,048,333</u>	<u>52,048,333</u>	<u>-</u>
Total current liabilities	<u>352,001,897</u>	<u>54,313,903</u>	<u>297,687,994</u>
Noncurrent liabilities:			
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred amount on refundings of \$0 and bond discount (premium) costs of \$2,559,102) (note 5)	400,000,000	400,000,000	-
Total noncurrent liabilities	<u>400,000,000</u>	<u>400,000,000</u>	<u>-</u>
Total liabilities	<u>752,001,897</u>	<u>454,313,903</u>	<u>297,687,994</u>
Net Position			
Net investment in capital assets	(256,744,123)	-	(256,744,123)
Restricted for:			
Debt service	7,750,000	7,750,000	-
Unrestricted	120,949,913	120,949,913	-
Total net position	<u>\$ (128,044,210)</u>	<u>128,699,913</u>	<u>(256,744,123)</u>

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Budget and Actual Revenues and Expenses on Trust Agreement Basis
Year ended December 31, 2012
(Unaudited)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Toll revenues	\$ 450,572,600	485,463,608	34,891,008
Interest income	9,000,000	8,103,314	(896,686)
Other revenue	21,239,833	20,729,192	(510,641)
Gross revenues	<u>480,812,433</u>	<u>514,296,114</u>	<u>33,483,681</u>
Operating expenses:			
Administration:			
Administration	1,112,881	857,475	255,406
Board	255,875	316,239	(60,364)
Business diversity	457,660	449,815	7,845
Communications	2,603,135	2,199,511	403,624
Finance	16,344,249	14,664,994	1,679,255
Government affairs	450,515	462,328	(11,813)
Human resources	1,431,990	1,245,510	186,480
Internal audit	879,785	694,685	185,100
Legal	2,903,761	2,092,244	811,517
Total administration	<u>26,439,851</u>	<u>22,982,801</u>	<u>3,457,050</u>
Operations:			
Customer service center	36,459,525	36,530,864	(71,339)
Information technologies	14,322,096	13,066,870	1,255,226
Operations	862,682	707,072	155,610
Project delivery	1,834,997	1,062,506	772,491
Maintenance	27,763,922	22,705,697	5,058,225
System & incident management	9,706,315	9,180,514	525,801
Total operations	<u>90,949,537</u>	<u>83,253,523</u>	<u>7,696,014</u>
Total operating expenses	<u>117,389,388</u>	<u>106,236,324</u>	<u>11,153,064</u>
Net revenues available for debt service	<u>\$ 363,423,045</u>	<u>408,059,790</u>	<u>44,636,745</u>

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Changes in Net Position by Trust Account
December 31, 2012
(Unaudited)

	<u>Total</u>	<u>Construction and property account</u>	<u>Revenue account</u>
Net positions, beginning of year	\$ (373,505,494)	(885,110,314)	(175,014,954)
Gross revenues	559,526,595	-	549,418,943
Grant revenues	8,523,679	8,469,919	-
Net increase (decrease) in the fair value of investments	(4,977,991)	(977,945)	-
Interest earned on investments	1,373,486	1,373,486	-
Gain (loss) on sale of investments	651,507	-	-
Administration and operations expenses	(106,236,324)	-	-
Depreciation on property and equipment	(6,038,360)	(6,038,360)	-
Bond interest expense	(399,018,646)	(74,880,423)	-
BAB's Subsidy	28,978,075	-	-
Other nonoperating costs	(39,161,207)	5,829,140	(45,230,480)
Bond discount/premium amortization	(44,835,481)	609,779	-
Interest on short term notes (net of capitalized interest)	(127,347)	-	-
Interest on loan	(5,905,507)	(5,905,507)	-
Amortization of deferred amount on refunding (note 5)	(4,701,591)	(4,701,591)	-
Amortization of bond issuance costs	(4,147,186)	(3,627,267)	-
Unallocated infrastructure depreciation	(63,943,350)	(63,943,350)	-
Reserve maintenance fund expenses	(11,446,757)	-	-
Consolidated capital improvement fund expenses	(35,691,517)	-	-
Net revenues	(127,177,922)	(143,792,119)	504,188,463
Interfund transactions:			
Distribution from revenue fund	-	-	(206,611,201)
Operating transfers (other funds)	911,870	(13,711,131)	(283,422,901)
Net changes during the year	(126,266,053)	(157,503,250)	14,154,361
Net positions, end of year	\$ (499,771,547)	(1,042,613,564)	(160,860,593)

See accompanying independent auditors' report.

Operation and maintenance account	Reserve maintenance account	Consolidated Capital Improvement account	DFW Turnpike Transition Trust fund	Debt Service Accounts		
				Bond interest account	Reserve account	Redemption account
16,862,931	57,608,907	(169,768,069)	409,734	361,484,158	426,680,850	(6,658,737)
793,450	696,599	1,242,472	533	53,430	7,321,101	66
-	-	53,760	-	-	-	-
-	-	92,041	-	23,561	(4,115,648)	-
-	-	-	-	-	-	-
-	-	15,611	-	-	635,896	-
(106,236,324)	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(32,996,000)	-	(291,142,223)	-	-
-	-	-	-	28,978,075	-	-
245,959	-	-	(5,826)	-	-	-
-	-	282,835	-	(45,728,095)	-	-
-	-	-	-	(127,347)	-	-
-	-	-	-	-	-	-
-	-	(519,919)	-	-	-	-
-	-	-	-	-	-	-
-	(11,446,757)	-	-	-	-	-
-	-	(35,691,517)	-	-	-	-
(105,196,915)	(10,750,158)	(67,520,717)	(5,293)	(307,942,599)	3,841,349	66
90,452,003	8,081,305	108,077,893	-	-	-	-
18,244,185	(1,102,955)	1,166,683	-	307,951,764	(16,836,752)	(11,377,023)
3,499,273	(3,771,808)	41,723,859	(5,293)	9,165	(12,995,403)	(11,376,957)
20,362,204	53,837,099	(128,044,210)	404,441	361,493,323	413,685,447	(18,035,694)

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Cash Receipts and Disbursements by Trust Account
Year ended December 31, 2012
(Unaudited)

	Total (memorandum only)	Construction and property account	Revenue account
Balance of cash, December 31, 2011	\$ 20,030,109	1,067,376	6,258,732
Receipts:			
Toll revenues	45,238,384	-	45,238,384
2010 B BABS rebate	28,978,075	-	-
Investments	138,319,317	29,835,737	-
Earnings received from investments	7,813,015	743,864	307,865
Gain/loss from sale of investments	(6,829,136)	(4,153,569)	-
Restricted for Debt Service	(246,431,320)	-	(246,431,320)
Prepaid customers' accounts	521,481,673	-	521,481,673
Miscellaneous revenue	21,844,567	376,540	15,212,286
Reimbursable receipts	10,611,557	-	-
Rental fee	41,210	-	41,210
	<u>521,067,342</u>	<u>26,802,572</u>	<u>335,850,098</u>
Disbursements:			
Revenue bonds retired	(27,980,000)	-	-
SWAP Payment	(6,125,970)	-	-
Interest on bonded debt	(192,461,609)	(33,287,905)	-
Investments	(125,028,862)	(124,517,152)	-
Operating expenses	(136,860,040)	-	(47,912,988)
Reserve maintenance fund expenses	(11,869,568)	-	-
Capital improvement fund expenses	(40,613,319)	-	-
Deferred study cost	(231,346)	-	-
Capitalized costs	(1,850,801)	(1,850,801)	-
	<u>(543,021,515)</u>	<u>(159,655,858)</u>	<u>(47,912,988)</u>
Interfund and interproject transactions:			
Transfer of deferred revenue	(488,586,840)	-	(488,586,840)
Transfer of CIF	(1,719,252)	(1,719,252)	-
Distribution from revenue fund	26,614,697	-	(259,736,016)
Other interfund transactions – net	483,932,611	133,366,651	457,158,817
Transition trust fund – net	877	-	-
	<u>20,242,093</u>	<u>131,647,399</u>	<u>(291,164,039)</u>
Receipts over (under) disbursements and interfund and interproject transactions for the year ended December 31, 2010	(1,712,080)	(1,205,887)	(3,226,929)
Balance of cash, December 31, 2012	\$ 18,318,029	(138,511)	3,031,803

See accompanying independent auditors' report.

Operation and maintenance account	Reserve maintenance account	Consolidated Capital Improvement account	DFW Turnpike Transition Trust fund	Debt service accounts		
				Bond interest account	Reserve account	Redemption account
13,056,428	13,041	(364,591)	(877)	-	-	-
-	-	-	-	-	-	-
-	-	-	-	28,978,075	-	-
-	-	110,051,791	-	-	(1,568,211)	-
3	113,607	-	-	74,182	6,001,712	571,782
-	-	-	-	9,384	(2,684,951)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,249,667	-	5,006,074	-	-	-	-
-	-	10,611,557	-	-	-	-
-	-	-	-	-	-	-
1,249,670	113,607	125,669,422	-	29,061,641	1,748,550	571,782
-	-	-	-	-	-	(27,980,000)
-	-	-	-	(6,125,970)	-	-
-	-	-	-	(159,173,704)	-	-
-	-	-	-	-	(511,710)	-
(88,946,582)	-	-	(470)	-	-	-
-	(11,869,568)	-	-	-	-	-
-	-	(40,613,319)	-	-	-	-
113	-	(231,459)	-	-	-	-
-	-	-	-	-	-	-
(88,946,469)	(11,869,568)	(40,844,778)	(470)	(165,299,674)	(511,710)	(27,980,000)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
90,452,003	33,613,367	24,868,036	-	137,417,307	-	-
(3)	(21,986,177)	(109,598,781)	-	(1,179,274)	(1,236,840)	27,408,218
-	-	-	877	-	-	-
90,452,000	11,627,190	(84,730,745)	877	136,238,033	(1,236,840)	27,408,218
2,755,201	(128,771)	93,899	407	-	-	-
15,811,629	(115,730)	(270,692)	(470)	-	-	-

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

Schedule of Toll Revenue and Traffic Analysis

Year Ended December 31, 2012

(Unaudited)

Toll revenue:		
AVI		\$ 411,893,120
ZipCash		118,800,968
Less bad debt expense		(45,230,480)
Total		<u>\$ 485,463,608</u>
Vehicle transactions (unaudited):		
Two-axle vehicle transactions		574,200,575
Multi-axle vehicle transactions		10,851,270
Nonrevenue vehicle transactions		2,184,217
Total		<u>587,236,062</u>
Toll revenue – average per day:		
AVI		1,125,391
Zipcash		324,593
Average		<u>\$ 1,449,984</u>
Vehicle transactions – average per day (unaudited):		
Two-axle vehicle transactions		1,568,854
Multi-axle vehicle transactions		29,648
Nonrevenue vehicle transactions		5,968
Average		<u>1,604,470</u>

Toll Revenue and Traffic by Class of Vehicle

Year Ended December 31, 2012

(Unaudited)

Class of vehicle	Revenue	Vehicle transactions
Two-axle vehicles	\$ 411,893,120	574,200,575
Multi-axle vehicles and combinations	118,800,968	10,851,270
Less bad debt expense	(45,230,480)	
Nonrevenue vehicles	-	2,184,217
Toll revenue	<u>485,463,608</u>	<u>587,236,062</u>

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)

Schedule of Toll Rates
As of December 31, 2012
(Unaudited)

	Two-axle passenger cars and trucks		Three-axle vehicles and vehicle combinations		Four-axle vehicles and vehicle combinations		Five-axle vehicles and vehicle combinations		Six or more axle vehicles and special permits	
	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag
Dallas North Tollway:										
Wycliff Main Lane Gantry (MLP1)	\$ 2.00	\$ 1.33	\$ 4.00	\$ 2.66	\$ 6.00	\$ 3.99	\$ 8.00	\$ 5.32	\$ 10.00	\$ 6.65
Mockingbird Lane (MOCLN)	1.46	0.97	2.92	1.94	4.38	2.91	5.84	3.88	7.30	4.85
Northwest Highway (NORHY)	0.99	0.66	1.98	1.32	2.97	1.98	3.96	2.64	4.95	3.30
Royal Lane (ROYLN)	0.57	0.35	1.14	0.70	1.71	1.05	2.28	1.40	2.85	1.75
Spring Valley Road (SPVRD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Belt Line Road (BELRD)	0.53	0.31	1.06	0.62	1.59	0.93	2.12	1.24	2.65	1.55
Keller Springs Road (KESRD)	0.69	0.46	1.38	0.92	2.07	1.38	2.76	1.84	3.45	2.30
Trinity Mills Main Lane Gantry (MLP2)	1.43	0.95	2.86	1.90	4.29	2.85	5.72	3.80	7.15	4.75
Frankford Road (FRARD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Park Boulevard (PARBD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Parker Main Lane Gantry (MLP3)	1.28	0.85	2.56	1.70	3.84	2.55	5.12	3.40	6.40	4.25
Parker Road (PARRD)	0.77	0.51	1.54	1.02	2.31	1.53	3.08	2.04	3.85	2.55
Spring Creek Parkway (SPCPY)	0.50	0.28	1.00	0.56	1.50	0.84	2.00	1.12	2.50	1.40
Legacy Drive (LEGDR)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Headquarters Drive (HEADR)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Gaylord Parkway (GAYPY)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Lebanon Road (LEBRD)	0.57	0.35	1.14	0.70	1.71	1.05	2.28	1.40	2.85	1.75
Stone Brook Parkway (STOPY)	0.66	0.44	1.32	0.88	1.98	1.32	2.64	1.76	3.30	2.20
Main Street (MAIST)	1.08	0.72	2.16	1.44	3.24	2.16	4.32	2.88	5.40	3.60
Eldorado Main Lane Gantry (MLP4)	2.24	1.49	4.48	2.98	6.72	4.47	8.96	5.96	11.20	7.45
Eldorado Parkway (ELDPY)	0.81	0.54	1.62	1.08	2.43	1.62	3.24	2.16	4.05	2.70
Addison Airport Toll Tunnel:	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag
Main Lane Gantry (AATT)	0.80	0.53	1.60	1.06	2.40	1.59	3.20	2.12	4.00	2.65
President George Bush Turnpike:	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag
North Garland Avenue (GARRD)	0.49	0.27	0.98	0.54	1.47	0.81	1.96	1.08	2.45	1.35
Campbell Road (CAMRD)	0.65	0.43	1.30	0.86	1.95	1.29	2.60	1.72	3.25	2.15
East Renner Road (ERERD)	1.05	0.70	2.10	1.40	3.15	2.10	4.20	2.80	5.25	3.50
Shiloh Main Lane Gantry (MLP6)	1.58	1.05	3.16	2.10	4.74	3.15	6.32	4.20	7.90	5.25
Shiloh Road (SHIRD)	0.81	0.54	1.62	1.08	2.43	1.62	3.24	2.16	4.05	2.70
West Renner Road (WRERD)	0.58	0.36	1.16	0.72	1.74	1.08	2.32	1.44	2.90	1.80
Independence Parkway (INDPY)	0.58	0.36	1.16	0.72	1.74	1.08	2.32	1.44	2.90	1.80
Coit Road (COIRD)	0.81	0.54	1.62	1.08	2.43	1.62	3.24	2.16	4.05	2.70
Coit Main Lane Gantry (MLP7)	1.71	1.14	3.42	2.28	5.13	3.42	6.84	4.56	8.55	5.70
Preston Road (PRERD)	0.52	0.30	1.04	0.60	1.56	0.90	2.08	1.20	2.60	1.50
Midway Road (MIDRD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Marsh Lane (MARLN)	0.53	0.31	1.06	0.62	1.59	0.93	2.12	1.24	2.65	1.55
Frankford Main Lane Gantry (MLP8)	1.59	1.06	3.18	2.12	4.77	3.18	6.36	4.24	7.95	5.30
Kelly Boulevard (KELBD)	0.84	0.56	1.68	1.12	2.52	1.68	3.36	2.24	4.20	2.80
Josey Lane (JOSLN)	0.58	0.36	1.16	0.72	1.74	1.08	2.32	1.44	2.90	1.80
Sandy Lake Main Lane Gantry (MLP9)	1.26	0.84	2.52	1.68	3.78	2.52	5.04	3.36	6.30	4.20
Belt Line - Luna Road (NBERD)	0.75	0.50	1.50	1.00	2.25	1.50	3.00	2.00	3.75	2.50
Royal Lane (ROYLN)	0.47	0.25	0.94	0.50	1.41	0.75	1.88	1.00	2.35	1.25
Belt Line Road (SBERD)	0.74	0.49	1.48	0.98	2.22	1.47	2.96	1.96	3.70	2.45
Belt Line Main Lane Gantry (MLP10)	0.74	0.49	1.48	0.98	2.22	1.47	2.96	1.96	3.70	2.45
Mountain Creek Lake Bridge:	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag
Main Lane Gantry (MCLB)	0.80	0.53	1.60	1.06	2.40	1.59	3.20	2.12	4.00	2.65
Lewisville Lake Toll Bridge:	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag
Main Lane Gantry (LLTB)	1.59	1.06	3.18	2.12	4.77	3.18	6.36	4.24	7.95	5.30
Sam Rayburn Tollway (1)	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag
Denton Tap Main Lane Gantry (MLG1)	0.75	0.50	1.50	1.00	2.25	1.50	3.00	2.00	3.75	2.50
MacArthur Blvd (MACBD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Carrollton Parkway (CARPY)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Parker Road (PARRD)	0.55	0.33	1.10	0.66	1.65	0.99	2.20	1.32	2.75	1.65
Old Denton Road (OLDRD)	0.60	0.38	1.20	0.76	1.80	1.14	2.40	1.52	3.00	1.90
Standridge Drive - South (SSTDR)	0.86	0.57	1.72	1.14	2.58	1.71	3.44	2.28	4.30	2.85
Josey Lane - South (SJOLN)	1.05	0.70	2.10	1.40	3.15	2.10	4.20	2.80	5.25	3.50
Josey Main Lane Gantry (MLG2)	1.95	1.30	3.90	2.60	5.85	3.90	7.80	5.20	9.75	6.50
Standridge Drive - North (NSTDR)	1.11	0.74	2.22	1.48	3.33	2.22	4.44	2.96	5.55	3.70
Josey Lane - North (NJOLN)	0.92	0.61	1.84	1.22	2.76	1.83	3.68	2.44	4.60	3.05
Plano Parkway (PLAPY)	0.72	0.48	1.44	0.96	2.16	1.44	2.88	1.92	3.60	2.40
Spring Creek Parkway (SPCPY)	0.46	0.24	0.92	0.48	1.38	0.72	1.84	0.96	2.30	1.20
Preston Road (PRERD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Hillcrest Road (HILRD)	0.46	0.24	0.92	0.48	1.38	0.72	1.84	0.96	2.30	1.20
Coit Road (COIRD)	0.80	0.53	1.60	1.06	2.40	1.59	3.20	2.12	4.00	2.65
Independence Parkway (INDPY)	1.05	0.70	2.10	1.40	3.15	2.10	4.20	2.80	5.25	3.50
Custer Road - South (CUSRD)	1.31	0.87	2.62	1.74	3.93	2.61	5.24	3.48	6.55	4.35
Custer Main Lane Gantry (MLG3)	2.70	1.80	5.40	3.60	8.10	5.40	10.80	7.20	13.50	9.00
Exchange Parkway (SALDR)	1.41	0.94	2.82	1.88	4.23	2.82	5.64	3.76	7.05	4.70
Alma Drive (NALDR)	1.04	0.69	2.08	1.38	3.12	2.07	4.16	2.76	5.20	3.45
Stacy Road (STARD)	0.81	0.54	1.62	1.08	2.43	1.62	3.24	2.16	4.05	2.70
Lake Forest Drive (LAFDR)	0.64	0.42	1.28	0.84	1.92	1.26	2.56	1.68	3.20	2.10
Hardin Boulevard (HARBD)	0.49	0.27	0.98	0.54	1.47	0.81	1.96	1.08	2.45	1.35
PGBT EE (2)	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag
Miller Road (MLRRD)	0.60	0.38	1.20	0.76	1.80	1.14	2.40	1.52	3.00	1.90
Main Street/Lakeview Parkway (LAKPY)	0.77	0.51	1.54	1.02	2.31	1.53	3.08	2.04	3.85	2.55
Merritt - Liberty Grove Road (MERLG)	1.22	0.81	2.44	1.62	3.66	2.43	4.88	3.24	6.10	4.05
Merritt Main Lane Gantry (MLG5)	2.28	1.52	4.56	3.04	6.84	4.56	9.12	6.08	11.40	7.60
Miles Road (MLSRD)	0.55	0.33	1.10	0.66	1.65	0.99	2.20	1.32	2.75	1.65
Firewheel Parkway (FIRPY)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15
Crist Road (CRIRD)	0.45	0.23	0.90	0.46	1.35	0.69	1.80	0.92	2.25	1.15

Footnote: The Authority has converted all the facilities in the system to All Electronic Toll Collection (All ETC). Cash will no longer be accepted on NTTA facilities. Vehicles with no transponders will be billed through video tolling.

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Historical Traffic, Toll Revenues and Net Revenues
Year Ended December 31, 2012
(Unaudited)

Historical Traffic and Toll Revenue

The table below sets forth the annual revenue vehicle transactions and gross toll revenue with respect to the Dallas North Tollway System for the ten calendar years 2003 through 2012:

<u>Year</u>	<u>Annual revenue vehicle transactions (unaudited)</u>	<u>Annual toll revenue</u>
2003	296,140,087	149,323,784
2004 (1)	315,031,754	160,695,030
2005 (2)	338,390,215	172,537,345
2006	370,696,171	191,434,120
2007 (3)	383,481,098	202,675,564
2008 (4)	412,272,003	240,776,791
2009 (5)	455,546,197	290,404,547
2010 (6)	481,913,338	366,597,323
2011 (7)	513,454,344	402,569,534
2012	585,051,845	485,463,608

- (1) Reflects the completion of DNT and State Highway 121 interchange on April 2004.
(2) Reflects the opening of Segment IV of the President George Bush Turnpike in September 2005.
(3) Reflects the opening of DNT Phase 3 and toll rate increase in late September 2007.
(4) Reflects the opening of Sam Rayburn Tollway (121 Tollway) in September 2008.
(5) Reflects the opening of Lake Lewisville August 2009.
(6) Four major direct connectors at SRT/US75 interchange were opened during 2010
(7) PGBT EE mainlanes from SH 78 to IH 30 opened in December 2011

Historical Net Revenues

The table set forth below shows the Net Revenues for debt service (as defined by Trust Agreement) of the Dallas North Tollway System for the ten calendar years 2003 through 2012:

<u>Year</u>	<u>Toll revenue</u>	<u>Current expenses</u>	<u>Investment and other earnings</u>	<u>Net revenues</u>	<u>Coverage</u>
2003	\$ 149,323,784	\$ 42,650,533	\$ 8,371,709	\$ 115,044,960	2.09
2004	160,695,030	47,680,750	10,046,907	123,061,187	2.00
2005	172,537,345	56,576,883	14,085,285	130,045,747	1.80
2006	191,434,120	61,421,158	18,259,576	148,272,538	1.98
2007	202,675,564	76,593,495	21,307,811	147,389,880	1.96
2008	240,776,791	80,668,732	20,958,496	181,066,555	1.60
2009	290,404,547	90,934,772	31,253,174	230,722,950	1.56
2010	366,597,323	95,709,839	30,086,350	300,973,834	1.61
2011	402,569,534	99,324,590	41,161,515	344,406,459	1.77
2012	485,463,608	151,466,804	28,832,506	362,829,310	1.47

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Schedule of Capitalized Costs by Project
As of December 31, 2012
(Unaudited)

	Cumulative Total Through December 31, 2012
Dallas North Tollway - 3711	
Preliminary costs	17,863,848
Construction	155,999,243
Right-of-way	49,536,424
Engineering	22,056,064
Administration	3,332,630
Buildings	5,580,003
Land	1,781,434
Equipment	771,382
Subtotal	256,921,028
Financing costs	56,568,228
Total capitalized costs – Dallas North Tollway	313,489,256
Dallas North Tollway Extension - 3712	
Preliminary costs	6,619,072
Construction	208,325,100
Right-of-way	8,499,710
Engineering	22,258,348
Administration	1,413,506
Equipment	35,684
Subtotal	247,077,673
Financing costs	(3,329,736)
Total capitalized costs – Dallas North Tollway Extension	243,747,938
Addison Airport Toll Tunnel - 3741	
Preliminary costs	1,244,081
Construction	18,204,644
Right-of-way	617,278
Engineering	4,895,696
Administration	295,204
Subtotal	25,256,903
Financing costs	(1,015,147)
Total capitalized cost – Addison Airport Toll Tunnel	24,241,756
President George Bush Turnpike - Segments I - IV - 3721	
Preliminary costs	18,040,105
Construction	632,343,639
Right-of-way	76,906,305
Engineering	114,239,013
Administration	25,252,891
Buildings	11,854,994
Land	5,512,321
Equipment	44,830,380
Accumulated Depreciation on Equipment	(33,567,086)
Subtotal	895,412,560
Financing costs	56,228,431
Total capitalized cost – President George Bush Turnpike - Segments I - IV	951,640,991
President George Bush Turnpike - Segment V - 3723	
Preliminary costs	1,596,208
Construction	68,433,928
Right-of-way	16,460
Engineering	8,981,476
Administration	235,829
Subtotal	79,263,901
Financing costs	9,980,227
Total capitalized cost – President George Bush Turnpike - Segment V	89,244,128

(continued)

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
 Schedule of Capitalized Costs by Project
 As of December 31, 2012
 (Unaudited)

Dallas North Tollway Phase 3 - 3713	
Preliminary costs	5,118,815
Construction	229,837,506
Right-of-way	569,831
Engineering	33,061,961
Administration	2,690,663
Subtotal	271,278,776
Financing costs	(20,316,333)
Total capitalized cost – Dallas North Tollway Phase 3	250,962,443
Lewisville Lake Toll Bridge - 3761	
Preliminary costs	9,875
Construction	99,156,608
Right-of-way	13,177
Engineering	14,226,480
Administration	249,624
Subtotal	113,655,764
Financing costs	(405,373)
Total capitalized cost – Lewisville Lake Toll Bridge	113,250,391
Sam Rayburn Tollway (121 Tollway) - 3751	
Preliminary costs	1,142,465
Construction	503,258,999
Right-of-way	15,103,568
Engineering	88,065,136
Administration	21,219,782
Roadways	3,197,211,448
Accumulated depreciation on infrastructure	(277,131,794)
Subtotal	3,548,869,604
Financing costs	180,928,463
Total capitalized cost – Sam Rayburn Tollway (121 Tollway)	3,729,798,067
President George Bush Turnpike - Eastern Extension - 3722	
Infrastructure (Other)	30,192
Construction	376,832,484
Right-of-way	104,963,323
Engineering	71,298,563
Administration	4,850,422
Subtotal	557,974,984
Financing costs	51,010,196
Total capitalized cost – President George Bush Turnpike - Eastern Extension	608,985,181
Totals by Category	
Infrastructure (Other)	30,192
Preliminary costs	51,634,469
Construction	2,292,392,149
Right-of-way	256,226,076
Engineering	379,082,736
Administration	59,540,551
Buildings	17,434,997
Land	7,293,755
Roadways	3,197,211,448
Equipment	45,637,446
Accumulated depreciation Equipment	(33,567,086)
Accumulated depreciation on infrastructure	(277,131,794)
Subtotal	5,995,784,939
Financing costs	285,607,883
Total Capitalized Cost as of December 31, 2012	\$ 6,281,392,822
	(concluded)

(1) Total capitalized cost includes bond discount/(premiums), which have been capitalized in accordance with the Trust Agreement.

These costs are netted against revenue bonds within the statement of net assets.

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
 Schedule of Deferred Study Costs - Feasibility Study Fund
 Year ended December 31, 2012
(Unaudited)

The table below sets forth the accumulated deferred study costs, by project, through December 31, 2012 that have not been transferred out of the Feasibility Study Fund into a construction project.

<u>Projects</u>	<u>Accumulated December 31, 2012</u>
Trinity Tollway	\$ 374,328
Dallas North Tollway:	
380 Interchange	285,767
Extension Phase 4	3,677,585
Extension Phase 4B/5A	3,560,670
President George Bush Turnpike - East Branch	121,176
State Highway 360	6,183,550
Trinity Parkway	34,669,211
North Central Texas Council of Governments	848,892
State Highway 170 - Alliance Gateway	4,668,835
Capital Planning Model	364,329
Collin/Grayson Corridor	175,712
Future Bond Issue Planning	336,519
State Highway 183 Managed Lanes	901,486
Collin County Outer Loop	3,152
Denton County Corridor	7,857
Loop 9	32,649
IH35 E Managed Lanes	60,494
	<u>\$ 56,272,212</u>

See accompanying independent auditor's report



**STATISTICAL
SECTION**

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
INTRODUCTION TO STATISTICAL SECTION
(Unaudited)

INTRODUCTION

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

FINANCIAL TRENDS

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

REVENUE CAPACITY

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

DEBT CAPACITY

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

OPERATING INFORMATION

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

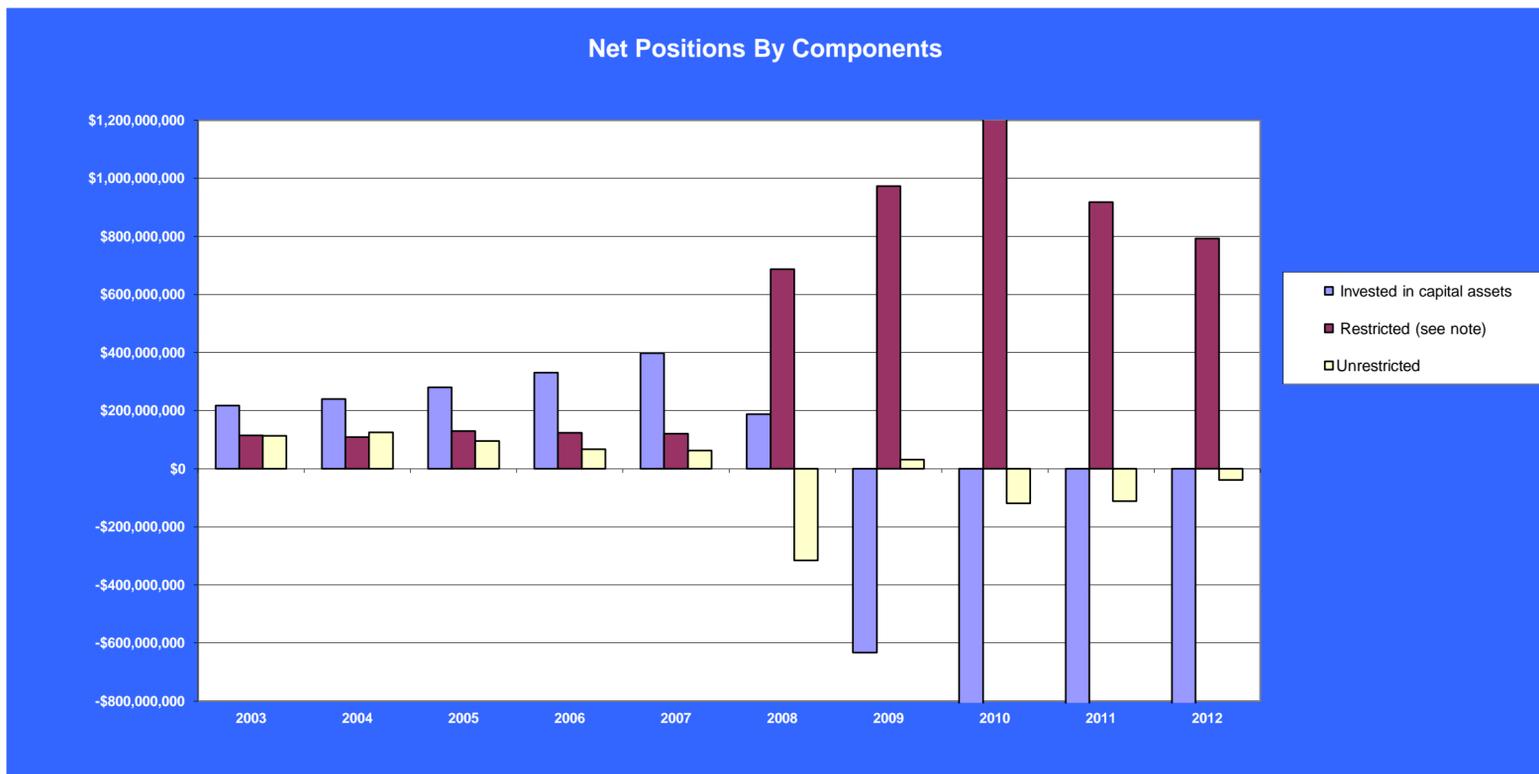
Sources: Unless other noted, the information in the following tables is derived from the annual financial reports for the relevant years.

NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Net Positions by Components
 Last Ten Fiscal Years
 (Unaudited)

Business-Type Activities

Components	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Invested in capital assets	\$217,181,585	\$239,205,057	\$280,156,648	\$330,841,254	\$398,078,219	\$187,921,483	\$ (633,265,931)	\$ (831,801,669)	\$ (1,178,473,954)	\$ (1,254,068,836)
Restricted (see note)	114,952,691	108,079,819	129,195,493	123,194,488	120,495,644	686,236,650	972,154,312	1,211,161,929	917,325,283	792,586,995
Unrestricted	113,345,843	124,451,990	95,696,520	67,332,901	62,928,573	(316,228,982)	31,783,352	(119,834,279)	(112,356,823)	(38,289,706)
Total net positions	\$ 445,480,119	471,736,866	505,048,661	521,368,643	581,502,436	557,929,151	370,671,733	259,525,981	-373,505,494	-499,771,547

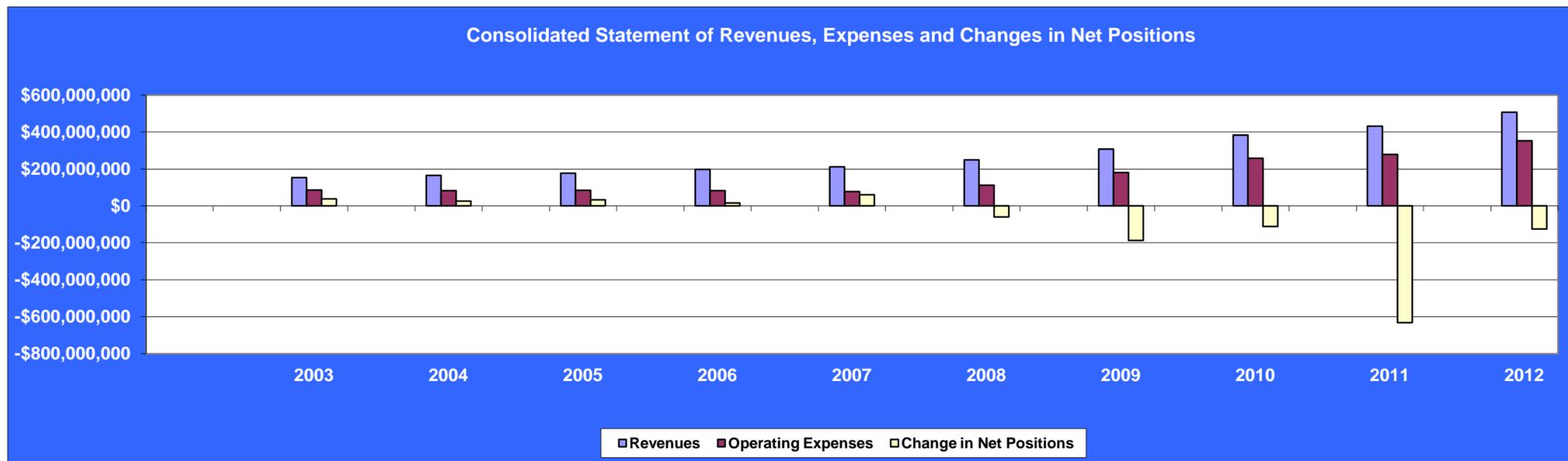
NOTE----Information prior to implementation of GASB 34 in FY 2002 is not available.



NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Statements of Revenues, Expenses, and Changes in Net Positions
Last Ten Fiscal Years
(Unaudited)

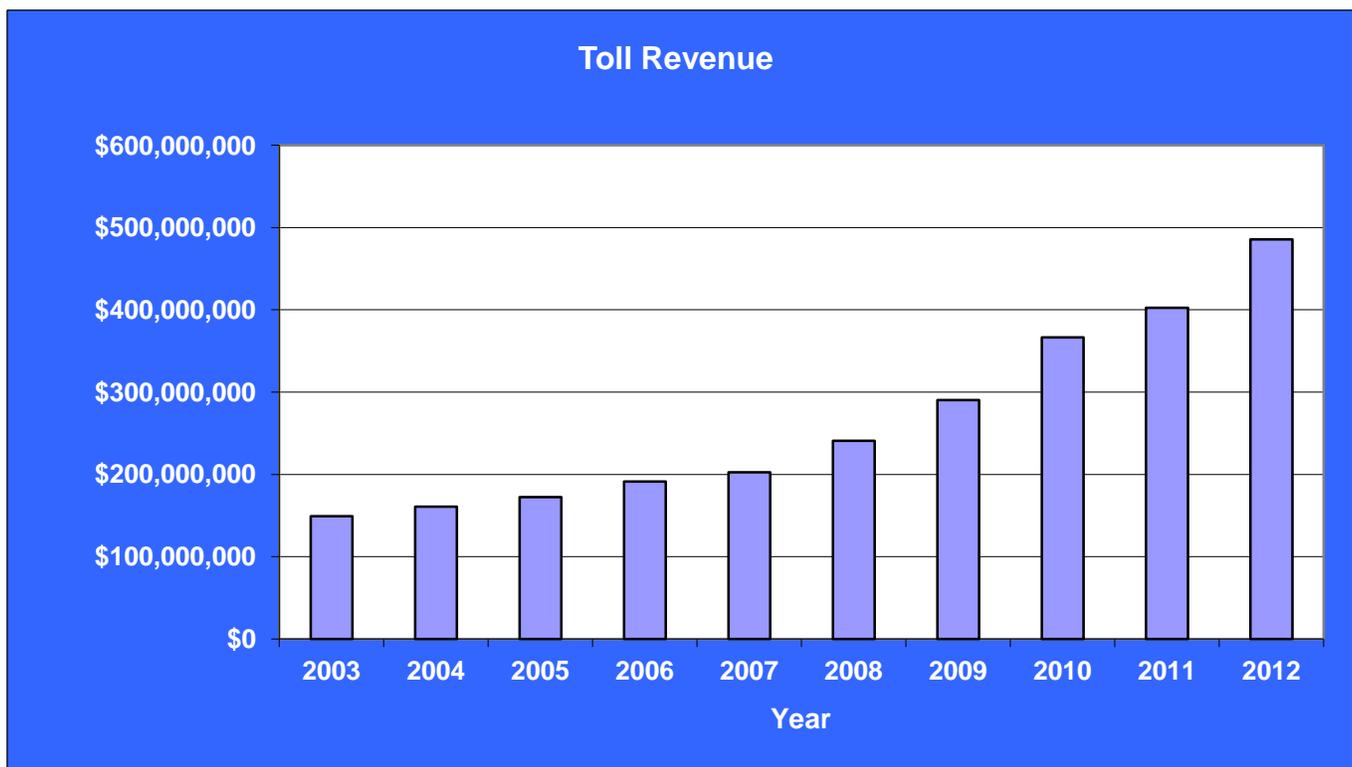
Business-Type Activities	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Tolls	\$ 149,323,784	\$ 160,695,030	\$ 172,537,345	\$ 191,434,120	\$ 202,675,564	\$ 240,776,791	\$ 290,404,547	\$ 366,597,323	\$ 402,569,534	\$ 485,463,608
Other (1)	3,180,903	4,574,224	5,103,941	6,647,546	7,988,624	9,273,124	17,195,849	17,268,589	28,372,616	20,729,193
Total operating revenues	152,504,687	165,269,254	177,641,286	198,081,666	210,664,188	250,049,915	307,600,396	383,865,912	430,942,150	506,192,801
Operating expenses:										
Administration	5,977,858	7,592,581	8,381,359	8,899,052	10,910,385	12,604,559	22,501,450	21,105,565	22,159,182	22,982,801
Operations	36,672,675	40,088,169	48,195,524	52,522,106	64,660,897	68,064,173	68,433,322	74,604,274	77,165,408	83,253,523
Reserve maintenance	5,792,192	10,990,224	7,483,753	22,771,922	23,858,264	18,254,548	15,444,672	11,701,225	16,540,873	11,446,757
Capital improvement	18,320,162	24,268,247	30,117,098	31,975,003	33,381,445	38,541,652	20,039,108	18,259,590	36,535,270	35,691,517
Total operating expenses before depreciation	66,762,887	82,939,221	94,177,734	116,168,083	132,810,991	137,464,932	126,418,552	125,670,654	152,400,733	153,374,598
Operating income before depreciation	85,741,800	82,330,033	83,463,552	81,913,583	77,853,197	112,584,983	181,181,844	258,195,258	278,541,417	352,818,203
Unallocated infrastructure depreciation	-	-	-	-	-	-	-	-	(63,947,216)	(63,943,350)
Depreciation	(1,598,423)	(1,662,808)	(2,092,825)	(2,126,037)	(1,800,225)	(3,481,013)	(4,529,323)	(4,794,093)	(5,690,160)	(6,038,360)
Operating income	84,143,377	80,667,225	81,370,727	79,787,546	76,052,972	109,103,970	176,652,521	253,401,165	208,904,041	282,836,493
Nonoperating revenues (expenses):										
Interest earned on investments	9,327,630	10,458,474	13,562,625	16,550,756	17,592,664	50,438,067	25,219,356	22,128,268	17,672,334	10,112,695
Net increase(decrease) in the fair value of investments	(1,454,787)	(1,676,391)	(1,087,627)	2,335,448	1,067,995	24,555,188	(13,371,674)	3,588,196	(3,659,548)	(4,962,380)
Unallocated infrastructure depreciation	-	-	-	-	-	(24,555,772)	(60,703,200)	(63,801,840)	-	-
Interest expense on revenue bonds	(41,408,356)	(46,017,953)	(55,184,859)	(53,414,350)	(52,420,707)	(227,034,684)	(352,464,434)	(371,173,164)	(343,422,746)	(444,746,741)
Interest expense on short term notes	(214,067)	-	-	(24,658)	(2,653,677)	(35,086,229)	(6,364,724)	(6,269,247)	(6,269,405)	(6,032,854)
Bond premium/discount amortization	(197,326)	1,305,815	1,285,475	1,618,562	1,386,510	(217,615)	(1,659,281)	6,330,306	(43,237,386)	892,614
Bond issuance cost amortization	-	-	-	-	-	(17,543,223)	(9,216,397)	(5,002,937)	(4,173,546)	(4,147,186)
Deferred amount on refunding amortization	(4,350,295)	(6,147,053)	(7,030,110)	(6,557,286)	(6,017,291)	(6,694,083)	(8,911,969)	(571,990)	(5,829,048)	(4,701,591)
SWAP termination payment	-	-	-	-	-	(4,511,011)	(6,081,700)	-	-	-
Net amount on refunded bonds	-	-	-	-	-	(3,167,688)	-	-	-	-
Contributed capital to the Feasibility Study Fund	(8,487,500)	(11,990,800)	-	(25,000,000)	25,000,000	-	-	-	-	-
Transfer to SPS	-	-	-	-	-	-	-	(217,866)	(508,991,349)	911,870
Capital Grant Contributions	-	-	-	-	-	74,902,422	59,588,883	31,526,405	25,712,730	8,523,679
BAB's Subsidy	-	-	-	-	-	-	7,489,870	26,263,784	28,978,075	28,978,075
Other	(306,984)	(342,570)	395,564	1,013,964	135,327	(355,245)	2,565,331	(7,346,832)	1,284,373	6,069,273
Net nonoperating revenues (expenses)	(47,091,685)	(54,410,478)	(48,058,932)	(63,477,564)	(15,909,179)	(169,269,873)	(363,909,939)	(364,546,917)	(841,935,516)	(409,102,546)
Change in net positions	\$ 37,051,692	\$ 26,256,747	\$ 33,311,795	\$ 16,309,982	\$ 60,143,793	\$ (60,165,903)	\$ (187,257,418)	\$ (111,145,752)	\$ (633,031,475)	\$ (126,266,053)

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



NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Traffic and Toll Revenue
 Last Ten Fiscal Years
 (Unaudited)

Year	Annual Revenue Vehicle Transactions	Annual Toll Revenue	Average Toll Rate per Transaction
2003	296,140,087	149,323,784	0.50
2004	315,031,754	160,695,030	0.51
2005	338,390,215	172,537,345	0.51
2006	370,696,171	191,434,120	0.52
2007	383,481,098	202,675,564	0.53
2008	412,272,003	240,776,791	0.58
2009	455,546,197	290,404,547	0.64
2010	481,913,338	366,597,323	0.76
2011	513,454,344	402,569,534	0.78
2012	585,051,845	485,463,608	0.83



NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
Toll Rates
 Last Ten Fiscal Years
 (Unaudited)

		Years									
<u>Two-axle passenger cars and trucks</u>											
<u>Roadway</u>		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$0.75	\$0.75	\$0.75	\$0.75	-	-	-	-	-	-
	TollTag	0.60	0.60	0.60	0.60	\$0.60	\$0.70	\$1.26	\$1.26	\$1.33	\$1.33
<i>(all ETC, effective in Jan., 2007)</i>											
	ZipCash	-	-	-	-	0.75	1.00	1.89	1.89	2.00	2.00
Main Lane Plaza 2	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	1.35	1.35	1.43	1.43
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	0.90	0.90	0.95	0.95
Main Lane Plaza 3	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	1.20	1.20	1.28	1.28
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	0.80	0.80	0.85	0.85
Main Lane Plaza 4 (1)	Cash/ZipCash	-	-	-	-	1.30	1.30	2.15	2.12	2.24	2.24
	TollTag	-	-	-	-	1.05	1.05	1.41	1.41	1.49	1.49
Addison Airport Toll Tunnel:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.80	0.80
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.53	0.53
President George Bush Turnpike:											
Main Lane Plaza 5 (9)	ZipCash	-	-	-	-	-	-	-	-	2.28	2.28
	TollTag	-	-	-	-	-	-	-	-	1.52	1.52
Main Lane Plaza 6	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	1.50	1.50	1.58	1.58
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	1.00	1.00	1.05	1.05
Main Lane Plaza 7	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	1.62	1.62	1.71	1.71
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	1.08	1.08	1.14	1.14
Main Lane Plaza 8 (2)	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	1.50	1.50	1.59	1.59
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	1.00	1.00	1.06	1.06
Main Lane Plaza 9 (3)	Cash/ZipCash	-	-	0.75	0.75	1.00	1.00	1.20	1.20	1.26	1.26
	TollTag	-	-	0.60	0.60	0.70	0.70	0.80	0.80	0.84	0.84
Main Lane Plaza 10 (4)	Cash/ZipCash	0.75	0.75	0.75	0.75	1.00	1.00	0.69	0.69	0.74	0.74
	TollTag	0.60	0.60	0.60	0.60	0.70	0.70	0.46	0.46	0.49	0.49
Mountain Creek Lake Bridge:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.80	0.80
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.53	0.53
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (5)	ZipCash	-	-	-	-	-	0.65	0.72	0.72	0.75	0.75
	TollTag	-	-	-	-	-	0.45	0.48	0.48	0.50	0.50
Main Lane Gantry 2 (5)	ZipCash	-	-	-	-	-	1.71	1.86	1.86	1.95	1.95
	TollTag	-	-	-	-	-	1.18	1.24	1.24	1.30	1.30
Main Lane Gantry 3 (6) (8)	ZipCash	-	-	-	-	-	-	2.04	2.57	2.70	2.70
	TollTag	-	-	-	-	-	-	1.36	1.71	1.80	1.80
Lewisville Lake Toll Bridge:											
Mainlane Plaza (7)	ZipCash	-	-	-	-	-	-	1.50	1.50	1.59	1.59
	TollTag	-	-	-	-	-	-	1.00	1.00	1.06	1.06

(continued)

- (1) Main Lane Plaza 4 opened September 2007
- (2) Main Lane Plaza 8 opened July 2001
- (3) Main Lane Plaza 9 opened September 2005
- (4) Main Lane Plaza 10 opened December 2001
- (5) Main Lane Gantry 1 & 2 (ETC) on SRT; NTTA began collecting revenues on SRT on its own behalf on September 1, 2008
- (6) Main Lane Plaza 3 on SRT opened September 2009
- (7) Lewisville Lake Toll Bridge opened August 2009
- (8) SRT mainlanes were extended to US 75 in December 2010
- (9) PGBT EE mainlanes from SH 78 to IH 30 opened in December 2011

Note: The Authority has converted all the facilities in the system to All Electronic Toll Collection (All ETC).
 Cash will no longer be accepted on NTTA facilities. Vehicles with no transponders will be billed through video tolling.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Toll Rates
Last Ten Fiscal Years
(Unaudited)

Three-axle vehicle and vehicle combination		Years									
Roadway		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$1.20	\$1.20	\$1.20	\$1.20	-	-	-	-	-	-
	TollTag	0.95	0.95	0.95	0.95	\$0.95	\$1.40	\$2.52	\$2.52	\$2.66	\$2.66
<i>(all ETC, effective in Jan., 2007)</i>						1.20	2.00	3.78	3.78	4.00	4.00
Main Lane Plaza 2	Cash/ZipCash	1.20	1.20	1.20	1.20	2.00	2.00	2.70	2.70	2.86	2.86
	TollTag	0.95	0.95	0.95	0.95	1.40	1.40	1.80	1.80	1.90	1.90
Main Lane Plaza 3	Cash/ZipCash	1.20	1.20	1.20	1.20	2.00	2.00	2.40	2.40	2.56	2.56
	TollTag	0.95	0.95	0.95	0.95	1.40	1.40	1.60	1.60	1.70	1.70
Main Lane Plaza 4 (1)	Cash/ZipCash	-	-	-	-	2.60	2.60	4.30	4.24	4.48	4.48
	TollTag	-	-	-	-	2.10	2.10	2.82	2.82	2.98	2.98
Addison Airport Toll Tunnel:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	1.50	1.50	1.60	1.60
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.06	1.06
President George Bush Turnpike:											
Main Lane Plaza 5 (9)	ZipCash	-	-	-	-	-	-	-	-	4.56	4.56
	TollTag	-	-	-	-	-	-	-	-	3.04	3.04
Main Lane Plaza 6	Cash/ZipCash	1.50	1.50	1.50	1.50	2.00	2.00	3.00	3.00	3.16	3.16
	TollTag	1.20	1.20	1.20	1.20	1.40	1.40	2.00	2.00	2.10	2.10
Main Lane Plaza 7	Cash/ZipCash	1.50	1.50	1.50	1.50	2.00	2.00	3.24	3.24	3.42	3.42
	TollTag	1.20	1.20	1.20	1.20	1.40	1.40	2.16	2.16	2.28	2.28
Main Lane Plaza 8 (2)	Cash/ZipCash	1.50	1.50	1.50	1.50	2.00	2.00	3.00	3.00	3.18	3.18
	TollTag	1.20	1.20	1.20	1.20	1.40	1.40	2.00	2.00	2.12	2.12
Main Lane Plaza 9 (3)	Cash/ZipCash	-	-	1.50	1.50	2.00	2.00	2.40	2.40	2.52	2.52
	TollTag	-	-	1.20	1.20	1.40	1.40	1.60	1.60	1.68	1.68
Main Lane Plaza 10 (4)	Cash/ZipCash	1.50	1.50	1.50	1.50	2.00	2.00	1.38	1.38	1.48	1.48
	TollTag	1.20	1.20	1.20	1.20	1.40	1.40	0.92	0.92	0.98	0.98
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash/ZipCash	0.75	0.75	0.75	0.75	0.75	0.75	1.50	1.50	1.60	1.60
	TollTag	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.06	1.06
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (5)	ZipCash	-	-	-	-	-	1.30	1.44	1.44	1.50	1.50
	TollTag	-	-	-	-	-	0.90	0.96	0.96	1.00	1.00
Main Lane Gantry 2 (5)	ZipCash	-	-	-	-	-	3.42	3.72	3.72	3.90	3.90
	TollTag	-	-	-	-	-	2.36	2.48	2.48	2.60	2.60
Main Lane Gantry 3 (6) (8)	ZipCash	-	-	-	-	-	-	4.08	5.14	5.40	5.40
	TollTag	-	-	-	-	-	-	2.72	3.42	3.60	3.60
Lewisville Lake Toll Bridge:											
Mainlane Plaza (7)	ZipCash	-	-	-	-	-	-	3.00	3.00	3.18	3.18
	TollTag	-	-	-	-	-	-	2.00	2.00	2.12	2.12

(continued)

- (1) Main Lane Plaza 4 opened September 2007
- (2) Main Lane Plaza 8 opened July 2001
- (3) Main Lane Plaza 9 opened September 2005
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- (5) Main Lane Gantry 1 & 2 (ETC) on SRT; NTTA began collecting revenues on SRT on its own behalf on September 1, 2008
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Cash will no longer be accepted on NTTA facilities. Vehicles with no transponders will be billed through video tolling.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Toll Rates
Last Ten Fiscal Years
(Unaudited)

Four-axle vehicle and vehicle combination		Years									
Roadway		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$1.50	\$1.50	\$1.50	\$1.50	-	-	-	-	-	-
	TollTag	1.20	1.20	1.20	1.20	\$1.20	\$2.10	\$3.78	\$3.78	\$3.99	\$3.99
<i>(all ETC, effective in Jan., 2007)</i>						1.50	3.00	5.67	5.67	6.00	6.00
Main Lane Plaza 2	Cash/ZipCash	1.50	1.50	1.50	1.50	3.00	3.00	4.05	4.05	4.29	4.29
	TollTag	1.20	1.20	1.20	1.20	2.10	2.10	2.70	2.70	2.85	2.85
Main Lane Plaza 3	Cash/ZipCash	1.50	1.50	1.50	1.50	3.00	3.00	3.60	3.60	3.84	3.84
	TollTag	1.20	1.20	1.20	1.20	2.10	2.10	2.40	2.40	2.55	2.55
Main Lane Plaza 4 (1)	Cash/ZipCash	-	-	-	-	3.90	3.90	6.45	6.36	6.72	6.72
	TollTag	-	-	-	-	3.15	3.15	4.23	4.23	4.47	4.47
Addison Airport Toll Tunnel:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	2.25	2.25	2.40	2.40
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	1.50	1.50	1.59	1.59
President George Bush Turnpike:											
Main Lane Plaza 5 (9)	ZipCash	-	-	-	-	-	-	-	-	6.84	6.84
	TollTag	-	-	-	-	-	-	-	-	4.56	4.56
Main Lane Plaza 6	Cash/ZipCash	2.25	2.25	2.25	2.25	3.00	3.00	4.50	4.50	4.74	4.74
	TollTag	1.80	1.80	1.80	1.80	2.10	2.10	3.00	3.00	3.15	3.15
Main Lane Plaza 7	Cash/ZipCash	2.25	2.25	2.25	2.25	3.00	3.00	4.86	4.86	5.13	5.13
	TollTag	1.80	1.80	1.80	1.80	2.10	2.10	3.24	3.24	3.42	3.42
Main Lane Plaza 8 (2)	Cash/ZipCash	2.25	2.25	2.25	2.25	3.00	3.00	4.50	4.50	4.77	4.77
	TollTag	1.80	1.80	1.80	1.80	2.10	2.10	3.00	3.00	3.18	3.18
Main Lane Plaza 9 (3)	Cash/ZipCash	-	-	2.25	2.25	3.00	3.00	3.60	3.60	3.78	3.78
	TollTag	-	-	1.80	1.80	2.10	2.10	2.40	2.40	2.52	2.52
Main Lane Plaza 10 (4)	Cash/ZipCash	2.25	2.25	2.25	2.25	3.00	3.00	2.07	2.07	2.22	2.22
	TollTag	1.80	1.80	1.80	1.80	2.10	2.10	1.38	1.38	1.47	1.47
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash/ZipCash	1.00	1.00	1.00	1.00	1.00	1.00	2.25	2.25	2.40	2.40
	TollTag	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.59	1.59
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (5)	ZipCash	-	-	-	-	-	1.95	2.16	2.16	2.25	2.25
	TollTag	-	-	-	-	-	1.35	1.44	1.44	1.50	1.50
Main Lane Gantry 2 (5)	ZipCash	-	-	-	-	-	5.13	5.58	5.58	5.85	5.85
	TollTag	-	-	-	-	-	3.54	3.72	3.72	3.90	3.90
Main Lane Gantry 3 (6) (8)	ZipCash	-	-	-	-	-	-	6.12	7.71	8.10	8.10
	TollTag	-	-	-	-	-	-	4.08	5.13	5.40	5.40
Lewisville Lake Toll Bridge:											
Mainlane Plaza (7)	ZipCash	-	-	-	-	-	-	4.50	4.50	4.77	4.77
	TollTag	-	-	-	-	-	-	3.00	3.00	3.18	3.18

(continued)

- (1) Main Lane Plaza 4 opened September 2007
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- (7) Lewisville Lake Toll Bridge opened August 2009
- (8) SRT mainlanes were extended to US 75 in December 2010
- (9) PGBT EE mainlanes from SH 78 to IH 30 opened in December 2011

Note: The Authority has converted all the facilities in the system to All Electronic Toll Collection (All ETC).

Cash will no longer be accepted on NTTA facilities. Vehicles with no transponders will be billed through video tolling.

NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
Toll Rates
 Last Ten Fiscal Years
 (Unaudited)

Five-axle vehicle and vehicle combination		Years									
Roadway		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$1.80	\$1.80	\$1.80	\$1.80	-	-	-	-	-	-
	TollTag	1.45	1.45	1.45	1.45	\$1.45	\$2.80	\$5.04	\$5.04	\$5.32	\$5.32
<i>(all ETC, effective in Jan., 2007)</i>											
Main Lane Plaza 2	Cash/ZipCash	1.80	1.80	1.80	1.80	4.00	4.00	5.40	5.40	5.72	5.72
	TollTag	1.45	1.45	1.45	1.45	2.80	2.80	3.60	3.60	3.80	3.80
Main Lane Plaza 3	Cash/ZipCash	1.80	1.80	1.80	1.80	4.00	4.00	4.80	4.80	5.12	5.12
	TollTag	1.45	1.45	1.45	1.45	2.80	2.80	3.20	3.20	3.40	3.40
Main Lane Plaza 4 (1)	Cash/ZipCash	-	-	-	-	5.20	5.20	8.60	8.48	8.96	8.96
	TollTag	-	-	-	-	4.20	4.20	5.64	5.64	5.96	5.96
Addison Airport Toll Tunnel:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	3.00	3.00	3.20	3.20
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	2.00	2.00	2.12	2.12
President George Bush Turnpike:											
Main Lane Plaza 5 (9)	ZipCash	-	-	-	-	-	-	-	-	9.12	9.12
	TollTag	-	-	-	-	-	-	-	-	6.08	6.08
Main Lane Plaza 6	Cash/ZipCash	3.00	3.00	3.00	3.00	4.00	4.00	6.00	6.00	6.32	6.32
	TollTag	2.40	2.40	2.40	2.40	2.80	2.80	4.00	4.00	4.20	4.20
Main Lane Plaza 7	Cash/ZipCash	3.00	3.00	3.00	3.00	4.00	4.00	6.48	6.48	6.84	6.84
	TollTag	2.40	2.40	2.40	2.40	2.80	2.80	4.32	4.32	4.56	4.56
Main Lane Plaza 8 (2)	Cash/ZipCash	3.00	3.00	3.00	3.00	4.00	4.00	6.00	6.00	6.36	6.36
	TollTag	2.40	2.40	2.40	2.40	2.80	2.80	4.00	4.00	4.24	4.24
Main Lane Plaza 9 (3)	Cash/ZipCash	-	-	3.00	3.00	4.00	4.00	4.80	4.80	5.04	5.04
	TollTag	-	-	2.40	2.40	2.80	2.80	3.20	3.20	3.36	3.36
Main Lane Plaza 10 (4)	Cash/ZipCash	3.00	3.00	3.00	3.00	4.00	4.00	2.76	2.76	2.96	2.96
	TollTag	2.40	2.40	2.40	2.40	2.80	2.80	1.84	1.84	1.96	1.96
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash/ZipCash	1.25	1.25	1.25	1.25	1.25	1.25	3.00	3.00	3.20	3.20
	TollTag	1.25	1.25	1.25	1.25	1.25	1.25	2.00	2.00	2.12	2.12
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (5)	ZipCash	-	-	-	-	-	2.60	2.88	2.88	3.00	3.00
	TollTag	-	-	-	-	-	1.80	1.92	1.92	2.00	2.00
Main Lane Gantry 2 (5)	ZipCash	-	-	-	-	-	6.84	7.44	7.44	7.80	7.80
	TollTag	-	-	-	-	-	4.72	4.96	4.96	5.20	5.20
Main Lane Gantry 3 (6) (8)	ZipCash	-	-	-	-	-	-	8.16	10.28	10.80	10.80
	TollTag	-	-	-	-	-	-	5.44	6.84	7.20	7.20
Lewisville Lake Toll Bridge:											
Mainlane Plaza (7)	ZipCash	-	-	-	-	-	-	6.00	6.00	6.36	6.36
	TollTag	-	-	-	-	-	-	4.00	4.00	4.24	4.24

(continued)

- (1) Main Lane Plaza 4 opened September 2007
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- (4) Main Lane Plaza 10 opened December 2001
- (5) Main Lane Gantry 1 & 2 (ETC) on SRT; NTTA began collecting revenues on SRT on its own behalf on September 1, 2008
- (6) Main Lane Plaza 3 on SRT opened September 2009
- (7) Lewisville Lake Toll Bridge opened August 2009
- (8) SRT mainlanes were extended to US 75 in December 2010
- (9) PGBT EE mainlanes from SH 78 to IH 30 opened in December 2011

Note: The Authority has converted all the facilities in the system to All Electronic Toll Collection (All ETC).
 Cash will no longer be accepted on NTTA facilities. Vehicles with no transponders will be billed through video tolling.

NORTH TEXAS TOLLWAY SYSTEM
(An Enterprise Fund of the North Texas Tollway Authority)
Toll Rates
Last Ten Fiscal Years
(Unaudited)

Six or more-axle vehicle and vehicle combination		Years									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Roadway											
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$2.10	\$2.10	\$2.10	\$2.10	-	-	-	-	-	-
	TollTag	1.70	1.70	1.70	1.70	\$1.70	\$3.50	\$6.30	\$6.30	\$6.65	\$6.65
<i>(all ETC, effective in Jan., 2007)</i>						2.10	5.00	9.45	9.45	10.00	10.00
Main Lane Plaza 2	Cash/ZipCash	2.10	2.10	2.10	2.10	5.00	5.00	6.75	6.75	7.15	7.15
	TollTag	1.70	1.70	1.70	1.70	3.50	3.50	4.50	4.50	4.75	4.75
Main Lane Plaza 3	Cash/ZipCash	2.10	2.10	2.10	2.10	5.00	5.00	6.00	6.00	6.40	6.40
	TollTag	1.70	1.70	1.70	1.70	3.50	3.50	4.00	4.00	4.25	4.25
Main Lane Plaza 4 (1)	Cash/ZipCash	-	-	-	-	6.50	6.50	10.75	10.60	11.20	11.20
	TollTag	-	-	-	-	5.25	5.25	7.05	7.05	7.45	7.45
Addison Airport Toll Tunnel:											
Mainlane Plaza	Cash/ZipCash	0.50	0.50	0.50	0.50	0.50	0.50	3.75	3.75	4.00	4.00
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	2.50	2.50	2.65	2.65
President George Bush Turnpike:											
Main Lane Plaza 5 (9)	ZipCash	-	-	-	-	-	-	-	-	11.40	11.40
	TollTag	-	-	-	-	-	-	-	-	7.60	7.60
Main Lane Plaza 6	Cash/ZipCash	3.75	3.75	3.75	3.75	5.00	5.00	7.50	7.50	7.90	7.90
	TollTag	3.00	3.00	3.00	3.00	3.50	3.50	5.00	5.00	5.25	5.25
Main Lane Plaza 7	Cash/ZipCash	3.75	3.75	3.75	3.75	5.00	5.00	8.10	8.10	8.55	8.55
	TollTag	3.00	3.00	3.00	3.00	3.50	3.50	5.40	5.40	5.70	5.70
Main Lane Plaza 8 (2)	Cash/ZipCash	3.75	3.75	3.75	3.75	5.00	5.00	7.50	7.50	7.95	7.95
	TollTag	3.00	3.00	3.00	3.00	3.50	3.50	5.00	5.00	5.30	5.30
Main Lane Plaza 9 (3)	Cash/ZipCash	-	-	3.75	3.75	5.00	5.00	6.00	6.00	6.30	6.30
	TollTag	-	-	3.00	3.00	3.50	3.50	4.00	4.00	4.20	4.20
Main Lane Plaza 10 (4)	Cash/ZipCash	3.75	3.75	3.75	3.75	5.00	5.00	3.45	3.45	3.70	3.70
	TollTag	3.00	3.00	3.00	3.00	3.50	3.50	2.30	2.30	2.45	2.45
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash/ZipCash	1.50	1.50	1.50	1.50	1.50	1.50	3.75	3.75	4.00	4.00
	TollTag	1.50	1.50	1.50	1.50	1.50	1.50	2.50	2.50	2.65	2.65
										0.00	0.00
Sam Rayburn Tollway (SRT):											
Main Lane Gantry 1 (5)	ZipCash	-	-	-	-	-	3.25	3.60	3.60	3.75	3.75
	TollTag	-	-	-	-	-	2.25	2.40	2.40	2.50	2.50
Main Lane Gantry 2 (5)	ZipCash	-	-	-	-	-	8.55	9.30	9.30	9.75	9.75
	TollTag	-	-	-	-	-	5.90	6.20	6.20	6.50	6.50
Main Lane Gantry 3 (6) (8)	ZipCash	-	-	-	-	-	-	10.20	12.85	13.50	13.50
	TollTag	-	-	-	-	-	-	6.80	8.55	9.00	9.00
Lewisville Lake Toll Bridge:											
Mainlane Plaza (7)	ZipCash	-	-	-	-	-	-	7.50	7.50	7.95	7.95
	TollTag	-	-	-	-	-	-	5.00	5.00	5.30	5.30

(concluded)

- (1) Main Lane Plaza 4 opened September 2007
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- (4) Main Lane Plaza 10 opened December 2001
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Note: The Authority has converted all the facilities in the system to All Electronic Toll Collection (All ETC).

Cash will no longer be accepted on NTTA facilities. Vehicles with no transponders will be billed through video tolling.

NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Ratio of Outstanding Debt by Type
 Business-Type Activities
 Last Ten Fiscal Years
 (Unaudited)

Year	Revenue Bonds	Bond Anticipation Notes	Commercial Paper Notes Payable	Texas Department of Transportation ISTEALoan	Texas Department of Transportation Loan Payable	Total Debt Amount	Total Revenue Vehicle Toll Transactions(1)	Debt Per Transactions	Debt Per Capita(2)
2003	1,139,285,000	-	-	135,000,000	4,600,000	1,278,885,000	296,140,087	4.32	261
2004	1,125,735,000	-	-	135,000,000	4,600,000	1,265,335,000	315,031,754	4.02	254
2005	1,420,605,000	-	-	135,000,000	4,600,000	1,560,205,000	338,390,215	4.61	308
2006	1,390,130,000	-	25,000,000	135,000,000	4,600,000	1,554,730,000	370,696,171	4.19	299
2007	1,368,550,000	\$3,487,245,000	75,000,000	135,000,000	4,600,000	5,070,395,000	383,481,098	13.22	953
2008	6,150,814,166	-	89,700,000	135,000,000	4,600,000	6,380,114,166	412,272,003	15.48	1,175
2009	7,122,390,015	-	5,200,000	146,609,022	4,600,000	7,278,799,037	455,546,197	15.98	1,312
2010	7,543,021,558	-	119,200,000	142,857,298	-	7,805,078,856	481,913,338	16.20	1,388
2011	7,555,401,914	-	56,300,000	140,607,304	-	7,752,309,218	513,454,344	15.10	1,345
2012	7,556,400,009	-	38,300,000	138,262,812	-	7,732,962,821	585,051,845	13.22	1,316

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

(1) See table of Traffic and Toll Revenue on page 80.

(2) See table of Demographic Data on page 88.

NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Ratio of Revenue-backed Debt Outstanding
 Business-Type Activities
 Last Ten Fiscal Years
 (Unaudited)

Year	Revenue Bonds	Bond Anticipation Notes	Less: amounts Available in		Texas Department of Transportation ISTE A Loan	Total Debt Amount	Annual Toll Revenues(1)	Debt Per Annual	
			Bond Redemption Account	Commercial Paper Notes Payable				Toll Revenue	Debt Per Capita(2)
2003	1,139,285,000	-	(13,553,662)	-	135,000,000	1,260,731,338	149,323,784	8	257
2004	1,125,735,000	-	(15,447,037)	-	135,000,000	1,245,287,963	160,695,030	8	250
2005	1,420,605,000	-	(17,311,773)	-	135,000,000	1,538,293,227	172,537,345	9	304
2006	1,390,130,000	-	(22,008,278)	25,000,000	135,000,000	1,528,121,722	191,434,120	8	294
2007	1,368,550,000	\$3,487,245,000	(23,240,000)	75,000,000	135,000,000	5,042,555,000	202,675,564	25	947
2008	6,150,814,166	-	(34,110,000)	89,700,000	135,000,000	6,341,404,166	240,776,791	26	1168
2009	7,122,390,015	-	(32,170,000)	5,200,000	146,609,022	7,242,029,037	290,404,547	25	1306
2010	7,543,021,558	-	(29,685,000)	119,200,000	142,857,298	7,775,393,856	366,597,323	21	1383
2011	7,555,401,914	-	(27,980,000)	56,300,000	140,607,304	7,724,329,218	402,569,534	19	1340
2012	7,556,400,009	-	(16,605,000)	38,300,000	138,262,812	7,716,357,821	485,463,608	16	1339

Note----Details on the System's outstanding debt can be found in the Notes to the Financial Statements.

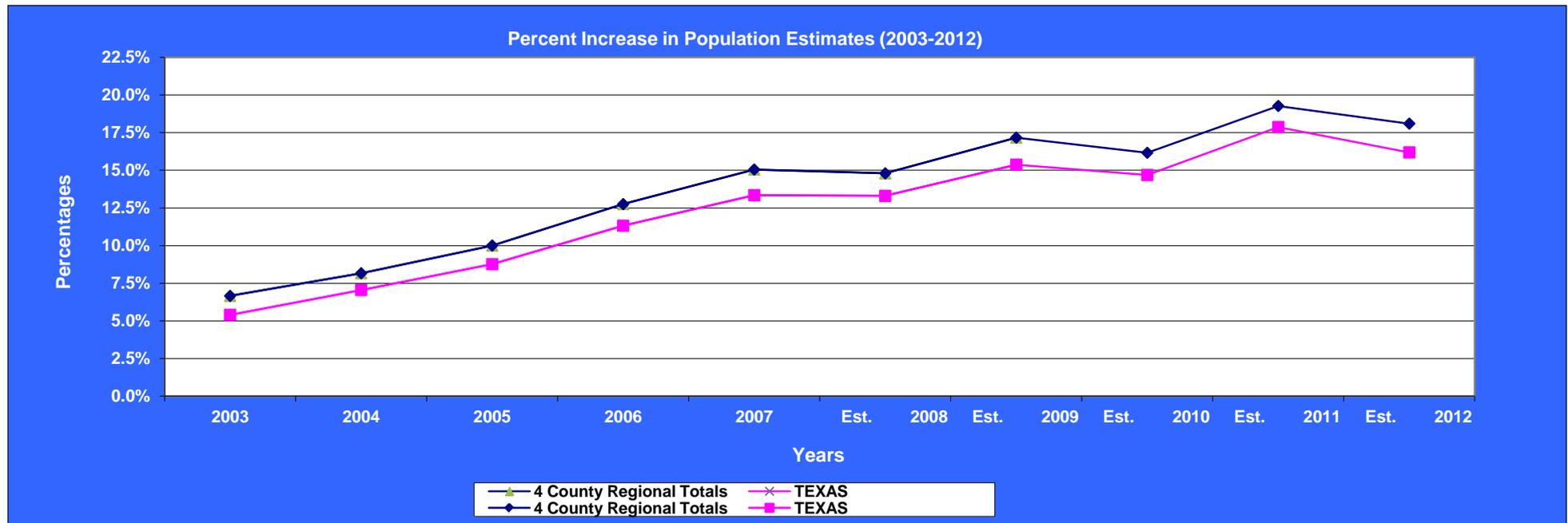
(1) See table of Traffic and Toll Revenue on page 80.

(2) See table of Demographic Data on page 88.

NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Demographic Data-Combined Four County Region and State of Texas Population Estimated Data
 For Years 2003-2012
 (Unaudited)

Year	COLLIN	DALLAS	DENTON	TARRANT	Est. Four County Regional Totals	Estimated Texas Totals	Percentage Change (From Prior Years)		
							4 County	TEXAS	
2003	589,394	2,246,432	509,732	1,553,086	4,898,644	22,030,931	1.51%	1.57%	
2004	617,802	2,244,020	529,811	1,580,595	4,972,228	22,394,023	1.50%	1.65%	
2005	647,187	2,250,830	553,669	1,612,048	5,063,734	22,778,123	1.84%	1.72%	
2006	683,935	2,275,434	581,561	1,662,005	5,202,935	23,359,580	2.75%	2.55%	
2007	714,330	2,291,891	609,001	1,707,157	5,322,379	23,831,983	2.30%	2.02%	
Est. 2008	741,264	2,314,018	630,104	1,745,602	5,430,988	24,309,039	2.04%	1.98%	
Est. 2009	765,791	2,346,378	649,702	1,784,078	5,545,949	24,801,761	2.12%	2.03%	
Est. 2010	782,341	2,368,139	662,614	1,809,034	5,622,128	25,145,561	1.37%	1.39%	
Est. 2011	812,226	2,416,014	686,406	1,849,815	5,764,461	25,674,681	2.10%	2.50%	
Est. 2012	834,642	2,453,843	707,304	1,880,153	5,875,942	26,059,203	1.93%	1.50%	
Increase Total from Year 2003 to Year 2012		245,248	207,411	197,572	327,067	977,298	4,028,272		

Source: US Census Bureau

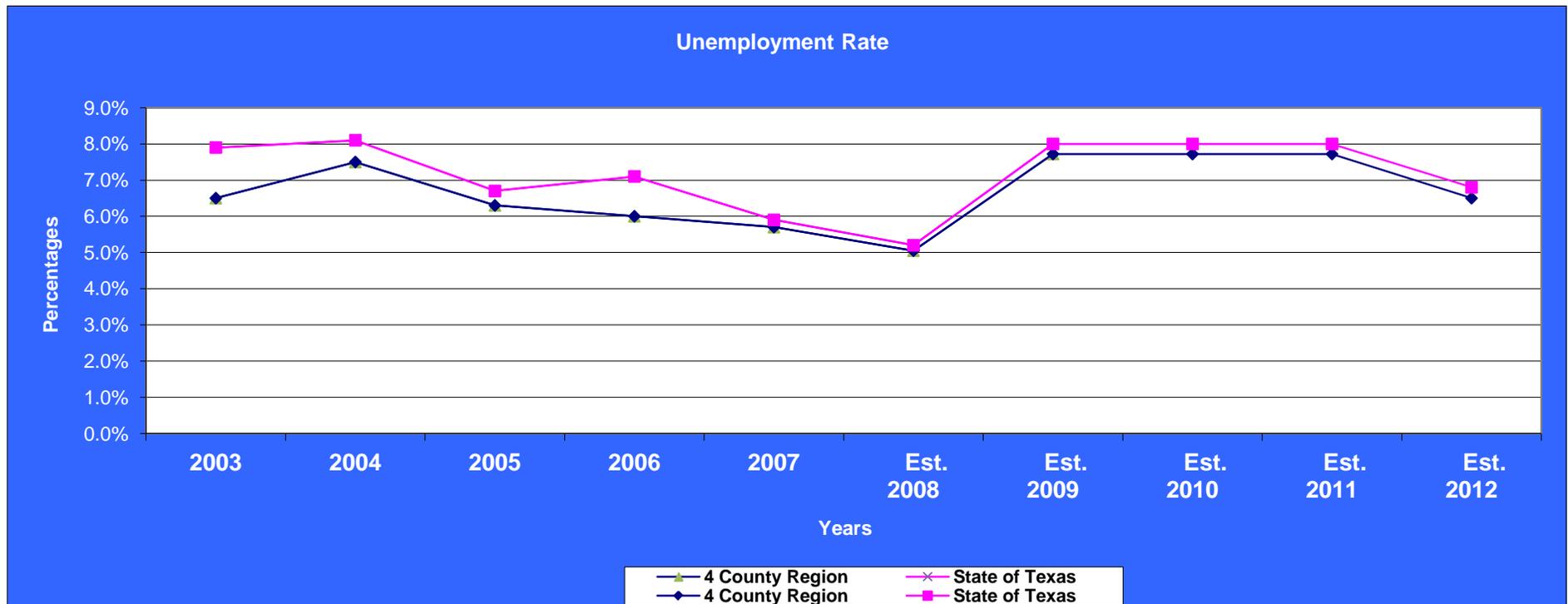


NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Demographic Data-Combined Four County Region and State of Texas Employment Status Estimates
 For Years 2003-2012
 (Unaudited)

Year	COLLIN	DALLAS	DENTON	TARRANT	Combined Four	Texas	Unemployment Rate		
					County Regional	Estimated Totals	4 County	Texas	
2003	325,039	1,176,107	287,142	814,196	2,602,484	10,556,464	6.5%	7.9%	
2004	347,165	1,197,167	301,511	835,363	2,681,206	10,851,249	7.5%	8.1%	
2005	367,651	1,177,947	312,530	840,440	2,698,568	11,024,191	6.3%	6.7%	
2006	389,629	1,219,541	337,144	884,101	2,830,415	11,617,834	6.0%	7.1%	
2007	400,678	1,205,730	344,810	904,015	2,855,233	11,647,654	5.7%	5.9%	
Est. 2008	407,840	1,180,870	346,869	877,646	2,813,225	11,466,657	5.1%	5.2%	
Est. 2009	285,900	1,415,000	172,600	743,500	2,617,000	10,204,500	7.7%	8.0%	
Est. 2010	390,106	1,063,304	330,122	833,527	2,617,059	10,204,500	7.7%	8.0%	
Est. 2011	397,033	1,082,185	335,984	845,263	2,660,465	10,204,500	7.7%	8.0%	
Est. 2012	413,783	1,102,322	356,467	883,503	2,756,075	11,742,600	6.5%	6.8%	
Increase Total from Year 2003 to Year 2012		88,744	(73,785)	69,325	69,307	153,591	1,186,136		

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Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

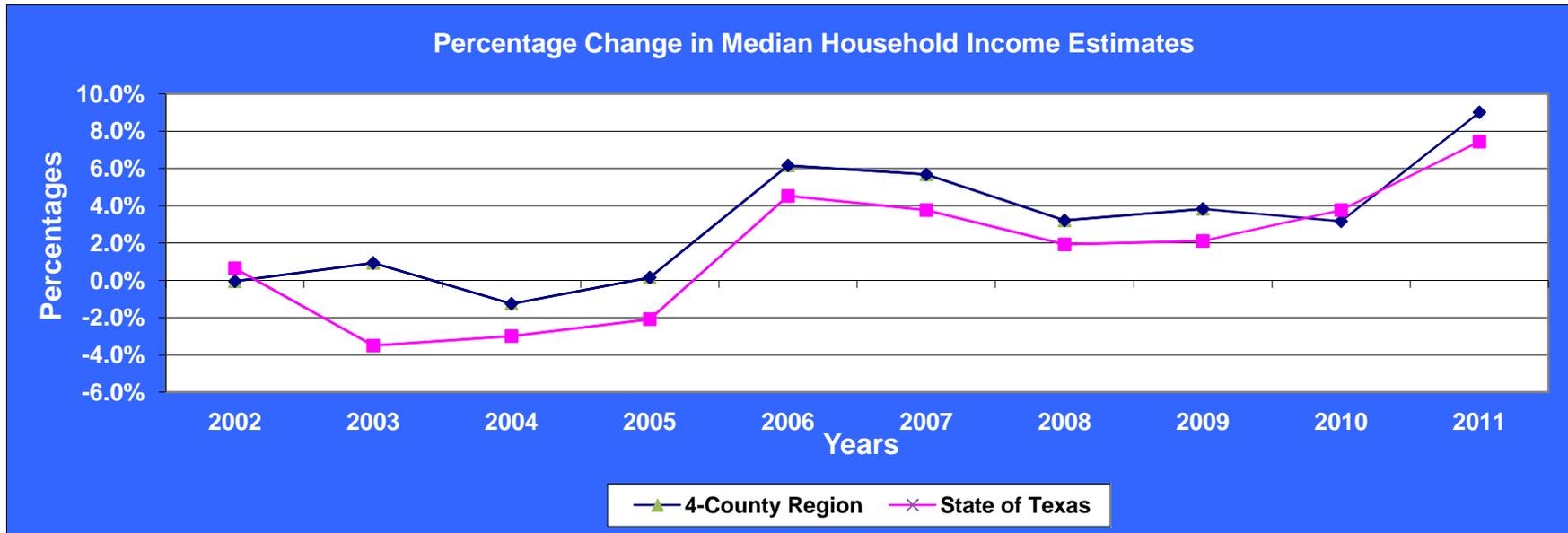


(continued)

NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Demographic Data - Combined Four County Region and State of Texas Median Household Income Estimates
 For Years 2002 - 2011
 (Unaudited)

Year	COLLIN	DALLAS	DENTON	TARRANT	Regional Totals	Texas	Percentage Change from Prior Years	
					Estimated Avg Median Income	Estimated Avg Median Income	4 County	Texas
2002	70,292	44,678	56,814	51,860	55,911	43,343	-0.48%	0.21%
2003	71,458	44,189	62,013	48,185	56,461	41,548	0.98%	-4.14%
2004	68,567	43,444	61,528	47,369	55,227	41,759	-2.19%	0.51%
2005	70,784	42,598	61,520	49,104	56,002	42,139	1.40%	0.91%
2006	74,051	44,815	66,792	51,813	59,368	44,922	6.01%	6.60%
2007	79,657	46,372	71,109	53,459	62,649	47,548	5.53%	5.85%
2008	81,395	47,085	73,544	56,251	64,569	49,453	3.06%	4.01%
2009	80,545	47,059	70,002	54,647	63,063	48,259	-2.33%	-2.41%
2010	77,862	46,909	68,671	52,482	61,481	48,259	-2.51%	0.00%
2011	82,758	48,942	72,305	56,178	65,046	50,920	5.80%	5.51%
Averaged Yearly Totals	\$75,737	\$45,609	\$66,430	\$52,135	\$59,978	\$45,815		

Source: U.S. Census Bureau



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

2012				2003			
COLLIN COUNTY TOP TEN EMPLOYERS				COLLIN COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
BANK OF AMERICA HOME LOANS	12,311	3.22%	FINANCIAL SERVICES	PLANO ISD	6,761	4.03%	PUBLIC INDEPENDENT SCHOOL
ELECTRONIC DATA SYSTEMES CORP/HP	10,000	2.62%	PROF/TECH	ELECTRONIC DATA SYSTEMES CORP/HP	6,700	3.99%	TECHNOLOGY
PLANO ISD	6,443	1.68%	SCHOOL DISTRICT	JC PENNEY	4,700	2.80%	RETAIL
CAPITAL ONE	4,915	1.29%	FINANCIAL SERVICES	RAYTHEN	3,200	1.91%	TECHNOLOGY
J.C.PENNEY,INC.	3,800	0.99%	RETAIL	BANK OF AMERICA HOME LOANS	3,000	1.79%	FINANCE
WALMART	3,261	0.85%	RETAIL	FRITO LAY	3,000	1.79%	RETAIL
MEDICAL CENTER OF PLANO (HCA MEDICAL CTR)	3,000	0.78%	HEALTH CARE	ALCATEL	2,800	1.67%	TECHNOLOGY
UNIVERSITY OF TEXAS AT DALLAS	3,000	0.78%	EDUCATION	CITY OF PLANO	2,616	1.56%	PUBLIC INDEPENDENT SCHOOL
FRITO LAY	2,500	0.65%	RETAIL	WALMART	1,792	1.07%	RETAIL
ALLEN INDEPENDENT SCHOOL DISTRICT	2,229	0.58%	EDUCATION	ERICSSON HEADQUARTERS	1,664	0.99%	TECHNOLOGY
Total	51,459	13.46%		Total	36,233	21.60%	
DALLAS COUNTY TOP TEN EMPLOYERS				DALLAS COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
AMR COPORATION (AMERICAN AIRLINES)	24,700	2.17%	TECHNOLOGY AND MANAGEMENT SERVICES	AMR CORPORATION (AMERICAN AIRLINES)	30,000	1.91%	TRANSPORTATION
BANK OF AMERICA	20,000	1.76%	FINANCIAL SERVICES	DALLAS PUBLIC SCHOOLS	19,244	1.23%	PUBLIC INDEPENDENT SCHOOL
TEXAS HEALTH RESOURCES	19,230	1.69%	HEALTH CARE	SBC TELEPHONE CO	18,000	1.15%	TELEPHONE UTILITY
DALLAS PUBLIC SCHOOLS	18,314	1.61%	SCHOOL DISTRICT	TEXAS HEALTH RESOURCE	16,114	1.03%	HEALTH CARE
BAYLOR HEALTH CARE SYSTEM	17,097	1.50%	HEALTH CARE PROVIDER	U.S. POSTAL SERVICES-DALLAS	13,255	0.85%	MAIL DELIVERLY
AT&T	15,800	1.39%	TELECOMMUNICATIONS	BAYLOR HEALTH CARE SYSTEM	13,000	0.83%	HEALTH CARE
LOCKHEED MARTIN AERONAUTICS CO	14,126	1.24%	MILITARY AIRCRAFT DESIGN AND PRODUCTION	VERIZON COMMUNICATIONS	13,000	0.83%	TELECOMMUNICATIONS
JPMORGAN CHASE	13,500	1.19%	FINANCIAL SERVICES	VISITING NURSE ASSOCIATION OF TEXAS	12,897	0.82%	NON-PROFIT HEALTH RELATED SERVICES
SOUTHWESTERN MIDICAL CENTER	13,122	1.15%	HEALTH CARE PROVIDER	CITY OF DALLAS	10,800	0.69%	MUNICIPAL GOVERNMENT
CITY OF DALLAS	12,836	1.13%	MUNICIPAL GOVERNMENT	TEXAS INSTRUMENTS INCORPORATED	10,000	0.64%	ELECTRONICS AND SEMI-CONDUCTORS
Total	168,725	14.82%		Total	156,310	9.98%	
DENTON COUNTY TOP TEN EMPLOYERS				DENTON COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
UNIVERSITY OF NORTH TEXAS	7,762	2.38%	EDUCATION	UNIVERSITY OF NORTH TEXAS	5,900	4.93%	EDUCATION
LEWISVILLE ISD	6,508	1.99%	EDUCATION	LEWISVILLE ISD	4,500	3.76%	EDUCATION
WALMART	3,900	1.19%	RETAIL	DENTON ISD	2,000	1.67%	EDUCATION
DENTON ISD	3,266	1.00%	EDUCATION	FRITO LAY	2,436	2.04%	RETAIL
CENTEX HOME EQUITY	2,600	0.80%	HOME BILUDER	AMERICAN AIRLINES	2,350	1.96%	TRANSPORTATION
FRITO LAY	2,500	0.77%	RETAIL	HORIZON HEALTH	1,500	1.25%	HEALTH CARE
AMERICAN AIRLINES	2,154	0.66%	TRANSPORTATION	DENTON COUNTY	1,379	1.15%	MUNICIPAL GOVERNMENT
PETERBILT MOTORS	2,100	0.64%	TRANSPORTATION	DENTON STATE SCHOOL	1,350	1.13%	EDUCATION
NORTHWEST ISD	1,636	0.50%	EDUCATION	PETERBILT MOTORS	1,200	1.00%	TRANSPORTATION
DENTON STATE SCHOOL	1,500	0.46%	EDUCATION	CITY OF DENTON	1,200	1.00%	PUBLIC INDEPENDENT SCHOOL
Total	33,926	10.39%		Total	23,815	19.91%	
TARRANT COUNTY TOP TEN EMPLOYERS				TARRANT COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
AMRCORP./AMERICAN AIRLINES	24,888	2.98%	TRANSPORTATION	AMRCORP./AMERICAN AIRLINES	26,700	3.80%	TRANSPORTATION
TEXAS HEALTH RESOURCES	22,000	2.63%	HEALTH CARE PROVIDER	LOCKHEED FORT WORTH DIVISION	16,800	2.39%	MANUFACTURING
LOCKHEED MARTIN AERONAUTICS CO	14,988	1.79%	MANUFACTURING	FORT WORTH INDEPENDENT SCHOOL DISTRICT	11,200	1.59%	EDUCATION
NAS FORT WORTH JOINT RESERVE BASE	11,350	1.36%	MILITARY	ARINGTON INDEPENDENT SCHOOL DISTRICT	8,082	1.15%	EDUCATION
FORT WORTH INDEPENDENT SCHOOL DISTRICT	11,000	1.32%	EDUCATION	TEXAS HEALTH RESOURCE	7,268	1.03%	HEALTH CARE
ARINGTON INDEPENDENT SCHOOL DISTRICT	7,908	0.95%	EDUCATION	CITY OF FORT WORTH	5,400	0.77%	MUNICIPAL GOVERNMENT
BELL HELICOPTER TEXTRON	6,700	0.80%	MANUFACTURING	BELL HELICOPTER TEXTRON	5,053	0.72%	MANUFACTURING
CITY OF FORT WORTH	6,195	0.74%	MUNICIPAL GOVERNMENT	RADIO SHACK CORP	4,453	0.63%	RETAIL
UNIVERSITY OF TEXAS AT ARLINGTON	6,022	0.72%	EDUCATION	TARRANT COUNTY	4,373	0.62%	COUNTY GOVERNMENT
COOK CHILDREN'S HEALTH CARE SYSTEM	5,310	0.64%	HEALTH CARE PROVIDER	U.S. POSTAL SERVICES	4,231	0.60%	PUBLIC ADMINSTRATION
Total	116,361	13.94%		Total	93,560	13.31%	
Source: Dallas Major Employers-DFW and Bureau of Labor Statistics				Source: Fort Worth Business Press, Texas Workforce Commission, individual firms and Fort Worth Chamber of Commerce North Central Texas Council of Governments and Local University and School District web sites Dallas Business Journal and Ft Worth Business Press Book of Lists 2011, City of Dallas and Dallas County, Texas Financial Records Denton Economic Development			

NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Contribution to Infrastructure Assets
 Last Ten Fiscal Years
 (Unaudited)

Year	Additions	Beginning Balance	Deletions	Ending Balance
2003	161,829,348	1,069,589,869		1,231,419,217
2004	97,081,712	1,255,767,850 (2)		1,352,849,562
2005	203,757,845	1,352,849,562		1,556,607,407
2006	141,163,305	1,556,607,407	(2,923,868)	1,694,846,844
2007	3,390,485,923 (1)	1,698,121,926	(983,452)	5,087,624,397
2008	452,204,613 (3)	5,087,624,397	(38,340,388)	5,501,488,922
2009	3,558,138,403 (4)	5,501,488,622	(3,197,211,448)	5,862,415,577
2010	344,755,250	5,862,415,577	(234,076)	6,206,936,751
2011	108,559,116	6,206,936,751	(62,875,322)	6,315,495,867
2012	35,418,771	6,315,495,867	(69,521,816)	6,281,392,822

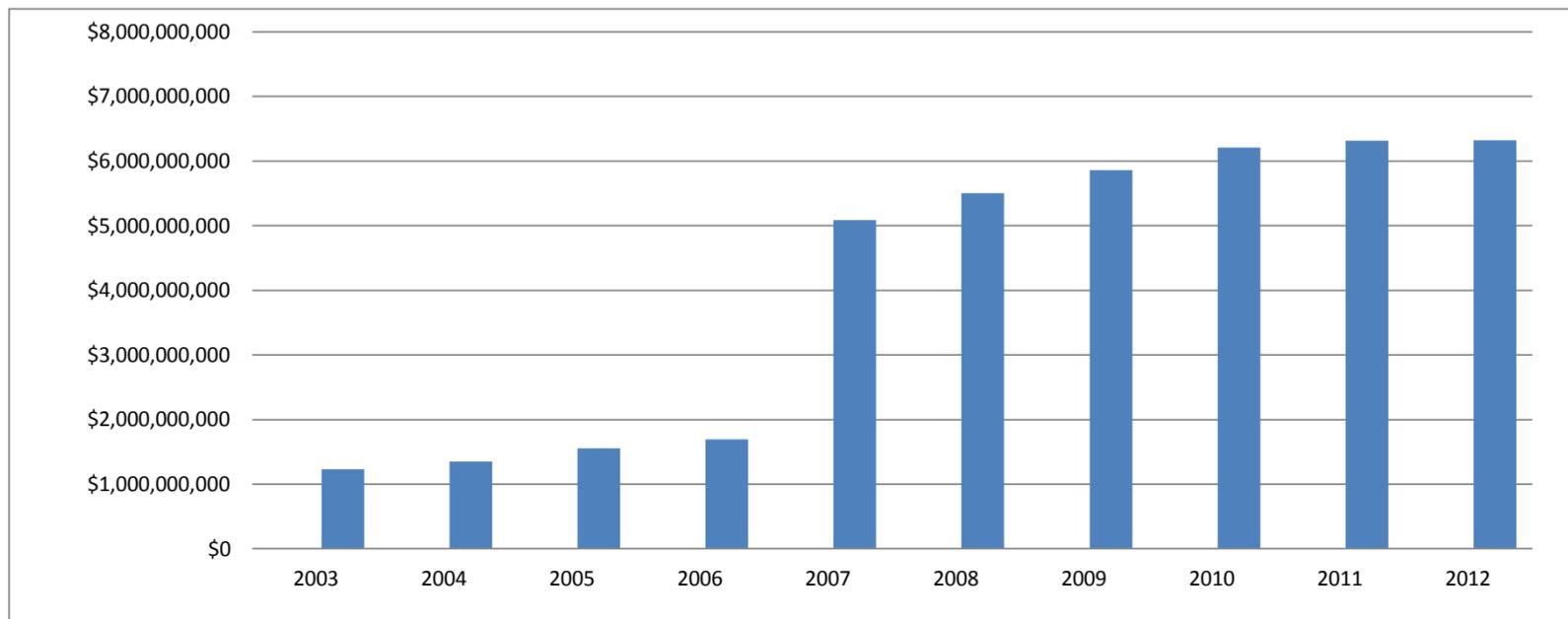
(1) Includes a \$3.2 billion payment to Texas Department of Transportation for the acquisition of State Highway 121 Project.

(2) Includes a \$24.3 million prior period adjustment for toll collection system.

(3) Deletions include property and equipment previously recorded as infrastructure.

Note----See Notes to Financial Statements number (4) Capital Assets page 35.

(4) Includes reclass from CIP to Roadway due to the completion of Sam Rayburn Tollway



NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Toll Revenue Analysis
 Last Ten Fiscal Years
 (Unaudited)

Toll Revenue						
Year	Total Toll Revenue	Two-Axle Vehicles	Multi-Axle Vehicles	Adjustments	Total	
2003		161,376,894	4,040,344	(16,093,454)	149,323,784	
2004	(1)	169,631,935	4,635,864	(13,572,769)	160,695,030	
2005	(2)	180,444,481	5,424,704	(13,331,840)	172,537,345	
2006		197,742,740	6,695,120	(13,003,740)	191,434,120	
2007	(3)	214,283,866	8,189,103	(19,797,405)	202,675,564	
2008	(4)	262,432,292	12,115,529	(33,771,030)	240,776,791	
2009	(5)	333,428,667	16,308,187	(59,332,307)	290,404,547	
2010	(6)	416,417,929	24,396,549	(74,217,155)	366,597,323	
2011	(7)	490,399,454	29,528,914	(117,358,834) (*)	402,569,534	
2012		411,893,120	118,800,968	(45,230,480)	485,463,608	
Toll Revenue - Average Per Day						
2003		442,128	11,069	(44,092)	409,105	
2004	(1)	463,475	12,666	(37,084)	439,057	
2005	(2)	494,368	14,862	(36,526)	472,704	
2006		541,761	18,343	(35,627)	524,477	
2007	(3)	587,079	22,436	(54,239)	555,276	
2008	(4)	717,028	33,103	(92,271)	657,860	
2009	(5)	913,503	44,680	(162,554)	795,629	
2010	(6)	1,334,571	81,057	(344,270)	1,071,358	
2011	(7)	1,343,560	80,901	(287,384)	1,137,077	
2012		1,449,984	-	-	1,449,984	

Notes:

- (1) Reflects the opening of Segment III of the President George Bush Turnpike from Midway Road to Frankford in March 2001 and to IH 35E in July 2001, and the opening of Segment V in December 2001.
- (2) Toll rate increase for the President George Bush Turnpike went into effect in January 2002. High speed lanes installed (Open Lane Tolling).
- (3) Reflects the completion of DNT and State Highway 121 interchange in April 2004.
- (4) Reflects the opening of Segment IV of the President George Bush Turnpike in September 2005.
- (5) Reflects the opening of DNT Phase 3 and toll rate increase in late September 2007. Installation of ZipCash (Video Tolling) on Main Lane Plaza 1.
- (6) Reflects the opening of Sam Rayburn Tollway in September 2008 as the Authority's first All Electronic Toll Collection (all-ETC) facility.
- (7) Reflects the opening of Lewisville Lake Toll Bridge and PGBT-WE Phase 2 in August 2009 and System-wide toll rate increase in September 2009.
- (6) Reflects the addition of southbound entrance ramp toll gantry and northbound exit ramp toll gantry from/to Keller Springs Rd on DNT. Also, eastbound/northbound entrance ramp toll gantry and westbound/southbound exit ramp toll gantry from/to Lake Forest Drive and Hardin Boulevard on SRT opened. DNT, MCLB, AATT converted to all-ETC in December 2010; with this conversion, cash collection was discontinued on all NTTA facilities. PGBT-WE Phase 3 opened in April 2010.
- (7) Toll rate increases on all NTTA facilities went into effect in July 2011. DNT/SRT interchange and the associated toll ramps were substantially open by November 2011. PGBT EE mainlanes from SH 78 to IH 30 opened in December 2011.
- (*) Adjustment includes bad debt expense of \$12,463,708

NORTH TEXAS TOLLWAY SYSTEM
 (An Enterprise Fund of the North Texas Tollway Authority)
 Total Lane Miles Operating and Number of Employees by Department
 Last Ten Fiscal Years
 (Unaudited)

Lane Miles										
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Lane Miles	306	315	319	319	365	618	669	685	744	744

Note----Lane miles are recorded during the year proportionate to the number of months they were operational.

Full-time Equivalent Employees										
Function	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Administration	6	11	7	9	9	9	6	4	6	7
Board	0	0	0	0	0	0	1	1	1	2
Operations	0	0	0	0	0	0	2	3	3	1
Finance	4	4	5	5	6	6	10	22	24	23
Business Diversity	0	0	0	1	1	3	5	5	5	5
Communications	4	3	7	8	9	12	15	15	15	14
Internal Audit	0	0	0	0	0	2	5	6	5	8
Human Resources	8	8	8	12	12	13	14	12	12	11
Legal Services	4	4	4	3	3	3	3	5	6	5
System & Incident Management	22	20	26	26	25	51	57	73	79	84
Accounting	5	5	6	7	5	8	7	0	0	0
Information Technology	16	16	19	19	20	32	47	61	64	71
Vault	28	28	31	30	28	23	19	2	0	0
Audit - Revenue Reconciliation	0	0	6	5	7	6	5	0	0	0
Procurement Services	3	3	6	6	6	10	12	11	11	11
Government Affairs	0	0	1	1	1	3	3	3	2	3
Toll Collection	379	392	412	416	386	321	162	4	0	0
Maintenance	67	71	76	68	81	178	162	163	160	181
Customer Service Center	75	81	92	98	115	133	228	232	236	248
Project Delivery	9	11	12	11	9	6	9	10	10	11
Project Evaluation	0	0	0	0	3	4	0	0	0	0
Cash and Debt Management	0	0	0	0	0	0	5	5	5	4
Total	630	657	718	725	726	823	777	637	644	689

Note 1----During 2003 & 2004, the Audit function was outsourced.

Note 2----Project Evaluation is now Cash Debt and Management.

Note 3----During 2010, Accounting and Audit Revenue merged with Finance.



NORTH TEXAS TOLLWAY AUTHORITY

5900 West Plano Parkway
Plano, Texas 75093

P.O. Box 260729
Plano, Texas 75026

214-461-2000

www.NTTA.org