

TEXAS TRANSPORTATION COMMISSION

ALL Counties

MINUTE ORDER

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ALL Districts

Article III, Section 49-n of the Texas Constitution authorized the Legislature to authorize the Texas Transportation Commission (commission) to issue bonds and other public securities to (i) finance state highway improvement projects that are eligible for funding with revenues dedicated under Section 7-a and (ii) pay the costs of issuing the bonds. The bonds are payable from and secured by a prior lien on certain revenues deposited to the credit of the State Highway Fund held in the treasury of the State of Texas.

Pursuant to a Master Resolution and a First Supplemental Resolution, each adopted on March 30, 2006, and Second, Fourth and Fifth Supplemental Resolutions adopted on October 26, 2006, August 23, 2007, and August 29, 2008, respectively, the commission issued six series of bonds under Transportation Code, Section 222.003 and other applicable law.

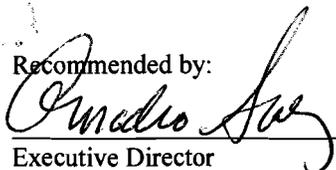
Under provisions of the First, Second, Fourth and Fifth Supplemental Resolutions, the commission has covenanted to provide annually, within 180 days after the end of each fiscal year, financial information and operating data with respect to the State Highway Fund of the general type in the attached Exhibit A.

IT IS THEREFORE ORDERED by the commission that the annual report of financial information and operating data, attached as Exhibit B, is accepted.

Submitted and reviewed by:

  
\_\_\_\_\_  
Director, Finance Division

Recommended by:

  
\_\_\_\_\_  
Executive Director

**112546 JAN 5 11**

Minute  
Number

Date  
Passed

## **EXHIBIT A**

### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the Commission to be provided annually in accordance with “Continuing Disclosure of Information – Continuing Disclosure Undertaking of the Commission” in the Official Statements are as specified (and included in the Appendix or under the headings of the Official Statements referred to) below:

Part (1) updated financial information and operating data, including Table 1 and Tables 3-12 in the Official Statements; and

Part (2) unaudited financial statements for the Department for each fiscal year ending in or after 2006.

**EXHIBIT B**

**Annual Financial Information and Operating Data with Respect to  
Texas Transportation Commission  
State Highway Fund First Tier Revenue Bonds**

<b>\$600,000,000</b> <b>State Highway Fund First Tier Revenue Bonds,</b> <b>Series 2006</b>
<b>\$852,550,000</b> <b>State Highway Fund First Tier Revenue Bonds,</b> <b>Series 2006-A</b>
<b>\$100,000,000</b> <b>State Highway Fund First Tier Revenue Bonds,</b> <b>Series 2006-B</b>
<b>\$1,241,845,000</b> <b>State Highway Fund First Tier Revenue Bonds,</b> <b>Series 2007</b>
<b>\$162,995,000</b> <b>State Highway Fund First Tier Revenue Bonds,</b> <b>Series 2008</b>
<b>\$1,500,000,000</b> <b>State Highway Fund First Tier Revenue Bonds,</b> <b>Taxable Series 2010</b>

**Part (1) Updated financial information and operating data**

**Table 1  
DEBT SERVICE REQUIREMENTS AND PROJECTED COVERAGE**

Fiscal Year	Principal	Interest <sup>(1)</sup>	Total Debt Service	BAB Subsidy	Net Debt Service	Fiscal Year 2009 Pledged Revenues(2)	Aggregate Debt Service Coverage (before subsidy)	Aggregate Debt Service Coverage (net of subsidy)
2011	\$109,210,000	\$180,957,778	\$290,167,778	(\$17,719,092)	\$272,448,686	\$6,450,500,000	22.23	23.68
2012	114,510,000	202,248,868	316,758,868	(27,029,124)	289,729,744	6,450,500,000	20.36	22.26
2013	120,155,000	196,617,368	316,772,368	(27,029,124)	289,743,244	6,450,500,000	20.36	22.26
2014	125,995,000	190,769,593	316,764,593	(27,029,124)	289,735,469	6,450,500,000	20.36	22.26
2015	132,200,000	184,561,168	316,761,168	(27,029,124)	289,732,044	6,450,500,000	20.36	22.26
2016	138,510,000	178,246,931	316,756,931	(27,029,124)	289,727,807	6,450,500,000	20.36	22.26
2017	145,165,000	171,602,331	316,767,331	(27,029,124)	289,738,207	6,450,500,000	20.36	22.26
2018	152,340,000	164,425,231	316,765,231	(27,029,124)	289,736,107	6,450,500,000	20.36	22.26
2019	159,955,000	156,808,231	316,763,231	(27,029,124)	289,734,107	6,450,500,000	20.36	22.26
2020	167,945,000	148,810,481	316,755,481	(27,029,124)	289,726,357	6,450,500,000	20.36	22.26
2021	176,355,000	140,413,231	316,768,231	(27,029,124)	289,739,107	6,450,500,000	20.36	22.26
2022	185,165,000	131,595,481	316,760,481	(27,029,124)	289,731,357	6,450,500,000	20.36	22.26
2023	264,925,000	122,337,231	387,262,231	(27,029,124)	360,233,107	6,450,500,000	16.66	17.91
2024	276,995,000	109,071,242	386,066,242	(25,788,553)	360,277,689	6,450,500,000	16.71	17.90
2025	289,480,000	95,344,543	384,824,543	(24,506,450)	360,318,092	6,450,500,000	16.76	17.90
2026	301,860,000	81,700,839	383,560,839	(23,181,937)	360,378,902	6,450,500,000	16.82	17.90
2027	313,745,000	68,550,563	382,295,563	(21,820,908)	360,474,655	6,450,500,000	16.87	17.89
2028	326,250,000	52,469,933	378,719,933	(18,127,531)	360,592,402	6,450,500,000	17.03	17.89
2029	337,665,000	35,567,423	373,232,423	(12,448,598)	360,783,825	6,450,500,000	17.28	17.88
2030	349,230,000	18,083,129	367,313,129	(6,329,095)	360,984,034	6,450,500,000	17.56	17.87
<b>Total</b>	<b>\$4,187,655,000</b>	<b>\$2,630,181,589</b>	<b>\$6,817,836,589</b>	<b>(\$474,271,647)</b>	<b>\$6,343,564,942</b>	<b>\$129,010,000,000</b>		

<sup>(1)</sup>For purposes of illustration, interest on the variable rate Series 2006-B Bonds is assumed at 2.315%, including remarketing and liquidity fees.

**Table 3**  
**State Highway Fund Revenues By Source<sup>(1)</sup>**  
**(in Millions)**

<u>Fiscal Year</u>	<u>State Motor Fuels Tax</u>	<u>State Motor Vehicle Registration Fees</u>	<u>Other State Revenue Sources<sup>(2)</sup></u>	<u>Reimbursements from Federal Funds</u>	<u>Total Revenues</u>
2006	\$2,194.2	\$ 932.7	\$527.5	\$ 3,139.5	\$ 6,793.9
2007	2,238.2	984.2	457.2	2,026.1 <sup>(3)</sup>	5,705.7
2008	2,275.9	1,024.1	463.9	2,727.6	6,491.5
2009	2,226.6	1,066.2	491.1	2,666.6	6,450.5
2010	2,227.0	1,111.3	511.4	1,873.7	5,723.4

<sup>(1)</sup> Presented on a cash basis of accounting.

<sup>(2)</sup> See Footnote 2 to Table 8 – "Other State Revenues Deposited to the State Highway Fund."

<sup>(3)</sup> Reflects a decrease from prior years primarily due to lower than expected reimbursements because of delays in project advancements and, to a lesser extent, the effects of decreased tapered match reimbursements from the federal government.

**Table 4**  
**State Motor Fuels Tax Revenues Deposited to the State Highway Fund<sup>(1)</sup>**  
**(In Millions)**

<u>Fiscal Year</u>	<u>Amount of Motor Fuels Tax Revenues Deposited</u>	<u>Percentage of Total Fund Revenues</u>
2006	\$2,194.2	32
2007	2,238.2	39
2008	2,275.9	35
2009	2,226.6	34
2010	2,227.0	39

<sup>(1)</sup> Presented on a cash basis of accounting.

**Table 5**  
**Taxable Gasoline and Diesel Fuel Consumption in Texas**  
**(In Millions of Gallons)**

<u>Fiscal Year</u>	<u>Gasoline</u>	<u>Diesel</u>
2006	11,300.8	3,668.5
2007	11,485.1	3,773.0
2008	11,589.1	3,922.2
2009	11,587.9	3,583.4
2010	11,700.0	3,494.3

**Table 6**  
**State Motor Vehicle Registration Fees Deposited to the State Highway Fund<sup>(1)</sup>**  
**(In Millions)**

<u>Fiscal Year</u>	<u>Amount of Motor Vehicle Registration Fees Deposited</u>	<u>Percentage of Total Motor Vehicle Registration Fees</u>	<u>Percentage of Total Fund Revenues</u>
2006	\$ 932.7	68	14
2007	984.2	69	17
2008	1,024.1	69	16
2009	1,066.2	71	17
2010	1,111.3	73	19

<sup>(1)</sup> Presented on a cash basis of accounting.

**Table 7**  
**Vehicles Registered in Texas**  
**(In Thousands)**

<u>Fiscal Year</u>	<u>Number of Vehicles</u>
2006	20,084
2007	20,902
2008	21,171
2009	21,432
2010	21,570

**Table 8**  
**Other State Revenues Deposited to the State Highway Fund<sup>(1)</sup>**  
**(In Millions)**

<u>Fiscal Year</u>	<u>Amount Deposited</u>	<u>Percentage of Total Fund Receipts</u>
2006	\$527.5 <sup>(2) (3)</sup>	8
2007	457.2 <sup>(2)</sup>	8
2008	463.9 <sup>(2)</sup>	7
2009	491.1	8
2010	511.4	9

<sup>(1)</sup> Presented on a cash basis of accounting. Excludes loan repayments received by the State Infrastructure Bank ("SIB").

<sup>(2)</sup> Excludes approximately \$1.115 billion, \$1.84 billion, \$1.28 billion, \$646 million and \$249 million in Fiscal Years 2006 through 2010, respectively, deposited into the Fund from the Texas Mobility Fund for payment to contractors. For administrative purposes, expenses of the Texas Mobility Fund are processed through the State Highway Fund, whereby the Texas Mobility Fund transfers amounts for such expenses to the State Highway Fund prior to such expenses being paid.

<sup>(3)</sup> Excludes \$100 million received from Harris County Toll Road Authority as its local contribution for a construction project in fiscal year 2006.

**Table 9**  
**Reimbursements from Federal Funds<sup>(1)</sup>**  
**(In Millions)**

<u>Fiscal Year</u>	<u>Amount Deposited</u>	<u>Percentage of Total Fund Receipts</u>
2006	\$3,139.5	46
2007	2,026.1 <sup>(2)</sup>	35
2008	2,727.6	42
2009	2,666.6	41
2010	1,873.7	33

<sup>(1)</sup> Presented on a cash basis of accounting. Includes certain federal aviation and transit reimbursement funds that are not constitutionally dedicated but are a component of Pledged Revenues.

<sup>(2)</sup> Amount in FY 2006 includes acceleration of certain projects due to utilization of accelerated federal reimbursements from the Department's application of federal "tapered match" reimbursement. In fiscal year 2007, the accelerated federal "tapered match" reimbursements decreased significantly.

**Table 10**  
**Federal Transportation Funds Apportioned and Allocated for Texas<sup>(1)</sup>**  
**(In Millions)**

<u>Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Guaranteed Highway Programs	\$2,590.5	\$2,976.5	\$2,953.0	\$3,150.9	\$3,134.5
Discretionary Highway Programs	4.9	0.4	3.3	1.3	6.1
Highway Safety Programs	23.8	163.8	146.9	157.9	161.7
Transit Programs	50.0	52.8	68.6	111.9	61.0
TOTAL	\$2,669.2	\$3,193.5	\$3,171.8	\$3,422.0	\$3,363.3

<sup>(1)</sup> Based upon data from the United States Department of Transportation. Years shown are federal fiscal years.

**Table 11**  
**Federal Transportation Obligation Authority for Texas**  
**(In Millions)**

<u>Federal Fiscal Year</u>	<u>Amount</u>
2006	\$2,542.9
2007	2,852.7
2008	2,897.0
2009	3,073.6
2010	3,116.3

**Table 12**  
**Appropriations to the Department from the**  
**State Highway Fund**  
**(In Millions)**

<u>State</u> <u>Biennium</u>	<u>Amount</u> <u>Appropriated</u>	<u>Percentage of</u> <u>Total Fund</u> <u>Appropriations</u>
2002-2003	\$10,579.7	93.88
2004-2005	10,960.3	91.85
2006-2007	13,579.7	91.83
2008-2009	17,089.3 <sup>(1)</sup>	92.07
2010-2011	17,286.2 <sup>(1)</sup>	93.70

<sup>(1)</sup> Includes bond proceeds and debt service.

**Part (2) Unaudited Financial Report of the Department**— The unaudited financial statements of the Department for the fiscal year ending August 31, 2010 were previously filed with the Electronic Municipal Market Access System (EMMA) on December 1, 2010. (CUSIP Prefix 88283L)