CENTRAL TEXAS TURNPIKE SYSTEM

Annual Continuing Disclosure Report

For the Fiscal Year Ended August 31, 2019

Filed by February 28, 2020
By the Texas Transportation Commission
Pursuant to Continuing Disclosure Undertakings
For Compliance with SEC Rule 15c2-12
This annual report (this “Annual Report”) is being provided by the Texas Transportation Commission (the "Commission"), the governing body of the Texas Department of Transportation (the “Department" or "TxDOT") in compliance with the contractual undertaking (an "Undertaking") to provide annual reports of financial information and operating data, as required by Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), regarding the municipal debt issues (each an "Issue") by the Commission for the Central Texas Turnpike System ("CTTS" or "System").

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 Statements with the MSRB, copies of which are currently available on the internet page for the "TEXAS TRANSPORTATION COMMISSION, CENTRAL TEXAS TURNPIKE SYSTEM REVENUE BONDS (TX)" on the MSRB’s Electronic Municipal Market Access ("EMMA") system (the “CTTS EMMA issuer homepage”).

The Official Statements for each Issue (each an “Official Statement”) should not be considered to speak as of any date other than the date indicated in such document. Capitalized terms used in this Annual Report and not otherwise defined herein shall have the meanings given in the Official Statements.

Information in this Annual Report regarding the Commission and the System have been compiled and provided by TxDOT, on behalf of the Commission, from TxDOT's records and other sources which are believed by TxDOT to be reliable and is provided in satisfaction of the Undertaking. This Annual Report contains information prescribed by the Rule and neither the Commission nor TxDOT makes any 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. Information agreed to be provided by the Commission may be reported in full text herein, or may be incorporated by reference to certain other publicly available documents.

References to internet 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. All website links referenced in this Annual Report are also available at the end of this report in the Section entitled “III. Relevant Links” herein.

*All such debt currently “Outstanding” and payable from “Revenues” as such terms are defined in the Official Statement (defined herein).
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I. Update to Annual Financial Information and Operating Data Required by the Undertaking

This Annual Report contains the financial information and operating data with respect to the Commission and the System which the Commission has agreed to update pursuant to the Undertaking. The information provided herein or incorporated by reference speaks as of the date of such information and its incorporation in this Annual Report is not a representation that any of the information has been updated. In addition to this Annual Report, information can be obtained through the Official Statements that are on file with the MSRB’s EMMA system.

The information to be updated includes all quantitative financial information and operating data with respect to the Commission and the System of the general type included in the Official Statement or offering document for each Issue, under the headings "THE SYSTEM," "SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION" and "FUNDING OF COMMISSION OBLIGATIONS," and in "SCHEDULE II – DEBT SERVICE REQUIREMENTS" and "AUDITED FINANCIAL STATEMENTS OF THE SYSTEM". The Commission has also further agreed in the Undertaking to include (i) a table, based on the actual results for such fiscal year, setting forth for such fiscal year, but not including any projection for any future period, the information shown in the table titled "System Estimated Cash Flow and Debt Service Coverage Table," contained in the Official Statement (ii) a copy of the General Engineering Consultant's annual report relating to its inspection of the System and (iii) a copy of the toll rate schedule then in effect.

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A. THE SYSTEM

i. Debt Service Requirements

The table entitled "SCHEDULE II – DEBT SERVICE REQUIREMENTS," on page SII-1 of the CTTS 2020 Official Statement (as defined on page 7 of this Annual Report), including any footnotes relating thereto, is incorporated by reference into and made a part of this Report as if set forth herein.

ii. Table of Revenues, Expenses and Debt Service Coverage

The table entitled "Table 5 – Historical Revenues, Expenses and Debt Service Coverage," on page 14 of the CTTS 2020 Official Statement, including the introductory paragraph and any footnotes relating thereto, is incorporated by reference into and made a part of this Annual Report as if set forth herein.

### System Operating, Maintenance, and Reserve Maintenance Accounts

(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Required *</th>
<th>Funded *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Account</td>
<td>$12,633</td>
<td>$79,353</td>
</tr>
<tr>
<td>Maintenance Account</td>
<td>1,817</td>
<td>11,909</td>
</tr>
<tr>
<td>Reserve Maintenance Account</td>
<td>9,650</td>
<td>62,638</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$24,100</strong></td>
<td><strong>$153,900</strong></td>
</tr>
</tbody>
</table>

* As of August 31, 2019, reserve funding included August operating and maintenance expense of approximately $6.5 million not yet paid and nearly $147 million for operating, maintenance and capital expense provided in the CTTS 2020 Annual Budget (the two month requirement is approximately $24.1 million).

iii. Payment Method for Tolls

The section entitled "Payment Method for Tolls: Enforcement" on pages 5-7 of the CTTS 2020 Official Statement is incorporated by reference into and made a part of this Annual Report as if set forth herein.

iv. Toll Escalation Policy & Toll Rate Schedule

In August 2012, pursuant to Minute Order 113244, the Commission approved an annual toll escalation policy (the “2012 Toll Escalation Policy”) under which rate increases will be considered by the Commission every October and shall be automatically effective on January 1 of the following year, unless the Commission votes prior to January 1 to change the escalation rate. The percentage of annual toll escalations is based on the Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment, as published by the Bureau of Labor Statistics of the US Department of Labor. Minute Order 115622 adopted by the Commission on October 31, 2019, approved a 1.7% toll rate escalation, in accordance with the 2012 Toll Rate Escalation Policy, effective January 1, 2020. The table below sets forth the escalation rates applied per the 2012 Toll Escalation Policy.

<table>
<thead>
<tr>
<th>October Approval</th>
<th>Annual Escalation Percent</th>
<th>Effective January 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.2%</td>
<td>2016</td>
</tr>
<tr>
<td>2016</td>
<td>1.1%</td>
<td>2017</td>
</tr>
<tr>
<td>2017</td>
<td>1.9%</td>
<td>2018</td>
</tr>
<tr>
<td>2018</td>
<td>2.7%</td>
<td>2019</td>
</tr>
<tr>
<td>2019</td>
<td>1.7%</td>
<td>2020</td>
</tr>
</tbody>
</table>
The toll rates shown in the table below apply to ETC transactions for two-axle vehicles ("Auto"). The Full Length Toll Rates include mainline plaza rates multiplied by the number of mainline tolling points for each roadway and exclude entrance and exit ramp charges. Annual Toll Rates for all years shown were adjusted in accordance with the 2012 Toll Rate Escalation Policy. However, because of the percent of the escalation and rounding to the nearest penny, certain years do not show a change in the per mile Toll rates presented.

### Auto ETC Toll Rates

<table>
<thead>
<tr>
<th>Element</th>
<th>Full Length Toll Rates</th>
<th>Per Mile Toll Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loop 1 (4.0 miles)</td>
<td>$1.09</td>
<td>$1.12</td>
</tr>
<tr>
<td>SH 45N (12.8 miles)</td>
<td>$2.18</td>
<td>$2.24</td>
</tr>
<tr>
<td>SH 130 (49.0 miles)</td>
<td>$7.20</td>
<td>$7.40</td>
</tr>
<tr>
<td>SH 45SE (7.0 miles)</td>
<td>$1.07</td>
<td>$1.10</td>
</tr>
</tbody>
</table>

The CTTS Toll rate schedule, effective January 1, 2020, approved by Minute Order 115622 and dated October 31, 2019, may be found online at the CTTS EMMA issuer homepage and is incorporated by reference into and made a part of this Annual Report.

### v. Toll Discounts

The section entitled "Toll Discounts" on page 10 of the CTTS 2020 Official Statement is incorporated by reference into and made a part of this Annual Report as if set forth herein.

### vi. Administrative and Customer Service Center Fees

The section entitled "Payment Method for Tolls; Enforcement" on pages 5-7 of the CTTS 2020 Official Statement is incorporated by reference into and made a part of this Annual Report as if set forth herein.

### vii. Interoperability

The section entitled "Interoperability" on pages 10-11 of the CTTS 2020 Official Statement is incorporated by reference into and made a part of this Annual Report as if set forth herein.

### viii. Lockbox and Custodial Agreement

The section entitled "Lockbox and Custodial Agreement" on page 11-12 of the CTTS 2020 Official Statement is incorporated by reference into and made a part of this Annual Report as if set forth herein.

### ix. Annual Financial Report

The CTTS Fiscal Year 2019 Audited Annual Financial Report ("CTTS AFR") may be found online at the CTTS EMMA issuer homepage and is incorporated by reference into and made a part of this Annual Report.

### x. Annual Inspection Report

The General Engineering Consultant’s CTTS Fiscal Year 2019 Annual Inspection Report may be found online at the CTTS EMMA issuer homepage and is incorporated by reference into and made a part of this Annual Report.
B. SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION
The section entitled “System Operations, Maintenance and Capital Expenditures” on pages 32-33 of the CTTS 2020 Official Statement, including the table entitled “Table 9 – Operations, Maintenance and Capital Expenditures” and any footnotes relating thereto, is incorporated by reference into and made a part of this Annual Report as if set forth herein.

C. FUNDING OF COMMISSION OBLIGATIONS

i. State Highway Fund Information

The Commission has covenanted in the Master Indenture to (i) pay Operating Expenses to the extent of any deficiency in the Operating Account; (ii) pay all Maintenance Expenses when due, for which it may be reimbursed and (iii) fund the Reserve Maintenance Account, all subject to funds appropriated by the Legislature in a manner that would allow their use. This funding obligation of the Commission has historically been funded from the State Highway Fund, the primary source of funding for the construction, maintenance and operation of the Texas highway system. Since Fiscal Year 2013, the System has been self-supporting for all operation, maintenance and capital expenses. For administrative ease prior to Fiscal Year 2017, the Commission paid all operations, maintenance and capital expenses on behalf of the System, and the System periodically reimbursed the Commission from available revenues in excess of debt service from and to the extent of funds available in the General Reserve Fund. Beginning in Fiscal Year 2017, System expenses were paid directly from the System Operating, Maintenance and Reserve Maintenance accounts and reimbursements to the State Highway Fund were not necessary.

See the CTTS 2020 Official Statement – "Appendix A- The Texas Department of Transportation and the State Highway Fund" for updated information on the State Highway Fund including Tables 1-8 which information is hereby incorporated by reference into and made a part of this Annual Report.

ii. Texas Department of Transportation Comprehensive Annual Financial Report

The TxDOT Fiscal Year 2019 Comprehensive Annual Financial Report ("TxDOT CAFR") may be found online at the State Highway Fund EMMA issuer homepage for CUSIP prefix 88283L and is incorporated by reference into and made a part of this Annual Report.

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II. Supplemental Information

A. Toll Operations

The section entitled "Toll Operations, Collection Facilities and Technology " on pages 7-8 of the CTTS 2020 Official Statement is incorporated by reference into and made a part of this Annual Report as if set forth herein.

B. Additions to the System

The Section on page 5 of the CTTS 2020 Official Statement entitled "THE SYSTEM- Description of the System" contains updated information on the SH 130 Expansion and the SH 130 and US 290 Direct Connector which information is incorporated by reference into and made a part of this Annual Report.

C. Issuance of CTTS 2020 Refunding Bonds

On February 20, 2020, the Commission offered and sold both taxable and tax-exempt CTTS Revenue Refunding Bonds (collectively, the “CTTS 2020 Refunding Bonds”). The CTTS 2020 Refunding Bonds are expected to be issued and delivered through the facilities of The Depository Trust Company, New York, New York, on or about March 5, 2020. Additional information regarding the CTTS 2020 Refunding Bonds may be obtained by viewing the Official Statement dated February 20, 2020 relating to the CTTS 2020 Refunding Bonds (the “CTTS 2020 Official Statement”), which has been filed with the MSRB through its EMMA system and is accessible by clicking here. The CTTS 2020 Official Statement speaks only as of its date or such other dates indicated in such document.

D. Capital Express Program

For updated information regarding certain improvements to portions of IH 35, see the Section of the CTTS 2020 Official Statement entitled "CONSIDERATIONS REGARDING SYSTEM ELEMENTS – Capital Express Program." which information is incorporated by reference into and made a part of this Annual Report

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III. Relevant Links

<table>
<thead>
<tr>
<th>Relevant Link</th>
<th>URL</th>
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<tbody>
<tr>
<td>EMMA Website</td>
<td><a href="http://www.emma.msrb.org">www.emma.msrb.org</a></td>
</tr>
<tr>
<td>CTTS EMMA Issuer Homepage</td>
<td><a href="http://www.emma.msrb.org/IssuerHomePage/Issuer?id=FE6B1DF57C7936E2E043151ED20A6141&amp;type=M">www.emma.msrb.org/IssuerHomePage/Issuer?id=FE6B1DF57C7936E2E043151ED20A6141&amp;type=M</a></td>
</tr>
<tr>
<td>CTTS AFR (Fiscal Year 2019)</td>
<td><a href="https://emma.msrb.org/ER1289713-ER1005691-ER1409816.pdf">https://emma.msrb.org/ER1289713-ER1005691-ER1409816.pdf</a></td>
</tr>
<tr>
<td>CTTS Toll Rate Schedules</td>
<td><a href="https://emma.msrb.org/MarketActivity/ContinuingDisclosureDetails/ES1014477">https://emma.msrb.org/MarketActivity/ContinuingDisclosureDetails/ES1014477</a></td>
</tr>
<tr>
<td>State Highway Fund EMMA Issuer Homepage</td>
<td><a href="http://www.emma.msrb.org/IssuerHomePage/Issuer?id=FE6AF031FB2E2FD1E043151ED20ABC22&amp;type=M">www.emma.msrb.org/IssuerHomePage/Issuer?id=FE6AF031FB2E2FD1E043151ED20ABC22&amp;type=M</a></td>
</tr>
<tr>
<td>TxDOT Website</td>
<td><a href="http://www.txdot.gov">www.txdot.gov</a></td>
</tr>
<tr>
<td>TxDOT Investor Relations Website</td>
<td><a href="http://www.txdot.gov/inside-txdot/division/debt/investors.html">www.txdot.gov/inside-txdot/division/debt/investors.html</a></td>
</tr>
</tbody>
</table>

IV. Contact Information

For additional information concerning this report, please contact:

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