

*A Grand Parkway Transportation
Corporation Project*

Fiscal Year 2016 Report
Quarter Ended November 30, 2015
(September 1, 2015 – November 30, 2015)



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

Submitted January 29, 2016

^{*} Unaudited preliminary document and subject to change

Grand Parkway System*
Operating Revenues and Expenses of the System
Fiscal Year 2016
In Thousands

	Period Budget	FY 2016 Actuals				Total	Variance	%
		Q1	Q2	Q3	Q4			
OPERATING REVENUES								
Toll Revenue	\$ 5,804	8,059			8,059	2,255	39%	
Fees	0	764			764	764	NA	
Total Operating Revenues	5,804	8,823			8,823	3,019	52%	
OPERATING EXPENSES								
Routine Road Maintenance	424	268			268	-156	-37%	
Roadway Major Maintenance	0	0			0	0	NA	
Toll Maintenance	109	81			81	-28	-26%	
Toll Operations	1,640	1,312			1,312	-328	-20%	
Other Operations	100	110			110	9	9%	
Total Operating Expenses	2,274	1,771			1,771	-503	-22%	
Operating Income	\$ 3,530	7,051			7,051	3,521	100%	

	Inception – FY2015	FY 2016 Actuals				Total-to-date
		Q1	Q2	Q3	Q4	
CAPITAL EXPENDITURES						
Construction, Right-of-Way, & Toll Infrastructure	1,828,705	64,157				1,892,862
Capitalized Interest	230,865	9,252				240,117
Total	2,059,570	73,409				2,132,979

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.

- Forecasted/budgeted Revenues are the total FY2016 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.
- Toll Revenues continue to exceed original T&R estimates, up 39% for the period.

Operating Expenses:

Operating and Maintenance Expenses include roadway maintenance, toll management system, back office operations, collection, and support costs.

- Forecasted/Budgeted Expenses reflect FY2016 budget approved by the GPTC board
- Expenditures are in line with associated revenues and transactions from this period. Overall expenditures were down - 22% for the period primarily due to lower than expected toll operations cost.

Capital Expenditures:

Capital Expenditures means expenditures made or liabilities incurred for the construction of the Grand Parkway System, which are capitalized in accordance with GASB. Capitalized interest shown above represents debt service funded by bond proceeds, also in accordance with GASB.

Note: Totals may not add due to rounding.

Grand Parkway System*
Toll Transactions and Revenues
Segments D&E^(b)
Fiscal Year 2016
In Thousands

Transactions ^(c)								
	HCTRA	TxTAG	NTTA	Violations	Veterans	Total	Forecast ^(d)	Variance% ^(e)
Sep-15	1,698	138	33	110	30	2,009	1,592	26%
Oct-15	1,813	149	36	117	33	2,147	1,721	25%
Nov-15	1,741	150	37	114	30	2,073	1,625	28%
Dec-15								
Jan-16								
Feb-16								
Mar-16								
Apr-16								
May-16								
Jun-16								
Jul-16								
Aug-16								
FY 2016	5,252	437	107	342	93	6,230	4,938	26%

Toll Revenues							
	HCTRA ^(a)	TxTAG ^(a)	NTTA ^(a)	Violations ^(a)	Total ^(a)	Forecast ^(d)	Variance% ^(e)
Sep-15	\$ 2,226	\$ 202	\$ 55	\$ 107	\$ 2,590	\$ 1,863	39%
Oct-15	\$ 2,385	\$ 228	\$ 59	\$ 115	\$ 2,787	\$ 2,023	38%
Nov-15	\$ 2,298	\$ 223	\$ 60	\$ 100	\$ 2,682	\$ 1,918	40%
Dec-15							
Jan-16							
Feb-16							
Mar-16							
Apr-16							
May-16							
Jun-16							
Jul-16							
Aug-1							
FY 2016	\$ 6,909	\$ 653	\$ 174	\$ 323	\$ 8,059	\$ 5,804	39%

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.

(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 and scheduled to open in FY2016.

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

The transactions for the period are 96% passenger vehicles and 4% 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.

(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.