

TEXAS DEPARTMENT OF TRANSPORTATION
Annual Issuer Report
For the Period Ending August 31, 2005

A. Outstanding Debt

1. Amount of debt outstanding:

First Tier Revenue Bonds (Series 2002-A)	
Series A Non-Callable Capital Appreciation Bonds	287,459,890.50
Series A Callable Capital Appreciation Bonds	154,658,891.30
Series A Current Interest Bonds	707,875,000.00
	<u>1,149,993,781.80</u>
First Tier Revenue Bonds (Series 2002-B)	
Weekly Rate Demand Bonds	150,000,000.00
Second Tier Bond Anticipation Notes (Series 2002)	900,000,000.00
TOTAL SERIES 2002	<u>2,199,993,781.80</u>
State of Texas General Obligation Bonds	
Series 2005-A Fixed Rate Bonds	900,000,000.00
Series 2005-B Variable Rate Bonds	100,000,000.00
TOTAL SERIES 2005	<u>1,000,000,000.00</u>
 TOTAL TxDOT DEBT OUTSTANDING	 <u><u>3,199,993,781.80</u></u>

2. Total debt service requirements (principal and interest) and actual debt service paid:

Total FY 05 debt service requirements:

	Series 2002-A	Series 2002-B	BANS	Series 2005-B	Total FY 05 Requirements
Principal					0.00
Interest	37,161,837.50	2,882,614.98	44,309,043.76	336,712.32	84,690,208.56

3. Actual debt service paid:

1st Tier Interest Acct.		2nd Tier Interest Acct.	TOTAL DEBT SERVICE PAID as of 8/31/05
9/1/2004	140,860.66 (Series 2002-B)		140,860.66
10/1/2004	168,811.48 (Series 2002-B)		168,811.48
11/1/2004	213,114.75 (Series 2002-B)		213,114.75
12/1/2004	201,598.36 (Series 2002-B)	22,154,521.88 (BANS)	22,356,120.24
1/1/2005	211,147.54 (Series 2002-B)		211,147.54
2/1/2005	222,369.86 (Series 2002-B)		222,369.86
2/17/2005	18,580,918.75 (Series 2002-A)		18,580,918.75
2/28/2005	19,738,821.40	22,154,521.88	41,893,343.28
3/1/2005	215,383.56 (Series 2002-B)		215,383.56
4/1/2005	245,219.18 (Series 2002-B)		245,219.18
5/2/2005	321,534.25 (Series 2002-B)		321,534.25
6/1/2005	363,369.86 (Series 2002-B)	22,154,521.88 (BANS)	22,517,891.74
7/1/2005	293,876.71 (Series 2002-B)		293,876.71
7/1/2005	147,753.42 (Series 2005-B)		147,753.42
8/1/2005	285,328.77 (Series 2002-B)		285,328.77
8/1/2005	188,958.90 (Series 2005-B)		188,958.90
8/15/2005	18,580,918.75 (Series 2002-A)		18,580,918.75
8/31/2005	20,642,343.40	22,154,521.88	42,796,865.28
TOTAL FY 2005			<u><u>84,690,208.56</u></u>

4. FY 05 appropriated debt service compared to actual debt service paid:

Debt service for the 2002 Series Bonds is paid out of funds held by the Trustee (non-general revenue, non-appropriated).

Debt service for the 2005 Series Bonds was paid out of Fund 365.

5. Amount of bonds authorized but unissued:

Pursuant to the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA), the USDOT has agreed to lend the Commission up to \$916,760,000 to pay or reimburse a portion of the Costs of the 2002 Central Texas Turnpike Project under the Secured Loan Agreement between the Commission and the USDOT.

To evidence the Commission's obligations under a Secured Loan Agreement, the Commission has executed the 2002 TIFIA Bond as a Subordinate Lien Obligation. The Commission has not drawn on the TIFIA bonds and is not expected to draw on them until 2007 and 2008.

Transportation Code, Chapter 201, Subchapter M. Obligations For Certain Highway And Mobility Projects authorized TxDOT to issue \$4 billion in Texas Mobility Fund Bonds. On June 8, 2005 TxDOT issued \$1 billion in Texas Mobility Fund Bonds.

TUITION REVENUE DEBT

n/a

VARIABLE RATE DEBT

1. The Texas Transportation Commission has \$150 million of Series 2002 and \$100 million of Series 2005 variable rate debt outstanding.
2. Total debt service requirements (principal and interest) and actual debt service paid:

	Series 2002-B	Series 2005-B	VARIABLE RATE DEBT Total FY 05 Requirements
Principal			0.00
Interest	2,882,614.98	336,712.32	3,219,327.30
Variable Rate	2.34%	2.34%	

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n/a

B. REFUNDINGS AND CHANGES IN REPAYMENT:

n/a

C. SWAPS

n/a

D. EXPECTED ISSUANCE IN FY 2006:

As of 8/31/2005, TxDOT plans to issue \$1 billion in June 2006, \$1 billion in June 2007, and \$1 billion in June 2008.

As of 8/31/05, TxDOT plans to issue \$600 million in State Highway Fund Revenue Bonds (Transportation Code, Chapter 222, Subchapter A) in December 2005.

E. Additional items:

We have reviewed the additional items relating to TxDOT's bond program. TxDOT adheres to the debt issuance policies that the Bond Review Board has developed for the State of Texas.

Submitted by: James M. Bass, Director, Finance Division, TxDOT 9/15/05

TEXAS DEPARTMENT OF TRANSPORTATION
Annual Issuer Report
For the Period Ending August 31, 2005

1. An explanation of any change during FY 2005 in the debt retirement schedule of any outstanding bond issue.

n/a

Amount of debt outstanding:

State of Texas General Obligation Bonds	
Series 2005-A Fixed Rate Bonds	900,000,000.00
Series 2005-B Variable Rate Bonds	100,000,000.00
TOTAL DEBT OUTSTANDING	<u>1,000,000,000.00</u>

2. Total debt service requirements (principal and interest) and actual debt service paid:

Total FY 05 debt service requirements:

	Series 2005-A	Series 2005-B	Total FY 05 Requirements
Principal			0.00
Interest		336,712.32	336,712.32

Actual debt service paid:

	Bond Proceeds Acct	2nd Tier Interest Acct.	TOTAL DEBT SERVICE PAID as of 8/31/05
7/1/2005	147,753.42 (Series 2005-B)		147,753.42
8/1/2005	188,958.90 (Series 2005-B)		188,958.90
	<u>336,712.32</u>	<u>0.00</u>	<u>336,712.32</u>

3. Amount of bonds authorized but unissued:

Transportation Code, Chapter 201, Subchapter M. Obligations For Certain Highway And Mobility Projects authorized TxDOT to \$4 billion in Texas Mobility Fund Bonds. On June 8, 2005 TxDOT issued \$1 billion in Texas Mobility Fund Bonds. As of 8/31/05, TxDOT plans to issue \$1 billion in June 2006, \$1 billion in June 2007, and \$1 billion in June 2008.

As of 8/31/05, TxDOT plans to issue \$600 million in **State Highway Fund Revenue Bonds** (Transportation Code, Chapter 222, Subchapter A) in December 2005.

4. Amount of variable rate debt issued in fiscal year 2005:

The Texas Transportation Commission issued \$100,000,000 of variable rate debt on June 8, 2005.

5. Variable rate bonds outstanding:

The Texas Transportation Commission has \$100 million of variable rate debt outstanding.

6. Information on swap agreements, including the issue name, amount, delivery and maturity dates, TIC, and swap fixed receiver or payer rate:

N/A

7. FY 05 appropriated debt service compared to actual debt service paid:

Debt service was paid out of Fund 365.

8. Copy of the debt issuance policies or guidelines that TxDOT uses.

TxDOT adheres to the debt issuance policies that the Bond Review Board has developed for the State of Texas. (attached)

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First Tier Revenue Bonds (Series 2002-B)	
Weekly Rate Demand Bonds	150,000,000.00
Second Tier Bond Anticipation Notes (Series 2002)	<u>900,000,000.00</u>
TOTAL DEBT OUTSTANDING	<u><u>2,199,993,781.80</u></u>

2. Total debt service requirements (principal and interest) and actual debt service paid

Total FY 05 debt service requirements:

	Series 2002-A	Series 2002-B	BANS	Total FY 05 Requirements
Principal				0.00
Interest	37,161,837.50	2,882,614.98	44,309,043.76	84,353,496.24

Actual debt service paid:

		1st Tier Interest Acct.	2nd Tier Interest Acct.	TOTAL DEBT SERVICE PAID as of 8/31/05
9/1/2004	140,860.66	(Series 2002-B)		140,860.66
10/1/2004	168,811.48	(Series 2002-B)		168,811.48
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8/1/2005	285,328.77	(Series 2002-B)		285,328.77
8/15/2005	<u>18,580,918.75</u>	(Series 2002-A)		<u>18,580,918.75</u>
	40,044,452.48		<u>44,309,043.76</u>	<u><u>84,353,496.24</u></u>

3. Amount of bonds authorized but unissued:

Pursuant to the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA), the USDOT has agreed to lend the Commission up to \$916,760,000 to pay or reimburse a portion of the Costs of the 2002 Central Texas Turnpike Project under the Secured Loan Agreement between the Commission and the USDOT.

To evidence the Commission's obligations under a Secured Loan Agreement, the Commission has executed the 2002 TIFIA Bond as a Subordinate Lien Obligation. The Commission has not drawn on the TIFIA bonds and is not expected to draw on them until 2007 and 2008.

4. Amount of variable rate debt issued in fiscal year 2005:

None.

5. Variable rate bonds outstanding:

The Texas Transportation Commission has \$150 million of variable rate debt outstanding.

6. Information on swap agreements, including the issue name, amount, delivery and maturity dates, TIC, and swap fixed receiver or payer rate:

N/A

7. FY 05 appropriated debt service compared to actual debt service paid:

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All debt service is paid out of funds held by the Trustee (non-general revenue, non-appropriated).

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TxDOT adheres to the debt issuance policies that the Bond Review Board has developed for the State of Texas. (attached)

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