

*A Grand Parkway Transportation
Corporation Project*

Fiscal Year 2015 Report
Quarter Ended August 31, 2015
(June 1, 2015 - August 31, 2015)



Quarterly Traffic and Operating Report^{*}
THE GRAND PARKWAY SYSTEM

Submitted October 30, 2015

^{*} Unaudited preliminary document and subject to change

Grand Parkway System*
Operating Revenues and Expenses of the System
Fiscal Year 2015
In Thousands

	Annual Budget	FY 2015 Actuals					Variance	%
		Q1	Q2	Q3	Q4	Total		
OPERATING REVENUES								
Toll Revenue	\$ 17,709	6,139	6,354	7,596	7,760	27,848	10,139	57%
Fees		163	949	254	1,067	2,432	2,432	-
Total Operating Revenues	17,709	6,302	7,303	7,849	8,826	30,280	12,571	71%
OPERATING EXPENSES								
Routine Road Maintenance	921	75	32	52	103	263	658	71%
Roadway Major Maintenance	580						580	100%
Toll Maintenance	423			97	469	566	(143)	-34%
Toll Operations	3,863	523	602	1,096	522	2,743	1,120	29%
Other Operations	117	51	52	82	118	303	(186)	-159%
Total Operating Expenses	5,904	648	686	1,328	1,213	3,875	2,030	34%
Operating Income	\$ 11,805	5,654	6,617	6,521	7,614	26,405	10,541	89%

	Inception – FY2014	FY 2015 Actuals				Total-to-date
		Q1	Q2	Q3	Q4	
CAPITAL EXPENDITURES						
Construction, Right-of-Way, & Toll Infrastructure	1,313,854	213,979	110,391	129,383	61,098	1,828,705
Capitalized Interest	117,356					230,865
Total	1,431,210					2,059,570

Notes:

Operating Revenues:

Tolling began on segments D and E in February 2014. Other segments are not yet open for tolling. Operating Revenues include toll revenues and fees. For toll revenues there is approximately a 30 day lag between recognizing an earned transaction and actual receipt of funds from HCTRA. There is no security interest by the Trustee in Toll Revenues from HCTRA transactions until received from HCTRA. Violation revenues are recognized when cash payment is received. A violation transaction may be reported in one month but revenue for that transaction may not be received until a later month.

Operating and Maintenance Expenses:

Operating and Maintenance Expenses fluctuate between quarters due to timing of cash payments. The second quarter includes a one-time credit for approximately \$995 thousand for corrections to FY 2014 cost allocations.

Budget and Forecast:

- Forecasted Revenues are the total FY2015 projected gross toll revenue less the projected lost toll revenue due to violations as forecasted in the 2013 T&R Report prepared by CDM Smith.
- Budgeted Expenses reflect FY2015 budget approved by the GPTC board

Explanation of Variances:

Given the brief period of time that Segment D (the portion in Harris County) and Segment E have been operating, it is difficult and impractical to provide significant detail of the reasons for the variance in revenues and operating and maintenance expenses. Revenues are, in large part, higher due to actual traffic exceeding estimates. Anecdotal evidence suggests that high levels of construction on US 290 (northern terminus of Segment E) may be responsible for a temporary increase in traffic.

Capital Expenditures:

Capital Expenditures means expenditures made or liabilities incurred for the construction of the Grand Parkway System, which are capitalized in accordance with GAAP. Capitalized interest shown above represents debt service funded by bond proceeds, reported in accordance with GAAP, shown on an annual total-to-date basis.

Note: Totals may not add due to rounding.

Grand Parkway System*
Toll Transactions and Revenues- Segments D&E^(b)
Fiscal Year 2015
In Thousands

Transactions^(c)

	HCTRA	TxTAG	NTTA	Violations	Veterans	Total	Forecast ^(d)	Variance% ^(e)
Sep-14	1,312	115	21	125	20	1,593	989	61%
Oct-14	1,521	97	28	128	23	1,796	1,096	64%
Nov-14	1,302	131	27	226	21	1,707	1,018	68%
Dec-14	1,410	130	29	125	25	1,718	1,085	58%
Jan-15	1,356	125	27	116	23	1,647	1,201	37%
Feb-15	1,361	123	26	110	22	1,642	1,186	38%
Mar-15	1,528	154	32	118	28	1,860	1,386	34%
Apr-15	1,596	155	32	112	26	1,921	1,429	34%
May-15	1,639	165	35	106	29	1,973	1,485	33%
Jun-15	1,599	114	33	102	27	1,876	1,523	23%
Jul-15	1,668	123	35	115	30	1,972	1,542	28%
Aug-15	1,687	135	34	112	30	1,998	1,616	24%
FY 2015	17,978	1,568	358	1,494	306	21,703	15,556	40%

Toll Revenues^(a)

	HCTRA	TxTAG	NTTA	Violations	Total	Forecast ^(d)	Variance% ^(e)
Sep-14	1,999	141	37	7	2,184	1,103	98%
Oct-14	1,904	144	40	7	2,095	1,223	71%
Nov-14	1,661	137	39	24	1,860	1,135	64%
Dec-14	1,662	153	41	91	1,947	1,209	61%
Jan-15	1,559	141	38	139	1,877	1,354	39%
Feb-15	2,196	125	51	158	2,529	1,344	88%
Mar-15	2,274	184	56	140	2,654	1,578	68%
Apr-15	2,133	174	52	95	2,454	1,634	50%
May-15	2,145	190	55	97	2,488	1,705	46%
Jun-15	2,128	185	56	122	2,491	1,756	42%
Jul-15	2,205	204	58	103	2,570	1,787	44%
Aug-15	2,227	204	57	211	2,699	1,881	43%
FY 2015	\$24,093	\$1,983	\$578	\$1,194	\$27,848	\$17,709	57%

Notes:

(a) Toll Revenues:

Toll Revenues for tag transactions (HCTRA, TxTAG and NTTA) are recognized when they are earned, which is at the time the transaction occurs. Pursuant to the Interoperability Agreement, HCTRA will disburse Toll Revenues only on a monthly basis for HCTRA transactions on the System occurring in the prior months (less the 8% processing fees) to the Custodian under the Master Custodial Agreement for ultimate distribution to the Trustee (minus certain administrative toll collection costs). As a result, there is approximately a 30 day lag between recognizing an earned transaction and actual receipt of funds from HCTRA. There is no security interest by the Trustee in Toll Revenues from HCTRA transactions until received from HCTRA.

Violation revenues are recognized when cash payment is received. A violation transaction may be reported in one month but the cash receipt for that transaction may not be received until a later month. Toll Revenue does not include Fee revenue collected from violations.

"Veterans" refers to vehicles registered to disabled veterans, recipients of certain military Distinguished Service medals and the Purple Heart. Such registered vehicles receive free passage on the System and thus no revenue is received

(b) Segments:

Segment D & E: The revenues above were generated by Segments D & E. The portion of Segment D in Harris County and Segment E of the Grand Parkway (SH99) both opened to traffic on December 21, 2013. Following the opening of the road, there was an initial marketing period during which tolls were not assessed to allow users to become familiar with the System's access locations, travel time savings, and route options. Tolling began on segments D and E in February 2014,

Segments F-1, F-2, and G: These segments are still under construction.

Segments H&I: Delegation of authority by the Texas Transportation Commission to the Corporation for the development, financing, refinancing, design, construction, reconstruction, expansion, operation, and maintenance of Segments H, I-1, and I-2 of SH 99 (Grand Parkway) as a part of its Grand Parkway System, in accordance with the terms of the minute order passed on June 25, 2015 was accepted by the Board on June 26, 2015. The development and funding of H&I segments have yet to be identified.

(c) Transactions

Transactions for FY 2015 are comprised of 96.2% passenger vehicles and 3.8% commercial vehicles.

Transaction counts by type reflect combined tag and image based lane activity. Transactions (when a vehicle passes through a toll facility, plaza or ramp) are reported in the period in which they occur. Counts reflect all transactions, regardless of payment status.

Transactions in January have been revised upward by approximately 28 thousand as compared to prior reports.

(d) Forecast:

- Forecasted Revenues are the total projected gross toll revenue less the projected lost toll revenue due to violations as forecasted in the 2013 T&R Report prepared by CDMSmith.
- Forecasted Transactions are the total projected transactions, regardless of collection status, as forecasted in the 2013 T&R Report prepared by CDMSmith.

(e) Variance %: See previous page.

Note: Totals may not add due to rounding.