



**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #11 SUMMARY

Accept the monthly financial reports for August and September 2012.

Department: Finance

Associated Costs: None

Funding Source: None

Board Action Required: YES

Description of Matter:

Presentation and acceptance of the monthly financial reports for August and September 2012

Attached documentation for reference:

Draft Resolution and Financial Reports for August and September 2012.

Contact for further information: Bill Chapman, Chief Financial Officer

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 12-\_\_\_**

**ACCEPT THE FINANCIAL REPORTS FOR AUGUST AND SEPTEMBER, 2012.**

WHEREAS, the Central Texas Regional Mobility Authority (“Mobility Authority”) is empowered to procure such goods and services as it deems necessary to assist with its operations and to study and develop potential transportation projects, and is responsible to insure accurate financial records are maintained using sound and acceptable financial practices; and

WHEREAS, close scrutiny of the Mobility Authority’s expenditures for goods and services, including those related to project development, as well as close scrutiny of the Mobility Authority’s financial condition and records is the responsibility of the Board and its designees through procedures the Board may implement from time to time; and

WHEREAS, the Board has adopted policies and procedures intended to provide strong fiscal oversight and which authorize the Executive Director, working with the Mobility Authority’s Chief Financial Officer, to review invoices, approve disbursements, and prepare and maintain accurate financial records and reports; and

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the months of August and September, 2012, and has caused Financial Reports to be prepared and attached to this resolution as Attachment A and Attachment B.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors accepts the Financial Reports for August and September, 2012, attached as Attachment A and Attachment B.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 31<sup>st</sup> day of October, 2012.

Submitted and reviewed by:

Approved:

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Andrew Martin  
General Counsel for the Central  
Texas Regional Mobility Authority

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Ray A. Wilkerson  
Chairman, Board of Directors  
Resolution Number: 12-\_\_\_  
Date Passed: 10/31/2012

**Attachment A**

**Financial Report for August 2012**

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2013	Actual Year to Date 8/31/2012	Percent of Budget	Actual Prior Year to Date 8/31/2011
<b>Revenue</b>				
<b>Operating Revenue</b>				
Toll Revenue-TxTag-183A	23,891,717	3,431,098	14.36%	2,557,249
Toll Revenue-HCTRA-183A	756,067	164,562	21.77%	119,717
Toll Revenue-NTTA-183A	453,640	103,159	22.74%	71,718
Video Tolls	3,629,122	778,373	21.45%	494,404
Fee revenue	1,512,134	283,143	18.72%	171,545
<b>Total Operating Revenue</b>	<b>30,242,680</b>	<b>4,760,335</b>	<b>15.74%</b>	<b>3,414,632</b>
<b>Other Revenue</b>				
Interest Income	180,000	38,344	21.30%	35,852
Grant Revenue	1,236,000	3,514,275	284.33%	679,751
Misc Revenue	2,500	44,585	1783%	835,495
Gain/Loss on Sale of Asset k	-	-	0.00%	12,342
	<b>1,418,500</b>	<b>3,597,204</b>	<b>253.59%</b>	<b>1,563,440</b>
<b>Total Revenue</b>	<b>\$ 31,661,180</b>	<b>\$ 8,357,538</b>	<b>26.40%</b>	<b>\$ 4,978,072</b>
<b>Expenses</b>				
<b>Salaries and Wages</b>				
Salary Expense-Regular	2,115,939	264,286	12.49%	242,329
Part Time Salry Expense	12,000	-	0.00%	4,750
Overtime Salary Expense	3,000	-	0.00%	-
Contractual Employees Expense	5,000	1,202	24.03%	2,850
TCDRS	307,536	37,198	12.10%	34,724
FICA	96,433	12,638	13.11%	10,959
FICA MED	30,899	3,811	12.33%	3,472
Health Insurance Expense	186,370	29,832	16.01%	29,753
Life Insurance Expense	5,684	3,309	58.22%	653
Auto Allowance Expense	10,200	-	0.00%	1,062
Other Benefits	185,610	14,071	7.58%	9,797
Unemployment Taxes	12,960	-	0.00%	-
Salary Reserve	50,000	-	0.00%	-
<b>Total Salaries and Wages</b>	<b>3,021,631</b>	<b>366,346</b>	<b>12.12%</b>	<b>340,350</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2013	Actual Year to Date 8/31/2012	Percent of Budget	Actual Prior Year to Date 8/31/2011
<b>Contractual Services</b>				
<u>Professional Services</u>				
Accounting	12,000	549	4.57%	8,424
Auditing	65,000	35,300	54.31%	30,365
General Engineering Consultant	1,250,000	72,855	5.83%	(12,594)
General System Consultant	175,000	-	0.00%	-
Image Processing	780,000	137,631	17.64%	116,023
Facility maintenance	41,954	1,418	3.38%	510
HERO	1,629,000	85,458	5.25%	59,353
Human Resources	25,000	71	0.29%	2,837
Legal	270,000	-	0.00%	-
Photography	15,000	-	0.00%	-
<b>Total Professional Services</b>	<b>4,262,954</b>	<b>333,282</b>	<b>7.82%</b>	<b>204,917</b>
<u>Other Contractual Services</u>				
IT Services	65,000	2,709	4.17%	12,113
Graphic Design Services	10,000	-	0.00%	-
Website Maintenance	35,000	1,147	3.28%	620
Research Services	50,000	-	0.00%	-
Copy Machine	10,000	724	7.24%	328
Software Licenses	17,200	6,653	38.68%	-
ETC Maintenance Contract	1,029,900	137,558	13.36%	-
ETC Development	125,000	-	0.00%	-
ETC Testing	30,000	-	0.00%	16,620
Communications and Marketing	140,000	9,331	6.67%	-
Advertising Expense	60,000	1,000	1.67%	1,000
Direct Mail	5,000	-	0.00%	-
Video Production	5,000	-	0.00%	1,946
Radio	10,000	-	0.00%	-
Other Public Relations	2,500	-	0.00%	-
Law Enforcement	250,000	19,127	7.65%	-
Special assignments	5,000	-	0.00%	-
Traffic Management	-	-	0.00%	6,922
Emergency Maintenance	10,000	-	0.00%	-
Security Contracts	600	-	0.00%	-
Roadway Maintenance Contract	640,000	36,671	5.73%	(10,344)
Landscape Maintenance	280,000	20,025	7.15%	-

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2013	Actual Year to Date 8/31/2012	Percent of Budget	Actual Prior Year to Date 8/31/2011
Signal & Illumination Maint	-	6,732		10,000
Mowing and litter control	-	8,840		-
Graffiti removal	-	225		-
Cell Phones	9,700	910	9.38%	667
Local Telephone Service	18,000	2,370	13.17%	1,851
Internet	4,500	-	0.00%	172
Fiber Optic System	63,000	4,573	7.26%	8,396
Other Communication Expenses	11,500	50	0.44%	47
Subscriptions	1,850	-	0.00%	-
Memberships	33,959	1,393	4.10%	1,935
Continuing Education	7,300	265	3.63%	180
Professional Development	14,000	-	0.00%	-
Seminars and Conferences	33,000	4,600	13.94%	1,750
Staff-Travel	76,000	20,789	27.35%	7,234
Other Contractual Svcs	200	-	0.00%	-
TxTag Collection Fees	1,434,788	114,547	7.98%	112,132
Contractual Contingencies	250,500	-	0.00%	-
Total Other Contractual Services	4,738,497	400,240	8.45%	173,568
Total Contractual Services	<b>9,001,451</b>	<b>733,522</b>	<b>8.15%</b>	<b>378,485</b>
<b>Materials and Supplies</b>				
Books & Publications	12,500	1,058	8.47%	-
Office Supplies	11,000	321	2.91%	131
Computer Supplies	12,500	2,860	22.88%	589
Copy Supplies	2,200	44	2.00%	-
Annual Report printing	7,000	-	0.00%	-
Other Reports-Printing	10,000	-	0.00%	-
Direct Mail Printing	5,000	-	0.00%	-
Office Supplies-Printed	2,500	-	0.00%	-
Maintenance Supplies-Roadway	9,175	-	0.00%	-
Promotional Items	10,000	-	0.00%	-
Displays	5,000	-	0.00%	-
ETC spare parts expense	30,000	-	0.00%	-
Tools & Equipment Expense	1,000	-	0.00%	6
Misc Materials & Supplies	3,000	-	0.00%	-
Total Materials and Supplies	<b>120,875</b>	<b>4,283</b>	<b>3.54%</b>	<b>725</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2013	Actual Year to Date 8/31/2012	Percent of Budget	Actual Prior Year to Date 8/31/2011
<b>Operating Expenses</b>				
Gasoline Expense	5,000	766	15.32%	526
Mileage Reimbursement	5,950	409	6.88%	383
Toll Tag Expense	3,120	550	17.64%	363
Parking	41,175	5,962	14.48%	6,737
Meeting Facilities	250	-	0.00%	-
Community Meeting/ Events	5,000	-	0.00%	-
Meeting Expense	9,800	594	6.06%	506
Public Notices	2,200	-	0.00%	-
Postage Expense	5,650	65	1.15%	12
Overnight Delivery Services	1,600	9	0.54%	64
Local Delivery Services	1,250	12	0.96%	6
Insurance Expense	90,000	10,161	11.29%	15,843
Repair & Maintenance-General	500	403	80.65%	-
Repair & Maintenance-Vehicles	500	64	12.77%	28
Repair & Maintenance Toll Equip	5,000	400	8.01%	-
Rent Expense	250,000	36,271	14.51%	33,816
Water	7,500	833	11.11%	496
Electricity	178,500	10,114	5.67%	5,683
Other Licenses	640	-	0.00%	-
Community Initiative Grants	65,000	10,000	15.38%	-
<b>Non Cash Operating Expenses</b>				
Amortization Expense	76,000	68,289	89.85%	204,936
Dep Exp- Furniture & Fixtures	9,000	267	2.97%	1,562
Dep Expense - Equipment	26,400	2,815	10.66%	2,396
Dep Expense - Autos & Trucks	7,000	1,150	16.42%	575
Dep Expense-Buildng & Toll Fac	177,000	29,426	16.63%	29,426
Dep Expense-Highways & Bridges	8,000,000	827,868	10.35%	827,868
Dep Expense-Communic Equip	195,000	31,804	16.31%	31,815
Dep Expense-Toll Equipment	965,000	76,964	7.98%	76,964
Dep Expense - Signs	135,000	22,211	16.45%	22,211
Dep Expense-Land Improvemts	67,000	10,967	16.37%	10,967
Depreciation Expense-Computers	10,000	1,965	19.65%	1,701
<b>Total Operating Expenses</b>	<b>10,346,035</b>	<b>1,150,338</b>	<b>11.12%</b>	<b>1,274,886</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2013	Actual Year to Date 8/31/2012	Percent of Budget	Actual Prior Year to Date 8/31/2011
<b>Financing Expenses</b>				
Arbitrage Rebate Calculation	6,000	-	0.00%	-
Loan Fee Expense	12,500	-	0.00%	-
Rating Agency Expense	35,000	11,000	31.43%	5,300
Trustee Fees	6,000	-	0.00%	-
Bank Fee Expense	8,000	1,009	12.61%	889
Continuing Disclosure	4,000	-	0.00%	-
Interest Expense	20,318,015	3,653,897	17.98%	2,004,991
Contingency	15,000	-	0.00%	-
<u>Non Cash Financing Expenses</u>				
Bond issuance expense	300,000	72,562	24.19%	84,377
<b>Total Financing Expenses</b>	<b>20,704,515</b>	<b>3,738,468</b>	<b>18.06%</b>	<b>2,095,557</b>
<b>Other Gains or Losses</b>				
<b>Total Other Gains or Losses</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>
<b>Total Expenses</b>	<b>\$ 43,194,507</b>	<b>\$ 5,992,958</b>	<b>13.87%</b>	<b>\$ 4,090,002</b>
<b>Net Income</b>	<b>\$ (11,533,327)</b>	<b>\$ 2,364,580</b>		<b>\$ 888,070</b>



**Central Texas Regional Mobility Authority**

**Balance Sheet**

As of

**August 31, 2012**

**August 31, 2011**

**Assets**

**Current Assets**

Cash in Regions Operating Account	38,749	96,767
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Cash In TexSTAR	24,478	66,801
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Regions Payroll Account	5,810	72,829
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**Restricted cash/cash equivalents**

Fidelity Government MMA	47,518,296	19,293,292
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Restricted Cash-TexStar	53,047,863	66,914,487
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Regions SIB account	0	0
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Overpayment accounts	33,270	21,369
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<b>Total Cash and Cash Equivalents</b>	<b>100,629,718</b>	<b>86,465,545</b>
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Accounts Receivable	303,778	49,369
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Due From Employees	18	0
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Due From TTA	578,470	345,310
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Due From NTTA	52,359	36,954
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Due From HCTRA	83,937	61,773
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Due From TxDOT	3,194,088	2,689,129
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Due From Federal Government	308,978	308,977
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Interest Receivable	755,369	316,869
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<b>Total Receivables</b>	<b>5,276,997</b>	<b>3,808,382</b>
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**Short Term Investments**

Treasuries	4,549,017	4,549,017
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Certificates of Deposit	3,000,000	3,000,000
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Investment in Government Agencies	163,945,282.0	12,388,385
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Short Term Investments	171,494,299	19,937,402
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**Other Current Assets**

Prepaid Insurance	5,761	7,922
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<b>Total Current Assets</b>	<b>277,445,524</b>	<b>110,220,906</b>
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**Construction Work In Process**

	<b>364,310,732</b>	<b>212,294,196</b>
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**Fixed Assets**

Computers(net)	29,684	30,391
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Computer Software(net)	71,090	1,083,653
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Furniture and Fixtures(net)	11,642	18,284
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Equipment(net)	36,153	43,190
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Autos and Trucks(net)	20,120	27,018
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Buildings and Toll Facilities(net)	6,138,146	6,314,705
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Highways and Bridges(net)	171,924,447	176,891,654
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Communication Equipment(net)	919,639	1,110,460
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Toll Equipment(net)	2,006,609	2,468,391
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Signs(net)	4,911,624	5,066,881
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Land Improvements(net)	1,101,583	1,167,387
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Right of Way	24,683,553	24,683,553
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Leasehold Improvements	55,875	64,872
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<b>Total Fixed Assets</b>	<b>211,910,166</b>	<b>218,970,438</b>
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**Long Term Investments**

GIC (Restricted )	0	256,222,938
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Agencies-LT	18,145,913	44,308,040
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**Other Assets**

Security Deposits	8,644	8,644
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Intangible Assets	650	650
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Total Bond Issuance Costs	15,044,860	15,700,072
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<b>Total Assets</b>	<b>886,866,489</b>	<b>857,725,883</b>
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## Liabilities

### Current Liabilities

Accounts Payable	589,236	719,184
Overpayments	34,213	22,024
Interest Payable	7,213,613	7,737,840
TCDRS Payable	33,244	29,029
Medical Reimbursement Payable	63	0
Due to other Entities	7,446	8,849
Other	143,134	17,178
Due to State of Texas	0	2,098
<b>Total Current Liabilities</b>	<b>8,020,948</b>	<b>8,536,200</b>

### Long Term Liabilities

Accrued Vac & Sick Leave Paybl	413,815	413,815
Retainage Payable	0	1,655
Senior Lien Revenue Bonds 2005	172,628,655	172,698,781
Senior Lien Revenue Bonds 2010	100,557,518	97,534,268
Senior Lien Revenue Bonds 2011	306,682,955	306,035,803
Sn Lien Rev Bnd Prem/Disc 2005	4,611,148	4,762,689
Sn Lien Rev Bnd Prem/Disc 2010	162,757	197,873
Tot Sr Lien Rev Bond Pay Pre/D	865,471	898,752
Subordinated Lien Bond 2010	45,000,000	45,000,000
Subordinated Lien Bond 2011	70,000,000	70,000,000
Sub Lien Bond 2011 Prem/Disc	(2,058,489)	(2,156,470)
TIFIA note 2008	77,526,562	77,626,562
2010 Regions BAB's Payable	0	0
2011 Regions Draw Down Note	400,000	0
Total Long Term Liabilities	<b>772,016,487</b>	<b>768,053,166</b>
<b>Total Liabilities</b>	<b>780,037,435</b>	<b>776,589,366</b>

### Net Assets Section

Contributed Capital	18,334,846	18,334,846
Net Assets beginning	86,129,628	61,913,602
Current Year Operations	2,364,580	888,070
<b>Total Net Assets</b>	<b>88,494,208</b>	<b>62,801,672</b>

### Total Liabilities and Net Assets

<b>886,866,489</b>	<b>857,725,883</b>
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**CTRMA INVESTMENT REPORT**

Month Ending 8 /31/12						
Balance 7/31/2012	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 8/31/2012	Rate Aug 12
<b>Amount in Trustee TexStar</b>						
2011 Sub Lien Construction Fund			469.02		4,164,836.86	0.145%
2011 Senior Lien Construction Fund					119.66	0.145%
2010 Senior Lien Construction Fund					1.19	0.145%
2010-1 Sub Lien Projects			123.35		1,095,397.34	0.145%
General Fund					53.78	0.145%
Trustee Operating Fund	1,000,000.00		82.47	800,000.00	900,545.98	0.145%
Renewal and Replacement			74.39		660,500.18	0.145%
TxDOT Grant Fund			610.38		5,419,925.55	0.145%
Revenue Fund					1.00	0.145%
Senior Lien Debt Service Reserve Fund			3,463.80		30,756,696.48	0.145%
2010 Senior Lien DSF					0.15	0.145%
2010 Senior Lien Debt Service Reserve Fund			625.70		5,555,886.59	0.145%
2010-2Sub Lien Debt Service Reserve Fund			87.71		778,882.71	0.145%
2010-1Sub Lien Debt Service Reserve Fund			221.23		1,964,442.11	0.145%
2010 Senior Lien Capitalized Interest			191.95		1,704,583.42	0.145%
2010-2 Sub Liien Capitalized Interest			5.17		45,990.20	0.145%
<b>52,841,908.03</b>	<b>1,000,000.00</b>	<b>0.00</b>	<b>5,955.17</b>	<b>800,000.00</b>	<b>53,047,863.20</b>	
<b>Amount in TexStar Operating Fund</b>						
<b>149,469.05</b>	<b>800,000.00</b>		<b>8.88</b>	<b>925,000.00</b>	<b>24,477.93</b>	<b>0.145%</b>

**CTRMA INVESTMENT REPORT**

Month Ending 8 /31/12						
Balance 7/31/2012	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 8/31/2012	Rate Aug 12
<b>Regions Sweep Money Market Fund</b>						
Operating Fund	1,000,000.00			1,000,000.00	0.00	0.150%
2010-1 Sub Lien Project Acct					0.00	0.150%
2010 Senior Lien Project Acct	84,203.67		643.69	429,491.01	3,981,964.71	0.150%
2011 Sub Lien Project Acct			0.42		50,000.56	0.150%
2011 Senior Lien Project Acct	30,080,901.81		2,013.06	1,032,647.53	29,050,267.34	0.150%
2011 Sub Debt Service Account					0.00	0.150%
2005 Debt Service Fund	840,395.83		254.21		3,042,574.90	0.150%
2010 Senior DSF	1,402.50	1,402.50	0.01		2,805.01	0.150%
2011 Senior Lien Debt Service Acct			0.01		0.33	0.150%
2010-1 Debt Service Fund	339,062.50		43.41		768,481.00	0.150%
Subordinate Lien TIFIA DS Fund	317,664.34		41.84		710,684.50	0.150%
2010-2 BABs Supplemental Security			0.76		20.55	0.150%
2010-2 Debt Service Fund	81,479.64		0.46		162,960.88	0.150%
2010-2 Cap I Fund					0.01	0.150%
2010 CAP Interest Senior lien			0.07		531.63	0.150%
2011 Sr Cap I Fund			5.43		36,867.75	0.150%
2011 Sub Debt CAP I			0.22		203.52	0.150%
2010-1 Sub lien BABs supplemental Security			2.94		79.02	0.150%
TxDOT Grant Fund			386.64	3,000,000.00	35,321.55	0.150%
Renewal and Replacement					0.66	0.150%
Revenue Fund	2,726,026.61		235.32	2,684,398.04	1,357,822.71	0.150%
General Fund	208,362.61		705.66	723,810.46	4,502,636.27	0.150%
2010 Senior Debt Service Reserve Fund			2.80		21,948.96	0.150%
2010-1 Debt Service Reserve Fund			0.08		9,000.28	0.150%
2010-2 Debt Service Reserve Fund			1.72		202,497.72	0.150%
2011 Sub Debt Debt Service Reserve Fund			447.07		3,509,685.50	0.150%
2005 Senior Lien Debt Service Reserve Fund			9.16		71,941.03	0.150%
<b>50,785,250.75</b>	<b>5,598,597.70</b>	<b>0.00</b>	<b>4,794.98</b>	<b>8,870,347.04</b>	<b>47,518,296.39</b>	
<b>Amount in Fed Agencies and Treasuries</b>						
Amortized Principal		(135,421.56)			186,631,576.88	
Accrued Interest			191,547.69			
<b>186,766,998.44</b>	<b>0.00</b>	<b>(135,421.56)</b>		<b>0.00</b>	<b>186,631,576.88</b>	

**CTRMA INVESTMENT REPORT**

<b>Month Ending 8 /31/12</b>					
<b>Balance 7/31/2012</b>	<b>Additions</b>	<b>Discount Amortization</b>	<b>Accrued Interest</b>	<b>Withdrawals</b>	<b>Balance 8/31/2012</b>
<b>Certificates of Deposit</b>	<b>0.00</b>	<b>3,000,000.00</b>		<b>0.00</b>	<b>3,000,000.00</b>
<b>Total in Pools</b>	<b>52,991,377.08</b>	<b>1,800,000.00</b>		<b>5,964.05</b>	<b>1,725,000.00</b>
<b>Total in Money Market</b>	<b>50,785,250.75</b>	<b>5,598,597.70</b>		<b>4,794.98</b>	<b>8,870,347.04</b>
<b>Total in Fed Agencies</b>	<b>186,766,998.44</b>	<b>0.00</b>	<b>(135,421.56)</b>		<b>0.00</b>
<b>Total Invested</b>	<b>290,543,626.27</b>	<b>10,398,597.70</b>	<b>(135,421.56)</b>	<b>10,759.03</b>	<b>10,595,347.04</b>

Rate  
Aug 12

Certificates of Deposit  
Total in Pools  
Total in Money Market  
Total in Fed Agencies

Total Invested

All Investments in the portfolio are in compliance with the CTRMA's Investment policy.

William Chapman, CFO



## Monthly Newsletter - August 2012

### Performance

#### As of August 31, 2012

Current Invested Balance	\$4,724,281,980.85
Weighted Average Maturity (1)	50 Days
Weighted Average Maturity (2)	68 Days
Net Asset Value	1.000122
Total Number of Participants	759
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$781,453.60
Management Fee Collected	\$213,530.34
% of Portfolio Invested Beyond 1 Year	3.07%
Standard & Poor's Current Rating	AAAm

Rates reflect historical information and are not an indication of future performance.

#### August Averages

Average Invested Balance	\$5,041,777,529.28
Average Monthly Yield, on a simple basis	0.1326%
Average Weighted Average Maturity (1)*	49 Days
Average Weighted Average Maturity (2)*	67 Days

#### Definition of Weighted Average Maturity (1) & (2)

- (1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.
- (2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

\* The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

### New Participants

We would like to welcome the following entities who joined the TexSTAR program in August:

★ Andrews ISD

★ Three Rivers ISD

### Holiday Reminder

Please note that in observance of the Columbus Day holiday, **TexSTAR will be closed Monday, October 8, 2012**. All ACH transactions initiated on Friday, October 5th will settle on Tuesday, October 9th. This is an unusual holiday where the investment markets are closed but the banks are open. Please plan accordingly for your liquidity needs.

### Economic Commentary

Equities and other risk assets rallied in August as expectations rose for central bank intervention in Europe and in the U.S. The ECB's statement in early August, in which President Mario Draghi outlined plans for a new bond buying program, resulted in a sharp fall in peripheral government bond yields. Chairman Bernanke, during his speech on August 31st, made no mention of stronger economic data in August and added that "the stagnation of the labor market in particular is a grave concern." This statement signaled that the FOMC is more concerned about meeting its employment mandate than the potential for higher inflation. This opened the possibility for more proactive Fed balance sheet expansion and increased prospects of "QE" at the September 12-13th FOMC meeting. Markets viewed these comments as marginally more accommodative; and therefore, both Treasury markets and risk markets rallied.

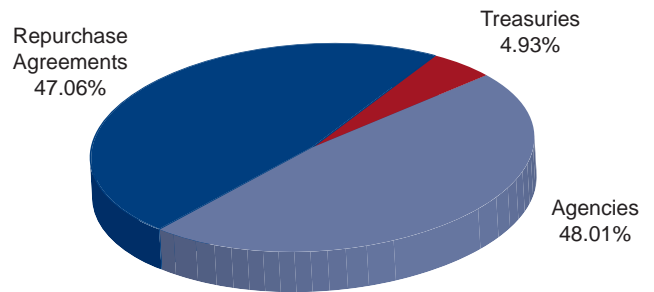
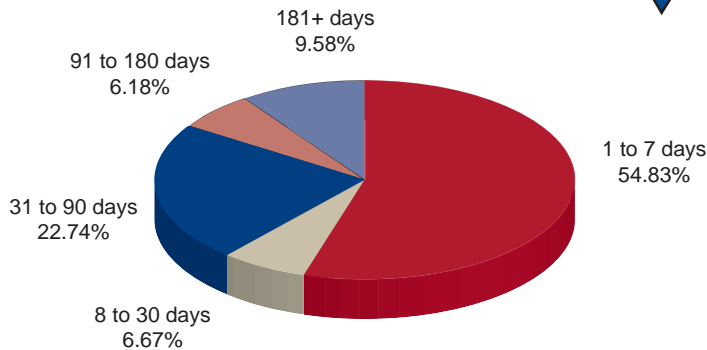
Economic growth in the U.S. is likely to continue at 1.5%-2.0% over the balance of 2012, although the outlook is still mired in uncertainty. Significant risks to the downside still exist due to the European sovereign debt crisis and the pending "fiscal cliff" of automatic spending cuts via sequestration and expiring income tax cuts, payroll tax cuts and Medicare reimbursement rates for doctors after 2012. Measures of both business and consumer confidence have weakened as well, likely as a result of the uncertainty regarding the fiscal cliff. In particular, consumer sentiment regarding future expectations has declined, which may point to a decline in the growth of consumer spending. On the other hand, inventory accumulation was less than anticipated during the second quarter, which should be a tailwind for third quarter growth. The Fed will probably extend its forward rate guidance into 2015 following its September FOMC meeting. The extension will likely be accompanied with downward revisions to its economic forecasts. It is also expected for the committee to embark on an additional round of outright asset purchases that will include a combination of Treasury and mortgage-backed securities.

This information is an excerpt from an economic report dated August 2012 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

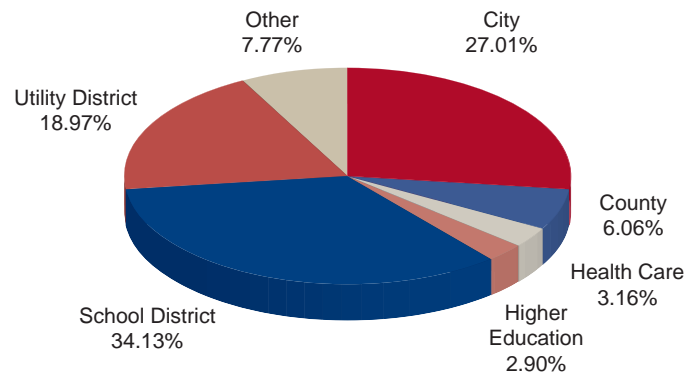
**For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).**

# Information at a Glance

## Portfolio by Type of Investment As of August 31, 2012



## Portfolio by Maturity As of August 31, 2012



## Distribution of Participants by Type As of August 31, 2012

# Historical Program Information

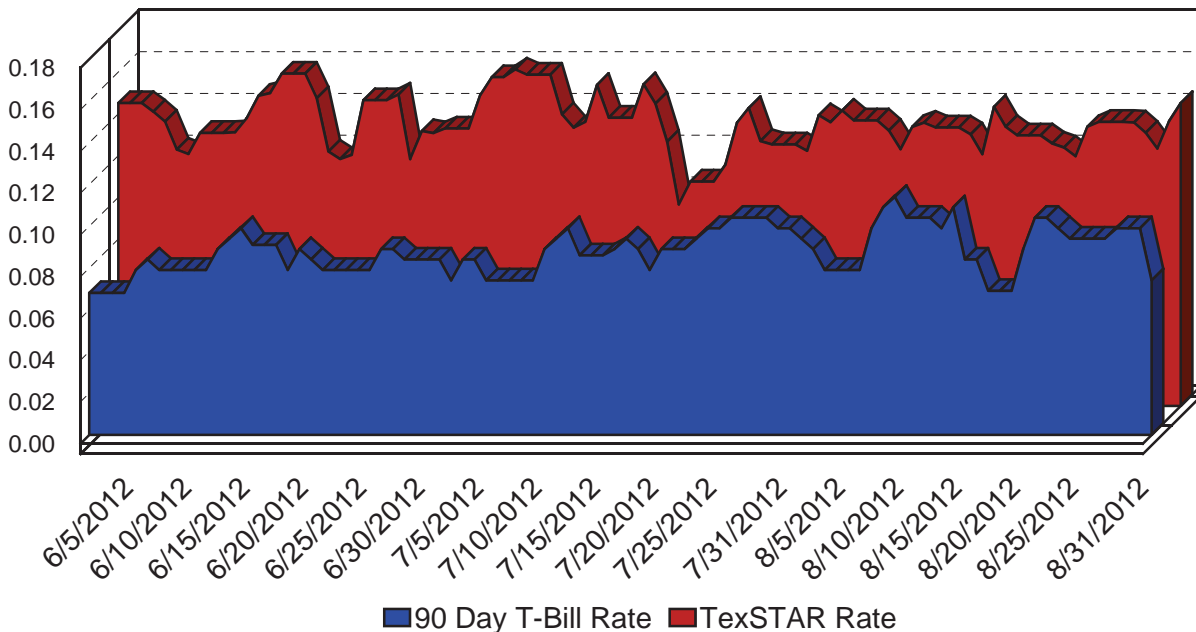
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Aug 12	0.1326%	\$4,724,281,980.85	\$4,724,862,450.42	1.000122	49	67	759
Jul 12	0.1359%	5,189,684,471.14	5,190,308,464.19	1.000120	46	66	757
Jun 12	0.1379%	4,983,255,681.46	4,983,767,166.12	1.000102	48	70	756
May 12	0.1273%	5,178,606,480.90	5,179,224,581.51	1.000119	47	70	754
Apr 12	0.1098%	5,255,005,296.99	5,255,613,981.07	1.000115	46	69	752
Mar 12	0.1148%	5,668,145,582.64	5,668,844,552.57	1.000123	48	71	751
Feb 12	0.0986%	6,014,562,468.35	6,015,309,681.45	1.000124	48	70	751
Jan 12	0.0902%	6,122,141,791.23	6,122,989,120.67	1.000138	46	73	750
Dec 11	0.0815%	5,164,291,074.36	5,164,844,831.26	1.000107	48	79	749
Nov 11	0.0973%	4,964,174,535.92	4,964,899,185.74	1.000145	48	80	747
Oct 11	0.0807%	5,191,742,744.46	5,192,081,793.52	1.000065	47	74	745
Sep 11	0.0906%	5,218,150,511.94	5,218,680,416.17	1.000100	46	76	741

# Portfolio Asset Summary as of August 31, 2012

	Book Value	Market Value
Uninvested Balance	\$ (387.24)	\$ (387.24)
Accrual of Interest Income	2,119,718.49	2,119,718.49
Interest and Management Fees Payable	(847,580.76)	(847,580.76)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	2,222,908,000.00	2,222,908,000.00
Government Securities	2,500,102,230.36	2,500,682,699.93
<b>Total</b>	<b>\$ 4,724,281,980.85</b>	<b>\$ 4,724,862,450.42</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.

# TexSTAR versus 90-Day Treasury Bill



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The TexSTAR management fee may be waived in full or in part at the discretion of the TexSTAR co-administrators and the TexSTAR rate for the period shown reflects waiver of fees. This table represents investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill.

## Daily Summary for August 2012

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
8/1/2012	0.1359%	0.000003722	\$5,195,140,136.75	1.000127	43	62
8/2/2012	0.1415%	0.000003878	\$5,226,238,472.43	1.000147	47	65
8/3/2012	0.1368%	0.000003748	\$5,199,360,904.68	1.000138	48	66
8/4/2012	0.1368%	0.000003748	\$5,199,360,904.68	1.000138	48	66
8/5/2012	0.1368%	0.000003748	\$5,199,360,904.68	1.000138	48	66
8/6/2012	0.1319%	0.000003615	\$5,169,774,901.31	1.000137	48	66
8/7/2012	0.1230%	0.000003370	\$5,167,240,761.59	1.000125	50	68
8/8/2012	0.1337%	0.000003663	\$5,140,601,627.90	1.000118	49	68
8/9/2012	0.1357%	0.000003717	\$5,117,872,659.95	1.000105	51	70
8/10/2012	0.1334%	0.000003655	\$5,236,309,971.02	1.000107	50	67
8/11/2012	0.1334%	0.000003655	\$5,236,309,971.02	1.000107	50	67
8/12/2012	0.1334%	0.000003655	\$5,236,309,971.02	1.000107	50	67
8/13/2012	0.1301%	0.000003565	\$5,184,332,287.21	1.000109	50	67
8/14/2012	0.1206%	0.000003303	\$5,069,100,390.51	1.000104	52	69
8/15/2012	0.1433%	0.000003925	\$5,003,511,704.03	1.000112	53	71
8/16/2012	0.1337%	0.000003664	\$5,031,648,974.70	1.000114	52	70
8/17/2012	0.1296%	0.000003552	\$5,032,034,111.49	1.000113	50	68
8/18/2012	0.1296%	0.000003552	\$5,032,034,111.49	1.000113	50	68
8/19/2012	0.1296%	0.000003552	\$5,032,034,111.49	1.000113	50	68
8/20/2012	0.1257%	0.000003444	\$4,983,803,536.50	1.000117	50	68
8/21/2012	0.1238%	0.000003391	\$4,935,050,211.65	1.000118	51	69
8/22/2012	0.1196%	0.000003276	\$4,960,263,844.33	1.000123	51	69
8/23/2012	0.1337%	0.000003663	\$4,872,113,429.15	1.000124	51	69
8/24/2012	0.1361%	0.000003728	\$4,894,398,041.60	1.000122	49	67
8/25/2012	0.1361%	0.000003728	\$4,894,398,041.60	1.000122	49	67
8/26/2012	0.1361%	0.000003728	\$4,894,398,041.60	1.000122	49	67
8/27/2012	0.1358%	0.000003720	\$4,912,818,308.22	1.000118	48	66
8/28/2012	0.1309%	0.000003586	\$4,883,317,881.38	1.000120	49	67
8/29/2012	0.1233%	0.000003378	\$4,858,816,455.35	1.000116	49	67
8/30/2012	0.1364%	0.000003738	\$4,772,866,757.46	1.000114	49	67
8/31/2012	0.1451%	0.000003976	\$4,724,281,980.85	1.000122	50	68
Average	0.1326%	0.000003634	\$5,041,777,529.28		49	67



TexSTAR Participant Services  
First Southwest Asset Management, Inc.  
325 North St. Paul Street, Suite 800  
Dallas, Texas 75201



## **TexSTAR Board Members**

<i>William Chapman</i>	<i>Central Texas Regional Mobility Authority</i>	<i>Governing Board President</i>
<i>Nell Lange</i>	<i>City of Frisco</i>	<i>Governing Board Vice President</i>
<i>Melinda Garrett</i>	<i>Houston ISD</i>	<i>Governing Board Treasurer</i>
<i>Michael Bartolotta</i>	<i>First Southwest Company</i>	<i>Governing Board Secretary</i>
<i>Joni Freeman</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Hardy Browder</i>	<i>City of Cedar Hill</i>	<i>Advisory Board</i>
<i>Oscar Cardenas</i>	<i>Northside ISD</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>Plano ISD</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Becky Brooks</i>	<i>Government Resource Associates, LLC</i>	<i>Advisory Board</i>
<i>Len Santow</i>	<i>Griggs &amp; Santow</i>	<i>Advisory Board</i>

**For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ [www.texstar.org](http://www.texstar.org)**



**J.P.Morgan**  
Asset Management

**Attachment B**

**Financial Report for September 2012**

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2013	Actual Year to Date 9/30/2012	Percent of Budget	Actual Prior Year to Date 9/30/2011
<b>Revenue</b>				
<b>Operating Revenue</b>				
Toll Revenue-TxTag-183A	23,891,717	5,074,897	21.24%	3,903,368
Toll Revenue-HCTRA-183A	756,067	243,759	32.24%	178,812
Toll Revenue-NTTA-183A	453,640	152,359	33.59%	109,122
Video Tolls	3,629,122	1,145,233	31.56%	802,082
Fee revenue	1,512,134	452,190	29.90%	296,301
<b>Total Operating Revenue</b>	<b>30,242,680</b>	<b>7,068,438</b>	<b>23.37%</b>	<b>5,289,684</b>
<b>Other Revenue</b>				
Interest Income	180,000	60,966	33.87%	53,095
Grant Revenue	1,236,000	3,804,529	307.81%	3,979,348
Reimbursed Expenditures	-	34,774		-
Misc Revenue	2,500	44,585	1783%	835,495
Gain/Loss on Sale of Asset	-	-	0.00%	12,342
Unrealized Loss	-	42,708		-
<b>Total Other Revenue</b>	<b>1,418,500</b>	<b>3,987,562</b>	<b>281.11%</b>	<b>4,880,281</b>
<b>Total Revenue</b>	<b>\$ 31,661,180</b>	<b>\$ 11,056,000</b>	<b>34.92%</b>	<b>\$ 10,169,965</b>
<b>Expenses</b>				
<b>Salaries and Wages</b>				
Salary Expense-Regular	2,115,939	420,258	19.86%	382,495
Part Time Salry Expense	12,000	-	0.00%	7,409
Overtime Salary Expense	3,000	-	0.00%	-
Contractual Employees Expense	5,000	1,202	24.03%	5,550
TCDRS	307,536	59,080	19.21%	54,529
FICA	96,433	17,483	18.13%	15,931
FICA MED	30,899	6,054	19.59%	5,473
Health Insurance Expense	186,370	45,331	24.32%	48,173
Life Insurance Expense	5,684	3,491	61.42%	1,026
Auto Allowance Expense	10,200	-	0.00%	1,912
Other Benefits	185,610	21,251	11.45%	17,960
Unemployment Taxes	12,960	-	0.00%	15
Salary Reserve	50,000	-	0.00%	-
<b>Total Salaries and Wages</b>	<b>3,021,631</b>	<b>574,150</b>	<b>19.00%</b>	<b>540,472</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2013	Actual Year to Date 9/30/2012	Percent of Budget	Actual Prior Year to Date 9/30/2011
<b>Contractual Services</b>				
<u>Professional Services</u>				
Accounting	12,000	2,160	18.00%	9,587
Auditing	65,000	35,300	54.31%	30,365
General Engineering Consultant	1,250,000	90,933	7.27%	99,872
General System Consultant	175,000	-	0.00%	25,862
Image Processing	780,000	204,019	26.16%	209,663
Facility maintenance	41,954	1,663	3.96%	2,741
HERO	1,629,000	146,433	8.99%	121,736
Human Resources	25,000	143	0.57%	3,042
Legal	270,000	15,248	5.65%	2,850
Photography	15,000	-	0.00%	-
<b>Total Professional Services</b>	<b>4,262,954</b>	<b>495,898</b>	<b>11.63%</b>	<b>505,718</b>
<u>Other Contractual Services</u>				
IT Services	65,000	5,079	7.81%	15,104
Graphic Design Services	10,000	-	0.00%	-
Website Maintenance	35,000	1,147	3.28%	671
Research Services	50,000	-	0.00%	3,100
Copy Machine	10,000	724	7.24%	1,360
Software Licenses	17,200	6,653	38.68%	734
ETC Maintenance Contract	1,029,900	68,798	6.68%	138,923
ETC Development	125,000	-	0.00%	-
ETC Testing	30,000	-	0.00%	16,620
Communications and Marketing	140,000	9,331	6.67%	-
Advertising Expense	60,000	14,010	23.35%	1,000
Direct Mail	5,000	-	0.00%	-
Video Production	5,000	-	0.00%	1,946
Radio	10,000	-	0.00%	-
Other Public Relations	2,500	-	0.00%	-
Law Enforcement	250,000	38,254	15.30%	-
Special assignments	5,000	-	0.00%	-
Traffic Management	-	-	0.00%	13,791
Emergency Maintenance	10,000	-	0.00%	-
Security Contracts	600	114	18.94%	-

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2013	Actual Year to Date 9/30/2012	Percent of Budget	Actual Prior Year to Date 9/30/2011
Roadway Maintenance Contract	640,000	36,671	5.73%	29,315
Landscape Maintenance	280,000	36,300	12.96%	27,861
Signal & Illumination Maint	-	14,164		10,000
Mowing and litter control	-	8,840		24,754
Striping	-	-	0.00%	16,600
Graffiti removal	-	225		-
Cell Phones	9,700	1,397	14.40%	1,806
Local Telephone Service	18,000	3,546	19.70%	2,947
Internet	4,500	-	0.00%	172
Fiber Optic System	63,000	6,848	10.87%	9,628
Other Communication Expenses	11,500	50	0.44%	47
Subscriptions	1,850	-	0.00%	-
Memberships	33,959	1,393	4.10%	3,045
Continuing Education	7,300	265	3.63%	472
Professional Development	14,000	-	0.00%	3,000
Seminars and Conferences	33,000	8,835	26.77%	2,325
Staff-Travel	76,000	28,073	36.94%	13,428
Other Contractual Svcs	200	-	0.00%	177
TxTag Collection Fees	1,434,788	232,716	16.22%	227,359
Contractual Contingencies	250,500	-	0.00%	3,309
<b>Total Other Contractual Services</b>	<b>4,738,497</b>	<b>523,433</b>	<b>11.05%</b>	<b>569,493</b>
<b>Total Contractual Services</b>	<b>9,001,451</b>	<b>1,019,331</b>	<b>11.32%</b>	<b>1,075,211</b>
<b>Materials and Supplies</b>				
Books & Publications	12,500	3,225	25.80%	-
Office Supplies	11,000	642	5.84%	1,012
Computer Supplies	12,500	3,570	28.56%	1,212
Copy Supplies	2,200	332	15.08%	18
Annual Report printing	7,000	-	0.00%	-
Other Reports-Printing	10,000	-	0.00%	-
Direct Mail Printing	5,000	-	0.00%	-
Office Supplies-Printed	2,500	-	0.00%	-
Maintenance Supplies-Roadway	9,175	-	0.00%	-
Promotional Items	10,000	-	0.00%	-
Displays	5,000	-	0.00%	-

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2013	Actual Year to Date 9/30/2012	Percent of Budget	Actual Prior Year to Date 9/30/2011
ETC spare parts expense	30,000	-	0.00%	-
Tools & Equipment Expense	1,000	-	0.00%	6
Misc Materials & Supplies	3,000	-	0.00%	133
<b>Total Materials and Supplies</b>	<b>120,875</b>	<b>7,769</b>	<b>6.43%</b>	<b>2,380</b>
<b>Operating Expenses</b>				
Gasoline Expense	5,000	1,270	25.40%	1,049
Mileage Reimbursement	5,950	888	14.93%	747
Toll Tag Expense	3,120	844	27.04%	674
Parking	41,175	7,212	17.52%	11,073
Meeting Facilities	250	-	0.00%	-
Community Meeting/ Events	5,000	-	0.00%	-
Meeting Expense	9,800	2,278	23.25%	938
Public Notices	2,200	-	0.00%	-
Postage Expense	5,650	78	1.38%	14
Overnight Delivery Services	1,600	43	2.68%	106
Local Delivery Services	1,250	12	0.96%	6
Insurance Expense	90,000	15,704	17.45%	24,228
Repair & Maintenance-General	500	403	80.65%	-
Repair & Maintenance-Vehicles	500	(841)	0.00%	325
Repair & Maintenance Toll Equip	5,000	400	8.01%	-
Rent Expense	250,000	53,964	21.59%	50,724
Water	7,500	1,573	20.97%	1,378
Electricity	178,500	15,730	8.81%	12,494
Other Licenses	640	163	25.39%	40
Community Initiative Grants	65,000	10,000	15.38%	-
<b>Non Cash Operating Expenses</b>				
Amortization Expense	76,000	101,985	134.19%	307,404
Dep Exp- Furniture & Fixtures	9,000	401	4.46%	2,342
Dep Expense - Equipment	26,400	4,222	15.99%	3,594
Dep Expense - Autos & Trucks	7,000	1,725	24.64%	1,150
Dep Expense-Buildng & Toll Fac	177,000	44,140	24.94%	44,140
Dep Expense-Highways & Bridges	8,000,000	1,241,802	15.52%	1,241,802
Dep Expense-Communic Equip	195,000	47,705	24.46%	47,717
Dep Expense-Toll Equipment	965,000	115,445	11.96%	115,445

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2013	Actual Year to Date 9/30/2012	Percent of Budget	Actual Prior Year to Date 9/30/2011
Dep Expense - Signs	135,000	33,317	24.68%	33,317
Dep Expense-Land Improvemts	67,000	16,451	24.55%	16,451
Depreciation Expense-Computers	10,000	3,001	30.01%	2,502
<b>Total Operating Expenses</b>	<b>10,346,035</b>	<b>1,719,916</b>	<b>16.62%</b>	<b>1,919,661</b>
<b>Financing Expenses</b>				
Arbitrage Rebate Calculation	6,000	-	0.00%	-
Loan Fee Expense	12,500	-	0.00%	-
Rating Agency Expense	35,000	11,000	31.43%	5,300
Trustee Fees	6,000	-	0.00%	-
Bank Fee Expense	8,000	1,544	19.30%	1,325
Continuing Disclosure	4,000	-	0.00%	-
Interest Expense	20,318,015	5,480,646	26.97%	3,007,487
Contingency	15,000	-	0.00%	-
<u>Non Cash Financing Expenses</u>				
Bond issuance expense	300,000	108,843	36.28%	126,565
<b>Total Financing Expenses</b>	<b>20,704,515</b>	<b>5,602,033</b>	<b>27.06%</b>	<b>3,140,677</b>
<b>Other Gains or Losses</b>				
Total Other Gains or Losses	-	-	0.00%	-
<b>Total Expenses</b>	<b>\$ 43,194,507</b>	<b>\$ 8,923,199</b>	<b>20.66%</b>	<b>\$ 6,678,401</b>
Net Income	\$ (11,533,327)	\$ 2,132,800		\$ 3,491,564

**Central Texas Regional Mobility Authority**

**Balance Sheet**

As of

**September 30, 2012**

**September 30, 2011**

**Assets**

**Current Assets**

Cash in Regions Operating Account	87,394	141,003
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Cash In TexSTAR	24,483	41,806
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Regions Payroll Account	6,215	74,288
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**Restricted cash/cash equivalents**

Fidelity Government MMA	38,857,534	15,941,085
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Restricted Cash-TexStar	53,275,250	66,035,743
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Regions SIB account	0	0
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Overpayment accounts	33,534	21,345
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<b>Total Cash and Cash Equivalents</b>	<b>92,197,016</b>	<b>82,255,270</b>
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Accounts Receivable	120,524	48,514
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Due From Employees	18	0
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Due From TTA	580,695	311,202
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Due From NTTA	49,200	37,399
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Due From HCTRA	79,197	120,828
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Due From TxDOT	152,509	5,267,473
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Due From Federal Government	463,466	463,466
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Interest Receivable	250,936	380,226
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<b>Total Receivables</b>	<b>1,696,545</b>	<b>6,629,108</b>
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**Short Term Investments**

Treasuries	4,549,017	4,549,017
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Certificates of Deposit	3,000,000	3,000,000
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Investment in Government Agencies	163,809,860.4	12,308,581
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Short Term Investments	171,358,877	19,857,598
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**Other Current Assets**

Prepaid Insurance	681	0
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<b>Total Current Assets</b>	<b>265,340,512</b>	<b>108,743,630</b>
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**Construction Work In Process**

	<b>382,362,804</b>	<b>229,615,657</b>
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**Fixed Assets**

Computers(net)	28,648	29,590
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Computer Software(net)	38,405	981,673
------------------------	--------	---------

Furniture and Fixtures(net)	11,508	17,503
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Equipment(net)	34,746	41,991
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Autos and Trucks(net)	19,545	26,443
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Buildings and Toll Facilities(net)	6,124,512	6,299,991
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Highways and Bridges(net)	171,510,513	176,477,720
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Communication Equipment(net)	903,737	1,094,559
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Toll Equipment(net)	1,968,128	2,429,909
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Signs(net)	4,900,519	5,055,776
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Land Improvements(net)	1,096,099	1,161,903
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Right of Way	24,683,553	24,683,553
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Leasehold Improvements	54,863	64,384
------------------------	--------	--------

<b>Total Fixed Assets</b>	<b>211,374,777</b>	<b>218,364,995</b>
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**Long Term Investments**

GIC (Restricted )	0	247,157,994
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Agencies-LT	18,145,913	44,308,040
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**Other Assets**

Security Deposits	8,644	8,644
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Intangible Assets	650	650
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Total Bond Issuance Costs	14,934,692	15,645,733
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<b>Total Assets</b>	<b>892,167,992</b>	<b>863,845,343</b>
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## Liabilities

### Current Liabilities

Accounts Payable	639,346	296,974
Overpayments	34,502	22,024
Interest Payable	9,868,628	11,374,450
TCDRS Payable	33,243	29,207
Medical Reimbursement Payable	63	0
Due to other Entities	0	10,379
Other	143,134	17,178
Due to State of Texas	0	2,113
<b>Total Current Liabilities</b>	<b>10,718,915</b>	<b>11,752,325</b>

### Long Term Liabilities

Accrued Vac & Sick Leave Paybl	189,089	413,815
Retainage Payable	0	1,655
Senior Lien Revenue Bonds 2005	173,578,648	172,698,781
Senior Lien Revenue Bonds 2010	102,231,515	97,778,400
Senior Lien Revenue Bonds 2011	306,738,658	306,088,732
Sn Lien Rev Bnd Prem/Disc 2005	4,601,539	4,748,380
Sn Lien Rev Bnd Prem/Disc 2010	159,735	195,014
Tot Sr Lien Rev Bond Pay Pre/D	918,621	893,365
Subordinated Lien Bond 2010	45,000,000	45,000,000
Subordinated Lien Bond 2011	70,000,000	70,000,000
Sub Lien Bond 2011 Prem/Disc	(2,050,324)	(2,148,305)
TIFIA note 2008	77,656,077	77,626,562
2010 Regions BAB's Payable	0	0
2011 Regions Draw Down Note	700,000	0
Total Long Term Liabilities	<b>774,962,284</b>	<b>768,353,006</b>
<b>Total Liabilities</b>	<b>785,681,199</b>	<b>780,105,331</b>

### Net Assets Section

Contributed Capital	18,334,846	18,334,846
Net Assets beginning	86,019,147	61,913,602
Current Year Operations	2,132,800	3,491,564
<b>Total Net Assets</b>	<b>88,151,947</b>	<b>65,405,166</b>

### Total Liabilities and Net Assets

<b>892,167,992</b>	<b>863,845,343</b>
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**INVESTMENTS by FUND**

		Balance	
		September 30, 2012	
<b>Renewal &amp; Replacement Fund</b>			
<b>TexSTAR</b>	660,585.61		<b>TexSTAR</b> 53,299,732.71
<b>Regions Sweep</b>	0.66		<b>CD's</b> 3,000,000.00
<b>Agencies</b>		660,586.27	<b>Regions Sweep</b> 38,849,434.36
			<b>Agencies</b> 186,496,155.29
<b>TxDOT Grant Fund</b>			
<b>TexSTAR</b>	5,420,626.64		
<b>Regions Sweep</b>	35,646.60		
<b>CD's</b>	3,000,000.00		
<b>Agencies</b>	1,000,000.00	9,456,273.24	\$ 281,645,322.36
<b>Subordinate Lien DS Fund 05</b>			
<b>Regions Sweep</b>	1,028,421.10	1,028,421.10	
<b>Debt Service Reserve Fund 05</b>			
<b>TexSTAR</b>	30,760,675.02		
<b>Regions Sweep</b>	93,493.95		
<b>Agencies</b>	12,213,896.09	43,068,065.06	
<b>Debt Service Fund 05</b>			
<b>Regions Sweep</b>	3,883,309.99	3,883,309.99	
<b>2010 Senior Lien DSF</b>			
<b>Regions Sweep</b>	4,207.53		
<b>TexSTAR</b>	0.15	4,207.68	
<b>2010-1 Debt Service Fund</b>			
<b>Regions Sweep</b>	1,107,621.89	1,107,621.89	
<b>2010-2 Debt Service Fund</b>			
<b>Regions Sweep</b>	244,441.59	244,441.59	
<b>Agencies</b>			
<b>2011 Debt Service Acct</b>			
<b>Regions Sweep</b>	0.33	0.33	
<b>2011 Sub Debt DSRF</b>			
<b>Regions Sweep</b>	3,510,132.62		
<b>Agencies</b>	3,500,634.38	7,010,767.00	
<b>Operating Fund</b>			
<b>TexSTAR</b>	24,482.71		
<b>TexSTAR-Trustee</b>	1,200,642.83		
<b>Regions Sweep</b>	0.00	1,225,125.54	
<b>Revenue Fund</b>			
<b>TexSTAR</b>	1.00		
<b>Regions Sweep</b>	1,226,884.60	1,226,885.60	
<b>General Fund</b>			
<b>TexSTAR</b>	53.78		
<b>Regions Sweep</b>	4,344,443.74	4,344,497.52	
<b>2010 Senior Lien Capitalized Interest</b>			
<b>Regions Sweep</b>	531.70		
<b>TexSTAR</b>	1,704,803.93	1,705,335.63	
<b>2010-1 Sub Lien Capitalized Interest</b>			
<b>Regions Sweep</b>	0.00		
<b>TexSTAR</b>	0.00	-	
<b>2010-2 Sub Lien Capitalized Interest</b>			
<b>TexSTAR</b>	45,996.16		
<b>Regions Sweep</b>	0.01	45,996.17	
<b>2011 Sr Capitalized Interest Fund</b>			
<b>Regions Sweep</b>	36,872.45		
<b>Agencies</b>	26,652,880.34	26,689,752.79	
<b>2011 Sub Capitalized Interest Fund</b>			
<b>Regions Sweep</b>	203.55		
<b>Agencies</b>	7,041,650.65	7,041,854.20	
<b>2010-1 Sub BABs subsidy</b>			
<b>Regions Sweep</b>	79.03	79.03	
<b>2010-2 Sub BABs subsidy</b>			
<b>Regions Sweep</b>	20.55	20.55	
<b>2010 Senior Lien Debt Service Reserve Fund</b>			
<b>TexSTAR</b>	5,556,605.27		
<b>Regions Sweep</b>	43,889.26		
<b>Agencies</b>	3,927,085.50	9,527,580.03	
<b>2010-2 Sub Lien Debt Service Reserve Fund</b>			
<b>TexSTAR</b>	778,983.48		
<b>Regions Sweep</b>	202,499.44		
<b>Agencies</b>	190,000.00	1,171,482.92	
<b>2010-1 Sub Lien Debt Service Reserve Fund</b>			
<b>TexSTAR</b>	1,964,696.23		
<b>Regions Sweep</b>	900.36		
<b>Agencies</b>	2,008,550.00	3,974,146.59	
<b>2010-1 Sub Lien Projects Fund</b>			
<b>TexSTAR</b>	1,016,083.46		
<b>Regions Sweep</b>	0.00	1,016,083.46	
<b>2010 Senior Lien Construction Fund</b>			
<b>TexSTAR</b>	1.19		
<b>Regions Sweep</b>	4,103,399.23	4,103,400.42	
<b>2011 Sub Debt Project fund</b>			
<b>TexSTAR</b>	4,165,375.59		
<b>Agencies</b>	43,381,805.00		
<b>Regions Sweep</b>	443,750.98	47,990,931.57	
<b>2011 Senior Lien Project Fund</b>			
<b>TexSTAR</b>	119.66		
<b>Regions Sweep</b>	18,538,683.20		
<b>Agencies</b>	86,579,653.33	105,118,456.19	
		<u>281,645,322.36</u>	





## Monthly Newsletter - September 2012

### Performance

#### As of September 30, 2012

Current Invested Balance	\$4,659,065,730.90
Weighted Average Maturity (1)	44 Days
Weighted Average Maturity (2)	60 Days
Net Asset Value	1.000132
Total Number of Participants	759
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$799,542.63
Management Fee Collected	\$192,389.41
% of Portfolio Invested Beyond 1 Year	2.52%
Standard & Poor's Current Rating	AAAm

Rates reflect historical information and are not an indication of future performance.

#### September Averages

Average Invested Balance	\$4,694,048,449.88
Average Monthly Yield, on a simple basis	0.1574%
Average Weighted Average Maturity (1)*	46 Days
Average Weighted Average Maturity (2)*	63 Days

#### Definition of Weighted Average Maturity (1) & (2)

- (1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.
- (2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

\* The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

### Holiday Reminder

Please note that in observance of the Columbus Day holiday, TexSTAR will be closed Monday, October 8, 2012. All ACH transactions initiated on Friday, October 5th will settle on Tuesday, October 9th. This is an unusual holiday where the investment markets are open but the banks are closed. Please plan accordingly for your liquidity needs.

### Economic Commentary

The European debt crisis continued to be the main driver of markets during the quarter. At its September 6th meeting, the ECB left its key interest rate unchanged at 0.75% but delivered on its promise to backstop the euro-zone crisis through a new bond purchasing plan called "Outright Monetary Transactions" or "OMT". The ECB pledged to purchase unlimited amounts of bonds between one and three years in maturity of member countries that undertake a macroeconomic adjustment program through the EFSF/ESM. This action reduced the tail risk in Europe; but, as before, the devil is in the detail. Investors have yet to see the OMT in action as countries have to formally request aid from the European Union. Spain has yet to ask for bailout funds from the EFSF/ESM. If and when it submits itself to the European Union's conditions, it is unclear whether the OMT will make "a big statement" through its purchases of Spanish bonds, or whether the ECB will proceed cautiously.

Similar to the ECB, the Fed unleashed more stimulus into the economy with another round of quantitative easing ("QE3") at its September 13th meeting after disappointing gains in the labor market. The Fed pledged to buy indefinitely \$40 billion in mortgage-backed securities each month until there is a substantial improvement in the unemployment rate. The Fed also extended its low interest rate guidance to mid 2015 from late 2014, and stated that it will continue its existing policy known as "Operation Twist" until December 2012. One of the most interesting parts of the Fed statement was the commitment to remain accommodative even after the economic recovery strengthens.

Aggressive central banks actions, and modest economic growth, will continue to keep global rates low, and with tail risks curtailed, volatility lower as well. Central banks now appear to have done what they can, and the onus for generating an economic recovery has shifted to fiscal policy. It is clear that inflation targeting has given way to growth generation over the intermediate horizon. While the downside risks have been mitigated, the upside to the economy has not materially improved. The amount of deleveraging yet to occur is a massive inhibitor of growth. Although the ECB has provided a sufficient liquidity backdrop to stabilize sovereign funding and the German Constitutional court has given the green light for the ESM, agreements on integration and reform have yet to be reached. The slowdown in China looms as an ominous headwind for Pacific Rim countries. The outcome of the U.S. elections seems less important than any immediate bipartisan agreement to reduce the fiscal cliff, which will otherwise occur in 2013. Central bank asset purchases, or quantitative easings, are more likely to inflate asset prices than to generate economic growth, unless emerging market growth exceeds forecasts.

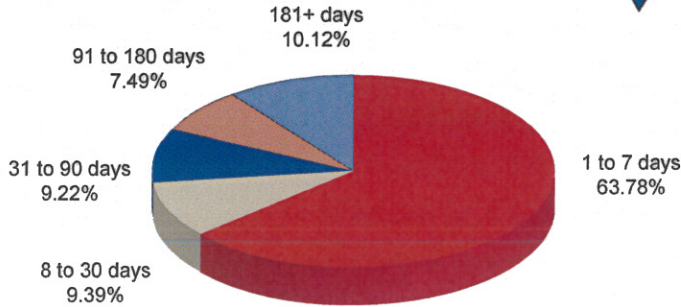
This information is an excerpt from an economic report dated September 2012 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

**For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).**



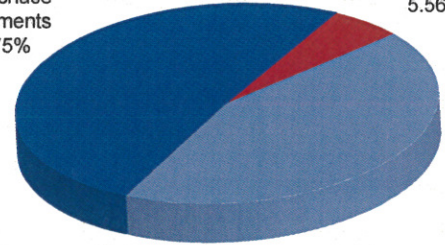
## Information at a Glance

### Portfolio by Type of Investment As of September 30, 2012



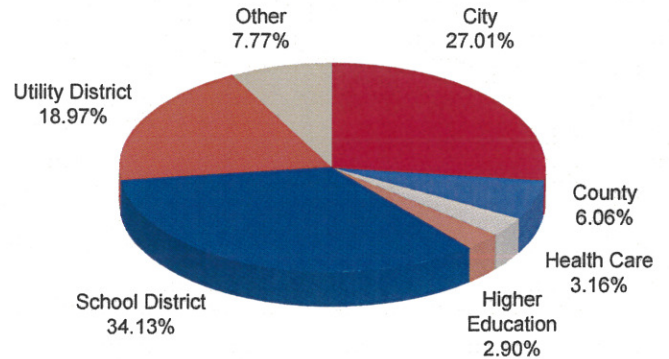
Repurchase  
Agreements  
50.75%

Treasuries  
5.56%



Agencies  
43.69%

### Portfolio by Maturity As of September 30, 2012



### Distribution of Participants by Type As of September 30, 2012

## Historical Program Information

Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Sep 12	0.1574%	\$4,659,065,730.90	\$4,659,684,743.38	1,000132	46	63	759
Aug 12	0.1326%	4,724,281,980.85	4,724,862,450.42	1,000122	49	67	759
Jul 12	0.1359%	5,189,684,471.14	5,190,308,464.19	1,000120	46	66	757
Jun 12	0.1379%	4,983,255,681.46	4,983,767,166.12	1,000102	48	70	756
May 12	0.1273%	5,178,606,480.90	5,179,224,581.51	1,000119	47	70	754
Apr 12	0.1098%	5,255,005,296.99	5,255,613,981.07	1,000115	46	69	752
Mar 12	0.1148%	5,668,145,582.64	5,668,844,552.57	1,000123	48	71	751
Feb 12	0.0986%	6,014,562,468.35	6,015,309,681.45	1,000124	48	70	751
Jan 12	0.0902%	6,122,141,791.23	6,122,989,120.67	1,000138	46	73	750
Dec 11	0.0815%	5,164,291,074.36	5,164,844,831.26	1,000107	48	79	749
Nov 11	0.0973%	4,964,174,535.92	4,964,899,185.74	1,000145	48	80	747
Oct 11	0.0807%	5,191,742,744.46	5,192,081,793.52	1,000065	47	74	745

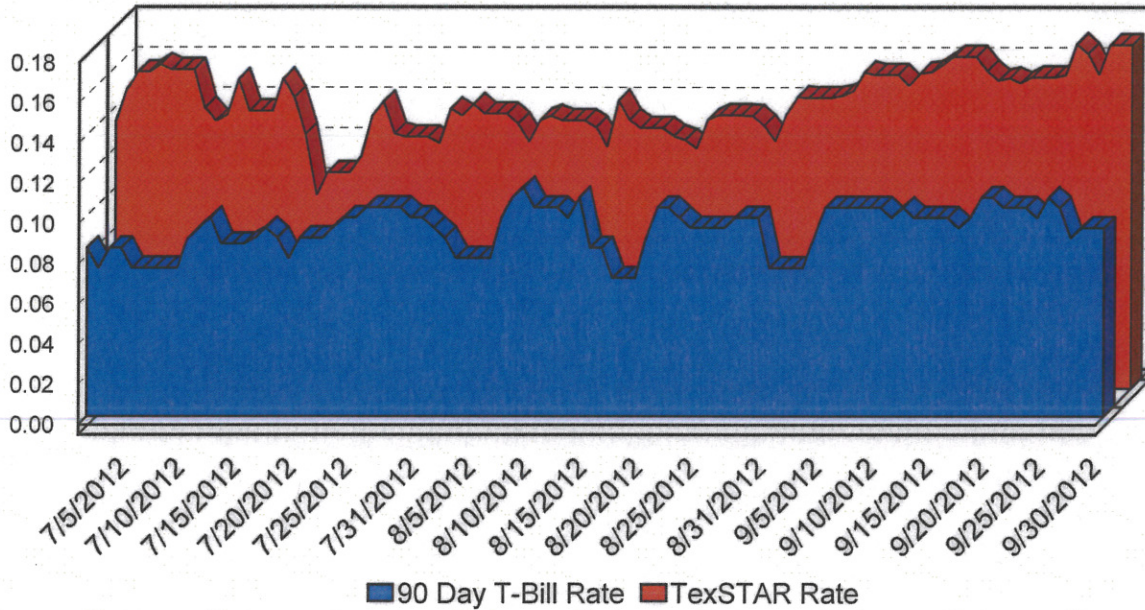
## Portfolio Asset Summary as of September 30, 2012

	Book Value	Market Value
Uninvested Balance	\$ 25,375,581.53	\$ 25,375,581.53
Accrual of Interest Income	1,626,463.54	1,626,463.54
Interest and Management Fees Payable	(876,823.82)	(876,823.82)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	2,351,175,000.00	2,351,175,000.00
Government Securities	2,281,765,509.65	2,282,384,522.13
<b>Total</b>	<b>\$ 4,659,065,730.90</b>	<b>\$ 4,659,684,743.38</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.



# TexSTAR versus 90-Day Treasury Bill



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The TexSTAR management fee may be waived in full or in part at the discretion of the TexSTAR co-administrators and the TexSTAR rate for the period shown reflects waiver of fees. This table represents investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill.

## Daily Summary for September 2012

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
9/1/2012	0.1446%	0.000003962	\$4,724,281,980.85	1.000128	49	67
9/2/2012	0.1446%	0.000003962	\$4,724,281,980.85	1.000128	48	66
9/3/2012	0.1446%	0.000003962	\$4,724,281,980.85	1.000128	47	65
9/4/2012	0.1456%	0.000003989	\$4,672,247,408.68	1.000135	48	66
9/5/2012	0.1481%	0.000004057	\$4,729,368,033.99	1.000128	47	65
9/6/2012	0.1574%	0.000004312	\$4,713,877,839.97	1.000126	46	64
9/7/2012	0.1561%	0.000004276	\$4,665,244,885.67	1.000123	45	63
9/8/2012	0.1561%	0.000004276	\$4,665,244,885.67	1.000123	45	63
9/9/2012	0.1561%	0.000004276	\$4,665,244,885.67	1.000123	45	63
9/10/2012	0.1507%	0.000004130	\$4,654,752,622.55	1.000130	44	62
9/11/2012	0.1568%	0.000004297	\$4,662,676,067.32	1.000127	46	64
9/12/2012	0.1574%	0.000004313	\$4,673,945,682.47	1.000127	47	64
9/13/2012	0.1610%	0.000004411	\$4,694,967,447.70	1.000125	47	64
9/14/2012	0.1651%	0.000004524	\$4,758,616,751.72	1.000117	47	63
9/15/2012	0.1651%	0.000004524	\$4,758,616,751.72	1.000117	47	63
9/16/2012	0.1651%	0.000004524	\$4,758,616,751.72	1.000117	47	63
9/17/2012	0.1581%	0.000004331	\$4,734,081,465.42	1.000117	47	63
9/18/2012	0.1533%	0.000004201	\$4,735,186,292.99	1.000117	48	65
9/19/2012	0.1545%	0.000004233	\$4,708,844,248.29	1.000118	49	65
9/20/2012	0.1521%	0.000004168	\$4,694,729,508.00	1.000125	48	65
9/21/2012	0.1549%	0.000004243	\$4,656,316,603.49	1.000124	47	63
9/22/2012	0.1549%	0.000004243	\$4,656,316,603.49	1.000124	47	63
9/23/2012	0.1549%	0.000004243	\$4,656,316,603.49	1.000124	47	63
9/24/2012	0.1560%	0.000004275	\$4,643,855,455.12	1.000127	46	63
9/25/2012	0.1715%	0.000004698	\$4,753,105,208.96	1.000124	45	62
9/26/2012	0.1667%	0.000004568	\$4,698,177,699.36	1.000126	46	62
9/27/2012	0.1565%	0.000004288	\$4,661,060,657.82	1.000138	45	62
9/28/2012	0.1710%	0.000004686	\$4,659,065,730.90	1.000132	44	60
9/29/2012	0.1710%	0.000004686	\$4,659,065,730.90	1.000132	44	60
9/30/2012	0.1710%	0.000004686	\$4,659,065,730.90	1.000132	44	60
<b>Average</b>	<b>0.1574%</b>	<b>0.000004311</b>	<b>\$4,694,048,449.88</b>		<b>46</b>	<b>63</b>



TexSTAR Participant Services  
325 North St. Paul Street, Suite 800  
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### **TexSTAR Board Members**

<i>William Chapman</i>	<i>Central Texas Regional Mobility Authority</i>	<i>Governing Board President</i>
<i>Nell Lange</i>	<i>City of Frisco</i>	<i>Governing Board Vice President</i>
<i>Melinda Garrett</i>	<i>Houston ISD</i>	<i>Governing Board Treasurer</i>
<i>Michael Bartolotta</i>	<i>First Southwest Company</i>	<i>Governing Board Secretary</i>
<i>Joni Freeman</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Hardy Browder</i>	<i>City of Cedar Hill</i>	<i>Advisory Board</i>
<i>Oscar Cardenas</i>	<i>Northside ISD</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>Plano ISD</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Becky Brooks</i>	<i>Government Resource Associates, LLC</i>	<i>Advisory Board</i>
<i>Len Santow</i>	<i>Griggs &amp; Santow</i>	<i>Advisory Board</i>

For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ [www.texstar.org](http://www.texstar.org)

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Asset Management