



GRAND PARKWAY SYSTEM

Annual Continuing Disclosure Report

For the Fiscal Year Ended August 31, 2020

Filed on February 26, 2021

By the Grand Parkway Transportation Corporation
Pursuant to Continuing Disclosure Undertakings
For Compliance with SEC Rule 15c2-12

Grand Parkway System

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For the Fiscal Year Ended August 31, 2020

Filed by Grand Parkway Transportation Corporation
Relating to Each Outstanding Issue with CUSIP Prefix 38611T and CUSIP No. 38612PAA2

The financial information and operating data contained in this report (this "Annual Report") with respect to the Grand Parkway Transportation Corporation (the "Corporation" or "GPTC") and the Grand Parkway System (also referred to as the "System") is being provided in accordance with the contractual continuing disclosure undertakings (collectively, the "Undertaking") of the Corporation described in the various official statements and offering memorandums (collectively, the "Official Statements") for the Corporation's outstanding municipal debt issues (each an "Issue"). Pursuant to the rules of the Municipal Securities Rulemaking Board (the "MSRB"), the participating underwriters for each Issue were required to file a copy of the Official Statement for each Issue with the MSRB, copies of which are available on the MSRB's Electronic Municipal Market Access system ("EMMA") website. All documents referenced in this Annual Report as having been filed on EMMA may be accessed on the Corporation's EMMA home page by clicking [here](#). The Official Statements should not be considered to speak as of any date other than the respective date indicated in each such document. Capitalized terms used in this Annual Report and not otherwise defined herein shall have the meanings given in the Official Statements.

Information the Corporation has agreed to provide pursuant to the Undertaking may be reported in full text herein or may be incorporated by reference to certain other publicly available documents. This Annual Report

contains information prescribed by the Undertaking, and the Corporation does not make any representation or warranty concerning the usefulness of such information to a decision to invest in, hold, or sell bonds, notes or other obligations payable, in whole or in part, from the sources pledged to the payment of the Issues. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Annual Report.

The financial information and operating data to be provided annually as described under the heading "Continuing Disclosure of Information – The Corporation - Annual Reports" in the Official Statements are as specified below. The titles, formatting and numbering of the tables contained in this Annual Report may deviate from the comparable tables contained in the Official Statements. Certain information contained in this Annual Report, including the information herein under the section entitled "Supplemental Information", is not required to be provided by the Undertaking and should not be construed as obligating the Corporation to provide such additional information in its future continuing disclosure filings.

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I. Annual Financial Information and Operating Data Required by the Undertaking

A. Toll Equity Loan Agreement-MAAA, TELA-Supported Debt Service & Jr. Operating Expenses (In Thousands)

The following table sets out the Maximum Available Annual Amount ("MAAA"), Annual TELA-Supported Debt Service and TELA Supported Junior Operating Expense in each year through the final maturity of the TELA Bonds, as of August 31, 2020.

FYE	TELA Supported Net Debt Service ¹	Estimated TELA Supported Junior Operating Expenses ²	Annual TELA Supported Debt Service and Estimated TELA Supported Junior Operating Expenses	TELA Maximum Available Annual Amount ("MAAA")	TELA MAAA / Annual TELA Supported Debt Service and Projected TELA Supported Junior Operating Expenses ³
31-Aug	A	B	C = A + B	D	E = D / C
2021	\$78,932	\$41,214	\$120,146	\$120,148	100.0%
2022	78,930	42,048	120,978	120,982	100.0%
2023	122,862	43,163	166,025	166,028	100.0%
2024	224,182	43,791	267,973	269,511	100.6%
2025	137,293	44,940	182,233	199,855	109.7%
2026	137,291	46,563	183,854	201,488	109.6%
2027	137,295	48,396	185,691	203,331	109.5%
2028	137,294	50,417	187,711	205,364	109.4%
2029	137,293	52,249	189,542	207,206	109.3%
2030	139,332	54,080	193,412	211,098	109.1%
2031	152,590	56,102	208,692	226,469	108.5%
2032	160,906	57,755	218,661	236,492	108.2%
2033	166,196	60,178	226,374	244,249	107.9%
2034	176,506	62,689	239,195	257,143	107.5%
2035	187,380	64,897	252,277	270,304	107.1%
2036	196,207	67,142	263,349	281,437	106.9%
2037	202,074	69,181	271,255	289,387	106.7%
2038	209,086	71,708	280,794	298,981	106.5%
2039	212,642	73,597	286,239	304,461	106.4%
2040	213,330	75,658	288,988	307,224	106.3%
2041	212,512	78,250	290,762	309,008	106.3%
2042	209,484	80,349	289,833	308,073	106.3%
2043	186,374	83,010	269,384	287,509	106.7%
2044	140,259	85,333	225,592	243,464	107.9%
2045	203,896	87,362	291,258	309,508	106.3%
2046	199,714	89,123	288,837	307,071	106.3%
2047	191,839	91,121	282,960	301,161	106.4%
2048	187,284	94,019	281,303	299,492	106.5%
2049	178,318	96,095	274,413	292,564	106.6%
2050	164,378	97,939	262,317	280,401	106.9%
2051	338,220	99,991	438,211	457,303	104.4%
2052	435,750	101,840	537,590	557,253	103.7%
2053	426,437	103,831	530,268	549,886	103.7%
Total	\$6,282,087	\$2,314,031	\$8,596,118	\$9,123,849	

Totals may not compute due to rounding.

Notes:

¹ Includes debt service on all TELA Supported Bonds and is shown net of capitalized interest. Debt service on the Series 2016 Bonds is shown in accordance with the terms thereof, maturing October 1, 2023. Interest on the Series 2018B Bonds is assumed at 8.00% following the Initial Term Fixed Rate Period.

² TELA Supported Junior Operating Expenses consist of all Junior Operating Expenses for the System facilities that comprise the Initial Project (including the estimated Junior Operating Expenses for the SH 249 Connectors) and constitute "Operating Expenses" under the TELA. No assurances can be provided that the SH 249 Connectors will eventually be constructed. Amounts are obtained from the Grand Parkway Engineer's Report

Segment H and I, dated April 2, 2018, prepared by HNTB Corporation, which is incorporated by reference into the 2020 Bonds Official Statement (as defined on page 4 of this Annual Report). The Corporation's fiscal year 2021 adopted budget for TELA Supported Junior Operating Expenses is \$46,334,000. If actual Revenues of the Grand Parkway System and/or TELA Supported Junior Operating Expenses differ from their estimates, the MAAA may not be sufficient to cover both TELA Supported Junior Operating Expenses and TELA Supported Debt Service.

³ The ability of the Trustee to obtain advances under the TELA is subject to the TELA Limitations and other provisions of the TELA.

B. Pro Forma Debt Service Requirement (In Thousands)

The table below provides the total debt service requirements for the outstanding obligations of the Corporation secured by the Revenues of the Grand Parkway System as of August 31, 2020, and therefore the table below excludes debt service on the 2018 BANs.

FYE 31-Aug	First Tier Series Debt Service ¹			TELA-Supported Subordinate Tier Debt Service ²			
	Principal	Interest	Total First Tier Debt Service	Principal	Net Interest/Compound Interest	Total TELA-Supported Subordinate Tier Net Debt Service	Total System Debt Service
2021		\$ 44,308	\$ 44,308	\$ 14,435	\$ 64,497	\$ 78,932	\$ 123,240
2022		40,695	40,695	18,485	60,445	78,930	119,625
2023		40,695	40,695	18,780	104,082	122,862	163,558
2024		40,695	40,695	19,085	118,825	137,910	178,605
2025		40,695	40,695	2,780	133,706	136,486	177,182
2026		40,695	40,695	2,825	133,659	136,484	177,180
2027	\$ 935	40,686	41,621	2,880	133,608	136,488	178,108
2028	985	40,665	41,650	2,935	133,552	136,487	178,137
2029	1,025	40,643	41,668	2,995	133,491	136,486	178,154
2030	1,075	40,618	41,693	4,331	134,193	138,525	180,217
2031	1,120	40,591	41,711	16,111	135,672	151,783	193,494
2032	1,505	40,553	42,058	23,450	136,649	160,099	202,157
2033	1,965	40,495	42,460	27,933	137,456	165,389	207,849
2034	2,725	40,405	43,130	37,737	137,962	175,699	218,830
2035	3,715	40,272	43,987	48,558	138,015	186,573	230,560
2036	4,795	40,086	44,881	57,766	137,635	195,400	240,281
2037	6,225	39,845	46,070	70,998	130,269	201,267	247,337
2038	8,905	39,523	48,428	94,840	113,439	208,279	256,706
2039	12,900	39,062	51,962	103,375	108,460	211,835	263,797
2040	18,325	38,407	56,732	109,415	103,108	212,523	269,256
2041	25,190	37,498	62,688	114,230	97,475	211,705	274,393
2042	33,770	36,271	70,041	117,035	91,642	208,677	278,718
2043	43,920	34,664	78,584	118,365	85,732	204,097	282,681
2044	55,760	32,610	88,370	121,885	79,768	201,653	290,022
2045	69,215	30,125	99,340	92,342	106,558	198,900	298,240
2046	84,550	27,149	111,699	94,612	100,106	194,718	306,417
2047	101,680	23,535	125,215	93,827	93,015	186,843	312,058
2048	120,695	19,211	139,906	96,605	85,682	182,288	322,194
2049	141,515	14,104	155,619	114,183	59,139	173,322	328,941
2050	164,275	8,139	172,414	118,980	41,099	160,079	332,494
2051	93,860	3,489	97,349	301,610	33,565	335,175	432,523
2052	18,010	1,742	19,752	412,485	21,347	433,832	453,584
2053	42,890	720	43,610	418,595	7,169	425,764	469,373
Total	\$1,061,530	\$1,078,890	\$2,140,420	\$2,894,470	\$3,331,021	\$6,225,491	\$8,365,910

Totals may not compute due to rounding.

¹ All interest shown is net of capitalized interest. This table excludes debt service on the 2019 TIFIA Note. The 2019 TIFIA Note is in an aggregate principal amount up to \$605,330,000 and evidences the Corporation's obligation to repay amounts borrowed under the 2019 TIFIA Loan Agreement. No amounts have been borrowed under the 2019 TIFIA Loan Agreement as of the date of this Annual Report. The 2019 TIFIA Note will constitute a First Tier Obligation in the event the 2019 TIFIA Loan Agreement is drawn upon, and the proceeds are anticipated to

be used to refinance all or a portion of the 2018 BANs.

² Net of capitalized interest. Assumes that (i) the Series 2016 Bonds will be refunded on the maturity date thereof with Subordinate Tier TELA Obligations bearing interest at a rate of 5.00%, with mandatory sinking fund installments in 2042 and 2043, and (ii) the Series 2018B Bonds will be remarketed and bear interest at a rate of 5.00% following the Initial Term Fixed Rate Period.

C. Historical Revenues, Expenses and Debt Service Coverage¹ (In Thousands)

The table below provides historical actual toll revenues, expenses and debt service coverage.

	Fiscal Year Ended August 31,				
	2016	2017	2018	2019	2020
Revenues of the System					
Toll Revenue	\$ 78,117	\$ 145,325	\$ 171,631	\$ 201,208	\$ 183,749
Fee Revenue ²	5,773	12,905	3,592	5	-
Interest and Investment Income ³	1,744	3,372	11,265	27,609	17,507
Total	\$ 85,634	\$ 161,602	\$ 186,488	\$ 228,822	\$ 201,256
Senior Operating Expenses ⁴	-	-	-	-	-
Senior Net Revenues	\$ 85,634	\$ 161,602	\$ 186,488	\$ 228,822	\$ 201,256
Debt Service					
First Tier Obligations ⁵	\$ -	\$ 5,371	\$ 10,821	\$ 10,821	\$ 10,030
Subordinate Tier Obligations ⁵	-	35,174	78,934	78,934	73,424
Total Debt Service	\$ -	\$ 40,545	\$ 89,755	\$ 89,755	\$ 83,454
Coverage of First Tier Debt Service by Senior Net Revenues	N/A	30.09x	17.23x	21.15x	20.07x
Coverage of Total First and Subordinate Tier Debt Service by Senior Net Revenues	N/A	3.99x	2.08x	2.55x	2.41x
Current Revenues in Excess of Current Debt Service	\$ 85,634	\$ 121,058	\$ 96,733	\$ 139,067	\$ 117,801
Junior Operating Expenses ^{4, 6}	\$ 14,403	\$ 29,879	\$ 36,496	\$ 43,709	\$ 46,778
Annual Revenues in Excess of Debt Service and Junior Operating Expenses ⁷	\$ 71,231	\$ 91,179	\$ 60,237	\$ 95,358	\$ 71,024

Totals may not compute due to rounding.

Notes:

¹ Revenues and expenses are reported on the accrual basis of accounting. Amounts were obtained from the Corporation's audited financial statements.

² Fee revenue includes revenues from TxDOT fees and charges. Fee revenues are recognized in the Corporation's audited financial statements when earned, which is at the time cash payment is received. During Fiscal Year 2019, TxDOT began retaining all fees and charges to offset the cost of toll collections. Currently, the Corporation does not receive any fee revenues.

³ Primarily comprised of interest earnings on the Construction Fund and the Rate Stabilization Fund.

⁴ There were no Senior Operating Expenses for the System for Fiscal Years 2016 through 2020. The operation and maintenance expenses for the System facilities that comprise the Initial Project have been designated as Junior Operating Expenses and constitute TELA Supported Junior Operating Expenses. The operation and maintenance expenses for the H and I Project and the System facilities that comprise Segment I-2A have been designated as Senior Operating Expenses; however, such

expenses of Segment I-2A will not become the responsibility of the Corporation until the H and I Project has achieved substantial completion pursuant to the terms of the Design Build Agreement.

⁵ Debt service amounts are net of capitalized interest and exclude debt service on the 2018 BANS. There was no debt service due on outstanding Obligations in excess of capitalized interest for Fiscal Year 2016.

⁶ Amounts shown for Junior Operating Expenses do not include depreciation or amortization. There were no Major Maintenance Expenses incurred by the Corporation for Fiscal Years 2016 or 2017. The Corporation incurred approximately \$201,000, \$388,000, and \$8,606,000 in Major Maintenance Expenses in Fiscal Year 2018, 2019, and 2020, respectively.

⁷ Amounts represent the Revenues of the System in excess of debt service and Junior Operating Expenses for each Fiscal Year shown, and therefore do not reflect carryover balances of excess Revenues from prior Fiscal Years.

II. Construction Progress Reports

Copies of the progress reports required under the Trust Agreement are available on EMMA, and the GPTC Construction Progress Report for the H and I

Project as of November 30, 2020 (the most recent) is available by clicking [here](#).

III. Annual Financial Report

The Fiscal Year 2020 audited annual financial report (“AFR”) of the Corporation is available on EMMA by

clicking [here](#) and is incorporated by reference into and made a part of this Annual Report.

IV. Supplemental Information

A. Issuance of 2020 Refunding Bonds

On February 27, 2020, the Corporation issued its (i) Grand Parkway System First Tier Toll Revenue Refunding Bonds, Taxable Series 2020A, (ii) Grand Parkway System Subordinate Tier Toll Revenue Refunding Bonds, Taxable Series 2020B (TELA Supported), and (iii) Grand Parkway System First Tier Toll Revenue Refunding Bonds, Series 2020C (collectively, the “2020 Refunding Bonds”). Additional information regarding the 2020 Refunding

Bonds may be obtained by viewing the final Official Statement dated February 11, 2020 relating to the 2020 Refunding Bonds (the “2020 Bonds Official Statement”), which has been filed with the MSRB through its EMMA system and is accessible by clicking [here](#). The 2020 Bonds Official Statement speaks only as of its date or such other dates indicated in such document.

B. Impact of COVID-19

On March 13, 2020, the President of the United States declared the COVID-19 pandemic a national emergency and the Texas Governor declared COVID-19 an imminent threat of disaster for all counties in Texas. The situation continues to evolve; for additional information on these events in Texas, reference is made to the website of the Governor at <https://gov.texas.gov/> and the quarterly Bond Appendix and any supplements thereto as prepared by the Texas Comptroller of Public Accounts which are on file with the MSRB’s EMMA system. The Texas Transportation Commission (the “Commission”) and TxDOT continue to monitor the spread of COVID-19 and are working with local, state, and national agencies to address the potential impact of COVID-19.

Parkway System, GPTC or TxDOT since the specified date or dates as of which such information is provided. The full impact of the COVID-19 pandemic and the scope of any adverse impact on the Grand Parkway System, Revenues of the System, GPTC and TxDOT cannot be fully determined at this time. The pandemic has adversely affected travel, commerce and financial markets globally and has adversely impacted economic output worldwide and in Texas, including within the counties traversed by the Grand Parkway System. These effects have reduced and are expected to slow the growth of future toll transactions occurring on the Grand Parkway System and the collection of toll revenues; may reduce and slow the growth of certain assets of the Grand Parkway System; and may increase Grand Parkway System expenses, to an extent that cannot currently be predicted, and could be material. Accordingly, the historical information set forth in this report may not be indicative of future results or performance due to these and other factors.

The information contained in this Annual Report is provided as of the respective dates and for the periods specified herein, and the filing of this Annual Report does not, under any circumstances, imply that there has been no change in the affairs of the Grand

C. Changes in Administration

Executive Director of TxDOT: James M. Bass, Executive Director, has announced his retirement from TxDOT effective May 31, 2021.

the GPTC’s Board of Directors to replace Mr. Ragland.

Chief Financial Officer of TxDOT and President of GPTC: Effective February 1, 2021, Lanny Wadle was named Interim Chief Financial Officer, following the retirement of Brian Ragland at the end of January 2021. Mr. Ragland also served on the Board of Directors and as the President of GPTC. The Commission has not yet appointed a new director on

Reappointments to the Commission:

On February 23, 2021, Texas Governor Greg Abbott announced the reappointment of J. Bruce Bugg Jr. and Alvin New to the Commission, for terms set to expire February 1, 2027. Mr. Bugg will continue to serve as Chairman. The appointments are subject to confirmation by the Texas Senate.

V. Relevant Links and Contact Information

Reports should not be considered to speak as of any date other than the date indicated in such document.

EMMA Grand Parkway Issuer Homepage	https://emma.msrb.org/IssuerHomePage/Issuer?id=FE6B36B2ABF03965E043151ED20A5A56&type=M
GPTC Investor Relations Website	http://www.dot.state.tx.us/grandparkwaysystem/investor-relations.htm
Grand Parkway Traffic and Operating Report Q1 FY2021	https://emma.msrb.org/P11545564.pdf
Grand Parkway Construction Progress Report Q1 FY2021	https://emma.msrb.org/P11462044-P11133314-P11545517.pdf
Grand Parkway AFR (Fiscal Year 2020)	https://emma.msrb.org/P11450034-P11124032-P11535056.pdf
2020 Bonds Official Statement	https://emma.msrb.org/ER1428362.pdf
Grand Parkway System Toll Rate Schedules	https://www.ttag.org/ttagstorefront/en/learnmore/houstonAreaTolls
Grand Parkway System Rates per Tolloed Segment Lengths (T&O Table 6)	https://emma.msrb.org/P11545564.pdf
EMMA State Highway Fund Issuer Homepage	www.emma.msrb.org/IssuerHomePage/Issuer?id=FE6AF031FB2E2FD1E043151ED20ABC22&type=M

For additional information concerning this report, please contact:

Mr. Benjamin H. Asher
 Director, Project Finance, Debt and Strategic Contracts Division
 Texas Department of Transportation
 125 East 11th Street
 Austin, Texas 78701-2483
 512-463-8611
 Email: projectfinance@txdot.gov

