

## **Exhibit A**

### **Annual Update of Quantitative Financial Information and Operating Data for Fiscal Year 2011**

#### **THE SYSTEM AND THE 2002 PROJECT**

##### **Payment Methods for Tolls**

During fiscal year 2011, 72 percent of total System transactions were attributable to transponder accounts, 8 percent to cash and 20 percent to Pay By Mail.

As of August 31, 2011, there were 543,942 active toll accounts with 950,576 active TxTag transponders. A single toll account can have multiple TxTag transponders associated with it.

Since inception through the end of fiscal year 2011, the collection rates for Pay by Mail transactions averaged 66.5% for invoiced transactions. For fiscal year 2011 the collection rate for all Pay by Mail transactions was 51.4% and for invoiced transactions was 65.0%.

Interoperability revenue represented approximately 6.9% of toll revenues for the System in fiscal year 2011.

##### **Toll Rates**

Toll rates for trucks with five or more axles were reduced on SH 130 effective March 1, 2011. An analysis from the traffic consultant concluded that the change in truck toll rates was expected to increase transactions on the system by .4% to .5% and to cause a slight decrease in revenues of approximately .4% to 1.4%. See Exhibit H for toll rates.

##### **Fees and Charges**

There were no changes in the fee schedule during fiscal year 2011.

##### **Recent Traffic and Revenue Results**

For detailed information on actual transactions, average weekday transactions and revenues, please see the Central Texas Turnpike System Quarterly Report of Actual Transactions and Revenue Fiscal Year 2012 First Quarter at Exhibit E. Quarterly reports of transactions and revenues are available to investors on-line at <http://www.centraltexasturnpike.org>.

##### **Recent Events**

As part of agency-wide restructuring to improve efficiency and service to the public, the toll operations functions of the Texas Turnpike Authority Division have been moved to a new Toll Operations Division reporting to the Department's Chief Financial Officer, and effective February 15, 2012, all other functions of the Texas Turnpike Authority Division will be moved to a new Strategic Projects Division reporting to the Department's Chief Planning and Project Officer. This organizational change will not impact any of the Department's payment or other obligations relating to the Central Texas Turnpike System.

## Historical Cash Flow and Obligation Debt Service Coverage

	<i>For Fiscal Years Ended August 31</i> <i>(dollar amounts in thousands)</i>	
	2011	2010 (as Restated <sup>(3)</sup> )
Revenues		
Toll Revenues <sup>(1)</sup>	\$ 74,864	\$ 73,299
Lease Revenues	13	13
Net Interest & Dividends	6,835	6,602
Other Revenues	<u>0</u>	<u>0</u>
Operating & Misc. Revenues	\$ 81,713	\$ 79,914
Debt Service:		
First Tier Debt Service	42,946	44,626
TIFIA Loan Debt Service	<u>30,082</u>	<u>18,475</u>
Total Debt Service	\$ 73,028	\$ 63,101
Revenues available for O&M	<u>\$ 8,684</u>	<u>\$ 16,813</u>
Operations expenses paid by the System	<u>\$ 6,869</u>	<u>\$ 15,069</u>
Revenues retained for contingencies, etc.	<u>\$ 1,815</u>	<u>\$ 1,744</u>
First Tier Debt Service Coverage	1.90x	1.79x
Operations expenses paid by Commission <sup>(2)</sup>	\$ 33,808	\$ 30,732
Maintenance expenses paid by Commission <sup>(2)</sup>	<u>11,545</u>	<u>7,343</u>
Total O&M paid by Commission	<u>\$ 45,354</u>	<u>\$ 38,075</u>

<sup>(1)</sup> As used in this table, Toll Revenues include tolls, "service center revenues" and "administrative fee revenues" (including video and toll enforcement, collection and administrative fees projected by the Department.)

<sup>(2)</sup> In accordance with the Master Indenture, the Commission has covenanted to pay operations expenses, to the extent not covered by available Revenues of the System, and all maintenance expenses of the System.

<sup>(3)</sup> See Note 11 of the accompanying Audited Financial Statements for Fiscal Year 2011 (Exhibit B.)

Actual Cash Flow and Debt Service Coverage  
2002 Central Texas Turnpike Project  
(Dollar Amounts Shown in Thousands)

Fiscal Year	Revenues <sup>(1)</sup>	Rate Stabilization Fund <sup>(2)</sup>	1st Tier Debt Service <sup>(3)</sup>	All First Tier DS	W/ Rate Stabilization Fund	TIFIA DS	Revenues Available for O&M	Total Operations Costs	Operations Paid From Revenues	Operations Paid by Commission	Total Maintenance Cost	Total Reserve Maintenance	Revenues Available for Maintenance
2008	\$ 73,690	\$ 63,613	\$ 82,068 <sup>(4)</sup>	0.90	1.67	\$ -	\$ 10,077	\$ 45,723	\$ 5,317	\$ 40,406	\$ 5,411	\$ -	\$ 4,761
2009	\$ 76,625	\$ 67,839	\$ 45,585	1.68	3.17	\$ -	\$ 72,399	\$ 45,389	\$ 31,160	\$ 14,229	\$ 7,639	\$ -	\$ 41,239
2010	\$ 79,914	\$ 67,839	\$ 44,626	1.79	3.31	\$ 18,475	\$ 16,813	\$ 45,801	\$ 15,069	\$ 30,732	\$ 7,343	\$ -	\$ 1,744
2011	\$ 81,713	\$ 67,839	\$ 42,946	1.90	3.48	\$ 30,082	\$ 8,684	\$ 40,678	\$ 6,869	\$ 33,808	\$ 11,545 <sup>(5)</sup>	\$ - <sup>(5)</sup>	\$ 1,815

Note: The 2002 Project reached substantial completion under the terms of the Master Indenture on September 27, 2007.

<sup>(1)</sup> Revenues include tolls, “service center revenues,” “administrative fee revenues” (including video and toll enforcement, collection and administrative fees), earnings on the First Tier Debt Service Reserve Fund, earnings on the Rate Stabilization Fund and other non-operating revenues and are presented on an accrual basis.

<sup>(2)</sup> The Rate Stabilization Fund was funded from operating revenues received in fiscal years 2008 and 2009.

<sup>(3)</sup> Capitalized Interest and related earnings were used to pay debt service through August 2009.

<sup>(4)</sup> Amount shown is interest paid on bond obligations. Principal in the amount of \$124,930,000 in fiscal year 2007 and \$775,070,000 in fiscal year 2008 was retired and replaced with a TIFIA loan in the amount of \$900,000,000.

<sup>(5)</sup> Total Maintenance Cost for FY 2011 includes some Reserve Maintenance expenditures.

## Estimated Construction Costs of the 2002 Project

Total construction costs for the 2002 Project are now estimated at \$2,105 million, right of way costs are estimated at \$403 million, and non-2002 project funded enhancements are estimated at \$179 million for a total estimated cost of \$2,687 million. These estimates have been verified by the GEC.

## SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION

### System Operations and Maintenance Expenditures

	<u>2012 Budget</u>	<u>2011 Actual</u>
Operations	\$40,156,410	\$40,678,005
Maintenance <sup>(1)</sup>	\$ 7,876,234	\$11,545,344

<sup>(1)</sup> The Commission currently has covenanted to pay maintenance expenses of the System, to the extent not covered by Revenues of the System. The Commission budgets capital improvements comprised of unusual and extraordinary maintenance items for a rolling 5-year period. Currently, \$17,041,811 is budgeted for fiscal years 2012 through 2016. The 2011 Actual Maintenance amount includes some capital improvements expenditures.

## FUNDING OF COMMISSION OBLIGATIONS

The State Highway Fund is the primary source of funding for the construction, maintenance and operation of the State Highway System, including the System, and is expected to be the primary source of funds for payment of System-related funding obligations. For further information regarding the Department and the State Highway Fund, reference is made to the section "The State Highway Fund" of the \$1,500,000,000 Texas Transportation Commission State Highway Fund First Tier Revenue Bonds, Taxable Series 2010 (Build America Bonds – Direct Payment) (the "State Highway Fund 2010 Official Statement") and subsequent State Highway Fund disclosures which are on file with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") System. The Section "THE STATE HIGHWAY FUND" of the State Highway Fund 2010 Official Statement, the 2010 and 2011 Continuing Disclosure Updates, and the Department Financial Statements for Fiscal Years 2011, are hereby incorporated by reference and made a part hereof for all purposes.

### Litigation

The Mary Kemp class action lawsuit was dismissed on February 7, 2011. Currently, there are no lawsuits affecting the System beyond the pending eminent domain lawsuits remaining from the right-of-way acquisition process for the 2002 Project.