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Comprehensive Annual Financial Report
for the Fiscal Year Ended
December 31, 2008



NORTH TEXAS TOLLWAY AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2008

**NORTH TEXAS TOLLWAY AUTHORITY
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008**

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Introductory Section



June 26, 2009

Chairman Paul N. Wageman,
And the Board of Directors
North Texas Tollway Authority

The Finance Department of the North Texas Tollway Authority (the Authority) is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2008 in compliance with Section 711 of the Amended and Restated Trust Agreement. The CAFR is intended to provide detailed information on the Authority's financial condition at December 31, 2008. The Authority previously presented separate financial statements for the North Texas Tollway System (the System) and 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), 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 (to be opened in 2009). Management feels that consolidated financial statements provide the reader a more accurate view of the Authority's financial position.

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 ("Clean") opinion on the North Texas Tollway Authority's financial statements for the year ended December 31, 2008. 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 final 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 experienced continued growth and transformation during 2008 with the opening of the Sam Rayburn Tollway (SRT), continued construction of the President George Bush Turnpike Eastern Extension (PGBT) and the near completion of the Lewisville Lake Toll Bridge. A one third year of operations for the SRT contributed to an increase in traffic despite unprecedented economic pressures. Toll revenues in 2008 were \$240.8 million, representing an increase of 18.8% over 2007 revenues of \$202.7 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 Authority are accounted for as an enterprise fund in accordance with the 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, 2008. 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

While the current economic downturn has affected the Dallas Fort Worth area as it has the rest of the nation, the effects are not as deep as in many areas. The projected five year growth rate of 4.1% for this area will outpace the United States and many major metropolitan areas. Our region produces thirty percent of all the goods and services in Texas while encompassing over thirty percent of all the residents. The region is projected to capture thirty six percent of population and growth in Texas over the next five years. Dallas-Forth Worth continues to shine as one of the best places to do business. The Fortune 500 list shows 23 firms headquartered in our region, with AT&T announcing the relocation of their headquarters to Dallas from San Antonio.

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)

- (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.

Awards and Acknowledgments

The Government Finance Officer's Association (GFOA) had previously awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Texas Tollway Authority for its Comprehensive Annual Financial Report for the System. However, since this is the first year that consolidated financial statements are being presented, they have not been reviewed by GFOA.

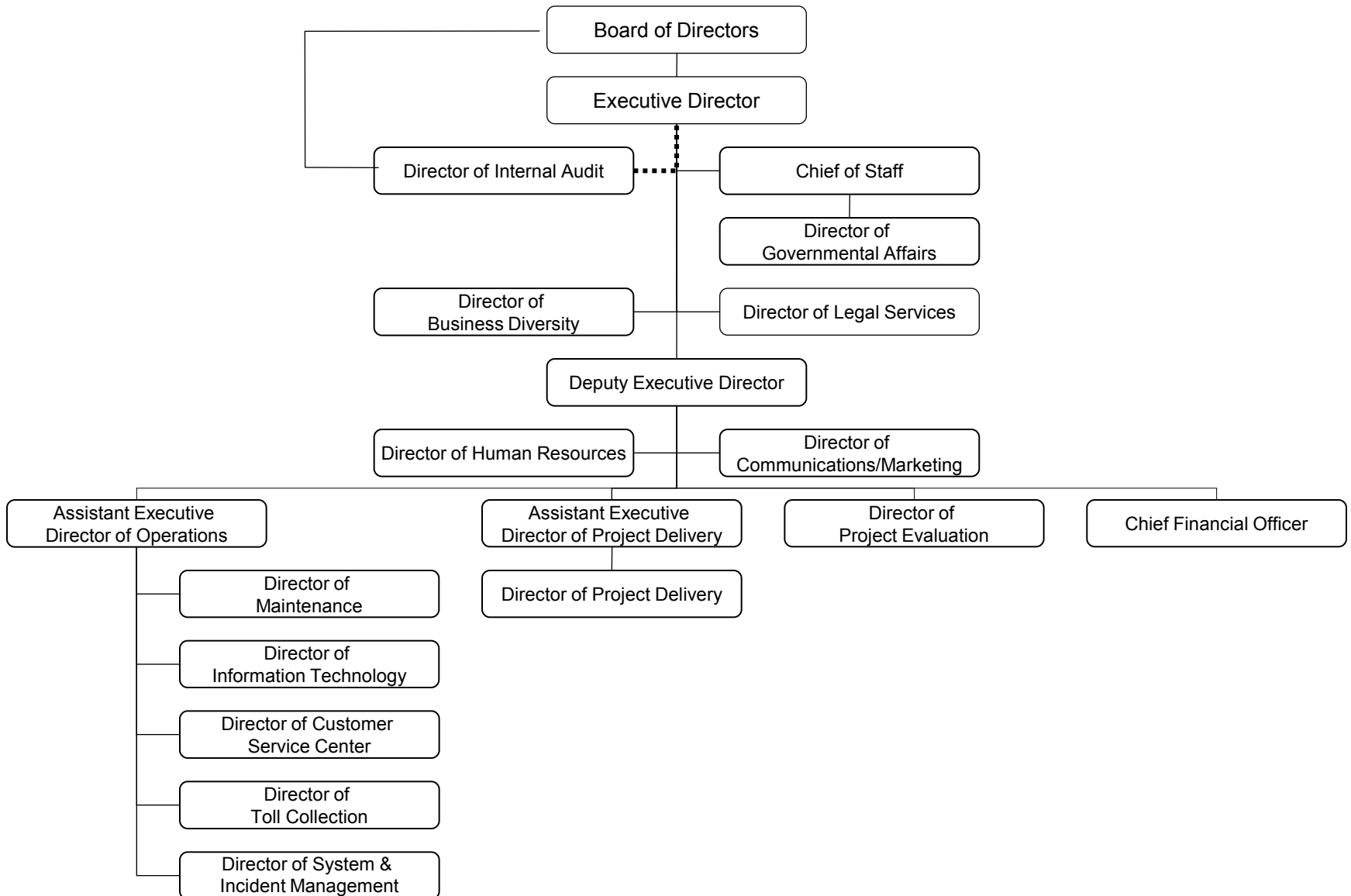
We wish to thank all members of the Finance Department and all NTTA staff for their contributions to the production of the report. We are thankful for our Board of Director's support, direction, and for guiding the NTTA into a position to greatly benefit the region.

Respectfully submitted,



E. Ray Zies
Interim Chief Financial Officer

North Texas Tollway Authority FY 2008 Organization Chart



**North Texas Tollway Authority
List of Officials
December 31, 2008**

Board of Directors

**Paul N Wageman
William W. Meadows
Gary Base
Bob Day
David R Denison
Michael R. Nowels
Robert K. Shepard
Alan E. Sims
Victor T. Vandergriff**

**Chair
Vice-Chair
Director
Director
Director
Director
Director
Director
Director**

Officials

Janice D. Davis
Magdalena Kovats
Rick Herrington
Kim Tolbert
Ray Zies
Jeff Dailey

Clayton Howe

Nina Arias
John Bannerman
Anthony Coleman
Kim Jackson
Marty Lege

Elizabeth Mow
Dave Pounds
Kiven Williams
J C Wood

Interim Executive Director
Director, Internal Audit
Deputy Executive Director
Chief of Staff
Interim Chief Financial Officer
Assistant Executive Director
Project Delivery
Assistant Executive Director
Operations
Director, Human Resources
Director, Customer Service
Director, Business Diversity
Director, Communications
Director, Systems and Incident
Management
Director, Project Delivery
Director, Information Technology
Director, Toll Collection and Vault
Director, Maintenance

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Financial Section



Crowe Horwath LLP
Member Horwath International

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
North Texas Tollway Authority

We have audited the accompanying basic financial statements of the North Texas Tollway Authority (the Authority), as of and for the year ended December 31, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the North Texas Tollway Authority, as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, Modified Approach - Infrastructure Assets and schedules of funding progress are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as whole. The items listed in the introductory section, 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. Schedule 1 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The items listed in the introductory section, schedules 2 through 10 and the statistical section have not been subjected to the audit procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion on them.

Crowe Horwath LLP
Crowe Horwath LLP

Irving, Texas
June 26, 2009

NORTH TEXAS TOLLWAY AUTHORITY
Management's Discussion and Analysis
December 31, 2008

As Management of the North Texas Tollway Authority (Authority), we offer readers the statements for the Authority. These statements consist of the North Texas Tollway System (System), which consists of the Dallas North Tollway (DNT), the President George Bush Turnpike (PGBT), State Highway 121, renamed Sam Rayburn Tollway (SRT) in 2009, the Mountain Creek Lake Bridge (MCLB), the Addison Airport Toll Tunnel (AATT), and the Lewisville Lake Toll Bridge (LLTB), which make up the enterprise fund of the Authority, as well as, the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund. Historically, the Authority prepared separate financial statements for the Feasibility Study Fund and the Transition Trust Fund. Management believes that presenting consolidated financial statements offer the reader a more accurate view of the financial position of the Authority.

We offer readers of these financial statements a narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2008. 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 Authority's financial statements, notes to the financial statements, and required supplementary information. The financial statements of the Authority report information using accounting methods consistent with reporting for an enterprise activity similar to those used by private sector companies.

Statement of Net Assets: This statement presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. 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 Assets: This statement presents information showing the Authority's revenues, expenses, and how the net assets changed during the year.

Statement of Cash Flows: This statement presents information about the Authority's cash receipts and cash payments, or, in other words, the sources and uses of the Authority'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 Authority'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

2008 Highlights

- Recognizing the growing complexity and changing needs of the Authority on May 21, 2008, the Board authorized the adoption of an Internal Audit Policy statement and charter and created an Internal Audit Department.

NORTH TEXAS TOLLWAY AUTHORITY

Management's Discussion and Analysis

December 31, 2008

- The Authority's total net assets decreased by \$60.2 million over FY 2007. This decrease is due mainly to the change in accounting treatment of bond related costs previously capitalized, as expenses during 2008.
- The Authority received a toll equity grant from the Texas Department of Transportation (TxDOT) for Right of Way acquisition and other costs related to the PGBT Eastern Extension (PGBT EE). The grant totals \$160.3 million. The Authority received payments totaling \$142.5 million. Of this amount, \$74.9 has been included as grant revenue and the remainder is shown as deferred revenue.
- Toll revenues increased \$38.1 million or 18.8% over FY 2007. Traffic volumes on the Authority continued to increase with the opening of SRT in September 2008.
- The Administration and Operations expenses of \$80.7 million were under budget by 11.2% in FY 2008.
- The Authority issued \$5.3 billion in Revenue Refunding Bonds to refund the \$3.4 billion in Bond Anticipation Notes issued in 2007, refund certain other bonds and for partially funding the costs of the acquisition and construction of Authority's projects, including SRT, PGBT EE, and the LLTB.
- The Authority also issued \$110.0 million of Commercial Paper in FY 2008. \$30.0 million was transferred to the Authority's Feasibility Study Fund, in FY 2008, to finance the study and design of Southwest Parkway, PGBT EE, State Highway 161, Trinity Parkway and various other projects, in addition to the \$50.0 transferred in FY 2007.

Summary of Operations

Total operating revenues were \$250.0 million for FY 2008 and \$210.7 million for FY 2007 (see Table A-1). Authority toll revenues were approximately \$240.8 million, an 18.8% increase over FY 2007 toll revenues of approximately \$202.7 million. An estimated 84.5% was collected through ETC (Electronic Toll Collection) during FY 2008 in comparison to 80.5% in FY 2007. Traffic on the Authority continues to grow, with average daily transactions of approximately 1,131,230 and 1,055,100 in FY 2008 and FY 2007, respectively.

Total operating expenses before depreciation for FY 2008 were \$137.5 million, representing a 2.8% increase over FY 2007 of 133.8 million. Interest expense, net of capitalized interest, for 2008 was \$262.1 million, a 375.7% increase from FY 2007 of \$55.1 million. Debt service coverage for FY 2008 and FY 2007 were 1.60 and 1.96 times, respectively. The Trust Agreement and the Authority's Debt Policy both require bond principal and interest coverage of 1.35.

NORTH TEXAS TOLLWAY AUTHORITY
Management's Discussion and Analysis
December 31, 2008

Table A-1
Changes in Net Assets
(in millions of dollars)

	<u>2008</u>	<u>2007</u>
REVENUES		
Operating Revenues	\$ 250.0	\$ 210.7
Operating Expenses before depreciation	<u>137.5</u>	<u>133.8</u>
Income from operations before depreciation	112.5	76.9
Depreciation	<u>(3.5)</u>	<u>(1.8)</u>
Operating Income	109.0	75.1
Net Nonoperating Revenue (Expenses):		
Interest Income	75.0	17.9
Interest Expense	(262.1)	(55.1)
Grant Revenue	74.9	-
SWAP Termination	(4.5)	-
Additional payment to escrow	(3.2)	-
Other	(49.3)	(3.4)
Net Nonoperating Revenue (Expenses):	(169.2)	(40.6)
Capital Contributions	<u>-</u>	<u>25.0</u>
Change in Net Assets	(60.2)	59.5
Net Assets - Beginning of Year	<u>618.1</u>	<u>558.6</u>
Net Assets - Ending	\$ <u><u>557.9</u></u>	\$ <u><u>618.1</u></u>

Operations: The total operating expenses before depreciation for FY 2008 were \$137.5 million, compared to \$133.8 million in FY 2007 (see Table A-1). Several factors due mainly to the addition of SRT, such as increased number of personnel and related cost; and the increased maintenance costs, attributed to the rise in operating expenses.

NORTH TEXAS TOLLWAY AUTHORITY
Management's Discussion and Analysis
December 31, 2008

Net assets at December 31, 2008 were \$557.9 million. (See Table A-2.)

Table A-2
Net Assets (in millions of dollars)

	2008	2007
Current Assets	\$ 108.3	\$ 150.2
Current Restricted Assets	544.7	390.6
Noncurrent Assets		
Unrestricted Investments	10.0	5.0
Restricted Investments	930.3	81.3
Other Assets	167.4	
Capital Assets	5,501.5	5,171.7
Total Assets	7,262.2	5,798.8
Current Liabilities	56.5	59.4
Liabilities Payable from Restricted Assets	444.1	3,660.2
Long-Term debt and other noncurrent liabilities	6,203.6	1,461.2
Total Liabilities	6,704.2	5,180.7
Net Assets:		
Invested in Capital Assets, net of related debt	187.9	473.4
Restricted for Construction	289.1	4.9
Restricted for Debt Service	396.7	112.2
Restricted for Operations and Maintenance	0.0	3.4
Restricted for Retiree Health Benefits	0.4	0.4
Unrestricted	(316.2)	23.8
Net assets	\$ 557.9	\$ 618.1

The Authority's overall financial position decreased in FY 2008, as indicated by the \$60.2 million decrease in net assets. During 2008, approximately \$162.1 million of interest expense that would previously be recorded as a capital cost was recorded as non-operating expenses. The largest portion of the Authority's net assets is restricted for debt service. The next largest component represents the investment in capital assets (e.g., right-of-way, roads, bridges, buildings, toll equipment) less any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide service and, consequently, the assets are not available to liquidate liabilities or other spending.

The Authority's net assets indicate an unrestricted current ratio of 1.9 and 2.5 for FY 2008 and FY 2007, respectively. Working capital was \$51.8 million and \$90.8 million in FY 2008 and FY 2007, respectively. Total unrestricted current assets were \$108.3 million in FY 2008, compared to 150.2 million in FY 2007. Total unrestricted and restricted current assets were \$653.0 million at the end of FY 2008. Cash and investments of \$639.5 million represent the largest component of current assets. The remaining \$13.5 million is comprised of accrued interest receivable, accounts receivable (See Note 9), inventory, and prepaid expenses.

Total unrestricted current liabilities were \$56.5 million at the end of FY 2008. \$26.0 million of this total was accounts payable and retainage payable, and \$25.9 million of deferred revenue. \$4.6 million of the amount is accrued liabilities, which is mainly accrued salaries and vacation liability. Approximately 1,566,800 and 1,376,000 Toll Tags were in use at the end of FY 2008 and FY 2007, respectively.

NORTH TEXAS TOLLWAY AUTHORITY
 Management's Discussion and Analysis
 December 31, 2008

Investments: The Authority's investments at December 31, 2008 and 2007 were approximately \$1.57 billion and \$584.0 million, respectively. Table A-3 chart below shows the types of authorized investments in the December 31, 2008 portfolio.

Table A-3

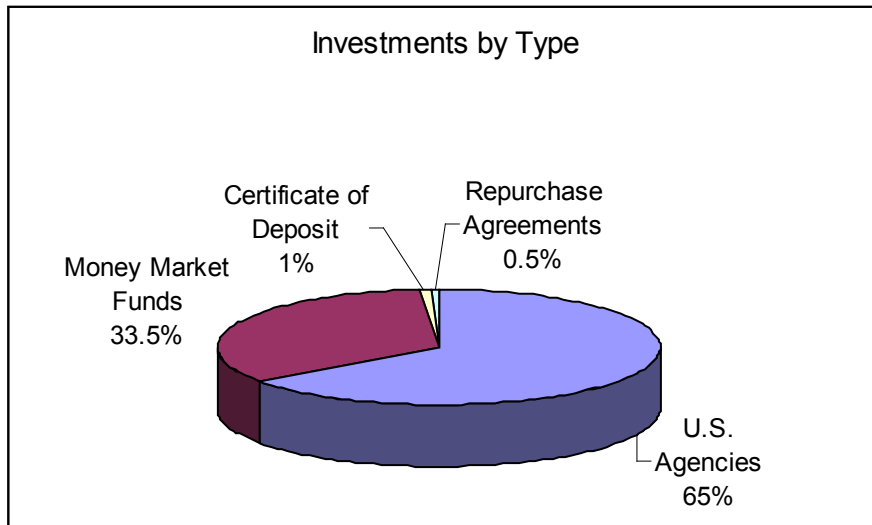
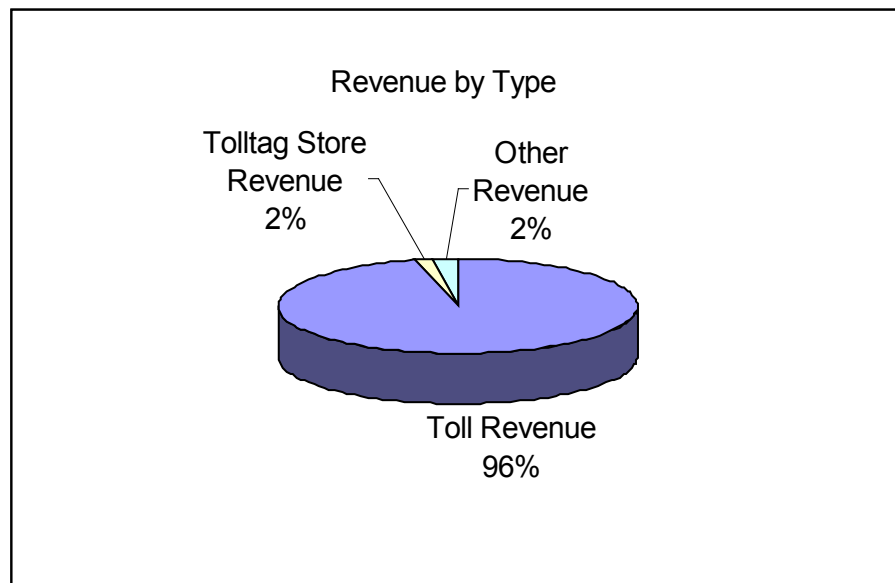


Table A-4 below shows NTTA's revenue in FY 2008 by revenue source type.

Table A-4

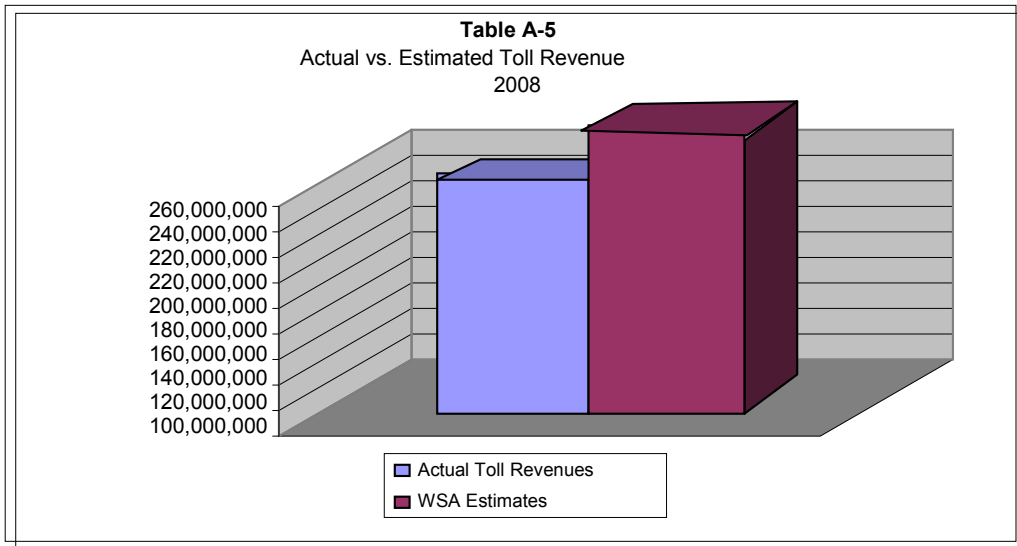


Total operating revenues for FY 2008 were \$250.0 million, an 18.7% increase over FY 2007 total revenues of \$210.7 million. Toll revenues of \$240.8 million account for 96.3% of total revenue. TollTag

NORTH TEXAS TOLLWAY AUTHORITY
Management's Discussion and Analysis
December 31, 2008

store revenue, primarily from processing fees, was \$4.0 million or 1.6%. Other revenue, mostly administrative fees for collection of tolls from violators, was \$5.2 million, representing 2.1% of the total.

Table A-5 below shows the Authority's actual toll revenue for FY2008 compared to the estimated toll revenue of the Authority's traffic and toll revenue engineer, Wilbur Smith Associates (WSA). Toll revenue was under WSA's estimates by 8.2%. This can be attributed to the recession in the economy, increases in gas prices, reconstruction on segments of the Authority, and extreme weather conditions.



Traffic on the Authority continues to grow with approximately 1,131,230 average daily transactions in 2008, up 7.2% from the 1,055,100 daily averages in 2007.

The increases in the toll revenue were largely attributed to the:

- The first full year of collections for the toll rate increase implemented in September 2007.
- The increased growth of population in the North Texas 4 counties (Dallas, Tarrant, Denton & Collin)
- The opening of the Sam Rayburn Tollway (121 Tollway) in September 2008

NORTH TEXAS TOLLWAY AUTHORITY
Management's Discussion and Analysis
December 31, 2008

Engineering Estimates

The annual estimates by the Authority's traffic and revenue engineer, Wilbur Smith & Associates (WSA), are displayed in comparison to the actual revenue for the years of 2001 through 2008 in Table A-6 below:

Table A-6
Actual vs. Estimated Revenue

Year	Actual	Estimate	Variance
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
2002	137,945,439	126,955,000	10,990,439
2001	107,210,124	104,212,000	2,998,124

The FY 2008 toll revenue of \$ 240.8 million increased by 18.8%; in comparison to the FY 2007 actual amount of \$ 202.7 million. During the 2008 year, the economy, gas prices, and increased unemployment rates affected the actual revenue. The Authority's total revenues produced 1.60x debt coverage for 2008. Please see Table A-8 on page 17 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, 2008 were \$5.5 billion, increasing from FY 2007 by approximately \$0.33 billion. This is due primarily to the construction of Sam Rayburn Tollway, the DNT Extension Phase 3, President George Bush Turnpike Eastern Extension, and Lewisville Lake Toll Bridge. For additional information on capital assets see Note (1) (g) 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 additional information and results of the 2008 assessment, please see the Required Supplementary Information on pages 55 and 56 of this report.

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). 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.

Budgetary Highlights – The Authority adopts (on a non-GAAP basis) an annual budget in December. The budget is established in accordance with the provisions of the Trust Agreement for the North Texas Tollway Authority Revenue Bonds. The budget covers the operating expenses for each fiscal year (calendar year). For FY 2008 operating expenses were \$80.7 million against an operating budget of \$90.9 million. The Authority expended 88.8% of the operating budget in 2008. The primary factors in this budget

NORTH TEXAS TOLLWAY AUTHORITY
Management's Discussion and Analysis
December 31, 2008

are the continued restructuring of the Authority's departments; the maintenance and operations of segments 1 and 2 of the SRT; and the increased growth in the Customer Service, Maintenance, Information Technology, and Safety and Incidents Management areas. The Authority is also focusing on improvements in service delivery.

Long-Term Debt – At the end of FY 2008, the Authority's total bonded debt outstanding was \$6.15 billion compared to approximately \$1.37 billion in 2007 (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, 2008, on page 36.

Table A-7
Revenue Bonds Outstanding
As of FY 2008 and FY 2007

Series	Amount Outstanding	
	2008	2007
Series 1997	\$ 69,000,000	90,460,000
Series 1997A	105,070,000	106,290,000
Series 1998	100,540,000	100,660,000
Series 2003A	225,000,000	225,000,000
Series 2003B	-	125,245,000
Series 2003C	-	85,670,000
Series 2005A	3,905,000	223,155,000
Series 2005B	-	71,000,000
Series 2005C	340,260,000	341,070,000
Series 2008A	1,770,285,000	-
Series 2008B	237,395,000	-
Series 2008C	19,370,000	-
Series 2008D	417,826,981	-
Series 2008E	600,000,000	-
Series 2008F	1,000,000,000	-
Series 2008G	124,750,000	-
Series 2008H	410,726,910	-
Series 2008I	201,685,275	-
Series 2008J	100,000,000	-
Series 2008K	205,000,000	-
Series 2008L	220,000,000	-
Revenue Bonds Outstanding	\$ <u>6,150,814,166</u>	<u>1,368,550,000</u>

NORTH TEXAS TOLLWAY AUTHORITY
Management's Discussion and Analysis
December 31, 2008

Table A-8 sets forth debt service coverage for all Revenue Bonds outstanding for the years 1999 through 2008.

Table A-8
Historical Debt Coverage

Year	Coverage
2008	1.60x
2007	1.96x
2006	1.98x
2005	1.80x
2004	2.00x
2003	2.09x
2002	2.08x
2001	1.88x
2000	2.22x
1999	2.42x

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 payment began in FY2004. The FY 2008 payment was \$7.5 million with a due date of January 1, 2009. The payment was processed on January 2, 2009. A detailed description of accrued interest on this loan see Note (5) page 48.

Short-Term Debt -The Authority maintains approximately \$200 million commercial paper program. Issuing \$110.0 million of Commercial Paper in 2008 and transferred \$80 million of the proceeds to the Authority's Feasibility Study Fund to finance the feasibility study and design of Southwest Parkway (\$54.6 million), PGBT South – SH 161 projects (\$7.1 million) and various other projects (\$15.5 million) for a total of \$77 million. Approximately \$23 million was issued for the initial construction of the Lewisville Lake Toll Bridge. As of December 31, 2008 there was \$89.7 million of outstanding notes under the commercial paper program.

The Authority issued an estimated \$3.5 billion in Bond Anticipation Notes with a due date of November 19, 2008 for the acquisition and interim financing for the development and a portion of the construction of the SRT. The acquisition payment of \$3.20 billion was paid to Texas Department of Transportation on November 29, 2007. As of November 19, 2008 there were no Bond Anticipation Notes outstanding.

NORTH TEXAS TOLLWAY AUTHORITY
Management's Discussion and Analysis
December 31, 2008

The Authority's \$340,260,000 amount outstanding of Series 2005C Bonds are entitled to the benefit of a standby bond purchase agreement ("SBBPA") provided by DEPFA Bank plc. On February 2008 the remarketing agent exercised the SBBPA on \$334,760,000 of the these bonds, causing them to bear interest at the higher of DEPFA's prime rate or federal funds plus 0.50% (the "Alternate Base Rate") for the first 180 days such bonds are held by DEPFA and at the Alternate Base Rate plus 0.75% thereafter. A "termination event" or a "suspension event" occurring under the SBBPA, causes the Series 2005C Bonds held by DEPFA to bear interest at the Alternate Base Rate plus 3.00%. Series 2005C Bonds held by DEPFA for more than 180 days, results in the seven year "term-out" beginning for such bonds with principal amortizing equally over a seven year period, payable semi-annually. There was no termination event or suspension event by either party in 2008.

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.

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NORTH TEXAS TOLLWAY AUTHORITY

Statement of Net Assets

December 31, 2008

Assets

Current assets:

Cash and cash equivalents (note 3)	\$	5,916,242
Investments (note 3)		93,736,719
Accrued interest receivable		243,751
Accounts receivable (net of allowance for uncollectibles) (note 9)		5,921,786
Inventory, at average cost		1,886,701
Prepaid expenses		625,799
Total current unrestricted assets		108,330,998

Current restricted assets:

Restricted assets:

Restricted for construction:

Investments (notes 3 and 10)		284,828,011
Accrued interest receivable		1,724,641
Accounts receivable		1,595,394

Restricted for debt service:

Cash and cash equivalents (notes 3 and 5)		113,449
Investments (notes 3 and 5)		254,429,573
Accrued interest receivable		1,501,968

Restricted for pension benefits and other purposes:

Investments (notes 3 and 5)		444,389
Accrued interest receivable		403

Total current restricted assets		544,637,828
Total current assets		652,968,826

Noncurrent assets:

Investments for unrestricted assets (note 3)		10,007,700
Investments restricted for construction (note 3)		110,730,332
Investments restricted for debt service (note 3)		819,566,131
Accounts receivable (note 9)		970,489
Deferred improvement costs		653,524
Deferred financing costs		88,563,762
Deferred feasibility study costs		77,254,384
Capital assets (net of accumulated depreciation) (note 4)		5,501,488,622
Total noncurrent assets		6,609,234,944

Total assets		7,262,203,770
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See accompanying notes to basic financial statements.

NORTH TEXAS TOLLWAY AUTHORITY

Statement of Net Assets

December 31, 2008

Liabilities	
Current liabilities:	
Accounts and retainage payable	\$ 25,991,721
Accrued liabilities	4,584,431
Deferred revenue	25,058,074
Tolltag deposits	885,727
Total current unrestricted liabilities	56,519,953
Payable from restricted assets:	
Construction-related payables:	
Accounts payable (note 10)	92,002,104
Retainage payable (note 10)	14,419,567
Deferred grant revenue	67,549,495
Debt service-related payables:	
Accrued interest payable	146,323,487
Accrued arbitrage rebate payable	33,841
Commercial paper payable (note 5)	89,700,000
Revenue bonds payable (note 5)	34,110,000
Pension benefits and other related payables	
Accounts payable (note 10)	721
Total current liabilities payable from restricted assets	444,139,215
Total current liabilities	500,659,168
Noncurrent liabilities:	
Other post-employment benefits	4,063,843
Texas Department of Transportation loan payable (note 5)	4,600,000
Texas Department of Transportation ISTEAs loan payable (note 5)	135,000,000
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred debit on refundings of \$37,003,509 and bond discount (premium) costs of \$19,749,049) (note 5)	6,059,951,608
Total noncurrent liabilities	6,203,615,451
Total liabilities	6,704,274,619
Net Assets	
Invested in capital assets, net of related debt	187,921,483
Restricted:	
Restricted for construction	289,136,672
Restricted for debt service	396,663,142
Restricted for pension benefits and other purposes	436,836
Unrestricted	(316,228,982)
Total net assets	\$ 557,929,151

See accompanying notes to basic financial statements.

NORTH TEXAS TOLLWAY AUTHORITY
Statement of Revenues, Expenses, and Changes in Net Assets
Year ended December 31, 2008

Operating revenues:	
Tolls	\$ 240,776,791
Other	9,273,124
Total operating revenues	<u>250,049,915</u>
Operating expenses:	
General	
Administration	12,604,559
Operations	68,064,173
Preservation	
Reserve maintenance	18,254,548
Capital improvement	38,541,652
Total operating expenses before depreciation	<u>137,464,932</u>
Operating income before depreciation	112,584,983
Depreciation	<u>3,481,013</u>
Operating income	<u>109,103,970</u>
Nonoperating revenues (expenses):	
Interest earned on investments	50,438,067
Net increase in the fair value of investments	24,555,188
Grant revenue	74,902,422
Unallocated infrastructure depreciation	(24,555,772)
Interest expense on revenue bonds	(227,034,684)
Interest expense on short term notes (net of capitalized interest)	(28,874,541)
Interest expense on loan	(6,211,688)
Bond premium/discount amortization	(217,615)
Bond issuance cost amortization	(17,543,223)
Deferred amount on refunding amortization	(6,694,083)
Additional payment to escrow	(3,167,688)
SWAP termination payment	(4,511,011)
Other	(355,245)
Net nonoperating revenues (expenses)	<u>(169,269,873)</u>
Change in net assets	(60,165,903)
Beginning net assets	<u>618,095,054</u>
Ending net assets	<u>\$ 557,929,151</u>

See accompanying notes to basic financial statements.

NORTH TEXAS TOLLWAY AUTHORITY

Statement of Cash Flows

Year ended December 31, 2008

Cash flows from operating activities:	
Receipts from customers and users	\$ 250,882,065
Payments to contractors and suppliers	(103,553,858)
Payments to employees	(30,107,432)
Net cash provided by operating activities	<u>117,220,775</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets (including capitalized interest costs)	(413,244,983)
Issuance of revenue bonds	5,285,837,760
Issuance of commercial paper	110,000,000
Grant proceeds	142,451,917
Defeased bond anticipation notes	(3,487,245,000)
Defeased commercial paper	(95,300,000)
Defeased revenue bonds	(501,535,000)
Principal paid on revenue bonds	(23,240,000)
SWAP termination payment	(4,511,011)
Interest paid on revenue bonds and other debt	(222,495,891)
Net cash provided by (used by) capital and related financing activities	<u>790,717,792</u>
Cash flows from investing activities:	
Purchase of investments	(3,890,588,883)
Proceeds from sales and maturities of investments	2,930,377,227
Interest received	31,954,871
Net cash provided by (used in) investing activities	<u>(928,256,785)</u>
Net increase (decrease) in cash and cash equivalents	<u>(20,318,218)</u>
Cash and cash equivalents, beginning of the year	26,347,909
Cash and cash equivalents, end of the year	\$ <u><u>6,029,691</u></u>
Classified as:	
Current assets	\$ 5,916,242
Restricted assets	113,449
Total	\$ <u><u>6,029,691</u></u>
Noncash financing, capital, and investing activities:	
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 109,103,970
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,481,013
Changes in assets and liabilities:	
Decrease in accounts receivable	4,468,528
Increase in inventories	(599,487)
Increase in prepaid expenses	(414,906)
Increase in deferred revenue	2,174,312
Decrease in accounts and retainage payable	(467,710)
Decrease in accrued liabilities	(524,945)
Total adjustments	<u>8,116,805</u>
Net cash provided by operating activities	\$ <u><u>117,220,775</u></u>
Noncash financing activities:	
Increase in fair value of investments	\$ 24,555,188

See accompanying notes to basic financial statements.

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NORTH TEXAS TOLLWAY AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2008

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**NORTH TEXAS TOLLWAY AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS**

December 31, 2008

(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 the enterprise fund 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 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.

Prior to 2007, separate financial statements were prepared for the Feasibility Study Fund and the DFW Turnpike Transition Trust Fund.

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.

**NORTH TEXAS TOLLWAY AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS**

December 31, 2008

(b) Basis of Accounting

The operations of the Authority, 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. 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 Authority are included in the Statement of Net Assets. The assets of the Authority are stated at cost with the exception of certain investments, which are stated at fair value.

The Authority applies all applicable GASB pronouncements to the Authority, as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless those statements conflict with or contradict GASB pronouncements.

The principal revenues of the Authority are toll revenues received from patrons. Operating expenses for the Authority 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 Authority consolidates these Authority 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 adopted on a non-GAAP basis. The budget is 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 U.S. generally accepted accounting principles 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 Authority'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 Authority 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 Authority 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

**NORTH TEXAS TOLLWAY AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS**

December 31, 2008

restricted on a monthly basis in accordance with the Trust Agreement for the purpose of paying interest and principal payments that are due on a semiannual and annual basis, respectively, and for the purpose of maintaining the reserve funds at the required levels. Payments from these restricted accounts are strictly governed by the Trust Agreement and can only be made in compliance with the Trust Agreement. Limited types of expenses may be funded from these accounts. Expenses that do not meet these requirements are funded from unrestricted accounts. The 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, 2008, 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.

NORTH TEXAS TOLLWAY AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2008

- **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 are two (2) employees that meet these requirements.

(e) Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits. Cash equivalents are amounts included in the overnight sweep of the commercial account. These deposits are fully collateralized or covered by federal deposit insurance. The Authority considers other money market funds 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) Materials Inventory

Inventories of road maintenance materials and supplies are valued at the lower of cost or market using the average cost method.

(g) 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 software and property and equipment with a value greater than \$5,000. 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.

(h) 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.

(i) 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.

(j) 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 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.

**NORTH TEXAS TOLLWAY AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS**

December 31, 2008

(k) 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 over the life of the bonds. Revenue bonds payable are reported net of unamortized bond discount or premium.

(l) 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 Authority's cumulative arbitrage rebate liabilities for the year ended December 31, 2008 are \$33,841.

(m) 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. Immaterial reclassifications have occurred on several line items in 2008.

(n) New Accounting Pronouncements

GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets ("GASB 51"), establishes accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The Authority will make plans to implement GASB 51 in the fiscal year beginning January 1, 2010.

(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 prepared 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 Members of the Authority in a manner similar to the adoption of the annual budget. There were no occurrences of budget noncompliance in 2008.

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

**NORTH TEXAS TOLLWAY AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS**

December 31, 2008

- 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.

In 2008, the requirement was 1.35 times the scheduled debt service requirement. The actual for the year is calculated below.

GAAP basis operating income	\$	109,103,970
Non-construction fund interest income		<u>11,685,372</u>
Gross income		120,789,342
Add:		
Depreciation		3,481,013
Capital improvement fund expenses		38,541,652
Reserve maintenance fund expenses		<u>18,254,548</u>
Net revenues available for debt service		<u>181,066,555</u>
Bond interest expense, net of amounts capitalized		78,845,508
Scheduled principal amount due		<u>34,110,000</u>
Calculated debt service requirement	\$	<u>112,955,508</u>
Coverage ratio		<u><u>1.60</u></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 2007. 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; and no load money market mutual funds that have a dollar-weighted average stated maturity of 90 days or fewer and includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share.

The Authority does not invest in financial instruments other than those authorized by the investment policy, and does not invest in any state or local government investment pools.

The Authority reports all equity 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 Assets.

**NORTH TEXAS TOLLWAY AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS**

December 31, 2008

(a) Deposits

The Authority's deposits were fully insured or collateralized at December 31, 2008. The carrying amount of the Authority's deposits were \$6,029,691 and the respective bank balances totaled \$6,885,556. As of December 31, 2008 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

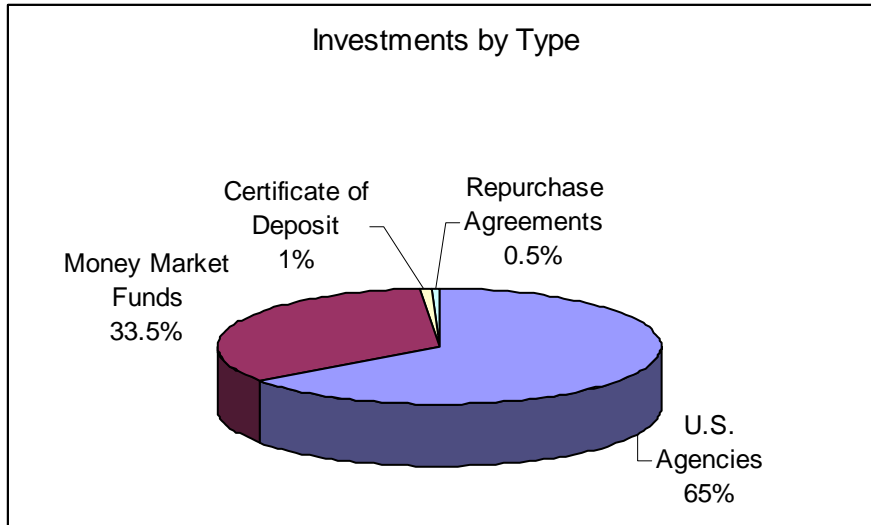
As of December 31, 2008 the maturity values are as follows:

Description	2008		
	Fair Value	Maturity Value (in Yrs)	
		Less Than 1 Yr	1 Yr or More
U.S. Agencies:			
Federal Home Loan Bank	\$ 302,746,200	22,798,154	279,948,046
Federal National Mortgage Assn.	593,523,190	51,557,243	541,965,947
Federal Agricultural Mortgage Corporation	17,807,864	-	17,807,864
Federal Farm Credit Banks	17,990,838	-	17,990,838
Federal Home Loan Mortgage Corp	<u>92,591,468</u>	<u>10,000,000</u>	<u>82,591,468</u>
Total U.S. Agencies	1,024,659,560	84,355,397	940,304,163
Money Market Funds*	531,465,722	531,465,722	-
Certificate of Deposit	15,000,000	15,000,000	-
Repurchase Agreements	<u>7,999,928</u>	<u>7,999,928</u>	<u>-</u>
Total Investments	<u>\$ 1,579,125,210</u>	<u>638,821,047</u>	<u>940,304,163</u>

* Included in Money Market Funds are overnight sweeps, totaling \$5,382,355 that are classified as cash in the financial statements.

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(c) 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, 2008 was 2.317%, in comparison to 4.026% in 2007. The weighted average maturity in days was 506 days for 2008, compared to 384 days in 2007. Market value fluctuation of the overall portfolio is minimized by keeping the weighted average maturity low. Approximately 40% of the investment are maturing within one year and 60% are maturing one year or greater.

(d) Credit Risk

Per the Investment Policy, the Authority may not enter into longer term investment agreements or other ongoing investment transactions with a final maturity or termination date of longer than six months with any financial institution that initially has a long term rating of less than "AA" by Standard & Poor's Ratings Group or "Aa2" by Moody's Investor Services. That means ratings of AA, AA+ for S&P and Aa2, Aa1 for Moody's are appropriate for the financial institution.

As of December 31, 2008, the Authority invested 33.5% in AAA rated money market funds, 1% in Certificates of Deposit, 0.5% invested in AAA rated Full Flex Repurchase agreements, and 65% in Agencies backed by the full faith and credit of the U.S. Government. Repurchase agreements are fully collateralized. Agencies are AAA rated by Moody's.

(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, 2008 the Wells Fargo, Federated, and MBIA Texas Class A funds exceeded 5% of the total portfolio. This higher balance held with the Trustee was required for the debt service payment due January 1, 2009. More than 5% of the Authority's

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investments are in Federal Home Loan Banking, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation.

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

Construction and Property Account	\$ 950,397,994
Revenue Account	25,139,263
Operations and Maintenance Account	13,165,026
Reserve Maintenance Account	48,210,316
Consolidated Capital Improvement Account	27,632,622
Bond Interest Account	125,632,883
Bond Reserve Account	351,754,160
Bond Redemption Account	37,403,128
DFW Turnpike Transition Trust Fund	437,154
Total cash and investments	<u>\$ 1,579,772,546</u>

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(4) Capital Assets

Capital assets are summarized as follows:

	January 1, 2008	Additions	Deletions	December 31, 2008
Infrastructure network (nondepreciable):				
Preliminary costs	\$ 45,363,314	—	—	45,363,314
Engineering	148,590,327	6,317,515	—	154,907,842
Right-of-way	134,013,363	881,743	—	134,895,106
Construction	1,052,684,706	23,186,984	—	1,075,871,690
Administration	28,627,702	1,266,085	—	29,893,787
Financing cost*	92,057,317	—	—	92,057,317
Construction in Progress (nondepreciable):				
Preliminary costs	4,870,683	258,007	—	5,128,690
Engineering	37,213,468	37,069,192	—	74,282,660
Right-of-way	703,804	85,613,189	—	86,316,993
Construction in progress	236,431,754	89,437,616	—	325,869,370
Administration	1,664,442	4,860,803	—	6,525,245
Total nondepreciable infrastructure network	<u>1,782,220,880</u>	<u>248,891,134</u>	<u>—</u>	<u>2,031,112,014</u>
Construction in Progress (depreciable):				
Preliminary costs	1,142,464	—	—	1,142,464
Engineering	13,511,355	39,946,800	—	53,458,155
Construction in progress	3,197,211,448	130,299,191	(3,197,211,448)	130,299,191
Administration	13,480,893	3,618,657	—	17,099,550
Financing cost*	13,762,699	47,623,137	—	61,385,836
Total Construction in Progress (depreciable)	<u>3,239,108,859</u>	<u>221,487,785</u>	<u>(3,197,211,448)</u>	<u>263,385,196</u>
Roadway	—	3,197,211,448	—	3,197,211,448
Less accumulated depreciation	—	(24,555,772)	—	(24,555,772)
Total roadway	<u>—</u>	<u>3,172,655,676</u>	<u>—</u>	<u>3,172,655,676</u>
Total infrastructure	5,021,329,739	3,643,034,595	(3,197,211,448)	5,467,152,886
Property and equipment				
Land	7,360,255	—	—	7,360,255
Buildings	17,434,998	—	—	17,434,998
Machinery and equipment	14,421,375	10,245,020	(407,957)	24,258,438
Less accumulated depreciation	(10,854,401)	(3,863,554)	—	(14,717,955)
Total depreciable	<u>21,001,972</u>	<u>6,381,466</u>	<u>(407,957)</u>	<u>26,975,481</u>
Total property and equipment	<u>28,362,227</u>	<u>6,381,466</u>	<u>(407,957)</u>	<u>34,335,736</u>
Total capital assets	<u>\$ 5,049,691,966</u>	<u>3,649,416,061</u>	<u>(3,197,619,405)</u>	<u>5,501,488,622</u>

* Includes capitalized interest net of interest earnings.

Total bond interest cost incurred amounted to \$309,744,050 during the year ended December 31, 2008, of which \$47,623,137 was capitalized.

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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.

Outstanding bonds which were delivered prior to 2008 were issued under the Trust Agreement dated July 1, 1989, as amended by the First through Twelfth Supplements (collectively, the "Trust Agreement"). The Series 2008 A through E bonds were issued under the Thirteenth Supplement of the Trust Agreement. Upon delivery of the Series 2008 A through E bonds, the Trust Agreement was replaced with the Amended and Restated Trust Agreement. The Amended and Restated Trust Agreement created First Tier, Second Tier and Third Tier debt levels. The then current outstanding bonds and the Series 2008 A through E bonds became First Tier debt. The Authority's commercial paper program was secured as Third Tier Debt. Additional series of bonds in 2008 were authorized by resolutions of the NTTA Board of Directors and were issued pursuant to the Amended and Restated Trust Agreement, as amended by the First through Third Supplements (collectively, the "Amended and Restated Trust Agreement").

The following are descriptions of Revenue Bond Series currently outstanding as of December 31, 2008.

Series 1997: The Authority issued \$129,270,000 in principal amount of Dallas North Tollway Authority Revenue Refunding Bonds, Series 1997 insured by Financial Guaranty Insurance Company ("FGIC"), dated January 1, 1996 with a forward delivery on October 8, 1997, for the purpose of refunding \$123,945,000 of Series 1989 revenue bonds. Interest is payable on January 1 and July 1 of each year. Principal is payable on January 1 of each year. The issue included \$78,665,000 of serial bonds, which began maturing on January 1, 1999 and bear interest rates ranging from 5.0% to 6.5%, and \$50,605,000 of 5.5% term bonds due January 1, 2015.

The difference between the reacquisition price and the net carrying amount of the Series 1989 Bonds (\$11,430,835) was deferred and is being amortized over the stated term of the Series 1997 Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$3,427,557. Amortization of the deferred amount on the refunding was \$1,940,717 for the year ended December 31, 2008. Outstanding principal on the Series 1989 revenue bonds refunded by Series 1997 and Series 1997A, in escrow is \$189,230,000 on December 31, 2008.

Series 1997A: The Authority issued \$129,005,000 in principal amount of Dallas North Tollway Authority Revenue Refunding bonds, Series 1997A insured by FGIC, on October 01, 1997, for the purpose of refunding a portion of the Dallas North Tollway Authority Revenue Bonds, Series 1989, dated July 1, 1989, and the outstanding Dallas North Tollway Authority Revenue Bonds, Series 1994, dated December 1, 1994. The amount of refunded principal related to the Series 1989 Bonds is \$98,040,000 and the amount related to the Series 1994 Bonds is \$22,575,000. Interest is payable on January 1 and July 1 of each year. Principal is payable on January 1. The issue included \$67,685,000 of serial bonds which began maturing on January 1, 1998 and bear interest rates ranging from 4.0% to 5.375%, \$56,655,000 of 5.0% term bonds due January 1, 2020, and \$4,665,000 of 5.0% term bonds due January 1, 2023.

The difference between the reacquisition price and the net carrying amount of the Series 1989 Bonds and 1994 Bonds (\$9,217,525) was deferred and is being amortized over the stated term of the Series 1997A Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$6,259,412. Amortization of the deferred amount on the refunding was \$154,039 for the year ended December 31, 2008. Outstanding principal on the Series 1994 revenue bonds in escrow is \$20,380,000 on December 31, 2008.

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Series 1998: The Authority issued \$100,660,000 North Texas Tollway Authority Dallas North Tollway Authority Revenue Bonds, Series 1998 on October 29, 1998. The bonds are insured by FGIC and were issued for the purpose of financing Segment V of the PGBT. Interest is payable on January 1 and July 1 of each year. Principal is payable on January 1 commencing January 1, 2008. The issue included \$22,515,000 of serial bonds maturing from 2008-2018 with interest rates ranging from 4.10%-4.75%, \$22,065,000 term bonds due January 1, 2022 with an interest rate of 4.75%, and \$56,080,000 term bonds due January 1, 2029 with an interest rate of 4.75%.

Series 2003A: To fund a portion of the costs for Segments IV of the PGBT, finance improvements to the Authority and refund commercial paper notes, the Authority issued \$225,000,000 Series 2003A North Texas Tollway Authority Dallas North Tollway Authority Revenue Bonds, insured by Ambac Assurance Corporation ("Ambac"), on May 28, 2003. The \$54,405,000 of serial bonds and \$170,595,000 of term bonds will mature beginning January 1, 2021 and bear an interest rate of 5.00%. The term bonds are subject to mandatory sinking fund redemptions beginning January 1, 2027. Interest is payable on January 1 and July 1 of each year. The Series 2003A Bonds are subject to redemption prior to maturity at the option of the Authority on January 1, 2013 or on any date thereafter at a price of par plus accrued interest to the date of redemption.

Series 2005A: The \$227,370,000 North Texas Tollway Authority Dallas North Tollway System Revenue Bonds, Series 2005A were issued March 24, 2005 for the purpose of financing a portion of the construction cost of improving, expanding and extending the Authority, including the proposed extension of the DNT from Gaylord Parkway to U.S. 380, and reimbursing the cost of construction of the extension of the DNT from Legacy Drive across SH 121 to Gaylord Parkway. Interest is payable on January 1 and July 1 of each year. Principal is payable on January 1 of each year. As of December 31, 2008, only the January 1, 2009 maturity of this series remains outstanding in the amount of \$3,905,000. The Series 2008B Bonds refunded all but the January 1, 2009 maturity of the Series 2005A Bonds.

Series 2005 C: 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 consist 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 entitled to the benefit of a liquidity facility issued by DEPFA Bank. Bonds held by DEPFA now bear interest at 3% plus the higher of (i) DEPFA's prime rate or (ii) federal funds plus 0.5%. As of December 31, 2008, \$334,760,000 in bonds is held by DEPFA at 6.60% interest, and \$5,500,000 continues to be remarketed at 9.50% interest.

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. The deferred amount ending balance for the year ended December 31, 2008 was \$12,859,341. Amortization of the deferred amount on the refunding was \$1,348,194 for the year ended December 31, 2008. Outstanding principal on the Series 1995 Bonds in escrow is \$436,320,954 on December 31, 2008.

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, utilizing State and Local Government Securities. 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 begin 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

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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.

Net proceeds of \$1,354,730,351 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes and refunded Series 2003C Bonds. As a result, a portion of the Bond Anticipation Notes and Series 2003C Bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value loss of \$42,650,043.

The difference between the reacquisition price and the net carrying amount of the Series 2003C Bonds (\$6,964,108) was deferred and is being amortized over the stated term of the Series 2003C Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$6,004,539. Amortization of the deferred amount on the refunding was \$959,569 for the year ended December 31, 2008. Outstanding principal on the Series 2003C Bonds in escrow is \$58,760,000 on December 31, 2008.

In addition, the remaining Series 2005B Bonds, in the amount of \$71,000,000, were refunded.

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 begin 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.

Net proceeds of \$229,618,924 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded Series 2005A Bonds. As a result, a portion of the Series 2005A Bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value loss of \$38,839,974.

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. The deferred amount ending balance for the year ended December 31, 2008 was \$10,021,769. Amortization of the deferred amount on the refunding was \$466,123 for the year ended December 31, 2008. Outstanding principal on the Series 2005A Bonds in escrow is \$215,185,000 on December 31, 2008.

Series 2008C: The \$19,370,000 North Texas Tollway Authority Taxable Revenue Refunding Bonds, Series 2008C were issued on April 3, 2008 for the purpose of refunding \$18,375,000 of Series 2003C Serial Bonds maturing January 1, 2009 and January 1, 2010. Interest is payable January 1 and July 1, and principal is payable on January 1 of each year. The issue includes serial bonds bearing interest at 4% to 4.25% maturing on January 1, 2009 and January 1, 2010.

Net proceeds of \$19,241,567 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded Series 2003C Bonds. As a result, a portion of the Series 2003C Bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value loss of \$597,310.

The difference between the reacquisition price and the net carrying amount of the Series 2003C Bonds (\$1,741,111) was deferred and is being amortized over the stated term of the Series 2003C Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$1,476,989. Amortization of the deferred amount on the refunding was \$264,122 for the year ended December 31, 2008. Outstanding principal on the Series 2003C Bonds in escrow is \$18,375,000 on December 31, 2008.

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

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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.

Net proceeds of \$359,581,465 were deposited in an irrevocable trust with an escrow agent to provide for future payments on the Bond Anticipation Notes. As a result, a portion of the Bond Anticipation Notes is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there were no Bond Anticipation Notes outstanding. The Authority obtained a present value loss of \$9,506,346.

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.

Net proceeds of \$487,277,027 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes and refunded a portion of the Series 1997 Bonds. As a result, a portion of the Bond Anticipation Notes and Series 1997 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 \$45,238,402.

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. The deferred amount ending balance for the year ended December 31, 2008 was \$807,089. Amortization of the deferred amount on the refunding was \$407,401 for the year ended December 31, 2008. Outstanding principal on the Series 1997 Bonds in escrow is \$12,970,000 on December 31, 2008.

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.

Net proceeds of \$760,916,726 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes. As a result, a portion of the Bond Anticipation Notes is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there were no Bond Anticipation Notes outstanding.

Series 2008G: The \$124,750,000 North Texas Tollway Authority Revenue Refunding Bonds, Series 2008G Put Bonds with an Initial Multiannual period, were issued June 30, 2008 for the purpose of refunding \$125,245,000 of Series 2003B Bonds. Interest accrues on the Series 2008G Bonds at the Initial Interest Rate of 5% and is payable January 1 and July 1 of each year, commencing January 1, 2009. The bonds are subject to mandatory tender on January 1, 2010. On the Mandatory Tender Date, 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

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be deemed to have been rescinded and the Series 2008G Bonds will bear interest at the rate of 12.00% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing.

Net proceeds of \$125,262,395 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded Series 2003B Bonds. As a result, the Series 2003B Bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. The Authority obtained a present value loss of \$1,137,989.

The difference between the reacquisition price and the net carrying amount of the Series 1997 Bonds \$3,926,840 was deferred and is being amortized over the stated term of the Series 2003B Bonds. The deferred amount ending balance for the year ended December 31, 2008 was \$3,853,187. Amortization of the deferred amount on the refunding was \$74,146 for the year ended December 31, 2008. The \$125,245,000 Series 2003B Bonds were redeemed at the mandatory tender date of July 1, 2008.

Series 2008H: On September 24, 2008, the Authority issued \$409,040,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series 2008H Put Bonds with an Initial Multiannual period for the purpose of refunding \$324,870,000 of the Bond Anticipation Notes that were issued in November 2007. Interest accrues on the bonds at the Initial Interest Rate of 5% and is payable January 1 and July 1 of each year, commencing January 1, 2009. The Series 2008H Bonds were issued in subseries. The bonds are subject to a mandatory tender on the following Mandatory Tender Dates: Subseries 2008H-1 on January 1, 2011 and Subseries 2008H-2 on January 1, 2013. On the Mandatory Tender Dates, 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 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 2008H Bonds will bear interest at the rate of 12.00% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing.

Net proceeds of \$336,528,232 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes. As a result, a portion of the Bond Anticipation Notes is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there was no Bond Anticipation Notes outstanding. The Authority obtained a present value loss of \$3,919,952.

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.

Net proceeds of \$182,290,010 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes. As a result, a portion of the Bond Anticipation Notes is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there was no Bond Anticipation Notes outstanding. The Authority obtained a present value loss of \$2,123,353.

Series 2008J: The Authority issued \$100,000,000 of North Texas Tollway Authority First Tier Revenue Bonds, Series 2008J on November 4, 2008 for the purpose of funding development and construction of components of the Authority, including the 121 Tollway, LLTB, and the PGBT Eastern Extension. These index floating rate mode bonds were delivered pursuant to a private placement with Banc of America Securities LLC. Under such mode, interest is based on a fixed spread above the "Securities Industry and Financial Markets Association Municipal

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Swap Index" ("SIFMA") announced weekly by Municipal Market Data. The interest rate is reset every Thursday at the SIFMA index for that week plus the fixed spread. Interest is paid to bondholders on the first business day of each month. For the first three years, the rate is set at SIFMA plus 2.5%, provided the Authority's credit ratings remain the same. The bonds mature on January 1, 2039 and may be redeemed at the option of the Authority prior to that date.

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.

Net proceeds of \$153,686,247 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes and Commercial Paper. As a result, a portion of the Bond Anticipation Notes and Commercial Paper is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there was no Bond Anticipation Notes outstanding or Commercial Paper in escrow. The Authority obtained a present value loss of \$3,379,546.

Series 2008L: On November 4, 2008 the Authority issued \$220,000,000 of North Texas Tollway Authority Revenue Refunding Bonds, Series L Put Bonds with an Initial Multiannual period, for the purpose of refunding \$168,225,000 of the Bond Anticipation Notes that were issued in November 2007. Interest accrues on the bonds at the Initial Interest Rate of 5.5% and 6.0% and is payable January 1 and July 1 of each year, commencing January 1, 2009. The bonds were issued in two subseries. The bonds are subject to mandatory tender on the following Mandatory Tender Dates: Subseries 2008L-1 on January 1, 2011 and Subseries 2008L-2 on January 1, 2013. 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 2008L Bonds will bear interest at the rate of 12.00% per annum from the Mandatory Tender Date until purchased upon a subsequent remarketing.

Net proceeds of \$174,971,523 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Bond Anticipation Notes. As a result, a portion of the Bond Anticipation Notes is considered to be defeased and the liability has been removed from the Statement of Net Assets. As of December 31, 2008 there was no Bond Anticipation Notes outstanding. The Authority obtained a present value loss of \$3,847,607.

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The following schedule summarizes the revenue bonds outstanding as of December 31, 2008:

Description of Issue	Revenue Bonds Outstanding As of December 31, 2008				Due within one year
	Beginning Balance	Additions	Matured or Retired	Ending Balance	
Series '97	\$ 90,460,000	-	(21,460,000)	69,000,000	9,850,000
Series '97A	106,290,000	-	(1,220,000)	105,070,000	1,280,000
Series '98	100,660,000	-	(120,000)	100,540,000	425,000
Series '03A	225,000,000	-	-	225,000,000	-
Series '03B	125,245,000	-	(125,245,000)	-	-
Series '03C	85,670,000	-	(85,670,000)	-	-
Series '05A	223,155,000	-	(219,250,000)	3,905,000	3,905,000
Series '05B	71,000,000	-	(71,000,000)	-	-
Series '05C	341,070,000	-	(810,000)	340,260,000	840,000
Series '08A		1,770,285,000	-	1,770,285,000	4,950,000
Series '08B		237,395,000	-	237,395,000	3,310,000
Series '08C		19,370,000	-	19,370,000	9,550,000
Series '08D		417,826,981	-	417,826,981	-
Series '08E		600,000,000	-	600,000,000	-
Series '08F		1,000,000,000	-	1,000,000,000	-
Series '08G		124,750,000	-	124,750,000	-
Series '08H		410,726,910	-	410,726,910	-
Series '08I		201,685,275	-	201,685,275	-
Series '08J		100,000,000	-	100,000,000	-
Series '08K		205,000,000	-	205,000,000	-
Series '08L		220,000,000	-	220,000,000	-
	<u>1,368,550,000</u>	<u>5,307,039,166</u>	<u>(524,775,000)</u>	<u>6,150,814,166</u>	<u>34,110,000</u>
Less:					
Unamortized deferred amount on refunding of revenue bonds	42,258,805	16,136,785	(21,392,081)	37,003,509	-
Bond discount/premium	(18,516,649)	20,221,906	18,043,792	19,749,049	-
Totals	<u>\$ 1,392,292,156</u>	<u>5,270,680,475</u>	<u>(485,339,127)</u>	<u>6,094,061,608</u>	<u>34,110,000</u>

Deferred Bond Issuance/Financing Costs

Expenses related to the issuance of the bonds and other loans are being amortized using the straight line 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, 2008 was \$37,003,509. The discount (premium) costs for the year ended on December 31, 2008 was \$19,749,049.

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The revenue bond debt service requirements below are prepared as of December 31, 2008:

<u>Year</u>	<u>Total Revenue Bonds</u>		<u>Capitalized Interest</u>	<u>Total</u>
	<u>Principal amount</u>	<u>Interest amount</u>		
Due January 1				
2009	\$ 34,110,000	200,553,279	(126,987,770)	107,675,509
2010	33,045,000	301,998,234	(207,905,558)	127,137,676
2011	38,775,000	296,571,786	(177,039,199)	158,307,587
2012	38,795,000	292,120,092	(138,990,376)	191,924,716
2013	28,155,000	287,291,717	(75,073,520)	240,373,197
2014 – 2018	220,450,000	1,459,291,894		1,679,741,894
2019 – 2023	514,635,000	1,390,262,331		1,904,897,331
2024 – 2028	811,641,277	1,326,703,049		2,138,344,326
2029 – 2033	1,118,102,974	1,534,212,745		2,652,315,719
2034 – 2038	2,014,655,143	1,363,786,547		3,378,441,690
2039 – 2043	1,041,328,366	336,023,122		1,377,351,488
2044 – 2048	235,920,000	45,640,260		281,560,260
Interest Accretion	21,201,406	(21,201,406)		-
	<u>\$ 6,150,814,166</u>	<u>8,813,253,650</u>	<u>(725,996,423)</u>	<u>14,238,071,393</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, 2008 were:

	<u>Cash and Investment Balance</u>	<u>Trust Requirement</u>
Bond interest account *	\$ 125,632,883	127,135,630
Debt service reserve account	351,754,160	329,708,626
Redemption account	37,403,128	34,110,000
Total	<u>\$ 514,790,171</u>	<u>490,954,256</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

* \$3,293,128 due from the Redemption Account was transferred on January 2, 2009 to the Bond Interest Account.

SWAP Transactions

History: In 2004, the Authority entered into multiple interest rate swap transactions in the collective notional amount of \$202,720,000 pursuant to ISDA Master Agreements dated and effective as of August 20, 2004 (the “2004 ISDA Master Agreements”) with Citibank N.A., New York, Bear Stearns Financial Products Inc. and Lehman Brothers Special Financing Inc. (the “Swap Providers”) in connection with the then proposed refunding of a portion of the Dallas North Tollway Authority 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

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Transactions”). Concurrently 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, pursuant to the 2004 ISDA Master Agreements 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”). The swap with Lehman Brothers Derivative Products was terminated on October 1, 2008, after the parent company filed for bankruptcy protection and the Authority paid \$4,511,011 in termination payment.

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.

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 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, 2008, rates were as follows:

Interest rate swap:	Terms	2004 Swap Rates December 31, 2008	2005 Swap Rates December 31, 2008
Fixed payment to counterparties	Fixed	3.673%	3.533%
Variable payment from counterparties	67% of 1-Month LIBOR	1.273%	1.273%
Net interest rate swap payments		2.400%	2.260%
Variable-rate bond coupon payments	+/- SIFMA	6.650%	6.650%
Synthetic interest rate on bonds		9.050%	8.910%

Fair value: As of December 31, 2008, the Swap Transactions had a negative fair value of \$44,726,783. 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 value was calculated by the Authority’s financial advisor and reviewed by staff using a market quotation from the Swap Providers.

Credit risk. As of December 31, 2008, the Authority was not exposed to counter-party 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 derivative’s fair value.

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If the respective Swap Provider's 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 Bear Stearns Financial Products, Inc., it is required to post collateral to the Authority's credit.

As of December 31, 2008 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 Aa3/A+ and Bear Stearns Financial Products Inc. Aaa/AAA. 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

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 variable rate paid on the variable rate bonds and the expected cost savings may not be realized. Total present value savings were originally estimated at \$41.8 million. Interest rates have diverged recently and total present value of savings is now estimated at \$27 million.

Liquidity risk: Risk relating to the Series 2005C Bonds insured by FGIC and the swap agreement with Bear Stearns Financial Products Inc. ("BSFP"), the Authority may be required to post collateral if FGIC is downgraded to below "A-" by S&P or "A3" by Moody's. If FGIC is so downgraded, 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 payment amount owed by the Authority to BSFP. FGIC was downgraded but the Authority has maintained its ratings above the referenced levels and no collateral is required to be posted.

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 owed to 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 the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the termination the swap has a negative fair value, 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.

Swap payments and associated debt. Using rates as of December 31, 2008, 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.

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Fiscal Year	2005C Bonds Associated with 2004 Swap		2004 Swap Debt	Total
	Principal amount	Interest amount*	Interest Rate Swap, Net*	
2009	\$ 430,000	13,395,297	5,110,792	18,936,089
2010	450,000	13,365,379	5,099,377	18,914,756
2011	9,255,000	12,750,065	4,864,613	26,869,678
2012	9,630,000	12,109,819	4,620,336	26,360,155
2013	10,015,000	11,443,977	4,366,293	25,825,270
2014	10,425,000	10,750,876	4,101,849	25,277,725
2015	10,845,000	10,029,852	3,826,752	24,701,604
2016	11,280,000	9,279,907	3,540,621	24,100,528
2017	13,260,000	8,398,322	3,204,265	24,862,587
2018	14,240,000	7,451,583	2,843,049	24,534,632
2019	15,260,000	6,437,029	2,455,960	24,152,989
2020	16,080,000	5,367,959	2,048,071	23,496,030
2021	34,940,000	3,044,990	1,161,774	39,146,764
2022	37,320,000	563,789	215,106	38,098,895
2023	8,480,000	-	-	8,480,000
	<u>\$ 201,910,000</u>	<u>124,388,844</u>	<u>47,458,859</u>	<u>373,757,703</u>

*As rates vary, variable rate bond interest payments and net swap payments will vary.

Fiscal Year	2005C Bonds Associated with 2005 Swap		2005 Swap Debt	Total
	Principal amount	Interest amount*	Interest Rate Swap, Net*	
2009	\$ 410,000	9,170,872	3,354,184	12,935,056
2010	425,000	9,142,616	3,343,849	12,911,465
2011	440,000	9,113,363	3,333,150	12,886,513
2012	455,000	9,083,112	3,322,086	12,860,198
2013	470,000	9,051,865	3,310,657	12,832,522
2014	490,000	9,019,287	3,298,742	12,808,029
2015	510,000	8,985,380	3,286,341	12,781,721
2016	8,615,000	8,412,616	3,076,857	20,104,473
2017	440,000	8,383,363	3,066,158	11,889,521
2018	455,000	8,353,113	3,055,094	11,863,207
2019	475,000	8,321,533	3,043,543	11,840,076
2020	490,000	8,288,955	3,031,953	11,810,908
2021	510,000	8,255,048	3,019,227	11,784,275
2022	530,000	8,219,811	3,006,340	11,756,151
2023	31,915,000	6,097,958	2,230,286	40,243,244
2024	44,550,000	3,136,074	1,146,998	48,833,072
2025	47,170,000	-	-	47,170,000
	<u>\$ 138,350,000</u>	<u>131,034,967</u>	<u>47,925,465</u>	<u>317,310,431</u>

- As rates vary, variable-rate bond interest payments and net swap payments will vary.

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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 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 fiscal year 2008, the Authority issued \$110,000,000 of commercial paper, \$54,600,000 to finance the feasibility study and design of Southwest Parkway and PGBT (SH 161); \$45,400,000 to pay for construction cost of the Lewisville Lake Toll Bridge, Capital Improvement Projects and other various projects. The remaining total of \$89,700,000 was outstanding as of December 31, 2008 with interest rates ranging from 0.75% to 1.25%.

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 line of credit are secured by a Third Tier lien on Authority revenues. No such advances have occurred. The credit agreement was renewed on December 23, 2007 and will expire on January 2, 2010.

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). 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. 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 on January 1 thereafter until final payment in 2029. The ISTEA loan payment of \$7,500,000 was made on January 2, 2009 for the fiscal year of 2008. Accrued interest payable was \$19,109,042 as of December 31, 2008.

TxDOT has incurred \$4,600,000 in costs for interchange improvements relating to the PGBT, which will be repaid by the Authority. Repayment of these costs will be paid in annual payments (without interest) of \$500,000 beginning on October 1 of the year after the ISTEA loan is fully paid, currently 2029. The final payment will be in 2039.

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Debt service requirements on the TxDOT loan payable and TxDOT ISTEА loan payable subsequent to December 31, 2008 are as follows:

<u>Fiscal years</u>	<u>TxDOT Loan payable</u>		<u>TxDOT ISTEА Loan payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ -	-	1,592,421	6,157,579
2010	-	-	2,159,303	6,090,697
2011	-	-	2,249,993	6,000,007
2012	-	-	2,344,493	5,905,507
2013 - 2017	-	-	12,925,357	28,074,643
2018 - 2022	-	-	45,535,707	23,181,483
2023 - 2027	-	-	65,096,953	11,515,027
2028 - 2032	1,500,000	-	14,704,795	617,601
2033 - 2037	2,500,000	-	-	-
2038 - 2040	600,000	-	-	-
Total due	4,600,000	-	146,609,022	87,542,544
Accrued Interest	-	-	(11,609,022)	11,609,022
Total principal and interest	\$ 4,600,000	-	135,000,000	99,151,566

Included in the ISTEА Loan Payable amounts is \$11,609,022 of interest expense incurred from fiscal years 2000 through 2003. The Authority was not required to begin payments of these amounts until 2004.

(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 8.35% of wages up to a maximum of \$225,000, respectively, at December 31, 2008.

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

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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.

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, 2008, was \$2,745,973 based on a covered payroll of \$33,182,184. The Authority made the actuarially required contribution. Employee contributions to the plan for the year ended December 31, 2008 were \$1,990,931.

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

Actuarial valuation information (unaudited)

Actuarial valuation date	December 31, 2005	December 31, 2006	December 31, 2007
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period	20.0	15.0	15.0
Asset valuation method	Long-term appreciation with adjustments	SAF:10-yr smooth value ESF: Fund value	SAF:10-yr smooth value ESF: Fund value
Actuarial assumptions:			
Investment return**	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.3%	5.3%
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 2008

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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, 2006	\$ 2,143,060	100%	—
December 31, 2007	2,675,465	100%	—
December 31, 2008	2,745,973	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, 2008 were \$1,151,005 based on a covered payroll of \$32,033,427.

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

In 1997, the Authority terminated its limited risk management program for workers' compensation. The remaining liability for claims is reported in the Operation and Maintenance Fund. As of December 31, 2008, \$432,372 is accrued to recognize actuarially determined claim liabilities. No claims have been filed in the years 2005, 2006, or 2007 and 2008.

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 2005, 2006, or 2007 and 2008. There has not been any significant reduction of coverage.

(8) Post Employment Benefits

Other Post Employment Benefits- GASB implementation

Beginning in fiscal year 2008, the Authority implemented Governmental Accounting Standards Board (GASB) statement 45 for other post employment benefits provided to retirees on a prospective basis.

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 \$361 per month for retiree only coverage \$773 for retiree and spouse, \$636 for retiree and children, and \$1,049 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 56 plan members receiving benefits from GBP. An addition 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 year ended December 31, 2008 was \$281,305; which was 100% of the required contribution for that period.

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 2 individuals receiving benefits and 7 employees fully eligible to receive benefits under the Authority's Benefits plan. No separate financial statements are issued for the Authority's plan.

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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:

Plan	Under Age 65		Age 65 and Older	
	Retiree	Spouse	Retiree	Spouse
EPO	\$ 3,156	\$ 3,348	\$ -	\$ -
PPO	3,576	3,996	-	-
BLU	3,288	3,504	-	-
PSS	-	-	1,727	1,727
PMA	-	-	560	560

The required contribution is based on the projected pay-as-you-go financing requirements. For fiscal year 2008 expenses of \$ 17,344 were recognized for the post employment health care premiums paid. This represents 49.9% 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. For 2008, the transition year, the Authority’s annual OPEB cost of \$1,147,229 was equal to the ARC.

<u>Fiscal Year Ended</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Current OPEB Obligation</u>	<u>Total Funded OPEB Obligation</u>	
12/31/2008	\$ 1,147,229	1.51%	\$ 1,129,885	\$ 4,063,843

Other post-employment benefits of \$4,063,843 includes \$2,933,958 funded in prior years

Funded Status and Funding Progress – The funded status of the plan as of January 1, 2008, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 6,004,945
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 6,004,945
Funded ratio (actuarial value Of plan assets/AAL)	0%
Covered payroll (active plan members)	\$28,746,776
UAAL as a percentage of covered payroll	21%

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

**NORTH TEXAS TOLLWAY AUTHORITY
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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, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a discount rate of 5.5% (net of administrative expenses) and an annual healthcare cost trend rate of 9% for 2008, 8.5% for 2009 reduced by decrements of .05% percent to an ultimate rate in 2016 of 5%. The actuarial assumptions include an investment rate of return at 5.5% and projected salary increases at 4.0%. The Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. At January 1, 2008 the remaining amortization period was 30 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 two remaining retired employees receiving benefits from ERS GBP. Payments during fiscal year were \$ 8,653; which was 100% of the required contribution for the period. The trust currently has \$ 436,836 in net assets. Because of the limited number of participants no valuation was done.

(9) Disaggregation of Receivable Balances

The Authority has an unrestricted accounts receivable balance of \$5,921,786 and a restricted accounts receivable balance of \$2,565,883 as of December 31, 2008. The restricted balance of \$2,500,694 is due from TxDOT and \$65,189 from Denton County related to various construction agreements; the unrestricted balance consist of \$3,197,033 for video tolls net of allowance for doubtful accounts of \$4,506.601, \$1,895,453 from TxDOT for a capital project, \$703,284 from interoperable agencies, \$126,016 is from damage claims.

(10) Commitments and Contingencies

The Authority currently has \$1,579,772,546 in cash and investments with approximately \$559,318,982 restricted for capitalized interest and \$395,558,343 restricted for construction. The Authority has \$106,421,671 in current liabilities that are comprised of construction-related payables at December 31, 2008. Additionally the Authority has contract and purchase order commitments at December 31, 2008 aggregating \$1.0 billion. This amount includes \$806.0 million of construction contracts payable from restricted funds and the issuance of debt in 2009; \$27.1 million reimbursable from TxDOT; and \$166.9 payable from various other funds.

The Authority is currently evaluating several Authority maintenance, rehabilitation, and capital improvement projects with an estimated cost of approximately \$1.1 billion, which may be funded from the Authority's Reserve Maintenance Fund, the Construction Fund, or the Capital Improvement Fund over the next six years.

The Authority has an operating lease agreement for the rental of the TollTag Store. The term of the lease was extended through June 30, 2009. Lease expense for the year ended December 31, 2008 totaled \$102,293, under this lease. The following represents required remaining payments under the terms of the TollTag Store lease agreement:

	2009	\$	47,275
TollTag Store at Inwood location		\$	47,275

The Authority entered into a property management agreement on February 12, 2007 and ending February 28, 2009, to manage existing leases of the Gleneagles buildings. An operating account funded with operating lease payments was established for the Manager to handle all expenses. As of December 31, 2008 this account had a balance of \$1,024,182. The building complex encompasses 163,380 square feet of which 61,662 is occupied by

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the Authority, 52,887 is leased, and 48,831 is vacant. The leased space is divided into two leases; one for 22,369 sq. ft. beginning July 1, 2005 and expiring March 31, 2010, one for 30,518 sq. ft. beginning July 1, 2005 and expiring December 31, 2010. The following represents minimum future rentals on non-cancelable operating lease agreements:

	2009	\$	1,030,902
	2010		<u>720,533</u>
	Gleneagles Offices Complex	\$	<u><u>1,751,435</u></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 beginning on July 1, 2008 through July 31, 2010. 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 \$29,036 per month (\$23,901 for building lease; \$1,540 for operating expenses; \$3,595 for tax valuation of building and land), starting on July 1, 2008. Lease expenses for the year ended on December 31, 2008 totaled \$80,951, under this lease. The following represents the required remaining payments under the terms of the building lease agreement:

	2009	\$	348,438
	2010		<u>358,891</u>
	Frisco Center Properties (lease)	\$	<u><u>707,329</u></u>

(11) Subsequent Events

On January 8, 2009, the Board of Directors approved the resolution approving the formal agreement between NTTA, City of Fort Worth, Union-Pacific Railroad and TxDOT on the design, construction and maintenance of Southwest Parkway (SWP) across the Union Pacific Rail Road Davidson Yard. It is anticipated that the Authority and TxDOT will conclude negotiations on the SWP/Chisholm Trail Parkway corridor project in the fourth quarter of 2009, pending determination of the financial feasibility of the project.

On February 18, 2009, the Board of Directors approved a Resolution authorizing the Authority's Interim Executive Director to execute the State Highway 161 (SH 161) Project Agreement. The formal agreement has been executed by the Authority, but has not yet been executed by TxDOT. Negotiations continue between the Authority and TxDOT on a Toll Equity Loan Agreement related to SH 161.

On May 18, 2009, the Board of Directors approved an agreement with the Texas Department of Transportation (TxDOT) regarding a settlement of a dispute concerning the upfront payment for the Sam Rayburn Tollway (SH 121) and the use of the agreed settlement as performance security under tolling services agreements (TSA). The Authority and TxDOT agreed to settle the dispute for \$25,598,767 and to deposit the Settlement Amount in an account to be used as Performance Security for the North Tarrant Express TSA and other TSAs at the time that the North Tarrant Express has been constructed, which is currently estimated to be 2012.

NORTH TEXAS TOLLWAY AUTHORITY
 Required Supplementary Information
 December 31, 2008

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.

The infrastructure assets include the President George Bush Turnpike (PGBT), the Dallas North Tollway (DNT), the Addison Airport Toll Tunnel (AATT), the Mountain Creek Lake Bridge (MCLB), Main Lane Plazas, Ramp Plazas, maintenance shops, administration buildings, and IT lane equipment. The roadways are a major transportation network consisting of 62.8 centerline miles of high-speed roadways, 50 interchanges, 10 main lane toll plazas, 54 ramp toll plazas, 226 bridges, one tunnel, and other structures and appurtenances. All assets combined totaled approximately \$1.76 billion in current replacement value for FYE 2008.

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 assets under Authority jurisdiction. The evaluation resulted in an average Condition Index of 9.0 for all of the assets combined. The following table shows the Condition Index for the years 2005 through 2008.

Condition Index Table		
	<u>Condition Index</u>	
<u>Fiscal Year</u>	<u>Current</u>	<u>Goal</u>
2008	9.0	8.0
2007	8.9	8.0
2006	8.9	8.0
2005	8.8	8.0

Condition Assessment and Inventory

A comprehensive condition assessment on all the Authority's assets was conducted from fall of 2007 to May 2008. The Authority's Maintenance Management Consultant performed condition assessments of the Authority's roadways including pavement, bridges, and facilities. Fleet, being the fourth major asset, was inspected and evaluated by the NTTA staff. 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. 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%).

NORTH TEXAS TOLLWAY AUTHORITY
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 December 31, 2008

Currently, the 226 bridges, totaling 9,100,000 square feet of deck area, have a Sufficiency Rating at 9.4. In order to maintain the current Sufficiency Rating, FY 2009 preservation budget of \$667,800 is recommended.

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 62.8 centerline miles (approximately 366.2 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 2008.

<u>Fiscal year:</u>	<u>Budget</u>	<u>Actual</u>
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 AUTHORITY
 Required Supplementary Information
 December 31, 2008

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]
12/31/07	\$ 29,459,126	\$ 29,842,359	\$ 383,233	98.72%	\$ 30,611,880	1.25%
12/31/06	24,057,082	24,286,068	228,986	99.06%	26,091,290	0.88%
12/31/05	18,812,011	19,922,827	1,110,816	94.42%	23,407,840	4.75%

Schedule of Funding Progress
Other Post Employment Benefits
 Last calendar year
 (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]
01/01/08	—	\$ 6,004,945	\$ 6,004,945	—	\$ 28,746,776	20.89%

NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Net Assets by Trust Accounts
December 31, 2008

Assets	Total	Interfund eliminations/ reclassifications	Construction and property account	Revenue account
Current assets:				
Cash and cash equivalents (note 3)	\$ 5,916,242	(4,486,566)	-	2,954,083
Investments (note 3)	93,736,719	-	-	12,177,480
Accrued interest receivable	243,751	-	-	192,368
Interfund receivable	-	(6,492,433)	75,609	-
Accounts receivable (net of allowance for uncollectibles) (note 9)	5,921,786	-	-	3,900,317
Inventory, at average cost	1,886,701	-	-	-
Prepaid expenses	625,799	-	-	-
Total current unrestricted assets	<u>108,330,998</u>	<u>(10,978,999)</u>	<u>75,609</u>	<u>19,224,248</u>
Current restricted assets:				
Restricted assets:				
Restricted for construction:				
Cash and cash equivalents (notes 3 and 10)	-	4,479,331	(4,479,331)	-
Investments (notes 3 and 10)	284,828,011	-	284,828,011	-
Accrued interest receivable	1,724,641	-	1,724,641	-
Accounts receivable	1,595,394	-	1,595,394	-
Restricted for debt service:				
Cash and cash equivalents (notes 3 and 5)	113,449	-	-	-
Investments (notes 3 and 5)	254,429,573	-	48,644,621	-
Accrued interest receivable	1,501,968	-	-	-
Restricted for pension benefits and other purposes:				
Cash and cash equivalents (notes 3 and 5)	-	7,235	-	-
Investments (notes 3 and 5)	444,389	-	-	-
Accrued interest receivable	403	-	-	-
Total current restricted assets	<u>544,637,828</u>	<u>4,486,566</u>	<u>332,313,336</u>	<u>-</u>
Total current assets	<u>652,968,826</u>	<u>(6,492,433)</u>	<u>332,388,945</u>	<u>19,224,248</u>
Noncurrent assets:				
Investments for unrestricted assets (note 3)	10,007,700	-	-	10,007,700
Investments restricted for construction (note 3)	110,730,332	-	110,730,332	-
Investments restricted for debt service (note 3)	819,566,131	-	510,674,361	-
Accounts receivable (note 9)	970,489	-	970,489	-
Deferred improvement costs	653,524	-	-	-
Deferred financing costs	88,563,762	-	88,563,762	-
Deferred feasibility study costs	77,254,384	-	-	-
Deferred amount on refunding	-	(37,003,509)	37,003,509	-
Capital assets (net of accumulated depreciation) (note 4)	5,501,488,622	(19,749,049)	5,521,237,671	-
Total noncurrent assets	<u>6,609,234,944</u>	<u>(56,752,558)</u>	<u>6,269,180,124</u>	<u>10,007,700</u>
Total assets	<u>7,262,203,770</u>	<u>(63,244,991)</u>	<u>6,601,569,069</u>	<u>29,231,948</u>
Liabilities				
Current liabilities:				
Accounts and retainage payable	25,991,721	-	-	133,642
Accrued liabilities	4,584,431	-	35,430	-
Interfund payable	-	(6,492,433)	-	3,146,805
Other post-employment benefits	4,063,843	-	-	-
Deferred revenue	25,058,074	-	-	25,058,074
Tolltag deposits	885,727	-	-	885,727
Total current unrestricted liabilities	<u>60,583,796</u>	<u>(6,492,433)</u>	<u>35,430</u>	<u>29,224,248</u>
Payable from restricted assets:				
Construction-related payables:				
Accounts payable (note 10)	92,002,104	-	92,002,104	-
Retainage payable (note 10)	14,419,567	-	14,419,567	-
Deferred grant revenue	67,549,495	-	67,549,495	-
Debt service-related payables:				
Accrued interest payable	146,323,487	-	19,109,042	-
Accrued arbitrage rebate payable	33,841	-	33,841	-
Commercial paper payable (note 5)	89,700,000	-	79,700,000	-
Revenue bonds payable (note 5)	34,110,000	-	34,110,000	-
Pension benefits and other related payables				
Accounts payable (note 10)	721	-	-	-
Total current liabilities payable from restricted assets	<u>444,139,215</u>	<u>-</u>	<u>306,924,049</u>	<u>-</u>
Total current liabilities	<u>504,723,011</u>	<u>(6,492,433)</u>	<u>306,959,479</u>	<u>29,224,248</u>
Noncurrent liabilities:				
Texas Department of Transportation loan payable (note 5)	4,600,000	-	4,600,000	-
Texas Department of Transportation ISTE A loan payable (note 5)	135,000,000	-	135,000,000	-
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred debit on refundings of \$37,003,509 and bond discount (premium) costs of \$19,749,049) (note 5)	6,059,951,608	(56,752,558)	6,116,704,166	-
Total noncurrent liabilities	<u>6,199,551,608</u>	<u>(56,752,558)</u>	<u>6,256,304,166</u>	<u>-</u>
Total liabilities	<u>6,704,274,619</u>	<u>(63,244,991)</u>	<u>6,563,263,645</u>	<u>29,224,248</u>
Net Assets				
Invested in capital assets, net of related debt	187,921,483	71,362,488	38,305,424	-
Restricted:				
Restricted for construction	289,136,672	289,136,672	-	-
Restricted for debt service	396,663,142	-	-	7,700
Restricted for pension benefits and other purposes	436,836	-	-	-
Unrestricted	(316,228,982)	(360,499,160)	-	-
Total net assets	<u>\$ 557,929,151</u>	<u>-</u>	<u>38,305,424</u>	<u>7,700</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
8,780,356	(1,830,833)	499,202	-	-	-	-
4,384,670	50,041,149	27,133,420	-	-	-	-
615	45,738	5,030	-	-	-	-
52,500	-	3,071,196	-	3,293,128	-	-
119,798	6,218	1,895,453	-	-	-	-
1,886,701	-	-	-	-	-	-
625,799	-	-	-	-	-	-
<u>15,850,439</u>	<u>48,262,272</u>	<u>32,604,301</u>	<u>-</u>	<u>3,293,128</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	113,449	-	-
-	-	-	-	125,519,434	42,862,390	37,403,128
-	-	-	-	1,065	1,499,836	1,067
-	-	-	(7,235)	-	-	-
-	-	-	444,389	-	-	-
-	-	-	403	-	-	-
-	-	-	<u>437,557</u>	<u>125,633,948</u>	<u>44,362,226</u>	<u>37,404,195</u>
<u>15,850,439</u>	<u>48,262,272</u>	<u>32,604,301</u>	<u>437,557</u>	<u>128,927,076</u>	<u>44,362,226</u>	<u>37,404,195</u>
-	-	-	-	-	-	-
-	-	-	-	-	308,891,770	-
-	-	653,524	-	-	-	-
-	-	77,254,384	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	<u>77,907,908</u>	<u>-</u>	<u>-</u>	<u>308,891,770</u>	<u>-</u>
<u>15,850,439</u>	<u>48,262,272</u>	<u>110,512,209</u>	<u>437,557</u>	<u>128,927,076</u>	<u>353,253,996</u>	<u>37,404,195</u>
6,934,182	4,422,370	14,501,527	-	-	-	-
4,326,896	72,705	149,400	-	-	-	-
-	52,500	-	-	-	-	3,293,128
4,063,843	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>15,324,921</u>	<u>4,547,575</u>	<u>14,650,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,293,128</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	78,815	-	127,135,630	-	-
-	-	-	-	-	-	-
-	-	10,000,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	721	-	-	-
-	-	<u>10,078,815</u>	<u>721</u>	<u>127,135,630</u>	<u>-</u>	<u>-</u>
<u>15,324,921</u>	<u>4,547,575</u>	<u>24,729,742</u>	<u>721</u>	<u>127,135,630</u>	<u>-</u>	<u>3,293,128</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>15,324,921</u>	<u>4,547,575</u>	<u>24,729,742</u>	<u>721</u>	<u>127,135,630</u>	<u>-</u>	<u>3,293,128</u>
-	-	78,253,571	-	-	-	-
-	-	-	-	-	-	-
-	-	7,500,000	-	1,791,446	353,253,996	34,110,000
-	-	-	436,836	-	-	-
525,518	43,714,697	28,896	-	-	-	1,067
<u>525,518</u>	<u>43,714,697</u>	<u>85,782,467</u>	<u>436,836</u>	<u>1,791,446</u>	<u>353,253,996</u>	<u>34,111,067</u>

NORTH TEXAS TOLLWAY AUTHORITY
 Consolidating Schedule for Capital Improvement Fund
 December 31, 2008
 (Unaudited)

Assets	Consolidated Capital Improvement Fund	Interfund eliminations/ reclassifications	Capital Improvement Fund	Feasibility Study Fund
Current assets:				
Cash and cash equivalents (note 3)	\$ 499,202	-	156,165	343,037
Investments (note 3)	27,133,420	-	21,775,334	5,358,086
Accrued interest receivable	5,030	-	1,612	3,418
Interfund receivable	3,071,196	-	3,071,196	-
Accounts receivable (note 9)	1,895,453	-	1,895,453	-
Inventory, at average cost	-	-	-	-
Prepaid expenses	-	-	-	-
Total current unrestricted assets	<u>32,604,301</u>	<u>-</u>	<u>26,899,760</u>	<u>5,704,541</u>
Current restricted assets:				
Restricted assets:				
Restricted for construction:				
Cash and cash equivalents (notes 3 and 10)	-	-	-	-
Investments (notes 3 and 10)	-	-	-	-
Accrued interest receivable	-	-	-	-
Accounts receivable	-	-	-	-
Restricted for debt service:				
Cash and cash equivalents (notes 3 and 5)	-	-	-	-
Investments (notes 3 and 5)	-	-	-	-
Accrued interest receivable	-	-	-	-
Restricted for pension benefits and other purposes:				
Cash and cash equivalents (notes 3 and 5)	-	-	-	-
Investments (notes 3 and 5)	-	-	-	-
Accrued interest receivable	-	-	-	-
Total current restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current assets	<u>32,604,301</u>	<u>-</u>	<u>26,899,760</u>	<u>5,704,541</u>
Noncurrent assets:				
Investments for unrestricted assets (note 3)	-	-	-	-
Investments restricted for construction (note 3)	-	-	-	-
Investments restricted for debt service (note 3)	-	-	-	-
Accounts receivable (note 9)	-	-	-	-
Deferred improvement costs	653,524	-	653,524	-
Deferred financing costs	-	-	-	-
Deferred feasibility study costs	77,254,384	-	-	77,254,384
Deferred amount on refunding	-	-	-	-
Capital assets net of amortization and depreciation (note 4)	-	-	-	-
Total noncurrent assets	<u>77,907,908</u>	<u>-</u>	<u>653,524</u>	<u>77,254,384</u>
Total assets	<u>110,512,209</u>	<u>-</u>	<u>27,553,284</u>	<u>82,958,925</u>
	Liabilities			
Current liabilities:				
Accounts and retainage payable	14,501,527	-	9,847,132	4,654,395
Accrued liabilities	149,400	-	98,441	50,959
Interfund payable	-	-	-	-
Other post-employment benefits	-	-	-	-
Deferred revenue	-	-	-	-
Tolltag deposits	-	-	-	-
Total current unrestricted liabilities	<u>14,650,927</u>	<u>-</u>	<u>9,945,573</u>	<u>4,705,354</u>
Payable from restricted assets:				
Construction-related payables:				
Accounts payable (note 10)	-	-	-	-
Retainage payable (note 10)	-	-	-	-
Deferred grant revenue	-	-	-	-
Debt service-related payables:				
Accrued interest payable	78,815	-	78,815	-
Accrued arbitrage rebate payable	-	-	-	-
Commercial paper payable (note 5)	10,000,000	-	10,000,000	-
Revenue bonds payable (note 5)	-	-	-	-
Pension benefits and other related payables	-	-	-	-
Accounts payable (note 10)	-	-	-	-
Total current liabilities payable from restricted assets	<u>10,078,815</u>	<u>-</u>	<u>10,078,815</u>	<u>-</u>
Total current liabilities	<u>24,729,742</u>	<u>-</u>	<u>20,024,388</u>	<u>4,705,354</u>
Noncurrent liabilities:				
Texas Department of Transportation loan payable (note 5)	-	-	-	-
Texas Department of Transportation ISTE A loan payable (note 5)	-	-	-	-
Dallas North Tollway System revenue bonds payable, net of unamortized net deferred debit on refundings of \$37,003,509 and bond discount (premium) costs of \$19,749,049 (note 5)	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>24,729,742</u>	<u>-</u>	<u>20,024,388</u>	<u>4,705,354</u>
	Net Assets			
Invested in capital assets, net of related debt	78,253,571	-	-	78,253,571
Restricted:				
Restricted for construction	-	-	-	-
Restricted for debt service	7,500,000	-	7,500,000	-
Restricted for pension benefits and other purposes	-	-	-	-
Unrestricted	28,896	-	28,896	-
Total net assets	<u>\$ 85,782,467</u>	<u>-</u>	<u>7,528,896</u>	<u>78,253,571</u>

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY AUTHORITY

Schedule of Budget and Actual Revenues and Expenses on Trust Agreement Basis

Year ended December 31, 2008

(Unaudited)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Toll revenues	\$ 267,114,800	240,776,791	(26,338,009)
Interest revenue	9,000,000	11,685,372	2,685,372
Other revenue	8,159,800	9,273,124	1,113,324
Gross revenues	<u>284,274,600</u>	<u>261,735,287</u>	<u>(22,539,313)</u>
Operating expenses:			
Administration:			
Administration	2,905,200	2,674,139	231,061
Business diversity	-	89,921	(89,921)
Communications	3,766,800	2,783,840	982,960
Finance	1,984,200	1,600,089	384,111
Government affairs	731,100	422,542	308,558
Human resources	1,688,900	1,755,487	(66,587)
Internal audit	250,900	250,591	309
Legal	1,862,700	3,027,950	(1,165,250)
Total administration	<u>13,189,800</u>	<u>12,604,559</u>	<u>585,241</u>
Operations:			
Customer service center	15,262,500	14,544,720	717,780
Information technologies	9,345,500	7,977,018	1,368,482
Planning	23,034,500	18,040,945	4,993,555
Project delivery	45,300	-	45,300
Project evaluation	59,300	80,192	(20,892)
Maintenance	339,300	1,163,128	(823,828)
System & incident management	15,891,100	13,479,667	2,411,433
Toll collection	13,710,400	12,778,503	931,897
Total operations	<u>77,687,900</u>	<u>68,064,173</u>	<u>9,623,727</u>
Total operating expenses	<u>90,877,700</u>	<u>80,668,732</u>	<u>10,208,968</u>
Net revenues available for debt service	<u>\$ 193,396,900</u>	<u>181,066,555</u>	<u>(12,330,345)</u>

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Changes in Net Assets by Trust Account
December 31, 2008
(Unaudited)

	<u>Total</u>	<u>Construction and property account</u>	<u>Revenue account</u>	<u>Operation and maintenance account</u>
Net assets, beginning of year	\$ 618,095,054	394,976,363	53,150	6,094,144
Gross revenues	300,491,808	38,756,522	251,438,400	93,555
Grant revenues	74,902,422	74,902,422	-	-
Net increase (decrease) in the fair value of investments	24,555,188	13,476,879	(45,450)	4
Gain (loss) on sale of investments	(3,826)	(8,714)	-	-
Administration and operations expenses	(80,668,732)	-	-	(80,664,633)
Depreciation on property and equipment	(3,481,013)	(3,481,013)	-	-
Bond interest expense	(227,034,684)	(126,987,770)	-	-
SWAP termination payment	(4,511,011)	-	-	-
Bond discount/premium amortization	(217,615)	(217,615)	-	-
Interest on short term notes (net of capitalized interest)	(28,874,541)	(26,961,308)	-	-
Interest on loan	(6,211,688)	(6,211,688)	-	-
Amortization of deferred amount on refunding (note 5)	(6,694,083)	(6,694,083)	-	-
Amortization of bond issuance costs	(17,543,223)	(17,543,223)	-	-
Unallocated infrastructure depreciation	(24,555,772)	(24,555,772)	-	-
Reserve maintenance fund expenses	(18,254,548)	-	-	-
Consolidated capital improvement fund expenses	(38,541,652)	-	-	-
Net revenues	(56,642,970)	(85,525,363)	251,392,950	(80,571,074)
Interfund transactions:				
Distribution from revenue fund	-	-	(251,438,400)	75,002,448
Revenue bonds retired	-	23,240,000	-	-
Transfer to/from debt service fund	-	(378,338,242)	-	-
Transfer to/from construction fund	-	21,366,369	-	-
Transfer of excess monies from other funds	-	3,293,128	-	-
Capitalized costs transferred to construction and property fund	-	40,311,001	-	-
Principal value retired	-	-	-	-
Transfer from/to escrow account	(3,167,688)	10,128,766	-	-
Transfer of interest accretion	-	(21,201,406)	-	-
Construction investment earnings capitalized	-	-	-	-
Transfer to feasibility study fund	-	30,360,916	-	-
Contributed capital	-	-	-	-
Cost of equipment retired	-	-	-	-
Depreciation on equipment retired	(306,108)	(306,108)	-	-
Equity realized from sale excess land	107,038	-	-	-
Equity realized from sale or trade-in of equipment	(156,175)	-	-	-
Net changes during the year	(60,165,903)	(356,670,939)	(45,450)	(5,568,626)
Net assets, end of year	\$ 557,929,151	38,305,424	7,700	525,518

See accompanying independent auditors' report.

Reserve maintenance account	Consolidated Capital Improvement account	DFW Turnpike Transition Trust fund	Debt service accounts		
			Bond interest account	Reserve account	Redemption account
27,783,852	86,618,952	430,622	5,963,964	72,864,081	23,309,926
898,040	1,045,614	10,313	138,646	7,927,636	183,082
-	-	-	-	-	-
-	(9,165)	-	2	11,132,918	-
-	-	-	-	4,888	-
-	-	(4,099)	-	-	-
-	-	-	(100,046,914)	-	-
-	-	-	(4,511,011)	-	-
-	-	-	-	-	-
-	(1,913,233)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(18,254,548)	-	-	-	-	-
-	(38,541,652)	-	-	-	-
(17,356,508)	(39,418,436)	6,214	(104,419,277)	19,065,442	183,082
42,468,800	26,528,095	-	73,580,998	-	33,858,059
-	-	-	-	-	(23,240,000)
-	-	-	-	283,038,242	95,300,000
-	(6,406,537)	-	340,168	-	(15,300,000)
-	-	-	1,242,223	(4,535,351)	-
(9,132,310)	(31,178,691)	-	-	-	-
-	-	-	-	-	-
-	-	-	3,881,964	(17,178,418)	-
-	-	-	21,201,406	-	-
-	-	-	-	-	-
-	(30,360,916)	-	-	-	-
-	80,000,000	-	-	-	(80,000,000)
-	-	-	-	-	-
-	-	-	-	-	-
107,038	-	-	-	-	-
(156,175)	-	-	-	-	-
15,930,845	(836,485)	6,214	(4,172,518)	280,389,915	10,801,141
43,714,697	85,782,467	436,836	1,791,446	353,253,996	34,111,067

NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Cash Receipts and Disbursements by Trust Account
Year ended December 31, 2008
(Unaudited)

	Total (memorandum only)	Construction and property account	Revenue account
Balance of cash, December 31, 2007	\$ 26,347,909	764,039	3,177,053
Receipts:			
Toll revenues	233,709,795	—	233,709,795
Issuance of bonds	5,285,837,760	5,285,837,760	—
Bond premium	24,456,870	24,456,870	—
Issuance of commercial paper	110,000,000	—	—
Investments	2,930,377,227	1,347,903,719	437,943,166
Earnings received from investments	31,958,697	17,884,176	1,339,260
Gain/loss from sale of investments	(3,826)	(8,714)	—
Prepaid customers' accounts	247,840,707	—	247,840,707
Toll tag deposits	(180,733)	—	(180,733)
Damage claims collected	178,219	—	—
Lane violation fee	5,121,068	—	5,121,068
Miscellaneous revenue	14,469	—	11,694
Reimbursable receipts	13,457,247	50,645	—
Rental fee	123,431	—	123,431
Deferred grant income	142,451,917	36,916,207	—
Miscellaneous revenue – tag store	2,079,959	—	2,079,959
	<u>9,027,422,807</u>	<u>6,713,040,663</u>	<u>927,988,347</u>
Disbursements:			
Bond discount	(44,678,776)	(44,678,776)	—
Transfer to escrow for defeasance	(4,116,261,885)	(4,071,626,054)	—
Revenue bonds retired	(23,240,000)	—	—
Commercial paper retired	(95,300,000)	—	—
SWAP termination	(4,511,011)	—	—
Interest on bonded debt	(72,775,766)	—	—
Interest on other debt	(2,016,334)	—	—
Investments	(3,890,588,882)	(1,814,044,465)	(439,527,837)
Operating expenses	(84,743,292)	—	(5,498,762)
Reserve maintenance fund expenses	(23,119,915)	—	—
Capital improvement fund expenses	(48,042,009)	—	—
Deferred study cost	(82,620,912)	—	—
Capitalized costs	(313,841,473)	(291,675,340)	—
Equipment (net of trade-in)	(7,426,276)	—	—
	<u>(8,809,166,531)</u>	<u>(6,222,024,635)</u>	<u>(445,026,599)</u>
Interfund and interproject transactions:			
Transfer of capitalized interest	—	(35,183,470)	—
Transfer of deferred revenue	(187,881,812)	—	(187,881,812)
Transfer of excess monies	—	—	—
Distribution from revenue fund	—	—	(243,508,875)
Interoperative Agencies Transfers	(50,692,681)	—	(51,834,051)
Other interfund transactions – net	1,437,657	(443,590,663)	40,020
Transition trust fund – net	(1,437,658)	—	—
Feasibility study fund – net	—	(17,485,265)	—
	<u>(238,574,494)</u>	<u>(496,259,398)</u>	<u>(483,184,718)</u>
Receipts over (under) disbursements and interfund and interproject transactions for the year ended December 31, 2008	<u>(20,318,218)</u>	<u>(5,243,370)</u>	<u>(222,970)</u>
Balance of cash, December 31, 2008	\$ <u>6,029,691</u>	<u>(4,479,331)</u>	<u>2,954,083</u>

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
14,319,464	51,996	8,034,172	1,185	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	110,000,000	—	—	—	—
3,000,000	87,686,858	478,476,720	16,559	68,606,022	356,054,605	150,689,578
113,927	1,294,627	2,392,408	11,583	204,576	8,466,199	251,941
—	—	—	—	—	4,888	—
—	—	—	—	—	—	—
178,219	—	—	—	—	—	—
—	—	—	—	—	—	—
2,775	—	—	—	—	—	—
—	5,055,632	8,350,970	—	—	—	—
—	—	—	—	—	—	—
—	—	105,535,710	—	—	—	—
—	—	—	—	—	—	—
3,294,921	94,037,117	704,755,808	28,142	68,810,598	364,525,692	150,941,519
—	—	—	—	—	—	—
—	—	—	—	(27,457,413)	(17,178,418)	—
—	—	—	—	—	—	(23,240,000)
—	—	(95,300,000)	—	—	—	—
—	—	—	—	(4,511,011)	—	—
—	—	—	—	(72,775,766)	—	—
—	—	(2,016,334)	—	—	—	—
(7,384,601)	(106,444,035)	(558,979,661)	(17,041)	(173,488,371)	(625,850,165)	(164,852,706)
(79,225,009)	—	—	(19,521)	—	—	—
—	(23,119,915)	—	—	—	—	—
—	—	(48,042,009)	—	—	—	—
—	—	(82,620,912)	—	—	—	—
—	39,138	(22,205,271)	—	—	—	—
—	(7,426,276)	—	—	—	—	—
(86,609,610)	(136,951,088)	(809,164,187)	(36,562)	(278,232,561)	(643,028,583)	(188,092,706)
—	—	—	—	35,183,470	(3,293,128)	3,293,128
—	—	—	—	—	—	—
—	—	—	—	1,242,224	(1,242,224)	—
68,541,846	42,468,800	19,979,951	—	78,660,219	—	33,858,059
1,141,370	—	—	—	—	—	—
6,633,562	—	(19,133,004)	—	94,449,499	283,038,243	80,000,000
—	(1,437,658)	—	—	—	—	—
1,458,803	—	96,026,462	—	—	—	(80,000,000)
77,775,581	41,031,142	96,873,409	—	209,535,412	278,502,891	37,151,187
(5,539,108)	(1,882,829)	(7,534,970)	(8,420)	113,449	—	—
8,780,356	(1,830,833)	499,202	(7,235)	113,449	—	—

NORTH TEXAS TOLLWAY AUTHORITY
 Schedule of Toll Revenue and Traffic Analysis
 Year ended December 31, 2008
 (Unaudited)

Toll revenue:	
Two-axle vehicles	\$ 262,432,292
Multi-axle vehicles	12,115,529
Revenue adjustments	(33,771,030)
Total	<u>\$ 240,776,791</u>
Vehicle transactions (unaudited):	
Two-axle vehicle transactions	\$ 406,862,434
Multi-axle vehicle transactions	5,409,569
Nonrevenue vehicle transactions	1,758,220
Total	<u>\$ 414,030,223</u>
Toll revenue – average per day:	
Two-axle vehicles	\$ 717,028
Multi-axle vehicles	33,103
Revenue adjustments	(92,271)
Average	<u>\$ 657,860</u>
Vehicle transactions – average per day (unaudited):	
Two-axle vehicle transactions	\$ 1,111,646
Multi-axle vehicle transactions	14,780
Nonrevenue vehicle transactions	4,804
Average	<u>\$ 1,131,230</u>

Toll Revenue and Traffic by Class of Vehicle

Year ended December 31, 2008
 (Unaudited)

Class of vehicle	<u>Revenue</u>	<u>Vehicle transactions</u>
Two-axle vehicles	\$ 262,432,292	406,862,434
Three-axle vehicles and combinations	2,959,971	2,077,139
Four-axle vehicles and combinations	3,372,004	1,579,570
Five-axle vehicles and combinations	5,329,829	1,634,462
Six or more axle vehicles and special permits	453,725	118,398
	<u>12,115,529</u>	<u>5,409,569</u>
Toll revenue	274,547,821	412,272,003
Revenue adjustments	(33,771,030)	-
Nonrevenue vehicles	-	1,758,220
Toll revenue and traffic	<u>\$ 240,776,791</u>	<u>414,030,223</u>

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY AUTHORITY

Schedule of Toll Rates

Year ended December 31, 2008

(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	
	Cash	TollTag	Cash	TollTag	Cash	TollTag	Cash	TollTag	Cash	TollTag
	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag	ZipCash	TollTag
Dallas North Tollway:										
Main Lane Plaza 1 (1)	\$ 0.75	0.60	1.20	0.95	1.50	1.20	1.80	1.45	2.10	1.70
Mockingbird	0.80	0.65	1.60	1.30	2.40	1.95	3.20	2.60	4.00	3.25
Northwest Highway	0.55	0.45	1.10	0.90	1.65	1.35	2.20	1.80	2.75	2.25
Royal Lane	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Spring Valley	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Belt Line	0.45	0.35	0.90	0.70	1.35	1.05	1.80	1.40	2.25	1.75
Main Lane Plaza 2	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Keller Springs	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Frankford	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
FM 544	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Main Lane Plaza 3	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Parker Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Spring Creek	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Gaylord Parkway	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Lebanon Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Stonebrook Parkway	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Cotton Gin Road/Main St	0.50	0.40	1.00	0.80	1.50	1.20	2.00	1.60	2.50	2.00
Main Lane Plaza 4	1.30	1.05	2.60	2.10	3.90	3.15	5.20	4.20	6.50	5.25
Eldorado Parkway	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Addison Airport Tunnel:										
Barrier Plaza No. 5	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
President George Bush Turnpike:										
N. Garland Avenue	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Campbell Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Renner Road (East of Plaza)	0.50	0.40	1.00	0.80	1.50	1.20	2.00	1.60	2.50	2.00
Renner Rd. Main Lane Plaza 6	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Shiloh Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Renner Road (West of Plaza)	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Independence Parkway	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Coit Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Coit Road Main Lane Plaza 7	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Preston Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Midway Road	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Marsh Lane	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Frankford Main Lane Plaza 8	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Kelly Boulevard	0.50	0.40	1.00	0.80	1.50	1.20	2.00	1.60	2.50	2.00
Josey Lane	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Sandy Lake Main Lane Plaza 9	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Belt Line Road (Coppell)	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Royal Lane	0.40	0.30	0.80	0.60	1.20	0.90	1.60	1.20	2.00	1.50
Belt Line Road	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Belt Line Main Lane Plaza 10	1.00	0.70	2.00	1.40	3.00	2.10	4.00	2.80	5.00	3.50
Mountain Creek Lake Bridge:										
Mainlane Plaza	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50
Sam Rayburn Tollway (121 Tollway) (2)										
Denton Tap Main Lane Gantry 1	0.65	0.45	1.30	0.90	1.95	1.35	2.60	1.80	3.25	2.25
MacArthur Boulevard	0.40	0.21	0.80	0.42	1.20	0.63	1.60	0.84	2.00	1.05
Carrollton Parkway	0.40	0.21	0.80	0.42	1.20	0.63	1.60	0.84	2.00	1.05
FM 544	0.48	0.29	0.96	0.58	1.44	0.87	1.92	1.16	2.40	1.45
FM 2281	0.53	0.34	1.06	0.68	1.59	1.02	2.12	1.36	2.65	1.70
Standridge Drive (West of Plaza)	0.75	0.52	1.50	1.04	2.25	1.56	3.00	2.08	3.75	2.60
Josey Lane (West of Plaza)	0.91	0.63	1.82	1.26	2.73	1.89	3.64	2.52	4.55	3.15
Josey Lane Main Lane Gantry 2	1.71	1.18	3.42	2.36	5.13	3.54	6.84	4.72	8.55	5.90
Standridge Drive (East of Plaza)	0.96	0.66	1.92	1.32	2.88	1.98	3.84	2.64	4.80	3.30
Josey Lane (East of Plaza)	0.80	0.55	1.60	1.10	2.40	1.65	3.20	2.20	4.00	2.75
Plano Parkway	0.62	0.43	1.24	0.86	1.86	1.29	2.48	1.72	3.10	2.15
Spring Creek Parkway	0.40	0.21	0.80	0.42	1.20	0.63	1.60	0.84	2.00	1.05
Preston Road	0.40	0.21	0.80	0.42	1.20	0.63	1.60	0.84	2.00	1.05
Ohio Drive	0.40	0.21	0.80	0.42	1.20	0.63	1.60	0.84	2.00	1.05
Coit Road	0.70	0.21	1.40	0.96	2.10	1.44	2.80	1.92	3.50	2.40

(1) ZipCash rates of \$1.00 (Two-axle) through \$5.00 (Six or more axle)

(2) The Sam Rayburn Tollway opened September 2008.

Footnote: The Authority is converting to All Electronic Toll Collection (All ETC). All customers will either have a Toll Tag or they will be billed according to business rules currently in place. Cash will not be accepted. Currently the Dallas North Tollway Main Lane Plaza 1 and the Sam Rayburn Tollway have been converted to All ETC. The President George Bush Turnpike will be converted to All ETC by July 1, 2009. Dallas North Tollway is scheduled to be converted in 2011.

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY AUTHORITY
 Schedule of Historical Traffic, Toll Revenues and Net Revenues
 Year ended December 31, 2008
 (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 1999 through 2008:

<u>Year</u>	<u>Annual revenue vehicle transactions (unaudited)</u>	<u>Annual toll revenue</u>
1999 (1)	149,888,064	\$ 69,653,635
2000 (2)	192,168,272	93,901,576
2001 (3)	230,044,912	107,210,124
2002 (4)	285,494,321	137,945,439
2003	296,140,087	149,323,784
2004 (5)	315,031,754	160,695,030
2005 (6)	338,390,215	172,537,345
2006	370,696,171	191,434,120
2007 (7)	383,481,098	202,675,564
2008 (8)	412,272,003	240,776,791

- (1) Reflects the opening of Addison Airport Tunnel, Segment I and IIa of the President George Bush Turnpike in January 1999, June 1999, and December 1999, respectively, and a toll rate increase on the DNT in August 1999.
- (2) Reflects the opening of Segment IIb of the President George Bush Turnpike in May 2000.
- (3) Reflects the opening of Segment III of the President George Bush Turnpike from Midway Road to Frankford in March 2001 to IH 35 in July 2001 and Segment V on December 2001.
- (4) Toll rate increase for the President George Bush Turnpike went into effect in January 2002
- (5) Reflects the completion of DNT and State Highway 121 interchange on April 2004.
- (6) Reflects the opening of Segment IV of the President George Bush Turnpike in September 2005.
- (7) Reflects the opening of DNT Phase 3 and toll rate increase in late September 2007.
- (8) Reflects the opening of Sam Rayburn Tollway (121 Tollway) in September 2008.

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 1998 through 2007:

<u>Year</u>	<u>Toll revenue</u>	<u>Current expenses</u>	<u>Investment and other earnings</u>	<u>Net revenues</u>	<u>Coverage</u>
1999	\$ 69,653,635	\$ 16,842,717	\$ 12,869,336	\$ 65,680,254	2.42
2000	93,901,576	22,754,720	13,204,505	84,351,361	2.22
2001	107,210,124	30,429,021	11,806,432	88,587,535	1.88
2002	137,945,439	37,964,567	8,732,847	108,713,719	2.08
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

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Capitalized Costs by Project
Year ended December 31, 2008
(Unaudited)

	Cumulative Total Through December 31, 2008
Dallas North Tollway	
Preliminary costs	\$ 17,863,848
Construction	156,722,704
Right-of-way	49,536,424
Engineering	22,076,877
Administration	3,332,630
Land	1,781,434
Equipment, net of accumulated depreciation	4,258,888
Subtotal	255,572,805
Financing costs	56,582,104
Total capitalized costs – dallas north tollway	312,154,909
Dallas North Tollway Extension	
Preliminary costs	6,619,071
Construction	207,372,173
Right-of-way	8,499,710
Engineering	22,242,373
Administration	1,413,506
Equipment, net of accumulated depreciation	-
Subtotal	246,146,833
Financing costs	(3,329,736)
Total capitalized costs – dallas north tollway extension	242,817,097
Addison Airport Toll Tunnel	
Preliminary costs	1,244,082
Construction	18,196,716
Right-of-way	617,278
Engineering	4,863,333
Administration	295,203
Equipment, net of accumulated depreciation	-
Subtotal	25,216,612
Financing costs	(1,047,102)
Total capitalized cost – addison airport toll tunnel	24,169,510
President George Bush Turnpike - Segments I - IV	
Preliminary costs	18,040,104
Construction	625,507,898
Right-of-way	76,225,234
Engineering	96,764,596
Administration	24,618,619
Land	5,578,821
Equipment, net of accumulated depreciation	22,334,050
Subtotal	869,069,322
Financing costs	50,894,321
Total capitalized cost – president george bush turnpike - segments I - IV	919,963,643
President George Bush Turnpike - Segment V	
Preliminary costs	1,596,208
Construction	68,433,928
Right-of-way	16,459
Engineering	8,981,476
Administration	233,829
Equipment, net of accumulated depreciation	-
Subtotal	79,261,900
Financing costs	8,660,673
Total capitalized cost – president george bush turnpike - segment V	87,922,573

See accompanying independent auditors' report.

NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Capitalized Costs by Project
Year ended December 31, 2008
(Unaudited)

Dallas North Tollway Phase 3	
Preliminary costs	5,118,815
Construction	224,747,399
Right-of-way	569,830
Engineering	31,983,698
Administration	2,112,562
Equipment, net of accumulated depreciation	-
Subtotal	264,532,304
Financing costs	(20,316,333)
Total capitalized cost – dallas north tollway phase 3	244,215,971
Lewisville Lake Toll Bridge	
Preliminary costs	9,875
Construction	77,821,545
Right-of-way	13,177
Engineering	10,813,096
Administration	218,863
Equipment, net of accumulated depreciation	-
Subtotal	88,876,556
Financing costs	(405,558)
Total capitalized cost – lewisville lake toll bridge	88,470,998
Sam Rayburn Tollway (121 Tollway)	
Preliminary costs	1,142,464
Construction	3,327,510,639
Right-of-way	12,103,627
Engineering	53,458,155
Administration	17,099,550
Equipment, net of accumulated depreciation	-
Accumulated depreciation on infrastructure	(24,555,772)
Subtotal	3,386,758,663
Financing costs	82,153,835
Total capitalized cost – sam rayburn tollway (121 tollway)	3,468,912,498
President George Bush Turnpike - Eastern extension	
Preliminary costs	-
Construction	23,300,429
Right-of-way	73,630,358
Engineering	31,485,865
Administration	4,193,820
Equipment, net of accumulated depreciation	-
Subtotal	132,610,472
Financing costs	-
Total capitalized cost – president george bush turnpike - eastern extension	132,610,472
All Projects	
Preliminary costs	51,634,467
Construction	4,729,613,431
Right-of-way	221,212,097
Engineering	282,669,469
Administration	53,518,582
Land	7,360,255
Equipment, net of accumulated depreciation	26,592,938
Accumulated depreciation on infrastructure	(24,555,772)
Subtotal	5,348,045,467
Financing costs	173,192,204
Total all projects	5,521,237,671
Bond Premium/Discount (1)	(19,749,049)
Total capitalized costs at December 31, 2008	\$ 5,501,488,622

(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 AUTHORITY
 Schedule of Deferred Study Costs - Feasibility Study Fund
 Year ended December 31, 2008
 (Unaudited)

The table below sets forth the accumulated deferred study costs, by project, through December 31, 2008 that have not been transferred out of the Feasibility Study Fund into a construction project.

<u>Projects</u>	<u>Accumulated December 31, 2008</u>
Trinity Tollway	\$ 374,328
Dallas North Tollway:	
380 Interchange	285,767
Extension Phase 4	2,765,863
Extension Phase 5	38,508
President George Bush Turnpike - East Branch	166,294
State Highway 360	2,219,382
Southwest Parkway	54,542,512
Trinity Parkway	5,712,656
President George Bush Tollway - South (SH 161)	7,141,589
North Central Texas Council of Governments	516,400
State Highway 170 - Alliance Gateway	1,719,033
Capital Planning Model	356,696
Collin/Grayson Corridor	176,602
Future Bond Issue Planning	336,519
State Highway 183 Managed Lanes	894,378
Denton County Corridor	7,857
	<u>\$ 77,254,384</u>

See accompanying independent auditor's report

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Statistical Section

**NORTH TEXAS TOLLWAY AUTHORITY
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.

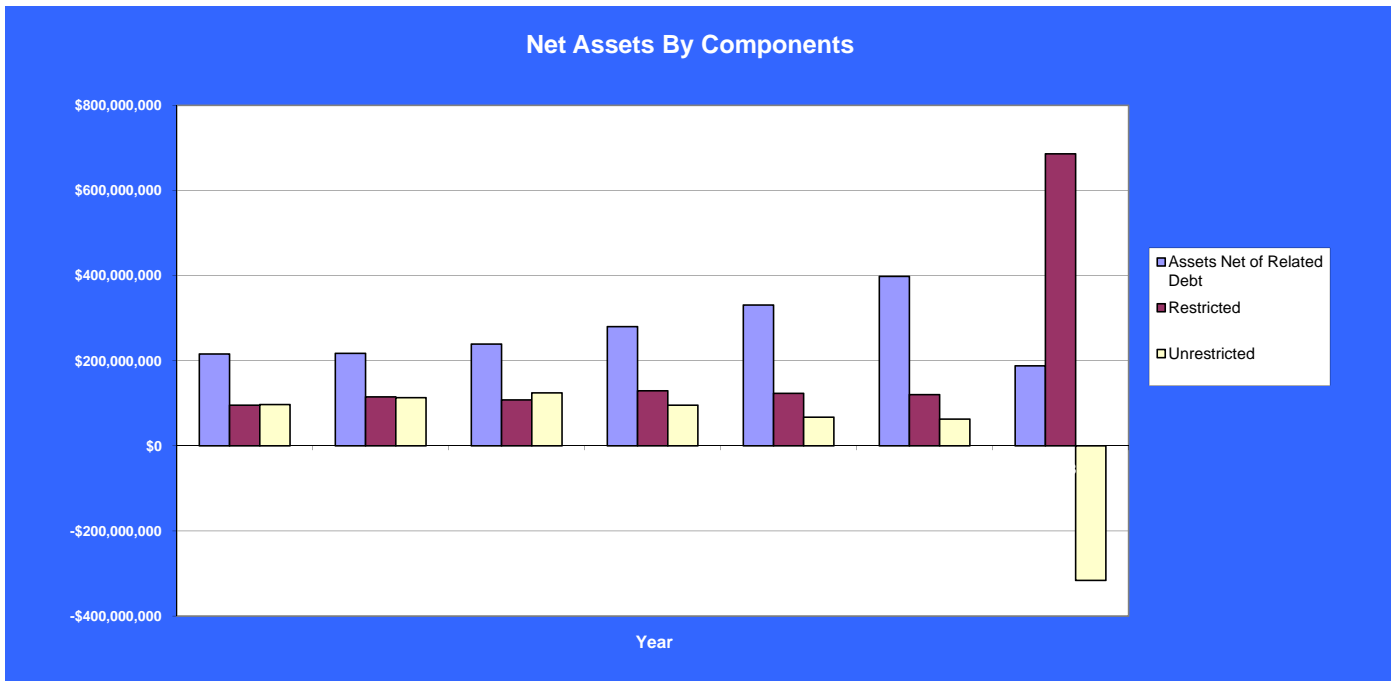
Sources: Unless other noted, the information in the following tables is derived from the annual financial reports for the relevant years.

NORTH TEXAS TOLLWAY AUTHORITY
 Net Assets by Components
 Last Ten Fiscal Years
 (Unaudited)

Business-Type Activities

Components	2002	2003	2004	2005	2006	2007	2008
Invested in capital assets, net of related debt	\$215,719,725	\$217,181,585	\$239,205,057	\$280,156,648	\$330,841,254	\$398,078,219	\$187,921,483
Restricted (see note)	\$95,605,206	114,952,691	108,079,819	129,195,493	123,194,488	120,495,644	686,236,650
Unrestricted	\$97,103,496	113,345,843	124,451,990	95,696,520	67,332,901	62,928,573	(316,228,982)
Total net assets	\$ 408,428,427	445,480,119	471,736,866	505,048,661	521,368,643	581,502,436	557,929,151

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

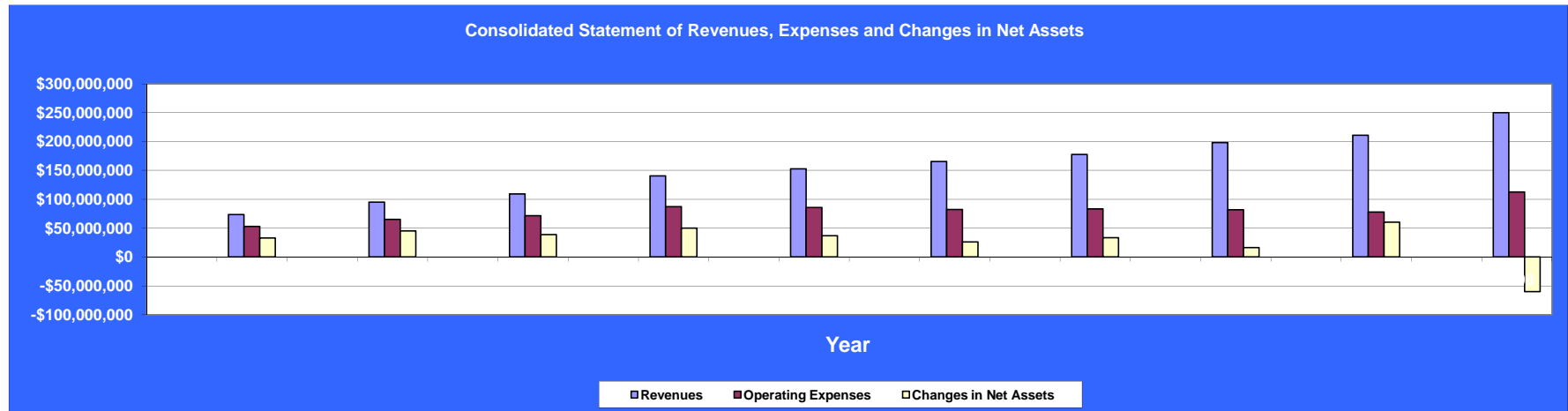


NORTH TEXAS TOLLWAY AUTHORITY
Statement of Revenues, Expenses, and Changes in Net Assets
Last Ten Fiscal Years
(Unaudited)

<u>Business-Type Activities</u>	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Tolls	\$ 69,653,635	\$ 93,901,576	\$ 107,210,124	\$ 137,945,439	\$ 149,323,784	\$ 160,695,030	\$ 172,537,345	\$ 191,434,120	\$ 202,675,564	\$ 240,776,791
Other (1)	3,595,548	1,188,403	1,751,277	2,458,397	3,180,903	4,574,224	5,103,941	6,647,546	7,988,624	9,273,124
Total operating revenues	73,249,183	95,089,979	108,961,401	140,403,836	152,504,687	165,269,254	177,641,286	198,081,666	210,664,188	250,049,915
Operating expenses:										
Administration	4,997,011	7,909,764	11,901,154	8,261,114	5,977,858	7,592,581	8,381,359	8,899,052	10,910,385	12,604,559
Operations	11,845,706	14,844,956	18,527,867	29,703,453	36,672,675	40,088,169	48,195,524	52,522,106	64,660,897	68,064,173
Reserve maintenance	1,753,460	5,085,427	1,982,790	2,913,890	5,792,192	10,990,224	7,483,753	22,771,922	23,858,264	18,254,548
Capital improvement	1,471,457	2,014,645	5,010,782	12,586,540	18,320,162	24,268,247	30,117,098	31,975,003	33,381,445	38,541,652
Total operating expenses before depreciation	20,067,634	29,854,792	37,422,593	53,464,997	66,762,887	82,939,221	94,177,734	116,168,083	132,810,991	137,464,932
Operating income before depreciation	53,181,549	65,235,187	71,538,808	86,938,839	85,741,800	82,330,033	83,463,552	81,913,583	77,853,197	112,584,983
Depreciation	-	-	-	(951,369)	(1,598,423)	(1,662,808)	(2,092,825)	(2,126,037)	(1,800,225)	(3,481,013)
Operating income	53,181,549	65,235,187	71,538,808	85,987,470	84,143,377	80,667,225	81,370,727	79,787,546	76,052,972	109,103,970
Nonoperating revenues (expenses):										
Interest earned on investments	38,852,765	30,707,854	18,663,604	9,068,253	9,327,630	10,458,474	13,562,625	16,550,756	17,592,664	50,438,067
Net increase(decrease) in the fair value of investments	(2,294,046)	954,310	(87,080)	615,890	(1,454,787)	(1,676,391)	(1,087,627)	2,335,448	1,067,995	24,555,188
Grant Revenue	-	-	-	-	-	-	-	-	-	74,902,422
Unallocated infrastructure depreciation	-	-	-	-	-	-	-	-	-	(24,555,772)
Interest expense on revenue bonds	(48,627,331)	(48,268,251)	(47,878,171)	(42,837,283)	(41,408,356)	(46,017,953)	(55,184,859)	(53,414,350)	(52,420,707)	(227,034,684)
Interest expense on short term notes	-	-	(10,548)	(268,011)	(214,067)	-	-	(24,658)	(2,653,677)	(35,086,229)
Bond premium/discount amortization	(1,361,423)	(1,358,832)	(2,147,337)	(1,407,146)	(197,326)	1,305,815	1,285,475	1,618,562	1,386,510	(217,615)
Bond issuance cost amortization	-	-	-	-	-	-	-	-	-	(17,543,223)
Deferred amount on refunding amortization	(1,721,558)	(1,703,006)	(1,697,284)	(1,386,660)	(4,350,295)	(6,147,053)	(7,030,110)	(6,557,286)	(6,017,291)	(6,694,083)
SWAP termination payment	-	-	-	-	-	-	-	-	-	(4,511,011)
Net amount on refunded bonds	-	-	-	-	-	-	-	-	-	(3,167,688)
Contributed capital from Mountain Creek Lake Bridge	-	-	10,766,232	-	-	-	-	-	-	-
Contributed capital to the Feasibility Study Fund	(5,327,200)	-	(10,000,000)	-	(8,487,500)	(11,990,800)	-	(25,000,000)	25,000,000	-
Other	(10,879)	(338,873)	(150,312)	233,312	(306,984)	(342,570)	395,564	1,013,964	135,327	(355,245)
Net nonoperating revenues (expenses)	(20,489,672)	(20,006,798)	(32,540,896)	(35,981,645)	(47,091,685)	(54,410,478)	(48,058,932)	(63,477,564)	(15,909,179)	(169,269,873)
Change in net assets	\$ 32,691,877	\$ 45,228,389	\$ 38,997,912	\$ 50,005,825	\$ 37,051,692	\$ 26,256,747	\$ 33,311,795	\$ 16,309,982	\$ 60,143,793	\$ (60,165,903)

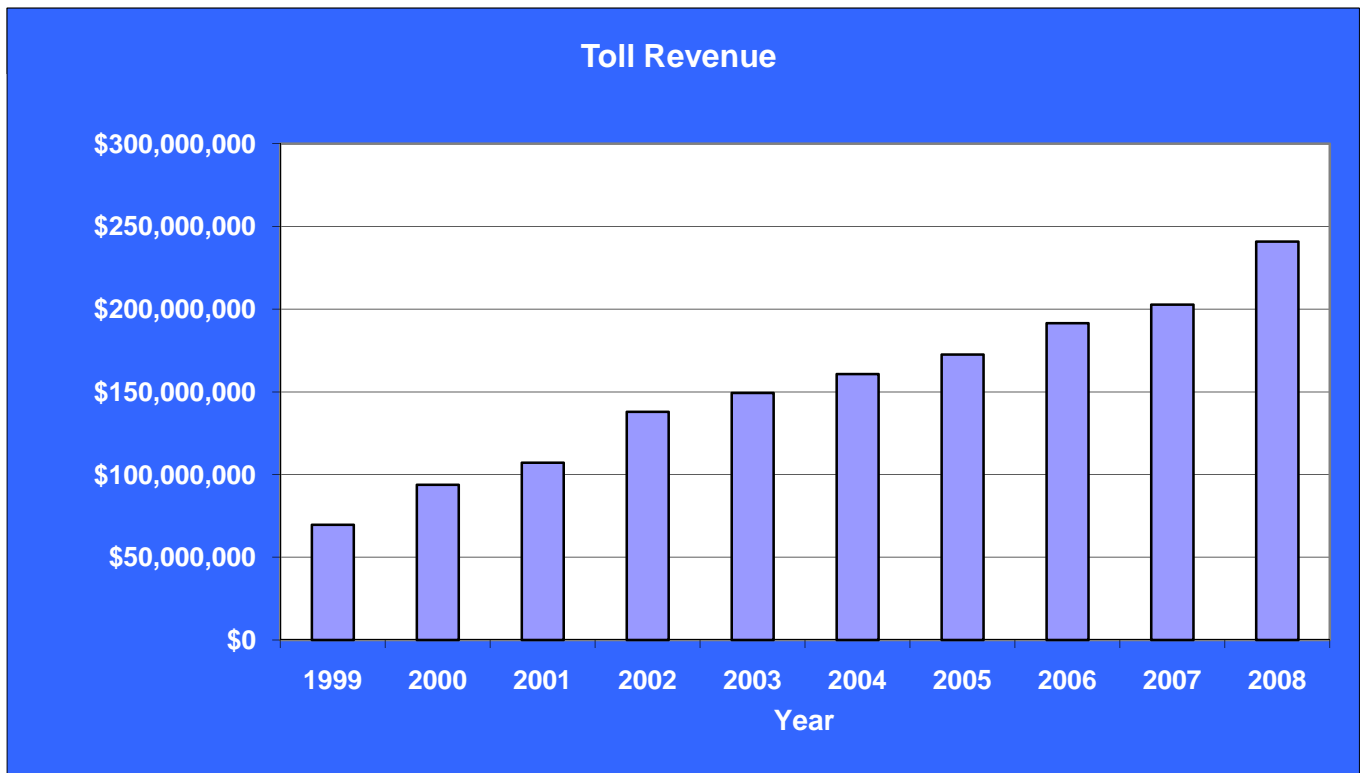
(1) Administrative fees, parking transaction fees, statement fees and miscellaneous charges.

7/2



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
1999	149,888,064	\$ 69,653,635	0.46
2000	192,168,272	93,901,576	0.49
2001	230,044,912	107,210,124	0.47
2002	285,494,321	137,945,439	0.48
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



NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Toll Rates
Last Ten Fiscal Years
(Unaudited)

Two-axle passenger cars and trucks	Roadway	Years									
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$ 0.75
	TollTag	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.70
<i>(all ETC, effective in Sept, 2008)</i>											
	ZipCash - Video	-	-	-	-	-	-	-	-	-	1.00
Main Lane Plaza 2	Cash	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 3	Cash	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	-	-	-	1.30	1.30
	TollTag	-	-	-	-	-	-	-	-	1.05	1.05
Addison Airport Toll Tunnel:											
Main Lane Plaza 5	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.50	0.50	0.50	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 7	Cash	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.50	0.50	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 8	Cash	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.50	0.50	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 9	Cash	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	0.50	0.50	0.50	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Main Lane Plaza 10 (2)	Cash	-	-	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
	TollTag	-	-	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.70
Mountain Creek Lake Bridge:											
Mainlane Plaza	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
State Highway 121: (3)											
Main Lane Gantry 1	Video	-	-	-	-	-	-	-	-	-	0.65
	TollTag	-	-	-	-	-	-	-	-	-	0.45
Main Lane Gantry 2	Video	-	-	-	-	-	-	-	-	-	1.71
	TollTag	-	-	-	-	-	-	-	-	-	1.18

(1) Main Lane Plaza 4 opened 2007

(2) Main Lane Plaza 10 opened 2002

(3) Main Lane Gantry 1 & 2 (ETC) on SH 121; both opened on Sept, 2008

Note----Other toll collections points (Ramp Plazas) are not shown on this schedule.

NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Toll Rates
Last Ten Fiscal Years
(Unaudited)

Three-axle vehicle and vehicle combination		Years									
Roadway		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.40
	TollTag	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
(all ETC, effective in Sept, 2008)											
	ZipCash - Video	-	-	-	-	-	-	-	-	-	2.00
Main Lane Plaza 2	Cash	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	2.00	2.00
	TollTag	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	1.40	1.40
Main Lane Plaza 3	Cash	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	2.00	2.00
	TollTag	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	1.40	1.40
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	-	-	-	2.60	2.60
	TollTag	-	-	-	-	-	-	-	-	2.10	2.10
Addison Airport Toll Tunnel:											
Main Lane Plaza 5	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	2.00	2.00
	TollTag	1.00	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.40	1.40
Main Lane Plaza 7	Cash	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	2.00	2.00
	TollTag	1.00	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.40	1.40
Main Lane Plaza 8	Cash	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	2.00	2.00
	TollTag	1.00	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.40	1.40
Main Lane Plaza 9	Cash	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	2.00	2.00
	TollTag	1.00	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.40	1.40
Main Lane Plaza 10 (2)	Cash	-	-	-	1.50	1.50	1.50	1.50	1.50	2.00	2.00
	TollTag	-	-	-	1.20	1.20	1.20	1.20	1.20	1.40	1.40
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
	TollTag	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
State Highway 121: (3)											
Main Lane Gantry 1	Video	-	-	-	-	-	-	-	-	-	1.30
	TollTag	-	-	-	-	-	-	-	-	-	0.90
Main Lane Gantry 2	Video	-	-	-	-	-	-	-	-	-	3.42
	TollTag	-	-	-	-	-	-	-	-	-	2.36

(1) Main Lane Plaza 4 opened 2007

(2) Main Lane Plaza 10 opened 2002

(3) Main Lane Gantry 1 & 2 (ETC) on SH 121; both opened on Sept, 2008

Note----Other toll collections points (Ramp Plazas) are not shown on this schedule.

NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Toll Rates
Last Ten Fiscal Years
(Unaudited)

Four-axle vehicle and vehicle combination		Years									
Roadway		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
	TollTag	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
(all ETC, effective in Sept, 2008)											
	ZipCash - Video	-	-	-	-	-	-	-	-	-	3.00
Main Lane Plaza 2	Cash	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	3.00	3.00
	TollTag	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	2.10	2.10
Main Lane Plaza 3	Cash	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	3.00	3.00
	TollTag	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	2.10	2.10
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	-	-	-	3.90	3.90
	TollTag	-	-	-	-	-	-	-	-	3.15	3.15
Addison Airport Toll Tunnel:											
Main Lane Plaza 5	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	3.00	3.00
	TollTag	1.50	1.50	1.50	1.80	1.80	1.80	1.80	1.80	2.10	2.10
Main Lane Plaza 7	Cash	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	3.00	3.00
	TollTag	1.50	1.50	1.50	1.80	1.80	1.80	1.80	1.80	2.10	2.10
Main Lane Plaza 8	Cash	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	3.00	3.00
	TollTag	1.50	1.50	1.50	1.80	1.80	1.80	1.80	1.80	2.10	2.10
Main Lane Plaza 9	Cash	1.50	1.50	1.50	2.25	2.25	2.25	2.25	2.25	3.00	3.00
	TollTag	1.50	1.50	1.50	1.80	1.80	1.80	1.80	1.80	2.10	2.10
Main Lane Plaza 10 (2)	Cash	-	-	2.25	2.25	2.25	2.25	2.25	2.25	3.00	3.00
	TollTag	-	-	1.80	1.80	1.80	1.80	1.80	1.80	2.10	2.10
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	TollTag	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
State Highway 121: (3)											
Main Lane Gantry 1	Video	-	-	-	-	-	-	-	-	-	1.95
	TollTag	-	-	-	-	-	-	-	-	-	1.35
Main Lane Gantry 2	Video	-	-	-	-	-	-	-	-	-	5.13
	TollTag	-	-	-	-	-	-	-	-	-	3.54

(1) Main Lane Plaza 4 opened 2007

(2) Main Lane Plaza 10 opened 2002

(3) Main Lane Gantry 1 & 2 (ETC) on SH 121; both opened on Sept, 2008

Note----Other toll collections points (Ramp Plazas) are not shown on this schedule.

NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Toll Rates
Last Ten Fiscal Years
(Unaudited)

Five-axle vehicle and vehicle combination		Years									
Roadway		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80	\$1.80
	TollTag	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	2.45	1.45
(all ETC, effective in Sept, 2008)											
	ZipCash - Video	-	-	-	-	-	-	-	-	-	4.00
Main Lane Plaza 2	Cash	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	4.00	4.00
	TollTag	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	2.80	2.80
Main Lane Plaza 3	Cash	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	4.00	4.00
	TollTag	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	2.80	2.80
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	-	-	-	5.20	5.20
	TollTag	-	-	-	-	-	-	-	-	4.20	4.20
Addison Airport Toll Tunnel:											
Main Lane Plaza 5	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
	TollTag	2.00	2.00	2.00	2.40	2.40	2.40	2.40	2.40	2.80	2.80
Main Lane Plaza 7	Cash	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
	TollTag	2.00	2.00	2.00	2.40	2.40	2.40	2.40	2.40	2.80	2.80
Main Lane Plaza 8	Cash	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
	TollTag	2.00	2.00	2.00	2.40	2.40	2.40	2.40	2.40	2.80	2.80
Main Lane Plaza 9	Cash	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
	TollTag	2.00	2.00	2.00	2.40	2.40	2.40	2.40	2.40	2.80	2.80
Main Lane Plaza 10 (2)	Cash	-	-	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
	TollTag	-	-	2.40	2.40	2.40	2.40	2.40	2.40	2.80	2.80
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
	TollTag	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
State Highway 121: (3)											
Main Lane Gantry 1	Video	-	-	-	-	-	-	-	-	-	2.60
	TollTag	-	-	-	-	-	-	-	-	-	1.80
Main Lane Gantry 2	Video	-	-	-	-	-	-	-	-	-	6.84
	TollTag	-	-	-	-	-	-	-	-	-	4.72

(1) Main Lane Plaza 4 opened 2007

(2) Main Lane Plaza 10 opened 2002

(3) Main Lane Gantry 1 & 2 (ETC) on SH 121; both opened on Sept, 2008

Note----Other toll collections points (Ramp Plazas) are not shown on this schedule.

NORTH TEXAS TOLLWAY AUTHORITY
Schedule of Toll Rates
Last Ten Fiscal Years
(Unaudited)

Six or more-axle vehicle and vehicle combination		Years									
Roadway		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dallas North Tollway:											
Main Lane Plaza 1	Cash	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$3.10	\$2.10
	TollTag	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	2.70	1.70
(all ETC, effective in Sept, 2008)											
	ZipCash - Video	-	-	-	-	-	-	-	-	-	5.00
Main Lane Plaza 2	Cash	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	5.00	5.00
	TollTag	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	3.50	3.50
Main Lane Plaza 3	Cash	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	5.00	5.00
	TollTag	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	3.50	3.50
Main Lane Plaza 4 (1)	Cash	-	-	-	-	-	-	-	-	6.50	6.50
	TollTag	-	-	-	-	-	-	-	-	5.25	5.25
Addison Airport Toll Tunnel:											
Main Lane Plaza 5	Cash	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	TollTag	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
President George Bush Turnpike:											
Main Lane Plaza 6	Cash	2.50	2.50	2.50	3.75	3.75	3.75	3.75	3.75	5.00	5.00
	TollTag	2.50	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Main Lane Plaza 7	Cash	2.50	2.50	2.50	3.75	3.75	3.75	3.75	3.75	5.00	5.00
	TollTag	2.50	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Main Lane Plaza 8	Cash	2.50	2.50	2.50	3.75	3.75	3.75	3.75	3.75	5.00	5.00
	TollTag	2.50	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Main Lane Plaza 9	Cash	2.50	2.50	2.50	3.75	3.75	3.75	3.75	3.75	5.00	5.00
	TollTag	2.50	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Main Lane Plaza 10 (2)	Cash	-	-	3.75	3.75	3.75	3.75	3.75	3.75	5.00	5.00
	TollTag	-	-	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50
Mountain Creek Lake Bridge:											
Main lane Plaza	Cash	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	TollTag	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
State Highway 121: (3)											
Main Lane Gantry 1	Video	-	-	-	-	-	-	-	-	-	3.25
	TollTag	-	-	-	-	-	-	-	-	-	2.25
Main Lane Gantry 2	Video	-	-	-	-	-	-	-	-	-	8.55
	TollTag	-	-	-	-	-	-	-	-	-	5.90

(1) Main Lane Plaza 4 opened 2007

(2) Main Lane Plaza 10 opened 2002

(3) Main Lane Gantry 1 & 2 (ETC) on SH 121 10 opened Sept, 2008

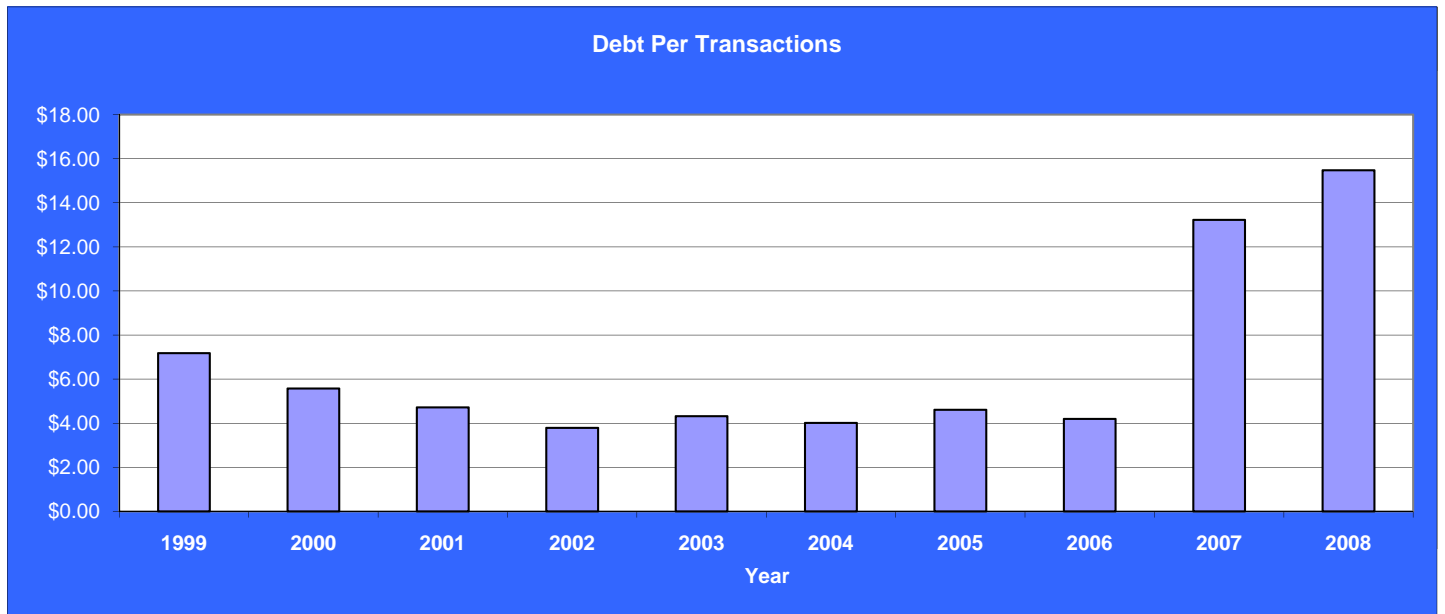
Note----Other toll collections points (Ramp Plazas) are not shown on this schedule.

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 ISTE A Loan	Texas Department of Transportation Loan Payable	Total Debt Amount	Total Toll Transactions(1)	Debt Per Transactions	Debt Per Capita(2)
1999	\$935,967,532	-	-	\$135,000,000	\$4,600,000	\$1,075,567,532	149,888,064	\$7.18	N/A
2000	930,934,136	-	-	135,000,000	4,600,000	1,070,534,136	192,168,272	5.57	\$232
2001	925,524,957	-	\$20,000,000	135,000,000	4,600,000	1,085,124,957	230,044,912	4.72	228
2002	921,430,778	-	20,000,000	135,000,000	4,600,000	1,081,030,778	285,494,321	3.79	222
2003	1,139,285,000	-	-	135,000,000	4,600,000	1,278,885,000	296,140,087	4.32	259
2004	1,125,735,000	-	-	135,000,000	4,600,000	1,265,335,000	315,031,754	4.02	251
2005	1,420,605,000	-	-	135,000,000	4,600,000	1,560,205,000	338,390,215	4.61	303
2006	1,390,130,000	-	25,000,000	135,000,000	4,600,000	1,554,730,000	370,696,171	4.19	293
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	934
2008	6,150,814,166	-	89,700,000	135,000,000	4,600,000	6,380,114,166	412,272,003	15.48	1,147

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 76.
- (2) See table of Demographic Data on page 84.



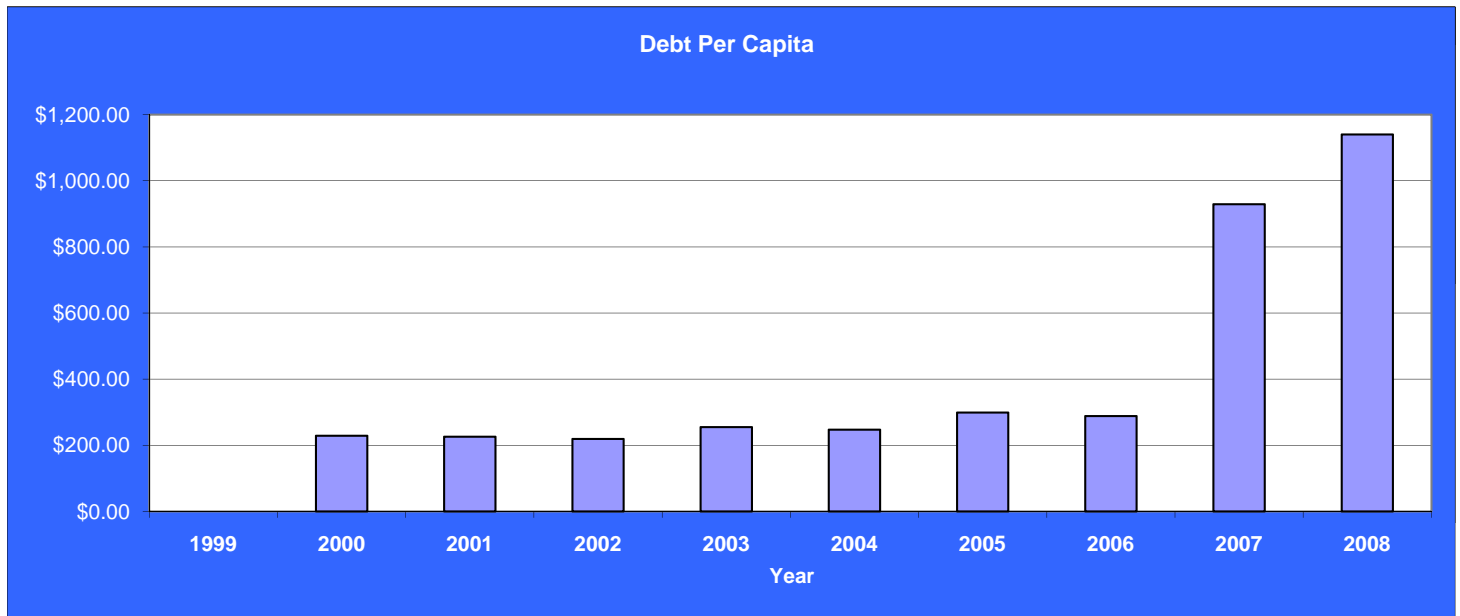
NORTH TEXAS TOLLWAY AUTHORITY
Ratio of Revenue-backed Debt Outstanding
Business-Type Activities
Last Ten Fiscal Years
(Unaudited)

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	
			Bond Redemption Account	Commercial Paper Notes Payable				Toll Revenue	Debt Per Capita(2)
1999	\$935,967,532	-	(\$7,390,990)	-	\$135,000,000	\$1,063,576,542	\$69,653,635	\$15	N/A
2000	930,934,136	-	(7,561,208)	-	135,000,000	1,058,372,928	93,901,576	11	\$229
2001	925,524,957	-	(6,215,744)	\$20,000,000	135,000,000	1,074,309,213	107,210,124	10	226
2002	921,430,778	-	(11,645,000)	20,000,000	135,000,000	1,064,785,778	137,945,439	8	219
2003	1,139,285,000	-	(13,553,662)	-	135,000,000	1,260,731,338	149,323,784	8	255
2004	1,125,735,000	-	(15,447,037)	-	135,000,000	1,245,287,963	160,695,030	8	247
2005	1,420,605,000	-	(17,311,773)	-	135,000,000	1,538,293,227	172,537,345	9	299
2006	1,390,130,000	-	(22,008,278)	25,000,000	135,000,000	1,528,121,722	191,434,120	8	288
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	929
2008	6,150,814,166	0	(34,110,000)	89,700,000	135,000,000	6,341,404,166	240,776,791	26	1140

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 76.

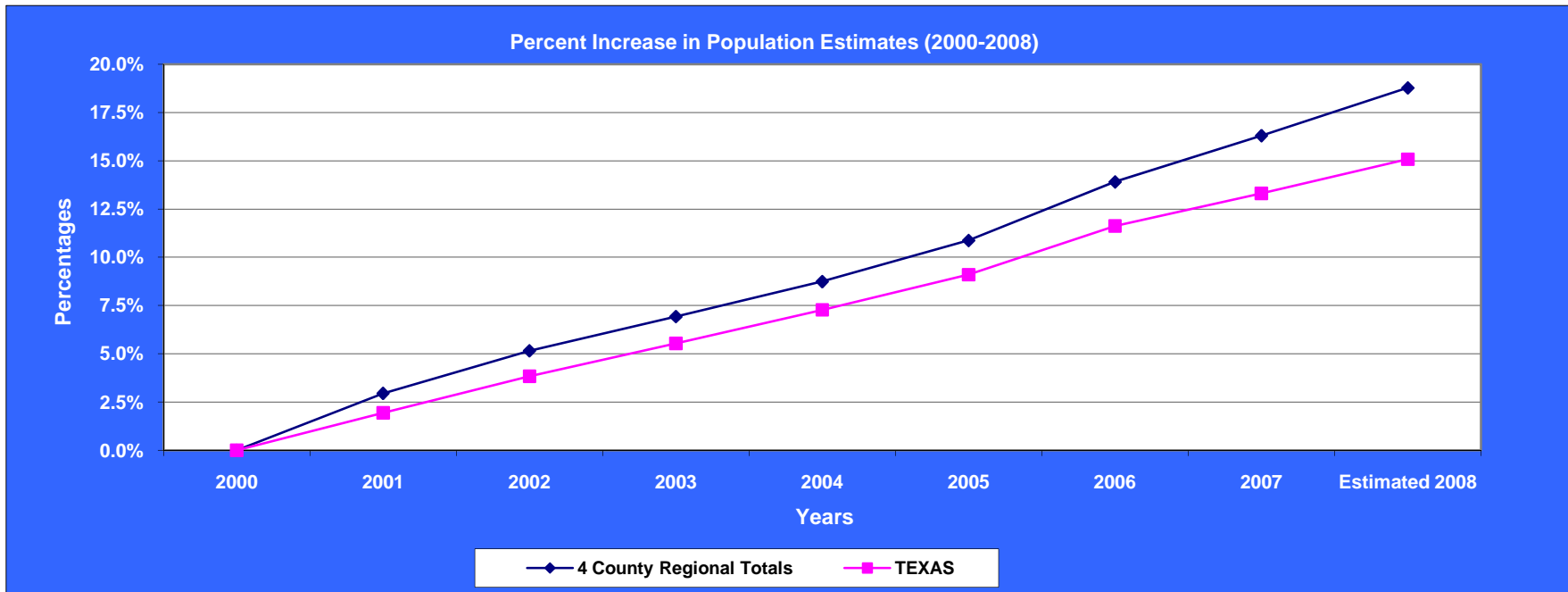
(2) See table of Demographic Data on page 84.



NORTH TEXAS TOLLWAY AUTHORITY
 Demographic Data-Combined Four Region and State of Texas Population Estimated Data
 For Years 2000-2008

Year	COLLIN	DALLAS	DENTON	TARRANT	Est. Four County Regional Totals	Estimated Texas Totals	Percentage Change (From Prior Years)	
							4 County	TEXAS
2000	500,224	2,225,945	438,869	1,454,612	4,619,650	20,951,848	N/A	N/A
2001	538,200	2,264,243	463,681	1,489,516	4,755,640	21,357,926	2.94%	1.94%
2002	569,438	2,276,489	488,311	1,526,307	4,860,545	21,762,430	2.21%	1.89%
2003	597,536	2,282,284	510,292	1,556,747	4,946,859	22,134,047	1.78%	1.71%
2004	628,757	2,290,710	531,054	1,586,277	5,036,798	22,517,901	1.82%	1.73%
2005	660,926	2,308,527	554,994	1,619,666	5,144,113	22,928,508	2.13%	1.82%
2006	698,851	2,345,815	584,238	1,671,295	5,300,199	23,507,783	3.03%	2.53%
2007	730,690	2,366,511	612,357	1,717,435	5,426,993	23,904,380	2.39%	1.69%
Estimated 2008	762,010	2,412,827	636,557	1,750,091	5,561,485	24,326,974	2.48%	1.77%
Increase Total from Year 2000 to Year 2008	261,786	186,882	197,688	295,479	941,835	3,375,126		

All information obtained from U.S. Census Bureau

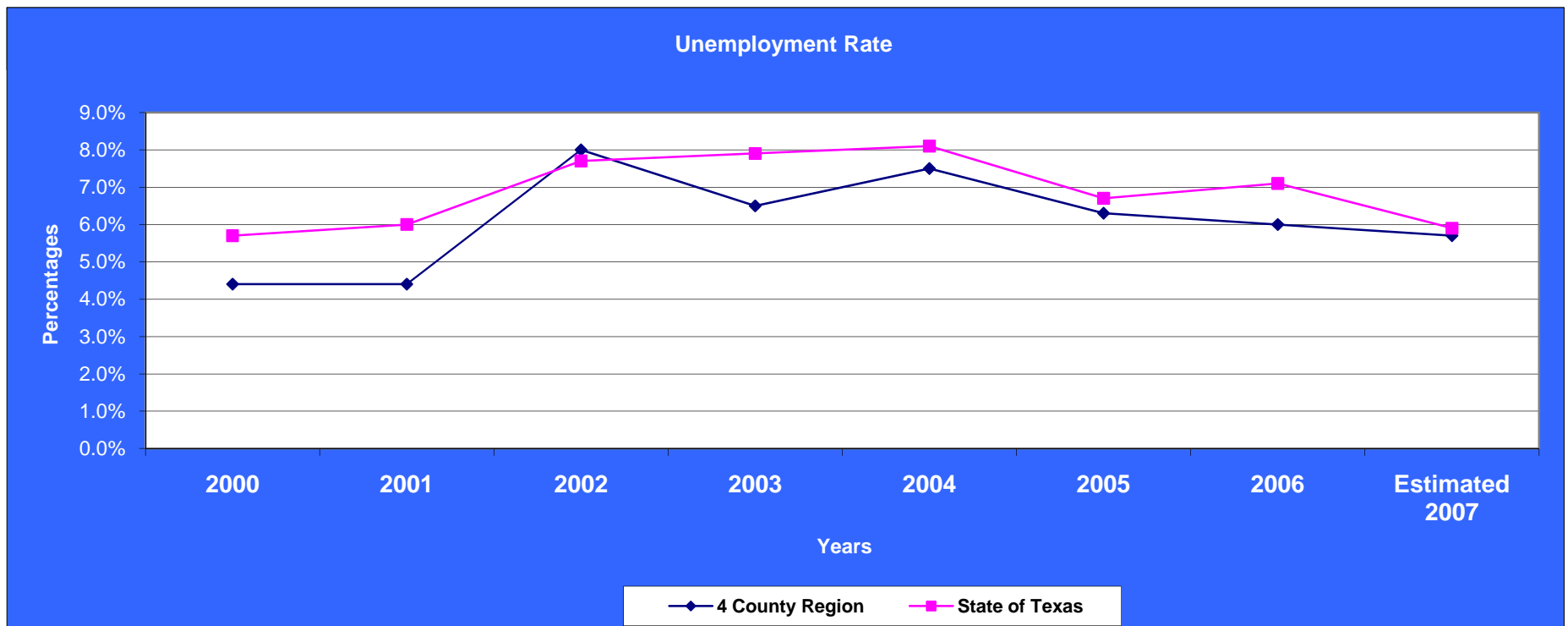


NORTH TEXAS TOLLWAY AUTHORITY
Demographic Data-Combined Four County Region and State of Texas Employment Status Estimates
For Years 2000-2007

Year	COLLIN	DALLAS	DENTON	TARRANT	Combined Four	Texas	Unemployment Rate	
					County Regional	Estimated Totals	4 County	Texas
2000	275,187	1,166,274	248,592	758,223	2,448,276	10,003,606	4.4%	5.7%
2001	298,648	1,171,386	249,260	775,930	2,495,224	10,125,306	4.4%	6.0%
2002	308,228	1,194,564	276,897	799,447	2,579,136	10,402,410	8.0%	7.7%
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%
Estimated 2007	400,678	1,205,730	344,810	904,015	2,855,233	11,647,654	5.7%	5.9%
Increase Total from Year 2000 to Year 2007		125,491	39,456	96,218	145,792	406,957	1,644,048	

All information obtained from U.S. Census Bureau

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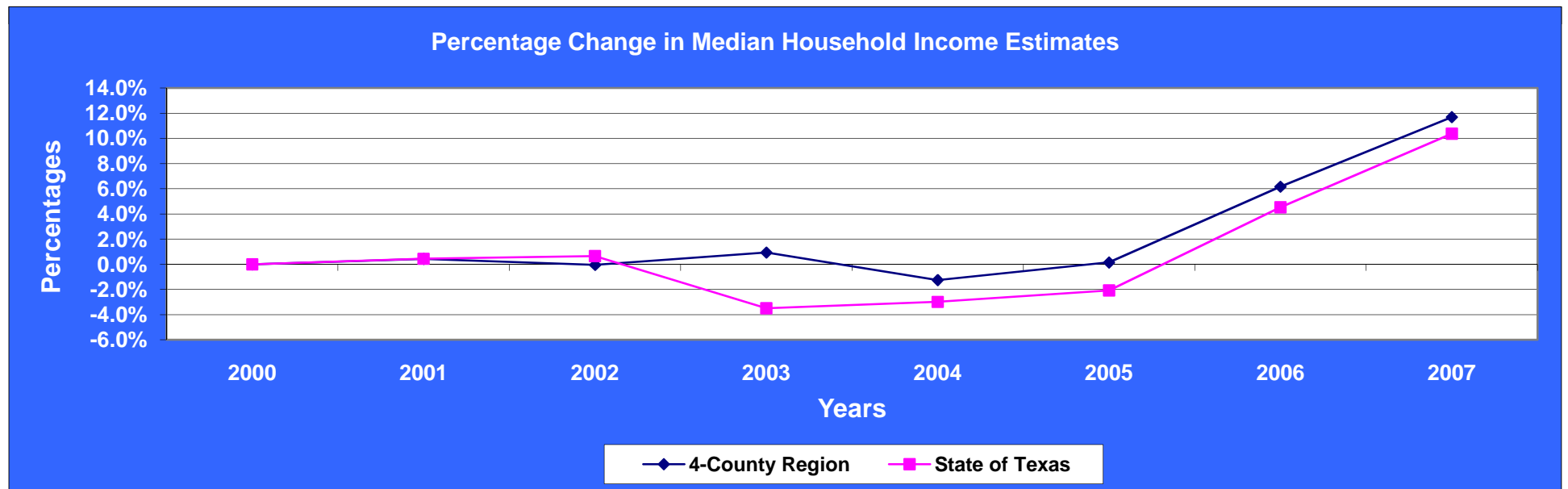


NORTH TEXAS TOLLWAY AUTHORITY
 Demographic Data - Combined Four County Region and State of Texas Median Household Income Estimates
 For Years 2000 - 2007

Year	COLLIN	DALLAS	DENTON	TARRANT	Four County Regional Totals		Percentage Change from Prior Years	
					Estimated Avg Median Income	Estimated Avg Median Income	4 County	Texas
2000	\$70,487	\$45,831	\$56,807	\$50,638	\$55,941	\$43,065	N/A	N/A
2001	70,181	44,829	60,898	48,821	56,182	43,253	0.43%	0.44%
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%
Averaged Yearly Totals	\$71,935	\$44,595	\$62,185	\$50,156	\$57,218	\$43,447		

All information obtained from U.S. Census Bureau

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NORTH TEXAS TOLLWAY AUTHORITY
North Texas Four County Region's Top Ten Employers

COLLIN COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
EDS	6,700	1.72%	PROF/TECH
JC PENNEY CO INC	3,800	0.98%	RETAIL
STONEBRIAR CENTER	3,456	0.89%	RETAIL
SHOPS A WILLOW BEND (THE)	3,240	0.83%	RETAIL
FRITO-LAY INC	3,000	0.77%	MANAGEMENT
COUNTRY WIDE HOME LOANS	3,000	0.77%	FINANCE
PEROT SYSTEMS CORPORATION	2,811	0.72%	PROF/TECH
ALCATEL	2,800	0.72%	MANUFACTURING
COLLIN CREEK MALL	2,800	0.62%	RETAIL
ALCATEL	2,800	0.59%	INFORMATION
Total		8.60%	
DALLAS COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
AMERICAN AIRLINES/AMR	14,608	1.20%	TRANSPORTATION
TEXAS INSTRUMENTS HQ	7,800	0.64%	MANUFACTURING
PARKLAND MEMORIAL HOSPITAL	6,950	0.57%	HEALTH CARE
UT SOUTHWESTERN MED CENTER	5,893	0.48%	EDUCATION
BAYLOR MEDICAL CENTER	5,751	0.47%	HEALTH CARE
COMPUCOM CAMPUS	5,300	0.43%	REAL ESTATE/RENT
NORTEL NETWORKS	4,800	0.39%	INFORMATION
NORTHPARK CENTER	4,536	0.38%	RETAIL
DELTA AIR LINES INC	4,300	0.35%	TRANSPORTATION
GALLERIA MALL	4,104	0.34%	RETAIL
Total		5.25%	
DENTON COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
UNIVERSITY OF NORTH TEXAS	7,719	2.29%	EDUCATION
AMERICAN AIRLINES ALLIANCE MAINTENANCE BASE	2,381	0.71%	TRANSPORTATION
VISTA RIDGE MALL	2,288	0.68%	RETAIL
PETERBILT MOTORS CO	1,700	0.50%	MANUFACTURING
GOLDEN TRIANGLE MALL	1,676	0.49%	RETAIL
DENTON STATE SCHOOL	1,430	0.42%	EDUCATION
CENTEX HOME EQUITY PHASE I & II	1,400	0.41%	REAL ESTATE/RENT
XEROX CORP	1,381	0.41%	MANAGEMENT
TEXAS WOMAN'S UNIVERSITY	1,129	0.33%	EDUCATION
Total		6.25%	
TARRANT COUNTY TOP TEN EMPLOYERS			
EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	INDUSTRY
LOCKHEED MARTIN CORP	16,800	1.90%	MANUFACTURING
UNIVERSITY OF TEXAS AT ARLINGTON	5,079	0.57%	EDUCATION
AMERICAN AIRLINES/AMR	5,011	0.56%	TRANSPORTATION
TARRANT COUNTY ADMINISTRATIVE OFFICE	4,141	0.47%	PUBLIC
AMERICAN AIRLINES/AMR HQ	4,118	0.46%	TRANSPORTATION
HARRIS METHODIST FORT WORTH	4,000	0.45%	HEALTH CARE
NAS FORT WORTH JOINT RESERVE BASE	3,906	0.44%	PUBLIC
HARRIS METHODIST SOUTHWEST	3,789	0.43%	HEALTH CARE
COOKS CHILDREN'S HEALTH CARE SYS	3,740	0.42%	HEALTH CARE
JOHN PETER SMITH HOSPITAL	3,473	0.39%	HEALTH CARE
Total		6.11%	

Source: Dallas Major Employers-DFW

NORTH TEXAS TOLLWAY AUTHORITY
 Contribution to Infrastructure Assets
 Last Ten Fiscal Years
 (Unaudited)

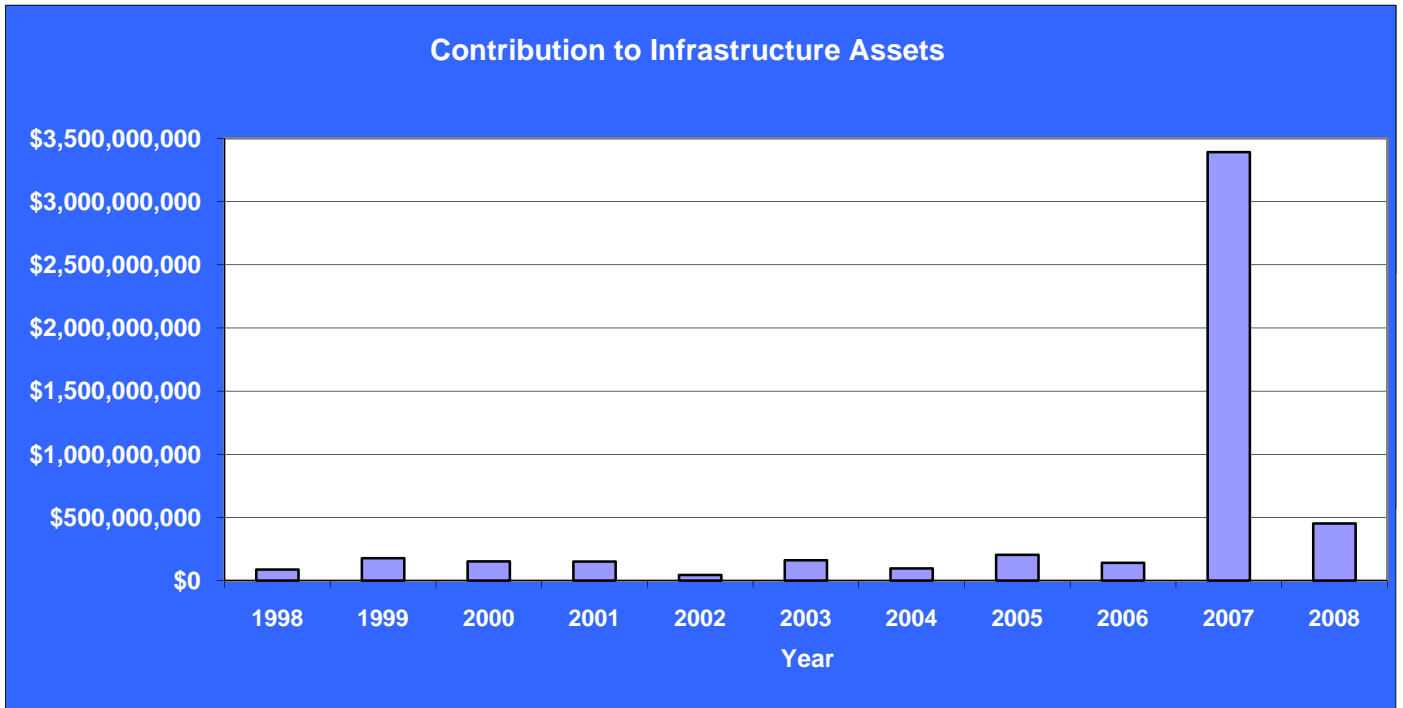
Year	Additions	Beginning Balance	Deletions	Ending Balance
1998	\$88,017,071	\$454,050,988	-	\$542,068,059
1999	178,261,690	542,068,059	-	720,329,749
2000	152,803,664	720,329,749	-	873,133,413
2001	151,520,819	873,133,413	-	1,024,654,232
2002	44,935,637	1,024,654,232	-	1,069,589,869
2003	161,829,348	1,069,589,869	-	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 (1)	3,390,485,923	1,698,121,926	(983,452)	5,087,624,397
2008 (3)	452,204,613	5,087,624,397	(38,340,388)	5,501,488,622

(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.



NORTH TEXAS TOLLWAY AUTHORITY
Toll Revenue Analysis
Last Ten Fiscal Years
(Unaudited)

Toll Revenue							
Year		Two-Axle Vehicles		Multi-Axle Vehicles		Adjustments	Total
1999	(1)	\$ 70,035,150	\$	1,313,196	\$	(12,611)	\$ 71,335,735
2000	(2)	94,246,563		1,947,823		(615,915)	95,578,471
2001	(3)	107,284,640		1,972,867		(2,047,383)	107,210,124
2002	(4)	157,445,951		2,959,988		(22,460,500)	137,945,439
2003		161,376,894		4,040,344		(16,093,454)	149,323,784
2004	(5)	169,631,935		4,635,864		(13,572,769)	160,695,030
2005	(6)	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	(7)	214,283,866		8,189,103		(19,797,405)	202,675,564
2008	(8)	262,432,292		12,115,529		(33,771,030)	240,776,791
Toll Revenue - Average Per Day							
Year		Two-Axle Vehicles		Multi-Axle Vehicles		Adjustments	Average
1999	(1)	\$ 191,877	\$	3,598	\$	(35)	\$ 195,440
2000	(2)	257,505		5,322		(1,683)	261,144
2001	(3)	293,931		5,405		(5,609)	293,727
2002	(4)	431,359		8,110		(61,536)	377,933
2003		442,128		11,069		(44,092)	409,105
2004	(5)	463,475		12,666		(37,084)	439,057
2005	(6)	494,368		14,862		(36,526)	472,704
2006		541,761		18,343		(35,627)	524,477
2007	(7)	587,079		22,436		(54,239)	555,276
2008	(8)	717,028		33,103		(92,271)	657,860

- (1) Reflects the opening of Addison Airport Tunnel, Segment I and IIa of the President George Bush Turnpike in January 1999, June 1999 and December 1999, respectively, and a toll rate increase on the DNT in August 1999. New Toll Collection system installed.
- (2) Reflects the opening of Segment IIb of the President George Bush Turnpike in May 2000.
- (3) Reflects the opening of Segment III of the President George Bush Turnpike from Midway Road to Frankford in March 2001 to IH 35 in July 2001 and Segment V on December 2001.
- (4) Toll rate increase for the President George Bush Turnpike went into effect in January 2002. High speed lanes installed (Open Lane Tolling)
- (5) Reflects the completion of DNT and State Highway 121 interchange on April 2004.
- (6) Reflects the opening of Segment IV of the President George Bush Turnpike in September 2005.
- (7) 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.
- (8) Reflects the opening of Sam Rayburn Tollway in September 2008 as the Authority's first all ETC facility. Adjustments includes transaction to be invoiced.

NORTH TEXAS TOLLWAY AUTHORITY
Total Lane Miles Operating and Number of Employees by Department
Last Ten Fiscal Years

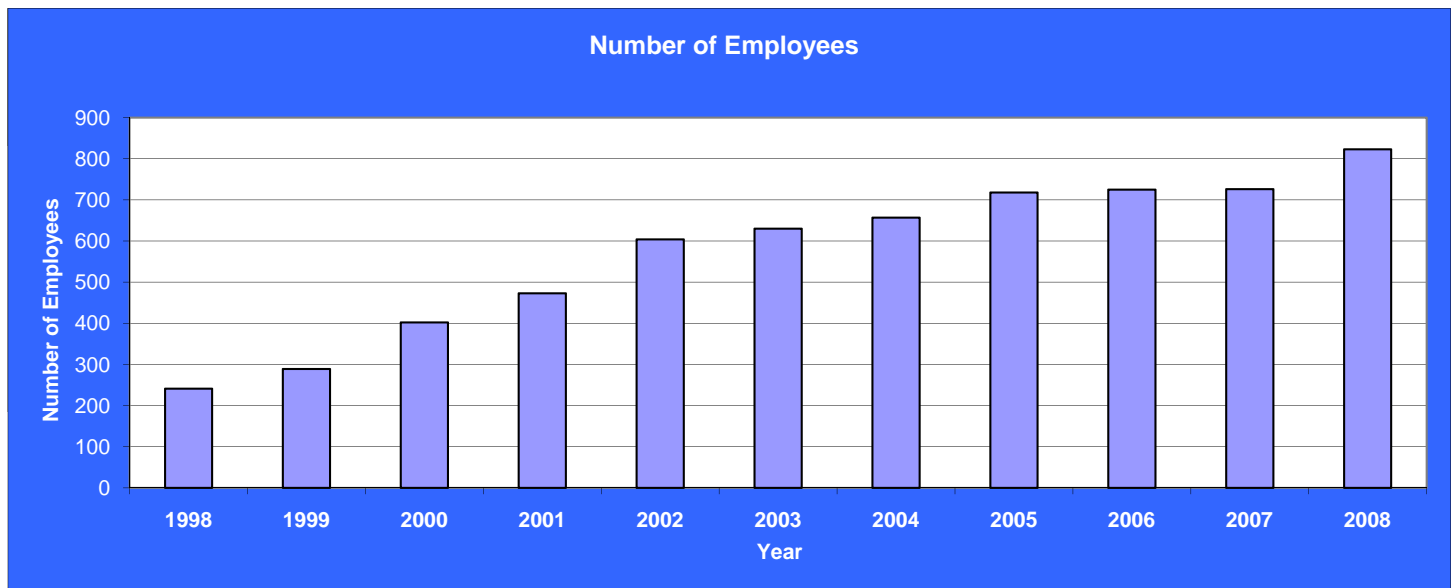
Lane Miles											
	Year										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Lane Miles	143	201	231	272	297	306	315	315	339	355	439

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

Full-time Equivalent Employees											
Function	Year										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Administration	18	20	5	5	6	6	11	7	9	9	9
Operations	0	0	0	0	0	0	0	0	0	0	0
Finance	0	0	4	4	4	4	4	5	5	6	6
Business Diversity	0	0	0	0	0	0	0	0	1	1	3
Communications	0	0	3	4	5	4	3	7	8	9	12
Internal Audit	0	0	0	0	0	0	0	0	0	0	2
Human Resources	0	0	5	9	10	8	8	8	12	12	13
Legal Services	0	0	3	3	3	4	4	4	3	3	3
System & Incident Management	10	12	24	25	23	22	20	26	26	25	51
Accounting	7	6	7	5	5	5	5	6	7	5	8
Information Technology	2	5	10	12	13	16	16	19	19	20	32
Vault	7	7	8	8	15	28	28	31	30	28	23
Audit - Revenue Reconciliation	3	2	3	3	2	0	0	6	5	7	6
Procurement Services	0	0	3	3	3	3	3	6	6	6	10
Community Affairs	0	0	0	0	0	0	0	1	1	1	3
Toll Collection	135	177	250	304	402	379	392	412	416	386	321
Maintenance	37	39	45	52	65	67	71	76	68	81	178
Customer Service Center	14	12	24	29	41	75	81	92	98	115	133
Project Delivery	8	9	8	7	7	9	11	12	11	9	6
Project Evaluation	0	0	0	0	0	0	0	0	0	3	4
Total	241	289	402	473	604	630	657	718	725	726	823

Note 1----During 1998 & 1990, Finance, Human Resources and Procurement Services were reported within the Administration Dept.

Note 2----During 2003 & 2004, the Audit function was outsourced.



NORTH TEXAS TOLLWAY AUTHORITY
Total Lane Miles Operating and Number of Employees by Department
Last Ten Fiscal Years



North Texas Tollway Authority

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